# 2010

# Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2010







# METROPOLITAN WASHINGTON AIRPORTS AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

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## METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

## **Comprehensive Annual Financial Report**

# For the Fiscal Year Ended December 31, 2010

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April 29, 2011

To the Board of Directors and The President and Chief Executive Officer of the Metropolitan Washington Airports Authority

The Comprehensive Annual Financial Report (CAFR) of the Metropolitan Washington Airports Authority (the Airports Authority) for the year ended December 31, 2010 is submitted herewith. The Office of Finance prepared this CAFR. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Airports Authority. To the best of our knowledge and belief, this CAFR fairly presents and fully discloses the Airports Authority's financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States of America. It includes disclosures necessary to enable the reader to gain an understanding of the Airports Authority's financial activities. This CAFR was prepared following the guidelines recommended by the Government Finance Officer's Association of the United States and Canada (GFOA).

The management of the Airports Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Airports Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Airports Authority is responsible for ensuring that an adequate internal control structure is in place to maintain compliance with general and specific laws and regulations related to the Airport Improvement Program (AIP) and the Aviation Safety and Capacity Expansion Act as well as the Federal Transit Administration (FTA) provisions of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users with regards to the Dulles Corridor Metrorail Project (Dulles Metrorail Project).

The objectives of an internal control structure are to provide management with reasonable assurance that resources are safeguarded against waste, loss, and misuse, and that reliable data is recorded, maintained, and fairly disclosed in reports. The Airports Authority's current internal controls provide a solid base of reliable financial records from which the financial statements are prepared. These accounting controls ensure that accounting data is 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.

As discussed in Note 2 to the basic financial statements, the Airports Authority has restated its 2009 financial statements principally to correct the accounting for capitalized interest, depreciation, and the classification of certain assets and liabilities. These corrections have been reflected for comparative reporting in Management's Discussion & Analysis (MD&A), which immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Transmittal Letter and should be read in conjunction with it.

As required by the Acts of the District of Columbia and the Commonwealth of Virginia (the Commonwealth), a firm of independent certified public accountants is retained each year to conduct an audit of the financial statements of the Airports Authority in accordance with auditing standards generally accepted in the United States of America and to meet the requirements of the Federal Single Audit Act of 1984 (pursuant to OMB Circular A-133). The Airports Authority selected the firms of PricewaterhouseCoopers LLP and Bert Smith and Company to perform these



audit services. PricewaterhouseCoopers LLP has issued an unqualified ("clean") opinion on the Airports Authority's financial statements for the years ended December 31, 2010 and 2009. The report from PricewaterhouseCoopers LLP is located at the front of the financial section of this CAFR. The Single Audit Report and its opinion from Bert Smith and Company are presented under separate cover.

#### THE AIRPORTS AUTHORITY AND ITS PURPOSE

The Airports Authority is a public body politic and corporate, created with the consent of the Congress of the United States by an Act of the District of Columbia and an Act of the Commonwealth for the purpose of operating, maintaining, and improving Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International), (collectively, the Airports). The Airports had historically been managed by the Federal Aviation Administration (FAA) of the United States Department of Transportation. Pursuant to an Agreement and Deed of Lease, effective June 7, 1987, the Airports were transferred by the U. S. Government to the Airports Authority for an initial term of 50 years. On June 17, 2003, the Agreement and Deed of Lease was extended 30 years to June 6, 2067.

Pursuant to the Master Transfer Agreement, dated December 29, 2006 and effective November 1, 2008, the Virginia Department of Transportation (VDOT) granted a permit for the operation and maintenance of the Dulles Toll Road to the Airports Authority for a term of 50 years. As part of the agreement with the Commonwealth, the Airports Authority is constructing the Dulles Metrorail Project with an eastern terminus near the West Falls Church Metrorail Station on Interstate 66 and a western terminus of Virginia Route 772 in Loudoun County and is making other improvements in the Dulles Corridor consistent with VDOT and regional plans. The Dulles Corridor is defined as the transportation corridor with an eastern terminus of the East Falls Church Metrorail station at Interstate Route 66 and a western terminus of VA Route 772 in Loudoun County, VA.

The Airports Authority is an independent interstate agency. A 13-member Board of Directors (the Board) presently governs the Airports Authority. Five members are appointed by the Governor of Virginia subject to confirmation by the Virginia General Assembly, three are appointed by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, two are appointed by the Governor of Maryland, and three are appointed by the President of the United States with the advice and consent of the United States Senate. Directors serve staggered, six-year terms without compensation and may be reappointed once. They establish the Airports Authority's policy and appoint the President and Chief Executive Officer. The Board annually elects a Chairman, Vice Chairman, and Secretary.

Airports Authority operations are conducted under the supervision of the Airports Authority staff. James E. Bennett, formerly the President and Chief Executive Officer of the Airports Authority, retired on May 8, 2010, and E. Lynn Hampton, the former Vice President for Finance and Chief Financial Officer, was appointed by the Board as the President and Chief Executive Officer, for an interim period. In this position, Ms. Hampton plans and directs all programs and activities of the Airports Authority in accordance with delegated responsibilities from the Board, focusing on the future and the development of long-term business strategies. The Board is conducting a comprehensive search for the permanent position of President and Chief Executive Officer.

#### **Aviation Enterprise Fund**

The Airports Authority operates a two-airport system that provides domestic and international air service for the mid-Atlantic region, which is accounted for within an Aviation Enterprise Fund. The Air Trade Area for the Airports Authority is comprised of the District of Columbia, five Maryland counties, nine Virginia counties, six independent Virginia cities, and one West Virginia county. The Aviation Enterprise Fund is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from concessions to fund operating and maintenance expenses. The operations of the Airports Authority are not taxpayer-funded.



Reagan National was opened in 1941. Located on 860 acres along the Potomac River in Arlington County, Virginia, it is the oldest commercial airport serving the Air Trade Area. Approximately three miles from downtown Washington, D.C., Reagan National is the Airports Authority's principal domestic air service airport. There were 28 airlines serving Reagan National as of December 31, 2010, providing 271 thousand takeoffs and landings during the year. There is no significant cargo transportation at Reagan National.

Dulles International was opened for service in 1962. It is situated on approximately 11,830 acres in Fairfax and Loudoun Counties, Virginia. Dulles International is 26 miles from downtown Washington, D.C., from which it is accessible via a 17-mile dedicated four-lane (two lanes in each direction) Access Road and Interstate 66. Dulles International provides a full range of domestic and international air service, including service to destinations in Europe, Asia, South America, and Africa. There were 49 domestic and international airlines serving Dulles International as of December 31, 2010, providing 337 thousand takeoffs and landings during the year. Dulles International also provides facilities for cargo transport. There are 540 thousand square feet of cargo buildings at Dulles International, leased by airlines and other aviation support companies. Cargo operations at Dulles International are a major economic engine for the Air Trade Area.

In February 1990, the Airports Authority entered into the Airport Use Agreement and Premises Lease (Use and Lease Agreement) with the major airlines serving Reagan National and Dulles International. The Use and Lease Agreement provides the financial stability necessary for the Airports Authority to operate the Airports and access the capital markets to fund the Capital Construction Program (CCP). The Use and Lease Agreement is for a term of 25 years, subject to annual cancellation rights by the Airports Authority, which started in 2004. The Use and Lease Agreement continues a long history of a close working relationship between the Airlines and the Airports Authority and gives the Airlines interest in the positive financial performance of the Airports Authority by sharing in the net remaining revenues (see Note 3 – Airport Use Agreement and Premises Lease).

The Aviation Enterprise Fund initiated its CCP in 1988 to expand, modernize, and maintain the Airports. Under the CCP, the Airports Authority has constructed and will continue to construct many of the principal elements of the Reagan National and Dulles International Master Plans. Major projects completed under the Master Plan at Reagan National include two main terminals connected to a Metrorail station, three parking garages, an airport traffic control tower, and a consolidated communications center. Major capital projects completed under the CCP at Dulles International include expansion and rehabilitation of the Main Terminal, construction of Concourses A and B, an inter-terminal automated people mover system (the AeroTrain), the International Arrivals Building (IAB), a fourth runway, runway and road improvements, two daily parking garages, and an air traffic control tower.

Projects currently in the program at Reagan National include immediate improvements to Terminal A screening checkpoints and the initiation of design work to replace Terminal A over the next several years. Significant runway and runway safety area improvements are also planned. At Dulles International, projects include development of a Joint Firearm Training Facility in partnership with Loudoun County and completion of the IAB expansion. In addition, the Airports Authority will begin designing and implementing next generation public safety communication systems at both Airports and continue to implement in-line baggage screening improvements.

#### **Dulles Corridor Enterprise Fund**

Activities related to the Omer L. Hirst-Adelard L. Brault Expressway, also known as the Dulles Toll Road, and the Dulles Metrorail Project, a large capital improvement project extending the existing Metrorail system to Dulles International and beyond into Loudoun County are accounted for within the Dulles Corridor Enterprise Fund. The Dulles Corridor Enterprise Fund is self-supporting, using tolls collected to support the Dulles Toll Road's operations and maintenance and to finance the Dulles Corridor's ongoing Capital Improvement Program, which includes the construction of the Dulles Metrorail Project.

Constructed in 1984, the Dulles Toll Road is an eight-lane (four lanes in each direction) limited-access highway 13.4 miles in length. It was built in 1984 by VDOT and until November 1, 2008 had been maintained and



operated solely by VDOT. It begins just inside the Capital Beltway (Interstate 495) near Falls Church, VA at the Interstate 66 connector to Washington, D.C. The Dulles Toll Road then travels westward through Fairfax County past Dulles International and terminates at the entrance to the Dulles Greenway, a privately-owned toll road. The Dulles Toll Road has one main line plaza at the eastern end near the Capital Beltway and 19 ramp plazas. In 2009, 2-axle vehicle toll rates were  $75\phi$  at the main toll plaza and  $50\phi$  at other exit and entrance locations. Effective January 1, 2010, toll rates were increased to \$1.00 at the main toll plaza and  $75\phi$  at other exit and entrance locations. On January 1, 2011, the toll rate at the main toll plaza was increased to \$1.25.

The Dulles Toll Road has 59 toll collection lanes, including 8 E-ZPass-only collection lanes. All tollbooths are equipped with E-ZPass, an electronic toll collection system accepted in 14 contiguous states, including most states in the Virginia-to-Maine corridor. The Dulles Toll Road processed an average of 8.7 million toll transactions per month in 2010.

On November 1, 2008, VDOT transferred operating and maintenance responsibility of the Dulles Toll Road to the Airports Authority through a permit and operating agreement for a period of 50 years. With the transfer of the Dulles Toll Road from VDOT, the Airports Authority committed to constructing the Dulles Metrorail Project. This 23-mile extension of the existing Metrorail system begins near the West Falls Church station, continues west through Dulles International and into Ashburn, VA in Loudoun County. The project, once completed, will be conveyed to and operated by the Washington Metropolitan Area Transit Authority (WMATA) and will provide a one-seat ride from Dulles International to downtown Washington, D.C.

The Dulles Metrorail Project is being constructed in two phases and will include the addition of 64 rail cars. Phase 1 of the Dulles Metrorail Project will extend 11.7 miles from near the West Falls Church station to Wiehle Avenue in Reston, VA. It includes five new stations and improvements to the existing WMATA service and inspection yard at the West Falls Church station. Construction activities began in March 2009 with completion expected in December 2013.

Phase 2 of the Dulles Metrorail Project will extend the Metrorail system an additional 11.3 miles from Wiehle Avenue in Reston to Dulles International and into Loudoun County. Phase 2 of the Metrorail Project is expected to include six new stations and a maintenance yard located on Dulles International property. Preliminary engineering began under the direction of the Virginia Department of Rail and Public Transportation but was deferred before the transfer of the project to the Airports Authority. Phase 2 of the Dulles Metrorail Project preliminary engineering resumed in 2009, and construction is currently scheduled to begin in 2011 and be completed in 2017.

#### AIRPORTS AUTHORITY'S ECONOMIC ENVIRONMENT

In spite of extraordinary volatility in the global economy, the Washington, D.C. region has grown steadily for the past two decades. As home to the federal government and the fifth largest regional economy in the nation, the area currently boasts the second-highest Gross Regional Product per capita in the US. Forbes Magazine recently ranked the D.C. region as "the healthiest labor market among major U.S. metro areas," and the Brookings Institution designated the area as a "Next Frontier" region, exceeding national averages on population growth, diversity, and educational attainment.

Population growth in the metropolitan Washington area has consistently outpaced population growth in the United States. Within the region, the largest concentrations of population are in the jurisdictions of Fairfax County, Virginia; Montgomery County, Maryland; Prince George's County, Maryland; and the District of Columbia.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Source: Greater Washington Initiative, Greater Washington 2010 Regional Report

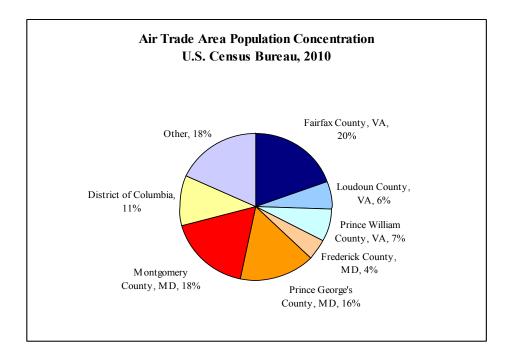
<sup>&</sup>lt;sup>2</sup> Source: Forbes Magazine, America's Best and Worst Job Markets, January 6, 2011

<sup>&</sup>lt;sup>3</sup> Source: U.S. Census Bureau Population Division, March 2011

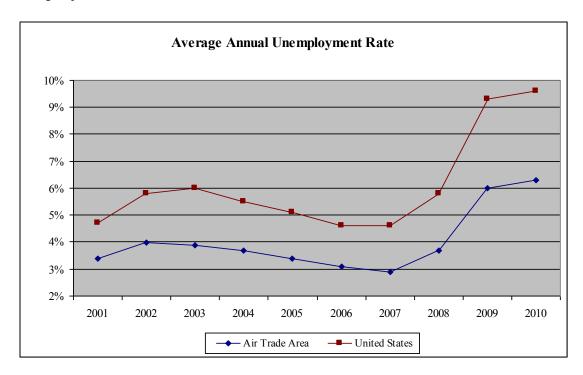








The region's median household income is 64% higher than the U.S. median household income, as reported in the Census Bureau's 2009 American Community Survey,<sup>4</sup> and unemployment remains well below the national average. As of December 2010, the Washington Metropolitan Statistical Area had the lowest unemployment rate among the 15 largest job markets in the United States.<sup>5</sup>



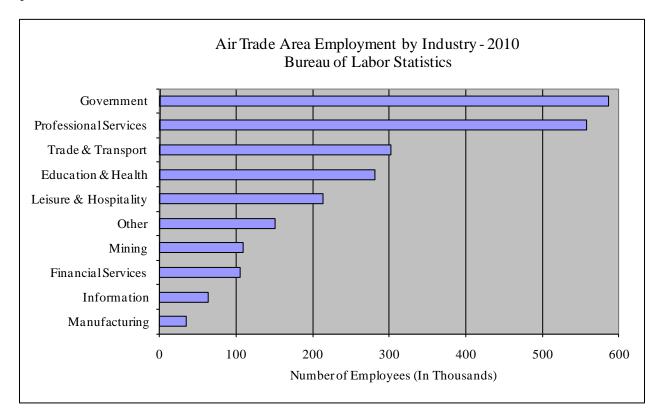
<sup>&</sup>lt;sup>4</sup> Source: U.S. Census Bureau's American Community Survey, 2009

<sup>&</sup>lt;sup>5</sup> Source: U.S. Bureau of Labor Statistics



Activity generated by the federal government provides a solid foundation and economic stimulus to the metropolitan area in both up and down cycles. The federal government's procurement spending in the Air Trade Area totaled \$75.6 billion in 2009, up \$9.1 billion or 14% from 2008; its total spending was \$166 billion in 2008, representing an increase of \$31.2 billion or 23%.

Employment in the region is well-diversified. In addition to the federal government sector, the Air Trade Area is also home to numerous large and small private companies, including seventeen *Fortune* 500® companies by revenue <sup>7</sup>. In recent years, Computer Sciences Corporation, Hilton Worldwide, Volkswagen North America, and SAIC have all relocated their corporate headquarters to the Washington region. Additionally, in July 2010, Northrop Grumman announced that it signed an agreement to purchase a building in Falls Church, VA as the new location for its corporate office.



#### **Aviation and Toll Road Activity**

Although the recent economic downturn has impacted the Air Trade Area less than the rest of the country, it has not left the region untouched. Recognizing the continued challenges of the current economic environment, the Airports Authority continued measures adopted in mid-2008 to carefully manage budgeted expenditures.

In 2010, activity levels at both Airports grew for the first time since 2007, while transactions on the Dulles Toll Road declined slightly. Reagan National had total passenger traffic in 2010 of 18.1 million people, representing a 3.1% increase over 2009 activity. The increase in passenger traffic at Reagan National exceeded the U.S. industry average increase of 1.7%. In November 2010, JetBlue began operations at Reagan National, with seven daily flights to Boston plus daily flights to Fort Lauderdale and Orlando. Total aircraft operations at the airport decreased slightly from 272 thousand operations in 2009 to 271 thousand in 2010.

<sup>&</sup>lt;sup>6</sup> Source: Greater Washington Initiative, Greater Washington 2010 Regional Report

<sup>&</sup>lt;sup>7</sup> Source: D.C. Area Fortune 500 Revenue: \$273B, Washington Business Journal, April 16, 2010

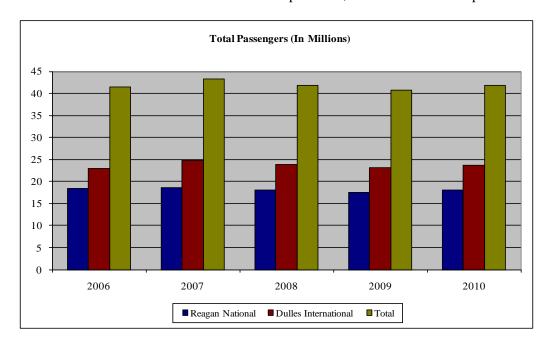






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Dulles International also experienced an increase in passenger traffic, adding 528 thousand passengers over 2009 activity to total 23.7 million for 2010. This 2.3% increase for the year also outperformed the industry average increase of 1.7%. International passenger traffic at Dulles International increased 2.1% to 6.3 million passengers. This marked the seventh consecutive year of international passenger growth at Dulles International, which saw the addition of new air service to Accra, Bahrain, Istanbul, Quebec City, and Paris-Orly. Total aircraft operations at Dulles International declined 1.1% in 2010 to 337 thousand operations, from 340 thousand operations in 2009.



Dulles Toll Road revenue transactions totaled 104.1 million in 2010 compared to 108.7 million in 2009, which represented a 4.2% decline in activity. This decrease is consistent with planned projections and primarily attributed to toll increases for the main line plaza and ramp exits, which went into effect on January 1, 2010.

#### **Industry Outlook**

The downward trend in air traffic levels is slowly reversing, as is overall airline performance. While industry analysts expect greater stability in 2011, they forecast a moderately slow recovery to pre-economic crisis air travel and vehicular traffic levels. In light of these projections, the Airports Authority seeks to alleviate some of the budgetary restrictions that have been in effect since 2008, while still minimizing increases to airline rates and charges and tolls.

#### The Airports Authority's Operating Budgets

The Airports Authority's annual operating budgets are a financial planning tool outlining the estimated revenues and expenses for the Airports and for the Dulles Toll Road at certain activity levels. The budgets are not prepared according to generally accepted accounting principles (GAAP). The President and Chief Executive Officer submit the Airports Authority's annual operating budgets to the Board for approval. Budgetary controls and evaluations are affected by comparing actual interim and annual results with the budgets, noting the actual level of activities. The Airports Authority conducts quarterly reviews to ensure compliance with the provisions of the annual operating budgets approved by the Board. In keeping with the requirements of a proprietary fund, budgetary comparisons have not been included in the financial section of this report.



#### **Aviation Enterprise Fund**

In 2010, the Airports Authority continued budgetary restraints that were first initiated in 2008 to minimize overtime and other operating expenses. Other initiatives, including higher minimum annual guarantee payments under rental car contracts and additional display advertisement, sought to mitigate decreases in concession revenue. In 2009, a cost allocation study was performed and \$5.7 million in Aviation Enterprise Fund operating expenses was allocated to the Dulles Corridor Enterprise Fund. In 2010, allocated expenses totaled \$7.3 million. Operating revenues reached 97.1% of budget expectations in 2010, while in 2009, operating revenues, reached 97.8% of budget expectations. Operating expenses reached 91.1% of budget authorization in 2010, while in 2009 expenses reached 90.8% of budget authorization. The Airports Authority's 2010 budget reflected a 9.5% increase in revenues and a 12.3% increase in expenses.

#### Aviation Enterprise Fund Operating Budget

	Budget	Actual <sup>1</sup>	As a Percentage of Budget
2010 Revenues	\$566,638,000	\$549,926,022	97.1%
2010 Expenses	\$318,292,000	\$289,909,532	91.1%
2009 Revenues	\$517,645,000	\$ 506,022,442	97.8%
2009 Expenses	\$283,530,100	\$ 257,376,029	90.8%

<sup>&</sup>lt;sup>1</sup>Actuals are reported on a budgetary basis for management purposes, which is not consistent with GAAP

#### **Dulles Corridor Enterprise Fund**

The 2010 Operating Budget for the Dulles Corridor Enterprise Fund reflects the second full year of operating the Dulles Toll Road. For the period from November 1, 2008 through September 30, 2009, the operations of the Dulles Toll Road were contracted to VDOT. As of October 1, 2009, the majority of employees of the Dulles Toll Road became employees of the Airports Authority. Operating revenues reached 100.1% of budget expectations in 2010, while in 2009, operating revenues, reached 98.5% of budget expectations. Operating expenses reached 100.0% of budget authorization in 2010 and 2009. The Airports Authority's 2010 budget reflected a 33.4% increase in revenues, due to increases in toll rates, and a 1.0% increase in expenses, based on amended budgeted amounts.

#### Dulles Corridor Enterprise Fund Operating Budget

	Budget	Actual <sup>1</sup>	As a Percentage of Budget
2010 Revenues	\$ 87,919,000	\$ 88,038,168	100.1%
2010 Expenses <sup>2</sup>	\$ 26,361,733	\$ 26,361,733	100.0%
2009 Revenues	\$ 65,893,000	\$ 64,893,554	98.5%
2009 Expenses	\$ 26,099,896	\$ 26,099,896	100.0%

<sup>&</sup>lt;sup>1</sup>Actuals are reported on a budgetary basis for management purposes, which is not consistent with GAAP

<sup>&</sup>lt;sup>2</sup>Budget amendment pending







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#### **Long-Term Financial Planning**

#### **Aviation Enterprise Fund**

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

It is anticipated that the major portion of facilities development will be financed with the proceeds of bonds issued under the Master Indenture. In addition, the Airports Authority also expects to use Passenger Facility Charge (PFC) revenues, federal and state grants, and the Airports Authority's portion of net remaining revenues to finance capital development costs. Because of operating constraints at Reagan National, including slot and perimeter regulations, much of the future growth in aviation activity for the Air Trade Area will occur at Dulles International.

#### **Dulles Corridor Enterprise Fund**

The Dulles Corridor Enterprise Fund's long-term planning includes the completion of the Dulles Metrorail Project and certain approved capital expenditures on the Dulles Toll Road and in the Dulles Corridor. The Airports Authority anticipates that the funding for the capital expenditures in the Dulles Corridor will include tolls and charges collected on the Dulles Toll Road, the issuance of Dulles Toll Road revenue bonds, FTA funding, and continued receipt of state and local grants.

#### OTHER INFORMATION

#### The Airports Authority's Internet Web Page

The Airports Authority has an Internet web site offering a wide array of information to users, including financial information and operational statistics. Users can obtain direct access to the airlines serving the Airports, as well as flight arrival and departure information. The Airports Authority's CAFR, Budget, Master Indenture, Official Statements, Debt Service Review, airline rates and charges, and aviation statistics are posted on the web site. Since September 11, 2001, the Airports Authority has posted monthly unaudited financial statements to include discussion of results and other information for the Airports Authority's bondholders and other interested parties. The financial information for the Airports Authority is available on the website at the following address: <a href="http://www.mwaa.com/311.htm">http://www.mwaa.com/311.htm</a>.

#### **Recognition of Awards and Achievement**

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airports Authority for its CAFR for the year ended December 31, 2009. This was the twenty-first consecutive time that the Airports Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Airports Authority has also received the GFOA's Award for Distinguished Budget Presentation seventeen times and the GFOA's Popular Annual Financial Reporting Award for the last five years. In 2010, the Airports Authority was the recipient of GFOA's prestigious Award for Excellence in Government Finance. The award, which honors contributions to the practice of government finance that exemplify outstanding financial

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management, recognized the Airports Authority's innovation in the area of capital financing and debt administration associated with the Dulles Corridor Enterprise Initiative.

#### Acknowledgments

In closing, I would like to thank the Board of Directors and President and Chief Executive Officer for their leadership and support in planning and conducting the financial operations of the Airports Authority. Special thanks are expressed to Mark Tune, Julia Tesoriero, and Diane Lary for the preparation of the CAFR. Additional managers that deserve recognition for their efforts in completing the CAFR are Rita Alston, William Bailey, Amanda Bowen, Chellie Cameron, Janet Carpenter, Luz Cofresi-Howe, Nancy Edwards, Valerie O'Hara, and Wanda Onafuwa, as well as all personnel within the Office of Finance.

Andrew T. Rountree, CPA Vice President and Chief Financial Officer







# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# Metropolitan Washington Airports Authority, Virginia

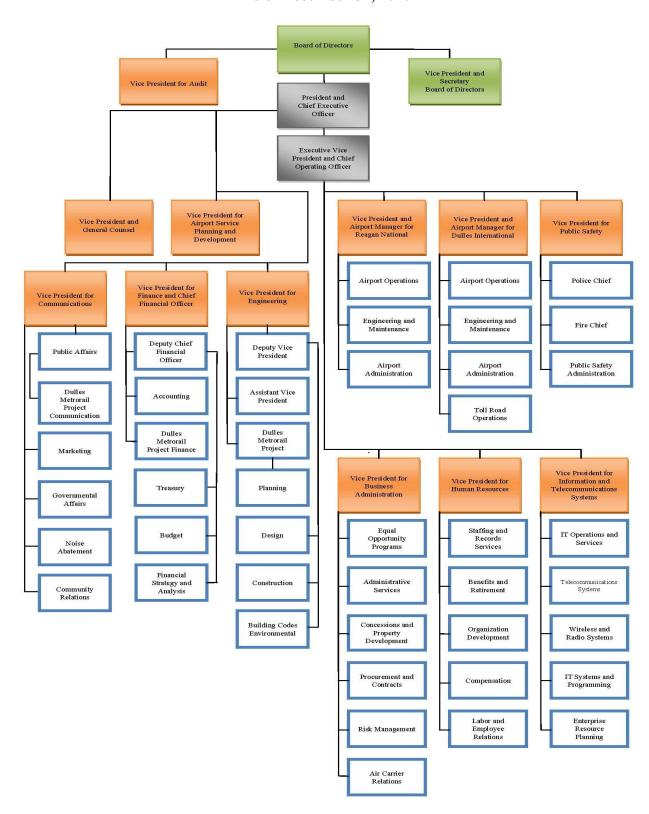
For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2009

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





#### Metropolitan Washington Airports Authority Organization Chart As of December 31, 2010





#### **Report of Independent Auditors**

To the Board of Directors of the Metropolitan Washington Airports Authority:

In our opinion, the financial statements of the business-type activities and each major fund of the Metropolitan Washington Airports Authority (the "Airports Authority"), which collectively comprise the Airports Authority's basic financial statements as listed in the table of contents, present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Airports Authority as of December 31, 2010 and December 31, 2009, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Airports Authority's management. Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the basic financial statements, the Airports Authority has restated its 2009 financial statements to correct errors principally relating to the accounting for capitalized interest, depreciation, and the classification of certain assets and liabilities.

The Management's Discussion and Analysis (MD&A) on pages 15 through 31 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airports Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

Kuiewalerhouse Coopers LLP April 29, 2011





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#### MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

#### INTRODUCTION

The purpose of the following discussion and analysis of the financial performance and activity of the Metropolitan Washington Airports Authority (the Airports Authority) is to provide an introduction and overview of the basic financial statements of the Airports Authority for the year ended December 31, 2010 with selected comparative information for the years ended December 31, 2009 and December 31, 2008. This discussion has been prepared by management, is unaudited, and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

#### **Using the Financial Statements**

The Airports Authority's financial report includes three financial statements: the Statements of Net Assets; the Statements of Revenues, Expenses and Changes in Net Assets; and the Statements of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The financial statements presentation includes two enterprise funds. The Aviation Enterprise Fund encompasses the activity of Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International), collectively, the Airports. The Dulles Corridor Enterprise Fund encompasses the Airports Authority's activity within the Dulles Corridor, which includes, but is not limited to, the Dulles Toll Road and the Dulles Corridor Metrorail Project (Dulles Metrorail Project). The Dulles Corridor is the transportation corridor with an eastern terminus of the East Falls Church Metrorail station at Interstate Route 66 and a western terminus of VA Route 772 in Loudoun County, VA.

The Statements of Net Assets depict the Airports Authority's financial position as of a point in time, December 31, and include all assets and liabilities of the Airports Authority. The Statements of Net Assets demonstrate that the Airports Authority's assets equal liabilities plus net assets. Net assets represent the residual interest in the Airports Authority's assets after liabilities are deducted. Net assets are displayed in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

The Statements of Revenues, Expenses and Changes in Net Assets report total operating revenues, operating expenses, non-operating revenues and expenses, and other changes in net assets as of the end of a fiscal period, the year ended December 31. Revenues and expenses are categorized as either operating or non-operating based upon management's policy as established in accordance with definitions set forth by GASB. Significant recurring sources of the Airports Authority's revenues, including Passenger Facility Charges (PFCs), investment income, and federal, state, and local grants are reported as non-operating revenues. The Airports Authority's interest expense is reported as a non-operating expense.

The Statements of Cash Flows present information showing how the Airports Authority's cash and cash equivalents position changed during the fiscal year. The Statements of Cash Flows classify cash receipts and cash payments resulting from operating activities, capital and related financing activities, and investing activities.

#### **Prior Period Restatement**

As discussed in Note 2 to the basic financial statements, the Airports Authority has restated its 2009 financial statements principally to correct errors in the accounting for capitalized interest, depreciation, and the classification of certain assets and liabilities. These corrections have been reflected for comparative reporting throughout the Management's Discussion and Analysis and are indicated as such.

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#### The Airports Authority's Activity Highlights

#### **Aviation Enterprise Fund**

Pursuant to the Airports Authority's Airport Use Agreement and Premises Lease (Use and Lease Agreement), the Airports Authority has activity-based revenues which include non-airline fees such as those from parking, rental car activities, other concessions and airline-based fees such as landing fees, rents, international arrival fees, and passenger conveyance fees. There have been many factors and events that have negatively affected the air transportation industry in the recent past, such as the general economic downturn beginning in the latter part of 2007 and continuing through 2009. In response to the contraction of the economy, the Airports Authority diversified its revenue sources, increased the carriers using its Airports, and adhered to the principles of fiscal restraint.

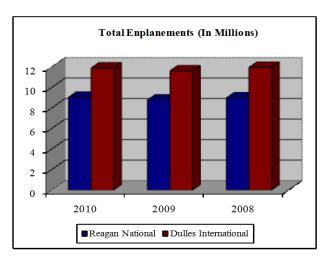
Both Airports experienced growth in passenger enplanements in 2010. Enplanements at Reagan National for the 12 months of 2010 were 9.0 million, compared to 8.8 million for the year 2009 and 9.0 million for the year 2008. The rise in enplanements is partly attributable to new and expanded air service in 2010. In November, Reagan National welcomed a new airline, JetBlue, with seven daily flights to Boston plus daily flights to Fort Lauderdale and Orlando. Delta also offered new nonstop service from Reagan National to Hartford, Columbus, Jacksonville, Orlando, Miami, Tampa, and St. Louis, in addition to expanding nonstop service to Boston and Indianapolis.

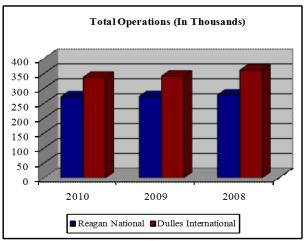
Total enplanements at Dulles International for the 12 months of 2010 were 11.9 million compared to 11.6 million in 2009 and 11.9 million in 2008. Dulles welcomed several new airlines in 2010, including AeroSur with weekly nonstop service to Bolivia; Turkish Airlines with new nonstop service four times per week to Istanbul; and OpenSkies, a new airline offering nonstop all business-class service to Paris-Orly Airport. International enplanements of 3.2 million for the 12 months of 2010 represented a 1.9% and 2.0% increase over 2009 and 2008 international enplanements, respectively.



#### **Enplanements and Operations Activity for 2008 to 2010**

	2010	2009	2008
Reagan National Enplanements			
Domestic	8,891,204	8,634,011	8,836,467
Transborder	144,340	133,232	141,364
Non-Commercial	6,511	4,651	4,349
Total Enplanements	9,042,055	8,771,894	8,982,180
Dulles International Enplanements			
Domestic	8,635,733	8,429,620	8,742,530
International	3,177,235	3,117,151	3,115,417
Non-Commercial	73,118	67,557	86,914
Total Enplanements	11,886,086	11,614,328	11,944,861
Total Operations			
Reagan National	271,097	272,146	277,298
Dulles International	336,531	340,367	360,292





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The North American combined domestic and international aviation industry growth rate for enplanements increased by 1.7% in 2010. Both Airports exceeded this rate. However, Dulles International's international passenger growth rate was 1.9%, which was 4.1% lower than the industry growth rate in international enplanements. Activity at Dulles International in 2010 was impacted by record-breaking snowstorms in February, followed by disruption of international travel due to renewed activity in Iceland's Eyjafjallajokull volcano in May.

2010 Enplanements Growth	Airports Authority	North America	Difference
Reagan National (Domestic)	3.0%	1.1%	1.9%
Dulles International (Domestic)	2.4%	1.1%	1.3%
Dulles International (International)	1.9%	6.0%	-4.1%



#### **Dulles Corridor Enterprise Fund**

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred operating and maintenance responsibility of the Dulles Toll Road to the Airports Authority through a permit and operating agreement for a period of 50 years. The Airports Authority contracted operations of the Dulles Toll Road to VDOT from the date of transfer until September 30, 2009. As of October 1, 2009, the employees of the Dulles Toll Road became employees of the Airports Authority, all contracts of the Dulles Toll Road became contracts of the Airports Authority, and the Airports Authority's public safety department began providing the primary police and fire service for the Dulles Toll Road. As part of the agreement with the Commonwealth of Virginia (the Commonwealth), the Airports Authority is constructing the Dulles Metrorail Project from the vicinity of the West Falls Church Metrorail station to Route 772 in Loudoun County and will make other improvements in the Dulles Corridor consistent with VDOT and regional plans, using revenues from the Dulles Toll Road to pay the resulting debt service.

The Dulles Toll Road has one main line plaza at the eastern end near the Capital Beltway and 19 ramp plazas. In 2009, 2-axle vehicle toll rates were  $75\phi$  at the main toll plaza and  $50\phi$  at other exit and entrance locations. Effective January 1, 2010, toll rates were increased to \$1.00 at the main toll plaza and  $75\phi$  at other exit and entrance locations. On January 1, 2011, the toll rate at the main toll plaza was increased to \$1.25, and on January 2012, the toll rate at the main toll plaza will increase to \$1.50. These toll increases are necessary to support the financing for the Dulles Metrorail Project.

The Dulles Toll Road processed an average of 8.7 million toll transactions per month in 2010. This is a decrease from 2009 of 383 thousand transactions per month or a 4.2% drop in transactions for the year. The overall decline in transactions, which was largely due to higher toll rates that became effective January 1, 2010, was not as significant as forecasted.

#### Financial Highlights - Aviation Enterprise Fund

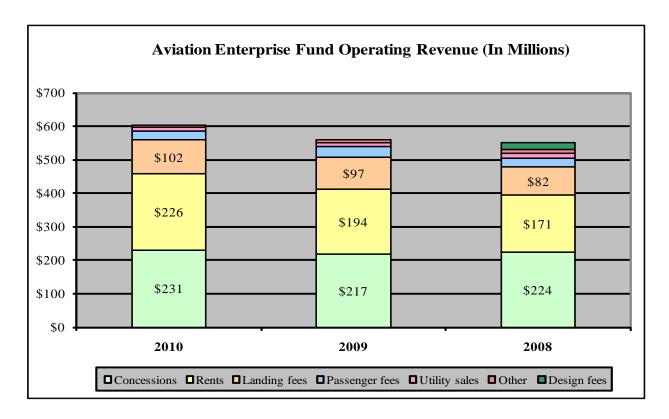
The overall activity results of 2010 reflect the gradual reversal of negative trends experienced across the aviation industry as a result of the recession that started in December 2007. The Airports Authority recorded \$603.9 million in operating revenues for 2010. This was a total increase from 2009 of \$45.4 million. The Airports Authority's revenues are primarily derived from rents and charges for the use of the Airports Authority's facilities, including landing fees received from airlines using the Airports and concession contracts at the Airports, including parking and off-airport rental car operations. Concessions historically have accounted for a substantial portion of the Airports Authority's revenues and comprised 38.2% of total operating revenues in 2010. Signatory airlines, those that have signed the Use and Lease Agreement, are required to pay actual costs plus debt service coverage, while the majority of concessionaires pay a percentage of revenue or a minimum annual guarantee (MAG).







	Aviation Enterprise Fund					
	2010	2009	2008			
Operating revenue						
Concessions	\$ 230,752,253	\$ 217,413,676	\$ 223,710,732			
Rents	226,375,685	193,736,080	171,331,285			
Design fees	-	-	20,363,189			
Landing fees	101,637,867	96,934,558	82,289,545			
Utility sales	12,464,920	13,227,161	13,348,545			
Passenger fees	25,913,522	30,665,358	28,354,142			
Other	6,730,469	6,476,626	11,547,406			
Total operating revenue	\$ 603,874,716	\$ 558,453,459	\$ 550,944,844			



#### **Airline Revenue**

In 2010, airline revenue, which consists of landing fees, terminal rents, and passenger fees, increased \$32.6 million from 2009, principally related to an increase in debt service at Dulles International for the Automated People Mover (the AeroTrain) that was placed into service in January and debt service for Concourse A renovations at Reagan National. Prior-year transfers, which are used as an offset to revenue paid by the airlines (see Note 3 – Airport Use Agreement and Premises Lease), decreased \$4.2 million. Total landing fees increased \$4.7 million to \$101.6 million, or 4.9%. Rent revenue increased \$32.6 million, a 16.8% increase from 2009. Passenger fees, including passenger conveyance, International Arrivals fees, and fees paid by the Transportation Security Administration (TSA) decreased \$4.8 million, or 15.5%. The decline in passenger fees was driven by a decrease in passenger conveyance fees for mobile lounge use, which declined significantly as a result of the AeroTrain becoming operational in 2010. Revenues associated with the AeroTrain are included in terminal rents as opposed to being charged as a separate passenger conveyance fee.



#### **Other Revenue**

In 2010, other revenue of \$6.7 million increased \$254 thousand from 2009, principally due to hotel shuttle fees, which were instituted in 2010.

#### **Concession Revenue**

In 2010, the Airports Authority's concession revenue increased \$13.3 million, or 6.1%, from 2009. Concession revenue accounted for 38.2% of total operating revenue, down from 2009 by 0.7%. Car parking revenue ranked as the Airports Authority largest concession, providing \$110.2 million in total revenue for the year. This was an increase of \$2.4 million from 2009 and reflects the general increase in passenger traffic. Rental car revenue of \$44.3 million increased \$5.4 million from 2009 and was the result of higher MAG amounts, as negotiated in new contracts for both Reagan National and Dulles International in recent years. Ground transportation revenue of \$8.0 million increased by 16.0%, or \$1.1 million, reflecting the new taxi contract in place at Dulles International and new taxi fees at Reagan National. In 2010, display advertising generated \$11.7 million in concession revenue, up \$3.4 million, or 41.4%, over 2009. All other areas of concession revenue accounted for a combined net increase of \$953 thousand over 2009. This increase was largely attributable to an \$848 thousand increase in food and beverage revenue and a \$319 thousand increase in duty free revenue, which offset moderate declines in retail, services, and other concession revenue.

The following table details concession revenue by major category for the years ended December 31, 2010, December 31, 2009 and December 31, 2008:

	Concession Revenue								
		2010			2009		2008		
Parking	\$	110,150,989		\$	107,721,718		\$	115,105,856	
Rental cars		44,305,092			38,865,186			35,949,215	
Food and beverage		16,474,539			15,626,929			15,860,110	
Fixed base operator		12,560,170			12,353,018			12,712,051	
Newsstand and retail		11,837,876			11,900,883			11,921,105	
Display advertising		11,652,665			8,243,796			7,737,054	
Ground transportation		8,020,195			6,913,108			6,368,761	
Inflight caterers		6,768,558			6,705,056			6,872,934	
Duty free		3,200,337			2,881,047			3,810,294	
All other		5,781,832			6,202,935			7,373,352	
Total	\$	230,752,253		\$	217,413,676		\$	223,710,732	

#### **Operating Expenses**

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2010 totaled \$574.0 million, an increase of \$67.1 million, or 13.2% over 2009. The largest driver of the increase in operating expenses was a 21.5% increase in materials, equipment, supplies, contract services, and other, which increased \$31.9 million in 2010. Record snow events at both Airports in February drove a \$5.2 million increase in contractual snow removal costs as well as a \$2.1 million increase in snow removal supplies. In addition, contracted operations of the AeroTrain resulted in a \$7.3 million increase in 2010, while changes in contracted custodial and armed guard services at both Airports resulted in increases of \$2.0 million and \$1.6 million, respectively.

The Airports Authority continued its process of implementing a new Enterprise Resource Planning (ERP) system. In March 2009, the Airports Authority selected Oracle EBusiness Solutions as the ERP software. According to accounting principles as promulgated in GASB Statement No. 51, *Accounting and Financial Reporting for* 20



*Intangible Assets* (GASB 51), the Airports Authority was in the developmental stage of the implementation program in early 2009 and expensed the costs through the Statements of Revenues, Expenses and Changes in Net Assets. In March 2009, the Airports Authority began capitalizing costs associated with the ERP, including implementation costs. As of December 31, 2010, \$38.2 million was included in work in progress for the project.

Salaries and related benefits expenses increased \$8.1 million from 2009 to \$148.3 million in 2010. When compared to 2009, health insurance expenses of \$14.1 million increased \$592 thousand and salary compensation, including full-time, part-time, holiday and overtime pay, increased \$4.2 million. Overtime expenses rose by \$2.7 million, with the increase primarily related to record snowstorms experienced in February 2010. The Airports Authority continued funding its Other Post-Employment Benefits (OPEB) program and recorded \$8.3 million in expenses for 2010 and \$6.6 million in expenses for 2009. The contribution percentages to the Airports Authority's retirement plans increased to 7.5% in 2010 from 6.4% of eligible earnings in 2009 for the general plan and increased to 16.0% in 2010 from 13.0% of eligible earnings in 2009 for the police and firefighter plan. The funded ratio as of the actuarial valuation date of December 31, 2009 was 105.4% for the general plan and 98.2% for the police and firefighters plan.

The Airports Authority's utility expenditures for 2010 were \$24.4 million, a decrease of \$3.8 million from 2009. In 2009, fuel prices began to moderate throughout the world resulting in a leveling of the cost of utilities purchased by the Airports Authority, and in 2010, the Airports Authority joined an energy consortium, which further reduced utility expenses.

Depreciation and amortization expense in 2010 was \$215.6 million. This was an increase of \$30.8 million from 2009. In 2009, the Airports Authority completed and put into service at Dulles International the passenger security mezzanine, which was the first element of the AeroTrain and the first phase of the expanded International Arrivals Building (IAB). In January 2010, the AeroTrain became operational at Dulles International, and in November 2010, the Airports Authority completed the second phase of the IAB expansion.

A cost allocation plan is used to identify and quantify all overhead and other indirect costs appropriately allocable to the Dulles Toll Road or to the Dulles Metrorail Project within the Dulles Corridor Enterprise Fund. As a result of this allocation plan, \$7.3 and \$5.7 million of Aviation Enterprise Fund operating expenses were allocated to the Dulles Corridor Enterprise Fund in 2010 and 2009, respectively.

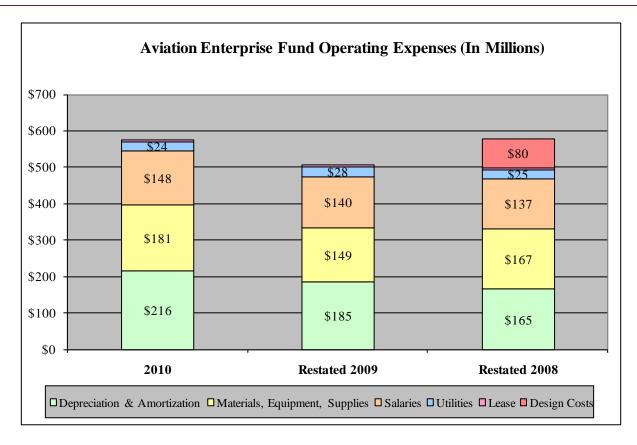
The following presents total operating expenses for the years ended December 31, 2010, December 31, 2009 and December 31, 2008:

	Aviation Enterprise Fund				
	2010 Restated 2009 Resta				
Operating expenses					
Materials, equipment, supplies, contract services, and other	\$ 180,633,646	148,713,119	\$ 166,260,580		
Salaries and related benefits	148,273,682	140,138,903	136,508,034		
Impairment loss / design costs	-	-	80,027,390		
Utilities	24,375,181	28,141,680	25,402,257		
Lease from U.S. Government	5,101,119	5,066,069	4,958,280		
Depreciation and amortization	215,620,434	184,828,233	164,855,381		
Total operating expenses	\$ 574,004,062	\$ 506,888,004	\$ 578,011,922		









#### **Changes in Net Assets**

Operating income was \$29.9 million in 2010, which was a \$21.7 million decrease from 2009. The results primarily reflect the increase in materials, supplies, and services as well as the increase in depreciation and amortization expense.

When compared to 2009, total non-operating revenues declined \$98.5 million and non-operating expenses increased \$101.5 million. Non-operating revenue in 2010 was comprised of \$20.9 million in investment income and \$1.2 million of federal, state, and local grants. Non-operating expenses totaled \$247.7 million and were comprised of interest expense of \$212.7 million and \$35.0 million in fair value losses on swaps. The change in fair value on swaps for 2009 was a gain of \$103.7 million. This gain resulted from a positive change in fair value of \$139.5 million less \$35.0 million in swap termination payments made on April 1, 2009 and the write-off of unamortized swap issuance costs of \$0.7 million. In connection with the issuance of the Series 2009B Airport System Revenue Bonds, the Airports Authority terminated three outstanding Swaps with a notional amount of \$175.0 million for a total termination payment of \$35.0 million.

Capital contributions and grants include PFCs, federal, state, and local grants, and other capital property acquired. PFC revenue for 2010 was \$80.1 million, which was an increase of \$1.6 million over 2009. This increase in receipts reflects the gradual rebound in air travel that was experienced at both Airports in 2010, as well as in the aviation industry as a whole.

Federal, state, and local grants were \$61.8 million in 2010, \$24.2 million in 2009, and \$51.2 million in 2008. In 2010, the Airports Authority received \$20.4 million in Airport Improvement Program (AIP) grants primarily to reimburse the capital cost of the construction of the fourth runway at Dulles International. The Airports Authority also received American Recovery and Reinvestment Act (ARRA) grants of \$4.0 million for runway rehabilitation at Dulles International and \$18.7 million for TSA surveillance closed circuit TV and in-line baggage electronic detection systems. The Airports Authority also received \$15.7 million from TSA for in-line baggage screening.



The change in net assets is an indicator of the overall fiscal condition of the Aviation Enterprise. Net assets decreased in 2010 by \$53.1 million. This decrease includes the \$35.0 million fair value loss on swaps.

The following represents a summary of the Statements of Revenues, Expenses and Changes in Net Assets for the Aviation Enterprise:

	Aviation Enterprise Fund						
		2010	R	estated 2009	R	Restated 2008	
Operating income (loss)		_		_			
Operating revenues	\$	603,874,716	\$	558,453,459	\$	550,944,844	
Operating expenses		574,004,062		506,888,004		578,011,922	
Total operating income (loss)		29,870,654		51,565,455		(27,067,078)	
Non-operating revenues							
Investment income		20,912,856		15,428,262		38,332,399	
Federal, state and local grants		1,192,743		1,415,153		948,658	
Fair value gains on swaps				103,731,481			
Total non-operating revenues		22,105,599		120,574,896		39,281,057	
Non-operating expenses							
Interest expense		(212,689,835)		(145,213,075)		(143,787,276)	
Passenger facility charges, financing costs		42		(944,806)		(2,330,507)	
Fair value losses on swaps		(34,978,411)				(158,374,462)	
Total non-operating expenses		(247,668,204)		(146,157,881)		(304,492,245)	
Income/(Loss) before capital contributions		(195,691,951)		25,982,470		(292,278,266)	
Capital contributions		142,577,878		105,727,416		129,643,871	
Increase (decrease) in net assets	\$	(53,114,073)	\$	131,709,886	\$	(162,634,395)	

#### Financial Highlights - Dulles Corridor Enterprise Fund

#### **Operating Revenue**

For the year ended December 31, 2010, the Airports Authority recorded toll revenue of \$88.0 million, which consisted of Automated Vehicle Identification (AVI) or electronic toll collections of \$63.6 million, cash collections of \$23.7 million, and violations revenue of \$716 thousand. AVI collection as a percentage of total operating revenue was 72.2%. In 2009, the first full year the Airports Authority operated the Dulles Toll Road, toll revenue totaled \$64.9 million, which consisted of AVI collections of \$45.1 million, cash collections of \$19.2 million, and violations revenue of \$547 thousand. AVI collection as a percent of total operating revenue was 69.6%. Overall increases in total operating revenue in 2010 were primarily driven by toll rate increases that went into effect on January 1, 2010.



	Dulles	Dulles Corridor Enterprise Fund					
	2010	2010 2009 20					
Operating revenue							
Cash revenue	\$ 23,715,733	\$ 19,199,661	\$ 3,166,176				
Automated vehicle identification revenue	63,606,906	45,146,685	7,141,495				
Violation revenue	715,529	547,208	108,826				
Total operating revenue	\$ 88,038,168	\$ 64,893,554	\$ 10,416,497				

#### **Operating Expenses**

For the years ended December 31, 2010 and 2009, the Dulles Corridor Enterprise Fund recorded \$34.8 million and \$30.1 million in operating expenses, respectively. In 2010, operating expenses were primarily comprised of materials, supplies, equipment, contract services, and other, which totaled \$22.8 million and included \$6.2 million in electronic toll collection fees paid to the third party processor of AVI transactions, \$3.7 million in maintenance and repair costs, and \$1.4 million in contractual snow removal costs. In 2009, materials, supplies, equipment, contract service, and other totaled \$24.8 million, which included \$9.5 million paid to VDOT for operations of the Dulles Toll Road through September 30, 2009 and \$5.3 million in electronic toll collection fees paid to the third party processor of AVI transactions.

The majority of costs related to the Dulles Corridor Enterprise Fund are directly charged to the Fund. In certain instances, overhead costs for the Airports Authority are initially paid from the Aviation Enterprise Fund but are appropriately allocable to the Dulles Corridor Enterprise Fund as costs associated with operation of the Dulles Toll Road or as costs of the Dulles Metrorail Project. The Airports Authority completed its first cost allocation plan in 2009. The purpose of the cost allocation plan is to identify and quantify all indirect and overhead costs appropriately allocable to the Dulles Corridor Enterprise Fund and to appropriately allocate those costs. In 2010, \$7.3 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, with \$4.6 million allocated to the Dulles Toll Road and \$2.7 million allocated to the Dulles Metrorail Project. In 2009, \$5.7 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, with \$3.0 million allocated to the Dulles Toll Road and \$2.7 million to the Dulles Metrorail Project.

Salaries and related benefits expense increased \$4.2 million from \$4.1 million in 2009 to \$8.3 million in 2010. The increase was due to a \$2.0 million increase in salaries and benefits for Dulles Toll Road and Metrorail Project employees as well as a \$2.2 million increase in allocated salaries and benefits expense.

	Dulles Corridor Enterprise Fund		
	2010	Restated 2009	2008
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$ 22,827,232	\$ 24,836,947	\$ 10,028,147
Salaries and related benefits	8,260,815	4,071,427	212,627
Utilities	189,956	67,989	-
Depreciation and amortization	3,523,732	1,118,482	8,204
Total operating expenses	\$ 34,801,735	\$ 30,094,845	\$ 10,248,978







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The Dulles Corridor Enterprise Fund closed 2010 with total net assets of \$991.5 million. The following represents a summary of the Statements of Revenues, Expenses and Changes in Net Assets of the Dulles Corridor Enterprise Fund:

	Dulles Corridor Enterprise Fund		
	2010	Restated 2009	2008
Operating income			
Operating revenues	\$ 88,038,168	\$ 64,893,554	\$ 10,416,497
Operating expenses	34,801,735	30,094,845	10,248,978
Total operating income	53,236,433	34,798,709	167,519
Non-operating revenues			
Investment income	8,092,445	1,181,269	26,126
Federal, state and local grants	672,275	-	-
Total non-operating revenues	8,764,720	1,181,269	26,126
Non-operating expenses			
Interest expense	(21,177,863)	(11,414,822)	-
Contributions to other governments	(10,086,067)	(650,244)	-
Total non-operating expenses	(31,263,930)	(12,065,066)	
Income before capital contributions	30,737,223	23,914,912	193,645
Capital contributions	304,993,329	322,463,858	309,241,104
Increase in net assets	\$ 335,730,552	\$ 346,378,770	\$ 309,434,749

#### **Changes in Net Assets**

The increase in net assets for the Dulles Corridor Enterprise Fund totalled \$335.7 million and \$346.4 million for the years ended December 31, 2010 and 2009, respectively. Total operating income for the Dulles Corridor Enterprise Fund was \$53.2 million in 2010 and \$34.8 million in 2009. The 53.0% increase in total operating income over 2009 was largely driven by toll rate increases that became effective January 1, 2010. Investment income increased \$6.9 million from 2009 as a result of the issuance of Dulles Toll Road Series 2010 Revenue Bonds in May 2010 as well as unrealized gains on investments of \$5.6 million. Interest expense on bonds payable totalled \$21.2 million in 2010. Contributions to other governments in 2010 included a one-time payment of \$6.6 million to Fairfax County, VA for the operation of the Fairfax County Express Bus Service. Fairfax County previously received funding from VDOT from Dulles Toll Road revenues, and the Board adopted a resolution to continue payment for this service in 2010. In addition, the Airports Authority contributed \$3.4 million to VDOT for costs related to the Transportation Management Plan, which comprises a set of strategies that are being implemented by VDOT during the construction of the Dulles Metrorail Project. The Airports Authority is contributing \$12.5 million to VDOT for the Transportation Management Plan between 2007 and 2012.

Government grants for the Dulles Corridor Enterprise Fund totaled \$305.0 million for the fiscal year ending December 31, 2010 and \$322.5 million for the fiscal year ending December 31, 2009. Federal grants included \$151.5 million related to the Dulles Metrorail Project, while state and local government contributions totaled \$51.4 million and \$89.2 million, respectively. In 2010, the Airports Authority also submitted a claim for reimbursement to Federal Emergency Management Agency for snow removal costs incurred during the December 2009 and February 2010 severe weather and snow emergencies for the Dulles Toll Road.



