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, 2008

DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

New North Terminal

WAYNE COUNTY AIRPORT AUTHORITY

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

Comprehensive Annual Financial Report

Year Ended September 30, 2008

Prepared by:
Controller's Office

WAYNE COUNTY AIRPORT AUTHORITY

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WAYNE COUNTY AIRPORT AUTHORITY

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January 27, 2009

To the Wayne County Airport Authority Board:

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2008 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the CAFR. The report of the independent auditors on the financial statements is included on pages 1 and 2.

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

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

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

the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

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

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

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

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

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

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

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

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

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

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

REPORTING ENTITY BACKGROUND

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

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

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

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from parking, concessions, and various additional sources to fund operating expenses. The Authority is not taxpayer-funded. The Capital Improvement

Program (CIP) is funded by bonds issued by the Authority, federal and state grants, and passenger facility charges (PFCs).

Airport Use and Lease Agreement (the Agreement)

Revenues received by the Authority in accordance with the Master Airport Revenue Bond Ordinance (Master Bond Ordinance) are derived from rentals, fees, and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. The following airlines are parties to such agreements: AirTran Airways, American Airlines, British Airways, Continental Airlines, Delta 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 preceding 12-month period for which records are available, or all Signatory Airlines in number but one regardless of landed weight.

The Airline Industry

The U.S. aviation industry in 2008 experienced another year of significant change. The biggest challenge affecting the industry has been the unprecedented increase in energy cost, driving most airlines to operate at significant losses during the Authority's fiscal year 2008. Airlines have responded to this challenge in a variety of ways. By managing capacity and increasing load factors, the industry has been able to increase its revenue per available seat mile, but overall passenger traffic in North America for the calendar year-to-date through September 2008 had remained essentially flat (decrease of 0.9 percent) over 2007. Airlines have been able to pass along several fare increases and add-on fees for such things as checked baggage, fuel surcharges, food on board the aircraft, etc. during the past 12 months. These actions have allowed the airlines to recover some of their increases in the costs of jet fuel, but despite these efforts, airlines continue to operate at a loss. Some airlines have also attempted to mitigate fuel costs by hedging future purchases with mixed results. Unfortunately, the problems faced by the airlines have a direct impact on airports. Decreased passengers lower non-airline and hotel revenues; decreased operations impact revenues from landing fees; and the overall airlines' financial problems result in significant pressure on airports to lower operating costs and increase non-airline revenues.

Airport Activity

As a result of airline capacity reductions in domestic air service, the Authority ended fiscal year 2008 with a 1.5 percent decrease in enplaned passengers, 1.1 percent decrease in operations, 1.8 percent decrease in cargo handled, and a 4.1 percent decrease in landed weights when compared to the prior fiscal year. The Airport's activities for the years ended September 30, 2008 and 2007 were as follows:

	2008	**2007**
Enplanements	17,831,231	18,108,090
Aircraft Operations	467,386	472,522
Cargo (in metric tons)	225,854	229,962
Landed Weights (in thousands, lbs.)	23,358,910	24,356,703

The softness in demand for air travel is expected to result in continued decline in Airport activity throughout the next fiscal year, and then is expected to level off and return to a moderate compounded annual growth rate of approximately 2% (both enplanements and landed weights) from 2010 through 2013.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

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

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

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

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

AUTHORITY'S ECONOMIC CONDITION

Population

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

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

The Airport is the primary air carrier airport serving the City of Detroit (the 11th most populous city in the United States in 2007) and the nine-county surrounding area. In calendar year 2007, Detroit Metropolitan Airport was ranked the eleventh busiest airport in the United States and the twenty-second busiest airport in the world, enplaning and deplaning approximately 36 million passengers, and ranked 15th worldwide in total aircraft operations, with 467 thousand takeoffs and landings.

Economy

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

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air

Trade Area), particularly for the origin and destination (O&D) portion of an airport's passenger traffic.

Employment

The decrease in civilian labor force experienced by the Air Trade Area since 2000 has occurred despite growth in overall population, a trend that departs from the national trend of consistent growth patterns in population and civilian labor force over the same period. Because the Air Trade Area is heavily influenced by the automotive industry, and this industry has experienced sizable cutbacks in the last decade, it is likely that the number of discouraged working age persons in the Air Trade Area has grown over the period causing a corresponding decrease in the civilian labor force. Additionally, recent labor agreements have allowed the major automakers to offer early retirement packages to thousands of workers in attempts to reduce staff or replace them with workers being paid significantly lower hourly rates. Workers accepting early retirement packages may not pursue subsequent employments, thereby reducing the traditional civilian labor force.

LONG-TERM FINANCIAL PLANNING

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

The Authority covenants in the Master Bond Ordinance (the Ordinance) state that the Airport's net revenues plus other available monies as defined by the Ordinance are sufficient to provide debt service coverage of 125% of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended September 30, 2008 was in excess of the requirements at 149% of total debt service.

Capital Improvement Program

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

The Authority recently completed a significant accomplishment by celebrating the opening of the North Terminal on September 17, 2008. The North Terminal replaces the Smith Terminal and the Berry International Terminal, both of which are intended to be demolished as part of the project, and represents the completion of a major portion of the North Terminal Redevelopment Project. Shortly after the opening of the North Terminal, the Ground Transportation Center was also completed.

The Authority's CIP represents current expectations of future capital needs. The current 2009-2013 Capital Program includes planned funding of approximately $818 million and $100 million for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority's funding sources for the CIP are airport revenue bonds, Passenger Facility Charges (PFCs), federal grants, and Authority discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply funding as many of the revenues come from sources outside the Authority's control.

Airport Improvement Program

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

Passenger Facility Charges

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

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

As of September 30, 2008, the Airport had received approximately $881 million of PFC revenue, which includes interest earnings of approximately $71 million. The Airport had expended approximately $762 million on approved projects. The current PFC expiration date is estimated at October 1, 2032.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the year ended September 30, 2007. This was the

fifth 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 2008 CAFR to the GFOA for consideration.

The Authority's budget process has also been recognized by the GFOA and received their Award for Distinguished Budget Presentation for fiscal years 2005 to 2008. In order to receive this award, the entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The Authority also received a number of non-financial awards during 2008 including:

- 1st Place (tie with Dallas Fort Worth): 2008 Healthiest Airports – For Availability of Healthy Menu Items at Airport Restaurants, by Physician's Committee for Responsible Medicine

- 3rd Place: Airport Service Quality (ASQ) – "Best Airport by Size of Airport – 25 to 40 Million Passengers Worldwide," Airports Council International, February 2008

- 5th Place: Airport Service Quality (ASQ) – International Passenger Satisfaction Among all North American Airports, February 2008

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

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

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

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

- Zero Violations Award – Wayne County Department of Environment, March 19, 2008

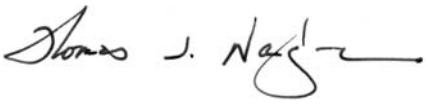
- Authority's airports received first ever "StormReady" designation by the National Oceanic and Atmospheric Administration (NOAA)

Acknowledgments

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

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

Respectfully submitted,



Lester W. Robinson

Chief Executive Officer

Thomas J. Naughton

Senior Vice President of Finance and Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wayne County Airport Authority, Michigan

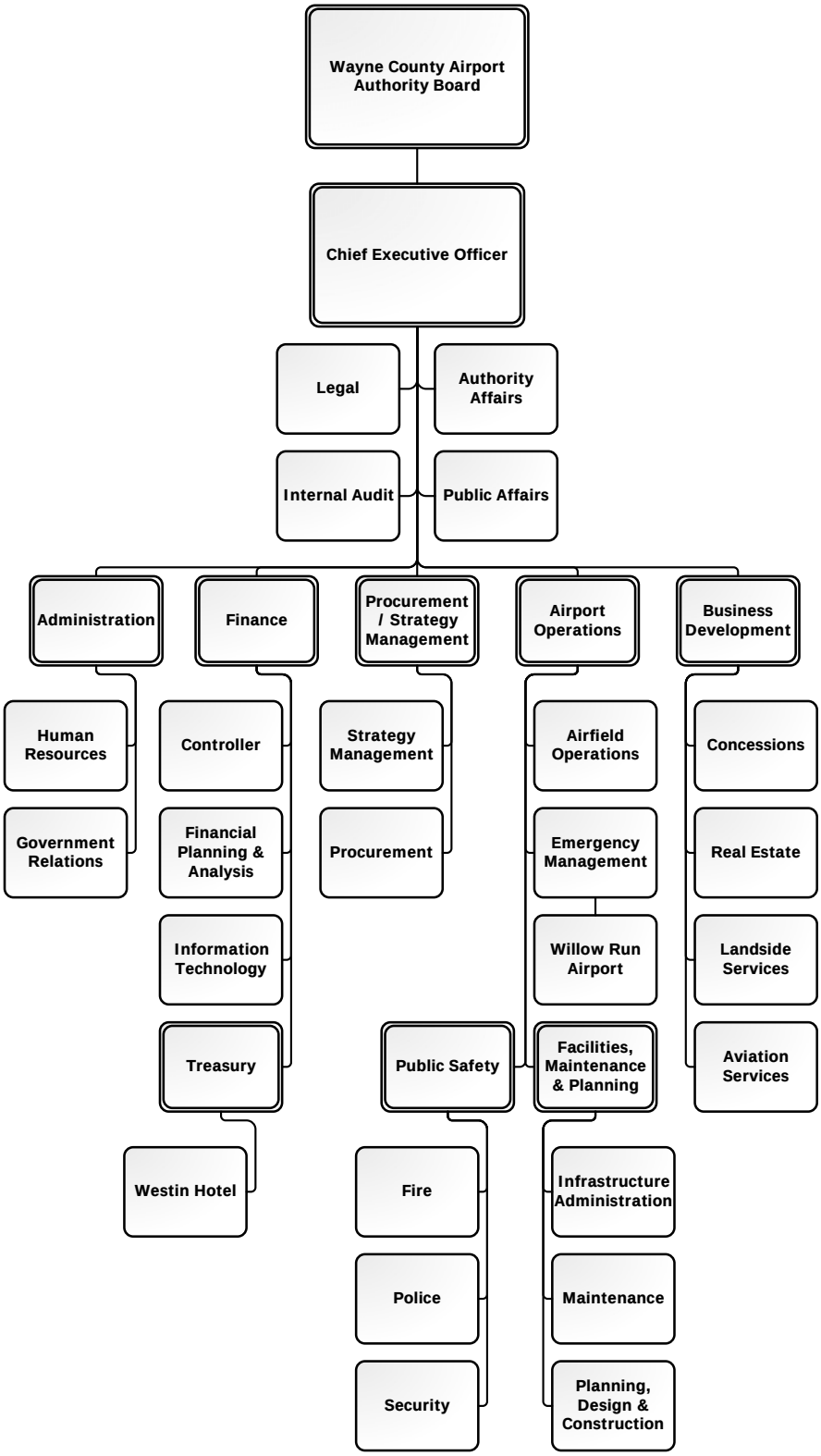
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

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

President

Executive Director

WAYNE COUNTY AIRPORT AUTHORITY
ORGANIZATIONAL CHART



LIST OF PRINCIPAL OFFICIALS

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

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

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Independent Auditor's Report

To the Board of Directors
Wayne County Airport Authority

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Wayne County Airport Authority (the "Authority"), a component unit of the Charter County of Wayne, Michigan, as of and for the year ended September 30, 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Authority as of September 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Directors
Wayne County Airport Authority

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2009 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Plante & Moran, PLLC

January 27, 2009

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2008

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, 2008, with selected comparative information for the year ended September 30, 2007. 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. In 2008, the Authority included a Postemployment Health Benefits Trust Fund (Fiduciary Fund) to account for the postemployment healthcare payments to qualified employees.

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

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

THE AIRPORT FUNDING METHODOLOGY

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

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

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

FINANCIAL HIGHLIGHTS

Operating revenues increased 9 percent from 2008 compared to 2007, and only materially fluctuated in a few categories. Non-airline revenues slightly decreased (about 1 percent) over 2007 driven by decreases in other non-airline revenues of nearly 4 percent offset by increases of 11 percent and 10 percent in utility service fee and employee shuttle revenues, respectively. Hotel revenues declined approximately 6 percent over 2007 totals. Airline revenues increased significantly over the prior year with 42 percent additional revenue earned from landing fees than in the prior year.

Operating expenses increased 7 percent over 2007, which is nearly double the increase in each of the past two years. As in prior years, utilities continue to drive cost increases; however, from 2007 to 2008, materials, supplies, and maintenance increases were all greater than 10 percent whereas in prior years these costs remained flat or decreased. Professional and contractual services experienced only a slight increase of 4 percent over the prior year as the Authority continues to focus on keeping these costs lower than heights reached in 2004. While overall net assets were again virtually unchanged, they slightly decreased 3 percent year over year, whereas in the prior year they had increased 1.9 percent.

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2008

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, 2008 and 2007 is:

	2008 (000's)	2007 (000's)
ASSETS:		
Current unrestricted assets	$ 135,924	$ 131,085
Current restricted assets	98,077	82,696
Noncurrent restricted assets	545,145	802,119
Capital assets (net)	2,329,754	2,189,530
Other assets	35,348	42,410
Total assets	3,144,248	3,247,840
LIABILITIES:		
Current liabilities	109,275	100,278
Current liabilities payable from restricted assets	88,539	82,696
Long-term liabilities	2,307,981	2,407,531
Total liabilities	2,505,795	2,590,505
NET ASSETS:		
Investment in capital assets, net of related debt	170,386	131,816
Restricted	430,322	471,546
Unrestricted	37,745	53,973
TOTAL NET ASSETS	$ 638,453	$ 657,335

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

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

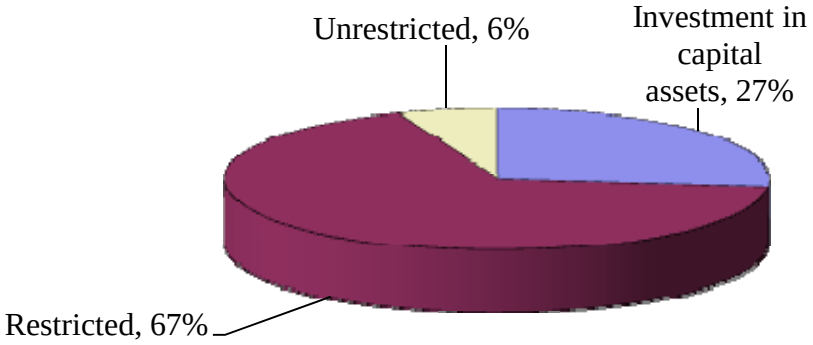
September 30, 2008

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 $18.9 million in the fiscal year ended September 30, 2008. Increases in airline landing fees, utility service fees, and employee shuttle were negated by increases in utilities, supplies, and maintenance expenses, as well as large decreases in interest and federal grant income.

The chart below illustrates a breakdown of total net assets as of September 30, 2008:



Approximately 67 percent of the Airport's 2008 net assets are restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Amounts invested in capital assets, net of related debt, account for approximately 27 percent 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 $38 million, which may be used to meet any of the Authority's ongoing operations.

Restricted net assets decreased 9 percent as of fiscal year end 2008. The lower balance is primarily due to a decrease in cash and accounts receivable pertaining to debt service, which was a result of the debt refundings that occurred during the year (see next section).

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital activity for fiscal year 2008 increased significantly for the third year in a row as the construction of the North Terminal Complex was completed.

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, 2008, the Authority had approximately $2.34 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 $216.7 million in 2008 and long-term debt amounting to $98.8 million was paid off during the year.

During fiscal year 2008, there was a significant negative impact to the Authority's hedged and unhedged variable rate debt program representing 26 percent of the Authority's debt and resulting in increased interest rate costs. This increase was a result of the widespread market failure of the auction rate market followed by a failure of the variable rate demand obligation market due to rating downgrades of bond insurance companies. Also during 2008, the Authority successfully refunded all variable rate debt from April to November, eliminating all auction rate debt and replacing bond insurance with direct pay letters of credit. More detailed information on capital asset and long-term debt activity can be found in Notes 6 and 7 included in the Notes to Basic Financial Statements section of this report.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

A summarized comparison of the Authority's revenues, expenses, and changes in net assets for the years ended September 30, 2008 and 2007 follows:

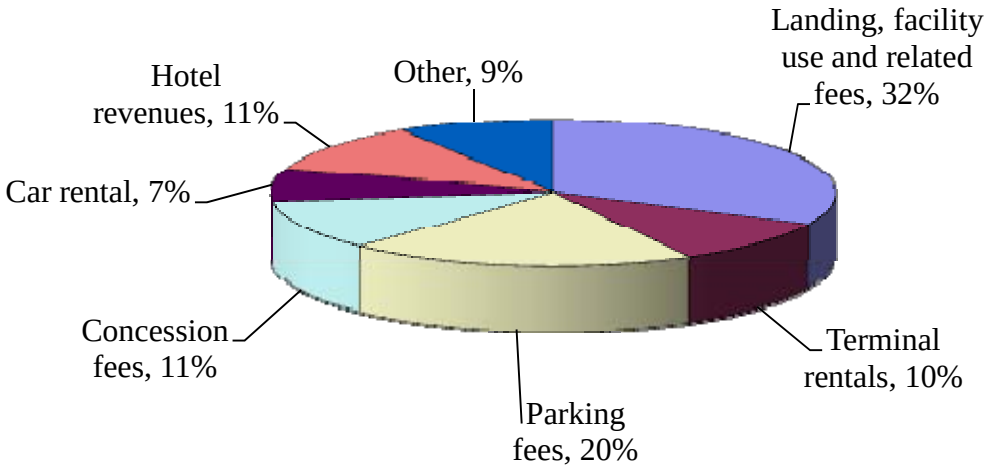
WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2008

	2008 (000's)	2007 (000's)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	$ 84,608	$ 59,513
Terminal building rentals and fees	28,973	28,622
Facility use fees	8,159	7,963
Non-airline revenues:		
Parking fees	58,683	58,859
Concession fees	30,358	29,383
Car rental	21,493	20,859
Hotel	31,497	33,382
Other	26,941	27,932
Total operating revenues	290,712	266,513
Operating expenses:		
Salaries, wages, and fringe benefits	77,942	72,396
Parking management	8,906	10,325
Hotel management	23,033	24,054
Depreciation	129,575	121,088
Professional and contractual services	18,712	18,023
Utilities	30,429	26,571
Building, ground, equipment maintenance	38,356	34,571
Other	33,000	28,315
Total operating expenses	359,953	335,343
Operating loss	(69,241)	(68,830)
Nonoperating revenues (expense):		
Passenger facility charges	68,202	70,754
Other nonoperating revenues	30,796	52,866
Interest expense	(94,926)	(105,856)
Other nonoperating expenses	(8,530)	(2,584)
Net nonoperating revenues (expenses)	(4,458)	15,180
Net loss before capital contribution	(73,699)	(53,650)
Capital Contribution	54,817	66,212
Change in net assets	(18,882)	12,562
Net assets, beginning of the year	657,335	644,773
Net assets, end of the year	$ 638,453	$ 657,335

Operating Revenues:

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2008:



Operating revenues increased 9 percent to $291 million in 2008 from $267 million in 2007.

