WAYNE COUNTY AIRPORT AUTHORITY

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

2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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, 2014

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 16, 2015

To the Wayne County Airport Authority Board:

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) as of and for the year ended September 30, 2014 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 – 3.

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

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

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

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

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

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

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

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

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

Financial Section – The independent auditor's report, management's discussion and analysis (see pages 4-12), financial statements, notes to the financial statements, and required supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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

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

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

REPORTING ENTITY BACKGROUND

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

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

The Authority is directed and governed by a Board consisting of seven members. The governor of the state appoints two members of the Board; one member is appointed by the legislative body of the County, and four members of the Board are appointed by the Chief Executive Officer of the County. The Board appoints the Chief Executive Officer of the Authority.

AUTHORITY OPERATIONS AND SERVICES

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

Airport Use and Lease Agreement (the Agreement)

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

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

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

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

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

Passenger Facility Charges. The Authority is obligated under the Use and Lease Agreements to use PFCs to pay Debt Service on airport revenue bonds issued to pay the costs of certain PFC-eligible projects at the Airport. These projects include the construction of both the South Terminal and the North Terminal. The Use Airline Agreements also set forth a required priority for the application of PFCs to pay Debt Service in the event there is insufficient PFC revenue available in any Operating Year to pay all PFC-eligible debt service.

The Airline Industry

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

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

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

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

In 2010, global air travel demand rebounded as scheduled passenger totals increased 8.1 percent from the previous year's level. Air passengers have grown every year from 2010 to 2013 with a compounded average growth rate (CAGR) of 6.0 percent. The International Air Travel Association (IATA) estimates passenger traffic will grow by 5.5 and 6.8 percent in 2014 and 2015, respectively.

As a result of greater demand and airline restructuring, the airline industry is returning to profitability. After a loss in calendar year 2008, the global airline industry reported operating profits of $1.9 billion and $27.6 billion in 2009 and 2010, respectively. Operating profits have increased from $1.9 billion in 2009 to $25.3 billion in 2013, a CAGR of 91.0 percent. IATA forecasts operating profits of $38.3 billion and $46.8 billion for 2014 and 2015, respectively. North American airlines are experiencing the greatest operating profit among other world regions earning $7.2 billion in 2013 and projected by IATA to earn $11.9 billion in 2014 and $13.2 billion in 2015.

While airlines have significantly reorganized, reduced capacity and reduced costs to increase profitability, the impact of the price of fuel remains a significant cost factor and top concern for the airline industry. According to Airlines for America (AFA), fuel has overtaken labor as the industry's top cost and, as such, fuel price is an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. Annually, a one-cent increase in a gallon costs U.S. airlines $175 million; a $1 increase in a barrel costs airlines $415 million. Although fuel prices have declined from their most elevated levels, fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world.

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

Airport Activity

The Airport ended fiscal year 2014 relatively flat with a 0.9 percent increase in enplaned passengers and a 1.2 decrease in landed weight compared to the prior fiscal year. The Airport's activities for the years ended September 30, 2014 and 2013 were as follows:

	2014	2013	% Change
Enplanements	16,216,673	16,077,652	0.9%
Operations	399,896	425,623	-6.0%
Cargo (in metric tons)	208,839	215,363	-3.0%
Landed Weight (in thousands, lbs.)	20,382,701	20,628,861	-1.2%

The demand for air travel is expected to remain stable throughout the next fiscal year.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

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

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

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

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

AUTHORITY'S ECONOMIC CONDITION

Population & Air Trade Area

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

Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area which includes Lenawee County. These counties represent the primary geographical area served by the Airport and is commonly called the "Air Trade Area." The estimated population of the Air Trade Area was 5.3 million in 2012, according to Woods and Poole Economic Inc., May 2014. Wayne and Oakland counties are the Air Trade Area's two most populous counties and were ranked as the 19th and 31st largest counties, respectively, in the nation for population in 2013.

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

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

The Airport is the primary air carrier airport serving the Detroit Metropolitan area. In calendar year 2013, the Airport ranked 12th nationwide in total aircraft operations, with 425,732 takeoffs and landings and 17th nationwide in total passengers, enplaning and deplaning approximately 32.4 million passengers.

Economy

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air Trade Area). Home to a number of Fortune 500 companies, the Air Trade Area has seen recent improvement in employment rates, and a high percentage of households in the uppermost income categories when compared to Michigan and the nation. The Air Trade area is home to 15 Fortune 500 Company Headquarters. Eight of the Air Trade Area's Fortune 500 companies are part of the automotive industry. Three of the four largest employers in the Air Trade Area as of July 2014 are automobile manufacturers: Ford Motor (43,977 employees), Chrysler Group (32,106 employees) and General Motors (30,570 employees). The University of Michigan (29,855 employees) and the U.S. Government (18,703 employees) complete the top five employers. Consistently appearing near the top of the Fortune 500 Rankings, in 2014 General Motors and Ford Motor were ranked 7th and 8th, respectively.

A significant recovery from the high unemployment rates experienced in the Air Trade Area between 2009 and 2011 is underway. Based on data presented by the U.S. Department of Labor's Bureau of Labor Statistics, the Air Trade Area has experienced an annual decrease in its unemployment rate over each of the past four years. Annual non-seasonally adjusted unemployment rates for the Air Trade Area were above those for the United States throughout the period since 2004. The Air Trade Area's non-seasonally adjusted unemployment rate was 7.6 percent in April 2014, having improved by 6.9 percentage points since its 2009 peak. The improvement in the Air Trade Area's unemployment rate is greater than the improvement experienced by Michigan (6.2 percentage point improvement) and substantially better than the United States (3.7 percentage point improvement).

Personal income is a composite measurement of market potential and indicates the general level of affluence of local residents, which corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers (lower income areas often have weaker business ties to the rest of the nation and a less developed tourism infrastructure). Per capita personal income for the Air Trade Area increased at a compounded annual growth rate (CAGR) of 1.7 percent from 2002 to 2011, rising from $33,732 to $39,087. In the same time period, the CAGR for Michigan was 2.0 percent and the CAGR for the United States was 3.1 percent. An additional measurement of the market's potential to generate demand for air transportation is the percentage of households in higher income categories. In 2010, 41.3 percent of households in the Air Trade Area had household incomes of $60,000 or more, which was significantly higher than the 37.1 percent of households in this income category for Michigan and the 36.9 percent of households in this income category nationwide.

Despite the severe economic stress experienced by Michigan and the Air Trade Area for most of the past decade, University of Michigan researchers report that job growth will continue at a moderate pace for the next two years, adding 132,600 jobs overall in the state. The report forecasts the state's unemployment rate will drop from 7.2 percent in September 2014 to 6.3 percent by the end of 2016.

LONG-TERM FINANCIAL PLANNING

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

The Authority covenants in the Master Bond Ordinance (the Ordinance) state that the Airport's net revenues plus other available monies as defined by the Ordinance are sufficient to provide debt service coverage of 125% of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended September 30, 2014 was in excess of the requirements at 143% of senior lien debt service and 133% of total debt service.

Capital Improvement Program

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

The Authority's CIP represents current expectations of future capital needs. The current five-year plan for 2015-2019 includes planned funding of approximately $481.9 million and $109.4 million for Detroit Metropolitan and Willow Run Airports, respectively.

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

Airport Improvement Program

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

Passenger Facility Charges

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

Since 1992, the FAA has approved six PFC applications and amendments submitted by the Airport. The Authority is currently authorized to impose and use a PFC of $4.50 per enplaned passenger up to $3.2 billion, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2014, the Airport had received approximately $1.17 billion of PFC revenue and interest earnings of approximately $73.4 million. The Airport had expended approximately $1.22 billion on approved projects. The current PFC expiration date is estimated at February 1, 2034.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the year ended September 30, 2013. This was the eleventh 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 2014 CAFR to the GFOA for consideration.

The Authority's budget process has also been recognized by the GFOA and received their Award for Distinguished Budget Presentation for fiscal years 2005 to 2014. In order to receive this award, the entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The fiscal year 2015 Approved Budget document was issued to the GFOA for consideration and to Board Members in December 2014.

Acknowledgments

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

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

Respectfully submitted,

Thomas J. Naughton	Terrence P. Teifer
Chief Executive Officer	*Chief Financial Officer*

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wayne County Airport Authority

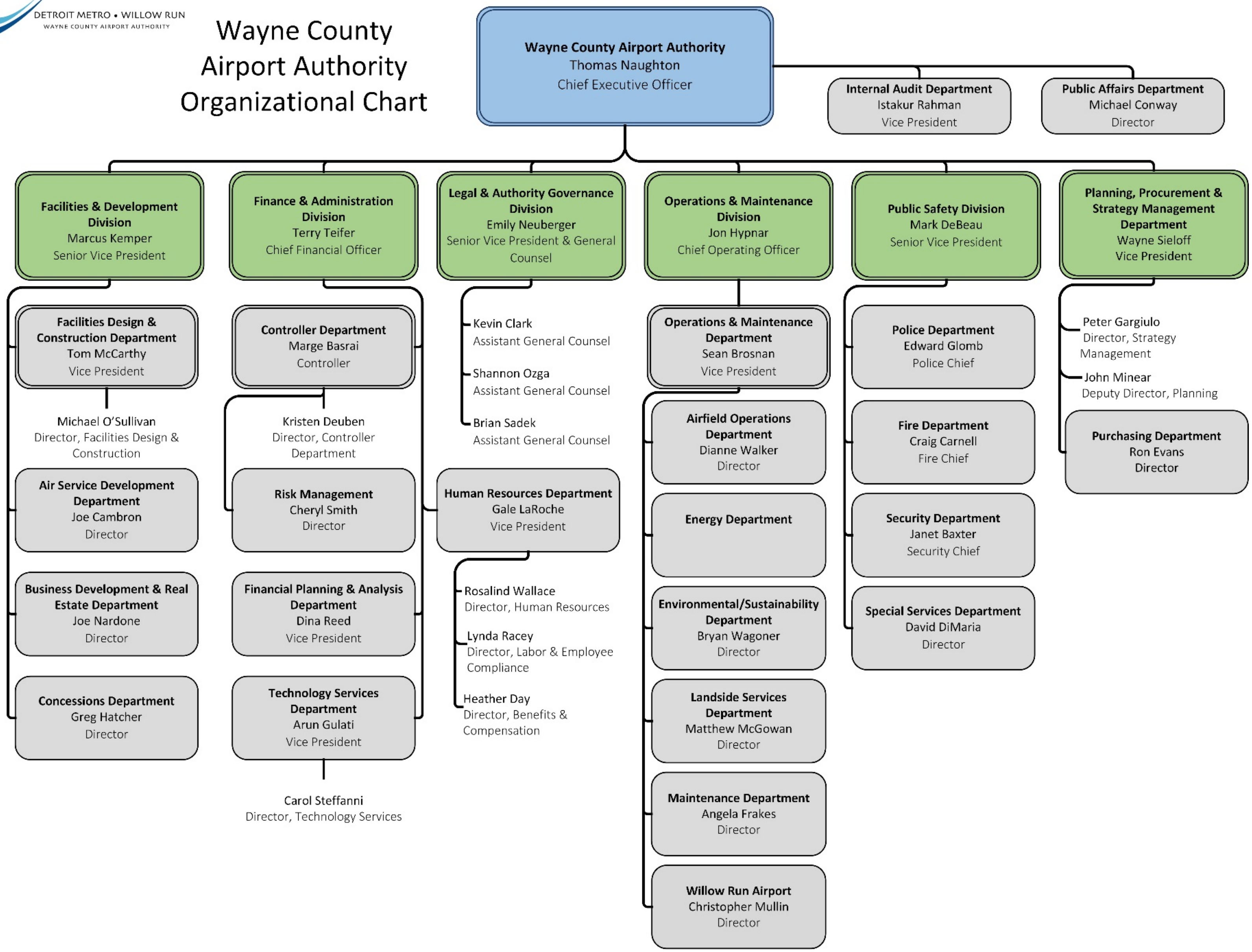
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

Wayne County Airport Authority Organizational Chart



LIST OF PRINCIPAL OFFICIALS

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

Airport Management	Position
Thomas J. Naughton	Chief Executive Officer
Terrence P. Teifer	Chief Financial Officer
Jon Hypnar	Chief Operating Officer
Mark L. DeBeau	Sr. Vice President – Public Safety
Marcus S. Kemper	Sr. Vice President – Facilities and Development
Emily K. Neuberger	Sr. Vice President and General Counsel
Margaret M. Basrai	Controller
Sean P. Brosnan	Vice President – Airfield Operations and Maintenance
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Thomas J. McCarthy	Vice President – Facilities Design and Construction
Istakur Rahman	Vice President – Internal Audit
Dina A. Reed	Vice President – Financial Planning & Analysis
Wayne G. Sieloff	Vice President – Planning, Procurement and Strategy Management

plante moran

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Independent Auditor's Report

To the Board of Directors
Wayne County Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the fiduciary activities of the Wayne County Airport Authority (the "Authority), a component unit of the Charter County of Wayne, Michigan, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Wayne County Airport Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 in accordance with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and the fiduciary activities of the Wayne County Airport Authority as of September 30, 2014 and the changes in its financial position, and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Wayne County Airport Authority

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, in 2014, the entity adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

As explained in Note 4, the financial statements include investments valued at $9,099,865 (29 percent of net position) at September 30, 2014, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by the Municipal Employers' Retirement System. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

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

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

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

To the Board of Directors
Wayne County Airport Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2015 on our consideration of the Wayne County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wayne County Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

January 16, 2015

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

The following discussion and analysis provides an overview of the financial performance and activities of the Wayne County Airport Authority (the "Authority") as of and for the year ended September 30, 2014, with selected comparative information for the year ended September 30, 2013. This discussion and analysis has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

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

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

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

THE AIRPORT FUNDING METHODOLOGY

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

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

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

FINANCIAL HIGHLIGHTS

Operating revenues increased $21 million in 2014 as compared to 2013. Authority airline revenues increased by $12.8 million (8.1%) compared to 2013, due to increases in both landing fee and facility use fee revenue. Authority non-airline revenues increased by $8.2 million (5.1%) compared to 2013 and outperformed budgeted non-airline revenues by $12 million (7.7%).

Operating expenses are $20.3 million (or 5.7%) more than fiscal year 2013. The primary categories that increased were salaries, wages, and fringe benefits ($7.4 million), professional and contractual services ($6.3 million), utilities ($1.9 million), hotel management ($2.0 million) and materials and supplies ($1.5 million).

Non-operating revenues in 2014 remained consistent over 2013, with just a minor increase of $700 thousand. Non-operating expenses are $6.5 million (or 7.2%) less than fiscal year 2013. The decrease is primarily due to a reduction in the loss on disposal of assets of $4.5 million and a decrease of $1.6 million due to the elimination of the amortization of bond issuance costs during the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

STATEMENT OF NET POSITION

The statement of net position includes all assets, liabilities, deferred inflows and outflows of resources, and net position resulting from the difference between total assets and total liabilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority's net position as of September 30, 2014 and 2013 is:

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

	2014 (000's)	2013 (000's)
ASSETS:		
Current unrestricted assets	$ 122,949	$ 120,661
Restricted assets	580,571	502,657
Capital assets (net)	2,061,058	2,088,549
Other assets	10,438	23,726
Total assets	2,775,016	2,735,593
DEFERRED OUTFLOWS OF RESOURCES	33,746	-
LIABILITIES:		
Current liabilities	103,358	72,312
Liabilities payable from restricted assets	126,110	122,880
Long-term liabilities	2,202,711	2,127,832
Total liabilities	2,432,179	2,323,024
NET POSITION:		
Net investment in capital assets	39,761	27,234
Restricted	314,707	323,699
Unrestricted	22,115	61,636
TOTAL NET POSITION	$ 376,583	$ 412,569

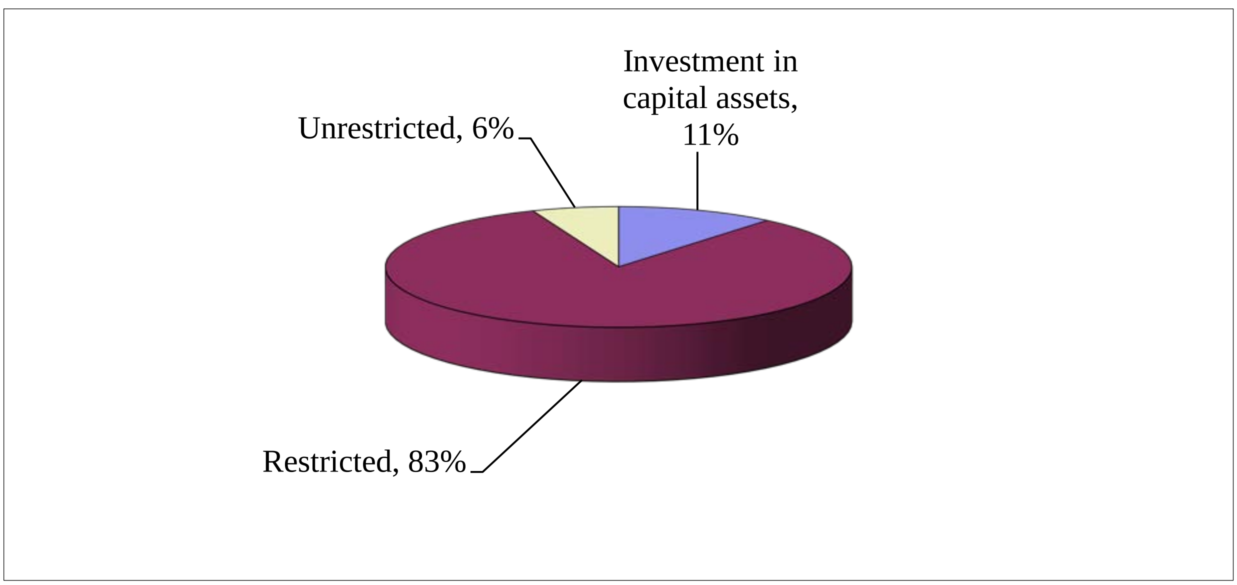
Current assets consist mainly of cash and investments, accounts receivable, and amounts due from other governmental units. Restricted assets consist of cash and investments and accounts receivable. Restricted assets increased approximately $78 million over the prior year due to the issuance of new bonds in fiscal year 2014. All cash and investments of the Authority are invested according to legal requirements established by the legislature of the State of Michigan. In accordance with State law, investments are restricted to various U.S. government securities, certificates of deposit, commercial paper, and repurchase agreements. Other assets consist primarily of prepaid bond insurance premiums, net of related amortization, and net OPEB asset. Other assets decreased $13.3 million in fiscal year 2014 due to the elimination of bond issuance costs during the implementation of GASB 65. Deferred outflows of resources represent the consumption of net position in one period that are applicable to future periods. They are reported separately from assets in accordance with GASB 65 and consist of the deferred amount on debt refunding. This is a new category in 2014. In the prior year, these amounts (approximately $37 million) were reported as part of long-term debt. See Note 2 for further information on the implementation of GASB 65.

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

Current liabilities consist mainly of accounts payable, payroll-related liabilities, self-insurance liabilities, accrued vacation and sick time, security, and performance deposits. Current liabilities increased $31 million in 2014 mainly due to additional construction invoices in accounts payable at year end. There were several new construction projects started in 2014 due to the issuance of new Airport Revenue Bonds. Long-term liabilities consists primarily of long-term debt and other accrued liabilities. Long-term liabilities increased approximately $74.9 million in fiscal year 2014 due to the issuance of three new Airport Revenue Bonds.

Net position decreased by $36 million in the fiscal year ended September 30, 2014, which was in excess of the decrease in net position in 2013 of $21.9 million, and in 2012 of $31 million. $13.1 million of the decrease in net position was due to the restatement of beginning net position for GASB 65. Without this restatement, net position would have only decreased $22.9 million, which is comparable to the prior year.