#### Statements of Net Assets - Aviation Enterprise Fund and Dulles Corridor Enterprise Fund

The Statements of Net Assets present the financial position of the Airports Authority at the end of the fiscal year. The Statements include all assets and liabilities of the Airports Authority. Net assets are the difference between total assets and total liabilities and are an indicator of the current fiscal health of the Airports Authority. A summarized comparison of the Airports Authority's assets, liabilities and net assets on December 31, 2010, 2009, and 2008, follows:

	Total Business-Type Activities		
	2010	Restated 2009	Restated 2008
Assets			
Current assets	\$ 699,954,344	\$ 655,595,687	\$ 651,776,752
Non-current assets			
Restricted	1,362,293,005	1,299,651,485	408,709,404
Unrestricted	273,782,093	191,684,831	157,462,614
Capital assets, net	6,502,551,354	5,835,736,688	5,251,196,063
Total Assets	\$ 8,838,580,796	\$ 7,982,668,691	6,469,144,833
Liabilities			
Current liabilities	\$ 392,926,909	\$ 330,256,300	\$ 449,142,693
Non-current liabilities			
Long-term debt outstanding and other			
restricted liabilities	6,567,056,962	6,056,431,945	4,902,110,350
Total Liabilities	\$ 6,959,983,871	\$ 6,386,688,245	\$ 5,351,253,043
Net Assets			
Invested in capital assets, net of related debt	\$ 926,200,459	\$ 881,833,042	\$ 638,142,114
Restricted	528,848,684	335,543,508	128,133,699
Unrestricted	423,547,782	378,603,896	351,615,977
Total Net Assets	\$ 1,878,596,925	\$ 1,595,980,446	\$ 1,117,891,790

Current assets increased \$44.4 million from 2009. Current assets for the Aviation Enterprise Fund decreased \$26.9 million, primarily as a result of the \$105.6 million decrease in unrestricted investments, which was offset by a \$77.9 million increase in cash and cash equivalents. Current assets for the Dulles Corridor Enterprise Fund increased 78.6%, or \$71.2 million, driven by increases in cash and accounts receivable that were offset by decreases in prepaid expenses and other current assets.

Non-current assets increased \$811.6 million from 2009, largely due to a \$666.8 million increase in capital assets, net of depreciation. The Aviation Enterprise Fund continued its capital construction program and recorded an increase, net of depreciation, of \$18.7 million in capital assets compared to 2009. The Dulles Corridor Enterprise Fund recorded an increase of \$648.1 million in capital assets, which was largely attributable to the \$629.6 million increase in construction in progress for the Dulles Metrorail Project.

Current liabilities increased \$62.7 million from 2009. The increase in current liabilities for 2010 was driven by a \$12.1 million increase in bonds payable in the Aviation Enterprise Fund and a \$62.1 million increase in accounts payable and accrued expenses for the Dulles Corridor Enterprise Fund, primarily for the Dulles Metrorail Project. The Aviation Enterprise Fund saw a \$7.4 million net decrease in accounts payable and accrued expenses, restricted and unrestricted.



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In 2010, long-term liabilities increased \$510.6 million. Non-current bonds payable increased \$633.1 million. Activity affecting this account included the issuance of \$979.2 million in Airport System Revenue Bonds less a principal payment of \$107.1 million on the outstanding bonds, the refunding of \$610.3 million in Airport System Revenue and Refunding Bonds, and the issuance of \$342.6 million in Dulles Toll Road Revenue Bonds. The Airports Authority had a net decrease of \$156.5 million in its commercial paper outstanding in 2010.

The Dulles Corridor Enterprise Fund bonds payable balance was \$1.3 billion at December 31, 2010, as a result of the issuance of \$342.6 million in Series 2010 A, B, and D bonds and \$31.9 million accretion from capital appreciation bonds. As of December 31, 2010, the Dulles Corridor Enterprise Fund liability of \$808 thousand was due to the Aviation Enterprise Fund for services provided to the Dulles Corridor Enterprise Fund in the normal course of business, including the cost allocation plan.

Total net assets, which represent the residual interest in the Airports Authority assets after liabilities are deducted, increased \$282.6 million from 2009 and \$760.7 million from 2008. The Dulles Corridor Enterprise Fund provided a \$335.7 million increase in total net assets for 2010, while the Aviation Enterprise Fund recorded a decrease of \$53.1 million in total net assets for 2010.

Net assets invested in capital assets, net of related debt increased \$44.4 million from 2009 and \$288.1 million from 2008. The increase in 2010 was attributable to a \$104.2 million increase in the Dulles Corridor Enterprise Fund, which was offset by a \$59.8 million decrease in the Aviation Enterprise Fund.

At the year ended December 31, 2010, total restricted net assets of \$528.8 million consisted of unspent debt proceeds, including debt service reserve funds, unspent PFC funds, and grants. This was an overall increase from 2009 of \$193.3 million. The Aviation Enterprise Fund's restricted net assets decreased \$21.3 million to \$64.3 million. Restricted PFCs decreased by \$33.7 million, while restricted grants increased \$12.4 million compared to 2009. The Dulles Corridor Enterprise Fund's restricted net assets of \$464.6 million included \$40.3 million in bond funds and \$424.3 million in grants at December 31, 2010.

Total unrestricted net assets at the end of the reporting period for the Airports Authority were \$423.5 million, which represented an overall increase of \$44.9 million from 2009. Unrestricted net assets increased \$28.0 million for the Aviation Enterprise Fund and \$16.9 million for the Dulles Corridor Enterprise Fund. These net assets may be used to meet any of the Airports Authority's ongoing operational needs and debt service for the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund, subject to approval by the Airports Authority's Board of Directors.

#### **Capital Financing and Debt Management**

#### **Aviation Enterprise Fund**

The Airports Authority is financing its Aviation Enterprise Fund CCP through a combination of revenues, entitlements, and discretionary grants received from the Federal Aviation Administration (FAA), state grants, PFCs, and revenue bonds. Long-term debt is the principal source of funding for the CCP. Please refer to Note 16 – Capital Debt for additional detail on the Airports Authority's long-term debt activity.

In July 2010, the Airports Authority's Aviation Enterprise Fund issued \$348.4 million of non-Alternative Minimum Tax (AMT) Airport System Revenue Bonds, Series 2010A. The proceeds were used to refund a portion of the outstanding Commercial Paper (CP) Two Notes, refund certain non-AMT bonds, as allowed for by the provisions of ARRA through an Open Market Purchase (OMP) program, pay a portion of the costs of certain CCP projects, fund capitalized interest, fund applicable debt service reserve funds, and pay the cost of issuing the bonds. Also in July 2010, the Airports Authority issued \$229.0 million of AMT Airport System Revenue Refunding Bonds, Series 2010B, to refund a portion of the Series 1998B and Series 1999A Airport System Revenue Bonds and to pay the cost of issuing the bonds.

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In September 2010, the Airports Authority issued a total of \$170.0 million in Airport System Revenue Variable Rate Refunding Bonds. They were issued in two subseries; \$66.75 million of Series 2010C-1 AMT Bonds and \$103.25 million of Series 2010C-2 non-AMT Bonds (collectively, the Series 2010C Bonds). This issuance refunded a portion of the Series 2009A Airport System Revenue Bonds and a portion of the 2003D Airport System Revenue Bonds and paid the cost of issuing the bonds. A total of \$102.4 million of the Series 2010C-2 Bonds are hedged by the 2009 Swap Agreements. Also in September, \$170.0 million of non-AMT Airport System Revenue Variable Rate, Series Bonds 2010D, were issued as Index Floaters and are hedged by the 2010 Swap Agreement.

In November 2010, \$61.8 million of non-AMT Airport System Revenue Refunding Bonds, Series 2010F-1, were issued through an OMP program to refund certain outstanding AMT bonds and to pay the cost of issuing the bonds.

In 2010, total available CP was reduced by \$156.5 million in recognition of the reduced capital construction program. At December 31, 2010, the Aviation Enterprise Fund had \$20.0 million outstanding in Series One CP Notes, \$38.5 million of Series Two CP Notes outstanding, and \$5.2 billion in outstanding Airport System Revenue Bonds.

The Airports Authority's Aviation Enterprise Fund's long-term uninsured bonds are rated "AA" by Fitch, "Aa3" by Moody's, and "AA-" by Standard & Poor's Rating Services (S&P). Fitch changed the Airports Authority's outlook to "Negative Outlook" on July 8, 2010 and affirmed the rating on October 22, 2010. Moody's changed the outlook to "Negative" on June 30, 2010 and affirmed the Airports Authority's rating on October 15, 2010. S&P affirmed the Airports Authority's "AA-" rating with a "Stable Outlook" on October 26, 2010. On July 2, 2010, S&P assigned the Airports Authority an overall Debt Derivative Profile rating of "1" on a scale of "1" to "4", with "1" representing the lowest risk and "4" representing the highest risk. The overall score of "1" reflects S&P's view that the Airports Authority's swap portfolio reflects minimal credit risk at this time.

The Airports Authority, through its Master Indenture, has agreed to maintain debt service coverage of not less than 1.25x. Debt service coverage is calculated based on a formula included in the Master Indenture and the Use and Lease Agreement with the Airlines. Historically, the Airports Authority has maintained a coverage ratio significantly higher than its requirement. During 2010 and 2009, the Airports Authority's debt service coverage was 1.47x and 1.49x, respectively.

#### **Dulles Corridor Enterprise Fund**

In May 2010, the Dulles Corridor Enterprise Fund issued \$342.6 million of Dulles Toll Road Revenue Bonds, Series 2010. The Series 2010A Bonds were issued as Capital Appreciation Bonds for a par amount of \$54.8 million, the Series 2010B Bonds were issued as Convertible Capital Appreciation Bonds for a par amount of \$137.8 million, and the Series 2010D Bonds were issued as Current Interest Bonds (federally-taxable Build America Bonds) for a par amount of \$150.0 million. The proceeds of the Bonds were used to pay a portion of the costs of the Dulles Metrorail Project, fund applicable debt service reserve fund requirements, and pay the cost of issuing the bonds. At December 31, 2010, the Dulles Corridor Enterprise Fund had \$1.3 billion in outstanding bonds payable.

#### **Federal and State Grant Activity**

The Airports Authority receives, on a cost-reimbursement basis, grants from the United States government, the Commonwealth of Virginia, and other local grantors for certain operating and capital construction programs.

#### **Aviation Enterprise Fund**

In 2010, the Aviation Enterprise Fund recognized \$2.4 million in total federal, state, and local grants in support of operations. This included \$1.2 million in funding for the Law Enforcement Officer Reimbursement Program, which offsets expenses incurred by the Airports Authority's Public Safety personnel serving a support role to the Transportation Security Administration (TSA). Other federal grants included \$397 thousand from TSA, which



was used to offset the expense of training and caring for canines used in explosives detection and \$720 thousand related to the Drug Seizures Program, which is a collaborative effort between the Airports Authority, the Drug Enforcement Agency, and U.S. Customs and Border Protection.

The Aviation Enterprise Fund also recognized \$61.8 million in federal, state, and local grants in support of capital programs in 2010. Federal programs, including the FAA's Airport Improvement Program, provided \$20.4 million for runway and taxiway rehabilitation and safety area improvement. TSA funding included \$15.7 million for an ongoing in-line baggage screening project. ARRA funds related to capital programs for the Aviation Enterprise Fund totaled \$18.7 million in 2010 and were applied to projects including rehabilitation of Runway 1C/19C at Dulles International, installation of closed circuit television cameras at both Airports, and in-line baggage screening.

#### **Dulles Corridor Enterprise Fund**

In 2010, the Airports Authority submitted a claim for reimbursement to the Federal Emergency Management Agency for snow removal costs incurred during the December 2009 and February 2010 severe weather/snow emergencies for the Dulles Toll Road. The \$672 thousand receipt was accounted for as a federal grant in support of operations in the Dulles Corridor Enterprise Fund.

The Federal Transit Authority is the primary grantor to the Dulles Metrorail Project and has committed a total of \$900.0 million in federal New Starts funding for the project. The \$900.0 million Full Funding Grant Agreement (FFGA) was approved by the FTA on March 10, 2009 and is inclusive of all previously awarded grants for the Dulles Metrorail Project. During 2010, the Dulles Corridor Enterprise Fund recognized \$104.2 million of the FFGA award.

In 2009, USDOT allocated \$77.26 million in ARRA funding to the Dulles Metrorail Project. These funds replace Section 5309 funds that are scheduled to be received in the final year (2016) of the FFGA. As of December 17, 2009, the ARRA grant was fully drawn down by the Airports Authority. While the ARRA grant is fully expended, the grant will not be closed out until the local match requirement has been met. The FTA deferred the local match requirement under the terms and conditions of the grant until three years after July 1, 2009 (July 1, 2012); that deadline may be extended at the FTA's discretion.

State and local funding sources for the Dulles Metrorail Project include transportation bonds issued by the Commonwealth of Virginia and a Fairfax County transportation improvement district property tax. In addition, the Virginia Transportation Act of 2000 dedicated \$75.0 million to the project from Surface Transportation Program funds. During 2010, the Dulles Corridor Enterprise Fund recognized \$140.6 million of state and local grants in support of capital programs.

#### Cash and Investment Management - Aviation Enterprise Fund and Dulles Corridor Enterprise Fund

The Airports Authority's cash and cash equivalents increased \$208.6 million to \$886.9 million as of December 31, 2010. This was driven by increases of \$86.6 million and \$122.0 million in available cash and cash equivalents, both restricted and unrestricted, in the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund, respectively. Cash and cash equivalents with an original maturity of three months or less are considered highly liquid investments. Restricted and unrestricted investments decreased by \$73.8 million in 2010, which was attributable to a \$15.7 million decrease in the Aviation Enterprise Fund and a \$58.1 million decrease in the Dulles Corridor Enterprise Fund.



The following summary shows the major sources and use of cash:

	Total Business-Type Activities				
	2010	2008			
Cash received from operations	\$ 691,691,410	\$ 613,985,096	\$ 560,453,406		
Cash expended from operations	(397,287,786)	(330,043,247)	(358,051,337)		
Net cash provided by operations	294,403,624	283,941,849	202,402,069		
Net cash provided (used) by noncapital financing activities	(7,805,066)	572,387	15,108,417		
Net cash provided (used) by capital and related financing activities	(183,156,060)	524,417,761	(416,124,468)		
Net cash provided (used) by investing activities	105,118,939	(466,222,989)	309,352,703		
Net (decrease) increase in cash and cash equivalents	208,561,437	342,709,008	110,738,721		
Cash and cash equivalents, beginning of year	678,375,413	335,666,405	224,927,684		
Cash and cash equivalents, end of year	\$ 886,936,850	\$ 678,375,413	\$ 335,666,405		

Cash temporarily idle during 2010 was invested in demand deposits, certificates of deposit, commercial paper, United States government and agency obligations, mutual funds, repurchase agreements collateralized by the United States government or agency obligations, and other permitted investments as listed in the Master Indenture for the Airports Authority's outstanding bonds. During 2010, the Airports Authority's Aviation Enterprise Fund operating account average portfolio balance was \$328.0 million, and the average yield on investments was 0.38%. The capital funds are held by an agent for the Trustee but managed by the Airports Authority. For 2010, the capital funds had an average portfolio balance of \$516.3 million and an average yield of 3.35%. During 2010, the Airports Authority's Dulles Corridor Enterprise Fund operating account average portfolio balance was \$40.2 million and the average yield on investments was 0.05%. The capital funds are held by an agent for the Trustee, but the Airports Authority directs the investments. For 2010, the capital funds had an average portfolio balance of \$458.1 million and an average yield of 1.50%.

Certain Airports Authority funds that will be used for bond requirements (see Note 7 – Restricted Assets) and capital projects are invested in long-term instruments. An annual cash flow projection for capital projects is developed for all bond proceeds and investments are matched to maximize investment income while ensuring cash is available for capital project expenses. All investments must be made following the investment policy that was adopted by the Airports Authority's Board. An investment committee meets quarterly to review the portfolios for compliance with the investment policy (see Note 5 – Deposits and Investments).

## **Capital Construction**

During 2010, the Aviation Enterprise Fund expended \$236.4 million in its ongoing CCP compared to an expenditure budget of \$327.3 million. The Aviation Enterprise Fund capitalized \$1.5 billion in projects in 2010, principally the parking garage expansion at Reagan National and the AeroTrain and Phase 2 of the International Arrivals Building expansion at Dulles International. Projects continuing in 2011 and beyond include completion of the IAB expansion and in-line baggage systems at Dulles International and Terminal A renovations and runway safety enhancements at Reagan National. Average monthly capital construction spending in 2010 was approximately \$32.1 million for the Aviation Enterprise Fund and \$44.1 million for the Dulles Corridor Enterprise Fund.

## Contacting the Airports Authority's Financial Management

The financial report is designed to provide the Airports Authority's Board, management, investors, creditors, and customers with a general view of the Airports Authority's finances and to demonstrate the Airports Authority's accountability for the funds it receives and expends. For additional information about this report, or for additional financial information, please contact Andrew Rountree, Vice President and Chief Financial Officer, at the following address: 1 Aviation Circle, Washington, DC, 20001-6000 or e-mail <a href="mailto:BondholdersInformation@mwaa.com">BondholdersInformation@mwaa.com</a>.





STATEMENT OF NET ASSETS As of December 31, 2010					Total
	Aviation Enterprise	D	Dulles Corridor Enterprise		usiness-Type Activities
ASSETS	 			Activities	
Current assets					
Cash and cash equivalents	\$ 114,502,559	\$	42,352,165	\$	156,854,724
Restricted cash and cash equivalents	212,350,954		118,933,536		331,284,490
Accounts receivable, net	33,940,581		62,347		34,002,928
Investments	160,751,777		-		160,751,777
Inventory	8,655,687		77,925		8,733,612
Prepaid expenses and other current assets	 7,827,567		499,246		8,326,813
Total current assets	 538,029,125		161,925,219		699,954,344
Non-current assets					
Restricted:					
Cash and cash equivalents	35,818,288		362,979,348		398,797,636
Accounts receivable	24,314,820		132,896,679		157,211,499
Investments	432,185,716		373,918,279		806,103,995
Payments made in advance	-		179,875		179,875
Total restricted	 492,318,824		869,974,181		1,362,293,005
Unrestricted:					
Note receivable	14,080,347		-		14,080,347
Investments	155,919,510		-		155,919,510
Net pension and other post-employment benefit assets	2,865,462		-		2,865,462
Bond issuance costs, net	60,552,823		40,363,951		100,916,774
Total unrestricted	 233,418,142		40,363,951		273,782,093
Capital assets:					
Land and other non-depreciable assets	156,407,176		-		156,407,176
Construction in progress	288,601,906		27,671,617		316,273,523
Construction in Progress - Dulles Metrorail Project	-		1,370,101,206		1,370,101,206
Buildings, systems and equipment	6,536,766,638		1,505,349		6,538,271,987
Less: accumulated depreciation	 (1,877,949,547)		(552,991)		(1,878,502,538)
Capital assets, net	 5,103,826,173		1,398,725,181		6,502,551,354
Total non-current assets	 5,829,563,139		2,309,063,313		8,138,626,452
Total assets	\$ 6,367,592,264	\$	2,470,988,532	\$	8,838,580,796

The accompanying notes are an integral part of these financial statements.



# $\begin{array}{l} \textbf{STATEMENT OF NET ASSETS (continued)} \\ \textbf{As of December 31, 2010} \end{array}$

As of December 31, 2010	Aviation Enterprise	Aviation Dulles Corridor Enterprise Enterprise		
LIABILITIES AND NET ASSETS	•			
Current liabilities				
Payable from unrestricted assets:				
Accounts payable and accrued expenses	\$ 47,095,359	\$ 2,610,891	\$ 49,706,250	
Due to (due from) other funds	(807,509)	807,509	- · ·	
Operating lease obligations	340,890	· -	340,890	
Deferred revenue	11,595,280	-	11,595,280	
Total unrestricted	58,224,020	3,418,400	61,642,420	
Payable from restricted assets:				
Accounts payable and accrued expenses	34,920,891	105,935,789	140,856,680	
Accrued interest payable	58,220,062	12,997,747	71,217,809	
Bonds payable	119,210,000	-	119,210,000	
Total restricted	212,350,953	118,933,536	331,284,489	
Total current liabilities	270,574,973	122,351,936	392,926,909	
Non-current liabilities				
Payable from unrestricted assets:				
Other liabilities	4,094,691	6,018	4,100,709	
Payable from restricted assets:				
Other liabilities	787,080	15,369,981	16,157,061	
Commercial paper notes	58,500,000	-	58,500,000	
Interest rate swaps payable	104,165,486	-	104,165,486	
Bonds payable, net	5,042,417,180	1,341,716,526	6,384,133,706	
Total restricted	5,205,869,746	1,357,086,507	6,562,956,253	
Total non-current liabilities	5,209,964,437	1,357,092,525	6,567,056,962	
Total liabilities	5,480,539,410	1,479,444,461	6,959,983,871	
NET ASSETS				
Invested in capital assets, net of related debt	438,782,146	487,418,313	926,200,459	
Restricted:				
Bond/debt funds	-	40,313,138	40,313,138	
Passenger facility charges	42,055,977	-	42,055,977	
Grants	22,234,213	424,245,356	446,479,569	
Total restricted	64,290,190	464,558,494	528,848,684	
Unrestricted	383,980,518	39,567,264	423,547,782	
Total net assets	887,052,854	991,544,071	1,878,596,925	
Total net assets and liabilities	\$ 6,367,592,264	\$ 2,470,988,532	\$ 8,838,580,796	

The accompanying notes are an integral part of these financial statements.



STATEMENT OF NET ASSETS As of December 31, 2009			Total
is of December 31, 2007	Aviation	Dulles Corridor	Business-Type
	Enterprise	Enterprise	Activities
	Restated	Restated	Restated
ASSETS			
Current assets			
Cash and cash equivalents	\$ 47,928,844	\$ 31,476,254	\$ 79,405,098
Restricted cash and cash equivalents	201,061,795	57,421,032	258,482,827
Accounts receivable, net	33,505,578	46,697	33,552,275
Investments	266,348,779	-	266,348,779
Inventory	8,061,986	32,795	8,094,781
Prepaid expenses and other current assets	8,006,423	1,705,504	9,711,927
Total current assets	564,913,405	90,682,282	655,595,687
Non-current assets			
Restricted:			
Cash and cash equivalents	27,122,611	313,364,877	340,487,488
Accounts receivable	13,563,703	80,425,796	93,989,499
Investments	433,174,825	431,981,722	865,156,547
Payments made in advance	-	17,951	17,951
Total restricted	473,861,139	825,790,346	1,299,651,485
Unrestricted:			
Note receivable	16,553,865	-	16,553,865
Investments	65,005,339	-	65,005,339
Net pension and other post-employment benefit assets	3,592,078	-	3,592,078
Bond issuance costs, net	67,202,478	39,331,071	106,533,549
Total unrestricted	152,353,760	39,331,071	191,684,831
Capital assets:			
Land and other non-depreciable assets	135,842,243	-	135,842,243
Construction in progress	1,496,497,509	9,545,019	1,506,042,528
Construction in Progress - Dulles Metrorail Project	_	740,480,442	740,480,442
Buildings, systems and equipment	5,123,121,352	761,943	5,123,883,295
Less: accumulated depreciation	(1,670,334,454)	(177,366)	(1,670,511,820)
Capital assets, net	5,085,126,650	750,610,038	5,835,736,688
Total non-current assets	5,711,341,549	1,615,731,455	7,327,073,004
Total assets	\$ 6,276,254,954	\$ 1,706,413,737	\$ 7,982,668,691

The accompanying notes are an integral part of these financial statements.







# STATEMENT OF NET ASSETS (continued) As of December 31, 2009

	Aviation Enterprise Restated	Dulles Corridor Enterprise Restated	Total Business-Type Activities Restated
LIABILITIES AND NET ASSETS			
Current liabilities			
Payable from unrestricted assets:			
Accounts payable and accrued expenses	\$ 53,179,845	\$ 4,419,033	\$ 57,598,878
Due to (due from) other funds	(6,293,406)	6,293,406	-
Operating lease obligations	341,140	-	341,140
Deferred revenue	13,833,458		13,833,458
Total unrestricted	61,061,037	10,712,439	71,773,476
Payable from restricted assets:			
Accounts payable and accrued expenses	36,271,474	41,980,025	78,251,499
Accrued interest payable	57,660,319	15,441,006	73,101,325
Bonds payable	107,130,000		107,130,000
Total restricted	201,061,793	57,421,031	258,482,824
Total current liabilities	262,122,830	68,133,470	330,256,300
Non-current liabilities			
Payable from unrestricted assets:			
Other liabilities	5,105,570	5,698	5,111,268
Payable from restricted assets:			
Other liabilities	793,241	15,346,169	16,139,410
Commercial paper notes	215,000,000	-	215,000,000
Interest rate swaps payable	69,187,075	-	69,187,075
Bonds payable, net	4,783,879,311	967,114,881	5,750,994,192
Total restricted	5,068,859,627	982,461,050	6,051,320,677
Total non-current liabilities	5,073,965,197	982,466,748	6,056,431,945
Total liabilities	5,336,088,027	1,050,600,218	6,386,688,245
NET ASSETS			
Invested in capital assets, net of related debt	498,609,856	383,223,186	881,833,042
Restricted:			
Bond/debt funds	-	26,736,973	26,736,973
Passenger facility charges	75,768,210	=	75,768,210
Grants	9,795,024	223,243,301	233,038,325
Total restricted	85,563,234	249,980,274	335,543,508
Unrestricted	355,993,837	22,610,059	378,603,896
Total net assets	940,166,927	655,813,519	1,595,980,446
Total net assets and liabilities	\$ 6,276,254,954	\$ 1,706,413,737	\$ 7,982,668,691

The accompanying notes are an integral part of these financial statements.



# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS For the year ended December 31, 2010

<del>,</del>					Total
	Aviation	Dι	ılles Corridor	В	usiness-Type
	Enterprise	Enterprise			Activities
OPERATING REVENUES	 •		•		
Concessions	\$ 230,752,253	\$	-	\$	230,752,253
Tolls and other	-		88,038,168		88,038,168
Rents	226,375,685		-		226,375,685
Landing fees	101,637,867		-		101,637,867
Utility sales	12,464,920		-		12,464,920
Passenger fees	25,913,522		-		25,913,522
Other	 6,730,469				6,730,469
Total operating revenues	 603,874,716		88,038,168		691,912,884
OPERATING EXPENSES					
Materials, equipment, supplies, contract					
services, and other	180,633,646		22,827,232		203,460,878
Salaries and related benefits	148,273,682		8,260,815		156,534,497
Utilities	24,375,181		189,956		24,565,137
Lease from U. S. Government	5,101,119		-		5,101,119
Depreciation and amortization	 215,620,434		3,523,732		219,144,166
Total operating expenses	 574,004,062		34,801,735		608,805,797
OPERATING INCOME	 29,870,654		53,236,433		83,107,087
NON-OPERATING REVENUES (EXPENSES)					
Passenger facility charges, financing costs	42		-		42
Investment income	20,912,856		8,092,445		29,005,301
Interest expense	(212,689,835)		(21,177,863)		(233,867,698)
Federal, state and local grants	1,192,743		672,275		1,865,018
Fair value loss on swaps	(34,978,411)		-		(34,978,411)
Contributions to other governments	 		(10,086,067)		(10,086,067)
Total non-operating revenues (expenses)	 (225,562,605)		(22,499,210)		(248,061,815)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 (195,691,951)		30,737,223		(164,954,728)
CAPITAL CONTRIBUTIONS					
Passenger facility charges	80,088,350		-		80,088,350
Federal, state and local grants	61,839,528		304,993,329		366,832,857
Other capital property contributed	 650,000				650,000
Total capital contributions	 142,577,878		304,993,329		447,571,207
NET ASSETS					
Increase (decrease) in net assets	(53,114,073)		335,730,552		282,616,479
Total net assets, beginning of year, as restated	 940,166,927		655,813,519		1,595,980,446
Total net assets, end of year	\$ 887,052,854	\$	991,544,071	\$	1,878,596,925

The accompanying notes are an integral part of these financial statements.







# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS For the year ended December 31, 2009

			Total	
	Aviation	Dulles Corridor	Business-Type	
	Enterprise	Enterprise	Activities	
	Restated	Restated	Restated	
OPERATING REVENUES				
Concessions	\$ 217,413,676	\$ -	\$ 217,413,676	
Tolls and other	-	64,893,554	64,893,554	
Rents	193,736,080	-	193,736,080	
Landing fees	96,934,558	-	96,934,558	
Utility sales	13,227,161	-	13,227,161	
Passenger fees	30,665,358	-	30,665,358	
Other	6,476,626	_	6,476,626	
Total operating revenues	558,453,459	64,893,554	623,347,013	
OPERATING EXPENSES				
Materials, equipment, supplies, contract				
services, and other	148,713,119	24,836,947	173,550,066	
Salaries and related benefits	140,138,903	4,071,427	144,210,330	
Utilities	28,141,680	67,989	28,209,669	
Lease from U. S. Government	5,066,069	, -	5,066,069	
Depreciation and amortization	184,828,233	1,118,482	185,946,715	
Total operating expenses	506,888,004	30,094,845	536,982,849	
OPERATING INCOME	51,565,455	34,798,709	86,364,164	
NON-OPERATING REVENUES (EXPENSES)				
Passenger facility charges, financing costs	(944,806)	-	(944,806)	
Investment income	15,428,262	1,181,269	16,609,531	
Interest expense	(145,213,075)	(11,414,822)	(156,627,897)	
Federal, state and local grants	1,415,153	-	1,415,153	
Fair value gains on swaps	103,731,481	_	103,731,481	
Contributions to other governments	· · · · · -	(650,244)	(650,244)	
Total non-operating revenues (expenses)	(25,582,985)	(10,883,797)	(36,466,782)	
GAIN BEFORE CAPITAL CONTRIBUTIONS	25,982,470	23,914,912	49,897,382	
CAPITAL CONTRIBUTIONS				
Passenger facility charges	78,520,764	_	78,520,764	
Federal, state and local grants	24,228,662	322,463,858	346,692,520	
Other capital property contributed	2,977,990	-	2,977,990	
Total capital contributions	105,727,416	322,463,858	428,191,274	
	105,727,410	322,403,030	720,171,277	
NET ASSETS Increase in pet assets	121 700 997	246 270 770	170 000 656	
Increase in net assets  Total net assets, beginning of year, as	131,709,886	346,378,770	478,088,656	
previously stated	862,796,638	309,434,749	1,172,231,387	
Restatement	(54,339,597)	302,434,749	(54,339,597)	
Total net assets, end of year, as restated	\$ 940,166,927	\$ 655,813,519	\$ 1,595,980,446	
Total liet assets, end of year, as restated	φ 540,100,927	ψ 055,015,519	ψ 1,535,700, <del>111</del> 0	

The accompanying notes are an integral part of these financial statements.



STATEMENT OF CASH FLOWS For the year ended December 31, 2010						Total
		Aviation Enterprise		ılles Corridor Enterprise	Вı	siness-Type Activities
NET CASH FROM OPERATING ACTIVITIES:						
Operating cash receipts from customers	\$	603,668,892	\$	88,022,518	\$	691,691,410
Cash payments to suppliers for goods and services	Ψ	(220,291,468)	Ψ	(22,068,681)	Ψ	(242,360,149)
Cash payments to employees for services		(152,353,089)		(2,574,548)		(154,927,637)
Cash receipts (payments) for interfund services		12,767,366		(12,767,366)		
NET CASH PROVIDED BY OPERATING ACTIVITIES		243,791,701		50,611,923		294,403,624
NET CASH FROM (TO) NONCAPITAL FINANCING ACTIVITI	ŒS					
Cash provided to other governments		-		(9,196,341)		(9,196,341)
Interest paid to vendors		(4,496)		(827)		(5,323)
Government grants		1,396,598				1,396,598
NET CASH PROVIDED (USED) BY NONCAPITAL						
FINANCING ACTIVITIES		1,392,102		(9,197,168)		(7,805,066)
NET CASH FROM CAPITAL AND RELATED FINANCING						
ACTIVITIES:						
Proceeds from issuance of bonds/notes		1,078,701,343		342,614,869		1,421,316,212
Principal payments on commercial paper		(216,500,000)		_		(216,500,000)
Principal payments on bonds/notes		(717,405,000)		-		(717,405,000)
Payments for capital expenditures and construction						
in progress		(385,282,449)		(529,437,260)		(914,719,709)
Proceeds from sale of capital assets		985,912		-		985,912
Payments of bond issuance costs		1,943,750		(4,442,496)		(2,498,746)
Interest paid on bonds and commercial paper		(88,919,859)		(49,567,539)		(138,487,398)
Government grants in aid of construction		51,500,689		253,194,721		304,695,410
Passenger facility charge receipts		79,472,218		-		79,472,218
Passenger facility charge expenses and interest		(14,959)		-		(14,959)
NET CASH PROVIDED (USED) BY CAPITAL AND						
RELATED FINANCING ACTIVITIES		(195,518,355)		12,362,295		(183,156,060)
NET CASH FROM INVESTING ACTIVITIES:						
Interest received on investments		2,067,232		3,926,444		5,993,676
Proceeds from short-term investment maturities		383,090,592		773,765,864		1,156,856,456
Purchase of short-term investments		(283,300,967)		(599,922,904)		(883,223,871)
Proceeds from long-term investment maturities		203,712,518		95,487,177		299,199,695
Purchase of long-term investments		(268,676,272)		(205,030,745)		(473,707,017)
NET CASH PROVIDED BY INVESTING ACTIVITIES		36,893,103		68,225,836		105,118,939
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		86,558,551		122,002,886		208,561,437
CASH AND CASH EQUIVALENTS, Beginning of year		276,113,250		402,262,163		678,375,413
CASH AND CASH EQUIVALENTS, End of year	\$	362,671,801	\$	524,265,049	\$	886,936,850

The accompanying notes are an integral part of these financial statements.



# STATEMENT OF CASH FLOWS (continued) For the year ended December 31, 2010

For the year ended December 31, 2010						Total	
		Aviation	Dι	ılles Corridor	Business-Type		
		Enterprise		Enterprise		Activities	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Operating income	\$	29,870,654	\$	53,236,433	\$	83,107,087	
Adjustments to reconcile operating income to net cash							
provided by operating activities:							
Depreciation and amortization		215,620,434		3,523,732		219,144,166	
Decrease (increase) in allowance for doubtful accounts		(106,452)		-		(106,452)	
Loss (gain) on disposal of assets		(195,616)		-		(195,616)	
Decrease (increase) in accounts receivable		(334,713)		(15,650)		(350,363)	
Decrease (increase) in inventory		(593,701)		(45,131)		(638,832)	
Decrease in prepaid expenses and other current assets		178,856		1,206,257		1,385,113	
Decrease in note receivable		2,473,519		-		2,473,519	
Decrease in net pension and other post-employment							
benefit assets		726,616		-		726,616	
Increase (decrease) in long-term liabilities		(1,010,879)		320		(1,010,559)	
Increase (decrease) in accounts payable and accrued							
expenses		(6,084,486)		(1,808,141)		(7,892,627)	
Increase (decrease) in due to/due from other funds		5,485,897		(5,485,897)		-	
Increase (decrease) in deferred revenue		(2,238,178)		-		(2,238,178)	
Increase (decrease) in operating lease obligation		(250)				(250)	
		_					
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	243,791,701	\$	50,611,923	\$	294,403,624	
NONCASH INVESTING, CAPITAL AND FINANCING ACTIV	TTIE	ES:					
Unrealized gain (loss) on investments	\$	3,465,115	\$	5,586,065	\$	9,051,180	
Buildings and improvements provided by tenants	\$	650,000	\$	-	\$	650,000	
Capital construction costs payable	\$	34,920,891	\$	121,305,770	\$	156,226,661	
Fair value loss on swaps	\$	(34,978,411)	\$	-	\$	(34,978,411)	

The accompanying notes are an integral part of these financial statements.



STATEMENT OF CASH FLOWS			
For the year ended December 31, 2009	Aviation Enterprise Restated	Dulles Corridor Enterprise Restated	Total Business-Type Activities Restated
NET CASH EDOM ODED ATING A CTIVITIES.			
NET CASH FROM OPERATING ACTIVITIES:  Operating cash receipts from customers  Cash payments to suppliers for goods and services  Cash payments to employees for services  Cash receipts (payments) for interfund services	\$ 549,133,683 (171,846,671 (139,599,977 6,856,153	) (18,041,435) ) (555,164)	\$ 613,985,096 (189,888,106) (140,155,141)
NET CASH PROVIDED BY OPERATING ACTIVITIES	244,543,188	39,398,661	283,941,849
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES  Cash provided to other governments  Government grants	1,222,631	(650,244)	(650,244) 1,222,631
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,222,631	(650,244)	572,387
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	1,050,598,698	958,045,533	2,008,644,231
Principal payments on commercial paper	(197,500,000	-	(197,500,000)
Principal payments on bonds/notes Payments for capital expenditures and construction	(90,475,000	(150,000,000)	(240,475,000)
in progress	(323,892,548	) (356,406,452)	(680,299,000)
Swap payments	(35,018,000	-	(35,018,000)
Proceeds from sale of capital assets	300,847		300,847
Payments of bond issuance costs	(9,748,187		(49,579,326)
Interest paid on bonds and commercial paper	(221,464,139		(222,629,114)
Government grants in aid of construction	41,186,476		298,914,981
Passenger facility charge receipts	77,679,149		77,679,149
Passenger facility charge expenses and interest	(435,621,007		(435,621,007)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(143,953,711	) 668,371,472	524,417,761
		,	- , .,
NET CASH FROM INVESTING ACTIVITIES:			
Interest received on investments	4,500,816	1,448,159	5,948,975
Proceeds from short-term investment maturities	385,500,631		558,345,118
Purchase of short-term investments	(431,807,115		(946,687,199)
Proceeds from long-term investment maturities	203,152,774		294,961,117
Purchase of long-term investments	(197,400,369	(181,390,631)	(378,791,000)
NET CASH USED BY INVESTING ACTIVITIES	(36,053,263	(430,169,726)	(466,222,989)
NET INCREASE IN CASH AND CASH EQUIVALENTS	65,758,845	276,950,163	342,709,008
CASH AND CASH EQUIVALENTS, Beginning of year	210,354,405	125,312,000	335,666,405
CASH AND CASH EQUIVALENTS, End of year	\$ 276,113,250	\$ 402,262,163	\$ 678,375,413

The accompanying notes are an integral part of these financial statements.



# STATEMENT OF CASH FLOWS (continued) For the year ended December 31, 2009

	Aviation Enterprise Restated		Dulles Corridor Enterprise Restated		Total Business-Type Activities Restated	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income Adjustments to reconcile operating income to net cash provided by operating activities:	\$	51,565,455	\$	34,798,709	\$	86,364,164
Depreciation and amortization Decrease (increase) in allowance for doubtful accounts Loss (gain) on disposal of assets		184,828,233 (141,251) (229,108)		1,118,482		185,946,715 (141,251) (229,108)
Decrease (increase) in accounts receivable Decrease (increase) in inventory Decrease (increase) in prepaid expenses and other		(13,288,211) (1,265,668)		(42,141) (32,795)		(13,330,352) (1,298,463)
current assets  Decrease in note receivable  Decrease in net pension and other post-employment		(193,933) 1,638,263		2,115,740		1,921,807 1,638,263
benefit assets Increase (decrease) in long-term liabilities Increase in accounts payable and accrued expenses		1,163,836 (109,169) 16,982,727		5,698 2,555,557		1,163,836 (103,471) 19,538,284
Increase in deferred revenue		1,120,589 2,471,425		(1,120,589)		2,471,425
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	244,543,188	\$	39,398,661		283,941,849
NONCASH INVESTING, CAPITAL AND FINANCING ACTIV	TIES	S:				
Unrealized gain (loss) on investments	\$	(1,144,903)	\$	318,824	\$	(826,079)
Buildings and improvements provided by tenants	\$	2,977,990	\$	-	\$	2,977,990
Capital construction costs payable	\$	36,271,474	\$	57,326,195	\$	93,597,669
Fair value gain on swaps	\$	139,484,866	\$	-	\$	139,484,866

The accompanying notes are an integral part of these financial statements.





#### NOTES TO FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The Metropolitan Washington Airports Authority (the Airports Authority) is an independent interstate agency created by the Commonwealth of Virginia (the Commonwealth) and the District of Columbia with the consent of the United States Congress. The Commonwealth and the District of Columbia enacted essentially identical legislation creating the Airports Authority for the purpose of operating Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International) (collectively, the Airports).

Pursuant to an Agreement and Deed of Lease, effective June 7, 1987, the Airports were transferred by the U.S. Government to the Airports Authority for an initial term of 50 years. On June 17, 2003, the Agreement and Deed of Lease was extended 30 years to June 6, 2067.

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred responsibility for the operation and maintenance of the Dulles Toll Road to the Airports Authority for an initial term of 50 years. In connection with the transfer, the Airports Authority is constructing the Dulles Corridor Metrorail Project (Dulles Metrorail Project) and is making other improvements in the Dulles Corridor consistent with VDOT and regional plans.

The Airports Authority is governed by a Board of Directors (the Board) with members appointed by the governors of the Commonwealth of Virginia and the State of Maryland, the Mayor of the District of Columbia, and the President of the United States. Only the accounts of the Airports Authority are included in the reporting entity. There are no U.S. or state government agency finances that should be considered for inclusion in the Airports Authority's financial reporting entity.

## B. Measurement Focus, Basis of Accounting & Financial Statement Presentation

The financial statements of the Airports Authority are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (GASB). Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when incurred.

For the year ended December 31, 2010, the Airports Authority elected early adoption of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989, FASB and AICPA Pronouncements (GASB 62) and applied those standards on a retroactive basis. The new GASB codification supersedes GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting. The implementation of the requirements of GASB 62 did not result in any financial statement impact, either for the year ended December 31, 2010, or for any other years presented for comparative purposes.

As defined by the GASB, the Airports Authority reports the operations of the Airports and the Dulles Toll Road, Dulles Metrorail Project, and related improvements as two separate Business-Type Activities. Business-Type Activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The Airports operate as a single Business-Type Activity and are reported in the Airports Authority's Aviation Enterprise Fund. The Dulles Toll Road, the Dulles Metrorail Project, and related improvements in the Dulles Corridor operate as a single Business-Type Activity and are reported in the Dulles Corridor Enterprise Fund. The effects of interfund activity between these two enterprise funds have been eliminated in the total columns of the financial statements.



Revenues from airlines, concessions, rental cars, parking and toll collections are reported as operating revenues. Financing and investing related transactions are reported as non-operating revenues. All expenses related to operating the Airports Authority are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

## C. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, 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. Significant estimates include the useful lives of capital assets, the fair value of derivative financial instruments, the allowance for doubtful accounts, other post-employment benefits obligations, and certain self-insured liabilities. Actual results could differ from those estimates.

## **D.** Budgeting Requirements

The Airports Authority's annual budgeting process is a financial planning tool used to establish the estimated revenues and expenditures for the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund. The Airports Authority is not required to demonstrate statutory compliance with its annual operating budgets. Accordingly, budgetary data is not included in the basic financial statements.

#### E. Net Assets

Net assets represent the residual interest in the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund assets, net of total liabilities. Net assets are reported as either: *Net assets invested in capital assets, net of related debt*, which include both restricted and unrestricted capital assets, net of accumulated depreciation and outstanding debt attributable to acquisition of the asset; *Restricted net assets* when constraints are imposed by third parties or enabling legislation; or *Unrestricted net assets*, which include all remaining net assets not included in the preceding two categories.

## F. Revenue Recognition

Revenues that result from providing services in connection with the principal ongoing operations of the Airports Authority's enterprises are reported as Operating Revenues. The Airports Authority's operating revenues are presented in eight major categories as follows:

Concessions – Concession revenues are generated from public parking facilities and from commercial tenants who provide goods and services to the public or to other tenants of the airports. Commercial tenant operations include car rentals, food and beverage sales, retail and newsstand sales, display advertising, ground transportation, in-flight catering, fixed-based operations, and other provided services. Revenues earned by the Airports Authority for commercial tenant operations are based on negotiated agreements and are usually based on the greater of a minimum annual guarantee or a percentage of gross receipts. Parking fees are collected directly by the Airports Authority and are reported as revenue at their gross amount. Concession revenue is recognized when services are provided or goods are sold to the public or other tenants of the airport.

*Tolls and other* – Tolls and other revenue represent revenue collected from vehicles using the Dulles Toll Road and include automated vehicle identification or electronic toll collections, cash collections and violation revenues. Tolls and other revenue are recognized in the period in which the toll road usage occurred.



Rents – Rental revenues are earned through leases of Airports Authority terminal and non-terminal property space. Leases with the airlines are based on full cost recovery plus debt service coverage, through rates and charges as described in Note 3 – Airport Use Agreement and Premises Lease. Other leases are for terms of one or more years and include contractually established rental rates and provisions for annual rent adjustments. Rental revenues include common area maintenance charges as well as cost recovery for normal utility usage in most cases. Terminal and concourse rental rates at Dulles International include cost recovery and debt service coverage for the Automated People Mover system (the AeroTrain). Rental revenue is recognized over the life of the respective leases.

Landing Fees – Landing fees are generated principally from the airlines and are based on the landed weight of aircraft. The landing fee structure is determined annually based on full cost recovery of airside related charges pursuant to an agreement between the Airports Authority and the signatory airlines, as described in Note 3 – Airport Use Agreement and Premises Lease. Landing fees are recognized as revenue based on the airlines' operating activities at the Airports.

*Utility Sales* – Utility revenues are generated from metered utility usage for terminal and non-terminal tenants whose utility usage is expected to exceed certain limits. Utility revenues are recognized based on the period of actual usage.

Passenger Fees – Passenger fee revenues are comprised of fees charged to airlines for use of U.S. Customs and Border Protection Federal Inspection facilities and for use of the mobile lounge passenger conveyance system at Dulles International. Passenger fee revenues also include security fees charged to the Transportation Security Administration. Passenger fee revenues are recognized based on when the facilities and systems are used or when the security services are provided.

Customer Facility Charge – On April 1, 1993, the Airports Authority began requiring the on-airport car rental companies at Reagan National to charge a Customer Facility Charge (CFC) to be used to pay, or to reimburse the Airports Authority, for costs, fees, and expenses associated with financing, maintaining, and operating the car rental companies' Quick Turn-Around Facility, 55% of the cost of the south parking structure, 55% of the costs of busing service used to transport public parking patrons, and other costs, fees and expenses that may be paid from CFC proceeds. The CFC is \$2.50 per rental day and is collected by the car rental companies from each of their customers and subsequently remitted to the Airports Authority. In accordance with the concessions contracts between the Airports Authority and the car rental companies, the CFC cannot be used for the Airport Authority's indirect maintenance or administrative costs. CFC revenues are included in the Statements of Revenues, Expenses and Changes in Net Assets as concessions revenues and associated assets are included in the Statements of Net Assets as unrestricted assets.

Other Revenues – The other revenues category includes employee parking fees, shuttle permit fees and miscellaneous revenues. Other revenues are recognized during the period the services are provided.

Several airlines represent concentrations of revenues for the Airports Authority. At Reagan National, US Airways, Delta Air Lines (Delta), and American Airlines (American) comprised approximately 75.0% of airline revenues during 2010. At Dulles International, United Airlines, Delta and American comprised approximately 65.0% of airline revenues during 2010. Combined, these four Airlines represented approximately 75.1% of the total airline revenues during 2010 for the Airports Authority.

# G. Allocations of Overhead and Other Indirect Costs and Project Costs

The majority of costs related to the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund are directly charged to the appropriate fund as a direct cost. Administrative functions, which represent overhead costs for the entire Airports Authority, as well as other indirect costs, such as Public Safety functions, are initially paid from the Aviation Enterprise Fund, but include costs which are appropriately allocable to the



Dulles Corridor Enterprise Fund as costs associated with the operation of the Dulles Toll Road or as project management and administration costs for the Dulles Metrorail Project. A cost allocation plan is used to identify and quantify all overhead and other indirect costs appropriately allocable to the Dulles Toll Road or to the Dulles Metrorail Project within the Dulles Corridor Enterprise Fund.

All allocated overhead and other indirect costs charged to the Dulles Corridor Enterprise Fund are expensed, while the Aviation Enterprise Fund recognizes the allocated costs as a reduction of expenses. Costs allocated for 2010 and 2009 are recognized within *Operating Expenses* on the Statements of Revenues, Expenses and Changes in Net Assets as follows:

	Year ended December 31,			
	2010	2009		
Materials, equipment, supplies, contract services, and other	\$ 1,465,252	\$ 2,094,081		
Salaries and related benefits	5,612,133	3,441,792		
Utilities	31,562	29,728		
Depreciation and amortization	172,521	169,962		
Total	\$ 7,281,468	\$ 5,735,563		

The Dulles Metrorail Project is being constructed in two phases (see Note 4 – Transfer of the Dulles Toll Road and Construction of the Dulles Metrorail Project). Project overhead and other indirect costs are allocated between the two phases of the project based on a cost allocation plan and are capitalized as construction in progress.

## H. Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits, certificates of deposit, commercial paper, United States government and agency obligations, mutual funds, and repurchase agreements collateralized by United States government or agency obligations with an original maturity of three months or less, including restricted assets.

## I. Investments

The Airports Authority's investment policy is determined by the Board of Directors. Permitted investments are set within the policy. Written investment objectives and procedures are developed by the staff in consultation with the Investment Committee. The Investment Committee meets quarterly to review the portfolio performance, confirm compliance to the policy, and formulate an investment plan for the next quarter.

Investments with an original maturity greater than one year are recorded at their fair value with all investment income, including changes in the fair value of investments, reported as investment income in the financial statements. Investments with an original maturity of less than one year are carried at amortized cost. Fair value equals quoted market prices, if available. If a quoted market value is not available, fair value is estimated based upon quoted market prices for securities with similar characteristics.

Investments consist of certificates of deposit, commercial paper, United States government and agency obligations, guaranteed investment contracts and repurchase agreements collateralized by United States government or agency obligations, with an original maturity greater than three months.



#### J. Accounts Receivable

Accounts receivable are reported at their gross value when earned. The Airports Authority's payment terms range from zero to 30 days (60 days for government agencies), depending on the type of service provided. An allowance for doubtful accounts pertains only to the Aviation Enterprise Fund and is based on management estimates of uncollectible revenue billings. As a customer's balance is deemed uncollectible, the receivable is offset against this allowance. Subsequent receipt of a receivable previously written off is applied to this allowance.

### **K.** Inventory and Prepaid Items

Inventory consists of supplies, maintenance parts, and bulk items, such as sand and salt stored at the Airports and Dulles Toll Road, and is stated at the lower of cost or market value using the first-in, first-out method. Inventory is recorded as an expense when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

#### L. Restricted Assets

Assets and related liabilities restricted to specific purposes by legally enforceable requirements are segregated on the Statement of Net Assets. Requirements include: externally imposed requirements by creditors (such as through debt covenants), grantors or contributors; laws or regulations of other governments; and constitutional provisions or enabling legislation. These assets and liabilities are primarily restricted for construction and debt service purposes.

The Airports Authority's restricted assets are expendable. The Airports Authority's policy is to spend restricted assets before unrestricted assets are spent when both are available for the same purpose. Restricted assets necessary to meet current restricted liability obligations are classified as current assets. Restricted assets that are restricted for disbursement in the acquisition or construction of noncurrent assets or that are segregated for the liquidation of long-term debts are classified as noncurrent assets.

Restricted liabilities that are classified as current liabilities include obligations which are currently due or are expected to be liquidated within one year. All other restricted liabilities are classified as long-term liabilities.

## M. Capital Assets

### Capital assets used in operations

Capital assets are stated at historical cost or, if acquired upon termination or expiration of tenant leases, fair market value. Costs for capital assets under construction include direct and financing costs incurred. The Airports Authority does not capitalize overhead or other indirect costs to be used in operations construction programs; such costs are expensed as incurred.

Provision for depreciation has been calculated using the straight-line method over the estimated useful lives of the assets. The cost of internally developed software and other assets, if amortized, uses the straight-line method. The Airports Authority does identify certain intangible assets, such as permanent easements, as having indefinite lives.

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The estimated useful lives and corresponding capitalization thresholds are as follows:

Category	Useful Life	Threshold
Equipment	3-15 years	\$ 10,000
Motor vehicles	3-15 years	\$ 10,000
Intangible assets	3-15 years	\$ 10,000
Buildings	5-50 years	\$ 25,000
Systems and structures	5-50 years	\$ 25,000

Maintenance, repairs, and minor improvements and replacements are expensed as incurred. Permanently impaired capital assets that will continue to be used by the Airports Authority are written down to their measured impaired value. Pollution remediation obligations that do not qualify for capitalization are accrued as liabilities and expensed when a range of expected outlays is reasonably estimable or upon receipt of goods and services.

# Capital assets under construction to be transferred to other governmental agencies

Costs for capital assets under construction, which upon completion will be transferred to other governmental agencies, are stated at historical cost and include direct costs, indirect costs, and financing costs. Indirect costs which are capitalized as project costs only include construction administration expenses directly attributable to these specific capital asset programs.

The Airports Authority is responsible for acquiring the rights-of-way and property interest, including easements, necessary for the construction of the Dulles Metrorail Project and other projects within the Dulles Corridor. However, the Airports Authority and VDOT are coordinating the acquisition of the property and determining where property interests will be acquired by VDOT in the name of the Commonwealth either through eminent domain or through some other procedure. At the discretion of VDOT, all property in VDOT's control that is needed for these projects will be made available to the Airports Authority in the form of a land use permit. At the completion of the projects, VDOT shall transfer any property in its own name acquired for construction and operation of the projects by deed, easement, or permit to either the Airports Authority or VDOT. Although VDOT may hold the legal title to these acquired property interests, the costs incurred to acquire these property interests are included in construction in process, as the Airports Authority has control of these property interests during the construction period.

In accordance with GASB 62, the Airports Authority capitalizes interest incurred on discrete construction projects which will be transferred to other governmental agencies upon their completion. Prior to the implementation of GASB 62, the Airports Authority capitalized interest on these projects in accordance with Financial Accounting Standards Board (FASB) Statement No. 34, Capitalization of Interest Cost, and FASB Statement No. 62, Capitalization of Interest Costs in Situation Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants, under the assumption that the assets being constructed qualified for capitalization of interest as is common within the public sector, even for assets to be donated or granted to other public entities. Therefore, the implementation of the requirements of GASB 62 did not result in any financial statement impact, either for the year ended December 31, 2010, or for any of the other years presented for comparative purposes.

Pollution remediation liabilities associated with the capital assets under construction to be transferred to other governmental agencies are capitalized as incurred, as these liabilities are incurred to prepare the capital asset for transfer to another governmental agency and the associated property was acquired with known or suspected pollution that was expected to be remediated.



Once construction is completed and the asset is accepted by the other government agency, the Airports Authority will account for the transfer in accordance with the relevant accounting requirements.

## N. Capitalization of Interest

Interest incurred during the period that relates to the construction or production of capital assets or to the construction of assets which are discrete projects and intended for donation to other entities are capitalized. For interest on tax-exempt debt, the amount of interest to be capitalized is calculated by offsetting interest expense incurred with interest earned on invested debt proceeds, from the date of the borrowing until completion of the project. This net capitalized interest is allocated to completed projects based on the completion date of each project funded with proceeds from that particular debt issue. For taxable debt, the amount of interest capitalized is calculated by applying the interest rate of the debt to the average amount of the accumulated expenditures during the period.