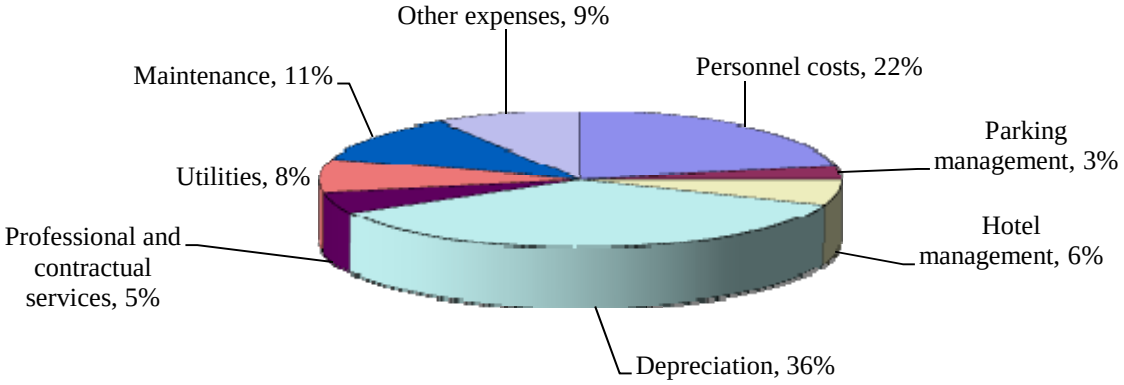
Landing fees made up the bulk of the total increase at a 42 percent change over the prior year. This amount was based on an increased landing fee rate to the signatory airlines of $3.58 per thousand pounds landed weight needed to cover higher operating expenses, as well as increased debt service expense due to the significant increases in variable interest rates related to the impact of widespread financial market turmoil on the Authority's debt program. The change in landing rate is a 51 percent increase over the prior year final amount of $2.37.

Hotel revenue decreased from $33 million to $31 million, or 6 percent, due to a drop in occupancy. Other small gains of 3 percent were achieved in car rental and concession revenues over 2007, as well as employee shuttle revenue, airline terminal rentals, and facility use fees. Other revenue, which includes badging fees and chargebacks, decreased by 21 percent from the prior year totaling only $5.6 million.

Additional non-airline income continues to be generated through the resale of utilities, including electricity, natural gas, and water. Successful gains to total revenue from these charges were again achieved in 2008, with an 11 percent increase, after gains of 14 percent in 2007. The Authority continues to explore new options in utility resale to help offset rising utility costs to the airports and hotel.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2008:



Operating expenses increased 7 percent during fiscal year 2008, while the Authority worked to manage costs. The primary factors driving increased operating costs included higher costs for utilities which incorporated energy rate increases, higher consumption with the expansion of Airport facilities, and unusually high fuel costs for items such as bulk chemicals. The employee shuttle bus expense also increased 12 percent over the prior year in part due to additional fuel costs paid by the Authority, and snow removal costs were higher due to an unusually high level of snow (72 inches). Employee health insurance continues to drive increases in fringe benefits.

Cost categories that remained flat or decreased during the year included janitorial services, parking management services, contracted security services, and insurance.

Nonoperating Revenues and Expenses and Contributed Capital:

Total nonoperating activities lead to a net nonoperating expense of $4.5 million in 2008. A 39 percent drop in interest income was driven by economic conditions during 2008. In addition to the gains made to reduce interest expense through bond refundings and reduced rates, interest expense decreased due to the higher amounts of capitalized interest than in the prior year (130 percent increase).

Revenue generated from state and federal operating grants decreased for the second year as the State of Michigan and Federal Aviation Administration (FAA) issued less award dollars than in prior years. Willow Run Airport is more significantly impacted by these actions as it receives several small grants for activities including pavement marking from the State and does not meet hub airport status from the FAA.

Capital contributions decreased 17 percent over the prior year to $54.8 million. This decrease was due to large one-time items in the prior year including a $4.4 million dollar gain on the discharge of the Northwest Airlines Special Facility bonds, as well as $27 million earned for repairs and improvements made to runway 3R/21L and connecting taxiways during 2007. The bulk of the construction on this project was executed during 2007 and was completed in early fiscal year 2008.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2008

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Unrestricted current assets:				
Cash and investments (note 4)	$ 76,171,113	$ 1,451,727	$ 2,809,901	$ 80,432,741
Accounts receivable, less allowance (note 2)	20,352,688	208,073	844,170	21,404,931
Due from other governmental units	31,211,328	842,280	—	32,053,608
Prepaids and deposits	1,890,433	21,836	119,824	2,032,093
Total unrestricted current assets	129,625,562	2,523,916	3,773,895	135,923,373
Restricted current assets (notes 4 and 5):				
Cash and investments	83,464,833	2,553,999	2,519,621	88,538,453
Accounts receivable	9,507,905	—	30,508	9,538,413
Total restricted current assets	92,972,738	2,553,999	2,550,129	98,076,866
Total current assets	222,598,300	5,077,915	6,324,024	234,000,239
Noncurrent assets:				
Restricted cash and investments (notes 4 and 5)	530,981,040	1,742,880	12,421,207	545,145,127
Capital assets (note 6):				
Land	173,813,063	13,726,984	—	187,540,047
Buildings and improvements	1,825,391,473	4,820,973	92,642,973	1,922,855,419
Equipment	50,202,783	6,653,689	577,317	57,433,789
Infrastructure	1,105,264,002	101,290,977	—	1,206,554,979
Construction in progress	100,145,406	4,161,907	—	104,307,313
Total capital assets	3,254,816,727	130,654,530	93,220,290	3,478,691,547
Less accumulated depreciation	1,038,468,332	82,023,434	28,445,169	1,148,936,935
Net capital assets	2,216,348,395	48,631,096	64,775,121	2,329,754,612
Other assets:				
Bond issuance cost, less amortization (note 2)	22,857,466	—	4,967,943	27,825,409
Accounts receivable, less allowance (note 2)	497,812	—	—	497,812
Advances to other funds	7,025,192	—	—	7,025,192
Total other assets	30,380,470	—	4,967,943	35,348,413
Total noncurrent assets	2,777,709,905	50,373,976	82,164,271	2,910,248,152
Total assets	$ 3,000,308,205	$ 55,451,891	$ 88,488,295	$ 3,144,248,391

See accompanying notes to basic financial statements.

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2008

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Liabilities:				
Current liabilities:				
Payable from current assets:				
Accounts payable	$ 64,691,802	$ 511,888	$ 455,474	$ 65,659,164
Accrued wages and benefits	2,460,861	125,058	—	2,585,919
Due to primary government	596,146	—	—	596,146
Deferred revenue	1,617,221	45,756	—	1,662,977
Accrued interest payable	—	—	105,000	105,000
Bonds payable and other debt (note 7)	—	19,475	345,848	365,323
Other accrued liabilities	37,649,051	651,578	—	38,300,629
Total current liabilities payable from current assets	107,015,081	1,353,755	906,322	109,275,158
Payable from restricted current assets:				
Accrued interest payable	35,049,944	—	1,929,621	36,979,565
Bonds payable and other debt (note 7)	48,414,889	—	590,000	49,004,889
Deferred revenue	—	2,553,999	—	2,553,999
Total current liabilities payable from restricted current assets	83,464,833	2,553,999	2,519,621	88,538,453
Total current liabilities	190,479,914	3,907,754	3,425,943	197,813,611
Long-term liabilities:				
Advances from other funds	—	5,898,365	1,126,827	7,025,192
Net OPEB obligation (note 10)	482,409	—	—	482,409
Other accrued liabilities	10,523,675	598,000	—	11,121,675
Bonds payable and other debt, net (note 7)	2,175,294,064	624,990	113,433,050	2,289,352,104
Total long-term liabilities	2,186,300,148	7,121,355	114,559,877	2,307,981,380
Total liabilities	2,376,780,062	11,029,109	117,985,820	2,505,794,991
Net assets:				
Investment in capital assets, net of related debt	166,005,588	47,986,631	(43,606,281)	170,385,938
Restricted for:				
Capital assets	147,726,534	1,742,880	11,479,862	160,949,276
Debt service	234,598,454	—	1,561,853	236,160,307
Operations	30,722,199	—	—	30,722,199
Drug enforcement	2,490,501	—	—	2,490,501
Unrestricted (deficit)	41,984,867	(5,306,729)	1,067,041	37,745,179
Total net assets (deficit)	$ 623,528,143	$ 44,422,782	$ (29,497,525)	$ 638,453,400

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended September 30, 2008

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	$ 84,021,957	$ 585,880	$ —	$ 84,607,837
Terminal building rentals and related fees	26,934,102	2,038,602	—	28,972,704
Facility use fees	7,885,463	273,730	—	8,159,193
Nonairline revenues:				
Parking fees	58,682,741	—	—	58,682,741
Concession fees	30,358,313	—	—	30,358,313
Car rental	21,492,776	—	—	21,492,776
Hotel	—	—	31,496,580	31,496,580
Employee shuttle bus	5,773,430	—	—	5,773,430
Ground transportation	7,055,550	—	—	7,055,550
Utility service fees	4,498,243	222,932	—	4,721,175
Rental facilities	3,782,560	5,300	—	3,787,860
Other	5,024,222	579,574	—	5,603,796
Total operating revenues	255,509,357	3,706,018	31,496,580	290,711,955
Operating expenses:				
Salaries, wages, and fringe benefits	75,213,960	2,728,280	—	77,942,240
Parking management	8,905,534	—	—	8,905,534
Hotel management	5,097	—	23,027,755	23,032,852
Shuttle bus services	9,221,217	—	—	9,221,217
Janitorial services	2,402,925	19,964	—	2,422,889
Security	2,757,886	—	—	2,757,886
Professional and other contractual services	16,346,371	2,365,403	—	18,711,774
Utilities	29,165,586	1,263,645	—	30,429,231
Buildings and grounds maintenance	23,742,887	210,025	—	23,952,912
Equipment repair and maintenance	14,283,878	119,295	—	14,403,173
Materials and supplies	6,265,966	184,117	—	6,450,083
Insurance	2,593,372	33,853	—	2,627,225
Other	8,240,229	1,249,418	31,000	9,520,647
Depreciation	120,145,375	4,194,218	5,235,260	129,574,853
Total operating expenses	319,290,283	12,368,218	28,294,015	359,952,516
Operating income (loss)	(63,780,926)	(8,662,200)	3,202,565	(69,240,561)
Nonoperating revenues (expenses):				
Passenger facility charges	68,202,594	—	—	68,202,594
Federal and state grants	1,969,321	223,292	—	2,192,613
Net insurance recovery	500,000	20,928	—	520,928
Interest income	27,470,346	110,694	501,266	28,082,306
Interest expense	(88,479,765)	(33,064)	(6,413,142)	(94,925,971)
Gain (loss) on disposal of assets	(6,215,407)	978	—	(6,214,429)
Amortization of bond issuance costs	(1,985,171)	—	(330,282)	(2,315,453)
Total nonoperating revenue (expense)	1,461,918	322,828	(6,242,158)	(4,457,412)
Net loss before capital contributions and transfers	(62,319,008)	(8,339,372)	(3,039,593)	(73,697,973)
Capital contributions	52,218,659	2,598,017	—	54,816,676
Transfers in (out)	(2,813,400)	2,813,400	—	—
Changes in net assets	(12,913,749)	(2,927,955)	(3,039,593)	(18,881,297)
Net assets (deficit) – Beginning of year	636,441,892	47,350,737	(26,457,932)	657,334,697
Net assets (deficit) – End of year	$ 623,528,143	$ 44,422,782	$ (29,497,525)	$ 638,453,400

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2008

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 241,103,503	$ 3,964,697	$ 32,294,914	$ 277,363,114
Payments to suppliers	(109,933,551)	(6,194,769)	(22,829,392)	(138,957,712)
Payments to employees	(75,057,205)	(2,633,896)	—	(77,691,101)
Payments to Wayne County for services provided	(1,227,191)	(2,266)	—	(1,229,457)
Payments from Wayne County for services provided	2,589,999	—	—	2,589,999
Payments (to) from other funds for services provided	(296,724)	296,724	—	—
Return of customer deposits	(11,845,495)	(26,939)	—	(11,872,434)
Collection of customer deposits	14,680,285	14,602	—	14,694,887
Net cash provided by (used in) operating activities	60,013,621	(4,581,847)	9,465,522	64,897,296
Cash flows from noncapital financing activities:				
Passenger facility charges received	2,491,855	—	—	2,491,855
Transfers (to) from other funds	(2,813,400)	2,813,400	—	—
Grants from federal/state government	5,040,537	203,171	—	5,243,708
Net cash provided by noncapital financing activities	4,718,992	3,016,571	—	7,735,563
Cash flows from capital and related financing activities:				
Capital contributions received	44,098,712	8,762,626	—	52,861,338
Passenger facility charges received	65,602,835	—	—	65,602,835
Proceeds from capital debt	5,337,383	—	—	5,337,383
Principal paid on capital debt	(98,274,791)	(26,637)	(529,342)	(98,830,770)
Issuance costs paid on new bond issues	(5,972,533)	—	—	(5,972,533)
Acquisition and construction of capital assets	(251,144,775)	(2,677,164)	(142,340)	(253,964,279)
Insurance proceeds received for damage to capital assets	500,000	906,964	—	1,406,964
Proceeds from disposal of capital assets	149,818	978	—	150,796
Interest paid on capital debt	(111,114,173)	(33,064)	(6,288,171)	(117,435,408)
Net cash provided by (used in) capital and related financing activities	(350,817,524)	6,933,703	(6,959,853)	(350,843,674)
Cash flows from investing activities:				
Interest and dividends received	35,256,254	110,694	516,325	35,883,273
Purchases of investments	(471,275,738)	—	(844,000)	(472,119,738)
Maturities of investments	706,463,793	—	1,630,000	708,093,793
Net cash provided by investing activities	270,444,309	110,694	1,302,325	271,857,328
Net increase (decrease) in cash and cash equivalents	(15,640,602)	5,479,121	3,807,994	(6,353,487)
Cash and cash equivalents – Beginning of year	422,179,988	269,485	13,098,735	435,548,208
Cash and cash equivalents – End of year	$ 406,539,386	$ 5,748,606	$ 16,906,729	$ 429,194,721

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2008

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (63,780,926)	$ (8,662,200)	$ 3,202,565	$ (69,240,561)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	120,145,375	4,194,218	5,235,260	129,574,853
Other noncash capital adjustment	132,418	738,024	—	870,442
Decrease (increase) in accounts receivable	(12,491,865)	291,957	829,334	(11,370,574)
Decrease in due from primary government	2,349,880	—	—	2,349,880
Increase (decrease) in due from/to other funds	(623,551)	296,724	326,827	—
(Increase) decrease in prepaids/deposits	(814,484)	(4,784)	42,775	(776,493)
Increase (decrease) in accounts payable	6,936,856	(2,198,756)	(171,239)	4,566,861
(Decrease) increase in accrued wages and benefits	(1,056,628)	79,584	—	(977,044)
Decrease in due to primary government	137,205	—	—	137,205
Increase in deferred revenue	420,936	25,495	—	446,431
Increase in net OPEB obligation	482,409	—	—	482,409
Increase in other accrued liabilities	8,175,996	657,891	—	8,833,887
Total adjustments	123,794,547	4,080,353	6,262,957	134,137,857
Net cash provided by (used in) operating activities	$ 60,013,621	$ (4,581,847)	$ 9,465,522	$ 64,897,296
Cash and investments at September 30, 2008 consist of:				
Cash and cash equivalents	$ 406,539,386	$ 5,748,606	$ 16,906,729	$ 429,194,721
Investments	284,077,600	—	844,000	284,921,600
Total cash and investments	$ 690,616,986	$ 5,748,606	$ 17,750,729	$ 714,116,321

Noncash capital related financial activities:

- Capital assets of $814,615 were acquired through financing with two installment purchase contracts.
- Noncash capital asset adjustments were made due to a fixed asset inventory conducted during 2008. Adjustments resulted in a net reduction of $870,442 (increase in cost of $851,463 and increase in accumulated depreciation of $1,721,905)
- The issuance of refunding bonds resulted in several noncash activities. The major components are as follows: $592 million of principal additions offset by $590 million of principal reductions; additional deferred refunding charges of $29 million.
- Interest expense of approximately $22 million was capitalized into capital assets during 2008.
- During the fiscal year, the Authority entered into a land swap agreement with the County to exchange land parcels. This transaction resulted in the following: $12.4 million cost of land disposed, $7 million fair market value of land acquired, and a loss on exchange of $5.4 million.

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Assets

September 30, 2008

		Postemployment Health Benefits Trust Fund
Assets:		
Cash and investments - money market funds (note 4)	$	3,100,000
Interest receivable		138
Total assets	$	3,100,138
Net Assets:		
Held in trust for postemployment health benefits	$	3,100,138

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Changes in Fiduciary Net Assets

Year Ended September 30, 2008

		Postemployment Health Benefits Trust Fund
Additions:		
Investment income:		
Interest	$	138
Retirement contributions:		
Employer		3,100,000
Total additions		3,100,138
Changes in net assets		3,100,138
Net assets - Beginning of year		—
Net assets - End of year	$	3,100,138

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 purpose 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 98 percent of total landed weight in 2008. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority reports the following major funds:

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

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

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

The Authority reports the following fiduciary fund type:

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

(b) Basis of Accounting and Measurement Focus

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

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

(c) Cash and Investments

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

(d) Cash Flows

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

(e) Passenger Facility Charges

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

(f) Revenue Recognition

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

(g) Net Assets

Equity is displayed in three components, as follows:

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

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

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

The Willow Run Airport incurred an unrestricted deficit for the year ended September 30, 2008 of $5,306,729. This deficit is expected to be funded by the improvement in future operations.

(h) Classification of Revenues and Expenses

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

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

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

(i) Use of Estimates

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

(j) Capital Assets

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

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

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

(k) Compensated Absences

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

Activity for the year ended September 30, 2008 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
$	6,033,673	$ 4,148,595	$ (3,921,887)	$ 6,260,381

(l) Retirement Contributions

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

(m) Accounts Receivable

Net receivables at September 30, 2008 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2008 was $517,797, of which $379,497 was for the Detroit Metropolitan Airport Fund, $102,300 was for the Willow Run Airport Fund, and $36,000 was for the Airport Hotel Fund.

(n) Accounts Payable

Total payables at September 30, 2008 consist of payables due to vendors used during the normal course of business.

(o) Restricted Assets and Liabilities

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

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

(p) Interfund Balances, Advances, and Transfers

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

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

(q) Bond Issuance Costs

Bond issuance costs are amortized over the period the bond is outstanding, based on the ratio of debt outstanding to original debt issued. Accumulated amortization at September 30, 2008 is $10,978,629.

(r) Deferral of Gains and Losses on Refundings

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

(s) Environmental Matters

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

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

(t) New Accounting Pronouncements

During the year ended September 30, 2008, the Authority adopted the provisions of GASB Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The effects of this statement have been incorporated into the financial statements of the Authority.

(u) Self-Insurance

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

During the year ended September 30, 2005, the Authority became self-insured for health insurance and workers' compensation. Since no actual history prior to this could be determined for the Authority individually, the Authority started documenting a history in fiscal year 2005 and is conservatively adjusting the reserve until an appropriate liability can be determined based on actual claims incurred. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. The funds collected for workers' compensation are used to pay claims (wages and medical), third-party administration services, and loss control services. The Authority purchases commercial insurance for claims that exceed $1 million. Settled claims have not exceeded this commercial coverage in the past three years. The funds collected for health insurance are used to pay self-insured claims to Blue Cross, the primary health care provider, and premiums for Health Alliance Plan, dental, and life insurance. The Authority, as part of the County's umbrella, pays Blue Cross an amount quarterly for each participant for additional stop/loss coverage. This aggregate stop/loss coverage would become effective only when a claim would exceed approximately 120 percent of average medical claims experience within the group (which includes the County). This stop/loss threshold has not been met during the past three years.

