

DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

ANNUAL COMPREHENSIVE '20 FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

DETROIT, MICHIGAN

WAYNE COUNTY AIRPORT AUTHORITY

Detroit, Michigan

Annual Comprehensive Financial Report

Year Ended December 31, 2020



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April 30, 2021

To the Wayne County Airport Authority Board:

The Annual Comprehensive Financial Report (ACFR) of the Wayne County Airport Authority (the Authority) as of and for the year ended December 31, 2020 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the ACFR. The report of the independent auditors on the financial statements is included on pages 1 – 3 of the ACFR.

The ACFR 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 ensure compliance 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 for the year ended December 31, 2020 have received an "unmodified opinion" from Plante & Moran, PLLC, the Authority's independent certified public accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

An independent audit was also performed by Plante & Moran, PLLC, in accordance with the requirements of the Uniform Grant Guidance (2 CFR Part 200), i.e., Single Audit. The auditor's reports related specifically to the Single Audit are immediately following the ACFR in the Compliance Section.

A third audit was performed by Plante & Moran, PLLC, 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 ACFR in the Compliance Section.

This ACFR 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 ACFR and the 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 the Management Discussion and Analysis (MD&A) and the Statistical Section of the ACFR discussed below.

Financial Section – The independent auditor's report, MD&A, 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. MD&A immediately follows the independent auditor's report and complements this letter of transmittal and should be read in conjunction with it.

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

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

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the U.S. Office of Management and Budget 2 CFR Part 200 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 an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County), which owns the Detroit Metropolitan Wayne County Airport (DTW) and Willow Run Airport (YIP), (collectively, 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 and the Airport Hotel.

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 is funded by bonds issued by the Authority, federal and state grants, passenger facility charges (PFCs) and other discretionary funds.

Airline Use and Lease Agreement

Leases. Revenues received by the Authority in accordance with the Master Airport Revenue Bond Ordinance (Master Bond Ordinance) are derived from rentals, fees and charges imposed upon airlines operating at the Airport under Airline Use and Lease Agreements relating to their use of the Airport. The following airlines are parties to such agreements: Air France, American Airlines, Delta Air Lines, Federal Express, JetBlue Airways, Lufthansa German Airlines, Southwest Airlines, Spirit Airlines, United Airlines and United Parcel Service (collectively, the “Signatory Airlines”).

Activity Fees. Under the Airline Use and Lease Agreements, the Signatory Airlines also are obligated to pay activity fees, which are calculated on an Airport residual basis (Activity Fees). Essentially, the Activity Fee calculation for each Operating Year is based on all airport revenue bond Debt Service (net of Debt Service

paid by PFCs and federal grant funds) and all Operation and Maintenance (O&M) Expenses for such Operating Year minus all non-airline revenue for such Operating Year, all airline rental payments for such Operating Year, all international facility use fees for such Operating Year and all payments for use of the Authority-controlled airline space, if any, in each terminal for such Operating Year.

Amendment to End of Year True-Up of Fees and Charges. In order to enable the Authority to issue airport revenue bonds for airfield-related capital projects without the bonds being subject to the federal alternative minimum tax, all of the Signatory Airlines agreed in 2012 to an amendment of the Airline Use and Lease Agreements that revised the end of year true-up provision so that the amount to be refunded/charged would include the Signatory and Non-Signatory Airlines. Prior to 2012, Non-Signatory Airlines did not participate in year-end refunds/charges.

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

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

The Airline Industry

The airline industry has been acutely impacted by the effects of COVID-19. The World Health Organization (WHO) declared the outbreak of COVID-19 a public health emergency of international concern on January 30, 2020, and subsequently declared it a pandemic on March 11, 2020. Since the first reported U.S. cases in January 2020, there has been a focus on containing the disease by prohibiting non-essential travel, limiting person-to-person contact, and restricting travel into the U.S. of certain nationals. Across the U.S., states and local governments have issued “stay at home” or “shelter in place” orders designed to restrict movement and limit businesses and activities to essential functions, which substantially reduced activities that normally engaged or facilitated air travel. Various state and local governments and agencies have also imposed restrictions on travel, including state-level restrictions requiring travelers to self-isolate for up to 14 days upon arrival. Additionally, other countries have effectively closed their borders by restricting entry and exit to only essential travel during the initial period of the COVID-19 pandemic, and while these restrictions are gradually being lifted, many countries around the world have restricted entry to U.S. citizens, including the European Union.

The COVID-19 pandemic resulted in a 95% decrease of total passengers being screened at the Transportation Security Administration (TSA) security checkpoints in the U.S. in early-to-mid April 2020 as compared to the same period in 2019, improving to a decrease of about 62% in December 2020. In response to the dramatic decrease in passengers, airlines reduced their scheduled flights and seat capacity starting in late March 2020.

Prior to the pandemic, the U.S. airline industry had been at its most stable, profitable point in history. After navigating through a period of bankruptcies and mergers between 2000 and 2013, the industry adopted the strategy of decreasing capacity, particularly in short-haul markets, with smaller, short range aircraft types. This resulted in a significant improvement in yields and subsequently profitability. According to the Bureau of Transportation Statistics, the 23 U.S. scheduled passenger airlines reported a pre-tax net operating profit of \$15.8 billion in CY 2019, which was a 19.7% increase from 2018 and marked the eleventh consecutive year of pre-tax operating profits. Profitability during this period can also be attributed to airlines unbundling services and increasing the use of ancillary fees such as charges for checked baggage.

As a result of the impacts of the COVID-19 pandemic, U.S. airlines incurred record losses in 2020. The International Air Transport Association (IATA) projects that, globally, the airlines are expected to lose \$118.5 billion in 2020. In 2021, losses are expected to be cut to \$38.7 billion as revenues rise to \$459 billion. It is expected that the airlines will continue to experience financial distress for the foreseeable future until air traffic is able to recover to reasonable levels. It is generally assumed that the airlines will continue to right-size capacity to meet suppressed demand and evolve business models in the near-term to limit the spread of COVID-19.

Airport Activity

In line with national trends, DTW ended calendar year 2020 with a 61.7 percent decrease in enplaned passengers and a 40.8 percent decrease in landed weight as compared to calendar year 2019. During the same period, operations decreased by 39.9 percent and cargo decreased by 19.8 percent. DTW’s activities for the years ended December 31, 2020 and 2019 were as follows:

| | 2020 | 2019 | % Change |
|-----------------------------------|------------|------------|----------|
| Enplanements | 7,026,591 | 18,363,961 | -61.7% |
| Landed Weights (in thousand, lbs) | 13,423,510 | 22,676,018 | -40.8% |
| Operations | 238,574 | 396,909 | -39.9% |
| Cargo (in metric tons) | 171,171 | 213,495 | -19.8% |

A 40 percent decrease in air travel from 2019 levels is forecasted for fiscal year 2021.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority’s Budget

Prior to the commencement of each fiscal year, 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. DTW (including the Westin Hotel) and YIP Operation & Maintenance funds budgets are the Authority's annual financial plan for operating and maintaining the airports and hotel. These budgets must be sufficient to cover the operation and maintenance expenses of the Airports, the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the Airports with a five-year horizon.

The Authority's basis of budgeting is in accordance to the terms of the Airline Use & Lease Agreements with the Airlines, which differs from Accounting Principles Generally Accepted in the United States of America – the Authority's accounting basis.

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

AUTHORITY'S ECONOMIC CONDITION

Population and Air Trade Area

DTW resides in a region which the United States Office of Management and Budget (OMB) defines as the Detroit-Warren-Ann Arbor Combined Statistical Area (CSA) and includes the ten Michigan counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne. These counties represent the primary geographical area served by DTW and is referred to as its "Air Trade Area". The Air Trade Area was the 12th most populous CSA in the nation in 2020 with approximately 5.3 million people and accounted for approximately 53.5% of the entire population of Michigan.

DTW serves as the primary commercial service airport for the CSA and is by far the largest airport in the region. Within a 100-mile driving radius from DTW there are four commercial service airports that offer limited scheduled airline service. These airports are Windsor International Airport (YQG), Toledo Express Airport (TOL), Bishop International Airport (FNT) in Flint, Michigan and Capital Regional Airport (LAN) in Lansing, Michigan.

Chicago Midway International Airport (MDW) and Chicago O'Hare International Airport (ORD) are the nearest large U.S. hub airports at approximately 270 and 290 driving miles from DTW. Toronto Pearson International Airport (YYZ) in Ontario, Canada is the nearest large airport somewhat comparable in size to DTW, however, it is across the U.S. boarder and is approximately 240 driving miles from DTW. The nearest medium hub airport is Cleveland-Hopkins International Airport, which is approximately 145 driving miles from DTW.

Economy

Historically, air travel demand for origin-destination (O&D) traffic, passengers beginning or ending their trip at the Airport, is largely correlated with a region's demographic and economic characteristics. The economic strength of the Air Trade Area has a major impact on the aviation activity at the Airport since approximately 61% of the Airport's domestic passenger traffic is O&D.

The Air Trade area is home to 11 Fortune 500 Company Headquarters, seven of which are part of the automotive industry. Three of the five largest employers in the Air Trade Area, as of July 2020, are automobile manufacturers; Ford Motor (approx. 46,000 employees), Fiat Chrysler Automobiles (now Stellantis – approx. 39,000 employees) and General Motors (approx. 33,000 employees). The University of Michigan (approx. 36,000 employees) and Beaumont Health (approx. 26,000 employees) complete the top five employers.

Per capita personal income is a measure of the relative affluence of a region's residents and, consequently, of their ability to afford air travel. Prior to the pandemic, the Air Trade Area had seen steady improvement in employment rates and a high percentage of households in the uppermost income categories when compared to Michigan and the nation. For the ten-year period of 2010-2020, per capita personal income for the Air Trade Area increased at a compounded annual growth rate (CAGR) of 2.5 percent. In the same time period, the CAGR for Michigan was 2.3 percent and the CAGR for the United States was 2.1 percent.

As a result of the impacts associated with the COVID-19 pandemic and the shutdown of most sectors of the U.S. economy, the 2020 unemployment rate peaked in April 2020. As different sectors of the economy began to reopen, unemployment in the Air Trade Area fell 15.0 percentage points from 24.1 percent in April 2020 to 9.1 percent in December 2020 (non-seasonally adjusted). Overall U.S. unemployment decreased by 7.9 percentage points from 14.4 percent in April 2020 to 6.5 percent in December 2020 (non-seasonally adjusted).

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 Airline Use and Lease Agreement, fees and charges paid by the Airlines are used along with other income from DTW to service the debt issued to finance the construction program.

The Authority covenants in the Master Bond Ordinance state that DTW's net revenues plus other available monies as defined by the Master Bond Ordinance are sufficient to provide debt service coverage of 125 percent of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended December 31, 2020 was in excess of the requirements at 140 percent of senior lien debt service and 132 percent of total debt service.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) to expand, modernize and maintain the Airports. In addition to renovations and modernization of certain existing facilities, the CIP

includes construction of the principal elements of the Master Plan for each Airport. The Master Plans establish the framework for the CIP that is necessary for the development of the Airports.

The Authority's CIP represents current expectations of future capital needs. The current five-year plan for 2021-2025 includes planned funding of approximately \$868.9 million and \$80.9 million for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority's funding sources for the CIP are airport revenue bonds, PFCs, grants and Authority discretionary funds. Given the multiple funding sources that comprise this plan, Board approval of the CIP does not imply that the source of funding has been determined.

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 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 Authority. 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 December 31, 2020, the Authority received approximately \$1.57 billion of PFC revenue and interest earnings of approximately \$73.7 million. The Authority expended approximately \$1.64 billion on approved projects. The current PFC expiration date is estimated at February 1, 2034.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a "Certificate of Achievement" for Excellence in Financial Reporting for its ACFR for the year ended September 30, 2019. This was the seventeenth 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 ACFR. The ACFR must satisfy both

accounting principles generally accepted in the United States of America 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 2020 ACFR to the GFOA for consideration.

Acknowledgments

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



Chad Newton
Chief Executive Officer



Amber Hunt
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

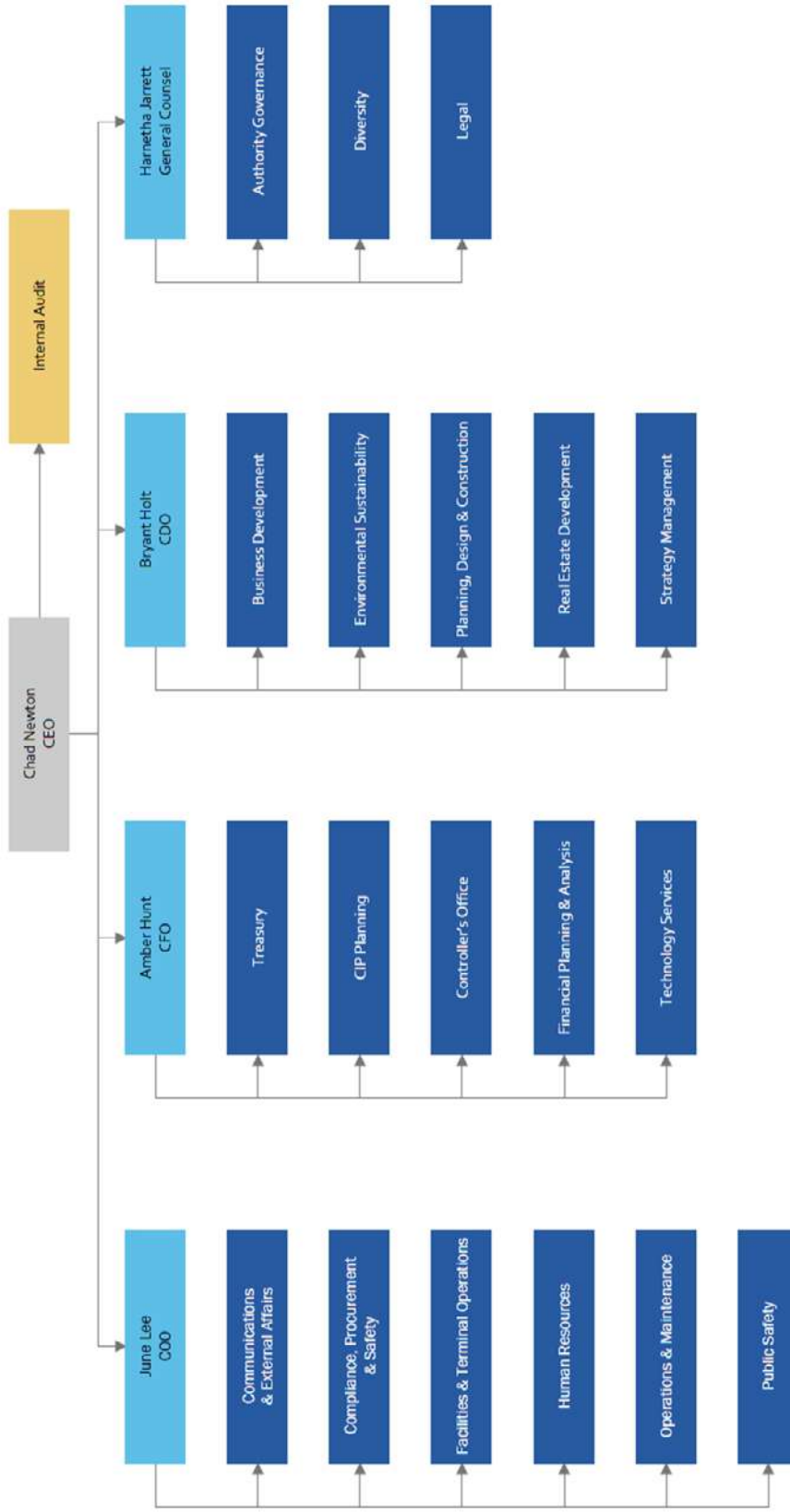
**Wayne County Airport Authority
Michigan**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



LIST OF PRINCIPAL OFFICIALS

| <u>Authority Board</u> | <u>Position</u> | <u>Term Expires</u> |
|-------------------------------|------------------------|----------------------------|
| Marvin W. Beatty | Chairperson | October 2023 |
| Al Haidous | Vice-Chairperson | October 2024 |
| Athina Papas | Secretary | October 2026 |
| Michael Ajami | Board Member | October 2026 |
| Dennis W. Archer Jr., Esq. | Board Member | October 2026 |
| Dr. Curtis L. Ivery | Board Member | October 2024 |
| Mark Ouimet | Board Member | October 2022 |

| <u>Airport Management</u> | <u>Position</u> |
|----------------------------------|---|
| Chad Newton | Chief Executive Officer |
| Amber Hunt | Chief Financial Officer |
| June Lee | Chief Operating Officer |
| Bryant Holt | Chief Development Officer |
| Harnetha Jarrett | General Counsel |
| Angela Frakes | Vice President – Facilities and Terminal Operations |
| Darryl Brown | Vice President – Public Safety |
| Erica Donerson | Vice President – Communications and External Affairs |
| James Montgomery | Vice President – Operations and Maintenance |
| John Scrivens | Vice President – Technology Services |
| Lynda Racey | Vice President – Human Resources |
| Shannon Ozga | Vice President – Procurement, Compliance and Strategy |

Independent Auditor's Report

To the Board of Directors
Wayne County Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining funds of the Wayne County Airport Authority (the "Authority") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Wayne County Airport Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

To the Board of Directors
Wayne County Airport Authority

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 funds of the Wayne County Airport Authority as of December 31, 2020 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Wayne County Airport Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the schedule of passenger facility charge revenues and expenditures, as required by the *Passenger Facility Charge Audit Guide for Public Agencies*; and the introductory section, statistical section, and continuing disclosure section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

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

To the Board of Directors
Wayne County Airport Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021 on our consideration of the Wayne County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Wayne County Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wayne County Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

April 30, 2021



The following discussion and analysis provide an overview of the financial performance and activities of the Wayne County Airport Authority (the Authority) as of and for the year ended December 31, 2020, with selected comparative information for the year ended December 31, 2019. This discussion and analysis has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

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

The Airport Funding Methodology

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

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

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



Financial Highlights

For the year ended December 31, 2020, operating revenues, which are comprised of airline and non-airline revenues, decreased \$139.5 million (35.1 percent) as compared to the prior year. The world wide outbreak of a highly contagious respiratory disease caused by a novel strain of coronavirus (“COVID-19”) caused significant disruption in both domestic and international air travel in 2020, resulting in reductions in flights and declines in passenger volume at the Airport, and at airports throughout the world. As a result, the Airport experienced a 61.6 percent year-over-year decline in total passenger volume, from 36.8 million passengers to 14.1 million passengers, and a 40.8 percent year-over-year decline in airline landed weights. These declines significantly impacted total operating revenues, causing reductions in both airline and non-airline operating revenues in 2020. Airline revenues decreased by \$31.1 million (17.5 percent) year-over-year primarily due to a \$22.3 million reduction in landing and related fees and a \$7.6 million reduction in facility use fees. Non-airline revenues decreased by \$108.4 million (49.2 percent) year-over-year with significant reductions being experienced in all major non-airline revenue categories.

Operating expenses are \$56.1 million (13.8 percent) lower than in the prior year. This decrease is primarily attributed to decreases in salaries, wages and fringe benefits (\$19.7 million), hotel management (\$10.3 million), professional and contractual services (\$8.8 million) and building, ground and equipment maintenance (\$11.4 million). The significant reductions in operating expenses experienced in 2020 were primarily the result of cost savings measures implemented by the organization as a result of the disruptions caused by the COVID-19 pandemic, which included reductions in staffing levels and restrictions of non-essential service and maintenance activities.

Nonoperating revenues, net of nonoperating expenses, increased by \$44.0 million (127.2 percent) over the prior year. This increase was primarily the result of \$113.1 million and \$157,000 in grant revenue received by the Airport and Willow Run Airport as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). Increases in non-operating revenues realized from the CARES Act were offset by reductions in Passenger Facility Charges (PFC’s) of \$43.8 million and Customer Facility Charges (CFC’s) of \$19.7 million year-over-year. PFC’s were negatively impacted by declines in passenger volume, and CFC’s were reduced as a result of both the decline in passenger volume, and a suspension of the Customer Facility Charge which become effective on June 1, 2020. The suspension of the Customer Facility Charge remains in effect pending further notice from the Authority to the car rental concessionaires.

Statement of Net Position

The Statement of Net Position includes all assets, liabilities, deferred inflows and outflows of resources and the resulting net position. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority’s net position as of December 31, 2020 and December 31, 2019 is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2020

| | Dec. 31, 2020 <u>(000's)</u> | Dec. 31, 2019 <u>(000's)</u> |
|--|---------------------------------|---------------------------------|
| Assets: | | |
| Current unrestricted assets | \$ 276,007 | \$ 283,172 |
| Restricted assets | 193,030 | 277,660 |
| Capital assets (net) | 2,007,053 | 2,023,484 |
| Other assets | <u>1,100</u> | <u>1,144</u> |
| Total assets | <u>2,477,190</u> | <u>2,585,460</u> |
| Deferred Outflows: | <u>31,632</u> | <u>30,913</u> |
| Liabilities: | | |
| Current liabilities | 81,573 | 84,859 |
| Liabilities payable from restricted assets | 120,781 | 120,597 |
| Long-term liabilities | <u>2,060,510</u> | <u>2,189,557</u> |
| Total liabilities | <u>2,262,864</u> | <u>2,395,013</u> |
| Deferred Inflows: | <u>21,081</u> | <u>8,582</u> |
| Net Position: | | |
| Net investment in capital assets | (41,822) | (58,877) |
| Restricted | 257,069 | 276,649 |
| Unrestricted | <u>9,630</u> | <u>(4,994)</u> |
| Total Net Position | <u>\$ 224,877</u> | <u>\$ 212,778</u> |

Current unrestricted assets, which primarily consists of cash and investments, accounts receivable, amounts due from other governmental units and amounts due from other funds, decreased \$7.2 million year-over-year. This decrease can be attributed to a decrease in unrestricted cash and investments (\$23.2 million) offset by increases in amounts due from other governmental units (\$10.9 million) and amounts due from other funds (\$4.4 million). The \$23.2 million decrease in unrestricted cash and investments is primarily the result of a \$25.3 million decrease in Airport Development Fund cash. The \$10.9 million increase in amounts due from other governmental units is primarily for grant revenue obtained through the Federal Aviation Administration Airport Improvement Program for the reconstruction of Taxiway P, and for grant revenue obtained through the CARES Act. The \$4.4 million due to other funds represents funding for capital projects at Willow Run Airport.

Restricted assets consist of cash and investments and accounts receivable which are restricted for debt service and bonded construction. Restricted assets decreased approximately \$84.6 million over the prior year, as proceeds from airport revenue bonds were used to pay capital costs. All cash and investments of the Authority are invested according to legal requirements established by the legislature of the State of Michigan. In accordance with State law, investments are restricted to various U.S. government securities, certificates of deposit, commercial paper and repurchase agreements. Other assets consist primarily of



prepaid bond insurance premiums, net of related amortization. Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods. They are reported separately from assets and consist of the deferred amount on debt refunding and deferred outflows related to pensions and other post-employment benefits (OPEB).

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

Current liabilities consist mainly of accounts payable, payroll-related liabilities, self-insurance liabilities, accrued vacation and sick time, amounts due to other governmental units and security/performance deposits. Long-term liabilities consist primarily of long-term debt, net pension liability, net OPEB liability, other accrued liabilities and amounts due to other governmental units. Current liabilities decreased by \$3.3 million in the year ended December 31, 2020.

Long-term liabilities decreased approximately \$129.0 from December 31, 2019 to December 31, 2020. The decrease was a result of cash payments on debt of approximately \$100.0 million, a reduction in net OPEB liability of \$15.6 million, and amortization of bond premiums of \$12.3 million. Deferred inflows of resources represent an acquisition of net position that is applicable to future periods, and increased \$12.5 million. The change was a result of a \$9.4 million increase in deferred inflows resulting from differences between expected and actual experience from pension and OPEB activities, and a \$3.1 million increase in the difference between projected and actual earning on OPEB plan investments.

Total net position at December 31, 2020 was \$224.9 million, which is an increase in net position of \$12.1 million from December 31, 2019. The increase is the result of net non-operating revenues of \$78.5 million and capital contributions of \$27.4 million offsetting the total operating loss of \$93.8 million. A total of \$257.1 million of the Airport's December 31, 2020 net position is restricted for future debt service, capital construction and replacement, bond and interest redemption and passenger facility charges, subject to federal regulations. Net investment in capital assets was a negative \$41.8 million and represents land, intangible assets, buildings, improvements and equipment, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition of, construction or improvement of those assets. The Authority reported an unrestricted net position of \$9.6 million.

Capital Assets and Long-Term Debt Activity

The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects and include the debt service on such bonds in the fees and charges of the Signatory Airlines only after receiving approval of a Weighted Majority for such capital projects. As of December 31, 2020, the Authority had approximately \$2.1 billion in outstanding bonds and other debt, both senior and subordinate, paying fixed and variable rates. The total debt service (principal and interest) for the year ending December 31, 2020 was approximately \$188.1 million and long-term debt amounting to \$100.0 million was paid off. More



MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2020

detailed information on capital assets and long-term debt activity can be found in Notes 7 and 8 included in the Notes to Basic Financial Statements section of this report.

Statement of Revenues, Expenses and Changes in Net Position

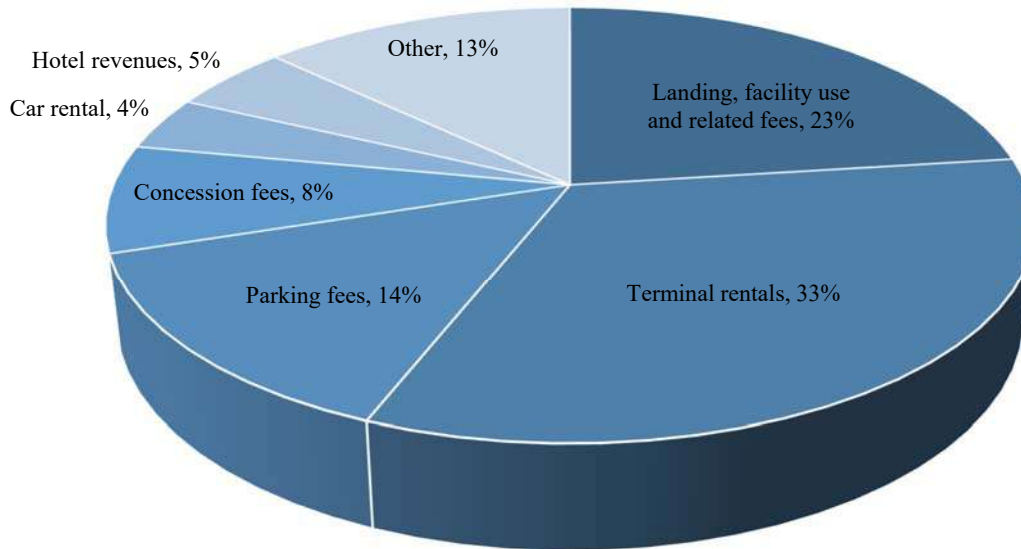
The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the Authority, as well as the nonoperating revenues and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rental and fees, parking fees, concession fees, car rental and hotel revenues. Nonoperating revenues consist primarily of passenger facility charges, federal and state sources and interest income. Interest expense is the most significant nonoperating expense. A summarized comparison of the Authority's revenues, expenses, and changes in net position for the years ended December 31, 2020 and December 31, 2019 follows:

| | Year Ended Dec. 31, 2020 (000's) | (Unaudited) Year Ended Dec. 31, 2019 (000's) |
|---|--|---|
| Operating revenues: | | |
| Airline revenues: | | |
| Airport landing and related fees | \$ 58,106 | \$ 80,391 |
| Terminal building rentals and fees | 85,861 | 87,049 |
| Facility use fees | 2,466 | 10,103 |
| Non-airline revenues: | | |
| Parking fees | 34,905 | 85,358 |
| Concession fees | 21,272 | 43,664 |
| Car rental | 11,476 | 25,577 |
| Hotel | 12,224 | 34,060 |
| Other | 31,897 | 31,490 |
| Total operating revenues | <u>258,207</u> | <u>397,692</u> |
| Operating expenses: | | |
| Salaries, wages, and fringe benefits | 79,425 | 99,141 |
| Parking management | 5,488 | 7,727 |
| Hotel management | 11,128 | 21,416 |
| Depreciation | 135,414 | 125,816 |
| Professional and contractual services | 25,962 | 34,804 |
| Utilities | 19,727 | 22,888 |
| Building, ground, equipment maintenance | 36,702 | 48,064 |
| Other | 38,170 | 48,269 |
| Total operating expenses | <u>352,016</u> | <u>408,125</u> |
| Operating loss | (93,809) | (10,433) |
| Nonoperating revenues (expense): | | |
| Passenger facility charges | 28,408 | 72,180 |
| Other nonoperating revenues | 128,288 | 48,554 |
| Interest expense | (78,130) | (84,523) |
| Other nonoperating expenses | (42) | (1,646) |
| Net nonoperating revenues | <u>78,524</u> | <u>34,565</u> |
| Net gain (loss) before capital contribution | (15,285) | 24,132 |
| Capital Contribution | <u>27,384</u> | <u>34,020</u> |
| Changes in net position | 12,099 | 58,152 |
| Net position, beginning of the year | <u>212,778</u> | <u>154,626</u> |
| Net position, end of the year | <u>\$ 224,877</u> | <u>\$ 212,778</u> |



Operating Revenues

The chart below illustrates the sources of total operating revenue for the year ended December 31, 2020:



Operating revenues, which can be further sub-categorized as airline and non-airline revenues, decreased by 35.1 percent or \$139.5 million to \$258.2 million.

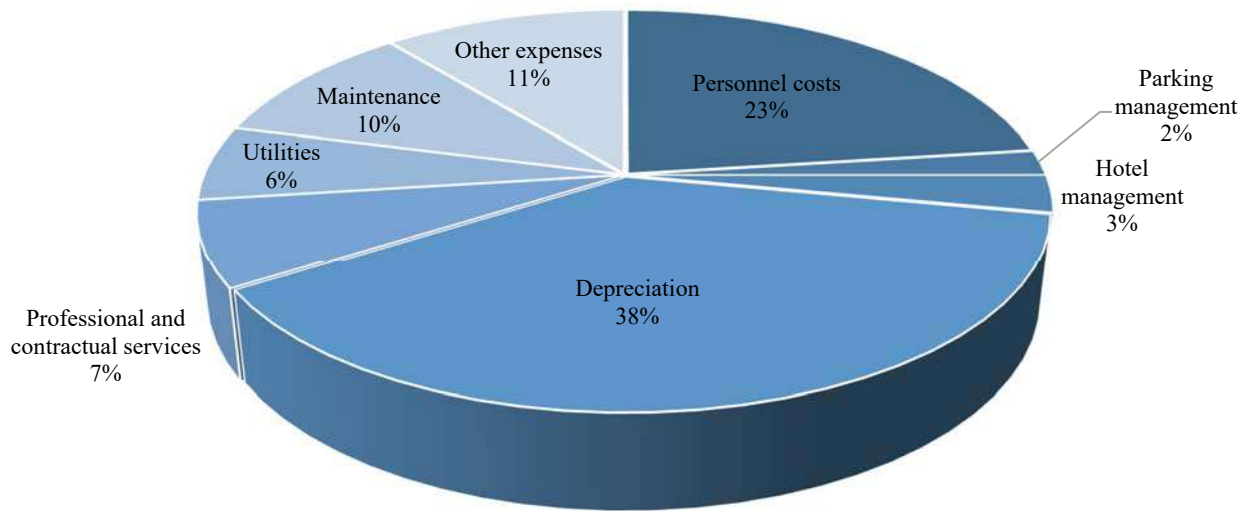
As previously noted, the effects of COVID-19 and actions taken at the state and national levels to halt its spread had a significant adverse effect on both airline and non-airline revenue in 2020. The previously noted reductions in passenger volume and airline landed weights resulted in an overall decrease in airline revenue from \$177.5 million at December 31, 2019 to \$146.4 million at December 31, 2020.

