Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type	Local Unit Name	County
☐County ☐City ☐Twp ☐Village ☒Other	Wayne County Airport Authority	Wayne

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
September 30, 2006	March 23, 2007	March 29, 2007

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

	YES	NO	**Check each applicable box below**. (See instructions for further detail.)
1.	☒	☐	All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.	☐	☒	There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.	☒	☐	The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.	☒	☐	The local unit has adopted a budget for all required funds.
5.	☒	☐	A public hearing on the budget was held in accordance with State statute.
6.	☒	☐	The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.	☒	☐	The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.	☒	☐	The local unit only holds deposits/investments that comply with statutory requirements.
9.	☒	☐	The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan,* as revised (see Appendix H of Bulletin).
10.	☒	☐	There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.	☒	☐	The local unit is free of repeated comments from previous years.
12.	☒	☐	The audit opinion is UNQUALIFIED.
13.	☒	☐	The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.	☒	☐	The board or council approves all invoices prior to payment as required by charter or statute.
15.	☒	☐	To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	☒	
The letter of Comments and Recommendations	☐	Not applicable
Other (Describe)	☐	Not applicable

Certified Public Accountant (Firm Name)	Telephone Number		
KPMG LLP	(313) 230-3000		
Street Address	**City**	**State**	**Zip**
150 West Jefferson, Suite 1200	Detroit	MI	48226

Authorizing CPA Signature	Printed Name	License Number
	Sean C. Keenan	1101012539

Wayne County Airport Authority

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

Comprehensive Annual
FINANCIAL REPORT

For year ended
September 30, 2006

Wayne County Airport Authority today...

WAYNE COUNTY AIRPORT AUTHORITY

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

Comprehensive Annual Financial Report

Year Ended September 30, 2006

Prepared by:
Controller's Office

WAYNE COUNTY AIRPORT AUTHORITY

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WAYNE COUNTY AIRPORT AUTHORITY

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March 23, 2007

To the Board of Directors
Wayne County Airport Authority

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2006, is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States of America. 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 page 1.

This report was prepared following the guidelines recommended by the Government Finance Officer's 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 with the high standards of public financial reporting, including accounting principles generally accepted in the United States of America, 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 for ensuring 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 (AIP) and the Aviation Safety and Capacity Expansion Act.

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

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

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

An independent audit was also performed in accordance with the requirements of the Single Audit Act Amendments of 1996 (P.L. 104-156). The auditor's reports related specifically to the single audit are issued under separate cover.

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 issued under separate cover.

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 – This section introduces the reader to the Wayne County Airport Authority and to this report. It includes this transmittal letter with continuing disclosure reporting enhancements.

Financial Section – The independent auditor's report, management's discussion and analysis, financial statements, notes to the financial statements and required

supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position.

Statistical Section – Although this section contains substantial financial data, these schedules differ from financial statements in that they present some non-accounting data, cover more than the current year, and are designed to reflect economic data, financial trends, and the fiscal capabilities of the Authority.

Continuing Disclosure Section – The continuing disclosure schedules in this section 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.

REPORTING ENTITY AND ITS SERVICES

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 and concessions to fund operating expenses. The Authority is not taxpayer-funded. The Capital Improvement Program (CIP) is funded by Bonds issued by the Authority, federal and state grants and passenger facility charges (PFCs).

Airport Use and Lease Agreement (the Agreement)

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

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

Capital Improvement Program

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

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

During FY 2006, an expansion and upgrade of the facilities at the McNamara Terminal were completed. Northwest, its regional carriers Mesaba and Pinnacle, and its alliance partners Delta Air Lines and Continental Airlines, as well as Air France, British Airways, Royal Jordanian Airlines and Lufthansa German Airlines, currently operate at the McNamara Terminal complex, which opened at the end of February 2002.

The Authority's CIP represents current expectations of future capital needs. The Authority's current 2007-2011 Capital Program includes approximately $680 million and $66 million of planned projects over the next five years for Detroit Metro and Willow Run Airports, respectively.

The airlines serving the Airport have been impacted by global events and experienced an increase in costs and a decline in financial condition to varying degrees. Several airlines filed for bankruptcy at the end of FY 2005 and beginning of FY 2006, including Northwest Airlines, Mesaba Airlines, and Delta Airlines. United Airlines emerged from bankruptcy during FY 2006. No Airline Agreements have been assumed or rejected at this time, and the three airlines in bankruptcy continue to make payments owed to the Authority under their respective agreements.

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

The Airport registered declines in several key areas. Enplanements, aircraft operations and landed weights decreased by 2.7%, 8.5% and 6.9%, respectively, from FY 2005. Despite the decreases in these key areas, airline cost per enplaned passenger decreased 9.3% in FY 2006 compared to FY 2005.

Even though passenger enplanements decreased in FY 2006 from FY 2005, FY 2006 was the second largest year on record for enplanements, eclipsed only by 2005. Almost 17.8 million passengers were serviced by the Airport during FY 2006. The Airport's activities for years ended September 30, 2006 and 2005 are as follows:

	2006	2005
Enplanements	17,799,932	18,286,282
Cost per Enplaned Passenger	$5.17	$5.70
Aircraft Operations	485,273	530,637
Cargo (in tons)	89,701	102,566
Landed Weights (in thousand lbs.)	24,109,640	25,887,255

Northwest is the dominant air carrier operating at the Airport, which serves as a primary connecting passenger hub in Northwest's route system. Northwest, together with its regional affiliates Mesaba and Pinnacle, accounted for 77% and 79% of passenger enplanements at the Airport in FY 2006 and FY 2005, respectively.

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 outlay, 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, and an estimate of the revenues of the Authority from all sources for the ensuing fiscal year.

Budgeting serves as an important management tool to plan, control and evaluate the operations of the Authority. The Detroit Metropolitan Airport Operating and Maintenance (O&M) and Willow Run budgets are the Authority's annual financial plan for operating and maintaining the Airports. 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.

The budget is prepared on the same basis as the financial statements are prepared, for internal and external reporting, on accrual basis of accounting except for the Detroit Metropolitan Airport, which conforms to the applicable provisions of the Airport Use and Lease Agreement (the Agreement). The Agreement provides for cost recovery for the operations of the Airport and provides for directly expensing O&M capital equipment and facility projects and recovering the bond-financed capital improvements through specified requirements from funding of debt service.

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

AUTHORITY'S ECONOMIC CONDITION

Population

The Airport Service Region (the Region) consists of the ten-county Detroit-Ann Arbor-Flint Consolidated Metropolitan Statistical (CMSA) which includes the counties of

Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne.

The Detroit-Ann Arbor-Flint CMSA represents the eighth most populous region in the U.S. The Airport Service Region's historically strong air travel demand has been based on a manufacturing economic base, with continuing diversification into numerous supporting service industries (e.g. robotics).

The population of the Detroit-Ann Arbor-Flint CMSA was estimated by the Census Bureau at 5,530,033 residents as of July 2005. That was an increase of 1.4% since the 2000 Census and an increase of 5.2% from 1990. During the previous decade, the Region's population decreased by 2%. The Region's population is projected to increase to 6.2 million in 2025, an increase of 0.6% annually.

In calendar year (CY) 2005, an estimated 10.2 million people resided in Michigan, which accounted for 3.4% of all U.S. residents. Michigan remains the eighth most populous state, behind California, Texas, New York, Florida, Illinois, Pennsylvania and Ohio. Michigan's population is expected to increase by approximately 500,000 residents by 2025, an annual increase of 0.2%.

Economy

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

Michigan's share of motor vehicle production declined to 18.7% of all U.S. production in FY 2006, a decrease of 2.5 percentage points. The Michigan three month average (July, August and September 2006) of vehicle production was down 16.7% from a year ago, compared to a 12.2% decline nationally.

The U.S. Consumer Price Index (CPI) increased by 2.1% nationally from September 2005 to September 2006, while the Detroit CPI increased by 3.3% during that same time period.

Employment

From September 2005 to September 2006, Michigan employment decreased by 0.8%. Between CY 2003 and CY 2004, employment levels in the Region also declined by 0.8%. Nationally, September 2006 employment rose 1.3% over September 2005.

In the goods-producing sector, Michigan employment fell 4.3% from 2005 while private service-producing sector employment increased 0.6% compared to last year. Nationally,

employment in the goods-producing sector rose 1.3% and increased 1.5% in the private service-producing sector in 2006 as compared to 2005.

Employment in the Region is forecast to increase 1.2% annually between CY 2004 and CY 2010 with the most of the growth in the Professional and Business Services sector (2.4%), similar to State and national employment trends. Manufacturing employment is anticipated to decline by 0.4% in the Region and in the State, and 0.3% in the nation between CY 2004 and CY 2010.

LONG-TERM FINANCIAL PLANNING

The Authority's long term financial planning includes the completion of certain approved capital expenditures and the accumulation of sufficient resources required to service the debt issued to finance these expenditures and to operate and maintain the Airports. Under 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 that the Airport's net revenues plus other available funds, as defined in the Bond Ordinance, are sufficient to provide debt service coverage of 125% of the annual debt service requirement on senior bonds. The debt service coverage ratio for the year ended September 30, 2006 was 138% of total debt service.

The Authority maintains an ongoing Capital Improvement Program (CIP) for the Airports. The current five-year CIP is highlighted by the construction of a new North Terminal passenger complex.

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

The Authority also has plans for additional capital projects which will be part of the future CIP. Many of these projects will be associated with airfield rehabilitation and reconstruction, based on the recommendation of the Pavement Maintenance System funded in part with net proceeds of the 2005 Bonds.

The Authority also anticipates certain increases in airline activity. The total number of passengers enplaned at the Airport is forecast to increase 2.9% annually from FY 2005 to FY 2010. Domestic enplaned passengers at the Airport are forecast to increase at an annual average rate of 2.2% through FY 2010. The number of domestic originating and connecting passengers are forecast to increase 2.7% and 3.0% per year, respectively, from FY 2005 to FY 2010. International enplaned passengers are forecast to increase 9.4% from 2005 to FY 2010.

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.

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.

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

Under its current PFC approvals, the Authority has authority to impose and use $2.907 billion in PFCs, which includes amounts for the payment of principal, interest, and other financing costs on bonds, the proceeds of which are used to pay the PFC-eligible costs of the approved projects. As of September 30, 2006, the Airport had received approximately $731.0 million of PFC revenue, which includes interest earnings of approximately $60.4 million, and had expended approximately $616.3 million on approved projects. The current estimated PFC expiration date is October 1, 2032.

OTHER INFORMATION

Recognition of 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, 2005. This was the third 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 2006 CAFR to GFOA for consideration.

The Authority has also received the GFOA's Award for Distinguished Budget Presentation for the FY starting October 1, 2005. This was the second consecutive year that the Authority has achieved this award.

The Authority also received a number of non-financial awards during 2006:

2006 Airport's Council International – North America (ACI-NA) Excellence in Concessions Contest

- Best Food and Beverage Program
- Best Retail Specialty Program

Airport Revenue News – Best Concessions Poll

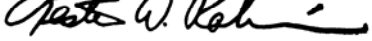
- Airport with the most unique services
- Airport with the best overall concession program – McNamara Terminal
- Airport with the best concessions management team – McNamara Terminal
- Airport with the best overall concessions program design – McNamara Terminal

Acknowledgments

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

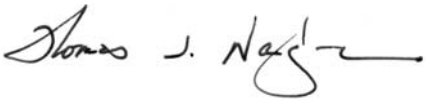
This report also could not have been possible without the leadership and support of the governing body of the Authority's Board of Directors.

Respectfully submitted,



Lester W. Robinson

Chief Executive Officer



Thomas J. Naughton

Senior Vice President of Finance and Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wayne County Airport Authority, Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

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

President

Executive Director

KPMG LLP
Suite 1200
150 West Jefferson
Detroit, MI 48226-4429

Independent Auditors' Report

The Board of Directors
Wayne County Airport Authority:

We have audited the accompanying basic financial statements of each major fund of the Wayne County Airport Authority (the Authority), a component unit of the Charter County of Wayne, Michigan (the County), as of and for the year ended September 30, 2006, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Wayne County Airport Authority as of September 30, 2006, and the respective changes in financial position and cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

As described in Note 2, the Authority has implemented GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* effective October 1, 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2007, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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* and should be considered in assessing the results of our audit.

KPMG LLP, a U.S. limited liability partnership, is the U.S.
member firm of KPMG International, a Swiss cooperative.

The Management Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, statistical section, and continuing disclosure section, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 express no opinion on them.

KPMG LLP

Detroit, Michigan
March 23, 2007

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS

(Unaudited)

September 30, 2006

The following discussion and analysis provides an overview of the financial performance and activities of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2006, with selected comparative information for the year ended September 30, 2005. This discussion and analysis has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Assets, which presents the assets, liabilities, and net assets of the Authority as of the end of the fiscal year; (b) Statement of Revenues, Expenses, and Changes in Net Assets, which reflects revenues and expenses recognized during the fiscal year; and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal year.

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

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

THE AIRPORT FUNDING METHODOLOGY

Funding for the Airport operations is predicated upon the stipulations in the Airport Use and Lease Agreements between the Authority and the Airlines. The Airport Use and Lease Agreements set the terms of the business relationship between the Authority and the Airlines. Key terms in the Use and Lease Agreements include rental rates, activity fee methodology, utilities, etc. Once an airline signs a Use and Lease Agreement, they are designated a "Signatory Airline." The Use and Lease Agreements also determine the budget and financing (activity fee) methodologies 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 hybrid methodology that combines both features.

The Airport operates under a residual methodology. The methodology places additional risk to the Signatory Airlines, as these Airlines guarantee the net cost of operating the entire Airport. This obligation includes operating expenses and all debt service requirements of the Airport. If the Airport incurs a deficit in a particular year, it has the ability to increase rates to the Signatory Airlines up to the amount of the deficit. Conversely, if the Airport realizes a surplus, the Airport must refund the surplus to the Signatory Airlines.

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

FINANCIAL HIGHLIGHTS

The financial highlights for fiscal year 2006 were influenced by many sources, many of which were non-airline. Non-airline revenues increased 9.8% over 2005 with increases greater than 10% in the categories of parking and ground transportation. Hotel revenues increased slightly (5%) over 2005 totals. Overall operating revenues remained constant from 2005 to 2006. Operating expenses increased only 3.1% over 2005. Increases in maintenance and depreciation were offset by decreases in professional and contractual services. Overall net assets were virtually unchanged as a result of these events decreasing by 2.5% from 2005, after considering the restatement of the 2005 ending net assets. See footnote 2 for explanation of this restatement, which occurred as a result of implementing, GASB Statement No. 42, Accounting and Reporting for Impairment of Capital Assets and for Insurance Recoveries.