The liability for self-insurance claims has been recorded in the financial statements as a current "other accrued liability." A reconciliation of the Authority's self-insured claims liability at September 30, 2008 follows:

	Health insurance	Workers' compensation	Other claims	Total
Claims liability, September 30, 2006	$ 2,312,711	$ 857,624	$ 704,591	$ 3,874,926
Claims incurred during fiscal year 2007	13,269,843	991,771	485,832	14,747,446
Payments on claims	(12,977,343)	(370,690)	(359,525)	(13,707,558)
Establishment (reduction) of a reserve	506,869	679,321	389,062	1,575,252
Claims liability, September 30, 2007	3,112,080	2,158,026	1,219,960	6,490,066
Claims incurred during fiscal year 2008	13,078,760	1,629,710	818,094	15,526,564
Payments on claims	(12,986,310)	(527,629)	(429,565)	(13,943,504)
Establishment (reduction) of a reserve	256,334	(1,195,013)	(125,315)	(1,063,994)
Claims liability, September 30, 2008	$ 3,460,864	$ 2,065,094	$ 1,483,174	$ 7,009,132

(3) Major Customer

Northwest Airlines, Inc. (Northwest) accounts for approximately 26 percent of total Authority operating revenues for the year ended September 30, 2008, including 57 percent of landing and related fees, 71 percent of airline rental and related fees, and 75 percent of facility use fees. Approximately 59 percent of total 2008 enplanements are attributable to Northwest's operations. In the event that Northwest discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $1.5 million in net receivables from Northwest at September 30, 2008.

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. Northwest, Delta, and Mesaba Airlines have filed bankruptcy reorganization in the past three years, yet all three have since emerged. During 2008, Northwest and Delta Airlines completed a merger of their two companies. This consolidation is expected to affect Detroit Metropolitan Airport positively as the new entity will continue utilizing Detroit as a hub and remains the primary carrier.

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

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

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

Investment	Fair value	Rating	Organization
Primary government:			
Money market funds	$ 126,360,002	AAA	S&P
Commercial paper	58,399,332	A1 – P1	S&P, Moody
Commercial paper	75,199,991	A1+ – P1	S&P, Moody
Federal Home Loan Mortgage	9,909,000	AAA	S&P, Moody
Federal National Mortgage	44,222,836	AAA	S&P, Moody
Fiduciary fund:			
Money market funds	3,100,000	AAA	S&P

Custodial credit risk of bank deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the $100,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year end, the Authority had $215,199,807 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:

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

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

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

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

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

	Fair value	Average maturity
Investments subject to risk:		
Primary government:		
General fund:		
Commercial paper	$ 20,000,000	2 months
Federal Home Loan Mortgage	9,909,000	3.5 months
Federal National Mortgage	9,899,000	4 months
Bond reserves:		
U.S. Treasuries	110,032,980	7.5 months
Long-term repo	3,629,278	13.2 years
Bond payment funds:		
U.S. Treasuries	53,389,715	59 days
Capital interest funds:		
2005 Construction:		
U.S. Treasuries	10,192,285	53 days
2007 Construction:		
U.S. Treasuries	6,738,142	157 days
Construction funds:		
2003 Construction		
Commercial paper	8,500,301	7 days
2005 Construction:		
Commercial paper	7,999,637	7 days
Federal National Mortgage	10,064,864	15 days
2007 Construction:		
Commercial paper	24,500,574	7 days
Federal National Mortgage	24,258,972	2.5 months
Other construction and operating:		
Commercial paper	61,200,893	18.5 days
Hotel:		
Commercial paper	11,397,918	1 month
U.S. Treasuries	842,953	2 months
Investments subject to risk	372,556,512	
Deposits/investments not subject to risk:		
Primary government:		
Deposits	215,199,807	
Money market funds	126,360,002	
Total primary government	714,116,321	
Fiduciary fund:		
Money market funds	3,100,000	
Total deposits and investments	$ 717,216,321	

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

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

Limits based upon use of specific instruments:

Investment type	Limit	Actual at year end
Bankers' acceptances	50%	—%
Repurchase agreements	25	0.5
Certificates of deposit (bank)	50	26.1
Certificates of deposit (S&L)	10	—
Money market funds	50	18.1
Commercial paper	60	18.6
U.S. government	100	32.8

Authority limits based upon use of a single issuer:

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

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

Issuer	Investment type	Fair value	Percentage of portfolio	Rating
American Express	Commercial paper	$ 58,399,332	8.14%	A1, P1
CitiGroup	Commercial paper	55,199,991	7.70	A1+, P1
Comerica Bank	Certificates of deposit	101,977,622	14.22	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, 2008 is as follows:

Operations and maintenance:	
Cash and investments	$ 30,156,539
Accounts receivable	565,660
Total	30,722,199
Replacement and improvements:	
Cash and investments	2,314,381
Construction:	
Cash and investments	208,296,225
Accounts receivable	774,051
Total	209,070,276
Bond and interest redemption:	
Cash and investments	271,159,208
Accounts receivable	1,980,664
Total	273,139,872
Passenger facility charges:	
Cash and investments	119,266,726
Accounts receivable	6,218,038
Total	125,484,764
Drug enforcement:	
Cash and investments	2,490,501
Total restricted assets	$ 643,221,993

(6) Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

	Beginning balance	Increases	Decreases	Adjustments*	Ending balance
Detroit Metropolitan Airport Fund:					
Capital assets not being depreciated:					
Land	$ 156,296,459	$ 7,604,766	$ (12,401,897)	22,313,735	$ 173,813,063
Construction in progress	326,568,659	274,777,069	(501,200,322)	-	100,145,406
Total capital assets not being depreciated	482,865,118	282,381,835	(513,602,219)	22,313,735	273,958,469
Capital assets being depreciated:					
Buildings and improvements	1,456,202,011	370,299,192	(425,000)	(684,730)	1,825,391,473
Equipment	47,007,624	4,166,536	(971,377)	-	50,202,783
Infrastructure	1,003,526,177	127,883,690	(3,500,000)	(22,645,865)	1,105,264,002
Total capital assets being depreciated	2,506,735,812	502,349,418	(4,896,377)	(23,330,595)	2,980,858,258
Less accumulated depreciation for:					
Buildings and improvements	432,548,756	67,942,558	(191,600)	2,618,220	502,917,934
Equipment	34,142,278	3,439,825	(971,377)	-	36,610,726
Infrastructure	454,134,342	48,762,992	(455,000)	(3,502,662)	498,939,672
Total accumulated depreciation	920,825,376	120,145,375	(1,617,977)	(884,442)	1,038,468,332
Total capital assets being depreciated, net	1,585,910,436	382,204,043	(3,278,400)	(22,446,153)	1,942,389,926
Total Detroit Metropolitan Airport Fund capital assets, net	2,068,775,554	664,585,878	(516,880,619)	(132,418)	2,216,348,395

	Beginning balance	Increases	Decreases	Adjustments*	Ending balance
Willow Run Airport Fund:					
Capital assets not being depreciated:					
Land	$ 13,726,984	$ —	$ —	$ —	$ 13,726,984
Construction in progress	10,692,665	1,978,185	(8,508,943)	—	4,161,907
Total capital assets not being depreciated	24,419,649	1,978,185	(8,508,943)	—	17,888,891
Capital assets being depreciated:					
Buildings and improvements	4,783,476	37,497	—	—	4,820,973
Equipment	6,309,479	698,980	(9,700)	(345,070)	6,653,689
Infrastructure	90,606,139	8,471,445	—	2,213,393	101,290,977
Total capital assets being depreciated	101,699,094	9,207,922	(9,700)	1,868,323	112,765,639
Less accumulated depreciation for:					
Buildings and improvements	3,118,207	100,258	—	—	3,218,465
Equipment	3,813,168	410,285	(9,700)	(276,571)	3,937,182
Infrastructure	68,301,194	3,683,675	—	2,882,918	74,867,787
Total accumulated depreciation	75,232,569	4,194,218	(9,700)	2,606,347	82,023,434
Total capital assets being depreciated, net	26,466,525	5,013,704	—	(738,024)	30,742,205
Total Willow Run Airport Fund capital assets, net	50,886,174	6,991,889	(8,508,943)	(738,024)	48,631,096
Airport Hotel Fund:					
Capital assets being depreciated:					
Buildings and improvements	92,588,033	54,940	—	—	92,642,973
Equipment	489,917	87,400	—	—	577,317
Total capital assets being depreciated	93,077,950	142,340	—	—	93,220,290
Less accumulated depreciation for:					
Buildings and improvements	23,058,572	5,146,460	—	—	28,205,032
Equipment	151,337	88,800	—	—	240,137
Total accumulated depreciation	23,209,909	5,235,260	—	—	28,445,169
Total capital assets being depreciated, net	69,868,041	(5,092,920)	—	—	64,775,121
Total Airport Hotel Fund capital assets, net	69,868,041	(5,092,920)	—	—	64,775,121
Total Authority capital assets, net	$ 2,189,529,769	$ 666,484,847	$ (525,389,562)	$ (870,442)	$ 2,329,754,612

* Adjustment column represents changes made to the fixed assets records as a result of a fixed asset inventory conducted during the fiscal year.

(7) Long-term Debt

The detail of long-term debt at September 30, 2008 is as follows:

Detroit Metropolitan Airport Fund:	
Airport Revenue Bonds (Due serially December 1):	
Series 1994A, 3.5% to 5.875%, due 2008	$ 2,975,000
Series 1996A, 3.65% to 5.72%, due 2016	39,710,000
Series 1996B, 3.65% to 5.72%, due 2016	39,710,000
Series 1998A, 4.2% to 5.5%, due 2028	753,185,000
Series 1998B, 4.1% to 5.25%, due 2013	21,860,000
Series 2002C, 3.0% to 5.375%, due 2020	25,905,000
Series 2002D, 5.0% to 5.5%, due 2019	68,290,000
Series 2005, 3.5% to 5.25%, due 2034	507,135,000
Series 2007A Jr. Lien, 4.85% to 5%, due 2037	180,390,000
Series 2007B, 4.0% to 5.0%, due 2028	119,390,000
Series 2008A, 4.0% to 5.75%, due 2032	142,285,000
Series 2008B, variable, current yield at 9/30/08, 8.2%, due 2033	201,250,000
Series 2008C, variable, current yield at 9/30/08, 8.2%, due 2033	89,435,000
Series 2008D, variable, current yield at 9/30/08, 8.1%, due 2021	39,675,000
Installment purchase contract, 5.625%, due 5/11/2011	5,570,000
Installment purchase contract, 3.7%, due 9/25/2015	296,144
Installment purchase contract, 3.54%, due 11/14/2014	377,956
Installment purchase contract, 4.05%, due 4/8/2018	378,263
Installment purchase contract, 4.33%, due 5/21/2023	3,886,162
Total Detroit Metropolitan Airport Fund	2,241,703,525
Willow Run Airport Fund:	
Notes payable – Washtenaw County, 0%, due 12/31/2019	219,100
Notes payable – University of Michigan, 8%, due 9/1/2013	425,365
Total Willow Run Airport Fund	644,465
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	10,845,000
Other Hotel debt:	
Capital/FF&E Reserve Loan, 8%, due 11/15/2017	4,487,496
Working Capital Loan, 8%, due 11/15/2017	1,500,000
Total Airport Hotel Fund	116,462,496
Total Authority bonds payable and other debt	2,358,810,486

Add (less):	
Deferred amount on refunding	$ (35,535,139)
Certain bond discounts	(9,554,739)
Certain bond premiums	25,001,708
Total Authority bonds payable and other debt, net	2,338,722,316
Less current portion	49,370,212
Total Authority bonds payable and other debt, noncurrent	$ 2,289,352,104

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2008 are summarized as follows:

	Principal					
	Airport revenue bonds	Installment purchase contracts	Willow Run debt	Airport hotel bonds	Other Hotel debt	Total
2009	$ 46,445,000	$ 1,969,889	$ 19,475	$ 590,000	$ 345,848	$ 49,370,212
2010	64,610,000	2,177,753	19,475	765,000	374,553	67,946,781
2011	67,695,000	2,182,264	19,475	980,000	405,640	71,282,379
2012	74,160,000	324,929	19,476	1,200,000	439,308	76,143,713
2013	80,405,000	348,219	444,841	1,480,000	475,771	83,153,831
2014 to 2018	444,975,000	1,690,488	97,378	10,110,000	3,946,376	460,819,242
2019 to 2023	461,240,000	1,814,983	24,345	23,895,000	—	486,974,328
2024 to 2028	514,805,000	—	—	38,835,000	—	553,640,000
2029 to 2033	343,410,000	—	—	32,620,000	—	376,030,000
2034 to 2038	133,450,000	—	—	—	—	133,450,000
Total	$ 2,231,195,000	$ 10,508,525	$ 644,465	$ 110,475,000	$ 5,987,496	$ 2,358,810,486

	Interest					
	Airport revenue bonds	Installment purchase contracts	Willow Run debt	Airport hotel bonds	Other Hotel debt	Total
2009	$ 106,186,325	$ 518,836	$ 38,044	$ 5,771,018	$ 466,501	$ 112,980,724
2010	103,691,019	408,295	38,044	5,729,837	437,796	110,304,991
2011	100,535,285	289,903	38,044	5,676,370	406,708	106,946,310
2012	97,123,210	171,462	38,044	5,609,035	373,040	103,314,791
2013	93,384,040	157,806	38,044	5,522,995	336,578	99,439,463
2014 to 2018	402,888,976	573,264	—	25,836,825	933,410	430,232,475
2019 to 2023	292,029,515	197,405	—	21,441,106	—	313,668,026
2024 to 2028	176,662,755	—	—	13,439,894	—	190,102,649
2029 to 2033	66,283,973	—	—	2,532,250	—	68,816,223
2034 to 2038	10,474,850	—	—	—	—	10,474,850
Total	$ 1,449,259,948	$ 2,316,971	$ 190,220	$ 91,559,330	$ 2,954,033	$ 1,546,280,502

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

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

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

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

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

In October 1996, the County issued $135.8 million in Charter County of Wayne Airport Revenue Refunding Bonds, Series 1996A and 1996B, to retire Series 1986 Bonds at their earliest optional redemption date of December 1, 1996. The Series 1996A and 1996B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport. The refunding bonds are subject to interest rate adjustments determined from time to time by a remarketing agent to reflect prevailing market. The interest rate borne by the bonds, however, is capped at 12 percent or the maximum rate under Michigan law, so long as a letter of credit is in place. In anticipation of this refunding, in October 1993, the County entered into an interest rate swap agreement (the Swap) with a notional principal amount of $126 million (current notional amount at September 30, 2008 was $76 million), which permitted the County to change the terms of the anticipated bond offering from a variable-rate to a fixed-rate coupon of 5.72 percent. Interest payments that are made to and received from the counterparty will be reflected as an adjustment of interest expense on the refunding bonds.

Effective April 2, 2004, the Authority entered into a wrapper supplement to the 1996 interest rate swap agreement, which swaps variable rate to fixed rate on the unhedged portion of 1996 Bonds and which extends final maturity of the Swap from 2008 to 2016 (the final maturity of the 1996 Bonds). The existing fixed-rate coupon of 5.72 percent was offset by the wrapper supplement where the counterparty pays the Authority .6118 percent during the period from April 2, 2004 through December 1, 2008, resulting in a new fixed-rate coupon of 5.1082 percent and present value savings of $2.9 million.

As of September 30, 2008, rates were as follows:

Interest rate	Term	Rate
Fixed payment to counterparties	Fixed	5.1082%
Variable rate from counterparties	BMA	7.9600
Net interest rate swap payments		(2.8518)
Variable-rate bond payment	Market	8.5000
Synthetic interest rate on bonds		5.6482

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of $4,720,117 as of September 30, 2008. 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 two counterparties have the following ratings which mitigate this risk: Merrill Lynch has an S&P ratings of A, Moody's ratings of A2, and Fitch ratings of A+; Goldman Sachs has an S&P rating of AA-, Moody's rating of Aa3, and Fitch rating of AA-. In addition, the Merrill Lynch SWAP agreement expires on December 1, 2008.

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

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

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

In 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 July 2002, the County issued $102.5 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 2002C and 2002D. The Series 2002C Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990B Bonds and the December 2002 principal amount due on the Series 1998B Bonds. The Series 2002D Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990A Bonds and the Series 1991B Bonds. The Series 2002 C&D Refunding Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

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

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

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

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

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

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to $8 million in major equipment purchases over a three-year period. As of September 2008, the Authority has used $1,147,155 of this agreement and has entered into three Installment Purchase Contracts to pay for equipment at Metro Airport.

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

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

In May 2008, the Authority entered into an Installment Purchase Contract for $3,886,162 to pay for additional energy conservation improvements at Metro Airport.

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

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

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

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

In June 2008, the Authority issued $330.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008B, 2008C-1, 2008C-2, 2008C-3 and 2008D. The Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2008B Refunding Bonds were issued to refund the Series 2003A-1 Bonds, 2003A-2 Bonds, and a portion of 2003A-3 Bonds. The Series 2008C-1 Refunding Bonds were issued to refund the Series 2003B. The Series 2008C-2 Refunding Bonds were issued to refund the Series 2004 Bonds. The Series 2008C-3 Refunding Bonds were issued to refund a portion of the Series 2003A-3 Bonds. The Series 2008D Refunding Bonds were issued to refund the Series 2003C Bonds. The Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds, and Series 2004 Bonds by placing the proceeds of the Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds, and Series 2004 Bonds were subsequently called and paid in full in July 2008 and August 2008.

The Series 2008B Bonds, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds, and Series 2008D Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2008B Bonds, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds, and Series 2008D Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

As part of the refunding, the Authority continued the variable to fixed interest rate swap agreement resulting in a fixed coupon rate of 3.4825% for the Series 2008C-1 Bonds, a fixed coupon rate of 3.997% for the Series 2008C-2 Bonds, and a fixed coupon rate of 3.4265% for the Series 2008D Bonds.

As of September 30, 2008, rates were as follows:

Interest rate	Term	2008C-1 rates	2008C-2 rates	2008D rates
Fixed payment to counterparties	Fixed	3.4825%	3.9970%	3.4265%
Variable rate from counterparties	Enh Lib	2.2702	2.5682	2.5682
Net interest rate swap payments		1.2123	1.4288	0.8583
Variable-rate bond payment	Market	8.2000	8.2000	8.1000
Synthetic interest rate on bonds		9.4123	9.6288	8.9583

Due to the current interest rate environment, the Swap at year end had a negative fair value of $504,074. 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 AA-, Moody's ratings of Aa3, and Fitch ratings of AA- mitigating this risk.

The Series 1996A, 1996B, 2008C-1, 2008C-2, and 2008D 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 in 2010 (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

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2008, interest expense incurred on these debt issues totaled $117,874,350. For 2008, net financing costs capitalized were $22,045,469.

In July 2008, 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 45 basis points over LIBOR. The line of credit agreement expires in June 2009. There were no borrowings on this line during the year ended September 30, 2008.

Long-term debt activity for the year ended September 30, 2008 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	$ 2,326,065,000	$ 592,035,000	$ (686,905,000)	$ 2,231,195,000	$ 46,445,000
Installment Purchase Contracts	7,532,539	4,700,777	(1,724,791)	10,508,525	1,969,889
Less:					
Deferred amount on refunding	(18,417,298)	12,056,236	(29,174,077)	(35,535,139)	—
Certain bond discounts	(9,215,448)	1,754,307	—	(7,461,141)	—
Add:					
Certain bond premiums	18,750,892	7,815,240	(1,564,424)	25,001,708	—
Total Detroit Metropolitan Airport Fund	2,324,715,685	618,361,560	(719,368,292)	2,223,708,953	48,414,889
Willow Run Airport Fund:					
Notes payable	671,102	—	(26,637)	644,465	19,475
Total Willow Run Airport Fund	671,102	—	(26,637)	644,465	19,475
Airport Hotel Fund:					
Airport Hotel Bonds	110,685,000	—	(210,000)	110,475,000	590,000
Other Hotel debt	6,306,838	-	(319,342)	5,987,496	345,848
Less:					
Certain bond discounts	(2,222,769)	129,171	—	(2,093,598)	—
Total Airport Hotel Fund	114,769,069	129,171	(529,342)	114,368,898	935,848
Total long-term debt	$ 2,440,155,856	$ 618,490,731	$ (719,924,271)	$ 2,338,722,316	$ 49,370,212

Other long-term liability activity for the year ended September 30, 2008 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund:					
Other accrued liabilities	$ 8,256,279	$ 4,981,881	$ (1,060,262)	$ 12,177,898	$ 1,654,223
Net OPEB liability	-	482,409	-	482,409	—
Willow Run Airport Fund - Advances from other funds	5,601,641	1,185,699	(888,975)	5,898,365	—
Airport Hotel Fund - Advances from other funds	800,000	326,827	—	1,126,827	—
Total other long-term liabilities	$ 14,657,920	$ 6,976,816	$ (1,949,237)	$ 19,685,499	$ 1,654,223

(8) Commitments and Contingencies

(a) Litigation

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

(b) Construction

The estimated costs to complete Metro Airport's current capital improvement program totaled $1.5 billion at September 30, 2008, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled $76.5 million at September 30, 2008.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled $158 million at September 30, 2008, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled $3.9 million at September 30, 2008.

(c) Environmental Matters

Environmental accruals are recorded when it is both probable that a liability has been incurred and the amount of the liability is reasonably estimable, based on current law and existing technologies. At September 30, 2008, the Authority had accrued obligations of $5.9 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. A significant portion (70%) of the recorded environmental liability is related to a consent decree and judgment issued during 1994 that identifies the Airport as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). Most of the remaining liability is for asbestos remediation estimates. See additional discussion on both below.

Downriver Sewage Disposal System

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

The "Downriver Communities" listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at $230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is required to pay their allocated portion of principal and interest on the bonds and SRF bonds, as well as their portion of any subsequent debt issued to pay project costs. In August 2007, a series of completion bonds were issued to finance the estimated final costs of the project. Metro Airport has paid $4.7 million to the City of Romulus for prior year debt service as of September 30, 2008 and an additional $400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

Asbestos Remediation

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

For the financial period ended September 30, 2007, the Authority identified these demolitions to be obligating events as per GASB 49 definition, but was unable to estimate the cost for abatement of ACMs at Smith and Berry Terminals. During 2008/2009, the demolition of the Smith Terminal concourses and observation deck will begin and the removal of the hazardous material is the first action that will be taken as part of the overall project.

Preliminary assessments of the nature and extent of the material were performed by the Authority's environmental division which has provided information to help develop an estimated remediation cost expected over time. As of September 30, 2008, the Authority recorded asbestos-related liabilities of $1.125 million and $0.6 million at Metro and Willow Run Airports, respectively.

National Pollutant Discharge Elimination System Permit Violation

During 2006, the Authority entered into a plea agreement with the United States for a misdemeanor violation of a condition and limitation in a National Pollutant Discharge Elimination System (NPDES) Permit issued by the State of Michigan. This matter pertained to a 2001 failure to report a discharge of turbid and odorous storm water directly to the Frank and Poet Drain, a waterway that flows directly into the Detroit River, near Lake Erie. The sentence prescribed by the Federal Court includes a four-year probationary period ending in 2010 and the construction and use of a force main to connect Pond 3W at the Airport to sanitary sewer lines leading to the Detroit Water and Sewerage Department's (DWSD) treatment plant. The estimated cost of the project is $12.5 million and the Authority has incurred $3 million to date. The project is deemed complete upon approval by DWSD that the main can and will be operated in a manner consistent with all state and federal regulatory requirements.

Additional Remediation Matters

Additional small environmental matters were identified during 2008, including site closure of a Willow Run fuel farm. The Authority recorded liabilities totaling $54 thousand for these items as of September 30, 2008.

(9) Employee Benefits

(a) Plan Description

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

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

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

Effective October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 (Plan Option 5), which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 1, Plan Option 2, and Plan Option 3) could elect to transfer their account balances to Plan Option 5 between October 1, 2001 and June 30, 2002. New employees could elect to participate in Plan Option 4 through September 30, 2001. Effective October 1, 2001, only Plan Option 5 is available to new employees, except for new executives who may continue to elect participation in Plan Option 4; Plan Options 1, 2, and 3 are closed to new hires.

(b) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. The Sheriff's command officers and deputies contribute 5.0 percent of annual compensation. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit. Authority 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, 2008 were $3,509,818 and $67,919, respectively.

The following represents the Authority's annual pension costs as of September 30, 2008:

	Three-year trend information		
	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
Year ended September 30:			
2006	$ 2,380,120	100%	$ —
2007	3,381,570	100	—
2008	3,509,818	100	—

(c) Pension Benefits

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

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

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

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

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

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

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

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

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

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

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

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

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2008 were $3,393,744 and $1,330,244, respectively.

(10) Other Postemployment Benefits

Wayne County Airport Authority Act 149 Health Care Fund

(a) *Plan Description*

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 554 members (including Authority employees in active service and retired Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

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

(b) ***Funding Policy***

In accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority created in September 2008 an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental, and life insurance coverage and other postemployment benefits other than pensions. The Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. There is no required contribution for the plan members. The Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust.

(c) ***Funding Progress***

For the year ended September 30, 2008, the Authority has estimated the cost of providing retiree health care benefits through an actuarial valuation as of October 1, 2006. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	$	4,454,663
Interest on the prior year's net OPEB obligation		-
Less adjustment to the annual required contribution		-
Annual OPEB cost		4,454,663
Amounts contributed:		
Payments of current premiums		(872,254)
Advance funding		(3,100,000)
Increase in net OPEB obligation		482,409
OPEB obligation - beginning of year		-
OPEB obligation - end of year	$	482,409

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current year (first year of implementation) were as follows:

		2008
Annual OPEB Costs	$	4,454,663
Percentage contributed		89.2%
Net OPEB obligation	$	482,409

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

Valuation as of October 1, 2006:		
Actuarial value of assets	$	-
Actuarial accrued liability (AAL)	$	46,916,417
Unfunded AAL (UAAL)	$	46,916,417
Funded ratio		0%
Annual covered payroll		N/A
Ratio of UAAL to covered payroll		N/A

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

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

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

In the October 1, 2006 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included an 8 percent investment rate of return, which is the expected long-term investment return on plan assets, a projected 3 percent salary increase, and an annual healthcare cost trend rate of 10 percent initially, reduced to an ultimate rate of 5 percent after 10 years. The UAAL is being amortized using the straight-line method (level percent of pay amortized annually) over 30 years.

<u>Wayne County Health and Welfare Plan (Pre-2002)</u>

(a) Plan Description

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 4,327 members, which includes retirees for the County and the Authority that retired before September 1, 2002. The plan is closed to new members.

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

(b) Funding Policy

The benefits of the plan are established by the various collective bargaining agreements. Employees are not required to contribute to the plan. The Authority is required to contribute 11.25 percent of incurred costs to the plan. The required and actual contributions for the current year (first year of implementation) are as follows:

		2008
Required contribution	$	4,742,406
Actual contribution		4,742,406
% of required contribution made	$	100.0%

(11) Subsequent Events

In October 2008, the Authority issued $74,770,000 of Airport Revenue Refunding Bonds, Series 2008E and 2008F. The Series 2008E and 2008F Bonds were issued to refund, on a current basis at the earliest practicable date, the Series 1996A and 1996B Bonds.

(12) Upcoming Reporting Change

The Governmental Accounting Standards Board has recently released Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The new pronouncement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions in the financial statements. The new rules will cause the financial statements to report a fair value for certain derivative investments that have in the past only been disclosed in the notes. This new requirement will change how the Authority reports its interest rate swap agreements in the financial statements. The new pronouncement is effective for the year ending September 30, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

Wayne County Airport Authority Act 149 Health Care Fund

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2006	$ -	$ 46.9	$ 46.9	0.00%	N/A	N/A

The schedule of employer contributions is as follows:

Year Ended September 30	Actual Valuation Date	Annual Required Contribution	Percentage Contributed
2008	10/1/2006	$ 4,454,663	89.2%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of October 1, 2006, the latest actuarial valuation, follows:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay amortized annually
Amortization period (perpetual)	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.00%

WAYNE COUNTY AIRPORT AUTHORITY

Required Supplementary Information

September 30, 2008

Wayne County Health and Welfare Plan (Pre-2002)

The information shown below is for the entire Wayne County Health and Welfare Plan for the pre-2002 retirees. The Authority's share of this plan is 11.25%.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2007	$ -	$ 505.0	$ 505.0	0.00%	N/A	N/A

The schedule of employer contributions is as follows:

Year Ended September 30	Actual Valuation Date	Annual Required Contribution	Percentage Contributed
2008	10/1/2007	$ 30,701,727	120.0%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of October 1, 2007, the latest actuarial valuation, follows:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay amortized annually
Amortization period (perpetual)	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.00%

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

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

CONTENTS

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

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

Revenue Capacity – *Schedules S-2 to S-5*

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

Debt Capacity – *Schedules S-6 to S-8*

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

Demographic and Economic Information – *Schedules S-10 series*

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time with other entities.

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

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year. Schedules presenting historical data begin in 2002 when the Authority became a separate legal entity.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses and Changes in Net Assets

(Unaudited)

	2008	2007	2006	2005	2004	2003	2002
Operating revenues:							
Airport landing and related fees	$ 84,607,837	59,512,753	60,738,124	73,872,334	89,178,691	82,583,060	81,393,972
Concession fees	51,851,089	50,242,144	47,350,937	44,496,491	42,569,958	41,654,131	36,672,705
Parking fees	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472	29,857,939
Hotel	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Rental facilities	53,748,737	53,145,882	48,582,712	46,009,056	39,266,093	40,225,929	32,819,038
Expense recoveries	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840	7,218,512
Other	5,603,796	7,121,369	9,041,090	7,971,371	5,615,349	9,906,586	1,583,487
Total operating revenues	290,711,955	266,513,315	253,003,991	251,387,821	243,790,836	220,948,292	189,545,653
Nonoperating revenues:							
Passenger facility charges	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Federal and state grants	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Interest income and other	28,603,234	46,903,106	43,339,574	19,695,210	7,174,260	6,520,467	10,490,990
Total nonoperating revenues	98,998,441	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654	77,865,959
Total revenues	389,710,396	390,133,042	376,285,798	357,451,128	328,932,040	299,317,946	267,411,612
Operating expenses:							
Salaries, wages, and fringe benefits	77,942,240	72,396,333	68,648,870	66,623,493	62,191,329	61,418,718	60,681,158
Parking management	8,905,534	10,325,232	9,754,453	10,647,259	9,726,476	15,757,657	15,594,154
Hotel management	23,032,852	24,054,417	22,271,550	21,870,313	19,671,787	12,687,714	—
Janitorial services	2,422,889	2,433,551	2,047,401	2,010,248	3,436,194	5,483,889	5,353,722
Security	2,757,886	3,433,065	3,501,437	3,462,682	3,324,401	3,770,824	3,524,907
Utilities	30,429,231	26,570,574	23,021,456	21,827,924	20,303,099	19,947,988	14,097,712
Repairs, professional services, and other	84,887,031	75,042,299	78,310,637	83,477,087	89,905,438	71,012,644	61,713,586
Depreciation	129,574,853	121,087,982	115,853,648	103,631,906	100,235,010	96,882,107	62,288,793
Total operating expenses	359,952,516	335,343,453	323,409,452	313,550,912	308,793,734	286,961,541	223,254,032
Nonoperating expenses:							
Interest expense	94,925,971	105,855,656	106,822,360	92,389,419	83,572,858	87,293,710	63,677,112
Loss on disposal of assets	6,214,429	317,452	42,544	—	—	—	—
Amortization of bond issuance costs	2,315,453	2,267,001	2,294,476	2,105,484	1,857,822	1,582,619	1,821,609
Total nonoperating expenses	103,455,853	108,440,109	109,159,380	94,494,903	85,430,680	88,876,329	65,498,721
Total expenses	463,408,369	443,783,562	432,568,832	408,045,815	394,224,414	375,837,870	288,752,753
Capital contributions	54,816,676	66,212,355	39,806,394	39,938,986	60,334,091	26,386,612	40,240,519
Change in net assets	$ (18,881,297)	12,561,835	(16,476,640)	(10,655,701)	(4,958,283)	(50,133,312)	18,899,378
Net assets at year end composed of:							
Invested in capital assets, net of related debt	170,385,938	131,815,887	180,192,710	235,042,203	369,007,593	439,424,598	485,901,921
Restricted	430,322,283	471,545,803	384,747,891	386,024,617	273,179,286	217,328,386	212,937,645
Unrestricted	37,745,179	53,973,007	79,832,261	99,185,995	88,721,637	79,113,815	87,160,545
Total net assets	$ 638,453,400	657,334,697	644,772,862 [1]	720,252,815	730,908,516	735,866,799	786,000,111

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

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

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

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	2008	2007	2006	2005	2004	2003	2002
Airline revenues:							
Airport landing and related fees	$ 84,607,837	59,512,753	60,738,124	73,872,334	89,178,691	82,583,060	81,249,265
Terminal building rentals and fees	28,972,704	28,621,629	26,992,072	25,831,713	24,992,399	26,155,830	20,197,400
Facility use fees	8,159,193	7,962,948	7,073,579	7,568,033	6,460,040	6,269,348	6,286,812
Total airline revenues	121,739,734	96,097,330	94,803,775	107,272,080	120,631,130	115,008,238	107,733,477
Percentage of total revenues	31.2%	24.6%	25.2%	30.0%	36.7%	38.4%	40.3%
Non-Airline revenues:							
Parking fees	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472	29,857,939
Concession fees	30,358,313	29,382,953	28,175,773	26,415,027	25,846,018	25,893,985	19,946,606
Car rental	21,492,776	20,859,191	19,175,164	18,081,464	16,723,940	15,760,146	16,210,970
Hotel	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Employee shuttle bus	5,773,430	5,253,731	4,959,535	5,331,254	4,544,805	5,860,035	3,300,585
Ground transportation	7,055,550	7,394,349	5,911,719	4,134,289	1,110,046	504,500	409,044
Utility service fees	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840	2,490,199
Rental facilities	3,787,860	3,913,225	3,645,807	3,143,767	2,819,528	1,940,716	3,127,795
Other	5,603,796	7,121,369	9,041,090	7,971,371	4,954,624	9,402,086	6,469,038
Total non-airline revenues	168,972,221	170,415,985	158,200,216	144,115,741	123,159,706	105,940,054	81,812,176
Percentage of total revenues	43.4%	43.7%	42.0%	40.3%	37.4%	35.4%	30.6%
Nonoperating revenues:							
Passenger Facility Charges	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Federal and State Grants	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Interest	28,082,306	45,948,105	43,328,283	19,194,846	7,174,260	6,520,467	10,490,990
Other	520,928	955,001	11,291	500,364	—	—	—
Total nonoperating revenues	98,998,441	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654	77,865,959
Percentage of total revenues	25.4%	31.7%	32.8%	29.7%	25.9%	26.2%	29.1%
Total revenues	$ 389,710,396	390,133,042	376,285,798	357,451,128	328,932,040	299,317,947	267,411,612
Enplaned passengers	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Total revenue per enplaned passenger	$ 21.86	21.54	21.14	19.55	18.99	18.39	17.15
Airline revenue per enplaned passenger	6.83	5.31	5.33	5.87	6.97	7.07	6.91

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

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

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

		2008	2007	2006	2005	2004	2003	2002
Landing Fees:								
Signatory Airlines [1]	$	3.58	2.37	2.49	2.74	3.74	3.44	3.32
Non-Signatory Airlines [2]		3.79	3.01	4.21	3.97	4.64	4.08	4.13
General Aviation [3]		1.50	1.50	1.50	1.38	1.00	0.75	0.50
Facility Use Fees:								
McNamara Terminal	$	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Smith/Berry Terminals (through 9/17/08)		3.50	3.50	3.50	3.50	3.50	3.50	3.50
Terminal Rental Rates (per SF per year):								
Office Space – Airline	$	19.71	19.71	19.71	19.71	19.71	17.92	17.92
Cargo Building/Warehouse		8.00	8.00	8.00	8.00	8.00	8.00	7.00
Aircraft Ramp		0.96	0.96	0.96	0.96	0.96	1.00	0.88
Unimproved Land		0.31	0.31	0.31	0.31	0.31	0.32	0.29
Electric		1.24	1.24	1.24	1.24	1.24	1.20	1.17

Note: This schedule provides rates effective through fiscal year ending 2008; however, as of September 17, 2008, the Smith and Berry Terminals were closed to airline operation and all providers relocated to the new North Terminal. Rate increases will be shown for fiscal year end 2009.

** 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 auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

Detroit Metropolitan Airport

	2008		2007		2006	
Airline [1]	**Landed weights**	**Share**	**Landed weights**	**Share**	**Landed weights**	**Share**
Northwest Airlines	13,385,015	57.3%	14,592,777	59.9%	14,456,719	60.0%
Pinnacle	2,516,756	10.8	2,402,170	9.9	2,227,894	9.2
Mesaba	1,118,993	4.8	679,531	2.8	1,371,475	5.7
Spirit Airlines	925,981	4.0	1,116,697	4.6	952,127	3.9
Southwest Airlines	833,750	3.6	883,222	3.6	656,164	2.7
American Airlines	506,633	2.2	538,336	2.2	548,634	2.3
Federal Express	477,212	2.0	525,479	2.2	482,405	2.0
US Airways	397,966	1.7	435,733	1.8	393,666	1.6
United Airlines	317,477	1.4	339,795	1.4	335,201	1.4
Continental Airlines	254,628	1.1	259,645	1.1	276,009	1.1
Lufthansa	243,753	1.0	229,272	0.9	150,863	0.6
AirTran Airways	240,128	1.0	302,472	1.2	237,816	1.0
Delta Airlines	218,996	0.9	263,257	1.1	266,479	1.1
United Parcel Service	195,473	0.8	204,976	0.8	211,295	0.9
Northwest (Compass)	173,768	0.7	—	—	—	—
Frontier	147,774	0.6	152,353	0.6	116,166	0.5
Delta (Comair)	125,020	0.5	137,273	0.6	137,285	0.6
Air France	114,617	0.5	116,552	0.5	119,720	0.5
American (American Eagle)	107,737	0.5	116,715	0.5	93,732	0.4
British Airways	107,202	0.5	209,479	0.9	118,431	0.5
Continental Express	85,836	0.4	93,465	0.4	96,004	0.4
KLM	80,214	0.3	—	—	—	—
Delta (Atlantic Southeast)	64,185	0.3	44,137	0.2	40,937	0.2
United (Air Canada)	28,994	0.1	28,960	0.1	29,070	0.1
Aeromexico	9,432	0.0	—	—	—	—
Independence Air	—	—	—	—	16,262	0.1
American Trans Air	—	—	—	—	—	—
Trans World Airlines	—	—	—	—	—	—
Atlantic Coast Air	—	—	—	—	—	—
Other [2]	681,370	3.0	684,407	2.7	775,286	3.2
Total	23,358,910	100.0%	24,356,703	100.0%	24,109,640	100.0%

[1] Signatory Affiliate Airlines are associated based on 2008 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.