Non-airline revenues include revenue collected for activities that are not specifically aviation related. In the year ended December 31, 2020, total non-airline operating revenues decreased by \$108.4 million or 49.2 percent from the same period in 2019 to \$111.8 million. The decrease was due to reduced passenger volume at the Airport in 2020 as a result of the COVID-19 pandemic. Significant declines in revenue were experienced for all significant categories of non-airline revenue, with parking revenue declining by \$50.5 million, concession revenue declining by \$22.4 million, car rental revenue declining by \$14.1 million and hotel revenue declining by \$21.8 million.



Operating Expenses

The chart below illustrates the sources of total operating expenses for the year ended December 31, 2020:



Operating expenses decreased by \$56.1 million or 13.8 percent to \$352.0 million. The expense categories which had significant decreases were salaries, wages and fringe benefits (\$19.7 million), hotel management (\$10.3 million), professional and contractual services (\$8.8 million) and building, ground and equipment maintenance (\$11.4 million).

Salaries, wages and fringe benefits totaled \$79.4 million for the year December 31, 2020, as compared to \$99.1 million for the year ended December 31, 2019. The decrease is primarily attributable to reductions in staffing levels and a \$6.6 million expense reduction attributable to a decrease in the Authority’s net other postemployment benefit liability. The decrease in the net other postemployment benefit liability was significantly impacted by an increase in the co-pay obligation of retirees. Hotel management expenses decreased from \$21.4 million to \$11.1 year-over-year, as decreased occupancy rates resulted in lower overall operating costs. Reductions in professional and contractual services of \$8.8 million and building, ground and equipment maintenance of \$11.4 million were the result of restrictions placed on non-essential service and maintenance activities.

Nonoperating Revenues, Expenses and Contributed Capital

Nonoperating revenues increased from \$120.7 million at December 31, 2019 to \$156.7 million at December 31, 2020. As previously noted, the increase was primarily the result of grant revenue received via the CARES Act, with that increase offset by year-over-year decreases in PFC revenue from \$72.2 million to \$28.4 million and year-over-year decreases in CFC’s from \$24.6 million to \$5.0 million. In addition, the Authority realized \$7.6 million in forfeiture revenue as the result of criminal proceedings against a former vendor.



Nonoperating expense decreased by \$8.0 million, from \$86.2 million at December 31, 2019 to \$78.2 million at December 31, 2020. The decrease was attributable to a year-over-year decline in interest expense of \$6.4 million and a year-over-year increase in losses on asset disposal of \$1.6 million.

Capital contributions decreased by \$6.6 million, from \$34.0 million at December 31, 2019 to 27.4 million at December 31, 2020. Capital contributions in 2020 were primarily for grant revenue obtained through the Federal Aviation Administration Airport Improvement Program for the reconstruction of Taxiway P.

Economic Conditions

The Authority utilizes a mix of airline and non-airline revenue to off-set the cost of operating the Airport. Airline and non-airline revenue are either derived from or are significantly impacted by demand for air transportation and the operations of the Airlines meeting this demand at the Airport. Changes in economic conditions which impact passenger traffic and aviation activity may be reflected in the airline and non-airline revenue realized by the Authority. As a residual Airport, should economic conditions create a reduction in revenue resulting in a deficit between revenues and expenses, the Authority has the ability to increase rates charged to all Airlines up to the amount of the deficit. Conversely, should revenues exceed expenses, the excess is returned to the Airlines.

As previously noted, in calendar year 2020 economic conditions in the State of Michigan, the United States, and countries throughout the world were impacted by the spread of COVID-19. The virus has continued to impact the economy in 2021, and although the availability of vaccinations may inhibit the spread of the virus and contribute to improved economic activity, there remains significant economic uncertainty.

To provide economic aid to those industries and individuals impacted by COVID-19, three significant relief measure were signed into law over the past year. First, the CARES Act, through which the Authority obtained \$141.9 million for the Airport and \$157,000 for Willow Run Airport provided economic support for the Authority in 2020, and funding from this grant remains available for use in 2021. Second, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) will provide approximately \$31.5 million in grant funds for the Airport, approximately \$3.9 million of which must be used for concessionaire relief. Finally, the American Rescue Plan Act which was signed into law on March 11, 2021 will provide \$8 billion dollars in economic relief for U.S. Airports. It is not known at this time how much funding the Airport may be eligible to receive through the American Rescue Plan Act.

The ultimate impact of the virus upon the economy as a whole and upon the Authority is not known at this time. The Authority continues to monitor the situation and its ongoing economic impact.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

December 31, 2020

| | <u>Detroit Metropolitan Airport Fund</u> | <u>Willow Run Airport Fund</u> | <u>Total</u> |
|--|--|------------------------------------|-------------------------|
| Assets: | | | |
| Current assets: | | | |
| Cash and investments (note 4) | \$ 196,171,723 | \$ 451,457 | \$ 196,623,180 |
| Accounts receivable, less allowance (note 2) | 26,642,176 | 488,034 | 27,130,210 |
| Due from other governmental units | 44,585,487 | 475,612 | 45,061,099 |
| Due from other funds | 213,593 | 5,413,605 | 5,627,198 |
| Prepays and deposits | <u>1,538,237</u> | <u>27,815</u> | <u>1,566,052</u> |
| Total current assets | <u>269,151,216</u> | <u>6,856,523</u> | <u>276,007,739</u> |
| Restricted assets (notes 4 and 6): | | | |
| Cash and investments | 192,884,216 | — | 192,884,216 |
| Accounts receivable | 145,457 | — | 145,457 |
| Capital assets (note 7): | | | |
| Capital assets not being depreciated | 262,134,073 | 28,437,349 | 290,571,422 |
| Capital assets being depreciated | <u>3,988,350,895</u> | <u>167,650,044</u> | <u>4,156,000,939</u> |
| Total capital assets | 4,250,484,968 | 196,087,393 | 4,446,572,361 |
| Less accumulated depreciation | <u>2,319,619,852</u> | <u>119,899,410</u> | <u>2,439,519,262</u> |
| Net capital assets | <u>1,930,865,116</u> | <u>76,187,983</u> | <u>2,007,053,099</u> |
| Other assets: | | | |
| Prepays and deposits | 478,675 | — | 478,675 |
| Prepaid bond insurance premiums (note 2) | <u>620,623</u> | <u>—</u> | <u>620,623</u> |
| Total noncurrent assets | <u>2,124,994,087</u> | <u>76,187,983</u> | <u>2,201,182,070</u> |
| Total assets | \$ <u>2,394,145,303</u> | \$ <u>83,044,506</u> | \$ <u>2,477,189,809</u> |
| Deferred outflows of resources: | | | |
| Deferred amount on refunding (note 2) | \$ 14,665,651 | \$ — | \$ 14,665,651 |
| Deferred outflows from pensions (note 10) | 10,694,570 | 186,932 | 10,881,502 |
| Deferred outflows from other postemployment benefits (note 11) | <u>5,981,140</u> | <u>103,438</u> | <u>6,084,578</u> |
| Total deferred outflows of resources | \$ <u>31,341,361</u> | \$ <u>290,370</u> | \$ <u>31,631,731</u> |

See accompanying notes to basic financial statements.

(continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

December 31, 2020

| | Detroit Metropolitan Airport Fund | Willow Run Airport Fund | Total |
|--|--|------------------------------------|-------------------------|
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 47,641,843 | \$ 4,266,154 | \$ 51,907,997 |
| Accrued wages and benefits | 1,601,169 | 9,317 | 1,610,486 |
| Due to other governmental units | 746,881 | — | 746,881 |
| Due to other funds | 5,413,605 | 213,593 | 5,627,198 |
| Advance billings and payments received in advance | 6,936,524 | 11,966 | 6,948,490 |
| Bonds payable and other debt (note 8) | 583,218 | 55,000 | 638,218 |
| Other accrued liabilities | <u>11,927,856</u> | <u>2,165,515</u> | <u>14,093,371</u> |
| Total current liabilities | <u>74,851,096</u> | <u>6,721,545</u> | <u>81,572,641</u> |
| Payable from restricted assets: | | | |
| Accrued interest and other payables | 20,356,822 | — | 20,356,822 |
| Bonds payable and other debt (note 8) | 100,425,000 | — | 100,425,000 |
| Other accrued liabilities | 217,232 | 940,200 | 1,157,432 |
| Payments received in advance | 46,949 | — | 46,949 |
| Due to other governmental units (note 12) | 4,218,000 | — | 4,218,000 |
| Net pension liability (note 10) | 45,112,360 | 788,525 | 45,900,885 |
| Net other postemployment benefit liability (note 11) | 33,600,092 | 581,080 | 34,181,172 |
| Bonds payable and other debt, net (note 8) | <u>1,974,680,124</u> | <u>325,000</u> | <u>1,975,005,124</u> |
| Total noncurrent liabilities | <u>2,178,656,579</u> | <u>2,634,805</u> | <u>2,181,291,384</u> |
| Total liabilities | \$ <u>2,253,507,675</u> | \$ <u>9,356,350</u> | \$ <u>2,262,864,025</u> |
| Deferred inflows of resources: | | | |
| Deferred inflow from pension (note 10) | \$ 3,275,385 | \$ 57,251 | \$ 3,332,636 |
| Deferred inflows from other postemployment benefits (note 11) | <u>17,446,498</u> | <u>301,720</u> | <u>17,748,218</u> |
| Total deferred inflows of resources | \$ <u>20,721,883</u> | \$ <u>358,971</u> | \$ <u>21,080,854</u> |
| Net position: | | | |
| Net investment in capital assets | \$ (118,010,277) | \$ 76,187,983 | \$ (41,822,294) |
| Restricted for: | | | |
| Capital assets | 51,838,337 | — | 51,838,337 |
| Debt service | 160,879,765 | — | 160,879,765 |
| Operations | 40,018,317 | — | 40,018,317 |
| Drug enforcement | 4,332,338 | — | 4,332,338 |
| Unrestricted (deficit) | <u>12,198,626</u> | <u>(2,568,428)</u> | <u>9,630,198</u> |
| Total net position | \$ <u>151,257,106</u> | \$ <u>73,619,555</u> | \$ <u>224,876,661</u> |

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2020

| | Detroit Metropolitan Airport Fund | Willow Run Airport Fund | Total |
|---|--|------------------------------------|-----------------------|
| Operating revenues: | | | |
| Airline revenues: | | | |
| Airport landing and related fees | \$ 57,545,076 | \$ 561,351 | \$ 58,106,427 |
| Terminal building rentals and related fees | 85,687,673 | 173,494 | 85,861,167 |
| Facility use fees | 2,276,203 | 189,839 | 2,466,042 |
| Nonairline revenues: | | | |
| Parking fees | 34,905,184 | — | 34,905,184 |
| Concession fees | 21,271,464 | — | 21,271,464 |
| Car rental | 11,476,048 | — | 11,476,048 |
| Hotel | 12,224,405 | — | 12,224,405 |
| Employee shuttle bus | 3,741,727 | — | 3,741,727 |
| Ground transportation | 3,781,150 | — | 3,781,150 |
| Utility service fees | 3,758,809 | 83,422 | 3,842,231 |
| Rental facilities | 4,009,602 | 944,596 | 4,954,198 |
| Other | 14,798,569 | 778,546 | 15,577,115 |
| Total operating revenues | <u>255,475,910</u> | <u>2,731,248</u> | <u>258,207,158</u> |
| Operating expenses: | | | |
| Salaries, wages, and fringe benefits | 78,158,712 | 1,266,796 | 79,425,508 |
| Parking management | 5,487,982 | — | 5,487,982 |
| Hotel management | 11,128,419 | — | 11,128,419 |
| Shuttle bus services | 6,702,749 | — | 6,702,749 |
| Janitorial services | 14,037,523 | 28,185 | 14,065,708 |
| Security | 4,881,470 | — | 4,881,470 |
| Professional and other contractual services | 22,674,972 | 3,287,255 | 25,962,227 |
| Utilities | 19,153,386 | 573,722 | 19,727,108 |
| Buildings and grounds maintenance | 20,578,115 | 360,990 | 20,939,105 |
| Equipment repair and maintenance | 15,638,136 | 124,642 | 15,762,778 |
| Materials and supplies | 6,318,886 | 122,515 | 6,441,401 |
| Insurance | 1,942,306 | 35,721 | 1,978,027 |
| Other | 4,074,038 | 25,862 | 4,099,900 |
| Depreciation | 131,066,252 | 4,347,905 | 135,414,157 |
| Total operating expenses | <u>341,842,946</u> | <u>10,173,593</u> | <u>352,016,539</u> |
| Operating loss | <u>(86,367,036)</u> | <u>(7,442,345)</u> | <u>(93,809,381)</u> |
| Nonoperating revenues (expenses): | | | |
| Passenger facility charges | 28,407,906 | — | 28,407,906 |
| Customer facility charges | 4,950,594 | — | 4,950,594 |
| Federal and state sources | 118,169,432 | 157,000 | 118,326,432 |
| Net insurance recovery | 457,728 | 1,000 | 458,728 |
| Interest income | 4,549,522 | 2,406 | 4,551,928 |
| Interest expense | (78,129,584) | — | (78,129,584) |
| Amortization of bond insurance premiums | (42,223) | — | (42,223) |
| Net nonoperating revenues | <u>78,363,375</u> | <u>160,406</u> | <u>78,523,781</u> |
| Net loss before capital contributions | <u>(8,003,661)</u> | <u>(7,281,939)</u> | <u>(15,285,600)</u> |
| Capital contributions | 26,908,560 | 475,612 | 27,384,172 |
| Transfers (out) in | <u>(11,503,332)</u> | <u>11,503,332</u> | <u>—</u> |
| Changes in net position | 7,401,567 | 4,697,005 | 12,098,572 |
| Net position – Beginning of year | <u>143,855,539</u> | <u>68,922,550</u> | <u>212,778,089</u> |
| Net position – End of year | <u>\$ 151,257,106</u> | <u>\$ 73,619,555</u> | <u>\$ 224,876,661</u> |

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year Ended December 31, 2020

| | Detroit Metropolitan Airport Fund | Willow Run Airport Fund | Total |
|---|--|------------------------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Receipts from customers and users | \$ 248,287,988 | \$ 2,521,983 | \$ 250,809,971 |
| Payments to suppliers | (142,551,705) | (2,808,361) | (145,360,066) |
| Payments to employees | (88,459,464) | (1,619,414) | (90,078,878) |
| Payments (to) from other funds for services provided | (1,588,298) | 1,588,298 | — |
| Return of customer deposits | (997,263) | (1,942) | (999,205) |
| Collection of customer deposits | 1,455,367 | 3,500 | 1,458,867 |
| Net cash (used) provided by operating activities | <u>16,146,625</u> | <u>(315,936)</u> | <u>15,830,689</u> |
| Cash flows from noncapital financing activities: | | | |
| Passenger facility charges received | 31,625 | — | 31,625 |
| Customer facility charges received | 21,117 | — | 21,117 |
| Insurance proceeds | 457,728 | 1,000 | 458,728 |
| Grants from federal/state government | 114,304,158 | 157,000 | 114,461,158 |
| Net cash provided by noncapital financing activities | <u>114,814,628</u> | <u>158,000</u> | <u>114,972,628</u> |
| Cash flows from capital and related financing activities: | | | |
| Capital contributions received | 18,769,283 | — | 18,769,283 |
| Passenger facility charges received | 34,303,830 | — | 34,303,830 |
| Customer facility charges received | 6,751,698 | — | 6,751,698 |
| Transfers (to) from other funds | (5,520,652) | 5,520,652 | — |
| Principal paid on capital debt | (99,978,596) | (60,000) | (100,038,596) |
| Acquisition and construction of capital assets | (111,426,835) | (5,397,049) | (116,823,884) |
| Grants from federal/state government | 1,543,449 | — | 1,543,449 |
| Interest paid on capital debt | (88,025,368) | — | (88,025,368) |
| Net cash (used in) provided by capital related financing activities | <u>(243,583,191)</u> | <u>63,603</u> | <u>(243,519,588)</u> |
| Cash flows from investing activities: | | | |
| Interest and dividends received | 5,481,283 | 2,406 | 5,483,689 |
| Purchases of investments | (373,668,710) | — | (373,668,710) |
| Maturities of investments | 469,214,944 | — | 469,214,944 |
| Net cash provided by investing activities | <u>101,027,517</u> | <u>2,406</u> | <u>101,029,923</u> |
| Net decrease in cash and cash equivalents | (11,594,421) | (91,927) | (11,686,348) |
| Cash and cash equivalents – Beginning of year | 331,294,768 | 543,384 | 331,838,152 |
| Cash and cash equivalents – End of year | \$ <u>319,700,347</u> | \$ <u>451,457</u> | \$ <u>320,151,804</u> |

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year Ended December 31, 2020

| | Detroit Metropolitan Airport Fund | Willow Run Airport Fund | Total |
|---|--|------------------------------------|-----------------------|
| Reconciliation of operating loss to net cash provided by operating activities: | | | |
| Operating loss | \$ (86,367,036) | \$ (7,442,345) | \$ (93,809,381) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | | | |
| Depreciation expense | 131,066,252 | 4,347,905 | 135,414,157 |
| Increase in accounts receivable | (7,752,620) | (202,720) | (7,955,340) |
| (Decrease) increase in due from/to other funds | (1,588,298) | 1,588,298 | — |
| Increase in prepaids/deposits | (25,549) | (5,055) | (30,604) |
| Decrease in accounts payable | (8,623,388) | (142,664) | (8,766,052) |
| Decrease in accrued wages and benefits | (2,687,657) | (66,543) | (2,754,200) |
| Increase (decrease) in unearned revenue | 4,284,651 | (6,545) | 4,278,106 |
| Decrease in due to other governmental units | (1,490,949) | — | (1,490,949) |
| (Decrease) increase in other accrued liabilities | (3,733,236) | 1,834,315 | (1,898,921) |
| (Decrease) in net OPEB liability | (8,903,328) | (153,974) | (9,057,302) |
| Increase (decrease) in net pension liability | 1,967,783 | (66,608) | 1,901,175 |
| Total adjustments | <u>102,513,661</u> | <u>7,126,409</u> | <u>109,640,070</u> |
| Net cash provided (used) in operating activities | \$ <u>16,146,625</u> | \$ <u>(315,936)</u> | \$ <u>15,830,689</u> |
| Cash and investments at December 31, 2020 consist of: | | | |
| Cash and cash equivalents | \$ 319,700,347 | \$ 451,457 | \$ 320,151,804 |
| Investments | <u>69,355,592</u> | <u>—</u> | <u>69,355,592</u> |
| Total cash and investments | \$ <u>389,055,939</u> | \$ <u>451,457</u> | \$ <u>389,507,396</u> |

Noncash capital and related financing activities:

- The issuance of refunding bonds resulted in several non-cash activities. The major components are as follows: \$221.4 million of principal additions offset by \$221 million of principal reductions. In addition, deferred refunding charges of \$3.8 million were transferred from the refunded debt to the new debt.

Noncash investing activities:

- Detroit Metropolitan Airport Fund had a noncash change in the fair value of investments of approximately \$513,000 in the year ended December 31, 2020

See accompanying notes to basic financial statements.

(continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Position

December 31, 2020

| | Postemployment Health Benefits Trust Fund |
|--|--|
| Assets: | |
| Interest in pooled investments (note 4): | |
| Bonds | \$ 27,335,915 |
| Stocks | 51,932,980 |
| Private markets | <u>9,714,761</u> |
| Total interest in pooled investments | \$ <u>88,983,656</u> |
| Net position: | |
| Net position restricted for other post-employment benefits | \$ <u>88,983,656</u> |

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2020

| | <u>Postemployment Health Benefits Trust Fund</u> |
|--|---|
| Additions | |
| Investment income: | |
| Net appreciation in fair value | \$ 9,592,619 |
| Investment expenses | <u>(139,511)</u> |
| Net investment income | 9,453,108 |
| Health benefit contributions: | |
| Employer | 2,476,067 |
| Employee | <u>313,107</u> |
| Total health benefit contributions | <u>2,789,174</u> |
| Total additions | <u>12,242,282</u> |
| Deductions | |
| Health insurance payments | <u>789,172</u> |
| Changes in net position | 11,453,110 |
| Net position - restricted for other post-employment benefits – Beginning of year | <u>77,530,546</u> |
| Net position - restricted for other post-employment benefits - End of year | <u>\$ 88,983,656</u> |

See accompanying notes to basic financial statements.



(1) The Reporting Entity

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws, but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of Metro Airport (which includes the Airport Hotel) and Willow Run Airport. The Authority is not deemed a component unit of 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 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 agreements with 10 airlines. These airlines, along with their affiliates, constitute approximately 97 percent of total landed weight in the year ended December 31, 2020. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives revenue.

(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, which includes the Airport Hotel.

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

The Authority also reports the following fiduciary fund:

Postemployment Health Benefits Trust Fund – This fund accounts for the activities of the employee benefit plan that accumulates resources for other postemployment benefit (OPEB) payments to qualified employees.



(b) Basis of Accounting and Measurement Focus

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

(c) Cash and Investments

Cash resources of the individual funds of the Authority, except as specifically stated by ordinance, are pooled and invested. Interest on pooled investments is allocated monthly among the respective funds based on average investment balances. Interest earned but not received at year end is accrued. Investments are stated at fair value or estimated fair value, and investments with a maturity of three-months or less are considered cash and cash equivalents.

(d) Cash Flows

For the purpose 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 from airlines are recorded on an accrual basis. Unspent PFC cash and accounts receivable are classified as restricted net position for eligible debt service.

(f) Customer Facility Charges

Formerly, the Authority collected a customer facility charge (CFC) from all rental car concessionaires operating at Detroit Metropolitan Airport. From October 1, 2019 through May 31, 2020, \$5.50 was charged to each airport rental car concessionaire customer on a per transaction day basis. This charge was suspended effective June 1, 2020. CFC revenues are classified as nonoperating on the statement of revenue, expenses, and changes in net position. Such amounts are classified as restricted net position for capital improvements related to the rental car operations at Detroit Metropolitan Airport.

(g) 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.



(h) Net Position

Equity is displayed in three components, as follows:

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

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

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

(i) 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.

(j) 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.

(k) 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 | 3 - 12 years |
| Infrastructure | 10 - 40 years |



Purchases 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. At the time capital assets are sold, retired, or disposed of, the costs of such assets and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the results of operations.

(l) 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” and will be paid with resources from both the Detroit Metropolitan Airport Fund and the Willow Run Airport Fund. Activity for the year ended December 31, 2020 was as follows:

| | | |
|-------------------|----|--------------------|
| Beginning Balance | \$ | 4,309,581 |
| Increases | | 5,798,707 |
| Decreases | | <u>(6,187,021)</u> |
| Ending Balance | \$ | <u>3,921,267</u> |

(m) Retirement Contributions and Other Postemployment Benefit Costs

The Authority offers defined benefit and defined contribution retirement benefits through the Wayne County Employees’ Retirement System (WCERS), an agent multiemployer retirement system. Related to the defined benefit plans, the Authority records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan’s fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan’s fiduciary net position have been determined on the same basis as they are reported by WCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Related to the defined contribution plans, employer and employee contributions are recognized in the period in which the contributions are due.

The Authority offers healthcare benefits to retirees. For purposes of measuring the net retiree healthcare benefit liability, deferred outflows of resources and deferred inflows of resources, and retiree healthcare benefit plan expense, information about the fiduciary net position of the retiree healthcare benefit plan and additions to/deductions from the retiree healthcare benefit plans



fiduciary net position have been determined on the same basis as they are reported by the Authority. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In addition, the Authority has agreed to contribute 11.25 percent for its estimated share of stipend payments made to participants in the Wayne County Health and Welfare Plan that retired before September 1, 2002. Members of the Wayne County Health and Welfare Plan are required to file annual certifications related to the use of this stipend for healthcare benefits. The Authority's obligation for its share of stipend payments is estimated to be \$4,218,000 at December 31, 2020.

(n) Accounts Receivable

Net receivables at December 31, 2020 consist of trade receivables incurred by customers during the normal course of business and \$5,363,253 million in restitution receivable by the Authority as part of a judgement in a criminal case, of which \$5,158,598 is owed to the Detroit Metropolitan Airport Fund and \$204,655 is owed to the Willow Run Airport Fund. The total allowance for uncollectible accounts at December 31, 2020 was \$1,284,444, of which \$1,259,444 was for the Detroit Metropolitan Airport Fund and \$25,000 was for the Willow Run Airport Fund.

(o) Accounts Payable

Total payables at December 31, 2020 consist of payables due to vendors used during the normal course of business.

(p) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and accounts receivable that are legally required to be trustee or maintained in separate depository accounts. Capital program funds are restricted to pay the costs of certain capital projects as defined in various bond agreements. Debt service funds are restricted to make payments for principal and interest as required by the specific bond agreements. Liabilities payable from restricted assets are the accrued interest and current portion of long-term debt associated with the purchase and construction of the capital projects funded by the restricted assets.

(q) Interfund Balances, Advances, and Transfers

The interfund balances resulted from (1) the time lag between the dates interfund goods and services are provided or reimbursable expenses occur, (2) the time lag between the dates payment between funds is made, and (3) overdrafts by individual funds of its share of pooled cash. Noncurrent balances arising in connection with interfund loans are reported as advances. *Due from other funds* is an asset account used to record current portions of loans from one reporting fund to another reporting fund. Similarly, *due to other funds* is a liability account used to record current portions of debt owed by one reporting fund to another reporting fund. At December 31, 2020, the following interfund balances existed between the Detroit Metropolitan Airport Fund and the Willow Run Airport Fund:



| Fund Name | Due From | Due To |
|-----------------------------------|-------------|---------------|
| Detroit Metropolitan Airport Fund | \$ 213,593 | \$(5,413,605) |
| Willow Run Airport Fund | \$5,413,605 | \$ (213,593) |

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

(r) Prepaid Bond Insurance Premiums

Prepaid bond insurance premium costs are amortized over the period the bond is outstanding using the straight-line method. Accumulated amortization at December 31, 2020 is \$268,575.

(s) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority has three items that qualify for reporting in this category. One is the deferred charge on refunding reported on the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third items are the deferred outflows for pension and OPEB. See the detailed categories of the deferred outflows for pension in Note 10 and OPEB in Note 11.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category, deferred inflows for pension and OPEB. See the detailed categories of the deferred inflows for pension in Note 10 and OPEB in Note 11.

(t) Environmental Matters

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

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



(u) Self-Insurance

During the year ended September 30, 2004, the Authority became self-insured for disability, unemployment, and liability insurance. The Authority charges its departments a specified percentage of the department’s regular biweekly payroll for these liabilities. Claims related to unemployment, disability, claim administration, deductibles, self-insured retentions, and legal bills are paid out of these funds. The Authority purchases commercial insurance for general liability claims in excess of \$25,000, auto liability insurance for claims in excess of \$25,000, public officials/employment practices liability insurance for claims in excess of \$500,000, and Law Enforcement liability insurance for claims in excess of \$50,000. There has been one claim that was submitted in 2018 involving the theft of funds by a former employee.

During the year ended September 30, 2005, the Authority became self-insured for health insurance and workers’ compensation. The Authority charges its departments a specified percentage of the department’s regular biweekly payroll for these liabilities. The funds collected for workers’ compensation are used to pay claims (wages and medical), third-party administration services, and loss control services. The Authority purchases workers’ compensation insurance for claims that exceed \$1 million. There has been one claim (two claimants) that has exceeded the \$1 million deductible wherein the insurer has been responsible for settlement of all future wages, medical, and legal costs. The funds collected for health insurance are used to pay self-insured claims to Blue Cross Blue Shield, the primary healthcare provider, premiums for Health Alliance Plan, dental, and life insurance. The Authority purchases stop/loss coverage from Blue Cross Blue Shield for healthcare claims that exceed \$1 million. There have been no claims in the past three years that have exceeded this threshold.

The liability for self-insurance claims has been recorded in the financial statements as a current “other accrued liability”. The Detroit Metropolitan Airport Fund resources are used to liquidate this liability. A reconciliation of the Authority’s self-insured claims liability at December 31, 2020 follows:

| | <u>Health Insurance</u> | <u>Workers' Compensation</u> | <u>Other Claims</u> | <u>Total</u> |
|--|-----------------------------|----------------------------------|---------------------|---------------------|
| Claims liability, September 30, 2018 | \$ 1,910,574 | \$ 970,491 | \$ 482,865 | \$ 3,363,930 |
| Claims incurred during fiscal year 2019 | 13,108,654 | 186,676 | 372,137 | 13,667,467 |
| Payments on claims | (13,103,454) | (224,788) | (347,348) | (13,675,590) |
| Decrease in the reserve | <u>(1,202,574)</u> | <u>(147,379)</u> | <u>(120,654)</u> | <u>(1,470,607)</u> |
| Claims liability, September 30, 2019 | \$ 713,200 | \$ 785,000 | \$ 387,000 | \$ 1,885,200 |
| Claims incurred Oct. 1, 2019 - Dec. 31, 2019 | 4,804,825 | - | 128,922 | 4,933,747 |
| Payments on claims | (4,805,408) | (95,746) | (96,267) | (4,997,421) |
| Increase (decrease) in the reserve | <u>37,113</u> | <u>(274,254)</u> | <u>(112,655)</u> | <u>(349,796)</u> |
| Claims liability, December 31, 2019 | \$ 749,730 | \$ 415,000 | \$ 307,000 | \$ 1,471,730 |
| Claims incurred during fiscal year 2020 | 12,130,434 | 245,523 | 456,156 | 12,832,113 |
| Payments on claims | (12,188,334) | (420,115) | (414,194) | (13,022,643) |
| Increase in the reserve | <u>170</u> | <u>2,592</u> | <u>7,038</u> | <u>9,800</u> |
| Claims liability, December 31, 2020 | <u>\$ 692,000</u> | <u>\$ 243,000</u> | <u>\$ 356,000</u> | <u>\$ 1,291,000</u> |



(3) Major Customer

Delta Air Lines (Delta) and its affiliates account for approximately 39 percent of total Authority operating revenues for the year ended December 31, 2020, including 71 percent of landing and related fees, 66 percent of airline rental and related fees, and 75 percent of facility use fees. Approximately 71 percent of total enplanements during the period are attributable to Delta's (and affiliates) operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities. Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately \$4.4 million in receivables from Delta at December 31, 2020.