The chart below illustrates a breakdown of total net position as of September 30, 2014:



Approximately 83 percent of the components of the Airport's 2014 net position is restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Net investments in capital assets account for approximately 11 percent of total net position and represent land, intangible assets, buildings, improvements, and equipment, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The remainder of net position includes an unrestricted amount of $22.1 million, which may be used to meet any of the Authority's ongoing operations.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects and include the debt service on such bonds in the fees and charges of the Signatory Airlines only after receiving approval of a Weighted Majority for such capital projects. As of September 30, 2014, the Authority had approximately $2.2 billion in outstanding bonded and other debt, both senior and subordinate, paying fixed and variable rates. The total annual debt service (principal and interest) was approximately $176.9 million in 2014 and long-term debt amounting to $86.4 million was paid off during the year. More detailed information on capital assets and long-term debt activity can be found in Notes 6 and 7 included in the Notes to Basic Financial Statements section of this report.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

A summarized comparison of the Authority's revenues, expenses, and changes in net position for the years ended September 30, 2014 and 2013 follows:

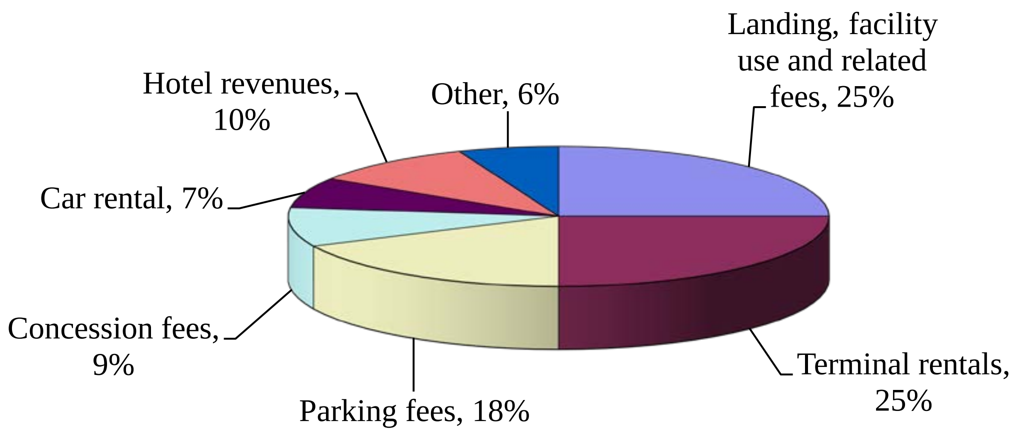
WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

	2014 (000's)	2013 (000's)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	$ 76,406	$ 65,493
Terminal building rentals and fees	85,169	84,355
Facility use fees	8,609	7,552
Non-airline revenues:		
Parking fees	61,187	57,829
Concession fees	32,253	31,536
Car rental	21,909	20,160
Hotel	32,923	29,302
Other	21,268	22,539
Total operating revenues	339,724	318,766
Operating expenses:		
Salaries, wages, and fringe benefits	80,340	72,891
Parking management	6,630	6,280
Hotel management	23,064	21,064
Depreciation	141,540	140,527
Professional and contractual services	28,598	22,285
Utilities	28,939	27,036
Building, ground, equipment maintenance	31,729	31,977
Other	36,611	35,058
Total operating expenses	377,451	357,118
Operating loss	(37,727)	(38,352)
Nonoperating revenues (expense):		
Passenger facility charges	62,016	61,705
Other nonoperating revenues	3,839	3,401
Interest expense	(82,352)	(82,825)
Other nonoperating expenses	(1,388)	(7,458)
Net nonoperating expenses	(17,885)	(25,177)
Net loss before capital contribution	(55,612)	(63,529)
Capital Contribution	32,680	41,638
Changes in net position	(22,932)	(21,891)
Net position, beginning of the year, restated	399,515	434,460
Net position, end of the year	$ 376,583	$ 412,569

Operating Revenues:

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2014:



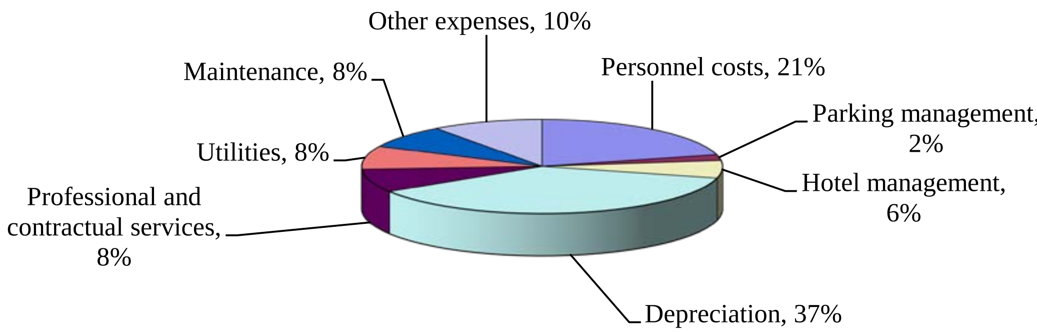
Operating revenues for the Authority increased $21 million in 2014 as compared to 2013.

Airline Revenues, a major category of Operating Revenues, includes revenues collected from the airlines. The chart above references terminal rentals, landing, facility use and related fees, which are all part of Airline Revenues. Total Airline Revenues increased 8.1 percent to $170 million in 2014 from $157 million in 2013. Landing fee revenues increased 16.7 percent in 2014 to $76.4 million from $65.5 million in 2013. The change in landing rate (which drives landing fee revenues) was an 18.2 percent increase from the prior year, with a final Signatory rate of $3.71 per 1,000 pounds landed weight. Another aspect of Airline Revenues is facility use fee revenues, which are driven by international deplaned passengers. Year-over-year, Airport facility use fee revenue increased by $1.1 million due to growth in international passenger deplanements (4.2%) and a fee increase from $5.00 to $5.50 per deplanement effective October 1, 2013.

Non-Airline Revenues, the other major category of Operating Revenues, includes revenue collected for activities unrelated to aviation. In fiscal year 2014, total non-airline operating revenues increased by 5.1 percent to $169.5 million compared to $161.4 million in 2013. The growth was largely due to an increase in parking fees, car rental, and hotel revenue. Parking fees had an increase of $3.4 million over 2013, primarily attributed to an increase in daily rates by $1.00 per day at all parking locations effective May 19, 2014. Car rental revenue increased $1.7 million (8.7 percent) over 2013, attributed to severe winter conditions that increased the number of distressed passengers. Additionally, the car rental agency's marketing efforts to cooperate with local events (e.g., the North American International Auto Show) grew revenues to the Airport. Hotel revenue increased 12.4 percent in 2014 ($3.6 million) over the prior year. Occupancy at the hotel was at 78.6 percent in 2014 as compared to 74.7 percent in 2013. The average daily rate for 2014 was $159.79 as compared to $148.76 in 2013. The hotel's financial performance is partially attributed to an increase in distressed passengers during snow and ice events. Extraordinary winter conditions in Michigan and throughout the United States (in fiscal year 2014) caused flight cancellations that stranded passengers at the Airport, thus increasing occupancy and rates at the hotel.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2014:



Operating expenses for the Authority increased by 5.7 percent to $377 million in 2014 from $357 million in 2013. The main areas of operating expense increases were in the categories of salaries and fringe benefits, hotel management, professional and contractual services, utilities, and materials and supplies. In fiscal year 2014, the Detroit area received 94.8 inches of snow, which was 126% more snow than our 5-year average of 42 inches annually. These extreme winter conditions increased many of the operating expenses of the Authority. Salaries and fringe benefits increased $7.4 million in 2014 primarily due to (1) the addition of 13 full-time employees at the Airport, (2) overtime expenses attributed to snow removal as a consequence of extraordinary winter conditions, and (3) wage increases per the union contracts. Hotel management expenses increased $2 million (9.5 percent) over 2013 due to the incremental costs associated with the increase in occupancy in 2014 (as discussed in "Operating Revenue" section). Professional and contractual services increased $6.3 million over 2013 primarily due to a heavier snow season in 2014 that resulted in an additional $5.5 million in snow removal expense. The record cold that accompanied the harsh winter conditions also impacted total utilities expenses which increased 7 percent ($1.9 million) over the prior year. Materials and supplies increased $1.5 million primarily due to an increase of $1.2 million in bulk chemical expenses for de-icing fluid, hot sand, road salt, and sodium acetate (i.e., NAAC) due to the heavier snow season in 2014 over 2013.

Nonoperating Revenues and Expenses and Contributed Capital:

Total nonoperating activities led to a net Non-operating Expense of $17.9 million in 2014, a decrease of $7.3 million from the $25.2 million Non-operating Expense in 2013. The primary component of Non-operating Expense is interest expense, which remained consistent in 2014 over the prior year. Loss on disposal of assets decreased $4.5 million in 2014 over 2013 due to the removal of three taxiways in 2013 that was not repeated in the current year. Insurance recovery increased $1 million in 2014 due to two settlements being finalized in 2014. One was related to a lawsuit and the other was for hangar damages at Willow Run. Amortization of bond issuance costs ($1.9 million in 2013) was eliminated in 2014 due to the implementation of GASB 65. This was offset by an increase of $371 thousand for the amortization of bond insurance premiums recorded during the implementation of the same GASB pronouncement.

Revenue generated from state and federal operating grants remained fairly consistent in 2014, with a small decrease of $300 thousand. Capital contributions decreased 21.5 percent over the prior year to $32.7 million. The primary reason was that the Metro Airport Runway 4R/22L was substantially completed in 2013 which led to the decrease of grant revenue of $24 million in 2014, offset by a new grant in 2014 of $15 million for completion of the 4R Displace Threshold.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Cash and investments (note 4)	$ 75,711,786	$ 2,149,663	$ 2,652,335	$ 80,513,784
Accounts receivable, less allowance (note 2)	14,555,551	271,079	1,443,292	16,269,922
Due from other governmental units	15,097,370	8,835,574	—	23,932,944
Due from other funds	1,019,961	—	—	1,019,961
Prepaids and deposits	1,050,563	12,045	150,320	1,212,928
Total current assets	107,435,231	11,268,361	4,245,947	122,949,539
Restricted assets (notes 4 and 5):				
Cash and investments	556,429,280	—	14,243,331	570,672,611
Accounts receivable	9,897,242	—	1,636	9,898,878
Total restricted assets	566,326,522	—	14,244,967	580,571,489
Capital assets (note 6):				
Capital assets not being depreciated:				
Land and nondepreciable assets	227,466,431	17,476,885	—	244,943,316
Construction in progress	71,321,054	36,869,272	—	108,190,326
Capital assets being depreciated:				
Buildings and improvements	1,989,657,690	14,710,105	92,977,188	2,097,344,983
Equipment	78,279,756	6,783,528	966,774	86,030,058
Infrastructure	1,259,112,391	110,966,706	—	1,370,079,097
Total capital assets	3,625,837,322	186,806,496	93,943,962	3,906,587,780
Less accumulated depreciation	1,687,462,789	100,252,563	57,814,553	1,845,529,905
Net capital assets	1,938,374,533	86,553,933	36,129,409	2,061,057,875
Other assets:				
Prepaid bond insurance premiums (note 2)	6,823,319	—	296,583	7,119,902
Net OPEB asset (note 10)	3,317,974	—	—	3,317,974
Total other assets	10,141,293	—	296,583	10,437,876
Total assets	$ 2,622,277,579	$ 97,822,294	$ 54,916,906	$ 2,775,016,779
Deferred Outflows of Resources:				
Deferred amount on refunding (note 2)	$ 33,745,653	$ —	$ —	$ 33,745,653
Total deferred outflows of resources	$ 33,745,653	$ —	$ —	$ 33,745,653

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Liabilities:				
Current liabilities:				
Accounts payable	$ 54,709,049	$ 8,844,927	$ 2,030,500	$ 65,584,476
Accrued wages and benefits	3,145,213	59,709	—	3,204,922
Due to Wayne County	159,318	—	—	159,318
Due to other governmental units	1,330,061	—	—	1,330,061
Due to other funds	—	1,019,961	—	1,019,961
Due to fiduciary fund	1,864,399	—	—	1,864,399
Advance billings and payments received in advance	1,518,498	6,697	—	1,525,195
Bonds payable and other debt (note 7)	—	19,476	—	19,476
Other accrued liabilities	27,628,357	1,022,215	—	28,650,572
Total current liabilities	90,354,895	10,972,985	2,030,500	103,358,380
Payable from restricted assets:				
Accrued interest and other payables	35,996,467	—	1,788,528	37,784,995
Bonds payable and other debt (note 7)	86,389,760	—	1,935,000	88,324,760
Total liabilities payable from restricted assets	122,386,227	—	3,723,528	126,109,755
Long-term liabilities:				
Other accrued liabilities (note 7)	4,158,622	2,400	3,772,472	7,933,494
Bonds payable and other debt, net (note 7)	2,094,151,410	82,770	100,543,749	2,194,777,929
Total long-term liabilities	2,098,310,032	85,170	104,316,221	2,202,711,423
Total liabilities	2,311,051,154	11,058,155	110,070,249	2,432,179,558
Net position (deficit):				
Net investment in capital assets	19,658,077	86,451,687	(66,349,340)	39,760,424
Restricted for:				
Capital assets	4,838,620	—	10,292,913	15,131,533
Debt service	265,637,871	—	2,163,526	267,801,397
Operations	30,457,439	—	—	30,457,439
Drug enforcement	1,317,064	—	—	1,317,064
Unrestricted (deficit)	23,063,007	312,452	(1,260,442)	22,115,017
Total net position (deficit)	$ 344,972,078	$ 86,764,139	$ (55,153,343)	$ 376,582,874

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	$ 75,779,503	$ 626,894	$ —	$ 76,406,397
Terminal building rentals and related fees	84,915,348	253,702	—	85,169,050
Facility use fees	8,361,672	247,065	—	8,608,737
Nonairline revenues:				
Parking fees	61,187,198	—	—	61,187,198
Concession fees	32,253,029	—	—	32,253,029
Car rental	21,908,879	—	—	21,908,879
Hotel	—	—	32,922,844	32,922,844
Employee shuttle bus	2,032,346	—	—	2,032,346
Ground transportation	5,452,612	—	—	5,452,612
Utility service fees	4,904,063	123,011	—	5,027,074
Rental facilities	2,975,046	996,249	—	3,971,295
Other	4,098,202	686,108	—	4,784,310
Total operating revenues	303,867,898	2,933,029	32,922,844	339,723,771
Operating expenses:				
Salaries, wages, and fringe benefits	79,026,256	1,313,669	—	80,339,925
Parking management	6,630,160	—	—	6,630,160
Hotel management	—	—	23,063,942	23,063,942
Shuttle bus services	6,123,095	—	—	6,123,095
Janitorial services	11,791,686	18,230	—	11,809,916
Security	2,511,402	—	—	2,511,402
Professional and other contractual services	26,906,277	1,691,590	—	28,597,867
Utilities	28,088,601	850,866	—	28,939,467
Buildings and grounds maintenance	15,151,487	413,700	—	15,565,187
Equipment repair and maintenance	16,051,278	112,773	—	16,164,051
Materials and supplies	8,864,922	137,034	—	9,001,956
Insurance	2,200,114	36,416	—	2,236,530
Other	4,483,957	443,591	—	4,927,548
Depreciation	134,938,306	2,724,862	3,876,542	141,539,710
Total operating expenses	342,767,541	7,742,731	26,940,484	377,450,756
Operating income (loss)	(38,899,643)	(4,809,702)	5,982,360	(37,726,985)
Nonoperating revenues (expenses):				
Passenger facility charges	62,016,364	—	—	62,016,364
Federal and state grants	1,029,619	—	—	1,029,619
Net insurance recovery	281,126	1,139,586	—	1,420,712
Interest income	1,364,862	3,637	19,747	1,388,246
Interest expense	(76,765,574)	—	(5,586,572)	(82,352,146)
Gain (loss) on disposal of assets	(2,541,495)	1,524,568	—	(1,016,927)
Amortization of bond insurance premiums	(351,513)	—	(19,555)	(371,068)
Net nonoperating revenues (expenses)	(14,966,611)	2,667,791	(5,586,380)	(17,885,200)
Net income (loss) before capital contributions and transfers	(53,866,254)	(2,141,911)	395,980	(55,612,185)
Capital contributions	15,025,966	17,653,855	—	32,679,821
Transfers in (out)	(5,248,680)	3,748,680	1,500,000	—
Changes in net position	(44,088,968)	19,260,624	1,895,980	(22,932,364)
Net position (deficit) – Beginning of year, restated (note 2)	389,061,046	67,503,515	(57,049,323)	399,515,238
Net position (deficit) – End of year	$ 344,972,078	$ 86,764,139	$ (55,153,343)	$ 376,582,874

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 300,677,804	$ 2,898,021	$ 32,344,178	$ 335,920,003
Payments to suppliers	(129,763,505)	(4,379,439)	(22,255,038)	(156,397,982)
Payments to employees	(77,627,098)	(1,287,917)	—	(78,915,015)
Payments to Wayne County for services provided	(1,509,726)	—	—	(1,509,726)
Payments from Wayne County for services provided	1,775	—	—	1,775
Payments (to) from other funds for services provided	(1,372,084)	1,372,084	—	—
Advances (to) from other funds for services provided	83,248	(83,248)	—	—
Return of customer deposits	(5,926,309)	(4,012)	—	(5,930,321)
Collection of customer deposits	7,783,661	6,863	—	7,790,524
Net cash provided by (used in) operating activities	92,347,766	(1,477,648)	10,089,140	100,959,258
Cash flows from noncapital financing activities:				
Passenger facility charges received	505,414	—	—	505,414
Insurance proceeds received from settlement	273,618	—	—	273,618
Transfers (to) from other funds	(308,740)	308,740	—	—
Grants from federal/state government	1,212,043	—	—	1,212,043
Net cash provided by noncapital financing activities	1,682,335	308,740	—	1,991,075
Cash flows from capital and related financing activities:				
Capital contributions received	13,899,351	20,504,447	—	34,403,798
Passenger facility charges received	61,274,716	—	—	61,274,716
Transfers (to) from other funds	800,333	(2,300,333)	1,500,000	—
Proceeds from capital debt	134,427,113	—	—	134,427,113
Principal paid on capital debt	(83,208,958)	(19,476)	(3,145,000)	(86,373,434)
Issuance costs paid on new bond issuances	(1,241,939)	—	—	(1,241,939)
Insurance proceeds received from damage to capital assets	7,508	1,139,586	—	1,147,094
Acquisition and construction of capital assets	(58,332,295)	(17,232,831)	(208,550)	(75,773,676)
Proceeds from disposal of capital assets	9,661	—	—	9,661
Interest paid on capital debt	(85,372,956)	—	(5,604,870)	(90,977,826)
Net cash provided by (used in) capital and related financing activities	(17,737,466)	2,091,393	(7,458,420)	(23,104,493)
Cash flows from investing activities:				
Interest and dividends received	1,515,534	3,637	18,698	1,537,869
Purchases of investments	(321,923,110)	—	(15,130,000)	(337,053,110)
Maturities of investments	370,361,210	—	10,623,000	380,984,210
Net cash provided by (used in) investing activities	49,953,634	3,637	(4,488,302)	45,468,969
Net increase (decrease) in cash and cash equivalents	126,246,269	926,122	(1,857,582)	125,314,809
Cash and cash equivalents – Beginning of year	338,367,751	1,223,541	11,648,248	351,239,540
Cash and cash equivalents – End of year	$ 464,614,020	$ 2,149,663	$ 9,790,666	$ 476,554,349

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (38,899,643)	$ (4,809,702)	$ 5,982,360	$ (37,726,985)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	134,938,306	2,724,862	3,876,542	141,539,710
Increase in accounts receivable	(5,201,496)	(17,652)	(578,756)	(5,797,904)
Increase (decrease) in due from/to other funds	(1,288,836)	1,288,836	—	—
Decrease in prepaids/deposits	118,873	4,725	55,297	178,895
Increase (decrease) in accounts payable	(676,706)	(336,986)	292,531	(721,161)
Increase in accrued wages and benefits	814,161	5,767	—	819,928
Decrease in due to primary government	(2,752,846)	—	—	(2,752,846)
Increase in due to fiduciary fund	1,864,399	—	—	1,864,399
Increase (decrease) in unearned revenue	155,237	(15,232)	—	140,005
Increase in due to other governmental units	115,265	—	—	115,265
Increase (decrease) in other accrued liabilities	3,161,052	(322,266)	461,166	3,299,952
Total adjustments	131,247,409	3,332,054	4,106,780	138,686,243
Net cash provided by (used in) operating activities	$ 92,347,766	$ (1,477,648)	$ 10,089,140	$ 100,959,258
Cash and investments at September 30, 2014 consist of:				
Cash and cash equivalents	$ 464,614,020	$ 2,149,663	$ 9,790,666	$ 476,554,349
Investments	167,527,046	—	7,105,000	174,632,046
Total cash and investments	$ 632,141,066	$ 2,149,663	$ 16,895,666	$ 651,186,395

Noncash operating activities:

- Loans due from Willow Run Airport Fund to Detroit Metropolitan Airport Fund of $995,375 were forgiven during fiscal year 2014.

Noncash capital and related financing activities:

- The issuance of refunding bonds resulted in several noncash activities. The major components are as follows: $390.5 million of principal additions offset by $390.6 million of principal reductions; additional deferred refunding charges of $8.8 million offset by $8.8 million of write-offs.
- Interest expense of approximately $6.6 million was capitalized into Detroit Metropolitan Airport capital assets during 2014.
- As a result of the implementation of GASB 65, the following occurred:
  - Detroit Metropolitan Airport Fund eliminated $17 million of bond issuance costs. $10 million was adjusted against beginning net position and $7 million was reclassified to prepaid bond insurance premiums.
  - Airport Hotel Fund eliminated $3.4 million of bond issuance costs. $3.1 million was adjusted against beginning net position and $300 thousand was reclassified to prepaid bond insurance premiums.
- A land swap at Willow Run Airport Fund was completed in fiscal year 2014 resulting in acquisition of property in the amount of $1,540,000, disposal of land in the amount of $15,432 and a gain on the disposal of $1,524,568.

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Position

September 30, 2014

		Postemployment Health Benefits Trust Fund
Assets:		
Cash and investments (note 4):		
Investment pool	$	31,438,200
Due from Metro Airport Fund		1,864,399
	$	33,302,599
Net Position:		
Held in trust for postemployment health benefits	$	33,302,599

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Changes in Fiduciary Net Position

Year Ended September 30, 2014

		Postemployment Health Benefits Trust Fund
Additions:		
Investment income:		
Interest	$	56,736
Net appreciation in fair value		2,393,762
Net investment income		2,450,498
Health benefit contributions:		
Employer		7,523,588
Total additions		9,974,086
Deductions:		
Health insurance payments		1,659,189
Changes in net position		8,314,897
Net position - Beginning of year		24,987,702
Net position - End of year	$	33,302,599

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. 61, *The Financial Reporting Entity: Omnibus*.