Detroit Metropolitan Airport							
2005		2004		2003		2002	
Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
16,325,796	63.1%	16,476,839	65.1%	15,846,925	64.3%	16,133,390	65.1%
2,186,581	8.4	1,757,142	6.9	1,246,064	5.0	661,337	2.7
1,818,552	7.0	1,583,408	6.3	1,805,442	7.3	2,209,367	8.9
877,491	3.4	937,300	3.7	943,670	3.8	761,410	3.1
648,992	2.5	658,960	2.6	662,963	2.7	720,982	2.9
621,399	2.4	701,026	2.8	805,564	3.3	804,060	3.2
479,467	1.9	493,409	1.9	480,983	1.9	488,667	2.0
454,692	1.8	548,455	2.2	637,774	2.5	684,677	2.7
334,306	1.3	491,974	1.9	496,162	2.0	480,179	1.9
286,972	1.1	298,145	1.2	373,464	1.5	387,994	1.6
151,089	0.6	155,152	0.6	147,460	0.6	10,650	—
—	—	—	—	—	—	—	—
440,410	1.7	415,417	1.6	400,250	1.6	506,780	2.0
195,519	0.8	193,016	0.8	183,217	0.7	185,364	0.7
—	—	—	—	—	—	—	—
36,220	0.1	—	—	—	—	—	—
191,421	0.7	189,889	0.8	185,601	0.8	141,658	0.6
44,044	0.2	—	—	—	—	—	—
43,656	0.2	—	—	—	—	—	—
153,285	0.6	150,523	0.6	107,573	0.4	111,439	0.4
92,214	0.4	96,519	0.4	81,539	0.3	80,754	0.3
—	—	—	—	115,368	0.5	75,124	0.3
12,220	—	21,929	0.1	10,951	0.1	30,691	0.1
27,443	0.1	33,957	0.1	29,908	0.1	—	—
—	—	—	—	—	—	—	—
105,750	0.4	14,570	0.1	—	—	—	—
—	—	10,396	0.0	68,727	0.3	126,537	0.5
—	—	—	—	—	—	61,860	0.2
—	—	60,511	0.2	75,159	0.3	73,309	0.3
359,736	1.3	19,173	0.1	—	—	46,668	0.5
25,887,255	100.0%	25,307,710	100.0%	24,704,764	100.0%	24,782,897	100.0%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

	Detroit Metropolitan Airport					
	2008		2007		2006	
Airline [1]	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
Domestic:						
AirTran Airways	216,149	1.21%	239,410	1.32%	182,972	1.03%
America West	—	—	241,961	1.34	259,600	1.46
American (AA Eagle)	85,637	0.48	91,529	0.51	73,918	0.42
American Airlines	442,012	2.48	443,530	2.45	440,680	2.48
American Trans Air (ATA)	—	—	—	—	—	—
Champion Air	—	—	34,462	0.19	34,055	0.19
Continental (ExpressJet)	63,856	0.36	70,559	0.39	73,606	0.41
Continental Airlines	210,747	1.18	219,751	1.21	226,707	1.27
Delta (Atlantic Southeast)	58,351	0.33	37,242	0.21	32,646	0.18
Delta (Comair)	90,839	0.51	94,044	0.52	91,216	0.51
Delta (Shuttle America)	36,813	0.21	—	—	33,902	0.19
Delta Airlines	194,211	1.09	214,721	1.19	202,891	1.14
Frontier	126,580	0.71	121,456	0.67	91,097	0.51
Independence Air	—	—	—	—	13,445	0.08
Northwest (Compass)	144,644	0.81	—	—	—	—
Northwest (Mesaba Aviation)	811,681	4.55	457,948	2.53	900,785	5.06
Northwest (Pinnacle)	2,043,385	11.46	1,915,685	10.58	1,663,236	9.34
Northwest Airlines	9,361,314	52.50	10,110,087	55.83	10,005,038	56.21
Ryan International	—	—	—	—	372	—
Southwest Airlines	595,944	3.34	606,113	3.35	496,693	2.79
Spirit Airlines	802,424	4.50	933,029	5.15	781,652	4.39
Trans Meridian	—	—	—	—	—	—
Trans World Airlines	—	—	—	—	—	—
United (Air Wisconsin)	—	—	—	—	—	—
United (Atlantic Coast)	—	—	—	—	—	—
United (Mesa)	43,380	0.24	57,546	0.32	55,148	0.31
United (Skywest)	24,640	0.14	36,475	0.20	39,041	0.22
United Airlines	239,332	1.34	263,054	1.45	275,380	1.55
US Airways	331,934	1.86	100,860	0.56	56,900	0.32
US Airways (Air Wisconsin)	104,993	0.59	83,203	0.46	89,264	0.50
US Airways (Mesa)	47,464	0.27	—	—	—	—
US Airways (Piedmont)	—	—	—	—	—	—
US Airways (PSA)	38,059	0.21	17,035	0.09	66,631	0.37
US Airways (Republic)	23,992	0.13	—	—	—	—
USA 3000	79,304	0.44	67,516	0.37	66,277	0.37
Other [2]	53,443	0.31	124,106	0.68	68,660	0.40
Total Domestic	16,271,128	91.25	16,581,322	91.57	16,321,812	91.70
International:						
Aeromexico	5,942	0.03	—	—	—	—
Air Canada	13,678	0.08	13,085	0.07	14,899	0.08
Air France	45,947	0.26	48,355	0.27	50,466	0.28
American Trans Air	—	—	—	—	—	—
British Airways	20,491	0.11	47,472	0.26	55,403	0.31
KLM-Royal Dutch Airlines	41,753	0.23	—	—	—	—
Lufthansa	102,121	0.57	98,008	0.54	67,305	0.38
Mesaba Aviation	37,906	0.21	37,538	0.21	32,103	0.18
Northwest Airlines	1,204,927	6.76	1,174,843	6.49	1,138,025	6.39
Royal Jordanian Airlines	16,434	0.09	14,150	0.08	16,028	0.09
Spirit Airlines	19,464	0.11	20,146	0.11	16,671	0.09
Other [2]	51,440	0.30	73,171	0.40	87,220	0.50
Total International	1,560,103	8.75	1,526,768	8.43	1,478,120	8.30
Grand Total	17,831,231	100.00%	18,108,090	100.00%	17,799,932	100.00%

[1] Signatory Affiliate Airlines are associated based on 2008 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 auditor's report.

Detroit Metropolitan Airport							
2005		2004		2003		2002	
Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
—	—	—	—	—	—	—	—
267,776	1.46%	215,539	1.24%	217,906	1.34%	199,768	1.28%
32,203	0.18	—	—	—	—	—	—
471,863	2.58	446,589	2.58	497,564	3.06	475,390	3.05
—	—	8,027	0.05	39,887	0.25	48,937	0.31
31,283	0.17	31,195	0.18	35,235	0.22	80,880	0.52
62,265	0.34	63,440	0.37	52,790	0.32	49,349	0.32
226,260	1.24	234,109	1.35	259,989	1.60	290,999	1.87
8,316	0.05	4,867	0.03	5,324	0.03	16,689	0.11
108,322	0.59	103,012	0.59	115,244	0.71	97,492	0.63
4,385	0.02	—	—	—	—	—	—
312,881	1.71	286,970	1.66	260,560	1.60	270,906	1.74
28,184	0.15	—	—	—	—	—	—
74,496	0.41	6,378	0.04	—	—	—	—
—	—	—	—	—	—	—	—
1,108,615	6.06	973,875	5.62	1,032,906	6.35	1,149,931	7.37
1,477,582	8.08	1,201,651	6.94	798,915	4.91	415,887	2.67
10,602,457	57.98	10,367,894	59.87	9,691,220	59.53	9,440,793	60.55
—	—	11,400	0.07	1,037	0.01	528	—
461,535	2.52	449,778	2.60	414,123	2.54	442,169	2.84
793,510	4.34	854,526	4.93	873,055	5.36	664,250	4.26
25,488	0.14	14,958	0.09	—	—	—	—
—	—	—	—	—	—	27,932	0.18
—	—	—	—	—	—	—	—
—	—	44,199	0.26	56,463	0.35	50,636	0.32
70,388	0.38	—	—	—	—	—	—
11,609	0.06	—	—	—	—	—	—
266,825	1.46	354,429	2.05	340,115	2.09	322,979	2.07
91,892	0.50	193,798	1.12	224,041	1.37	262,968	1.69
748	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
53,283	0.29	—	—	—	—	—	—
—	—	—	—	—	—	—	—
52,788	0.29	34,099	0.20	432	—	—	—
113,467	0.64	14,149	0.06	335	—	19,373	0.11
16,758,421	91.64	15,914,882	91.90	14,917,141	91.64	14,327,856	91.89
—	—	—	—	—	—	—	—
13,921	0.08	13,746	0.08	13,996	0.09	17,285	0.11
19,174	0.10	—	—	—	—	—	—
—	—	1,684	0.01	20,928	0.13	47,633	0.31
59,658	0.33	59,507	0.34	51,600	0.32	51,164	0.33
—	—	—	—	60,897	0.37	42,444	0.27
70,372	0.38	74,608	0.43	70,087	0.43	63,576	0.41
36,362	0.20	22,787	0.13	16,987	0.10	19,369	0.12
1,199,496	6.56	1,100,843	6.36	1,037,952	6.38	973,201	6.24
14,581	0.08	10,369	0.06	6,220	0.04	3,398	0.02
—	—	—	—	1,276	0.01	—	—
114,297	0.63	118,354	0.69	81,149	0.49	46,631	0.30
1,527,861	8.36	1,401,898	8.10	1,361,092	8.36	1,264,701	8.11
18,286,282	100.00%	17,316,780	100.00%	16,278,233	100.00%	15,592,557	100.00%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports

	2008		2007		2006	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Revenue Bonds:						
Series 1990A	$ —	—	—	—	—	—
Series 1990B	—	—	—	—	—	—
Series 1991A	—	—	—	—	—	—
Series 1991B	—	—	—	—	—	—
Series 1993A	—	—	—	—	—	—
Series 1993B	—	—	—	—	—	—
Series 1993C	—	—	—	—	—	—
Series 1994A	3,020,000	204,352	3,070,000	381,627	3,120,000	558,111
Series 1994B	—	—	—	—	—	—
Series 1996A	3,300,000	3,026,299	3,100,000	2,258,438	3,000,000	2,398,779
Series 1996B	3,300,000	3,075,232	3,100,000	2,265,728	3,000,000	2,398,963
Series 1998A	19,195,000	38,719,655	18,195,000	39,756,688	17,275,000	40,692,075
Series 1998B	124,705,000	1,133,787	3,560,000	7,386,740	3,410,000	7,540,969
Series 2001 Jr. Lien	52,965,000	743,403	18,580,000	2,080,789	17,635,000	2,441,237
Series 2002A	141,720,000	843,758	—	5,285,612	—	4,710,152
Series 2002C	115,000	1,372,573	110,000	1,377,139	105,000	1,381,331
Series 2002D	3,435,000	3,676,619	3,270,000	3,855,513	1,035,000	4,007,631
Series 2003A-1	75,000,000	3,048,146	—	2,840,173	—	2,510,843
Series 2003A-2	75,000,000	2,859,421	—	2,838,896	—	2,533,444
Series 2003A-3	64,975,000	2,314,922	—	2,467,024	—	2,182,817
Series 2003B	65,000,000	2,440,830	3,450,000	2,354,989	3,125,000	2,472,482
Series 2003C	44,375,000	1,594,832	3,425,000	1,506,226	3,150,000	1,615,689
Series 2004	10,800,000	465,882	400,000	439,732	375,000	453,099
Series 2005	—	25,718,425	—	25,718,425	—	26,861,465
Series 2007A Jr. Lien	—	8,920,544	—	2,549,050	—	—
Series 2007B	—	5,152,612	—	—	—	—
Series 2008A	—	2,994,129	—	—	—	—
Series 2008B	—	1,323,247	—	—	—	—
Series 2008C	—	980,225	—	—	—	—
Series 2008D	—	495,441	—	—	—	—
Installment Purchase Contracts	1,724,791	452,981	1,540,000	455,531	1,495,000	540,680
Willow Run Notes Payable:						
Washtenaw County	19,475	—	19,476	—	19,476	—
University of Michigan	7,162	33,064	5,352	34,872	3,931	36,294
Less: Bond Refundings [2]	(590,355,000)	—	—	—	—	—
Totals	$ 98,301,428	111,590,379	61,824,828	105,853,192	56,748,407	105,336,061

Airport Hotel

	2008		2007		2006	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Hotel Bonds:						
Series 2001A	$ —	5,089,375	—	5,089,375	—	5,089,375
Series 2001B	210,000	701,590	135,000	713,440	100,000	721,190
Other Hotel Debt:						
Capital/FF&E Reserve Loan	319,342	373,006	223,341	361,738	—	482,131
Working Capital Loan	—	120,000	—	120,467	—	126,067
Totals	$ 529,342	6,283,971	358,341	6,285,020	100,000	6,418,763

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

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

Detroit Metropolitan and Willow Run Airports

2005		2004		2003		2002	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	—	—	—	—	—	41,815,000	1,937,341
—	—	—	—	—	—	24,830,000	993,200
—	—	—	—	—	—	945,000	10,080
—	—	—	—	—	—	36,605,000	1,619,193
—	—	11,340,000	99,362	545,000	600,484	520,000	626,045
—	—	63,110,000	562,305	1,930,000	3,389,104	1,845,000	3,479,645
—	—	54,690,000	469,965	2,535,000	2,839,220	1,465,000	2,947,382
3,165,000	734,288	3,215,000	909,872	4,245,000	1,093,737	4,175,000	1,319,525
11,260,000	58,337	265,000	686,444	255,000	701,281	240,000	715,254
2,800,000	2,575,422	2,700,000	2,844,177	2,500,000	3,021,847	2,400,000	3,219,432
2,800,000	2,572,463	2,700,000	2,834,116	2,500,000	3,004,723	2,400,000	3,199,812
16,415,000	41,574,274	15,670,000	42,370,697	15,020,000	43,037,345	—	43,563,045
3,265,000	7,686,289	3,130,000	7,823,442	390,000	7,897,963	2,615,000	8,054,241
18,200,000	1,978,673	17,300,000	1,166,125	17,220,000	1,577,534	—	2,198,957
—	3,090,894	—	1,519,173	—	1,277,561	—	1,255,096
100,000	1,384,456	100,000	1,387,456	—	1,390,138	—	254,644
—	4,052,913	—	4,052,913	—	4,053,441	—	742,506
—	1,614,219	—	663,417	—	—	—	—
—	1,620,687	—	662,635	—	—	—	—
—	1,437,901	—	619,013	—	—	—	—
3,475,000	2,600,251	—	2,125,829	—	—	—	—
3,350,000	1,735,027	—	1,439,799	—	—	—	—
—	398,552	—	—	—	—	—	—
—	10,858,891	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,395,000	621,493	1,300,000	696,843	1,270,000	769,708	270,000	865,670
14,606	—	—	—	—	—	—	—
3,460	36,767	531	39,693	—	40,223	—	77,222
(10,980,000)	—	(123,890,000)	—	—	—	(104,015,000)	—
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

2005		2004		2003		2002	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	5,089,375	—	5,089,375	—	5,089,375	—	6,785,833
—	726,190	—	726,190	—	726,190	—	968,253
—	358,049	—	431,945	—	364,363	—	—
—	126,333	—	125,733	—	105,000	—	—
—	6,299,947	—	6,373,243	—	6,284,928	—	7,754,086

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

	2008	2007	2006	2005	2004	2003	2002
Detroit Metro and Willow Run Airports							
Net revenues:							
Operating revenues	$ 259,215,375	233,130,883	222,468,787	222,174,589	218,956,819	210,114,018	189,545,653
Interest income and other	28,101,968	46,264,411	42,905,863	19,469,004	7,075,748	6,231,047	8,289,769
Federal and state grants	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Passenger facility charges	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Total revenues	357,712,550	356,111,915	345,316,883	328,011,690	303,999,511	288,194,252	265,210,391
Less operating expenses, not including depreciation	(207,318,908)	(190,201,421)	(185,283,254)	(187,799,946)	(188,883,437)	(177,391,720)	(160,965,239)
Net revenues	150,393,642	165,910,494	160,033,629	140,211,744	115,116,074	110,802,532	104,245,152
Net debt service:							
Principal [3]	98,301,428	61,824,828	56,748,407	55,263,066	51,630,531	48,410,000	16,110,000
Interest [1]	111,590,379	105,853,192	105,336,061	86,631,797	72,973,276	74,694,309	77,078,290
Net debt service	209,891,807	167,678,020	162,084,468	141,894,863	124,603,807	123,104,309	93,188,290
Debt Service Coverage [2]	0.72	0.99	0.99	0.99	0.92	0.90	1.12
Pledged Revenue Coverage – Airport Hotel							
Net revenues:							
Operating revenues	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Interest income	501,266	638,695	433,711	226,206	98,512	289,420	2,201,221
Total revenues	31,997,846	34,021,127	30,968,915	29,439,438	24,932,529	11,123,694	2,201,221
Less operating expenses, not including depreciation	(23,058,755)	(24,054,050)	(22,272,550)	(22,119,060)	(19,675,287)	(12,687,714)	—
Net revenues	8,939,091	9,967,077	8,696,365	7,320,378	5,257,242	(1,564,020)	2,201,221
Net debt service:							
Principal	529,342	358,341	100,000	—	—	—	—
Interest [1]	6,283,971	6,285,020	6,418,763	6,299,947	6,373,243	6,284,928	7,754,086
Net debt service	6,813,313	6,643,361	6,518,763	6,299,947	6,373,243	6,284,928	7,754,086
Debt Service Coverage [2]	1.31	1.50	1.33	1.16	0.82	(0.25)	n/a
Combined net debt service:							
Principal	98,830,770	62,183,169	56,848,407	55,263,066	51,630,531	48,410,000	16,110,000
Interest [1]	117,874,350	112,138,212	111,754,824	92,931,744	79,346,519	80,979,237	84,832,376
Total combined net debt service	$ 216,705,120	174,321,381	168,603,231	148,194,810	130,977,050	129,389,237	100,942,376

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

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

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

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger	2008	2007	2006	2005	2004	2003	2002
Outstanding debt by type: [1]							
Airport revenue bonds	$ 2,231,195,000	2,326,065,000	2,205,935,000	2,261,165,000	1,807,285,000	1,637,180,000	1,684,320,000
Installment purchase contracts	10,508,525	7,532,539	8,740,000	10,235,000	11,630,000	12,930,000	14,200,000
Willow run notes payable	644,465	671,102	695,930	719,337	737,403	—	—
Airport hotel bonds	110,475,000	110,685,000	110,820,000	110,920,000	110,920,000	110,920,000	110,920,000
Other hotel debt	5,987,496	6,306,838	6,500,000	6,500,000	6,500,000	6,500,000	—
Total outstanding debt	$ 2,358,810,486	2,451,260,479	2,332,690,930	2,389,539,337	1,937,072,403	1,767,530,000	1,809,440,000
Enplaned passengers	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Outstanding debt per enplaned passenger	$ 132.29	135.37	131.05	130.67	111.86	108.58	116.05

Combined net debt service per enplaned passenger							
Combined net debt service [2]	$ 216,705,120	174,321,381	168,603,231	148,194,810	130,977,050	129,389,237	100,942,376
Enplaned passengers	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Net debt service per enplaned passenger	$ 12.15	9.63	9.47	8.10	7.56	7.95	6.47

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

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

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

Last Five Fiscal Years **

(Unaudited)

	Authority Full-Time Positions *					
	2008	**2007**	**2006**	**2005**	**2004**	**2003**
Administration	18	20	20	20	20	19
Internal Audit	3	3	3	2	2	2
Legal	7	7	7	7	7	7
North Terminal Development Team	4	6	6	5	9	1
Finance	36	37	37	36	32	29
Information Technology/Telecommunications	14	16	13	7	7	6
Procurement & Compliance	25	25	24	21	19	14
Human Resources	15	15	15	18	22	17
Maintenance/Facilities	223	228	228	238	239	240
Airfield Operations	47	47	46	49	48	45
Public Safety	247	248	241	270	270	270
Planning & Development	14	15	15	22	22	17
Business Development	52	56	54	44	49	38
Willow	27	27	27	23	23	26
Central Communications [1]	—	—	8	27	28	29
Totals	732	750	744	789	797	760