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

(4) Deposits and Investments

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

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

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



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

| <u>Investments of the Primary Gov.</u> | <u>Fair value</u> | <u>Rating</u> | <u>Rating Organization</u> |
|--|-------------------|---------------|----------------------------|
| Money market funds | \$ 11,031,927 | AAA | S&P |
| Commercial paper | 62,974,675 | A1, P1 | S&P, Moody |

Custodial credit risk of bank deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority’s investment policy requires that deposits over the \$250,000 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 \$163,762,711 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

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

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

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



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

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

At year end, the deposits and investments of the primary government and the fiduciary fund totaled \$478,491,052. The average maturities of investments subject to interest rate risk at year end are as follows:

| Primary Government | Fair Value | Average Maturity |
|---|-----------------------|------------------|
| Investments subject to risk: | | |
| Bond reserves: | | |
| U.S. Treasuries | \$ 100,445,106 | 1.3 months |
| U.S. Agencies | 26,358,950 | 7.6 months |
| Long-term repo | 3,629,278 | 11 months |
| Commercial paper | 5,099,949 | 7 days |
| Bond payment funds: | | |
| U.S. Treasuries | 14,695,443 | 4.9 months |
| 2018A Capitalized Interest: | | |
| Commercial paper | 3,599,820 | 26 days |
| Construction funds: | | |
| 2017A Construction: | | |
| Commercial paper | 6,499,610 | 1.1 months |
| 2018A Construction: | | |
| Commercial paper | 499,980 | 21 days |
| 2018B Construction: | | |
| Commercial paper | 999,960 | 21 days |
| FF&E Construction: | | |
| Commercial paper | 5,299,735 | 26 days |
| Operating funds: | | |
| Commercial paper | 40,975,621 | 3.3 months |
| Total of investments subject to risk | <u>\$ 208,103,452</u> | |
| Deposits/investments not subject to risk: | | |
| Deposits | \$ 170,372,017 | |
| Money market funds | 11,031,927 | |
| Total Primary Government | <u>\$ 389,507,396</u> | |



| Fiduciary Fund | Fair Value |
|---|---------------|
| Deposits/investments not subject to risk: | |
| Investment Pool | \$ 88,983,656 |
| Total Fiduciary Fund | \$ 88,983,656 |

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 the 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 | 0.8 |
| Certificates of deposit (bank) | 50 | 1.3 |
| Money market funds | 50 | 20.9 |
| Commercial paper | 60 | 13.2 |
| U.S. Government | 100 | 29.6 |

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 |
|---------------|------------------|---------------|-------------------------|--------|
| MUFG Bank LTD | Commercial paper | \$ 34,798,750 | 7.30% | A1, P1 |

(5) Fair Market Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical



assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of December 31, 2020:

- U.S. Treasury securities of \$115,140,549 - are valued using quoted market prices (Level 1 inputs).
- Commercial paper of \$62,974,675 - are valued using a matrix pricing model and par value (Level 2 inputs).
- U.S. Government Agency securities of \$26,358,950 - are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

A total of \$11,031,926 of bank pools are recorded at amortized cost in accordance with GASB Statement No. 79 and are not included in the fair value disclosures above. In addition, a total of \$3,629,278 of repurchase agreements are recorded at cost in accordance with GASB Statement No. 31 and are not included in the fair value disclosures above.

Investments in Entities that Calculate Net Asset Value Per Share - The Authority holds an interest in the MERS Total Market Portfolio and the MERS Established Market Portfolio whereby the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment as a practical expedient. At December 31, 2020, the fair values were \$44,158,011 and \$44,825,645, respectively. There were no unfunded commitments or redemption rules.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The Municipal Employees' Retirement System (MERS) manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

The MERS Established Market Portfolio (60/40) seeks to provide long-term growth of capital and income through a diversified mix of stocks and bonds. The objective is to outperform a traditional 60/40 mix of stocks and bonds. MERS manages the asset allocation and monitors the underlying investment managers of the MERS Established Market Portfolio (60/40). The MERS Established Market Portfolio (60/40) is part of the MERS Total Market Portfolio.



(6) Restricted Assets

In accordance with the terms of applicable ordinances and federal and state laws, the Authority is required to restrict assets for various purposes. Net position has been restricted related to certain restricted assets. A summary of the restricted assets at December 31, 2020 is as follows:

| | |
|-------------------------------|------------------------------|
| Construction: | |
| Cash and investments | 31,140,693 |
| Accounts receivable | <u>107</u> |
| Total | <u>31,140,800</u> |
| Bond and interest redemption: | |
| Cash and investments | 161,743,523 |
| Accounts receivable | <u>145,350</u> |
| Total | <u>161,888,873</u> |
| Total restricted assets | <u><u>\$ 193,029,673</u></u> |

(7) Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

| | Beginning balance | Increases - [1] | Decreases | Ending balance |
|---|-------------------------|-----------------------|-------------------------|-------------------------|
| Detroit Metropolitan Airport Fund: | | | | |
| Capital assets not being depreciated: | | | | |
| Land and nondepreciable assets | \$ 224,367,511 | \$ - | \$ - | \$ 224,367,511 |
| Construction in progress | <u>97,554,283</u> | <u>108,750,525</u> | <u>(168,538,246)</u> | <u>37,766,562</u> |
| Total capital assets not being depreciated | <u>321,921,794</u> | <u>108,750,525</u> | <u>(168,538,246)</u> | <u>262,134,073</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 2,116,014,716 | 37,979,914 | (358,618) | 2,153,636,012 |
| Equipment | 120,225,330 | 7,302,501 | (15,518) | 127,512,313 |
| Infrastructure | <u>1,582,350,286</u> | <u>124,852,284</u> | <u>-</u> | <u>1,707,202,570</u> |
| Total capital assets being depreciated | <u>3,818,590,332</u> | <u>170,134,699</u> | <u>(374,136)</u> | <u>3,988,350,895</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 1,285,488,266 | 62,342,310 | (358,618) | 1,347,471,958 |
| Equipment | 74,150,221 | 8,325,178 | (15,518) | 82,459,881 |
| Infrastructure | <u>829,237,119</u> | <u>60,450,894</u> | <u>-</u> | <u>889,688,013</u> |
| Total accumulated depreciation | <u>2,188,875,606</u> | <u>131,118,382</u> | <u>(374,136)</u> | <u>2,319,619,852</u> |
| Total capital assets being depreciated, net | <u>1,629,714,726</u> | <u>39,016,317</u> | <u>-</u> | <u>1,668,731,043</u> |
| Total Detroit Metropolitan Airport Fund capital assets, net | <u>\$ 1,951,636,520</u> | <u>\$ 147,766,842</u> | <u>\$ (168,538,246)</u> | <u>\$ 1,930,865,116</u> |

[1] – During the year Willow Run transferred a \$52,130 asset with associated accumulated depreciation of \$52,120 to the Detroit Metropolitan Airport Fund.



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

| | Beginning balance | Increases | Decreases - [1] | Ending balance |
|---|-------------------------|-----------------------|-------------------------|-------------------------|
| Willow Run Airport Fund: | | | | |
| Capital assets not being depreciated: | | | | |
| Land and nondepreciable assets | \$ 17,476,885 | \$ - | \$ - | \$ 17,476,885 |
| Construction in progress | 2,720,187 | 8,240,277 | - | 10,960,464 |
| Total capital assets not being depreciated | <u>20,197,072</u> | <u>8,240,277</u> | <u>-</u> | <u>28,437,349</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 13,934,137 | - | - | 13,934,137 |
| Equipment | 7,145,487 | 447,954 | (52,130) | 7,541,311 |
| Infrastructure | 146,174,596 | - | - | 146,174,596 |
| Total capital assets being depreciated | <u>167,254,220</u> | <u>447,954</u> | <u>(52,130)</u> | <u>167,650,044</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 7,035,066 | 537,345 | - | 7,572,411 |
| Equipment | 5,647,562 | 277,440 | (52,130) | 5,872,872 |
| Infrastructure | 102,921,007 | 3,533,120 | - | 106,454,127 |
| Total accumulated depreciation | <u>115,603,635</u> | <u>4,347,905</u> | <u>(52,130)</u> | <u>119,899,410</u> |
| Total capital assets being depreciated, net | <u>51,650,585</u> | <u>(3,899,951)</u> | <u>-</u> | <u>47,750,634</u> |
| Total Willow Run Airport Fund capital assets, net | <u>71,847,657</u> | <u>4,340,326</u> | <u>-</u> | <u>76,187,983</u> |
| Total Authority capital assets, net | <u>\$ 2,023,484,177</u> | <u>\$ 152,107,168</u> | <u>\$ (168,538,246)</u> | <u>\$ 2,007,053,099</u> |

[1] – During the year Willow Run transferred a \$52,130 asset with associated accumulated depreciation of \$52,120 to the Detroit Metropolitan Airport Fund.



(8) Long-term Debt

The detail of long-term debt at December 31, 2020 is as follows:

Detroit Metropolitan Airport Fund:

Airport Revenue Bonds - Direct Placement:

| | |
|---|-------------|
| Series 2015B, 2.716%, due 12/1/2024 | 75,000,000 |
| Series 2015C, 3.75%, due 12/1/2034 | 25,640,000 |
| Series 2017C, Jr. Lien, 5.00%, due 12/1/2037 | 24,615,000 |
| Series 2017E, 4.00%, due 12/1/2028 | 67,185,000 |
| Series 2017F, 2.6835%, due 12/1/2028 | 113,165,000 |
| Series 2019, 2.92%, due 12/1/2034 | 29,640,000 |
| Series 2020A, Variable, Crnt. Yield at 12/31/20, 1.20%, due 12/1/2019 | 23,285,000 |
| Series 2020B, Variable, Crnt. Yield at 12/31/20, 1.184% due 12/1/2033 | 85,640,000 |
| Series 2020C, Variable, Crnt. Yield at 12/31/20, 0.965% due 12/1/2033 | 112,500,000 |
| Total Direct Placement Airport Revenue Bonds | 556,670,000 |

Airport Revenue Bonds - Other:

| | |
|---|---------------|
| Series 2010C, 1.50% to 5.50%, due 12/1/2022 | 24,075,000 |
| Series 2010D, 1.50% to 5.50%, due 12/1/2021 | 3,295,000 |
| Series 2011A, 4.00% to 5.00%, due 12/1/2022 | 79,830,000 |
| Series 2012A, 3.00% to 5.00%, due 12/1/2042 | 162,500,000 |
| Series 2012B, 5.00%, due 12/1/2037 | 21,965,000 |
| Series 2012D, 3.00% to 5.00%, due 12/1/2028 | 29,740,000 |
| Series 2014B, 3.00% to 5.00%, due 12/1/2044 | 66,195,000 |
| Series 2014C, 3.00% to 5.00%, due 12/1/2044 | 31,445,000 |
| Series 2015D, 3.00% to 5.00%, due 12/1/2045 | 213,030,000 |
| Series 2015E, 5.00%, due 12/1/2038 | 7,755,000 |
| Series 2015F, 5.00%, due 12/1/2034 | 224,155,000 |
| Series 2015G, 2.00% to 5.00%, due 12/1/2036 | 65,560,000 |
| Series 2017A, 4.00% to 5.00%, due 12/1/2047 | 50,570,000 |
| Series 2017B, 4.00% to 5.00%, due 12/1/2047 | 40,670,000 |
| Series 2017C, 5.00%, due 12/1/2028 | 61,475,000 |
| Series 2017A, Jr. Lien, 4.00% to 5.00%, due 12/1/2037 | 57,350,000 |
| Series 2017B, Jr. Lien, 5.00%, due 12/1/2032 | 39,560,000 |
| Series 2018A, 5.00%, due 12/1/2043 | 147,390,000 |
| Series 2018B, 5.00%, due 12/1/2048 | 6,005,000 |
| Series 2018C, 4.00% to 5.00%, due 12/1/2025 | 24,860,000 |
| Series 2018D, 5.00%, due 12/1/2032 | 43,020,000 |
| Total Other Airport Revenue Bonds | 1,400,445,000 |

| | |
|----------------------------------|-----------|
| Shuttle lease - Direct Placement | 2,318,808 |
|----------------------------------|-----------|

| | |
|---|---------------|
| Total Detroit Metropolitan Airport Fund | 1,959,433,808 |
|---|---------------|



WAYNE COUNTY AIRPORT AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

| | | |
|---|--|-------------------------|
| Willow Run Airport Fund: | | |
| Direct Placement – Downriver Community Conference, 0%, due 5/1/2027 | | 380,000 |
| Total Authority bonds payable and other debt | | <u>1,959,813,808</u> |
| Add (less): | | |
| Certain bond discounts | | (384,498) |
| Certain bond premiums | | <u>116,639,032</u> |
| Total Authority bonds payable and other debt, net | | 2,076,068,342 |
| Less current portion | | <u>101,063,218</u> |
| Total Authority bonds payable and other debt, noncurrent | | <u>\$ 1,975,005,124</u> |

The annual requirements to pay principal and interest on the Authority’s debt outstanding at December 31, 2020 are summarized as follows:

| | Principal | | | | Total |
|--------------|-----------------------------|-------------------------|-----------------------------|--------------------------------|-------------------------|
| | Direct Placement Airport | Other Airport | Direct Placement Shuttle | Direct Placement Willow Run | |
| | Revenue Bonds | Revenue Bonds | Lease | Debt | |
| 2021 | 19,095,000 | 81,330,000 | 583,218 | 55,000 | 101,063,218 |
| 2022 | 19,595,000 | 76,705,000 | 608,142 | 60,000 | 96,968,142 |
| 2023 | 74,085,000 | 26,940,000 | 634,130 | 60,000 | 101,719,130 |
| 2024 | 74,915,000 | 28,035,000 | 493,318 | 60,000 | 103,503,318 |
| 2025 | 56,445,000 | 48,950,000 | - | 60,000 | 105,455,000 |
| 2026 to 2030 | 186,915,000 | 334,035,000 | - | 85,000 | 521,035,000 |
| 2031 to 2035 | 91,765,000 | 360,340,000 | - | - | 452,105,000 |
| 2036 to 2040 | 33,855,000 | 248,620,000 | - | - | 282,475,000 |
| 2041 to 2045 | - | 175,890,000 | - | - | 175,890,000 |
| 2046 to 2050 | - | 19,600,000 | - | - | 19,600,000 |
| Total | <u>\$ 556,670,000</u> | <u>\$ 1,400,445,000</u> | <u>\$ 2,318,808</u> | <u>\$ 380,000</u> | <u>\$ 1,959,813,808</u> |

| | Interest | | | |
|--------------|-----------------------------|-----------------------|-----------------------------|-------------------------|
| | Direct Placement Airport | Other Airport | Direct Placement Shuttle | Total |
| | Revenue Bonds | Revenue Bonds | Lease | |
| 2021 | 16,666,119 | 73,225,038 | 86,082 | 89,977,239 |
| 2022 | 16,322,413 | 69,374,967 | 61,158 | 85,758,537 |
| 2023 | 15,800,679 | 65,341,321 | 35,170 | 81,177,169 |
| 2024 | 15,134,197 | 61,812,977 | 8,656 | 76,955,830 |
| 2025 | 13,012,419 | 60,467,925 | - | 73,480,344 |
| 2026 to 2030 | 38,801,762 | 267,510,521 | - | 306,312,283 |
| 2031 to 2035 | 16,863,296 | 179,881,117 | - | 196,744,412 |
| 2036 to 2040 | 3,880,546 | 95,186,158 | - | 99,066,704 |
| 2041 to 2045 | - | 34,070,479 | - | 34,070,479 |
| 2046 to 2050 | - | 7,630,958 | - | 7,630,958 |
| Total | <u>\$ 136,481,430</u> | <u>\$ 914,501,460</u> | <u>\$ 191,066</u> | <u>\$ 1,051,173,957</u> |



Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority and 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 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. Net revenues consist of operating revenues, certain cash balances, interest income and other, federal and state sources, passenger facility charges, and customer facility charges reduced by operating expenses not including depreciation. For the year ended December 31, 2020, the net revenue was approximately \$239,328,000 compared to the net debt service (principal and interest) of approximately \$181,531,000.

The Airport Revenue Bond Ordinances require that Metro Airport reserve 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.

During the year, the Authority established a \$50 million line of credit facility with a bank in order to provide liquidity for funding of operation and maintenance expenses. The line of credit represents a direct borrowing and carries an interest rate of LIBOR or a base floor of 0.75% plus a margin ranging from 130 – 210 basis points. At December 31, 2020, the outstanding balance on the line of credit was \$0.

Direct Placement Debt – Detroit Metropolitan Airport Fund

In September 2015, the Authority issued an \$85 million Direct Placement Bond with PNC Bank, N.A., Series 2015A Bonds. The Series 2015A Refunding Bonds were issued to refund a portion of the Series 2005A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2015A Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport. The Series 2015A Bonds were paid in full on December 1, 2020.

The Authority defeased the Series 2005A Bonds by placing the proceeds of the Series 2015A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2005A Bonds were subsequently called and paid in full in December 2015. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$10.5 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$8.3 million.

In September 2015, the Authority issued a \$75 million Direct Placement Bond with Bank of America, N.A., Series 2015B Bonds. The Series 2015B Refunding Bonds were issued to refund a portion of the Series 2005A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2015B Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.



The Authority defeased the Series 2005A Bonds by placing the proceeds of the Series 2015B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2005A Bonds were subsequently called and paid in full in December 2015. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$16 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 \$12.7 million.

In September 2015, the Authority issued a \$25.6 million Direct Placement Bond with Citibank, N.A., Series 2015C Bonds. The Series 2015C Refunding Bonds were issued to refund a portion of the Series 2005A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2015C Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2005A Bonds by placing the proceeds of the Series 2015C Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2005A Bonds were subsequently called and paid in full in September 2015. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$4.4 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 \$3.5 million.

In October 2017, the Authority issued a \$24.6 million Direct Placement Bond with Citibank, N.A., Series 2017C Jr. Lien Bonds. The Series 2017C Jr. Lien 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 2017C Jr. Lien Refunding Bonds were issued to refund a portion of the Series 2007A Jr. Lien Bonds. The Series 2017C Jr. Lien Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations 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 2017C Jr. Lien Bonds are “Junior Lien Bonds” under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2017C Jr. Lien Bonds.

The Authority defeased the Series 2007A Jr. Lien Bonds by placing the proceeds of the Series 2017C Jr. Lien Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2007A Jr. Lien Bonds were subsequently called and paid in full in December 2018. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$6.8 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 \$4.3 million.



In December 2017, the Authority issued a \$67.8 million Direct Placement Bond with Citibank, N.A., Series 2017E Bonds. The Series 2017E Refunding Bonds were issued to refund the Series 2013B Direct Placement Bonds which were initially issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2017E Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2013B Direct Placement Bond by placing the proceeds of the Series 2017E Bonds in the 2013B Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2013B Direct Placement Bond was paid in full on December 21, 2017.

In December 2017, the Authority issued a \$114.3 million Direct Placement Bond with Bank of America, N.A., Series 2017F Bonds. The Series 2017F Refunding Bonds were issued to refund the Series 2013C Direct Placement Bonds which were initially issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2017F Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2013C Direct Placement Bond by placing the proceeds of the Series 2017F Bonds in the 2013C Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2013C Direct Placement Bond was paid in full on December 21, 2017.

In April 2019, the Authority issued a \$29.8 million Direct Placement Bond with DNT Asset Trust, Series 2019 Bonds. The Series 2019 Refunding Bonds were issued to refund the Series 2014A Direct Placement Bond which was initially issued to finance the cost of various capital projects at Metro Airport. The Series 2019 Bonds are revenue obligations of the Authority payable solely from the operations of Metro Airport.

The Authority defeased the Series 2014A Direct Placement Bond by placing the proceeds of the Series 2019 Bonds in the 2014A Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2014A Direct Placement Bond was paid in full on April 18, 2019. An estimate of the minimum economic gain (the difference between the present value of the debt service payments on the old and new debt) has not been calculated due to the uncertainty of future debt service payments for the 2014A Direct Placement Bond, which is a variable interest obligation.

In October 2020, the Authority issued a \$23.3 million Direct Placement Bond with Bank of America, N.A., Series 2020A Bonds. The Series 2020A Refunding Bonds were issued to refund the Series 2015H Direct Placement Bond which was initially issued to refund certain outstanding indebtedness previously issued to refinance the cost of the Westin Hotel located in the McNamara Terminal. The Series 2020A Bonds are revenue obligations of the Authority payable solely from the operations of Metro Airport.



The Authority defeased the Series 2015H Direct Placement Bond by placing the proceeds of the Series 2020A Bonds in the 2015H Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2015H Direct Placement Bond was paid in full on October 1, 2020. An estimate of the minimum economic gain (the difference between the present value of the debt service payments on the old and new debt) has not been calculated due to the uncertainty of future debt service payments for the 2015H Direct Placement Bond and the 2020A Direct Placement Bond, both of which are variable interest obligations.

The Series 2020A Bonds are variable-rate bonds. Bank of America N.A. is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of Bank of America N.A., would cause the Series 2020A Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In December 2020, the Authority issued \$198.1 million in direct placement bonds. An \$85.6 million Direct Placement Bond with Bank of America, N.A., Series 2020B Bonds, and a \$112.5 million Direct Placement Bond with JPMorgan Chase Bank, N.A., Series 2020C Bonds. The Series 2020B and 2020C Refunding Bonds were issued to refund the Series 2017D Direct Placement Bond which was initially issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2020B and 2020C Bonds are revenue obligations of the Authority payable solely from the operations of Metro Airport.

The Authority defeased the Series 2017D Direct Placement Bond by placing the proceeds of the Series 2020B and 2020C Bonds in the 2017D Bond Fund to be immediately paid to each respective Direct Placement Bondholder. The Series 2017D Direct Placement Bond was paid in full on December 1, 2020. An estimate of the minimum economic gain (the difference between the present value of the debt service payments on the old and new debt) has not been calculated due to the uncertainty of future debt service payments for the 2017D Direct Placement Bond and the 2020B and 2020C Direct Placement Bonds, all of which are variable interest obligations.

The Series 2020B and 2020C Bonds are variable-rate bonds. Each bondholders is responsible under their respective agreements with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the bondholder, would cause the Series 2020B and Series 2020C Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

Direct Placement Debt – Detroit Metropolitan Airport Fund- Additional Information

The Authority's Series 2020A Bonds, 2020B Bonds, and 2020C Bonds are subject to continuing covenant agreements. Significant events of default under each continuing covenant agreement include: (1) the failure to pay when due the principal, premium, or interest on the applicable series of bonds, or to pay any other obligation (other than the obligation to pay the principal of or interest on the applicable series of bonds) and the failure to pay the obligation shall continue for three business days; (2) any representation, warranty, or statement made by the Authority in the



applicable continuing covenant agreement proves to have been untrue in any material respect and is not corrected within the applicable cure period; (3) any document furnished to the applicable purchaser by the Authority in connection with the transactions contemplated by the applicable continuing covenant agreement, taken as a whole, proves to be materially inaccurate; (4) the failure of the Authority to perform or observe any of the affirmative or negative covenants specified in the applicable continuing covenant agreement (certain of which contain limited or no notice or cure rights, and others of which constitute events of default only after the passage of thirty days during which default is not remedied); (5) the occurrence of certain bankruptcy or insolvency events; (6) the long-term unenhanced ratings assigned to any of the Authority's outstanding debt secured by Net Revenues are reduced below "BBB" by Fitch, "Baa2" by Moody's, or "BBB" by S&P, or such ratings are withdrawn or suspended; (7) the entry of a final and non-appealable judgment against the Authority for the payment of money equaling or exceeding \$5,000,000, to be paid out of Net Revenues, that remains unsatisfied for a period of sixty days; (8) the Authority shall default in any payment of any outstanding parity debt or debt secured by Net Revenues, beyond the applicable grace period, or shall default in the observance or performance of any agreement or condition relating to any outstanding parity debt or debt secured by Net Revenues, beyond the applicable grace period.

Upon occurrence of an event of default under the applicable continuing covenant agreement, the bondholder may exercise certain rights and remedies, including the right to require the Authority to cause a mandatory tender of the Bonds governed by the continuing covenant agreement and/or declare the unpaid principal amount and interest accrued on all such Bonds due and payable.

The Authority's Series 2015B, 2015C, 2017E, 2017F and 2019 Bonds, and its Series 2017C Junior Lien Bonds, are all subject to bond purchase agreements which provide no significant events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses.

Other Debt – Detroit Metropolitan Airport Fund

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

In September 2012, the Authority issued \$75.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2012C and 2012D. The Series 2012C and 2012D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2012C Refunding Bonds were issued to



refund a portion of the Series 2002C Bonds. The Series 2012D Refunding Bonds were issued to refund a portion of the Series 1998A Bonds and the Series 2002D Bonds. The Series 2012C Bonds and Series 2012D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

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

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

In October 2015, the Authority issued \$221.1 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include reconstruction and rehabilitation of airfield pavement, acquisition of fleet and heavy equipment, roadway rehabilitation and lighting, GTC heating system reconfiguration, retaining wall reconstruction, construction of an administration building, power plant building rehabilitation and security system upgrades. The series 2015D Bonds and Series 2015E Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

In October 2015, the Authority issued \$299 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2015F and 2015G. The Series 2015F and 2015G 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 2015F Refunding Bonds were issued to refund a portion of the Series 2005A Bonds. The Series 2015G Refunding Bonds were issued to refund a portion of the Series 2001A Airport Hotel Revenue Bonds. The Series 2015F Bonds and the Series 2015G Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portion of the Series 2005A Bonds and the refunded portion of the Series 2001A Bonds by placing the proceeds of the Series 2015F Bonds and Series 2015G Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2005A



Bonds and the Series 2001A Bonds were subsequently called and paid in full in December 2015. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$27.1 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 \$29.6 million.

In October 2017, the Authority issued \$91.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include reconstruction and rehabilitation of airfield pavement, acquisition of fleet and heavy equipment, roadway rehabilitation, improvements to the baggage handling system at the McNamara Terminal and improvements to the passenger tram control system at the McNamara Terminal. The series 2017A Bonds and Series 2017B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

In October 2017, the Authority issued \$78.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2017C. The Series 2017C 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 2017C Refunding Bonds were issued to refund the Series 2007B Bonds. The Series 2017C Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portion of the Series 2007B Bonds by placing the proceeds of the Series 2017C Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2007B Bonds were subsequently called and paid in full in December 2017. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$15.2 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$12.8 million.

In October 2017, the Authority issued \$109.1 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2017A Jr. Lien and 2017B Jr. Lien. The Series 2017A Jr. Lien and 2017B Jr. Lien 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 2017A Jr. Lien and Series 2017B Jr. Lien Refunding Bonds were issued to refund a portion of the Series 2007A Jr. Lien Bonds. The Series 2017A Jr. Lien Bonds and the Series 2017B Jr. Lien Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations 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 2017A Jr. Lien Bonds and Series 2017B Jr. Lien Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2017A Jr. Lien Bonds and Series 2017B Jr. Lien Bonds.



The Authority defeased the refunded portion of the Series 2007A Jr. Lien Bonds by placing the proceeds of the Series 2017A Jr. Lien Bonds and Series 2017B Jr. Lien Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2007A Jr. Lien Bonds were subsequently called and paid in full in December 2017. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$26 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 \$18.8 million.

In November 2018, the Authority issued \$153.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include reconstruction and rehabilitation of airfield pavement, site demolitions and North Terminal Gate Expansion. The Series 2018A Bonds and Series 2018B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

In November 2018, the Authority issued \$78.5 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2018C and 2018D. The Series 2018C and 2018D 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 2018C and 2018D Refunding Bonds were issued to refund the Series 2008A Bonds. The Series 2018C and 2018D Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portion of the Series 2008A Bonds by placing the proceeds of the Series 2018C Bonds and the Series 2018D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2008A Bonds were subsequently called and paid in full in December 2018. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$16.4 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 \$11.7 million.

Other Debt – Detroit Metropolitan Airport Fund – Additional Information

The Authority's Series 2010C, 2010D, 2011A, 2012A, 2012B, 2012D, 2014B, 2014C, 2015D, 2015E, 2015F, 2015G, 2017A, 2017B, 2017C, 2017A Jr. Lien, 2017B Jr. Lien, 2018A, 2018B, 2018C and 2018D Bonds are each subject to the provisions of specific Series Ordinances as well as the Authority's Master Bond Ordinance. Neither the Series Ordinances nor the Master Bond Ordinance provides significant events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses.

Other Debt – Willow Run Airport

In May 2014, the Authority entered into a loan agreement with Downriver Community Conference (DCC) to assist Willow Run Airport with remediation activities at Hangar 2. The loan agreement with



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the DCC defines certain events of default with finance-related consequences. The events of default as defined in the agreement are summarized as follows: (a) default in any payment; (b) any representation or warranty made by the Authority that proves at the time made were false or misleading in any material respect; (c) use of the proceeds of the loan for purposes other than those stated in section 3 of the loan agreement or approved in writing by the DCC; (d) default in the performance of any other term, covenant or agreement contained herein, or in the loan documents, which by default is not cured within 30 days of receipt of a notice of default or such longer period as shall be reasonably necessary to cure such default provided the Authority promptly commences such cure and thereafter diligently pursues such cure to completion; (e) the Authority defaults under the terms of article 4 of the agreement. Article 4 provides that: (1) the Authority will not pledge its Airport Development Fund (“ADF”) to secure any debt of the Borrower without the written consent of the DCC; (2) the Authority will maintain available funds in the ADF in an amount not less than the then outstanding balance due under the loan.

Upon the occurrence of an event of default, any indebtedness under the loan agreement shall, at the DCC’s option and without notice, become immediately due and payable without presentment, notice or demand.

Long-term debt activity for the year ended December 31, 2020 was as follows:

| | Beginning balance | Additions | Reductions | Ending balance | Due within one year |
|--|-------------------------|-----------------------|-------------------------|-------------------------|------------------------|
| Detroit Metropolitan Airport Fund: | | | | | |
| Direct Placement - airport revenue bonds | \$ 574,985,000 | \$ 221,425,000 | \$ (239,740,000) | \$ 556,670,000 | \$ 19,095,000 |
| Other - airport revenue bonds | 1,481,120,000 | — | (80,675,000) | 1,400,445,000 | 81,330,000 |
| Direct Placement - shuttle lease | 2,832,403 | — | (513,595) | 2,318,808 | 583,218 |
| Add (less): | | | | | |
| Other - bond discounts | (421,914) | 37,416 | — | (384,498) | — |
| Direct Placement- bond premiums | 8,053,460 | — | (1,051,015) | 7,002,445 | — |
| Other - bond premiums | 121,002,405 | — | (11,365,818) | 109,636,587 | — |
| Total Detroit Metropolitan Airport Fund | <u>2,187,571,354</u> | <u>221,462,416</u> | <u>(333,345,428)</u> | <u>2,075,688,342</u> | <u>101,008,218</u> |
| Willow Run Airport Fund: | | | | | |
| Direct Placement - DCC Note | 440,000 | — | (55,000) | 385,000 | 55,000 |
| Total Willow Run Airport Fund | <u>440,000</u> | <u>—</u> | <u>(55,000)</u> | <u>385,000</u> | <u>55,000</u> |
| Total Long-Term Debt | <u>\$ 2,188,011,354</u> | <u>\$ 221,462,416</u> | <u>\$ (333,400,428)</u> | <u>\$ 2,076,073,342</u> | <u>\$ 101,063,218</u> |

(9) 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 upon 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



\$535.2 million at December 31, 2020, 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 \$27.7 million at December 31, 2020.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled \$74.1 million at December 31, 2020, 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 \$12.7 million at December 31, 2020.

(c) Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At December 31, 2020, the Authority had accrued obligations of \$3.1 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. Eight percent of the recorded environmental liabilities are related to a Consent Decree and judgment issued during 1994 that identifies the Airport as one of the fourteen responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). The remainder is for asbestos and PFAS remediation estimates. See additional discussion on asbestos, PFAS and additional remediation matters below.

Asbestos Remediation

It is known that certain 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 1980's and early 1990's, 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.

WCAA personnel, with the assistance of WCAA contractors, have performed preliminary assessments of the nature and extent of the material. Based upon the information gathered and provided the Authority has recorded asbestos-related liabilities \$940,000 at Willow Run Airports as of December 31, 2020.

PFAS Remediation

The Michigan PFAS Action Response Team (MPART) was created as an advisory body within the Michigan Department of Environment, Great Lakes and Energy (EGLE) to address perfluoroalkyl and polyfluoroalkyl substance (PFAS) contamination in Michigan. MPART has identified Willow Run Airport as a PFAS site. The Authority has commenced cleanup activities at the site to facilitate street



expansion and parking lot construction associated with a new hangar development. The known remediation costs associated with this development have been estimated at approximately \$1.9 million at December 31, 2020.