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

Metro Airport has airport use contracts with 11 airlines. These airlines, along with their affiliates, constitute approximately 99 percent of total landed weight in 2014. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority reports the following major funds:

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

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

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

The Authority reports the following fiduciary fund type:

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

(b) Basis of Accounting and Measurement Focus

The financial statements of the Authority are presented on the accrual basis of accounting and are accounted for on the flow-of-economic-resources measurement focus as applicable to governmental units; revenues are recorded when earned, and expenses are recorded as incurred.

(c) Cash and Investments

Cash resources of the individual funds of the Authority, except as specifically stated by ordinance, are pooled and invested. Interest on pooled investments is allocated monthly among the respective funds based on average investment balances. Interest earned but not received at year end is accrued. Investments are stated at fair value, which is based on quoted market prices.

(d) Cash Flows

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

(e) Passenger Facility Charges

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

(f) Revenue Recognition

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

(g) Net Position

Equity is displayed in three components, as follows:

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

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

Unrestricted – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The Airport Hotel Fund incurred an unrestricted deficit for the year ended September 30, 2014 of $1,260,442. This deficit is expected to be funded by the improvement in future operations of the Hotel.

(h) Classification of Revenues and Expenses

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

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

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

(i) Use of Estimates

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

(j) Capital Assets

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

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

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

(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, 2014 was as follows:

Beginning balance	Increases	Decreases	Ending balance
$ 4,353,149	$ 4,788,505	$ (3,678,704)	$ 5,462,950

(l) Retirement Contributions and Other Postemployment Benefit Costs

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

In addition to the annual required contribution computed by the actuary, the Authority increased the contribution based on a separate calculation performed by the actuary to take into account the impact of accelerated retirement dates on the actuarial accrued liability as a result of early retirement incentives. The amount of this additional contribution was $1,972,837. This contribution has been recorded and paid in the current year.

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

(m) Accounts Receivable

Net receivables at September 30, 2014 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2014 was $151,000, of which $126,000 was for the Detroit Metropolitan Airport Fund and $25,000 was for the Willow Run Airport Fund.

(n) Accounts Payable

Total payables at September 30, 2014 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 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 expenses occur, (2) the time lag between the dates payment between funds is made, and (3) overdrafts by individual funds of its share of pooled cash. Noncurrent balances arising in connection with interfund loans are reported as advances. *Due from other funds* is an asset account used to record current portions of loans from one fund to another fund within the same reporting entity. Similarly, *due to other funds* is a liability account used to record current portions of debt owed by one fund to another fund within the same reporting entity.

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

(q) Prepaid Bond Insurance Premiums

Prepaid bond insurance premium costs are amortized over the period the bond is outstanding using the straight-line method. Accumulated amortization at September 30, 2014 is $371,068.

(r) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported on the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any items that qualify for reporting in this category.

(s) 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.

(t) Environmental Matters

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

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

(u) Self Insurance

During the year ended September 30, 2004, the Authority became self-insured for disability, unemployment, and liability insurance. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. Claims related to unemployment, disability, claim administration, deductibles, self-insured retentions, and legal bills are paid out of these funds. Until November 30, 2010, the Authority purchased commercial insurance for general liability claims in excess of $50,000. Since September 30, 2004, there have been four losses that have exceeded this $50,000 retention wherein the insurer has been responsible for settlement and legal fees. Beginning December 1, 2010, the maximum amount paid for legal bills and claims paid out of these funds was reduced to $10,000 per claim. The Authority now purchases general liability insurance for liability claims in excess of $10,000. Since December 1, 2010, there have been two losses that have exceeded the $10,000 retention. In December 2010, the Authority purchased Law Enforcement liability insurance with a $50,000 SIR. Since December 2010, there have been two losses that have exceeded this $50,000 retention.

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

The liability for self-insurance claims has been recorded in the financial statements as a current "other accrued liability". A reconciliation of the Authority's self-insured claims liability at September 30, 2014 follows:

	Health Insurance	Workers' Compensation	Other Claims	Total
Claims liability, September 30, 2012	$ 3,972,210	$ 2,964,316	$ 1,924,914	$ 8,861,440
Claims incurred during fiscal year 2013	13,749,692	243,365	179,419	14,172,476
Payments on claims	(13,341,402)	(702,981)	(1,335,447)	(15,379,830)
Increase (decrease) in the reserve	(586,452)	(364,296)	217,729	(733,019)
Claims liability, September 30, 2013	3,794,048	2,140,404	986,615	6,921,067
Claims incurred during fiscal year 2014	11,134,715	511,942	295,179	11,941,836
Payments on claims	(10,749,408)	(431,276)	(765,295)	(11,945,979)
Increase (decrease) in the reserve	(577,721)	531,860	374,234	328,373
Claims liability, September 30, 2014	$ 3,601,634	$ 2,752,930	$ 890,733	$ 7,245,297

(v) New Accounting Pronouncements

During the current year, the Authority adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources. It also limits the use of the term "deferred" in financial statement presentation. This implementation resulted in bond issuance costs being recognized as expense in the period incurred, except for prepaid bond insurance premiums associated with the issuance of debt. As the Authority has historically recognized bond issuance costs as assets and amortized these costs over the life of the associated debt, the Authority recognized a change in accounting principle upon the implementation of GASB 65 to write off unamortized bond issuance costs, less any costs related to prepaid bond insurance premiums.

Prior to the change in accounting principle, the total amount of unamortized bond issuance costs as of September 30, 2013 was $20.4 million, which included $13 million of bond issuance costs and $7.4 million of bond insurance premiums. The cumulative effect of the write-off of bond issuance costs, net of prepaid bond insurance premiums, reduced unrestricted net position as though these costs had been expensed as financing fees in the year incurred. As a result of this implementation, the Authority has restated its beginning net position as follows:

		Detroit Metropolitan Airport Fund		Airport Hotel Fund
Beginning net position (deficit) - 10/1/13	$	399,055,081	$	(53,989,797)
Bond issuance cost reduction		(9,994,035)		(3,059,526)
Beginning net position (deficit) - as restated	$	389,061,046	$	(57,049,323)

The Authority also separately reported amount deferred on debt refundings as deferred outflows of resources to meet the requirements of GASB 65. Prior to this implementation, these amounts were reported as part of long-term debt on the statement of net position.

(3) Major Customer

Delta Air Lines (Delta) accounts for approximately 30 percent of total Authority operating revenues for the year ended September 30, 2014, including 50 percent of landing and related fees, 69 percent of airline rental and related fees, and 83 percent of facility use fees. Approximately 50 percent of total 2014 enplanements are attributable to Delta’s operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $4.4 million in receivables from Delta at September 30, 2014.

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

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

(4) Deposits and Investments

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

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

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

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

Investment		Fair value	Rating	Organization
Primary Government:				
Money market funds	$	102,469,403	AAA	S&P
Commercial paper		148,686,430	A1+, P1	S&P, Moody
Commercial paper		75,373,387	A1, P1	S&P, Moody
Commercial paper		9,492,335	F1, P2	Fitch, Moody
Commercial paper		43,958,430	A2, P2	S&P, Moody

The above amounts do not include approximately $31.4 million of investments in the Municipal Employees’ Retirement System (MERS) of Michigan Retiree Health Funding Vehicle which are held in a separate reserve but invested on a pooled basis with other governmental units by MERS.

Custodial credit risk of bank deposits **-** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority’s investment policy requires that deposits over the $250,000 insured limit in a commercial bank shall not equal more than 25% of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year end, the Authority had $51,741,591 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

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

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

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

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

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

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

		Fair value	Average maturity
Primary Government:			
Investments subject to risk:			
Bond reserves:			
U.S. Treasuries	$	22,733,200	10 months
U.S. Agencies		30,992,480	1.5 years
Municipal Bonds		1,492,407	11 months
Long-term repo		3,629,278	7.2 years
Commercial paper		75,089,486	28 days
Bond payment funds:			
U.S. Treasuries		98,000,040	2 months
Construction funds:			
2007 Construction:			
Commercial paper		2,499,925	7 days
2012A Construction:			
U.S. Treasuries		2,024,300	6 months
U.S. Agencies		1,001,050	5.5 months
Municipal Bonds		3,768,026	20 days
Commercial paper		45,981,270	2 months
2012B Construction:			
U.S. Agencies		2,001,230	5 months
Commercial paper		5,999,820	7 days
2014A Construction:			
Commercial paper		11,996,693	3 months
2014B Construction:			
U.S. Treasuries		998,360	2 years
Commercial paper		55,455,955	3 months
2014C Construction:			
U.S. Agencies		2,492,675	2 years
Commercial paper		21,478,055	4 months
Other construction and operating funds:			
Municipal Bonds		3,649,444	3 months
Commercial paper		54,108,145	1.5 months
Hotel:			
U.S. Treasuries		3,099,938	2 months
Commercial paper		4,901,233	3.5 months
Investments subject to risk		453,393,010	

		Fair value	Average maturity
Deposits/investments not subject to risk:			
Deposits		95,323,982	
Money market funds		102,469,403	
Total Primary Government		651,186,395	
Fiduciary Fund:			
Deposits/investments not subject to risk:			
Investment pool		31,438,200	
Total Fiduciary Fund		31,438,200	
Total deposits and investments	$	682,624,595	

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

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

Limits based upon use of specific instruments:

Investment type	Limit	Actual at year end
Bankers' acceptances	50%	- %
Repurchase agreements	25	0.5
Certificates of deposit (bank)	50	6.8
Money market funds	50	19.6
Commercial paper	60	40.7
U.S. Government	100	23.9

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% of total portfolio are as follows:

Issuer	Investment type	Fair value	Percentage of portfolio	Rating
Toyota Credit Puerto Rico	Commercial paper	$ 105,088,586	15.39%	A1+, P1
Abbey National NA LLC	Commercial paper	57,891,712	8.48	A1, P1
Intesa Funding LLC	Commercial paper	43,958,430	6.44	A2, P2
Toyota Motor Credit	Commercial paper	43,597,844	6.39	A1+, P1

(5) Restricted Assets

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net position has been restricted related to certain of the restricted assets. A summary of the restricted assets at September 30, 2014 is as follows:

Operations and maintenance:	
Cash and investments	$ 30,382,700
Accounts receivable	74,739
Total	30,457,439
Replacement and improvements:	
Cash and investments	684,514
Construction:	
Cash and investments	250,607,732
Accounts receivable	15,501
Total	250,623,233
Bond and interest redemption:	
Cash and investments	259,060,984
Accounts receivable	192,638
Total	259,253,622
Passenger facility charges:	
Cash and investments	28,619,617
Accounts receivable	9,616,000
Total	38,235,617
Drug enforcement:	
Cash and investments	1,317,064
Total restricted assets	$ 580,571,489

(6) Capital Assets

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Detroit Metropolitan Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 227,696,431	$ —	$ (230,000)	$ 227,466,431
Construction in progress	25,028,323	87,077,134	(40,784,403)	71,321,054
Total capital assets not being depreciated	252,724,754	87,077,134	(41,014,403)	298,787,485
Capital assets being depreciated:				
Buildings and improvements	1,986,598,019	3,083,351	(23,680)	1,989,657,690
Equipment	72,376,998	6,259,055	(356,297)	78,279,756
Infrastructure	1,225,922,123	37,981,220	(4,790,952)	1,259,112,391
Total capital assets being depreciated	3,284,897,140	47,323,626	(5,170,929)	3,327,049,837
Less accumulated depreciation for:				
Buildings and improvements	888,737,332	77,055,464	(11,572)	965,781,224
Equipment	47,354,744	4,883,383	(309,945)	51,928,182
Infrastructure	619,081,581	53,087,558	(2,415,756)	669,753,383
Total accumulated depreciation	1,555,173,657	135,026,405 *	(2,737,273)	1,687,462,789
Total capital assets being depreciated, net	1,729,723,483	(87,702,779)	(2,433,656)	1,639,587,048
Total Detroit Metropolitan Airport Fund capital assets, net	1,982,448,237	(625,645)	(43,448,059)	1,938,374,533

* This amount includes a transfer of asset and accumulated depreciation between funds

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2014

	Beginning balance	Increases	Decreases	Ending balance
Willow Run Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 15,926,984	$ 1,565,333	$ (15,432)	$ 17,476,885
Construction in progress	16,946,748	21,266,029	(1,343,505)	36,869,272
Total capital assets not being depreciated	32,873,732	22,831,362	(1,358,937)	54,346,157
Capital assets being depreciated:				
Buildings and improvements	13,257,050	1,453,055	—	14,710,105
Equipment	6,745,591	152,847	(114,910)	6,783,528
Infrastructure	112,130,363	—	(1,163,657)	110,966,706
Total capital assets being depreciated	132,133,004	1,605,902	(1,278,567)	132,460,339
Less accumulated depreciation for:				
Buildings and improvements	4,699,910	496,773	—	5,196,683
Equipment	5,082,975	367,686	(88,098)	5,362,563
Infrastructure	88,920,571	1,860,403	(1,087,657)	89,693,317
Total accumulated depreciation	98,703,456	2,724,862	(1,175,755)	100,252,563
Total capital assets being depreciated, net	33,429,548	(1,118,960)	(102,812)	32,207,776
Total Willow Run Airport Fund capital assets, net	66,303,280	21,712,402	(1,461,749)	86,553,933
Airport Hotel Fund:				
Capital assets being depreciated:				
Buildings and improvements	92,977,188	—	—	92,977,188
Equipment	758,224	208,550	—	966,774
Total capital assets being depreciated	93,735,412	208,550	—	93,943,962
Less accumulated depreciation for:				
Buildings and improvements	53,306,353	3,824,847	—	57,131,200
Equipment	631,658	51,695	—	683,353
Total accumulated depreciation	53,938,011	3,876,542	—	57,814,553
Total capital assets being depreciated, net	39,797,401	(3,667,992)	—	36,129,409
Total Airport Hotel Fund capital assets, net	39,797,401	(3,667,992)	—	36,129,409
Total Authority capital assets, net	$ 2,088,548,918	$ 17,418,765	$ (44,909,808)	$ 2,061,057,875

(7) Long-term Debt

The detail of long-term debt at September 30, 2014 is as follows:

Detroit Metropolitan Airport Fund:	
Airport Revenue Bonds:	
Series 2005, 3.50% to 5.25%, due 12/1/2034	$ 454,025,000
Series 2007A Jr. Lien, 4.85% to 5.00%, due 12/1/2037	169,980,000
Series 2007B, 4.00% to 5.382%, due 12/1/2028	114,585,000
Series 2008A, 4.00% to 5.75%, due 12/1/2032	114,580,000
Series 2010A, 2.00% to 5.00%, due 12/1/2018	145,890,000
Series 2010C, 1.50% to 5.50%, due 12/1/2022	137,480,000
Series 2010D, 1.50% to 5.50%, due 12/1/2021	21,885,000
Series 2011A, 4.00% to 5.00%, due 12/1/2022	152,465,000
Series 2011B, 3.00% to 5.00%, due 12/1/2020	16,965,000
Series 2012A, 3.00% to 5.00%, due 12/1/2042	177,565,000
Series 2012B, 5.00%, due 12/1/2037	25,090,000
Series 2012C, 3.00% to 4.00%, due 12/1/2020	1,655,000
Series 2012D, 3.00% to 5.00%, due 12/1/2028	65,055,000
Series 2013A, Variable, Current Yield at 9/30/14, 0.803515%, due 12/1/2033	200,010,000
Series 2013B, Variable, Current Yield at 9/30/14, 0.77815%, due 12/1/2028	74,860,000
Series 2013C, Variable, Current Yield at 9/30/14, 0.8199%, due 12/1/2028	115,615,000
Series 2014A, Variable, Current Yield at 9/30/14, 0.81815%, due 12/1/2034	30,000,000
Series 2014B, 3.00% to 5.00%, due 12/1/2044	66,595,000
Series 2014C, 3.00% to 5.00%, due 12/1/2044	31,845,000
Installment purchase contract, 4.33%, due 5/21/2023	2,915,571
Installment purchase contract, 3.70%, due 9/25/2015	47,136
Installment purchase contract, 3.54%, due 11/14/2014	11,335
Installment purchase contract, 4.05%, due 4/8/2018	158,822
Installment purchase contract, 1.77%, due 3/16/2017	173,832
Installment purchase contract, 1.77%, due 5/18/2017	506,992
Installment purchase contract, 1.77%, due 5/18/2017	133,093
Installment purchase contract, 1.64%, due 9/27/2017	507,843
Total Detroit Metropolitan Airport Fund	2,120,599,624
Willow Run Airport Fund:	
Notes payable – Washtenaw County, 0%, due 12/31/2019	102,246

Airport Hotel Fund:		
Airport Hotel Bonds:		
Series 2001A, 5.0% to 5.5%, due 12/1/2030		99,630,000
Series 2001B, 6.0% to 6.6%, due 12/1/2015		4,185,000
Total Airport Hotel Fund		103,815,000
Total Authority bonds payable and other debt		2,224,516,870
Add (less):		
Certain bond discounts		(1,336,251)
Certain bond premiums		59,941,546
Total Authority bonds payable and other debt, net		2,283,122,165
Less current portion		88,344,236
Total Authority bonds payable and other debt, noncurrent	$	2,194,777,929

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2014 are summarized as follows:

	Principal				
	Airport Revenue Bonds	Installment Purchase Contracts	Willow Run Debt	Airport Hotel Bonds	Total
2015	$ 85,615,000	$ 774,760	$ 19,476	$ 1,935,000	$ 88,344,236
2016	89,570,000	747,394	19,476	2,250,000	92,586,870
2017	92,175,000	779,703	19,476	1,990,000	94,964,179
2018	88,375,000	337,783	19,476	2,290,000	91,022,259
2019	92,480,000	336,439	19,476	3,795,000	96,630,915
2020 to 2024	491,795,000	1,478,545	4,866	26,505,000	519,783,411
2025 to 2029	558,730,000	-	-	42,460,000	601,190,000
2030 to 2034	366,465,000	-	-	22,590,000	389,055,000
2035 to 2039	162,185,000	-	-	-	162,185,000
2040 to 2044	80,315,000	-	-	-	80,315,000
2045	8,440,000	-	-	-	8,440,000
Total	$ 2,116,145,000	$ 4,454,624	$ 102,246	$ 103,815,000	$ 2,224,516,870

	Interest				
	Airport Revenue Bonds	Installment Purchase Contracts	Willow Run Debt	Airport Hotel Bonds	Total
2015	$ 86,033,799	$ 150,942	$ -	$ 5,301,730	$ 91,486,471
2016	82,742,995	129,883	-	5,163,625	88,036,503
2017	78,187,132	108,658	-	5,034,650	83,330,440
2018	73,659,845	86,346	-	4,916,950	78,663,141
2019	69,197,339	72,022	-	4,749,613	74,018,974
2020 to 2024	275,246,419	125,382	-	20,149,100	295,520,901
2025 to 2029	183,892,915	-	-	11,362,538	195,255,453
2030 to 2034	99,783,125	-	-	1,152,000	100,935,125
2035 to 2039	37,697,275	-	-	-	37,697,275
2040 to 2044	11,367,125	-	-	-	11,367,125
2045	211,000	-	-	-	211,000
Total	$ 998,018,969	$ 673,233	$ -	$ 57,830,206	$ 1,056,522,408

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

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

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

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

Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in default. Effective December 31, 2009, the FAA issued a single operating certificate for the integrated airline, and on the same date Northwest legally merged into Delta, resulting in a single surviving corporation known as Delta Air Lines, Inc. As a result of the merger, by operation of law, Delta has succeeded to all of the rights and obligations of Northwest.

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

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

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

In November 2002, the Authority entered into a debt agreement with Westin Management Company East (the Hotel Operator). The loan was provided for in the Hotel Management and Operating agreement. The Working Capital Loan was for $1.5 million and was used to provide initial working capital to operate the Airport Hotel. The Working Capital Loan was paid in full on June 4, 2014.

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

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

In June 2007, the Authority issued $180.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2007A Bonds.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to $8 million in major equipment purchases over a three-year period. The Authority used $5,397,299 of this agreement and entered into five Installment Purchase Contracts to pay for equipment and additional energy conservation improvements at Metro Airport. One of these loans was paid in full in December 2013.

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

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

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

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

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

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

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

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

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

The Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

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

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

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

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

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

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

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

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

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

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

In November 2013, the Authority issued a $200 million Direct Placement Bond with JPMorgan Chase Bank, N.A., Series 2013A Bonds. The Series 2013A Bonds were issued to refund the Series 2010E-1 Revenue Refunding Bonds and the Series 2010F Revenue Refunding Bonds. The Series 2013A Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2010E-1 Bonds and the Series 2010F Bonds by placing the proceeds of the Series 2013A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2010E-1 Bonds and Series 2010F Bonds were subsequently called and paid in full in November 2013 and December 2013.

The Series 2013A Bonds are variable-rate bonds. JPMorgan Chase Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of JPMorgan Chase Bank N.A., would cause the Series 2013A Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In November 2013, the Authority issued a $74.9 million Direct Placement Bond with PNC Bank, N.A., Series 2013B Bonds. The Series 2013B Bonds were issued to refund the Series 2010E-2 Revenue Refunding Bonds. The Series 2013B Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2010E-2 Bonds by placing the proceeds of the Series 2013B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2010E-2 Bonds were subsequently called and paid in full in December 2013.

The Series 2013B Bonds are variable-rate bonds. PNC Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of PNC Bank N.A., would cause the Series 2013B Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In November 2013, the Authority issued a $115.6 million Direct Placement Bond with Wells Fargo Bank, N.A., Series 2013C Bonds. The Series 2013C Bonds were issued to refund the Series 2010G Direct Placement Bond. The Series 2013C Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2010G Direct Placement Bond by paying Wells Fargo Bank, N.A. directly with the proceeds of the Series 2013C Bonds. The Series 2010G Direct Placement Bond was paid in full in November 2013.