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS

(Unaudited)

September 30, 2006

Statement of Net Assets

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

The condensed summary of the Authority's net assets as of September 30, 2006 and 2005 is:

	2006 (000's)	2005 (000's)
ASSETS:		
Current unrestricted assets	$ 127,338	$ 110,465
Current restricted assets	779,823	743,271
Noncurrent restricted assets	70,960	189,667
Capital assets*	2,077,637	2,052,860
Other assets	40,207	42,882
Total assets	3,095,965	3,139,145
LIABILITIES:		
Current liabilities	88,288	61,465
Current liabilities payable from restricted assets	79,684	78,923
Long-term liabilities	2,283,220	2,337,507
Total liabilities	2,451,192	2,477,895
NET ASSETS:		
Invested in capital assets, net of related debt*	180,193	176,039
Restricted	384,748	386,025
Unrestricted	79,832	99,186
TOTAL NET ASSETS*	$ 644,773	$ 661,250

* Balances restated in 2005. See footnote 2.

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

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

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

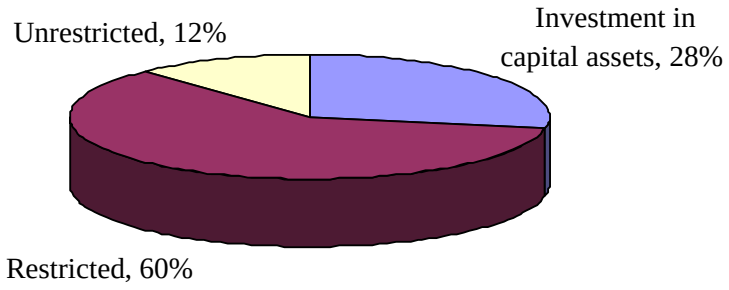
Net assets decreased by $16.5 million in fiscal year ended September 30, 2006 taking into consideration the restatement of the 2005 net assets. Increases in parking, concession fees, car rentals and hotel revenue were offset by increases in salaries, depreciation and building, grounds and equipment maintenance. An increase in interest expense also contributed to a decrease in net assets.

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS

(Unaudited)

September 30, 2006

The chart below illustrates a breakdown of total net assets as of September 30, 2006:



Approximately 60% of the Airport's 2006 net assets are restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Amounts invested in capital assets, net of related debt, accounts for approximately 28% of total net assets and represent land, buildings, improvements, and equipment, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

The remaining net assets include unrestricted net assets of $79 million, which may be used to meet any of the Authority's ongoing operations. Net assets invested in capital assets were virtually unchanged increasing by $4 million from $176 million at September 30, 2005 to $180 million at September 30, 2006. A decrease in accumulated depreciation of $17.7 million was offset by an increase in net outstanding debt of $29.0 million in 2006.

Restricted net assets remained steady, demonstrating a slight decrease over 2005.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital activity for fiscal year 2006 increased significantly as the construction of the North Terminal Complex commenced.

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, 2006, the Authority had approximately $2.33 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 $172.8 million in 2006 and long-term debt amounting to $56.8 million was paid off during the year.

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The Statement of Revenues, Expenses, and Changes in Net Assets present the operating results of the Authority, as well as the nonoperating revenues and expenses. Operating revenues include both airline and nonairline revenues and primarily consist 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 assets for the years ended September 30, 2006 and 2005 follows:

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS

(Unaudited)

September 30, 2006

	2006 (000's)	2005 (000's)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	$ 60,738	$ 73,872
Terminal building rentals and fees	26,992	25,832
Facility use fees	7,073	7,568
Non-airline revenues:		
Parking fees	53,026	46,004
Concession fees	28,176	26,415
Car rental	19,175	18,082
Hotel	30,535	29,213
Other	27,289	24,402
Total Operating Revenues	253,004	251,388
Operating expenses:		
Salaries, wages, and fringe benefits	68,649	66,623
Parking management	9,754	10,647
Hotel management	22,272	21,870
Depreciation	115,854	103,632
Professional and contractual services	18,948	30,126
Utilities	23,021	21,828
Building, ground, equipment maintenance	36,882	30,795
Other expenses	28,029	28,030
Total Operating Expenses	323,409	313,551
Operating loss	(70,405)	(62,163)
Nonoperating revenues (expenses):		
Passenger facility charges	67,831	70,695
Other nonoperating revenues	55,450	35,368
Interest expense	(106,822)	(92,389)
Other nonoperating expenses	(2,337)	(2,106)
Net nonoperating revenues (expenses)	14,122	11,568
Net loss before capital contributions	(56,283)	(50,595)
Capital Contributions	39,806	39,939
Change in net assets	(16,477)	(10,656)
Net assets, beginning of the year (restated)	661,250	671,906
Net assets, end of the year	$ 644,773	$ 661,250

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS

(Unaudited)

September 30, 2006

A summary of the total revenues and total expenses is shown below:

	2006 (000's)	2005 (000's)
Revenues:		
Total operating revenues	$ 253,004	$ 251,388
Total non-operating revenues	123,281	106,063
Total Revenues	$ 376,285	$ 357,451
Expenses:		
Total operating expenses	$ 323,409	$ 313,551
Total non-operating expenses	109,159	94,495
Total Expenses	$ 432,568	$ 408,046

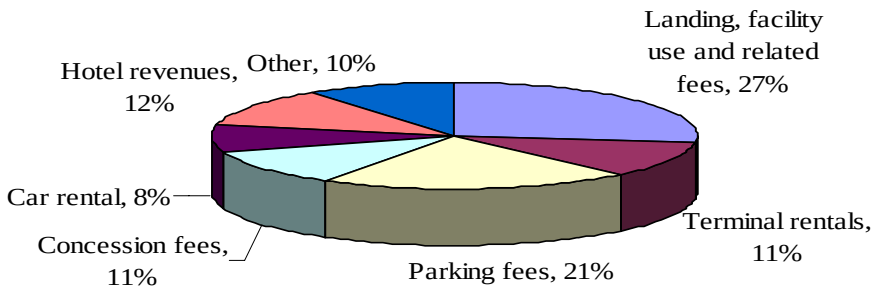
WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS

(Unaudited)

September 30, 2006

Operating Revenues:

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2006:



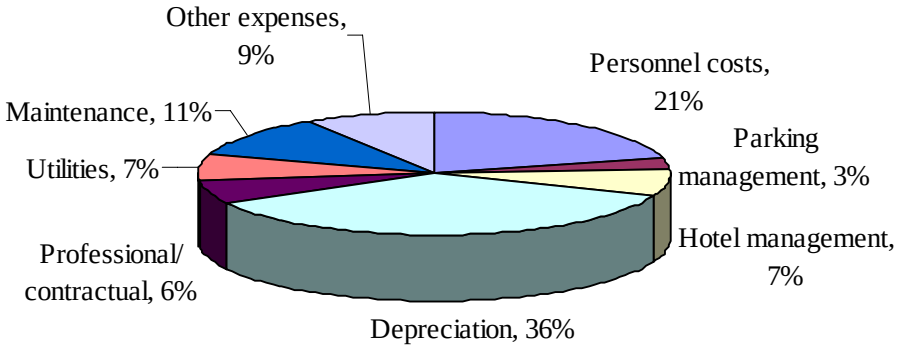
Operating revenues remained virtually unchanged increasing 0.6% from $251.4 million in 2005 to $253.0 million in 2006. Increases in parking fees were offset by decreases in landing and related fees.

Parking fees increased $7.0 million in fiscal year 2006 due to increased market share resulting from amplified marketing and advertising of the facilities. A rate increase also contributed to the increase in parking fees.

Landing and related fees decreased by $13.1 million in fiscal year 2006. Increases in other non-airline revenue sources allowed the Authority to reduce the landing fee rate resulting in decreased landing fee revenues. Overall, all other revenues (exclusive of landing and related fees) increased $14.7 million (8.3%) over 2005.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2006:



Operating expenses for the Authority increased by $9.9 million (3.1%) in fiscal year 2006 over fiscal year 2005. Increases in depreciation and building and equipment maintenance were offset by decreases in professional and contractual services.

Depreciation expense increased by $12.2 million over 2005. The Authority conducted a physical inventory of all capital assets during 2006. The reclassification of certain asset categories and the resulting revision of estimated useful lives of those assets contributed to this increase.

Buildings, grounds and equipment maintenance increased by $6.1 million over 2005. Contractual increases on maintenance contracts as well as extensive repairs and upgrades to the airfield contributed to this increase.

Professional and contractual services decreased by $11.2 million from 2005. Decreased activity in the residential sound insulation program (RSIP) expenditures lead to this reduction as this program is concluding.

Non-Operating Revenues and Expenses and Contributed Capital:

Total non-operating activities lead to a net non-operating revenue increase of $2.6 million in 2006. Increases in interest income were offset by increases in interest expenses. Interest income increased due to the deposit of the 2005 bond proceeds and the rise in interest rates during 2006. Interest expense increased with the full year of debt service related to the 2005 bonds.

Capital contributions remained virtually unchanged from 2005.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2006

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Unrestricted current assets:				
Cash and investments (note 4)	$ 95,639,778	425,062	1,074,115	97,138,955
Accounts receivable, less allowance (note 2)	10,429,741	295,928	1,450,889	12,176,558
Due from primary government	493,005	—	—	493,005
Due from other governmental units	15,992,004	1,536,984	—	17,528,988
Total unrestricted current assets	122,554,528	2,257,974	2,525,004	127,337,506
Restricted current assets (notes 4 and 5):				
Cash and investments	752,978,894	3,273,660	10,259,697	766,512,251
Accounts receivable	13,251,048	7,227	53,068	13,311,343
Total restricted current assets	766,229,942	3,280,887	10,312,765	779,823,594
Total current assets	888,784,470	5,538,861	12,837,769	907,161,100
Noncurrent assets:				
Restricted cash and investments (notes 4 and 5)	70,959,903	—	—	70,959,903
Capital assets (note 6):				
Land	156,296,459	13,726,984	—	170,023,443
Buildings and improvements	1,449,189,008	4,632,179	92,471,679	1,546,292,866
Equipment	47,740,864	6,316,898	258,953	54,316,715
Infrastructure	1,003,134,592	90,560,320	—	1,093,694,912
Construction in progress	110,936,900	3,621,727	—	114,558,627
Total capital assets	2,767,297,823	118,858,108	92,730,632	2,978,886,563
Less accumulated depreciation	811,206,279	72,028,428	18,014,946	901,249,653
Net capital assets	1,956,091,544	46,829,680	74,715,686	2,077,636,910
Other assets:				
Bond issuance cost, less amortization (note 2)	27,654,998	—	5,629,445	33,284,443
Accounts receivable, less allowance (note 2)	882,185	—	—	882,185
Advances to other funds	4,751,033	—	—	4,751,033
Prepaid expenses	1,041,245	10,149	237,969	1,289,363
Total other assets	34,329,461	10,149	5,867,414	40,207,024
Total noncurrent assets	2,061,380,908	46,839,829	80,583,100	2,188,803,837
Total assets	$ 2,950,165,378	52,378,690	93,420,869	3,095,964,937

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2006

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Liabilities:				
Current liabilities:				
Payable from current assets:				
Accounts payable	$ 36,852,732	1,177,987	787,863	38,818,582
Accrued wages and benefits	2,431,001	38,511	—	2,469,512
Due to other governmental units	2,037	—	—	2,037
Due to primary government	948,186	—	—	948,186
Deferred revenue	2,545,876	11,918	—	2,557,794
Other accrued liabilities	42,969,252	522,813	—	43,492,065
Total current liabilities payable from current assets	85,749,084	1,751,229	787,863	88,288,176
Payable from restricted current assets:				
Accrued interest payable	31,146,277	—	2,149,581	33,295,858
Bonds payable and other debt (note 7)	43,320,000	19,476	976,524	44,316,000
Deferred revenue	105,798	1,966,201	—	2,071,999
Total current liabilities payable from restricted current assets	74,572,075	1,985,677	3,126,105	79,683,857
Total current liabilities	160,321,159	3,736,906	3,913,968	167,972,033
Long-term liabilities:				
Advances from other funds	—	4,751,033	—	4,751,033
Other accrued liabilities	5,923,527	—	—	5,923,527
Bonds payable and other debt, net (note 7)	2,157,877,673	676,454	113,991,355	2,272,545,482
Total long-term liabilities	2,163,801,200	5,427,487	113,991,355	2,283,220,042
Total liabilities	2,324,122,359	9,164,393	117,905,323	2,451,192,075
Net assets:				
Investment in capital assets, net of related debt	134,058,960	46,133,750	—	180,192,710
Restricted for:				
Capital projects	118,495,525	1,295,210	—	119,790,735
Debt service	234,596,385	—	—	234,596,385
Operations	27,417,957	—	—	27,417,957
Drug enforcement	2,942,814	—	—	2,942,814
Unrestricted (deficit)	108,531,378	(4,214,663)	(24,484,454)	79,832,261
Total net assets (deficit)	$ 626,043,019	43,214,297	(24,484,454)	644,772,862