Additional Remediation Matters

In the mid-1990's, it was discovered that soils near the Willow Run airport were adversely impacted. Various public and private entities (including the County of Wayne, the predecessor entity to WCAA) were tasked by the Environmental Protection Agency (EPA) to remediate the areas. The soils were dredged from Tyler Pond, Edison Pond, and the Willow Run Sludge Lagoon. Subsequently, the materials were encapsulated and placed in an approved landfill. Pursuant to the various documents and orders governing the remediation, title to the real property where the controlled facility is located was to be transferred to General Motors because General Motors was documented as the main Partial Responsible Party (PRP). In June of 2009, before taking title to the real property, where the controlled facility is located, General Motors filed for bankruptcy protection. As such Ford Motor Company by default, became the foremost PRP. While Ford Motor Company has continued to operate the controlled facility, to date, and despite the WCAA's attempts, Ford Motor Company has not taken title to the real property where the controlled facility is located. WCAA is in negotiation to facilitate the transfer of real property to the Ford Motor Company.

(10) Employee Benefits

(a) Plan Description

The Authority provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), an agent multi-employer public employee retirement system that is governed by the Wayne County Retirement Ordinance as amended. The Retirement System provides both defined benefit plan and defined contribution plan retirement options. The Defined Benefit Plan consists of Plan Option 1, Plan Option 2, Plan Option 3, Plan Option 5 and Plan Option 5A (collectively, the Plan). Three of the Plan options require employee contributions (Plan Option 1, Plan Option 3 and Plan Option 5A) and two do not require employee contributions (Plan Option 2 and Plan Option 5). Two of the Plan options are hybrid plans (Plan Option 5 and Plan Option 5A) which consist of both a defined benefit component and a defined contribution component. The Defined Contribution Plan consists of Plan Option 4, Plan Option 4A, Plan Option 5 and Plan Option 5A.

The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board issues separate financial statements for the Defined Benefit Plan and the Defined Contribution Plan annually. Copies of these financial statements can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226. The statements are also available on WCERS website at www.wcers.org.

Effective October 1, 2012, WCERS established Wayne County Defined Contribution Plan #4A and Wayne County Hybrid Retirement Plan #5A, which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan



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Option 4 and Plan Option 5) could elect to transfer their account balances to Plan Option 5A. Plan Options 1, 2, 3, and 4 were closed to new hires.

At the September 30, 2020 measurement date, the following employees were covered by the Plan:

| | |
|---|------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 243 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits | 12 |
| Active Plan Members | 305 |
| Total Plan Members | <u>560</u> |

(b) 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 – 1.00 percent for each year up to 20 years and 1.25 percent for each year over 20 years. Maximum Authority-financed portion is 75 percent of average final compensation (less worker’s compensation payments).

Plan Option 3 – 1.50 percent for each year up to 20 years, 2 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years. Maximum Authority-financed portion is 75 percent of average final compensation (less workers’ compensation payments).

Plan Option 5 – 1.25 percent for each year up to 20 years and 1.5 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers’ compensation payments). For members of International Association of Fire Fighters Local 741, 2.0 percent for each year of service credited after July 24, 2019.

Plan Option 5A – 1.50 percent for each year up to 20 years and 1.75 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers’ compensation payments). For members of International Association of Fire Fighters Local 741, 2.0 percent for each year of service credited after July 24, 2019.

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



(c) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit.

Participants in Plan Option 5 with a 1.25/1.5 percent multiplier contribute 0 percent of covered compensation depending on the collective bargaining agreement. Participants in Plan 5 who are members of International Association of Fire Fighters Local 741 contribute 6.0 percent.

Participants in Plan 5A contribute 2.00 percent of annual compensation, unless the Annual Actuarial Valuation Report of the Wayne County Employees' Retirement System show the Authority's funding level less than 100 percent, then the participant's contribution level will increase to 3.00 percent until the funding level is at 100 percent. Participants in Plan 5A who are members of International Association of Fire Fighters Local 741 contribute 6.00 percent.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's and subsequently the Authority's collective bargaining units. For the year ended September 30, 2019, the average Authority's contribution rate was 24.41 percent of annual payroll.

(d) Pension Plan Investments – Policy and Rate of Return

The Retirement Commission is vested with a fiduciary responsibility for administration, management, and proper operation of WCERS. The Plan's assets are held and invested in accordance with the Michigan Public Pension Investment Act 314 of 1965, as amended (Act 55, P.A. 1982). Act 314 incorporates the prudent person rule and requires investment fiduciaries to act solely in the interest of the Plan's participants and beneficiaries.

Accordingly, the Retirement Commission has the authority to invest the Plan's assets in common and preferred stock, obligations of the United States, its agencies or United States government-sponsored enterprises, obligations of any state or political subdivision of a state having the power to levy taxes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, reverse repurchase agreements, real and personal property, mortgages, and certain other investments.

Investment Allocation Policy. The Retirement Commission has established an investment policy statement ("IPS") for the Plan. The IPS outlines the goals and investment objectives of WCERS and is intended to provide guidelines for the investment and management of the Plan's assets. The IPS pursues an investment strategy that protects the financial health of the Plan and reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets are invested in the broad investment categories and asset classes to achieve the allocation targets in the below table. Recognizing that returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the Plan may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the



the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long term, the Plan will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

The adopted asset allocation policy as of September 30, 2020, was as follows:

| Asset Class | Target Allocation | Allocation Range | |
|-------------------------------|-------------------|------------------|---------|
| | | Minimum | Maximum |
| Equity | 50% | 40% | 70% |
| Domestic fixed income | 15% | 5% | 50% |
| International fixed income | 5% | 0% | 20% |
| Real estate | 15% | 5% | 20% |
| Alternative investments | 15% | 10% | 20% |
| Michigan-based private equity | 0% | 0% | 2% |
| Short-term or cash | 0% | 0% | 5% |
| | <u>100%</u> | | |

Rate of Return. For the year ended September 30, 2020, the annual money-weighted rate of return on plan investments, net of investment expenses, was 2.86 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(e) Net Pension Liability

The Authority has chosen to use September 30, 2020 as its measurement date for the net pension liability. The December 31, 2020 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of September 30, 2020. The September 30, 2020 total pension liability was determined by an actuarial valuation performed as of September 30, 2019.

Changes in the net pension liability during the measurement year were as follows:



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| | Total Pension Liability | Plan Net Position | Net Pension Liability |
|-------------------------------------|----------------------------|-----------------------|--------------------------|
| Balance at September 30, 2019 | \$ 178,981,027 | \$ 132,858,056 | \$ 46,122,971 |
| Changes for the year: | | | |
| Service cost | 1,915,559 | — | 1,915,559 |
| Interest | 12,688,440 | — | 12,688,440 |
| Changes to benefit terms | 930,598 | — | 930,598 |
| Experience differences | (4,324,462) | — | (4,324,462) |
| Contributions - employer | — | 7,554,761 | (7,554,761) |
| Contributions - employee | — | 517,092 | (517,092) |
| Net investment income | — | 3,729,737 | (3,729,737) |
| Benefit payments, including refunds | (9,855,674) | (9,855,674) | — |
| Administrative expenses | — | (365,369) | 365,369 |
| Other | 4,000 | — | 4,000 |
| Balance at September 30, 2020 | <u>\$ 180,339,488</u> | <u>\$ 134,438,603</u> | <u>\$ 45,900,885</u> |

For the year ended December 31, 2020, the Authority recognized pension expense of \$8,543,373. At fiscal year end, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Net difference between projected and actual earnings on pension plan investments | \$ 6,789,327 | \$ — |
| Changes in actuarial assumptions | 1,267,648 | — |
| Difference between projected and actual experience | 1,260,502 | (3,332,636) |
| Employer contributions to the plan subsequent to the measurement date | 1,564,025 | — |
| Total | <u>\$ 10,881,502</u> | <u>\$ (3,332,636)</u> |

Deferred outflows of pension resources related to contributions after the measurement date will be a reduction of the net pension liability at September 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year | Outflow |
|-------------|---------------------|
| 2021 | \$ 2,443,811 |
| 2022 | 1,597,054 |
| 2023 | 1,136,218 |
| 2024 | 807,758 |
| 2025 | — |
| Thereafter | — |
| Total | <u>\$ 5,984,841</u> |



Actuarial Assumptions. The total pension liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

| | |
|---------------------------|------------------------------------|
| Inflation | 3.0% |
| Salary increases | 3.0% to 13.15% including inflation |
| Investment rate of return | 7.25% |

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for mortality improvement back to the base year of 2006.

The actuarial assumptions used to calculate contribution rates in the September 30, 2019 valuation were determined using an experience-based table of rates specific to the type of eligibility condition. The experience-based table of rates was last updated for the 2016 valuation pursuant to an experience study of the period beginning October 1, 2010 and ending September 30, 2015.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine this rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed rate of investment return was adopted by the plan’s trustees after considering input from the plan’s investment consultant(s) and actuary. Additional information about the assumed rate of investment return is included in the September 30, 2019 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class, and in conjunction with a formal study of experience during the period October 1, 2010 through September 30, 2015. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation as of September 30, 2020, these best estimates of the arithmetic real rates of return are as follows:



| <u>Asset Class</u> | <u>Long Term Real Return</u> |
|----------------------|----------------------------------|
| Domestic Equity | 5.10% |
| International Equity | 5.63% |
| Domestic Bonds | 1.40% |
| Domestic High Yield | 3.46% |
| Real Estate | 4.43% |
| Alternatives | 6.41% |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Authority, calculated using the discounted rate of 7.25 percent, as well as what the Authority’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

| | <u>1% Decrease 6.25%</u> | <u>Current Rate 7.25%</u> | <u>1% Increase 8.25%</u> |
|--------------------------|------------------------------|-------------------------------|------------------------------|
| Net Pension Liability \$ | 65,982,805 | \$ 45,900,886 | \$ 28,937,226 |

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued financial report. For purposes of measuring the net pension liability, deferred outflows of resources or deferred inflow of resources related to pension and pension expense, information about the Plan’s fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the Plan. The Plan uses the economic resources measurement focus and the full accrual basis of accounting, and investments are stated at fair value. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with benefit terms.

(f) Pre-2002 Retirees

The Authority participates in the Wayne County Employees’ Retirement System with the County, an agent multiple employer defined benefit plan. Pursuant to Public Act 90 and Michigan Public Act of 2002, the Authority was granted operational jurisdiction of the Detroit Metropolitan Wayne County Airport, the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. Prior to the Act, the Authority and its employees were employees of the County. In connection with the Authority’s assumption of control and operation of the Airports pursuant to Act 90, the Authority was responsible for funding any retirement obligations for those employees that were previously County employees. During fiscal year 2016, the Authority committed to a five-year payment schedule of \$1.1 million per quarter for its estimated share (10.25 percent) of the Combined Pre-2002 Retiree Liability of \$20,948,822 as of September 30, 2015. Prior to the end of the fifth payment year, an actuarial valuation will be prepared to determine the Authority’s remaining estimated share of the liability (if any). The funding requirement and payment amortization of any remaining liability will be determined at that



time. The terms of this commitment were memorialized in a memorandum of understanding between the Authority, Wayne County and WCERS in fiscal year 2017. The Authority has concluded that this arrangement represents a special funding situation under GASB Statement No. 68. The Authority's liability under this arrangement has been fully paid as of the Authority's measurement date of September 30, 2019, and therefore no liability is presented on the Authority's balance sheet as of December 31, 2020.

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

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

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

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

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

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

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

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during the year ended December 31, 2020 were \$3,745,162 and \$2,564,073, respectively.



(11) Other Post-Employment Benefits

Wayne County Airport Authority Retiree Health Care Plan

(a) Plan Description

As provided for in the Authority Act, the Authority provides hospitalization and other health insurance benefits for retirees, pursuant to agreements with various collective bargaining units or other actions of the Authority Board. Benefits are provided through the Wayne County Airport Authority Retiree Health Care Plan, a single employer defined benefit plan administered by the Municipal Employees’ Retirement System (MERS). The plan does not issue a separate stand-alone financial statement.

At the September 30, 2019 valuation date, the following members were covered by the plan:

| | |
|--|------------|
| Retirees and Beneficiaries Currently Receiving Benefits | 272 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits | 0 |
| Active Plan Members | 383 |
| Total Plan Members | <u>655</u> |

(b) Benefits Provided

Benefits are provided after normal retirement or non-duty disability subject to age and service requirements established in respective collective bargaining agreements. Benefits are provided after duty disability with no age or service requirement. Medical and prescription drug coverage is 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.

(c) Contributions

In September 2008, the Authority created and began funding an Act 149 Health Care Trust (Trust). The Trust provides a funding mechanism for the Wayne County Airport Authority Retiree Healthcare Plan. In September 2012, the Authority transferred the assets of the Trust into a MERS of Michigan Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. The balance as of December 31, 2020 in this restricted plan is \$88,983,656.

Retiree healthcare costs are generally paid by the Authority on a “pay-as-you-go” basis, and funds are accumulated in the Trust for the payment of future benefits. The Authority is under no obligation to make contributions to the Trust in advance of when costs are incurred; however, the Authority’s financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Non-Medicare retirees are required to contribute either 10 percent of



the Blue Cross Blue Shield illustrative rate or 10 percent of the lesser of HAP active and HAP retiree premium. For the fiscal year ended December 31, 2020 the Authority has paid postemployment healthcare benefits of \$789,173, plus it contributed \$2,000,000 into the Trust.

(d) Net OPEB Liability

The Authority has chosen to use December 31, 2020 as its measurement date for the net OPEB liability. The December 31, 2020 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2020 measurement date. The December 31, 2020 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2019. Update procedures were performed to roll forward the estimated liability to December 31, 2020.

Changes in the net OPEB liability during the measurement year were as follows:

| <u>Changes in Net OPEB Liability</u> | <u>Total OPEB Liability</u> | <u>Plan Net Position</u> | <u>Net OPEB Liability</u> |
|--|---------------------------------|------------------------------|-------------------------------|
| Balance at December 31, 2019 | \$ 127,342,169 | \$ 77,530,546 | \$ 49,811,623 |
| Changes for the year: | | | |
| Service cost | 1,578,773 | - | 1,578,773 |
| Interest | 8,941,588 | - | 8,941,588 |
| Changes to benefit terms | (7,789,535) | - | (7,789,535) |
| Differences between expected and actual experience | (11,045,310) | - | (11,045,310) |
| Changes in actuarial assumptions | 4,926,317 | - | 4,926,317 |
| Contributions - Employer | - | 2,476,067 | (2,476,067) |
| Contributions - Employee | - | 313,107 | (313,107) |
| Net investment income | - | 9,453,110 | (9,453,110) |
| Benefit payments, including refunds | (789,172) | (789,172) | - |
| Net changes | <u>(4,177,339)</u> | <u>11,453,112</u> | <u>(15,630,451)</u> |
| Balance at December 31, 2020 | <u>\$ 123,164,830</u> | <u>\$ 88,983,658</u> | <u>\$ 34,181,172</u> |

The Plan's fiduciary net position represents 72.25 percent of the total OPEB liability. Reductions in the total OPEB liability associated with changes in benefit terms were impacted by an increase in retiree contributions towards the cost of benefits. Formerly, retirees were generally required to contribute 10% towards the cost of benefits until reaching Medicare eligibly. Currently, retirees are generally required to contribute 10% towards the cost of benefits regardless of Medicare status. Reductions in the total OPEB liability associated with differences between expected and actual experience are the result of favorable claims experience over the last several years.



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

For the year ended December 31, 2020, the Authority recognized OPEB revenue of \$6,581,237. At year end, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ - | \$ (14,628,082) |
| Changes in actuarial assumptions | 6,084,578 | - |
| Net difference between projected and actual on OPEB plan investments | <u>-</u> | <u>(3,120,134)</u> |
| Total | <u>\$ 6,084,578</u> | <u>\$ (17,748,216)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year | Amount |
|-------------|------------------------|
| 2021 | \$ (3,501,818) |
| 2022 | (3,499,192) |
| 2023 | (2,937,584) |
| 2024 | (1,725,044) |
| 2025 | - |
| Thereafter | <u>-</u> |
| Total | <u>\$ (11,663,638)</u> |

Actuarial Assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using a wage inflation assumption of 3.0 percent; assumed salary increases (including inflation) ranging from 3.0 percent to 13.15 percent; an investment rate of return (net of investment expenses) of 7.0 percent; an initial healthcare cost trend rate of 8.25 percent for 2020, gradually decreasing to an ultimate rate of 3.5 percent for 2029 and later years; and using the RP-2014 Healthy Annuitant Mortality table with the MP-2016 mortality improvement scale. These assumptions were applied to all periods included in the measurement.

The actuarial assumptions used to calculate contribution rates in the September 30, 2019 valuation were determined using an experience-based table of rates specific to the type of eligibility condition. The experience-based table of rates was last updated pursuant to an experience study of the period beginning October 1, 2010 and ending September 30, 2015.



Discount Rate. The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. The discount rate reflects 1) the long-term expected rate of return on OPEB plan investments of 7.0 percent and 2) a municipal bond rate of 2.00 percent (based on fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year GO AA Index” as of December 31, 2020).

Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a forward-looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment percentages. The target allocation and best estimate of arithmetic real rates of return for each asset class are summarized in the following table:

| Fund Name | Long Term Real Return |
|-----------------------------------|--------------------------|
| MERS Established Market Portfolio | 4.20% |
| MERS Total Market Portfolio | 4.85% |

Sensitivity of Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the Authority, calculated using the discount rate of 7.0 percent, as well as what the Authority’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease 6.0% | Current Rate Assumption 7.0% | 1% Increase 8.0% |
|-----------------------|---------------------|------------------------------------|---------------------|
| Net OPEB Liability \$ | 50,684,519 \$ | 34,181,172 \$ | 20,570,655 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the Authority, calculated using the healthcare cost trend rate of 8.25 percent, as well as what the Authority’s net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:



| | 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|-----------------------|---------------|---|-------------|
| | 7.25% | 8.25% | 9.25% |
| Net OPEB Liability \$ | 18,751,499 \$ | 34,181,172 \$ | 53,021,084 |

(12) Due to Other Governmental Units - Wayne County Health and Welfare Plan (Pre-2002)

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. Currently, the plan’s members include retirees for the County and the Authority that retired before September 1, 2002. The plan is closed to new members.

During the year ended September 30, 2016, the County Commission adopted an ordinance amending the 1990 Wayne County Health and Welfare Plan. The ordinance provided for stipend payments in lieu of healthcare benefits for Plan members that meet certain eligibility requirements. Plan members that receive the stipend benefit are required to file annual certifications related to the use of this stipend for health care benefits. Plan members may become ineligible for this stipend benefit upon eligibility for another health care plan.

The Authority’s liability under this arrangement as of December 31, 2020 is \$4,218,000. To date, the Authority has made \$1,727,205 in payments related to these stipend benefits.

(13) Upcoming Reporting Changes

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were initially effective for the Authority's financial statements for the year ending December 31, 2020. However, implementation of the statement was deferred until the year ending December 31, 2022.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value



measurements, and derivative instruments. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. With the London Interbank Offered Rate (LIBOR) expecting to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The removal of LIBOR as an appropriate benchmark interest rate for a hedging derivative instrument is effective for the Authority's financial statements for the December 31, 2022 fiscal year. All other requirements of the statement are effective for the Authority's financial statements for the December 31, 2021 fiscal year. Lease modification requirements are effective one year later.

In March, 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which improves accounting and financial reporting for arrangements where a governmental entity contracts with an operator to provide public services by conveying control of the right to operate or use nonfinancial assets, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. It establishes the definitions of public-private and public-public partnerships (PPP's) and availability payment arrangements (APA's) and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. It requires governments to report assets and liabilities related to PPP's consistently and disclose important information about PPP transactions. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2023.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, in order to provide temporary relief to government agencies in the midst of the Coronavirus pandemic by allowing agencies to postpone, among other Statements, the implementation of Statement No. 87. As noted above, the authority has opted to delayed implementation of Statement No. 87.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2023.

(14) Subsequent Events

On December 27, 2020, the Consolidated Appropriations Act, 2021 was enacted into law. Division M of that Act is the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 ("CRRSA"). CRRSA provides approximately \$2 billion in economic relief to airports to prevent, prepare for, and respond to the COVID-19 public health emergency, including relief from rent and

MAGs for eligible airport concessions. On February 12, 2021, the FAA announced that it had allocated approximately \$31.5 million of CRSSA grant funds to the Authority. Of that amount, approximately \$3.9 million must be used for concessionaire relief. CRRSA grant funds must be obligated by not later than September 30, 2021.

On March 11, 2021, the President of the United States signed the American Rescue Plan Act of 2021 (“ARPA”), a \$1.9 trillion economic stimulus package designed to help the United States’ economy recover from the adverse impacts of the COVID-19 pandemic. In addition to other economic relief, ARPA includes financial relief for certain eligible airports. For eligible airports, ARPA appropriates \$8 billion to assist to prevent, prepare for, and respond to COVID-19, and such amounts remain available until September 30, 2024. ARPA requires that, of the \$8 billion appropriated, not more than \$6.492 billion will be made available for primary airports such as the Airport, for “costs related to operations, personnel, cleaning, sanitation, janitorial services, combating the spread of pathogens at the airport, and debt service payments.” ARPA further appropriates not more than \$608 million to pay a federal share of one hundred percent of the costs for any grant awarded in federal fiscal year 2021 (or in federal fiscal year 2020 with less than a one hundred percent federal share) for any airport redevelopment project, and provides for not more than \$800 million for sponsors of primary airports to provide relief from rent and minimum annual guarantees to airport concessions. The allocation of amounts appropriated by ARPA has not yet been announced, accordingly, it is not known at this time how much funding the Airport may be eligible to receive through the ARPA.

REQUIRED SUPPLEMENTARY INFORMATION



REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

Schedule of Changes in the Authority's Net Pension Liability and Related Ratios

| Reporting Period End: Measurement Period End: | [1] | | | | | | |
|--|-------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 12/31/2020 9/30/2020 | 12/31/2019 9/30/2019 | 9/30/2019 9/30/2018 | 9/30/2018 9/30/2017 | 9/30/2017 9/30/2016 | 9/30/2016 9/30/2016 | 9/30/2015 9/30/2015 |
| Total Pension Liability | | | | | | | |
| Service cost | \$ 1,915,559 | \$ 1,980,987 | \$ 1,980,134 | \$ 2,078,813 | \$ 2,035,141 | \$ 1,910,254 | \$ 1,784,942 |
| Interest | 12,688,440 | 12,340,373 | 11,886,244 | 11,459,580 | 10,943,315 | 10,408,880 | 10,007,566 |
| Changes in benefits | 930,598 | - | - | - | - | - | 1,083,361 |
| Difference between expected and actual experience | (4,324,462) | - | 1,299,631 | 913,793 | 3,004,584 | 2,360,317 | - |
| Changes in actuarial assumptions | - | - | - | - | 8,982,156 | - | - |
| Benefit payments, including refunds | (9,855,674) | (9,166,646) | (8,682,126) | (8,359,546) | (7,901,621) | (7,790,299) | (7,621,347) |
| Other | 4,000 | 42,898 | 697 | 5,315 | - | - | - |
| Net Change in Total Pension Liability | 1,358,461 | 5,197,612 | 6,484,580 | 6,097,955 | 17,063,575 | 6,889,152 | 5,254,522 |
| Total Pension Liability - Beginning of Period | 178,981,027 | 173,783,415 | 167,298,835 | 161,200,880 | 144,137,305 | 137,248,153 | 131,993,631 |
| Total Pension Liability - End of Period | \$ 180,339,488 | \$ 178,981,027 | \$ 173,783,415 | \$ 167,298,835 | \$ 161,200,880 | \$ 144,137,305 | \$ 137,248,153 |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions - Employer | \$ 7,554,761 | \$ 9,342,133 | \$ 7,265,285 | \$ 6,345,861 | \$ 11,021,191 | \$ 13,105,600 | \$ 8,475,718 |
| Contributions - Member | 517,092 | 401,266 | 345,445 | 367,168 | 334,437 | 2,168,732 | 1,359,927 |
| Net investment income | 3,729,737 | 4,482,538 | 8,118,259 | 13,119,125 | 10,247,311 | 786,957 | 8,502,195 |
| Administrative expenses | (365,369) | (327,917) | (326,599) | (344,164) | (318,694) | (919,758) | (319,237) |
| Benefit payments, including refunds | (9,855,674) | (9,166,646) | (8,682,126) | (8,359,546) | (7,901,621) | (7,790,299) | (7,621,347) |
| Net Change in Plan Fiduciary Net Position | 1,580,547 | 4,731,374 | 6,720,264 | 11,128,444 | 13,382,624 | 7,351,232 | 10,397,256 |
| Plan Fiduciary Net Position - Beginning of Period | 132,858,056 | 128,126,682 | 121,406,418 | 110,277,974 | 96,895,350 | 89,544,118 | 79,146,862 |
| Plan Fiduciary Net Position - End of Period | \$ 134,438,603 | \$ 132,858,056 | \$ 128,126,682 | \$ 121,406,418 | \$ 110,277,974 | \$ 96,895,350 | \$ 89,544,118 |
| Authority's Net Pension Liability - Ending | \$ 45,900,885 | \$ 46,122,971 | \$ 45,656,733 | \$ 45,892,417 | \$ 50,922,906 | \$ 47,241,955 | \$ 47,704,035 |
| Plan Fiduciary Net Position as a % of Total Pension Liability | 74.55% | 74.23% | 73.73% | 72.57% | 68.41% | 67.22% | 65.24% |
| Covered Payroll | \$ 28,178,030 | \$ 29,101,990 | \$ 29,101,990 | \$ 29,022,520 | \$ 30,105,635 | \$ 28,300,056 | \$ 27,197,880 |
| Authority's Net Pension Liability as a % of Covered Payroll | 162.90% | 158.49% | 156.89% | 158.13% | 169.15% | 166.93% | 175.40% |

Schedule of Contributions

| Period End: | 12/31/2020 | 12/31/2019 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Actuarially determined contribution | \$ 6,575,468 | \$ 1,829,472 | \$ 7,059,410 | \$ 7,167,820 | \$ 5,958,323 | \$ 6,924,296 | \$ 7,001,434 |
| Contributions in relation to the actuarially determined contr. | 6,642,195 | 2,476,590 | 7,342,133 | 7,265,285 | 6,345,861 | 11,021,191 | 13,105,600 |
| Contribution Deficiency (Excess) | \$ (66,727) | \$ (647,118) | \$ (282,723) | \$ (97,465) | \$ (387,538) | \$ (4,096,895) | \$ (6,104,166) |
| Covered Payroll | \$ 25,101,995 | \$ 6,960,405 | \$ 28,829,452 | \$ 29,101,990 | \$ 29,022,520 | \$ 30,105,635 | \$ 28,300,056 |
| Contributions as a Percentage of Covered Payroll | 26.46% | 35.58% | 25.47% | 24.96% | 21.87% | 36.61% | 46.31% |

[1] –A three-month stub period (October 1, 2019 through December 31, 2020) was completed to facilitate a change in the fiscal year end from September 30 to December 31. All other periods are one-year periods.

GASB Statement No. 68 was implemented on September 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.



Notes to Schedule of Authority Contributions

Valuation date Actuarially determined contribution rates are calculated as of September 30 each year, which is one period prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Dollar, Closed |
| Remaining amortization period | 16 years decreased by one year annually |
| Asset valuation method | 4-year smoothed market; 20% corridor |
| Wage inflation | 3.00% as of September 30, 2016. Before that, 3.50%. |
| Salary increases | 3.00% to 13.15% including inflation as of September 30, 2016. Before that, 3.50% to 8.80% including inflation. |
| Investment rate of return | 7.25% as of September 30, 2016. Before that, 7.75%. |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2016 valuation pursuant to an experience study of the period October 1, 2010 - September 30, 2015. |
| Mortality | As of September 30, 2016: RP-2014 Healthy Annuitant Mortality table for males and females, adjusted for mortality improvement back to the base year of 2006. Mortality rates for a particular calendar year are determined by applying the MP-2016 Mortality Improvement scale to the above described tables. The corresponding Disabled and Employee tables were used for disability and pre-retirement mortality, respectively. Before September 30, 2016: RP-2000 Combined Healthy Mortality Table projected 20 years. Set forward 5 years for disabled retirees. |
| Cost of living adjustment | None |

Other Information The investment rate of return was assumed to be 7.25% as of September 30, 2016. Before that, it was assumed to be 7.75%.

A new mortality table was used as of September 30, 2016. See "Mortality" section above for detail of mortality assumptions used as of September 30, 2016 and before.



REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

Schedule of Changes in the Authority's Net OPEB Liability and Related Ratio

| Period End: | [1] | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 12/31/2020 | 12/31/2019 | 9/30/2019 | 9/30/2018 |
| Total OPEB Liability | | | | |
| Service cost | \$ 1,282,887 | \$ 334,581 | \$ 1,403,556 | \$ 1,644,712 |
| Interest | 8,941,588 | 2,206,606 | 8,504,400 | 8,092,952 |
| Changes in benefits | (7,789,535) | - | - | - |
| Difference between expected and actual experience | (11,045,310) | (1,005,326) | (8,533,132) | (2,346,793) |
| Changes in actuarial assumptions | 4,926,316 | - | 4,332,630 | - |
| Benefit payments, including refunds | (493,287) | (236,315) | (908,974) | (1,875,930) |
| Other | - | - | - | - |
| Net Change in Total OPEB Liability | (4,177,341) | 1,299,546 | 4,798,480 | 5,514,941 |
| Total OPEB Liability - Beginning of Period | 127,342,169 | 126,042,623 | 121,244,143 | 115,729,202 |
| Total OPEB Liability - End of Period | \$ 123,164,828 | \$ 127,342,169 | \$ 126,042,623 | \$ 121,244,143 |
| Plan Fiduciary Net Position | | | | |
| Contributions - Employer | \$ 2,493,288 | \$ 1,736,315 | \$ 6,908,974 | \$ 9,573,821 |
| Net investment income | 9,453,108 | 3,682,051 | 1,846,127 | 3,264,931 |
| Administrative expenses | 0 | 0 | 0 | 0 |
| Benefit payments, including refunds | (493,286) | (236,315) | (908,974) | (1,875,930) |
| Net Change in Plan Fiduciary Net Position | 11,453,110 | 5,182,051 | 7,846,127 | 10,962,822 |
| Plan Fiduciary Net Position - Beginning of Period | 77,530,546 | 72,348,495 | 64,502,368 | 53,539,546 |
| Plan Fiduciary Net Position - End of Period | \$ 88,983,656 | \$ 77,530,546 | \$ 72,348,495 | \$ 64,502,368 |
| Authority's Net OPEB Liability - Ending | \$ 34,181,172 | \$ 49,811,623 | \$ 53,694,128 | \$ 56,741,775 |
| Plan Fiduciary Net Position as a % of Total OPEB Liability | 72.25% | 60.88% | 57.40% | 53.20% |
| Covered Employee Payroll | \$ 35,818,558 | \$ 6,963,888 | \$ 39,597,109 | \$ 41,144,209 |
| Net OPEB Liability as a % of Covered Payroll | 95.43% | [2] | 135.60% | 137.91% |

| Period End: | [1] | | | |
|--|----------------------|------------------|-------------------|-----------------------|
| | 12/31/2020 | 12/31/2019 | 9/30/2019 | 9/30/2018 |
| Actuarially determined contribution | \$ 6,911,646 | 1,727,912 | 6,738,758 | \$ 6,885,604 |
| Contributions in relation to the actuarially determined contribution | 2,493,288 | 1,736,315 | 6,908,974 | 9,573,821 |
| Contribution Deficiency (Excess) | \$ 4,418,358 | (8,403) | (170,216) | \$ (2,688,217) |
| Covered Employee Payroll | \$ 35,818,558 | 6,963,888 | 39,597,109 | \$ 41,144,209 |
| Contributions as a Percentage of Covered Employee Payroll | 6.96% | 24.93% | 17.45% | 23.27% |

Schedule of OPEB Contributions

| Period End: | [1] | | | |
|--|----------------------|------------------|-------------------|-----------------------|
| | 12/31/2020 | 12/31/2019 | 9/30/2019 | 9/30/2018 |
| Actuarially determined contribution | \$ 6,911,646 | 1,727,912 | 6,738,758 | \$ 6,885,604 |
| Contributions in relation to the actuarially determined contribution | 2,493,288 | 1,736,315 | 6,908,974 | 9,573,821 |
| Contribution Deficiency (Excess) | \$ 4,418,358 | (8,403) | (170,216) | \$ (2,688,217) |
| Covered Employee Payroll | \$ 35,818,558 | 6,963,888 | 39,597,109 | \$ 41,144,209 |
| Contributions as a Percentage of Covered Employee Payroll | 6.96% | 24.93% | 17.45% | 23.27% |

Schedule of Returns

| Period End: | [1] | | | |
|---------------------------------|------------|------------|-----------|-----------|
| | 12/31/2020 | 12/31/2019 | 9/30/2019 | 9/30/2018 |
| Return on OPEB plan investments | 12.51% | 5.05% | 2.95% | 5.78% |

[1]—A three-month stub period (October 1, 2019 through December 31, 2020) was completed to facilitate a change in the fiscal year end from September 30 to December 31. All other periods are one-year periods.



REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

[2] - Calculation not reported for the stub period as covered payroll presented includes only three months of activity.

GASB Statement No. 75 was implemented September 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.

Notes to Schedule of Authority Contributions

Valuation date Actuarially determined contribution amounts for the year ended December 31, 2020 were based on the September 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates

| | |
|-------------------------------|--|
| Actuarial cost method | Entry-Age Normal |
| Amortization method | Level Dollar |
| Remaining amortization period | 22 years, Closed |
| Asset valuation method | Market Value of Assets |
| Price inflation | 2.50% |
| Wage inflation | 3.00% |
| Salary increases | 3.00% to 13.15% |
| Investment rate of return | 7.00%, net of OPEB plan investment expense |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | RP-2014 Healthy Annuitant Mortality table, adjusted back to the base year of 2006. Mortality rates are determined by applying the MP-2016 Mortality Improvement scale. |
| Healthcare trend rates | Initial trend of 8.25% gradually decreasing to an ultimate trend rate of 3.50% in year |
| Excise Tax | No load was applied in connection with the "Cadillac" tax |
| Aging Factors | Based on the 2013 SOA Study "Health Care Costs - From Birth to Death" |

Other Information

Notes The total OPEB liability reflects a benefit change which instituted a 10% cost share for all current and future retirees post-65. Additionally, the total OPEB liability reflects reported benefit corrections applicable to the benefit eligibility conditions.

STATISTICAL SECTION

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

CONTENTS

Financial Trends – Exhibits S-1, S-2

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

Revenue Capacity – Exhibits S-3, S-5

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

Debt Capacity – Exhibits S-6 to S-8

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

Demographic & Economic Information – Exhibits S-10 series

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

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

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

Sources: Unless otherwise noted, the information in these exhibits is derived from the Annual Comprehensive Financial Reports of the relevant year.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Position

(Unaudited)

| | 2020 | 2019 Stub ⁴ | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-----------------------|------------------------|-----------------------|------------------------------------|------------------------|------------------------|------------------------------------|------------------------------------|------------------------|------------------------|------------------------|
| Operating revenues: | | | | | | | | | | | |
| Airport landing and related fees | \$ 58,106,427 | \$ 20,430,971 | \$ 80,563,419 | \$ 77,550,626 | \$ 80,160,100 | \$ 78,661,781 | \$ 73,888,139 | \$ 76,406,397 | \$ 65,493,268 | \$ 67,299,967 | \$ 69,099,578 |
| Concession fees | 32,747,512 | 16,790,198 | 69,304,639 | 68,950,984 | 64,702,113 | 61,820,000 | 57,615,102 | 54,161,908 | 51,696,676 | 51,689,387 | 50,575,848 |
| Parking fees | 34,905,184 | 21,833,720 | 83,657,331 | 80,248,186 | 76,706,962 | 74,497,683 | 68,017,761 | 61,187,198 | 57,828,811 | 56,091,494 | 54,145,257 |
| Hotel | 12,224,405 | 8,816,337 | 32,734,957 | 31,368,028 | 29,928,448 | 33,889,957 | 33,345,294 | 32,922,844 | 29,301,463 | 27,611,922 | 29,372,498 |
| Rental facilities | 100,804,284 | 28,776,649 | 118,441,203 | 112,099,910 | 106,121,745 | 104,913,627 | 107,356,129 | 105,234,040 | 103,155,137 | 107,353,758 | 96,449,901 |
| Expense recoveries | 3,842,231 | 1,191,196 | 4,854,869 | 5,096,397 | 5,026,053 | 4,812,705 | 4,722,477 | 5,027,074 | 5,282,902 | 4,927,372 | 5,010,457 |
| Other | 15,577,115 | 1,845,824 | 7,167,681 | 7,332,061 | 5,486,987 | 4,473,948 | 4,790,511 | 4,784,310 | 6,007,508 | 3,664,924 | 6,406,295 |
| Total operating revenues | 258,207,158 | 99,684,895 | 396,724,099 | 382,646,192 | 368,132,408 | 363,069,701 | 349,735,413 | 339,723,771 | 318,765,765 | 318,638,824 | 311,059,834 |
| Nonoperating revenues: | | | | | | | | | | | |
| Passenger facility charges | 28,407,906 | 16,415,341 | 72,760,924 | 69,774,131 | 68,128,397 | 66,764,363 | 63,840,589 | 62,016,364 | 61,705,013 | 62,134,255 | 62,197,495 |
| Customer facility charges | 4,950,594 | 5,726,133 | 22,130,671 | 4,548,815 | 4,442,148 | 4,260,370 | 304,510 | — | — | — | — |
| Federal and state sources | 118,326,432 | 1,783,827 | 8,507,741 | 6,650,317 | 6,655,554 | 5,568,130 | 1,339,342 | 1,029,619 | 1,353,122 | 1,378,911 | 1,326,034 |
| Interest income and other | 5,010,656 | 2,529,138 | 16,589,419 | 7,617,673 | 3,681,738 | 3,956,859 | 2,209,999 | 2,808,958 | 2,048,283 | 1,834,241 | 3,390,214 |
| Total nonoperating revenues | 156,695,588 | 26,454,439 | 119,988,755 | 88,590,936 | 82,907,837 | 80,549,722 | 67,694,440 | 65,854,941 | 65,106,418 | 65,347,407 | 66,913,743 |
| Total revenues | 414,902,746 | 126,139,334 | 516,712,854 | 471,237,128 | 451,040,245 | 443,619,423 | 417,429,853 | 405,578,712 | 383,872,183 | 383,986,231 | 377,973,577 |
| Operating expenses: | | | | | | | | | | | |
| Salaries, wages, and fringe benefits | 79,425,508 | 31,450,044 | 93,147,440 | 96,282,328 | 110,655,997 | 85,906,812 | 77,278,115 | 80,339,925 | 72,891,273 | 70,105,901 | 71,489,016 |
| Parking management | 5,487,982 | 1,822,857 | 7,607,497 | 8,404,763 | 7,986,688 | 7,908,549 | 7,882,292 | 6,630,160 | 6,280,332 | 6,048,290 | 6,794,062 |
| Hotel management | 11,128,419 | 5,534,138 | 20,702,876 | 19,775,235 | 18,049,328 | 22,357,224 | 18,793,497 | 23,063,942 | 21,064,105 | 20,888,610 | 22,644,120 |
| Janitorial services | 14,065,708 | 4,128,379 | 16,949,290 | 14,427,918 | 13,537,224 | 12,014,456 | 11,967,572 | 11,809,916 | 11,400,627 | 11,498,166 | 11,164,616 |
| Security | 4,881,470 | 1,553,162 | 5,999,972 | 6,031,481 | 5,149,362 | 3,745,339 | 2,557,818 | 2,511,402 | 2,260,167 | 2,288,013 | 2,401,473 |
| Utilities | 19,727,108 | 5,362,169 | 23,043,039 | 23,876,461 | 23,258,507 | 22,220,804 | 24,499,913 | 28,939,467 | 27,035,597 | 26,676,454 | 24,886,104 |
| Repairs, professional services, and other | 81,886,187 | 24,699,872 | 103,815,331 | 96,041,405 | 88,001,189 | 98,458,024 | 94,162,429 | 82,616,234 | 75,658,752 | 71,689,848 | 79,689,990 |
| Depreciation | 135,414,157 | 31,625,118 | 125,028,606 | 124,774,415 | 134,753,534 | 173,101,695 | 167,105,516 | 141,539,710 | 140,526,973 | 142,828,398 | 142,754,436 |
| Total operating expenses | 352,016,539 | 106,175,739 | 396,294,051 | 389,614,006 | 401,391,829 | 425,712,903 | 404,247,152 | 377,450,756 | 357,117,826 | 352,023,680 | 361,823,817 |
| Nonoperating expenses: | | | | | | | | | | | |
| Interest expense | 78,129,584 | 20,710,928 | 85,182,866 | 82,468,769 | 72,739,426 | 71,351,499 | 80,334,978 | 82,352,146 | 82,825,198 | 85,514,177 | 91,549,044 |
| Loss on disposal of assets | — | 5,849 | 2,805,881 | 2,399,305 | 8,209,718 | 9,513,323 | 1,564,607 | 1,016,927 | 5,488,973 | 2,555,076 | — |
| Amortization of bond insurance premiums | 42,223 | 10,556 | 42,223 | 101,414 | 175,438 | 175,438 | 371,068 | 371,068 | — | — | — |
| Amortization of bond issuance costs | — | — | — | — | — | — | — | — | 1,968,924 | 2,035,607 | 1,902,952 |
| Total nonoperating expenses | 78,171,807 | 20,727,333 | 88,030,970 | 84,969,488 | 81,124,582 | 81,040,260 | 82,270,653 | 83,740,141 | 90,283,095 | 90,104,860 | 93,451,996 |
| Total expenses | 430,188,346 | 126,903,072 | 484,325,021 | 474,583,494 | 482,516,411 | 506,753,163 | 486,517,805 | 461,190,897 | 447,400,921 | 442,128,540 | 455,275,813 |
| Capital contributions | 27,384,172 | 1,124,530 | 33,636,386 | 389,653 | 7,278,160 | 32,953,269 | 8,560,699 | 32,679,821 | 41,637,536 | 27,121,478 | 17,750,671 |
| Change in net position | \$ 12,098,572 | \$ 360,792 | \$ 66,024,219 | \$ (2,956,713) | \$ (24,198,006) | \$ (30,180,471) | \$ (60,527,253) | \$ (22,932,364) | \$ (21,891,202) | \$ (31,020,831) | \$ (59,551,565) |
| Net position at year end composed of: | | | | | | | | | | | |
| Net investment in capital assets | (41,822,294) | (58,876,996) | (83,043,017) | (118,242,129) | (90,041,234) | (97,448,351) | (6,890,342) | 39,760,424 | 27,234,267 | 36,778,052 | 86,906,586 |
| Restricted | 257,068,757 | 276,648,919 | 347,444,439 | 296,207,385 | 295,809,085 | 319,728,265 | 287,087,714 | 314,707,433 | 323,698,561 | 338,786,218 | 322,488,477 |
| Unrestricted | 9,630,198 | (4,993,834) | (51,984,125) | (31,572,178) | (56,418,060) | 19,224,185 | (8,512,802) | (22,256,034) | 48,582,410 | 58,895,731 | 56,085,769 |
| Total net position | \$ 224,876,661 | \$ 212,778,089 | \$ 212,417,297 | \$ 146,393,078 ³ | \$ 149,349,791 | \$ 241,504,099 | \$ 271,684,570 ² | \$ 332,211,823 ¹ | \$ 399,515,238 | \$ 434,460,001 | \$ 465,480,832 |

¹ In 2014, the Authority restated beginning net position by \$13,053,561. This amount less the increase/decrease in net position is used to arrive at ending net position.

² In 2015, the Authority restated beginning net position by \$44,371,051. This amount less the increase/decrease in net position is used to arrive at ending net position.

³ In 2018, the Authority restated beginning net position by \$67,956,302. This amount less the increase/decrease in net position is used to arrive at ending net position.

⁴ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

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)

| | 2020 | 2019 Stub ¹ | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|----------------|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Airline revenues: | | | | | | | | | | | |
| Airport landing and related fees | \$ 58,106,427 | \$ 20,430,971 | \$ 80,563,419 | \$ 77,550,626 | \$ 80,160,100 | \$ 78,661,781 | \$ 73,888,139 | \$ 76,406,397 | \$ 65,493,268 | \$ 67,299,967 | \$ 69,099,578 |
| Terminal building rentals and fees | 85,861,167 | 21,394,396 | 89,089,734 | 84,929,354 | 82,231,045 | 84,580,455 | 86,816,124 | 85,169,050 | 84,354,836 | 86,463,382 | 74,347,911 |
| Facility use fees | 2,466,042 | 2,207,153 | 10,156,940 | 9,378,232 | 8,829,376 | 8,288,005 | 8,367,454 | 8,608,737 | 7,552,051 | 7,489,497 | 7,143,733 |
| Total airline revenues | 146,433,636 | 44,032,520 | 179,810,093 | 171,858,212 | 171,220,521 | 171,530,241 | 169,071,717 | 170,184,184 | 157,400,155 | 161,252,846 | 150,591,222 |
| Percentage of total revenues | 35.3% | 34.9% | 34.8% | 36.5% | 38.0% | 38.7% | 40.5% | 42.0% | 41.0% | 42.0% | 39.8% |
| Non-Airline revenues: | | | | | | | | | | | |
| Parking fees | 34,905,184 | 21,833,720 | 83,657,331 | 80,248,186 | 76,706,962 | 74,497,683 | 68,017,761 | 61,187,198 | 57,828,811 | 56,091,494 | 54,145,257 |
| Concession fees | 21,271,464 | 10,686,331 | 43,437,381 | 42,786,536 | 39,752,574 | 37,947,768 | 35,185,895 | 32,253,029 | 31,536,249 | 32,063,017 | 31,592,316 |
| Car rental | 11,476,048 | 6,103,867 | 25,867,258 | 26,164,448 | 24,949,539 | 23,872,232 | 22,429,207 | 21,908,879 | 20,160,427 | 19,626,370 | 18,983,532 |
| Hotel | 12,224,405 | 8,816,337 | 32,734,957 | 31,368,028 | 29,928,448 | 33,889,957 | 33,345,294 | 32,922,844 | 29,301,463 | 27,611,922 | 29,372,498 |
| Employee shuttle bus | 3,741,727 | 773,732 | 3,048,721 | 2,891,239 | 2,833,329 | 2,316,970 | 2,100,820 | 2,032,346 | 2,502,311 | 5,210,640 | 5,869,315 |
| Ground transportation | 3,781,150 | 3,132,819 | 11,375,371 | 10,199,443 | 7,813,795 | 5,125,120 | 5,428,501 | 5,452,612 | 5,094,540 | 4,882,553 | 4,944,291 |
| Utility service fees | 3,842,231 | 1,191,196 | 4,854,869 | 5,096,397 | 5,026,053 | 4,812,705 | 4,722,477 | 5,027,074 | 5,282,902 | 4,927,372 | 5,010,457 |
| Rental facilities | 4,954,198 | 1,268,549 | 4,770,437 | 4,701,642 | 4,414,200 | 4,603,077 | 4,643,230 | 3,971,295 | 3,651,399 | 3,307,686 | 4,144,651 |
| Other | 15,577,115 | 1,845,824 | 7,167,681 | 7,332,061 | 5,486,987 | 4,473,948 | 4,790,511 | 4,784,310 | 6,007,508 | 3,664,924 | 6,406,295 |
| Total non-airline revenues | 111,773,522 | 55,652,375 | 216,914,006 | 210,787,980 | 196,911,887 | 191,539,460 | 180,663,696 | 169,539,587 | 161,365,610 | 157,385,978 | 160,468,612 |
| Percentage of total revenues | 26.9% | 44.1% | 42.0% | 44.7% | 43.7% | 43.2% | 43.3% | 41.8% | 42.0% | 41.0% | 42.5% |
| Nonoperating revenues: | | | | | | | | | | | |
| Passenger facility charges | 28,407,906 | 16,415,341 | 72,760,924 | 69,774,131 | 68,128,397 | 66,764,363 | 63,840,589 | 62,016,364 | 61,705,013 | 62,134,255 | 62,197,495 |
| Customer facility charges | 4,950,594 | 5,726,133 | 22,130,671 | 4,548,815 | 4,442,148 | 4,260,370 | 304,510 | — | — | — | — |
| Federal and state grants | 118,326,432 | 1,783,827 | 8,507,741 | 6,650,317 | 6,655,554 | 5,568,130 | 1,339,342 | 1,029,619 | 1,353,122 | 1,378,911 | 1,326,034 |
| Interest | 4,551,928 | 2,312,274 | 16,519,284 | 7,617,673 | 3,567,954 | 3,856,859 | 1,454,197 | 1,388,246 | 1,616,192 | 1,810,277 | 3,241,109 |
| Other | 458,728 | 216,864 | 70,135 | — | 113,784 | 100,000 | 755,802 | 1,420,712 | 432,091 | 23,964 | 149,105 |
| Total nonoperating revenues | 156,695,588 | 26,454,439 | 119,988,755 | 88,590,936 | 82,907,837 | 80,549,722 | 67,694,440 | 65,854,941 | 65,106,418 | 65,347,407 | 66,913,743 |
| Percentage of total revenues | 37.8% | 21.0% | 23.2% | 18.7% | 18.3% | 18.1% | 16.2% | 16.2% | 17.0% | 17.0% | 17.7% |
| Total revenues | \$ 414,902,746 | \$ 126,139,334 | \$ 516,712,854 | \$ 471,237,128 | \$ 451,040,245 | \$ 443,619,423 | \$ 417,429,853 | \$ 405,578,712 | \$ 383,872,183 | \$ 383,986,231 | \$ 377,973,577 |
| Enplaned passengers | 6,998,199 | 4,608,208 | 18,121,193 | 17,558,618 | 17,281,219 | 17,130,687 | 16,443,778 | 16,216,673 | 16,077,652 | 16,169,584 | 16,226,201 |
| Total revenue per enplaned passenger | \$ 59.29 | \$ 27.37 | \$ 28.51 | \$ 26.84 | 26.10 | 25.90 | 25.39 | 25.01 | 23.88 | 23.75 | 23.29 |
| Airline revenue per enplaned passenger | \$ 20.92 | \$ 9.56 | \$ 9.92 | \$ 9.79 | 9.91 | 10.01 | 10.28 | 10.49 | 9.79 | 9.97 | 9.28 |

¹ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

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)

| | <u>2020</u> | <u>2019 Stub</u> ⁴ | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|-------------|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Landing Fees: | | | | | | | | | | | |
| Signatory Airlines ¹ | \$ 4.26 | 3.55 | 3.52 | 3.48 | 3.65 | 3.62 | 3.54 | 3.71 | 3.14 | 3.23 | 3.26 |
| Non-Signatory Airlines ² | 5.33 | 4.44 | 4.40 | 4.35 | 4.56 | 4.52 | 4.43 | 4.64 | 3.93 | 4.04 | 4.08 |
| General Aviation ³ | 2.50 | See Note ⁵ | 2.32 | 2.32 | 2.32 | 2.25 | 2.00 | 2.00 | 1.75 | 1.50 | 1.50 |
| Facility Use Fees: | | | | | | | | | | | |
| South Terminal | \$ 6.00 | 6.00 | 6.00 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.00 | 5.00 | 5.00 |
| North Terminal | 6.00 | 6.00 | 6.00 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.00 | 5.00 | 5.00 |
| Terminal Rental Rates (per SF per year): | | | | | | | | | | | |
| South Terminal - Signatory Airlines ¹ | \$ 57.78 | 60.44 | 62.08 | 60.32 | 56.81 | 56.90 | 58.74 | 60.00 | 57.71 | 60.00 | 57.70 |
| South Terminal - Non-Signatory Airlines | 66.45 | 69.51 | 71.39 | 69.37 | 65.33 | 65.44 | 67.55 | 69.00 | 66.36 | 69.00 | 69.00 |
| North Terminal - Signatory Airlines ¹ | 129.03 | 109.88 | 117.35 | 98.89 | 109.26 | 119.35 | 124.12 | 117.00 | 118.95 | 118.00 | 51.20 |
| North Terminal - Non-Signatory Airlines | 148.38 | 126.36 | 134.95 | 113.73 | 125.65 | 137.25 | 142.74 | 134.00 | 136.79 | 136.00 | 78.00 |

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

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

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

³ Billing rate at Willow Run Airport for aircraft weighing 150,000 lbs. and over, charged per 1,000 lbs. MGLW. A tiered rate structure exists for smaller aircraft.

⁴ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

⁵ During the stub period, the rate was \$2.32 until October 31, 2019. Thereafter the rate was \$2.50

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)

| Airline ¹ | Detroit Metropolitan Airport | | | | | | | | | | | |
|--|------------------------------|---------------|------------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | 2020 | | 2019 Stub ⁹ | | 2019 | | 2018 | | 2017 | | 2016 | |
| | Landed weights | Share | Landed weights | Share | Landed weights | Share | Landed weights | Share | Landed weights | Share | Landed weights | Share |
| Delta | 6,096,548 | 45.3% | 2,851,469 | 50.4% | 11,051,357 | 49.2% | 10,584,280 | 48.2% | 10,505,297 | 48.6% | 10,616,006 | 49.5% |
| Delta (Endeavor) ⁵ | 1,846,538 | 13.7 | 300,065 | 5.3 | 1,269,995 | 5.7 | 1,315,655 | 6.0 | 1,439,231 | 6.7 | 1,960,734 | 9.1 |
| Delta (Sky West) | 1,295,227 | 9.6 | 702,962 | 12.4 | 2,386,789 | 10.6 | 2,069,010 | 9.4 | 1,643,645 | 7.6 | 864,151 | 4.0 |
| Spirit Airlines | 1,107,975 | 8.3 | 417,647 | 7.4 | 1,730,349 | 7.7 | 1,601,875 | 7.3 | 1,405,062 | 6.5 | 1,293,177 | 6.0 |
| Federal Express | 513,341 | 3.8 | 131,799 | 2.3 | 488,855 | 2.2 | 496,174 | 2.3 | 470,760 | 2.2 | 483,114 | 2.3 |
| Southwest/AirTran Airways ³ | 455,280 | 3.4 | 180,464 | 3.2 | 797,062 | 3.6 | 903,968 | 4.1 | 931,658 | 4.3 | 898,636 | 4.2 |
| American/US Airways ⁷ | 421,003 | 3.1 | 170,845 | 3.0 | 722,725 | 3.2 | 785,679 | 3.6 | 855,276 | 4.0 | 861,963 | 4.0 |
| Delta (Republic) | 322,682 | 2.4 | 49,807 | 0.9 | 242,409 | 1.1 | 226,916 | 1.0 | 130,371 | 0.6 | — | — |
| United Parcel Service | 285,213 | 2.1 | 76,748 | 1.4 | 244,804 | 1.1 | 221,034 | 1.0 | 189,156 | 0.9 | 179,533 | 0.8 |
| Frontier | 99,951 | 0.7 | 46,770 | 0.8 | 136,903 | 0.6 | 150,280 | 0.7 | 189,950 | 0.9 | 140,122 | 0.7 |
| Delta (GoJet) | 98,198 | 0.7 | 209,028 | 3.7 | 1,194,965 | 5.3 | 1,253,053 | 5.7 | 888,262 | 4.1 | 271,737 | 1.3 |
| United/Continental (Republic) ⁴ | 87,953 | 0.7 | 52,911 | 0.9 | 230,252 | 1.0 | 217,724 | 1.0 | 169,454 | 0.8 | 114,619 | 0.5 |
| United/Continental (SkyWest) ⁴ | 78,366 | 0.6 | 22,265 | 0.4 | 66,929 | 0.3 | 77,164 | 0.4 | 53,126 | 0.2 | 73,679 | 0.4 |
| American/US Airways (Republic) ⁷ | 72,776 | 0.5 | 59,136 | 1.0 | 148,217 | 0.7 | 131,669 | 0.6 | 149,076 | 0.7 | 194,949 | 0.9 |
| United/Continental (Mesa) ⁴ | 71,255 | 0.5 | 40,231 | 0.7 | 173,846 | 0.8 | 165,922 | 0.8 | 183,080 | 0.8 | 157,475 | 0.7 |
| American/US Airways (PSA) ⁷ | 63,580 | 0.5 | 17,491 | 0.3 | 96,018 | 0.4 | 128,353 | 0.6 | 102,934 | 0.5 | 68,183 | 0.3 |
| United/Continental ⁴ | 58,525 | 0.4 | 20,515 | 0.9 | 234,668 | 1.0 | 244,621 | 1.1 | 275,721 | 1.3 | 209,604 | 1.0 |
| American/US Airways (SkyWest) ⁷ | 52,327 | 0.4 | 23,785 | 0.4 | 136,722 | 0.6 | 123,201 | 0.5 | 76,389 | 0.4 | — | — |
| JetBlue Airways | 48,566 | 0.4 | 29,754 | 0.5 | 120,070 | 0.5 | 167,276 | 0.8 | 162,534 | 0.8 | 168,108 | 0.8 |
| Air France | 47,486 | 0.4 | 38,779 | 0.7 | 144,745 | 0.7 | 137,656 | 0.6 | 134,507 | 0.6 | 134,644 | 0.6 |
| Alaska Airlines | 45,965 | 0.3 | 14,369 | 0.3 | 69,143 | 0.3 | 117,327 | 0.5 | 76,993 | 0.4 | 65,210 | 0.3 |
| DHL (Kalitta) | 41,454 | 0.5 | 34,240 | 0.8 | 135,952 | 0.6 | 71,360 | 0.3 | — | — | — | — |
| Lufthansa | 30,516 | 0.2 | 39,894 | 0.7 | 193,610 | 0.9 | 194,131 | 0.9 | 170,089 | 0.8 | 165,418 | 0.8 |
| United/Continental (GoJet) ⁴ | 29,334 | 0.2 | 2,412 | — | 25,996 | 0.1 | 24,522 | 0.1 | 7,705 | — | 36,917 | 0.2 |
| Aeromexico Connect | 21,244 | 0.2 | 23,281 | 0.4 | 84,050 | 0.4 | 27,353 | 0.1 | — | — | — | — |
| American/US Airways (Envoy) ^{6,7} | 17,320 | 0.1 | 13,771 | 0.2 | 48,758 | 0.2 | 47,843 | 0.2 | 52,670 | 0.2 | 77,245 | 0.4 |
| DHL (Atlas) | 16,864 | 0.1 | 1,952 | — | 5,440 | — | 61,808 | 0.3 | 118,096 | 0.5 | 119,608 | 0.6 |
| American/US Airways (Piedmont) ⁷ | 15,670 | 0.1 | 5,718 | 0.1 | 21,083 | 0.1 | 26,015 | 0.1 | — | — | — | — |
| United/Continental (ExpressJet) ^{2,4} | 9,133 | 0.1 | 11,648 | 0.2 | 6,313 | — | — | — | — | — | — | — |
| Royal Jordanian | 9,120 | 0.1 | 9,880 | 0.2 | 45,220 | 0.2 | 39,520 | 0.2 | 38,380 | 0.2 | 39,520 | 0.2 |
| Air Canada (Air Georgian) | — | — | 15,134 | 0.3 | 68,244 | 0.3 | 61,180 | 0.3 | 61,194 | 0.3 | 43,749 | 0.2 |
| Aeromexico | — | — | — | — | 38,416 | 0.2 | 41,408 | 0.2 | 30,883 | 0.1 | — | — |
| Delta (ExpressJet) ² | — | — | — | — | — | — | 168,179 | 0.8 | 680,318 | 3.2 | 1,423,967 | 6.6 |
| Delta (Compass) | — | — | — | — | — | — | — | — | 149,528 | 0.7 | 154,667 | 0.7 |
| Virgin Atlantic Airways | — | — | — | — | — | — | — | — | 61,014 | 0.3 | 135,699 | 0.6 |
| Delta (Shuttle America) | — | — | — | — | — | — | — | — | 58,320 | 0.3 | 276,165 | 1.3 |
| American/US Airways (Air Wisconsin) ⁷ | — | — | — | — | — | — | — | — | 53,580 | 0.2 | 72,615 | 0.4 |
| Delta (Chataqua) | — | — | — | — | — | — | — | — | — | — | — | — |
| Lufthansa Cargo | — | — | — | — | — | — | — | — | — | — | — | — |
| Delta (Comair) | — | — | — | — | — | — | — | — | — | — | — | — |
| Mesaba | — | — | — | — | — | — | — | — | — | — | — | — |
| Other ⁸ | 64,098 | 0.5 | 13,301 | 0.2 | 85,712 | 0.4 | 77,313 | 0.3 | 87,553 | 0.3 | 165,380 | 0.6 |
| Total | 13,423,510 | 100.0% | 5,628,069 | 100.0% | 22,445,617 | 100.0% | 21,959,469 | 100.0% | 21,601,812 | 100.0% | 21,466,594 | 100.0% |

¹ Signatory Affiliate Airlines are associated based on 2020 affiliations and shown in parentheses to major carrier name. All historical landed weights for these affiliates are shown on one line regardless of prior affiliations.

² Atlantic Southwest Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one on this report.

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

⁴ Continental Airlines merged with and into United Airlines on October 1, 2010, and for comparative purposes, are shown as one on this report.

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

⁶ Effective April 15, 2014, American Eagle changed its legal name to Envoy Air.

⁷ US Airways merged with American Airlines on April 8, 2015 and, for comparative purposes, are shown as one on this report.