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

** This schedule shows six 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 auditor's report.

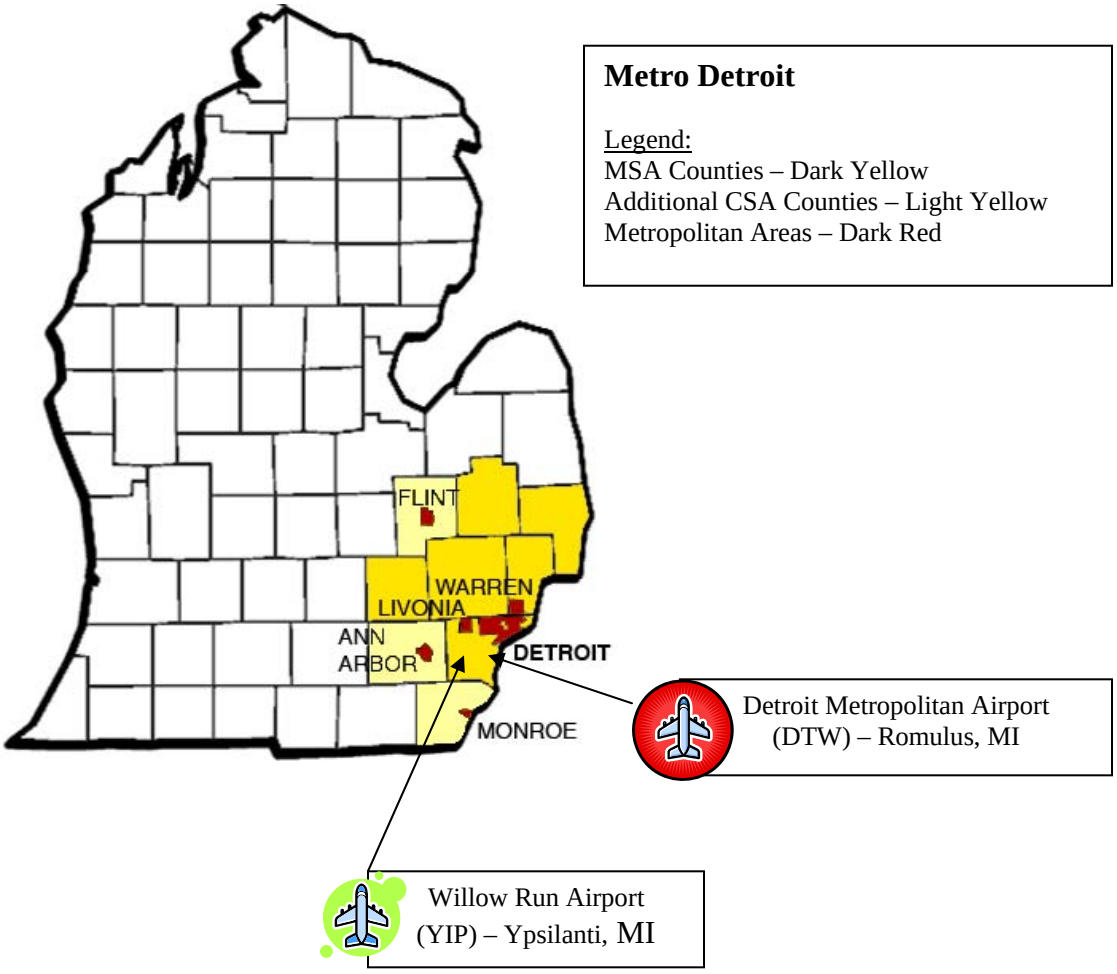
Exhibit S-10: Demographic and Economic Information

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

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified as a large hub by the FAA with 1% or more of total U.S. passengers enplaned. As of 2007, Detroit Metro Airport is the eleventh busiest airport in the United States and the twenty-second busiest airport in the world. Nearby to DTW is the smaller non-commercial airport, Willow Run, which serves freight, corporate, and general aviation clients. Together, these airports serve a Primary Air Trade Area commonly referred to as Metropolitan Detroit (Metro Detroit).

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

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



WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

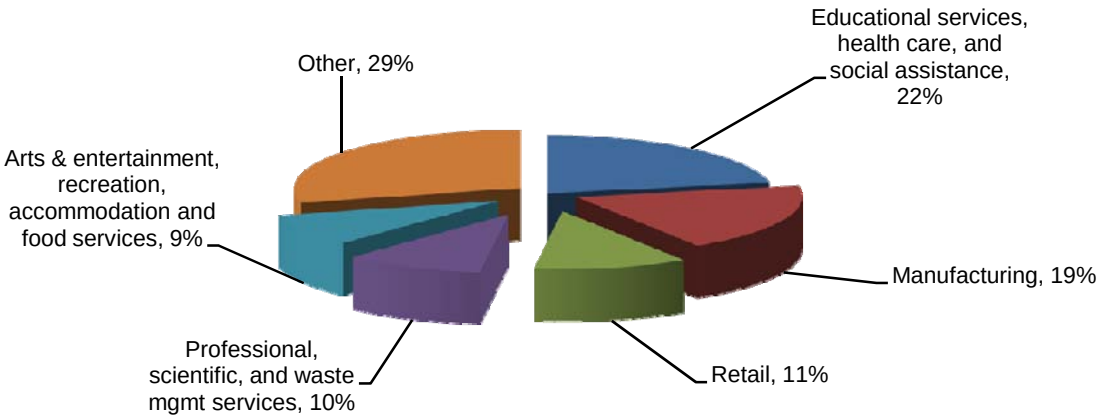
Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2007) Est.	5,426,988
Population (2000)	5,357,538
Population (1990)	5,095,695
Percentage Increase in Population - 2000 to 2007	1.3%
Percentage Female	51.1%
Percentage Male	48.9%
Personal Income (millions) (2007) Prelim.	$208,393
Percent of U.S. Total	1.8%
Per Capita Personal Income (2006)	$37,323
Per Capita Personal Income (2006) - U.S.	$36,714
Unemployment Rate (2008 September)	8.4%
Unemployment Rate (2007 Annual)	7.5%
Unemployment Rate (2006 Annual)	7.1%
Total Households (millions)	2.1
Average Household Size (people)	2.6

Leading Industries

(% of employed population 16 years and older)



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

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 B

Principal Employers in Primary Air Trade Area

(Unaudited)

Employer	City	Metro Employees 2008 *	Metro Employees 2007 *	Percentage (%) change	Type of business
Ford Motor Co.	Dearborn	45,000	55,342	(18.7)%	Automobile Manufacturer
General Motors Corp.	Detroit	40,142	41,861	(4.1)	Automobile Manufacturer
Chrysler L.L.C.	Auburn Hills	29,205	32,597	(10.4)	Automotive Manufacturer
University of Michigan	Ann Arbor	25,699	24,474	5.0	Public University & Health Care System
Henry Ford Health System	Detroit	16,542	15,139	9.3	Health Care System
Beaumont Hospitals	Royal Oak	16,432	12,638	30.0	Hospital
Detroit Public Schools	Detroit	15,904	17,329	(8.2)	Public School System
U.S. Postal Service	Detroit	15,701	15,385	2.1	Postal Service
U.S. Government	Detroit	15,617	15,328	1.9	Federal Government
City of Detroit	Detroit	13,352	13,762	(3.0)	City Government
Detroit Medical Center	Detroit	11,578	11,031	5.0	Health Care System
Trinity Health	Novi	11,414	13,012	(12.3)	Health Care System
St. John Health	Warren	11,243	14,286	(21.3)	Health Care System
State of Michigan	Detroit	10,791	11,177	(3.5)	State Government
Oakwood Healthcare Inc.	Dearborn	7,465	7,518	(0.7)	Health Care System
Blue Cross Blue Shield of Michigan	Detroit	7,321	7,007	4.5	Health Care Insurer
DTE Energy Co.	Detroit	6,623	7,188	(7.9)	Energy and Energy-Technology Co.
EDS Corp.	Detroit	6,260	6,711	(6.7)	Information-Technology Services
Comerica Inc.	Detroit	5,984	6,169	(3.0)	Financial Institution
The Kroger Co. - Michigan Division	Novi	5,620	3,680	52.7	Grocery Retailer
Wayne State University	Detroit	4,946	5,046	(2.0)	Public University
Wayne County government	Detroit	4,775	4,665	2.4	County Government
Johnson Controls Inc. Automotive Experience	Plymouth	4,205	4,205	—	Automotive Supplier
Macomb County	Mt. Clemens	3,883	3,072	26.4	County Government
Oakland County	Waterford	3,699	3,714	(0.4)	County Government

* Calendar year basis

NA – Information Not Available

Source: Crain's Detroit Business Book of Lists, December 29, 2008

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus			
Area:	7,054 acres			
Airport Code:	DTW			
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R			
Terminal:	McNamara Terminal Airlines	905,837	sq ft	
	Smith/Berry Terminal Airlines	208,062	sq ft	
	Tenants/Concessionaires	165,420	sq ft	
	TSA/FIS	149,199	sq ft	
	Public/Common	1,640,836	sq ft	
	Number of In-Service Passenger Gates	145		
	Number of Concessionaires	32		
	Number of Rental Car Agencies On-Airport	6		
Airfield:	Runways	12,092,945	sq ft	(a)
	Taxiways	21,244,670	sq ft	(b)
	Aprons	20,304,270	sq ft	(c)
Parking:	Spaces Available:			
	McNamara Parking Structure	10,117		
	Big Blue Deck and Short-Term	6,281		
	Yellow Economy Lot	840		
	Green Lot	1,404		
		18,642	spaces	
Cargo:	Cargo/Hangar Buildings	1,425,760	sq ft	
International:	Customs/Immigration F.I.S. Facility			
Tower(s):	AIR TRAFFIC CONTROL TOWER 24/ 7/ 365 Operations Control Tower			
FBOs:	ASIG (Aircraft Service International Group) Metro Flight Services			

(a) This total has increased from the prior year due to the reconstruction of runway 3R/21L.

(b) During 2008, a physical inventory was performed to measure and validate pavement square footage. Increases from the prior year resulted, as well as changes due to the reconstruction of the southern portion of Taxiway W.

(c) This total includes all aprons and ramps, including buildings ramps located on and off the airfield. Increases can also be attributed to the addition of the North Terminal Apron.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties		
Area:	2,341 acres		
Airport Code:	YIP		
Runways:	5L/23R 5R/23L 9R/27L 9L/27R 14/32		
Airfield:	Runways	5,306,500	sq ft
	Taxiways	2,512,097	sq ft
	Ramps/Aprons	5,093,764	sq ft
Corporate/Private Space:	Hangar/Arrivals Buildings	224,900	sq ft
	Tenants Other	126,600	sq ft
	T-Hangars (qty. 110)	175,000	sq ft
	Number of Rental Car Agencies On-Airport	2	
Cargo & Additional Space:	Hangar/Office/Shop	359,600	sq ft
	WCAA Admin, Maintenance, Ops, Public Safety	128,500	sq ft
	Yankee Air Museum	30,200	sq ft
	Educational & Flight Training	51,500	sq ft
	FAA	41,500	sq ft
	Common	10,000	sq ft
International:	U. S. Customs (user fee airport)		
Tower:	FAA 24/7		
FBOs:	Active Aero Service Avflight		

See accompanying independent auditor's report.

CONTINUING DISCLOSURE SECTION
(UNAUDITED)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference

Operating Years Ended September 30, 2008

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

Document	Part of CAFR into which incorporated
Official Statement, $330,360,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A-C	Continuing Disclosures
Official Statement, $74,770,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008E-F	Continuing Disclosures

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2008

(Unaudited)

	Net revenues, revenue fund balance, and other available monies (thousands)	Total debt service requirements (thousands)	Debt service coverage	Airline cost per enplaned passenger
Senior Lien	$ 196,472	$ 131,697	1.49	$ 6.66
Total Senior Lien and Junior Lien	$ 214,753	$ 177,003	1.21	$ 6.66

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2008	2007	2006	2005	2004
Salaries and wages	$	47,323	46,151	43,932	42,761	40,335
Employee benefits		27,891	23,725	20,386	19,433	17,707
		75,214	69,876	64,318	62,194	58,042
Contractual services:						
Parking management		8,905	10,325	9,754	10,647	9,726
Security expenses		2,758	3,433	3,501	3,463	3,324
Janitorial services		2,403	2,417	2,031	1,995	3,419
Shuttle bus		9,221	8,251	9,943	10,354	10,019
Other services		13,369	9,107	9,264	10,153	8,912
Total contractual services		36,656	33,533	34,493	36,612	35,400
Wayne County administrative services		150	127	45	5	637
Repairs and maintenance		35,529	33,311	33,930	30,363	31,149
Supplies and other operating expenses		10,016	6,157	5,009	6,894	7,538
Insurance		2,593	2,826	2,972	3,342	4,248
Utilities		29,558	25,586	21,801	20,958	19,320
Rentals		146	166	119	179	104
Interest expense and paying agent fees		2,388	2,328	2,310	3,430	3,707
Capital expenses		2,086	1,942	4,107	2,685	3,427
		82,466	72,443	70,293	67,856	70,130
Total O&M expenses	$	194,336	175,852	169,104	166,662	163,572

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2008	2007	2006	2005	2004
Airline revenues:						
Rental and use fees:						
Terminal building rentals and fees	$	22,254	22,034	20,574	19,794	19,084
Common-use/shared-use area rentals		2,852	2,781	2,516	2,154	2,227
Debt service recapture		1,828	1,828	1,936	1,936	1,936
Facilities use fees		7,885	7,525	6,767	7,075	6,147
Total rental and use fees		34,819	34,168	31,793	30,959	29,394
Activity fees:						
Signatory airlines		69,567	57,265	79,223	81,222	93,325
Nonsignatory airlines		1,595	1,790	2,313	2,660	2,601
Add (less) activity fee adjustment		12,860	(315)	(21,374)	(10,691)	(7,479)
Total activity fees		84,022	58,740	60,162	73,191	88,447
Total airline revenues		118,841	92,908	91,955	104,150	117,841
Nonairline revenues:						
Concessions:						
Automobile parking		58,683	58,859	53,026	46,004	38,842
Rental car		21,493	20,859	19,175	18,081	16,724
Food and beverage		12,628	12,486	12,197	10,803	8,960
Retail		11,855	8,633	7,821	7,830	7,532
Marketing and communications		2,295	752	788	531	2,777
Other concessions		3,264	7,207	7,086	6,981	5,690
Total concessions		110,218	108,796	100,093	90,230	80,525
Rentals		3,783	3,906	3,640	3,143	2,820
Utility fees		4,498	4,078	3,622	3,721	3,365
Interest income		1,498	2,100	2,235	844	292
Ground transportation		7,056	5,136	4,039	3,407	1,110
Other (a)		10,468	11,047	8,126	9,263	6,150
Total nonairline revenues		137,521	135,063	121,755	110,608	94,262
Total operating revenues	$	256,362	227,971	213,710	214,758	212,103

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

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

		2008	2007	2006	2005	2004
	Revenues:					
	Airline revenues	$ 118,841	92,908	91,955	104,150	117,841
	Nonairline revenues	137,521	135,063	121,755	110,608	94,262
	Interest income generated in bond funds and reserves	22,802	9,385	6,830	11,371	11,985
	Other available monies:					
	PFC contributions	78,589	63,013	54,484	54,626	51,879
	Letter of intent	18,281	19,745	18,582	17,639	18,195
	Capitalized interest contribution	30,470	25,564	32,548	16,059	2,400
	Other	1,475	5,450	10,238	49	—
	Transfer credit from Airport funds (a)	782	1,300	5,349	—	—
	Total revenues	$ 408,761	352,428	341,741	314,502	296,562
Priority						
	Application of revenues:					
1	Operation and Maintenance Fund	$ 194,336	175,852	169,104	166,662	163,572
2	Bond Fund	155,005	145,189	144,831	122,070	107,094
3	Junior Lien Bond Fund	52,467	24,691	21,207	19,544	19,917
4	Operation and Maintenance Reserve Fund	—	—	—	—	146
5	Renewal and Replacement Fund	500	500	500	500	371
6	County Discretionary Fund	350	350	350	350	350
7	Airport Development Fund	6,103	5,846	5,749	5,376	5,112
	Total application of revenues	$ 408,761	352,428	341,741	314,502	296,562

(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 auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating year ending September 30, 2008

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:			
Revenues		$	256,362
Revenue fund balance at beginning of year			30,798
Other available monies:			
PFC contributions			78,589
Other			1,475
Transfer credit from Airport funds (a)			782
Interest income generated in bond funds and reserves			22,802
Total revenues	[A]		390,808
Operation and maintenance expenses	[B]		194,336
Net revenues available for Sr. Lien debt service	[A - B] = [C]		196,472
Bond debt service - Senior Lien	[D]		131,697
	[C - D] = [E]	$	64,775
Add: Other available monies:			
Letter of intent - Junior lien			18,281
Subtotal	[F]		18,281
Net revenues available for Jr. Lien debt service	[E + F] = [G]		83,056
Bond debt service - Junior Lien	[H]		45,306
Net revenues available for deposit to other funds			37,750
Debt service coverage:			
Senior Lien bonds	[C]/[D]		1.49
Senior Lien and Junior Lien bonds	[C + F]/[D + H]		1.21
Rate covenant elements:			
Operation and maintenance expenses		$	194,336
125% debt service – Bonds	[(1.25 x D) + H]		209,927
Other fund requirements			6,953
Total rate covenant elements		$	411,216

(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 auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years ending September 30

(Unaudited)

Operating year	Domestic	International	Total	Percent increase (decrease)
2008	16,271,128	1,560,103	17,831,231	(1.5)%
2007	16,581,322	1,526,768	18,108,090	1.7
2006	16,321,812	1,478,120	17,799,932	(2.7)
2005	16,758,421	1,527,861	18,286,282	5.6
2004	15,914,882	1,401,898	17,316,780	6.4

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar years ending December 31

(Unaudited)

	Detroit Metro		United States		
Calendar year	**Number of passengers**	**Percent increase (decrease)**	**Number of passengers**	**Percent increase (decrease)**	**Detroit as a percentage of U.S. total**
2008	17,138,228	(0.6)%	687,930,228	(4.2)%	2.5%
2007	17,246,272	(0.3)	717,920,039	2.1	2.4
2006	17,291,304	(0.6)	703,377,278	0.3	2.5
2005	17,387,321	3.5	701,551,735	7.3	2.5
2004	16,802,282	8.0	653,910,077	7.9	2.6

Note: 2008 estimate based on six months of data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years ending December 31

(Unaudited)

Calendar year	Departures by carrier type			Total departures	
	Majors	Nationals	Regionals	Total (a)	Percent increase (decrease)
2008	124,994	92,890	3,732	221,616	0.3%
2007	133,628	86,206	1,068	220,902	(2.9)
2006	133,544	92,208	1,772	227,524	(8.0)
2005	140,566	103,582	3,032	247,180	0.5
2004	149,942	94,451	1,540	245,933	6.4

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

Note: 2008 estimate based on six months of data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar years ending December 31

(Unaudited)

Calendar year	Domestic originations		Domestic connections	
	Number	Percent of total	Number	Percent of total
2008	7,919,240	48.3%	8,465,570	51.7%
2007	7,721,720	47.2	8,629,815	52.8
2006	7,297,730	44.2	9,216,455	55.8
2005	7,165,770	43.1	9,464,995	56.9
2004	6,884,460	45.3	8,316,272	54.7

Note: 2008 estimate based on six months of data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