The Series 2013C Bonds are variable-rate bonds. Wells Fargo Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of Wells Fargo Bank N.A., would cause the Series 2013C Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In May 2014, the Authority issued a $30 million Direct Placement Bond with Banc of America Preferred Funding Corporation, Series 2014A Bonds. The Series 2014A Bonds were issued to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include airfield pavement rehabilitation and reconstruction, development of wide-body aircraft parking apron, various electrical upgrades throughout the airport grounds, North power plant chillers, support systems and HVAC/air handler replacements, roadway reconstructions, demolition costs for various buildings, and site improvement costs related to those demolition sites. The Series 2014A Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Series 2014A Bonds are variable-rate bonds. Banc of America Preferred Funding Corporation is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of Banc of America Preferred Funding Corporation, would cause the Series 2014A Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In August 2014, the Authority issued $98.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include taxiway rehabilitation and reconstruction, road reconstruction, bridges and roadway rehabilitation, fleet and heavy equipment acquisitions, various electrical projects, power plant equipment replacements, and demolition of various buildings. The Series 2014B Bonds and Series 2014C Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2014, interest expense incurred on these debt issues totaled $90,495,105. For 2014, net financing costs capitalized were $6,640,967.

In July 2014, the Authority entered into a line of credit agreement with a maximum borrowing amount of $15 million. The borrowing charges interest at a rate equal to 100 basis points over LIBOR. The line of credit agreement expires in June 2015. There were no borrowings on this line during the year ended September 30, 2014.

Long-term debt activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	$ 2,070,180,000	$ 518,925,000	$ (472,960,000)	$2,116,145,000	$ 85,615,000
Installment Purchase Contracts	5,273,582	-	(818,958)	4,454,624	774,760
Add:	-			-	
Certain bond premiums	60,323,458	5,986,842	(6,368,754)	59,941,546	-
Total Detroit Metropolitan Airport Fund	2,135,777,040	524,911,842	(480,147,712)	2,180,541,170	86,389,760
Willow Run Airport Fund:					
Notes payable	121,722	-	(19,476)	102,246	19,476
Total Willow Run Airport Fund	121,722	-	(19,476)	102,246	19,476
Airport Hotel Fund:					
Airport Hotel Bonds	105,460,000	-	(1,645,000)	103,815,000	1,935,000
Other Hotel debt	1,500,000	-	(1,500,000)	-	-
Less:					
Certain bond discounts	(1,459,143)	122,892	-	(1,336,251)	-
Total Airport Hotel Fund	105,500,857	122,892	(3,145,000)	102,478,749	1,935,000
Total Long-Term Debt	$ 2,241,399,619	$ 525,034,734	$ (483,312,188)	$2,283,122,165	$ 88,344,236

Other long-term liability activity for the year ended September 30, 2014 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund - Other accrued liabilities	$ 7,324,196	$ —	$ (1,996,687)	$ 5,327,509	$ 1,168,887
Willow Run Airport Fund - Other accrued liabilities	935,300	88,995	(435,795)	588,500	586,100
Airport Hotel Fund - Other accrued liabilities	3,311,306	461,166	—	3,772,472	—
Total other long-term liabilities	$ 11,570,802	$ 550,161	$ (2,432,482)	$ 9,688,481	$ 1,754,987

(8) Commitments and Contingencies

(a) Litigation

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

(b) Construction

The estimated costs to complete Metro Airport's current capital improvement program totaled $481.9 million at September 30, 2014, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled $42.4 million at September 30, 2014.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled $109.4 million at September 30, 2014, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled $9.8 million at September 30, 2014.

(c) Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At September 30, 2014, the Authority had accrued obligations of $4.9 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. Thirty-six percent of the recorded environmental liabilities is related to a Consent Decree and judgment issued during 1994 that identifies the Airport as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). The bulk of the remainder is for asbestos remediation estimates. See additional discussion on both below.

Downriver Sewage Disposal System

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

The "Downriver Communities" listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at $230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is 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 $7 million to the City of Romulus for prior year debt service as of September 30, 2014 and an additional $400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

Asbestos Remediation

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

Preliminary assessments of the nature and extent of the material were performed by WCAA Environmental (with assistance from contractors) and have provided information to help develop an estimate of remediation costs expected over time. As of September 30, 2014, the Authority recorded asbestos-related liabilities of $2.5 million and $589 thousand at Detroit Metro and Willow Run Airports, respectively.

Additional Remediation Matters

General Motors Corporation (GM) and the Authority (as successor in interest to the Board of County Road Commissioners and the County of Wayne) are parties to a Lease of Land, dated October 11, 1985 (the Lease). Under the Lease, GM leased certain land at Willow Run Airport (the Airport) upon which GM constructed and operated a water treatment plant to support integral parts of the operations at the GM transmission facility located adjacent to the Willow Run Airport.

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

General Motors Company operated the water treatment facility until the Lease expired on February 28, 2011. On March 5, 2011, Motors Liquidation Company assumed control of the water treatment facility. Motors Liquidation Company operated the facility until March 31, 2011, at which time all assets were transferred to the Revitalizing Auto Communities Environmental Response Trust (Racer), which continues to occupy and operate the water treatment facility. In December 2013, WCAA completed a land swap with Racer. As a result of the land swap, Racer took title to the water treatment facility and assumed all environmental liability related to the water treatment facility. In exchange, WCAA received title to a parcel of land directly adjacent to runway 9R, which WCAA intends to use to extend the existing runway protection zone.

In the mid-1990s, it was discovered that areas at or near the Willow Run airport were contaminated with toxic materials. Various public and private entities (including the County of Wayne, the predecessor entity to WCAA) were tasked by the EPA to remediate the areas. Toxic materials were dredged from Tyler Pond, and then encapsulated in a controlled facility located on a plot of land owned by WCAA. Pursuant to the various documents and orders governing the remediation, title to the real property where the controlled facility is located was required to be transferred to General Motors or Ford Motor Company, as both entities were jointly and severally liable. In June 2009, before taking title to the real property where the controlled facility is located, General Motors filed for bankruptcy protection. While Ford Motor Company has continued to operate the controlled facility, to date, and despite the WCAA's attempts, Ford Motor Company has not taken title to the real property where the controlled facility is located. WCAA is in negotiation to facilitate the transfer of real property where the controlled facility is located to Ford Motor Company.

(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. WCERS provides five defined benefit retirement options, two of which are contributory and two of which are hybrids between a defined benefit and a defined contribution (together, the Defined Benefit Plan), and two Defined Contribution Plans. WCERS provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board issues separate financial statements annually. Copies of these financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226. The statements are also available on their website at www.wcers.org.

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

In 1983, the County closed the Plan 1 option of the WCERS to new hires and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant.

On October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 (Plan Option 5), which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 1, Plan Option 2, and Plan Option 3) could elect to transfer their account balances to Plan Option 5 between October 1, 2001 and June 30, 2002. New employees could elect to participate in Plan Option 4 through September 30, 2001.

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

(b) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit. Participants in Plan Option 5 with 1.25/1.5 percent multiplier contribute 0 percent of covered compensation depending on the collective bargaining agreement. Participants in Plan 5A contribute 2.00 percent of annual compensation, unless the Annual Actuarial Valuation Report of the Wayne County Employees' Retirement System shows the Authority's funding level less than 100 percent, then the participant's contribution level will increase to 3 percent until the funding level is at 100 percent.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's and subsequently the Authority's collective bargaining units. Total Authority employer and employee contributions during the year ended September 30, 2014 were $8,475,718 and $1,359,927, respectively.

The following represents the Authority's annual pension costs as of September 30, 2014:

	Three-year trend information	
	Annual pension cost (APC)	**Percentage of APC contributed**
Year ended September 30:		
2012	$ 5,515,944	100%
2013	7,235,055	100
2014	8,475,718	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 (less workers' compensation payments).

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

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

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

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

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

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

Under Plan Option 4, the Authority contributes \$4.00 for every \$1.00 contributed by each member or, for eligible executives, \$5.00 for every \$1.00 contributed by each member, with the member contributions ranging from 1.0 percent to 2.5 percent (3 percent for employees with 20 or more years of service and 3 percent for eligible executives with 10 or more years of service) of base compensation. Employees hired prior to July 1, 1984 are eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective September 30, 2012, the Authority has closed Plan Option 4 to new hires.

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

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

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

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

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2014 were \$2,737,271 and \$1,286,202, respectively.

(10) Other Postemployment Benefits

<u>Wayne County Airport Authority Act 149 Health Care Fund</u>

(a) *Plan Description*

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 686 members (including 489 Authority employees in active service and 197 retired Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

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

(b) *Funding Policy*

In accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority created in September 2008 an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental, and life insurance coverage and other postemployment benefits other than pensions. The Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. In September 2012, the Authority transferred these funds into a Municipal Employees' Retirement System (MERS) of Michigan Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. The balance as of September 30, 2014 in this restricted plan is $31,438,200. Non-Medicare retirees are required to contribute either 10 percent of the Blue Cross-Blue Shield illustrative rate or 10 percent of the lesser of HAP active and HAP retiree premium. The Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust.

(c) *Funding Progress*

For the year ended September 30, 2014, the Authority has estimated the cost of providing retiree health care benefits through an actuarial valuation as of October 1, 2012. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	$	7,588,962
Interest on the prior year's net OPEB obligation		(265,438)
Add adjustment to the annual required contribution		200,064
Annual OPEB cost		7,523,588
Amounts contributed:		
Payments of current premiums		(1,659,189)
Advance funding		(5,864,399)
Change in net OPEB asset		-
OPEB asset - beginning of year		(3,317,974)
OPEB asset - end of year	$	(3,317,974)

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

	Fiscal Year Ended September 30					
		2012		2013		2014
Annual OPEB Costs	$	5,514,643	$	7,296,114	$	7,523,588
Percentage contributed		126.8%		101.0%		100.0%
Net OPEB asset	$	(3,245,160)	$	(3,317,974)	$	(3,317,974)

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

Valuation as of October 1, 2012		
Actuarial value of assets	$	18,859,729
Actuarial accrued liability (AAL)	$	97,657,838
Unfunded AAL (UAAL)	$	78,798,109
Funded ratio		19.3%
Annual covered payroll		34,171,169
Ratio of UAAL to covered payroll		230.6%

(d) ***Actuarial Methods and Assumptions***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

Wayne County Health and Welfare Plan (Pre-2002)

(a) Plan Description

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 3,240 members, which includes retirees for the County and the Authority that retired before September 1, 2002. The plan is closed to new members.

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

(b) Funding Policy

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

	Fiscal Year Ended September 30		
	2012	2013	2014
Required contribution	$ 3,149,251	$ 2,879,326	$ 1,937,447
Actual contribution	$ 3,149,251	$ 2,879,326	$ 1,937,447
% of required contribution made	100.0%	100.0%	100.0%

(11) Upcoming Reporting Changes

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

REQUIRED SUPPLEMENTARY INFORMATION

Wayne County Airport Authority Act 149 Health Care Fund

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

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

* Information not available

The schedule of employer contributions is as follows:

Year Ended September 30	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2009	10/1/2007	$ 5,318,912	128.7%
2010	10/1/2008	$ 4,914,922	116.4%
2011	10/1/2009	$ 5,571,393	95.6%
2012	10/1/2010	$ 5,533,171	126.4%
2013	10/1/2012	$ 7,348,116	100.3%
2014	10/1/2012	$ 7,588,962	99.1%

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

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay amortized annually
Amortization period (open)	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.50%

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

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

CONTENTS

Financial Trends – *Exhibits S-1, S-2*

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

Revenue Capacity – *Exhibits S-3, S-5*

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

Debt Capacity – *Exhibits S-6 to S-8*

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

Demographic & Economic Information – *Exhibits S-10 series*

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

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

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

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

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Position

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating revenues:										
Airport landing and related fees	$ 76,406,397	65,493,268	67,299,967	69,099,578	70,172,024	60,059,740	84,607,837	59,512,753	60,738,124	73,872,334
Concession fees	54,161,908	51,696,676	51,689,387	50,575,848	47,974,977	48,424,882	51,851,089	50,242,144	47,350,937	44,496,491
Parking fees	61,187,198	57,828,811	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468
Hotel	32,922,844	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232
Rental facilities	105,234,040	103,155,137	107,353,758	96,449,901	91,822,952	90,110,146	53,748,737	53,145,882	48,582,712	46,009,056
Expense recoveries	5,027,074	5,282,902	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869
Other	4,784,310	6,007,508	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371
Total operating revenues	339,723,771	318,765,765	318,638,824	311,059,834	297,096,887	280,759,062	290,711,955	266,513,315	253,003,991	251,387,821
Nonoperating revenues:										
Passenger facility charges	62,016,364	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871
Federal and state grants	1,029,619	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226
Interest income and other	2,808,958	2,048,283	1,834,241	3,390,214	5,021,589	7,310,241	28,603,234	46,903,106	43,339,574	19,695,210
Total nonoperating revenues	65,854,941	65,106,418	65,347,407	66,913,743	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307
Total revenues	405,578,712	383,872,183	383,986,231	377,973,577	363,689,121	348,870,255	389,710,396	390,133,042	376,285,798	357,451,128
Operating expenses:										
Salaries, wages, and fringe benefits	80,339,925	72,891,273	70,105,901	71,489,016	70,060,439	75,098,962	77,942,240	72,396,333	68,648,870	66,623,493
Parking management	6,630,160	6,280,332	6,048,290	6,794,062	6,504,949	7,082,235	8,905,534	10,325,232	9,754,453	10,647,259
Hotel management	23,063,942	21,064,105	20,888,610	22,644,120	20,032,541	18,693,537	23,032,852	24,054,417	22,271,550	21,870,313
Janitorial services	11,809,916	11,400,627	11,498,166	11,164,616	10,988,244	10,599,304	2,422,889	2,433,551	2,047,401	2,010,248
Security	2,511,402	2,260,167	2,288,013	2,401,473	2,293,067	2,657,120	2,757,886	3,433,065	3,501,437	3,462,682
Utilities	28,939,467	27,035,597	26,676,454	24,886,104	26,691,836	27,700,377	30,429,231	26,570,574	23,021,456	21,827,924
Repairs, professional services, and other	82,616,234	75,658,752	71,689,848	79,689,990	74,617,012	69,556,874	84,887,031	75,042,299	78,310,637	83,477,087
Depreciation	141,539,710	140,526,973	142,828,398	142,754,436	146,151,075	146,151,805	129,574,853	121,087,982	115,853,648	103,631,906
Total operating expenses	377,450,756	357,117,826	352,023,680	361,823,817	357,339,163	357,540,214	359,952,516	335,343,453	323,409,452	313,550,912
Nonoperating expenses:										
Interest expense	82,352,146	82,825,198	85,514,177	91,549,044	105,913,828	116,392,802	94,925,971	105,855,656	106,822,360	92,389,419
Loss on disposal of assets	1,016,927	5,488,973	2,555,076	—	—	1,104,513	6,214,429	317,452	42,544	—
Amortization of bond insurance premiums	371,068	—	—	—	—	—	—	—	—	—
Amortization of bond issuance costs	—	1,968,924	2,035,607	1,902,952	2,161,678	1,942,959	2,315,453	2,267,001	2,294,476	2,105,484
Total nonoperating expenses	83,740,141	90,283,095	90,104,860	93,451,996	108,075,506	119,440,274	103,455,853	108,440,109	109,159,380	94,494,903
Total expenses	461,190,897	447,400,921	442,128,540	455,275,813	465,414,669	476,980,488	463,408,369	443,783,562	432,568,832	408,045,815
Capital contributions	32,679,821	41,637,536	27,121,478	17,750,671	29,137,352	36,318,566	54,816,676	66,212,355	39,806,394	39,938,986
	$ (22,932,364)	(21,891,202)	(31,020,831)	(59,551,565)	(72,588,196)	(91,791,667)	(18,881,297)	12,561,835	(16,476,640)	(10,655,701)
Net position at year end composed of:										
Net investment in capital assets	39,760,424	27,234,267	36,778,052	86,906,586	120,302,294	151,759,863	170,385,938	131,815,887	180,192,710	235,042,203
Restricted	314,707,433	323,698,561	338,786,218	322,488,477	358,386,114	405,007,255	430,322,283	471,545,803	384,747,891	386,024,617
Unrestricted	22,115,017	48,582,410	58,895,731	56,085,769	46,343,989	40,853,475	37,745,179	53,973,007	79,832,261	99,185,995
Total net position	$ 376,582,874 [3]	399,515,238	434,460,001	465,480,832	525,032,397 [2]	597,620,593	638,453,400	657,334,697	644,772,862 [1]	720,252,815

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

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

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

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

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Airline revenues:										
Airport landing and related fees	$ 76,406,397	$ 65,493,268	$ 67,299,967	$ 69,099,578	$ 70,172,024	$ 60,059,740	$ 84,607,837	$ 59,512,753	$ 60,738,124	$ 73,872,334
Terminal building rentals and fees	85,169,050	84,354,836	86,463,382	74,347,911	71,852,635	67,703,125	28,972,704	28,621,629	26,992,072	25,831,713
Facility use fees	8,608,737	7,552,051	7,489,497	7,143,733	6,302,145	6,468,964	8,159,193	7,962,948	7,073,579	7,568,033
Total airline revenues	170,184,184	157,400,155	161,252,846	150,591,222	148,326,804	134,231,829	121,739,734	96,097,330	94,803,775	107,272,080
Percentage of total revenues	42.0%	41.0%	42.0%	39.8%	40.8%	38.5%	31.2%	24.6%	25.2%	30.0%
Non-Airline revenues:										
Parking fees	61,187,198	57,828,811	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468
Concession fees	32,253,029	31,536,249	32,063,017	31,592,316	30,702,401	30,885,107	30,358,313	29,382,953	28,175,773	26,415,027
Car rental	21,908,879	20,160,427	19,626,370	18,983,532	17,272,576	17,539,775	21,492,776	20,859,191	19,175,164	18,081,464
Hotel	32,922,844	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232
Employee shuttle bus	2,032,346	2,502,311	5,210,640	5,869,315	5,467,240	5,655,355	5,773,430	5,253,731	4,959,535	5,331,254
Ground transportation	5,452,612	5,094,540	4,882,553	4,944,291	4,738,700	6,510,045	7,055,550	7,394,349	5,911,719	4,134,289
Utility service fees	5,027,074	5,282,902	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869
Rental facilities	3,971,295	3,651,399	3,307,686	4,144,651	3,462,232	3,772,657	3,787,860	3,913,225	3,645,807	3,143,767
Other	4,784,310	6,007,508	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371
	169,539,587	161,365,610	157,385,978	160,468,612	148,770,083	146,527,233	168,972,221	170,415,985	158,200,216	144,115,741
Percentage of total revenues	41.8%	42.0%	41.0%	42.5%	40.9%	42.0%	43.4%	43.7%	42.0%	40.3%
Nonoperating revenues:										
Passenger facility charges	62,016,364	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871
Federal and state grants	1,029,619	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226
Interest	1,388,246	1,616,192	1,810,277	3,241,109	4,941,344	7,310,241	28,082,306	45,948,105	43,328,283	19,194,846
Other	1,420,712	432,091	23,964	149,105	80,245	—	520,928	955,001	11,291	500,364
Total nonoperating revenues	65,854,941	65,106,418	65,347,407	66,913,743	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307
Percentage of total revenues	16.2%	17.0%	17.0%	17.7%	18.3%	19.5%	25.4%	31.7%	32.8%	29.7%
Total revenues	$ 405,578,712	$ 383,872,183	$ 383,986,231	$ 377,973,577	$ 363,689,121	$ 348,870,255	$ 389,710,396	$ 390,133,042	$ 376,285,798	$ 357,451,128
Enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282
Total revenue per enplaned passenger	$ 25.01	23.88	23.75	23.29	22.91	21.88	21.86	21.54	21.14	19.55
Airline revenue per enplaned passenger	$ 10.49	9.79	9.97	9.28	9.34	8.42	6.83	5.31	5.33	5.87

Source: Audited Financial Statements of the Wayne County Airport Authority.
See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Landing Fees:											
Signatory Airlines [1]	$	3.71	3.14	3.23	3.26	3.44	2.83	3.58	2.37	2.49	2.74
Non-Signatory Airlines [2]		4.64	3.93	4.04	4.08	4.30	3.39	3.79	3.01	4.21	3.97
General Aviation [3]		2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.38
Facility Use Fees:											
South Terminal	$	5.50	5.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50
North Terminal		5.50	5.00	5.00	5.00	5.00	5.00	—	—	—	—
Smith/Berry Terminals		—	—	—	—	—	—	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
South Terminal - Signatory Airlines [1]		60.00	57.71	60.00	57.70	54.51	52.00	—	—	—	—
South Terminal - Non-Signatory Airlines		69.00	66.36	69.00	69.00	68.00	60.00	—	—	—	—
North Terminal - Signatory Airlines [1]		117.00	118.95	118.00	51.20	65.17	61.00	—	—	—	—
North Terminal - Non-Signatory Airlines		134.00	136.79	136.00	78.00	88.00	71.00	—	—	—	—
Cargo Building/Warehouse		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Aircraft Ramp		0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Unimproved Land		0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31
Electric		4.67	4.67	4.67	4.67	4.67	1.24	1.24	1.24	1.24	1.24

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

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

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

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2014 Landed weights	2014 Share	2013 Landed weights	2013 Share	2012 Landed weights	2012 Share	2011 Landed weights	2011 Share	2010 Landed weights	2010 Share
Delta/Northwest Air Lines [2]	10,273,955	50.4%	10,051,320	48.7%	9,655,644	46.9%	10,153,498	48.5%	10,369,432	51.4%
Delta/Northwest (Endeavor) [2, 6]	2,523,978	12.4	3,661,163	17.7	3,237,417	15.7	2,743,336	13.1	2,817,713	14.0
Delta/Northwest (ExpressJet) [2, 3]	1,351,443	6.6	1,260,107	6.1	1,110,252	5.4	795,381	3.8	104,058	0.5
Southwest/AirTran Airways [4]	904,127	4.4	969,194	4.7	942,596	4.6	973,682	4.6	894,080	4.4
Spirit Airlines	886,234	4.3	765,188	3.7	749,026	3.6	752,623	3.6	637,083	3.2
Delta/Northwest (Chatauqua) [2]	564,145	2.8	467,713	2.3	217,005	1.1	—	—	—	—
US Airways	519,734	2.5	474,744	2.3	454,827	2.2	422,444	2.0	380,154	1.9
Federal Express	493,528	2.4	446,450	2.2	461,450	2.2	409,567	2.0	361,807	1.8
American Airlines	322,416	1.6	310,887	1.5	300,395	1.5	318,885	1.5	312,306	1.5
Delta/Northwest (Sky West) [2]	294,404	1.4	—	—	—	—	—	—	—	—
Delta/Northwest (Compass) [2]	252,328	1.2	225,942	1.1	288,096	1.4	371,436	1.8	438,616	2.2
American (Envoy) [7]	209,816	1.0	207,170	1.0	195,133	0.9	180,815	0.9	193,235	1.0
Delta/Northwest (GoJet) [2]	190,615	0.9	—	—	—	—	—	—	—	—
Lufthansa	180,296	0.9	153,106	0.7	146,790	0.7	147,477	0.7	142,243	0.7
United Parcel Service	170,445	0.8	167,762	0.8	168,483	0.8	171,832	0.8	171,234	0.8
United/Continental (ExpressJet) [3, 5]	147,800	0.7	—	—	—	—	—	—	—	—
Air France	136,291	0.7	142,397	0.7	146,639	0.7	146,476	0.7	138,582	0.7
US Airways (Republic)	107,669	0.5	—	—	—	—	—	—	—	—
Frontier	105,448	0.5	84,124	0.4	124,080	0.6	143,844	0.7	126,776	0.6
United/Continental [5]	100,958	0.5	95,890	0.5	166,107	0.8	242,335	1.2	238,808	1.2
Delta/Northwest (Shuttle America) [2]	97,562	0.5	139,035	0.7	221,668	1.1	—	—	—	—
Lufthansa Cargo	17,657	0.1	52,480	0.3	31,390	0.2	—	—	—	—
Delta/Northwest (Comair) [2]	—	—	—	—	942,080	4.6	1,115,580	5.3	669,929	3.3
Mesaba	—	—	—	—	144,408	0.7	872,731	4.2	1,202,839	6.0
KLM	—	—	—	—	—	—	—	—	—	—
British Airways	—	—	—	—	—	—	—	—	—	—
United (Air Canada)	—	—	—	—	—	—	—	—	—	—
Aeromexico	—	—	—	—	—	—	—	—	—	—
Independence Air	—	—	—	—	—	—	—	—	—	—
Other [8]	531,852	2.9	954,189	4.6	904,865	4.3	961,771	4.6	968,370	4.8
	20,382,701	100.0%	20,628,861	100.0%	20,608,351	100.0%	20,923,713	100.0%	20,167,265	100.0%

¹ Signatory Affiliate Airlines are associated based on 2014 affiliations and shown in parentheses to major carrier name.
All historical landed weights for these affiliates are shown on one line regardless of prior affiliations.

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

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

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

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

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

⁷ Effective April 15, 2014, American Eagle changed its legal name to Envoy Air.

⁸ Includes airlines no longer serving Detroit Metro or carriers with insignificant activity. Several airlines reported in the "Other" category in prior years have been reported individually in the current year. Prior year numbers were not reclassified and remain in "Other".

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport

2009		2008		2007		2006		2005	
Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
11,333,666	54.0%	13,604,011	58.2%	14,856,034	61.0%	14,723,198	61.1%	16,766,206	64.8%
2,616,584	12.5	2,516,756	10.8	2,402,170	9.9	2,227,894	9.2	2,186,581	8.4
1,474	—	64,185	0.3	44,137	0.2	40,937	0.2	12,220	—
946,536	4.5	1,073,878	4.6	1,185,694	4.8	893,980	3.7	648,992	2.5
690,048	3.3	925,981	4.0	1,116,697	4.6	952,127	3.9	877,491	3.4
—	—	—	—	—	—	—	—	—	—
377,506	1.8	397,966	1.7	435,733	1.8	393,666	1.6	454,692	1.8
374,202	1.8	477,212	2.0	525,479	2.2	482,405	2.0	479,467	1.9
399,070	1.9	506,633	2.2	538,336	2.2	548,634	2.3	621,399	2.4
—	—	—	—	—	—	—	—	—	—
596,054	2.8	173,768	0.7	—	—	—	—	—	—
155,625	0.7	107,737	0.5	116,715	0.5	93,732	0.4	43,656	0.2
—	—	—	—	—	—	—	—	—	—
174,062	0.8	243,753	1.0	229,272	0.9	150,863	0.6	151,089	0.6
171,687	0.8	195,473	0.8	204,976	0.8	211,295	0.9	195,519	0.8
—	—	—	—	—	—	—	—	—	—
122,641	0.6	114,617	0.5	116,552	0.5	119,720	0.5	44,044	0.2
—	—	—	—	—	—	—	—	—	—
140,742	0.7	147,774	0.6	152,353	0.6	116,166	0.5	36,220	0.1
394,117	1.9	572,105	2.5	599,440	2.5	611,210	2.5	621,278	2.4
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
187,696	0.9	125,020	0.5	137,273	0.6	137,285	0.6	191,421	0.7
1,484,510	7.1	1,118,993	4.8	679,531	2.8	1,371,475	5.7	1,818,552	7.0
74,970	0.4	80,214	0.3	—	—	—	—	—	—
—	—	107,202	0.5	209,479	0.9	118,431	0.5	0.5	0.6
—	—	28,994	0.1	28,960	0.1	29,070	0.1	27,443	0.1
—	—	9,432	0.0	—	—	—	—	—	—
—	—	—	—	—	—	16,262	0.1	105,750	0.4
763,456	3.5	767,206	3.4	777,872	3.1	871,290	3.6	451,950	1.7
21,004,646	100.0%	23,358,910	100.0%	24,356,703	100.0%	24,109,640	100.0%	25,887,255	100.0%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2014 Passenger enplanements	2014 Share	2013 Passenger enplanements	2013 Share	2012 Passenger enplanements	2012 Share	2011 Passenger enplanements	2011 Share	2010 Passenger enplanements	2010 Share
Domestic:										
America West	—	—	—	—	—	—	—	—	—	—
American (Envoy) [7]	169,854	1.05	169,407	1.05	162,633	1.01	154,136	0.95	161,692	1.02
American Airlines	295,262	1.82	269,364	1.68	269,593	1.68	275,990	1.70	284,813	1.79
Champion Air	—	—	—	—	—	—	—	—	—	—
Delta/Northwest (ExpressJet) [2, 4]	1,098,157	6.77	978,390	6.09	885,230	5.47	650,836	4.01	83,690	0.53
Delta/Northwest (Chautauqua) [2]	560,376	3.46	448,754	2.79	217,573	1.35	168,194	1.04	95,086	0.60
Delta/Northwest (Comair) [2]	—	—	—	—	811,218	5.02	945,095	5.82	540,781	3.41
Delta/Northwest (Compass) [2]	207,036	1.28	175,829	1.09	241,508	1.49	312,578	1.93	340,262	2.14
Delta/Northwest (GoJet) [2]	160,650	0.99	—	—	—	—	—	—	—	—
Delta/Northwest (Mesaba Aviation) [2]	—	—	—	—	123,066	0.76	721,808	4.45	949,610	5.98
Delta/Northwest (Endeavor) [2, 5]	2,159,842	13.32	3,080,866	19.16	2,698,992	16.69	2,254,208	13.89	2,186,627	13.77
Delta/Northwest (Shuttle America) [2]	86,319	0.53	121,712	0.76	190,663	1.18	85,863	0.53	4,462	0.03
Delta/Northwest (Sky West) [2]	251,177	1.55	—	—	—	—	—	—	—	—
Delta/Northwest Airlines [2]	6,856,076	42.28	6,568,924	40.86	6,349,263	39.27	6,651,576	40.99	7,328,799	46.16
Frontier	98,958	0.61	80,496	0.50	125,186	0.77	140,291	0.86	117,044	0.74
Independence Air	—	—	—	—	—	—	—	—	—	—
Ryan International	—	—	—	—	—	—	—	—	—	—
Southwest/Airtan Airlines [6]	828,595	5.11	832,772	5.18	842,732	5.21	813,744	5.02	755,276	4.76
Spirit Airlines	875,463	5.40	755,169	4.70	711,134	4.40	703,335	4.33	558,596	3.52
Trans Meridian	—	—	—	—	—	—	—	—	—	—
United/Continental (ExpressJet) [3, 4]	143,587	0.89	130,342	0.81	123,199	0.76	112,402	0.69	118,001	0.74
United/Continental (GoJet) [3]	40,249	0.25	44,311	0.28	34,532	0.21	57,089	0.35	66,206	0.42
United/Continental (Mesa) [3]	18,478	0.11	42,346	0.26	43,702	0.27	19,733	0.12	29,999	0.19
United/Continental (Skywest) [3]	31,384	0.19	58,464	0.36	43,592	0.27	29,789	0.18	68,400	0.43
United/Continental Airlines [3]	78,956	0.49	70,789	0.44	128,634	0.80	195,711	1.21	186,520	1.17
US Airways	429,921	2.65	392,991	2.44	366,277	2.27	340,664	2.10	303,451	1.91
US Airways (Air Wisconsin)	57,178	0.35	63,752	0.40	71,394	0.44	81,860	0.50	76,414	0.48
US Airways (Mesa)	29,246	0.18	26,173	0.16	37,154	0.23	19,074	0.12	22,387	0.14
US Airways (PSA)	5,492	0.03	6,519	0.04	10,716	0.07	5,990	0.04	5,860	0.04
US Airways (Republic)	92,224	0.57	96,509	0.60	80,347	0.50	111,361	0.69	112,838	0.71
USA 3000	—	—	—	—	—	—	153	—	2,226	0.01
Other [7]	177,393	1.09	251,438	1.56	233,942	1.45	61,052	0.37	215,005	1.36
Total Domestic	14,751,873	90.97	14,665,317	91.21	14,802,280	91.57	14,912,532	91.89	14,614,045	92.05
International:										
Aeromexico	—	—	—	—	—	—	—	—	—	—
Air Canada	21,253	0.13	17,156	0.11	14,887	0.09	12,340	0.08	6,875	0.04
Air France	73,512	0.45	77,751	0.48	82,675	0.51	76,568	0.47	70,685	0.45
British Airways	—	—	—	—	—	—	—	—	—	—
Delta/Northwest (Comair)	—	—	—	—	—	—	—	—	20,851	0.13
Delta/Northwest (Compass) [2]	8,691	0.05	—	—	—	—	—	—	13,301	0.08
Delta/Northest (Mesaba Aviation)	—	—	—	—	—	—	67	—	19,583	0.12
Delta/Northwest (Endeavor) [5]	—	—	2,175	0.01	18,094	0.11	44,711	0.28	97,518	0.61
Delta/Northwest Air Lines	1,226,121	7.56	1,180,193	7.34	1,119,589	6.92	1,065,984	6.57	921,973	5.81
KLM-Royal Dutch Airlines	—	—	—	—	—	—	—	—	—	—
Lufthansa	77,650	0.48	66,977	0.42	64,854	0.40	67,952	0.42	65,568	0.41
Royal Jordanian Airlines	14,755	0.09	14,334	0.09	15,143	0.09	14,051	0.09	15,258	0.10
Southwest/Airtan Airlines [6]	12,255	0.08	11,120	0.07	10,295	0.06	11,436	0.07	5,849	0.04
Spirit Airlines	22,986	0.14	22,669	0.14	23,339	0.14	15,579	0.10	12,274	0.08
US Airways	1,256	0.01	1,302	0.01	1,459	0.01	1,493	0.01	1,997	0.01
Other [8]	6,321	0.04	18,658	0.12	16,969	0.10	3,488	0.02	10,604	0.07
Total International	1,464,800	9.03	1,412,335	8.79	1,367,304	8.43	1,313,669	8.11	1,262,336	7.95
Grand Total	16,216,673	100.00%	16,077,652	100.00%	16,169,584	100.00%	16,226,201	100.00%	15,876,381	100.00%

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

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

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

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

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

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

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

[7] Effective April 15, 2014, American Eagle changed its legal name to Envoy Air.

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

2009		2008		2007		2006		2005	
Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
—	—	—	—	241,961	1.34	259,600	1.46	267,776	1.46
125,766	0.79	85,637	0.48	91,529	0.51	73,918	0.42	32,203	0.18
346,775	2.18	442,012	2.48	443,530	2.45	440,680	2.48	471,863	2.58
—	—	—	—	34,462	0.19	34,055	0.19	31,283	0.17
1,289	0.01	58,351	0.33	37,242	0.21	32,646	0.18	8,316	0.05
4,798	0.03	9,211	0.05	—	—	—	—	—	—
145,990	0.92	90,839	0.51	94,044	0.52	91,216	0.51	108,322	0.59
439,785	2.76	144,644	0.81	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1,042,785	6.54	811,681	4.55	457,948	2.53	900,785	5.06	1,108,615	6.06
2,066,229	12.96	2,043,385	11.46	1,915,685	10.58	1,663,236	9.34	1,477,582	8.08
10,599	0.07	36,813	0.21	—	—	33,902	0.19	4,385	0.02
—	—	—	—	—	—	—	—	—	—
7,894,790	49.52	9,555,525	53.59	10,324,808	57.02	10,207,929	57.35	10,915,338	59.69
117,396	0.74	126,580	0.71	121,456	0.67	91,097	0.51	28,184	0.15
—	—	—	—	—	—	13,445	0.08	74,496	0.41
—	—	—	—	—	—	372	—	—	—
742,389	4.65	812,093	4.55	845,523	4.67	679,665	3.82	461,535	2.52
591,150	3.71	802,424	4.50	933,029	5.15	781,652	4.39	793,510	4.34
—	—	—	—	—	—	—	—	25,488	0.14
63,765	0.40	63,856	0.36	70,559	0.39	73,606	0.41	62,265	0.34
56,837	0.36	—	—	—	—	—	—	—	—
47,908	0.30	43,380	0.24	57,546	0.32	55,148	0.31	70,388	0.38
31,407	0.20	24,640	0.14	36,475	0.20	39,041	0.22	11,609	0.06
287,568	1.80	450,079	2.52	482,805	2.66	502,087	2.83	493,085	2.70
313,774	1.97	331,934	1.86	100,860	0.56	56,900	0.32	—	0.50
95,658	0.60	104,993	0.59	83,203	0.46	89,264	0.50	748	—
22,640	0.14	47,464	0.27	—	—	—	—	—	—
15,747	0.10	38,059	0.21	17,035	0.09	66,631	0.37	53,283	0.29
74,785	0.47	23,992	0.13	—	—	—	—	—	—
19,823	0.12	79,304	0.44	67,516	0.37	66,277	0.37	52,788	0.29
62,738	0.40	44,232	0.26	124,106	0.68	68,660	0.39	113,467	0.64
14,622,391	91.74	16,271,128	91.25	16,581,322	91.57	16,321,812	91.70	16,758,421	91.64
2,053	0.01	5,942	0.03	—	—	—	—	—	—
5,956	0.04	13,678	0.08	13,085	0.07	14,899	0.08	13,921	0.08
55,233	0.35	45,947	0.26	48,355	0.27	50,466	0.28	19,174	0.10
—	—	20,491	0.11	47,472	0.26	55,403	0.31	59,658	0.33
—	—	—	—	—	—	—	—	—	—
26,608	0.17	—	—	—	—	—	—	—	—
45,248	0.28	37,906	0.21	37,538	0.21	32,103	0.18	36,362	0.20
—	—	—	—	—	—	—	—	—	—
1,009,773	6.33	1,204,927	6.76	1,174,843	6.49	1,138,025	6.39	1,199,496	6.56
40,196	0.25	41,753	0.23	—	—	—	—	—	—
72,884	0.46	102,121	0.57	98,008	0.54	67,305	0.38	70,372	0.38
14,822	0.09	16,434	0.09	14,150	0.08	16,028	0.09	14,581	0.08
271	—	—	—	—	—	—	—	—	—
16,928	0.11	19,464	0.11	20,146	0.11	16,671	0.09	—	—
1,853	0.01	—	—	—	—	—	—	—	—
26,916	0.16	51,440	0.30	73,171	0.40	87,220	0.50	114,297	0.63
1,318,741	8.26	1,560,103	8.75	1,526,768	8.43	1,478,120	8.30	1,527,861	8.36
15,941,132	100.00%	17,831,231	100.00%	18,108,090	100.00%	17,799,932	100.00%	18,286,282	100.00%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports

	2014		2013		2012		2011		2010	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Revenue Bonds:										
Series 1994A	$ —	—	—	—	—	—	—	—	—	—
Series 1994B	—	—	—	—	—	—	—	—	—	—
Series 1996A	—	—	—	—	—	—	—	—	—	—
Series 1996B	—	—	—	—	—	—	—	—	—	—
Series 1998A	—	—	—	—	188,455,000	2,369,208	523,050,000	13,903,092	21,400,000	36,492,050
Series 1998B	—	—	—	—	—	—	13,885,000	119,395	4,085,000	752,119
Series 2001 Jr. Lien	—	—	—	—	—	—	—	—	—	—
Series 2002A	—	—	—	—	—	—	—	—	—	—
Series 2002C	—	—	2,105,000	17,542	23,425,000	422,686	130,000	1,357,673	125,000	1,362,839
Series 2002D	—	—	6,920,000	59,508	49,935,000	2,046,127	4,005,000	3,089,613	3,800,000	3,289,738
Series 2003A-1	—	—	—	—	—	—	—	—	—	—
Series 2003A-2	—	—	—	—	—	—	—	—	—	—
Series 2003A-3	—	—	—	—	—	—	—	—	—	—
Series 2003B	—	—	—	—	—	—	—	—	—	—
Series 2003C	—	—	—	—	—	—	—	—	—	—
Series 2004	—	—	—	—	—	—	—	—	—	—
Series 2005	11,720,000	23,153,925	11,130,000	23,759,217	10,590,000	24,310,175	10,080,000	24,835,425	9,590,000	25,332,592
Series 2007A Jr. Lien	3,615,000	8,466,358	3,480,000	8,645,983	3,315,000	8,818,607	—	8,956,733	—	8,956,733
Series 2007B	—	5,502,600	4,805,000	5,542,642	—	5,742,850	—	5,742,850	—	5,742,850
Series 2008A	5,155,000	6,335,469	5,100,000	6,603,500	5,020,000	6,857,833	4,955,000	7,108,292	4,895,000	7,355,542
Series 2008B	—	—	—	—	—	—	196,450,000	105,706	4,800,000	658,931
Series 2008C	—	—	—	—	—	—	81,250,000	453,996	4,715,000	2,336,011
Series 2008D	—	—	—	—	—	—	33,375,000	222,333	3,800,000	1,154,563
Series 2008E	—	—	—	—	—	—	33,340,000	267,251	3,725,000	1,736,496
Series 2008F	—	—	—	—	—	—	33,375,000	266,992	3,730,000	1,705,727
Series 2009A	—	—	—	—	—	—	—	—	9,000,000	36,125
Series 2010A	27,560,000	7,478,233	26,185,000	8,527,825	22,855,000	9,258,634	—	7,631,310	—	—
Series 2010B	4,800,000	40,000	—	240,000	3,995,000	266,633	—	316,509	—	—
Series 2010C	18,675,000	7,096,650	16,990,000	8,016,358	15,270,000	8,762,450	—	7,088,049	—	—
Series 2010D	2,165,000	1,135,250	2,055,000	1,196,225	1,940,000	1,235,325	—	997,163	—	—
Series 2010E-1	75,275,000	17,663	85,000	104,432	—	123,572	—	128,462	—	—
Series 2010E-2	74,895,000	21,997	105,000	97,698	—	115,477	—	121,786	—	—
Series 2010F	124,640,000	28,980	—	171,296	—	190,434	—	192,729	—	—
Series 2010G	115,760,000	106,848	240,000	1,279,419	—	1,326,022	—	1,031,784	—	—
Series 2011A	—	7,296,000	—	7,296,000	—	6,100,267	—	—	—	—
Series 2011B	—	754,750	—	754,750	—	631,055	—	—	—	—
Series 2012A	—	8,876,250	—	8,900,906	—	591,750	—	—	—	—
Series 2012B	—	1,254,500	—	1,257,985	—	83,633	—	—	—	—
Series 2012C	2,230,000	70,750	—	126,852	—	8,433	—	—	—	—
Series 2012D	6,470,000	3,285,100	—	3,456,425	—	229,790	—	—	—	—
Series 2013A	—	1,494,922	—	—	—	—	—	—	—	—
Series 2013B	—	541,947	—	—	—	—	—	—	—	—
Series 2013C	—	880,323	—	—	—	—	—	—	—	—
Series 2014A	—	104,169	—	—	—	—	—	—	—	—
Series 2014B	—	619,958	—	—	—	—	—	—	—	—
Series 2014C	—	295,378	—	—	—	—	—	—	—	—
Installment Purchase Contracts	818,958	173,405	846,437	198,465	400,464	179,411	2,253,902	257,251	2,245,693	378,987
Willow Run Notes Payable:										
Washtenaw County	19,476	—	19,476	—	19,476	—	19,476	—	19,475	—
University of Michigan	—	—	401,148	24,251	7,543	32,682	3,038	37,186	8,144	32,081
Less: Bond Refundings [2]	(390,570,000)	—	—	—	(255,600,000)	—	(866,085,000)	—	—	—
Totals	$ 83,228,434	85,031,425	80,467,061	86,277,279	69,627,483	79,703,054	70,086,416	84,231,580	75,938,312	97,323,384