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

⁹ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport

| 2015 | | 2014 | | 2013 | | 2012 | | 2011 | |
|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| Landed weights | Share | Landed weights | Share | Landed weights | Share | Landed weights | Share | Landed weights | Share |
| 10,615,528 | 51.5% | 10,273,955 | 50.4% | 10,051,320 | 48.7% | 9,655,644 | 46.9% | 10,153,498 | 48.5% |
| 1,824,960 | 8.8 | 2,523,978 | 12.4 | 3,661,163 | 17.7 | 3,237,417 | 15.7 | 2,743,336 | 13.1 |
| 465,842 | 2.3 | 294,404 | 1.4 | — | — | — | — | — | — |
| 1,129,323 | 5.5 | 886,234 | 4.3 | 765,188 | 3.7 | 749,026 | 3.6 | 752,623 | 3.6 |
| 479,295 | 2.3 | 493,528 | 2.4 | 446,450 | 2.2 | 461,450 | 2.2 | 409,567 | 2.0 |
| 854,196 | 4.1 | 904,127 | 4.4 | 969,194 | 4.7 | 942,596 | 4.6 | 973,682 | 4.6 |
| 843,916 | 4.1 | 842,150 | 4.1 | 785,631 | 3.8 | 755,222 | 3.7 | 741,329 | 3.5 |
| — | — | — | — | — | — | — | — | — | — |
| 175,421 | 0.9 | 170,445 | 0.8 | 167,762 | 0.8 | 168,483 | 0.8 | 171,832 | 0.8 |
| 100,624 | 0.5 | 105,448 | 0.5 | 84,124 | 0.4 | 124,080 | 0.6 | 143,844 | 0.7 |
| 128,707 | 0.6 | 190,615 | 0.9 | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 69,752 | 0.3 | 33,738 | 0.2 | 65,129 | 0.3 | 50,850 | 0.3 | 29,405 | 0.1 |
| 225,467 | 1.1 | 107,669 | 0.5 | — | — | — | — | — | — |
| 91,642 | 0.4 | — | — | — | — | — | — | — | — |
| 40,838 | 0.2 | — | — | — | — | — | — | — | — |
| 136,885 | 0.7 | 100,958 | 0.5 | 95,890 | 0.5 | 166,107 | 0.8 | 242,335 | 1.2 |
| — | — | — | — | — | — | — | — | — | — |
| 129,654 | 0.6 | — | — | — | — | — | — | — | — |
| 138,530 | 0.7 | 136,291 | 0.7 | 142,397 | 0.7 | 146,639 | 0.7 | 146,476 | 0.7 |
| 55,208 | 0.3 | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 162,237 | 0.8 | 180,296 | 0.9 | 153,106 | 0.7 | 146,790 | 0.7 | 147,477 | 0.7 |
| 46,297 | 0.2 | 45,091 | 0.2 | 51,389 | 0.2 | 39,329 | 0.2 | 66,531 | 0.3 |
| — | — | — | — | — | — | — | — | — | — |
| 176,287 | 0.9 | 209,816 | 1.0 | 207,170 | 1.0 | 195,133 | 0.9 | 180,815 | 0.9 |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 78,571 | 0.4 | 147,800 | 0.7 | — | — | — | — | — | — |
| 38,257 | 0.2 | 40,645 | 0.2 | 42,452 | 0.2 | 40,244 | 0.2 | 40,698 | 0.2 |
| 18,548 | 0.1 | 16,600 | 0.1 | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 1,544,732 | 7.5 | 1,351,443 | 6.6 | 1,260,107 | 6.1 | 1,110,252 | 5.4 | 795,381 | 3.8 |
| 165,734 | 0.8 | 252,328 | 1.2 | 225,942 | 1.1 | 288,096 | 1.4 | 371,436 | 1.8 |
| 49,683 | 0.2 | — | — | — | — | — | — | — | — |
| 480,607 | 2.3 | 97,562 | 0.5 | 139,035 | 0.7 | 221,668 | 1.1 | — | — |
| 48,927 | 0.2 | 69,466 | 0.3 | 77,597 | 0.4 | 85,634 | 0.4 | 97,431 | 0.5 |
| 141,015 | 0.7 | 564,145 | 2.8 | 467,713 | 2.3 | 217,005 | 1.1 | — | — |
| — | — | 17,657 | 0.1 | 52,480 | 0.3 | 31,390 | 0.2 | — | — |
| — | — | — | — | — | — | 942,080 | 4.6 | 1,115,580 | 5.3 |
| — | — | — | — | — | — | 144,408 | 0.7 | 872,731 | 4.2 |
| 168,969 | 0.8 | 326,312 | 1.9 | 717,622 | 3.5 | 688,808 | 3.2 | 727,706 | 3.5 |
| 20,625,652 | 100.0% | 20,382,701 | 100.0% | 20,628,861 | 100.0% | 20,608,351 | 100.0% | 20,923,713 | 100.0% |

Detroit Metropolitan Airport

| 2015 | | 2014 | | 2013 | | 2012 | | 2011 | |
|------------------------|---------|------------------------|---------|------------------------|---------|------------------------|---------|------------------------|---------|
| Passenger enplanements | Share | Passenger enplanements | Share | Passenger enplanements | Share | Passenger enplanements | Share | Passenger enplanements | Share |
| 57,636 | 0.35 | — | — | — | — | — | — | — | — |
| 34,465 | 0.21 | 57,178 | 0.35 | 63,752 | 0.40 | 71,394 | 0.44 | 81,860 | 0.50 |
| 136,328 | 0.83 | 169,854 | 1.05 | 169,407 | 1.05 | 162,633 | 1.01 | 154,136 | 0.95 |
| 13,713 | 0.08 | 29,246 | 0.18 | 26,173 | 0.16 | 37,154 | 0.23 | 19,074 | 0.12 |
| — | — | — | — | — | — | — | — | — | — |
| 39,344 | 0.24 | 5,492 | 0.03 | 6,519 | 0.04 | 10,716 | 0.07 | 5,990 | 0.04 |
| 178,734 | 1.09 | 92,224 | 0.57 | 96,509 | 0.60 | 80,347 | 0.50 | 111,361 | 0.69 |
| — | — | — | — | — | — | — | — | — | — |
| 732,616 | 4.46 | 725,183 | 4.47 | 662,355 | 4.12 | 635,870 | 3.95 | 616,654 | 3.80 |
| 140,318 | 0.85 | 560,376 | 3.46 | 448,754 | 2.79 | 217,573 | 1.35 | 168,194 | 1.04 |
| — | — | — | — | — | — | 811,218 | 5.02 | 945,095 | 5.82 |
| 120,847 | 0.73 | 207,036 | 1.28 | 175,829 | 1.09 | 241,508 | 1.49 | 312,578 | 1.93 |
| 1,556,601 | 9.46 | 2,159,842 | 13.32 | 3,080,866 | 19.16 | 2,698,992 | 16.69 | 2,254,208 | 13.89 |
| 1,276,020 | 7.76 | 1,098,157 | 6.77 | 978,390 | 6.09 | 885,230 | 5.47 | 650,836 | 4.01 |
| 107,108 | 0.65 | 160,650 | 0.99 | — | — | — | — | — | — |
| — | — | — | — | — | — | 123,066 | 0.76 | 721,808 | 4.45 |
| — | — | — | — | — | — | — | — | — | — |
| 475,505 | 2.89 | 86,319 | 0.53 | 121,712 | 0.76 | 190,663 | 1.18 | 85,863 | 0.53 |
| 353,817 | 2.15 | 251,177 | 1.55 | — | — | — | — | — | — |
| 7,249,879 | 44.09 | 6,856,076 | 42.28 | 6,568,924 | 40.86 | 6,349,263 | 39.27 | 6,651,576 | 40.99 |
| 92,038 | 0.56 | 98,958 | 0.61 | 80,496 | 0.50 | 125,186 | 0.77 | 140,291 | 0.86 |
| 105,591 | 0.64 | — | — | — | — | — | — | — | — |
| 784,365 | 4.77 | 828,595 | 5.11 | 832,772 | 5.18 | 842,732 | 5.21 | 813,744 | 5.02 |
| 1,096,225 | 6.67 | 875,463 | 5.40 | 755,169 | 4.70 | 711,134 | 4.40 | 703,335 | 4.33 |
| 76,704 | 0.47 | 143,587 | 0.89 | 130,342 | 0.81 | 123,199 | 0.76 | 112,402 | 0.69 |
| 42,751 | 0.26 | 40,249 | 0.25 | 44,311 | 0.28 | 34,532 | 0.21 | 57,089 | 0.35 |
| 80,084 | 0.49 | 18,478 | 0.11 | 42,346 | 0.26 | 43,702 | 0.27 | 19,733 | 0.12 |
| — | — | — | — | — | — | — | — | — | — |
| 65,860 | 0.40 | 31,384 | 0.19 | 58,464 | 0.36 | 43,592 | 0.27 | 29,789 | 0.18 |
| 105,188 | 0.64 | 78,956 | 0.49 | 70,789 | 0.44 | 128,634 | 0.80 | 195,711 | 1.21 |
| — | — | — | — | — | — | — | — | 153 | — |
| 86,562 | 0.53 | 177,393 | 1.09 | 251,438 | 1.56 | 233,942 | 1.45 | 61,052 | 0.37 |
| 15,008,299 | 91.27 | 14,751,873 | 90.97 | 14,665,317 | 91.21 | 14,802,280 | 91.57 | 14,912,532 | 91.89 |
| — | — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 23,980 | 0.15 | 21,253 | 0.13 | 17,156 | 0.11 | 14,887 | 0.09 | 12,340 | 0.08 |
| 75,576 | 0.46 | 73,512 | 0.45 | 77,751 | 0.48 | 82,675 | 0.51 | 76,568 | 0.47 |
| 520 | — | 1,256 | 0.01 | 1,302 | 0.01 | 1,459 | 0.01 | 1,493 | 0.01 |
| — | — | — | — | — | — | — | — | — | — |
| 17,102 | 0.10 | 8,691 | 0.05 | — | — | — | — | — | — |
| — | — | — | — | 2,175 | 0.01 | 18,094 | 0.11 | 44,711 | 0.28 |
| — | — | — | — | — | — | — | — | 67 | — |
| 1,178,621 | 7.17 | 1,226,121 | 7.56 | 1,180,193 | 7.34 | 1,119,589 | 6.92 | 1,065,984 | 6.57 |
| — | — | — | — | — | — | — | — | — | — |
| 76,694 | 0.47 | 77,650 | 0.48 | 66,977 | 0.42 | 64,854 | 0.40 | 67,952 | 0.42 |
| 12,225 | 0.07 | 14,755 | 0.09 | 14,334 | 0.09 | 15,143 | 0.09 | 14,051 | 0.09 |
| — | — | 12,255 | 0.08 | 11,120 | 0.07 | 10,295 | 0.06 | 11,436 | 0.07 |
| 22,457 | 0.14 | 22,986 | 0.14 | 22,669 | 0.14 | 23,339 | 0.14 | 15,579 | 0.10 |
| 20,442 | 0.12 | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — | — |
| 7,862 | 0.05 | 6,321 | 0.04 | 18,658 | 0.12 | 16,969 | 0.10 | 3,488 | 0.02 |
| 1,435,479 | 8.73 | 1,464,800 | 9.03 | 1,412,335 | 8.79 | 1,367,304 | 8.43 | 1,313,669 | 8.11 |
| 16,443,778 | 100.00% | 16,216,673 | 100.00% | 16,077,652 | 100.00% | 16,169,584 | 100.00% | 16,226,201 | 100.00% |

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7
Revenue Coverage
(Unaudited)

| | 2020 | 2019 Stub ⁴ | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|----------------|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Detroit Metro and Willow Run Airports (a) | | | | | | | | | | | |
| Net revenues: | | | | | | | | | | | |
| Operating revenues | \$ 258,207,158 | \$ 99,684,895 | \$ 396,724,099 | \$ 382,646,192 | \$ 368,132,408 | \$ 363,069,701 | \$ 316,390,119 | \$ 306,800,927 | \$ 289,464,302 | \$ 291,026,902 | \$ 281,687,336 |
| Interest income and other | 5,010,656 | 2,529,138 | 16,589,419 | 7,617,673 | 3,681,738 | 3,956,859 | 2,157,671 | 2,789,211 | 2,026,745 | 1,798,471 | 3,354,863 |
| Federal and state sources | 118,326,432 | 1,783,827 | 8,507,741 | 6,650,317 | 6,655,554 | 5,568,130 | 1,339,342 | 1,029,619 | 1,353,122 | 1,378,911 | 1,326,034 |
| Passenger facility charges | 28,407,906 | 16,415,341 | 72,760,924 | 69,774,131 | 68,128,397 | 66,764,363 | 63,840,589 | 62,016,364 | 61,705,013 | 62,134,255 | 62,197,495 |
| Customer facility charges | 4,950,594 | 5,726,133 | 22,130,671 | 4,548,815 | 4,442,148 | 4,260,370 | 304,510 | — | — | — | — |
| Total revenues | 414,902,746 | 126,139,334 | 516,712,854 | 471,237,128 | 451,040,245 | 443,619,423 | 384,032,231 | 372,636,121 | 354,549,182 | 356,338,539 | 348,565,728 |
| Less operating expenses, not including depreciation | (216,602,382) | (74,550,621) | (271,265,445) | (264,839,591) | (266,638,295) | (252,611,208) | (218,348,139) | (212,847,104) | (195,526,748) | (188,306,672) | (196,428,761) |
| Net revenues | 198,300,364 | 51,588,713 | 245,447,409 | 206,397,537 | 184,401,950 | 191,008,215 | 165,684,092 | 159,789,017 | 159,022,434 | 168,031,867 | 152,136,967 |
| Net debt service: | | | | | | | | | | | |
| Principal ³ | 100,038,596 | 100,635,590 | 95,479,456 | 92,652,258 | 95,994,178 | 90,336,871 | 86,409,236 | 83,228,434 | 80,467,061 | 69,627,483 | 70,086,416 |
| Interest ¹ | 87,038,630 | 23,036,218 | 94,432,865 | 90,035,957 | 89,874,600 | 87,544,123 | 84,525,509 | 85,031,425 | 86,277,279 | 79,703,054 | 84,231,580 |
| Net debt service | 187,077,225 | 124,036,164 | 189,912,321 | 182,688,215 | 185,868,778 | 177,880,994 | 170,934,745 | 168,259,859 | 166,744,340 | 149,330,537 | 154,317,996 |
| Debt Service Coverage ² | 1.06 | 0.42 | 1.29 | 1.13 | 0.99 | 1.07 | 0.97 | 0.95 | 0.95 | 1.13 | 0.99 |
| Pledged Revenue Coverage – Airport Hotel (a) | | | | | | | | | | | |
| Net revenues: | | | | | | | | | | | |
| Operating revenues | — | — | — | — | — | — | 33,345,294 | 32,922,844 | 29,301,463 | 27,611,922 | 29,372,498 |
| Interest income and other | — | — | — | — | — | — | 52,328 | 19,747 | 21,538 | 43,320 | 35,351 |
| Total revenues | — | — | — | — | — | — | 33,397,622 | 32,942,591 | 29,323,001 | 27,655,242 | 29,407,849 |
| Less operating expenses, not including depreciation | — | — | — | — | — | — | (18,793,497) | (23,063,942) | (21,064,105) | (20,888,610) | (22,640,620) |
| Net revenues | — | — | — | — | — | — | 14,604,125 | 9,878,649 | 8,258,896 | 6,766,632 | 6,767,229 |
| Net debt service: | | | | | | | | | | | |
| Principal | — | — | — | — | — | — | 4,185,000 | 3,145,000 | 4,402,147 | 1,639,308 | 1,385,640 |
| Interest ¹ | — | — | — | — | — | — | 5,283,910 | 5,463,680 | 5,703,957 | 5,957,275 | 6,062,988 |
| Net debt service | — | — | — | — | — | — | 9,468,910 | 8,608,680 | 10,106,104 | 7,596,583 | 7,448,628 |
| Debt Service Coverage ² | — | — | — | — | — | — | 1.54 | 1.15 | 0.82 | 0.89 | 0.91 |
| Combined net debt service: | | | | | | | | | | | |
| Principal | 100,038,596 | 101,010,000 | 95,479,456 | 92,652,258 | 95,994,178 | 90,336,871 | 90,594,236 | 86,373,434 | 84,869,208 | 71,266,791 | 71,472,056 |
| Interest ¹ | 87,038,630 | 23,026,164 | 94,432,865 | 90,035,957 | 89,874,600 | 87,544,123 | 89,809,419 | 90,495,105 | 91,981,236 | 85,660,329 | 90,294,568 |
| Total combined net debt service | \$ 187,077,225 | \$ 124,036,164 | \$ 189,912,321 | \$ 182,688,215 | \$ 185,868,778 | \$ 177,880,994 | \$ 180,403,655 | \$ 176,868,539 | \$ 176,850,444 | \$ 156,927,120 | \$ 161,766,624 |

Notes: The Authority has pledged all net Airport revenues solely for the payment of the Airport Revenue Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net revenues for such purpose.

¹ Interest does not include adjustments for capitalized interest, amortization of issuance costs/ bond insurance premiums, discount, premium, refunding costs, or arbitrage.

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

³ Principal payments do not include bond refunding payoffs.

⁴ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

(a) In October 2015, the Authority entered into a new hotel agreement and the 2001A Hotel Bonds, which were special facility bonds, were refunded by the 2015G-H Airport Revenue Refunding Bonds. As a result, the operations of the Airport Hotel have been included with the operations of Detroit Metro Airport (see Note 2 of 2016 financial statements for additional discussion).

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 | 2020 | 2019 Stub ² | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|-------------------------|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Outstanding debt by type: | | | | | | | | | | | |
| Airport revenue bonds | \$ 1,957,115,000 | \$ 2,056,105,000 | \$ 2,156,675,000 | \$ 2,105,880,000 | \$ 2,145,910,000 | \$ 2,241,105,000 | \$ 2,031,565,000 | \$ 2,116,145,000 | \$ 2,070,180,000 | \$ 2,149,380,000 | \$ 2,026,685,000 |
| Installment purchase contracts | — | — | — | 1,814,983 | 2,152,765 | 2,932,469 | 3,679,864 | 4,454,624 | 5,273,582 | 6,120,019 | 4,354,379 |
| Shuttle Lease Agreement - Other | 2,318,808 | 2,832,404 | — | — | — | — | — | — | — | — | — |
| Willow Run notes payable | 380,000 | 440,000 | 459,869 | 504,342 | 523,820 | 543,294 | 562,770 | 102,246 | 102,246 | 542,346 | 569,365 |
| Airport hotel bonds | — | — | — | — | — | — | 99,630,000 | 103,815,000 | 105,460,000 | 106,940,000 | 108,140,000 |
| Other hotel debt | — | — | — | — | — | — | — | — | 1,500,000 | 4,422,147 | 4,861,455 |
| Bond discounts | (384,498) | (421,914) | (429,538) | (460,034) | (490,528) | (521,022) | (1,766,475) | (1,336,251) | (1,459,143) | (1,583,695) | (3,274,117) |
| Bond premiums | 116,639,031 | 129,055,864 | 132,163,640 | 119,320,631 | 74,855,937 | 89,758,579 | 51,018,768 | 59,941,546 | 60,323,458 | 67,169,038 | 38,070,986 |
| Total outstanding debt | \$ 2,076,068,341 | \$ 2,187,626,354 | \$ 2,288,868,971 | \$ 2,227,059,922 | \$ 2,222,951,994 | \$ 2,333,818,320 | \$ 2,184,689,927 | \$ 2,283,122,165 | \$ 2,241,380,143 | \$ 2,332,989,855 | \$ 2,179,407,068 |
| Enplaned passengers | 7,026,591 | 4,608,208 | 18,121,193 | 17,558,618 | 17,281,219 | 17,130,687 | 16,443,778 | 16,216,673 | 16,077,652 | 16,169,584 | 16,226,201 |
| Outstanding debt per enplaned passenger | \$ 295.46 | \$ 474.72 | \$ 126.31 | \$ 126.84 | \$ 128.63 | \$ 136.24 | \$ 132.86 | \$ 140.79 | \$ 139.41 | \$ 144.28 | \$ 134.31 |
| Combined net debt service per enplaned passenger | | | | | | | | | | | |
| Combined net debt service ¹ | \$ 187,077,225 | \$ 123,671,808 | \$ 189,912,321 | \$ 182,688,215 | \$ 185,868,778 | \$ 177,880,994 | \$ 180,403,655 | \$ 176,868,539 | \$ 176,850,444 | \$ 156,927,120 | \$ 161,766,624 |
| Enplaned passengers | 7,026,591 | 4,608,208 | 18,121,193 | 17,558,618 | 17,281,219 | 17,130,687 | 16,443,778 | 16,216,673 | 16,077,652 | 16,169,584 | 16,226,201 |
| Net debt service per enplaned passenger | \$ 26.62 | \$ 26.92 | \$ 10.48 | \$ 10.40 | \$ 10.76 | \$ 10.38 | \$ 10.97 | \$ 10.91 | \$ 11.00 | \$ 9.71 | \$ 9.97 |

¹ Combined Net Debt Service does not include adjustments for capitalized interest, amortization of issuance costs/bond insurance premiums, discount, premium, refunding costs, or arbitrage.

² The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

(Unaudited)

| | Authority Full-Time Positions * | | | | | | | | | | |
|--------------------------------|---------------------------------|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2020 | 2019 Stub ¹ | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Administration | 12 | 16 | 16 | 15 | 12 | 10 | 11 | 9 | 8 | 8 | 16 |
| Internal Audit | 1 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Legal | 4 | 3 | 2 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Finance | 21 | 23 | 23 | 28 | 33 | 33 | 32 | 33 | 32 | 31 | 34 |
| Information Technology | 14 | 18 | 18 | 20 | 20 | 17 | 18 | 15 | 14 | 12 | 13 |
| Procurement/Business Diversity | 16 | 18 | 18 | 16 | 16 | 19 | 16 | 15 | 14 | 14 | 18 |
| Human Resources | 11 | 14 | 14 | 12 | 12 | 13 | 13 | 11 | 11 | 11 | 14 |
| Maintenance/Facilities | 230 | 249 | 249 | 245 | 235 | 216 | 196 | 199 | 194 | 192 | 206 |
| Airfield Operations | 36 | 44 | 45 | 47 | 47 | 47 | 42 | 40 | 39 | 40 | 44 |
| Public Safety | 208 | 237 | 240 | 231 | 224 | 223 | 205 | 204 | 203 | 204 | 209 |
| Planning & Development | 33 | 33 | 32 | 30 | 29 | 32 | 31 | 25 | 28 | 24 | 19 |
| Business Development | 36 | 46 | 45 | 45 | 46 | 41 | 37 | 37 | 32 | 33 | 34 |
| Willow Run | 3 | 13 | 13 | 14 | 13 | 13 | 11 | 11 | 11 | 11 | 11 |
| Pooled Positions | — | 3 | 3 | — | — | — | — | — | — | — | — |
| Totals | 625 | 719 | 720 | 711 | 695 | 672 | 620 | 607 | 594 | 588 | 626 |

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

¹ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

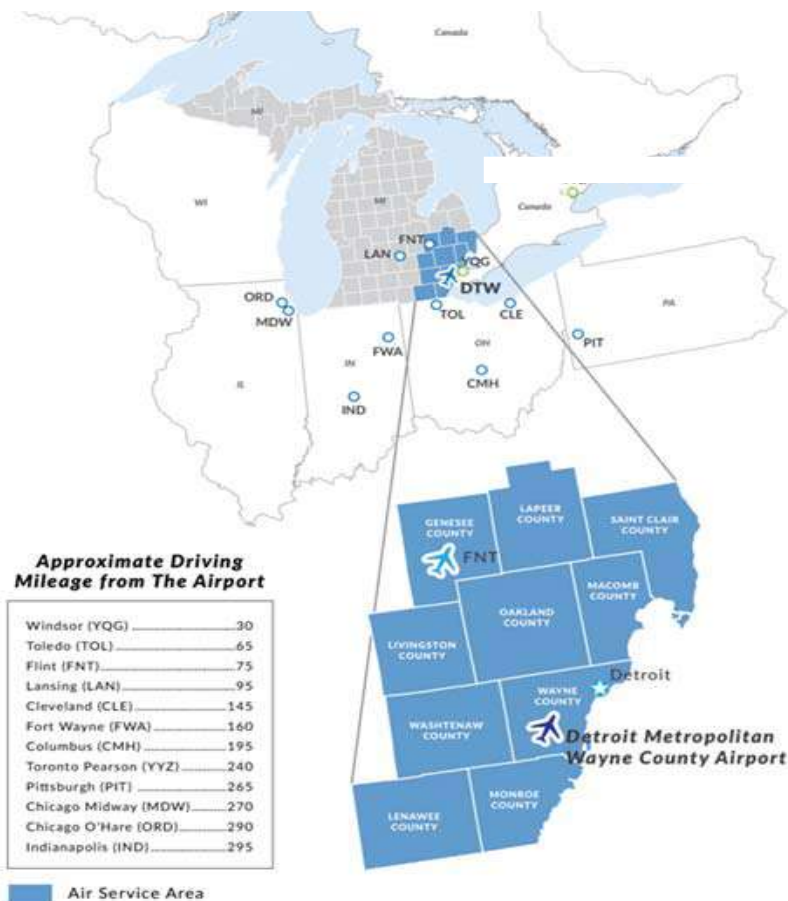
Exhibit S-10: Demographic and Economic Information

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

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified a large hub by the FAA with 1 percent or more of total U.S. passengers enplaned. As of 2019, Detroit Metro Airport is the eighteenth busiest airport in the United States and the thirty-fourth busiest airport in the world (by operations). Nearby to DTW is the smaller non-commercial airport Willow Run that 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 ten-county region in which DTW is located the *Detroit-Warren-Ann Arbor Combined Statistical Area (CSA)*. The region is comprised of the ten Michigan counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne. This area is defined based on commuting patterns and constitutes the labor market region of Metro Detroit with a population of 5.3 million as of the 2010 census.

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



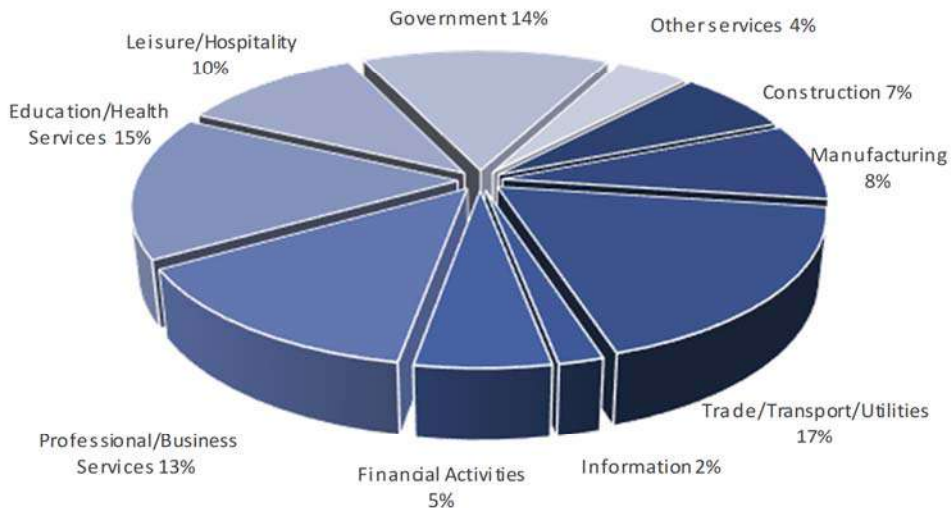
WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

| | |
|--|---------------|
| Population (2019) Est. | 5,341,994 |
| Population (2010) | 5,218,852 |
| Population (2000) | 5,357,538 |
| Population (1990) | 5,095,695 |
| Percentage Increase in Population - 2010 to 2019 | 2.4% |
| Percentage Female | 51.2% |
| Percentage Male | 48.8% |
| Personal Income (millions) (2019) | \$284,723,000 |
| Percent of U.S. Total | 1.5% |
| Per Capita Personal Income (2019) | \$53,299 |
| Per Capita Personal Income (2019) - U.S. | \$56,490 |
| Unemployment Rate (2019 December) | 5.3% |
| Unemployment Rate (2019 September) | 4.0% |
| Unemployment Rate (2018 September) | 3.7% |
| Total Households (millions) | 2.1 |
| Average Household Size (people) | 2.5 |



Note: Civilian, non-agricultural employment only. Construction includes mining and forestry
 SOURCE: Bureau of Labor Statistics, U.S. Department of Labor, data are not seasonally-adjusted.

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 2020 * | Metro Employees 2019 ** | Percentage (%) Change | Type of Business |
|--------------------------|--------------|---------------------------------------|--|----------------------------------|--|
| Ford Motor Co. | Dearborn | 46,000 | 46,000 | 0.0% | Automobile Manufacturer |
| FCA US LLC | Auburn Hills | 38,744 | 34,452 | 12.5% | Automobile Manufacturer |
| University of Michigan | Ann Arbor | 36,323 | 35,350 | 2.8% | Public University & Health Care System |
| General Motors Corp. | Detroit | 32,645 | 32,770 | -0.4% | Automobile Manufacturer |
| Beaumont Health | Southfield | 25,786 | 27,492 | -6.2% | Health Care System |
| Henry Ford Health System | Detroit | 21,369 | 26,929 | -20.6% | Health Care System |
| U.S. Government | Detroit | 18,893 | 18,893 | 0.0% | Federal Government |
| Rock Ventures | Detroit | 15,250 | 17,887 | -14.7% | Financial Services/Real Estate |
| Trinity Health Michigan | Livonia | 14,575 | 16,403 | -11.1% | Health Care System |
| Ascension Michigan | Warren | 12,771 | 12,616 | 1.2% | Health Care System |

* Data as of July 2020

** Data as of July 2019

Source: Crain's Detroit Business, July 2020

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: 7,342 acres

Airport Code: DTW

| | <u>Length (ft)</u> |
|----------|--------------------|
| Runways: | |
| 3R/21L | 10,001 |
| 3L/21R | 8,501 |
| 9R/27L | 8,500 |
| 9L/27R | 8,708 |
| 4R/22L | 12,003 |
| 4L/22R | 10,000 |

| | | |
|------------|----------------------------|-----|
| Terminals: | McNamara Terminal | |
| | In-Service Passenger Gates | 104 |
| | Operating Concessions | 82 |
| | North Terminal | |
| | In-Service Passenger Gates | 29 |
| | Operating Concessions | 27 |

| | | |
|----------|------------------------------|------------|
| Parking: | Spaces Available: | |
| | McNamara Parking Structure | 10,117 |
| | Big Blue Deck and Short-Term | 6,530 |
| | Green Lot 1 | 1,517 |
| | Green Lot 2 | <u>900</u> |
| | Total Spaces | 19,064 |

International: Customs/Immigration F.I.S. Facility

Tower(s): AIR TRAFFIC CONTROL TOWER 24/7/365
Delta Air Lines Ramp Control Tower 24/7/365
North Terminal Ramp Control Tower 24/7/365

FBO(s): Signature Flight Support

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location: 7 miles west of Detroit Metropolitan Airport
bordering on Wayne and Washtenaw Counties

Area: 2,360 acres

Airport Code: YIP

| | | <u>Length (ft)</u> |
|----------|--------|--------------------|
| Runways: | 5L/23R | 5,996 |
| | 5R/23L | 7,543 |
| | 9/27 | 7,292 |

Corporate/Private Space: Three General Aviation Terminals
T-Hangars (qty. 110)
Yankee Air Museum

International: U.S. Customs (user fee airport)

Tower: FAA 24/7

FBOs: Avflight
Odyssey Aviation

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference
Operating Year Ended December 31, 2020

Portions of the following documents are incorporated herein by reference into sections of the Financial Report as indicated:

| <u>Document</u> | <u>Part of Financial Report into which incorporated</u> |
|---------------------|---|
| None ^(a) | Not applicable |

(a) There was no public debt issued during the operating year ended December 31, 2020

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2020

(Unaudited)

| | Net revenues available - [1] (thousands) | Total debt service requirements (thousands) | Debt service coverage | Airline cost per enplaned passenger |
|-----------------------------------|---|--|----------------------------------|--|
| Senior Lien | \$ 239,327 | \$ 170,900 | 1.40 | \$ 20.71 |
| Total Senior Lien and Junior Lien | \$ 239,327 | \$ 181,531 | 1.32 | \$ 20.71 |

[1] - Includes net revenues, revenue fund balance, and other available monies

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 ended September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(In thousands of dollars, except as noted)

(Unaudited)

| Description | Three-month | | | | | |
|--|-------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | OY 2020 | Period Ended Dec. 31, 2019 | OY 2019 | OY 2018 | OY 2017 | OY 2016 |
| Salaries and wages | \$ 57,696 | \$ 15,635 | \$ 60,996 | \$ 58,693 | \$ 57,511 | \$ 52,684 |
| Employee benefits | 30,897 | 10,514 | 35,825 | 35,840 | 28,720 | 35,497 |
| | <u>88,593</u> | <u>26,149</u> | <u>96,821</u> | <u>94,533</u> | <u>86,231</u> | <u>88,181</u> |
| Contractual services: | | | | | | |
| Parking management | 5,488 | 1,823 | 7,607 | 8,405 | 7,987 | 7,909 |
| Hotel management (a) | 10,550 | 5,399 | 19,746 | 19,702 | 18,612 | 22,678 |
| Security expenses | 4,882 | 1,553 | 6,000 | 6,031 | 5,149 | 3,745 |
| Janitorial services | 14,038 | 4,120 | 16,917 | 14,406 | 13,515 | 11,992 |
| Shuttle bus | 7,316 | 2,002 | 7,779 | 6,849 | 8,169 | 7,194 |
| Other services | 22,064 | 7,226 | 26,135 | 27,920 | 23,893 | 24,870 |
| Total contractual services | <u>64,338</u> | <u>22,123</u> | <u>84,184</u> | <u>83,313</u> | <u>77,325</u> | <u>78,388</u> |
| Wayne County administrative services | 67 | 18 | 123 | 123 | 86 | 103 |
| Repairs and maintenance | 27,372 | 8,740 | 36,445 | 33,039 | 32,251 | 33,123 |
| Supplies and other operating expenses | 9,863 | 3,550 | 15,677 | 14,740 | 13,921 | 13,791 |
| Insurance | 1,942 | 460 | 1,878 | 1,902 | 2,049 | 2,075 |
| Utilities | 19,217 | 5,195 | 22,870 | 23,388 | 22,947 | 21,939 |
| Rentals | 70 | 36 | 284 | 182 | 123 | 113 |
| Interest expense and paying agent fees | 373 | — | 95 | 109 | 121 | 92 |
| Capital expenses | 8,264 | 2,470 | 10,177 | 8,816 | 13,216 | 10,874 |
| | <u>67,168</u> | <u>20,469</u> | <u>87,549</u> | <u>82,299</u> | <u>84,714</u> | <u>82,110</u> |
| Total O&M expenses | <u>\$ 220,099</u> | <u>68,741</u> | <u>\$ 268,554</u> | <u>\$ 260,145</u> | <u>\$ 248,270</u> | <u>\$ 248,679</u> |

- (a) On October 15, 2015, the Authority entered into a new hotel management agreement and the 2001A Hotel Bonds, which were special facility revenue bonds, were refunded by the 2015G-H Airport Revenue Refunding Bonds. As a result, as of October 15, 2015, the net revenues of the Hotel are included in the Net Revenues pledged toward the repayment of all the Authority's general airport revenue bonds and hotel management expenses are included in the Authority's operation and management expenses. At this time, all outstanding bonds, including the 2015G-H Airport Revenue Refunding Bonds, are all general airport revenue bonds.