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended September 30, 2006

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	$ 60,161,961	576,163	—	60,738,124
Terminal building rentals and related fees	25,025,987	1,966,085	—	26,992,072
Facility use fees	6,767,329	306,250	—	7,073,579
Nonairline revenues:				
Parking fees	53,026,292	—	—	53,026,292
Concession fees	28,175,773	—	—	28,175,773
Car rental	19,175,164	—	—	19,175,164
Hotel	—	—	30,535,204	30,535,204
Employee shuttle bus	4,959,535	—	—	4,959,535
Ground transportation	5,126,887	784,832	—	5,911,719
Utility service fees	3,621,613	108,019	—	3,729,632
Rental facilities	3,639,692	6,115	—	3,645,807
Other	8,220,183	820,907	—	9,041,090
Total operating revenues	217,900,416	4,568,371	30,535,204	253,003,991
Operating expenses:				
Salaries, wages, and fringe benefits	66,382,581	2,266,289	—	68,648,870
Parking management	9,754,453	—	—	9,754,453
Hotel management	13,263	—	22,258,287	22,271,550
Shuttle bus services	9,942,659	—	—	9,942,659
Janitorial services	2,030,751	16,650	—	2,047,401
Security	3,501,437	—	—	3,501,437
Professional and other contractual services	17,767,884	1,180,383	—	18,948,267
Utilities	21,809,403	1,212,053	—	23,021,456
Buildings and grounds maintenance	22,432,839	300,204	—	22,733,043
Equipment repair and maintenance	14,095,320	53,405	—	14,148,725
Materials and supplies	4,735,468	113,857	—	4,849,325
Insurance	2,971,642	10,152	—	2,981,794
Other	4,251,453	454,371	1,000	4,706,824
Depreciation	107,110,232	3,577,075	5,166,341	115,853,648
Total operating expenses	286,799,385	9,184,439	27,425,628	323,409,452
Operating income (loss)	(68,898,969)	(4,616,068)	3,109,576	(70,405,461)
Nonoperating revenues (expenses):				
Passenger facility charges	67,831,365	—	—	67,831,365
Federal and state grants	12,055,164	55,704	—	12,110,868
Net insurance recovery	11,291	—	—	11,291
Interest income	42,761,290	133,282	433,711	43,328,283
Interest expense	(100,237,827)	(36,294)	(6,548,239)	(106,822,360)
Gain (Loss) on disposal of assets	(106,283)	(26,475)	90,214	(42,544)
Amortization of bond issuance costs	(1,962,614)	—	(331,862)	(2,294,476)
Total nonoperating revenue (expense)	20,352,386	126,217	(6,356,176)	14,122,427
Net loss before capital contributions and transfers	(48,546,583)	(4,489,851)	(3,246,600)	(56,283,034)
Capital contributions	32,026,927	7,779,467	—	39,806,394
Transfers in (out)	(626,576)	626,576	—	—
Changes in net assets	(17,146,232)	3,916,192	(3,246,600)	(16,476,640)
Net assets (deficit) – beg of year, restated (note 2)	643,189,251	39,298,105	(21,237,854)	661,249,502
Net assets (deficit) – end of year	$ 626,043,019	43,214,297	(24,484,454)	644,772,862

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2006

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 232,427,871	5,213,586	29,688,287	267,329,744
Payments to suppliers	(100,926,492)	(5,119,147)	(22,409,640)	(128,455,279)
Payments to employees	(64,910,064)	(2,290,634)	—	(67,200,698)
Payments to Wayne County for services provided	(94,432)	(2,426)	—	(96,858)
Payments (to) from other funds for services provided	(1,334,826)	1,334,826	—	—
Return of customer deposits	(2,515,570)	(8,125)	—	(2,523,695)
Collection of customer deposits	4,507,205	20,418	—	4,527,623
Net cash provided by (used in) operating activities	67,153,692	(851,502)	7,278,647	73,580,837
Cash flows from noncapital financing activities:				
Passenger facility charges received	693,542	—	—	693,542
Grants from federal/state government	5,159,556	55,704	—	5,215,260
Net cash provided by noncapital financing activities	5,853,098	55,704	—	5,908,802
Cash flows from capital and related financing activities:				
Capital contributions received	33,192,318	9,226,396	—	42,418,714
Passenger facility charges received	67,640,531	—	—	67,640,531
Principal paid on capital debt	(56,725,000)	(23,407)	(100,000)	(56,848,407)
Acquisition and construction of capital assets	(118,034,914)	(7,070,764)	(8,737)	(125,114,415)
Proceeds on sale of accounts receivable	—	—	106,027	106,027
Proceeds on disposal of capital assets	11,291	—	—	11,291
Interest paid on capital debt	(109,322,750)	(36,294)	(6,563,472)	(115,922,516)
Net cash provided by (used in) capital and related financing activities	(183,238,524)	2,095,931	(6,566,182)	(187,708,775)
Cash flows from investing activities:				
Interest and dividends received	40,976,711	134,063	410,929	41,521,703
Purchases of investments	(552,549,550)	—	(3,134,000)	(555,683,550)
Maturities of investments	514,789,574	—	3,094,000	517,883,574
Net cash provided by investing activities	3,216,735	134,063	370,929	3,721,727
Net increase (decrease) in cash and cash equivalents	(107,014,999)	1,434,196	1,083,394	(104,497,409)
Cash and cash equivalents – beginning of year	507,560,702	2,264,526	8,652,418	518,477,646
Cash and cash equivalents – end of year	$ 400,545,703	3,698,722	9,735,812	413,980,237

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2006

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (68,898,969)	(4,616,068)	3,109,576	(70,405,461)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	107,110,232	3,577,075	5,166,341	115,853,648
Decrease (increase) in accounts receivable	2,906,493	271,410	(845,917)	2,331,986
Increase in due from primary government	(493,005)	—	—	(493,005)
Increase (decrease) in due from/to other funds	(1,334,826)	1,334,826	—	—
(Increase) decrease in prepaid expenses	954,774	(10,149)	(72,052)	872,573
Increase (decrease) in accounts payable	12,348,258	(1,391,516)	(79,301)	10,877,441
Decrease in accrued wages and benefits	120,423	(20,277)	—	100,146
Decrease in due to primary government	(94,432)	(2,426)	—	(96,858)
Decrease in due to other governmental units	(16,600)	—	—	(16,600)
Increase (decrease) in deferred revenue	501,361	(2,602)	—	498,759
Increase in other accrued liabilities	14,049,983	8,225	—	14,058,208
Total adjustments	136,052,661	3,764,566	4,169,071	143,986,298
Net cash provided by (used in) operating activities	$ 67,153,692	(851,502)	7,278,647	73,580,837
Cash and investments at September 30, 2006 consist of:				
Cash and cash equivalents	$ 400,545,703	3,698,722	9,735,812	413,980,237
Investments	519,032,872	—	1,598,000	520,630,872
Total cash and investments	$ 919,578,575	3,698,722	11,333,812	934,611,109

Noncash capital and related financial activities:

As a result of the implementation of GASB 42 and the related fixed asset inventory, there were several noncash transaction that occurred in capital assets. See Footnote 6 for further discussion.

See accompanying notes to basic financial statements.

(1) The Reporting Entity

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws, but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of Metro Airport, the Willow Run Airport, and the Airport Hotel, and the Authority is included in the County's Comprehensive Annual Financial Report (CAFR) as a discretely presented component unit, in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*.

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

Metro Airport has airport use contracts with 17 airlines. These airlines, along with their affiliates constitute approximately 97% of total landed weight in 2006. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority uses the following major funds:

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

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

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

(b) Basis of Accounting and Measurement Focus

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

As allowed by GASB Statement No. 20, the Authority follows all GASB pronouncements and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30,

1989, except those that conflict with GASB pronouncements. The Authority has the option to apply FASB pronouncements issued after November 30, 1989, but has chosen not to do so.

(c) Cash and Investments

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

(d) Cash Flows

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

(e) Passenger Facility Charges

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

(f) Revenue Recognition

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

(g) Net Assets

Equity is displayed in three components, as follows:

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

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

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

The Airport Hotel and Willow Run Airport incurred unrestricted deficits for the year ended September 30, 2006 of $24,484,454 and $4,214,663, respectively. These deficits are expected to be funded by the improvement in future operations of both the Hotel and Willow Run Airport.

(h) Classification of Revenues and Expenses

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

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

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

(i) Use of Estimates

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

(j) Capital Assets

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

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

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

(k) Compensated Absences

The Authority's employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned, and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited.

A liability for accumulated unpaid vacation and sick pay has been recorded in the financial statements.

(l) Retirement Contributions

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

(m) Accounts Receivable

Net receivables at September 30, 2006 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2006 was $596,000, of which $300,000 was for the Detroit Metropolitan Airport Fund, $295,000 was for the Willow Run Airport Fund, and $1,000 was for the Airport Hotel Fund.

(n) Accounts Payable

Total payables at September 30, 2006 consist of payables due to vendors used during the normal course of business.

(o) Interfund Balances, Advances, and Transfers

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

Interfund transfers are used to move revenues from the fund that collects them to the fund that expends them.

(p) Bond Issuance Costs

Bond issuance costs are amortized over the period the bond is outstanding, based on the ratio of debt outstanding to original debt issued. Accumulated amortization at September 30, 2006 is $11,857,240.

(q) 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.

(r) New Accounting Pronouncements

The Authority adopted the following GASB statements for the year ended September 30, 2006: GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*; GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section-an-amendment of NCGA Statement I*; GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No.* 34; and GASB 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Except as disclosed below for GASB Statement No. 42, the implementation of these standards had no material effect to the financial statements of the Authority.

The Authority elected to implement GASB Statement No. 42 at the beginning of the fiscal year (see note 6 for further information on the implementation). As a result of this implementation, the Authority funds have restated their beginning-of-the-year net asset balance as follows:

Fund		Increase (decrease) in net assets
Detroit Metropolitan Airport Fund	$	(58,683,035)
Willow Run Airport Fund		2,813,137
Airport Hotel Fund		(3,133,415)
	$	(59,003,313)

(s) Self-Insurance

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

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

pay self-insured claims to Blue Cross, our 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% of average medical claims experience within the group (which includes the County). This stop/loss threshold has not been met during the past three years.

A reconciliation of the Authority's self-insured claims liability at September 30, 2006 follows:

	Health insurance	Workers' compensation	Other claims	Total
Claims liability, September 30, 2004	$ —	—	1,270,623	1,270,623
Claims incurred during fiscal year 2005	11,403,382	856,478	654,877	12,914,737
Payments on claims	(10,853,382)	(291,478)	(349,481)	(11,494,341)
Establishment (reduction) of a reserve	435,786	290,000	(933,019)	(207,233)
Claims liability, September 30, 2005	985,786	855,000	643,000	2,483,786
Claims incurred during fiscal year 2006	12,522,920	852,865	778,169	14,153,954
Payments on claims	(11,200,534)	(412,357)	(204,274)	(11,817,165)
Establishment (reduction) of a reserve	4,539	(437,884)	(512,304)	(945,649)
Claims liability, September 30, 2006	$ 2,312,711	857,624	704,591	3,874,926

(3) Major Customer

Northwest Airlines, Inc. (Northwest) accounts for approximately 24% of total Authority operating revenues for the year ended September 30, 2006, including 58% of landing and related fees, 70% of airline rental and related fees, and 74% of facility use fees. Approximately 63% of total 2006 enplanements are attributable to Northwest's operations. In the event that Northwest discontinued its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $1.4 million in net receivables from Northwest at September 30, 2006.

The airlines serving the Airport have been impacted by global events and experienced an increase in costs and a decline in financial condition to varying degrees. Several airlines filed for bankruptcy at the end of fiscal year (FY) 2005 and beginning of FY 2006, including Northwest Airlines, Mesaba Airlines, and Delta Airlines. United Airlines emerged from bankruptcy in FY 2006. No Airline agreements have been assumed

or rejected at this time, and the three airlines continue to make payments owed to the Authority under their respective agreements.

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

(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 1948, as amended, authorizes investments in U.S. Treasuries, U.S. agencies and instrumentalities (date-specific maturities only), nonnegotiable certificates of deposit, commercial paper (rated A2/P2 or above), bankers' acceptances, repurchase agreements, overnight deposits, or mutual funds. For overnight deposits, the treasurer may invest overnight or short-term liquid assets to cover cash flow requirements in the following types of pools: investment pools organized under the Surplus Funds Investment Pool Act of 1982, PA 367, 1 MCL 129.111 to MCL 129.118, or investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512. For mutual funds, the treasurer may invest in no-load fixed-income mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan, either taxable or tax-exempt. This authorization is limited to mutual funds whose intent is to maintain a net asset value of $1.00 per share.

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

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

Investment	Fair value	Rating	Organization
All airport funds:			
Money market funds	$ 24,404,149	AAA	S&P
Money market funds	7,958,767	Not Rated	PA 367 Fund
Commercial paper	72,731,674	A1 – P1	S&P, Moody
Commercial paper	97,876,533	A2 – P2	S&P, Moody

Custodial credit risk of bank deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the $100,000 insured limit in a commercial bank shall not equal more than 25% 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 $212,117,628 of bank deposits (certificates of deposit, checking, and savings accounts) that were largely uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

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

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

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

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

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

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

	Fair value	Average maturity
Investments subject to risk:		
General pool:		
Commercial paper	$ 31,000,000	32 days
Bond reserves:		
U.S. Treasuries	150,804,737	8.5 months
Long-term repo	3,629,278	15.2 years
Bond payment funds:		
U.S. Treasuries	79,187,321	62 days
Capital interest funds:		
2003 Construction:		
U.S. Treasuries	10,612,896	84 days
2005 Construction:		
U.S. Treasuries	45,096,390	320 days
Construction funds:		
2003 Construction:		
Commercial paper	4,208,405	25 days
2005 Construction:		
Commercial paper	43,782,256	15 days
Federal agencies	228,102,372	7 months
Other construction and operating:		
Commercial paper	91,447,571	12 days
Hotel:		
Commercial paper	169,975	4 days
U.S. Treasuries	2,089,364	60 days
Investments subject to risk	690,130,565	
Deposits/investments not subject to risk:		
Deposits	212,117,628	
Money market funds	32,362,916	
Total deposits and investments	$ 934,611,109	

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	0.4
Certificates of deposit (bank)	50	18.2
Certificates of deposit (S&L)	10	0.6
Money market funds	50	3.5
Commercial Paper	60	18.3
U.S. government	100	55.2

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
Daimler Chrysler	Commercial paper	$ 97,876,533	10.47%	A2, P2
Morrigan	Commercial paper	72,731,674	7.78	A1, P1
Comerica Bank	Certificates of deposit	56,981,745	6.10	A1, P1
Chase Bank	Certificates of deposit	50,992,773	5.46	A1+, P1

(5) Restricted Assets

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net assets have been restricted related to certain of the restricted assets. A summary of the restricted assets at September 30, 2006 is as follows:

Operations and maintenance:	
Cash and investments	$ 27,274,613
Accounts receivable	143,344
Total	27,417,957
Replacement and improvements:	
Cash and investments	2,158,910
Construction:	
Cash and investments	393,716,490
Accounts receivable	3,161,112
Total	396,877,602
Bond and interest redemption:	
Cash and investments	308,868,642
Accounts receivable	3,266,795
Total	312,135,437
Passenger facility charges:	
Cash and investments	102,522,989
Accounts receivable	6,727,788
Total	109,250,777
Drug enforcement:	
Cash and investments	2,930,510
Accounts receivable	12,304
Total	2,942,814
Total restricted assets	$ 850,783,497

(6) Capital Assets

Capital asset activity for the year ended September 30, 2006 was as follows:

	Beginning balance	Adjustments	Increases	Decreases	Ending balance
Detroit Metropolitan Airport Fund:					
Capital assets not being depreciated:					
Land	$ 156,296,459	—	—	—	156,296,459
Construction in progress	142,581,509	25,028,713	122,546,461	(179,219,783)	110,936,900
Total capital assets not being depreciated	298,877,968	25,028,713	122,546,461	(179,219,783)	267,233,359
Capital assets being depreciated:					
Buildings and improvements	1,425,827,369	(31,409,301)	175,167,467	(120,396,527)	1,449,189,008
Paving	603,038,962	(603,038,962)	—	—	—
Systems	288,653,595	(288,653,595)	—	—	—
Equipment	46,383,071	2,759,806	4,600,107	(6,002,120)	47,740,864
Infrastructure	182,653,896	821,300,715	3,287,378	(4,107,397)	1,003,134,592
Total capital assets being depreciated	2,546,556,893	(99,041,337)	183,054,952	(130,506,044)	2,500,064,464
Less accumulated depreciation for:					
Buildings and improvements	335,612,030	99,530,172	56,656,957	(120,396,527)	371,402,632
Paving	276,076,929	(276,076,929)	—	—	—
Systems	175,787,546	(175,787,546)	—	—	—
Equipment	36,987,291	(750,709)	2,944,064	(5,895,837)	33,284,809
Infrastructure	32,317,069	330,799,955	47,509,211	(4,107,397)	406,518,838
Total accumulated depreciation	856,780,865	(22,285,057)	107,110,232	(130,399,761)	811,206,279
Total capital assets being depreciated, net	1,689,776,028	(76,756,280)	75,944,720	(106,283)	1,688,858,185
Total Detroit Metropolitan Airport Fund capital assets, net	1,988,653,996	(51,727,567)	198,491,181	(179,326,066)	1,956,091,544

	Beginning balance	Adjustments	Increases	Decreases	Ending balance
Willow Run Airport Fund:					
Capital assets not being depreciated:					
Land	$ 13,726,984	—	—	—	13,726,984
Construction in progress	9,846,365	—	6,510,258	(12,734,896)	3,621,727
Total capital assets not being depreciated	23,573,349	—	6,510,258	(12,734,896)	17,348,711
Capital assets being depreciated:					
Buildings and improvements	5,432,801	(2,080,001)	1,279,379	—	4,632,179
Paving	44,079,952	(44,079,952)	—	—	—
Systems	10,598,574	(10,598,574)	—	—	—
Equipment	2,189,585	3,512,935	837,478	(223,100)	6,316,898
Infrastructure	8,283,909	71,097,866	11,178,545	—	90,560,320
Total capital assets being depreciated	70,584,821	17,852,274	13,295,402	(223,100)	101,509,397
Less accumulated depreciation for:					
Buildings and improvements	2,905,364	57,182	59,772	—	3,022,318
Paving	38,935,450	(38,935,450)	—	—	—
Systems	2,741,472	(2,741,472)	—	—	—
Equipment	1,415,789	2,641,568	322,194	(196,625)	4,182,926
Infrastructure	7,965,061	53,663,014	3,195,109	—	64,823,184
Total accumulated depreciation	53,963,136	14,684,842	3,577,075	(196,625)	72,028,428
Total capital assets being depreciated, net	16,621,685	3,167,432	9,718,327	(26,475)	29,480,969
Total Willow Run Airport Fund capital assets, net	40,195,034	3,167,432	16,228,585	(12,761,371)	46,829,680

	Beginning balance	Adjustments	Increases	Decreases	Ending balance
Airport Hotel Fund:					
Capital assets being depreciated:					
Buildings and improvements	$ 92,060,905	410,774	—	—	92,471,679
Equipment	180,432	76,225	8,737	(6,441)	258,953
Total capital assets being depreciated	92,241,337	486,999	8,737	(6,441)	92,730,632
Less accumulated depreciation for:					
Buildings and improvements	9,207,173	3,583,115	5,130,864	—	17,921,152
Equipment	21,421	37,299	35,477	(403)	93,794
Total accumulated depreciation	9,228,594	3,620,414	5,166,341	(403)	18,014,946
Total capital assets being depreciated, net	83,012,743	(3,133,415)	(5,157,604)	(6,038)	74,715,686
Total Airport Hotel Fund capital assets, net	83,012,743	(3,133,415)	(5,157,604)	(6,038)	74,715,686
Total Authority capital assets, net	$ 2,111,861,773	(51,693,550)	209,562,162	(192,093,475)	2,077,636,910

As described in note 2, the Authority elected to implement GASB 42 at the beginning of the year, which resulted in an impairment loss being taken directly against beginning fund balance. In order to implement GASB 42, the Authority conducted a physical inventory of all capital assets in September 2006. This inventory resulted in the changing of estimated lives for certain assets (see note 2 for revised estimated lives) and several other adjustments to capital assets. In addition, all assets under the paving and systems categories were transferred into infrastructure. The adjustment columns above include the effect of the implementation of GASB 42 along with the other changes resulting from the physical inventory. These adjustments were considered noncash transactions and are excluded from disclosure in the cash flow statement.

(7) Long-Term Debt

The detail of long-term debt at September 30, 2006 is as follows:

Detroit Metropolitan Airport Fund:	
Airport Revenue Bonds (due serially December 1):	
Series 1994A, 3.5% to 5.875%, due 2008	$ 9,065,000
Series 1996A, 3.65% to 5.72%, due 2016	46,110,000
Series 1996B, 3.65% to 5.72%, due 2016	46,110,000
Series 1998A, 4.2% to 5.5%, due 2028	790,575,000
Series 1998B, 4.1% to 5.25%, due 2028	150,125,000
Series 2001 Junior Lien, variable, current yield at 9/30/06, 3.74%, due 2008	71,545,000
Series 2002A, variable, current yield at 9/30/06, 3.8%, due 2032	141,720,000
Series 2002C, 3.0% to 5.375%, due 2020	26,130,000
Series 2002D, 5.0% to 5.5%, due 2019	74,995,000
Series 2003A-1, variable, current yield at 9/30/06, 3.72%, due 2033	75,000,000
Series 2003A-2, variable, current yield at 9/30/06, 3.75%, due 2033	75,000,000
Series 2003A-3, variable, current yield at 9/30/06, 3.55%, due 2033	64,975,000
Series 2003B, variable, current yield at 9/30/06, 3.75%, due 2021	68,450,000
Series 2003C, variable, current yield at 9/30/06, 3.6%, due 2021	47,800,000
Series 2004, variable, current yield at 9/30/06, 3.65%, due 2024	11,200,000
Series 2005, 3.5% to 5.25%, due 2034	507,135,000
Installment purchase contract, 5.625%, due 5/11/2011	8,740,000
Total Detroit Metropolitan Airport Fund	2,214,675,000
Willow Run Airport Fund:	
Notes payable – Washtenaw County, 0%, due 12/31/2019	258,051
Notes payable – University of Michigan, 8%, due 9/1/2013	437,879
Total Willow Run Airport Fund	695,930
Airport Hotel Fund:	
Airport Hotel Bonds (due serially December 1):	
Series 2001A, 5.0% to 5.5%, due 2030	99,630,000
Series 2001B, 6.0% to 6.6%, due 2015	11,190,000
Other Hotel debt:	
Capital/FF&E Reserve Loan, 8%, due 11/15/2017	5,000,000
Working Capital Loan, 8%, due 11/15/2017	1,500,000
Total Airport Hotel Fund	117,320,000
Total Authority bonds payable and other debt	2,332,690,930

Add (less):	
Deferred amount on refunding	$ (19,997,515)
Certain bond discounts	(12,239,599)
Certain bond premiums	16,407,666
Total Authority bonds payable and other debt, net	2,316,861,482
Less current portion	44,316,000
Total Authority bonds payable and other debt, noncurrent	$ 2,272,545,482

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2006 are summarized as follows:

	Principal					
	Airport revenue bonds	Installment purchase contract	Willow Run debt	Airport hotel Bonds	Other Hotel debt	Total
2007	$ 41,780,000	1,540,000	19,476	135,000	841,524	44,316,000
2008	43,685,000	1,630,000	19,476	210,000	198,994	45,743,470
2009	121,520,000	1,795,000	19,476	590,000	225,598	124,150,074
2010	63,985,000	1,895,000	19,476	765,000	254,411	66,918,887
2011	67,100,000	1,880,000	19,476	980,000	285,614	70,265,090
2012 to 2016	397,860,000	—	535,256	8,510,000	2,422,244	409,327,500
2017 to 2021	433,335,000	—	63,294	17,110,000	2,271,615	452,779,909
2022 to 2026	447,850,000	—	—	32,260,000	—	480,110,000
2027 to 2031	408,325,000	—	—	50,260,000	—	458,585,000
2032 to 2035	180,495,000	—	—	—	—	180,495,000
Total	$ 2,205,935,000	8,740,000	695,930	110,820,000	6,500,000	2,332,690,930

	Interest					
	Airport revenue bonds	Installment purchase contract	Willow Run debt	Airport hotel bonds	Other Hotel debt	Total
2007	$ 100,023,451	491,625	38,044	5,805,515	516,533	106,875,168
2008	97,878,338	405,000	38,044	5,795,165	494,397	104,610,944
2009	94,574,840	313,313	38,044	5,771,018	467,793	101,165,008
2010	90,901,420	212,344	38,044	5,729,837	438,981	97,320,626
2011	87,856,203	105,750	38,044	5,676,370	407,777	94,084,144
2012 to 2016	386,228,239	—	76,088	27,017,255	1,472,277	414,793,859
2017 to 2021	285,035,765	—	—	23,552,587	174,136	308,762,488
2022 to 2026	184,340,425	—	—	17,117,263	—	201,457,688
2027 to 2031	76,286,191	—	—	6,695,000	—	82,981,191
2032 to 2035	15,057,033	—	—	—	—	15,057,033
Total	$ 1,418,181,905	1,528,032	266,308	103,160,010	3,971,894	1,527,108,149

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations, associated with the $110.9 million Airport Hotel Revenue Bonds, Series 2001A and 2001B, issued by the County. This includes all of the County's obligations on Outstanding Senior Lien Bonds and Junior Lien Bonds issued by the County under the County's Amended

and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County, including the Series Ordinance adopted for each outstanding series of airport revenue bonds issued thereunder by the County (collectively, Ordinance 319). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Authority under any ordinances (including Ordinance 319), agreements, or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the outstanding Senior Lien Bonds issued by the County under Ordinance 319 and additional bonds issued by the Authority under the Master Bond Ordinance, and secured by net revenues.

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

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

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

In November 2005, the County entered into agreements with Northwest to issue $84.3 million in Airport Special Facility Revenue Bonds, Series 1995 to retire Series 1985 bonds. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to pay debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An “Event of Default” has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005.

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

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

As of September 30, 2006, rates were as follows:

Interest rate	Term	Rate
Fixed payment to counterparties	Fixed	5.1082%
Variable rate from counterparties	BMA	3.7400
Net interest rate swap payments		1.3682
Variable-rate bond payment	Market	3.7600
Synthetic interest rate on bonds		5.1282

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of $5,289,919 as of September 30, 2006. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap become positive, the Authority would be exposed. The counterparties, Merrill Lynch and Goldman Sachs, both have S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA-, mitigating this risk.

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

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

In June 1999, the County entered into agreements with Northwest to issue approximately $15.2 million in Airport Special Facility Revenue Bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to provide debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An "Event of Default" has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005.

In January 2001, the County issued $141.9 million in Charter County of Wayne Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. The Series 2001 Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, on Senior Lien Bonds, as provided in the Ordinance. The Series 2001 Bonds are "Junior Lien Bonds" under the Ordinance, and a

statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2001 Bonds.

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

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

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

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

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

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

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

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

basis, at the earliest practicable date, the Series 1990A Bonds and the Series 1991B Bonds. The Series 2002 C&D Refunding Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

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

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

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

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

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

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

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

economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $8.1 million.

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

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

As of September 30, 2006, rates were as follows:

Interest rate	Term	2003B rates	2003C rates
Fixed payment to counterparties	Fixed	3.4825%	3.4265%
Variable rate from counterparties	BMA	3.6219	3.6219
Net interest rate swap payments		(0.1394)	(0.1954)
Variable-rate bond payment	Market	3.7500	3.6000
Synthetic interest rate on bonds		3.6106	3.4046

Due to a rising interest rate environment, the Swap had a positive fair value of $1,940,580 as of September 30, 2006, exposing the Authority to a credit risk. The counterparty, Goldman Sachs, has S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA-, mitigating this risk.

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

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

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

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

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

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

As of September 30, 2006, rates were as follows:

Interest rate	Term	Rate
Fixed payment to counterparties	Fixed	3.9970%
Variable rate from counterparties	BMA	3.6219
Net interest rate swap payments		0.3751
Variable-rate bond payment	Market	3.6500
Synthetic interest rate on bonds		4.0251

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of $25,182 as of September 30, 2006. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap become positive, the Authority would be exposed. The counterparty, Goldman Sachs, has S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA-,mitigating this risk.

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

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2006, interest expense incurred on these debt issues totaled $111,754,824. For 2006, net financing costs capitalized were $8,346,716.

In June 2006, the Authority entered into a line-of-credit agreement with a maximum borrowing amount of $15 million. The borrowings charge interest at a rate equal to 35 basis points over the LIBOR rate. The line-of-credit agreement expires June 2007. There were no borrowings on this line during the year ended September 30, 2006.

Long-term debt activity for the year ended September 30, 2006 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	$ 2,261,165,000	—	(55,230,000)	2,205,935,000	41,780,000
Installment Purchase Contract	10,235,000	—	(1,495,000)	8,740,000	1,540,000
Less:					
Deferred amount on refunding	(21,577,732)	1,580,217	—	(19,997,515)	—
Certain bond discounts	(10,574,297)	686,819	—	(9,887,478)	—
Add:					
Certain bond premiums	17,437,544	—	(1,029,878)	16,407,666	—
Total Detroit Metropolitan Airport Fund	2,256,685,515	2,267,036	(57,754,878)	2,201,197,673	43,320,000
Willow Run Airport Fund:					
Notes payable	719,337	—	(23,407)	695,930	19,476
Total Willow Run Airport Fund	719,337	—	(23,407)	695,930	19,476
Airport Hotel Fund:					
Airport Hotel Bonds	110,920,000	—	(100,000)	110,820,000	135,000
Other Hotel debt	6,500,000	—	—	6,500,000	841,524
Less:					
Certain bond discounts	(2,481,597)	129,476	—	(2,352,121)	—
Total Airport Hotel Fund	114,938,403	129,476	(100,000)	114,967,879	976,524
Total long-term debt	$ 2,372,343,255	2,396,512	(57,878,285)	2,316,861,482	44,316,000

(8) Commitments and Contingencies

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

The estimated costs to complete Metro Airport's current capital improvement program totaled $715.2 million at September 30, 2006, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional design services contracts in connection with this program totaled $216.9 million at September 30, 2006.