	2010	2009 (Restated)
Interest costs incurred	\$ 298,085,474	\$ 258,409,289
Less: interest costs capitalized	64,217,776	101,781,392
Interest costs expensed	\$ 233,867,698	\$ 156,627,897
	2010	2009 (Restated)
Interest income earned	\$ 5,734,458	\$ 6,707,894
Less: interest income capitalized	1,619,335	2,400,345
Interest income recognized	\$ 4,115,123	\$ 4,307,549

## O. Long-Term Debt

Debt issuance costs represent expenses incurred in the process of issuing bonds, commercial paper notes and interest rate swaps and are amortized over the life of the related debt using the effective-interest method. Original issue discounts or premiums are also amortized using the effective-interest method over the life of the related debt. Interest on capital appreciation debt is accreted using the straight-line method. For debt refundings, the difference between the reacquisition price and the net carrying amount of the refunded debt is deferred and amortized as a component of interest expense using the straight-line method over the remaining life of the refunded debt or the life of the new debt, whichever is shorter.

## P. Federal, State & Local Grants

The Airports Authority receives federal, state, and local grants in support of specific operational programs, its Capital Construction Program (CCP) and the Dulles Metrorail Project. Grants are recognized as related expenditures are made and all eligibility requirements are met.

Grants recognized for services provided directly to a government entity are reported as operating revenues in the Statements of Revenues, Expenses and Changes in Net Assets. Grants for reimbursement of operating expenditures which are incurred during the normal course of operations but are not for services provided to any governmental entity are reported as non-operating revenues. Grants for capital asset acquisition, facility development, and/or rehabilitation and long-term planning are reported as capital contributions. Capital contributions are reported in the Statements of Revenues, Expenses and Changes in Net Assets, after non-operating revenues and expenses.



### **Q.** Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. PFCs may be used for airport projects that 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 impact resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

The Airports Authority has imposed PFCs since November 1993 at Reagan National and since January 1994 at Dulles International. PFCs are collected by the airlines and remitted on a monthly basis to the Airports Authority. The Airports Authority accounts for PFCs on an accrual basis, based on the month the charges were collected by the airlines. Due to their restricted use, PFCs are categorized as capital contributions.

## **R.** Lease Obligations

The Airports were transferred by the federal government to the Airports Authority under the terms of a lease (the Federal Lease) which transferred a leasehold interest in all of the Airports' then-existing real property, including access highways and related facilities, and transferred title to all equipment, materials, furnishings, and other personal property appurtenant to or located on the Airports' property (other than particular property required for federal air traffic control responsibilities). Upon expiration of the Federal Lease, the Airports, including improvements, will be returned to the United States government. Since the transfer, the Airports Authority has acquired title to land and aviation easements adjacent to Dulles International for airport expansion. All land acquired after the transfer is not subject to the Federal Lease except that, pursuant to amendments to the Federal Lease, any after-acquired land in the Airports Authority's possession at the expiration of the Federal Lease will revert to the federal government.

The Airports Authority accounts for the Federal Lease as an operating lease. The Federal Lease provides for an annual base rental payable to the United States Treasury and is subject to annual adjustment for inflation and interest. The Airports Authority invests the monthly lease payments in repurchase agreements or in certificates of deposits and makes semi-annual payments, including interest, to the United States government. In accordance with generally accepted accounting principles for an operating lease, the property originally transferred under the Federal Lease does not appear on the Statement of Net Assets.

The Dulles Toll Road is operated under a permit and operating agreement (the Permit) from VDOT. Under the terms of the Permit, the Airports Authority has the exclusive right to establish, charge, and collect tolls and other user fees for the use of the Dulles Toll Road until the expiration of the term, or earlier termination, of the Permit. Under the terms of the Permit, the revenues from the Dulles Toll Road are to pay for the operation and maintenance of the Dulles Toll Road, to pay the debt service associated with construction of the Dulles Metrorail Project and other Dulles Corridor improvements, and to fund reserves associated with maintaining and preserving the Dulles Toll Road. Any residual amounts are to be paid to VDOT within 180 days of the end of the fiscal year. Upon the expiration of the term, or earlier termination, of the Permit, all facilities of the Dulles Toll Road, including any improvements, will be returned to VDOT in its original or an enhanced condition.

Other than the residual amounts which may be owed by the Airports Authority to VDOT, the Permit does not require any significant consideration in exchange for the Airports Authority's access to operate and maintain the Dulles Toll Road. Only the improvements made by the Airports Authority to the Dulles Toll Road, along with related liabilities, appear on the Statement of Net Assets.

The Airports Authority has entered into leases for office space used exclusively by Dulles Metrorail Project personnel with lease terms consistent with the construction period for the Dulles Metrorail Project. The



expenditures under these operating leases are capitalized as construction in progress costs of the Dulles Metrorail Project.

## S. Post-employment Benefits

Post-employment benefits are accounted for under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* (GASB 27), as amended by GASB Statement No. 50, *Pension Disclosures*. This statement establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The Airports Authority discloses the information required by GASB 27 in Note 9 – Pension Plans and Deferred Compensation Plan.

Post-employment benefits other than pension benefits are accounted for under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions (GASB 45). This statement establishes standards for the measurement, recognition, and display of other post-employment benefits (OPEB) expense and related liabilities, assets, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The Airports Authority discloses the information required by GASB 45 in Note 10 – Post-employment Benefits.

## T. Compensated Absences

Airports Authority employees are granted paid vacation at rates of 13 to 30 days per year, depending on their length of employment. General employees may accumulate up to a maximum of 30 days. Firefighters who work a 56-hour week may accumulate up to a maximum of six weeks. Executive employees exceeding a specified pay scale are entitled to accumulate up to 60 days. At management's discretion, employees may be allowed to accumulate vacation balances in excess of these limitations. The accumulated vacation is accrued when incurred, as employees will be paid for accumulated vacation either during their future service to the Airports Authority or upon their termination of service. The calculation of the liability is based on compensation rates plus related employer-paid benefits in effect as of the end of the current fiscal year. The portion of this liability expected to be paid within the next year is reflected in accrued expenses while the amount expected to be paid out after one year is included in other non-current liabilities.

Airports Authority employees earn 13 days of sick leave per year. Unused sick leave for employees enrolled in the Airports Authority's retirement plan is counted at retirement as additional time worked for calculation of the pension benefit. There is no liability for unpaid accumulated sick leave, as the Airports Authority does not pay any amounts when employees separate from service.

#### U. Deferred Revenue

Deferred revenue consists of deferred charges for rents, landing fees, and passenger fees to be charged to airlines at both airports, deferred non-airline rental income at Dulles International, and deferred tenant parking permit charges at both airports. The deferred charges for rents, landing fees, and passenger fees charged to airlines are determined by the calculation of settlement (see Note 3 - Airport Use and Lease Agreement and Premises Lease). Deferred revenue as a result of settlement is recognized on a straight-line basis over a term of one year. Deferred non-airline rental income represents lease rentals, received in advance, for certain ground leases entered into with developers. Deferred tenant parking permit charges represent amounts not yet earned for tenant employee parking permits. Deferred non-airline rental income and tenant parking permit charges are recognized as revenue on a straight-line basis over the terms of the related leases and permits when the term is less than one year. Deferred revenue for leases with developers with terms in excess of one year is recognized using the effective-interest method over the terms of the related agreements.



#### V. Self-Insurance

The Airports Authority provides employee group medical and dental insurance through a combination of self-insured and insured arrangements. Under the self-insured plans, the Airports Authority assumes the financial risk for the payment of employee medical and pharmacy claim expenses incurred by participants. Under the fully insured plans, the Airports Authority pays a fixed premium for employee health care, prescription drugs, and dental insurance, and the insurance company assumes the risk for all claims expenses. Risk management insurance is also provided through a combination of self-insured and insured arrangements (see Note 21 – Risk Management).

The cost of claims reported and an estimate of claims incurred but not reported is charged to operating expenses. Liabilities for unpaid claims are accrued based on management's estimate using actual costs, historical experience, current trends, and quarterly actuarial reviews. Liabilities for unpaid claims expected to be paid out within the next year are included on the Statements of Net Assets in accounts payable and accrued expenses, while liabilities for unpaid claims which are expected to be paid out in years subsequent to the next year are included in other long-term liabilities. The appropriateness of the self-insurance accrued liabilities is continually reviewed and updated by management.

#### W. Taxes

The Airports Authority is exempt from the payment of federal and state income, property, and certain other taxes.

# X. Recently Issued Accounting Pronouncements

In November, 2010, the GASB issued Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements (GASB 60). GASB 60 establishes guidance for accounting and financial reporting for service concession arrangements and improves financial reporting standards as well as disclosure requirements. The requirements of GASB 60 are applicable to the Airports Authority in fiscal year 2012. Management is currently evaluating the impact of the requirements on the financial statements, if any.

In November, 2010, the GASB issues Statement No. 61, *The Financial Reporting Entity: Omnibus* (GASB 61). GASB 61 modifies certain requirements for inclusion of component units in the financial reporting entity, amends the criteria for reporting component units as if they were part of the primary government in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations. The requirements of GASB 61 are applicable to the Airports Authority in fiscal year 2013. Management is currently evaluating the impact of the requirements on the financial statements, if any.



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# 2. RESTATEMENT OF PRIOR YEARS' RESULTS

Prior period restatements and correction of classification errors for the Airports Authority are as follows:

						A	diustments					
		Cotal Business- pe Activities As	_	orrection of	Project costs and costs of issuance	n ex	orrection of net interest spensed and	de	preciation and		rection of	Total Business- Type Activities
ACCETEC		Reported		errors	written off	/ 0	or capitalized	an	nortization	obl	igations	As Restated
ASSETS												
Total current assets	\$	1,413,466,567	\$	(757,870,880)	\$ -	\$	-	\$	-	\$	-	\$ 655,595,687
Non-current assets												
Restricted		650,046,357		649,605,128	-		-		-		-	1,299,651,485
Unrestricted		85,087,895		108,329,139	(1,747,739)		-		15,536		-	191,684,831
Capital assets:												
Land and other non-depreciable assets		121,734,710		14,107,533	-		-		-		-	135,842,243
Construction in progress		1,632,279,241		(14,107,533)	(23,284,189)		(87,229,826)		-	(1	,615,164)	1,506,042,528
Construction in progress, Metrorail project	t	742,560,712		-	-		(17,080,270)		-	15	,000,000	740,480,442
Buildings, systems and equipment		5,031,113,184		-	-		92,770,111		-		-	5,123,883,295
Less: accumulated depreciation		(1,637,818,336)		-	-		-	(	(32,693,484)		-	(1,670,511,820)
Capital assets, net		5,889,869,511		-	(23,284,189)		(11,539,985)	(	(32,693,484)	13	,384,836	5,835,736,688
Total non-current assets		6,625,003,763		757,934,267	(25,031,928)		(11,539,985)	(	(32,677,948)	13	,384,836	7,327,073,004
Total assets	\$	8,038,470,330	\$	63,387	\$ (25,031,928)	\$	(11,539,985)	\$ (	(32,677,948)	\$ 13	,384,836	\$ 7,982,668,691
LIABILITIES AND NET ASSETS												
Total current liabilities	\$	334,335,008	\$	(4,983,308)	\$ -	\$	904,600	\$	_	\$	_	\$ 330,256,300
Total non-current liabilities	Ψ	6,038,000,414	Ψ	5.046,695	Ψ <u>-</u>	Ψ	-	Ψ	_		,384,836	6,056,431,945
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Total liabilities		6,372,335,422		63,387			904,600		-	13	,384,836	6,386,688,245
NET ASSETS												
Invested in capital assets, net of related debt		880,078,950		69,501,217	(23,284,189)		(11,769,451)	(	32,693,484)		_	881,833,042
Total restricted		379,767,956		(43,549,314)			(675,134)	`	-		_	335,543,508
Unrestricted		406,288,002		(25,951,903)	(1,747,739)		-		15,536		-	378,603,896
				. , , ,	· · · · · · · · · · · · · · · · · · ·				, , , , ,			
Total net assets		1,666,134,908		-	(25,031,928)		(12,444,585)	(	(32,677,948)			1,595,980,447
Total net assets and liabilities	\$	8,038,470,330	\$	63,387	\$ (25,031,928)	\$	(11,539,985)	\$ (	(32,677,948)	\$ 13	,384,836	\$ 7,982,668,691







		Adjustments						
	Total Business- Type Activities As Reported	Correct classifi	cation	Project costs and costs of issuance written off	Correction of net interest expensed and / or capitalized	Correction depreciati and amortizati expense	ion	Total Business- Type Activities As Restated
Total operating revenues Total operating expenses	\$ 623,347,013 532,559,272	\$	-	\$ - 829,721	\$	\$ 3,593,	- 856_	\$ 623,347,013 536,982,849
Operating income	90,787,741		-	(829,721)	-	(3,593,	856)	86,364,164
Non-operating revenues (expenses)	(25,840,404)	76	4,908	(735,385)	(10,655,901)		-	(36,466,782)
<b>Total capital contributions</b>	428,956,182	(76	4,908)	-	-			428,191,274
NET ASSETS Increase (decrease) in net assets Total net assets, beginning of year Total net assets, end of year	493,903,519 1,172,231,388 \$ 1,666,134,907	\$	- - -	(1,565,106) (23,466,822) \$ (25,031,928)	(10,655,901) (1,788,684) \$ (12,444,585)	(3,593, (29,084, \$ (32,677,	092)	478,088,656 1,117,891,789 \$ 1,595,980,445
			Typ	al Business be Activities s Reported		ments_	Typ	tal Business- be Activities s Restated
Net cash provided by operating	g activities		\$ 2	86,619,172	\$ (2,67	7,323)	\$ 2	283,941,849
Net cash provided (used) by no financing activities	oncapital			(17,005	) 58	9,392		572,387
Net cash provided by capital an financing activities	d related		5	522,046,834	2,37	0,927	5	524,417,761
Net cash provided (used) by in	vesting activ	ities	(4	89,532,057	) 23,30	9,068	(4	166,222,989)
Net increase in cash and cash e	equivalents		3	319,116,944	23,59	2,064	3	342,709,008
Cash and cash equivalents, beg	ginning of ye	ar	3	35,666,405			3	335,666,405
Cash and cash equivalents, end	l of year		\$ 6	554,783,349	\$ 23,59	2,064	\$ 6	578,375,413

## **Correction of Classification Errors**

Restricted assets which exceed current restricted liabilities have been changed for a classification error from *Current assets* to *Non-current assets* on the 2009 Statement of Net Assets. These assets are restricted for purposes of capital asset acquisition or payment of restricted long-term liabilities and are restricted from use within operations. The impact of this change has been to decrease the Dulles Corridor Enterprise Fund's restricted current assets by \$733.7 million and the Aviation Enterprise Fund's restricted current assets by \$24.1 million, with a corresponding increase in restricted non-current assets, as of December 31, 2009.



Bond issuance costs, net of accumulated amortization, were changed for a classification error from *Restricted non-current assets* to *Unrestricted non-current assets*, as these assets are not expendable. This change resulted in a decrease in restricted non-current assets of \$67.2 million and \$39.3 million and a corresponding increase in unrestricted non-current assets for the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund, respectively.

Prepayments of future bond issuance costs totaling \$1.6 million were changed for a classification error from unrestricted current assets to unrestricted non-current assets.

Wetland mitigation credits, acquired at a cost of \$14.1 million, were changed for a classification error from *Construction in progress* to *Land and other non-depreciable assets* for the Aviation Enterprise Fund.

An OPEB obligation of \$63 thousand as of December 31, 2009, which had been netted against an OPEB asset, was changed to classify it as a liability for the Aviation Enterprise Fund.

Deferred revenues which will be earned within the next year totaling \$13.8 million were changed for a classification error from *Accounts payable and accrued expenses* as a separate current unrestricted liability for the Aviation Enterprise Fund.

Non-current *Other liabilities*, including liabilities payable from unrestricted assets and restricted assets, were changed for a classification error from current liabilities, as they represent amounts that are not due within the next year. The amount of this change was \$3.9 million and \$1.1 million for the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund, respectively.

A repayment of excess capital contributed of \$650 thousand was changed for a classification error from capital contributions to non-operating expenses for the Dulles Corridor Enterprise Fund.

Federal, state and local grants of \$1.4 million for the Aviation Enterprise Fund were changed for a classification error from capital contributions to non-operating revenues, as these grants are associated with operating programs.

## Correction of Errors Resulting in the Write-off of Project Costs and Costs of Issuance

The Aviation Enterprise Fund had bond issuance costs totaling \$1.7 million which related to interest rate swaps terminated in 2009 or which were incurred in conjunction with bond offerings in 2008 which were never consummated. These bond issuance costs have been restated to write-off these costs in conjunction with the occurrence of these events.

The Aviation Enterprise Fund's operating expenses of *Materials, equipment, supplies, contract services and other* increased by \$24.3 million due to the write-off of prior year construction costs, including capitalized interest, which did not comply with the Airport Authority's capitalization requirements. Of this write-off, only \$830 thousand related to 2009 with the remainder being expensed in years prior to 2009. This write-off included \$13.9 million of capitalized interest associated with the design costs of the Tier 2 Concourse and related facilities. Including the write-off of the capitalized interest, in 2008, the Airports Authority had incurred an \$80.1 million impairment loss as a result of the cessation of all design work on these facilities.

## Correction of Errors for the Capitalization of Interest Income and Interest Expense

Capitalized interest costs, net of capitalized interest income, that was incurred on tax-exempt debt in prior years and which had been included in *Construction in progress* were restated as part of the relevant capital projects costs. This resulted in a shift of \$92.8 million of net capitalized interest from construction in progress to buildings, systems, land and other non-depreciable assets for the Aviation Enterprise Fund.



Investment income and Interest expense increased by \$1.5 million and \$12.2 million, respectively, in 2009 for the Dulles Corridor Enterprise Fund, as capitalized interest was restated so that the capitalization of interest associated with taxable debt used to finance construction projects was based on the average amount of accumulated expenditures during the construction period. An additional \$1.7 million of capitalized interest was restated in years prior to 2009 for the Aviation Enterprise Fund so that the capitalization of interest associated with taxable debt used to finance construction projects was based on the average amount of accumulated expenditures during the construction period.

Additional interest expense of \$905 thousand was accrued as of December 31, 2009 for the Dulles Corridor Enterprise Fund.

## **Correction of Errors for Depreciation and Amortization Expenses**

Amortization expense for bond issuance costs for the Aviation Enterprise Fund was corrected by \$16 thousand to correct for amortization expenses on costs which were written-off.

Depreciation and amortization expense for the Aviation Enterprise Fund increased by \$32.7 million due to the increase in the cost basis of depreciable capital assets of \$92.8 million. Of this increase, \$3.6 million was recognized in 2009, with the remainder being an expense of prior years.

## **Correction of Errors in Obligations**

Other liabilities payable from restricted assets for the Dulles Corridor Enterprise Fund was increased by \$15.0 million to properly reflect as of December 31, 2009, obligations incurred as a result of construction activities for the Dulles Metrorail Project with a corresponding increase in construction in progress. Furthermore, it was determined that there was no arbitrage rebate obligation as of December 31, 2009, which reduced restricted other liabilities by \$1.6 million for the Aviation Enterprise Fund, with a corresponding decrease in construction in progress.

## **Correction of Errors in Cash from Investing Activities**

Cash and cash equivalents were increased by \$21.4 million for the Aviation Enterprise Fund and \$2.2 million for the Dulles Corridor Enterprise Fund to adjust money market funds with original maturities less than 90 days from short-term investments.

#### 3. AIRPORT USE AGREEMENT AND PREMISES LEASE

In February 1990, the Airports Authority entered into a long-term Airport Use Agreement and Premises Lease (Use and Lease Agreement) with the major airlines (Signatory Airlines) serving the Airports. The Use and Lease Agreement is for a term of 25 years, subject to unilateral termination rights by the Airports Authority beginning in 2004, and annually thereafter, at the option of the Airports Authority. Such termination rights have not been exercised, and the Use and Lease Agreement currently remains in effect.

For airline-supported cost centers, rates and charges are established to provide net revenues before the payment of debt service of at least 125% of debt service. The Use and Lease Agreement provides for the calculation of annual rates and charges, with rate adjustments at midyear, or any time revenues fall five percent or more below projections to provide for full cost recovery plus debt service coverage. The Use and Lease Agreement also provides for an annual settlement whereby the rates and charges are recalculated using audited financial data to determine any airline over/underpayment for airline-supported cost centers. For the years ended December 31, 2010 and 2009, the settlement resulted in a net charge to the Signatory Airlines of \$6.4 million and \$7.9 million, respectively.



At the conclusion of each year, the amount of any Net Remaining Revenue at each Airport is determined. Net Remaining Revenue is defined as revenue less all operating and maintenance expenses, debt service, deposits to specified reserves, and other requirements. Net Remaining Revenue is allocated between the Airports Authority and the Signatory Airlines in accordance with the Use and Lease Agreement. The Airports Authority's share of Net Remaining Revenue is reflected in the Airports Authority's Capital Fund and is available for repair and rehabilitation projects or any other lawful purpose. The Signatory Airlines' share of Net Remaining Revenue, called Transfers, is applied as a credit in the calculation of the ensuing year's rates and charges, in accordance with the Use and Lease Agreement.

To calculate Transfers, the Use and Lease Agreement establishes a plateau amount of \$8.0 million at Reagan National and \$12.0 million at Dulles International, escalated by the implicit price deflator index from the base year of 1989 to the current year. Net Remaining Revenue is shared approximately 50/50 until reaching the plateau. When the Transfer amount to the Signatory Airlines reaches the plateau, the amount over the plateau is allocated 75.0% to the Signatory Airlines and 25.0% to the Airports Authority.

For the years ended December 31, 2010 and 2009, at Dulles International, the Transfer amount exceeded the plateau by \$11.3 million and \$13.4 million, respectively. For the year ended December 31, 2010 at Reagan National, the Transfer amount exceeded the plateau by \$1.0 million. For the year ended December 31, 2009, at Reagan National, the Transfer did not exceed the plateau. For the years ended December 31, 2010 and 2009, the Signatory Airlines' Transfer amount was \$61.6 million and \$65.8 million, respectively, and the Airports Authority's share of Net Remaining Revenue was \$38.6 million and \$40.7 million, respectively.

# 4. TRANSFER OF THE DULLES TOLL ROAD AND CONSTRUCTION OF THE DULLES METRORAIL PROJECT

# **Dulles Toll Road**

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred operational and financial control of the Dulles Toll Road (Omer L. Hirst – Adelard L. Brault Expressway) to the Airports Authority for a term of 50 years, upon the terms and conditions set forth by the Master Transfer Agreement dated December 29, 2006, and the Permit and Operating Agreement dated December 29, 2006, each entered into by and between VDOT and the Airports Authority. Concurrent with this transfer of rights and responsibility, VDOT contributed to the Airports Authority approximately \$272.1 million of capital property, including \$254.8 million of construction in progress, for the Dulles Metrorail Project. The Airports Authority accounted for the transfer in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

In exchange for the rights to the revenues from operation of the Dulles Toll Road and certain other revenues described in the VDOT Agreements, the Airports Authority agreed to (i) operate and maintain the Dulles Toll Road, (ii) cause the design and construction of the extension of the Washington Metropolitan Area Transit Authority (WMATA) Metrorail system from the West Falls Church station in Fairfax County, along the Dulles Corridor to Dulles International and beyond into Loudoun County (the Dulles Metrorail Project) and (iii) make other improvements in the Dulles Corridor consistent with VDOT and regional plans. The Dulles Corridor is defined as the transportation corridor with an eastern terminus of the East Falls Church Metrorail station at Interstate Route 66 and a western terminus of VA Route 772 in Loudoun County, VA.

The Airports Authority is solely responsible for setting toll rates and collecting tolls on the Dulles Toll Road, following its process for issuing regulations and in consultation with the Dulles Corridor Advisory Committee. The Dulles Corridor Advisory Committee is an eight-member committee, composed of two representatives for each of the Airports Authority, Fairfax County, Loudoun County, and the Commonwealth of Virginia, to provide the Airports Authority with advice on issues related to the management, improvement, and expansion of the Dulles Corridor, as well as changes to the toll rates on the Dulles Toll Road.



The Airports Authority may not use any net revenues pledged for payment of the Airport System Revenue Bonds or Notes to support the operation of the Dulles Toll Road or to pay debt service on Dulles Toll Road Revenue Bonds. Likewise, the Airports Authority may not use any revenues pledged for payment of the Dulles Toll Road Revenue Bonds or Notes to support the operation of the airports or to pay debt service on Airport System Revenue Bonds or Notes.

## **Dulles Metrorail Project**

The Airports Authority is funding and constructing the 23-mile Dulles Metrorail Project in two phases. Phase 1 of the Dulles Metrorail Project will extend 11.7 miles from near the West Falls Church station to Wiehle Avenue in Reston, VA. It includes five new stations and improvements to the existing WMATA Service and Inspection Yard at the West Falls Church station. Phase 2 of the Metrorail Project will extend the Metrorail system an additional 11.3 miles from Wiehle Avenue through Dulles International and west into Loudoun County, VA. Phase 2 of the Metrorail Project is expected to include six new stations and a maintenance yard located on Dulles International Airport property.

The Metrorail Project is being funded with a combination of toll road revenue bonds secured by a pledge of Dulles Toll Road revenues, federal grants, and contributions from local jurisdictions. In addition, approximately 4.1% of the Phase 2 costs are expected to be paid from Passenger Facility Charges of the Airports. The current Use and Lease Agreement, as more fully described in Note 3 – Airport Use Agreement and Premises Lease, limits to \$10.0 million the amount of airport capital costs that can be incurred for construction of the Dulles Metrorail Project at Dulles International, unless otherwise agreed upon. As of December 31, 2010, the Airports Authority has issued approximately \$1.3 billion of Dulles Toll Road Revenue Bonds (see Note 16 – Capital Debt).

Upon completion of construction of each phase of the Dulles Metrorail Project and acceptance by WMATA into the Metrorail system, the Airports Authority will transfer, without financial retribution, ownership of the completed phase of the project to WMATA. At that point, WMATA will become the owner and operator of the completed phase and will be solely responsible for its operation and maintenance. None of the operating and maintenance expenses of the completed phase will constitute operating or maintenance expenses of the Airports Authority. Such expenses will be payable entirely from WMATA's operating and other revenues (including revenues derived from the operation of the Dulles Metrorail Project). The debt associated with construction of each phase of the Dulles Metrorail Project will remain with the Airports Authority and will not be transferred to WMATA.

Construction in progress amounts related to both phases of the Metrorail Project are disclosed in Note 11 – Changes in Capital Assets.

#### 5. DEPOSITS AND INVESTMENTS

# **Deposits**

The Airports Authority's investment policy, as approved by the Board, requires that deposits in excess of the federally insured amount be held at institutions with a Kroll Bond Rating Agency rating of B or above. In the event a financial institution's rating falls below this level, the deposits are to be reduced to the federally insured amount. The Airports Authority's practice is to sweep all demand deposits at the close of each business day into overnight repurchase agreements.

As of December 31, 2010 and 2009, the Airports Authority had various certificates of deposit in the amount of \$3.0 million and \$5.5 million, respectively, that were not covered by insurance and were not collateralized with securities held by the pledging financial institutions. These certificates of deposit were held at institutions with a Kroll Bond Rating Agency rating of B or above. These certificates of deposit were part of



the Airports Authority's Linked Deposit Program, whereby a portion of the reserve funds were deposited with banks that have an "outstanding" Community Reinvestment Act rating.

The Airports Authority maintains multiple imprest cash funds in certain departments. These amounts are not covered by insurance and are not collateralized. These funds totaled \$189 thousand and \$208 thousand as of December 31, 2010 and 2009, respectively.

#### **Investments**

The carrying value, weighted average maturity and credit quality of the Airports Authority's investment portfolio, by investment type, as of December 31, 2010 was as follows:

				Weighted Average	
	Credit		Carrying	Maturity	% of
2010 Investments	Rating <sup>1</sup>	Value		(years)	Portfolio
Treasury	_	\$	504,303,391	3,5088	35.12%
Fannie Mae	Aaa/AAA	Ψ	140,161,531	0.5205	9.76%
Farmer Mac	7144/717171		40,288,696	0.2688	2.80%
Farm Credit			28,766,587	0.4575	2.00%
Federal Home Loan Bank	Aaa		120,453,529	0.6359	8.39%
Commercial Paper	P-1		9,977,676	0.2083	0.69%
MBIA Guaranteed Invest Contract <sup>2</sup>	Ba3/B-		36,274,390	23.4360	2.53%
FSA Guaranteed Invest Contract <sup>2</sup>	Aa3/AA+		67,075,427	24.7672	4.67%
Bank of America-Forward Purchase	A2/A				
Agreement			7,716,000	2.6713	0.54%
City First Bank Repurchase Agreement	B- (LACE)		750,000	0.5700	0.05%
Branch Banking and Trust Repurchase Agreement	P-1/A-1		750,000	0.0904	0.05%
Overnight Repurchase Agreements <sup>3</sup>			390,837,315	0.0082	27.22%
Debt Service Reserve Repurchase					
Agreements:					
Bank of America Repo	A2/A		16,333,690	12.7508	1.14%
Morgan Stanley Repo	A2/A		72,406,627	25.3564	5.04%
		\$	1,436,094,859	4.5525	100.00%

<sup>&</sup>lt;sup>1</sup> The ratings in these tables are from Fitch, Moody's or S&P

<sup>&</sup>lt;sup>2</sup> Underlying rating of the counterparties

<sup>&</sup>lt;sup>3</sup> Collateralized by Federal Agency Notes



The carrying value, weighted average maturity and credit quality of the Airports Authority's investment portfolio, by investment type, as of December 31, 2009 was as follows:

			Weighted Average	
	Credit	Carrying	Maturity	% of
2009 Investments	Rating <sup>1</sup>	Value	(years)	Portfolio
Treasury	-	\$ 417,101,512	2.8656	30.14%
Fannie Mae	Aaa/AAA	187,423,023	1.0407	13.54%
Freddie Mac	Aaa/AAA	137,130,653	0.6999	9.91%
Farmer Mac	Aaa	39,913,958	0.8469	2.88%
Federal Home Loan Bank	Aaa	139,391,728	1.2186	10.07%
MBIA Guaranteed Invest Contract <sup>2</sup>	Ba3/BB-	36,274,390	30.2290	2.62%
FSA Guaranteed Invest Contract <sup>2</sup>	A+	67,075,427	28.8151	4.85%
Bank of America-Forward Purchase				
Agreement	A/A2	7,716,000	9.6193	0.56%
Overnight Repurchase Agreements <sup>3</sup>	A-1/P-1	263,322,982	0.0110	19.02%
Debt Service Reserve Repurchase				
Agreements:				
Bank of America Repo	A/A2	16,333,690	16.2944	1.18%
Morgan Stanley Repo	A/A2	72,406,627	29.7017	5.23%
		\$ 1,384,089,990	5.2128	100.00%

<sup>&</sup>lt;sup>1</sup> The ratings in these tables are from Fitch, Moody's or S&P

#### **Credit Risk**

Credit Risk is the risk that the Airports Authority will lose money due to the default of the issuer or investment counterparty of the security.

The primary objectives of the Airports Authority's investment policy are the safety of capital, the liquidity of the portfolio and the yield of investments. Bond proceeds may be invested in securities as permitted in the bond indentures; otherwise, assets of the Airports Authority may be invested in United States Treasury securities; short-term obligations of the United States Government agencies; short-term obligations of the Commonwealth of Virginia, the State of Maryland, and the District of Columbia; certificates of deposit with banks that have a Kroll Rating Agency rating of "B" or better, or that are fully insured or collateralized; prime CP rated "A1" and "P1" by Standard & Poor's Rating Services (S&P) and Moody's Investors Service Inc. (Moody's), respectively; prime bankers' acceptance notes; repurchase agreements whose underlying collateral consists of the foregoing; money market or mutual funds or other such securities or obligations that may be approved by the Finance Committee by modification of the Airports Authority's policy.

### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Airports Authority would not be able to recover the value of its deposits, investments or collateral securities that were in the possession of an outside party. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the Airports Authority and are held by either the counterparty or the counterparty's trust department or agent but not in the Airports Authority's name.

<sup>&</sup>lt;sup>2</sup> Underlying rating of the counterparties

<sup>&</sup>lt;sup>3</sup> Collateralized by Federal Agency Notes



The Airports Authority's investment policy requires that securities be insured or registered investments or securities held by the Airports Authority or its agent in the Airports Authority's name. As of December 31, 2010 and 2009, all the Airports Authority's securities are held by the Airports Authority or its agent in the Airports Authority's name and are fully insured or registered investments.

Repurchase agreements and guaranteed investment contracts are required to be collateralized at 103.0% and require the collateral to be Authorized Investments as described in the Investment Policy and the Master Bond Indenture.

The Airports Authority's forward purchase agreement is collateralized at 100.0% with securities delivered monthly. The collateral is required to be an approved Airports Authority investment, as described in the Master Bond Indenture.

The fair value of the collateral for overnight repurchase agreements was \$402.4 million on December 31, 2010. The fair value of the collateral for the guaranteed investment contracts was \$113.4 million on December 31, 2010. The fair value of the collateral for the forward purchase agreements was \$7.7 million on December 31, 2010. The fair value of the collateral for the Debt Service Reserve repurchase agreements was \$91.7 million as of December 31, 2010. All the collateral for these contracts was held by the Airports Authority's agent in the Airports Authority's name.

#### **Interest Rate Risk**

The Airports Authority's investment policy as approved by the Board is designed to maximize investment earnings, while protecting the security of the principal and providing adequate liquidity. The overriding policy for investment decisions is to have funds available as needed for construction and general operating expenses. The Airports Authority's Investment Committee meets quarterly and determines the investment horizon for each fund based on current construction or operating needs and the prevailing market conditions. Each investment transaction shall seek to ensure that capital losses are avoided, whether they are from securities defaults or erosion of market value. The Airports Authority mitigates interest rate risk by managing the weighted average maturity of each portfolio type to best meet liquidity needs.

#### **Concentration of Credit Risk**

The Airports Authority, as previously described, is limited to investments allowed by the bond indentures and the authorized investment policy. However, the policy does not limit the aggregation of investments in any one type of security. There are providers of securities in which the Airports Authority has invested individually more than 5.0% of the total portfolio.

In accordance with the provisions of GASB Statement No. 31, Accounting and Reporting For Certain Investments and For External Investments Pools (GASB 31), investments with an original maturity greater than one year are recorded at their fair value and all investment income, including changes in the fair value of investments, are reported as investment income in the financial statements. As permitted by GASB 31, investments with an original maturity of less than one year are carried at amortized cost. Fair values are determined through quoted market prices.



The tables below present the Airports Authority's investments in accordance with GASB 31:

	As of Dece	mber 31, 2010
	Cost	Carrying Value
Securities with original maturity 1 year and over	\$ 712,321,134	\$ 720,347,380
Securities with original maturity less than 1 year	715,709,315	715,747,479
	\$ 1,428,030,449	\$ 1,436,094,859
	As of Dece	mber 31, 2009
		Carrying
	Cost	Value
Securities with original maturity 1 year and over Securities with original maturity less than 1 year	\$ 520,436,134 864,019,982 \$ 1,384,456,116	\$ 520,224,220 863,865,770 \$ 1,384,089,990
Change in carrying value from December 31, 2009 to December 31, 201	0:	
Carrying value at December 31, 2010		\$ 1,436,094,859
Add: Proceeds from investments sold in 2010		1,754,965,900
Less: Cost of investments purchased in 2010		(1,797,919,589)
Less: Carrying value at December 31, 2009 Change in carrying value of investments		(1,384,089,990)
Change in carrying value of investments		\$ 9,051,180
Change in carrying value from December 31, 2008 to December 31, 200	9:	
Carrying value at December 31, 2009		\$ 1,384,089,990
Add: Proceeds from investments sold in 2009		987,728,360
Less: Cost of investments purchased in 2009		(1,620,198,647)
Less: Carrying value at December 31, 2008		(752,445,781)
Change in carrying value of investments		\$ (826,078)



A reconciliation of deposits and investments to the comparative Statements of Net Assets follows:

	As of December 31,				
	2010		20	009 (Restated)	
Deposits	\$	72,553,590	\$	86,100,505	
Money market		495,302,391		397,443,583	
Certificates of Deposit		5,761,292		7,252,000	
Securities		1,436,094,859		1,384,089,990	
	\$	2,009,712,132	\$	1,874,886,078	
Current assets					
Cash and cash equivalents	\$	156,854,724	\$	79,405,098	
Restricted cash and cash equivalents		331,284,490		258,482,827	
Investments		160,751,777		266,348,779	
		648,890,991		604,236,704	
Non-current assets		_			
Restricted cash and cash equivalents	\$	398,797,636	\$	340,487,488	
Restricted investments		806,103,995		865,156,547	
Unrestricted investments		155,919,510		65,005,339	
		1,360,821,141		1,270,649,374	
	\$	2,009,712,132	\$	1,874,886,078	

## 6. ACCOUNTS RECEIVABLE

Trade accounts receivable consisted of the following:

	As of Dec	As of December 31,				
	2010	2009 (Restated)				
Trade Accounts Receivable						
Amounts due	\$ 17,776,115	\$ 14,538,630				
Less: allowance for doubtful accounts	(700,271)	(806,723)				
Amounts due, net	17,075,844	13,731,907				
Interest receivables	22,221	351,427				
Settlement due from airline tenants <sup>1</sup>	12,483,524	13,884,961				
Current portion of note receivable	2,286,545	2,049,655				
Other receivables	2,134,794	3,534,325				
Total trade accounts receivable	\$ 34,002,928	\$ 33,552,275				

<sup>&</sup>lt;sup>1</sup> See Note 3 - Airport Use Agreement and Premises Lease

During 2010, Mesa Air Group and Sky King Airlines filed for Chapter 11 bankruptcy protection and Mexicana Airlines filed for Chapter 15 bankruptcy protection. The Airports Authority's accounts receivable included \$479 thousand in pre-petition debt for these airlines. The Airports Authority has sufficient reserves to cover these potentially uncollectable receivables.



#### 7. RESTRICTED ASSETS

The Master Indentures of Trust securing the Airport System Revenue Bonds and the Dulles Toll Road Revenue Bonds of the Airports Authority require segregation of certain assets into restricted accounts. The Airports Authority has also included PFC and grant assets in restricted assets. Restricted assets consisted of the following:

	As of December 31,					
	2010			2009		
Construction accounts	\$	821,880,876		\$ 736,861,541		
Passenger facility charges cash Debt service reserve accounts		19,250,249 564,747,235		54,564,484 543,482,450		
Interest reserve accounts Sinking fund accounts		75,139,796 30,542,753		76,878,577 27,962,055		
Escrow accounts  Diviles Tell Pead outropuliners maintanens and remain fund		17,093,079		16,959,376		
Dulles Toll Road extraordinary maintenance and repair fund Passenger facility charges receivables		7,532,133 7,038,877		7,418,379 6,422,745		
Grants receivable Amounts paid in advance		150,172,622 179,875		87,566,754 17,951		
Total restricted assets	\$	1,693,577,495	: =	\$ 1,558,134,312		

The construction accounts include the funds available for the design and construction of capital improvements for the Airports and the Dulles Toll Road as well as for the construction of the Dulles Metrorail Project. The debt service reserve accounts contain the maximum amount of required principal payments for the bonds scheduled to come due in one year. The debt service reserve accounts are revalued each year in October. Any amounts in excess of the debt service requirements are transferred to the applicable construction fund or taken into the revenue funds of the Airports Authority if the construction funds have been expended. If the debt service reserve is undervalued, the Airports Authority transfers funds into the accounts. The debt service reserve accounts were over-funded by \$4.4 million as of December 31, 2010 and \$858 thousand as of December 31, 2009. The interest reserve account contains the interest amounts required for the semi-annual interest payments. The sinking fund accounts contain the principal for the annual October bond payments. The PFC and grant receivables represent amounts collectable as of December 31, 2010 and 2009 which, along with the PFC cash, make up funds which will be spent on authorized construction projects and related debt service. Amounts paid in advance represent payments made prior to the receipt of a good or service associated with construction projects.

## 8. NOTE RECEIVABLE

The Airports Authority has a note receivable from United Airlines (UAL). UAL agreed to reimburse the Airports Authority \$20.4 million in design fees incurred by the Airports Authority in connection with the development of a new concourse and related improvements, described and defined as the "Tier 2 Package." The terms of this note receivable specify that interest at the rate of 3.87% commence in March 2006; that UAL make annual payments of \$1.0 million in 2007, 2008, and 2009; and that UAL commence monthly payments in March 2008 of \$83,055, subject to annual escalations.







Amounts scheduled to be received on this note receivable are:

Year ended December 31,	
2011	\$ 2,286,546
2012	2,807,804
2013	3,506,478
2014	3,991,158
2015	4,924,264
2016	849,386
Total future payments	18,365,636
Less: interest to be earned	1,998,743
Less: current portion of note receivable	2,286,546
Non-current portion of note receivable	\$ 14,080,347

#### 9. PENSION PLANS AND DEFERRED COMPENSATION PLAN

The Airports Authority participates in two United States Government pension plans: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). Each is considered a cost-sharing, multiple-employer public employee retirement system (PERS). Employees hired before December 31, 1983 are members of the CSRS unless they elected to transfer to the FERS either before December 31, 1987 or during the special enrollment period from July 1, 1998 through December 31, 1998. Effective April 1, 1987, a Thrift Savings Plan was added whereby CSRS and FERS members can contribute a percentage of their salaries on a tax-deferred basis up to Internal Revenue Service elective deferral limits (\$16,500 in 2010).

In addition to the above described Plans, the Airports Authority maintains single-employer defined benefit pension plans that cover its regular employees and its police and fire (public safety) employees hired on or after June 7, 1987 and offers employees a deferred compensation plan and a money purchase pension plan.

#### **Government Pension Plans**

Under the CSRS, employees contribute 7.0% of their base pay (7.5% for public safety employees) and the Airports Authority matches the employees' contributions. Retirement benefits are based on length of service and the average of the employee's three highest years of base pay. Employees are eligible to retire at age 55 with 30 years of service; age 60 with 20 years of service; or age 62 with 5 years of service. Public safety employees can retire at age 50 with 20 years of service. Retirement annuities range from 7.5% to a maximum 80.0% of the average of the employee's three highest years of base pay depending on an employee's length of service. As of December 31, 2010, there were 35 regular employees and 2 public safety employees enrolled in the CSRS.

Under the FERS, employees derive benefits from three different sources: a Basic Benefit Plan (BBP), Social Security, and a Thrift Savings Plan. Employee contributions to the BBP range from 0.8% of base pay for regular employees to 1.3% for public safety employees. The Airports Authority contribution ranges from 10.7% of base pay for regular employees to 23.3% of base pay for public safety employees. Employees are eligible to retire when they have 10 years of service and have reached a minimum retirement age based on date of birth and ranging from 55 to 57 years of age. Retirement annuities range from 1.0% (less than 20 years of service) to 1.1 % (20 or more years of service) of the average of the employee's three highest years of base pay for each year of service. Public safety employees can retire at age 50 with 20 years of service or at any age with 25 years of service. These employees receive retirement benefits equal to 1.7% of the average of the employee's three highest years of base pay for every year of service up to 20 years plus 1.0% of the



same average three-year high for every year of service over 20 years. As of December 31, 2010, there were 39 regular employees and 19 public safety employees enrolled in the FERS.

The Airports Authority's base pay for employees covered by the CSRS and the FERS for the year ended December 31, 2010 was \$8.1 million. Employee contributions to the federal pension plans for 2010, 2009, and 2008 were \$286 thousand, \$304 thousand, and \$337 thousand, respectively. Employer contributions to the federal pension plans for 2010, 2009, and 2008 were \$963 thousand, \$976 thousand, and \$1.1 million, respectively. These contributions represent 100% of required contributions for each of the respective years. The Airports Authority's total base pay for all employees, including employees covered by CSRS and FERS, was \$96.1 million and \$92.6 million in 2010 and 2009, respectively.

Plan documents and audited plan financials for the CSRS and FERS plans may be obtained by written request to: U.S. Office of Personnel Management, Retirement Operations Center, P.O. Box 45, Boyers, PA, 16017.

#### **Airports Authority Pension Plans**

Effective January 1, 1989, the Airports Authority established a retirement benefits program for employees hired on or after June 7, 1987. Employee coverage and service credit was retroactive to June 7, 1987. The program includes the Airports Authority's General Employee Retirement Plan (the "Regular Plan," covering regular employees) and the Police Officers and Firefighters Retirement Plan (the "Police and Firefighter Plan," covering public safety employees) with the exception of employees working less than 20 hours per week and other temporary employees. Collectively, these plans are referred to as "the Plans." Both are considered to be single-employer defined benefit plans. Any amendment to the Plans must be approved by the Airports Authority's Board of Directors. The Plans provide retirement and death benefits to plan members and beneficiaries. As of December 31, 2010, the number of employees participating in the Plans was:

Current Participants	Regular	Public Safety	Total
Vested	592	223	815
Non-vested	372	115	487
Retirees/disabled employees			
currently receiving benefits	209	16	225
Terminated vested participants	216	64	280
Total	1,389	418	1,807

Regular employees who retire at or after age 60 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.2% of final-average eligible compensation up to covered compensation and 1.6% of final-average base pay above covered compensation for each year of credited service (maximum of 30 years). Eligible compensation includes base pay and shift differential for wage grade employees. Regular employees with at least five years of service can receive benefits starting at age 55 with a 5% reduction in benefits for each year the participant is younger than age 60. Employees do not contribute to the Regular Plan.

Public safety employees who retire at age 55 with five years of service or at any age with 25 years of service are entitled to an annual retirement benefit of 2.0% of final-average base pay for service up to 25 years and 1.0% of the final-average base pay for service between 25 and 30 years. Public safety employees with at least 25 years of service can receive benefits starting before age 50; however, the benefit is reduced by 5% for each year by which benefits begin prior to age 50. Public safety employees are required to contribute 1.5% of base pay per year of participation to the Police and Firefighter Plan. This contributed amount is accumulated with a 5.0% interest rate and is returned when a benefit is forfeited. The Airports Authority contributes the



remaining amounts necessary to fund the Plans using the entry age normal actuarial method in addition to an amount necessary to amortize any unfunded liability.

For the Plans, the final-average base pay is the average of the employee's highest consecutive 36 months in the most recent 120 months, while covered compensation is the 35-year average of the Social Security Wage Bases ending with the year in which the participant attains Social Security normal retirement age. A participant's years of benefit service include the number of hours of accrued unused sick leave at a participant's termination. A pre-retirement surviving spouse benefit is payable in the event of death, equal to 50.0% of the benefit which would have been payable had the employee retired, provided the employee had at least five years of service. Retiree benefits are adjusted annually by the lesser of one-half of the Consumer Price Index or 4.0%.

### **Contributions Required and Made**

The Airports Authority's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Employer contributions are determined in accordance with the plan provisions and are approved by the Airports Authority's Board of Directors. Level percentages of payroll employer contribution rates are determined using the entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized over a period of 30 years on an open basis.

The Airports Authority contributed 7.5% of the applicable base payroll to the Regular Plan and 16.0% of the applicable base payroll to the Police and Firefighter Plan in 2010. The Airports Authority's base payroll for employees covered by the Regular Plan was \$66.4 million and \$63.9 million for 2010 and 2009, respectively. The base payroll for employees covered by the Police and Firefighter Plan was \$21.6 million and \$20.4 million for 2010 and 2009, respectively. The Airports Authority contributed \$5.0 million and \$4.0 million to the Regular Plan and \$3.5 million and \$2.7 million to the Police and Firefighters Plan in 2010 and 2009, respectively. The following presents the required employer contributions from January 1, 2005 through December 31, 2010:

## **Schedule of Employer Contributions**

	General Employees	Retirement Plan	Police Officers & Firefig	hters Retirement Plan
Calendar	Annual Required	Percentage	Annual Required	Percentage
Year	Contribution	Contributed	Contribution	Contributed
2005	\$2,525,154	119.7%	\$1,654,845	117.8%
2006	\$3,233,610	93.9%	\$1,939,938	97.5%
2007	\$3,463,046	101.3%	\$2,050,272	100.0%
2008	\$4,117,347	100.0%	\$2,508,523	100.0%
2009	\$4,030,946	100.0%	\$2,534,647	104.8%
2010	\$4,977,049	100.0%	\$2,898,694	119.4%

The contribution rates for any given year for the Plans are calculated based on the actuarial valuation done for the year two years prior to the current year. That is, the contribution rates for the 2010 year were calculating using the actuarial valuation done for year ended December 31, 2008. For this reason, the Airports Authority contribution rates will not see the activity in the current financial markets reflected in the rates for years 2010 or 2011. The contribution rate for the calendar year 2011 will incorporate changes that took place in the current market in 2010 and any corresponding economic assumptions.



## **Annual Pension Cost and Net Pension Obligation (Asset)**

The Airports Authority's net pension obligation (asset) for the Plans as of December 31, 2010, 2009, and 2008 and for the years then ended, which are based on the then latest actuarial valuations available, were as follows:

	Year ended December 31,				
General Employees Retirement Plan	2010	2009	2008		
Annual required contribution	\$ 4,977,049	\$ 4,030,946	\$ 4,117,347		
Interest on net pension asset	(125,257)	(125,731)	(126,206)		
Adjustment to annual required contribution	131,544	132,040	132,539		
Annual pension cost	4,983,336	4,037,255	4,123,680		
Contributions made	4,977,049	4,030,946	4,117,347		
Change in net pension obligation	6,287	6,309	6,333		
Net pension obligation (asset) beginning of year	(1,670,099)	(1,676,408)	(1,682,741)		
Net pension obligation (asset) end of year	\$ (1,663,812)	\$(1,670,099)	\$(1,676,408)		

	Year ended December 31,				
Police Officers & Firefighters Retirement Plan	2010	2009	2008		
Annual required contribution	\$ 2,898,694	\$ 2,534,647	\$ 2,508,523		
Interest on net pension asset	(48,122)	(39,071)	(39,219)		
Adjustment to annual required contribution	50,537	41,032	41,187		
Annual pension cost	2,901,109	2,536,608	2,510,491		
Contributions made	3,461,127	2,657,291	2,508,523		
Change in net pension obligation	(560,018)	(120,683)	1,968		
Prior year adjustment	(122,644)	122,644	-		
Net pension obligation (asset) beginning of year	(518,988)	(520,949)	(522,917)		
Net pension obligation (asset) end of year	\$ (1,201,650)	\$ (518,988)	\$ (520,949)		

The net pension asset is reported as a non-current unrestricted asset as of December 31, 2010 and 2009 in the Statement of Net Assets.



The Airports Authority's annual pension costs, percent contributed, and net pension obligation (asset) were as follows:

#### **Three Year Trend Information**

				P	olice Officers	&
	General Er	nployees Retir	rement Plan	Firefigl	hters Retireme	ent Plan
Year Ended	Annual Pension	Percentage of APC	Net Pension Obligation	Annual Pension	Percentage of APC	Net Pension Obligation
December 31,	Cost (APC)	Contributed	(Asset)	Cost (APC)	Contributed	(Asset)
2008	\$ 4,123,680	99.8%	\$ (1,676,407)	\$ 2,510,491	99.9%	\$ (520,949)
2009	\$4,037,255	99.8%	\$ (1,670,098)	\$ 2,536,608	104.8%	\$ (641,632)
2010	\$4,983,335	99.9%	\$ (1,663,812)	\$ 2,901,109	119.3%	\$(1,201,650)

## **Funding Status and Funding Progress**

The actuarial accrued liability (AAL) was determined from the then most recently available actual valuation of the Plans. Significant actuarial assumptions used in determining the AAL were as follows:

Valuation Date	December 31, 2010
Actuarial Cost Method	Entry-age actuarial cost method
Amortization Method	30-year level
Assets Valuation Method	5-year smooth market
Actuarial Assumptions:	
a. Investment rate of return *	7.5%
b. Projected salary increases *	Variable rate 5.5% to 6.5%
*includes inflation at	3.0%
c. Cost of living adjustments	1.5%

The following presents the funding progress from January 1, 2004 through December 31, 2009:

## **Schedule of Funding Progress - General Employees Retirement Plan**

		Actuarial				UAAL as a
Actuarial	Actuarial	Accrued	Unfunded		Annual	Percentage of
Valuation	Value	Liability (AAL)	AAL	Funded	Covered	Covered
Date	of Assets	- Entry Age	(UAAL)	Ratio	Payroll	Payroll
12/31/2004	\$58,126,517	\$46,229,931	(\$11,896,586)	125.7%	\$43,199,684	(27.5%)
12/31/2005	\$64,087,361	\$53,833,003	(\$10,254,358)	119.0%	\$48,218,773	(21.3%)
12/31/2006	\$72,341,671	\$62,195,419	(\$10,146,252)	116.3%	\$52,985,414	(19.1%)
12/31/2007	\$82,372,511	\$68,958,757	(\$13,413,754)	119.5%	\$54,751,207	(24.5%)
12/31/2008	\$86,617,649	\$80,356,911	(\$6,260,738)	107.8%	\$63,672,545	(9.8%)
12/31/2009	\$92.271.170	\$87,564,793	(\$4,706,377)	105.4%	\$69.012.906	(6.8%)



#### Schedule of Funding Progress - Police Officers & Firefighters Retirement Plan

		Actuarial				UAAL as a
Actuarial	Actuarial	Accrued	Unfunded			Percentage of
Valuation Date	Value of Assets	Liability (AAL)  - Entry Age	AAL (UAAL)	Funded Ratio	Covered Payroll	Covered Payroll
12/31/2004	\$27,168,047	\$24,474,697	(\$2,693,350)	111.0%	\$14,298,016	(18.8%)
12/31/2005	\$30,730,808	\$28,546,385	(\$2,184,423)	107.7%	\$15,462,439	(14.1%)
12/31/2006	\$35,464,226	\$34,134,852	(\$1,329,374)	103.9%	\$17,799,707	(7.5%)
12/31/2007	\$41,245,955	\$39,293,637	(\$1,952,318)	105.0%	\$18,799,993	(10.4%)
12/31/2008	\$44,590,069	\$45,128,509	\$538,440	98.8%	\$20,932,221	2.6%
12/31/2009	\$49,077,816	\$49,958,724	\$880,908	98.2%	\$21,870,479	4.0%

Expressing the actuarial value of assets available for benefits as a percentage of the AAL provides an indication of the Plans' funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plans are becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement plan. Trends in assets in excess of AAL and annual covered payroll are both affected by inflation. Expressing the AAL in excess of assets as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the lower this percentage, the stronger the retirement plan. The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, the size or composition of the population covered by the Plans, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the AAL as a factor.

All assets of the Airports Authority pension plans are held in trust at the Bank of New York Mellon. A copy of the audited financial statements, plan documents, and required supplementary information for the Plans may be obtained by written request to: Metropolitan Washington Airports Authority, Attention: Benefits Department, 1 Aviation Circle, Washington, DC 20001-6000.

#### **Deferred Compensation Plan**

The Airports Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, effective as of July 2, 1989, is available to all full-time employees and permits the deferral of a portion of regular compensation until future years. Participation in the plan is optional. The Airports Authority matches 100% of participant contributions up to the first 2% of regular compensation and matches an additional 50% of participant contributions between 2% and 4% of regular compensation. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of the plan are held in custodial and annuity accounts for the exclusive benefit of plan participants, and accordingly, the related assets of the plan are not reflected on the Airports Authority's Statement of Net Assets. The trust agent for the plan is the Vantage Trust Company. Investments are managed for participants by the International City/County Management Association Retirement Corporation (ICMA-RC) through one of several investment options or a combination thereof. The choice of the investment option(s) is made by each participant. Amounts contributed by participants to the deferred compensation plan, along with the Airports Authority's matching contribution, totaled \$8.7 million, \$8.2 million, and \$8.3 million in the years ended December 31, 2010, 2009, and 2008, respectively.