	OY 2008		OY 2007		OY 2006	
Airline	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**
Domestic:						
Air Tran Airways	216,149	1.3%	239,410	1.4%	182,972	1.1%
America West Airlines	—	—	241,961	1.5	259,600	1.6
American (AA Eagle)	85,637	0.5	91,529	0.6	73,918	0.5
American Airlines	442,012	2.7	443,530	2.7	440,680	2.7
Champion Air	—	—	34,462	0.2	34,055	0.2
Continental (Chautauqua)	824	—	—	—	—	—
Continental (CommutAir)	13,181	0.1	9,371	0.1	7,812	—
Continental (ExpressJet)	63,856	0.4	70,559	0.4	73,606	0.5
Continental Airlines	210,747	1.3	219,751	1.3	226,707	1.4
Delta (Atlantic Southeast)	58,351	0.4	37,242	0.2	32,646	0.2
Delta (Chautauqua)	9,211	0.1	—	—	—	—
Delta (Comair)	90,839	0.6	94,044	0.6	91,216	0.6
Delta (Freedom)	6,142	—	—	—	—	—
Delta (Shuttle America)	36,813	0.2	—	—	33,902	0.2
Delta (SkyWest)	3,362	—	6,676	—	—	—
Delta Air Lines	194,211	1.2	214,721	1.3	202,891	1.2
Frontier	126,580	0.8	121,456	0.7	91,097	0.6
Independence Air	—	—	—	—	13,445	0.1
Northwest (Compass)	144,644	0.9	—	—	—	—
Northwest (Mesaba Aviation)	811,681	5.0	457,948	2.8	900,785	5.5
Northwest (Pinnacle)	2,043,385	12.6	1,915,685	11.6	1,663,236	10.2
Northwest Airlines	9,361,314	57.5	10,110,087	61.0	10,005,038	61.4
Ryan International	—	—	—	—	372	—
Southwest Airlines	595,944	3.7	606,113	3.7	496,693	3.0
Spirit Airlines	802,424	4.9	933,029	5.6	781,652	4.8
Trans Meridian	—	—	—	—	—	—
United (Air Wisconsin)	—	—	—	—	—	—
United (Atlantic Coast Airlines)	—	—	—	—	—	—
United (Mesa)	43,380	0.3	57,546	0.3	55,148	0.3
United (SkyWest)	24,640	0.2	36,475	0.2	39,041	0.2
United (TransStates)	14,916	0.1	—	—	—	—
United Airlines	239,332	1.5	263,054	1.6	275,380	1.7
US Airways	331,934	2.0	100,860	0.6	56,900	0.3
US Airways (Air Wisconsin)	104,993	0.6	83,203	0.5	89,264	0.5
US Airways (Chautauqua)	1,260	—	1,928	—	—	—
US Airways (Mesa)	47,464	0.3	71,535	0.4	37,757	0.2
US Airways (Piedmont)	—	—	—	—	—	—
US Airways (PSA)	38,059	0.2	17,035	0.1	66,631	0.4
US Airways (Republic)	23,992	0.1	29,729	0.2	11,339	0.1
USA 3000	79,304	0.5	67,516	0.4	66,277	0.4
Other [1]	4,547	—	4,867	—	11,752	0.1
Subtotal – Domestic	16,271,128	100.0%	16,581,322	100.0%	16,321,812	100.0%
International:						
Aeromexico	5,942	0.4	—	—	—	—
Air Canada	13,678	0.9	13,085	0.9	14,899	1.0
Air France	45,947	2.9	48,355	3.2	50,466	3.4
American Trans Air	—	—	—	—	—	—
British Airways	20,491	1.3	47,472	3.1	55,403	3.7
KLM-Royal Dutch Airlines	41,753	2.7	—	—	—	—
Lufthansa	102,121	6.5	98,008	6.4	67,305	4.6
Mesaba Aviation	37,906	2.4	37,538	2.5	32,103	2.2
Northwest Airlines	1,204,927	77.2	1,174,843	76.9	1,138,025	77.0
Royal Jordanian Airlines	16,434	1.1	14,150	0.9	16,028	1.1
Spirit	19,464	1.2	20,146	1.3	16,671	1.1
Other [1]	51,440	3.4	73,171	4.8	87,220	5.9
Subtotal – International	1,560,103	100.0%	1,526,768	100.0%	1,478,120	100.0%
Total – All Markets	17,831,231		18,108,090		17,799,932	

[1] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2008

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

	OY 2005		OY 2004	
Airline	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**
Domestic:				
Air Tran Airways	—	—	—	—
America West Airlines	267,776	1.6%	215,539	1.4%
American (AA Eagle)	32,203	0.2	—	—
American Airlines	471,863	2.8	446,589	2.8
Champion Air	31,283	0.2	31,195	0.2
Continental (Chautauqua)	—	—	—	—
Continental (CommutAir)	4,585	—	—	—
Continental (ExpressJet)	62,265	0.4	63,440	0.4
Continental Airlines	226,260	1.4	234,109	1.5
Delta (Atlantic Southeast)	8,316	—	4,867	—
Delta (Chautauqua)	—	—	—	—
Delta (Comair)	108,322	0.6	103,012	0.6
Delta (Freedom)	—	—	—	—
Delta (Shuttle America)	4,385	—	—	—
Delta (SkyWest)	—	—	—	—
Delta Air Lines	312,881	1.9	286,970	1.8
Frontier	28,184	0.2	—	—
Independence Air	74,496	0.4	6,378	—
Northwest (Compass)	—	—	—	—
Northwest (Mesaba Aviation)	1,108,615	6.6	973,875	6.1
Northwest (Pinnacle)	1,477,582	8.8	1,201,651	7.6
Northwest Airlines	10,602,457	63.4	10,367,894	65.2
Ryan International	—	—	11,400	0.1
Southwest Airlines	461,535	2.8	449,778	2.8
Spirit Airlines	793,510	4.7	854,526	5.4
Trans Meridian	25,488	0.2	14,958	0.1
United (Air Wisconsin)	19,734	0.1	4,792	—
United (Atlantic Coast Airlines)	—	—	44,199	0.3
United (Mesa)	70,388	0.4	6,610	—
United (SkyWest)	11,609	0.1	729	—
United (TransStates)	—	—	—	—
United Airlines	266,825	1.6	354,429	2.2
US Airways	91,892	0.5	193,798	1.2
US Airways (Air Wisconsin)	748	—	—	—
US Airways (Chautauqua)	3,888	—	—	—
US Airways (Mesa)	55,631	0.3	—	—
US Airways (Piedmont)	1,527	—	—	—
US Airways (PSA)	53,283	0.3	—	—
US Airways (Republic)	26,586	0.2	—	—
USA 3000	52,788	0.3	34,099	0.2
Other [1]	1,516	—	10,045	0.1
Subtotal – Domestic	16,758,421	100.0%	15,914,882	100.0%
International:				
Aeromexico	—	—	—	—
Air Canada	13,921	0.9	13,746	1.0
Air France	19,174	1.3	—	—
American Trans Air	—	—	1,684	0.1
British Airways	59,658	3.9	59,507	4.2
KLM-Royal Dutch Airlines	—	—	—	—
Lufthansa	70,372	4.6	74,608	5.3
Mesaba Aviation	36,362	2.4	22,787	1.6
Northwest Airlines	1,199,496	78.5	1,100,843	78.7
Royal Jordanian Airlines	14,581	1.0	10,369	0.7
Spirit	—	—	—	—
Other [1]	114,297	7.4	118,354	8.4
Subtotal – International	1,527,861	100.0%	1,401,898	100.0%
Total – All Markets	18,286,282		17,316,780	

[1] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2008

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ending September 30

(Unaudited)

	Cargo by type (metric tons)				Total Cargo	
	Freight and Express (a)		Mail			
Operating year	**Enplaned**	**Deplaned**	**Enplaned**	**Deplaned**	**Total Cargo**	**Percent increase (decrease)**
2008	99,578	117,636	4,225	4,415	225,854	(1.8)%
2007 **(b)**	94,226	130,901	2,253	2,582	229,962	6.5
2006	86,515	123,348	3,186	2,953	216,002	(1.6)
2005	89,223	121,645	3,866	4,796	219,530	(0.3)
2004	88,994	121,099	3,949	6,053	220,095	(2.1)

(a) Includes small packages

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

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2008		OY 2007		OY 2006	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Aeromexico	9,432	—%	—	—%	—	—%
Air Canada	28,994	0.1	28,960	0.1	29,070	0.1
Air France	114,617	0.5	116,552	0.5	119,720	0.5
Air Tran Airways	240,128	1.0	302,472	1.2	237,816	1.0
America West Airlines	—	—	265,091	1.1	308,035	1.3
American (AA Eagle)	107,737	0.5	116,715	0.5	93,732	0.4
American Airlines	506,633	2.2	538,336	2.2	548,634	2.3
American Trans Air	—	—	—	—	—	—
British Airways	107,202	0.5	209,479	0.9	118,431	0.5
Champion Air	900	—	45,900	0.2	45,750	0.2
Continental (CommutAir)	27,894	0.1	14,392	0.1	13,728	0.1
Continental (Chautauqua)	1,610	—	—	—	—	—
Continental (ExpressJet)	85,836	0.4	93,465	0.4	96,004	0.4
Continental Airlines	254,629	1.1	259,645	1.1	276,009	1.1
Delta (Atlantic Southeast)	64,185	0.3	44,137	0.2	40,937	0.2
Delta (Chautauqua)	11,052	—	—	—	—	—
Delta (Comair)	125,020	0.5	137,273	0.6	137,285	0.6
Delta (Freedom)	8,617	—	—	—	—	—
Delta (Shuttle America)	49,342	0.2	—	—	49,895	0.2
Delta (SkyWest)	4,425	—	8,617	—	—	—
Delta Air Lines	218,996	0.9	263,257	1.1	266,479	1.1
DHL/ABX	64,605	0.3	68,865	0.3	77,754	0.3
Federal Express	477,212	2.0	525,479	2.2	482,405	2.0
Frontier	147,774	0.6	152,353	0.6	116,166	0.5
Independence Air	—	—	—	—	16,262	0.1
KLM-Royal Dutch Airlines	80,214	0.3	—	—	—	—
Lufthansa	243,753	1.0	229,272	0.9	150,863	0.6
Northwest (Compass)	173,768	0.7	—	—	—	—
Northwest (Mesaba Aviation)	1,118,993	4.8	679,531	2.8	1,371,475	5.7
Northwest (Pinnacle)	2,516,756	10.8	2,402,170	9.9	2,227,894	9.2
Northwest Airlines	13,385,015	57.3	14,592,777	59.6	14,456,719	59.8
Royal Jordanian Airlines	41,895	0.2	40,698	0.2	41,501	0.2
Ryan International	7,811	—	21,883	0.1	31,404	0.1
Southwest Airlines	833,750	3.6	883,222	3.6	656,164	2.7
Spirit Airlines	925,981	4.0	1,116,697	4.6	952,127	3.9
United (Air Wisconsin)	—	—	—	—	—	—
United (Atlantic Coast Airlines)	—	—	—	—	—	—
United (Mesa)	45,532	0.2	67,597	0.3	67,320	0.3
United (SkyWest)	25,976	0.1	44,048	0.2	50,555	0.2
United (TransStates)	15,998	0.1	—	—	—	—
United Airlines	317,477	1.4	339,795	1.4	335,201	1.4
United Parcel Service	195,473	0.8	204,976	0.8	211,295	0.9
US Airways	397,966	1.7	170,642	0.7	85,631	0.4
US Airways (Air Wisconsin)	121,072	0.5	104,763	0.4	112,471	0.5
US Airways (Chautauqua)	1,447	—	2,085	—	—	—
US Airways (Mesa)	41,942	0.2	63,181	0.3	31,143	0.1
US Airways (Piedmont)	—	—	—	—	33	—
US Airways (PSA)	38,762	0.2	17,219	0.1	77,036	0.3
US Airways (Republic)	28,519	0.1	37,006	0.2	15,978	0.1
US Airways (Trans States)	—	—	—	—	12,120	0.1
USA 3000	117,801	0.5	116,664	0.5	119,790	0.5
Other [1]	26,169	0.3	31,489	0.1	28,807	0.1
Total	23,358,910	99.9%	24,356,703	100.0%	24,109,639	100.0%

[1] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2008

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2005		OY 2004	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Aeromexico	—	—%	—	—%
Air Canada	27,443	0.1	33,957	0.1
Air France	44,044	0.2	—	—
Air Tran Airways	—	—	—	—
America West Airlines	306,507	1.2	257,392	1.0
American (AA Eagle)	43,656	0.2	—	—
American Airlines	621,399	2.4	701,026	2.8
American Trans Air	—	—	10,396	—
British Airways	153,285	0.6	150,523	0.6
Champion Air	24,060	0.1	—	—
Continental (CommutAir)	8,532	—	—	—
Continental (Chautauqua)	—	—	—	—
Continental (ExpressJet)	92,214	0.4	96,519	0.4
Continental Airlines	286,972	1.1	298,145	1.2
Delta (Atlantic Southeast)	12,220	—	21,929	0.1
Delta (Chautauqua)	—	—	—	—
Delta (Comair)	191,421	0.7	189,889	0.8
Delta (Freedom)	—	—	—	—
Delta (Shuttle America)	8,099	—	—	—
Delta (SkyWest)	—	—	—	—
Delta Air Lines	440,410	1.7	415,417	1.6
DHL/ABX	—	—	—	—
Federal Express	479,467	1.9	493,409	1.9
Frontier	36,220	0.1	—	—
Independence Air	105,750	0.4	14,570	0.1
KLM-Royal Dutch Airlines	—	—	—	—
Lufthansa	151,089	0.6	155,152	0.6
Northwest (Compass)	—	—	—	—
Northwest (Mesaba Aviation)	1,818,552	7.0	1,583,408	6.3
Northwest (Pinnacle)	2,186,581	8.4	1,757,142	6.9
Northwest Airlines	16,325,796	63.0	16,476,839	65.1
Royal Jordanian Airlines	—	—	—	—
Ryan International	—	—	—	—
Southwest Airlines	648,992	2.5	658,960	2.6
Spirit Airlines	877,491	3.4	937,300	3.7
United (Air Wisconsin)	23,458	0.1	—	—
United (Atlantic Coast Airlines)	—	—	60,511	0.2
United (Mesa)	82,363	0.3	—	—
United (SkyWest)	15,109	0.1	—	—
United (TransStates)	—	—	—	—
United Airlines	334,306	1.3	491,974	1.9
United Parcel Service	195,519	0.8	193,016	0.8
US Airways	148,185	0.6	291,063	1.2
US Airways (Air Wisconsin)	940	—	—	—
US Airways (Chautauqua)	8,687	—	—	—
US Airways (Mesa)	75,364	0.3	—	—
US Airways (Piedmont)	2,065	—	—	—
US Airways (PSA)	70,534	0.3	—	—
US Airways (Republic)	—	—	—	—
US Airways (Trans States)	40,525	0.2	—	—
USA 3000	—	—	—	—
Other [1]	—	—	19,173	0.1
Total	25,887,255	100.0%	25,307,710	100.0%

[1] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2008

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ending September 30

(Unaudited)

Operating year	Operations by class of carrier				Total operations	
	Air carrier	Air taxi and commuter	General aviation	Military	Total	Percent increase (decrease)
2008	253,024	203,629	10,580	153	467,386	(1.1)%
2007	280,062	181,025	11,335	100	472,522	(2.6)
2006	287,793	185,109	12,280	91	485,273	(8.5)
2005	325,415	191,394	13,599	229	530,637	3.1
2004	327,682	171,268	15,526	184	514,660	5.5

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating years ending September 30

(Unaudited)

	Historical				
	2008	**2007**	**2006**	**2005**	**2004**
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	7,823,767	7,702,170	6,989,659	7,543,124	7,080,843
Connecting (a)	8,363,510	8,772,307	9,227,647	9,104,222	8,740,369
Subtotal – scheduled	16,187,277	16,474,477	16,217,306	16,647,346	15,821,212
Percentage connecting	51.7%	53.2%	56.9%	54.7%	55.2%
Charter	83,851	106,845	104,506	111,075	93,670
Subtotal – domestic	16,271,128	16,581,322	16,321,812	16,758,421	15,914,882
International:					
Scheduled:					
U.S. airlines	1,262,297	1,232,527	1,186,799	1,235,858	1,125,314
Foreign flag	246,366	221,070	204,101	177,706	158,230
Subtotal – scheduled	1,508,663	1,453,597	1,390,900	1,413,564	1,283,544
Charter	51,440	73,171	87,220	114,297	118,354
Subtotal – international	1,560,103	1,526,768	1,478,120	1,527,861	1,401,898
Total enplaned passengers	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780
Enplaned cargo (tons):					
Freight	99,578	94,226	86,515	89,223	88,994
Mail	4,225	2,253	3,186	3,866	3,949
Total cargo	103,803	96,479	89,701	93,089	92,943
Aircraft departures (b):					
Domestic	207,546	209,880	215,856	232,764	232,938
International	15,950	15,268	15,480	14,467	15,055
Total aircraft departures	223,496	225,148	231,336	247,231	247,993
Aircraft operations:					
Air carrier	253,024	280,062	287,793	325,415	327,682
Air taxi and commuter	203,629	181,025	185,109	191,394	171,268
General aviation	10,580	11,335	12,280	13,599	15,526
Military	153	100	91	229	184
Total aircraft operations	467,386	472,522	485,273	530,637	514,660
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	17,359,185	19,070,127	18,436,064	20,050,338	20,540,672
Commuter/regional	4,614,483	3,832,199	4,413,869	4,786,070	3,740,981
Subtotal – U.S. carriers	21,973,668	22,902,326	22,849,933	24,836,408	24,281,653
Foreign flag	626,107	624,960	459,585	375,861	339,632
Subtotal – passenger	22,599,775	23,527,287	23,309,518	25,212,269	24,621,285
All cargo	759,135	829,417	800,122	674,986	686,425
Total landed weight	23,358,910	24,356,703	24,109,639	25,887,255	25,307,710

(a) 2008 originating and connecting activity statistics are estimated based on calendar-year percentages.

(b) 2008 departures are estimated based on both actual and scheduled data.

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar years ending December 31

(Unaudited)

Year	Cities added	Cities dropped	Net change
2008	Monterrey, Mexico	Acapulco, Mexico Aruba, Aruba Brussels, Belgium Mazatlan, Mexico	(3)
2007	Acapulco, Mexico Aruba, Aruba Brussels, Belgium Dusseldorf, Germany		4
2006	Ixtapa/Zihuatanejo, Mexico Los Cabos, Mexico Mazatlan, Mexico	Bermuda, Bermuda Calgary Alberta, Canada Rome, Italy	—
2005	Bermuda, Bermuda Punta Cana, Dominican Republic Charlottetown, Canada	Ixtapa/Zihuatanejo, Mexico	2
2004	Amman, Jordan Ixtapa/Zihuatanejo, Mexico Rome, Italy Winnipeg Manitoba, Canada	Beijing, China Liberia, Costa Rica Manila, Philippines Punta Cana, Dominican Republic Santo Domingo, Dominican Republic Shanghai (Pu Dong), China Shannon, Ireland Taipei, Taiwan	(4)

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

2008 estimate based on nine months of data (January through September)

Source: BACK Aviation Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

	OY 2008	OY 2007	OY 2006	OY 2005	OY 2004
Operating revenues:					
Airport landing and related fees	$ 84,022	58,741	60,162	73,191	88,446
Concession fees	51,851	50,242	47,351	44,496	42,570
Parking fees	58,683	58,859	53,026	46,003	38,842
Rental facilities	51,431	50,722	45,519	43,312	37,208
Utility service fees	4,498	4,078	3,622	3,721	3,365
Other	5,024	6,371	8,220	6,955	4,797
Total operating revenues	255,509	229,013	217,900	217,678	215,228
Operating expenses:					
Salaries, wages, and fringe benefits	75,214	69,877	66,383	64,515	60,239
Parking management	8,905	10,325	9,754	10,647	9,726
Janitorial services	2,403	2,418	2,031	1,995	3,419
Security	2,758	3,433	3,501	3,463	3,324
Utilities	29,166	25,143	21,809	20,965	19,331
Repairs, professional services, and other	80,699	73,020	76,211	80,086	87,233
Depreciation	120,145	111,942	107,110	98,551	95,070
Total operating expenses	319,290	296,158	286,799	280,222	278,342
Operating loss	(63,781)	(67,145)	(68,899)	(62,544)	(63,114)
Nonoperating revenues (expenses):					
Passenger facility charges	68,203	70,754	67,832	70,695	67,902
Federal and state grants	1,969	5,867	12,055	15,643	10,046
Interest income and other	27,970	44,897	42,666	18,856	7,001
Interest expense and other	(94,695)	(99,406)	(100,238)	(85,923)	(77,030)
Amortization of bond issuance costs	(1,985)	(1,936)	(1,963)	(1,773)	(1,526)
Total nonoperating revenue	1,462	20,176	20,352	17,498	6,393
Net loss before capital contributions and transfers	(62,319)	(46,969)	(48,547)	(45,046)	(56,721)
Capital contributions	52,218	58,787	32,028	33,618	57,960
Transfers out	(2,813)	(1,419)	(627)	(350)	(1,993)
Changes in net assets	(12,914)	10,399	(17,146)	(11,778)	(754)
Net assets – beginning of year	636,442	626,043	643,189 [1]	713,650	714,404
Net assets – end of year	$ 623,528	636,442	626,043	701,872	713,650

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

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic O&D Markets

Calendar year ending December 31, 2007

(Unaudited)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Non-Stop Service
1	New York/Newark	1,073	6.9%	Northwest	65.0%	Spirit	15.8%	●
2	Orlando	1,032	6.7%	Northwest	43.2%	Spirit	29.6%	●
3	Las Vegas	871	5.6%	Northwest	46.1%	Spirit	34.2%	●
4	Chicago	861	5.6%	Northwest	45.9%	Southwest	23.6%	●
5	Los Angeles	748	4.8%	Northwest	54.4%	Spirit	13.6%	●
6	Fort Lauderdale	689	4.5%	Northwest	45.4%	Spirit	34.2%	●
7	Phoenix	556	3.6%	Northwest	49.3%	US Airways	23.8%	●
8	Washington	541	3.5%	Northwest	84.7%	United	7.3%	●
9	Fort Myers	512	3.3%	Spirit	39.7%	Northwest	36.2%	●
10	Tampa	507	3.3%	Northwest	50.6%	Spirit	34.8%	●
11	Atlanta	504	3.3%	Northwest	41.1%	Delta	35.5%	●
12	San Francisco	422	2.7%	Northwest	58.6%	Southwest	8.0%	●
13	Baltimore/Wash Intl	417	2.7%	Northwest	55.9%	Southwest	43.6%	●
14	Dallas/Fort Worth	411	2.7%	American	50.7%	Northwest	39.2%	●
15	Denver	357	2.3%	Northwest	45.6%	Frontier	29.8%	●
16	Boston	353	2.3%	Northwest	81.4%	Spirit	9.8%	●
17	St Louis	290	1.9%	Northwest	51.6%	Southwest	45.4%	●
18	Houston	267	1.7%	Continental	46.7%	Northwest	36.9%	●
19	Minneapolis/St Paul	262	1.7%	Northwest	86.2%	American	7.1%	●
20	Philadelphia/Camden	257	1.7%	Northwest	66.1%	US Airways	30.1%	●
Other O&D Markets		4,502	29.2%					
Domestic O&D Passengers		15,433						
O&D % of Domestic Passengers		47%						

Note: Figures may not add due to rounding

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

See accompanying independent auditor's report.

Information regarding Top 25 International O&D Markets can be found in "Appendix B - Report of the Airport Consultant Table 3.8," in the Official Statement, which is incorporated herein by reference.

COMPLIANCE SECTION

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Independent Auditor's Report

To the Wayne County Authority Board
Wayne County Airport Authority

We have audited the financial statements of each major fund of the Wayne County Airport Authority (the "Authority") as of and for the year ended September 30, 2008, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 27, 2009. Those basic financial statements are the responsibility of the management of the Authority. Our responsibility was to express opinions on those basic financial statements based on our audit.

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

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

Plante & Moran, PLLC

January 27, 2009

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

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

To the Wayne County Authority Board
Wayne County Airport Authority

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Wayne County Airport Authority (the "Authority") as of and for the year ended September 30, 2008, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Wayne County Authority Board
Wayne County Airport Authority

Compliance and Other Matters

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

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

Plante & Moran, PLLC

January 27, 2009

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Report on Compliance and on Internal Control Over Compliance Applicable to Each Major Federal Awards Program and Passenger Facility Charge Program

To the Wayne County Authority Board
Wayne County Airport Authority

Compliance

We have audited the compliance of the Wayne County Airport Authority (the "Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide"), for the year ended September 30, 2008. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge revenue and expenditures schedule. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and the passenger facility charge program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and its passenger facility charge program for the year ended September 30, 2008.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Wayne County Authority Board
Wayne County Airport Authority

Internal Control Over Compliance

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

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

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

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

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

Plante & Moran, PLLC

January 27, 2009

Wayne County Airport Authority

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2008

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Contract/Grant Number	Award Amount	Federal Expenditures
Metro Airport				
U.S. Department of Transportation -				
Federal Aviation Administration - Direct Program -				
Airport Improvement Program (major program):				
PART 150 STUDY	20.106	3-26-0026-6704	$ 813,844	$ 315,157
AIRPORT MASTER PLAN	20.106	3-26-0026-7004	1,312,500	48,408
DEICING FACILITY	20.106	3-26-0026-7505	2,950,000	582,391
RUNWAY 3R/21L, TAXIWAY W	20.106	3-26-0026-7806	11,868,906	125,771
RUNWAY 3R/21L, TAXIWAYS F & V	20.106	3-26-0026-8107	22,107,995	3,662,663
NORTH TERMINAL VALE INFRASTRUCTURE	20.106	3-26-0026-8207	5,099,971	2,251,167
NOISE MITIGATION	20.106	3-26-0026-8307	5,168,808	820,513
SAFETY MANAGEMENT SYSTEM STUDY	20.106	3-26-0026-8407	200,000	143,458
TAXIWAY K	20.106	3-26-0026-8608	1,000,000	1,281,841
DEICING FACILITY PHASE 2A	20.106	3-26-0026-8708	3,800,000	-
RW 9L/27R (DESIGN)	20.106	3-26-0026-8808	2,207,046	-
TAXIWAY K (PARTS 2 & 3)	20.106	3-26-0026-9008	1,607,960	1,051,689
2008 LETTER OF INTENT	20.106	LETTER OF INTENT AGL-90-01		
		3-26-0026-8508	18,281,315	18,281,313
		3-26-0026-8908	604,659	604,659
Subtotal Airport Improvement Program			77,023,004	29,169,030
U.S. Department of Homeland Security:				
Transportation Security Administration -				
National Explosives Detection Canine Program	97.072	DTSA 20-03-H-01014	200,000	200,000
		HSTS 02-08-H-CAN420	200,500	200,500
100% Luggage Screening Program (major program)	97.xxx	HSTS 04-04-A-DEP091	16,500,000	3,233,761
In-Line Checked Baggage Explosive Detection System (major program)	97.xxx	HSTS 04-08-H-CT1029	21,000,000	21,000,000
Law Enforcement Officer (L.E.O.) Reimbursement Agreement	97.090	HSTS 02-08-H-SLR309	382,648	382,648
Passed through County of Oakland, Michigan -				
2006 Homeland Security Grant Program	97.067	S07-267A	452,185	2,185
Total U.S. Department of Homeland Security			38,735,333	25,019,094
U.S. Department of Justice - 2005 Bulletproof Vest Program	16.607	N/A	311	311
Total Metro Airport			115,758,648	54,188,435
Willow Run Airport				
U.S. Department of Transportation -				
Federal Aviation Administration - Direct Program -				
Airport Improvement Program (major program)				
DESIGN RUNWAY SAFETY IMPROVEMENTS 1	20.106	3-26-0024-2203	* 608,017	7,922
RUNWAY SAFETY IMPROVEMENTS 1	20.106	3-26-0024-2304	* 5,018,249	6
NOISE STUDY 1	20.106	3-26-0024-2506	500,000	196,872
RUNWAY SAFETY IMPROVEMENTS 4	20.106	3-26-0024-2606	7,501,639	376,122
NOISE STUDY 2	20.106	3-26-0024-2707	163,463	22,320
FIRE & RESCUE VEHICLE	20.106	3-26-0024-2807	666,286	666,286
PERIMETER FENCING	20.106	3-26-0024-2907	499,287	445,751
LAND ACQUISITION & RUNWAY SAFETY IMPROVEMENTS 3	20.106	3-26-0024-3007	2,728,666	1,006,260
RUNWAY SAFETY IMPROVEMENTS 3 (RW 5R SAFETY AREA, ETC.)	20.106	3-26-0024-3108	8,540,464	-
RUNWAY 5R/23L (CRACK SEALING)	20.106	3-26-0024-3208	93,892	-
Total Willow Run Airport			26,319,963	2,721,539
Total expenditures of federal awards			**$ 142,078,611**	**$ 56,909,974**

* Grant officially closed

See Note to Schedule of Expenditures of Federal Awards.

Note to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2008

Note - Significant Accounting Policies

A. Basis of Presentation

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

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

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

Federal awards are reported in the Authority's statement of revenues, expenses, and changes in net assets included with federal and state grants as well as capital contributions.

B. Basis of Accounting

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major program(s):

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.106	Airport Improvement Program
97.xxx	100% Luggage Screening Program
97.xxx	In-Line Checked Baggage Explosive Detection System

Dollar threshold used to distinguish between type A and type B programs: $1,707,299

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

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

WAYNE COUNTY AIRPORT AUTHORITY
Schedule of Passenger Facility Charge Revenues and Expenditures
Year ended September 30, 2008

	Amended Amount Approved	Cumulative Total October 1, 2007	Quarter Ended December 31, 2007	Quarter Ended March 31, 2008	Quarter Ended June 30, 2008	Quarter Ended September 30, 2008	Total FY 2008	Cumulative Total September 30, 2008
Passenger Facility Charges Collected	$ 3,164,332,836	741,626,373	16,433,232	17,373,891	17,742,954	16,544,612	68,094,689	809,721,062
Interest Earned	N/A	66,901,959	1,602,601	1,261,758	701,951	733,763	4,300,073	71,202,032
Total Revenues	$ 3,164,332,836	808,528,332	18,035,833	18,635,649	18,444,905	17,278,375	72,394,762	880,923,094
Passenger Facility Charges Expended for Approved Projects:								
APPLICATION NO. 1								
South Airport Access Road Construction	$ 38,620,000	28,137,770		136,280	376,361	13,929	526,570	28,664,340
Storm Water Retention & Drainage Facilities Construction	4,980,000	4,169,572					-	4,169,572
Noise Berm Construction	225,000	224,927					-	224,927
Noise Mitigation Program	104,084,000	16,725,719	559,324	841,264	892,755	186,286	2,479,629	19,205,348
Willow Run Airport Layout Plan Update	5,000	5,000					-	5,000
APPLICATION NO. 2								
Land Acquisition and Preliminary Design for Fourth Parallel Runway	6,391,000	2,098,631					-	2,098,631
Perimeter Property Fencing and Removal of Airport Hazard - Willow Run	52,000	16,665					-	16,665
APPLICATION NO. 3								
Midfield Domestic and International Terminal Facilities Construction	1,370,450,360	483,221,037	9,794,454	18,298,748	15,770,026	3,265,903	47,129,131	530,350,168
Reconstruction of Existing Terminals and Concourses	673,408,000	19,272,741	528,473	987,334	850,893	2,859,216	5,225,916	24,498,657
Concourse C Expansion & Domestic Terminals Facilities Construction (Interim Improvement)	22,967,000	21,693,389					-	21,693,389
International Passenger Processing Facilities Expansion (Interim Improvement)	32,000,000	31,796,836	3,894				3,894	31,800,730
APPLICATION NO. 4								
Runway 21C/3C Keel Section Replacement	16,991,000	3,870,059	167,437	312,818	269,589	55,831	805,675	4,675,734
Runway 4R/22L Design and Construction	169,274,000	32,806,471	1,396,297	2,608,670	2,248,175	465,587	6,718,729	39,525,200
Rebuild Outfall Structures at Ponds 3 and 4	2,413,000	550,901	23,834	44,529	38,376	7,947	114,686	665,587
21C Remote Primary Deicing	23,958,000	6,857,715	218,085	407,443	351,138	72,719	1,049,385	7,907,100
Grade/Pave Taxiway "K" Islands	704,000	160,678	6,952	12,988	11,193	2,318	33,451	194,129
APPLICATION NO. 5								
North Terminal Apron	59,574,000	-					-	-
McNamara Terminal Phase II Program	277,941,000	13,524,646	2,495,046	3,118,306	3,248,967	2,714,423	11,576,742	25,101,388
Third Aircraft Rescue and Firefighting Facility	1,315,000	23,694	6,704	8,984	10,657	2,232	28,577	52,271
West Airfield Improvements	31,906,000	3,521,138	351,542	547,639	514,958	746,113	2,160,252	5,681,390
Interconnect Re-route	1,441,000	167,674	16,740	26,078	24,522	35,529	102,869	270,543
Taxiway Q Construction	4,153,000	464,326	46,357	72,216	67,906	98,389	284,868	749,194
Runway 4R/22L Shoulders/Overburden (fka 3L/21R)	2,090,000	245,059	24,466	38,114	35,839	51,927	150,346	395,405
Deicing Pad at Runway 22L	18,123,000	1,986,283	198,306	308,924	290,490	420,884	1,218,604	3,204,887
Deicing Pads at Runway 4R and 3L	39,941,000	7,001,002	333,773	623,579	537,406	111,294	1,606,052	8,607,054
Perimeter Fencing and Other Security Enhancements	710,000	-					-	-
Surface Movement Guidance Control System	1,310,000	-					-	-
Runway 3L/21R Planning	700,000	-					-	-
Runway 3R/21L Design and Pavement Evaluation	1,200,000	-					-	-
Part 150 Study Update	386,156	-					-	-
APPLICATION NO. 6								
Airfield Snow Removal Vehicles & Equipmen	16,873,119	-					-	-
McNamara Terminal In-Line Explosive Detection	110,328,130	-					-	-
Infill Island at Taxiway Y-10	811,236	-				20,569	20,569	20,569
Master Plan Update	946,500	-				12,226	12,226	12,226
Runway Surface Monitor System for RW 4L/22R	1,000,000	-					-	-
Runway and Taxiway Improvements	97,694,583	-			1,312,000	554,266	1,866,266	1,866,266
Reconstruct Runway 4R/22L (Impose Only)	29,366,752	-					-	-
Total Amount Approved	$ 3,164,332,836							
Total Expenditures		$ 678,541,933	$ 16,171,684	$ 28,393,914	$ 26,851,251	$ 11,697,588	$ 83,114,437	$ 761,656,370
Unexpended Passenger Facility Charges		$ 129,986,399						$ 119,266,724

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

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charge Revenues and Expenditures

September 30, 2008

(1) General

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

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

As of September 30, 2008, the Authority had received approximately $880.9 million of PFC revenue, which includes interest earnings of approximately $71.2 million. The Authority had expended approximately $761.7 million on approved projects.

(2) Basis of Accounting

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

PFC charges collected, expended, and interest earned represent amounts reported to the FAA on the Passenger Facility Charge Quarterly Status Reports and total $68.1 million, $83.1 million, and $4.3 million, respectively, for the year ended September 30, 2008. The Authority also maintained a receivable of approximately $6.2 million for PFCs collected by the airlines but not remitted to the Authority as of September 30, 2008.

(3) Interest Earned

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

McNamara Terminal

Wayne County Airport Authority

Willow Run Airport

Wayne County Airport Authority

Report to the Audit Committee

September 30, 2008

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To the Audit Committee
Wayne County Airport Authority

We have recently completed our audit of the basic financial statements of the Wayne County Airport Authority (the "Authority") for the year ended September 20, 2008. In addition to our audit report, we are providing the following report on internal control, report on the results of the audit, and other recommendations which impact the Authority:

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Report on Internal Control	1-2
Report on the Results of the Audit	3-5
Other Recommendations	6-7

We are grateful for the opportunity to be of service to the Wayne County Airport Authority. Should you have any questions regarding the comments in this report, please do not hesitate to call.

Plante & Moran, PLLC

January 27, 2009

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

plante moran

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Report on Internal Control

January 27, 2009

To the Wayne County Airport Authority
Audit Committee
Wayne County Airport Authority

Dear Audit Committee Members:

Beginning with last year's audit, national auditing standards call for auditors to communicate matters to the governing body that may be useful in its oversight of the Authority's financial management. Specifically, they require us to report internal control issues to the governing body that may be relatively minor, in order to allow it to evaluate their significance, and make any changes it may deem appropriate. In general, these are items that would have been discussed orally with management in the past. The purpose of these new standards is to allow the governing body an opportunity to discuss issues when they are relatively minor, rather than waiting until they become more serious problems. We hope this report on internal control will be helpful to you, and we look forward to being able to discuss any questions you may have concerning these issues.

In planning and performing our audit of the financial statements of the Wayne County Airport Authority as of and for the year ended September 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Wayne County Airport Authority
Audit Committee
Wayne County Airport Authority

January 27, 2009

This communication is intended solely for the information and use of management, the audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Beth A. Bialy

Blake M. Roe

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Results of the Audit

January 27, 2009

To the Wayne County Airport Authority
Audit Committee
Wayne County Airport Authority

We have audited the financial statements of the Wayne County Airport Authority (the "Authority") for the year ended September 30, 2008 and have issued our report thereon dated January 27, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our professional agreement dated October 16, 2007, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We are responsible for planning and performing the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Authority. Our consideration of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audit of the financial statements does not relieve you or management of your responsibilities.

Our audit of the Authority's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we have made some assessments of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements. While those assessments are not sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, we are required to communicate all noncompliance conditions that come to our attention. We noted no matters of noncompliance as the result of our audit procedures.

We are also obligated to communicate certain matters related to our audit to those responsible for the governance of the Authority, including certain instances of error or fraud and significant deficiencies in internal control that we identify during our audit. In certain situations, *Government Auditing Standards* require disclosure of illegal acts to applicable government agencies. If such illegal acts were detected during our audit, we would be required to make disclosures regarding these acts to applicable government agencies. No such disclosures were required.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated June 6, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our professional agreement, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no matters relative to significant accounting estimates.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no disclosures with particularly sensitive information.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified as a result of our audit procedures.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management's Representations

We have requested certain representations from management that are included in the management representation letter dated January 27, 2009.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition of our retention as the Authority's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility relates to the Authority's financial statements and other information as identified in the auditor's report. We have no responsibility for any other information that may be included in documents containing those audited statements. We do not have an obligation to perform any procedures to corroborate other information contained in these documents. We read the accompanying introductory section, statistical section, and continuing disclosure section, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

This information is intended solely for the use of the audit committee and management of Wayne County Airport Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Beth Bialy

Beth A. Bialy

Blake Roe

Blake M. Roe

Other Recommendations

Other Recommendations

Upcoming Reporting Change - The Governmental Accounting Standards Board has recently released Statement Number 53, *Accounting and Financial Reporting for Derivative Instruments*. The new pronouncement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions in the financial statements. The new rules will cause the financial statements to report a fair value for certain derivative investments that have in the past only been disclosed in the notes. This new requirement will change how the Authority reports its interest rate swap agreements in the financial statements. The new pronouncement is effective for the year ending September 30, 2010. We encourage the Authority to continue to review its swap agreements and determine if they are still profitable.

Reminder - Change in Investment Act - Public Act 213 of 2007, adopted at the end of 2007, requires local governments to perform their investment reporting quarterly to the governing body. The investment of surplus monies by Michigan local governments is controlled by Public Act 20 of 1943. The Act previously required investment reporting annually. It is suggested that the required quarterly reports list investments by institution along with maturity dates and interest rates.

Monitoring of Third-party Grant Compliance - Some of the federal grant dollars awarded to the Authority are actually administered by Northwest Airlines (NWA). While NWA has assumed responsibility for adhering to the federal compliance regulations related to the expenditures of these awards, the responsibility for adherence actually rests with the Authority. While there were no instances of noncompliance noted in the current year, there was an absence of monitoring by the Authority to ensure that compliance issues were being addressed on an ongoing basis for items such as Davis Bacon, suspension and debarment, allowable expenditures, and the like. As we understand that at the time these expenditures were incurred, they were not believed to be reimbursed by federal funds, we suggest that the Authority put procedures in place to monitor compliance issues assumed by third parties related to federal awards.