(9) Employee Benefits

(a) Plan Description

The Authority provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system that is governed by the Wayne County Retirement Ordinance as amended. The Retirement System provides four defined-benefit retirement options, two of which are contributory and one of which is a hybrid

between a defined benefit and a defined contribution (together, the Defined Benefit Plan), and a Defined Contribution Plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board issues separate financial statements annually. Copies of these financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226.

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

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

Effective October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 (Plan Option 5), which contains both a defined-benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 1, Plan Option 2, and Plan Option 3) could elect to transfer their account balances to Plan Option 5 between October 1, 2001 and June 30, 2002. New employees could elect to participate in Plan Options 1, 2, 3, or 5 through September 30, 2001. Effective October 1, 2001, only Plan Option 5 is available to new employees; Plan Options 1, 2, and 3 are closed to new hires.

(b) Contributions

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

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. Total Authority employer and employee contributions during the year ended September 30, 2006 were $2,380,120 and $116,934, respectively.

The following represents the Authority's annual pension costs as of September 30, 2006:

	Three-year trend information		
	Annual pension cost (APC)	**Percentage of APC contributed**	**Net pension obligation**
Year ended September 30:			
2004	$ 1,223,378	100%	$ —
2005	1,604,896	100	—
2006	2,380,120	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% for each year of service. Maximum Authority-financed portion is 75% of average final compensation. Minimum monthly pension is $5 times years of service.

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

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

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

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

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

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

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

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

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

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

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2006 were $3,196,732 and $1,202,361, respectively.

STATISTICAL INFORMATION
(UNAUDITED)

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses and Changes in Net Assets

(Unaudited)

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

[1] In 2006, the Authority restated beginning net assets to $661,249,502 (see Note 2 of financial statements for additional discussion). This amount less the 2006 decrease in net assets are used to arrive at ending net assets.

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

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

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

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

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

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

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

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

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

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

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

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

Detroit Metropolitan Airport

	2006		2005		2004		2003		2002	
Airline [1]	**Landed weights**	**Share**	**Landed weights**	**Share**	**Landed weights**	**Share**	**Landed weights**	**Share**	**Landed weights**	**Share**
Northwest Airlines	14,456,719	60.0%	16,325,796	63.1%	16,476,839	65.1%	15,846,925	64.1%	16,133,390	65.1%
Pinnacle	2,227,894	9.2	2,186,581	8.4	1,757,142	6.9	1,246,064	5.0	661,337	2.7
Mesaba	1,371,475	5.7	1,818,552	7.0	1,583,408	6.3	1,805,442	7.3	2,209,367	8.9
Spirit Airlines	952,127	3.9	877,491	3.4	937,300	3.7	943,670	3.8	761,410	3.1
Southwest Airlines	656,164	2.7	648,992	2.5	658,960	2.6	662,963	2.7	720,982	2.9
American Airlines	548,634	2.3	621,399	2.4	701,026	2.8	805,564	3.3	804,060	3.2
Federal Express	482,405	2.0	479,467	1.9	493,409	1.9	480,983	1.9	488,667	2.0
United Airlines	335,201	1.4	334,306	1.3	491,974	1.9	496,162	2.0	480,179	1.9
America West	308,035	1.3	306,507	1.2	257,392	1.0	258,533	1.0	235,411	0.9
Continental Airlines	276,009	1.1	286,972	1.1	298,145	1.2	373,464	1.5	387,994	1.6
Delta Airlines	266,479	1.1	440,410	1.7	415,417	1.6	400,250	1.6	506,780	2.0
AirTran Airways	237,816	1.0	—	—	—	—	—	—	—	—
United Parcel Service	211,295	0.9	195,519	0.8	193,016	0.8	183,217	0.7	185,364	0.7
Lufthansa	150,863	0.6	151,089	0.6	155,152	0.6	147,460	0.6	10,650	0.0
Delta (Comair)	137,285	0.6	191,421	0.7	189,889	0.8	185,601	0.8	141,658	0.6
Air France	119,720	0.5	44,044	0.2	—	—	—	—	—	—
British Airways	118,431	0.5	153,285	0.6	150,523	0.6	107,573	0.4	111,439	0.4
Frontier	116,166	0.5	36,220	0.1	—	—	—	—	—	—
Continental Express	96,004	0.4	92,214	0.4	96,519	0.4	81,539	0.3	80,754	0.3
US Airways	85,631	0.4	148,185	0.6	291,063	1.2	379,241	1.5	449,266	1.8
Delta (Atlantic Southeast)	40,937	0.2	12,220	0.0	21,929	0.1	10,951	0.0	30,691	0.1
United (Air Canada)	29,070	0.1	27,443	0.1	33,957	0.1	29,908	0.1	—	—
Independence Air	16,262	0.1	105,750	0.4	14,570	0.1	—	—	—	—
KLM	—	—	—	—	—	—	115,368	0.5	75,124	0.3
American Trans Air	—	—	—	—	10,396	0.0	68,727	0.3	126,537	0.5
Trans World Airlines	—	—	—	—	—	—	—	—	61,860	0.2
Atlantic Coast Air	—	—	—	—	60,511	0.2	75,159	0.3	73,309	0.3
Other [2]	869,018	3.6	403,392	1.6	19,173	0.1	—	—	46,668	0.2
Total	24,109,640	100.0%	25,887,255	100.0%	25,307,710	100.0%	24,704,764	100.0%	24,782,897	100.0%

[1] Signatory Affiliate Airlines are associated based on 2006 affiliations and shown in parenthesis to major carrier name. All historical landed weights for these affiliates are shown on one line regardless of prior affiliations

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

	Detroit Metropolitan Airport									
	2006		2005		2004		2003		2002	
Airline [1]	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
Major/ National:										
Northwest Airlines	$ 10,005,038	56.21%	10,602,457	57.98%	10,367,894	66.49%	9,691,220	59.53%	9,440,793	60.55%
Spirit Airlines	781,652	4.39	793,510	4.34	854,526	5.48	873,055	5.36	664,250	4.26
Southwest Airlines	496,693	2.79	461,535	2.52	449,778	2.88	414,123	2.54	442,169	2.84
American Airlines	440,680	2.48	471,863	2.58	446,589	2.86	497,564	3.06	475,390	3.05
United Airlines	275,380	1.55	266,825	1.46	354,429	2.27	340,115	2.09	322,979	2.07
America West	259,600	1.46	267,776	1.46	215,539	1.38	217,906	1.34	199,768	1.28
Continental Airlines	226,707	1.27	226,260	1.24	234,109	1.50	259,989	1.60	290,999	1.87
Delta Airlines	202,891	1.14	312,881	1.71	286,970	1.84	260,560	1.60	270,906	1.74
AirTran Airways	182,972	1.03	—	—	—	—	—	—	—	—
Frontier	91,097	0.51	28,184	0.15	—	—	—	—	—	—
US Airways	56,900	0.32	91,892	0.50	193,798	1.24	224,041	1.38	262,968	1.69
ATA	—	—	—	—	8,027	0.05	39,887	0.25	48,937	0.31
Trans World Airlines	—	—	—	—	—	—	—	—	27,932	0.18
Commuter Regional:										
Northwest (Pinnacle)	1,663,236	9.34	1,477,582	8.08	1,201,651	7.71	798,915	4.91	415,887	2.67
Northwest (Mesaba Aviation)	900,785	5.06	1,108,615	6.06	973,875	6.25	1,032,906	6.35	1,149,931	7.37
Delta (Comair)	91,216	0.51	108,322	0.59	103,012	0.66	115,244	0.71	97,492	0.63
US Airways (Air Wisconsin)	89,264	0.50	748	0.00	—	—	—	—	—	—
American (AA Eagle)	73,918	0.42	32,203	0.18	—	—	—	—	—	—
Continental (ExpressJet)	73,606	0.41	62,265	0.34	63,440	0.41	52,790	0.32	49,349	0.32
US Airways (PSA)	66,631	0.37	53,283	0.29	—	—	—	—	—	—
United (Mesa)	55,148	0.31	70,388	0.38	—	—	—	—	—	—
United (Skywest)	39,041	0.22	11,609	0.06	—	—	—	—	—	—
Delta (Shuttle America)	33,902	0.19	4,385	0.02	—	—	—	—	—	—
Delta (Atlantic Southeast)	32,646	0.18	8,316	0.05	4,867	0.03	5,324	0.03	16,689	0.11
Independence Air	13,445	0.08	74,496	0.41	6,378	0.04	—	—	—	—
United (Atlantic Coast)	—	—	—	—	44,199	0.28	56,463	0.35	50,636	0.32
Champion Air	—	—	—	—	31,195	0.20	35,235	0.22	80,880	0.52
Other [2]	64,858	0.36	111,951	0.61	6,610	0.04	—	—	10,235	0.07
Charter										
USA 3000	66,277	0.37	52,788	0.29	34,099	0.20	432	0.00	—	—
Champion Air	34,055	0.19	31,283	0.17	—	—	—	—	—	—
Ryan International	372	0.00	—	—	11,400	0.07	1,037	0.01	528	0.00
Trans Meridian	—	—	25,488	0.14	14,958	0.09	—	—	—	—
Other [2]	3,802	0.02	1,516	0.01	7,539	0.04	335	0.00	9,138	0.06
Total domestic	16,321,812	91.70	16,758,421	91.64	15,914,882	91.90	14,917,141	91.64	14,327,856	91.89
International – Major/ National:										
Northwest Airlines	1,138,025	6.39	1,199,496	6.56	1,100,843	6.36	1,037,952	6.38	973,201	6.24
Spirit Airlines	16,671	0.09	—	—	—	—	1,276	0.01	—	—
American Trans Air	—	—	—	—	1,684	0.01	20,928	0.13	47,633	0.31
Mesaba Aviation	—	—	—	—	22,787	0.13	16,987	0.10	19,369	0.12
International – Commuter/Regional:										
Mesaba Airlines	32,103	0.18	36,362	0.20	—	—	—	—	—	—
Air Canada Jazz	14,899	0.08	13,921	0.08	—	—	—	—	—	—
International – Foreign Flag										
Lufthansa	67,305	0.38	70,372	0.38	74,608	0.43	70,087	0.43	63,576	0.41
British Airways	55,403	0.31	59,658	0.33	59,507	0.34	51,600	0.32	51,164	0.33
Air France	50,466	0.28	19,174	0.10	—	—	—	—	—	—
Royal Jordanian	16,028	0.09	14,581	0.08	10,369	0.06	6,220	0.04	3,398	0.02
Air Canada	—	—	—	—	13,746	0.08	13,996	0.09	17,285	0.11
KLM-Royal Dutch Airlines	—	—	—	—	—	—	60,897	0.37	42,444	0.27
International – Charter	87,220	0.49	114,297	0.63	118,354	0.68	81,149	0.50	46,631	0.30
Total international	1,478,120	8.30	1,527,861	8.36	1,401,898	8.10	1,361,092	8.36	1,264,701	8.11
Grand total	$ 17,799,932	100.00%	18,286,282	100.00%	17,316,780	100.00%	16,278,233	100.00%	15,592,557	100.00%

[1] Signatory Affiliate Airlines are associated based on 2006 affiliations and shown in parenthesis to major carrier name. All historical enplanements for these affiliates are shown on one line regardless of prior affiliations.

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports

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

Airport Hotel

	2006		2005		2004		2003		2002	
	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	—	6,785,833
Series 2001B	100,000	721,190	—	726,190	—	726,190	—	726,190	—	968,253
Other Hotel Debt:										
Capital/FF&E Reserve Loan	—	482,132	—	358,049	—	431,945	—	364,363	—	—
Working Capital Loan	—	126,067	—	126,333	—	125,733	—	105,000	—	—
Totals	$ 100,000	6,418,763	—	6,299,947	—	6,373,243	—	6,284,928	—	7,754,086

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

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

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

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

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger	**2006**	**2005**	**2004**	**2003**	**2002**
Outstanding debt by type: [1]					
Airport revenue bonds	$ 2,205,935,000	2,261,165,000	1,807,285,000	1,637,180,000	1,684,320,000
Installment purchase contract	8,740,000	10,235,000	11,630,000	12,930,000	14,200,000
Willow run notes payable	695,930	719,337	737,403	—	—
Airport hotel bonds	110,820,000	110,920,000	110,920,000	110,920,000	110,920,000
Other hotel debt	6,500,000	6,500,000	6,500,000	6,500,000	—
Total outstanding debt	$ 2,332,690,930	2,389,539,337	1,937,072,403	1,767,530,000	1,809,440,000
Enplaned passengers	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Outstanding debt per enplaned passenger	$ 131.05	130.67	111.86	108.58	116.05
Combined net debt service per enplaned passenger					
Combined net debt service [2]	$ 168,603,231	148,194,810	130,977,050	129,389,237	100,942,376
Enplaned passengers	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Net debt service per enplaned passenger	$ 9.47	8.10	7.56	7.95	6.47

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

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

Last Four Fiscal Years **

(Unaudited)

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

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

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

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10

Principal Employers in Primary Air Trade Area**

(Unaudited)

Employer	City	Employees 2006 *	Employees 2005 *	Percentage (%) change	Type of business
Ford Motor Co.	Dearborn	59,088	61,913	(4.6)%	Automobile Manufacturer
General Motors Corp.	Detroit	46,399	49,483	(6.2)	Automobile Manufacturer
Chrysler Group	Auburn Hills	34,403	35,016	(1.8)	Automotive Manufacturer
University of Michigan	Ann Arbor	16,578	16,402	1.1	Public University
Detroit Public Schools	Detroit	14,913	18,639	(20.0)	Public School System
U.S. Government	Detroit	14,825	15,096	(1.8)	Federal Government
Henry Ford Health System	Detroit	14,299	13,782	3.8	Health Care System
City of Detroit	Detroit	13,554	17,151	(21.0)	City Government
St. John Health	Warren	13,097	NA	NA	Health Care Organization
U.S. Postal Service	Birmingham	13,017	13,265	(1.9)	Postal Service
Trinity Health	Novi	12,479	12,121	3.0	Health Care System
University of Michigan Hospitals and Health Center	Ann Arbor	12,267	12,800	(4.2)	Hospital and Health Center
Beaumont Hospitals	Royal Oak	12,227	11,745	4.1	Hospital
State of Michigan	Detroit	11,229	11,345	(1.0)	State Government
Detroit Medical Center	Detroit	11,118	11,573	(3.9)	Health Care System
AT&T Michigan	Detroit	8,934	8,934	—	Telecommunications
Oakwood Healthcare Inc.	Dearborn	7,952	7,520	5.7	Health Care Service Provider
DTE Energy Co.	Detroit	7,337	7,217	1.7	Energy and Energy-Technology Co
Blue Cross Blue Shield of Michigan/Blue Care Network	Detroit	6,715	6,661	0.8	Health Care Insurer
EDS Corp.	Detroit	6,650	6,700	(0.7)	Information-Technology Services
Comerica Inc.	Detroit	6,194	6,291	(1.5)	Financial Institution
Wayne State University	Detroit	5,077	5,078	(0.0)	Public University
Visteon Corp.	Van Buren Twnp.	4,800	6,800	(29.4)	Automotive Supplier
Wayne County government	Detroit	4,745	5,140	(7.7)	County Government
Johnson Controls Inc. Automotive Experience Division	Plymouth	4,275	4,362	(2.0)	Automotive Supplier

** The United States Office of Management and Budget defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne, as well as the adjacent metropolitan areas of Flint, Ann Arbor, and Monroe the Detroit–Warren–Flint Combined Statistical Area (CSA). This area is defined based on commuting patterns and results in a nine county labor market region with a population of 5,428,000. This area is commonly referred to as Metro Detroit and represents the Air Trade Area for the Wayne County Airport Authority

* Calendar year basis

NA – Information Not Available

Source: Crain's Detroit Business Book of Lists, December 2006 and http://en.wikipedia.org/wiki/Metro_Detroit

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

September 30, 2006

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus		
Area:	6,700 acres		
Airport Code:	DTW		
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R		
Terminal:	McNamara Terminal Airlines	787,708	sq ft
	Smith/Berry Terminal Airlines	187,258	sq ft
	Tenants/Concessionaires	149,749	sq ft
	Public/Common	902,107	sq ft
	Number of In-Service Passenger Gates	153	
	Number of Concessionaires	29	
	Number of Rental Car Agencies On-Airport	7	
Airfield:			
	Runways	10,428,100	sq ft
	Taxiways	16,610,153	sq ft
	Aprons	9,035,184	sq ft
Parking:			
	Spaces Available:		
	McNamara Parking Structure	10,117	
	Big Blue Deck and Short-Term	6,281	
	Yellow Economy Lot	767	
	Green Lot	1,404	
		18,569	spaces
Cargo:	Cargo/Hangar Buildings	1,369,671	sq ft
International:	Customs/Immigration F.I.S. Facility		
Tower(s):	TRACON 24/ 7/ 365 Operations Control Tower		
FBO's:	ASIG (Aircraft Service International Group) Metro Flight Services		

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

September 30, 2006

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties		
Area:	2,600 acres		
Airport Code:	YIP		
Runways:	5L/23R 5R/23L 9R/27L 9L/27R 14/32		
Airfield:	Runways	5,503,340	sq ft
	Taxiways	698,750	sq ft
	Ramps/Aprons	5,240,746	sq ft
Corporate/Private Space:	Hangar/Arrivals Buildings	121,000	sq ft
	Tenants	121,000	sq ft
	Public/Common	20,000	sq ft
	T-Hangars (qty. 110)	160,000	sq ft
	Number of Rental Car Agencies On-Airport	2	
Cargo & Additional Space:	Hangar/Office/Shop	470,000	sq ft
	Maintenance	60,000	sq ft
	Yankee Air Museum	60,000	sq ft
	Michigan Institute of Aeronautics	30,000	sq ft
International:	U. S. Customs (user fee airport)		
Tower(s):	FAA 24/7		
FBO's:	Active Aero Service Avflight East Avflight West		

See accompanying independent auditors' report.

CONTINUING DISCLOSURES
(UNAUDITED)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2006

(Unaudited)

Operating year	Net revenues, revenue fund balance, and other available monies	Total debt service requirements	Debt service coverage	Airline costs per enplaned passenger
Historical:				
2006 (a)	$ 203,585,000	147,456,000	1.38	$ 5.17

(a) Based on final year-end calculation, dated January 2007

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2002	2003	2004	2005	2006
Salaries and wages	$	40,844	40,890	40,335	42,761	43,932
Employee benefits		17,158	17,689	17,707	19,433	20,386
		58,002	58,579	58,042	62,194	64,318
Contractual services:						
Parking management		15,594	15,758	9,726	10,647	9,754
Security expenses		3,525	3,771	3,324	3,463	3,501
Janitorial services		5,336	5,467	3,419	1,995	2,031
Shuttle bus		7,851	8,364	10,019	10,354	9,943
Other services		11,767	9,312	8,912	10,153	9,264
Total contractual services		44,073	42,672	35,400	36,612	34,493
Wayne County administrative services		4,410	1,109	637	5	45
Repairs and maintenance		13,565	31,361	31,149	30,363	33,930
Supplies and other operating expenses		6,063	4,860	7,538	6,894	5,009
Insurance		3,187	3,507	4,248	3,342	2,972
Utilities		12,950	18,819	19,320	20,958	21,801
Rentals		433	147	104	179	119
Interest expense and paying agent fees		1,487	3,560	3,707	3,430	2,310
Capital expenses		1,880	942	3,427	2,685	4,107
		43,975	64,305	70,130	67,856	70,293
Total O&M expenses (a)	$	146,050	165,556	163,572	166,662	169,104

(a) O&M expenses do not include Central Communications.

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2002	2003	2004	2005	2006
Airline revenues:						
Rental and use fees:						
Terminal building rentals and fees	$	14,988	20,533	19,084	19,794	20,574
Common-use/shared-use area rentals		1,227	1,663	2,227	2,154	2,516
Debt service recapture		1,936	1,936	1,936	1,936	1,936
Facilities use fees		6,142	6,026	6,147	7,075	6,767
Total rental and use fees		24,293	30,158	29,394	30,959	31,793
Activity fees:						
Signatory airlines		78,436	80,466	93,325	81,222	79,223
Nonsignatory airlines		6,993	1,614	2,601	2,660	2,313
Add (less) activity fee adjustment		(343)	3,735	(7,479)	(10,691)	(21,374)
Total activity fees		85,086	85,815	88,447	73,191	60,162
Total airline revenues		109,379	115,973	117,841	104,150	91,955
Nonairline revenues:						
Concessions:						
Automobile parking		29,858	32,806	38,842	46,004	53,026
Rental car		16,211	15,760	16,724	18,081	19,175
Food and beverage		5,639	6,523	8,960	10,803	12,197
In-flight catering		1,091	1,061	1,206	1,221	1,048
News and gift		5,528	7,117	7,532	7,830	7,821
Pay phone commission		2,294	2,764	2,777	531	788
Hotel		1,761	832	—	—	—
Other concessions		3,222	6,901	4,484	5,760	6,038
Total concessions		65,604	73,764	80,525	90,230	100,093
Rentals (c)		3,128	1,941	2,820	3,143	3,640
Utility fees		2,436	2,872	3,365	3,721	3,622
Interest income		340	153	292	844	2,235
Ground transportation		409	505	1,110	3,407	4,039
Other (a)		9,743	12,675	6,150	9,263	8,126
Total nonairline revenues		81,660	91,910	94,262	110,608	121,755
Total operating revenues (b)	$	191,039	207,883	212,103	214,758	213,710

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

(b) Operating revenues do not include Central Communications.

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

			2002	2003	2004	2005	2006
	Revenues:						
	Airline revenues	$	109,379	115,973	117,841	104,150	91,955
	Nonairline revenues		81,660	91,910	94,262	110,608	121,755
	Interest income generated in bond funds and reserves		5,210	5,593	11,985	11,371	6,830
	Other available moneys:						
	PFC contributions		40,836	58,137	51,879	54,626	54,484
	Letter of intent		17,070	17,300	18,195	17,639	18,582
	Capitalized interest contribution		10,477	168	2,400	16,059	32,548
	Other		2,615	—	—	49	10,238
	Transfer credit from Airport funds (a)		9,306	—	—	—	5,349
	Rebate of arbitrage		—	4,236	—	—	—
	Total revenues	$	276,553	293,317	296,562	314,502	341,741
Priority							
	Application of revenues:						
1	Operation and Maintenance Fund	$	146,050	165,556	163,572	166,662	169,104
2	Bond Fund		104,705	102,041	107,094	122,070	144,831
3	Junior Lien Bond Fund		19,254	18,954	19,917	19,544	21,207
4	Operation and Maintenance Reserve Fund		661	898	146	—	—
5	Renewal and Replacement Fund		500	485	371	500	500
6	County Discretionary Fund		350	350	350	350	350
7	Airport Development Fund		5,033	5,033	5,112	5,376	5,749
	Total application of revenues	$	276,553	293,317	296,562	314,502	341,741

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

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Senior Lien Debt Service Coverage

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

			2002	2003	2004	2005	2006
Revenues:							
Revenues		$	191,039	207,883	212,103	214,758	213,710
Revenue fund balance			18,804	29,503	26,691	35,480	37,993
Other available moneys:							
PFC contributions			40,836	58,137	51,879	54,626	54,484
Letter of intent – senior lien			9,679	10,610	10,530	10,947	11,537
Capitalized interest contribution			10,477	168	2,400	16,059	32,548
Other			2,615	—	—	49	10,238
Transfer credit from Airport funds (a)			9,306	—	—	—	5,349
Rebate of arbitrage			—	4,236	—	—	—
Interest income generated in bond funds and reserves			5,210	5,593	11,985	11,371	6,830
Total revenues	[A]		287,966	316,130	315,588	343,290	372,689
Operation and maintenance expenses	[B]		146,050	165,556	163,572	166,662	169,104
Net revenues	[A]-[B] = [C]		141,916	150,574	152,016	176,628	203,585
Bond debt service	[D]		106,973	103,795	108,916	124,074	147,456
Net revenues available for deposit to other funds	[C]-[D]	$	34,943	46,779	43,100	52,554	56,129
Debt service coverage:							
Senior lien bonds	[C]/[D]	$	1.33	1.45	1.40	1.42	1.38
Additional bonds test:							
Revenues		$	191,039	207,883	212,103	214,758	213,710
Revenue fund balance			18,804	29,503	26,691	35,480	37,993
Other available moneys:							
PFC contributions			40,836	58,137	51,879	54,626	54,484
Letter of intent – senior lien			9,679	10,610	10,530	10,947	11,537
Capitalized interest contribution			10,477	168	2,400	16,059	32,548
Other			2,615	—	—	49	10,238
Transfer credit from Airport funds (b)			9,306	—	—	—	5,349
Rebate of arbitrage			—	4,236	—	—	—
Interest income generated in bond funds and reserves			5,210	5,593	11,985	11,371	6,830
Total revenues	[E]	$	287,966	316,130	315,588	343,290	372,689
Rate covenant elements:							
Operation and maintenance expenses		$	146,050	165,556	163,572	166,662	169,104
125% debt service – bonds	[1.25 x D]		133,716	129,744	136,145	155,093	184,320
Other fund requirements			6,544	6,766	5,979	6,226	6,599
Total rate covenant elements	[F]	$	286,310	302,066	305,696	327,981	360,023

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

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

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating Years 1997 – 2006

(Unaudited)

Operating year (a)	Domestic	International	Total	Percent increase (decrease)
1997	13,717,691	1,559,958	15,277,649	3.0%
1998	13,842,081	1,431,158	15,273,239	(0.0)
1999	15,790,071	1,860,731	17,650,802	15.6
2000	15,845,838	1,886,529	17,732,367	0.5
2001	15,283,829	1,797,767	17,081,596	(3.7)
2002	14,327,856	1,264,701	15,592,557	(8.7)
2003	14,917,141	1,361,092	16,278,233	4.4
2004	15,914,882	1,401,898	17,316,780	6.4
2005	16,758,421	1,527,861	18,286,282	5.6
2006	16,321,812	1,478,120	17,799,932	(2.7)

(a) All data are for 12-month periods. For operating years (OY) 1996 – 1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ended September 30, 1998.

Source: Wayne County Airport Authority records

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar Years 1997 – 2006

(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**
1997	14,775,431	4.7%	563,770,328	2.9%	2.6%
1998	15,056,871	1.9	574,914,881	2.0	2.6
1999	16,569,470	10.0	600,873,911	4.5	2.8
2000	16,929,991	2.2	629,768,718	4.8	2.7
2001	15,466,259	(8.6)	584,537,410	(7.2)	2.6
2002	15,041,841	(2.7)	574,953,567	(1.6)	2.6
2003	15,560,646	3.4	605,883,845	5.4	2.6
2004	16,802,282	8.0	653,910,077	7.9	2.6
2005	17,387,321	3.5	701,551,735	7.3	2.5
2006 (b)	17,322,457	(0.4)	706,676,496	0.7	2.5

(a) Does not include the activity of commuter or charter carriers for periods prior to Q2 2002

(b) Estimate based on nine months of actual data

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

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar Years 1997 – 2006

(Unaudited)

Calendar year	Departures by carrier type			Total departures	
	Majors	Nationals (a)	Regionals	Total (b)	Percent increase (decrease)
1997	163,190	25,312	438	188,940	10.5%
1998	153,238	55,773	927	209,938	11.1
1999	160,787	64,745	1,006	226,538	7.9
2000	160,299	66,898	864	228,061	0.7
2001	154,991	65,838	561	221,390	(2.9)
2002	148,456	61,446	6,134	216,036	(2.4)
2003	143,456	55,741	31,869	231,066	7.0
2004	149,942	94,451	1,540	245,933	6.4
2005	140,566	103,582	3,032	247,180	0.5
2006	131,831	94,481	1,807	228,119	(7.7)

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

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

Note: CY 2006 estimated based on nine months of data

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

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar Years 1997 – 2006

(Unaudited)

Calendar year	Domestic originations		Domestic connections	
	Number	Percent of total	Number	Percent of total
1997	6,567,280	48.3%	7,029,361	51.7%
1998	6,764,550	49.7	6,845,616	50.3
1999	7,229,210	47.9	7,848,973	52.1
2000	7,627,910	50.0	7,637,910	50.0
2001	6,736,660	47.9	7,323,611	52.1
2002	6,327,890	45.1	7,695,118	54.9
2003	6,266,720	44.2	7,907,501	55.8
2004	6,884,460	45.3	8,316,272	54.7
2005	7,165,770	43.1	9,464,995	56.9
2006 (a)	7,200,960	43.1	9,506,601	56.9

(a) Estimate based on nine months of actual data

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

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating Years 2001 – 2006

(Unaudited)

	OY 2001			OY 2002		
Airline	**Enplaned passengers**	**Percent of total**	**Percent of market**	**Enplaned passengers**	**Percent of total**	**Percent of market**
Domestic:						
Major/national:						
Air Tran Airways	—	—	—	—	—	—
America West Airlines	205,287	1.2%	1.3%	199,768	1.3%	1.4%
American Airlines	452,264	2.6	3.0	475,390	3.0	3.3
American Trans Air	36,320	0.2	0.2	48,937	0.3	0.3
Continental Airlines	341,968	2.0	2.2	290,999	1.9	2.0
Delta Air Lines	385,178	2.3	2.5	270,906	1.7	1.9
Frontier	—	—	—	—	—	—
Northwest Airlines	10,112,754	59.2	66.2	9,440,793	60.5	65.9
Southwest Airlines	538,736	3.2	3.5	442,169	2.8	3.1
Spirit Airlines	581,358	3.4	3.8	664,250	4.3	4.6
Trans World Airlines	193,651	1.1	1.3	27,932	0.2	0.2
United Airlines	355,920	2.1	2.3	322,979	2.1	2.3
US Airways	293,144	1.7	1.9	262,968	1.7	1.8
	13,496,580	79.0	88.3	12,447,091	79.8	86.9
Commuter/regional:						
American (AA Eagle)	—	—	—	—	—	—
Continental (CommutAir)	—	—	—	—	—	—
Continental (ExpressJet)	44,652	0.3	0.3	49,349	0.3	0.3
Delta (Atlantic Southeast)	11,998	0.1	0.1	16,689	0.1	0.1
Delta (Comair)	57,834	0.3	0.4	97,492	0.6	0.7
Delta (Shuttle America)	—	—	—	—	—	—
Independence Air	—	—	—	—	—	—
Northwest (Mesaba Aviation)	1,416,651	8.3	9.3	1,149,931	7.4	8.0
Northwest (Pinnacle)	84,640	0.5	0.6	415,887	2.7	2.9
United (Air Wisconsin)	—	—	—	—	—	—
United (Atlantic Coast Airlines)	32,681	0.2	0.2	50,636	0.3	0.4
United (Mesa)	—	—	—	—	—	—
United (SkyWest)	—	—	—	—	—	—
US Airways (Air Wisconsin)	—	—	—	—	—	—
US Airways (Chautauqua)	—	—	—	—	—	—
US Airways (Mesa)	—	—	—	—	—	—
US Airways (PSA)	—	—	—	—	—	—
US Airways (Piedmont)	—	—	—	—	—	—
US Airways (Republic)	—	—	—	—	—	—
US Airways (Trans States)	6,299	0.0	0.0	—	—	—
	1,654,755	9.7	10.8	1,779,984	11.4	12.4
Charter:						
Air Canada	12,143	0.1	0.1	—	—	—
Casino Express	—	—	—	—	—	—
Champion Air	—	—	—	80,880	0.5	0.6
Miami Air	1,088	0.0	0.0	409	0.0	0.0
Omni Airlines	36,007	0.2	0.2	7,968	0.1	0.1
Other	765	0.0	0.0	761	0.0	0.0
Planet Airways	—	—	—	—	—	—
Ryan International	786	0.0	0.0	528	0.0	0.0
Sun Country	81,705	0.5	0.5	10,235	0.1	0.1
Trans Meridian	—	—	—	—	—	—
USA 3000	—	—	—	—	—	—
World Airways	—	—	—	—	—	—
	132,494	0.8	0.9	100,781	0.6	0.7
Subtotal – domestic	15,283,829	89.5	100.0	14,327,856	91.9	100.0
International:						
U.S. flag:						
American Trans Air	74,077	0.4	4.1	47,633	0.3	3.8
Mesaba Aviation	19,769	0.1	1.1	19,369	0.1	1.5
Northwest Airlines	1,471,310	8.6	81.8	973,201	6.2	77.0
Spirit	—	—	—	—	—	—
	1,565,156	9.2	87.1	1,040,203	6.7	82.2
Foreign flag:						
Air Canada	3,091	0.0	0.2	17,285	0.1	1.4
Air France	—	—	—	—	—	—
British Airways	70,183	0.4	3.9	51,164	0.3	4.0
KLM-Royal Dutch Airlines	26,968	0.2	1.5	42,444	0.3	3.4
Lufthansa	78,875	0.5	4.4	63,576	0.4	5.0
Royal Jordanian Airlines	3,202	0.0	0.2	3,398	0.0	0.3
	182,319	1.1	10.1	177,867	1.1	14.1
International Charter	50,292	0.3	2.8	46,631	0.3	3.7
Subtotal – international	1,797,767	10.5	100.0%	1,264,701	8.1	100.0%
Total – all markets	17,081,596	100.0%		15,592,557	100.0%	

(Continued)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating Years 2001 – 2006

(Unaudited)

	OY 2003			OY 2004		
Airline	**Enplaned passengers**	**Percent of total**	**Percent of market**	**Enplaned passengers**	**Percent of total**	**Percent of market**
Domestic:						
Major/national:						
Air Tran Airways	—	—	—	—	—	—
America West Airlines	217,906	1.3%	1.5%	215,539	1.2%	1.4%
American Airlines	497,564	3.1	3.3	446,589	2.6	2.8
American Trans Air	39,887	0.2	0.3	8,027	0.0	0.1
Continental Airlines	259,989	1.6	1.7	234,109	1.4	1.5
Delta Air Lines	260,560	1.6	1.7	286,970	1.7	1.8
Frontier	—	—	—	—	—	—
Northwest Airlines	9,691,220	59.5	65.0	10,367,894	59.9	65.1
Southwest Airlines	414,123	2.5	2.8	449,778	2.6	2.8
Spirit Airlines	873,055	5.4	5.9	854,526	4.9	5.4
Trans World Airlines	—	—	—	—	—	—
United Airlines	340,115	2.1	2.3	354,429	2.0	2.2
US Airways	224,041	1.4	1.5	193,798	1.1	1.2
	12,818,460	78.7	85.9	13,411,659	77.4	84.3
Commuter/regional:						
American (AA Eagle)	—	—	—	—	—	—
Continental (Commut/Air)	—	—	—	—	—	—
Continental (ExpressJet)	52,790	0.3	0.4	63,440	0.4	0.4
Delta (Atlantic Southeast)	5,324	0.0	0.0	4,867	0.0	0.0
Delta (Comair)	115,244	0.7	0.8	103,012	0.6	0.6
Delta (Shuttle America)	—	—	—	—	—	—
Independence Air	—	—	—	6,378	0.0	0.0
Northwest (Mesaba Aviation)	1,032,906	6.3	6.9	973,875	5.6	6.1
Northwest (Pinnacle)	798,915	4.9	5.4	1,201,651	6.9	7.6
United (Air Wisconsin)	—	—	—	4,792	0.0	0.0
United (Atlantic Coast Airlines)	56,463	0.3	0.4	44,199	0.3	0.3
United (Mesa)	—	—	—	6,610	0.0	0.0
United (SkyWest)	—	—	—	729	0.0	0.0
US Airways (Air Wisconsin)	—	—	—	—	—	—
US Airways (Chautauqua)	—	—	—	—	—	—
US Airways (Mesa)	—	—	—	—	—	—
US Airways (PSA)	—	—	—	—	—	—
US Airways (Piedmont)	—	—	—	—	—	—
US Airways (Republic)	—	—	—	—	—	—
US Airways (Trans States)	—	—	—	—	—	—
	2,061,642	12.7	13.8	2,409,553	13.9	15.1
Charter:						
Air Canada	—	—	—	—	—	—
Casino Express	—	—	—	78	0.0	0.0
Champion Air	35,235	0.2	0.2	31,195	0.2	0.2
Miami Air	—	—	—	648	0.0	0.0
Omni Airlines	—	—	—	—	—	—
Other	335	0.0	0.0	480	0.0	0.0
Planet Airways	—	—	—	496	0.0	0.0
Ryan International	1,037	0.0	0.0	11,400	0.1	0.1
Sun Country	—	—	—	—	—	—
Trans Meridian	—	—	—	14,958	0.1	0.1
USA 3000	432	0.0	0.0	34,099	0.2	0.2
World Airways	—	—	—	316	0.0	0.0
	37,039	0.2	0.2	93,670	0.5	0.6
Subtotal – domestic	14,917,141	91.6	100.0	15,914,882	91.9	100.0
International:						
U.S. flag:						
American Trans Air	20,928	0.1	1.5	1,684	0.0	0.1
Mesaba Aviation	16,987	0.1	1.2	22,787	0.1	1.6
Northwest Airlines	1,037,952	6.4	76.3	1,100,843	6.4	78.5
Spirit	1,276	0.0	0.1	—	—	—
	1,077,143	6.6	79.1	1,125,314	6.5	80.3
Foreign flag:						
Air Canada	13,996	0.1	1.0	13,746	0.1	1.0
Air France	—	—	—	—	—	—
British Airways	51,600	0.3	3.8	59,507	0.3	4.2
KLM-Royal Dutch Airlines	60,897	0.4	4.5	—	—	—
Lufthansa	70,087	0.4	5.1	74,608	0.4	5.3
Royal Jordanian Airlines	6,220	0.0	0.5	10,369	0.1	0.7
	202,800	1.2	14.9	158,230	0.9	11.3
International Charter	81,149	0.5	6.0	118,354	0.7	8.4
Subtotal – international	1,361,092	8.4	100.0%	1,401,898	8.1	100.0%
Total – all markets	16,278,233	100.0%		17,316,780	100.0%	

(Continued)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating Years 2001 – 2006

(Unaudited)

	OY 2005			OY 2006		
Airline	**Enplaned passengers**	**Percent of total**	**Percent of market**	**Enplaned passengers**	**Percent of total**	**Percent of market**
Domestic:						
Major/national:						
Air Tran Airways	—	—	—	182,972	1.0%	1.1%
America West Airlines	267,776	1.5%	1.6%	259,600	1.5	1.6
American Airlines	471,863	2.6	2.8	440,680	2.5	2.7
American Trans Air	—	—	—	—	—	—
Continental Airlines	226,260	1.2	1.4	226,707	1.3	1.4
Delta Air Lines	312,881	1.7	1.9	202,891	1.1	1.2
Frontier	28,184	0.2	0.2	91,097	0.5	0.6
Northwest Airlines	10,602,457	58.0	63.3	10,005,038	56.2	61.3
Southwest Airlines	461,535	2.5	2.8	496,693	2.8	3.0
Spirit Airlines	793,510	4.3	4.7	781,652	4.4	4.8
Trans World Airlines	—	—	—	—	—	—
United Airlines	266,825	1.5	1.6	275,380	1.5	1.7
US Airways	91,892	0.5	0.5	56,900	0.3	0.3
	13,523,183	74.0	80.7	13,019,610	73.1	79.8
Commuter/regional:						
American (AA Eagle)	32,203	0.2	0.2	73,918	0.4	0.5
Continental (Commut/Air)	4,585	0.0	0.0	7,812	0.0	0.0
Continental (ExpressJet)	62,265	0.3	0.4	73,606	0.4	0.5
Delta (Atlantic Southeast)	8,316	0.0	0.0	32,646	0.2	0.2
Delta (Comair)	108,322	0.6	0.6	91,216	0.5	0.6
Delta (Shuttle America)	4,385	0.0	0.0	33,902	0.2	0.2
Independence Air	74,496	0.4	0.4	13,445	0.1	0.1
Northwest (Mesaba Aviation)	1,108,615	6.1	6.6	900,785	5.1	5.5
Northwest (Pinnacle)	1,477,582	8.1	8.8	1,663,236	9.3	10.2
United (Air Wisconsin)	19,734	0.1	0.1	—	—	—
United (Atlantic Coast Airlines)	—	—	—	—	—	—
United (Mesa)	70,388	0.4	0.4	55,148	0.3	0.3
United (SkyWest)	11,609	0.1	0.1	39,041	0.2	0.2
US Airways (Air Wisconsin)	748	0.0	0.0	89,264	0.5	0.5
US Airways (Chautauqua)	3,888	0.0	0.0	—	—	—
US Airways (Mesa)	55,631	0.3	0.3	37,757	0.2	0.2
US Airways (PSA)	53,283	0.3	0.3	66,631	0.4	0.4
US Airways (Piedmont)	1,527	0.0	0.0	—	—	—
US Airways (Republic)	—	—	—	11,339	0.1	0.1
US Airways (Trans States)	26,586	0.1	0.2	7,950	0.0	0.0
	3,124,163	17.1	18.6	3,197,696	18.0	19.6
Charter:						
Air Canada	—	—	—	—	—	—
Casino Express	—	—	—	—	—	—
Champion Air	31,283	0.2	0.2	34,055	0.2	0.2
Miami Air	—	—	—	—	—	—
Omni Airlines	—	—	—	—	—	—
Other	1,516	0.0	0.0	3,802	0.0	0.0
Planet Airways	—	—	—	—	—	—
Ryan International	—	—	—	372	0.0	0.0
Sun Country	—	—	—	—	—	—
Trans Meridian	25,488	0.1	0.2	—	—	—
USA 3000	52,788	0.3	0.3	66,277	0.4	0.4
World Airways	—	—	—	—	—	—
	111,075	0.6	0.7	104,506	0.6	0.6
Subtotal – domestic	16,758,421	91.6	100.0	16,321,812	91.7	100.0
International:						
U.S. flag:						
American Trans Air	—	—	—	—	—	—
Mesaba Aviation	36,362	0.2	2.4	32,103	0.2	2.2
Northwest Airlines	1,199,496	6.6	78.5	1,138,025	6.4	77.0
Spirit	—	—	—	16,671	0.1	1.1
	1,235,858	6.8	80.9	1,186,799	6.7	80.3
Foreign flag:						
Air Canada	13,921	0.1	0.9	14,899	0.1	1.0
Air France	19,174	0.1	1.3	50,466	0.3	3.4
British Airways	59,658	0.3	3.9	55,403	0.3	3.7
KLM-Royal Dutch Airlines	—	—	—	—	—	—
Lufthansa	70,372	0.4	4.6	67,305	0.4	4.6
Royal Jordanian Airlines	14,581	0.1	1.0	16,028	0.1	1.1
	177,706	1.0	11.6	204,101	1.1	13.8
International Charter	114,297	0.6	7.5	87,220	0.5	5.9
Subtotal – international	1,527,861	8.4	100.0%	1,478,120	8.3	100.0%
Total – all markets	18,286,282	100.0%		17,799,932	100.0%	

Source: Wayne County Airport Authority records

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating Years 1997 – 2006

(Unaudited)

Operating year (a)	Cargo by type (in tons)		Total cargo	
	Freight and express (b)	Mail	Tons	Percent increase (decrease)
1997	114,024	56,264	170,287	(3.9)%
1998	106,701	47,024	153,725	(9.7)
1999	111,755	40,923	152,678	(0.7)
2000 (c)	102,044	40,311	142,355	(6.8)
2001	84,331	36,993	121,324	(14.8)
2002	79,367	18,935	98,303	(19.0)
2003	84,354	14,909	99,263	1.0
2004	88,994	3,949	92,943	(6.4)
2005	89,223	3,866	93,089	0.2
2006	86,515	3,186	89,701	(3.6)

(a) All data are for 12-month periods. For operating years (OY) 1996 – 1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ending September 30, 1998.

(b) Includes small packages

(c) Operating years 2000 and forward have been adjusted to reflect more accurate data.

Source: Wayne County Airport Authority records

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating Years 1997 – 2006

(Unaudited)

Operating year (a)	Landed weight by carrier type (in 1,000-pound units)			Total landed weight		
	U.S. flag	Foreign flag	Cargo/Other (b)	Units		Percent increase (decrease)
1997	25,118,756	436,193	584,064	26,139,013		4.9%
1998	23,682,043	426,833	591,423	24,700,299		(5.5)
1999	25,455,926	467,771	895,912	26,819,609		8.6
2000	26,178,699	484,190	663,298	27,326,187		1.9
2001	25,676,579	271,200	558,468	26,506,247		(3.0)
2002	23,896,495	231,354	655,048	24,782,897	**(c)**	(6.5)
2003	23,639,606	400,959	664,199	24,704,764	**(c)**	(0.3)
2004	24,281,653	339,632	686,425	25,307,710		2.4
2005	24,836,408	375,861	674,986	25,887,255		2.3
2006	22,818,529	490,989	800,122	24,109,640		(6.9)

(a) All data are for 12-month periods. For operating years (OY) 1996 – 1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ending September 30, 1998.

(b) Includes weights reported by FBOs for miscellaneous landings as well as certain charter flights.

(c) Landed weights for 2002 and 2003 have been adjusted.

Source: Wayne County Airport Authority records

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating Years 1997 – 2006

(Unaudited)

Operating year (a)	Operations by class of carrier				Total operations	
	Air carrier	Air taxi and commuter	General aviation	Military (b)	Number	Percent increase (decrease)
1997	350,636	106,481	81,298	1,388	539,803	0.5%
1998	336,457	109,889	84,199	1,689	532,234	(1.4)
1999	331,153	154,789	73,487	1,685	561,114	5.4
2000	330,350	159,604	69,306	1,611	560,871	(0.0)
2001	321,222	167,661	52,211	1,405	542,499	(3.3)
2002	337,817	126,821	18,915	290	483,843	(10.8)
2003	330,757	140,783	16,222	207	487,969	0.9
2004	327,682	171,268	15,526	184	514,660	5.5
2005	325,415	191,394	13,599	229	530,637	3.1
2006	287,793	185,109	12,280	91	485,273	(8.5)

(a) All data are for 12-month periods. For operating years (OY) 1996 – 1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ending September 30, 1998.

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

Source: Wayne County Airport Authority records

See accompanying independent auditors’ report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating Years 2001 – 2006

(Unaudited)

	Historical					
	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Enplaned passengers:						
Domestic:						
Scheduled:						
Originating (a)	7,259,419	6,419,975	6,585,253	7,080,843	7,543,124	6,989,659
Connecting (a)	7,891,916	7,807,100	8,294,849	8,740,369	9,104,222	9,227,647
Subtotal – scheduled	15,151,335	14,227,075	14,880,102	15,821,212	16,647,346	16,217,306
Percentage connecting	52.1%	54.9%	55.7%	55.2%	54.7%	56.9%
Charter	132,494	100,781	37,039	93,670	111,075	104,506
Subtotal – domestic	15,283,829	14,327,856	14,917,141	15,914,882	16,758,421	16,321,812
International:						
Scheduled:						
U.S. airlines	1,565,156	1,040,203	1,077,143	1,125,314	1,235,858	1,186,799
Foreign flag	182,319	177,867	202,800	158,230	177,706	204,101
Subtotal – scheduled	1,747,475	1,218,070	1,279,943	1,283,544	1,413,564	1,390,900
Charter	50,292	46,631	81,149	118,354	114,297	87,220
Subtotal – international	1,797,767	1,264,701	1,361,092	1,401,898	1,527,861	1,478,120
Total enplaned passengers	17,081,596	15,592,557	16,278,233	17,316,780	18,286,282	17,799,932
Enplaned cargo (tons):						
Freight	92,916	87,447	92,941	98,054	98,306	86,515
Mail	40,758	20,863	16,427	4,351	4,260	3,186
Total cargo	133,674	108,310	109,368	102,405	102,566	89,701
Aircraft departures:						
Domestic	212,541	195,875	217,589	232,938	232,764	214,720
International	12,886	11,030	13,307	15,055	14,467	13,889
Total aircraft departures	225,427	206,905	230,896	247,993	247,231	228,609
Aircraft operations:						
Air carrier	321,222	337,817	330,757	327,682	325,415	287,793
Air taxi and commuter	167,661	126,821	140,783	171,268	191,394	185,109
General aviation	52,211	18,915	16,222	15,526	13,599	12,280
Military	1,405	290	207	184	229	91
Total aircraft operations	542,499	483,843	487,969	514,660	530,637	485,273
Landed weight (1,000-pound units):						
Passenger:						
U.S. carriers:						
Major/national	22,808,673	21,937,795	18,921,513	20,540,672	20,050,338	18,404,521
Commuter/regional	2,867,906	1,902,550	4,836,470	3,740,981	4,786,070	4,413,869
Subtotal – U.S. carriers	25,676,579	23,840,345	23,757,983	24,281,653	24,836,408	22,818,390
Foreign flag	271,200	220,704	285,738	339,632	375,861	490,989
Subtotal – passenger	25,947,779	24,061,049	24,043,721	24,621,285	25,212,269	23,309,379
All cargo	558,468	655,048	664,200	686,425	674,986	771,454
Total landed weight	26,506,247	24,716,097	24,707,921	25,307,710	25,887,255	24,080,833

(a) Originating and connecting activity statistics are estimates based on calendar-year percentages.

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

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar Years 1998 – 2006

(Unaudited)

Year	Cities added	Cities dropped	Net change
1998	Cancun, Mexico Munich, Germany Nagoya, Japan	Antigua, West Indies Cozumel, Mexico Provicenciales Turks/Caicos Islands Halifax, Canada Montreal (Mirabel), Canada	(2)
1999	Milan, Italy	Munich, Germany Seoul, South Korea	(1)
2000	Aruba, Aruba Rome, Italy Montego Bay, Jamaica Punta Cana, Dominican Republic Shanghai (Pu Dong), China		5
2001	Liberia, Costa Rica	Aruba, Aruba Ixtapa/Zihuatanejo, Mexico Milan (Malpensa), Italy St. Maarten, Antilles	(3)
2002	Calgary Alberta, Canada Cozumel, Mexico Nassau (Int'l), Bahamas Shannon, Republic of Ireland	Shanghai (Pu Dong), China	3
2003	Osaka, Japan Halifax, Canada Shanghai (Pu Dong), China		3
2004	Dusseldorf, Germany Rome, Italy Kitchener/Waterloo, Canada Winnipeg Manitoba, Canada	Punta Cana, Dominican Republic Shannon, Ireland	2
2005	Bermuda, Bermuda Punta Cana, Dominican Republic Charlottetown, Canada	Ixtapa/Zihuatanejo, Mexico	2
2006	Ixtapa/Zihuatanejo, Mexico Los Cabos, Mexico Mazatlan, Mexico	Bermuda, Bermuda Calgary Alberta, Canada Rome, Italy	—

Source: BACK database. Data reflect new and discontinued nonstop international destinations served from DTW during the entire calendar year.

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

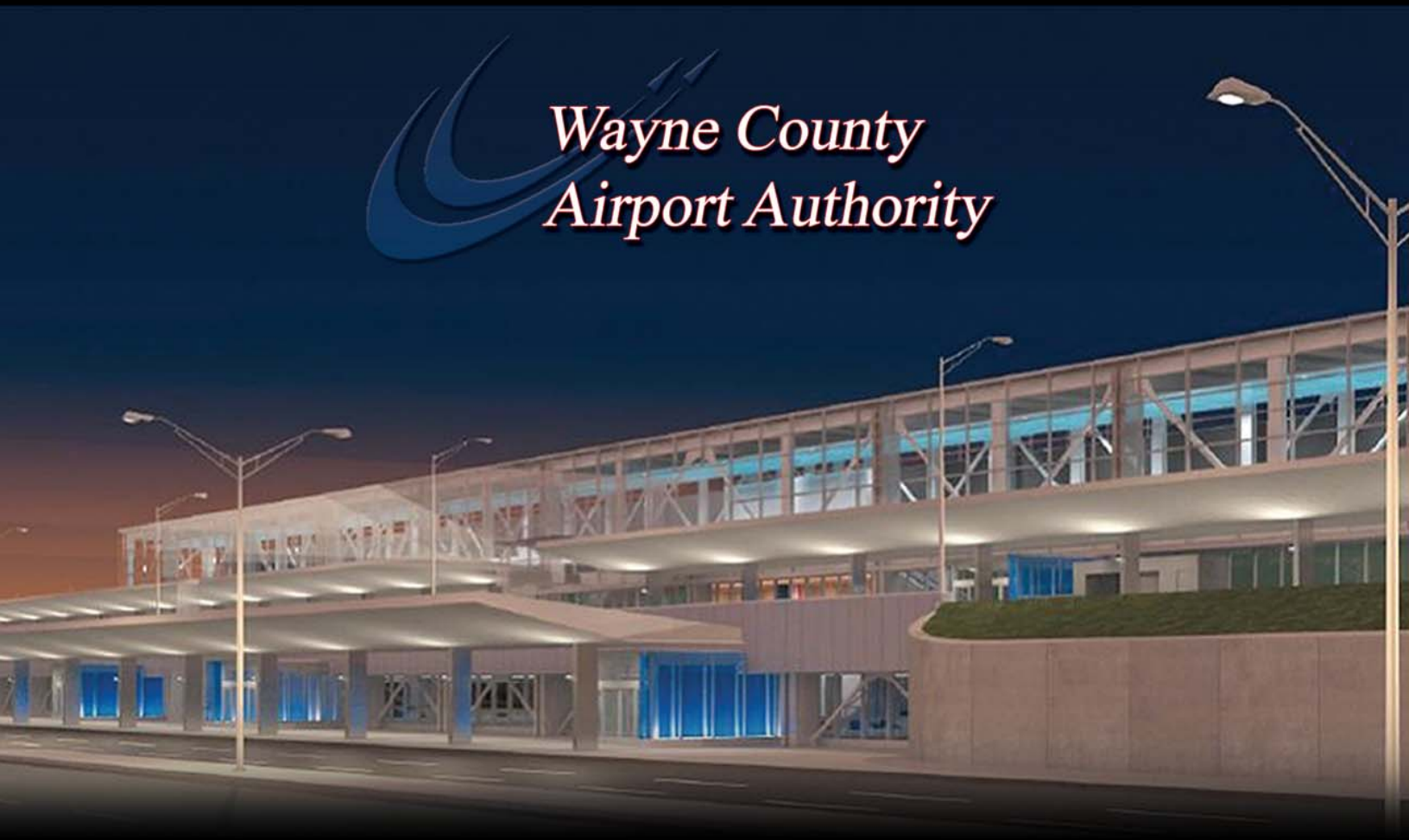
	OY 2002	OY 2003	OY 2004	OY 2005	OY 2006
Operating revenues:					
Airport landing and related fees	$ 81,044,724	82,293,613	88,446,344	73,190,910	60,161,961
Concession fees	36,157,576	41,654,131	42,569,958	44,496,491	47,350,937
Parking fees	29,857,939	32,806,472	38,842,280	46,003,468	53,026,292
Rental facilities	30,772,441	37,958,953	37,208,265	43,312,357	45,519,430
Expense recoveries	7,171,083	2,872,115	3,364,712	3,720,697	3,621,613
Other	1,583,487	9,383,164	4,796,614	6,954,640	8,220,183
Total operating revenues	186,587,250	206,968,448	215,228,173	217,678,563	217,900,416
Operating expenses:					
Salaries, wages, and fringe benefits	60,310,312	60,729,449	60,238,797	64,515,122	66,382,581
Parking management	15,594,154	15,757,657	9,726,476	10,647,259	9,754,453
Janitorial services	5,336,418	5,466,664	3,419,294	1,995,298	2,030,751
Security	3,524,907	3,770,824	3,324,401	3,462,682	3,501,437
Utilities	12,950,465	18,828,693	19,330,966	20,964,554	21,809,403
Repairs, professional services, and other	59,390,095	68,156,788	87,233,426	80,085,722	76,210,528
Depreciation	60,703,396	93,586,111	95,070,030	98,550,612	107,110,232
Total operating expenses	217,809,747	266,296,186	278,343,390	280,221,249	286,799,385
Operating loss	(31,222,497)	(59,327,738)	(63,115,217)	(62,542,686)	(68,898,969)
Nonoperating revenues (expenses):					
Passenger facility charges	61,055,997	63,370,379	67,901,716	70,694,871	67,831,365
Federal and state grants	6,303,496	8,478,434	10,045,601	15,643,226	12,055,164
Interest income and other	8,270,385	6,197,208	7,001,446	18,856,021	42,666,298
Interest expense	(61,198,985)	(82,004,324)	(77,030,397)	(85,923,181)	(100,237,827)
Amortization of bond issuance costs	(1,309,597)	(1,250,503)	(1,525,706)	(1,773,368)	(1,962,614)
Total nonoperating revenue (expense)	13,121,296	(5,208,806)	6,392,660	17,497,569	20,352,386
Net loss before capital contributions and transfers	(18,101,201)	(64,536,544)	(56,722,557)	(45,045,117)	(48,546,583)
Capital contributions	38,340,940	23,248,993	57,961,224	33,617,745	32,026,927
Transfers out	—	—	(1,993,412)	(350,000)	(626,576)
Changes in net assets	20,239,739	(41,287,552)	(754,745)	(11,777,372)	(17,146,232)
Net assets – beginning of year	735,452,215	755,691,954	714,404,403	713,649,658	643,189,251[1]
Net assets – end of year	$ 755,691,954	714,404,402	713,649,658	701,872,286	626,043,019

[1] In 2006, Detroit Metro Airport restated beginning net assets to $643,189,251 (see Note 2 of financial statements for additional discussion). This amount less the 2006 decrease in net assets are used to arrive at ending net assets.

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

See accompanying independent auditors' report.

NORTH TERMINAL
Coming in 2008



Wayne County Airport Authority

and tomorrow.