#### **Money Purchase Pension Plan**

The Airports Authority established a Money Purchase Pension Plan (MPPP) in accordance with Internal Revenue Code 401(a)(17) effective December 18, 2007. The MPPP is available to all full-time employees. Under the terms of the MPPP, the Airports Authority makes contributions on behalf of eligible employees. The amount of contributions depends on whether the employee's pension benefit under the Airports Authority's Regular Plan or the Police and Firefighter Plan is subject to compensation limitations imposed by section 401(a)(17). Eligible employees may not defer a portion of their salary into the MPPP. The Airports Authority serves as trustee of the MPPP and has entered into an agreement with the ICMA-RC to act as an investment advisor to the MPPP and to provide record keeping services for the MPPP. The Airports Authority paid \$50 thousand, \$57 thousand, and \$34 thousand into the MPPP in the years ended December 31, 2010, 2009, and 2008, respectively.

#### 10. POST-EMPLOYMENT BENEFITS

The Airports Authority provides post-employment group healthcare, dental, and life insurance benefits for its retired employees. The Airports Authority Retired Employees Healthcare Plan (the Healthcare Plan) is a single-employer defined benefit healthcare, dental, and life insurance plan and is administered by the Airports Authority. The Healthcare Plan provides medical, dental, and life insurance benefits to eligible retirees and their dependents (the Participants). As of December 31, 2010, 369 Participants were receiving health insurance benefits, and 376 Participants were receiving life insurance benefits under the Healthcare Plan.

The management of the Airports Authority can establish and amend benefit provisions of the Healthcare Plan. The Airports Authority created and began funding an Employee Welfare Benefits Trust (the Trust) in February 2005 in order to provide a funding mechanism for its other post employment benefit obligations.

There are no separate stand-alone financial reports for the Healthcare Plan. A copy of the plan documents may be obtained by written request to: Metropolitan Washington Airports Authority, Attention: Benefits Manager, 1 Aviation Circle, Washington, DC 20001-6000.

#### **Contributions Required and Made**

The contribution requirements of the Healthcare Plan's Participants and the Airports Authority for health and dental insurance are established and may be amended by the management of the Airports Authority. The contribution requirements are based upon projected pay-as-you-go financing requirements and funding for future benefits. The Airports Authority pays 80.0% of the total health and dental premiums costs, with the retirees paying the remaining 20.0%. For the years ended December 31, 2010 and 2009, the Airports Authority's health and dental insurance costs totaled \$3.4 million and \$3.9 million, respectively. Plan participants contributed \$748 thousand and \$810 thousand of the total premiums for the years ended December 31, 2010 and 2009, respectively. This represented 20.0% of the total premiums. The monthly contribution requirements for participants in the Healthcare Plan depend on several factors including provider choices, participant age, and type of benefit coverage.

### Monthly Contributions for Retirees Under 65 for 2010

		Retiree Plus	Retiree Plus	
Provider Choices	Retiree Only	Spouse	Child(ren)	Family
Aetna - HMO	\$ 103.00	\$ 194.00	\$ 214.00	\$ 304.00
Aetna - PPO	\$ 114.00	\$ 214.00	\$ 236.00	\$ 336.00
Kaiser Permanente HMO	\$ 91.00	\$ 172.00	\$ 190.00	\$ 271.00
MetLife Dental	\$ 13.00	\$ 27.00	\$ 27.00	\$ 50.00



## Monthly Contributions for Retirees Over 65 for 2010

		One $>$ Age 65	Two Party	Family
Provider Choices	Retiree Only	One < Age 65	Medicare	Medicare
Aetna - HMO	\$ 91.00	\$ 204.00	\$ 178.00	\$ 322.00
Aetna - PPO	\$ 92.00	\$ 216.00	\$ 180.00	\$ 326.00
Kaiser HMO	\$ 57.00	\$ 148.00	\$ 114.00	\$ 204.00
MetLife Dental	\$ 13.00	\$ 27.00	\$ 27.00	\$ 50.00

The Airports Authority offers two life insurance options to its Participants. Under Option 1, the Airports Authority pays 100.0% of the Participant's basic and supplemental life insurance cost. Basic life insurance cost is reduced to 25.0% of the Participant's life insurance in force at the time of retirement. Supplemental life insurance is a multiple of the basic life insurance (1 to 5 times) that the Participant had selected prior to retirement. Supplemental life insurance is reduced at a rate of 2.0% each month so that at the end of 50 months, no supplemental life insurance coverage remains in force.

Option 2 is available to Participants who retire from the Airports Authority on or after May 1, 2007. Under Option 2, the Airports Authority pays 100.0% of the Participant's basic life insurance cost. Basic life insurance cost is reduced to 25.0% of the Participant's life insurance in force at the time of retirement. Participants pay 100.0% of the cost of supplemental life insurance. The amount of supplemental life insurance in force remains equal to the amount that the Participant had at the time of retirement but is reduced by 50.0% at age 70 and another 50.0% at age 75.

As of December 31, 2010, 34 out of 376 retired employees had supplemental coverage, and the cost of life insurance totaled \$170 thousand. As of December 31, 2009, 42 out of 355 retired employees had supplemental insurance coverage, and the cost of life insurance for retired employees totaled \$153 thousand.

#### **Actuarial Methods and Assumptions**

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, including but not limited to future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the AAL for benefits. Significant actuarial assumptions used in determining the AAL are as follows:







Valuation Date	January 1, 2010
Actuarial Cost Method	Entry age, normal
Amortization Method	30-year level dollar
Assets Valuation Method	5-year smooth market
Actuarial Assumptions:	
a. Investment rate of return	7.5%
b. Mortalilty Rates	Retirement Plans 2000 Healthy Mortality Table
c. Healthcare Cost Trend Rate	10.0% initially to ultimate rate of 5.0%
d. Payroll Growth Rate (*)	6.5% to an ultimate rate of 5.5%
e. *includes inflation at	3.0%

### Other Post-employment Benefit (OPEB) Costs and Obligations

The annual non-pension post-employment benefit cost is actuarially determined as is the calculation of the annual required contribution (ARC). The ARC represents the actuarially determined level of funding that, if paid on an ongoing basis, is projected to cover annual benefit costs and the 30-year open amortization of the difference between the AAL and amounts previously recognized. The following reflects the components of the 2010 annual OPEB costs, amounts paid, and changes to the net accrued OPEB obligation based on the January 1, 2010 actuarial valuation:

	Year ended December 31,			
Medical/Dental	2010	2009	2008	
Annual required contribution	\$10,560,000	\$ 9,210,000	\$ 7,970,000	
Interest on net OPEB obligation (asset)	(100,000)	(190,000)	(170,000)	
Adjustment to annual required contribution	110,000	200,000	180,000	
Annual OPEB cost	10,570,000	9,220,000	7,980,000	
Contributions made	8,837,510	8,120,921	8,262,070	
Change in net OPEB obligation (asset)	1,732,490	1,099,079	(282,070)	
Net OPEB obligation (asset) beginning of year	(1,402,991)	(2,502,070)	(2,220,000)	
Net OPEB obligation (asset) end of year	\$ 329,499	\$ (1,402,991)	\$ (2,502,070)	
	Year	r ended December	31,	
<u>Life Insurance</u>	2010	2009	2008	
Annual required contribution	\$ 823,800	\$ 811,700	\$ 746,200	
Interest on net OPEB obligation (asset)	4,800	(5,000)	(7,000)	
Adjustment to annual required contribution	(5,000)	5,200	7,400	
Annual OPEB Cost	823,600	811,900	746,600	
Contributions made	810,564	682,026	718,827	
Change in net OPEB obligation (asset)	13,036	129,874	27,773	
Net OPEB obligation (asset) beginning of year	63,387	(66,487)	(94,260)	
Net OPEB obligation (asset) end of year	\$ 76,423	\$ 63,387	\$ (66,487)	

The net OPEB obligation liabilities are reported as non-current liabilities as of December 31, 2010 and 2009 in the Statement of Net Assets. The net OPEB obligation asset is reported as a non-current asset as of December 31, 2009 in the Statement of Net Assets.



The Airport Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2010 and the two preceding years, were as follows:

#### Three-Year Trend Information - Medical Insurance

Year		Percentage of	Net OPEB
Ended	Annual OPEB	Annual OPEB	Obligation
December 31,	Cost	Cost Contributed	(Asset)
2008	\$ 7,980,000	103.7%	\$(2,502,070)
2009	\$ 9,220,000	88.1%	\$(1,402,991)
2010	\$ 10,570,000	83.6%	\$ 329,499

#### Three-Year Trend Information - Life Insurance

Year		Percentage of	Net OPEB
Ended	Annual OPEB	Annual OPEB	Obligation
December 31,	Cost	Cost Contributed	(Asset)
2008	\$ 746,600	96.3%	\$ (66,487)
2009	\$ 811,900	84.0%	\$ 63,387
2010	\$ 823,600	98.4%	\$ 76,423

#### **Funding Status and Funding Progress**

The Airports Authority began funding the Plan in 2005, and in addition to funding insurance costs for Participants, contributed \$6.2 million, \$5.0 million, and \$5.4 million for the years ended December 31, 2010, 2009, and 2008, respectively to the Trust for medical and dental insurance. The Airports Authority also contributed \$645 thousand, \$540 thousand, and \$570 thousand for the years ended December 31, 2010, 2009, and 2008, respectively, to the Trust for life insurance.

## **Schedule of Funding Progress - Medical Insurance**

		Actuarial				UAAL as a
Actuarial	Actuarial	Accrued			Annual	Percentage
Valuation	Value	Liability (AAL)	Unfunded	Funded	Covered	of Covered
Date	of Assets	- Entry Age	UAAL	Ratio	Payroll	Payroll
1/1/2005	-	\$ 65,790,000	\$ 65,790,000	0.0%	\$ 58,820,000	111.8%
1/1/2006	\$ 6,500,000	\$ 76,080,000	\$ 69,580,000	8.5%	\$ 64,100,000	108.5%
1/1/2007	\$ 13,090,000	\$ 81,930,000	\$ 68,840,000	16.0%	\$ 69,770,000	98.7%
1/1/2008	\$ 19,450,000	\$ 85,170,000	\$ 65,720,000	22.8%	\$ 68,620,000	95.8%
1/1/2009	\$ 25,190,000	\$ 103,980,000	\$ 78,790,000	24.2%	\$ 73,960,000	106.5%
1/1/2010	\$ 31,420,000	\$ 116,870,000	\$ 85,450,000	26.9%	\$ 78,170,000	109.3%



## Schedule of Funding Progress - Life Insurance

		Actuarial				UAAL as a
Actuarial	Actuarial	Accrued				Percentage
Valuation	Value	Liability (AAL)	Unfunded	Funded	Covered	of Covered
Date	of Assets	- Entry Age	UAAL	Ratio	Payroll	Payroll
1/1/2005	-	\$ 5,380,500	\$ 5,380,500	0.0%	\$ 59,739,100	9.0%
1/1/2006	\$ 554,100	\$ 5,941,900	\$ 5,387,800	9.3%	\$ 64,148,900	8.4%
1/1/2007	\$ 1,152,000	\$ 6,722,000	\$ 5,570,000	17.1%	\$ 69,770,800	8.0%
1/1/2008	\$ 1,711,700	\$ 6,822,000	\$ 5,110,300	25.1%	\$ 68,616,300	7.4%
1/1/2009	\$ 2,217,400	\$ 7,578,300	\$ 5,360,900	29.3%	\$ 73,961,700	7.2%
1/1/2010	\$ 2,765,800	\$ 8,161,500	\$ 5,395,700	33.9%	\$ 78,171,500	6.9%

## 11. CHANGES IN CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2010 and 2009 was as follows:

	Balance as of nuary 1, 2010	Transfers and Additions	Transfers and Deletions	Balance as of December 31, 2010		
Capital assets not being depreciated:						
Land and other non-depreciable assets	\$ 135,842,243	\$ 20,564,933	\$ -	\$	156,407,176	
Construction in progress	1,506,042,528	350,705,824	(1,540,474,829)		316,273,523	
Construction in progress - Dulles metrorail project - Phase I	740,258,313	589,857,795	(21,362)		1,330,094,746	
Construction in progress - Dulles metrorail project - Phase II	222,129	39,784,331	-		40,006,460	
Total capital assets not being depreciated	2,382,365,213	1,000,912,883	(1,540,496,191)		1,842,781,905	
Other capital assets:						
Buildings	2,991,122,355	461,782,494	-		3,452,904,849	
Systems and structures	1,973,434,208	952,247,483	(294)		2,925,681,397	
Equipment	68,902,437	1,799,278	(2,158,523)		68,543,192	
Motor vehicles	90,424,295	1,920,949	(1,202,694)		91,142,550	
Total other capital assets	5,123,883,295	1,417,750,204	(3,361,511)		6,538,271,987	
Less accumulated depreciation:						
Buildings	749,662,580	78,838,205	(1,631,028)		826,869,757	
Systems and structures	791,842,758	124,655,105	1,944,367		918,442,230	
Equipment	50,065,048	5,479,858	(2,865,163)		52,679,743	
Motor vehicles	78,941,434	2,055,477	(486,104)		80,510,807	
Total accumulated depreciation	1,670,511,820	211,028,645	(3,037,928)		1,878,502,537	
Totals	\$ 5,835,736,688	\$ 2,207,634,442	\$ (1,540,819,774)	\$	6,502,551,355	







	Balance as of nuary 1, 2009 (Restated)	Transfers and Additions (Restated)	Transfers and Deletions (Restated)		Balance as of cember 31, 2009 (Restated)
Capital assets not being depreciated:					
Land and other non-depreciable assets	\$ 135,842,243	\$ -	\$	-	\$ 135,842,243
Construction in progress	1,642,142,721	378,364,592		(514,464,785)	1,506,042,528
Construction in progress - Dulles metrorail project - Phase I	362,322,546	377,935,767		-	740,258,313
Construction in progress - Dulles metrorail project - Phase II	-	222,129		-	222,129
Total capital assets not being depreciated	 2,140,307,510	756,522,488		(514,464,785)	2,382,365,213
Other capital assets:					
Buildings	2,569,719,013	421,403,342		-	2,991,122,355
Systems and structures	1,877,116,472	96,429,697		(111,961)	1,973,434,208
Equipment	64,668,539	5,412,560		(1,178,662)	68,902,437
Motor vehicles	 90,376,285	212,602		(164,592)	 90,424,295
Total other capital assets	 4,601,880,309	523,458,201		(1,455,215)	 5,123,883,295
Less accumulated depreciation:					
Buildings	669,767,998	79,894,582		-	749,662,580
Systems and structures	699,649,226	92,305,493		(111,961)	791,842,758
Equipment	45,505,274	5,580,004		(1,020,230)	50,065,048
Motor vehicles	76,069,258	3,089,307		(217,131)	78,941,434
Total accumulated depreciation	1,490,991,756	180,869,386		(1,349,322)	1,670,511,820
Totals	\$ 5,251,196,063	\$ 1,099,111,302	\$	(514,570,678)	\$ 5,835,736,688

Depreciation expense was incurred by the Business-Type Activities of the Airports Authority during the fiscal years as follows:

2010	2009 (Restated)
\$ 210,914,530	\$ 180,817,494
114,115	51,892
\$ 211,028,645	\$ 180,869,386
	114,115

The Airports Authority had active capital asset construction and development projects as of December 31, 2010. Within the Aviation Enterprise Fund, at Reagan National, these projects included a public safety communication center, in-line baggage screening facilities, and runway and taxiway improvements. At Dulles International, these projects included the completion of the AeroTrain and related facilities, conveyor and building changes for in-line baggage screening, completion of the International Arrivals Building expansion, and runway and taxiway improvements. The Airports Authority also had in development as of December 31, 2010 an Enterprise Resource Planning system. As of December 31, 2010, the Aviation Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$189.1 million.

Within the Dulles Corridor Enterprise Fund, these projects included the Dulles Metrorail Project, Phases 1 and 2, an Interstate 495 interchange ramp, and other Dulles Corridor mobility and capacity improvements. As of December 31, 2010, the Dulles Corridor Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$1.4 billion.







Services for the above amounts had not been provided as of December 31, 2010, and accordingly, no liability has been recorded in the accompanying financial statements. Construction projects are financed by revenue bonds secured by aviation and toll road revenues, passenger facility charges, and grants.

#### 12. ACCOUNTS PAYABLE

A detail of accounts payable and accrued expenses as of December 31, 2010 and 2009 follows:

	As of December 31,					
	2010			009 (Restated)		
Payable from unrestricted assets:		_		_		
Trade accounts payable	\$	14,172,703	\$	21,320,096		
Accounts payable operating accruals		14,485,216		8,992,024		
Accrued compensation and benefits		12,620,858		12,213,910		
Current portion of insurance claims		2,820,687		1,702,675		
Owed to tenants		4,249,203		10,988,576		
Contract bids and security deposits		1,357,583		2,381,597		
Total accounts payable and accrued expenses payable from		_		_		
unrestricted assets	\$	49,706,250		57,598,877		
Payable from restricted assets:						
Trade accounts payable	\$	62,129,465	\$	52,081,060		
Accounts payable accruals		67,389,166		21,424,018		
Accrued compensation and benefits		219,078		161,897		
Accrued rent		100,304		71,697		
Contract retainage		11,018,668		4,512,827		
Total accounts payable and accrued expenses payable from						
restricted assets	\$	140,856,681	\$	78,251,500		

#### 13. LEASE COMMITMENTS

### **Property Held for Lease**

The Airports Authority has entered into various operating leases with tenants for the use of space at the Airports Authority's facilities, including buildings, terminals, and airfield areas.

Leases with minimum annual guarantee provisions provide for minimum lease amounts as well as contingent fees based on the tenants' volume of business at the Airports. These leases have various lease terms, may include provisions for annual increases in the minimum annual guarantee amounts, and may be reviewed periodically to ensure compliance with payments of the contingent fees and other terms of the leases. Most concession leases at the Airports have minimum annual guarantee provisions.

The Use and Lease Agreement (See Note 3 – Airport Use Agreement and Premises Lease) provides for terminal and other facility and space rentals by the airlines at the Airports. Airlines that have signed the Use and Lease Agreement are responsible for full cost recovery plus debt service coverage for these facilities until the termination date of the Use and Lease Agreement. The Use and Lease Agreement is scheduled to terminate on September 30, 2014, subject to annual cancellation rights at the option of the Airports Authority. For purposes of calculating future minimum rents under the terms of the Use and Lease Agreement, estimates of future costs and debt service coverage have been used.



The Airports Authority has also entered into various fixed rate lease agreements with tenants for facilities and space at the Airports. These leases have various lease terms and usually include provisions for annual rent increases.

Minimum future rentals scheduled to be received on operating leases that have initial or remaining non-cancelable terms in excess of one year, as calculated in 2010 dollars, are:

	Minimum			
	Annual			
Year ending	Guaranteed	Airline Terminal	Fixed Rate	
December 31,	Leases	Leases	Leases	Total
2011	\$ 42,292,062	\$ 271,544,000	\$ 24,085,370	\$ 337,921,432
2012	32,443,619	281,174,000	22,604,998	336,222,617
2013	17,753,160	291,945,000	19,217,499	328,915,659
2014	7,179,240	222,279,000	15,538,981	244,997,221
2015	5,236,215	-	15,693,218	20,929,433
2016 and thereafter	39,674,435		96,245,719	135,920,154
Total minimum future rentals	\$ 144,578,731	\$ 1,066,942,000	\$193,385,785	\$ 1,404,906,516

The above amounts do not include contingent rentals and fees in excess of minimums, which amounted to \$22.3 million and \$13.7 million for the years ended December 31, 2010 and 2009, respectively. Total income from leases, including minimum annual guarantees and contingent rentals and fees, totaled \$338.5 million and \$298.4 million for the years ended December 31, 2010 and 2009, respectively.

#### **Property Leased from Others**

The Airports Authority has an 80-year lease (the Federal Lease), with negotiable extensions, with the United States Government for the Airports. This lease is due to expire on June 6, 2067. The lease requires an annual inflation-adjusted base amount and interest earned on funds reserved monthly in a lease payment reserve account to be paid on a semi-annual basis. The Airports Authority invests the monthly lease payments in repurchase agreements or certificates of deposit. The payments to the United States Government, including interest, totaled \$5,101,405 and \$5,067,887, respectively, for the years ended December 31, 2010 and 2009.

The Airports Authority has entered into non-cancellable office space leases in Vienna, Virginia. These leases, as amended, are for 26,084 rentable square feet and 5,949 rentable square feet, with expiration dates of July 31, 2013 and February 28, 2014, respectively.

Minimum future rentals scheduled to be paid on the operating leases in effect on December 31, 2010, as calculated in 2010 dollars, are:





As of December 31, 2010



Year ending	Federal		deral Office		fice Space			
December 31,		Lease			Lease		Total	
2011	\$	5,101,119	_	\$	1,108,650	\$	6,209,769	
2012		5,101,119			1,141,910		6,243,029	
2013		5,101,119			663,483		5,764,602	
2014		5,101,119			27,899		5,129,018	
2015		5,101,119			-		5,101,119	
2016 and thereafter		265,258,174	_				265,258,174	
Total minimum future rentals	\$	290,763,769	_	\$	2,941,942	\$	293,705,711	

Total rental expense for the years ended December 31, 2010 and 2009 was \$5.1 million and \$5.1 million, respectively. The 2010 and 2009 capitalized expenditures related to the office space lease totaled \$927 thousand and \$885 thousand, respectively.

## 14. CHANGES IN NON-CURRENT NON-DEBT LIABILITIES

Activity for non-current liabilities, other than for capital debt, for the years ended December 31, 2010 and 2009 was as follows:

Activity during year ended December 31, 2010

	Beginning			Ending	Due Within	Due After One
	Balance	Additions	Reductions	Balance	One Year	Year
Compensated absences	\$ 7,555,129	\$ 10,070,047	\$ 9,439,646	\$ 8,185,530	\$ 6,920,360	\$ 1,265,170
Claims1	5,584,701	2,531,808	2,834,264	5,282,245	2,820,687	2,461,558
Lease obligations	379,736	-	65,536	314,200	100,304	213,896
Construction retainage	15,000,000	124,144	-	15,124,144	-	15,124,144
Net OPEB obligation <sup>2</sup>	63,387	342,535	-	405,922	-	405,922
Deferred rent revenue	793,241		6,161	787,080		787,080
	\$ 29,376,194	\$ 13,068,534	\$ 12,345,607	\$ 30,099,121	\$ 9,841,351	\$ 20,257,770
	Activi	ty during year end	ded December 31	. 2009	As of Decei	mber 31, 2009
				, = 007		
		(Rest		, = 0 0 2		stated)
	Beginning			Ending		
					(Res	stated)
	Beginning	(Rest	ated)	Ending	Due Within	Due After One
Compensated absences	Beginning	(Rest	ated)	Ending	Due Within	Due After One
Compensated absences Claims <sup>1</sup>	Beginning Balance	(Rest	Reductions	Ending Balance	One Year	Due After One Year
•	Beginning Balance \$ 7,002,052	(Rest Additions \$ 7,661,536	Reductions \$ 7,108,459	Ending Balance \$ 7,555,129	Due Within One Year \$ 6,351,144	Due After One Year  \$ 1,203,985
Claims <sup>1</sup>	Beginning Balance \$ 7,002,052 5,214,739	(Rest Additions \$ 7,661,536	Reductions  \$ 7,108,459 3,657,577	Ending Balance \$ 7,555,129 5,584,701	Due Within One Year  \$ 6,351,144 1,702,675	Stated)  Due After One Year  \$ 1,203,985 3,882,026
Claims <sup>1</sup> Lease obligations	Beginning Balance \$ 7,002,052 5,214,739	(Rest Additions  \$ 7,661,536 4,027,539	Reductions  \$ 7,108,459 3,657,577	Ending Balance \$ 7,555,129 5,584,701 379,736	Due Within One Year  \$ 6,351,144 1,702,675	Due After One Year \$ 1,203,985 3,882,026 308,039
Claims <sup>1</sup> Lease obligations Construction retainage	Beginning Balance \$ 7,002,052 5,214,739	(Rest Additions  \$ 7,661,536 4,027,539 - 15,000,000	Reductions  \$ 7,108,459 3,657,577	Ending Balance \$ 7,555,129 5,584,701 379,736 15,000,000	Due Within One Year  \$ 6,351,144 1,702,675	\$\text{stated}\$ Due After One Year  \$ 1,203,985 3,882,026 308,039 15,000,000
Claims <sup>1</sup> Lease obligations Construction retainage Net OPEB obligation <sup>2</sup>	Beginning Balance \$ 7,002,052 5,214,739 445,811	(Rest  Additions  \$ 7,661,536     4,027,539     -     15,000,000     63,387	Reductions  \$ 7,108,459 3,657,577	Ending Balance \$ 7,555,129 5,584,701 379,736 15,000,000 63,387	Due Within One Year  \$ 6,351,144 1,702,675	\$ 1,203,985 3,882,026 308,039 15,000,000 63,387

<sup>&</sup>lt;sup>1</sup>See Note 21 - Risk Management

<sup>&</sup>lt;sup>2</sup>See Note 10 - Post-Employment Benefits



#### 15. DERIVATIVES

In 2001, the Airports Authority began a risk management program to assist in managing the interest cost on outstanding and future debt for its Aviation Enterprise Fund. The Airports Authority has entered into a number of interest rate swap agreements (collectively, the Swap Agreements) to hedge against potential future increases in interest rates. All of the Airports Authority's Swap Agreements were entered into in connection with the planned issuance of variable rate debt and represent floating-to-fixed rate agreements. The Swap Agreements were written on a forward-starting basis to either hedge future new money bonds or to synthetically advance refund bonds that could not be advance refunded on a conventional basis because of their tax status.

Based on the Airports Authority's Swap Agreements, the Airports Authority owes interest calculated at a notional amount multiplied by a fixed rate to the counterparties. In return, the counterparties owe the Airports Authority interest, based on the notional amount multiplied by a variable rate equal to 72 percent of the 1-month London International Bank Offered Rate (LIBOR). The variable rate received from the counterparties is intended to closely correlate to the interest rate the Airports Authority pays on the underlying variable rate debt. Only the net difference in interest payments is actually exchanged with the counterparties, while the Airports Authority continues to pay interest to the bondholders at the variable rate provided by the bonds associated with the swap. During the term of each swap agreement, the Airports Authority pays or receives the difference between the fixed rate on the swaps and 72 percent of the 1-month LIBOR.

The chart below provides summary information with respect to the Airports Authority's Swap Agreements:

Trade	Effective		Ratings		Original	Outstanding		Outstanding Hedged		Termination	Fixed
Date	Date	Counterparty	Moody's/S&P/Fitch 1	No	otional Amount	Notional Amount		Series		Value 2	Rate
07/31/01	08/29/02	Merrill Lynch & Co., Inc.	A2/A/A+	\$	80,590,000	\$	55,550,000	2002C	\$	(7,874,294)	4.445%
06/15/06	10/01/09	J.P. Morgan Chase Bank	Aa1/AA-/AA-		190,000,000		187,070,833	2009A		(32,431,473)	4.099%
06/15/06	10/01/09	Bank of America, N.A.	Aa3/A+/A+		110,000,000		108,304,167	2009D/2010C2		(18,904,829)	4.099%
06/15/06	10/01/10	Wells Fargo Bank, N.A.	Aa2/AA/AA-		170,000,000		170,000,000	2010D		(30,333,346)	4.112%
05/13/05	10/01/11	Wells Fargo Bank, N.A.	Aa2/AA/AA-		125,000,000		-	-		(14,621,544)	3.862%
			Total	\$	675,590,000	\$	520,925,000	•	\$ (	(104,165,486)	

<sup>&</sup>lt;sup>1</sup> Long-term ratings as of December 31, 2010.

As shown in the table above, the Airports Authority had four live swap agreements associated with various series of variable rate debt (hedging derivative instruments), and one forward-starting swap agreement (investment derivative instrument) as of December 31, 2010.

## GASB 53, Accounting and Financial Reporting for Derivative Instruments

Beginning in 2008, the Airports Authority implemented GASB 53, Accounting and Financial Reporting for Derivative Instruments. According to GASB 53, all of the Aviation Enterprise's forward-starting swap transactions and those swap transactions associated with issued debt were determined to be ineffective in 2008 and are recognized at fair value on the Statements of Revenue, Expenses and Changes in Net Assets. GASB 53 requires that if a derivative instrument is found to be ineffective in the first reporting period, evaluation of effectiveness in subsequent reporting periods should not be performed. Therefore, since all of the Airports Authority's derivatives were found to be ineffective at the end of December 31, 2008, hedge accounting ceased permanently, and the changes in the value of the instruments are reported in the Statements of Revenue, Expenses and Changes in Net Assets as a fair value gain or (loss).

<sup>&</sup>lt;sup>2</sup> Amounts as of December 31, 2010; A negative value represents a payment by the Airports Authority to the counterparty if the swap is terminated in the current market; a positive value represents a receipt by the Airports Authority if the swap is unwound in the current market.







### **Derivative Fair Value Summary**

For the years ended December 31, 2010 and 2009, all of the Airports Authority's interest rate swaps were recognized on the Statements of Revenue, Expenses and Changes in Net Assets in liabilities at fair value. The fair value of the swap portfolio on December 31, 2010 and 2009 is a loss of \$104.2 million and \$69.2 million, respectively. This represents the maximum loss that would be recognized if all counterparties failed to perform as contracted. The change in fair value of the Airports Authority's swap portfolio in 2010 and 2009 is a fair value loss of \$35.0 million and a fair value gain of \$139.5 million, respectively. Changes in the fair value of the Airports Authority's swaps are recorded as fair value gains or losses on the Statements of Revenue, Expenses and Changes in Net Assets. In addition, net interest payments to the counterparties are recorded in the financial statements.

The fair value of the Airports Authority's Swaps as of December 31, 2010, and 2009 are as follows:

Effective		(	Outstanding Notional		Fa	ir Value as of	Fai	r Value as of	Ch	ange in Fair
Date	Counterparty		Amount	Maturity		12/31/2010	1	2/31/2009		Value
2002	Merrill Lynch & Co., Inc.	\$	55,550,000	2021	\$	(7,874,294)	\$	(6,922,472)	\$	(951,822)
2009	J.P. Morgan Chase Bank		187,070,833	2039		(32,431,473)		(24,258,893)		(8,172,580)
2009	Bank of America, N.A.		108,304,167	2039		(18,904,829)		(14,174,632)		(4,730,197)
2010	Wells Fargo Bank, N.A.		170,000,000	2040		(30,333,346)		(17,885,122)		(12,448,224)
	Total Hedging									_
	Derivative Instruments		520,925,000	_		(89,543,942)		(63,241,119)		(26,302,823)
2011	Wells Fargo Bank, N.A.		-	2039		(14,621,544)		(5,945,956)		(8,675,588)
	Total Investment									
	Derivative Instruments		-	_		(14,621,544)		(5,945,956)		(8,675,588)
	Total - All Derivative									
	Instruments	\$	520,925,000		\$	(104,165,486)	\$	(69,187,075)	\$	(34,978,411)

The change in fair value of the swap portfolio for 2010 was a loss of \$35.0 million. The change in fair value on swaps for 2009 was a gain of \$103.7 million. This gain resulted from a positive change in fair value of \$139.5 million less \$35.0 million in swap termination payments made on April 1, 2009 and the write-off of unamortized swap issuance costs of \$0.7 million. In connection with the issuance of the Series 2009B Airport System Revenue Bonds, the Airports Authority terminated three outstanding swaps with a notional amount of \$175.0 million for a total termination payment of \$35.0 million.

#### **Debt Derivative Rating**

Standard & Poor's (S&P) has assigned the Airports Authority an overall Debt Derivative Profile of '1' on a scale of '1' to '4' with '1' representing lowest risk and '4' representing the highest risk.

#### Risks

Credit Risk – The Airports Authority is exposed to the creditworthiness of the swap counterparties. To manage this risk, the Airports Authority will only enter into swap agreements with counterparties having a rating of at least 'A.'

The Airports Authority's Swap Agreements do not require the Airports Authority to post collateral for any reason. The counterparties to the Swaps are required to post collateral if their credit ratings fall below Aa3/AA,- but only if the fair values of the swaps are positive, or in the Airports Authority's favor. As of



December 31, 2010, all outstanding swap fair values are negative, or in the counterparty's favor, so no collateral has been posted.

The Airports Authority does not enter into any master netting agreements.

*Interest Rate Risk* - The Airports Authority is exposed to interest rate risk on its swaps. On its pay-fixed, receive-variable interest rate swaps, as LIBOR decreases, the Airports Authority's net payment on the swap increases.

Basis Risk - The Airports Authority may be exposed to basis risk when the payments received from a counterparty are not sufficient to completely offset the debt service payments on the underlying variable rate bonds. As of December 31, 2010, the weighted average interest rate on the Airports Authority's hedged variable-rate debt was 0.545 percent, and 72 percent of LIBOR was 0.188 percent.

Termination Risk - The Airports Authority or its counterparties may terminate a swap if the other party fails to perform under the terms of the contract. In the event that the swap is terminated prior to maturity, the Airports Authority may owe a make-whole termination payment to a counterparty or receive a termination payment from a counterparty that could be substantial.

*Market Access Risk* – The Airports Authority has one forward-starting swap with an effective date of October 1, 2011.

Tax Risk – The Airports Authority is exposed to the risk that future tax law changes or trading relationships may lead to an increase in the ratio of tax-exempt to taxable yields.

#### 16. CAPITAL DEBT

#### **Recent Bond Issues**

In May 2010, the Airports Authority's Dulles Corridor Enterprise Fund issued \$342.6 million of Dulles Toll Road Revenue Bonds, Series 2010. The Series 2010A Bonds were issued as Capital Appreciation Bonds for a par amount of \$54.8 million, the Series 2010B Bonds were issued as Convertible Capital Appreciation Bonds for a par amount of \$137.8 million, and the Series 2010D Bonds were issued as Current Interest Bonds (federally-taxable Build America Bonds) for a par amount of \$150.0 million. The proceeds of the bonds were used to pay a portion of the costs of the Dulles Metrorail Project, fund applicable debt service reserve fund requirements, and pay the cost of issuing the bonds.

In July 2010, the Airports Authority's Aviation Enterprise Fund issued \$348.4 million of non-Alternative Minimum Tax (AMT) Airport System Revenue Bonds, Series 2010A. The proceeds were used to refund a portion of the outstanding Commercial Paper (CP) Two Notes, refund certain non-AMT bonds as allowed for by the provisions of American the Recovery and Reinvestment Act (ARRA) through an Open Market Purchase (OMP) program, pay a portion of the costs of certain Capital Construction Program (CCP) projects, fund capitalized interest, fund applicable debt service reserve funds, and pay the cost of issuing the bonds. Also in July, the Airports Authority issued \$229.0 million of AMT Airport System Revenue Refunding Bonds, Series 2010B, to refund a portion of the Series 1998B and Series 1999A Airport System Revenue Bonds and to pay the cost of issuing the bonds.

In September 2010, the Airports Authority issued a total of \$170.0 million in Airport System Revenue Variable Rate Refunding Bonds. They were issued in two subseries – \$66.75 million of Series 2010C-1 AMT Bonds and \$103.25 million of Series 2010C-2 non-AMT Bonds (collectively, the Series 2010C Bonds). This issuance refunded a portion of the Series 2009A Airport System Revenue Bonds and a portion of the 2003D Airport System Revenue Bonds and paid the cost of issuing the bonds. A total of \$102.4 million of the Series



2010C-2 Bonds are hedged by the 2009 Swap Agreements. Also in September, \$170.0 million of non-AMT Airport System Revenue Variable Rate, Series Bonds 2010D, were issued as Index Floaters and are hedged by the 2010 Swap Agreement.

In November 2010, \$61.8 million of non-AMT Airport System Revenue Refunding Bonds, Series 2010F-1, were issued through an OMP program to refund certain outstanding AMT bonds and to pay the cost of issuing the bonds.

### **Ratings**

The Airports Authority's underlying ratings as of December 31, 2010 are depicted in the table below:

			Rating
Enterprise Fund	Mode	Lien Position	Moody's / S&P <sup>1</sup> / Fitch
Aviation	Fixed	Senior	Aa3 / AA- / AA
Aviation	Variable, CP <sup>2</sup>	Senior	P-1 / A-1+ / F1+
Aviation	Variable, VRDO <sup>3,4</sup>	Senior	Aa1/VMIG1 AAA/A-1+ AAA/F1+
Dulles Corridor	Fixed	First Senior	A2/A/NR
Dulles Corridor	Fixed	Second Senior	Baa1 / BBB+ / NR
Dulles Corridor	Fixed	Subordinate	Baa2 / BBB / NR

<sup>&</sup>lt;sup>1</sup> LBBW has requested that S&P withdraw their ratings on the CP One Notes and Series 2009A Bonds

#### **Interim Financing Instruments**

<u>Aviation Enterprise Fund's Commercial Paper Notes</u>. On May 2, 2001, the Airports Authority Board adopted Resolution No. 01-6 allowing the issuance of Commercial Paper Notes (CP Notes) for the Aviation Enterprise Fund in a not-to-exceed amount of \$500.0 million. The principal purpose of the CP Notes is to pay or provide for certain capital improvements at the Airports or to refund other forms of indebtedness principal and interest. The Airports Authority had two credit facilities in place as of December 31, 2010 and 2009 to support the issuance of up to \$345.0 million in CP Notes for the Aviation Enterprise Fund at any given time.

The CP Notes are structured as Short-term Demand Obligations under the Amended and Restated Eleventh Supplemental Indenture and the Twenty-second Supplemental Indenture. They are collateralized by certain pledged funds, including Net Revenues on parity with the bonds. They are further collateralized by irrevocable direct pay letter of credit (LoC) facilities. The Airports Authority's obligation to repay amounts drawn under such LoCs is collateralized by a promissory note issued by the Airports Authority to each provider.

The CP Notes are issued in two series:

<u>Series One CP Notes.</u> The issuance of up to \$220 million of the Series One CP Notes was authorized in 2004, and amended in 2005, 2007 and 2010. As noted above, the Series One CP Notes are further collateralized by an irrevocable direct pay LoC issued by JP Morgan Chase Bank, which expires in March 2014. As of December 31, 2010, \$20.0 million of the Series One CP Notes was outstanding. The proceeds are being used to provide interim financing for authorized projects at Reagan National and Dulles International Airports.

<sup>&</sup>lt;sup>2</sup> Includes CP One and Two Notes

<sup>&</sup>lt;sup>3</sup> Includes Series 2002C, 2003D, 2009A, 2009D, and 2010C Bonds

<sup>&</sup>lt;sup>4</sup> Joint Default Analysis with Moody's, Joint Criteria Rating with S&P, Dual Party Pay Criteria with Fitch



The weighted average interest rate on the Series One CP Notes as of December 31, 2010 was 0.34 % on subseries A-2.

<u>Series Two CP Notes</u>. The issuance of up to \$125 million of Series Two CP Notes was authorized in 2005 and amended in 2007 and 2009. The Notes are further collateralized by an irrevocable direct pay LoC issued by Landesbank Baden-Wurttemberg (LBBW), acting through its New York Branch. The LOC expires in December 2015. As of December 31, 2010, the Airports Authority had \$38.5 million Series Two CP Notes outstanding. The weighted average interest rate on the Series Two CP Notes as of December 31, 2010 was 0.38% on sub-series A-1 and 0.52% on sub-series C.

#### Changes in Commercial Paper Notes Balances

	Series One	Series Two	Total	
Balance as of December 31, 2008	\$ 150,000,000	\$ 67,500,000	\$ 217,500,000	
Commercial Paper Notes Refunded	(130,000,000)	(67,500,000)	(197,500,000)	
Commercial Paper Notes Issued	70,000,000	125,000,000	195,000,000	
Balance as of December 31, 2009	90,000,000	125,000,000	215,000,000	
Commercial Paper Notes Refunded	(130,000,000)	(86,500,000)	(216,500,000)	
Commercial Paper Notes Issued	60,000,000		60,000,000	
Balance as of December 31, 2010	\$ 20,000,000	\$ 38,500,000	\$ 58,500,000	

Aviation Enterprise Fund's Passenger Facility Charge Bank Participation Notes. The Airports Authority issued Flexible Term Passenger Facility Charge (PFC) Revenue Notes (Bank Participation Notes) to finance PFC approved projects, of which \$432.0 million were outstanding as of December 31, 2008. On July 2, 2009, proceeds from Airport System Revenue Bonds Series 2009C-D were used to refund the \$432.0 million Flexible Term PFC Revenue Notes. The Notes were backed by a Bank of America, N.A. letter of credit that would have expired on November 16, 2010, but was terminated concurrent with the refunding. Total interest cost for the year ended December 31, 2009 was \$3.5 million.

<u>Dulles Corridor Enterprise Fund's Bond Anticipation Note.</u> On November 1, 2008, the Airports Authority received \$150.0 million in proceeds from a Bond Anticipation Note (BAN) with Bank of America. The proceeds were used to fund a portion of the Dulles Metrorail Project – Phase 1. The BAN was refunded with proceeds from the DTR Revenue Bonds Series 2009 on August 12, 2009.

#### **Bonds Payable**

Aviation Enterprise Fund. A Master Indenture of Trust was created in 1990 to secure Airport System Revenue Bonds issued by the Aviation Enterprise of the Airports Authority. This Master Indenture was amended effective September 1, 2001, to in part, change the definition of Annual Debt Service to accommodate the issuance of secured commercial paper, to permit the Airports Authority to release certain revenues from the definition of revenues, and to expand the list of permitted investments to include new, safe investment vehicles designed to increase the return on the Airports Authority investments. Under this amended Master Indenture, all bonds are collateralized by a pledge of Net Revenues of the Airports Authority which is "senior" to the "subordinated" pledge given by the Airports Authority in connection with the issuance of its bonds prior to 1990.









The Aviation Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2010 and 2009 were as follows:

## BONDS PAYABLE – AVIATION ENTERPRISE FUND

			Is sue Date	Interest Rates	Maturing on October 1	Outstanding at 2010	December 31 2009	
G : 1	1000D	n enclini	06/15/00					
Series 1	1998B	Revenue & Refunding Bonds Term	06/15/98	5.000%	2028	\$ 30,210,000		
						30,210,000	\$ 198,005,0	00
Series 1	1999A	Revenue Refunding Bonds	04/15/99					
							86,830,0	00
Series 2	2001A	Revenue Bonds	04/01/01				, ,	
		Serial		4.375%-5.200%	2011-2022	104,960,000		
		Term		5.500%	2027	67,190,000		
		Term		5.000%	2031	67,820,000 239,970,000	246,115,0	00
Series 2	2001B	Revenue Bonds	04/01/01			,,	-, -,-	
		Serial		4.125%-4.750%	2011-2017	2,615,000		
		Term		5.000%	2021	1,920,000		
		Term		5.000%	2026	3,005,000		
		Term		5.000%	2031	3,830,000	11.605.0	
Series 2	2002 A	Revenue Bonds	06/04/02			11,370,000	11,685,0	00
Series 2	2002/1	Serial	00/01/02	4.400%-5.750%	2011-2022	77,625,000		
		Term		5.125%	2026	38,780,000		
		Term		5.250%	2032	75,075,000		
						191,480,000	195,980,0	00
Series 2	2002B	Revenue Bonds	06/04/02					
		Serial		4.200%-4.300%	2011-2012	1,275,000 1,275,000	1 975 0	.00
Series 2	2002C	Refunding Bonds	08/28/02			1,273,000	1,875,0	00
501105 2	20020	Term	00, 20, 02	Variable	2011-2021	182,270,000		
						182,270,000	194,650,0	00
Series 2	2002D	Refunding Bonds	08/28/02					
		Serial		4.000%-5.375%	2011-2020	29,610,000		
		Term Term		5.000% 5.000%	2023 2032	12,270,000 49,685,000		
		Term		3.00076	2032	91,565,000	93,845,0	00
Series 2	2003A	Revenue & Refunding Bonds	10/01/03			71,505,000	75,015,0	00
		Serial		4.000%-5.500%	2011-2025	83,850,000		
		Term		5.125%	2029	34,935,000		
		Term		5.000%	2033	42,590,000		
G : 2	3002D	Defending Dende	10/01/02			161,375,000	165,140,0	00
Series 2	2003B	Refunding Bonds Serial	10/01/03	3.700%-5.250%	2011-2019	29,075,000		
		Schar		3.70070-3.23070	2011-2017	29,075,000	31,695,0	00
Series 2	2003C	Revenue & Refunding Bonds	10/01/03					
		Serial		4.860%-5.390%	2011-2015	12,770,000		
		Term		5.740%	2019	12,935,000		
		Term		6.000%	2023	12,880,000	40.800.0	.00
Series 2	2003D	Revenue Bonds	10/01/03			38,585,000	40,800,0	00
Series 2	200315	Term	10/01/03	Variable	2011-2033	66,350,000		
						66,350,000	135,425,0	00
Series 2	2004A	Refunding Bonds	08/26/04					
		Term		3.750%	2014	40,000		
		Serial		4.50%-5.000%	2015-2022	13,510,000	12.5(0.0	.00
Series 2	2004B	Revenue Bonds	05/18/04			13,550,000	13,560,0	UU
Series 2	LUUTD	Serial	03/10/04	5.000%	2027	25,000,000		
		Serial		5.050%	2028	7,330,000		
		Term		5.000%	2034	212,670,000		
						245,000,000	250,000,0	00
Series 2	2004C-1	Refunding Bonds	07/07/04	5.00007	2020 2021	21 200 000		
		Serial		5.000%	2020-2021	31,300,000 31,300,000	56,000,0	00
						31,300,000	56,900,0	UU



## BONDS PAYABLE - AVIATION ENTERPRISE FUND (continued)

			Is sue Date	Interest Rates	Maturing on October 1	Outstanding at D 2010	ecember 31 2009
			<u> </u>	Tutes	October 1	2010	2005
Series	2004C-2	Revenue Bonds	08/12/04				
		Term		5.000%	2022	32,505,000	
		Serial		5.000%	2023-2024	61,690,000	00 20 5 000
C	2004D	D.C E D I.	00/26/04			94,195,000	99,295,000
Series	2004D	Refunding Bonds Serial	08/26/04	4.100%-5.250%	2010-2019	184,875,000	
		Schai		4.100/0-3.230/0	2010-2019	184,875,000	201,885,000
Series	2005A	Revenue Bonds	04/12/05			101,075,000	201,000,000
		Serial		3.750%-5.250%	2011-2020	100,380,000	
		Term		4.750%	2035	22,290,000	
		Term		5.000%	2035	149,740,000	
						272,410,000	290,440,000
Series	2005B	Refunding Bonds	04/12/05				
		Serial		3.500%-5.250%	2011-2020	19,775,000	
_						19,775,000	19,775,000
Series	2005C	Revenue Bonds	04/12/05	5.5000/	2025	0.215.000	
		Serial Serial		5.590%	2025 2030	8,315,000	
		Serial		5.690% 5.730%	2035	9,350,000 12,335,000	
		Schai		5.75070		30,000,000	30,000,000
Series	2005D	Revenue Bonds	10/12/05			30,000,000	50,000,000
		Serial		5.000%	2021-2023	7,650,000	
					_	7,650,000	8,980,000
Series	2006A	Revenue Bonds	01/25/06				
		Serial		4.750%	2030	12,500,000	
		Term		5.000%	2032	81,555,000	
		Term		5.000%	2035	150,945,000 245,000,000	300,000,000
Series	2006B	Revenue Bonds	12/06/06			243,000,000	300,000,000
Series	2000B	Serial Serial	12/00/00	4.550%	2031	59,020,000	
		Serial		5.000%	2032	37,030,000	
		Term		5.000%	2036	279,270,000	
					_	375,320,000	400,000,000
Series	2006C	Refunding Bonds	12/06/06	2.7500/ 5.0000/	2011 2026	25.150.000	
		Serial		3.750%-5.000%	2011-2026	25,170,000	
		Term		4.375%	2032	11,595,000 36,765,000	37,325,000
Series	2007.4	Refunding Bonds	07/03/07			30,703,000	37,323,000
Series	2007A	Serial	07/03/07	4.750%-5.000%	2011-2023	142,540,000	
		501.111		,20,0 2.000,0		142,540,000	150,205,000
Series	2007B	Revenue Bonds	09/27/07			, ,	, ,
		Serial		4.000%-5.000%	2011-2027	362,875,000	
		Serial		4.750%	2032	1,150,000	
		Term		5.000%	2032	67,225,000	
		Term		5.000%	2035	13,420,000	500 070 000
						444,670,000	508,870,000
Series	2008A	Revenue Bonds	06/24/08				
		Serial		4.100%-5.750%	2012-2029	229,965,000	
						229,965,000	250,000,000
Series	2000 4	Revenue Bonds	04/01/09				
Series	2007A	Term	04/01/09	Variable	2011-2039	58,295,000	
					_	58,295,000	163,175,000
Series	2009B	Revenue Bonds	04/01/09				
		Serial		3.000%-5.250%	2011-2026	171,245,000	
		Term		5.000%	2029	31,450,000	
		Term		5.000%	2029	31,455,000	226.025.000
						234,150,000	236,825,000









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## BONDS PAYABLE - AVIATION ENTERPRISE FUND (continued)

			Issue	Interest	Maturing on	Outstanding at De	cember 31
			Date	Rates	October 1	2010	2009
Series	2009C	Revenue Bonds	07/02/09				
		Serial		3.000%-5.125%	2011-2031	176,905,000	
		Term		5.125%	2034	43,405,000	
		Term		5.125%	2039	34,125,000	
		Term		5.625%	2039	55,000,000	
						309,435,000	314,435,000
Series	2009D	Revenue Bonds	07/02/09				
Belles	2007D	Term	01/02/07	Variable	2011-2039	134,715,000	
						134,715,000	136,825,000
C	2010A	Revenue Bonds	07/28/10				
Senes	2010A	Serial	07/28/10	3.000%-5.000%	2011-2030	206,490,000	
		Term		4.625%	2035	5,100,000	
		Term		5.000%	2035	87,305,000	
		Term		5.000%	2039	49,505,000	
		20		2.00070	2007	348,400,000	_
						, ,	
Series	2010B	Revenue Refunding Bonds	07/28/10				
		Serial		3.000%-5.000%	2011-2030	229,005,000	
						229,005,000	-
Series	2010C	Revenue Refunding Bonds	09/22/10				
		Term		Variable	2033	66,750,000	
		Term		Variable	2039	103,250,000	
						170,000,000	-
Series	2010D	Revenue Bonds	09/22/10				
		Term		Variable	2040	170,000,000	
						170,000,000	-
Series	2010F-1	Revenue Refunding Bonds	11/17/10				
Berres	20101 1	Serial	11/1//10	3.410%-4.500%	2020-2031	61,820,000	
						61,820,000	-
						5,132,360,000	4,870,540,000
	Less una	mortized discount/premium				29,267,180	20,469,311
		iation Enterprise Senior Debt				\$5,161,627,180	\$4,891,009,311
		•					



Changes to the Aviation Enterprise Fund's Bonds Payable balances during 2010 and 2009 were as follows:

Balance as of December 31, 200	8		\$ 4,127,965,779
Bonds issued			
Series 2009A	Revenue Bonds	163,175,000	
Series 2009B	Revenue Bonds	236,825,000	
Series 2009C	Revenue Bonds	314,435,000	
Series 2009D	Revenue Bonds	136,825,000	
	<del>-</del>		851,260,000
Principal payments			(90,475,000)
Change in unamortized discount/p	oremium, net		 2,258,532
Balance as of December 31, 200	9		4,891,009,311
Bonds issued			
Series 2010A	Revenue Bonds	348,400,000	
Series 2010B	Revenue Refunding Bonds	229,005,000	
Series 2010C	Revenue Refunding Bonds	170,000,000	
Series 2010D	Revenue Bonds	170,000,000	
Series 2010F-1	Revenue Refunding Bonds	61,820,000	
	_		979,225,000
Bonds refunded			
Series 1998B	Revenue & Refunding Bonds	(157,615,000)	
Series 1999A	Revenue Refunding Bonds	(85,195,000)	
Series 2003D	Revenue Bonds	(66,175,000)	
Series 2004B	Revenue Bonds	(5,000,000)	
Series 2004C	Revenue Bonds	(30,600,000)	
Series 2004D	Refunding Bonds	(1,010,000)	
Series 2005A	Revenue Bonds	(9,715,000)	
Series 2006A	Revenue Bonds	(55,000,000)	
Series 2006B	Revenue Bonds	(24,680,000)	
Series 2007B	Revenue Bonds	(52,885,000)	
Series 2008A	Revenue Bonds	(20,035,000)	
Series 2009A	Revenue Bonds	(102,365,000)	
			(610,275,000)
Principal payments			(107,130,000)
Change in unamortized discount/p			 8,797,869
Balance as of December 31, 201	0		\$ 5,161,627,180
Balance as of December 31, 201			\$ 119,210,000
Balance as of December 31, 201	_		 5,042,417,180
Total Aviation Enterprise Fund So	enior Debt		\$ 5,161,627,180







<u>Dulles Corridor Enterprise Fund.</u> In August of 2009, a Master Indenture of Trust was created to secure Dulles Toll Road Revenue Bonds issued by the Dulles Corridor Enterprise of the Airports Authority. Under this Master Indenture, all bonds are secured by a pledge of the Toll Road Revenues derived by the Airports Authority from the operation of the DTR. The pledge of the Toll Road Revenues securing the Series 2009A Bonds (First Senior Lien), however, is senior to the pledge to Toll Road Revenues securing the Series 2009B-C-D Bonds and Series 2010A-B Bonds (Second Senior Lien). Following the Second Senior Lien pledge are the bonds that were issued on a Subordinate Lien, the Series 2010D Bonds.

The Dulles Corridor Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2010 and 2009 were as follows:

		Issue Date	Interest Rates	Maturing on October 1	Outstanding a 2010	at December 31 2009
Series 2009A	Revenue Bonds CIBs Term CIBs Term CIBs Term	08/12/09	5.125% 5.000% 5.250%	2032 2039 2044	\$ 22,140,000 89,735,000 86,125,000 198,000,000	\$ 198,000,000
Series 2009B	Revenue Bonds CABs	08/12/09	3.500%-7.910%	2012-2040	225,791,875 225,791,875	212,127,142
Series 2009C	Revenue Bonds Convertible CABs	08/12/09	6.500%	2038-2041	172,929,224 172,929,224	162,212,627
Series 2009D	Revenue Bonds Build America Bonds	08/12/09	7.462%	2045-2046	400,000,000	400,000,000
Series 2010A	Revenue Bonds CABs Term	05/27/10	6.625%	2029-2037	56,986,071 56,986,071	
Series 2010B	Revenue Bonds Convertible CABs Term	05/27/10	6.500%	2040-2044	143,160,825 143,160,825	
Series 2010D	Revenue Bonds Build America Bonds	05/27/10	8.000%	2042-2047	150,000,000 150,000,000	
*	ess) unamortized discount/p ulles Corridor Enterprise Fo				1,346,867,995 (5,151,469) \$ 1,341,716,526	972,339,769 (5,224,888) \$ 967,114,881



Changes to the Dulles Corridor Enterprise Fund's Bonds Payable balances during 2010 and 2009 were as follows:

Balance as of Dec	\$	-			
Bonds issued					
Series	2009A	Revenue Bonds	198,000,000		
Series	2009B	Revenue Bonds	207,056,688		
Series	2009C	Revenue Bonds	158,234,960		
Series	2009D	Revenue Bonds	400,000,000		
				9	63,291,648
Change in accretion	on of Cap	ital Appreciation Bonds			9,048,120
Change in unamor	tized (dis	count) or premium, net			(5,224,887)
Balance as of Dec	cember 3	1, 2009		9	67,114,881
Bonds issued Series Series Series	2010A 2010B 2010D	Revenue Bonds Revenue Bonds Revenue Bonds	54,813,219 137,801,650 150,000,000	3	42,614,869
Change in accretic Change in unamor Balance as of Dec		31,913,358 73,418 41,716,526			
Balance as of Dec Balance as of Dec Total Dulles Corri		41,716,526 41,716,526			

#### **Insurers**

The Airports Authority reviews each bond sale to determine if there is value in providing investors municipal bond insurance. As of December 31, 2010, the Airports Authority's Aviation Enterprise Fund had \$3.3 billion or 63.5% of its bonds insured by American Municipal Bond Assurance Corporation (Ambac), Berkshire Hathaway (BHAC), Financial Guaranty Insurance Company (FGIC), National Public Finance Guarantee Corporation, previously known as Municipal Bond Investors Assurance Corporation (MBIA), Financial Security Assurance (FSA), and Syncora Guarantee, previously known as XL Capital Assurance (XL). As of December 31, 2010, the Airports Authority's Dulles Corridor Enterprise Fund had \$337.8 million or 28.2% of its bonds insured by one insurance provider, Assured Guaranty (AG).







The following tables depict the Airports Authority's insured debt for each Enterprise Fund:

## **Aviation Enterprise Fund**

	Amount Insured		Percent of Total
Insurer	at December 31, 2010		Debt Outstanding
Ambac	\$	594,860,000	11.5%
Berkshire Hathaway		112,200,000	2.2%
FGIC		833,875,000	16.2%
MBIA		782,600,000	15.2%
FSA		889,330,000	17.2%
XL		66,350,000	1.3%
	\$	3,279,215,000	63.5%

## **Dulles Corridor Enterprise Fund**

	Amount Insured	Percent of Total
Insurer	at December 31, 2010	Debt Outstanding
Assured Guaranty	\$ 377,806,203	28.2%

## **Maturities and Sinking Fund Requirements**

The following is a summary of the maturities and sinking fund requirements, not including any unamortized discount or premium. Scheduled principal payments on long term bonds are due annually on October 1.

## **Aviation Enterprise Fund Senior Debt**

		Total
Principal	Interest	Debt Service
\$ 119,210,000	\$ 250,197,051	\$ 369,407,051
133,590,000	245,187,025	378,777,025
140,240,000	238,907,659	379,147,659
148,090,000	232,101,094	380,191,094
866,815,000	1,044,675,785	1,911,490,785
960,260,000	813,385,103	1,773,645,103
917,255,000	572,513,587	1,489,768,587
1,249,015,000	316,061,540	1,565,076,540
536,195,000	59,415,893	595,610,893
\$ 5,070,670,000	\$ 3,772,444,737	\$ 8,843,114,737
	\$ 119,210,000 133,590,000 140,240,000 148,090,000 866,815,000 960,260,000 917,255,000 1,249,015,000 536,195,000	\$ 119,210,000 \$ 250,197,051 133,590,000 245,187,025 140,240,000 238,907,659 148,090,000 232,101,094 866,815,000 1,044,675,785 960,260,000 813,385,103 917,255,000 572,513,587 1,249,015,000 316,061,540 536,195,000 59,415,893



# **Dulles Corridor Enterprise Fund Senior Debt**

Year Ending			Total	
December 31	Principal	Interest	Debt Service	
2011	\$ -	\$ 51,990,987	\$ 51,990,987	
2012	6,027,867	51,990,987	58,018,854	
2013	9,526,408	51,990,988	61,517,396	
2014	4,454,340	51,990,987	56,445,327	
2015-2019	33,899,969	323,936,063	357,836,032	
2020-2024	32,952,280	417,506,812	450,459,092	
2025-2029	34,642,899	417,506,815	452,149,714	
2030-2034	95,513,063	414,003,044	509,516,107	
Thereafter	929,704,273	734,137,411	1,663,841,684	
	\$ 1,146,721,099	\$ 2,515,054,094	\$ 3,661,775,193	



## 17. NET ASSETS

Net assets consisted of the following:

8						
		As	of D	December 31, 20	010	
		Aviation	D	ulles Corridor	To	otal Business-
		Enterprise		Enterprise	T	ype Activities
Invested in capital assets, net of related debt:						
Capital assets	\$	6,981,775,720	\$	1,399,278,172	\$	8,381,053,892
Less: accumulated depreciation	(	(1,877,949,547)		(552,991)	(	(1,878,502,538)
Less: current liabilities from capital acquisitions		(34,920,891)		(105,935,789)		(140,856,680)
Less: non-current liabilties from capital acquisitions		-		(15,369,981)		(15,369,981)
Less: outstanding principal of capital-related debt	(	(4,630,123,136)		(790,001,098)	(	(5,420,124,234)
Invested in capital assets, net of related debt	\$ 438,782,146		\$	487,418,313	\$	926,200,459
		Λε	of F	December 31, 20	)1 <u>0</u>	
		Aviation		ulles Corridor		otal Business-
		Enterprise	D	Enterprise		ype Activities
Restricted assets:		Enterprise		Enterprise		ype retivities
Current portion of restricted assets	\$	212,350,954	\$	118,933,536	\$	331,284,490
Non-current portion of restricted assets	_	492,318,824	_	869,974,181	_	1,362,293,005
Less: current liabilities payable from restricted assets		(58,220,062)		(12,997,747)		(71,217,809)
Less: non-current liabilities payable from restricted assets		(104,952,566)		-		(104,952,566)
Less: debt related to unspent bond proceeds		(477,206,960)		(511,351,476)		(988,558,436)
Restricted net assets	\$	64,290,190	\$	464,558,494	\$	528,848,684
		Δς	of F	December 31, 20	)1 <u>0</u>	
			ulles Corridor		otal Business-	
		Enterprise		Enterprise		ype Activities
Unrestricted assets:		шингрия		шингрияс		jpe i ie eivines
Current portion of unrestricted assets	\$	325,678,171	\$	42,991,683	\$	368,669,854
Non-current portion of unrestricted assets	-	233,418,142		40,363,951		273,782,093
Less: current liabilities payable from unrestricted assets		(58,224,020)		(3,418,400)		(61,642,420)
Less: non-current liabilities payable from unrestricted assets		(4,094,691)		(6,018)		(4,100,709)
Less: debt related to unspent bond proceeds		(112,797,084)		(40,363,952)		(153,161,036)
• •		· /-				· · · · · · · · · · · · · · · · · · ·
Unrestricted net assets	\$	383,980,518	\$	39,567,264	\$	423,547,782



	As of December 31, 2009 - Restated			
	Aviation	Dulles Corridor	Total Business-	
	Enterprise	Enterprise	Type Activities	
Invested in capital assets, net of related debt:	-	•		
Capital assets	\$ 6,755,461,104	\$ 750,787,404	\$ 7,506,248,508	
Less: accumulated depreciation	(1,670,334,454)	(177,366)	(1,670,511,820)	
Less: current liabilities from capital acquisitions	(36,271,474)	(41,980,025)	(78,251,499)	
Less: non-current liabilties from capital acquisitions	-	(15,346,169)	(15,346,169)	
Less: outstanding principal of capital-related debt	(4,550,245,320)	(310,060,658)	(4,860,305,978)	
Invested in capital assets, net of related debt	\$ 498,609,856	\$ 383,223,186	\$ 881,833,042	
	As of D	ecember 31, 2009 -	Restated	
	Aviation	Dulles Corridor	Total Business-	
	Enterprise	Enterprise	Type Activities	
Restricted assets:	•	•		
Current portion of restricted assets	\$ 201,061,795	\$ 57,421,032	\$ 258,482,827	
Non-current portion of restricted assets	473,861,139	825,790,346	1,299,651,485	
Less: current liabilities payable from restricted assets	(57,660,319)	(15,441,006)	(73,101,325)	
Less: non-current liabilities payable from restricted assets	(69,980,316)	-	(69,980,316)	
Less: debt related to unspent bond proceeds	(461,719,065)	(617,790,098)	(1,079,509,163)	
Restricted net assets	\$ 85,563,234	\$ 249,980,274	\$ 335,543,508	
	As of D	ecember 31, 2009 -	Restated	
	Aviation	Dulles Corridor	Total Business-	
	Enterprise	Enterprise	Type Activities	
Unrestricted assets:				
Current portion of unrestricted assets	\$ 363,851,610	\$ 33,261,250	\$ 397,112,860	
Non-current portion of unrestricted assets	152,353,760	39,331,071	191,684,831	
Less: current liabilities payable from unrestricted assets	(61,061,037)	(10,712,439)	(71,773,476)	
Less: non-current liabilities payable from unrestricted assets	(5,105,570)	(5,698)	(5,111,268)	
Less: debt related to unspent bond proceeds	(94,044,926)	(39,264,125)	(133,309,051)	
Unrestricted net assets	\$ 355,993,837	\$ 22,610,059	\$ 378,603,896	

#### 18. GOVERNMENT GRANTS

The Airports Authority receives, on a cost-reimbursement basis, grants from the United States government, the Commonwealth of Virginia, and other local grantors for certain operating and capital construction programs. As a recipient of federal and state financial assistance, the Airports Authority is responsible for maintaining an internal control structure that ensures compliance with all laws and regulations related to these programs. All grant expenditures are subject to financial and compliance audits by the grantors as well as during the Airports Authority's annual Office of Management and Budget (OMB) A-133 Single Audit process. The Airports Authority estimates that no material disallowances will result from any such audits.







Government grants recorded by the Airports Authority during the years ended December 31, 2010 and 2009 totaled \$369.9 and \$350.0 million, respectively. In fiscal years 2010 and 2009, the Airports Authority recognized federal, state and local grants for operating and capital programs as summarized below:

### **Operating Programs**

The Law Enforcement Officer Reimbursement Program, which is recorded as Operating Revenue, offsets expenses incurred by the Airports Authority's Public Safety personnel serving a support role to the Transportation Security Administration (TSA). Explosives detection funds are used to offset the expense of training and caring for canines used in explosives detection. The Drug Enforcement Agency (DEA) Drug Seizures Program and the U.S. Customs (Customs) Drug Seizures Program are collaborative efforts between the Agencies and the Airports Authority's police department wherein both entities share in the proceeds from the sale of confiscated items. The Airports Authority's proceeds may only be used for certain types of expenses defined by the DEA and Customs. In 2010, the Airports Authority submitted a claim for reimbursement to Federal Emergency Management Agency (FEMA) for snow removal costs incurred during the December 2009 and February 2010 severe weather/snow emergencies for the Dulles Toll Road.

	Award Recognized		Award	
	Year Ende	Remaining		
Grants in Support of Operations	2010	2009	Dec. 31, 2010	
Operating Revenue - Passenger Fees				
TSA - Law Enforcement Officer Reimbursement Program	\$ 1,248,430	\$ 1,259,953	\$ 2,570,105	
Grants recognized as operating revenues	1,248,430	1,259,953	2,570,105	
Federal Grants				
TSA - National Explosive Detection Canine Team Program	396,645	654,355	1,501,500	
FEMA - Disaster Relief and Emergency Assistance Program	672,275	1,537	-	
Customs - Drug Seizure Program	365,517	141,210	N/A	
DEA - Drug Seizure Program	354,179	238,256	N/A	
Department of Justice - Presidential inaugural activities	-	103,051	-	
Department of Interior - Presidential inaugural activities	-	15,416	-	
State Grant				
Commonwealth of Virginia - Drug Seizure Program	53,792	217,426	N/A	
Local Grants				
Arlington County - HIDTA Task Force	21,546	43,902	N/A	
Fairfax County - IMT support EOC	1,063	-	N/A	
Grants recognized as non-operating revenues	1,865,017	1,415,153	1,501,500	
Total federal, state, and local grants in support of operations	\$ 3,113,447	\$ 2,675,106	\$ 4,071,605	

## **Capital Programs**

The Airports Authority Dulles Corridor Enterprise Fund receives grants in support of its Dulles Metrorail Project. The Federal Transit Authority (FTA) is the primary grantor, with total federal New Starts funding commitments for the project totaling \$900 million. The state and local funding sources for the Dulles Corridor Metrorail Project include transportation bonds issued by the Commonwealth of Virginia and a Fairfax County transportation improvement district property tax. In addition, the Virginia Transportation Act of 2000 dedicated \$75 million to the project from Surface Transportation Program (STP) funds. In 2009, USDOT allocated \$77.26 million in ARRA funding to the project. These funds replace Section 5309 funds that are scheduled to be received in the final year (2016) of the FFGA. As of December 17, 2009, the ARRA grant was fully drawn down by the Airports Authority. While the ARRA grant is fully expended, the grant will not be closed out until the local match requirement has been met. The FTA deferred the local match requirement under the terms and conditions of the grant until three years after July 1, 2009 (July 1, 2012); that deadline may be extended at the FTA's discretion.



The Airports Authority Aviation Enterprise Fund receives federal and state grants in support of its construction program. The federal programs, primarily through the FAA's Airport Improvement Program (AIP), including annual entitlement grants, provide funding for airport development, airport planning, and noise compatibility programs from the Airports and Airways Trust Funds in the form of entitlement and discretionary grants for eligible projects. In addition, the Airports Authority received funds from the ARRA to fund the rehabilitation of Runway 1C/19C at Dulles International. The Commonwealth also provides discretionary funds for capital programs. The Airports Authority also participated in a pilot program with the TSA designed to improve the effectiveness of the TSA's baggage screening process. Current projects from the TSA include ARRA funds to install new closed circuit television cameras and provide enhancements to the east and west baggage in-line explosive detection system.

Year Ended Dec. 31,         Remaining           Grants in Support of Capital Programs         2010         2009         Dec. 31, 2010           Federal Grants           Federal Aviation Administration           AIP - 4th runway         \$ 10,662,414         \$ 3,798,520         \$ 75,662,414           AIP - Runway rehabilitation 1C/19C         1,761,909         -         -           ARRA - Runway rehabilitation 1C/19C         4,003,501         14,345,894         -           AIP - Reconstruction of south taxiway Z         1,307,039         -         292,961	l Award
Federal Grants Federal Aviation Administration  AIP - 4th runway \$ 10,662,414 \$ 3,798,520 \$ 75,662,414  AIP - Runway rehabilitation 1C/19C 1,761,909	l, Remaining
Federal Aviation Administration  AIP - 4th runway \$ 10,662,414 \$ 3,798,520 \$ 75,662,414  AIP - Runway rehabilitation 1C/19C 1,761,909	09 Dec. 31, 2010
AIP - 4th runway \$ 10,662,414 \$ 3,798,520 \$ 75,662,414  AIP - Runway rehabilitation 1C/19C 1,761,909  ARRA - Runway rehabilitation 1C/19C 4,003,501 14,345,894 -	
AIP - Runway rehabilitation 1C/19C 1,761,909 ARRA - Runway rehabilitation 1C/19C 4,003,501 14,345,894 -	
ARRA - Runway rehabilitation 1C/19C 4,003,501 14,345,894 -	98,520 \$ 75,662,414
	-
AID Reconstruction of south taxing 7 1 307 030 200 061	- 45,894
ATI - Reconstruction of south taxiway Z 1,307,037 - 292,901	- 292,961
AIP - Runway safety area improvement 291,136 133,667 -	.33,667 -
AIP - Improve Runway 1/19 Safety Area (Phase 3) 200,079 - 4,133,344	- 4,133,344
AIP - Rehabilitate taxiways F, J, K, M, N, S and ramp 1 6,157,421 -	-
Transportation Security Administration	
ARRA Closed circuit television camera installation 4,263,051 386,285 7,105,838	886,285 7,105,838
Under vehicle inspection system - Gatekeeper - 7,500 -	7,500 -
Airport perimeter security 1,066,885 - 42,270	- 42,270
In-Line Baggage EDS project 15,728,462 3,392,780 18,649,973	92,780 18,649,973
ARRA In-Line Baggage EDS project 14,397,631 94,241 139,508,128	94,241 139,508,128
Federal Transit Administration	
FFGA - Dulles Corridor Metrorail Project 104,271,906 115,115,293 511,771,796	15,293 511,771,796
ARRA - Dulles Corridor Metrorail Project - 77,260,000 -	- 260,000
STP - Dulles Metrorail Project 47,218,109 - 27,781,891	- 27,781,891
Internal Revenue Service	
IRS - Build America Bonds Interest Subsidy 12,909,695 4,067,398 N/A	)67,398 N/A
State Grants	
VA Department of Aviation - In-Line Baggage / People Mover 2,000,000 2,666,667 666,667	666,667 666,667
VA Transportation Bonds - Dulles Corridor Metrorail Project 51,400,000 50,000,000 -	- 000,000
Local Grant	
Fairfax County - Dulles Corridor Metrorail Project 89,193,619 76,021,168 234,785,213	234,785,213
Total federal, state, and local grants in support of capital programs \$366,832,857 \$347,289,413 \$1,020,400,495	\$ 1,020,400,495

#### 19. PASSENGER FACILITY CHARGES

As of December 31, 2010, the Federal Aviation Administration (FAA) has approved nine Passenger Facility Charge (PFC) applications for a total authority of \$3.0 billion for the Airports Authority's Aviation Enterprise Fund. Each PFC application is approved by individual airport. However, PFC fees may be imposed at one airport and used for approved projects at either airport. PFC activity for 2009 and 2010 was as follows:



	Reagan National	Dulles International	Total
Total Applications	\$ 600,053,032	\$ 2,442,654,150	\$ 3,042,707,182
PFC Revenue 2009	\$ 34,912,611	\$ 43,608,153	\$ 78,520,764
PFC Revenue 2010	\$ 36,154,641	\$ 43,933,709	\$ 80,088,350
PFC Revenue Received Through 12/31/10	\$ 459,314,751	\$ 534,337,760	\$ 993,652,511
Estimated Final Collection Date	March 1, 2015	December 31, 2038	

A portion of future PFC collections has been pledged towards future debt service, with \$60.0 million pledged towards debt service payments in 2011 and \$35.0 million pledged annually toward debt service payments during the years 2012-2038.

In accordance with the regulations, based on the approval date from the FAA and continuing through the PFC collection period, the FAA reduces the Airports Authority's share of entitlement grants by 75.0%.

#### 20. VOLUNTARY SEPARATION INCENTIVE PROGRAM

In 2009, the Airports Authority established a Voluntary Separation Incentive Program (VSIP) for up to 48 employees in its Mobile Lounge Department at Dulles International. The VSIP offered each employee a one-time special payment allowance of \$25 thousand and the right to continue medical and dental benefits under the continuation health coverage provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) or, if eligible, to enroll in the retiree medical and dental insurance plans upon separation from service. In exchange, the employee agreed to separation or retirement from the Airports Authority within fourteen days following the date upon which the AeroTrain became operational. Forty-one employees entered into an agreement and fulfilled their obligations to the Airports Authority under the terms of this VSIP.

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, as this was a voluntary termination agreement, a liability was established when the employees accepted the offer and the amounts could be determined. The total liability established was \$1.1 million and included the one-time special payment allowance and associated payroll taxes. No liability was established for the continuation of medical and dental benefits, as COBRA benefits are paid by the employee, less a 65.0% subsidy provided by the Federal government through the American Recovery and Reinvestment Act (ARRA) of 2009, as extended by the Temporary Extension Act of 2010, or through post-employment benefits for employees who retired (see Note 10 - Post-employment Benefits).

The liability of \$1.1 million was included in *accounts payable and accrued expenses* in the Statement of Net Assets as of December 31, 2009. It was paid in full during 2010, and no liability remains as of December 31, 2010.



#### 21. RISK MANAGEMENT

The Airports Authority is exposed to a variety of risks or losses related to operations (i.e., injuries to employees or to members of the public or damage to Airports Authority or public property). This exposure is managed through a combination of self-insured and insured arrangements.

Risk management insurance includes workers' compensation, airport owners' liability (inclusive of builders' risk), equipment breakdown, pollution/environmental impairment, public officials, employment practices, law enforcement, crime, fiduciary, executive risk, and automobile liability. The Airports Authority is self-insured for the first \$500,000 of each workers' compensation loss and for the first \$100,000 to \$1,000,000 (depending on type) of all other risk management insurance losses. Settlements did not exceed insurance coverage for the past three years.

Accruals are maintained to recognize the self-insured risk of loss and encompass all offices within the Airports Authority. The accruals are determined based on insurance claim practices and actuarial estimates for prior and current year claims. The appropriateness of the accruals is continually reviewed and updated by management on a quarterly basis.

The overall accrual for potential losses as of December 31, 2010 and December 31, 2009 was \$5.3 million and \$5.6 million, respectively. Changes in the claim liability accounts in fiscal years 2010, 2009 and 2008 were as follows:

			Claims and		
		Beginning	Changes in	Claim	Ending
_	Fiscal Year	Balance	Estimates	Payments	Balance
-	2008	\$5,272,586	\$2,624,925	\$2,682,772	\$5,214,739
	2009	\$5,214,739	\$4,027,539	\$3,657,577	\$5,584,701
	2010	\$5,584,701	\$2,531,808	\$2,834,264	\$5,282,245

#### 22. OTHER COMMITMENTS AND CONTINGENCIES

#### **Grants**

Amounts received or receivable from grant agencies, principally the U.S. government, the Commonwealth of Virginia and Fairfax County, are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including for amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Airports Authority expects such amounts, if any, to be immaterial.

### **Concession Revenue**

In 2010, a request was made of the Airports Authority to refund \$838 thousand in concession revenues, as these revenues were a result of overcharges by the concessionaire of its customers. Based on the Airports Authority's contractual arrangements with this concessionaire, the Airports Authority has rejected this refund request and has not accrued any potential liability for this claim as of December 31, 2010.



#### **Pollution Remediation**

The Airports Authority continually monitors its properties to identify polluted sites for which the Airports Authority would be named a responsible party. Identified pollution remediation obligations as of December 31, 2010 and 2009 were \$0 and \$63 thousand, respectively. Routine pollution prevention, control, and monitoring costs are expensed as incurred. Pollution prevention, control, and monitoring expenses for the years ended December 31, 2010 and 2009 were \$2.0 million and \$1.7 million, respectively.

## **Rights-of-Way Purchases**

The Airports Authority acquires property interests for the Dulles Metrorail Project by the Commonwealth of Virginia Transportation Commissioner through the power of eminent domain. The Airports Authority is responsible for all costs associated with such eminent domain proceedings and for the payment of all compensation and damages for the properties acquired. As of December 31, 2010, the Airports Authority had acquired property interests for a total of \$13.7 million through the power of eminent domain for which the final compensation and damages were not settled. In addition, 34 other property interests had been acquired as of December 31, 2010, through the power of eminent domain for which no payment had been made and for which the final compensation and damages were not settled. No estimate of the final compensation and damages for these acquired properties was recorded as of December 31, 2010.

## **Northern Virginia Criminal Justice Training Academy**

The Airports Authority is a member of the Northern Virginia Criminal Justice Training Academy (the Academy), which provides criminal justice training to 17 participating police and sheriff agencies from Northern Virginia and the District of Columbia. Academy members cannot withdraw from the Academy while any bonds of the Academy are issued and outstanding. As of June 30, 2009, the most recent period for which audited financials were available, the Academy had \$17.5 million in outstanding debt. Payments by the Airports Authority to the Academy for training services totaled \$265 thousand and \$256 thousand during the years ended December 31, 2010 and 2009, respectively.

#### 23. LITIGATION

Various claims have been filed with the Airports Authority, and the Airports Authority is a defendant in a number of legal actions. None of these claims or lawsuits seeks damages that are significant in amount; moreover, the final disposition of these claims and suits is not presently determinable. In the opinion of management, the outcome of these claims and suits will not have a material effect on the financial statements of the Airports Authority.

#### 24. SUBSEQUENT EVENTS

On March 14, 2011, the Airports Authority issued \$17.5 million of Series One CP Notes. The proceeds from this issue were used to repay \$17.5 million of the Series Two CP Notes sub-series C.

On April 14, 2011, two users of the Dulles Toll Road filed a lawsuit against the Airports Authority presenting numerous claims based on violations of the United States Constitution that challenge the power of the Airports Authority to set tolls on the Dulles Toll Road. The plaintiffs seek to have the District Court certify the case as a class action on behalf of all current and past users of the Dulles Toll Road since May 2005. The Airports Authority is in the process of reviewing the plaintiffs' complaint and intends to vigorously defend this suit.





## **Statistical**

This part of the Airports Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Airports Authority's overall financial health.

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# **ANNUAL REVENUES, EXPENSES AND CHANGES IN NET ASSETS** (Expressed in Thousands)

	2010	2009 Restated	2008 Restated	2007 <sup>a</sup>	2006 <sup>a</sup>	2005 <sup>a</sup>	2004 <sup>a</sup>	2003 <sup>a</sup>	2002 <sup>a</sup>	2001 <sup>a</sup>
OPERATING REVENUES		Restated	Restated							
Concessions	\$ 230,752.3	\$ 217,413,7	\$ 223,710.7	\$ 217.486.8	\$ 199,011.3	\$ 198.691.2	\$ 173,962,7	\$ 146,095,9	\$ 132.817.9	\$ 124,641.5
Tolls and other	88,038.2	64,893.6	10,416.5	-	-	-	-	-	-	-
Rents	226,375.7	193,736.1	171,331.3	167,301.0	156,164.1	153,865,1	143,389.8	130.802.7	127,555.0	122,382,1
Design fees	-	-	20,363.2	-	_	-	-	-	-	_
Landing fees	101.637.9	96,934.6	82,289.6	78,682.5	73,375,4	76,359.1	76,274,3	67.637.2	63,967.4	55,780,4
Utility sales	12,464.9	13,227.2	13,348.6	11,778.8	11,249.0	10,934.6	12,035.2	11,868.0	10,589.1	12,322.8
Passenger fees	25,913.5	30,665.4	28,354.1	28,684.1	25,474.9	26,973.2	29,474.7	27,878.9	27,521.3	24,445.9
Other	6,730.4	6,476.4	11,547.4	6,542.9	5,893.9	10,398.5	7,149.4	5,355.6	6,387.3	7,242.3
TOTAL OPERATING REVENUES	691,912.9	623,347.0	561,361.4	510,476.1	471,168.6	477,221.7	442,286.1	389,638.3	368,838.0	346,815.0
OPERATING EXPENSES										
Materials, equipment, supplies,										
contract services and other	203,460,9	173,550.1	176,288.7	182,096.1	151.009.8	142,107,4	130,127,5	134,105,4	123,970.3	113,922,6
Impairment loss/design costs	203,100.5	-	80,027.4	-	-	-	-	-	-	-
Salaries and related benefits	156,534,5	144,210.3	136,720.6	128,465.3	113,870.9	113.878.1	98.858.6	95,192.2	91,748.0	84,481.6
Utilities	24,565.1	28,209.7	25,402.3	21,134.3	20,359.2	21,493.9	18,754.5	16,754.4	15,657.4	17,568.7
Lease from U.S. Government	5,101.1	5,066.1	4,958.3	4,830.1	4,689,9	4,505,4	4,375.4	4,303.8	4,238.2	4,169.3
Depreciation and amortization	219,144.2	185,946.7	164,863.5	142,030.3	133,106.4	132,424.5	126,177.8	114,950.5	105,035.8	99,325.7
TOTAL OPERATING EXPENSES	608,805.8	536,982.9	588,260.8	478,556.1	423,036.2	414,409.3	378,293.8	365,306.3	340,649.7	319,467.9
OPERATING INCOME (LOSS)	83,107.1	86,364.1	(26,899.4)	31,920.0	48,132.4	62,812.4	63,992.3	24,332.0	28,188.3	27,347.1
NON-OPERATING REVENUES (EXPENSES)										
Passenger facility charges, financing costs	-	(944.8)	(2,330.5)	(3,968.8)	(2,026.4)	(1,497.1)	(1,525.0)	(1,137.7)	(2,029.2)	(4,537.8)
Investment income	29,005.3	16,609.5	38,358.5	55,557.8	45,035.2	20,194.5	10,385.8	5,896.2	13,277.8	17,536.8
Interest expense	(233,867.7)	(156,627.9)	(143,787.3)	(111,534.1)	(96,999.8)	(103,561.3)	(89,368.8)	(95,610.1)	(98,256.1)	(93,132.4)
Federal compensation net of transfers	-	-	-	-	-	-	-	-	2,785.6	38,348.2
Federal, state and local grants	1,865.0	1,415.2	948.7	-	-	-	-	-	-	-
Fair value gain (loss) on swaps	(34,978.4)	103,731.5	(158,374.5)	(24,577.7)	(14,572.3)	1,205.8	(2,060.7)	5,572.3	(26,024.2)	(1,567.0)
Contributions to other governments	(10,086.1)	(650.2)	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(248,061.9)	(36,466.7)	(265,185.1)	(84,522.8)	(68,563.3)	(83,658.1)	(82,568.7)	(85,279.3)	(110,246.1)	(43,352.2)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(164,954.8)	49,897.4	(292,084.5)	(52,602.8)	(20,430.9)	(20,845.7)	(18,576.4)	(60,947.3)	(82,057.8)	(16,005.1)
CAPITAL CONTRIBUTIONS										
Passenger facility charges	80,088.4	78,520.8	78,455.2	82,858.8	81,489.7	88,315.3	76,060.2	58,438.0	59,071.3	47,233.1
Federal, state and local grants	366.832.9	346,692.5	92,941.5	32,317.1	54,239.5	11.738.8	28,727.1	14,378.3	14.613.5	16,819.9
Other capital property acquired	650.0	2,978.0	267,488.2	3,498.2	1,231.6	11,/30.0	26,727.1	6,044.9	14,015.5	237.2
TOTAL CAPITAL CONTRIBUTIONS	447,571.3	428,191.3	438,884.9	118,674.1	1,251.6	100,054.1	104,787.3	78,861.2	73,684.8	64,290.2
TOTAL CAPITAL CONTRIBUTIONS	447,571.5	420,191.3	430,004.7	110,074.1	130,900.8	100,034.1	104,767.3	70,001.2	73,004.0	04,290.2
INCREASE (DECREASE) IN NET ASSETS	\$ 282,616.5	\$ 478,088.7	\$ 146,800.4	\$ 66,071.3	\$ 116,529.9	\$ 79,208.4	\$ 86,210.9	\$ 17,913.9	\$ (8,373.0)	\$ 48,285.1
NET ASSETS AT YEAR END COMPOSED OF:										
Invested in capital assets, net of related debt	926,200.5	881,833.0	638,142.1	555,206.6	598,949,4	492,384.5	344,583.6	428,497,7	418.037.8	418,474.5
Restricted	528,848.7	335,543.5	128,133.7	114,983.4	46,083.3	65,337.7	170,526.4	36,158.3	34,646.5	44,033.5
Unrestricted	423,547.8	378,603.9	351,616.0	332,778.8	291,864.8	262,645.4	226,049.3	190,292.3	184,350.1	182,899.3
TOTAL NET ASSETS	\$ 1,878,597.0				\$ 936,897.5	\$ 820,367.6	\$ 741,159.3	\$ 654,948.3	\$ 637,034.4	\$ 645,407.3







#### Exhibit S-1

The 2009, 2008 and prior years operating expenses, non-operating revenues and expenses, capital contributions, and changes in net assets have been restated or reclassified as follows:

(Expressed in thousands)

			Years prior
	2009	2008	to 2008 <sup>a</sup>
Total net assets, as previously stated	\$ 1,666,135.0	\$ 1,172,231.3	\$ 1,002,968.8
Increases in operating expenses			
Materials, equipment, supplies, contract services and other <sup>1</sup>	829.8	4,006.4	5,603.2
Impairment loss/design costs <sup>1</sup>	-	13,857.2	-
Depreciation and amortization <sup>2</sup>	3,593.8	4,598.5	24,485.5
Total increase in operating expenses	4,423.6	22,462.1	30,088.7
Changes in non-operating revenues (expenses)			
Investment income <sup>3</sup>	1,461.9	366.7	214.5
Interest expense <sup>3,5</sup>	(12,117.8)	(20,803.0)	(2,003.2)
Federal, state and local grants <sup>4</sup>	1,415.2	948.7	-
Fair value gain (loss) on swaps <sup>5</sup>	(735.4)	20,436.2	-
Contributions to other governments <sup>6</sup>	(650.2)	-	_
Total increase in non-operating revenues (expenses)	(10,626.3)	948.6	(1,788.7)
Increases (decreases) in capital contributions			
Federal, state and local grants <sup>4</sup>	(1,415.2)	3,635.7	-
Other capital property acquired <sup>6</sup>	650.2	(4,584.4)	-
Total increase (decrease) in capital contributions	(765.0)	(948.7)	-
Increase (decrease) in net assets, due to restatement	(15,814.9)	(22,462.2)	(31,877.4)
Net assets, as restated	\$ 1,595,980.4	\$ 1,117,891.8	\$ 971,091.4

Explanations of these restatements or reclassifications are as follows:

<sup>&</sup>lt;sup>1</sup> Capital project costs, including capitalized interest, associated with construction activities which do not qualify for capitalization or which were incurred on projects evaluated as impaired were expensed.

<sup>&</sup>lt;sup>2</sup> Capitalized interest was assigned to projects completed in prior years and depreciation expense was adjusted.

<sup>&</sup>lt;sup>3</sup> Interest costs related to taxable debt were properly recorded for the period from receipt of the debt proceeds until the debt proceeds were spent on construction costs.

<sup>&</sup>lt;sup>4</sup> Federal, state and local grants received for operating programs, rather than for capital programs, were reclassified as non-operating revenues.

<sup>&</sup>lt;sup>5</sup> Costs of issuance for swap agreements terminated in 2009 were expensed. Payments under live swap agreements were reclassified as interest expense in 2008.

<sup>&</sup>lt;sup>6</sup> Repayments back to other governments of excess capital contributions were reclassified in 2009. State and local grants were reclassified in 2008.

<sup>&</sup>lt;sup>a</sup> Amounts for years prior to 2008 have been restated in total, rather than by individual year.



## OPERATING EXPENSES BY BUSINESS UNIT

(Expressed in Thousands)

	2010	2009	2008	2007 <sup>a</sup>	2006 <sup>a</sup>	2005 <sup>a</sup>	2004 <sup>a</sup>	2003 <sup>a</sup>	2002 <sup>a</sup>	2001 <sup>a</sup>
REAGAN NATIONAL		Restated	Restated							
Materials, equipment, supplies,										
contract services, and other	\$ 53,420.8	\$ 44,549.5	\$ 49,691.4	\$ 58,393.0	\$ 49,285.6	\$ 44,273.9	\$ 43,028.1	\$ 42,379.1	\$ 41,932.7	\$ 38,775.9
Salaries and related benefits	59,935.8	56,436.7	56,112.1	53,294.8	47,818.9	47,660.8	41,725.6	40,221.7	38,727.9	35,314.3
Utilities	7,972.5	9,360.4	8,687.4	7,623.1	7,083.2	6,977.5	6,042.5	5,801.8	5,402.1	5,490.5
Travel	397.7	319.4	524.8	629.2	598.1	521.5	518.3	407.3	369.9	536.3
Insurance	3,654.6	3,898.4	4,116.5	4,448.7	3,463.5	3,715.0	3,790.6	3,936.5	2,718.5	1,558.8
Loss (proceeds) from disposal of capital assets	(116.7)	(118.0)	(132.0)	(45.1)	(67.8)	65.6	78.0	50.3	(321.6)	646.0
Non-capitalized facility projects	2,145.2	709.4	635.1	1,926.3	1,535.9	1,699.9	1,054.6	222.8	794.5	710.1
Lease from U.S. Government	2,550.6	2,533.0	2,478.9	2,415.1	2,344.9	2,252.7	2,187.7	2,151.9	2,119.1	2,084.6
Depreciation and amortization	12,194.5	12,445.7	13,546.1	11,571.8	10,584.6	10,894.5	13,154.6	11,110.8	11,080.6	10,710.3
Total Reagan National Expenses	142,154.9	130,134.5	135,660.3	140,256.9	122,646.9	118,061.4	111,580.0	106,282.2	102,823.7	95,826.8
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DULLES INTERNATIONAL										
Materials, equipment, supplies,										
contract services, and other	106,721.0	83,289.9	80,837.2	87,758.6	82,318.7	76,630.2	70,323.6	68,998.1	65,348.7	56,719.3
Salaries and related benefits	88,165.7	83,550.0	80,236.6	75,067.2	65,992.3	66,090.0	57,018.3	54,749.8	52,802.3	48,619.6
Utilities	16,166.4	18,562.0	16,475.0	13,301.3	13,091.7	14,321.1	12,223.2	10,756.8	10,061.6	11,895.2
Travel	458.4	358.3	583.2	670.1	647.8	517.0	485.8	371.3	316.1	523.0
Insurance	3,655.2	3,898.4	4,116.5	4,448.7	3,463.5	3,715.5	3,790.6	3,936.5	2,718.5	1,558.8
Loss (proceeds) from disposal of capital assets	(111.2)	(114.7)	84.3	78.4	(24.2)	129.0	122.2	109.1	717.6	1,054.4
Non-capitalized facility projects	1,042.5	193.8	504.6	1,583.4	740.6	601.5	556.0	630.1	102.8	182.5
Lease from U.S. Government	2,550.6	2,533.0	2,479.3	2,415.1	2,344.9	2,252.7	2,187.7	2,151.9	2,119.1	2,084.6
Depreciation and amortization	53,392.9	32,944.8	30,409.8	27,277.5	26,310.0	26,408.4	25,855.4	22,390.7	20,433.3	20,458.8
Total Dulles International Expenses	272,041.3	225,215.5	215,726.5	212,600.3	194,885.3	190,665.4	172,562.8	164,094.3	154,620.0	143,096.2
DULLES TOLL ROAD										
Materials, equipment, supplies,										
contract services, and other	19,487.8	22,155.1	9,424.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Salaries and related benefits	6,421.3	2,484.8	58.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utilities	171.6	57.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	18.5	44.4	10.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	551.5	1,069.3	177.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss (proceeds) from disposal of capital assets	(6.2)	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-capitalized facility projects	66.2	13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	350.6	141.9	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Dulles Toll Road Expenses	27,061.3	25,965.1	9,673.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DULLES METRORAIL PROJECT										
Materials, equipment, supplies,										
contract services, and other	1,166.7	1,314.8	415.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1,100.7	1,514.8	154.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Salaries and related benefits Utilities	1,059.0	1,580.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	13.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	5.2	44.8 16.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	(2.9)	(4.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss (proceeds) from disposal of capital assets Non-capitalized facility projects	24.3	13.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	82.6	102.5	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Dulles Metrorail Project Expenses	3,147.1	3,085.6	575.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	3,147.1	3,063.0	373.1	\$0.0	φυ.υ	φυ.υ	\$0.0	\$0.0	\$0.0	\$0.0
WASHINGTON FLYER										
Washington Flyer expenses	0.00	0.00	0.00	0.00	176.50	1,428.60	1,359.70	1,477.10	1,897.90	4,682.80
Total Washington Flyer Expenses	0.00	0.00	0.00	0.00	176.50	1,428.60	1,359.70	1,477.10	1,897.90	4,682.80
WASHINGTON FLYER MAGAZINE <sup>1</sup>										
Washington Flyer Magazine expenses	0.0	0.0	0.0	0.0	0.0	0.0	352.0	905.8	728.5	1,506.8
Total Washington Flyer Magazine Expense		0.0	0.0	0.0	0.0	0.0	352.0	905.8	728.5	1,506.8
	0.0	5.0	3.0			3.0	332.0	703.0	720.3	1,500.0
TELECOMMUNICATIONS		£ 002 5	F (0) 0	5 2 61 0		F FFC -	£ 224.0	6057.0	60121	5017.2
Telephone expenses  Total Telecommunication Expenses	0.0	5,083.6 5,083.6	5,606.8 5,606.8	5,361.9 5,361.9	5,441.5 <b>5,441.5</b>	5,558.6 5,558.6	5,324.8 5,324.8	6,257.8 6,257.8	6,213.1 6,213.1	5,917.2 5,917.2
Total Telecommunication Expenses	0.0	3,003.0	3,000.8	3,301.9	3,441.5	3,336.6	3,344.8	0,237.8	0,213.1	3,917.2
FAA AIR TRAFFIC CONTROL TOWER <sup>3</sup>										
Air Traffic Control Tower expenses	241.9	232.0	340.7	213.2	30.6	0.0	0.0	0.0	0.0	0.0
Total Air Traffic Control Tower Expenses	241.9	232.0	340.7	213.2	30.6	0.0	0.0	0.0	0.0	0.0
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45025 AVIATION DRIVE <sup>2</sup>										
45025 Aviation Drive expenses	1,430.0	1,198.9	1,406.1	1,233.7	1,234.6	1,302.0	1,146.5	1,231.1	1,671.5	1,288.8
Total 45025 Aviation Drive Expenses	1,430.0	1,198.9	1,406.1	1,233.7	1,234.6	1,302.0	1,146.5	1,231.1	1,671.5	1,288.8
CONSTRUCTION PROGRAMS										
Financing expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.1	37.5	75.0
Legal fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,434.0	0.0	0.0
Materials, equipment, supplies,								,		
contract services, and other	2,500.6	2,677.6	12,281.0	3,400.9	2,425.6	1,469.5	(568.0)	2,712.5	0.0	0.0
Loss (proceeds) from disposal of capital assets	(186.5)	(224.2)	84,776.6	12,708.7	0.0	0.0	0.0	0.0	43.5	178.9
Non-capitalized facility projects	7,929.3	3,940.0	1,960.3	242.4	652.2	1,606.9	190.8	269.6	0.0	0.0
Depreciation and amortization	152,485.9	139,674.2	120,253.6	102,538.1	95,543.0	94,316.9	86,345.2	80,628.8	72,613.9	66,895.3
Total Construction Programs Expenses	162,729.2	146,067.6	219,271.5	118,890.1	98,620.8	97,393.3	85,968.0	85,058.0	72,694.9	67,149.2
		-,		1	.,.			,	,	. ,
TOTAL EXPENSES	\$ 608,805.8	\$ 536,982.9	\$ 588 260 9	\$ 478,556.1	\$ 423,036.2	\$ 414,409.3	\$ 378,293.8	\$ 365,306.3	\$ 340,649.6	\$ 319,467.8
	- 000,000.0	- 550,702.5	1 - 200,200.9			117,707.3	- 570,273.0	- 555,500.5	- 510,042.0	- 027,707.0

<sup>&</sup>lt;sup>1</sup> The Airports Authority converted the Washington Flyer Magazine Program to a management contract in 2005. Separate reporting has been discontinued. <sup>2</sup> 45025 Aviation Drive is inclusive of all expense classifications.

 $<sup>^3\,\</sup>mathrm{FAA}$  Air Traffic Control Tower was completed in 2006.

 $<sup>^4\,</sup>Construction\,programs\,consists\,of\,the\,Aviation\,Enterprise\,Capital\,Construction\,Program\,and\,the\,Dulles\,Corridor\,Capital\,Improvement\,Program.$ 









Exhibit S-2

The 2009, 2008 and prior years operating expenses have been restated as follows:

(Expressed in thousands)

	, ,	,	Years prior to
	2009	2008	2008 <sup>a</sup>
Total expenses, as previously stated	\$ 532,559.3	\$ 565,798.7	
Increases in operating expenses			
Materials, equipment, supplies, contract services and other <sup>5</sup>	829.8	4,006.4	5,603.2
Impairment loss/design costs <sup>5</sup>	-	13,857.2	-
Depreciation and amortization <sup>6</sup>	3,593.8	4,598.5	24,485.5
Total increase in operating expenses	4,423.6	22,462.2	30,088.7
Expenses, as restated	\$ 536,982.9	\$ 588,260.9	

Explanations of these restatements are as follows:

Source: Airports Authority Records

<sup>&</sup>lt;sup>5</sup> Capital project costs, including capitalized interest, associated with construction activities which do not qualify for capitalization or which were incurred on projects evaluated as impaired were expensed.

<sup>&</sup>lt;sup>6</sup> Capitalized interest was assigned to projects completed in prior years and depreciation expense was adjusted.

<sup>&</sup>lt;sup>a</sup> Amounts for years prior to 2008 have been restated in total, rather than by individual year.



## REVENUES BY SOURCE

(Expressed in Thousands)

Exhibit S-3

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
REAGAN NATIONAL										
Airline:										
Rents	\$ 82,714.3	\$ 75,359.9	\$ 66,302.8		\$ 63,938.0			\$ 53,802.5		\$ 62,948.2
Landing fees	40,143.3	32,928.4	32,290.3	30,149.2	32,057.9	29,445.5	31,328.2	26,455.0	27,527.4 597.0	25,548.0 2,496.4
Passenger fees/Security Total Airline Revenues	122,857.6	108,288.3	98,593.1	97,383.3	95,995.9	93,013.5	93,565.1	80,257.5	88,578.2	90,992.6
Non-Airline:	122,007.0	130,200.3	70,573.1	77,003.3	,5,,,5,	75,015.5	75,505.1	30,237.3	30,370.2	20,22.0
Concessions:						'				
Parking	43,684.4	41,764.0	43,980.2	44,569.9	40,459.6	37,647.4	35,285.0	32,381.8	26,236.4	27,289.8
Rental cars	28,169.9	23,248.3	20,736.1	19,432.8	16,411.3	16,065.9	14,566.0	15,189.2	14,239.8	9,627.4
Terminal concessions:						1				
Food and beverage	7,563.4	7,109.1	7,117.4	6,801.0	6,359.5	4,906.5	3,185.5	3,213.8	2,677.0	1,582.3
News stands	2,932.1	2,733.7	2,731.8	2,558.1	2,228.8	1,951.2	1,736.4	1,653.8	1,653.1	726.2
Retail	2,362.3	2,474.8	2,531.5	2,564.3	2,601.7	2,763.8	2,493.4	1,894.1	1,640.7	1,465.7
Display advertising	5,835.3	4,121.5	4,105.4	3,715.3	3,072.0	3,150.0	3,150.0	3,170.5	2,229.0	2,194.6
Ground transportation <sup>2</sup>	4,621.0	3,745.3	3,183.1	3,373.4	-	- '	-	-	-	-
Services	84.6	96.0	576.7	239.9	219.3	201.9	192.3	208.9	216.5	53.4
Inflight catering	701.1	719.9	752.0	766.5	784.3	785.5	787.6	735.4	1,149.1	1,811.6
Fixed base operator	780.3	739.9	282.1	205.5	134.9	0.0	0.0	0.0	473.4	1,591.7
Duty free	42.2	49.7	52.8	40.9	36.3	33.3	19.7	0.0	0.1	2.8
All other	444.5	627.2	320.2 86,369.3	321.5	3,521.6	3,720.1	3,330.4	2,734.2	2,858.0	2,135.9
Total Concessions	97,221.1	87,429.2	86,369.3	84,589.1	75,829.3	71,225.6	64,746.3	61,181.7	53,373.1	48,481.4
Rents	7.700.0	7,836.2	7,349.9	7,254.0	7,267.2	8,424.7	9,055.5	6,570.7	4,588.1	3,308.4
Security	7,720.0 854.8	7,836.2 866.3	7,349.9 878.3	7,254.0 888.3	7,267.2 898.1	8,424.7 854.8	9,055.5	1,083.0	4,588.1 1,197.0	3,308.4
Utility sales	2,271.8	2,401.6	2,240.1	1,990.1	1,886.5	1,939.9	1,744.7	1,731.4	1,516.1	2,216.8
Other	1,765.1	1,849.1	2,651.3	1,695.5	1,553.5	4,083.1	1,650.5	694.1	1,273.1	1,235.0
Total Non-Airline Revenue	109,832.8	100,382.3	99,488.9	96,417.0	87,434.6	86,528.1	78,040.3	71,260.9	61,947.4	55,241.6
Total Reagan National Revenues	232,690.4	208,670.6	198,081.9	193,800.3	183,430.5	179,541.6	171,605.4	151,518.4	150,525.6	146,234.2
· ·	· ·		· ·			1		· ·		
DULLES INTERNATIONAL			1	1		'		1		
Airline:			1	1		'		1		
Rents	114,216.2	88,889.2	78,354.7	75,075.8	71,961.8	69,886.1	62,372.3	62,281.5	55,332.7	48,685.3
Landing fees	61,494.6	64,006.2	49,999.3	48,533.3	41,317.6	46,913.6	44,946.1	41,182.2	36,440.0	30,232.4
International Arrival Building fees	18,012.6	11,897.4	9,372.0	9,100.2	9,394.9	8,849.9	12,295.1	12,768.8	10,526.6	10,107.2
Passenger Fees	6,652.5	17,508.0	17,703.5	18,294.4	14,777.1	16,874.0	15,950.3	12,477.8	13,256.1	11,842.3
Design Fees Total Airline Revenues	200,375.9	182,300.8	20,361.2 175,790.7	151,003.7	137,451.4	142,523.6	135,563.8	128,710.3	115,555.4	100,867.2
Total Alfillie Revenues	200,373.9	162,300.6	1/5,/90./	151,005.7	137,431.4	142,523.0	135,363.6	120,/10.5	115,555.4	100,007.2
Non-Airline:						'				
Concessions:						'				
Parking	66,466.6	65,957.7	71,125.6	71,958.9	68,608.0	75,769.0	64,396.8	47,408.0	42,923.2	39,942.8
Rental cars	16,135.2	15,616.9	15,213.1	14,985.7	13,790.7	14,484.9	13,458.5	11,313.6	11,410.8	11,686.7
Terminal concessions:	.,					, ,			·	
Food and beverage	8,911.2	8,517.8	8,742.7	8,184.7	6,396.0	5,719.5	4,677.3	3,724.1	3,563.1	3,557.6
News stands	4,026.4	4,130.1	4,081.0	3,555.7	3,259.8	3,328.1	2,772.5	1,551.6	1,441.5	1,431.6
Retail	2,517.2	2,562.4	2,576.8	2,676.1	2,429.6	2,539.7	2,195.2	1,537.8	1,384.1	1,802.8
Display advertising	5,817.4	4,122.3	4,119.8	3,640.7	3,228.0	3,150.0	3,150.0	3,171.9	3,203.2	3,350.0
Ground transportation <sup>1</sup>	3,804.2	3,570.3	3,185.6	1,410.6	-	-	-	-	-	-
Services	3,260.6	3,329.6	5,515.2	5,374.0	5,372.2	5,293.9	4,682.8	4,195.0	3,867.1	4,073.3
Inflight catering	6,067.5	5,985.2	6,120.9	5,476.0	4,882.3	4,682.9	4,761.3	4,470.3	5,079.0	5,268.6
Fixed base operator	11,779.9	11,613.1	12,430.0	11,779.6	10,448.7	7,602.8	4,802.7	4,381.6	3,546.9	2,646.6
Duty free	3,158.1	2,831.4	3,757.5	3,381.5	2,892.4	3,133.1	2,700.0	2,016.9	1,732.3	1,916.6
All other	1,587.1	1,747.7	473.3	474.2	1,843.5	1,464.1	1,373.4	926.4	1,166.1	100.1
Total Concessions	133,531.2	129,984.5	137,341.5	132,897.7	123,151.2	127,168.0	108,970.5	84,697.2	79,317.3	75,776.7
<b>.</b>		440404	444000	44.04		40.050.0			4,000.4	
Rents	17,232.4	16,819.1	14,402.3	11,917.6	11,396.1	10,358.8	8,066.0	6,117.7	4,888.4	4,943.6
Security Utility sales	393.7 5,832.8	393.7 6,474.3	400.4 6,565.6	401.2 5,298.8	404.8 5,462.4	394.4 5,322.2	386.0 4,950.1	1,549.3 4,775.5	1,944.7 4,586.8	4,261.6
Other	5,832.8 4,926.2	4,598.3	9,039.1	5,298.8 4,668.5	5,462.4 4,254.1	5,322.2 4,668.6	3,884.3	2,980.6	4,586.8 3,058.9	2,606.0
Total Non-Airline Revenues	161,916.2	158,269.8	167,748.9	155,183.8	144,668.6	147,912.0	126,256.9	100,120.3	93,796.1	87,587.9
Total Dulles International Revenues	362,292.1	340,570.6	343,539.6	306,187.5	282,120.0	290,435.6	261,820.7	228,830.6	209,351.5	188,455.1
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DULLES TOLL ROAD			1	1		'		1		
Tolls and other	88,038.2	64,893.6	10,416.5	-	-	-	-	-	-	-
Total Dulles Toll Road	88,038.2	64,893.6	10,416.5	-		-	-	-	-	-
			1	1		1 '		1		
WASHINGTON FLYER			1	1		2005				a moc -
Ground Transportation:		-	-	-	118.5	2,007.0	1,575.7	1,243.0	1,276.3	2,700.9
Total Ground Transportation		-	· ·	· ·	118.5	2,007.0	1,575.7	1,243.0	1,276.3	2,700.9
WASHINGTON FLYER MAGAZINE			1	1		1 '		1		
Advertising - other		_	_	_	_	4.7	352.0	722.1	974.1	1,151.0
Total Magazine Revenues	-	-	-	-	-	4.7	352.0	722.1	974.1	1,151.0
			1	1		1				-,110
TELECOMMUNICATIONS	4,196.3	4,119.3	4,179.9	4,414.7	3,900.0	3,673.6	5,345.7	5,361.0	4,485.5	5,835.7
<b>Total Telephone Revenues</b>	4,196.3	4,119.3	4,179.9	4,414.7	3,900.0	3,673.6	5,345.7	5,361.0	4,485.5	5,835.7
-						I '				
FAA AIR TRAFFIC CONTROL TOWER	3,686.0	3,717.9	3,698.9	3,582.4	-	-	-	-	-	-
Total FAA Air Traffic Control Tower			1							
Revenues	3,686.0	3,717.9	3,698.9	3,582.4	-	-	-	-	-	-
			1	1		'		1		
45025 AVIATION DRIVE	1,009.9	1,375.1	1,444.5	2,491.2	1,599.6	1,559.2	1,586.6	1,963.1	2,225.0	2,438.1
Total 45025 Aviation Drive Revenues <sup>2</sup>	1,009.9	1,375.1	1,444.5	2,491.2	1,599.6	1,559.2	1,586.6	1,963.1	2,225.0	2,438.1
TOTAL REVENUES	\$ 691,912.9	\$ 623,347.0	\$ 561,361.4	\$ 510,476.1	\$ 471,168.6	\$ 477,221.7	\$ 442,286.1	\$ 389,638.2	\$ 368,838.0	\$ 346,815.0

 $<sup>^{\</sup>rm 1}$  Ground transportation was reported as other revenue in years prior to 2007.

 $<sup>^{2}</sup>$  45025 Aviation Drive revenues include rents and utilities.