Airport Hotel

	2014		2013		2012		2011		2010	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Hotel Bonds:										
Series 2001A	$ —	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
Series 2001B	1,645,000	294,305	1,480,000	401,060	1,200,000	494,860	980,000	566,905	765,000	624,908
Other Hotel Debt:										
Capital/FF&E Reserve Loan	—	—	2,922,147	93,522	439,308	253,040	405,640	286,708	374,553	317,796
Working Capital Loan	1,500,000	80,000	—	120,000	—	120,000	—	120,000	—	120,000
Totals	$ 3,145,000	5,463,680	4,402,147	5,703,957	1,639,308	5,957,275	1,385,640	6,062,988	1,139,553	6,152,079

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

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan and Willow Run Airports

2009		2008		2007		2006		2005	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
2,975,000	29,131	3,020,000	204,352	3,070,000	381,627	3,120,000	558,111	3,165,000	734,288
—	—	—	—	—	—	—	—	11,260,000	58,337
39,710,000	—	3,300,000	3,026,299	3,100,000	2,258,438	3,000,000	2,398,779	2,800,000	2,575,422
39,710,000	—	3,300,000	3,075,232	3,100,000	2,265,728	3,000,000	2,398,963	2,800,000	2,572,463
20,280,000	37,614,200	19,195,000	38,719,655	18,195,000	39,756,688	17,275,000	40,692,075	16,415,000	41,574,274
3,890,000	960,013	124,705,000	1,133,787	3,560,000	7,386,740	3,410,000	7,540,969	3,265,000	7,686,289
—	8,956,732	52,965,000	743,403	18,580,000	2,080,789	17,635,000	2,441,237	18,200,000	1,978,673
—	—	141,720,000	843,758	—	5,285,612	—	4,710,152	—	3,090,894
120,000	1,367,806	115,000	1,372,573	110,000	1,377,139	105,000	1,381,331	100,000	1,384,456
3,630,000	3,487,750	3,435,000	3,676,619	3,270,000	3,855,513	1,035,000	4,007,631	—	4,052,913
—	—	75,000,000	3,048,146	—	2,840,173	—	2,510,843	—	1,614,219
—	—	75,000,000	2,859,421	—	2,838,896	—	2,533,444	—	1,620,687
—	—	64,975,000	2,314,922	—	2,467,024	—	2,182,817	—	1,437,901
—	—	65,000,000	2,440,830	3,450,000	2,354,989	3,125,000	2,472,482	3,475,000	2,600,251
—	—	44,375,000	1,594,832	3,425,000	1,506,226	3,150,000	1,615,689	3,350,000	1,735,027
—	—	10,800,000	465,882	400,000	439,732	375,000	453,099	—	398,552
—	25,718,425	—	25,718,425	—	25,718,425	—	26,861,465	—	10,858,891
—	8,956,733	—	8,920,544	—	2,549,050	—	—	—	—
—	5,742,850	—	5,152,612	—	—	—	—	—	—
2,580,000	7,796,648	—	2,994,129	—	—	—	—	—	—
—	2,884,226	—	1,323,247	—	—	—	—	—	—
3,470,000	3,629,604	—	980,225	—	—	—	—	—	—
2,500,000	1,708,255	—	495,441	—	—	—	—	—	—
300,000	2,317,172	—	—	—	—	—	—	—	—
300,000	2,280,328	—	—	—	—	—	—	—	—
—	1,559	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
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—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
2,018,534	490,406	1,724,791	452,981	1,540,000	455,531	1,495,000	540,680	1,395,000	621,493
19,475	—	19,475	—	19,476	—	19,476	—	14,606	—
5,492	34,733	7,162	33,064	5,352	34,872	3,931	36,294	3,460	36,767
(74,770,000)	—	(590,355,000)	—	—	—	—	—	(10,980,000)	—
46,738,501	113,976,571	98,301,428	111,590,379	61,824,828	105,853,192	56,748,407	105,336,061	55,263,066	86,631,797

Airport Hotel

2009		2008		2007		2006		2005	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
590,000	669,745	210,000	701,590	135,000	713,440	100,000	721,190	—	726,190
345,848	346,501	319,342	373,006	223,341	361,738	—	482,131	—	358,049
—	120,000	—	120,000	—	120,467	—	126,067	—	126,333
935,848	6,225,621	529,342	6,283,971	358,341	6,285,020	100,000	6,418,763	—	6,299,947

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Detroit Metro and Willow Run Airports										
Net revenues:										
Operating revenues	$ 306,800,927	$ 289,464,302	$ 291,026,902	$ 281,687,336	$ 270,267,951	$ 257,512,270	$ 259,215,375	$ 233,130,883	$ 222,468,787	$ 222,174,589
Interest income and other	2,789,211	2,026,745	1,798,471	3,354,863	4,992,574	7,143,858	28,101,968	46,264,411	42,905,863	19,469,004
Federal and state grants	1,029,619	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226
Passenger facility charges	62,016,364	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871
Total revenues	372,636,121	354,549,182	356,338,539	348,565,728	336,831,170	325,457,080	357,712,550	356,111,915	345,316,883	328,011,690
Less operating expenses, not including depreciation	(212,847,104)	(195,526,748)	(188,306,672)	(196,428,761)	(191,159,047)	(192,698,372)	(207,318,908)	(190,201,421)	(185,283,254)	(187,799,946)
Net revenues	159,789,017	159,022,434	168,031,867	152,136,967	145,672,123	132,758,708	150,393,642	165,910,494	160,033,629	140,211,744
Net debt service:										
Principal [3]	83,228,434	80,467,061	69,627,483	70,086,416	75,938,312	46,738,501	98,301,428	61,824,828	56,748,407	55,263,066
Interest [1]	85,031,425	86,277,279	79,703,054	84,231,580	97,323,384	105,019,840	111,590,379	105,853,192	105,336,061	86,631,797
Net debt service	168,259,859	166,744,340	149,330,537	154,317,996	173,261,696	151,758,341	209,891,807	167,678,020	162,084,468	141,894,863
Debt Service Coverage [2]	0.95	0.95	1.13	0.99	0.84	0.87	0.72	0.99	0.99	0.99
Pledged Revenue Coverage – Airport Hotel										
Net revenues:										
Operating revenues	32,922,844	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232
Interest income and other	19,747	21,538	43,320	35,351	29,015	166,383	501,266	638,695	433,711	226,206
Total revenues	32,942,591	29,323,001	27,655,242	29,407,849	26,857,951	23,413,175	31,997,846	34,021,127	30,968,915	29,439,438
Less operating expenses, not including depreciation	(23,063,942)	(21,064,105)	(20,888,610)	(22,640,620)	(20,029,041)	(18,690,037)	(23,058,755)	(24,054,050)	(22,272,550)	(22,119,060)
Net revenues	9,878,649	8,258,896	6,766,632	6,767,229	6,828,910	4,723,138	8,939,091	9,967,077	8,696,365	7,320,378
Net debt service:										
Principal	3,145,000	4,402,147	1,639,308	1,385,640	1,139,553	935,848	529,342	358,341	100,000	—
Interest [1]	5,463,680	5,703,957	5,957,275	6,062,988	6,152,079	6,225,621	6,283,971	6,285,020	6,418,763	6,299,947
Net debt service	8,608,680	10,106,104	7,596,583	7,448,628	7,291,632	7,161,469	6,813,313	6,643,361	6,518,763	6,299,947
Debt Service Coverage [2]	1.15	0.82	0.89	0.91	0.94	0.66	1.31	1.50	1.33	1.16
Combined net debt service:										
Principal	86,373,434	84,869,208	71,266,791	71,472,056	77,077,865	47,674,349	98,830,770	62,183,169	56,848,407	55,263,066
Interest [1]	90,495,105	91,981,236	85,660,329	90,294,568	103,475,463	111,245,461	117,874,350	112,138,212	111,754,824	92,931,744
Total combined net debt service	$ 176,868,539	$ 176,850,444	$ 156,927,120	$ 161,766,624	$ 180,553,328	$ 158,919,810	$ 216,705,120	$ 174,321,381	$ 168,603,231	$ 148,194,810

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/ bond insurance premiums, discount, premium, refunding costs, or arbitrage.

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

[3] Principal payments do not include bond refunding payoffs.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Outstanding debt by type: [1]										
Airport revenue bonds	$ 2,116,145,000	$ 2,070,180,000	$ 2,149,380,000	$ 2,026,685,000	$ 2,121,835,000	$ 2,188,500,000	$ 2,231,195,000	$ 2,326,065,000	$ 2,205,935,000	$ 2,261,165,000
Installment purchase contracts	4,454,624	5,273,582	6,120,019	4,354,379	6,608,280	8,853,973	10,508,525	7,532,539	8,740,000	10,235,000
Willow Run notes payable	102,246	102,246	542,346	569,365	591,879	619,498	644,465	671,102	695,930	719,337
Airport hotel bonds	103,815,000	105,460,000	106,940,000	108,140,000	109,120,000	109,885,000	110,475,000	110,685,000	110,820,000	110,920,000
Other hotel debt	—	1,500,000	4,422,147	4,861,455	5,267,095	5,641,648	5,987,496	6,306,838	6,500,000	6,500,000
Total outstanding debt	$ 2,224,516,870	$ 2,182,515,828	$ 2,267,404,512	$ 2,144,610,199	$ 2,243,422,254	$ 2,313,500,119	$ 2,358,810,486	$ 2,451,260,479	$ 2,332,690,930	$ 2,389,539,337
Enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282
Outstanding debt per enplaned passenger	$ 137.17	$ 135.75	$ 140.23	$ 132.17	$ 141.31	$ 145.13	$ 132.29	$ 135.37	$ 131.05	$ 130.67

Combined net debt service per enplaned passenger	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Combined net debt service [2]	$ 176,868,539	$ 176,850,444	$ 156,927,120	$ 161,766,624	$ 180,553,328	$ 158,919,810	$ 216,705,120	$ 174,321,381	$ 168,603,231	$ 148,194,810
Enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282
Net debt service per enplaned passenger	$ 10.91	$ 11.00	$ 9.71	$ 9.97	$ 11.37	$ 9.97	$ 12.15	$ 9.63	$ 9.47	$ 8.10

[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/bond insurance premiums, discount, premium, refunding costs, or arbitrage.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

(Unaudited)

	Authority Full-Time Positions *									
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Administration	9	8	8	16	11	15	18	20	20	20
Internal Audit	3	3	3	3	2	2	3	3	3	2
Legal	5	5	5	5	5	5	7	7	7	7
North Terminal Development Team	—	—	—	—	—	—	4	6	6	5
Finance	33	32	31	34	35	31	36	37	37	36
Information Technology/Telecommunications	15	14	12	13	14	14	14	16	13	7
Procurement & Compliance	15	14	14	18	24	20	25	25	24	21
Human Resources	11	11	11	14	12	14	15	15	15	18
Maintenance/Facilities	199	194	192	206	204	203	223	228	228	238
Airfield Operations	40	39	40	44	44	44	47	47	46	49
Public Safety	204	203	204	209	207	207	247	248	241	270
Planning & Development	25	28	24	19	17	16	14	15	15	22
Business Development	37	32	33	34	35	37	52	56	54	44
Willow	11	11	11	11	11	11	27	27	27	23
Central Communications [1]	—	—	—	—	—	—	—	—	8	27
Totals	607	594	588	626	621	619	732	750	744	789

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

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

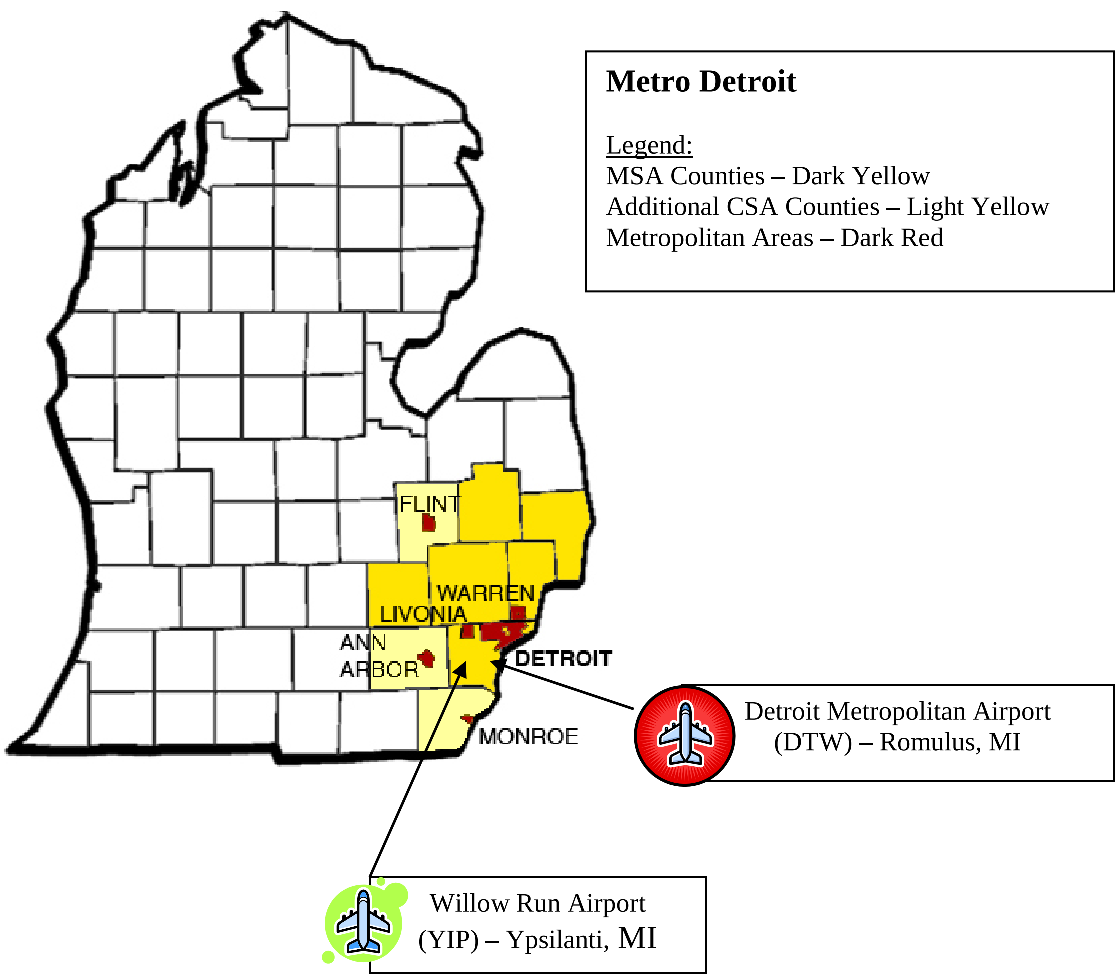
Exhibit S-10: Demographic and Economic Information

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

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified a large hub by the FAA with 1% or more of total U.S. passengers enplaned. As of 2013, Detroit Metro Airport is the twelfth busiest airport in the United States and the eighteenth 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 the *Detroit-Warren-Livonia Metropolitan Statistical Area (MSA)*. Further, the larger OMB designated *Detroit-Warren-Flint Combined Statistical Area (CSA)* incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with a population of 5.2 million as of the 2010 census.

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



WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

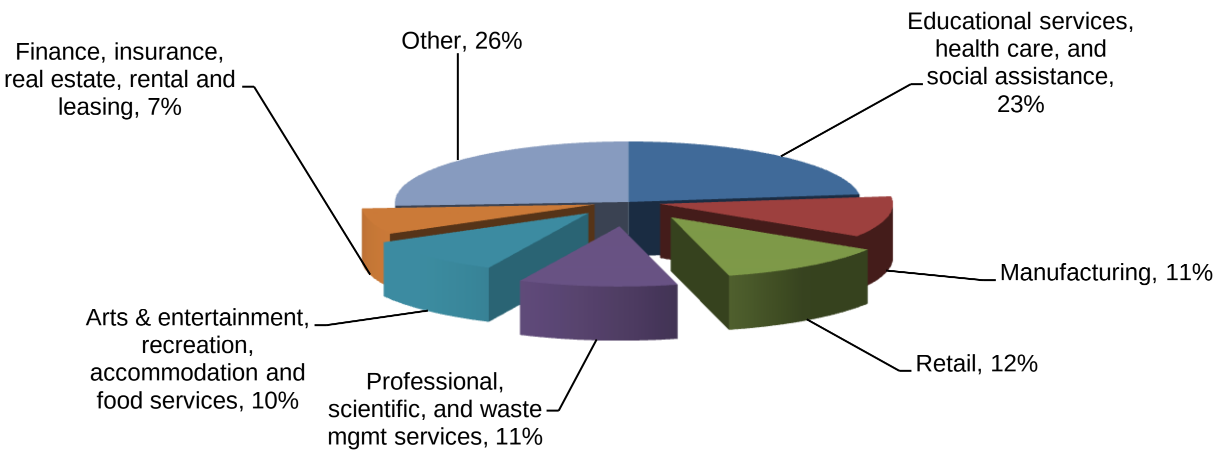
Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2012) Est.	5,212,462
Population (2010)	5,218,852
Population (2000)	5,357,538
Population (1990)	5,095,695
Percentage Decrease in Population - 2010 to 2012	-0.1%
Percentage Female	51.5%
Percentage Male	48.5%
Personal Income (millions) (2013)	$219,412
Percent of U.S. Total	1.8%
Per Capita Personal Income (2013)	$42,887
Per Capita Personal Income (2013) - U.S.	$46,177
Unemployment Rate (2014 September)	8.1%
Unemployment Rate (2013 Annual)	9.4%
Unemployment Rate (2012 Annual)	10.3%
Total Households (millions)	2.0
Average Household Size (people)	2.5

Leading Industries

(% of employed population 16 years and older)



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

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 B

Principal Employers in Primary Air Trade Area

(Unaudited)

Employer	City	Metro Employees 2014 *		Metro Employees 2013 **	Percentage (%) change	Type of business
Ford Motor Co.	Dearborn	43,977	**	43,977	—%	Automobile Manufacturer
Chrysler L.L.C.	Auburn Hills	32,106		29,006	10.7%	Automobile Manufacturer
General Motors Corp.	Detroit	30,570		26,843	13.9%	Automobile Manufacturer
University of Michigan	Ann Arbor	29,855		29,551	1.0%	Public University & Health Care System
U.S. Government	Detroit	18,703		18,600	0.6%	Federal Government
Henry Ford Health System	Detroit	17,492		17,831	(1.9)%	Health Care System
Trinity Health	Livonia	14,341		14,062	2.0%	Health Care System
Beaumont Hospitals	Royal Oak	13,223		13,134	0.7%	Health Care System
Detroit Medical Center	Detroit	12,268		13,458	(8.8)%	Health Care System
Rock Ventures	Detroit	11,563		9,423	22.7%	Financial Services/Real Estate

* Data as of July 2014

** Data as of July 2013

Source: Crain's Detroit Business, December 29, 2014

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus			
Area:	7,383 acres			
Airport Code:	DTW			
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R			
Terminal:	McNamara Terminal Airlines	911,853	sq ft	(b)
	North Terminal Airlines	214,352	sq ft	(b)
	Tenants/Concessionaires	168,605	sq ft	(b)
	TSA/FIS	245,924	sq ft	(b)
	Public/Common	1,611,335	sq ft	(b)
	Number of In-Service Passenger Gates	147		
	Number of Concessionaires	32		(b)
	Number of Rental Car Agencies On-Airport	6		(b)
Airfield:	Runways	15,139,771	sq ft	(a)
	Taxiways	23,167,796	sq ft	(a)
	Aprons	20,921,962	sq ft	(a)
Parking:	Spaces Available:			
	McNamara Parking Structure	10,117		
	Big Blue Deck and Short-Term	5,842		
	Green Lot 1	1,670		
	Green Lot 2	900		
		18,529	spaces	
Cargo:	Cargo/Hangar Buildings	1,114,475	sq ft	(a)
International:	Customs/Immigration F.I.S. Facility			
Tower(s):	AIR TRAFFIC CONTROL TOWER 24/ 7/ 365 Wayne County Operations Control Towers 24/7/365			
FBOs:	ASIG (Aircraft Service International Group) Signature Flight Support			

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties			
Area:	2,360 acres			
Airport Code:	YIP			
Runways:	5L/23R 5R/23L 9/27 14/32			
Airfield:	Runways	5,286,425	sq ft	
	Taxiways	4,282,931	sq ft	
	Ramps/Aprons	5,093,764	sq ft	
Corporate/Private Space:	Hangar	354,500	sq ft	
	Tenants Other	100,900	sq ft	(a)
	T-Hangars (qty. 110)	44,800	sq ft	
	Number of Rental Car Agencies On-Airport	1		
Additional Space:	WCAA Admin, Maintenance, Ops, Public Safety	56,200	sq ft	
	Yankee Air Museum	53,400	sq ft	
	FAA	35,000	sq ft	
International:	U.S. Customs (user fee airport)			
Tower:	FAA 24/7			
FBOs:	Active Aero Service Avflight			