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ended September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(In thousands of dollars, except as noted)

(Unaudited)

| Description | OY 2020 | Three-month Period Ended Dec. 31, 2019 | OY 2019 | OY 2018 | OY 2017 | OY 2016 |
|---------------------------------------|------------|--|------------|------------|------------|------------|
| Airline revenues: | | | | | | |
| Rental and use fees: | | | | | | |
| Terminal building rentals and fees | \$ 65,867 | \$ 16,374 | \$ 66,670 | \$ 63,641 | \$ 60,688 | \$ 61,227 |
| Common-use/shared-use area rentals | 15,227 | 6,306 | 24,556 | 23,770 | 22,632 | 24,161 |
| Debt service recapture | 988 | 247 | 988 | 988 | 1,109 | 1,718 |
| Facilities use fees | 2,276 | 2,116 | 9,714 | 8,877 | 8,475 | 8,036 |
| Add/(Subtract) rental fee adjustment | 3,606 | (1,580) | (3,317) | (3,666) | (2,447) | (2,820) |
| Total rental and use fees | 87,964 | 23,463 | 98,611 | 93,610 | 90,457 | 92,322 |
| Activity fees: | | | | | | |
| Signatory airlines | 47,573 | 19,931 | 78,071 | 77,092 | 76,305 | 75,525 |
| Nonsignatory airlines | 1,508 | 771 | 5,941 | 3,151 | 3,832 | 3,452 |
| Add/(Subtract) landing fee adjustment | 8,464 | (489) | (4,281) | (3,505) | (643) | (931) |
| Total activity fees | 57,545 | 20,213 | 79,731 | 76,738 | 79,494 | 78,046 |
| Total airline revenues | 145,509 | 43,676 | 178,342 | 170,348 | 169,951 | 170,368 |
| Nonairline revenues: | | | | | | |
| Concessions: | | | | | | |
| Automobile parking | 34,905 | 21,834 | 83,657 | 80,248 | 76,707 | 74,498 |
| Hotel (b) | 12,224 | 8,816 | 32,735 | 31,368 | 29,928 | 33,890 |
| Rental car | 11,476 | 6,104 | 25,867 | 26,164 | 24,949 | 23,872 |
| Food and beverage | 2,116 | 5,396 | 21,178 | 20,703 | 19,427 | 18,016 |
| Retail | 13,850 | 3,665 | 14,815 | 14,734 | 13,296 | 12,745 |
| Marketing and communications | 1,123 | 463 | 1,671 | 1,721 | 1,566 | 1,635 |
| Other concessions | 3,983 | 1,038 | 5,273 | 5,141 | 5,001 | 5,110 |
| Total concessions | 79,677 | 47,316 | 185,196 | 180,079 | 170,874 | 169,766 |
| Rentals | 4,009 | 1,014 | 3,756 | 3,673 | 3,422 | 3,666 |
| Utility fees | 3,759 | 1,165 | 4,739 | 4,970 | 4,903 | 4,691 |
| Interest income | 631 | 328 | 1,502 | 792 | 337 | 162 |
| Ground transportation | 3,781 | 3,133 | 11,375 | 10,199 | 7,814 | 5,125 |
| Cares Act grant | 113,126 | - | - | - | - | - |
| Other (a) | 14,131 | 2,907 | 10,939 | 9,437 | 9,506 | 8,951 |
| Total nonairline revenues | 219,114 | 55,863 | 217,507 | 209,150 | 196,856 | 192,361 |
| Total operating revenues | \$ 364,623 | \$ 99,539 | \$ 395,849 | \$ 379,498 | \$ 366,807 | \$ 362,729 |

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

(b) On October 15, 2015, the Authority entered into a new hotel management agreement and the 2001A Hotel Bonds, which were special facility revenue bonds, were refunded by the 2015G-H Airport Revenue Refunding Bonds. As a result, as of October 15, 2015, the net revenues of the Hotel are included in the Net Revenues pledged toward the repayment of all the Authority's general airport revenue bonds and hotel management expenses are included in the Authority's operation and management expenses. At this time, all outstanding bonds, including the 2015G-H Airport Revenue Refunding Bonds, are all general airport revenue bonds.

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 ended September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(In thousands of dollars, except as noted)

(Unaudited)

| | OY 2020 | Three-month Period Ended Dec. 31, 2019 | OY 2019 | OY 2018 | OY 2017 | OY 2016 |
|--|-------------------|---|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | |
| Airline revenues | \$ 145,509 | \$ 43,676 | \$ 178,342 | \$ 170,348 | \$ 169,951 | \$ 170,368 |
| Nonairline revenues | 219,114 | 55,863 | 217,507 | 209,150 | 196,856 | 192,361 |
| Interest income generated in bond funds and reserves | 6,032 | 628 | 2,817 | 5,415 | 5,649 | 8,091 |
| Other available monies: | | | | | | |
| PFC contributions | 38,795 | 18,850 | 70,941 | 73,174 | 66,473 | 66,178 |
| Capitalized interest contribution | 5,140 | 1,499 | 6,517 | 3,078 | 2,104 | 13,219 |
| Other | 6,401 | 2,039 | 8,696 | 4,550 | 6,751 | 4,604 |
| Total revenues | \$ 420,991 | \$ 122,555 | \$ 484,820 | \$ 465,715 | \$ 447,784 | \$ 454,821 |
| Priority | | | | | | |
| Application of revenues: | | | | | | |
| 1 Operation and Maintenance Fund (a) | \$ 223,183 | \$ 71,822 | \$ 279,746 | \$ 271,452 | \$ 258,266 | \$ 259,980 |
| 2 Bond Fund | 176,039 | 45,454 | 183,299 | 174,462 | 167,681 | 172,095 |
| 3 Junior Lien Bond Fund | 10,631 | 2,658 | 10,514 | 11,190 | 12,276 | 12,270 |
| 4 Operation and Maintenance Reserve Fund | 654 | — | 777 | 100 | 1,050 | 1,965 |
| 5 Renewal and Replacement Fund | 500 | 125 | 500 | 500 | 500 | 500 |
| 6 County Discretionary Fund | 350 | 88 | 350 | 350 | 350 | 350 |
| 7 Airport Development Fund | 9,634 | 2,408 | 9,634 | 7,661 | 7,661 | 7,661 |
| Total application of revenues | \$ 420,991 | \$ 122,555 | \$ 484,820 | \$ 465,715 | \$ 447,784 | \$ 454,821 |

(a) Includes amounts applied to the Hotel Furniture, Fixtures and Equipment Account established under the Authority's hotel management agreement effective October 15, 2015.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Year Ended December 31, 2020

(In thousands of dollars, except as noted)

(Unaudited)

| | | |
|--|------------------|--------------------------|
| Revenues: | | |
| Revenues | | \$ 364,623 |
| Revenue fund balance at beginning of year | | 46,659 |
| Other available monies: | | |
| PFC contributions | | 38,795 |
| Other | | 6,401 |
| Interest income generated in bond funds and reserves | | <u>6,032</u> |
| Total revenues | [A] | 462,510 |
| Operation and maintenance expenses | [B] | <u>223,183</u> |
| Net revenues available for Sr. Lien debt service | [A - B] = [C] | 239,327 |
| Bond debt service - Senior Lien | [D] | <u>170,900</u> |
| Net revenues available for Jr. Lien debt service | [C - D] = [E] | 68,427 |
| Bond debt service - Junior Lien | [F] | <u>10,631</u> |
| Net revenues remaining in revenue fund | [E - F] = [G] | 57,796 |
| Debt service coverage: | | |
| Senior Lien bonds | [C]/[D] | 1.40 |
| Senior Lien and Junior Lien bonds | [C]/[D + F] | 1.32 |
| Rate covenant elements: | | |
| Operation and maintenance expenses | [B] | \$ 223,183 |
| 125% debt service – Bonds | [(1.25 x D) + F] | 224,256 |
| Other fund requirements | | <u>11,138</u> |
| Total rate covenant elements | | \$ <u><u>458,577</u></u> |

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 ended September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(Unaudited)

| Operating Period | Domestic | International | Total | [1], [2] Percent Increase/(Decrease) |
|--|-----------------|----------------------|--------------|---|
| Operating Year 2020 | 6,656,557 | 370,034 | 7,026,591 | (61.9)% |
| Three-month period ended Dec. 31, 2019 | 4,219,172 | 389,036 | 4,608,208 | 1.7 |
| Operating Year 2019 | 16,439,208 | 1,681,985 | 18,121,193 | 3.2 |
| Operating Year 2018 | 15,917,537 | 1,641,081 | 17,558,618 | 1.6 |
| Operating Year 2017 | 15,725,513 | 1,555,706 | 17,281,219 | 0.9 |
| Operating Year 2016 | 15,679,556 | 1,451,131 | 17,130,687 | 4.2 |

[1] - Percent decrease for operating year 2020 has been calculated by annualizing the total reported enplanements for the three-month period ended December 31, 2019 and comparing the annualized totals to the 2020 operating year.

[2] - Percent increase for the three-month period ended Dec. 31, 2019 has been calculated by annualizing the total reported enplanements and comparing the annualized totals to the prior operating year.

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)

| Calendar year | Detroit Metro | | United States | | Detroit as a percentage of U.S. total |
|---------------|----------------------|---------------------|----------------------|----------------------|---------------------------------------|
| | Number of passengers | Percent inc./ (dec) | Number of passengers | Percent inc./ (dec.) | |
| 2020 | 6,673,669 | (62.6)% | 346,591,019 | (60.3)% | 1.9% |
| 2019 | 17,832,792 | 4.1 | 872,149,301 | 4.3% | 2.0 |
| 2018 | 17,126,910 | 2.0 | 836,503,477 | 4.8 | 2.0 |
| 2017 | 16,794,750 | 1.1 | 798,509,085 | 3.1 | 2.1 |
| 2016 | 16,613,139 | 3.6 | 774,740,631 | 3.3 | 2.1 |

Note: 2020 estimate based on nine months of data; 2019 updated with final data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years ending December 31

(Unaudited)

| Calendar year | Departures by carrier type | | | Total departures | |
|---------------|----------------------------|-----------|-----------|------------------|------------------------------|
| | Majors | Nationals | Regionals | Total (a) | Percent increase/ (decrease) |
| 2020 | 85,558 | 28,843 | 408 | 114,809 | (39.1)% |
| 2019 | 149,111 | 38,934 | 569 | 188,614 | 0.7 |
| 2018 | 135,132 | 51,323 | 940 | 187,395 | (0.7) |
| 2017 | 136,630 | 51,590 | 498 | 188,718 | 0.2 |

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

Note: 2020 estimate based on nine months of data; 2019 updated with final data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar years ending December 31

(Unaudited)

| Calendar year | Domestic originations | | Domestic connections | |
|------------------|-----------------------|---------------------|----------------------|---------------------|
| | Number | Percent of total | Number | Percent of total |
| 2020 | 3,965,847 | 60.8% | 2,561,297 | 39.2% |
| 2019 | 9,182,134 | 54.8 | 7,581,287 | 45.2 |
| 2018 | 8,859,449 | 55.4 | 7,119,271 | 44.6 |
| 2017 | 8,375,102 | 52.9 | 7,443,497 | 47.1 |

Note: 2020 estimate based on nine months of data; 2019 updated with final data

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ended September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(Unaudited)

| Airline | OY 2020 | | Three-month period ended Dec. 31, 2019 | | OY 2019 | |
|---------------------------------------|------------------------|----------------------|---|----------------------|------------------------|----------------------|
| | Enplaned passengers | Percent of market | Enplaned passengers | Percent of market | Enplaned passengers | Percent of market |
| Domestic: | | | | | | |
| Alaska Airlines | 26,173 | 0.5% | 12,560 | 0.4% | 66,494 | 0.5% |
| American (Air Wisconsin) | — | — | — | — | — | — |
| American (Envoy) | 13,834 | 0.2 | 11,923 | 0.3 | 42,858 | 0.3 |
| American (Piedmont) ⁽¹⁾ | 12,325 | 0.2 | 5,794 | 0.1 | 22,024 | 0.1 |
| American (PSA) ⁽¹⁾ | 45,923 | 0.7 | 14,599 | 0.3 | 77,446 | 0.5 |
| American (Republic) ⁽¹⁾ | 41,195 | 0.6 | 42,222 | 1.0 | 110,491 | 0.7 |
| American (SkyWest) ⁽¹⁾ | 34,092 | 0.5 | 19,324 | 0.5 | 107,275 | 0.7 |
| American (TransStates) ⁽¹⁾ | — | — | — | — | — | — |
| American ⁽¹⁾ | 305,637 | 4.6 | 149,269 | 3.5 | 616,536 | 3.8 |
| Delta (Compass) | — | — | — | — | — | — |
| Delta (Endeavor) | 857,422 | 12.9 | 258,062 | 6.1 | 1,078,599 | 6.5 |
| Delta (ExpressJet) | — | — | — | — | — | — |
| Delta (GoJet) | 72,599 | 1.1 | 180,630 | 4.3 | 1,020,755 | 6.2 |
| Delta (Republic) | 144,056 | 2.2 | 41,827 | 1.0 | 202,409 | 1.2 |
| Delta (Shuttle America) | — | — | — | — | — | — |
| Delta (SkyWest) | 555,566 | 8.3 | 484,418 | 11.5 | 1,607,625 | 9.7 |
| Delta Air Lines | 3,030,599 | 45.4 | 2,153,405 | 51.0 | 8,100,030 | 49.3 |
| Frontier Airlines | 89,045 | 1.3 | 53,179 | 1.3 | 156,073 | 0.9 |
| JetBlue Airways | 24,106 | 0.4 | 24,963 | 0.6 | 97,800 | 0.6 |
| Southwest Airlines | 271,066 | 4.1 | 168,250 | 4.0 | 739,895 | 4.5 |
| Spirit Airlines | 912,833 | 13.6 | 441,980 | 10.5 | 1,755,071 | 10.7 |
| United Airlines (Air Wisconsin) | — | — | 75 | — | — | — |
| United Airlines (ExpressJet) | 6,030 | 0.1 | 10,111 | 0.2 | 5,374 | — |
| United Airlines (GoJet) | 18,381 | 0.3 | 2,101 | — | 23,516 | 0.1 |
| United Airlines (Mesa) | 48,704 | 0.7 | 35,272 | 0.8 | 151,636 | 0.9 |
| United Airlines (Republic) | 50,526 | 0.8 | 41,509 | 1.0 | 182,677 | 1.1 |
| United Airlines (Shuttle America) | — | — | — | — | — | — |
| United Airlines (SkyWest) | 53,867 | 0.8 | 20,437 | 0.5 | 60,884 | 0.4 |
| United Airlines (TransStates) | 406 | — | 662 | — | 553 | — |
| United Airlines | 37,750 | 0.6 | 45,219 | 1.1 | 202,935 | 1.2 |
| Other ⁽¹⁾ | 4,422 | 0.1 | 1,381 | — | 10,252 | 0.1 |
| Subtotal – Domestic | 6,656,557 | 100.0% | 4,219,172 | 100.0% | 16,439,208 | 100.0% |
| International: | | | | | | |
| Aeromexico | — | — | — | — | 30,230 | 1.8 |
| Aeromexico Connect | 10,784 | 3.2 | 16,815 | 4.3 | 48,690 | 2.9 |
| Air Canada (Jazz) | — | — | — | — | — | — |
| Air Canada (Air Georgian) | — | — | 11,875 | 3.0 | 51,414 | 3.0 |
| Air France | 16,121 | 4.7 | 21,368 | 5.5 | 76,999 | 4.6 |
| American | — | — | — | — | — | — |
| Delta (Compass) | — | — | — | — | — | — |
| Delta (ExpressJet) | — | — | — | — | — | — |
| Delta Air Lines | 300,425 | 88.0 | 305,622 | 78.6 | 1,324,833 | 78.8 |
| Frontier | — | — | — | — | — | — |
| Lufthansa | 10,969 | 3.2 | 19,410 | 5.0 | 80,019 | 4.8 |
| Royal Jordanian Airlines | 3,217 | 0.9 | 3,633 | 0.9 | 20,725 | 1.2 |
| Southwest Airlines | — | — | — | — | — | — |
| Spirit | — | — | 10,313 | 2.7 | 34,953 | 2.1 |
| Virgin Atlantic Airways | — | — | — | — | — | — |
| WOW air | — | — | — | — | 14,122 | 0.8 |
| Other ⁽¹⁾ | 126 | — | — | — | — | — |
| Subtotal – International | 341,642 | 100.0% | 389,036 | 100.0% | 1,681,985 | 100.0% |
| Total – All Markets | 6,998,199 | | 4,608,208 | | 18,121,193 | |

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2020.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ended September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(Unaudited)

| Airline | OY 2018 | | OY 2017 | | OY 2016 | |
|---------------------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
| | Enplaned passengers | Percent of market | Enplaned passengers | Percent of market | Enplaned passengers | Percent of market |
| Domestic: | | | | | | |
| Alaska Airlines | 103,328 | 0.7% | 72,380 | 0.5% | 66,040 | 0.4% |
| American (Air Wisconsin) | 2,541 | — | 45,400 | 0.3 | 63,898 | 0.4 |
| American (Envoy) | 44,557 | 0.3 | 44,914 | 0.3 | 67,414 | 0.4 |
| American (Piedmont) ⁽¹⁾ | 25,553 | 0.2 | 8,985 | 0.1 | 3,621 | — |
| American (PSA) ⁽¹⁾ | 101,289 | 0.6 | 81,867 | 0.5 | 58,585 | 0.4 |
| American (Republic) ⁽¹⁾ | 99,408 | 0.6 | 118,354 | 0.8 | 156,144 | 1.0 |
| American (SkyWest) ⁽¹⁾ | 101,370 | 0.6 | 63,056 | 0.4 | — | — |
| American (TransStates) ⁽¹⁾ | — | — | 13,678 | 0.1 | 31,705 | 0.2 |
| American ⁽¹⁾ | 672,190 | 4.2 | 725,334 | 4.6 | 761,214 | 4.9 |
| Delta (Compass) | — | — | 117,490 | 0.7 | 111,614 | 0.7 |
| Delta (Endeavor) | 1,117,394 | 7.0 | 1,223,918 | 7.8 | 1,677,874 | 10.7 |
| Delta (ExpressJet) | 137,411 | 0.9 | 547,541 | 3.5 | 1,150,700 | 7.3 |
| Delta (GoJet) | 1,056,632 | 6.7 | 745,286 | 4.7 | 230,733 | 1.5 |
| Delta (Republic) | 193,050 | 1.2 | 111,888 | 0.7 | — | — |
| Delta (Shuttle America) | — | — | 48,860 | 0.3 | 264,188 | 1.7 |
| Delta (SkyWest) | 1,351,867 | 8.5 | 1,114,479 | 7.1 | 570,927 | 3.6 |
| Delta Air Lines | 7,534,271 | 47.3 | 7,456,453 | 47.4 | 7,486,766 | 47.8 |
| Frontier Airlines | 162,764 | 1.0 | 208,426 | 1.3 | 149,124 | 1.0 |
| JetBlue Airways | 141,241 | 0.9 | 142,117 | 0.9 | 146,799 | 0.9 |
| Southwest Airlines | 836,627 | 5.3 | 848,036 | 5.4 | 845,604 | 5.4 |
| Spirit Airlines | 1,607,113 | 10.1 | 1,424,905 | 9.1 | 1,289,024 | 8.2 |
| United Airlines (Air Wisconsin) | — | — | — | — | — | — |
| United Airlines (ExpressJet) | 1,637 | — | 5,268 | — | 9,002 | 0.1 |
| United Airlines (GoJet) | 22,350 | 0.1 | 7,011 | — | 31,741 | 0.2 |
| United Airlines (Mesa) | 148,448 | 0.9 | 153,771 | 1.0 | 140,502 | 0.9 |
| United Airlines (Republic) | 183,134 | 1.2 | 124,655 | 0.8 | 92,302 | 0.6 |
| United Airlines (Shuttle America) | — | — | 4,036 | — | 32,527 | 0.2 |
| United Airlines (SkyWest) | 67,976 | 0.4 | 46,470 | 0.3 | 69,388 | 0.4 |
| United Airlines (TransStates) | 579 | — | 1,268 | — | 1,051 | — |
| United Airlines | 203,974 | 1.3 | 218,781 | 1.4 | 171,058 | 1.1 |
| Other ⁽¹⁾ | 833 | — | 886 | — | 11 | — |
| Subtotal – Domestic | 15,917,537 | 100.0% | 15,725,513 | 100.0% | 15,679,556 | 100.0% |
| International: | | | | | | |
| Aeromexico | 29,317 | 1.8 | 19,954 | 1.3 | — | — |
| Aeromexico Connect | 16,771 | 1.0 | — | — | — | — |
| Air Canada (Jazz) | — | — | — | — | 4,502 | 0.3 |
| Air Canada (Air Georgian) | 45,462 | 2.8 | 40,781 | 2.6 | 27,890 | 1.9 |
| Air France | 75,679 | 4.6 | 71,462 | 4.6 | 71,642 | 4.9 |
| American | — | — | — | — | 566 | — |
| Delta (Compass) | — | — | 5,841 | 0.4 | 18,703 | 1.3 |
| Delta (ExpressJet) | — | — | — | — | — | — |
| Delta Air Lines | 1,315,807 | 80.2 | 1,275,473 | 82.0 | 1,161,607 | 80.1 |
| Frontier | — | — | — | — | — | — |
| Lufthansa | 89,688 | 5.4 | 77,521 | 5.0 | 71,472 | 4.9 |
| Royal Jordanian Airlines | 16,163 | 1.0 | 14,937 | 1.0 | 13,403 | 0.9 |
| Southwest Airlines | — | — | — | — | — | — |
| Spirit | 36,024 | 2.2 | 28,806 | 1.8 | 22,575 | 1.6 |
| Virgin Atlantic Airways | — | — | 19,417 | 1.2 | 47,380 | 3.3 |
| WOW air | 16,170 | 1.0 | — | — | — | — |
| Other ⁽¹⁾ | — | — | 1,514 | 0.1 | 11,391 | 0.8 |
| Subtotal – International | 1,641,081 | 100.0% | 1,555,706 | 100.0% | 1,451,131 | 100.0% |
| Total – All Markets | 17,558,618 | | 17,281,219 | | 17,130,687 | |

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2020.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ending September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(Unaudited)

| Operating Period | Cargo by type (metric tons) | | | | Total Cargo | |
|--|-----------------------------|----------|----------|----------|----------------|--|
| | Freight and Express - [1] | | Mail | | Total Cargo | Percent incr./ (dec.) - [2], [3] |
| | Enplaned | Deplaned | Enplaned | Deplaned | | |
| Operating Year 2020 | 61,884 | 91,575 | 7,819 | 9,893 | 171,171 | (19.3)% |
| Three-month period ended Dec. 31, 2019 | 19,868 | 27,689 | 2,600 | 2,881 | 53,038 | (2.9) |
| Operating Year 2019 | 80,607 | 116,849 | 11,439 | 9,624 | 218,520 | (4.1) |
| Operating Year 2018 | 84,459 | 121,248 | 11,815 | 10,441 | 227,963 | 6.5 |
| Operating Year 2017 | 78,041 | 115,305 | 11,381 | 9,253 | 213,980 | 4.5 |
| Operating Year 2016 | 81,744 | 106,500 | 8,975 | 7,639 | 204,858 | 7.4 |

[1] - Includes small packages

[2] - Percent decrease for operating year 2020 has been calculated by annualizing the total reported enplanements for the three-month period ended December 31, 2019 and comparing the annualized totals to the 2020 operating year.

[3] - Percent increase for the three-month period ended Dec. 31, 2019 has been calculated by annualizing the total reported enplanements and comparing the annualized totals to the prior operating year.

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 ended September 30 (2016 through 2019)

Three-month period ended December 31, 2019

Operating year ended December 31, 2020

(Unaudited)

| Airline | OY 2020 | | Three- month period ended December 31, 2019 | | OY 2019 | |
|-----------------------------------|-----------------------------------|----------------------|--|----------------------|-----------------------------------|----------------------|
| | 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 | — | —% | — | —% | 38,416 | 0.2% |
| Aeromexico Connect | 21,244 | 0.2 | 23,281 | 0.4 | 84,050 | 0.4 |
| Air Canada (Jazz) | 12,161 | 0.1 | — | — | — | — |
| Air Canada (Air Georgian) | — | — | 15,134 | 0.3 | 68,244 | 0.3 |
| Air France | 47,486 | 0.4 | 38,779 | 0.7 | 144,745 | 0.6 |
| Alaska Airlines | 45,965 | 0.3 | 14,369 | 0.3 | 69,143 | 0.3 |
| American (Air Wisconsin) | — | — | — | — | — | — |
| American (Envoy) | 17,320 | 0.1 | 13,771 | 0.2 | 48,758 | 0.2 |
| American (Piedmont) | 15,670 | 0.1 | 5,718 | 0.1 | 21,083 | 0.1 |
| American (PSA) | 63,580 | 0.5 | 17,491 | 0.3 | 96,018 | 0.4 |
| American (Republic) | 72,777 | 0.5 | 59,136 | 1.0 | 148,217 | 0.7 |
| American (SkyWest) | 52,327 | 0.4 | 23,785 | 0.4 | 136,722 | 0.6 |
| American (TransStates) | — | — | — | — | — | — |
| American | 421,003 | 3.1 | 170,845 | 3.0 | 722,725 | 3.2 |
| Delta (Compass) | — | — | — | — | — | — |
| Delta (Endeavor) | 1,846,538 | 13.7 | 300,065 | 5.3 | 1,269,995 | 5.7 |
| Delta (ExpressJet) | — | — | — | — | — | — |
| Delta (GoJet) | 98,198 | 0.7 | 209,028 | 3.7 | 1,194,965 | 5.3 |
| Delta (Republic) | 322,682 | 2.4 | 49,807 | 0.9 | 242,409 | 1.1 |
| Delta (Shuttle America) | — | — | — | — | — | — |
| Delta (SkyWest) | 1,295,227 | 9.6 | 702,962 | 12.4 | 2,386,789 | 10.6 |
| Delta Air Lines | 6,096,548 | 45.3 | 2,851,469 | 50.4 | 11,051,357 | 49.2 |
| DHL/ABX | 1,441 | — | 603 | — | 2,910 | — |
| DHL/Atlas | 16,864 | 0.1 | 1,952 | — | 5,440 | — |
| DHL/ATI | 18,414 | 0.1 | — | — | — | — |
| DHL/Kalitta | 41,454 | 0.5 | 34,240 | 0.8 | 136,272 | 0.6 |
| Kalitta | 320 | 0.2 | — | — | — | — |
| Federal Express | 513,341 | 3.8 | 131,799 | 2.3 | 488,855 | 2.2 |
| Frontier | 99,951 | 0.7 | 46,770 | 0.8 | 136,903 | 0.6 |
| JetBlue Airways | 48,566 | 0.4 | 29,754 | 0.5 | 120,070 | 0.5 |
| Lufthansa | 30,516 | 0.2 | 39,894 | 0.7 | 193,610 | 0.9 |
| Royal Jordanian Airlines | 9,120 | 0.1 | 9,880 | 0.2 | 45,220 | 0.2 |
| Southwest Airlines | 455,280 | 3.4 | 180,464 | 3.2 | 797,062 | 3.6 |
| Spirit Airlines | 1,107,975 | 8.3 | 417,647 | 7.4 | 1,730,349 | 7.7 |
| United Airlines (Air Wisconsin) | — | — | 94 | — | 94 | — |
| United Airlines (ExpressJet) | 9,133 | 0.1 | 11,648 | 0.2 | 6,313 | — |
| United Airlines (GoJet) | 29,334 | 0.2 | 2,412 | — | 25,996 | 0.1 |
| United Airlines (Mesa) | 71,255 | 0.5 | 40,231 | 0.7 | 173,846 | 0.8 |
| United Airlines (Republic) | 87,953 | 0.7 | 52,911 | 0.9 | 230,253 | 1.0 |
| United Airlines (Shuttle America) | — | — | — | — | — | — |
| United Airlines (SkyWest) | 78,366 | 0.6 | 22,265 | 0.4 | 66,929 | 0.3 |
| United Airlines (TransStates) | 438 | — | 701 | — | 611 | — |
| United Airlines | 58,525 | 0.4 | 50,215 | 0.9 | 234,574 | 1.0 |
| United Parcel Service | 285,213 | 2.1 | 76,748 | 1.4 | 244,804 | 1.1 |
| Virgin Atlantic Airways | — | — | — | — | — | — |
| WOW air | — | — | — | — | 17,345 | 0.1 |
| Other ⁽¹⁾ | 31,325 | 0.2 | 11,903 | 0.2 | 64,846 | 0.4 |
| Total | 13,423,510 | 100.0% | 5,657,768 | 100.0% | 22,445,938 | 100.0% |

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2020.