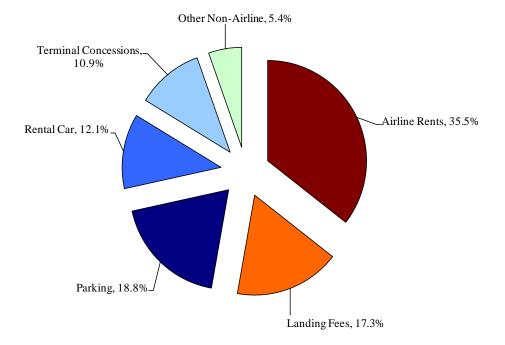






## REVENUES BY SOURCE – REAGAN NATIONAL

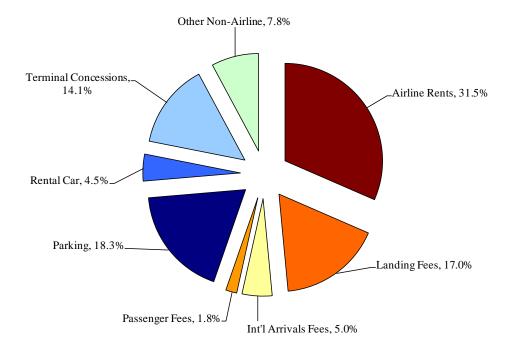
## Exhibit S-4





### REVENUES BY SOURCE - DULLES INTERNATIONAL

## Exhibit S-5





#### SCHEDULED RATES AND CHARGES

Exhibit S-6

Ronald Reagan Washington National Airport Rates

	2010	2009	2008	2007	- :	2006	2005	- :	2004	- 2	2003	2002	2	2001
Signatory Airline Rates														
Landing Fee	\$ 3.16	\$ 2.81	\$ 2.55	\$ 2.34	\$	2.26	\$ 2.16	\$	2.41	\$	2.34	\$ 2.65	\$	2.68
Signatory Airline Cost Per Enplanement	\$ 12.84	\$ 12.49	\$ 10.95	\$ 10.51	\$	10.02	\$ 10.22	\$	11.84	\$	11.29	\$ 12.12	\$	14.16
Terminal A - Average Rate	\$ 174.48	\$ 111.55	\$ 103.47	\$ 100.73	\$	84.22	\$ 68.76	\$	69.46	\$	57.10	\$ 65.53	\$	85.07
Terminal B & C - Average Rate	\$ 194.94	\$ 180.68	\$ 162.87	\$ 169.51	\$	156.22	\$ 150.16	\$	150.44	\$	125.49	\$ 116.43	\$	121.14
Type 6 - Covered/Unenclosed	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85	\$	5.68	\$ 5.49	\$	5.21	\$	5.09	\$ 5.32	\$	5.28
Type 7 - Uncovered/Unenclosed	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46	\$	1.42	\$ 1.37	\$	1.30	\$	1.27	\$ 1.33	\$	1.32
Non-Signatory Airline Rates														
General Aviation Landing Fees	\$ 3.52	\$ 2.93	\$ 2.89	\$ 2.82	\$	2.66	\$ 2.40	\$	2.80	\$	2.45	\$ 3.01	\$	2.94
Landing Fees	\$ 4.40	\$ 3.66	\$ 3.61	\$ 3.52	\$	3.33	\$ 3.00	\$	2.80	\$	2.45	\$ 3.01	\$	2.94
Terminal A	\$ 175.85	\$ 111.15	\$ 106.40	\$ 115.79	\$	92.79	\$ 84.81	\$	92.93	\$	76.79	\$ 95.00	\$	96.47
Terminal B & C	\$ 213.51	\$ 199.45	\$ 185.11	\$ 193.36	\$	172.31	\$ 169.93	\$	167.07	\$	154.56	\$ 162.83	\$	158.83
Rental Car Customer Facility Charge														
Customer Facility Charge (Per Rental Day)	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$	2.50	\$ 2.50	\$	2.50	\$	2.50	\$ 2.50	\$	2.50

**Washington Dulles International Airport Rates** 

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Signatory Airline Rates										
Landing Fee	\$ 3.44	\$ 3.14	\$ 2.60	\$ 2.37	\$ 2.06	\$ 2.00	\$ 2.52	\$ 2.82	\$ 2.39	\$ 1.78
Signatory Airline Cost Per Enplanement	\$ 17.16	\$ 14.21	\$ 13.11	\$ 12.11	\$ 11.57	\$ 10.40	\$ 12.34	\$ 13.30	\$ 12.81	\$ 11.30
Concourse C & D	\$ 57.12	\$ 38.37	\$ 29.14	\$ 31.43	\$ 29.48	\$ 29.32	\$ 35.39	\$ 33.27	\$ 31.01	\$ 30.93
Concourse B	\$ 78.53	\$ 62.18	\$ 55.94	\$ 70.48	\$ 61.39	\$ 69.94	\$ 65.24	\$ 62.53	\$ 60.32	\$ 61.04
Main Terminal	\$ 198.18	\$ 142.72	\$ 131.84	\$ 129.23	\$ 125.19	\$ 128.72	\$ 120.69	\$ 103.97	\$ 93.32	\$ 94.44
Concourse A	\$ 188.48	\$ 144.38	\$ 142.05	\$ 144.59	\$ 80.36	\$ 54.22	\$ 65.53	\$ 52.56	\$ 46.35	\$ 44.85
Z-Gates	\$ 172.95	\$ 57.82	\$ 81.33	\$ 258.65	\$ 177.24	\$ 173.82	N/A	N/A	N/A	N/A
Type 6 - Covered/Unenclosed	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85	\$ 5.68	\$ 5.49	\$ 5.21	\$ 5.09	\$ 5.32	\$ 5.28
Type 7 - Uncovered/Unenclosed	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46	\$ 1.42	\$ 1.37	\$ 1.30	\$ 1.27	\$ 1.33	\$ 1.32
Airside Operations Building	\$ 33.77	\$ 25.28	\$ 19.97	\$ 21.52	\$ 20.89	\$ 12.60	\$ 10.11	\$ 14.34	\$ 14.16	\$ 16.62
International Arrivals Building	\$ 6.55	\$ 4.10	\$ 3.53	\$ 3.61	\$ 4.09	\$ 4.50	\$ 5.57	\$ 5.68	\$ 5.49	\$ 5.80
Apron Operations Building	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15.25	\$ 10.90	\$ 14.39	\$ (1.66)
Concourse C International Arrival Building	\$ 4.72	\$ 2.98	\$ 1.78	\$ 2.04	\$ 2.33	\$ 1.73	\$ 6.53	\$ 6.79	\$ 6.30	\$ 5.55
Passenger Conveyance	\$ 2.20	\$ 2.02	\$ 2.02	\$ 1.92	\$ 1.74	\$ 1.61	\$ 1.54	\$ 1.73	\$ 1.86	\$ 1.61
Non-Signatory Airline Rates										
General Aviation Landing Fees	\$ 4.09	\$ 4.32	\$ 3.54	\$ 3.20	\$ 2.90	\$ 2.71	\$ 2.43	\$ 3.05	\$ 2.53	\$ 2.16
Landing Fees	\$ 5.38	\$ 5.68	\$ 4.66	\$ 4.21	\$ 3.81	\$ 3.57	\$ 2.43	\$ 3.05	\$ 2.53	\$ 2.16
Concourse C & D	\$ 65.96	\$ 54.98	\$ 46.74	\$ 47.65	\$ 45.32	\$ 42.08	\$ 37.96	\$ 38.43	\$ 43.65	\$ 38.33
Concourse B	\$ 95.20	\$ 81.87	\$ 67.80	\$ 83.61	\$ 75.21	\$ 74.24	\$ 54.12	\$ 63.32	\$ 69.96	\$ 67.16
Main Terminal	\$ 253.13	\$ 210.52	\$ 202.98	\$ 193.65	\$ 179.29	\$ 174.62	\$ 138.24	\$ 128.58	\$ 128.72	\$ 121.67
International Arrivals Building	\$ 7.18	\$ 5.28	\$ 4.74	\$ 4.72	\$ 5.25	\$ 5.86	\$ 5.65	\$ 6.75	\$ 6.57	\$ 7.45
Concourse C International Arrival Building	\$ 7.71	\$ 4.80	\$ 3.43	\$ 3.81	\$ 4.31	\$ 4.31	\$ 7.33	\$ 9.05	\$ 6.64	\$ 6.53
Concourse A	\$ 226.58	\$ 195.45	\$ 185.13	\$ 145.13	\$ 103.08	\$ 72.46	\$ 73.69	\$ 64.23	\$ 47.68	\$ 44.89
Z-Gates	\$ 194.60	\$ 187.23	\$ 178.91	\$ 282.72	\$ 226.76	\$ 173.82	N/A	N/A	N/A	N/A

Passenger Facility Charges

	2	010	2	2009	2	008	2	2007	2	006	2	2005	2	004	2	003	2	002	20	001
Washington Reagan National	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50
Washington Dulles International	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50	\$	4.50

**Dulles Toll Road Toll Rates** 

Two-Axle Vehicles	2	010	2	2009	2	800	2	007	2	006	2	005	2	004	2	003	2	002	2	001
Main Plaza	\$	1.00	\$	0.75	\$	0.75	\$	0.75	\$	0.75	\$	0.75	\$	0.50	\$	0.50	\$	0.50	\$	0.50
Ramp Plaza	\$	0.75	\$	0.50	\$	0.50	\$	0.50	\$	0.50	\$	0.50	\$	0.25	\$	0.25	\$	0.25	\$	0.25

Airline rates and charges are calculated pursuant to the formulas set forth in the Airport Use Agreement and Premises Lease (Use and Lease Agreement). The Use and Lease Agreement provides the calculation of the annual rates and charges, with rate adjustments at midyear, or any time revenues fall 5% or more below projections. The rates presented in the above tables are average rates, as calculated at the time of settlement. Airline rates and charges increased at both Airports in 2010. Terminal rents increased at Dulles International due to the opening of the AeroTrain.

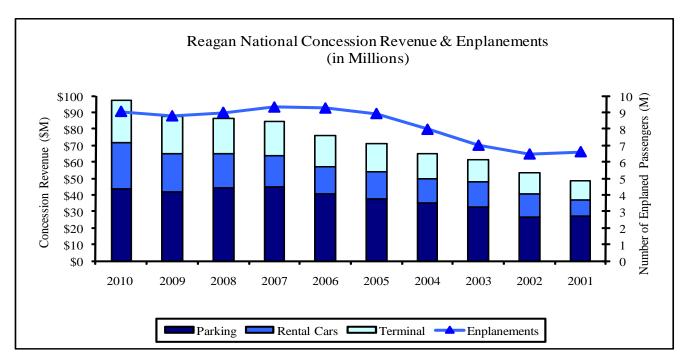
Passenger Facility Charges (PFCs) were increased from \$3.00 to \$4.50 in May 2001 and have been flat at \$4.50 at both Airports for the last ten years. Although the rates shown are the amounts collected by the airlines on the Airport Authority's behalf, the Airports Authority records PFCs net of a handling fee which is retained by the airlines.

Toll rates were increased on the Dulles Toll Road in 2010 to \$1.00 at the mainline plaza and \$0.75 at all ramp plazas. The increase was the first of three Board-approved increases, effective January 1 of 2010, 2011, and 2012, necessary to service debt associated with the Dulles Metrorail Project.

Source: Airports Authority Records

#### CONCESSION REVENUE & ENPLANEMENTS - REAGAN NATIONAL

#### Exhibit S-7



Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic factors. Enplanements at Reagan National increased in 2010 for the first time since 2007. Prior to 2008 Reagan National enjoyed five straight years of uninterrupted growth.

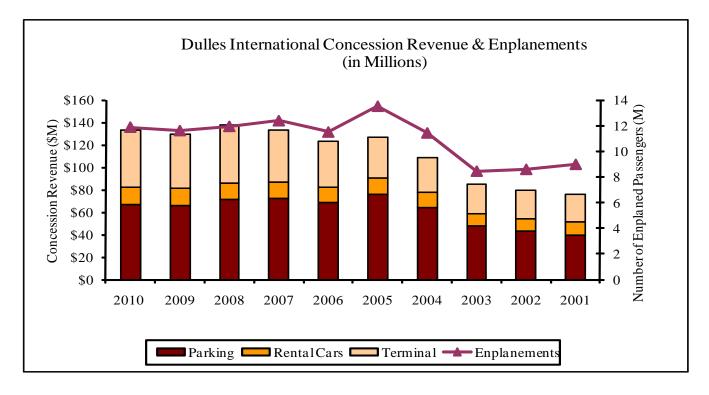
Concession revenues make up the vast majority of the Airports Authority's non-airline revenues. The Airports Authority retains all risk related to the fluctuation of parking revenues, its largest concession revenue source. Parking revenue is highly dependent on passenger traffic and varies year to year. However, the majority of the Airports Authority's rental car and terminal concession contracts contain a fixed component as well as a variable component. In most cases, the Airports Authority is guaranteed a minimum payment by a tenant and then shares excess revenue with the tenant if sales exceed a predetermined amount. The fixed component of most concessions contracts helps to explain the Airports Authority's ability to achieve 9 straight years of concession revenue growth at Reagan National despite decreases in passenger enplanements in 2008 and 2009.

Source: Airports Authority Records



#### CONCESSION REVENUE & ENPLANEMENTS – DULLES INTERNATIONAL

#### **Exhibit S-8**



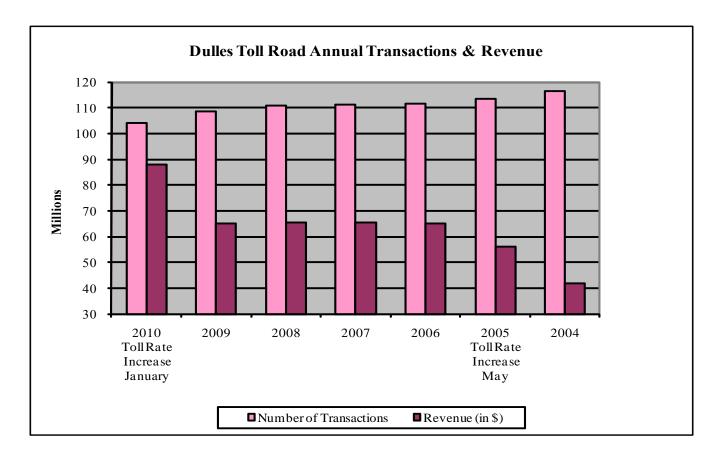
Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic variables. Enplanements at Dulles International increased in 2010 for the first time since 2007. Enplanements grew rapidly in 2004 and 2005, largely due to Independence Air's operations but fell sharply after the airline ceased operations in 2006. A moderate recovery in 2007 was noted before declines in 2008 and 2009.

Concession revenues make up the vast majority of the Airports Authority's non-airline revenues. The Airports Authority retains all risk related to the fluctuation of parking revenues, its largest concession revenue source. Parking revenue is highly dependent on passenger traffic and varies year to year. However, the majority of the Airports Authority's rental car and terminal concession contracts contain a fixed component as well as a variable component. In most cases, the Airports Authority is guaranteed a minimum payment by a tenant and then shares excess revenue with the tenant if sales exceed a predetermined amount. This has helped the Airports Authority maintain stable concession revenue despite lower enplanement figures in recent years. Although Dulles International's all-time high enplanements of 13.5 million occurred in 2005, concession revenues peaked in 2008, when the airport served 11.9 million enplaned passengers.

Source: Airports Authority Records

#### DULLES TOLL ROAD ANNUAL TRANSACTIONS AND REVENUE

**Exhibit S-9** 



Annual transactions include the number of revenue transactions (i.e., each recorded toll payment, whether mainline or ramp) and violations (i.e., each transaction where the full toll amount was not collected at the time of the transaction, whether due to avoidance, electronic misreading, or otherwise, and where the amount was subsequently collected) processed in the calendar year ending December 31.

Transactions measure roadway usage and are impacted by toll rate increases. The first toll rate increase in the roadway's history became effective in May 2005 while the Dulles Toll Road was under the operation of Virginia Department of Transportation (VDOT). A second toll rate increase became effective in January 2010. The Dulles Toll Road was transferred to the Airports Authority on November 1, 2008.

Historical transactional and revenue data on a calendar year basis is not available prior to 2004. The chart above includes VDOT data for years 2004-2008 and Airports Authority data for years 2008-2010.

Source: Airports Authority Records, VDOT









## **DULLES TOLL ROAD TRANSACTIONS – MONTHLY**

## Exhibit S-10

	2010	2009	2008	2007	2006	2005
January	8,251,555	8,412,824	9,207,781	9,198,057	9,109,306	9,196,216
February	6,619,570	8,366,392	8,709,460	8,023,545	8,422,303	8,786,162
March	9,298,049	9,234,614	9,351,455	9,686,308	9,941,362	10,111,654
April	9,147,728	9,283,838	9,585,976	9,246,736	9,120,164	9,948,766
May	9,065,336	9,306,946	9,578,599	9,856,502	9,779,415	9,906,511
June	9,338,635	9,579,031	9,385,082	9,581,354	9,756,929	9,872,015
July	8,963,929	9,462,994	9,478,858	9,338,507	9,192,347	9,251,263
August	8,985,395	9,255,019	9,158,359	9,698,127	9,706,925	9,698,296
September	8,698,688	9,126,570	9,185,049	9,087,941	9,066,103	9,228,605
October	9,089,789	9,524,392	9,731,826	9,903,111	9,692,059	9,483,395
November	8,373,040	8,666,127	8,482,507	9,030,545	8,976,611	9,041,300
December	8,290,144	8,499,460	8,943,949	8,634,873	8,959,341	8,959,171
Total	104,121,858	108,718,207	110,798,901	111,285,606	111,722,865	113,483,354

## Notes:

- 1) Toll rates were adjusted in May 2005 and January 2010
- 2) Non-revenue transaction such as police, emergency vehicles, military vehicles, etc. are not included in the table above
- 3) Transactions includes violations
- 4) Monthly transactional data prior to 2005 is not available

Source: Airports Authority Records, VDOT



## TOP 10 PAYORS Exhibit S-11

PAYOR	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
United Airlines	\$ 117,389,911	\$ 97,782,264	\$ 91,135,655	\$ 84,680,832	\$ 67,790,432	\$ 56,420,978	\$ 72,633,370	\$ 61,798,327	\$ 51,105,295	\$ 64,818,779
US Airways	39,941,628	38,060,253	36,106,513	36,461,505	33,401,313	35,626,226	34,225,469	32,861,624	31,766,870	38,051,441
Delta Airlines	24,763,314	17,974,561	15,845,321	15,585,067	15,311,065	17,962,266	22,576,592	20,083,033	19,162,505	23,490,631
American Airlines	22,380,543	20,472,606	19,362,364	19,237,901	18,470,865	18,058,028	20,408,805	18,036,993	18,776,582	16,824,388
Hertz Rent-A-Car	12,397,487	11,751,506	10,910,269	10,084,507	9,451,974	8,897,173	9,833,202	7,933,316	7,598,132	8,162,000
JC Deceaux / AK Media	11,751,277	8,245,804	8,364,731	*	*	7,155,910	5,775,000	6,300,000	6,055,815	*
Vanguard Car Rental USA	9,737,445	8,518,193	*	*	*	*	*	*	*	*
Avis Rent-A-Car	8,658,845	8,293,921	8,056,239	7,788,421	7,207,607	7,236,566	7,260,490	6,469,176	5,738,815	6,327,486
Signature Flight Support	8,282,227	9,202,521	8,904,302	8,261,740	*	*	*	*	*	7,636,364
Continental Airlines	8,267,352	8,161,420	*	8,286,042	7,669,611	7,875,267	8,607,773	7,030,103	6,902,000	8,330,221
Landmark Aviation	*	*	8,319,844	8,624,059	8,566,513	*	*	*	*	*
Northwest Airlines	*	*	8,218,269	8,173,164	7,932,314	7,531,302	9,008,103	8,702,245	9,030,783	9,244,921
Mesa Airlines	*	*	*	*	7,952,342	*	*	*	*	*
Atlantic Coast Airlines / Independence Air	*	*	*	*	*	22,306,764	13,858,908	7,726,624	11,280,089	10,743,901
TOTAL	\$263,570,028	\$ 228,463,047	\$ 215,223,507	\$ 207,183,237	\$ 183,754,036	\$189,070,480	\$ 204,187,712	\$ 176,941,441	\$167,416,886	\$ 193,630,131

<sup>\*</sup> Payor did not comprise top ten for the given year, and as such, revenue is not presented for comparative purposes.

Source: Airports Authority Records





#### RATIOS OF OUTSTANDING DEBT

27,180 28,141 74,716 92,264 249,43 8.64 0.82 87,572 83,628)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,891,009,311 215,000,000 - 5,106,009,311 20,386,222 558,453,459 6,276,254,954 250,46 9,14 0,81 573,881,721 (322,059,771) 251,821,950 229,060,179	\$ 4,127,965,779 217,500,000 - 432,000,000 \$ 4,777,465,779 20,927,041 \$ 550,944,844 \$ 5,960,495,235 \$ 228,29 \$ 8,67 \$ 0,80 \$ 589,277,243 (413,156,541) \$ 176,120,702 \$ 204,496,362	\$ \$ \$	3,962,873,327 260,000,000 432,000,000 4,654,873,327 21,681,123 510,476,130 5,907,229,260 214.70 9.12 0.79 566,033,876 (336,525,796) 229,508,080
27,180 28,141 74,716 92,264 249,43 8.64 0.82 87,572 83,628)	\$ \$ \$ \$ \$ \$ \$	215,000,000 5,106,009,311 20,386,222 558,453,459 6,276,254,954 250,46 9,14 0,81 573,881,721 (322,059,771) 251,821,950	\$ 17,500,000 \$ 432,000,000 \$ 4,777,465,779 20,927,041 \$ 550,944,844 \$ 5,960,495,235 \$ 228.29 \$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$ \$ \$ \$ \$ \$	260,000,000 432,000,000 4,654,873,327 21,681,123 510,476,130 5,907,229,260 214.70 9.12 0.79 566,033,876 (336,525,796) 229,508,080
28,141 74,716 92,264 249,43 8.64 0.82 87,572 83,628)	\$ \$ \$ \$ \$	20,386,222 558,453,459 6,276,254,954 250,46 9,14 0,81 573,881,721 (322,059,771) 251,821,950	\$ 4,777,465,779  20,927,041 \$ 550,944,844 \$ 5,960,495,235 \$ 228.29 \$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$ \$ \$ \$ \$	4,654,873,327 21,681,123 510,476,130 5,907,229,260 214.70 9.12 0.79 566,033,876 (336,525,796) 229,508,080
28,141 74,716 92,264 249,43 8.64 0.82 87,572 83,628)	\$ \$ \$ \$ \$	20,386,222 558,453,459 6,276,254,954 250,46 9,14 0,81 573,881,721 (322,059,771) 251,821,950	20,927,041 \$ 550,944,844 \$ 5,960,495,235 \$ 228.29 \$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$ \$ \$ \$ \$	21,681,123 510,476,130 5,907,229,260 214.70 9.12 0.79 566,033,876 (336,525,796) 229,508,080
74,716 92,264 249.43 8.64 0.82 87,572 83,628)	\$ \$ \$ \$ \$	558,453,459 6,276,254,954 250,46 9,14 0.81 573,881,721 (322,059,771) 251,821,950	\$ 550,944,844 \$ 5,960,495,235 \$ 228.29 \$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$ \$ \$	510,476,130 5,907,229,260 214.70 9.12 0.79 566,033,876 (336,525,796) 229,508,080
74,716 92,264 249.43 8.64 0.82 87,572 83,628)	\$ \$ \$ \$ \$	558,453,459 6,276,254,954 250,46 9,14 0.81 573,881,721 (322,059,771) 251,821,950	\$ 550,944,844 \$ 5,960,495,235 \$ 228.29 \$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$ \$ \$	510,476,130 5,907,229,260 214.70 9.12 0.79 566,033,876 (336,525,796) 229,508,080
92,264 249.43 8.64 0.82 87,572 83,628)	\$ \$ \$ \$ \$	573,881,721 (322,059,771) 251,821,950	\$ 5,960,495,235 \$ 228.29 \$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$ \$ \$	5,907,229,260 214.70 9.12 0.79 566,033,876 (336,525,796) 229,508,080
8.64 0.82 87,572 83,628)	\$ \$ \$	9.14 0.81 573,881,721 (322,059,771) 251,821,950	\$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$	9.12 0.79 566,033,876 (336,525,796) 229,508,080
8.64 0.82 87,572 83,628)	\$ \$ \$	9.14 0.81 573,881,721 (322,059,771) 251,821,950	\$ 8.67 \$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$	9.12 0.79 566,033,876 (336,525,796) 229,508,080
0.82 87,572 83,628)	\$ \$	573,881,721 (322,059,771) 251,821,950	\$ 0.80 \$ 589,277,243 (413,156,541) \$ 176,120,702	\$ \$ \$	0.79 566,033,876 (336,525,796) 229,508,080
83,628)	\$	(322,059,771) 251,821,950	\$ (413,156,541) \$ 176,120,702	\$	(336,525,796) 229,508,080
83,628)	\$	(322,059,771) 251,821,950	\$ (413,156,541) \$ 176,120,702	\$	(336,525,796) 229,508,080
		251,821,950	\$ 176,120,702		229,508,080
05,944					,
	\$	229,060,179	\$ 204,496,362	\$	194 246 617
68,089				1	184,246,617
1.12		1.10	0.86		1.25
16506	di di	0.57.11.4.001	d.		
16,526	\$	967,114,881	\$ 150,000,000		
16,526	\$	967,114,881	\$ 150,000,000		
86,184	ф	109,332,616	110,798,902		
	\$ \$	64,893,554 1,706,413,737	\$ 10,416,497 \$ 508,649,598		
12.82	\$	8.85	\$ 1.35		
	\$	14.90	\$ 14.40		
	\$	0.57	\$ 0.29		
0.54	\$				
0.54	\$	37,098,460	\$ 201,850		
0.54 30,613 78,003)			<del></del>		
0.54 30,613 78,003) 52,610	\$	10,739,077	\$ -		
	6,130,613 1,278,003)	6,130,613 \$ 1,278,003)	6,130,613 \$ 66,074,823 1,278,003 (28,976,363) 4,852,610 \$ 37,098,460	6,130,613 \$ 66,074,823 \$ 10,442,624 1,278,003) (28,976,363) (10,240,774) 4,852,610 \$ 37,098,460 \$ 201,850	6,130,613 \$ 66,074,823 \$ 10,442,624 1,278,003) (28,976,363) (10,240,774) 4,852,610 \$ 37,098,460 \$ 201,850

<sup>&</sup>lt;sup>1</sup> Enplaned passengers includes total commercial and non-commercial passengers.

This Exhibit presents key ratios regarding the Airports Authority's ability to support debt issued for the Aviation and Dulles Corridor Enterprise Funds. It is important to note that this exhibit is for statistical purposes only, and revenues, expenses, and debt service coverage shown differ significantly from those used to calculate coverage according to the Master Indentures of Trust for the Aviation Enterprise and Dulles Corridor Enterprise Bonds. The Master Indentures of Trust specify specific operating expenses that are excluded when calculating debt service coverage ratios as well as additional revenues that may be pledged.

Aviation debt per enplaned passenger declined slightly in 2010 but has increased substantially from 2006 due to an increased debt burden and enplaned passengers that were only slightly higher in 2010 than they were in 2006. Outstanding debt per operating revenue declined in 2010 due to slower growth in debt outstanding coupled with a \$45 million increase in operating revenue. Debt service coverage ratio has declined in recent years due to higher debt service requirements but has remained above 1.00 every year except for 2008.

For the Dulles Corridor Enterprise Fund, debt per transaction increased substantially in 2010 as the Airports Authority issued additional bonds to fund the Dulles Metrorail Project. The ratio of debt to operating revenue increased only slightly due to the toll increase that went into effect on the Dulles Toll Road on January 1, 2010.

Source: Airports Authority Records

<sup>&</sup>lt;sup>2</sup> Gross Revenue includes Operating Revenues and Interest Income for Fiscal Years 2001-2010. Gross Revenue in 2001 also includes a one-time payment from the Federal Government to make up for lost activity during the year as a result of the events of September 11, 2001.

<sup>&</sup>lt;sup>3</sup> The principal and interest requirement shown for the Dulles Corridor Enterprise is net of the federal subsidy received for the Build America Bonds.









## Exhibit S-12

	2006	2005	2004	2003	2002	2001
\$	3,483,377,453		\$ 2,528,738,687	\$ 2,327,168,578	\$ 2,016,923,324	\$ 1,695,065,930
	200,000,000	186,000,000	150,000,000	150,000,000	250,000,000	206,000,000
	400,000,000	400,000,000	187,700,000	187,700,000	170,200,000	170,200,000
\$	4,083,377,453	\$ 3,414,462,510	\$ 2,866,438,687	\$ 2,664,868,578	\$ 2,437,123,324	\$ 2,071,265,930
	20,739,630	22,415,046	19,386,283	15,565,042	15,061,353	15,599,674
\$	471,168,637	\$ 477,221,696	\$ 442,286,071	\$ 389,638,253		\$ 314,551,871
\$	5,182,899,267	\$ 4,388,114,142	\$ 3,732,665,604	\$ 3,427,868,108	\$ 3,194,786,708	\$ 2,837,737,452
\$	196.89	\$ 152.33	\$ 147.86	\$ 171.21	\$ 161.81	\$ 132.78
\$ \$	8.67 0.79	\$ 7.15 \$ 0.78	\$ 6.48 \$ 0.77	\$ 6.84 \$ 0.78		\$ 6.58 \$ 0.73
э	0.79	\$ 0.78	5 0.77	3 0.78	5 0.76	\$ 0.75
\$	516,203,795		\$ 452,671,846			
\$	(289,929,805) 226,273,990	(281,984,780) \$ 215,431,397	(252,115,995) \$ 200,555,851	\$ (250,355,746) \$ 145,178,692		
φ	220,273,770	ψ 213, <del>4</del> 31,377	\$ 200,333,831	3 143,176,072	φ 140,301,300	3 104,209,070
\$	163,354,637	\$ 164,667,568	\$ 140,079,210	\$ 141,828,530	\$ 135,250,234	\$ 122,585,407
	1.20	1.01	1.40	1.00	1.00	1.50
	1.39	1.31	1.43	1.02	1.08	1.50



#### OTHER DEBT SERVICE COVERAGE – AVIATION ENTERPRISE FUND

#### Exhibit S-13

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
NET REVENUE:	2010	2005	2000	2007	2000	2000	2001	2000	2002	2001
Revenue Including Transfers	\$ 641,063,255	\$ 602,757,114	\$ 581,513,665	\$ 569,829,729	\$ 519,599,653	\$ 503,200,118	\$ 438,554,221	\$ 388,713,440	\$ 386,875,940	\$ 383,064,969
LESS: Direct Operating Expenses	(292,848,589)	(261,679,979)	(259,511,002)	(253,398,028)	(229,349,624)	(229,469,720)	(203,698,452)	(189,109,158)	(187,918,976)	(178,773,752)
Net Revenue Available for Debt Service	348,214,665	341,077,134	322,002,663	316,431,700	290,250,029	273,730,399	234,855,769	199,604,282	198,956,965	204,291,217
DEBT SERVICE										
1990A Airport System Revenue Bonds	_	_	_	_	_	_	_	_	_	275,787
1992A Airport System Revenue Bonds	_	_	_	_	_	_	_	_	15,729,503	22,856,951
1993A Airport System Revenue & Refunding Bonds	_	_	_	_	_	_	1,993,757	4,350,565	4,903,913	4,794,599
1993B Airport System Revenue & Refunding Bonds	_	_	_	_	_	_	1,775,757	2,565,300	3,402,230	3,345,168
1994A Airport System Revenue Bonds	_	_	_	_	_	_	23,257,594	35,119,965	35,289,120	34,485,341
1997A Airport System Revenue Bonds		_	_	971,072	1,257,695	2,142,909	2,952,191	2,945,565	2,655,447	2,213,032
1997B Airport System Revenue Bonds				8,556,063	14,484,458	15,248,622	12,842,186	14,370,024	14,741,589	14,241,097
1997C Airport System Revenue & Refunding Bonds				0,030,003	14,404,430	13,240,022	12,042,100	14,570,024	14,741,307	14,241,077
1998A Airport System Revenue Bonds	_	_	381,282	468,826	1,287,357	1,322,236	1,318,158	1,330,610	1,297,815	1,086,168
1998B Airport System Revenue & Refunding Bonds	12,232,774	18,080,308	18,762,102	17,942,588	18,369,760	19,710,594	18,124,292	18,603,575	18,568,291	17,552,433
1999A Airport System Revenue & Refunding Bonds	3,498,470	5,533,497	5,934,291	5,891,335	5,855,002	5,946,837	5,841,298	5,874,163	5,833,633	5,631,732
2001A Airport System Revenue Bonds	17,088,664	15,642,420	15,183,505	14,291,817	13,623,715	13,976,834	6,905,090	11,718,857	13,619,313	5,754,121
2001A Airport System Revenue Bonds 2001B Airport System Revenue Bonds	877,895	765,360	741,309	651,072	316,128	366,495	451,143	672,953	650,327	182,684
2002A Airport System Revenue Bonds	8,959,111	8,276,261	7,647,018	8,556,496	7,794,227	6,320,872	5,615,081	6,173,644	3,022,077	102,004
2002A Airport System Revenue Bonds 2002B Airport System Revenue Bonds	678,794	575,748	555,736	477,883	611,720	789,395	1,085,449	1,515,875	257,284	-
2002C Airport System Revenue Variable Rate Refunding Bonds	15,543,684	16,894,925	19,909,292	19,857,135	19,442,226	19,758,330	19,934,028	19,158,357	5,037,925	-
	5,735,734		5,138,941		4,884,026	2,596,248			1,807,184	-
2002D Airport System Revenue Refunding Bonds		5,653,245		5,267,806			2,994,667	5,739,300	1,007,104	-
2003A Airport System Revenue Refunding Bonds	9,127,960	9,204,996	9,432,168	7,490,702	5,886,411	10,185,205	9,433,874	2,841,304	-	-
2003B Airport System Revenue Refunding Bonds	4,093,404	4,080,345	4,044,855	4,000,040	4,012,211	4,050,272	2,603,708	528,739	-	-
2003C Taxable Airport System Revenue Refunding Bonds	3,355,828	3,346,857	3,304,686	3,266,384	3,275,036	3,295,935	3,330,846	1,114,077	-	-
2003D Airport System Revenue Variable Rate Bonds	1,329,203	3,033,369	4,610,424	4,754,407	3,366,517	3,230,574	2,656,903	1,227,443	-	-
2004A Airport System Revenue Refunding Bonds	663,704	663,053	658,543	654,853	629,037	561,894	223,643	-	-	-
2004B Airport System Revenue Bonds	10,932,881	8,513,411	2,687,609	5,104,256	1,482,108	4,819,952	2,535,517	-	-	-
2004C-1 Airport System Revenue Refunding Bonds	2,670,647	2,304,178	13,086,451	16,369,182	16,156,121	8,049,634	2,353,789	-	-	-
2004C-2 Airport System Revenue Refunding Bonds	5,042,973	4,524,687	4,951,434	4,924,855	4,992,470	14,346,612	5,161,229	-	-	-
2004D Airport System Revenue Refunding Bonds	26,108,986	24,379,800	14,950,296	11,187,696	11,219,448	11,183,139	3,885,524	-	-	-
2005A Airport System Revenue Bonds	17,455,181	18,369,390	18,734,984	16,966,776	12,701,790	9,863,398	-	-	-	-
2005B Airport System Revenue Bonds	1,276,671	861,656	855,406	850,174	852,675	618,617	-	-	-	-
2005C Taxable Airport System Revenue Bonds	1,703,547	1,700,941	1,085,993	289,964	1,677,884	1,647,078	-	-	-	-
2005D Airport System Revenue Bonds	1,427,855	1,773,881	1,758,877	864,492	553,486	138,752	-	-	-	-
2006A Airport System Revenue Bonds	5,311,454	8,392,188	5,604,803	5,810,728	-	-	-	-	-	-
2006B Airport System Revenue Bonds	10,644,288	9,946,372	5,746,532	7,854,839	-	-	-	-	-	-
2006C Airport System Revenue Refunding Bonds	2,244,344	1,903,483	1,485,981	1,732,719	-	-	-	-	-	-
2007A Airport System Revenue Bonds	15,072,933	13,723,351	13,816,874	5,557,044	-	-	-	-	-	-
2007B Airport System Revenue Bonds	19,948,918	20,751,616	14,659,468	3,194,582	-	-	-	-	-	-
2008A Airport System Revenue Bonds	9,151,564	2,495,585	6,964,179	-	-	-	-	-	-	-
2009A Airport System Revenue Bonds	1,777,662	3,874,659	-	-	-	-	-	-	-	-
2009B Airport System Revenue Bonds	5,874,908	3,497,817	-	-	-	-	-	-	-	-
2009C Airport System Revenue Bonds	-	8,278,752	-	-	-	-	-	-	-	-
2009D Airport System Revenue Bonds	-	1,200,444	-	-	-	-	-	-	-	-
2010A Airport System Revenue Bonds	5,703,441	-	-	-	-	-	-	-	-	-
2010B Airport System Revenue Refunding Bonds	7,594,350	-	-	-	-	-	-	-	-	-
2010C Airport System Revenue Variable Rate Refunding Bonds	1,077,058	-	-	-	-	-	-	-	-	-
2010D Airport System Revenue Variable Rate Bonds	1,765,403	-	-	-	-	-	-	-	-	-
2010F-1 Airport System Revenue Refunding Bonds	286,326	-	-	-	-	-	-	-	-	-
Series A Bond Anticipation Commercial Paper Notes	-	-	-	-	6,910,355	427,742	4,579,243	4,044,030	3,994,287	7,005,927
Series B Bond Anticipation Commercial Paper Notes	-	-	-	-	-	-	-	1,934,188	2,595,462	3,160,367
Series One Airport System Revenue Commercial Paper Notes	764,555	759,104	1,401,056	75,000	-	764,384	-	-	1,844,833	-
Series Two Airport System Revenue Commercial Paper Notes	46,916	58,482	402,269	365,833	1,712,774	3,305,008		-	-	-
Net Debt Service	\$237,068,089	\$229,060,179	\$204,496,362	\$184,246,617	\$163,354,637	\$164,667,568	\$140,079,210	\$141,828,530	\$135,250,234	\$122,585,407
DEBT SERVICE COVERAGE	1.47	1.49	1.57	1.72	1.78	1.66	1.68	1.41	1.47	1.67

This Exhibit shows debt service coverage calculations for the Aviation Enterprise Fund as defined in the Master Indenture of Trust for Airport System Revenue Bonds. The Master Indenture includes a rate covenant provision specifying that the Airports Authority will fix and adjust fees and other charges for use of the Airports Authority, including services rendered by the Airports Authority pursuant to the Airline Use Agreement and Premises Lease calculated to be at least sufficient to produce net revenues to provide for the larger of the following: (i) amounts needed for making required deposits to various accounts in the fiscal year; or (ii) an amount not less than 125 percent of the annual debt service with respect to Airport

Debt service coverage calculations for all years shown in this Exhibit exceed the minimum requirement as defined in the Master Indenture; however, coverage levels have steadily declined over the past few years as major projects in Dulles International's Capital Construction Program have been completed. It is important to note that net revenue, and expenses are presented in this Exhibit in accordance with definitions found in the Master Indenture. Additionally, debt service does not include debt paid from bond funds for capitalized interest or debt service paid from interest earnings.

Sources: Master Indenture of Trust for Airport System Revenue Bonds and Airports Authority Records









#### OTHER DEBT SERVICE COVERAGE – DULLES CORRIDOR ENTERPRISE FUND

#### Exhibit S-14

		2010	2009
NET REVENUE			
Total Toll Road Gross Revenue		\$ 88,038,168	\$ 64,893,554
LESS: Operation and Maintenance Expenses		(26,324,918)	(25,951,694)
ADD: Interest Income		131,545	\$ 15,642
Net Revenue Available for Debt Service		61,844,795	38,957,502
DEBT SERVICE	LIEN		
2009A Dulles Toll Road Revenue Bonds (Current Interest Bonds)	First Senior	10,372,010	3,686,895
2009B Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	-	-
2009C Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	-	-
2009D Dulles Toll Road Revenue Bonds (Current Interest Bonds, Build America Bonds	ls) Second Senior	21,264,762	10,849,511
2009D Dulles Toll Road Revenue Bonds (35% Subsidy)	Second Senior	(7,442,667)	(3,797,329)
2010A Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	-	-
2010B Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	-	-
2010D Dulles Toll Road Revenue Bonds (Current Interest Bonds)	Subordinate	6,083,263	-
2010D Dulles Toll Road Revenue Bonds (35% Subsidy)	Subordinate	(2,129,142)	-
Net Debt Service		\$ 28,148,226	\$ 10,739,077
DEBT SERVICE COVERAGE BY LIEN	LIEN REQUIREMENT		
First Senior Lien	2.00	5.96	10.57
Second Senior Lien	1.35	2.56	3.63
Subordinate Lien	1.20	2.20	N/A

This Exhibit shows debt service coverage calculations for the Dulles Corridor Enterprise Fund as defined in the Master Indenture of Trust for Dulles Toll Road Revenue Bonds. The Airports Authority has covenanted in the Master Indenture that it will establish, charge, and collect Tolls for the privilege of traveling on the Dulles Toll Road at rates sufficient to meet the Operation and Maintenance Expenses and produce Net Revenues that are at least at the debt service levels set forth in the table above. If either (i) the annual budget adopted by the Airports Authority for any Fiscal Year is inadequate to meet the rate covenant for that year; or (ii) the audited financial statements regarding the Dulles Toll Road show that the Airports Authority did not satisfy the rate covenant for any Fiscal Year, then the Airports Authority is required to engage a Toll Road Consultant to conduct a study and take the actions recommended by the Toll Road Consultant.

Debt service coverage calculations for all years shown in this Exhibit exceed the minimum requirement as defined in the Master Indenture; however, coverage levels are expected to decline as work on the Dulles Metrorail Project continues and additional bonds are issued.

Sources: Master Indenture of Trust for Dulles Toll Road Revenue Bonds and Airports Authority Records



## REVENUE BOND COVERAGE – AVIATION ENTERPRISE FUND

Exhibit S-15

	TOTAL	DIRECT OPERATING	NET REVENUE AVAILABLE FOR	DEBT SERVICE REQUIREM		QUIREMEN	ITS
YEAR	REVENUES <sup>1</sup>	EXPENSES <sup>2</sup>	DEBT SERVICE	Principal	Interest	Total	Coverage
2010	641,063	292,849	348,214	87,883	149,185	237,068	1.47
2009	602,757	261,680	341,077	87,306	141,754	229,060	1.49
2008	581,514	259,511	322,003	83,360	121,136	204,496	1.57
2007	569,830	253,398	316,432	110,322	73,925	184,247	1.72
2006	519,600	229,350	290,250	68,137	95,218	163,355	1.78
2005	503,200	229,470	273,730	61,384	103,284	164,668	1.66
2004	438,554	203,698	234,856	58,893	81,187	140,080	1.68
2003	388,713	189,109	199,604	51,875	89,953	141,829	1.41
2002	386,876	187,919	198,957	43,478	91,772	135,250	1.47
2001	383,065	178,774	204,291	35,202	87,383	122,585	1.67

<sup>&</sup>lt;sup>1</sup>Total revenues include transfers

Source: Airports Authority Records

<sup>&</sup>lt;sup>2</sup>Operating expenses include Telecommunications, Washington Flyer Ground Transportation subsidy, and Washington Flyer Magazine subsidy



## AIRPORT INFORMATION Exhibit S-16

	Ronald Reagan Washing	ton National Ai	irport	Washington Dulles International Airport				
Location:	Three miles south from downtown Potomac River in Arlington County		C. along the	Twenty-six miles west from downtown Washington, D.C., located in Fairfax and Loudoun Counties, VA				
Acres:	860 +/- acres			11,830 +/- acres				
Airport Code:	DCA			IAD				
Runways:	1/19	6,869	feet	1C/19C	11,500	feet		
-	15/33	5,204	feet	1R/19L	11,500	feet		
	4/22	4,911	feet	12/30	10,500	feet		
				1L/19R	9,400	feet		
Aircraft Capability:	Group IV - Boeing 767-300			Group V - Boeing 747-400				
Terminal:	Terminal A	63,735	square feet	Main Terminal	1,100,000	square feet		
	Terminal B/C	1,000,000	square feet	Concourse A	71,000	square feet		
	<b>Total Terminal Space</b>	1,063,735	square feet	Concourse B	887,000	square feet		
				Concourse C/D	608,627	square feet		
				<b>Total Terminal Space</b>	2,666,627	square feet		
	Number of Passenger Gates	44		Number of Passenger Gates	123			
Parking:	Garage Parking	6,486	spaces	Garage Parking	8,315	spaces		
	Surface Parking	2,956	spaces	Surface Parking	19,108	spaces		
	Total Public Parking	9,442	spaces	Total Public Parking	27,423	spaces		
	Tenant Employee Parking	3,200	spaces	Tenant Employee Parking	6,595	spaces		
	Total Parking	12,642	spaces	Total Parking	34,018	spaces		
Cargo:	Number of Cargo Buildings	1		Number of Cargo Buildings	6			
	Cargo Space	47,882	square feet	Cargo Space	540,051	square feet		
International:	No facilities			Customs/Immigration Federal Insp	pection Facility			
Tower:	TRACON - Flint Hill, VA - Opera	ting 24 Hours/Da	y 7 Days/Week	k TRACON - Flint Hill, VA - Operating 24 Hours/Day 7 Days/Week				
Intermodal Access:	George Washington Parkway, VA Washington DC Metrorail System Virginia Railway Express			Dulles Access Highway, VA State Routes 267 and 28 Washington Flyer Bus Service from West Falls Church Metrorail Statio Metro Bus 5A - D.C Dulles Line				

Data as of December 31, 2010 Source: Airports Authority Records



#### DULLES TOLL ROAD INFORMATION

Exhibit S-17

Location: Eight-lane limited access highway that is situated on Virginia State

Route 267. The eastern terminus of the roadway connects with Interstate 66 near the Fairfax County / Falls Church City border, and the western terminus is the Dulles Greenway and Dulles International

Airport.

Roadway Length: 13.43 miles

Year of Construction: 1984

Toll Collection Plazas: Mainline: 1

Exit Ramp: 19

Toll Collection Methods: Cash and Electronic Toll Collection (E-ZPass)

Number of Toll Collection Lanes: 59

E-ZPass Only Collection Lanes: 8

Intersecting Roadways: Chain Bridge Road (SR 123) Wiehle Avenue (SR 828)

Capital Beltway (I-495) Reston Parkway (SR 602)

Spring Hill Road (SR 684) Fairfax County Parkway (SR 7100)

Leesburg Pike (SR 7) Monroe Street

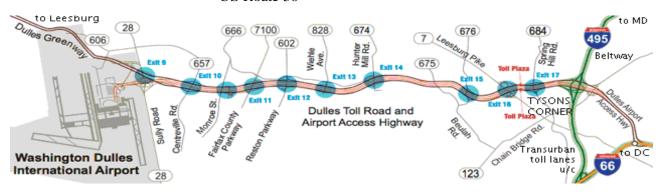
Trap Road Centreville Road (SR 657)

Hunter Mill Road (SR 674) Sully Road (SR 28)

Parallel Roadways: Interstate 66 Leesburg Pike (SR 7)

US Route 29 State Route 236

US Route 50



Source: Airports Authority Records

Data as of December 31, 2010



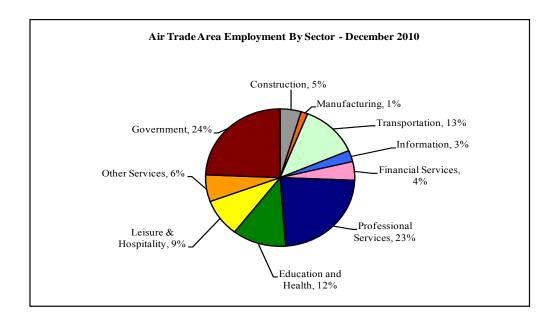




### **EMPLOYMENT BY INDUSTRY**

## Metropolitan Statistical Area – Last Ten Years

	Annual Average Numbers of Employees (in thousands)									
Industry	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Government	585.7	574.5	561.4	550.6	546.8	538.7	529.8	523.1	501.8	488.5
Professional Business Services	557.8	551.8	558.2	551.5	539.9	524.2	501.7	473.7	448.5	455.7
Trade, Transportation and Utilities	302.3	302.1	317.2	321.6	320.6	322.0	316.6	308.9	303.6	307.6
Educational and Health Services	280.6	273.8	265.3	257.2	247.4	240.1	234.1	227.8	231.1	222.1
Leisure and Hospitality	213.2	211.8	214.3	207.0	202.7	200.3	194.4	186.8	180.9	174.6
Natural Resources, Mining and Construction	109.2	115.4	133.0	142.4	148.5	145.0	137.2	129.3	124.7	123.8
Other Services	150.8	152.9	153.7	149.5	145.5	135.3	135.2	131.4	130.0	126.7
Financial Services	105.3	106.0	110.7	114.6	116.3	115.9	114.1	112.8	109.9	108.3
Information	63.7	67.3	74.5	77.4	79.7	82.4	88.9	92.1	96.8	111.1
Manufacturing	35.2	37.2	41.0	42.0	43.4	44.3	44.1	44.7	48.0	51.3
Washington-Arlington-Alexandria, D.C.										
VA-MD-WV - Metropolitan Statistical Area	2,403.8	2,392.8	2,429.3	2,413.8	2,390.8	2,348.2	2,296.1	2,230.6	2,175.3	2,169.7



Source: U.S. Department of Labor, Bureau of Labor Statistics



#### PRIVATE SECTOR EMPLOYERS IN PRIMARY AIR TRADE AREA

Exhibit S-19

Fortune 500 Companies (By Revenue) Headquartered in the Air Trade Area

1	Fortune	500 Rank	2009 Revenue		
Employer	2010	2009	(in \$ Billions)	State	Industry
Lockheed Martin Corp.	44	54	\$45.2	MD	Aerospace & Defense
Freddie Mac	54	220	37.6	VA	Financial Services
General Dynamics Corp.	69	83	32.0	VA	Aerospace & Defense
Fannie Mae	81	112	29.1	DC	Financial Services
Computer Sciences Corp.	138	153	16.7	VA	Information Technology
Capital One Financial Corp.	144	145	15.9	VA	Financial Services
AES Corp.	156	158	14.7	VA	Energy
Coventry Health Care Inc.	168	226	14.0	MD	Health Care
Danaher Corp.	207	213	11.9	DC	Manufacturing
Marriott International Inc.	213	208	10.9	MD	Hospitality & Travel
SAIC Inc.	215	266	10.8	VA	<b>Professional Services</b>
Pepco Holdings Inc.	251	254	9.3	DC	Energy
SLM Corp.	354	331	6.1	VA	Financial Services
Gannett Co.	370	371	5.6	VA	Media / Data
The Washington Post Co.	455	514	4.6	DC	Media / Data
NII Holdings Inc.	468	530	4.4	VA	Telecommunications
Host Hotels & Resorts Inc.	492	449	4.2	MD	Hospitality & Travel
			\$273.0		

Seventeen Washington-area companies were on the Fortune 500 list of the country's largest companies by revenue in 2010. This was three more companies than in 2009, as the Washington Post Co and NII Holdings both moved up from their 2009 ranking, and SAIC Corp. relocated headquarters to the area. The combined revenue of \$273.0 billion for these 17 companies in 2009 represents a 17% increase over their combined revenue in 2008.

Major Private-Sector Employers of Metro-Area Employees

Employer	Number of Metro-Area Employees	Industry
- v		<u>.</u>
Lockheed Martin Corp.	23,000	Aerospace & Defense
Northrop Grumman Corp.	20,700	Aerospace & Defense
SAIC Inc.	17,500	<b>Professional Services</b>
Verizon Communications Inc.	16,100	Telecommunications
Inova Health System	15,632	Health Care
Marriott International Inc.	14,283	Hospitality & Travel
Booz Allen Hamilton Inc.	14,000	<b>Professional Services</b>
MedStar Health	13,608	Health Care
Computer Sciences Corp.	7,304	Information Technology
General Dynamics	7,015	Aerospace & Defense
Adventist Healthcare	6,900	Health Care
BAE Systems Inc.	6,762	Aerospace & Defense
AT&T	6,150	Telecommunications
CACI International	5,965	Aerospace & Defense
Deloitte LLP	5,099	<b>Professional Services</b>

Sources: D.C. Area Fortune 500 Revenue: \$273B, Washington Business Journal, April 16, 2010 Greater Washington Initiative 2010 Regional Report









## **POPULATION TRENDS** (Expressed in thousands) Metropolitan Statistical Area – Last Ten Years

Exhibit S-20

			An	nual Estin	nates of th	e Reside	nt Populat	ion		
JURISDICTION	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
District of Columbia	599.7	591.8	587.9	585.4	582.0	579.5	577.4	579.1	577.7	571.7
Arlington County, VA	217.5	210.2	203.9	200.7	199.8	198.0	196.6	195.5	193.3	189.5
City of Alexandria, VA	150.0	144.6	140.2	138.2	137.6	136.6	135.2	134.5	133.1	129.4
Central Juris dictions	967.2	946.6	932.0	924.3	919.4	914.1	909.2	909.1	904.1	890.6
Fairfax County, VA	1,037.6	1,019.4	1,005.5	998.8	1,002.4	996.8	992.5	989.6	984.6	974.8
Montgomery County, MD	971.6	953.7	941.5	935.2	928.9	921.0	914.9	906.1	893.3	877.4
Prince George's County, MD	834.6	830.5	832.7	836.6	840.5	836.1	830.9	824.3	815.0	803.2
City of Fairfax, VA	24.7	24.1	23.3	22.8	22.0	22.1	22.2	22.1	21.9	21.7
City of Falls Church, VA	12.0	11.4	11.0	10.9	10.9	10.6	10.6	10.6	10.5	10.4
Inner Suburbs	2,880.5	2,839.1	2,814.0	2,804.3	2,804.7	2,786.6	2,771.1	2,752.7	2,725.3	2,687.5
imici suburus	2,000.0	2,00>.1	2,01110	2,001.0	2,001.7	2,700.0	2,771.1	2,702.7	2,720.0	2,007.0
Prince William County, VA	379.2	366.1	360.6	352.8	345.9	333.8	321.5	310.0	297.7	284.3
Loudoun County, VA	301.2	290.1	277.5	265.2	253.3	237.2	219.6	203.1	189.7	173.9
Frederick County, MD	228.0	226.5	225.0	222.0	219.4	216.4	212.8	208.6	202.0	196.5
Charles County, MD	142.2	141.4	140.7	139.4	137.2	134.6	131.5	127.8	124.7	121.2
Stafford County, VA	124.2	122.0	120.8	118.5	116.7	113.3	109.1	103.7	98.1	93.5
Spotsylvania County, VA	121.0	120.0	118.9	117.7	114.9	110.6	106.6	101.9	96.4	91.5
Calvert County, MD	89.2	88.6	88.1	87.6	86.8	85.3	83.4	80.4	77.3	75.2
Fauquier County, VA	68.0	67.2	66.4	65.7	64.3	62.6	60.8	59.2	57.3	55.6
Jefferson County, WV	52.8	51.6	50.8	49.7	48.5	47.0	46.0	44.7	43.3	42.4
Warren County, VA	36.7	36.7	36.3	35.8	35.0	34.1	33.5	32.8	32.1	31.6
Manassas City, VA	36.5	34.7	34.8	35.5	36.3	36.5	36.2	35.8	35.3	34.9
Fredericksburg City, VA	23.2	22.7	22.4	22.0	21.3	21.3	20.4	20.3	19.9	19.4
Clarke County, VA	14.6	14.6	14.4	14.3	14.1	13.7	13.3	13.1	13.0	12.7
Manassas Park City, VA	12.0	11.4	11.5	11.5	11.7	11.4	10.9	10.9	10.7	10.3
Outer Suburbs	1,628.8	1,593.6	1,568.2	1,537.7	1,505.4	1,457.8	1,405.6	1,352.3	1,297.5	1,243.0
		, , , , ,	,	,	,	, -	,	, -	, -	, -
DC-MD-VA-WVA										
Metropolitan Statistical Area	5,476.5	5,379.3	5,314.2	5,266.3	5,229.5	5,158.5	5,085.9	5,014.1	4,926.9	4,821.1

The DC-MD-VA-WVA Metropolitan Statistical Area is the Air Trade Area for the Airports Authority. Ronald Reagan Washington National Airport is located in Arlington County, VA and Washington Dulles International Airport is located in Fairfax and Loudoun Counties, VA. The Dulles Toll Road is located in Fairfax County, VA.

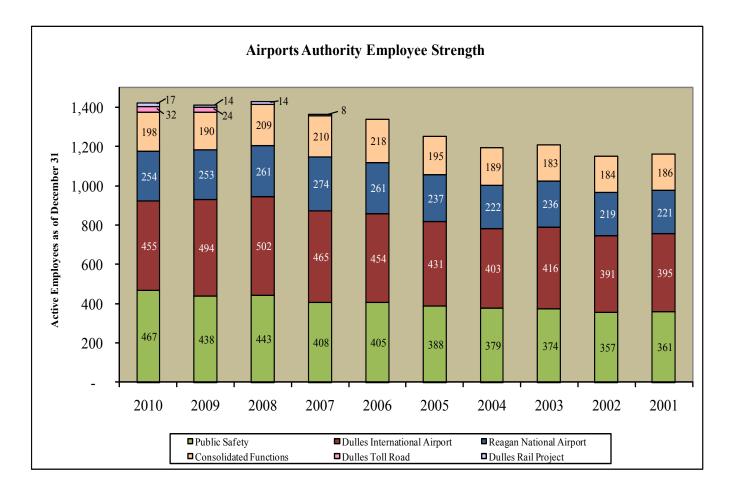
The U.S. Census Bureau produces the estimates of each county's population, starting with the revised population estimate for the prior year. The Census Bureau then adds or subtracts the demographic components of population change (e.g., births, deaths, net migration) calculated for that period. Resident population estimates are revised annually; therefore, results above may not agree to estimates presented in prior years.

Source: U.S. Census Bureau, Population Division



#### AIRPORTS AUTHORITY EMPLOYEE STRENGTH

#### Exhibit S-21



Employee Strength represents the number of active employees as of the last pay period of the fiscal year. It does not include members of the Student Employment Program, which offers full-time, part-time, and seasonal employment opportunities to full and part-time students. Prior year comparative amounts have been adjusted to exclude Student Employment Program participants. In addition, estimates based on historical trends have been made to the Employee Strength by functional area for 2001 and 2002, as specific departmental information is not available for those years.

The Office of Public Safety has primary responsibility for assuring public safety and security at the Airports and the Dulles Toll Road. It includes the Police Department, the Fire Department, and the Public Safety Administration Department.

Consolidated Functions includes the Board Office, Executive Office of Communications, Office of Finance, Office of Engineering, Office of Air Service Planning & Development, General Counsel, Office of Audit, Office of Business Administration, Office of Human Resources, and Office of Information & Telecommunications Systems. Consolidated Functions support both Airports, the Dulles Toll Road, the Dulles Metrorail Project, and Public Safety.

From November 1, 2008 to September 30, 2009, the operations of the Dulles Toll Road were contracted to Virginia Department of Transportation (VDOT). On October 1, 2009, VDOT employees of the Dulles Toll Road became Airports Authority employees.

Although the Dulles Rail Project was not an Airports Authority responsibility until November 1, 2008, the Airports Authority commenced hiring employees specifically for this function in 2007.

Source: Airports Authority Records









## **AIRCRAFT OPERATIONS BY AIRPORT Takeoffs and Landings**

Exhibit S-22

Ronald Reagan Washington National Airport

Calendar Year	Major / Nationals	Regional	General Aviation	Military	Total
2010	124,205	140,972	4,788	1,132	271,097
2009	121,446	144,165	5,261	1,274	272,146
2008	140,564	130,541	4,914	1,279	277,298
2007	146,614	123,024	5,272	523	275,433
2006	157,536	115,087	3,172	624	276,419
2005	181,417	91,227	3,101	311	276,056
2004	154,452	111,333	2,546	245	268,576
2003	139,343	109,085	2,087	287	250,802
2002	139,259	73,078	2,255	1,099	215,691
2001	159,347	47,650	32,290	4,721	244,008

**Washington Dulles International Airport** 

Calendar Year	Major / Nationals	Regional	General Aviation	Military	Total
2010	125,011	163,042	47,845	633	336,531
2009	125,531	166,046	48,221	569	340,367
2008	136,052	168,608	54,808	824	360,292
2007	141,428	176,150	64,549	816	382,943
2006	132,265	178,372	67,954	980	379,571
2005	255,442	179,492	73,629	1,089	509,652
2004	281,663	111,669	74,689	1,614	469,635
2003	232,112	27,833	73,668	1,784	335,397
2002	262,063	26,957	81,732	1,884	372,636
2001	300,061	27,548	62,643	6,634	396,886

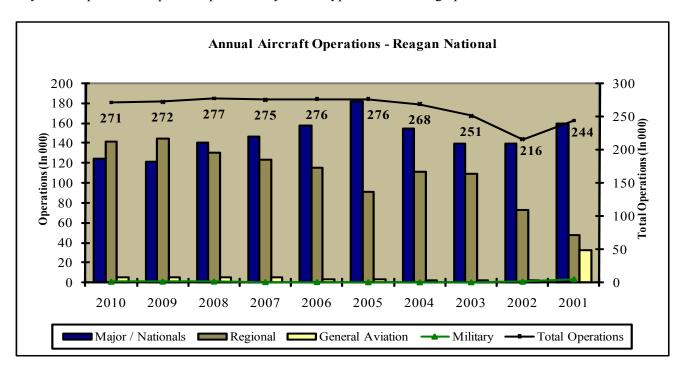
Source: Air Traffic Statistics



#### AIRCRAFT OPERATIONS BY AIRPORT – REAGAN NATIONAL

Exhibit S-23

This Exhibit depicts the Airport's total operations, defined as take-offs and landings, across the top of the chart, with each year's respective component operations by carrier type shown in bar graph format.



Several factors affect the activity levels at Reagan National, most prominently the Airport is subject to the FAA's High Density Rule, which imposes limits on the number of flights and the Perimeter Rule, which generally limits non-stop flights to a radius of 1,250 statue miles. In addition, the Airports Authority's noise abatement program includes limitations on certain aircraft operations after 9:59pm and before 7:00am. The number of passenger flight operations at Reagan National was virtually flat in the years 2004 through 2010, averaging approximately 269,000 per year. There were 271,097 operations in 2010.

Other factors affecting the operations at the Airport include economic conditions, the events of September 11, 2001, the decline in high-yield air travel, the financial crisis in the airline industry, and air carriers replacing many of their narrow-body jet flights with regional jets.

Source: Air Traffic Statistics Reports



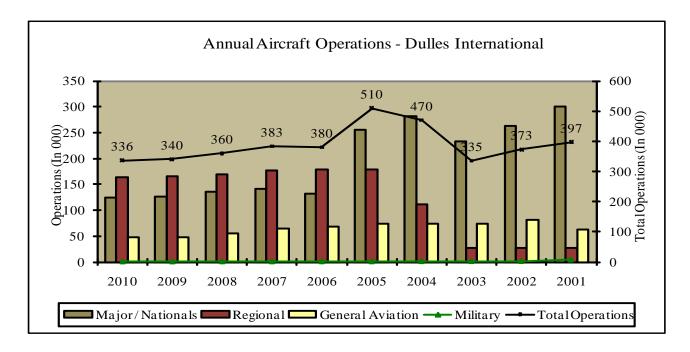




#### AIRCRAFT OPERATIONS BY AIRPORT – DULLES INTERNATIONAL

#### Exhibit S-24

This Exhibit depicts the Airport's total operations, defined as take-offs and landings, across the top of the chart, with each year's respective component operations by carrier type shown in bar graph format.



Operations decreased in 2001 in the face of a declining economy and the events of September 11, 2001. Dulles International accommodated some of the air traffic displaced from Reagan National as a result of September 11, but the restoration of normal operations at Reagan National in late 2001 was one of the factors that led to a further decline in 2002 operations at Dulles International.

Passenger flight operations increased in 2004 and 2005 as new service was added, including Independence Air. In 2006, the bankruptcy of Independence Air was the primary factor underlying a sizeable reduction in passenger flight operations. In 2010, total aircraft operations dropped by a modest 1.1 percent from 2009 levels to 336,531.

Source: Air Traffic Statistics Reports

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### **COMMERCIAL PASSENGER ENPLANEMENTS**

Exhibit S-25

## Ronald Reagan Washington National Airport

Calendar Year	Domestic Passenger Enplanements	Annual Growth	Total U.S. Domestic Passenger Enplanements	Annual Growth	Transborder/ International Passenger Enplanements	Annual Growth	Total U.S. Transborder/ International Passenger Enplanements	Annual Growth
2010	8,891,204	3.0%	629,457,532	1.9%	144,340	8.3%	88,193,651	6.1%
2009	8,634,011	-2.3%	617,961,607	-5.2%	133,232	-5.8%	83,112,177	-6.4%
2008	8,836,467	-3.4%	651,703,245	-4.0%	141,364	-4.8%	88,750,993	1.5%
2007	9,145,554	1.0%	679,168,758	3.2%	148,523	-19.9%	87,457,824	5.7%
2006	9,054,485	3.6%	658,362,617	0.2%	185,333	7.4%	82,735,582	6.3%
2005	8,736,725	12.0%	657,261,487	4.4%	172,549	11.5%	77,843,181	10.5%
2004	7,797,382	11.9%	629,768,486	8.0%	154,689	17.7%	70,462,241	15.6%
2003	6,970,957	9.7%	583,293,762	5.7%	131,458	26.1%	60,941,211	0.1%
2002	6,356,238	-1.9%	551,960,680	-1.4%	104,213	25.0%	60,878,039	-1.4%
2001	6,480,154	-16.1%	559,618,055	-6.6%	83,350	-35.5%	61,750,993	-7.7%

## **Washington Dulles International Airport**

Calendar Year	Domestic Passenger Enplanements	Annual Growth	Total U.S. Domestic Passenger Enplanements	Annual Growth	Transborder/ International Passenger Enplanements	Annual Growth	Total U.S. Transborder/ International Passenger Enplanements	Annual Growth
2010	8,635,733	2.4%	629,457,532	1.9%	3,177,235	1.9%	88,193,651	6.1%
2009	8,429,620	-3.6%	617,961,607	-5.2%	3,117,151	0.1%	83,112,177	-6.4%
2008	8,742,530	-6.1%	651,703,245	-4.0%	3,115,417	5.2%	88,750,993	1.5%
2007	9,313,161	5.9%	679,168,758	3.2%	2,960,345	14.1%	87,457,824	5.7%
2006	8,797,384	-19.6%	658,362,617	0.2%	2,594,682	5.9%	82,735,582	6.3%
2005	10,947,383	21.4%	657,261,487	4.4%	2,448,994	6.0%	77,843,181	10.5%
2004	9,014,584	41.5%	629,768,486	8.0%	2,309,572	15.8%	70,462,241	15.6%
2003	6,371,646	-1.9%	583,293,762	5.7%	1,994,840	-1.1%	60,941,211	0.1%
2002	6,497,774	-6.6%	551,960,680	-1.4%	2,017,724	2.9%	60,878,039	-1.4%
2001	6,958,802	-11.8%	559,618,055	-6.6%	1,961,394	-5.8%	61,750,993	-7.7%

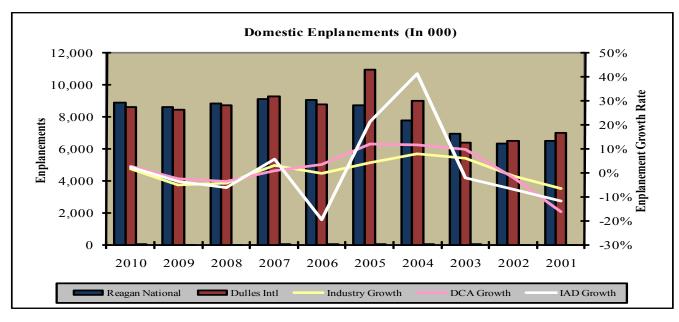
Prior years' comparative information may be adjusted for additional information or to conform with current year presentation

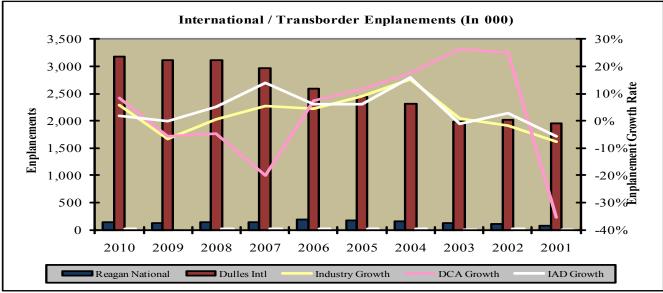
Source: Air Traffic Statistics, Bureau of Transportation Statistics T-100 Market Data



#### COMMERCIAL ENPLANEMENTS

#### Exhibit S-26





Domestic enplanements increased at both Airports in 2010 after two straight years of decline. Both Airports experienced growth that outpaced the industry in 2010. International enplanements at Dulles International increased by 1.9% in 2010, slower than the industry average of 5.9%. However, Dulles International experienced growth in international traffic in 2009, while the industry average declined by 6.7%. International enplanements at Dulles International have increased every year since 2003 and now account for nearly 27% of the airport's enplanements. International traffic accounted for less than 2% of Reagan National's total enplanements in 2010.

Sources: Air Traffic Statistics Report, Bureau of Transportation Statistics Air Carriers: T-100 Market Commercial Passengers Flown by U.S. Flag Carriers



## MARKET SHARE BY LANDED WEIGHT RONALD REAGAN WASHINGTON NATIONAL AIRPORT

(Expressed in Thousands of Pounds)

	2010		2009		2008		2007		2006	
AIRLINE <sup>1</sup>	Landed		Landed		Landed		Landed		Landed	
	Weights	Share	Weights	Share	Weights	Share	Weights	Share	Weights	Share
US Airways	2,867,196	23.70%	2,956,848	24.50%	3,349,614	26.40%	3,429,981	26.97%	3,777,558	29.07%
Delta Airlines + Delta Shuttle	1,594,441	13.18%	927,067	7.68%	1,412,258	11.13%	1,380,212	10.85%	1,521,021	11.70%
American Airlines	1,328,912	10.99%	1,322,046	10.95%	1,316,961	10.38%	1,330,575	10.46%	1,288,058	9.91%
Republic Airlines (US Airways Express)	1,209,393	10.00%	985,480	8.17%	886,321	6.99%	856,710	6.74%	692,821	5.33%
United Airlines	688,696	5.69%	727,557	6.03%	702,636	5.54%	682,154	5.36%	685,035	5.27%
Air Wisconsin (US Airways Express)	651,796	5.39%	804,969	6.67%	951,797	7.50%	819,586	6.44%	724,223	5.57%
AirTran	445,400	3.68%	324,784	2.69%	305,608	2.41%	245,672	1.93%	199,552	1.54%
American Eagle(Flagship)	426,097	3.52%	464,512	3.85%	420,394	3.31%	396,591	3.12%	425,382	3.27%
Continental Airlines	357,161	2.95%	386,058	3.20%	479,057	3.78%	534,727	4.20%	528,186	4.06%
Comair	328,442	2.72%	398,162	3.30%	293,498	2.31%	262,815	2.07%	287,789	2.21%
Shuttle America (Delta Connection)	317,956	2.63%	354,390	2.94%	49,609	0.39%	51,703	0.41%	1,663	0.01%
PSA Airlines	298,624	2.47%	243,601	2.02%	222,845	1.76%	196,901	1.55%	208,700	1.61%
Frontier Airlines	211,315	1.75%	154,449	1.28%	153,061	1.21%	141,070	1.11%	137,573	1.06%
Chautauqua (US Airways Express)	161,346	1.33%	101,169	0.84%	88,233	0.70%	91,790	0.72%	119,937	0.92%
Alaska Airlines	154,756	1.28%	156,469	1.30%	157,074	1.24%	155,172	1.22%	148,008	1.14%
Spirit Airlines	137,342	1.14%	142,196	1.18%	130,622	1.03%	102,376	0.80%	143,724	1.11%
Republic Airlines (Midwest Connect)	136,763	1.13%	188,415	1.56%	29,719	0.23%	-	-	-	-
Air Canada	100,936	0.83%	94,097	0.78%	112,319	0.89%	109,403	0.86%	124,919	0.96%
Air Canada Jazz	80,913	0.67%	79,314	0.66%	68,770	0.54%	64,479	0.51%	50,044	0.39%
Continental Express	78,203	0.65%	80,775	0.67%	88,674	0.70%	108,012	0.85%	123,207	0.95%
Colgan Air (Continental Connection)	63,364	0.52%	60,264	0.50%	23,932	0.19%	-	_	-	-
Mesaba Airlines	56,826	0.47%	35,447	0.29%	8,819	0.07%	15,396	0.12%	26,010	0.20%
Federal Express FDX	39,402	0.33%	39,204	0.32%	16,830	0.13%	-	_	-	-
Chautauqua (Continental Express)	35,614	0.29%	43,460	0.36%	39,940	0.31%	15,713	0.12%	-	-
Pinnacle Airlines	32,618	0.27%	75,482	0.63%	84,271	0.66%	80,652	0.63%	80,464	0.62%
Colgan Air (US Airways Express)	26,505	0.22%	26,933	0.22%	25,826	0.20%	24,935	0.20%	25,734	0.20%
Signature Flight Support (FBO)	20,669	0.17%	13,811	0.11%	10,402	0.08%	13,741	0.11%	5,181	0.04%
Piedmont Aviation	19,216	0.16%	7,348	0.06%	19,578	0.15%	44,670	0.35%	20,192	0.16%
Chautauqua (Delta Connection)	5,361	0.04%	6,641	0.06%	15,071	0.12%	19,949	0.16%	3,147	0.02%
Atlantic Southeast	-	-	4,869	0.04%	10,045	0.08%	46,076	0.36%	43,851	0.34%
American Trans Air	-	-	-	_	-	_	164,658	1.29%	180,125	1.39%
America West Airlines	-	-	-	_	-	_	149,032	1.17%	215,496	1.66%
Trans States Airlines	-	_	-	_	-	_	-	_	20,338	0.16%
Allegheny Commuter	-	_	-	_	-	_	-	_	-	_
Trans World Airlines	-	_	-	_	-	_	-	_	-	_
Trans States Airlines (US Airways Exp)	-	_	-	_	128	0.00%	8,284	0.07%	-	_
Potomac Air, Inc.	-	-	-	-	-	-	-	-	-	-
Northwest Airlines	_	-	802,592	6.65%	884,805	6.97%	872,401	6.86%	875,902	6.74%
Midwest Express		0.00%	47,500	0.39%	275,464	2.17%	302,760	2.38%	303,872	2.34%
Other <sup>2</sup>	220,201	1.82%	12,745	0.11%	51,618	0.41%	1,569	0.01%	8,457	0.07%
Total	12,095,464	100.00%	12,068,654	100.00%	12,685,799	100.00%	12,719,765	100.00%	12,996,169	

<sup>&</sup>lt;sup>1</sup> Prior years' comparative information has been modified as necessary based on revisions from carriers

Source: Air Traffic Statistics

<sup>&</sup>lt;sup>2</sup> Includes airlines no longer serving Reagan National or carriers with insignificant activity









## Exhibit S-27

2005		2004		2003		2002	2	2001	
Landed									
Weights	Share								
4,437,393	34.58%	3,082,443	26.87%	3,059,815	28.24%	3,115,677	30.81%	3,615,979	32.99%
1,510,590	11.77%	1,411,358	12.30%	1,489,855	13.75%	1,713,594	16.94%	2,191,172	19.99%
1,277,371	9.95%	1,156,215	10.08%	1,362,246	12.57%	1,311,095	12.96%	1,187,911	10.84%
26,900	0.21%	-	-	-	-	-	-	-	-
671,032	5.23%	846,889	7.38%	615,931	5.69%	628,511	6.21%	598,303	5.46%
52,170	0.41%	-	-	-	-	-	-	-	-
184,624	1.44%	182,535	1.59%	36,296	0.34%	-	-	-	-
404,211	3.15%	361,779	3.15%	363,734	3.36%	231,222	2.29%	127,751	1.17%
506,448	3.95%	475,519	4.15%	481,828	4.45%	534,108	5.28%	684,300	6.24%
291,534	2.27%	417,530	3.64%	473,666	4.37%	98,888	0.98%	-	-
-	-	-	-	-	-	-	-	-	-
578,899	4.51%	302,035	2.63%	232,511	2.15%	185,006	1.83%	58,305	0.53%
137,474	1.07%	128,394	1.12%	47,815	0.44%	43,199	0.43%	30,727	0.28%
213,123	1.66%	292,133	2.55%	156,538	1.44%	-	-	-	-
142,538	1.11%	94,224	0.82%	46,770	0.43%	-	-	4,642	0.04%
182,057	1.42%	125,013	1.09%	8,060	0.07%	-	-	56,651	0.52%
-	-	-	-	-	-	-	-	-	-
159,966	1.25%	145,756	1.27%	129,872	1.20%	136,149	1.35%	122,533	1.12%
-	-	-	-	-	-	-	-	-	-
116,228	0.91%	189,110	1.65%	113,036	1.04%	67,618	0.67%	10,110	0.09%
-	-	-	-	-	-	-	-	-	-
50,065	0.39%	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
106,596	0.83%	37,404	0.33%	-	-	-	-	-	-
31,379	0.24%	105,417	0.92%	11,258	0.10%	-	-	432	-
46,982	0.37%	41,747	0.36%	30,662	0.28%	21,578	0.21%	466,035	4.25%
11,597	0.09%	95,502	0.83%	177,332	1.64%	411,452	4.07%	160,547	1.46%
-	-	-	-	-	-	-	-	-	-
50,422	0.39%	89,497	0.78%	87,245	0.81%	5,684	0.06%	-	-
204,921	1.60%	214,056	1.87%	158,894	1.47%	146,007	1.44%	138,567	1.26%
224,186	1.75%	285,361	2.49%	172,147	1.59%	189,006	1.87%	213,416	1.95%
32,507	0.25%	100,843	0.88%	4,595	0.04%	-	-	-	-
-	-	58,953	0.51%	152,042	1.40%	116,819	1.16%	13,153	0.12%
-	-	-	-	-	-	-	-	290,335	2.65%
=	-	-	-	-	-	-	-	-	-
-	-	-		-	-			123,234	1.12%
876,247	6.83%	842,286	7.34%	916,221	8.46%	779,922	7.71%	741,852	6.77%
305,028	2.38%	355,080	3.10%	272,663	2.52%	286,368	2.83%	-	-
=	-	34,720	0.30%	233,075	2.15%	91,111	0.90%	125,735	1.15%
12,832,488	100.00%	11,471,799	100.00%	10,834,104	100.00%	10,113,018	100.00%	10,961,689	100.00%



## MARKET SHARE BY LANDED WEIGHT WASHINGTON DULLES INTERNATIONAL AIRPORT

(Expressed in Thousands of Pounds)

	201	0	200	19	200	)8	200	)7	200	6
$AIRLINE^1$	Landed		Landed		Landed		Landed		Landed	
	Weights	Share	Weights	Share	Weights	Share	Weights	Share	Weights	Share
United Airlines	7,651,068	40.47%	7,544,840	40.11%	7,435,550	38.09%	7,606,298	37.89%	7,048,694	37.76%
JetBlue Airways	693,865	3.67%	7,544,640	4.18%	927,826	4.75%	952,941	4.75%	7,048,094	4.25%
Mesa Airlines (United Express)	682,887	3.61%	900,587	4.79%	1,126,123	5.77%	1,520,846	7.58%	1,847,801	9.90%
Trans States Airlines (United Express)	593,941	3.14%	652,276	3.47%	628,832	3.22%	603,260	3.01%	596,537	3.20%
American Airlines	551,836	2.92%	501,613	2.67%	535,928	2.75%	544,803	2.71%	557,241	2.98%
Signature Flight Support (FBO)	541,417	2.86%	525,464	2.79%	462,871	2.37%	538,636	2.68%	477,555	2.56%
Shuttle America	541,385	2.86%	675,158	3.59%	676,463	3.47%	629,476	3.14%	475,885	2.55%
GoJet Airlines	476,839	2.52%	471,144	2.50%	343,308	1.76%	306,123	1.53%	111,153	0.60%
Landmark Aviation (FBO)	431,255	2.28%	403,491	2.14%	501,128	2.57%	650,364	3.24%	701,682	3.76%
British Airways	421,788	2.23%	467,295	2.48%	492,144	2.52%	438,467	2.18%	458,074	2.45%
Southwest Airlines	412,040	2.18%	455,344	2.42%	475,884	2.44%	518,676	2.58%	130,534	0.70%
Lufthansa	398,763	2.11%	336,077	1.79%	384,825	1.97%	443,982	2.21%	469,317	2.51%
Delta Airlines	394,850	2.09%	386,054	2.05%	441,942	2.26%	481,132	2.40%	497,957	2.67%
Air France	371,939	1.97%	375,681	2.00%	387,484	1.98%	398,061	1.98%	413,269	2.21%
Federal Express	364,829	1.93%	358,267	1.90%	411,650	2.11%	421,845	2.10%	403,651	2.16%
Colgan Airways (United Express)	327,123	1.73%	329,603	1.75%	345,987	1.77%	210.455	1.05%	207,564	1.11%
Virgin America	284,136	1.50%	286,088	1.52%	257,399	1.32%	45,361	0.23%	207,504	1.11/0
Qatar Amiri Air	201,786	1.07%	201,786	1.07%	202,791	1.04%	96,778	0.48%	_	
All Nippon	196,664	1.04%	186,018	0.99%	202,764	1.04%	202,794	1.01%	187,630	1.01%
South African Airways	172,680	0.91%	182,269	0.97%	197,826	1.01%	203,850	1.02%	169,210	0.91%
Korean Air	168,652	0.89%	167,900	0.89%	118,508	0.61%	137,824	0.69%	119,136	0.64%
Virgin Atlantic	161,212	0.85%	193,267	1.03%	252,265	1.29%	245,771	1.22%	190,860	1.02%
KLM Royal Dutch Airlines	149,875	0.79%	146,952	0.78%	147,041	0.75%	149,854	0.75%	132,227	0.71%
AirTran Airlines	137,616	0.73%	166,448	0.88%	222,712	1.14%	255,984	1.28%	267,592	1.43%
Scandinavian Airlines System	129,120	0.68%	124,007	0.66%	128,077	0.66%	126,229	0.63%	125,820	0.67%
Aer Lingus	110,979	0.59%	57,169	0.30%	81,417	0.42%	33,729	0.17%	125,626	- 0.0770
Austrian Airlines	107,575	0.57%	107,368	0.57%	142,221	0.73%	137,908	0.69%	143,320	0.77%
Mesa Airlines, Inc. (US Airways Exp.)	106,653	0.56%	104,585	0.56%	62,622	0.32%	33,149	0.17%	16,137	0.09%
Taca International	102,634	0.54%	100,162	0.53%	118,736	0.61%	146,944	0.73%	115,978	0.62%
Ethiopian Airlines	93,882	0.50%	74,084	0.39%	76,639	0.39%	79,513	0.40%	59,714	0.32%
United Parcel Service	83,869	0.44%	68,755	0.37%	86,359	0.44%	85,884	0.43%	83,528	0.45%
Saudi Arabian Airlines	78,036	0.41%	67,978	0.36%	68,455	0.35%	74,359	0.37%	84,109	0.45%
Comair, Inc. (Delta Connection)	64,465	0.34%	30,032	0.16%	52,429	0.27%	91,573	0.46%	80,395	0.43%
Air Canada + Jazz	62,418	0.33%	75,163	0.40%	84,723	0.43%	94,704	0.47%	95,203	0.51%
Continental Express	48,161	0.25%	31,084	0.17%	110,616	0.57%	145,612	0.73%	178,176	0.95%
Iberia Airlines	43,432	0.23%	73,401	0.39%	81,074	0.42%	54,424	0.27%	-	-
US Airways	33,782	0.18%	46,683	0.25%	126,347	0.65%	164,131	0.82%	159,723	0.86%
PSA Airlines (US Airways Express)	33,381	0.18%	48,098	0.26%	38,205	0.20%	27,732	0.14%	50,049	0.27%
MN Airlines, LLC	21,500	0.11%	22,078	0.12%	30,700	0.16%	61,320	0.31%	28,470	0.15%
Continental Airlines, Inc.	4,782	0.03%	3,411	0.02%	5,071	0.03%	36,415	0.18%	26,020	0.14%
Northwest Airlines	2,798	0.01%	59,556	0.32%	174,666	0.89%	283,572	1.41%	267,526	1.43%
Chautauqua Airlines (United Express)	1,191	0.01%	392,004	2.08%	401,533	2.06%	335,329	1.67%	200,743	1.08%
Trans States Airlines (Amer. Conn)	_	_	4,212	0.02%	30,678	0.16%	39,911	0.20%	_	-
Airborne Express	_	_	1,360	0.01%	70,006	0.36%	71,670	0.36%	71,887	0.39%
American Eagle	_	_	190	0.00%	84	0.00%	24,553	0.12%	66,712	0.36%
Colgan Airways (US Airways Express)	_	-	-	-	8,436	0.04%	90,290	0.45%	85,596	0.46%
America West	_	-	-	-		-	50,737	0.25%	116,422	0.62%
MAXjet Airways	_	-	-	-	-	-	24,411	0.12%	41,662	0.22%
FLYi (Independence Air + Atlantic Coast)	-	-	-	-	-	-	-	-	34,476	0.18%
Air Wisconsin (United Express)	_	-	-	-	-	-	-	-	30,108	0.16%
Other <sup>2</sup>	1,449,254	7.67%	620,755	3.30%	364,281	1.87%	155,914	0.78%	249,777	1.34%
TOTAL					19,522,626		20,073,594		18,669,231	
	_ 5,5 0 5,000	_00.0070	,,	100.00 /0		_00.0070	- 0,0.0,074	_00.0070	-0,007,201	_00.0070

 $<sup>^1</sup>$  Prior years' comparative information has been modified as necessary based on revisions from carriers  $^2$  Includes airlines no longer serving Dulles International or carriers with insignificant activity

Source: Air Traffic Statistics









## Exhibit S-28

2005		2004		2003		2002		2001	
Landed									
Weights	Share								
6,392,517	31.32%	6,557,152	34.22%	5,663,094	37.40%	6,127,511	36.96%	7,019,527	40.38%
523,980	2.57%	484,930	2.53%	361,958	2.39%	244,420	1.47%	10,082	0.06%
893,675	4.38%	347,739	1.81%	· -	-	-	-	· -	-
678,031	3.32%	217,860	1.14%	_	-	-	-	_	-
598,510	2.93%	587,805	3.07%	777,149	5.13%	1,017,507	6.14%	858,456	4.94%
-	-	419,380	2.19%	375,348	2.48%	382,530	2.31%	246,438	1.42%
370,263	1.81%	173,781	0.91%	-	-	2,802	0.02%	_	-
-	-			-	-	-	-	-	-
551,161	2.70%	297,868	1.55%	352,416	2.33%	546,953	3.30%	347,870	2.00%
28,512	0.14%	529,004	2.76%	515,279	3.40%	564,804	3.41%	403,510	2.32%
-	-	-	-	-	-	-	-	-	-
409,835	2.01%	317,729	1.66%	310,526	2.05%	311,217	1.88%	375,212	2.16%
530,760	2.60%	727,540	3.80%	759,207	5.01%	985,854	5.95%	864,294	4.97%
384,546	1.88%	321,257	1.68%	296,325	1.96%	268,292	1.62%	252,435	1.45%
401,655	1.97%	371,733	1.94%	410,858	2.71%	485,719	2.93%	465,973	2.68%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
168,917	0.83%	168,360	0.88%	169,440	1.12%	168,644	1.02%	197,512	1.14%
64,125	0.31%	-	-	-	-	-	-	-	-
111,384	0.55%	108,756	0.57%	99,716	0.66%	96,944	0.58%	80,003	0.46%
165,869	0.81%	212,812	1.11%	181,611	1.20%	189,107	1.14%	217,233	1.25%
-	-	-	-	-	-	-	-	-	-
178,360	0.87%	184,808	0.96%	211,560	1.40%	214,929	1.30%	235,026	1.35%
105,126	0.51%	111,950	0.58%	114,283	0.75%	114,878	0.69%	68,159	0.39%
-	-	-	-	-	-	-	-	-	-
28,800	0.14%	145,155	0.76%	143,237	0.95%	146,469	0.88%	120,737	0.69%
22,380	0.11%	23,623	0.12%	184,629	1.22%	165,325	1.00%	261,994	1.51%
107,680	0.53%	94,172	0.49%	88,868	0.59%	89,792	0.54%	70,489	0.41%
53,966	0.26%	45,664	0.24%	40,874	0.27%	41,201	0.25%	42,492	0.24%
78,162	0.38%	79,916	0.42%	79,890	0.53%	76,392	0.46%	66,928	0.39%
61,241	0.30%	73,470	0.38%	70,397	0.46%	77,214	0.47%	89,230	0.51%
190,435	0.93%	101,050	0.53%	120,943	0.80%	119,057	0.72%	76,563	0.44%
94,946	0.47%	150,749	0.79%	166,472	1.10%	180,561	1.09%	217,438	1.25%
197,711	0.97%	190,639	0.99%	135,889	0.90%	118,366	0.71%	103,267	0.59%
-	-	-	-	-	-	-	-	-	-
196,034	0.96%	185,961	0.97%	187,800	1.24%	249,267	1.50%	508,258	2.92%
30,738	0.15%	4,973	0.03%	-	-	-	-	2,188	0.01%
584	0.00%	146	0.00%	438	0.00%	292	0.00%	-	-
37,391	0.18%	44,334	0.23%	60,142	0.40%	113,272	0.68%	143,190	0.82%
289,410	1.42%	308,611	1.61%	327,689	2.16%	479,618	2.89%	524,895	3.02%
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
69,347	0.34%	69,164	0.36%	69,219	0.46%	54,241	0.33%	27,897	0.16%
31,736	0.16%	38,262	0.20%	33,716	0.22%	66,624	0.40%	109,330	0.63%
146,936	0.72%	175,731	0.92%	126,018	0.83%	8,813	0.05%	-	-
-	-	-	-	-	-	-	-	-	-
3,802,412	18.63%	3,403,084	17.76%	2,035,844	13.45%	2,217,292	13.37%	2,373,765	13.66%
896,072	4.39%	840,831	4.39%	227,378	1.50%	57,340	0.35%	-	-
1,520,072	7.45%	1,045,034	5.45%	442,577	2.92%	596,200	3.60%	1,001,858	5.76%
20,413,280	100.00%	19,161,031	100.00%	15,140,790	100.00%	16,579,448	100.00%	17,382,246	100.00%



# AIRLINE MARKET SHARE BY PASSENGER ENPLANEMENTS RONALD REAGAN WASHINGTON NATIONAL AIRPORT

	2010		2009		2008		200	7	2006	
AIRLINE <sup>1</sup>	Passenger	Market	Passenger	Market	Passenger	Market	Passenger	Market	Passenger	Market
	Enplane ments	Share	Enplane ments	Share	Enplane ments	Share	inplane me nt	Share	Enplane ments	Share
DOMESTIC	1.027.712	21.220/	1.020.002	22 000/	2 122 127	22.740/	2.255.022	24.250/	2 252 906	25 470/
US Airways+US Airways Shuttle	1,927,713	21.32%	1,929,992	22.00%	2,132,137	23.74% 12.90%	2,255,033	24.25%	2,353,896	25.47%
American Delta+Delta Shuttle	1,188,767 1,253,421	13.15% 13.86%	1,143,658 741,305	13.04% 8.45%	1,158,855 933,025	10.39%	1,214,058 957,515	13.06% 10.30%	1,132,839 1,073,406	12.26% 11.61%
Northwest	28,371	0.31%	581,173	6.63%	669,821	7.46%	675,764	7.27%	666,028	7.21%
United	532,294	5.89%	522,673	5.96%	518,293	5.77%	519,311	5.59%	511,091	5.53%
Continental	291,599	3.22%	303,467	3.46%	325,851	3.63%	373,191	4.01%	378,298	4.09%
AirTran	381,746	4.22%	263,100	3.00%	249,030	2.77%	213,397	2.30%	172,293	1.86%
Midwest Airlines	, ,	0.00%	32,247	0.37%	174,737	1.95%	204,583	2.20%	207,345	2.24%
ATA		-			-		159,377	1.71%	151,274	1.64%
Alaska Airlines	149,368	1.65%	144,317	1.65%	146,589	1.63%	142,567	1.53%	130,596	1.41%
Frontier Airlines	204,339	2.26%	158,734	1.81%	156,669	1.74%	128,498	1.38%	123,223	1.33%
America West Airlines		-	-	-	-	-	125,095	1.35%	175,333	1.90%
Spirit Airlines	123,878	1.37%	117,546	1.34%	106,483	1.19%	86,636	0.93%	104,988	1.14%
Trans World Airlines		-	-	-	-	-	-	-	-	-
Other <sup>2</sup>	37,296	0.41%	201	0.00%	852	0.01%	-	-	-	-
REGIONALS										
Republic (US Airways Express)	907,075	10.03%	733,136	8.36%	630,563	7.02%	594,411	6.39%	465,755	5.04%
Air Wisconsin (US Airways Express)	446,339	4.94%	567,358	6.47%	670,067	7.46%	568,630	6.12%	460,008	4.98%
American Eagle Airlines	292,901	3.24%	331,584	3.78%	268.652	2.99%	258,697	2.78%	280,129	3.03%
Comair (Delta Connection)	206,210	2.28%	250,061	2.85%	190,134	2.12%	179,534	1.93%	176,297	1.91%
PSA Airlines	215,400	2.38%	168,781	1.92%	147,013	1.64%	139,087	1.50%	152,515	1.65%
Continental Express	55,260	0.61%	61,874	0.71%	58,935	0.66%	80,791	0.87%	97,211	1.05%
Chautauqua (US Airways Express)	123,584	1.37%	77,766	0.89%	64,453	0.72%	70,677	0.76%	95,080	1.03%
Pinnacle	21,038	0.23%	47,431	0.54%	58,100	0.65%	59,895	0.64%	55,563	0.60%
Piedmont Airlines	12,223	0.14%	4,466	0.05%	12,856	0.14%	28,463	0.31%	11,584	0.13%
ASA (Delta Connection)		0.00%	2,974	0.03%	4,965	0.06%	26,268	0.28%	27,887	0.30%
Chautauqua (Continental Express)	29,123	0.32%	32,401	0.37%	34,546	0.38%	14,381	0.15%		
Colgan Airways (US Airways Exp.)	15,315	0.17%	13,983	0.16%	13,740	0.15%	13,867	0.15%	13,041	0.14%
Mesaba (Northwest Airlink)	4,944	0.05%	29,506	0.34%	4,658	0.05%	9,895	0.11%	14,734	0.16%
Trans States (American Connection)		-	-	-	-	-	-	-	15,250	0.16%
Liberty Express		-	-	-	-	-	-	-	6,849	0.07%
Allegheny		-	-	-	-	-	-	-	-	-
Other <sup>2</sup>	442,781	4.90%	374,277	4.27%	105,443	1.17%	45,933	0.49%	1,969	0.02%
AIR CARRIER CHARTERED										
Other Charters <sup>2</sup>	219	0.00%	-	0.00%	-	-	-	-	3.00	0.00%
GENERAL AVIATION										
Signature Flight Support	3,062	0.03%	1,656	0.02%	1,516	0.02%	1,136	0.01%	June 19, 1901	0.01%
Signature Fight Support	3,002	0.0370	1,050	0.0270	1,510	0.0270	1,130	0.0170	Julie 19, 1901	0.0170
MILITARY										
Other Military <sup>2</sup>	3,449	0.04%	2,995	0.03%	2,833	0.03%	3,094	0.03%	2,126	0.02%
TOTAL	8,897,715	98.40%	8,638,662	98.48%	8,840,816	98.43%	9,149,784	98.40%	9,057,147	97.99%
TRANSBORDER /										
INTERNATIONAL										
Air Canada	63,165	0.70%	54,701	0.62%	65,031	0.72%	61,837	0.67%	76,107	0.82%
US Airways	35,663	0.39%	35,786	0.41%	38,020	0.42%	41,372	0.44%	48,559	0.53%
-	,				ŕ		,		,	
REGIONALS										
Other Regionals <sup>2</sup>	45,512	0.50%	42,745	0.49%	38,313	0.43%	45,314	0.49%	60,667	0.66%
GENERAL AVIATION										
Other General Aviation <sup>2</sup>		-	-	-	-	-	-	-	-	-
TOTAL	144,340	1.60%	133,232	1.52%	141,364	1.57%	148,523	1.60%	185,333	2.01%
GRAND TOTAL	9,042,055	100.00%	8,771,894	100.00%	8,982,180	100.00%	9,298,307	100.00%	9,242,480	100.00%
· -	,,		-,,		-,,0		, ,		. , ,	

<sup>&</sup>lt;sup>1</sup> Prior years' comparative information has been modified as necessary based on revisions from carriers

<sup>&</sup>lt;sup>2</sup> Includes airlines no longer serving Reagan National or carriers with insignificant activity









# Exhibit S-29

2005	;	2004	ļ	2003	<b>I</b>	2002		2001	I
Passenger	Market	Passenger	Market	Passenger	Market	Passenger	Market	Passenger	Market
<b>Enplanements</b>	Share	Enplanements	Share	Enplane ments	Share	Enplanements	Share	Enplane ments	Share
2715064	20.400/	2.007.021	26.240/	1 905 620	26.699/	1 707 025	27 700/	2040010	20.000/
2,715,964 1,119,235	30.48% 12.56%	2,087,921 921,936	26.24%	1,895,630 955,780	26.68% 13.45%	1,797,035 921,433	27.79% 14.25%	2,049,010 771,529	30.99% 11.67%
1,131,927	12.70%	1,095,415	11.59% 13.77%	1,050,133	13.43%	1,139,754	17.63%	1,247,114	18.86%
643,017	7.22%	622,144	7.82%	587,036	8.26%	522,216	8.08%	480,359	7.27%
462,300	5.19%	441,683	5.55%	398,713	5.61%	392,739	6.07%	372,984	5.64%
357,253	4.01%	309,128	3.88%	306,612	4.31%	326,253	5.05%	409,712	6.20%
155,613	1.75%	138,707	1.74%	26,303	0.37%	-	-	-	-
187,012	2.10%	166,059	2.09%	149,368	2.10%	142,933	2.21%	109,329	1.65%
145,227	1.63%	165,032	2.07%	126,474	1.78%	121,712	1.88%	105,944	1.60%
116,137	1.30%	77,325	0.97%	33,895	0.48%	32,149	0.50%	3,019	0.05%
121,424	1.36%	72,757	0.91%	39,044	0.55%	36,058	0.56%	24,879	0.38%
172,484	1.94%	153,659	1.93%	131,354	1.85%	122,745	1.90%	122,536	1.85%
135,878	1.52%	110,303	1.39%	8,854	0.12%	-	-	46,762	0.71%
_	-		-		-	-	-	173,781	2.63%
_	_	409	0.01%	_	_	19,798	0.31%	75,026	1.13%
		40)	0.0170			15,750	0.5170	75,020	1.1370
14,032	0.16%	-	-	-	-	-	-	-	-
32,716	0.37%	- 215 400	2.710/	100.450	2.700/	122 520	2.070/	-	1.000/
264,758	2.97%	215,408	2.71%	198,460	2.79%	133,539	2.07%	66,060	1.00%
158,060	1.77%	214,242	2.69%	243,627	3.43%	46,716	0.72%	24.511	0.500/
339,434	3.81%	191,904	2.41%	111,727	1.57%	128,069	1.98%	34,511	0.52%
90,506	1.02%	90,655	1.14%	90,836	1.28%	58,954	0.91%	10,735	0.16%
150,719	1.69%	225,935	2.84%	115,102	1.62%	-	-	-	-
62,386	0.70%	10,455	0.13%	100.245	1 410/	100 601	2.020/	70.070	1.070/
4,342	0.05%	47,334	0.59%	100,245	1.41%	189,691	2.93%	70,872	1.07%
35,904	0.40%	65,488	0.82%	54,430	0.77%	5,423	0.08%	-	-
									Į.
25,724	0.29%	-	-	-	-	-	-		ļ
25,230	0.28%	42,617	0.54%	3,622	0.05%	-	-	-	-1
58,990	0.28%	265,276	3.33%	113,511	1.60%	122,977	1.90%	227,204	3.44%
38,990	0.00%	24,344	0.31%	86,410	1.22%	66,799	1.03%	2,933	0.04%
10.452	0.120/								
10,453	0.12%	41,246	0.52%	143,791	2.02%	29,245	0.45%	72,429	1.10%
_	_	_	_	_	_	_	_	3,426	0.04%
								-,	
53	0.00%	-	-	-	-	-	-	46,433	0.70%
1,906	0.02%	5,375	0.07%	3,940	0.06%	4,936	0.08%	849	0.01%
· ·						·			
8,738,684	98.06%	7,802,757	84.42%	6,974,897	98.15%	6,361,174	98.39%	6,527,436	98.74%
104,637	1.17%	94,135	1.18%	79,436	1.12%	83,654	1.29%	78,937	1.19%
40,830	0.46%	37,625	0.47%	33,891	0.48%	11,481	0.18%	-	0.00%
27,082	0.30%	22,929	0.29%	18,131	0.26%	9,078	0.14%	4,413	0.07%
27,082	0.30%	22,929	0.29%	10,131	0.20%	9,078	0.14%	4,413	0.07%
-	-	-	-	-	-	-	-	32	0.00%
172,549	1.94%	154,689	1.74%	131,458	1.85%	104,213	1.61%	83,382	1.26%
·		·		•					
8,911,233	100.00%	7,957,446	100.00%	7,106,355	100.00%	6,465,387	100.00%	6,610,818	100.00%



# AIRLINE MARKET SHARE BY PASSENGER ENPLANEMENTS WASHINGTON DULLES INTERNATIONAL AIRPORT

	2010	)	2009		2008		2007	'	2006	
AIRLINE <sup>1</sup>	Passenger	Market								
	Enplanements	Share								
DOMESTIC United	3,430,680	28.86%	3,286,673	28.30%	3,312,845	27.73%	3,551,268	28.68%	3,430,537	29.84%
JetBlue	576,039	4.85%	625,519	5.39%	730,989	6.12%	776,980	6.27%	666,704	5.80%
American	464,266	3.91%	409,716	3.53%	435,623	3.65%	444,445	3.59%	450,718	3.92%
Southwest Airlines Co.	374,282	3.15%	371,029	3.19%	396,298	3.32%	368,977	2.98%	80,567	0.70%
Delta	317,266	2.67%	296,772	2.56%	333,445	2.79%	368,507	2.98%	384,682	3.35%
Virgin America	231,889	1.95%	237,796	2.05%	194,248	1.63%	27,247	0.22%	-	
AirTran Northwest	119,681	1.01% 0.00%	127,164 34,442	1.09% 0.30%	179,892 114,489	1.51% 0.96%	204,194 199,194	1.65% 1.61%	199,898 196,249	1.74% 1.71%
US Airways	93,537	0.79%	34,728	0.30%	96,997	0.90%	109,878	0.89%	101,772	0.89%
Continental	701	0.01%	817	0.01%	3,808	0.03%	20,415	0.16%	15,217	0.13%
America West	-	-	-	-	-	-	39,222	0.32%	86,614	0.75%
Independence Air	-	-	-	-	-	-	-	-	22,050	0.19%
Atlantic Coast	-		-		-	-		-		-
Other <sup>2</sup>	15,221	0.13%	25,512	0.22%	30,055	0.25%	39,487	0.32%	31,500	0.27%
REGIONALS										
Mesa (United Express)	549,219	4.62%	719,003	6.19%	906,747	7.59%	1,279,241	10.33%	1,602,553	13.94%
Trans States (United Express) Shuttle America (United Express)	445,031 308,225	3.74% 2.59%	566,386 372,543	4.88% 3.21%	545,487 369,050	4.57% 3.09%	528,990 375,942	4.27% 3.04%	498,796 266,414	4.34% 2.32%
Chautauqua (United Express)	300,223	2.39%	233,296	2.01%	239,421	2.00%	230,741	1.86%	127,799	2.32% 1.11%
Colgan Air (United Express)	219,380	1.85%	221,228	1.90%	203,456	1.70%	156,967	1.27%	142,528	1.11%
Continental Express	47,307	0.40%	25,471	0.22%	79,287	0.66%	103,954	0.84%	134,477	1.17%
Air Wisconsin (United Express)	-	-	-	-	-	-	-	-	16,899	0.15%
Other <sup>2</sup>	1,432,328	12.05%	841,285	7.24%	569,889	4.77%	486,502	3.93%	340,604	2.96%
AIR CARRIER CHARTERED										
Other Charters <sup>2</sup>	10,681	0.09%	-	-	504	0.00%	1,010	0.01%	806	0.01%
GENERAL AVIATION										
Landmark Aviation	17,241	0.15%	16,986	0.15%	24,598	0.21%	35,424	0.29%	36,105	0.31%
Signature Flight Support	54,923	0.46%	49,845	0.43%	60,399	0.51%	72,635	0.59%	66,673	0.58%
MILITARY										
Other Military <sup>2</sup>	133	0.00%	36	0.00%	314	0.00%	-	-	173	0.00%
TOTAL	8,708,030	73.26%	8,496,247	73.15%	8,827,841	73.90%	9,421,220	76.08%	8,900,335	77.41%
TRANSBORDER /							1			
INTERNATIONAL										
United	1,451,292	12.21%	1,443,621	12.43%	1,401,537	11.73%	1,350,797	10.91%	1,105,952	9.62%
British Airways	173,211	1.46%	182,703	1.57%	189,442	1.59%	173,361	1.40%	182,241	1.59%
Air France	161,910	1.36%	181,787	1.57%	176,064	1.47%	192,578	1.56%	201,577	1.75%
Lufthansa Taca International	176,179 98,844	1.48% 0.83%	158,147 95,132	1.36% 0.82%	173,440 101,867	1.45% 0.85%	203,686 118,331	1.64% 0.96%	215,272 98,628	1.87% 0.86%
Virgin Atlantic	76,417	0.64%	84,778	0.73%	95,567	0.80%	104,319	0.84%	83,992	0.73%
South African Airways	80,797	0.68%	73,221	0.63%	82,084	0.69%	87,604	0.71%	58,492	0.51%
Austrian Airlines	60,401	0.51%	63,885	0.55%	80,821	0.68%	80,054	0.65%	78,879	0.69%
KLM Royal Dutch	74,878	0.63%	79,265	0.68%	78,574	0.66%	83,033	0.67%	77,105	0.67%
SAS All Nippon	71,042 66,573	0.60% 0.56%	66,085 60,949	0.57% 0.52%	71,112 62,932	0.60% 0.53%	66,251 65,852	0.54% 0.53%	66,272 70,047	0.58% 0.61%
All Nippon Korean Air	78,117	0.56%	72,814	0.52%	57,850	0.55%	63,789	0.53%	56,776	0.61%
Northwest Airlines		- 0.0070	1,026	0.01%	5,496	0.05%	- 05,767		- 30,770	-
Air Canada	-	-	-	-	-	-	558	0.00%	4,388	0.04%
Atlantic Coast	-	-	-	-	-	-	-	-	-	-
Other Air Carriers <sup>2</sup>	556,216	4.68%	302,478	2.60%	285,229	2.39%	159,576	1.29%	114,882	1.00%
REGIONALS										
Air Canada Jazz	41,010	0.35%	43,459	0.37%	49,104	0.41%	66,344	0.54%	63,833	0.56%
Air Wisconsin (United Express)	-	-		,					6,953	0.06%
Other Regionals <sup>2</sup>	-	-	208,041	1.79%	203,967	1.71%	143,916	1.16%	109,298	0.95%
AIR CARRIER CHARTERED										
Other Charters <sup>2</sup>	10,348	0.09%	-	0.00%	331	0.00%	296	0.00%	274	0.00%
							1		1	
GENERAL AVIATION										
GENERAL AVIATION Other General Aviation <sup>2</sup>	377	0.00%	167	0.00%	63	0.00%	448	0.00%	402	0.00%
Other General Aviation <sup>2</sup>	377	0.00%	167	0.00%	63	0.00%	448	0.00%	402	0.00%
Other General Aviation <sup>2</sup> MILITARY										
Other General Aviation <sup>2</sup> MILITARY  Other Military <sup>2</sup>	444	0.00%	523	0.00%	1,540	0.01%	803	0.01%	1,552	0.01%
Other General Aviation <sup>2</sup> MILITARY										

 $<sup>^1</sup>$  Prior years' comparative information has been modified as necessary based on revisions from carriers  $^2$  Includes airlines no longer serving Dulles International or carriers with insignificant activity









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# Exhibit S-30

2005	;	2004		2003	3	200	2	2001	
Passenger	Market	Passenger	Market	Passenger	Market	Passenger	Market	Passenger	Market
Enplane ments	Share	Enplane ments	Share	Enplane ments	Share	Enplane ments	Share	Enplanements	Share
3,131,653	23.19%	3,064,079	26.81%	2,459,604	29.08%	2,563,838	29.83%	3,065,872	34.11%
475,282	3.52%	444,592	3.89%	342,582	4.05%	219,135	2.55%	8,948	0.10%
471,771	3.49%	410,792	3.59%	438,793	5.19%	511,972	5.96%	433,586	4.82%
-	-	-	3.3770	-	-	-	-	-33,500	-
392,954	2.91%	474,913	4.16%	531,773	6.29%	665,661	7.74%	604,116	6.72%
133,541	0.99%	129,738	1.14%	166,607	1.97%	153,497	1.79%	190,661	2.12%
220,105	1.63%	204,563	1.79%	174,280	2.06%	189,204	2.20%	235,265	2.62%
118,897	0.88%	97,310	0.85%	118,315	1.40%	125,972	1.47%	303,648	3.38%
26,260	0.19%	27,616	0.24%	39,506	0.47%	71,950	0.84%	89,553	1.00%
98,160	0.73%	120,987	1.06%	85,113	1.01%	5,551	0.06%	_	_
2,690,638	19.93%	1,221,575	10.69%				-	_	_
-	-	817,453	7.15%	1,500,700	17.74%	1,583,496	18.42%	1,602,357	17.83%
58,883	0.44%	95,279	0.83%	69,428	0.82%	94,664	1.10%	173,616	1.93%
730.191	5.41%	282,517	2.47%						
				2 707	0.03%	-	-	_	-
567,626	4.20%	288,287	2.52%	2,707	0.03%	2 201	0.000	-	-
239,948	1.78%	110,075	0.96%	-	-	2,391	0.03%	-	-
389,987	2.89%	154,760	1.35%	-	-	-	-	-	-
22,075	0.16%	-	-	-	-	-	-	-	-
166,745	1.23%	153,109	1.34%	92,012	1.09%	69,276	0.81%	66,287	0.74%
681,692	5.05%	641,015	5.61%	179,975	2.13%	49,376	0.57%	-	-
329,999	2.44%	272,562	2.38%	163,327	1.93%	182,859	2.13%	184,893	2.06%
976	0.01%	3,362	0.03%	6,924	0.08%	8,932	-	-	-
43,772	0.32%	39,817	0.35%	40,184	0.48%	35,567	0.41%	32,134	0.36%
59,748	0.44%	60,106	0.53%	48,106	0.57%	37,506	0.44%	19,840	0.22%
550	0.000/	<b>COO</b>	0.010/	002	0.010/	627	0.010/	470	0.010/
573 <b>11,051,476</b>	0.00%	9,115,205	0.01%	903 <b>6,460,839</b>	0.01%	637	0.01%		0.01%
11,051,476	81.84%	9,115,205	79.76%	0,400,839	76.38%	6,571,484	76.45%	7,011,246	78.00%
1,004,913	7.44%	932,830	8.16%	768,233	9.08%	801,230	9.32%	739,139	8.22%
				107,034					
189,991	1.41%	189,690	1.66%	187,934	2.22%	181,694	2.11%	155,961	1.74%
190,865	1.41%	156,142	1.37%	139,751	1.65%	127,684	1.49%	119,792	1.33%
200,149	1.48%	163,817	1.43%	149,399	1.77%	153,186	1.78%	174,875	1.95%
90,554	0.67%	81,316	0.71%	72,989	0.86%	71,528	0.83%	57,470	0.64%
75,626	0.56%	92,282	0.81%	82,415	0.97%	91,551	1.07%	105,259	1.17%
13,254	0.10%	_	_	_	-	_	_	_	-
81,580	0.60%	82,215	0.72%	76,242	0.90%	74,721	0.87%	58,962	0.66%
73,253	0.54%	70,856	0.62%	39,718	0.47%		_	_	_
74,016	0.55%	68,727	0.60%	58,086	0.69%	60,007	0.70%	31,423	0.35%
68,507	0.51%	68,744	0.60%	62,181	0.74%	65,680	0.76%	59,254	0.66%
60,604	0.45%	58,695	0.51%	46,316	0.74%	45,177	0.53%	37,840	0.42%
00,004	0.45%	38,093	0.51%						0.42%
-	0.500	-		25,068	0.30%	77,183	0.90%	72,763	0.81%
69,791	0.52%	95,776	0.84%	95,265	1.13%	110,409	1.28%	126,224	1.40%
155,970	1.16%	41,414 155,511	0.36% 1.36%	73,145 118,098	0.86% 1.40%	6,655 151,019	0.08% 1.76%	222,432	2.47%
-	-	-	-	-	-	-	-	-	_
-		-	-	-	-	-	-	-	-
81,885	0.61%	51,557	0.45%	-	-	-	-	-	-
17,593	0.13%	,							
17,353	0.13%	-	-	-	-	-	-	_	-
443	0.00%	-	-	-	-	-	-	-	-
1,696	0.01%	1,191	0.01%	1,003	0.01%	816	0.01%	1,523	0.02%
1,020	0.0170	1,171	0.0170	1,003	0.0170	010	0.0170	1,525	0.0270
1,647	0.01%	2,869	0.03%	2,005	0.02%	5,942	0.07%	14,693	0.16%
									22.000/
2,452,337 13,503,813	18.16% 100.00%	2,313,632 11,428,837	20.24% 100.00%	1,997,848 8,458,687	23.62% 100.00%		23.55%	1,977,610 8,988,856	22.00%



## AIRLINE MARKET SHARE BY ENPLANED CARGO WEIGHT RONALD REAGAN WASHINGTON NATIONAL AIRPORT

(Expressed in Pounds)

	201	0	2009	)	2008		2007	7	200	6
AIRLINE <sup>1</sup>	Cargo Weight	Market Share								
DOMESTIC			6							
US Airways + US Airways Shuttle	485,433	14.28%	554,872	20.61%	642,775	31.43%	1,661,112	60.57%	1,210,445	40.61%
Federal Express FDX	910,324	26.78%	549,860	20.42%	313,462	15.33%	-		-	-
Frontier Airlines	863,751	25.41%	499,669	18.56%	19,694	0.96%	2,856	-	-	_
American Airlines	347,170	10.21%	438,101	16.27%	357,360	17.47%	2,628	0.10%	4,457	0.15%
Delta + Delta Shuttle	286,798	8.44%	156,417	5.81%	95,744	4.68%	107,764	3.93%	141,541	4.75%
Continental Airlines	157,450	4.63%	110,081	4.09%	156,508	7.65%	163,807	5.97%	246,489	8.27%
Alaska Airlines	113,101	3.33%	97,411	3.62%	106,397	5.20%	106,366	3.88%	120,052	4.03%
Northwest Airlines	21,974	0.65%	85,523	3.18%	83,748	4.09%	69,039	2.52%	24,575	0.82%
United Airlines	18,691	0.55%	16,191	0.60%	17,874	0.87%	17,631	0.64%	20,069	0.67%
Republic (Midwest)	28,589	0.84%	11,783	0.44%	102,453	5.01%	146,642	5.35%	172,537	5.79%
Air Canada		-	53	0.00%	152	0.01%		-		-
AirTran Airlines	_	_	-	-		-	7,500	0.27%	28,539	0.96%
America West Airlines	_	_	_	_	_	_	86,448	3.15%	287,846	9.66%
ATA	_	_	_	_	_	_	215,872	7.87%	371,210	12.45%
Spirit Airlines			_	_	_	_	213,072	7.0770	1,210	0.04%
Midway Airlines						_	_	_	1,210	0.0470
National Airlines	-	-	-	-	-		-	<u>.</u> ]	-	-
		0.0061	-	-	-	-	-	-	-	-
Other <sup>2</sup>	14	0.00%	-	-	-	-	-	-	-	-
REGIONALS										
Air Wisconsin (US Airways Express)	73,300	2.16%	63,295	2.35%	43,548	2.13%	25,796	0.94%	138,487	4.65%
PSA Airlines	82,369	2.42%	56,727	2.11%	23,795	1.16%	27,467	1.00%	56,658	1.90%
Republic (Midwest Connect)	2,116	0.06%	39,083	1.45%	9,538	0.47%	27,407	1.0070	30,030	1.50%
Continental Express	5,848	0.17%	8,900	0.33%	20,167	0.99%	35,974	1.31%	60,917	2.04%
Chautauqua Airlines	1,758	0.05%	1,969	0.07%	7,191	0.35%	3,333	0.12%	00,517	2.0470
Pinnacle Airlines (Northwest Airlink)	1,736	0.0370	1,901	0.07%	4,445	0.22%	4,608	0.12%	1,298	0.04%
Piedmont Airlines	348	0.01%	412	0.07%	481	0.02%	2.032	0.17%	1,849	0.04%
Mesaba Airlines	340	0.0176	345	0.02%	481	0.02%	154	0.07%	1,049	0.00%
Comair (Delta Connection)			545	0.0170	64	0.00%	134	0.0170		
Republic (US Airways Express)				-	04	0.0070	2,222	0.08%	12,545	0.42%
Chautauqua (Delta Connection)	-	-	-	-	_	-	35	0.00%	2,000	0.42%
Chautauqua (US Airways Express)	-	-	_	-	-	-	5	0.00%	126	0.00%
American Eagle Airlines	-	-	-	-	-	-	3	0.00%	45,960	1.54%
ASA (Delta Connection)	-	-	-	-	-	-	-	-	43,900	1.5470
Allegheny	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
US Airways Express (Midway)	-	-	-	-	-	-	-	-	-	-
Skyway Airlines	-	-	-	-	-	-	-	-	-	-
Mesa (America West Express) Potomac Air	-	-	-	-	-	-	-	-	-	-
TOTAL	3,399,034	99.98%	2,692,593	99.99%	2,005,400	98.05%	2,689,291	98.06%	2,948,810	98.93%
TOTAL	3,399,034	99.9070	2,092,593	99.9970	2,005,400	96.05 76	2,089,291	90.0076	2,940,010	90.9370
TRANSBORDER /						I		ı		
INTERNATIONAL										
US Airways	412	0.01%	169	0.01%	39,907	1.95%	52,526	1.92%	27,321	0.92%
Air Canada	180	0.01%	31	0.01%	37,907	1.73%	751	0.03%	1,551	0.92%
Zu Canaua	180	0.01%	51	0.00%	-	-	/31	0.03%	1,001	0.03%
REGIONALS										
Air Wisconsin (US Airways Express)	_		_	-	-	_	-	_	3,100	0.10%
PSA Airlines	_		_	-	-	_	-	_	41	0.00%
US Airways Express (Midway)	-	_	-	-	-	-	-	-	-	-
TOTAL	592	0.02%	200	0.01%	39,907	1.95%	53,277	1.94%	32,013	1.07%
GRAND TOTAL	3,399,626	100.00%	2,692,793	100.00%	2,045,307		2,742,568	100.00%	2,980,823	100.00%
GRAND IUIAL	3,399,026	100.00%	2,092,793	100.00%	2,045,307	100.00%	2,742,568	100.00%	2,980,823	100.00%

 $<sup>^1</sup>$  Prior years' comparative information has been modified as necessary based on revisions from carriers  $^2$  Includes airlines no longer serving Reagan National or carriers with insignificant activity









# Exhibit S-31

2005		2004		2003		2002		2001	
Cargo	Market	Cargo	Market	Cargo	Market	Cargo	Market	Cargo	Market
Weight	Share	Weight	Share	Weight	Share	Weight	Share	Weight	Share
1,037,946	34.03%	1,727,285	38.02%	1,832,745	39.64%	1,607,082	36.22%	8,306,573	24.78%
-	-	-	-	-	-	-	-	-	-
-	-	1,371	0.03%	36,318	0.79%	6,199	0.14%	37,684	0.11%
92,242	3.02%	744,151	16.38%	289,789	6.27%	399,616	9.01%	5,278,460	15.75%
264,623	8.68%	275,700	6.07%	379,496	8.21%	143,774	3.24%	3,905,915	11.65%
300,118	9.84%	487,743	10.74%	437,175	9.46%	663,111	14.94%	3,054,482	9.11%
43,616	1.43%	752	0.02%	22,764	0.49%	20,476	0.46%		-
24,992	0.82%	41,723	0.92%	239,483	5.18%	331,498	7.47%	4,717,567	14.07%
76,329	2.50%	172,457	3.80%	221,887	4.80%	146,663	3.31%	2,559,076	7.63%
143,100	4.69%	277,948	6.12%	300,996	6.51%	426,727	9.62%	1,202,290	3.59%
21,234	0.700/	-	-	-	-	-	-	-	-
284,665	0.70% 9.33%	381,530	8.40%	499,521	10.80%	443,313	9.99%	1,059,059	3.16%
589,871	19.34%	225,601	4.97%	499,321 87,735	1.90%	443,313 807	0.02%	561,322	1.67%
8,791	0.29%	32,198	0.71%	3,052	0.07%	-	0.02%	2,319	0.01%
0,791	0.29%	32,198	0.7170	3,032	0.0770	1,772	0.04%	16,331	0.01%
		_			_	1,772	0.0470	339,724	1.01%
									7.02%
-	-	-	-	-	-	-	-	2,352,248	7.02%
23,281	0.76%	_	_	_	_	_	_	_	_
67,526	2.21%	30,539	0.67%	20,245	0.44%	21,742	0.49%	12,634	0.04%
07,520	2.2170	30,337	0.0770	20,243	0.4470	21,742	0.4770	12,054	0.0470
43,763	1.43%	30,235	0.67%	18,279	0.40%	22,775	0.51%	4,179	0.01%
-	-		-	2,616	0.06%	8,850	0.20%	-	-
_	_	_	_	_,	-	-	-	_	_
1,089	0.04%	13,044	0.29%	54,940	1.19%	66,069	1.49%	51,767	0.15%
-	-	-	-	-	-	-	-	-	-
7,082	0.23%	32,909	0.72%	56,881	1.23%	87	0.00%	-	-
901	0.03%	<u>-</u>	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,028	0.03%	16,677	0.37%	28,477	0.62%	-	-	-	-
52	0.00%	789	0.02%	2,800	0.06%	1,627	0.04%	-	-
1,530	0.05%	40,939	0.90%	38,554	0.83%	-	-	-	-
-	-	6,021	0.13%	31,054	0.67%	8,927	0.20%	1,027	0.00%
-	-	-	-	11,004	0.24%	-	-	-	-
-	-	-	-	314	0.01%	465	0.01%	23,317	0.07%
-	-	-			-	58,562	1.32%	4,693	0.01%
	-		-	<u>-</u>	_	-	-	32,270	
3,033,779	99.46%	4,539,612	99.93%	4,616,125	99.84%	4,380,142	98.71%	33,522,937	100.00%
12.100	0.400	2.97/	0.000	6.682	0.140/	EE 000	1.262		
12,198	0.40%	2,876 462	0.06%	6,682	0.14%	55,983	1.26% 0.03%	1 100	0.000/
3,558	0.12%	462	0.01%	708	0.02%	1,326	0.03%	1,100	0.00%
_	_	_	_ [	_	_	_	_	_	_
656	0.02%	64	0.00%	1	0.00%	_		_	_
-	-	-	-	4	0.00%	_	_	_	-
16,412	0.54%	3,402	0.07%	7,395	0.16%	57,309	1.29%	1,100	0.00%
		•	•	·		·			
3,050,191	100.00%	4,543,014	100.00%	4,623,520	100.00%	4,437,451	100.00%	33,524,037	100.00%



# AIRLINE MARKET SHARE BY ENPLANED CARGO WEIGHT WASHINGTON DULLES INTERNATIONAL AIRPORT

(Expressed in Pounds)

	2010	)	2009	ı	2008	3	2007	,	2006	i
AIRLINE <sup>1</sup>	Cargo Weight	Share	Cargo Weight	Share	Cargo Weight	Share	Cargo Weight	Share	Cargo Weight	Share
DOMESTIC										
Federal Express	76,889,656	23.12%	83,793,859	26.97%	82,766,364	23.66%	90,637,340	25.35%	84,999,063	24.86%
United Airlines	45,511,042	13.69%	38,771,925	12.48%	40,833,059	11.67%	47,996,696	13.43%	44,757,206	13.09%
United Parcel Service	10,519,509	3.16%	8,304,813	2.67%	8,582,825	2.45%	9,522,514	2.66%	9,210,600	2.69%
Continental Airlines	2,811,265	0.85%	1,949,852	0.63%	875,020	0.25%	2,296,733	0.64%	2,484,266	0.73%
American Airlines	1,091,210	0.33%	1,289,901	0.42%	2,264,649	0.65%	1,486,544	0.42%	1,709,804	0.50%
JetBlue Airways	386,739	0.12%	455,711	0.15%	678,715	0.19%	138,833	0.04%	85,449	0.02%
Delta AirLines	539,498	0.16%	399,477	0.13%	420,072	0.12%	547,443	0.15%	732,947	0.21%
Southwest Airlines	316,218	0.10%	271,671	0.09%	560,639	0.16%	585,535	0.16%	100,030	0.03%
US Airways	86,276	0.03%	225,628	0.07%	274,354	0.08%	119,368	0.03%	99,377	0.03%
Airborne Express	-	-	119,843	0.04%	11,811,662	3.38%	13,330,418	3.73%	11,161,815	3.27%
Northwest Airlines	_	_	22,077	0.01%	75,020	0.02%	96,087	0.03%	139,315	0.04%
Mountain Air Cargo	_	_	8,117	0.00%	-	_	2,731	-	-	-
Murray Air Cargo	_	_	-	-	30,878	0.01%	_	_	_	-
America West Airlines	_	_	_	_		-	218,379	0.06%	510,124	0.15%
AirTran Airlines				_			210,577	0.0070	6,705	0.00%
Emery Worldwide	_	_	_	_	-	_	_		0,703	0.0070
	-	-	-	-	-	-	_	-	-	-
Trans World Airlines	-	-	-	-	-	-	-	-	-	-
DHL Airways	-	-	-	-	-	-	-	-	-	-
Other <sup>2</sup>	12,668	0.00%	-	-	757	0.00%	-	-	41,063	0.01%
ALL-CARGO CHARTERS										
Other <sup>2</sup>	121 042	0.040/								
	121,943	0.04%	-	-	-	-	-	-	-	-
REGIONALS										
Other <sup>2</sup>	47,596	0.01%	38,805	0.01%	1,209,912	0.35%	55,269	0.02%	91,623	0.03%
MILITARY			•						-	
Other <sup>2</sup>	-	-	-	-	-		-	-	-	-
TOTAL	138,333,620	41.60%	135,651,679	43.67%	150,383,926	43.00%	167,033,893	46.72%	156,129,387	45.67%
TRANSBORDER /									l	
INTERNATIONAL										
United Airlines	99,578,299	29.94%	85,576,244	27.55%	94,114,032	26.91%	96,960,774	27.12%	106,822,333	31.25%
Lufthansa German Airline	10,568,050	3.18%	16,741,822	5.39%	19,296,508	5.52%	21,636,118	6.05%	20,128,114	5.89%
British Airways	13,277,122	3.99%	14,530,288	4.68%	14,539,614	4.16%	12,824,088	3.59%	11,246,501	3.29%
1									11,240,301	3.2970
Qatar Amiri Air	13,088,631	3.94%	12,546,842	4.04%	12,987,692	3.71%	5,196,251	1.45%	0.251.100	2.710/
All Nippon Airways	8,964,621	2.70%	7,120,220	2.29%	10,093,321	2.89%	12,112,144	3.39%	9,251,189	2.71%
Air France	11,019,582	3.31%	6,913,773	2.23%	8,659,903	2.48%	6,331,689	1.77%	5,570,291	1.63%
Virgin Atlantic Airways	8,028,698	2.41%	6,908,136	2.22%	9,891,243	2.83%	8,941,718	2.50%	7,924,997	2.32%
Scandinavian Airlines (SAS)	7,756,339	2.33%	5,502,209	1.77%	6,208,829	1.78%	7,262,647	2.03%	6,616,384	1.94%
Austrian Airlines	5,083,851	1.53%	5,371,312	1.73%	7,344,158	2.10%	7,459,761	2.09%	4,930,035	1.44%
South African Airways	6,655,220	2.00%	4,687,739	1.51%	3,797,528	1.09%	1,156,830	0.32%	3,342,760	0.98%
KLM Royal Dutch Airlines	3,388,973	1.02%	4,164,994	1.34%	5,766,904	1.65%	5,498,164	1.54%	4,679,652	1.37%
Aer Lingus	2,253,950	0.68%	705,060	0.23%	1,129,916	0.32%	442,914	0.12%	-	-
Iberia Airlines	156,049	0.05%	641,961	0.21%	1,388,761	0.40%	721,493	0.20%	-	_
Korean Air	681,332	0.20%	631,640	0.20%	348,966	0.10%	288,372	0.08%	315,087	0.09%
Saudi Arabian Airlines	1,423,270	0.43%	619,146	0.20%	697,661	0.20%	680,012	0.19%	631,037	0.18%
Ethiopian Airlines	763,721	0.43%	571,426	0.18%	722,967	0.20%	316,427	0.19%	109,308	0.13%
Taca International Airlines	387,763	0.12%	452,220	0.15%	624,461	0.18%	644,573	0.18%	859,922	0.05%
Aeroflot Soviet Airlines	367,703	0.1270	7,193	0.13%	77,707	0.18%	97,483	0.13%	180,476	0.25%
Polet Cargo Airlines	-	-	/,193	0.00%	50,000		97,483 345,000		180,476	0.05%
	-	-	_	-	50,000	0.01%	345,000	0.10%	_	-
Sabena Belgian World Airlines	-	-	-	-	-	-	-	-	-	-
Spanair	-	-	-	-	-	-	-	-	-	-
Swiss Int'l Air Lines + Swiss Air Transport Co.	-	-	-	-	-	-	-	-	-	-
Northwest Airlines	-	-	-	-	-	-	-	-	-	-
bmi british midland	-	-	-	-	-	-	-	-	-	-
Alitalia	-	-	-	-	-	-	-	-	1,535,749	0.45%
Air Canada	-	-	-	-	-	-	-	-	-	-
Other <sup>2</sup>	113,542	0.03%	341,015	0.11%	72,202	0.02%	260,557	0.07%	531,312	0.16%
REGIONALS										
Other <sup>2</sup>										
			_	-	_	-	_	-	_	-
MILITARY										
Other <sup>2</sup>	1,031,532	0.31%	950,429	0.31%	1,569,418	0.45%	1,304,371	0.36%	1,054,151	0.31%
TOTAL	194,220,545	58.40%	174,983,669	56.33%	199,381,791	57.00%	190,481,386	53.28%	185,729,298	54.33%
GRAND TOTAL	332,554,165		310,635,348			100.00%		100.00%	341,858,685	100.00%
	332,334,103	100.00 /0	210,033,340	100.0070	277,103,111	100.00 /0	221,213,419	100.00 /0	J-1,030,003	100.007

<sup>&</sup>lt;sup>1</sup> Prior years' comparative information has been modified as necessary based on revisions from carriers

 $<sup>^{2}</sup>$  Includes airlines no longer serving Dulles International or carriers with insignificant activity







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# Exhibit S-32

2005		2004	1	2003		2002	2	2001	
Cargo	Share	Cargo	Share	Cargo Weight	Share	Cargo Weight	Share	Cargo Weight	Share
Weight	Snare	Weight	Share	weight	Snare	weight	Snare	weight	Snare
89,954,132	29.61%	85,571,561	28.33%	72,467,555	26.61%	90,967,737	29.79%	88,358,150	26.80%
42,347,957	13.94%	55,671,032	18.43%	62,396,831	22.92%	72,840,463	23.85%	81,358,395	24.67%
8,522,281	2.81%	7,394,010	2.45%	7,347,070	2.70%	6,192,586	2.03%	5,974,164	1.81%
2,893,214	0.95%	3,181,635	1.05%	2,811,793	1.03%	3,498,512	1.15%	3,271,626	0.99%
1,441,953	0.47%	2,677,255	0.89%	4,106,286	1.51%	4,643,111	1.52%	6,992,499	2.12%
1,415,717	0.47%	2,514,816	0.83%	2,557,510	0.94%	2,774,213	0.91%	2,577,754	0.78%
83,805	0.03%	128,821	0.04%	146,319	0.05%	159,500	0.05%	469,911	0.14%
10,135,209	3.34%	10,007,380	3.31%	8,749,084	3.21%	9,150,502	3.00%	9,941,637	3.01%
168,907	0.06%	184,783	0.06%	641,324	0.24%	1,487,143	0.49%	1,483,469	0.45%
-	-	-	-	-	-	-	-	10,319,760	3.13%
-		-	- 0.150/	-		-	-	-	-
390,576	0.13%	492,484	0.16%	291,963	0.11%	10,674	0.00%	-	_
_	_	_	-	-	-	1,600	0.00%	8,248	0.00%
=	_	=	-	_	-	-	-	666,631	0.20%
1,738,533	0.57%	4,394,872	1.45%	1,317,691	0.48%	-	-	-	-
161,704	0.05%	391,174	0.13%	513,319	0.19%	168,426	0.06%	355,031	0.11%
=	-	95,280	0.03%	=	-	=	-	=	-
244,563	0.08%	224,694	0.07%	90,263	0.03%	93,862	0.03%	209,186	0.06%
244,303	0.0870	224,094	0.0770	90,203	0.0370	93,802	0.0370	209,100	0.0070
200	0.00%	1,050	0.00%	_	_	1,500	0.00%	_	_
159,498,751	52.51%	172,930,847	57.25%	163,437,008	60.02%	191,989,829	62.86%	211,986,461	64.29%
105,150,701	02.0170	172,700,017	2712270	100,107,000	0010270	151,505,025	0210070	211,500,101	01125 70
64,727,512	21.31%	50,470,602	16.71%	39,940,381	14.67%	42,985,025	14.07%	42,534,428	12.90%
17,550,693	5.78%	14,632,524	4.84%	12,251,601	4.50%	10,364,929	3.39%	12,650,701	3.84%
11,563,749	3.81%	10,578,872	3.50%	10,758,490	3.95%	9,074,725	2.97%	10,258,786	3.11%
6,663,410	2.19%	6,707,108	2.22%	7,236,405	2.66%	8,318,691	2.72%	8,235,468	2.50%
9,209,885	3.03%	8,210,094	2.72%	5,032,086	1.85%	5,552,156	1.82%	5,858,226	1.78%
6,585,176	2.17%	7,404,359	2.45%	6,485,883	2.38%	7,531,089	2.47%	8,130,042	2.47%
7,375,992	2.43%	6,035,730	2.00%	4,338,814	1.59%	4,874,136	1.60%	2,397,403	0.73%
5,752,394	1.89%	7,593,452	2.51%	6,593,887	2.42%	5,926,046	1.94%	4,704,800	1.43%
612,131	0.20%	-	-	-	-	-	-	-	-
4,137,455	1.36%	3,599,933	1.19%	1,287,174	0.47%	-	-	-	-
_	-	-	-	-	-	-	-	-	_
313,519	0.10%	208,699	0.07%	468,292	0.17%	672,406	0.22%	257,662	0.08%
648,639	0.21%	875,122	0.29%	886,750	0.33%	1,225,157	0.40%	1,672,694	0.51%
121,825	0.04%	116,894	0.04%	112,949	0.04%	172,870	0.06%	226,948	0.07%
669,909	0.22%	873,307	0.29%	913,388	0.34%	905,820	0.30%	940,378	0.29%
439,147	0.14%	1,027,717	0.34%	874,555	0.32%	525,752	0.17%	546,684	0.17%
-	-	-	-	-	-	-	-	2 477 122	1.050/
-	-	-	-	-	-	-	-	3,477,123 2,690,300	1.05% 0.82%
_	-	-	_	5,889,946	2.16%	6,919,291	2.27%	5,230,183	1.59%
-	-	-	-1	1,340,944	0.49%	3,042,907	1.00%	3,355,483	1.02%
2,502,224	0.82%	6,395,026	2.12%	1,949,612	0.72%	3,015,126	0.99%	1,377,792	0.42%
3,552,226	1.17%	2,556,490	0.85%	=	-	=	-	=	=
25,385	0.01%	30,738	0.01%	123,219	0.05%	79,789	0.03%	43,395	0.01%
508,389	0.17%	186,963	0.06%	285,919	0.11%	19,258	0.01%	131,034	0.04%
38	0.00%	140	0.00%	-	-	-	-	-	0.00%
1									
1,318,272	0.43%	1,650,338	0.55%	2,088,322	0.77%	2,213,341	0.72%	3,049,885	0.92%
144,277,970	47.49%	129,154,108	42.75%	108,858,617	39.98%	113,418,514	37.14%	117,769,415	35.71%
303,776,721	100.00%	302,084,955	100.00%	272,295,625	100.00%	305,408,343	100.00%	329,755,876	100.00%

## PASSENGER FACILITY CHARGES

Exhibit S-33

## Ronald Reagan Washington National Airport

AIRLINE <sup>1</sup>		2010		2009		2008		2007	2006		2005		2004		2003		2002		2001
US Airways	\$	14,582,063	\$	13,934,880	\$	14,476,818	\$	14,351,176	\$ 12,086,972	\$	12,625,267	\$	10,503,641	\$	9,952,854	\$	9,412,375	\$	8,772,883
Delta Airlines		6,612,383		5,081,996		4,636,630		4,676,954	4,967,091		5,179,372		5,209,141		5,040,580		4,453,360		3,733,822
American Airlines		5,221,428		5,435,374		5,253,701		5,534,500	5,394,631		5,427,137		4,375,254		4,258,802		3,885,077		2,416,394
United Airlines		2,557,228		2,467,198		2,506,485		2,573,881	2,705,570		2,656,152		2,616,829		2,028,592		1,662,783		1,351,483
AirTran Airlines		1,632,888		1,156,620		1,075,203		854,421	814,715		695,644		615,315		108,693		-		-
Continental Airlines		1,546,765		1,775,593		1,750,203		1,806,768	1,856,835		1,687,362		1,464,417		1,443,269		1,366,170		1,326,599
Frontier Airlines		713,994		628,660		625,194		535,577	514,022		504,049		303,045		165,064		149,225		-
Spirit Airlines		553,306		540,296		487,386		396,793	453,489		581,274		481,408		42,664		365		-
Midwest Airlines		551,920		769,813		798,789		855,607	892,721		792,860		685,642		295,228		-		452,258
Alaska Airlines		446,865		432,464		437,198		465,254	425,640		413,946		296,442		135,181		119,738		-
Air Canada		315,729		331,797		361,106		334,925	359,440		354,705		292,456		251,533		248,983		232,780
JetBlue Airways		149,681		-		-		-	-		-		-		-		-		-
Northwest Airlines		59,807		2,055,181		2,775,098		2,956,332	2,926,818		2,907,962		2,465,069		2,267,920		1,950,022		1,597,090
ATA		-		-		238		451,217	551,933		652,466		427,487		-		-		-
America West Airlines		-		-		-		854,244	2,901,072		728,576		645,104		598,967		580,062		490,270
American Trans Air		-		-		-		-	-		-		-		-		-		439,834
Midwest Express Airlines		-		-		-		-	-		-		-		371,564		592,832		-
Others		1,911,513		302,738		(146,263)		195,744	380,092		230,071		500,599		940,707		572,076		1,374,656
TOTAL	\$3	86,855,569	\$3	34,912,610	\$ 3	35,037,786	\$.	36,843,392	\$ 37,231,040	\$.	35,436,842	\$3	30,881,850	\$2	7,901,618	\$ 2	24,993,068	\$2	2,188,069
1																			

### **Washington Dulles International Airport**

AIRLINE <sup>1</sup>		2010		2009		2008		2007		2006		2005		2004		2003		2002		2001
United Airlines	\$	24,381,322	\$	24,188,764	\$	24,105,856	\$	27,004,434	\$	25,902,234	\$	24,377,946	\$	24,953,913	\$	16,620,394	\$	18,829,384	\$	14,219,769
JetBlue Airways		2,387,004		2,579,607		3,055,512		3,272,345		2,840,661		2,091,638		1,949,480		1,578,953		994,902		-
Delta Airlines		2,311,462		1,977,246		1,907,178		1,952,085		1,928,007		2,196,748		2,473,274		2,391,578		3,325,873		1,993,875
American Airlines		1,720,637		1,686,082		1,695,527		1,943,558		2,094,490		2,372,467		1,964,577		1,825,554		2,198,347		1,153,186
Southwest Airlines		1,408,977		1,491,052		1,591,622		1,499,638		465,784		-		-		-		-		-
US Airways		1,300,499		1,309,668		1,288,635		1,522,274		2,069,268		1,571,054		1,588,412		703,995		798,239		1,212,691
Continental Airlines		1,166,892		536,166		435,936		619,562		661,516		837,418		813,813		503,137		635,401		509,821
Lufthansa German Airline		1,139,039		1,256,257		1,299,418		973,447		1,130,727		1,168,401		1,063,212		862,049		967,186		774,855
Virgin America		938,556		1,059,457		867,813		185,561		-		-		-		-		-		-
British Airways		742,379		753,116		794,545		740,442		763,123		788,243		811,730		777,962		859,368		462,819
South African Airways		598,884		473,554		490,495		519,315		368,339		59,444		5,315		6,727		6,148		-
Air France		585,248		622,599		593,256		640,047		673,672		595,872		404,770		404,383		452,155		366,442
AirTran Airlines		530,408		538,680		755,506		891,901		861,884		624,016		586,399		757,141		801,013		652,447
Taca International Airlines		419,363		452,951		416,958		533,730		427,165		407,021		372,168		301,398		409,614		199,903
Korean Air Lines		354,164		286,737		226,761		246,580		216,256		223,869		224,540		180,881		175,324		153,538
Air Canada		326,640		306,503		373,935		335,333		332,483		327,522		344,102		345,372		319,615		284,810
Qatar Amiri Air		243,671		414,570		216,286		74,841		-		-		-		-		-		-
Scandinavian Airlines		296,794		300,074		301,378		303,343		275,317		283,535		308,706		244,422		242,159		-
Virgin Atlantic Airways		295,854		345,970		389,053		345,685		332,503		276,262		321,481		230,746		274,728		352,758
All Nippon Airways		280,246		263,481		246,599		255,203		266,327		261,000		282,924		186,932		294,227		134,575
Austrian Airlines		268,722		304,465		258,781		341,175		359,218		417,492		384,484		352,009		331,885		177,174
Ethiopian Airlines		236,732		174,015		191,196		175,408		141,155		129,938		-		-		-		22,713
Alaska Airlines		30,905		31,546		34,970		21,156		49,074		171,266		167,221		219,560		174,086		-
Northwest Airlines		19,219		676,823		903,702		1,093,729		1,060,255		1,102,369		1,075,361		796,116		1,024,875		802,912
America West Airlines		-		-		-		63,575		373,922		401,961		522,655		421,309		29,534		-
Independence Air		-		-		-		-		(202,588)		11,236,855		1,899,055		-		-		-
Others		1,800,669		1,578,771		976,514		461,086		867,872		956,131		2,660,734		825,802		934,212		1,570,773
TOTAL	\$4	3,784,285	\$ 43	3,608,154	\$4	3,417,431	\$4	6,015,454	\$4	4,258,664	\$5	52,878,468	\$4:	5,178,326	\$30	),536,420	\$34	1,078,274	\$2	5,045,059

Source: Airports Authority Records

<sup>&</sup>lt;sup>1</sup>Previous years' comparative information has been modified as necessary based on revisions from carriers. Carrier information is based on each year presented.



## TOP 30 PASSENGER ORIGINATION AND DESTINATION MARKETS IN 2010

Exhibit S-34

# Ronald Reagan Washington National Airport

Dome:	stic		I1	nte rnational	
	Trip	Total	_		Total
2010 Market	Length*	O&D	Airport	Country	O&D
Chicago, O'Hare	MH	816,770	Toronto, Pearson	Canada	101,706
Atlanta, GA	SH	765,570	Nassau	Bahamas	49,259
Boston, MA	SH	565,650	Montreal	Canada	45,841
New York, LaGuardia	SH	550,390	Cancun	Mexico	41,954
Dallas/Ft Worth, TX	MH	474,490	Lima	Peru	40,646
Orlando, FL	MH	467,100	Ottawa	Canada	34,686
Ft. Lauderdale, FL	MH	447,660	Montego Bay	Jamaica	29,477
Denver, CO	MH	319,750	Guatemala City	Guatemala	28,632
Minneapolis/St. Paul, MN	MH	313,460	San Jose	Costa Rica	26,386
Miami, FL	MH	310,730	Punta Cana	Dominican Rep.	25,540
Houston, TX	MH	306,120	Tel Aviv	Israel	24,294
Tampa, FL	MH	257,590	Vancouver	Canada	23,441
Seattle/Tacoma, WA	LH	238,490	Santo Domingo	Dominican Rep.	21,004
Detroit, MI	SH	229,300	Manila	Philippines	19,120
St. Louis, MO	MH	215,130	Mexico City, Juarez	Mexico	18,855
Los Angeles, CA	LH	203,300	Shanghai	China	18,389
Milwaukee, WI	MH	199,020	London, Heathrow	U.K.	18,118
Kansas City, MO	MH	187,140	San Salvador	El Salvador	18,000
Las Vegas, NV	LH	184,520	Bogota	Colombia	16,120
New Orleans, LA	MH	173,680	Santiago	Chile	15,389
Phoenix, AZ	LH	166,090	Bermuda	Bermuda	15,337
West Palm Beach, FL	MH	157,250	Calgary	Canada	15,278
Indianapolis, IN	SH	154,320	Managua	Nicaragua	14,930
Raleigh/Durham, NC	SH	143,640	Los Cabos	Mexico	14,613
San Francisco, CA	LH	136,110	Tokyo, Narita	Japan	14,194
Fort Myers, FL	MH	134,140	Panama City	Panama	13,730
San Diego, CA	LH	133,040	La Paz	Bolivia	13,393
Jacksonville, FL	MH	126,660	Dublin	Ireland	12,798
Charlotte, NC	SH	120,320	Beijing	China	12,556
Omaha, NE	MH	111,920	Santa Cruz	Bolivia	12,533

Note\*

SH Short Haul = 0 to 600 miles

MH Medium Haul = 601 - 1,800 miles

LH Long Haul = over 1,801 miles

Sources: U.S. Department of Transportation O&D Surveys, Marketing Information Data Transfer Global Airline Database



### **TOP 30 PASSENGER ORIGINATION AND DESTINATION MARKETS IN 2010**

Exhibit S-35

## **Washington Dulles International Airport**

Dome	estic		Iı	nte rnational	
	Trip	Total			Total
2010 Market	Length*	O&D	Airport	Country	O&D
Los Angeles, CA	LH	876,600	London, Heathrow	U.K.	433,700
San Francisco, CA	LH	818,160	Seoul	Rep. of Korea	191,783
Boston, MA	SH	510,380	Paris, C.Degaulle	France	177,492
Orlando, FL	MH	479,140	Frankfurt	Germany	160,053
Denver, CO	MH	331,330	San Salvador	El Salvador	138,980
Atlanta, GA	SH	313,060	Cancun	Mexico	108,096
Las Vegas, NV	LH	264,350	Madrid	Spain	106,308
San Diego, CA	LH	226,120	Tokyo, Narita	Japan	100,414
Chicago, O'Hare	SH	225,220	Amsterdam	Netherlands	92,169
Dallas/Ft Worth, TX	MH	224,480	Toronto, Pearson	Canada	83,927
Ft. Lauderdale, FL	MH	220,350	Rome	Italy	81,371
Chicago, Midway	SH	210,940	Beijing	China	77,131
Seattle/Tacoma, WA	LH	177,860	Brussels	Belgium	69,340
Tampa, FL	MH	169,270	Munich	Germany	67,315
Long Beach, CA	LH	133,190	Addis Ababa	Ethiopia	67,239
Oakland, CA	LH	121,820	Delhi	India	66,990
San Juan, PR	MH	115,290	Lima	Peru	66,822
New York, Kennedy	SH	112,670	Dubai	U. A. Emirates	61,517
Minneapolis/St. Paul, MN	MH	108,810	Mexico City, Juarez	Mexico	56,679
St. Louis, MO	MH	102,180	Vienna	Austria	50,063
Phoenix, AZ	LH	100,680	Ho Chi Minh City	Vietnam	49,292
Houston, TX	MH	90,760	Geneva	Switzerland	47,503
Portland, OR	LH	84,900	Montreal	Canada	47,077
Detroit, MI	SH	83,170	Ottawa	Canada	46,206
Salt Lake City, UT	LH	82,850	Copenhagen	Denmark	45,390
Honolulu, HI	LH	77,060	Johannesburg	South Africa	44,222
San Antonio, TX	MH	75,800	Mumbai	India	42,759
Kansas City, MO	MH	71,260	Riyadh	Saudi Arabia	42,387
Miami, FL	MH	70,860	Sao Paulo	Brazil	42,275
Austin, TX	MH	69,910	Bangkok	Thailand	40,430

Note\*

SH Short Haul = 0 to 600 miles

MH Medium Haul = 601 - 1,800 miles

LH Long Haul = over 1,801 miles

Sources: U.S. Department of Transportation O&D Surveys, Marketing Information Data Transfer Global Airline Database









### TOP 10 PASSENGER ORIGINATION AND DESTINATION MARKETS – TEN-YEAR HISTORY

Exhibit S-36

### RONALD REAGAN WASHINGTON NATIONAL AIRPORT

The following tables depict the top ten passenger origin and destination (O&D) markets for Reagan National for the past ten years. O&D data is used to determine air traffic patterns, air carrier market shares, and passenger flows. Primarily serving as a short-haul airport, Reagan National offers nonstop service to destinations no further than a 1,250 mile perimeter from Washington, D.C. as part of the federally-instituted Perimeter Rule. The federal government has granted exceptions to this rule, allowing daily flights to the following six cities beyond the perimeter: Denver, Las Vegas, Los Angeles, Phoenix, Salt Lake City, and Seattle.

2010		2009		2008		2007		2006	
Market	Passengers	Market	Passengers	Market	Passengers	Market	Passengers	Market	Passengers
Chicago, O'Hare	816,770	Chicago, O'Hare	787,160	Atlanta, GA	787,360	New York, LaGuardia	988,930	New York, LaGuardia	1,172,490
Atlanta, GA	765,570	Atlanta, GA	781,140	Chicago, O'Hare	783,330	Atlanta, GA	790,320	Atlanta, GA	812,650
Boston, MA	565,650	Boston, MA	609,470	New York, LaGuardia	754,970	Chicago, O'Hare	775,600	Chicago, O'Hare	752,350
New York, LaGuardia	550,390	New York, LaGuardia	593,990	Boston, MA	675,980	Boston, MA	707,840	Boston, MA	634,750
Dallas/Ft Worth, TX	474,490	Dallas/Ft Worth, TX	473,360	Dallas/Ft Worth, TX	447,430	Dallas/Ft Worth, TX	438,900	Dallas/Ft Worth, TX	423,070
Orlando, FL	467,100	Ft. Lauderdale, FL	411,630	Ft. Lauderdale, FL	396,270	Detroit, MI	394,760	Detroit, MI	416,330
Ft. Lauderdale, FL	447,660	Orlando, FL	372,820	Detroit, MI	386,830	Ft. Lauderdale, FL	392,810	Miami, FL	357,280
Denver, CO	319,750	Miami, FL	332,230	Miami, FL	343,690	Miami, FL	372,930	Orlando, FL	347,590
Minneapolis/St. Paul, MN	313,460	Denver, CO	324,950	Denver, CO	342,290	Orlando, FL	350,710	Ft. Lauderdale, FL	342,040
Miami, FL	310,730	Minneapolis/St. Paul, MN	322,460	Orlando, FL	327,740	Denver, CO	314,810	Houston, TX	329,010

2005		2004		2003		2002		2001	
Market	Passengers								
New York, LaGuardia	1,147,930	New York, LaGuardia	1,231,600	New York, LaGuardia	1,285,410	New York, LaGuardia	1,291,220	New York, LaGuardia	1,272,710
Atlanta, GA	799,300	Boston, MA	703,980	Boston, MA	713,620	Boston, MA	697,060	Boston, MA	741,290
Chicago, O'Hare	779,730	Atlanta, GA	626,910	Chicago, O'Hare	571,730	Chicago, O'Hare	566,480	Chicago, O'Hare	494,440
Boston, MA	720,680	Chicago, O'Hare	596,940	Atlanta, GA	417,720	Atlanta, GA	357,570	Atlanta, GA	403,480
Dallas/Ft Worth, TX	429,530	Ft. Lauderdale, FL	404,600	Dallas/Ft Worth, TX	354,350	Dallas/Ft Worth, TX	351,590	Dallas/Ft Worth, TX	346,950
Detroit, MI	390,590	Dallas/Ft Worth, TX	353,740	Minneapolis/St. Paul, MN	277,260	Minneapolis/St. Paul, MN	258,500	Ft. Lauderdale, FL	265,300
Ft. Lauderdale, FL	384,840	Orlando, FL	312,960	Ft. Lauderdale, FL	261,260	Orlando, FL	216,540	Los Angeles, CA	205,080
Denver, CO	341,060	Minneapolis/St. Paul, MN	297,110	Orlando, FL	249,700	Houston, TX	212,540	Miami, FL	198,030
Minneapolis/St. Paul, MN	323,900	Detroit, MI	286,850	Houston, TX	225,000	Detroit, MI	203,330	Minneapolis/St. Paul, MN	190,450
Houston, TX	318,170	Denver, CO	268,110	Detroit, MI	222,520	Miami, FL	203,150	Houston, TX	190,450

Data reported for current year reflects year-ending estimates as of the 3rd Quarter in the calendar year. Prior year results have been adjusted to reflect actual annual traffic.

Sources: U.S. Department of Transportation O&D Surveys, Marketing Information Data Transfer Global Airline Database

### TOP 10 PASSENGER ORIGINATION AND DESTINATION MARKETS – TEN-YEAR HISTORY

Exhibit S-37

### WASHINGTON DULLES INTERNATIONAL AIRPORT

The following tables depict the top ten passenger origin and destination (O&D) markets for Dulles International for the past ten years. O&D data is used to determine air traffic patterns, air carrier market shares, and passenger flows. Dulles International is a major East Coast gateway for domestic and international travelers as well as cargo activities.

2010		2009		2008		2007		2006	
Market	Passengers	Market	Passengers	Market	Passengers	Market	Passengers	Market <sup>1</sup>	Passengers
Los Angeles, CA	876,600	Los Angeles, CA	921,510	Los Angeles, CA	863,790	Los Angeles, CA	697,880	Los Angeles, CA	660,780
San Francisco, CA	818,160	San Francisco, CA	769,920	San Francisco, CA	649,480	Orlando, FL	606,640	Boston, MA	612,590
Boston, MA	510,380	Orlando, FL	482,230	Orlando, FL	588,200	Boston, MA	521,060	Orlando, FL	496,890
Orlando, FL	479,140	Boston, MA	473,860	Boston, MA	497,590	San Francisco, CA	511,210	Atlanta, GA	476,330
London, Heathrow	433,700	London, Heathrow	419,032	London, Heathrow	444,938	London, Heathrow	447,149	San Francisco, CA	417,340
Denver, CO	331,330	Atlanta, GA	346,200	Atlanta, GA	375,670	Atlanta, GA	441,950	Denver, CO	364,960
Atlanta, GA	313,060	Denver, CO	320,320	Denver, CO	364,690	Las Vegas, NV	405,550	Las Vegas, NV	341,860
Las Vegas, NV	264,350	Las Vegas, NV	258,860	Las Vegas, NV	313,100	Denver, CO	368,530	Oakland, CA	331,910
San Diego, CA	226,120	San Diego, CA	242,610	San Diego, CA	290,200	San Diego, CA	315,210	Chicago, O'Hare	324,000
Chicago, O'Hare	225,220	Dallas/Ft Worth, TX	229,300	Tampa, FL	261,810	Oakland, CA	306,270	San Diego, CA	306,590

2005		2004		2003		2002		2001	
Market <sup>1</sup>	Passengers	Market <sup>1</sup>	Passengers						
Los Angeles, CA	729,040	Los Angeles, CA	664,880	Atlanta, GA	579,400	Atlanta, GA	640,400	Atlanta, GA	707,120
Atlanta, GA	619,240	Atlanta, GA	657,680	Los Angeles, CA	512,890	Los Angeles, CA	484,400	Los Angeles, CA	530,370
Orlando, FL	563,380	Chicago, O'Hare	490,640	Oakland, CA	382,170	Orlando, FL	371,470	Orlando, FL	476,510
San Francisco, CA	492,590	Oakland, CA	446,160	Denver, CO	349,390	San Francisco, CA	352,700	San Francisco, CA	424,870
Boston, MA	460,710	Denver, CO	419,800	Orlando, FL	324,870	Denver, CO	343,000	Denver, CO	369,570
Chicago, O'Hare	441,730	Boston, MA	396,960	San Francisco, CA	324,750	Dallas/Ft Worth, TX	261,130	Dallas/Ft Worth, TX	307,630
Oakland, CA	363,730	Orlando, FL	374,230	Chicago, O'Hare	281,090	Chicago, O'Hare	256,770	Boston, MA	295,350
Denver, CO	362,470	Ft. Lauderdale, FL	360,160	Long Beach, CA	273,780	Ft. Lauderdale, FL	242,630	Chicago, O'Hare	251,130
Las Vegas, NV	339,420	Long Beach, CA	350,480	Ft. Lauderdale, FL	259,700	Oakland, CA	230,570	Minneapolis/St. Paul, MN	227,480
Long Beach, CA	338,840	San Francisco, CA	325,730	Dallas/Ft Worth, TX	232,490	Seattle/Tacoma, WA	203,490	Tampa, FL	207,470

<sup>&</sup>lt;sup>1</sup> International passenger O&D data is not available before 2007. As such, 2001-2006 data includes domestic passenger O&D data only. Data reported for current year reflects year-ending estimates as of the 3rd Quarter in the calendar year. Prior year results have been adjusted to reflect actual annual traffic.

Sources: U.S. Department of Transportation O&D Surveys, Marketing Information Data Transfer Global Airline Database









# **AIRLINE TENANTS – BOTH AIRPORTS As of December 31, 2010**

Exhibit S-38

Reagan National	Dulles International						
Signatory Airlines	Signatory Airlines	Non-Signatory Airlines					
Air Canada	Air France	Aeroflot					
Air Wisconsin Airlines Corp.	AirTran Airways, Inc.	Aerosur					
AirTran Airways, Inc.	All Nippon Airways	Cayman Airways					
American Airlines	American Airlines	Skywest Airlines					
American Eagle	Atlantic SouthEast Airlines	Sun Country Airlines					
Atlantic SouthEast Airlines	Austrian Airlines						
Chautauqua Airlines	Avianca Airlines						
Colgan Airlines Inc.	British Airways						
Comair, Inc.	Chautauqua Airlines						
Continental Airlines	Colgan Airlines Inc.						
Delta Airlines	Comair, Inc.						
ExpressJet Airlines	CommutAir						
Federal Express	Compass Airlines						
Frontier Airlines	Continental Airlines						
Jazz Air LP	COPA Airlines						
Jet Blue Airways Corp	Delta Airlines						
Mesaba Airlines	Ethiopian Airlines						
Midwest Airlines	ExpressJet Airlines						
Piedmont Airlines	Federal Express						
Pinnacle Airlines, Inc.	GoJet Airlines						
PSA Airlines	Jazz Air LP						
Republic Airlines	Jet Blue Airways Corp						
Shuttle America	KLM Royal Dutch Airlines						
Spirit Airlines, Inc.	Korean Air						
Trans States Airlines, Inc.	Lufthansa German Airlines						
United Airlines	Mesa Airlines						
US Airways, Inc.	Mexicana Airlines						
	OpenSkies						
	Piedmont Airlines						
	PSA Airlines						
	Qatar Airways						
	Saudi Arabian Airlines						
	Scandinavian Airlines						
	Shuttle America						
	South African Airways						
	Southwest Airlines						
	TACA International Airlines						
	Trans States Airlines, Inc.						
	Turkish Airlines						
	United Airlines						
	United Parcel Service						
	US Airways, Inc.						

Signatory airlines are those that have signed the Airports Authority Use and Lease Agreement & Premises Lease. Signatory status is available to all airlines providing scheduled service and offers benefits such as lower fees, sharing of Airports Authority revenue, and the right to lease space. Additional detail is provided in Note 3 - Airport Use and Lease Agreement & Premises Lease.

Virgin America, Inc. Virgin Atlantic Airways Ltd.

Source: Airports Authority Records



# NON-AIRLINE TENANTS -- REAGAN NATIONAL As of December 31, 2010

Exhibit S-39

#### Retail

Accessor'ize
Airport Wireless
America!

As Kindred Spirits Better Vision Group BluWire Dulles,LLC.

Borders Inc.
Brooks Brothers
Brookstone
Capital Image
DC Marketplace
Forever Heather, Inc.

Godiva I-Wireless

Johnston & Murphy Jos. A Banks Clothiers, Inc

Knits Etc.

Nobel Collections Pen & Prose PGA Tour Shop Rosetta Stone Silverado

Smithsonian Museum Store

Studio 925

Sunglass Hut International

Taxco Sterling
The Bead Factory
Touch of Color
Washington Gifts

### Newsstands

Capital Travelmart
CNBC News
Faber News
Hudson AeroMart
Hudson News Company

### **Duty Free**

Dulles Duty Free LLC.

### **Foreign Currency**

Travelex Currency Services

### Parking Managed by:

Five Star U Street Metro. Wash Airport Parking

Source: Airports Authority Records

### Food and Beverage

Allie's Deli Auntie Anne's Pretzels California Tortilla Cibo Bistro & Wine Bar

Cibo Express Gourmet

Cinnabon Cosi

DC Brewhouse Dunkin Donuts Einstein Bros Bagels

Euro Café Fabulously Fresh Famous Famiglia Five Guys Fuddruckers Gordon Biersch

Gordon Biersch Jerry's Subs and Pizza Jet Rock Bar & Grill Matsutaki Sushi

May Vending Company Mayorga Coffee

McDonald's National Airport Grill Panda Express

Potbelly Sandwich Works

Primo Cappuccino

Ranch \*1 Sam Adams Brewpub Sam and Harry's Starbucks

T.G.I. Fridays
Tidewater Landing

### **Advertising**

JCDeceaux Airport, Inc.

### **Services**

C&P Shoeshine Kiko's Shoeshine VIP Shoeshine

AC Holdings, Inc.(CNN) Capital One Bank Smarte Carte Inc.

Verizon Virginia, Inc.

### **Rental Cars**

Avis Rent -A-Car Systems Budget Rent-A-Car DTG Operations Enterprise Leasing Hertz Rent-A-Car Vanguard Car Rental

### **Ground Transportation**

Hotel Shuttles

Technical and Professional Services Washington Shuttle, inc. (Super Shuttle)

### **Ground Handlers**

Aircraft Service International Group, Inc.

Allied Aviation Services

## Fixed Based Operators

Signature Flight Support

## **Other Airport Tenants**

Action Courier Service, Inc. Aeronautical Radio, Inc. Airport Terminal Services

American Airlines Federal Credit Union

Anton Enterprises, Inc.

Drug Enforcement Administration

Elite Line Services, LLC Federal Aviation Administration Federal Bureau of Investigation Federal Express Corporation

First Transit, Inc.

Flight Services and Systems
GAT Airline Ground Support Inc.
General Services Administration
Gulf Coast Real Estate Consultants

Huntleigh USA Corporation Jet Aircraft Maintenance Menzies Aviation Group, Inc. Newark Baggage Services

Nextel Communications of the Mid-Atlantic

Siemens Government Services, Inc. Transportation Security Administration University of District of Columbia US Coast Guard Air Station

Worldwide Flight Services International









## NON-AIRLINE TENANTS – DULLES INTERNATIONAL As of December 31, 2010

Exhibit S-40

Retail

10 Minute Manicure Acme Studio Airport Wireless America! Appalachian Spring

Better Vision Blu Wire Borders Brooks Brothers Brookstone Flag World

InMotion Entertainment Language Success Massage Bar Mindworks Rosetta Stone See's Candy

Smithsonian Museum Store

Solstice Taxco Sterling Techshowcase Touch of Color

Travel Comfort by Clouds

Newsstands

CNBC News

Concourse Concession News

DC Express Faber News Fox News Channel Hudson News News Connection News Exchange Stellar News

**Duty Free** 

Dulles Duty Free, LLC

**Services** 

AMB/AFCO Cargo IAD, LLC

Capital One Bank Exxon Gas Station Marriott Hotel at Dulles Pena Shoeshine

Professional Leather Care

Smarte Carte, Inc. Verizon Virginia, Inc.

**Foreign Currency** 

Travelex Currency Services

Food & Beverage

Auntie Anne's Pretzels Ben & Jerry's California Tortilla Capitol Grounds Chipotle Mexican Grill

Cinnabon City Wok Cosi

Dulles Gourmet Market Dulles Gourmet To Go **Dunkin Donuts** Famous Famiglia Firkin and the Fox Five Guys Fuddruckers

Great American Bagel Bakery

Gordon Biersch

Green Leaf's & Bananas

Guava and Java Harry's Tap Room Matsutaki Sushi Maui Wowi Max & Erma's Mayorga Coffee Moe's Grill & Bar Old Dominion Bar Potbelly Sandwich Works

Starbucks Subway Tequileria

Tidewater Landing Villa Pizza

Vino Volo Wendy's

Advertising

JCDeceaux Airport, Inc.

**Rental Cars** 

Avis Rent-A-Car Systems Budget Rent-A-Car DTG Operations Enterprise Leasing Hertz Rent-A-Car

Vanguard Car Rental USA

In-flight Kitchens

Gate Gourmet International

Sky Chefs, Inc.

**Ground Transportation** 

Convention Store Dulles Airport Taxi Dulles Taxi Systems, Inc.

Hotel Shuttles

Veolia Transportation, Inc.

Washington Shuttle, Inc. (Super Shuttle)

**Ground Handlers** 

Aircraft Services Int'l Swissport USA, Inc. Swissport Fueling, Inc. United Airlines

Worldwide Flight Services, Inc.

Parking Managed by:

Five Star U Street Metro. Wash Airport Parking

Fixed Based Operators

Signature Flight Support Landmark Aviation

**Other Airport Tenants** 

Airline Tariff Publishing Company

Airlogistics America Airschott, Inc. Cargo Airport Services

DNL Cargo, Inc.

Delta Airline Global Services Dulles West II Associates, L.P.

Evergreen Aviation Ground Logistics Enterprises

Federal Aviation Administration Federal Republic of Germany General Services Administration Ground Services International, Inc. Gulf Coast Real Estate Consultants, LLC

Host International, Inc. IAD Fuels, LLC JP Morgan Chase John S. Connor, Inc. Lufthansa Cargo AG

Nextel Communications of the Mid-Atlantic

Pollo Real Owest

The Smithsonian Institution Superior Aircraft Services, Inc. Technical Solutions, LLC. Timco Line Care, LLC

Transportation Security Administration

Tug Technologies Corporation

U.S. Postal Service **UPS Supply Chain Solutions** V-Dulles West, LLC.

Verizon South, Inc.

Source: Airports Authority Records



# 2010 Comprehensive Annual Financial Report

Office of Finance 1 Aviation Circle Washington, DC 20001