(a) These totals have increased from the prior year due to increased number of tenants and increased tenant usage.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

CONTINUING DISCLOSURE SECTION
(UNAUDITED)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference

Operating Years Ended September 30, 2014

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, $98,440,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2014B-C	Continuing Disclosures

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2014

(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	$ 225,290	$ 157,187	1.43	$ 10.42
Total Senior Lien and Junior Lien	$ 225,290	$ 169,418	1.33	$ 10.42

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

		Historical				
Description		**2014**	**2013**	**2012**	**2011**	**2010**
Salaries and wages	$	46,661	41,975	43,159	44,225	43,166
Employee benefits		27,027	25,513	25,268	25,840	27,555
		73,688	67,488	68,427	70,065	70,721
Contractual services:						
Parking management		6,630	6,280	6,048	6,794	6,505
Security expenses		2,511	2,260	2,288	2,401	2,293
Janitorial services		11,792	11,383	11,480	11,143	10,972
Shuttle bus		6,123	6,501	8,098	8,750	8,495
Other services		24,352	18,394	16,456	19,228	14,025
Total contractual services		51,408	44,818	44,370	48,316	42,290
Wayne County administrative services		138	130	157	126	141
Repairs and maintenance		31,144	29,296	31,661	35,334	36,383
Supplies and other operating expenses		12,511	10,499	8,930	9,312	7,896
Insurance		2,200	2,298	2,370	2,294	2,532
Utilities		28,441	26,628	26,280	24,524	26,198
Rentals		718	705	699	665	679
Interest expense and paying agent fees		182	163	173	197	360
Capital expenses		3,371	3,647	3,898	7,444	2,774
		78,705	73,366	74,168	79,896	76,963
Total O&M expenses	$	203,801	185,672	186,965	198,277	189,974

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2014	2013	2012	2011	2010
Airline revenues:						
Rental and use fees:						
Terminal building rentals and fees	$	63,523	64,322	62,763	58,393	56,611
Common-use/shared-use area rentals		25,988	23,098	23,419	17,553	18,778
Debt service recapture		1,718	1,718	1,773	1,828	1,828
Facilities use fees		8,361	7,262	7,092	6,638	5,950
Less rental fee adjustment		(6,313)	(5,134)	(2,144)	(4,122)	(7,156)
Total rental and use fees		93,277	91,266	92,903	80,290	76,011
Activity fees:						
Signatory airlines		75,360	64,394	66,993	76,562	68,489
Nonsignatory airlines		1,393	953	1,236	1,688	1,505
Less rental fee adjustment		(973)	(425)	(1,510)	(9,776)	(343)
Total activity fees		75,780	64,922	66,719	68,474	69,651
Total airline revenues		169,057	156,188	159,622	148,764	145,662
Nonairline revenues:						
Concessions:						
Automobile parking		61,187	57,829	56,091	54,145	48,309
Rental car		21,909	20,160	19,626	18,984	17,273
Food and beverage		12,948	12,877	12,878	13,057	13,107
Retail		12,526	11,663	12,489	12,210	11,103
Marketing and communications		2,388	2,603	2,357	2,106	1,977
Other concessions		4,012	4,044	3,990	3,887	4,240
Total concessions		114,970	109,176	107,431	104,389	96,009
Rentals		2,975	2,612	2,255	2,761	3,454
Utility fees		4,904	5,152	4,790	4,879	4,332
Interest income		76	138	205	255	234
Ground transportation		5,453	5,095	4,883	4,944	4,739
Other (a)		7,186	8,971	9,437	13,197	10,080
Total nonairline revenues		135,564	131,144	129,001	130,425	118,848
Total operating revenues	$	304,621	287,332	288,623	279,189	264,510

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

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Priority			2014	2013	2012	2011	2010
	Revenues:						
	Airline revenues	$	169,057	156,188	159,622	148,764	145,662
	Nonairline revenues		135,564	131,144	129,001	130,425	118,848
	Interest income generated in bond funds and reserves		7,056	5,404	2,502	3,496	2,192
	Other available monies:						
	PFC contributions		62,443	62,838	65,538	87,576	99,207
	Capitalized interest contribution		12,131	12,621	2,657	438	1,846
	Other		1,933	4,201	1,894	1,943	1,064
	Total revenues	$	388,184	372,396	361,214	372,642	368,819
	Application of revenues:						
1	Operation and Maintenance Fund	$	210,219	191,715	192,475	202,456	194,014
2	Bond Fund		157,187	160,307	148,478	150,798	158,179
3	Junior Lien Bond Fund		12,231	12,239	12,271	11,719	8,957
4	Operation and Maintenance Reserve Fund		412	—	—	—	—
5	Renewal and Replacement Fund		500	500	500	500	500
6	County Discretionary Fund		350	350	350	350	350
7	Airport Development Fund		7,285	7,285	7,140	6,819	6,819
	Total application of revenues	$	388,184	372,396	361,214	372,642	368,819

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating year ending September 30, 2014

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:			
Revenues		$	304,621
Revenue fund balance at beginning of year			59,456
Other available monies:			
PFC contributions			62,443
Other			1,933
Interest income generated in bond funds and reserves			7,056
Total revenues	[A]		435,509
Operation and maintenance expenses	[B]		210,219
Net revenues available for Sr. Lien debt service	[A - B] = [C]		225,290
Bond debt service - Senior Lien	[D]		157,187
Net revenues available for Jr. Lien debt service	[C - D] = [E]		68,103
Bond debt service - Junior Lien	[F]		12,231
Net revenues remaining in revenue fund			55,872
Debt service coverage:			
Senior Lien bonds	[C]/[D]		1.43
Senior Lien and Junior Lien bonds	[C]/[D + F]		1.33
Rate covenant elements:			
Operation and maintenance expenses		$	210,219
125% debt service – Bonds	[(1.25 x D) + F]		208,715
Other fund requirements			8,547
Total rate covenant elements		$	427,481

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years ending September 30

(Unaudited)

Operating year	Domestic	International	Total	Percent increase (decrease)
2014	14,751,873	1,464,800	16,216,673	0.9%
2013	14,665,317	1,412,335	16,077,652	(0.6)
2012	14,802,280	1,367,304	16,169,584	(0.3)
2011	14,912,532	1,313,669	16,226,201	2.2
2010	14,614,045	1,262,336	15,876,381	(0.4)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar years ending December 31

(Unaudited)

	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**
2014	15,277,380	(1.5)%	699,590,354	0.4%	2.2%
2013	15,507,719	0.5	696,930,821	0.7	2.2
2012	15,424,226	(0.8)	692,369,957	0.7	2.2
2011	15,544,032	0.4	687,843,250	1.5	2.3
2010	15,483,222	(0.7)	677,624,234	(2.9)	2.3

Note: 2014 estimate based on six months of data; 2013 updated with final data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years ending December 31

(Unaudited)

Calendar year	Departures by carrier type			Total departures	
	Majors	Nationals	Regionals	Total (a)	Percent increase (decrease)
2014	113,208	72,184	354	185,746	(9.2)%
2013	107,804	96,650	70	204,524	(0.6)
2012	76,944	126,245	2,586	205,775	(3.9)
2011	78,479	131,225	4,327	214,031	(1.8)
2010	107,976	101,613	8,455	218,044	4.7

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

Note: 2014 estimate based on six months of data; 2013 updated with final data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar years ending December 31

(Unaudited)

Calendar year	Domestic originations Number	Domestic originations Percent of total	Domestic connections Number	Domestic connections Percent of total
2014	6,809,532	47.1%	7,634,018	52.9%
2013	6,713,171	45.6	8,020,045	54.4
2012	6,743,905	45.9	7,964,675	54.1
2011	6,762,033	45.4	8,138,265	54.6
2010	6,566,987	44.1	8,310,099	55.9

Note: 2014 estimate based on six months of data; 2013 updated with final data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2014 Enplaned passengers	OY 2014 Percent of market	OY 2013 Enplaned passengers	OY 2013 Percent of market	OY 2012 Enplaned passengers	OY 2012 Percent of market
Domestic:						
Alaska Airlines	3,927	—%	—	—%	—	—%
American (Envoy) [7]	169,854	1.2%	169,407	1.2%	162,633	1.1%
American (Republic)	38,329	0.3%	—	—%	—	—%
American Airlines	295,262	2.0	269,364	1.8	269,593	1.8
Delta/Northwest (ExpressJet) [1][4]	1,098,157	7.5	978,390	6.7	885,230	6.0
Delta/Northwest (Chautauqua) [1]	560,376	3.8	448,754	3.1	217,573	1.5
Delta/Northwest (Comair) [1]	—	—	—	—	811,218	5.5
Delta/Northwest (Compass) [1]	207,036	1.4	175,829	1.2	241,508	1.6
Delta/Northwest (Freedom) [1]	—	—	—	—	—	—
Delta/Northwest (Mesaba Aviation) [1]	—	—	—	—	123,066	0.8
Delta/Northwest (Endeavor) [1], [6]	2,159,842	14.6	3,080,866	21.0	2,698,992	18.2
Delta/Northwest (Shuttle America) [1]	86,319	0.6	121,712	0.8	190,663	1.3
Delta/Northwest (SkyWest) [1]	251,177	1.7	91,610	0.6	85,570	0.6
Delta/Northwest (GoJet) [1]	160,650	1.1	87,296	0.6	73,634	0.5
Delta/Northwest Air Lines [1]	6,856,076	46.5	6,568,924	44.8	6,349,263	42.9
Frontier	98,958	0.7	80,496	0.5	125,186	0.8
JetBlue Airways	46,011	0.3	—	—	—	—
Southwest/AirTran Airlines [3]	828,595	5.6	832,772	5.7	842,732	5.7
Spirit Airlines	875,463	5.9	755,169	5.1	711,134	4.8
United/Continental (ExpressJet) [2] [4]	143,587	1.0	130,342	0.9	123,199	0.9
United/Continental (GoJet) [2]	40,249	0.3	44,311	0.3	34,532	0.2
United/Continental (Mesa) [2]	18,478	0.1	42,346	0.3	43,702	0.3
United/Continental (Shuttle America) [2]	70,345	0.5	60,856	0.4	63,163	0.4
United/Continental (SkyWest) [2]	31,384	0.2	58,464	0.4	43,592	0.3
United/Continental (TransStates) [2]	15,316	0.1	—	—	728	—
United/Continental [2]	78,956	0.5	70,789	0.5	128,634	0.9
US Airways	429,921	2.9	392,991	2.7	366,277	2.5
US Airways (Air Wisconsin)	57,178	0.4	63,752	0.4	71,394	0.5
US Airways (Chautauqua)	—	—	9,220	0.1	8,431	0.1
US Airways (Mesa)	29,246	0.2	26,173	0.2	37,154	0.2
US Airways (PSA)	5,492	—	6,519	—	10,716	0.1
US Airways (Republic)	92,224	0.6	96,509	0.7	80,347	0.5
USA 3000	—	—	—	—	—	—
Other [5]	3,465	—	2,456	—	2,416	—
Subtotal – Domestic	14,751,873	100.0%	14,665,317	100.0%	14,802,280	100.0%
International:						
Air Canada (Jazz)	7,976	0.6	9,706	0.7	6,423	0.5
Air Canada (Air Georgian)	13,277	0.9	7,450	0.5	8,464	0.6
Air France	73,512	5.0	77,751	5.5	82,675	6.0
Delta/Northwest (ExpressJet) [1][4]	5,947	0.4	14,706	1.0	15,244	1.1
Delta/Northwest (Chautauqua) [1]	—	—	3,608	0.3	141	—
Delta/Northwest (Comair) [1]	—	—	—	—	—	—
Delta/Northwest (Compass) [1]	8,691	0.6	—	—	—	—
Delta/Northwest (Mesaba Aviation) [1]	—	—	—	—	—	—
Delta/Northwest (Endeavor) [1], [6]	—	—	2,175	0.2	18,094	1.3
Delta/Northwest Air Lines [1]	1,226,121	83.7	1,180,193	83.6	1,119,589	81.9
Lufthansa	77,650	5.3	66,977	4.7	64,854	4.7
Royal Jordanian Airlines	14,755	1.0	14,334	1.0	15,143	1.1
Southwest/AirTran Airlines [3]	12,255	0.8	11,120	0.8	10,295	0.8
Spirit	22,986	1.6	22,669	1.6	23,339	1.8
US Airways	1,256	0.1	1,302	0.1	1,459	0.1
Other [5]	374	—	344	—	1,584	0.1
Subtotal – International	1,464,800	100.0%	1,412,335	100.0%	1,367,304	100.0%
Total – All Markets	16,216,673		16,077,652		16,169,584	

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

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

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

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

[5] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2014.

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

[7] American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2011 Enplaned passengers	OY 2011 Percent of market	OY 2010 Enplaned passengers	OY 2010 Percent of market
Domestic:				
Alaska Airlines	—	—%	—	—%
American (Envoy) [7]	154,136	1.1	161,692	1.1
American (Republic)	—	—	—	—
American Airlines	275,990	1.9	284,813	1.9
Delta/Northwest (ExpressJet) [1][4]	650,836	4.4	83,690	0.6
Delta/Northwest (Chautauqua) [1]	168,194	1.1	95,086	0.7
Delta/Northwest (Comair) [1]	945,095	6.3	540,781	3.7
Delta/Northwest (Compass) [1]	312,578	2.1	340,262	2.3
Delta/Northwest (Freedom) [1]	—	—	191,445	1.3
Delta/Northwest (Mesaba Aviation) [1]	721,808	4.9	949,610	6.5
Delta/Northwest (Endeavor) [1], [6]	2,254,208	15.1	2,186,627	15.0
Delta/Northwest (Shuttle America) [1]	85,863	0.6	4,462	—
Delta/Northwest (SkyWest) [1]	4,058	—	—	—
Delta/Northwest (GoJet) [1]	—	—	—	—
Delta/Northwest Air Lines [1]	6,651,576	44.6	7,328,799	50.2
Frontier	140,291	0.9	117,044	0.8
JetBlue Airways	—	—	—	—
Southwest/AirTran Airlines [3]	813,744	5.5	755,276	5.2
Spirit Airlines	703,335	4.7	558,596	3.8
United/Continental (ExpressJet) [2] [4]	112,402	0.8	118,001	0.8
United/Continental (GoJet) [2]	57,089	0.4	66,206	0.5
United/Continental (Mesa) [2]	19,733	0.1	29,999	0.2
United/Continental (Shuttle America) [2]	30,401	0.2	—	—
United/Continental (SkyWest) [2]	29,789	0.2	68,400	0.5
United/Continental (TransStates) [2]	16,380	0.1	16,133	0.1
United/Continental [2]	195,711	1.3	186,520	1.2
US Airways	340,664	2.3	303,451	2.1
US Airways (Air Wisconsin)	81,860	0.5	76,414	0.5
US Airways (Chautauqua)	7,948	0.1	3,881	—
US Airways (Mesa)	19,074	0.1	22,387	0.2
US Airways (PSA)	5,990	—	5,860	—
US Airways (Republic)	111,361	0.7	112,838	0.8
USA 3000	153	—	2,226	—
Other [5]	2,265	—	3,546	—
Subtotal – Domestic	14,912,532	100.0%	14,614,045	100.0%
International:				
Air Canada (Jazz)	7,132	0.5	6,875	0.5
Air Canada (Air Georgian)	5,208	0.4	—	—
Air France	76,568	5.8	70,685	5.6
Delta/Northwest (ExpressJet) [1][4]	2,534	0.2	—	—
Delta/Northwest (Chautauqua) [1]	—	—	—	—
Delta/Northwest (Comair) [1]	—	—	20,851	1.7
Delta/Northwest (Compass) [1]	—	—	13,301	1.1
Delta/Northwest (Mesaba Aviation) [1]	67	—	19,583	1.6
Delta/Northwest (Endeavor) [1], [6]	44,711	3.4	97,518	7.7
Delta/Northwest Air Lines [1]	1,065,984	81.1	921,973	73.0
Lufthansa	67,952	5.2	65,568	5.2
Royal Jordanian Airlines	14,051	1.1	15,258	1.2
Southwest/AirTran Airlines [3]	11,436	0.9	5,849	0.5
Spirit	15,579	1.2	12,274	1.0
US Airways	1,493	0.1	1,997	0.1
Other [5]	954	0.1	10,604	0.8
Subtotal – International	1,313,669	100.0%	1,262,336	100.0%
Total – All Markets	16,226,201		15,876,381	

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

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

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

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

[5] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2014.

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

[7] American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ending September 30

(Unaudited)

	Cargo by type (metric tons)				Total Cargo	
	Freight and Express (a)		Mail			
Operating year	Enplaned	Deplaned	Enplaned	Deplaned	Total Cargo	Percent increase (decrease)
2014	85,475	107,634	8,543	7,187	208,839	(3.0)%
2013	85,072	114,892	8,965	6,434	215,363	(1.0)
2012	84,018	120,091	8,267	4,998	217,374	5.3
2011	77,756	117,993	6,973	3,623	206,345	11.6
2010	71,409	105,269	4,950	3,306	184,934	14.6

(a) Includes small packages

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2014		OY 2013		OY 2012	
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 (Jazz)	13,916	0.1%	19,403	0.1%	12,919	0.1%
Air Canada (Air Georgian)	16,600	0.1	10,790	0.1	12,218	0.1
Air France	136,291	0.7	142,397	0.7	146,639	0.7
Alaska Airlines	4,199	—	—	—	—	—
American (Envoy) (7)	209,816	1.0	207,170	1.0	195,133	0.9
American (Republic)	45,799	0.2	—	—	—	—
American Airlines	322,416	1.6	310,887	1.5	300,395	1.5
Delta/Northwest (ExpressJet) (1)(4)	1,351,443	6.6	1,260,108	6.1	1,110,252	5.4
Delta/Northwest (Chautauqua) (1)	564,145	2.8	467,713	2.3	217,005	1.0
Delta/Northwest (Comair) (1)	—	—	—	—	942,080	4.6
Delta/Northwest (Compass) (1)	252,328	1.3	225,942	1.1	288,096	1.4
Delta/Northwest (Freedom) (1)	—	—	—	—	—	—
Delta/Northwest (GoJet) (1)	190,615	0.9	105,190	0.5	89,311	0.4
Delta/Northwest (Mesaba Aviation) (1)	—	—	—	—	144,408	0.7
Delta/Northwest (Endeavor) (1), (6)	2,523,978	12.4	3,661,163	17.7	3,237,417	15.7
Delta/Northwest (Shuttle America) (1)	97,562	0.5	139,035	0.7	221,668	1.1
Delta/Northwest (SkyWest) (1)	294,404	1.5	115,235	0.6	94,263	0.5
Delta/Northwest Air Lines (1)	10,273,955	50.4	10,051,320	48.7	9,655,644	46.9
Federal Express	493,528	2.4	446,450	2.2	461,450	2.2
Frontier	105,448	0.5	84,124	0.4	124,080	0.6
JetBlue Airways	58,298	0.3	—	—	—	—
Lufthansa	180,296	0.9	153,106	0.7	146,790	0.7
Lufthansa Cargo	17,657	0.1	52,480	0.3	31,390	0.2
Royal Jordanian Airlines	40,645	0.2	42,452	0.2	40,244	0.2
Southwest/AirTran Airlines (3)	904,127	4.4	969,194	4.7	942,596	4.6
Spirit Airlines	886,234	4.3	765,188	3.7	749,026	3.6
United/Continental (ExpressJet) (2) (4)	147,800	0.7	139,629	0.7	133,100	0.6
United/Continental (GoJet) (2)	45,091	0.2	51,389	0.2	39,329	0.2
United/Continental (Mesa) (2)	23,919	0.1	51,657	0.2	50,987	0.2
United/Continental (Shuttle America) (2)	86,919	0.4	80,628	0.4	93,208	0.4
United/Continental (SkyWest) (2)	33,738	0.2	65,129	0.3	50,850	0.3
United/Continental (TransStates) (2)	15,871	0.1	—	—	681	—
United/Continental (2)	100,958	0.5	95,890	0.5	166,107	0.8
United Parcel Service	170,445	0.8	167,762	0.8	168,483	0.8
US Airways	519,734	2.6	474,744	2.3	454,827	2.2
US Airways (Air Wisconsin)	69,466	0.3	77,597	0.4	85,634	0.4
US Airways (Chautauqua)	—	—	10,935	0.1	9,233	—
US Airways (Colgan)	—	—	—	—	—	—
US Airways (Mesa)	29,594	0.2	27,342	0.1	38,514	0.2
US Airways (Mesaba)	—	—	—	—	—	—
US Airways (PSA)	6,025	—	7,744	—	12,186	0.1
US Airways (Republic)	107,669	0.5	107,113	0.5	93,946	0.5
USA 3000	—	—	—	—	—	—
Other (5)	41,772	0.2	41,955	0.2	48,242	0.2
Total	20,382,701	100.0%	20,628,861	100.0%	20,608,351	100.0%

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

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

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

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

(5) Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2014.

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

(7) American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2011		OY 2010	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Air Canada (Jazz)	13,594	0.1%	14,506	0.1%
Air Canada (Air Georgian)	6,740	—	—	—
Air France	146,476	0.7	138,582	0.7
Alaska Airlines	—	—	—	—
American (Envoy) [(7)]	180,815	0.9	193,235	1.0
American (Republic)	—	—	—	—
American Airlines	318,885	1.5	312,306	1.5
Delta/Northwest (ExpressJet) [(1)(4)]	795,381	3.8	104,058	0.5
Delta/Northwest (Chautauqua) [(1)]	169,065	0.8	94,308	0.4
Delta/Northwest (Comair) [(1)]	1,115,580	5.3	669,929	3.3
Delta/Northwest (Compass) [(1)]	371,436	1.8	438,616	2.2
Delta/Northwest (Freedom) [(1)]	—	—	196,138	1.0
Delta/Northwest (GoJet) [(1)]	—	—	—	—
Delta/Northwest (Mesaba Aviation) [(1)]	872,731	4.2	1,202,839	6.0
Delta/Northwest (Endeavor) [(1), (6)]	2,743,336	13.1	2,817,713	14.0
Delta/Northwest (Shuttle America) [(1)]	97,147	0.5	5,238	—
Delta/Northwest (SkyWest) [(1)]	4,136	—	—	—
Delta/Northwest Air Lines [(1)]	10,153,495	48.6	10,369,432	51.4
Federal Express	409,567	2.0	361,807	1.8
Frontier	143,844	0.7	126,776	0.6
JetBlue Airways	—	—	—	—
Lufthansa	147,477	0.7	142,243	0.7
Lufthansa Cargo	—	—	—	—
Royal Jordanian Airlines	40,698	0.2	41,097	0.2
Southwest/AirTran Airlines [(3)]	973,682	4.7	894,080	4.4
Spirit Airlines	752,623	3.6	637,083	3.2
United/Continental (ExpressJet) [(2) (4)]	126,613	0.5	128,840	0.7
United/Continental (GoJet) [(2)]	66,531	0.3	79,931	0.4
United/Continental (Mesa) [(2)]	22,981	0.1	34,400	0.2
United/Continental (Shuttle America) [(2)]	59,511	0.3	—	—
United/Continental (SkyWest) [(2)]	35,451	0.1	75,208	0.4
United/Continental (TransStates) [(2)]	18,424	0.1	19,147	0.1
United/Continental [(2)]	242,335	1.2	238,808	1.2
United Parcel Service	171,832	0.8	171,234	0.8
US Airways	422,444	2.0	380,154	1.9
US Airways (Air Wisconsin)	97,431	0.5	87,467	0.4
US Airways (Chautauqua)	9,276	—	4,255	—
US Airways (Colgan)	86	—	—	—
US Airways (Mesa)	19,845	0.1	21,536	0.1
US Airways (Mesaba)	285	—	—	—
US Airways (PSA)	7,110	—	6,655	—
US Airways (Republic)	112,275	0.5	116,510	0.6
USA 3000	437	—	13,357	0.1
Other [(5)]	54,138	0.3	29,777	0.1
Total	20,923,713	100.0%	20,167,265	100.0%

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

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

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

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

(5) Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2014.

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

(7) American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ending September 30

(Unaudited)

Operating year	Operations by class of carrier: Air carrier	Air taxi and commuter	General aviation	Military	Total operations: Total	Percent increase (decrease)
2014	237,863	155,405	6,511	117	399,896	(6.0)%
2013	228,398	191,274	5,855	96	425,623	(1.6)
2012	208,358	217,951	6,127	247	432,683	(3.2)
2011	191,893	248,390	6,662	100	447,045	0.3
2010	195,916	242,697	6,777	110	445,500	1.9

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating years ending September 30

(Unaudited)

	Historical				
	2014	**2013**	**2012**	**2011**	**2010**
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	6,953,259	6,681,114	6,785,759	6,766,488	6,448,329
Connecting (a)	7,795,149	7,981,747	8,014,105	8,143,626	8,159,944
Subtotal – scheduled	14,748,408	14,662,861	14,799,864	14,910,114	14,608,273
Percentage connecting	52.9%	54.4%	54.1%	54.6%	55.9%
Charter	3,465	2,456	2,416	2,418	5,772
Subtotal – domestic	14,751,873	14,665,317	14,802,280	14,912,532	14,614,045
International:					
Scheduled:					
U.S. airlines	1,277,256	1,235,773	1,188,161	1,141,804	1,093,595
Foreign flag	187,170	176,218	177,559	170,911	158,386
Subtotal – scheduled	1,464,426	1,411,991	1,365,720	1,312,715	1,251,981
Charter	374	344	1,584	954	10,355
Subtotal – international	1,464,800	1,412,335	1,367,304	1,313,669	1,262,336
Total enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381
Enplaned cargo (tons):					
Freight	85,475	85,072	84,018	77,756	71,409
Mail	8,543	8,965	8,267	6,973	4,950
Total cargo	94,018	94,037	92,285	84,729	76,359
Aircraft departures (b):					
Domestic	180,485	193,214	196,728	203,769	202,934
International	13,225	13,222	13,664	13,481	13,215
Total aircraft departures	193,710	206,436	210,392	217,250	216,149
Aircraft operations:					
Air carrier	237,863	228,398	208,358	191,893	195,916
Air taxi and commuter	155,405	191,274	217,951	248,390	242,697
General aviation	6,511	5,855	6,127	6,662	6,777
Military	117	96	247	100	110
Total aircraft operations	399,896	425,623	432,683	447,045	445,500
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	13,175,369	12,752,997	12,397,260	13,010,737	12,977,875
Commuter/regional	6,102,680	6,803,630	7,147,300	6,925,445	6,296,021
Subtotal – U.S. carriers	19,278,049	19,556,627	19,544,560	19,936,182	19,273,896
Foreign flag	387,749	368,149	358,810	354,984	336,429
Subtotal – passenger	19,665,798	19,924,776	19,903,370	20,291,166	19,610,325
All cargo	716,903	704,085	704,981	632,547	556,940
Total landed weight	20,382,701	20,628,861	20,608,351	20,923,713	20,167,265

(a) 2014 originating and connecting activity statistics are estimated based on calendar-year percentages.

(b) 2014 departures are estimated based on both actual and scheduled data.

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar years ending December 31

(Unaudited)

Year	Cities added	Cities dropped	Net change
2014		Quebec City, Canada	(1)
2013		Hong Kong, China Tokyo (Haneda), Japan	(2)
2012		London, Canada	(1)
2011	Beijing, China Tokyo (Haneda), Japan		2
2010	Sao Paulo, Brazil Hong Kong, China Seoul, Rep of Korea	Osaka, Japan London (Gatwick), England Kitchener/Waterloo, Canada Winnipeg (Manitoba), Canada Charlottetown, Canada	(2)

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

Source: OAG Aviation Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

		OY 2014	OY 2013	OY 2012	OY 2011	OY 2010
Operating revenues:						
Airport landing and related fees	$	75,780	64,922	66,719	68,473	69,652
Concession fees		54,162	51,697	51,689	50,576	47,975
Parking fees		61,187	57,829	56,092	54,145	48,309
Rental facilities		103,737	101,474	105,251	93,866	89,671
Utility service fees		4,904	5,152	4,790	4,879	4,332
Other		4,098	5,431	3,027	5,716	6,935
Total operating revenues		303,868	286,505	287,568	277,655	266,874
Operating expenses:						
Salaries, wages, and fringe benefits		79,026	71,656	68,848	70,218	68,799
Parking management		6,630	6,280	6,048	6,794	6,505
Janitorial services		11,792	11,383	11,480	11,143	10,972
Security		2,511	2,260	2,288	2,402	2,293
Utilities		28,089	26,274	25,882	24,145	25,789
Repairs, professional services, and other		79,781	73,563	69,340	76,770	72,172
Depreciation		134,938	133,335	134,891	134,660	136,688
Total operating expenses		342,767	324,751	318,777	326,132	323,218
Operating loss		(38,899)	(38,246)	(31,209)	(48,477)	(56,344)
Nonoperating revenues (expenses):						
Passenger facility charges		62,016	61,705	62,134	62,197	60,306
Federal and state grants		1,030	1,353	1,379	1,185	1,231
Interest income and other		1,646	1,622	1,783	3,340	4,948
Interest expense and other		(79,307)	(82,461)	(81,961)	(85,322)	(99,602)
Amortization of bond insurance premiums		(352)	—	—	—	—
Amortization of bond issuance costs		—	(1,663)	(1,722)	(1,583)	(1,837)
Total nonoperating expenses		(14,967)	(19,444)	(18,387)	(20,183)	(34,954)
Net loss before capital contributions and transfers		(53,866)	(57,690)	(49,596)	(68,660)	(91,298)
Capital contributions		15,026	27,395	25,208	15,875	25,869
Transfers out		(5,249)	(5,846)	(357)	(1,252)	(1,490)
Changes in net position		(44,089)	(36,141)	(24,745)	(54,037)	(66,919)
Net position – beginning of year		389,061 [1]	435,196	459,941	513,978	580,897 [2]
Net position – end of year	$	344,972	399,055	435,196	459,941	513,978

[1] In 2014, Detroit Metro Airport restated beginning net position to $389,061 (see Note 2 of 2014 financial statements for additional discussion). This amount less the 2014 decrease in net position is used to arrive at ending net position.

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

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic O&D Markets

Calendar year ended December 31, 2013

(Unaudited)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Non-Stop Service
1	New York	975	7.3%	Delta	54.5%	Spirit	19.4%	●
2	Florida South	746	5.6%	Delta	61.3%	Spirit	25.7%	●
3	Orlando	744	5.5%	Delta	59.1%	Spirit	23.7%	●
4	Las Vegas	718	5.3%	Delta	49.4%	Spirit	35.9%	●
5	Los Angeles	678	5.0%	Delta	59.3%	Southwest	13.3%	●
6	Washington D.C.	676	5.0%	Delta	68.0%	Southwest	21.4%	●
7	Chicago	509	3.8%	Delta	50.5%	Southwest	21.0%	●
8	Atlanta	470	3.5%	Delta	71.1%	Southwest	23.4%	●
9	Tampa	459	3.4%	Delta	63.8%	Spirit	22.0%	●
10	Dallas	421	3.1%	Delta	36.8%	American	33.3%	●
11	San Francisco	418	3.1%	Delta	67.7%	Southwest	12.7%	●
12	Denver	415	3.1%	Delta	37.3%	Spirit	21.0%	●
13	Fort Myers	412	3.1%	Delta	64.6%	Spirit	26.5%	●
14	Phoenix	388	2.9%	Delta	49.2%	US Airways	23.2%	●
15	Houston	259	1.9%	Delta	37.8%	United	25.1%	●
16	Boston	253	1.9%	Delta	73.1%	US Airways	19.0%	●
17	Nashville	234	1.7%	Delta	66.2%	Southwest	31.2%	●
18	Seattle	207	1.5%	Delta	75.4%	Southwest	8.7%	●
19	San Diego	198	1.5%	Delta	61.6%	Southwest	18.2%	●
20	Philadelphia	198	1.5%	Delta	52.5%	US Airways	42.9%	●
Other O&D Markets		4,049	30.2%					
Domestic O&D Passengers		13,426						
O&D % of Domestic Passengers		47%						

Note: Figures may not add due to rounding

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #18

Top 20 International O&D Markets

Calendar year ended December 31, 2013

(Unaudited)

Rank	Market	Total O&D Passengers	Non-Stop Service
1	Cancun	88,507	●
2	London (Heathrow)	38,907	●
3	Nagoya	35,925	●
4	Shanghai	33,915	●
5	Mexico City	33,302	●
6	Frankfurt	31,423	●
7	Punta Cana	25,941	●
8	Tokyo	25,537	●
9	Montego Bay	24,548	●
10	Seoul	20,879	●
11	Paris	20,581	●
12	Sao Paulo	20,080	●
13	Monterrey	17,923	●
14	Rome	16,761	●
15	Beijing	16,761	●
16	Amsterdam	16,152	●
17	Los Cabos	15,406	●
18	Vancouver	13,858	●
19	Nassau	12,736	●
20	Aruba	11,026	

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

See accompanying independent auditor's report.

COMPLIANCE SECTION

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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*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the fiduciary fund of the Wayne County Airport Authority as of and for the year ended September 30, 2014, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 16, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plante & Moran, PLLC

January 16, 2015

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

Independent Auditor's Report

To the Wayne County Airport Authority Board
Wayne County Airport Authority

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

We have audited the Wayne County Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended September 30, 2014. 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, 2014. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge revenue and expenditure schedule.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Opinion on the Major Federal Program and Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and its passenger facility charge program for the year ended September 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Plante & Moran, PLLC

January 16, 2015

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2014

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Contract/Grant Number	Award Amount	Federal Expenditures	
DETROIT METROPOLITAN AIRPORT					
U.S. Department of Transportation:					
Federal Aviation Administration - Direct Program -					
Airport Improvement Program (major program):					
DEICING FACILITY PHASE 2B1	20.106	3-26-0026-9109	$ 739,237	$ 1	*
GROUND RUN-UP ENCLOSURE	20.106	3-26-0026-9910	8,899,435	(13,102)	*
RUNWAY 4R/22L-Phase I-Taxiway Z	20.106	3-26-0026-10311	13,198,322	1	*
VOLUNTARY AIRPORT LOW EMISSION (VALE)	20.106	3-26-0026-10411	1,849,866	(3)	*
RUNWAY 4R/22L PHASE 2	20.106	3-26-0026-10512	20,498,079	2	*
RUNWAY 4R/22L-Phase 3-Southern Portion	20.106	3-26-0026-10713	8,082,901	(6)	*
RUNWAY 4R/22L-Phase 4	20.106	3-26-0026-10814	19,301,529	14,970,981	
Subtotal Airport Improvement Program			72,569,369	14,957,874	
U.S. Department of Justice:					
Bulletproof Vest Partnership	16.607		28,039	28,039	
Asset Forfeiture Equitable Sharing Program	16.922	MI-8293900	-	373,142	
Total U.S. Department of Justice			28,039	401,181	
Total Detroit Metropolitan Airport			72,597,408	15,359,055	
WILLOW RUN AIRPORT					
U.S. Department of Transportation -					
Federal Aviation Administration - Direct Program -					
Airport Improvement Program (major program):					
RUNWAY 5L SAFETY AREA	20.106	3-26-0024-3007	3,675,541	(72,200)	*
RUNWAY 5R/23L-Phase 1, R/W wind cones	20.106	3-26-0024-3712	9,385,219	(9)	*
RUNWAY 5R/23L-Phase 2-Northern Portion	20.106	3-26-0024-3812	5,878,947	1,228,062	
RUNWAY 5R/23L-Phase 3-Southern Portion	20.106	3-26-0024-3913	9,355,145	7,645,627	
RUNWAY 5R/23L-Phase 4-Southern Portion	20.106	3-26-0024-4013	11,775,575	7,595,477	
MISCELLANEOUS AIRPORT IMPROVEMENTS	20.106	3-26-0024-4114	813,524	301,213	
Subtotal Airport Improvement Program			40,883,951	16,698,170	
Total Willow Run Airport			40,883,951	16,698,170	
Total Expenditures of Federal Awards			**$ 113,481,359**	**$ 32,057,225**	

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

See Note to Schedule of Expenditures of Federal Awards.

WAYNE COUNTY AIRPORT AUTHORITY

Note to Schedule of Expenditures of Federal Awards

September 30, 2014

(1) Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the expenditures of the Wayne County Airport Authority (the Authority) under programs of the federal government and is presented in accordance with the requirements of OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. 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: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ______ Yes __X__ No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: $961,717

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

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

WAYNE COUNTY AIRPORT AUTHORITY
Schedule of Passenger Facility Charge Revenues and Expenditures
Year ended September 30, 2014

	Amended Amount Approved	Cumulative Total October 1, 2013	Quarter Ended December 31, 2013	Quarter Ended March 31, 2014	Quarter Ended June 30, 2014	Quarter Ended September 30, 2014	Total FY 2014	Cumulative Total September 30, 2014
Passenger Facility Charges Collected	$ 3,164,332,836	1,112,613,307	16,016,748	13,947,674	16,302,618	15,513,089	61,780,129	1,174,393,436
Interest Earned	N/A	73,339,569	4,483	39,005	14,084	23,987	81,559	73,421,128
Total Revenues	$ 3,164,332,836	1,185,952,876	16,021,231	13,986,679	16,316,702	15,537,076	61,861,688	1,247,814,564
Passenger Facility Charges Expended for Approved Projects:								
APPLICATION NO. 1								
South Airport Access Road Construction	$ 38,620,000	28,664,340	-	-	-	-	-	28,664,340
Storm Water Retention & Drainage Facilities Construction	4,980,000	4,169,572	-	-	-	-	-	4,169,572
Noise Berm Construction	225,000	224,927	-	-	-	-	-	224,927
Noise Mitigation Program	104,084,000	18,085,626	181,909	109,499	104,504	109,502	505,414	18,591,040
Willow Run Airport Layout Plan Update	5,000	5,000	-	-	-	-	-	5,000
APPLICATION NO. 2								
Land Acquisition and Preliminary Design for Fourth Parallel Runway	6,391,000	2,439,199	-	-	-	-	-	2,439,199
Perimeter Property Fencing and Removal of Airport Hazard - Willow Run	52,000	16,665	-	-	-	-	-	16,665
APPLICATION NO. 3								
Midfield Domestic and International Terminal Facilities Construction	1,370,450,360	702,977,106	9,225,442	8,024,966	7,658,903	8,025,126	32,934,437	735,911,543
Reconstruction of Existing Terminals and Concourses	673,408,000	153,225,604	4,378,635	3,706,860	4,709,416	6,329,673	19,124,584	172,350,188
Concourse C Expansion & Domestic Terminals Facilities Construction (Interim Improvement)	22,967,000	21,693,389	-	-	-	-	-	21,693,389
International Passenger Processing Facilities Expansion (Interim Improvement)	32,000,000	31,800,730	-	-	-	-	-	31,800,730
APPLICATION NO. 4								
Runway 21C/3C Keel Section Replacement	16,991,000	7,011,581	175,480	105,633	100,815	105,635	487,563	7,499,144
Runway 4R/22L Design and Construction	169,274,000	56,005,372	849,118	511,208	487,890	511,219	2,359,435	58,364,807
Rebuild Outfall Structures at Ponds 3 and 4	2,413,000	997,532	24,927	15,006	14,320	15,005	69,258	1,066,790
21C Remote Primary Deicing	23,958,000	10,950,748	228,683	137,656	131,378	137,659	635,376	11,586,124
Grade/Pave Taxiway "K" Islands	704,000	291,005	7,276	4,381	4,180	4,380	20,217	311,222
APPLICATION NO. 5								
North Terminal Apron	59,574,000	9,941,028	-	-	-	-	-	9,941,028
McNamara Terminal Phase II Program	277,941,000	70,459,769	1,238,086	1,152,241	1,773,685	2,142,860	6,306,872	76,766,641
Third Aircraft Rescue and Firefighting Facility	1,315,000	129,764	-	-	-	-	-	129,764
West Airfield Improvements	31,906,000	9,112,409	-	-	-	-	-	9,112,409
Interconnect Re-route	1,441,000	369,055	-	-	-	-	-	369,055
Taxiway Q Construction	4,153,000	1,552,756	-	-	-	-	-	1,552,756
Runway 4R/22L Shoulders/Overburden (fka 3L/21R)	2,090,000	735,822	-	-	-	-	-	735,822
Deicing Pad at Runway 22L	18,123,000	6,601,048	-	-	-	-	-	6,601,048
Deicing Pads at Runway 4R and 3L	39,941,000	9,628,871	-	-	-	-	-	9,628,871
Perimeter Fencing and Other Security Enhancements	710,000	-	-	-	-	-	-	-
Surface Movement Guidance Control System	1,310,000	-	-	-	-	-	-	-
Runway 3L/21R Planning	700,000	-	-	-	-	-	-	-
Runway 3R/21L Design and Pavement Evaluation	1,200,000	-	-	-	-	-	-	-
Part 150 Study Update	386,156	326,095	-	-	-	-	-	326,095
APPLICATION NO. 7								
Airfield Snow Removal Vehicles & Equipment	16,873,119	1,833,188	-	-	-	-	-	1,833,188
McNamara Terminal In-Line Explosive Detection	110,328,130	4,277,033	-	-	-	-	-	4,277,033
Infill Island at Taxiway Y-10	811,236	85,294	-	-	-	-	-	85,294
Master Plan Update	946,500	87,823	-	-	-	-	-	87,823
Runway Surface Monitor System for RW 4L/22R	1,000,000	-	-	-	-	-	-	-
Runway and Taxiway Improvements	97,694,583	3,053,440	-	-	-	-	-	3,053,440
Reconstruct Runway 4R/22L (Impose Only)	29,366,752	-	-	-	-	-	-	-
Total Amount Approved	$ 3,164,332,836							
Total Expenditures		$ 1,156,751,791	$ 16,309,556	$ 13,767,450	$ 14,985,091	$ 17,381,059	$ 62,443,156	$ 1,219,194,947
Unexpended Passenger Facility Charges		$ 29,201,085						$ 28,619,617

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

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charge Revenues and Expenditures

September 30, 2014

(1) General

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

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

As of September 30, 2014, the Authority had received approximately $1.17 billion of PFC revenue and interest earnings of approximately $73.4 million. The Authority had expended approximately $1.22 billion on approved projects.

(2) Basis of Accounting

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

PFC charges collected, expended, and interest earned represent amounts reported to the FAA on the Passenger Facility Charge Quarterly Status Reports and total $61.8 million, $62.4 million, and $82 thousand, respectively, for the year ended September 30, 2014. The Authority also maintained a receivable of approximately $9.6 million for PFCs collected by the airlines but not remitted to the Authority as of September 30, 2014.

(3) Interest Earned

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