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 ended September 30 (2016 through 2019)

Three-month period ended December 31, 2019

Operating year ended December 31, 2020

(Unaudited)

| Airline | OY 2018 | | OY 2017 | | OY 2016 | |
|-----------------------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
| | 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 | 41,408 | 0.2% | 30,883 | 0.1% | — | —% |
| Aeromexico Connect | 27,353 | 0.1 | — | — | — | — |
| Air Canada (Jazz) | — | — | — | — | 9,413 | — |
| Air Canada (Air Georgian) | 61,180 | 0.3 | 61,194 | 0.3 | 43,749 | 0.2 |
| Air France | 137,656 | 0.6 | 134,507 | 0.6 | 134,644 | 0.6 |
| Alaska Airlines | 117,327 | 0.5 | 76,993 | 0.4 | 65,210 | 0.3 |
| American (Air Wisconsin) | 2,679 | — | 53,580 | 0.2 | 72,615 | 0.4 |
| American (Envoy) | 47,843 | 0.2 | 52,670 | 0.2 | 77,245 | 0.4 |
| American (Piedmont) | 26,015 | 0.1 | 9,909 | — | 4,540 | — |
| American (PSA) | 128,353 | 0.6 | 102,934 | 0.5 | 68,183 | 0.3 |
| American (Republic) | 131,669 | 0.6 | 149,076 | 0.7 | 194,949 | 0.9 |
| American (SkyWest) | 123,201 | 0.5 | 76,389 | 0.4 | — | — |
| American (TransStates) | — | — | 13,613 | 0.1 | 28,674 | 0.1 |
| American | 785,679 | 3.6 | 855,276 | 4.0 | 861,963 | 4.0 |
| Delta (Compass) | — | — | 149,528 | 0.7 | 154,667 | 0.7 |
| Delta (Endeavor) | 1,315,655 | 6.0 | 1,439,231 | 6.7 | 1,960,734 | 9.1 |
| Delta (ExpressJet) | 168,179 | 0.8 | 680,318 | 3.2 | 1,423,967 | 6.6 |
| Delta (GoJet) | 1,253,053 | 5.7 | 888,262 | 4.1 | 271,737 | 1.3 |
| Delta (Republic) | 226,916 | 1.0 | 130,371 | 0.6 | — | — |
| Delta (Shuttle America) | — | — | 58,320 | 0.3 | 276,165 | 1.3 |
| Delta (SkyWest) | 2,069,010 | 9.4 | 1,643,645 | 7.6 | 864,151 | 4.0 |
| Delta Air Lines | 10,584,280 | 48.2 | 10,505,297 | 48.6 | 10,616,006 | 49.5 |
| DHL/ABX | — | — | — | — | — | — |
| DHL/Atlas | 61,808 | 0.3 | 118,096 | 0.5 | 119,608 | 0.6 |
| DHL/ATI | — | — | 198 | — | 4,950 | — |
| DHL/Kalitta | 71,360 | 0.3 | — | — | — | — |
| Kalitta | — | — | — | — | — | — |
| Federal Express | 496,174 | 2.3 | 470,760 | 2.2 | 483,114 | 2.3 |
| Frontier | 150,280 | 0.7 | 189,950 | 0.9 | 140,122 | 0.7 |
| JetBlue Airways | 167,276 | 0.8 | 162,534 | 0.8 | 168,108 | 0.8 |
| Lufthansa | 194,131 | 0.9 | 170,089 | 0.8 | 165,418 | 0.8 |
| Royal Jordanian Airlines | 39,520 | 0.2 | 38,380 | 0.2 | 39,520 | 0.2 |
| Southwest Airlines | 903,968 | 4.1 | 931,658 | 4.3 | 898,636 | 4.2 |
| Spirit Airlines | 1,601,875 | 7.3 | 1,405,062 | 6.5 | 1,293,177 | 6.0 |
| United Airlines (Air Wisconsin) | — | — | — | — | — | — |
| United Airlines (ExpressJet) | 1,794 | — | 5,001 | — | 8,508 | — |
| United Airlines (GoJet) | 24,522 | 0.1 | 7,705 | — | 36,917 | 0.2 |
| United Airlines (Mesa) | 165,922 | 0.8 | 183,080 | 0.8 | 157,475 | 0.7 |
| United Airlines (Republic) | 217,724 | 1.0 | 169,454 | 0.8 | 114,619 | 0.5 |
| United Airlines (Shuttle America) | — | — | 5,062 | — | 40,929 | 0.2 |
| United Airlines (SkyWest) | 77,164 | 0.4 | 53,126 | 0.2 | 73,679 | 0.4 |
| United Airlines (TransStates) | 614 | — | 1,361 | — | 1,129 | — |
| United Airlines | 244,621 | 1.1 | 275,721 | 1.3 | 209,604 | 1.0 |
| United Parcel Service | 221,034 | 1.0 | 189,156 | 0.9 | 179,533 | 0.8 |
| Virgin Atlantic Airways | — | — | 61,014 | 0.3 | 135,699 | 0.6 |
| WOW air | 15,618 | 0.1 | — | — | — | — |
| Other ⁽¹⁾ | 56,608 | 0.2 | 52,409 | 0.2 | 67,237 | 0.3 |
| Total | 21,959,469 | 100.0% | 21,601,812 | 100.0% | 21,466,594 | 100.0% |

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2020.

American Airlines in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ended September 30 (2016 through 2019)

Three-month period ended December 31, 2019

Operating year ended December 31, 2020

(Unaudited)

| Operating Period | Operations by class of carrier | | | | Total operations | |
|--|--------------------------------|-----------------------|------------------|----------|------------------|--------------------------------|
| | Air carrier | Air taxi and commuter | General aviation | Military | Total | Percent increase (decrease)(a) |
| Operating Year 2020 | 197,719 | 36,918 | 3,815 | 122 | 238,574 | (39.5)% |
| Three-month period ended Dec. 31, 2019 | 81,565 | 15,630 | 1,362 | 28 | 98,585 | — |
| Operating Year 2019 | 325,989 | 62,974 | 5,865 | 79 | 394,907 | — |
| Operating Year 2018 | 312,540 | 75,991 | 6,194 | 82 | 394,807 | 0.3 |
| Operating Year 2017 | 298,125 | 89,369 | 6,111 | 108 | 393,713 | 0.3 |
| Operating Year 2016 | 286,336 | 99,811 | 6,104 | 132 | 392,383 | 3.2 |

[1] - Percent decrease for operating year 2020 has been calculated by annualizing the total reported enplanements for the three-month period ended December 31, 2019 and comparing the annualized totals to the 2020 operating year.

[2] - Percent increase for the three-month period ended Dec. 31, 2019 has been calculated by annualizing the total reported enplanements and comparing the annualized totals to the prior operating year.

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 ended September 30 (2016 through 2019),

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(Unaudited)

| | <u>OY 2020</u> | <u>Three-month Period Ended Dec. 31, 2019</u> | <u>OY 2019</u> | <u>OY 2018</u> | <u>OY 2017</u> |
|------------------------------------|----------------|---|----------------|----------------|----------------|
| Enplaned passengers: | | | | | |
| Domestic: | | | | | |
| Scheduled: | | | | | |
| Originating (a) | 4,044,498 | 2,408,704 | 9,068,784 | 8,855,356 | 8,323,239 |
| Connecting (a) | 2,607,637 | 1,809,087 | 7,360,172 | 7,061,348 | 7,401,388 |
| Subtotal – scheduled | 6,652,135 | 4,217,791 | 16,428,956 | 15,916,704 | 15,724,627 |
| Percentage connecting | 39.2% | 42.9% | 44.8% | 44.4% | 47.1% |
| Charter | 4,422 | 1,381 | 4,470 | 833 | 886 |
| Subtotal – domestic | 6,656,557 | 4,219,172 | 16,433,426 | 15,917,537 | 15,725,513 |
| International: | | | | | |
| Scheduled: | | | | | |
| U.S. airlines | 321,857 | 315,935 | 1,359,786 | 1,351,831 | 1,310,120 |
| Foreign flag | 48,051 | 73,101 | 322,199 | 289,250 | 244,072 |
| Subtotal – scheduled | 369,908 | 389,036 | 1,681,985 | 1,641,081 | 1,554,192 |
| Charter | 126 | — | 5,782 | — | 1,514 |
| Subtotal – international | 370,034 | 389,036 | 1,687,767 | 1,641,081 | 1,555,706 |
| Total enplaned passengers | 7,026,591 | 4,608,208 | 18,121,193 | 17,558,618 | 17,281,219 |
| Enplaned cargo (tons): | | | | | |
| Freight | 61,884 | 19,365 | 80,607 | 84,459 | 78,041 |
| Mail | 7,819 | 2,407 | 11,439 | 11,815 | 11,381 |
| Total cargo | 69,703 | 21,772 | 92,046 | 96,274 | 89,422 |
| Aircraft departures (b): | | | | | |
| Domestic | 110,358 | 45,123 | 177,232 | 177,541 | 178,209 |
| International | 5,122 | 3,177 | 13,900 | 13,184 | 12,448 |
| Total aircraft departures | 115,480 | 48,300 | 191,132 | 190,725 | 190,657 |
| Aircraft operations: | | | | | |
| Air carrier | 197,719 | 81,565 | 325,989 | 312,540 | 298,125 |
| Air taxi and commuter | 36,918 | 15,630 | 62,974 | 75,991 | 89,369 |
| General aviation | 3,815 | 1,362 | 5,865 | 6,194 | 6,111 |
| Military | 122 | 28 | 79 | 82 | 108 |
| Total aircraft operations | 238,574 | 98,585 | 394,907 | 394,807 | 393,713 |
| Landed weight (1,000-pound units): | | | | | |
| Passenger: | | | | | |
| U.S. carriers: | | | | | |
| Major/national | 8,333,813 | 3,761,532 | 14,862,183 | 14,555,307 | 14,402,492 |
| Commuter/regional | 4,092,123 | 1,523,927 | 6,113,517 | 5,980,312 | 5,872,633 |
| Subtotal – U.S. carriers | 12,425,936 | 5,285,459 | 20,975,701 | 20,535,619 | 20,275,125 |
| Foreign flag | 120,527 | 126,968 | 591,630 | 515,824 | 496,067 |
| Subtotal – passenger | 12,546,463 | 5,412,426 | 21,567,331 | 21,051,443 | 20,771,192 |
| All cargo | 877,047 | 245,342 | 878,607 | 903,343 | 830,620 |
| Total landed weight | 13,423,510 | 5,657,768 | 22,445,938 | 21,954,787 | 21,601,812 |

(a) Originating and connecting activity statistics for three-month period ended Dec. 31, 2019 are estimated based on calendar-year percentages.

(b) Departures for three-month period ended Dec. 31, 2019 are estimated based on both actual and scheduled data.

Sources: Wayne County Airport Authority records, U.S. Department of Transportation data, and the Dlio MI 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)

| <u>Year</u> | <u>Cities added</u> | <u>Cities dropped</u> | <u>Net change</u> |
|-------------|---|---|-------------------|
| 2020 | | Beijing, China Cozumel, Mexico Grand Cayman, Cayman Islands Leon/Guanajuato Mexico Nassau, Bahamas Ottawa, Canada Puerto Vallarta, Mexico Queretaro, Mexico Rome, Italy Tokyo-Narita, Japan Vancouver, Canada | (11) |
| 2019 | Tokyo-Haneda, Japan | Reykjavik, Iceland Sao Paulo-Guarulhos, Brazil | (1) |
| 2018 | León, Mexico Querétaro, Mexico Reykjavik, Iceland | | 3 |
| 2017 | No Nonstop International Destinations Added or Dropped | | — |

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

Source: Diio MI Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating years ended September 30 (2016 through 2020)

Three-month period ended December 31, 2019 and

Operating year ended December 31, 2020

(Unaudited)

| | Three-month | | | | | |
|---|--------------------|---------------------------------------|----------------|---------------------------|-----------------|----------------------------|
| | OY 2020 | Period Ended Dec. 31, 2019 | OY 2019 | OY 2018 | OY 2017 | OY 2016 |
| Operating revenues: | | | | | | |
| Airport landing and related fees | \$ 57,545 | 20,213 | 79,731 | 76,739 | 79,494 | 78,045 |
| Concession fees | 32,748 | 16,790 | 69,305 | 68,951 | 64,702 | 61,820 |
| Parking fees | 34,905 | 21,834 | 83,657 | 80,248 | 76,707 | 74,498 |
| Hotel (a) | 12,224 | 8,816 | 32,735 | 31,368 | 29,929 | 33,890 |
| Rental facilities/ground transportation | 99,496 | 28,385 | 116,792 | 110,372 | 104,525 | 103,430 |
| Utility service fees | 3,759 | 1,165 | 4,739 | 4,970 | 4,903 | 4,691 |
| Other | 14,799 | 1,614 | 6,312 | 6,430 | 4,795 | 3,747 |
| Total operating revenues | 255,476 | 98,817 | 393,271 | 379,078 | 365,055 | 360,121 |
| Operating expenses: | | | | | | |
| Salaries, wages, and fringe benefits | 78,159 | 30,992 | 91,435 | 94,558 | 108,986 | 84,453 |
| Parking management | 5,488 | 1,823 | 7,607 | 8,405 | 7,987 | 7,909 |
| Hotel management (a) | 11,128 | 5,534 | 20,703 | 19,775 | 18,049 | 22,357 |
| Janitorial services | 14,038 | 4,120 | 16,917 | 14,406 | 13,515 | 11,992 |
| Security | 4,882 | 1,553 | 6,000 | 6,031 | 5,149 | 3,745 |
| Utilities | 19,153 | 5,196 | 22,403 | 23,253 | 22,662 | 21,645 |
| Repairs, professional services, and other | 77,929 | 23,790 | 100,266 | 93,537 | 84,207 | 93,666 |
| Depreciation | 131,066 | 30,530 | 120,674 | 120,446 | 130,406 | 168,646 |
| Total operating expenses | 341,843 | 103,538 | 386,005 | 380,411 | 390,961 | 414,413 |
| Operating gain (loss) | (86,367) | (4,721) | 7,266 | (1,333) | (25,906) | (54,292) |
| Nonoperating revenues (expenses): | | | | | | |
| Passenger facility charges | 28,408 | 16,415 | 72,761 | 69,774 | 68,128 | 66,764 |
| Customer facility charges | 4,951 | 5,726 | 22,131 | 4,549 | 4,442 | 4,260 |
| Federal and state sources | 118,169 | 1,784 | 8,497 | 6,650 | 6,650 | 5,551 |
| Interest income and other | 5,007 | 2,528 | 16,576 | 7,612 | 3,582 | 3,854 |
| Interest expense and other | (78,131) | (20,716) | (88,023) | (84,868) | (80,963) | (80,865) |
| Amortization of bond insurance premiums | (42) | (11) | (42) | (101) | (175) | (175) |
| Amortization of bond issuance costs | | | | | 0 | 0 |
| Total nonoperating revenues (expenses) | 78,362 | 5,726 | 31,900 | 3,616 | 1,664 | (611) |
| Net gain (loss) before capital contributions and transfers | (8,005) | 1,005 | 39,166 | 2,283 | (24,242) | (54,903) |
| Capital contributions | 26,909 | 1,125 | 33,136 | 389 | 7,278 | 32,694 |
| Transfers out | (11,503) | (1,384) | (3,524) | (2,467) | (3,327) | (2,941) |
| Changes in net position | 7,401 | 746 | 68,778 | 205 | (20,291) | (25,150) |
| Net position – beginning of year | 143,856 | 143,110 | 74,332 | 74,127¹ | 161,255 | 186,405² |
| Net position – end of year | \$ 151,257 | 143,856 | 143,110 | 74,332 | 140,964 | 161,255 |

(a) Effective October 2015, the operations of the Airport Hotel have been included with the operations of Detroit Metro Airport (see Note 2 of 2016 financial statements for additional discussion).

¹ In 2018, Detroit Metro Airport restated beginning net position to \$74,127 (see Note 2 of 2018 financial statements for additional discussion). This amount less the 2018 decrease in net position is used to arrive at ending net position.

² In 2016, Detroit Metro Airport restated beginning net position to \$186,405 (see Note 2 of 2016 financial statements for additional discussion). This amount less the 2016 decrease in net position is used to arrive at ending net position.

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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic Origin and Destination Markets

Calendar year ending December 31, 2019

(Unaudited)

| Rank | Market | Total O&D Passengers | Percentage of | | Market Share | Secondary Carrier | Market Share | Non-Stop Service |
|------------------------------|---------------|-------------------------|-------------------|-----------------|-----------------|----------------------|-----------------|---------------------|
| | | | O&D Passengers | Primary Carrier | | | | |
| 1 | New York | 1,210 | 6.6% | Delta | 58.2% | Spirit | 14.9% | ● |
| 2 | Orlando | 1,164 | 6.3% | Delta | 48.3% | Spirit | 38.0% | ● |
| 3 | South Florida | 976 | 5.3% | Delta | 55.8% | Spirit | 28.4% | ● |
| 4 | Washington DC | 844 | 4.6% | Delta | 61.6% | Southwest | 15.2% | ● |
| 5 | Las Vegas | 808 | 4.4% | Delta | 45.8% | Spirit | 36.4% | ● |
| 6 | Los Angeles | 722 | 3.9% | Delta | 58.4% | Spirit | 26.1% | ● |
| 7 | Atlanta | 720 | 3.9% | Delta | 59.9% | Spirit | 28.4% | ● |
| 8 | Denver | 630 | 3.4% | Delta | 40.4% | Spirit | 19.2% | ● |
| 9 | Dallas | 630 | 3.4% | American | 31.1% | American | 37.5% | ● |
| 10 | Tampa | 614 | 3.3% | Delta | 60.7% | Spirit | 32.2% | ● |
| 11 | Fort Myers | 580 | 3.2% | Delta | 54.5% | Spirit | 38.7% | ● |
| 12 | San Francisco | 562 | 3.1% | Delta | 63.6% | United | 13.1% | ● |
| 13 | Phoenix | 516 | 2.8% | Delta | 54.1% | American | 26.1% | ● |
| 14 | Chicago | 516 | 2.8% | Delta | 50.8% | United | 18.1% | ● |
| 15 | Boston | 512 | 2.8% | Delta | 67.2% | JetBlue | 20.6% | ● |
| 16 | Houston | 422 | 2.3% | Delta | 31.3% | United | 32.3% | ● |
| 17 | Philadelphia | 360 | 2.0% | Delta | 44.2% | American | 36.3% | ● |
| 18 | Minneapolis | 352 | 1.9% | Delta | 70.5% | Spirit | 25.7% | ● |
| 19 | Nashville | 326 | 1.8% | Delta | 67.6% | Southwest | 31.0% | ● |
| 20 | Seattle | 320 | 1.7% | Delta | 60.1% | Alaska | 23.2% | ● |
| Other O&D Markets | | 5,580 | 30.4% | | | | | |
| Domestic O&D Passengers | | <u>18,363</u> | | | | | | |
| O&D % of Domestic Passengers | | 54.8% | | | | | | |

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 via Diio MI Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #18

Top 20 International Origin and Destination Markets

Calendar year ended December 31, 2019

(Unaudited)

| Rank | Market | Total O&D Passengers | Non-Stop Service |
|-------------|-------------------|-------------------------------------|-----------------------------|
| 1 | Cancun | 91,082 | ● |
| 2 | London (Heathrow) | 50,354 | ● |
| 3 | Frankfurt | 35,193 | ● |
| 4 | Mexico City | 33,432 | ● |
| 5 | Montego Bay | 31,933 | ● |
| 6 | Punta Cana | 31,876 | ● |
| 7 | Shanghai | 29,350 | ● |
| 8 | Tokyo | 28,222 | ● |
| 9 | Beirut | 27,569 | ● |
| 10 | Monterrey | 25,073 | ● |
| 11 | Paris | 24,933 | ● |
| 12 | Rome | 22,103 | ● |
| 13 | Toronto | 20,000 | ● |
| 14 | Amsterdam | 19,781 | ● |
| 15 | Vancouver | 19,325 | ● |
| 16 | Montreal | 17,998 | ● |
| 17 | Seoul | 17,450 | ● |
| 18 | San Jose del Cabo | 16,955 | ● |
| 19 | Beijing | 16,946 | ● |
| 20 | Munich | 16,511 | ● |

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic

See accompanying independent auditor's report.

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining funds of the Wayne County Airport Authority (the "Authority") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 30, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

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

Purpose of This Report

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

Plante & Moran, PLLC

April 30, 2021

Report on Compliance for the Major Federal Program and Passenger Facility Charge Program; Report on Internal Control Over Compliance as required by Uniform Guidance and the *Passenger Facility Charge Audit Guide for Public Agencies*

Independent Auditor's Report

To the Wayne County Airport Authority Board
Wayne County Airport Authority

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

We have audited the Wayne County Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2020. 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, for the year ended December 31, 2020. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The Authority's passenger facility charge program is identified in the schedule of passenger facility charge revenues and expenditures.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program and the passenger facility charge program.

Auditor's Responsibility

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide"). Those standards, the Uniform Guidance, 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.

To the Wayne County Airport Authority Board
Wayne County Airport Authority

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

Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program and its passenger facility charge program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

April 30, 2021

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Schedule of Expenditure of Federal Awards
Year Ended December 31, 2020

| Federal Agency/Pass-through Entity/Program Title | Federal CFDA Number | Contract/Grant Number | Pass-Through Entity Identifying Number | Award Amount | Federal Expenditures |
|---|------------------------|--------------------------|---|-----------------------|-------------------------|
| DETROIT METROPOLITAN AIRPORT | | | | | |
| U.S. Department of Transportation: | | | | | |
| Federal Aviation Administration - Direct Program - | | | | | |
| Airport Improvement Program (major program): | | | | | |
| Conduct Airport System Plan | 20.106 | 3-26-0026-11115 | | \$ 4,621,620 | \$ 96,766 |
| Reconstruct Runway 3L/21R | 20.106 | 3-26-0026-11419 | | 21,444,165 | 302,961 |
| Reconstruct Taxiway M | 20.106 | 3-26-0026-11519 | | 12,381,551 | 2,958 |
| Reconstruct Taxiway P | 20.106 | 3-26-0026-11620 | | 27,539,701 | 26,602,641 |
| COVID-19 CARES Act Airport Grant - DTW | 20.106 | 3-26-0026-11720 | | 141,886,415 | 113,126,484 |
| Two Zero Emissions Electric Shuttle Buses & Charging Stations | 20.106 | 3-26-0026-11820 | | <u>1,957,480</u> | - |
| Subtotal Airport Improvement Program | | | | 209,830,932 | 140,131,810 |
| U.S. Department of Justice: | | | | | |
| Asset Forfeiture Equitable Sharing Program | 16.922 | MI-8293900 | | - | 561,986 |
| Total U.S. Department of Justice | | | | - | 561,986 |
| U.S. Department of Treasury: | | | | | |
| State of Michigan | | | | | |
| COVID-19 First Responder Hazard Pay Premiums Program | 21.019 | | N/A | 182,000 | 182,000 |
| | | | | <u>182,000</u> | <u>182,000</u> |
| Total Detroit Metropolitan Airport | | | | <u>210,012,932</u> | <u>140,875,796</u> |
| WILLOW RUN AIRPORT | | | | | |
| U.S. Department of Transportation: | | | | | |
| Federal Aviation Administration - Direct Program - | | | | | |
| Airport Improvement Program (major program): | | | | | |
| Acquire Snow Removal Equipment Truck with Plow and Hopper Spreader | 20.106 | 3-26-0024-04219 | | 403,157 | 403,157 |
| COVID-19 CARES Act Airport Grant - YIP | 20.106 | 3-26-0024-04320 | | 157,000 | 157,000 |
| Shift/Reconstruct Runway 9-27 | 20.106 | 3-26-0024-04420 | | <u>808,554</u> | <u>62,455</u> |
| Subtotal Airport Improvement Program | | | | 1,368,711 | 622,612 |
| Total Willow Run Airport | | | | <u>1,368,711</u> | <u>622,612</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 211,381,643</u> | <u>\$ 141,498,408</u> |

See Note to Schedule of Expenditures of Federal Awards.



(1) Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the expenditures of the Wayne County Airport Authority (the Authority) under programs of the federal government and is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). The Authority's reporting entity is defined in the notes to the Authority's basic financial statements.

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

Federal awards are reported in the Authority's Statement of Revenues, Expenses, and Changes in Net Position included with federal and state grants as well as capital contributions. The Schedule presents only a selected portion of the operations of the Authority. It is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

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. Expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The Authority has not elected to use the 10-percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

C. Subrecipients

The Authority did not pass through any federal awards to subrecipients.

Wayne County Airport Authority

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes X None reported

Federal Awards

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

| CFDA Number | Name of Federal Program or Cluster | Opinion |
|-------------|------------------------------------|------------|
| 20.106 | Airport Improvement Program | Unmodified |

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Audit Findings

| Reference Number | Finding |
|------------------|---------|
| Current Year | None |

Section III - Federal Program Audit Findings

| Reference Number | Finding | Questioned Costs |
|------------------|---------|------------------|
| Current Year | None | |

Wayne County Airport Authority
Schedule of Passenger Facility Charge Revenues and Expenditures
Year Ended December 31, 2020

| | Amended Amount Approved | Cumulative Total December 31, 2019 | Quarter Ended | | | | Total FY 2020 | Cumulative Total December 31, 2020 |
|--|-------------------------------|--|-------------------|------------------|-----------------------|----------------------|-------------------|--|
| | | | March 31, 2020 | June 30, 2020 | September 30, 2020 | December 31, 2020 | | |
| Passenger Facility Charges Collected | \$ 3,164,332,836 | 1,532,583,205 | 16,559,807 | 8,280,772 | 3,305,591 | 6,189,285 | 34,335,455 | 1,566,918,660 |
| Interest Earned | N/A | 73,720,658 | 15,145 | 8,065 | 1,620 | 648 | 25,478 | 73,746,136 |
| Total Revenues | \$ 3,164,332,836 | 1,606,303,863 | 16,574,952 | 8,288,837 | 3,307,211 | 6,189,933 | 34,360,933 | 1,640,664,796 |
| Passenger Facility Charges Expended for Approved Projects: | | | | | | | | |
| APPLICATION NO. 1 | | | | | | | | |
| South Airport Access Road Construction | \$ 38,620,000 | 28,664,340 | - | - | - | - | - | 28,664,340 |
| Storm Water Retention & Drainage Facilities Construction | 4,980,000 | 4,169,572 | - | - | - | - | - | 4,169,572 |
| Noise Berm Construction | 225,000 | 224,927 | - | - | - | - | - | 224,927 |
| Noise Mitigation Program | 104,084,000 | 20,970,548 | 125,913 | 113,625 | - | (207,913) | 31,625 | 21,002,173 |
| Willow Run Airport Layout Plan Update | 5,000 | 5,000 | - | - | - | - | - | 5,000 |
| APPLICATION NO. 2 | | | | | | | | |
| Land Acquisition and Preliminary Design for Fourth Parallel Runway | 6,391,000 | 2,439,199 | - | - | - | - | - | 2,439,199 |
| Perimeter Property Fencing and Removal of Airport Hazard - Willow Run | 52,000 | 16,665 | - | - | - | - | - | 16,665 |
| APPLICATION NO. 3 | | | | | | | | |
| Midfield Domestic and International Terminal Facilities Construction | 1,370,450,360 | 910,404,913 | 9,227,886 | 8,327,338 | 1,748,186 | 16,527,610 | 35,831,020 | 946,235,933 |
| Reconstruction of Existing Terminals and Concourses | 673,408,000 | 312,931,535 | 4,901,203 | 4,737,704 | 133,197 | (7,055,022) | 2,717,082 | 315,648,617 |
| Concourse C Expansion & Domestic Terminals Facilities Construction (Interim In | 22,967,000 | 21,693,389 | - | - | - | - | - | 21,693,389 |
| International Passenger Processing Facilities Expansion (Interim Improvement) | 32,000,000 | 31,800,730 | - | - | - | - | - | 31,800,730 |
| APPLICATION NO. 4 | | | | | | | | |
| Runway 21C/3C Keel Section Replacement | 16,991,000 | 9,794,622 | 121,466 | 109,612 | - | (200,570) | 30,508 | 9,825,130 |
| Runway 4R/22L Design and Construction | 169,274,000 | 69,473,810 | 587,842 | 530,471 | - | (979,289) | 139,024 | 69,612,834 |
| Rebuild Outfall Structures at Ponds 3 and 4 | 2,413,000 | 1,392,849 | 17,253 | 15,571 | - | (28,490) | 4,334 | 1,397,183 |
| 21C Remote Primary Deicing | 23,958,000 | 14,577,514 | 158,290 | 142,843 | - | (261,376) | 39,757 | 14,617,271 |
| Grade/Pave Taxiway "K" Islands | 704,000 | 406,399 | 5,036 | 4,545 | - | (8,316) | 1,265 | 407,664 |
| APPLICATION NO. 5 | | | | | | | | |
| North Terminal Apron | 59,574,000 | 9,941,028 | - | - | - | - | - | 9,941,028 |
| McNamara Terminal Phase II Program | 277,941,000 | 122,514,295 | 1,377,505 | 1,333,295 | - | (2,710,800) | - | 122,514,295 |
| Third Aircraft Rescue and Firefighting Facility | 1,315,000 | 129,764 | - | - | - | - | - | 129,764 |
| West Airfield Improvements | 31,906,000 | 9,112,409 | - | - | - | - | - | 9,112,409 |
| Interconnect Re-route | 1,441,000 | 369,055 | - | - | - | - | - | 369,055 |
| Taxiway Q Construction | 4,153,000 | 1,552,756 | - | - | - | - | - | 1,552,756 |
| Runway 4R/22L Shoulders/Overburden (fka 3L/21R) | 2,090,000 | 735,822 | - | - | - | - | - | 735,822 |
| Deicing Pad at Runway 22L | 18,123,000 | 6,601,048 | - | - | - | - | - | 6,601,048 |
| Deicing Pads at Runway 4R and 3L | 39,941,000 | 9,628,871 | - | - | - | - | - | 9,628,871 |
| Perimeter Fencing and Other Security Enhancements | 710,000 | - | - | - | - | - | - | - |
| Surface Movement Guidance Control System | 1,310,000 | - | - | - | - | - | - | - |
| Runway 3L/21R Planning | 700,000 | - | - | - | - | - | - | - |
| Runway 3R/21L Design and Pavement Evaluation | 1,200,000 | - | - | - | - | - | - | - |
| Part 150 Study Update | 386,156 | 326,095 | - | - | - | - | - | 326,095 |
| APPLICATION NO. 7 | | | | | | | | |
| Airfield Snow Removal Vehicles & Equipment | 16,873,119 | 1,833,188 | - | - | - | - | - | 1,833,188 |
| McNamara Terminal In-Line Explosive Detection | 110,328,130 | 4,277,033 | - | - | - | - | - | 4,277,033 |
| Infill Island at Taxiway Y-10 | 811,236 | 85,294 | - | - | - | - | - | 85,294 |
| Master Plan Update | 946,500 | 87,823 | - | - | - | - | - | 87,823 |
| Runway Surface Monitor System for RW 4L/22R | 1,000,000 | - | - | - | - | - | - | - |
| Runway and Taxiway Improvements | 97,694,583 | 3,053,440 | - | - | - | - | - | 3,053,440 |
| Reconstruct Runway 4R/22L (Impose Only) | 29,366,752 | - | - | - | - | - | - | - |
| Total Amount Approved | \$ 3,164,332,836 | | | | | | | |
| Total Expenditures | | \$ 1,599,213,933 | \$ 16,522,394 | \$ 15,315,004 | \$ 1,881,383 | \$ 5,075,834 | \$ 38,794,615 | \$ 1,638,008,548 |
| Unexpended Passenger Facility Charges | | \$ 7,089,930 | | | | | | \$ 2,656,248 |

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



(1) General

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

Since 1992, the Federal Aviation Administration (FAA) has approved six PFC applications and amendments submitted by 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 December 31, 2020, the Authority had received approximately \$1.57 billion of PFC revenue and interest earnings of approximately \$73.7 million. The Authority had expended approximately \$1.60 billion on approved projects.

(2) Basis of Accounting

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

PFC charges collected, expended, and interest earned represent amounts reported to the FAA on the Passenger Facility Charge Quarterly Status Reports and total \$34.3 million, \$38.8 million, and \$25 thousand, respectively, for the year ending December 31, 2020. The Authority also maintained a receivable of approximately \$3.2 million for PFCs collected by the airlines but not remitted to the Authority as of December 31, 2020.

(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.



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY