

2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended December 31, 2013 and December 31, 2012



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



Geographically located in Virginia – serving the metropolitan Washington, D.C. area.



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**METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2013 and DECEMBER 31, 2012**

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as of December 31, 2013

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Prepared by the Office of Finance

Geographically located in Virginia – serving the Metropolitan Washington, D.C. area



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METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Comprehensive Annual Financial Report
For the Fiscal Years Ended
December 31, 2013 and December 31, 2012**

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April 15, 2014

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 years ended December 31, 2013 and 2012 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 Officers 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 base of reliable financial records from which the financial statements are prepared. These 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 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, respectively, to perform these audit services. PricewaterhouseCoopers LLP has issued an unmodified



("clean") opinion on the Airports Authority's financial statements for the years ended December 31, 2013 and 2012. 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.

Management's discussion and analysis (MD&A) 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.

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 of Virginia 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 in accordance with the Metropolitan Washington Airports Act of 1986 (the "Federal Act"). 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 governed by a 17-member Board of Directors (the Board). The Board is appointed as follows: seven members by the Governor of Virginia subject to confirmation by the Virginia General Assembly, four members by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, three members by the Governor of Maryland, and three members by the President of the United States with the advice and consent of the United States Senate. Presently, one federal seat is vacant. The President has nominated a candidate for this vacant seat, and the candidate is awaiting confirmation by the U.S. Senate. Members serve staggered, six-year terms without compensation and may be reappointed once. The Board establishes the Airports Authority's policy and appoints the President and Chief Executive Officer to oversee the operations of the Airports Authority. The Board annually elects a Chairman, Vice Chairman, and Secretary.

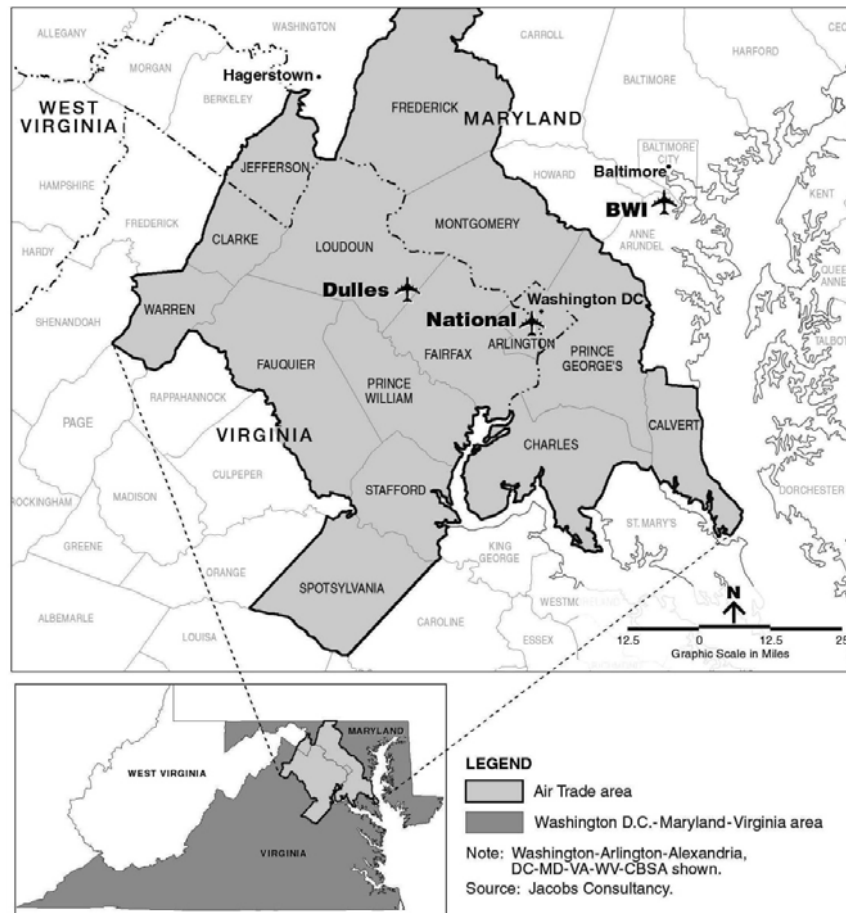
Aviation Enterprise Fund

The Airports Authority operates a two-airport system that provides domestic and international air service for the mid-Atlantic region. All aviation-related activity is accounted for within the Aviation Enterprise Fund. The Air Trade Area (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



uses 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.

Air Trade Area



Reagan National opened in 1941. Located on approximately 860 acres along the Potomac River in Arlington County, Virginia, it is the longest operating 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 23 mainline and regional airlines serving Reagan National as of December 31, 2013, providing 293 thousand takeoffs and landings during the year. There is no significant cargo transportation at Reagan National.

Dulles International opened for service in 1962. It is situated on approximately 11,830 acres in Fairfax and Loudoun Counties in Virginia. Dulles International is located 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 48 domestic and international mainline and regional airlines serving Dulles International as of December 31, 2013, providing 308 thousand takeoffs and landings during the year. Dulles International also provides facilities for cargo transport. There are 555



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 its Capital Construction Program (CCP). The Use and Lease Agreement is for a term of 25 years, expiring in September 2014. 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 Net Remaining Revenues (see Note 3 – Airport Use Agreement and Premises Lease).

The Aviation Enterprise Fund initiated the 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 CCP at Reagan National include continued improvements to Terminal A and runway safety improvements. At Dulles International, projects currently in the CCP include improvements to Concourse C/D, electrical and utility upgrades, and runway safety 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, along with grants from federal, state, and local governments, 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. On January 1, 2012, the toll rate was \$1.50 at the main line plaza and \$0.75 at the ramp plazas. On January 1, 2013, rates were increased to \$1.75 at the main line plaza and to \$1.00 at the ramp plazas. The Board approved a main line plaza toll rate increase to \$2.50, which became effective on January 1, 2014. At this time, no further toll rate adjustments have been approved by the Board.



The Dulles Toll Road has 59 toll collection lanes, including nine E-ZPass-only collection lanes. All tollbooths are equipped with E-ZPass, an electronic toll collection system accepted in 15 contiguous states, including most states in the Virginia-to-Maine corridor.

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 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 128 rail cars to the existing WMATA fleet. 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 and are expected to be substantially complete in 2014.

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.

At this time, the Airports Authority expects the Phase 1 transfer to occur in 2014.

Phase 2 of the Dulles Metrorail Project will extend the Metrorail system an additional 11.4 miles from Wiehle Avenue in Reston to Dulles International and into Loudoun County. Phase 2 of the Metrorail Project includes 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 preliminary engineering resumed in 2009, and 100 percent preliminary engineering was completed in February 2012. The first major procurement of the Phase 2 Design-Build was initiated in 2012, and a contract was awarded in May 2013. Construction for Phase 2 is planned through 2018.

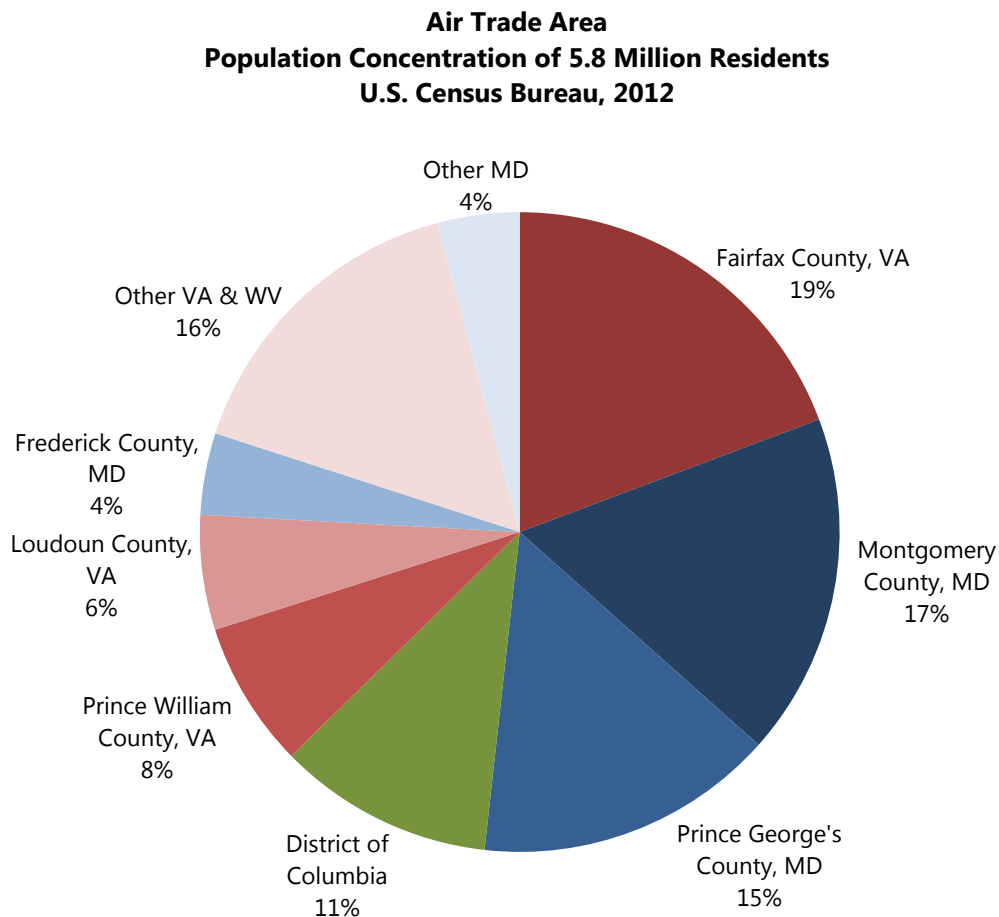
AIRPORTS AUTHORITY'S ECONOMIC ENVIRONMENT

In spite of continued volatility in the global and national economies, the Washington, D.C. economy has grown steadily for the past two decades. The region has been ranked the strongest local economy in the U.S. for three consecutive years by an independent economic research firm due to "rapid, consistent economic growth in both size and quality for an extended period of time" and has been ranked in the top three local economies since



2004.¹ While economic confidence generally improved in 2013, Maryland and the District of Columbia were among the top ten states with the highest economic confidence index.² Moreover, Washington, D.C. was named to MarketWatch's list of Top 10 U.S. cities for growing businesses in 2013, noting that it is "among the few to remain near the top since the inception of 'Best Cities' in 2007" due to its highly educated talent pool and the federal government's presence.³

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.⁴



The region had the 5th highest per capita personal income in the nation in 2012 (the latest available data),⁵ and median household income was 69 percent higher than the U.S. median household income, as reported in the

¹ Source: Policom Corporation, Economic Strength Rankings 2013

² Source: Gallup Economic Confidence Index 2013

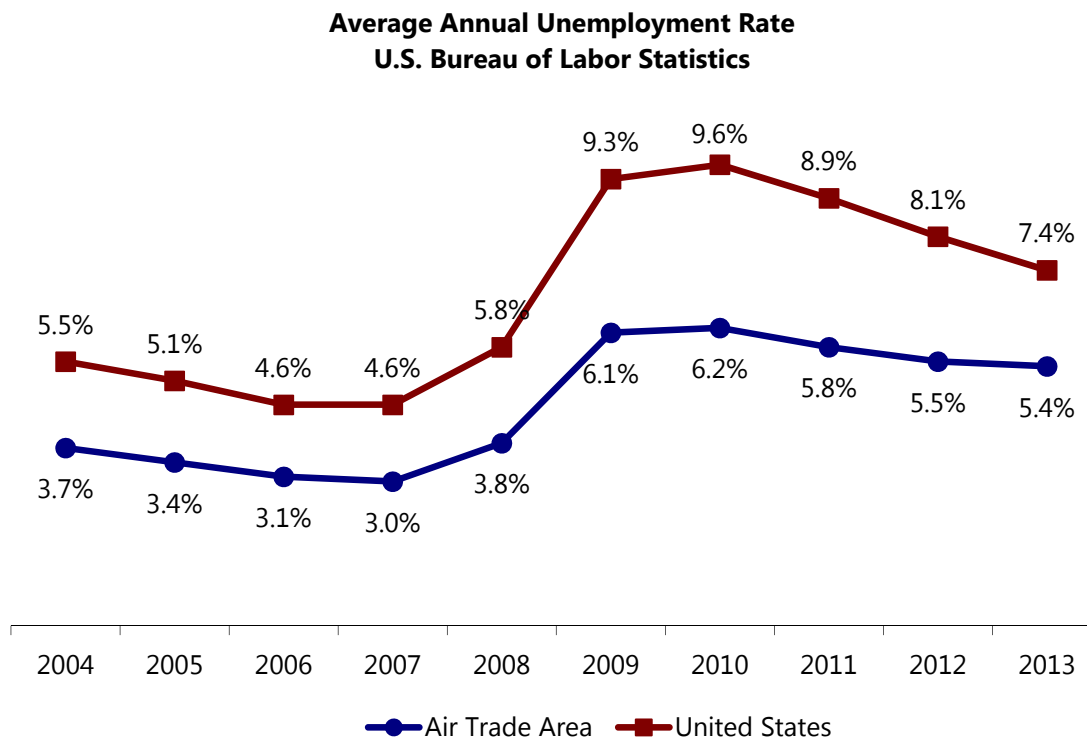
³ Source: MarketWatch Top 10 U.S. Cities for Growing Businesses

⁴ Source: U.S. Census Bureau Population Division, March 2013

⁵ Source: U.S. Bureau of Economic Analysis



Census Bureau's 2012 American Community Survey.⁶ Over the years, the Air Trade Area has consistently had a lower unemployment rate than the national average. As of December 2013, the region's unemployment rate was 5.4 percent, significantly lower than the U.S. average of 7.4 percent.⁷



Activity generated by the federal government provides a solid foundation and economic stimulus to the metropolitan area in both up and down cycles. While the impact of federal sequestration on the Air Trade Area was an estimated decline in the federal government's procurement spending of 13.9 percent in 2013 from the peak of \$82.5 billion in 2010, the Area continues to be supported by a diversified employment base.⁸ The Air Trade Area boasts strong participation in professional business services; trade, transportation, and utilities; education and health services; and leisure and hospitality, which collectively employ 58 percent of total area workers.⁹ The Air Trade Area is also home to numerous large and small private companies, including 18 *Fortune* 500® companies.¹⁰

⁶ Source: U.S. Census Bureau's 2012 American Community Survey, Table DP03

⁷ Source: U.S. Department of Labor, Bureau of Labor Statistics (Preliminary December 2013 data)

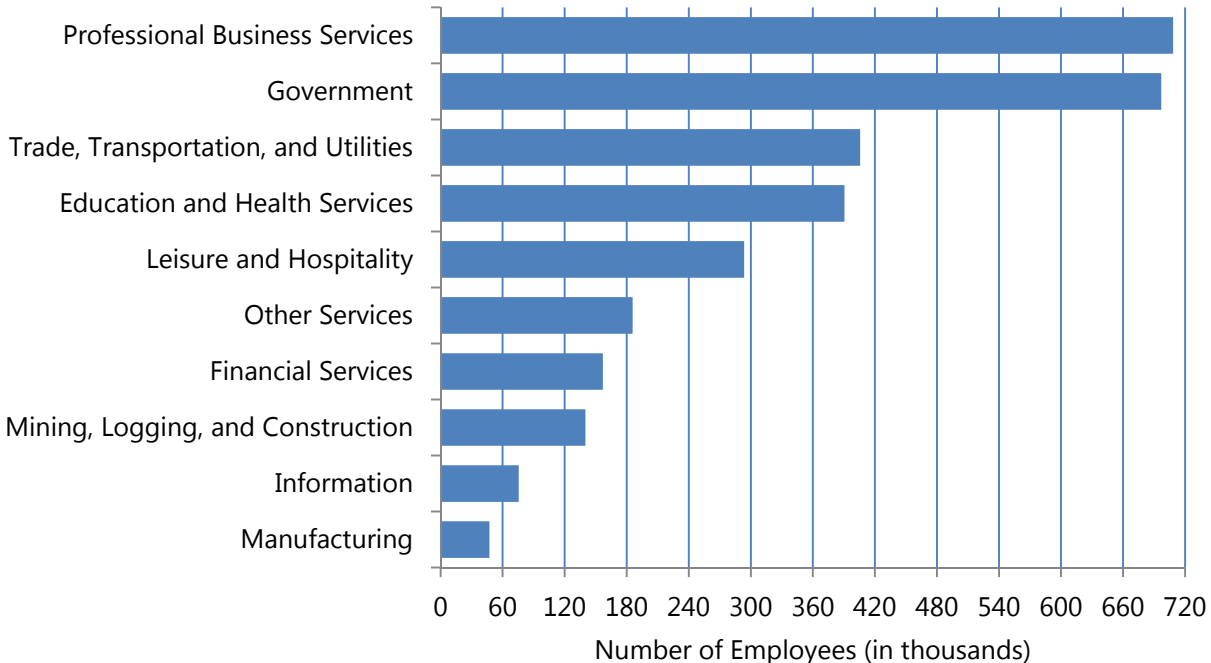
⁸ Source: Dr. Stephen Fuller, GMU Center for Regional Analysis, March 5, 2014.

⁹ Source: U.S. Department of Labor, Bureau of Labor Statistics (Preliminary December 2013 data)

¹⁰ Source: Fortune 500 2013 http://money.cnn.com/magazines/fortune/fortune500/2013/full_list/



Air Trade Area Employment by Industry – 2013
Bureau of Labor Statistics



Aviation and Toll Road Activity

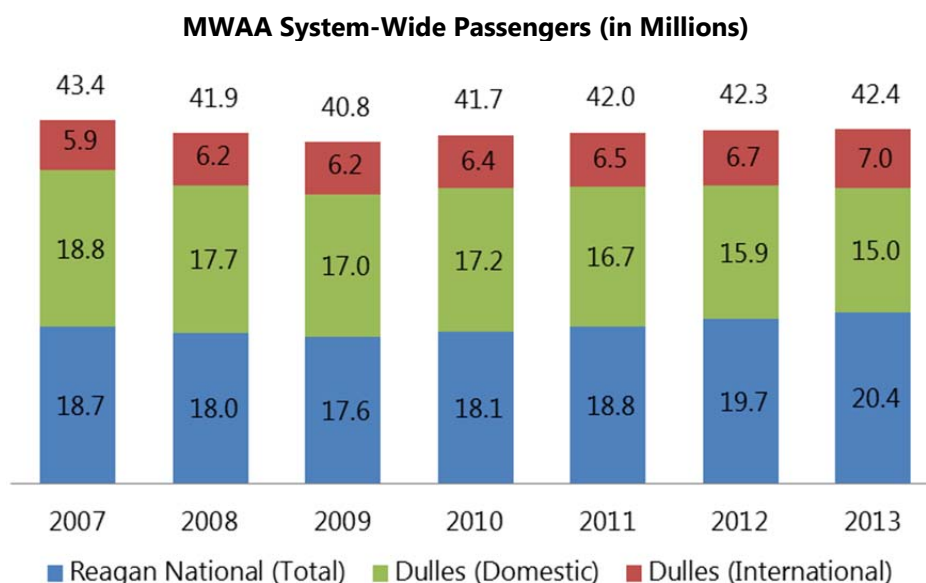
In 2013, combined Reagan National and Dulles International system enplanements grew by 0.5 percent, marking the fourth consecutive year of growth. Activity at Reagan National reached new record levels with total passengers of 20.4 million, representing a 3.9 percent increase over 2012 activity of 19.7 million, mainly due to the full-year impact of US Airways' service to many new domestic markets, as well as other carriers beginning service in new markets or additional service to beyond perimeter markets. The increase in passenger traffic at Reagan National exceeded the U.S. system-wide industry average domestic increase of 1.1 percent.¹¹ Total aircraft operations at the airport increased from 288 thousand operations in 2012 to 293 thousand operations in 2013.

Dulles International served 22.0 million passengers in 2013, a 2.7 percent decrease from 2012 when the airport served 22.6 million passengers. Total aircraft operations at Dulles International declined 1.4 percent in 2013 to 308 thousand operations from 312 thousand operations in 2012. The overall decrease was driven by a 5.9 percent decline in domestic passenger traffic primarily due to capacity reduction by United and repositioning of air service by JetBlue, Delta, Southwest/AirTran, and Virgin America to Reagan National. The decline in domestic traffic was partially offset by a 4.6 percent increase in international passenger traffic. International passenger activity reached an all-time high of 7.0 million in 2013 and marked the tenth consecutive year of international passenger growth at Dulles International. The airport has been solidifying its status as the region's international gateway by increasing the number of destination offerings and attracting new airlines, such as Brussels Airlines and Etihad Airways, which began service at Dulles International in 2013, and Aeromexico, Emirates, and Porter

¹¹ Source: Airlines for America Monthly Passenger Traffic Report, December 2013



airlines, which all began service at Dulles International in 2012. New international destinations since 2012 include Abu Dhabi, United Arab Emirates; Dubai, United Arab Emirates; Dublin, Ireland; Guatemala City, Guatemala; Mexico City, Mexico; San Jose, Costa Rica; San Salvador, El Salvador; and Vancouver, Canada.



The Dulles Toll Road processed an average of 8.2 million toll transactions per month in 2013 and 8.3 million toll transactions per month in 2012. Dulles Toll Road toll transactions totaled 98.7 million in 2013 compared to 99.9 million in 2012, a 1.2 percent decline in activity. This decrease is consistent with planned projections and is primarily attributed to toll increases that went into effect on January 1, 2013. At the same time, Dulles Toll Road revenue has increased to \$127.1 million in 2013, a 25.1 percent increase over 2012.

Industry Outlook

The downward trend in air traffic levels reversed during 2010, and enplanements continued to experience a modest growth in 2012 and 2013. Industry-wide domestic enplanements increased 0.5 percent and 1.1 percent in 2012 and 2013, respectively, while industry-wide international growth averaged 2.1 percent and 3.5 percent, respectively.¹² In contrast, North American air cargo volumes have continued to decline since 2010 and fell 0.4% in 2013.¹³ At the same time, total global cargo was up 1.4% with the Middle East region accounting for the fastest air cargo traffic growth in 2013.¹⁴ Despite steady travel demand, airlines continued capacity discipline by constraining growth of flights and reducing overall seat capacity. Consolidation has made the airline industry more competitive while avoiding fare wars.¹⁵ In recent years, U.S. airports have also been challenged with declining federal government airport funding, inflation in operating costs, and the cost of needed capital improvements. The Airports Authority has been closely managing budgeted expenditures and exploring strategies to increase non-airline revenues and minimize increases to airline rates and charges.

¹² Source: Airlines for America Monthly Passenger Traffic Report, December 2013

¹³ Source: IATA. Moderate Growth for Air Cargo 2013. Press Release No 5. February 5, 2014

¹⁴ Source: IATA. Moderate Growth for Air Cargo 2013. Press Release No 5. February 5, 2014

¹⁵ Source: Goldman Sachs Global Investment Research. US Airline Industry Update. February 19, 2014



Toll roads in the U.S. have also been on a modest path of recovery from the economic downturn. Traffic and revenue trends have begun to stabilize, and toll roads are estimated to have experienced single to mid-digit traffic growth in 2013.¹⁶ In late 2013, Moody's changed its outlook on the U.S. toll road industry to stable from negative based on estimated steady recovery in traffic growth.¹⁷

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 both Enterprise Funds at certain activity levels. The budgets are a management tool, and, accordingly, are not prepared in a manner consistent with generally accepted accounting principles (GAAP). The President and Chief Executive Officer submits the Airports Authority's annual operating budgets to the Board for approval. Budgetary controls and evaluations are effected by comparing actual interim and annual results with the budgets, noting the actual level of activities, and ensuring 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 2013, the Airports Authority budgeted minimal increases to airline rates and charges, maintained the ability to operate the Airports in a safe and secure manner, and met customer service standards, with the goal of sustaining the Airports Authority's long-term financial strength. Operating revenues slightly surpassed budget expectations by 1.1 percent in 2013 compared to reaching 100.2 percent of budget expectations in 2012. Operating expenses reached 96.7 percent of budget authorization in 2013, while in 2012 expenses reached 93.4 percent of budget authorization. The Airports Authority's 2013 Budget reflected a 3.7 percent increase in revenues and a 1.8 percent increase in expenses, as compared to the 2012 Budget.

Aviation Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2013 Revenues	\$ 676,131,000	\$ 683,559,480	101.1%
2013 Expenses ²	\$ 338,208,000	\$ 327,199,183	96.7%
2012 Revenues	\$ 652,218,000	\$ 653,786,834	100.2%
2012 Expenses ²	\$ 332,235,000	\$ 310,355,654	93.4%

¹ Actual results are stated on a budgetary basis for comparative purposes, which are not consistent with GAAP

² Does not include depreciation expense or debt service

¹⁶ Source: Moody's Investors Service. Industry Outlook: 2014 Outlook – US Toll Roads. December 3, 2013

¹⁷ Source: Moody's Investors Service. Industry Outlook: 2014 Outlook – US Toll Roads. December 3, 2013



Dulles Corridor Enterprise Fund

The 2013 operating budget for the Dulles Corridor Enterprise Fund reflected the fifth full year of operating the Dulles Toll Road. Operating revenues reached 99.6 percent of budget expectations in 2013, while in 2012, operating revenues reached 94.2 percent of budget expectations. Operating expenses reached 93.7 percent of budget authorization in 2013 and 89.4 percent in 2012. The Airports Authority's 2013 Budget reflected an 18.3 percent increase in revenues, due to increases in toll rates, and a 1.7 percent decrease in expenses as a result of reduced collection services costs, due to transponder fees being charged directly to motorists by the Commonwealth of Virginia.

Dulles Corridor Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2013 Revenues	\$ 127,542,000	\$ 127,059,841	99.6%
2013 Expenses ²	\$ 28,245,000	\$ 26,466,875	93.7%
2012 Revenues	\$ 107,823,000	\$ 101,596,089	94.2%
2012 Expenses ²	\$ 28,746,000	\$ 25,708,769	89.4%

¹Actuals are stated on a budgetary basis for comparative purposes, which are not consistent with GAAP

² Does not include depreciation expense or debt service

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 Capital Construction Program.

It is anticipated that the major portion of future facilities development will be financed with the proceeds of bonds issued under the Master Indenture of Trust. 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. While recent regulatory actions have contributed to short-term growth at Reagan National, because the airport is regulated through slot and perimeter regulations, much of the long-term future growth in aviation activity for the Air Trade Area is expected to 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. In October 2012, the Airports Authority submitted a joint Letter of Interest for funding under the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) together with Fairfax and Loudoun Counties, who are also contributing to the Metrorail Project. On February 24, 2014, the Airports Authority was formally invited by the U.S. Department of Transportation to apply for a TIFIA loan for the Dulles Metrorail Project, and on March 26, 2014, the Airports Authority submitted its application.

OTHER INFORMATION**The Airports Authority's Website**

The Airports Authority has an Internet website 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 Indentures of Trust, Official Statements, Debt Service Review, airline rates and charges, and aviation statistics are posted on the website. The Airports Authority also posts monthly unaudited financial statements to include discussion of results and other information for the Airports Authority's bondholders and other interested parties. Financial information for the Airports Authority is available on the website at the following site: <http://www.mwaa.com/311.htm>.

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, 2012. This was the twenty-fourth consecutive year 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 consistently received the GFOA's Award for Distinguished Budget Presentation and the GFOA's Popular Annual Financial Reporting Award, including for the last year.



Acknowledgments

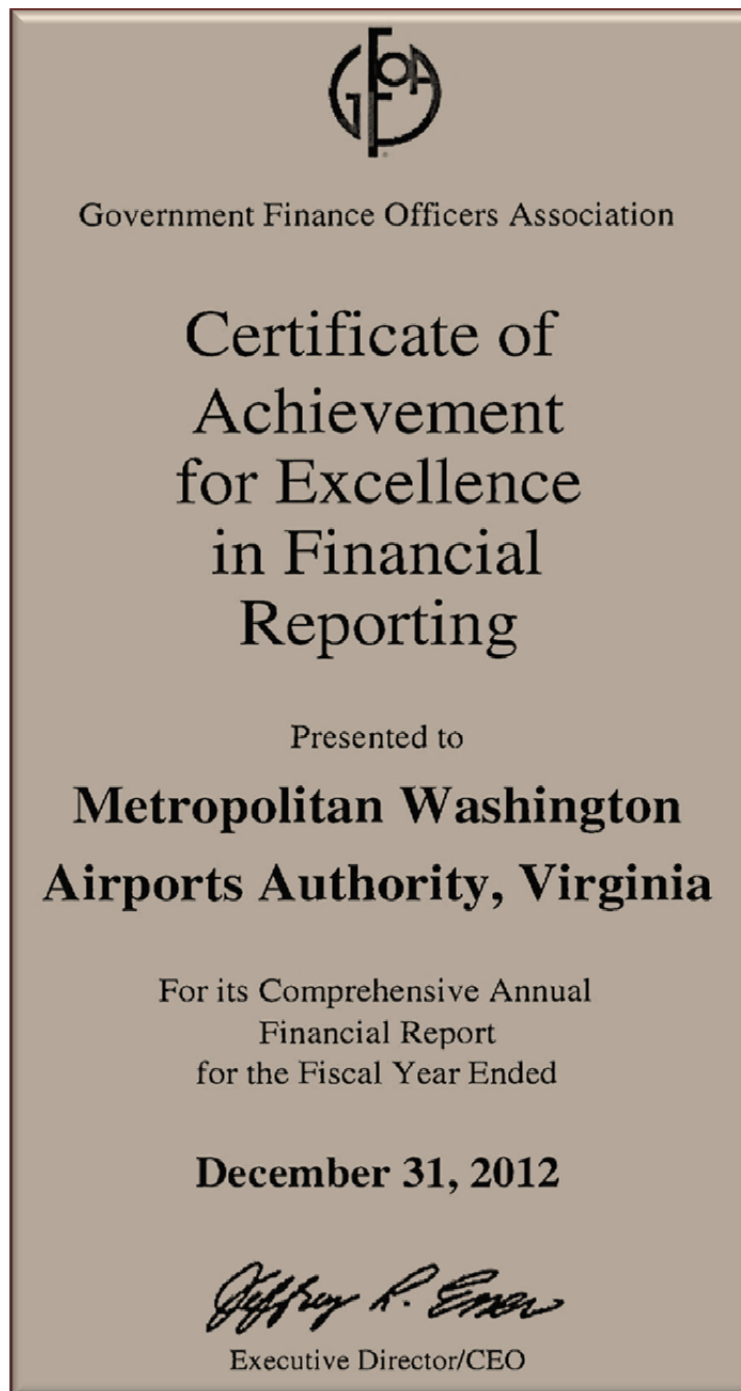
In closing, I would like to thank the Board of Directors, the President and Chief Executive Officer, and the Executive Vice President and Chief Operating Officer for their leadership and support in planning and conducting the financial operations of the Airports Authority. Special thanks are expressed to Chris Wedding, Controller; Julia Hodge, Department Manager, Internal Controls, Compliance & Financial Strategy; Greg Cohen, Manager, Financial Strategy; and Diane Lary, Financial Technician for the preparation of this year's CAFR. I would also like to thank all personnel within the Office of Finance for their contributions, without whom this CAFR would not be completed. Finally, appreciation is expressed to the firm of PricewaterhouseCoopers LLP for their dedication to completing a timely audit.

Andrew T. Rountree, CPA

Vice President for Finance and Chief Financial Officer



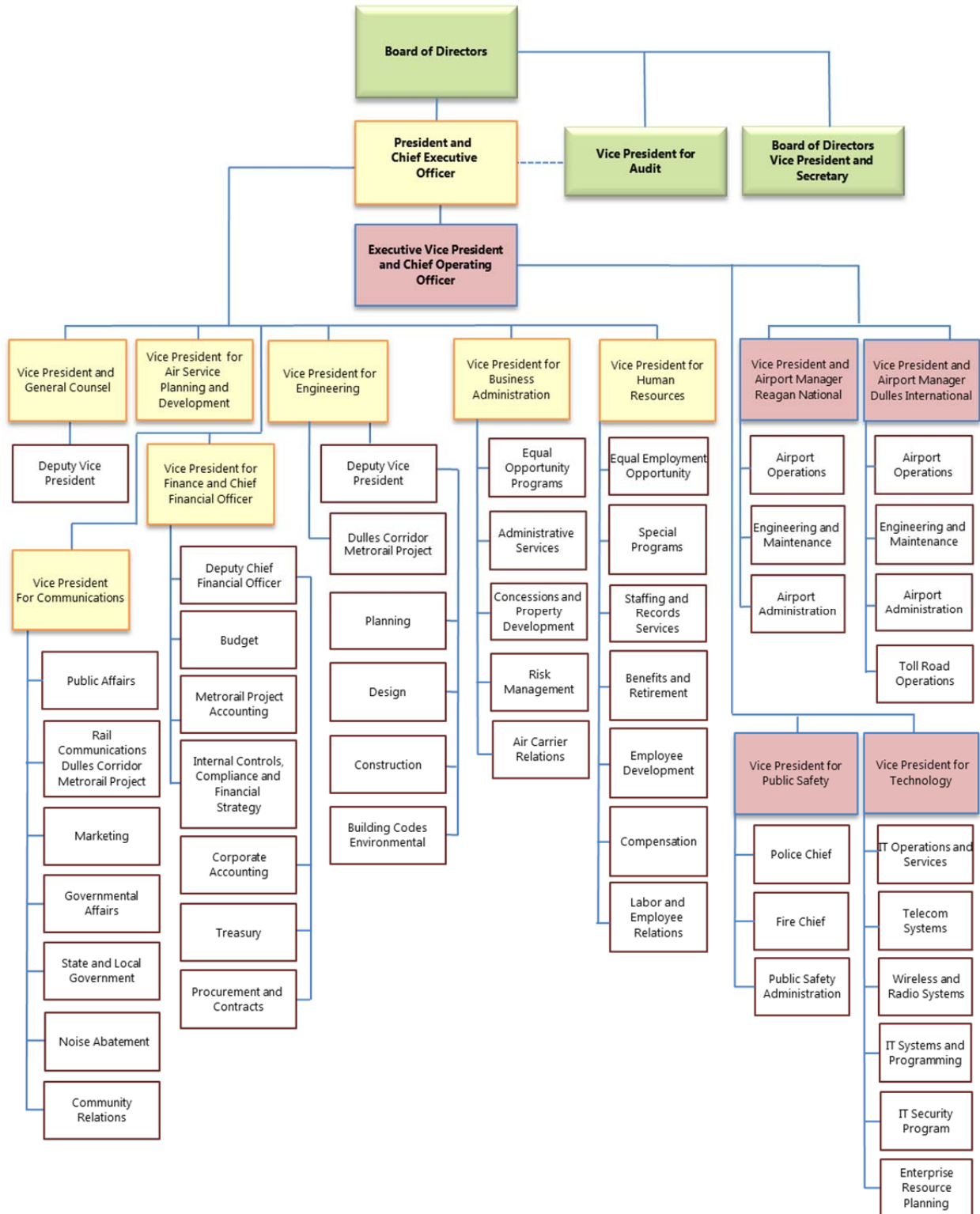
2012 Certificate of Achievement for Excellence in Financial Reporting





Organizational Chart

As of December 31, 2013





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Independent Auditor's Report

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

We have audited the accompanying financial statements of Metropolitan Washington Airports Authority (the "Airports Authority") i) Aviation Enterprise, ii) Dulles Corridor Enterprise and iii) Total Business-Type Activities, as of and for the years ended December 31, 2013 and December 31, 2012, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits 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 from material misstatement.

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Airports Authority i) Aviation Enterprise, ii) Dulles Corridor Enterprise and iii) Total Business-Type Activities, as of December 31, 2013 and December 31, 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The accompanying Management's Discussion and Analysis (MD&A) on pages 19 through 41 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

PricewaterhouseCoopers LLP

April 15, 2014



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 to and overview of the basic financial statements of the Airports Authority for the year ended December 31, 2013 with selected comparative information for the years ended December 31, 2012 and December 31, 2011. This discussion has been prepared by management, is unaudited, and should be read in conjunction with the financial statements and the notes that follow this section.

Using the Financial Statements

The Airports Authority's financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement 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 presentation of the financial statements 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 Position 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 Position present financial information on all of the Airports Authority's assets and liabilities, with the difference reported as net position. Net position is displayed in three components: net investment in capital assets, which includes capital assets funded from unrestricted and restricted sources, net of accumulated depreciation and outstanding debt attributable to acquisition of the capital assets; restricted when constraints are imposed by third parties or enabling legislation on assets or deferred outflows of resources, net of any liabilities and deferred inflows of resources which will be liquidated with the restricted assets; or unrestricted, which includes all remaining assets, deferred outflows of resources, liabilities and deferred inflows of resources not included in the preceding two categories. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Airports Authority is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position report total operating revenues, operating expenses, non-operating revenues and expenses, and other changes in net position for 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 or capital contributions. 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, non-capital financing activities, capital and related financing activities, and investing activities.

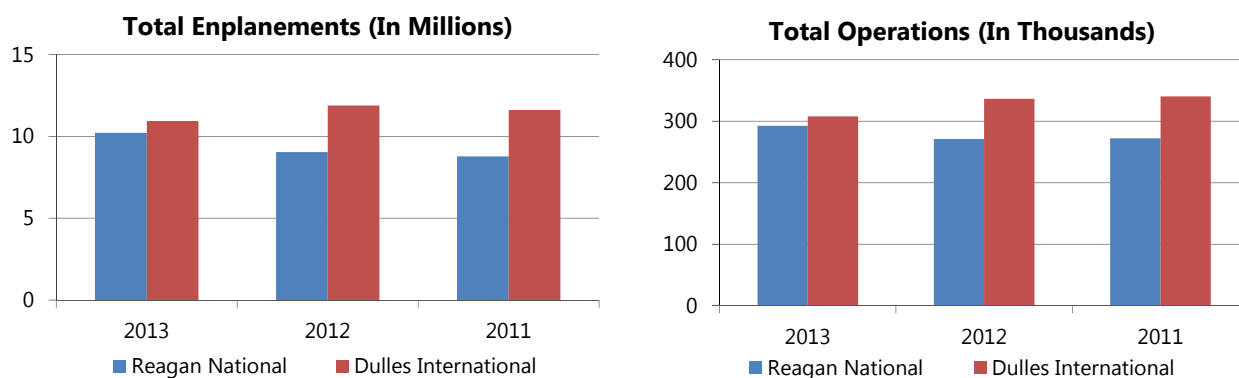
On January 1, 2013, the Airports Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65) which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. For comparative purposes, financial results for 2012 reflect the implementation of GASB 65. Financial results for periods prior to 2012 have been adjusted through a change to the beginning balance of retained earnings. For more information, please refer to Note 2 – Implementation of GASB Statement No. 65.

THE AIRPORTS AUTHORITY'S ACTIVITY HIGHLIGHTS

Aviation Enterprise Fund

Demand for air service is driven by economic conditions. In recent years, the aviation industry has been challenged by the global economic downturn, carrier consolidation, and thin profit margins. As a result, the Airports Authority has budgeted minimal annual increases to airline rates and charges, while maintaining the ability to operate the Airports in a safe and secure manner, meeting high customer service standards, and sustaining the organization's long-term financial strength. Activity at Reagan National and Dulles International has remained strong in the face of these industry challenges, with system-wide enplanements reaching 21.1 million in 2013. Airport enplanements and operations activity for the last three years follows:

Enplanements and Operations Activity for 2011 to 2013





	Enplanements and Operations		
	2013	2012	2011
Reagan National Enplanements			
Domestic	9,993,676	9,606,805	9,236,748
Transborder	204,020	181,350	126,064
Non-Commercial	<u>11,335</u>	<u>12,610</u>	<u>10,398</u>
Total Enplanements	10,209,031	9,800,765	9,373,210
Dulles International Enplanements			
Domestic	7,396,633	7,855,073	8,261,152
Transborder and International	3,463,983	3,317,819	3,256,804
Non-Commercial	<u>75,448</u>	<u>75,926</u>	<u>72,597</u>
Total Enplanements	10,936,064	11,248,818	11,590,553
Airports Authority System-wide Enplanements			
Domestic	17,390,309	17,461,878	17,497,900
Transborder and International	3,668,003	3,499,169	3,382,868
Non-Commercial	<u>86,783</u>	<u>88,536</u>	<u>82,995</u>
Total Enplanements	<u>21,145,095</u>	<u>21,049,583</u>	<u>20,963,763</u>
Total Operations			
Reagan National	292,648	288,176	281,770
Dulles International	<u>307,801</u>	<u>312,078</u>	<u>327,493</u>
Total Operations	<u>600,449</u>	<u>600,254</u>	<u>609,263</u>

Enplanements at Reagan National for the 12 months of 2013 were 10.2 million, compared to 9.8 million for 2012 and 9.4 million for 2011. Southwest, JetBlue, and Virgin America have increased their presence at Reagan National in recent years; combined, these carriers accounted for 77 percent of the increase in enplanements between 2012 and 2013 and 61 percent of the increase in enplanements between 2011 and 2012.

In addition, the FAA Reauthorization Act of 2012 allowed each of four incumbent airlines at Reagan National to convert one slot to a beyond-perimeter flight (an exception to the Federal law limiting flights to nonstop distances of 1,250 miles or less), beginning in June 2012. The Reauthorization Act further allowed the addition of four new beyond-perimeter slot pairs beginning in August 2012 for a total of eight new beyond-perimeter flights. These beyond-perimeter flights are generally flown on larger aircraft, which translates into additional enplanements. New beyond-perimeter flights authorized in 2012 included Alaska Airlines service to Portland, Oregon; American Airlines service to Los Angeles, California; Delta Airlines service to Salt Lake City, Utah; JetBlue service to Puerto Rico; Southwest Airlines service to Austin, Texas; United Airlines service to San Francisco, California; US Airways service to San Diego, California; and Virgin America service to San Francisco, California.

Further contributing to the growth in enplanement activity at Reagan National, in July 2011, the Department of Justice approved an exchange of slots held by Delta and US Airways at Reagan National and New York



LaGuardia Airports. As a result of this exchange, US Airways added service to 12 new markets and added service to nine cities already served by other airlines at Reagan National. They were:

New US Airways Markets

Asheville, NC	Augusta, GA
Birmingham, AL	Fayetteville, AR
Fayetteville, NC	Ft. Walton Beach, FL
Islip, NY	Jacksonville, NC
Little Rock, AR	Pensacola, FL
San Diego, CA	Tallahassee, FL

Additional US Airways Service

Cincinnati, OH
Des Moines, IA
Jackson, MS
Memphis, TN
Minneapolis, MN
Montreal, QC
Omaha, NE
Ottawa, ON
Toronto, ON

Total enplanements at Dulles International for 2013 were 10.9 million compared to 11.2 million in 2012 and 11.6 million in 2011. The decline in domestic enplanements between 2011 and 2013 is partially attributable to the transfer of select JetBlue and AirTran/Southwest air service to Reagan National and the transfer of certain Delta, Virgin America, and American air service to Reagan National as a result of the aforementioned regulatory changes at Reagan National. International enplanements of 3.5 million in 2013 represented a 4.4 percent and 1.9 percent increase over 2012 and 2011 international enplanements, respectively. In 2013, United added several new international markets: Quebec City, Canada; Vancouver, Canada; Guatemala City, Guatemala; and San Jose, Costa Rica. Moreover, new carriers Brussels Airlines and Etihad Airways added service to Brussels, Belgium and Abu Dhabi, United Arab Emirates, respectively.

Trade organization Airlines for America reported that industry-wide North American domestic and international enplanements increased by a combined 1.5 percent in 2013. Domestic enplanements grew 1.1 percent, while international enplanements grew 3.5 percent. Reagan National exceeded the industry domestic growth rate by 2.9 percentage points, due to increases in air service. Dulles International's domestic passenger growth rate declined 5.8 percent as a result of domestic carrier capacity adjustments. However, international enplanement growth of 4.4 percent at Dulles International outpaced the industry growth rate of 3.5 percent.

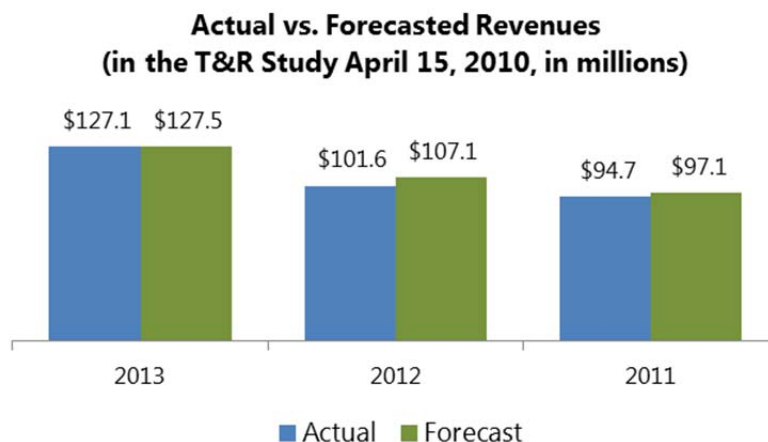
	Airports		
<u>2013 Enplanements Growth</u>	<u>Authority</u>	<u>North America</u>	<u>Difference</u>
Reagan National (Domestic)	4.0%	1.1%	2.9%
Dulles International (Domestic)	-5.8%	1.1%	-6.9%
Dulles International (International)	4.4%	3.5%	0.9%



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. 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.

Toll rate increases implemented in each of the past three years resulted in expected declines in Dulles Toll Road transactions. The Dulles Toll Road processed an average of 8.2, 8.3, and 8.5 million toll transactions per month in 2013, 2012, and 2011, respectively. These transaction levels resulted in revenues that fell slightly short of the forecasts made by the independent consulting firm that produced the 2010 Dulles Toll Road Traffic and Revenue Study; total revenues in 2013 were approximately 99.7 percent of forecasted revenues compared to 94.9 percent in 2012 and 97.5 percent in 2011. Electronic (E-ZPass) penetration accounted for 80.7 percent of Dulles Toll Road revenue in 2013, an increase from 77.4 percent in 2012 and 74.6 percent in 2011.



FINANCIAL HIGHLIGHTS - AVIATION ENTERPRISE FUND

Pursuant to the Airports Authority's Airport Use Agreement and Premises Lease (Use and Lease Agreement), the Airports Authority receives airline-based revenues such as terminal rents, landing fees, international arrival fees, and passenger conveyance fees as well as non-airline, activity-based concession revenues, which include public parking, rental car activities, and food, beverage, and retail operations, among others. Signatory airlines, those that have signed the Use and Lease Agreement, are required to pay actual costs plus debt service coverage,

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



while the majority of concessionaires pay the greater of a percentage of sales revenue or a minimum annual guarantee (MAG).

The Aviation Enterprise Fund recorded \$723.0 million in operating revenues for 2013, an increase of \$28.1 million from 2012. Aviation Enterprise Fund operating revenues increased \$31.0 million between 2011 and 2012. Total operating revenues for each of the past three years follow:

	Aviation Enterprise Fund		
	2013	2012	2011
Operating revenues			
Rents	\$ 305,301,798	\$ 301,637,067	\$ 275,428,113
Concessions	236,254,054	227,719,891	227,599,995
Landing fees	128,386,773	112,282,616	110,255,672
Passenger fees	32,828,954	33,442,803	30,331,231
Utility sales	12,143,660	11,704,662	11,979,591
Other	8,108,012	8,160,525	8,381,229
Total operating revenues	<u>\$ 723,023,251</u>	<u>\$ 694,947,564</u>	<u>\$ 663,975,831</u>

Aviation Enterprise Fund Operating Revenues (In Millions)



Airline Revenues

Airlines that operate at Reagan National and Dulles International pay for the costs to operate the Airports and to cover the Airports Authority's principal and interest payments on outstanding Aviation Enterprise Fund debt. When operating costs for the Aviation Enterprise Fund increase, there is a corresponding increase in the rates charged to the airlines. In 2013, airline revenue, which consisted of landing fees, terminal rents, and passenger fees, totaled \$466.5 million, which was an increase of \$19.2 million, or 4.3 percent from prior year. In 2012, airline revenue totaled \$447.4 million, which was an increase of \$31.3 million, or 7.5 percent, compared to 2011.



In 2013, rent revenues totaled \$305.3 million, which was an increase of \$3.7 million, or 1.2 percent, from 2012. Rent revenue increased \$26.2 million, or 9.5 percent, from 2011 to \$301.6 million in 2012. The key driver of increased terminal rents has been an increase in debt service costs resulting from the recent completion of large capital projects, including Terminal A improvements at Reagan National, the Automated People Mover (AeroTrain) that was placed into service at Dulles International in early 2010, and the expansion of the International Arrivals Building at Dulles International.

Landing fee revenues totaled \$128.4 million in 2013, which was an increase of \$16.1 million from 2012; landing fee revenues increased \$2.0 million from 2011 to \$112.3 million in 2012. Landing fees at both airports increased in recent years. Signatory landing fees per 1,000 pounds at Reagan National increased to \$4.19 in 2013 from \$3.55 in 2012 and \$3.42 in 2011. In 2013, signatory airline landing fees per 1,000 pounds at Dulles International increased to \$4.23 from \$3.72 in 2012 and \$3.50 in 2011.

Passenger fees, including passenger conveyance, international arrivals fees, and fees paid by the Transportation Security Administration (TSA), totaled \$32.8 million in 2013 and decreased \$614 thousand, or 1.8 percent, from 2012 due to reduced security fees. In 2012, passenger fees increased \$3.1 million, or 10.3 percent, from 2011 as a result of increased international traffic and International Arrivals Building fees at Dulles International.

Concession Revenues

The Airports Authority's concession revenues totaled \$236.3 million in 2013, which was an increase of \$8.5 million, or 3.7 percent, from 2012 concession revenues of \$227.7 million. Concession revenues accounted for 32.7 percent of total operating revenues in both 2013 and 2012, and 34.3 percent in 2011. The decreases in 2013 and 2012 were attributable to the aforementioned increases in airline revenues, which outpaced the growth in concession revenues over the same period.

The following table details concession revenues by major category for the years ended 2013, 2012 and 2011:



	Concession Revenues		
	2013	2012	2011
Parking	\$ 110,113,780	\$ 108,943,383	\$ 108,936,324
Rental cars	36,416,084	35,433,032	38,706,628
Food and beverage	18,992,489	18,011,106	17,274,882
Fixed base operator	15,542,501	15,467,248	14,109,352
Newsstand and retail	12,814,549	12,238,148	12,003,769
Display advertising	10,240,914	10,665,291	12,061,771
Inflight caterers	10,005,313	7,925,048	7,172,499
Ground transportation	9,770,802	8,595,780	8,401,055
Duty free	4,666,805	4,455,682	4,009,278
All other	7,690,817	5,985,173	4,924,437
Total	<u>\$ 236,254,054</u>	<u>\$ 227,719,891</u>	<u>\$ 227,599,995</u>

Parking revenues continued to rank as the Airports Authority's largest concession in 2013, providing \$110.1 million in total revenues for the year, an increase of \$1.2 million, or 1.1 percent, from 2012 on higher overall passenger traffic and parking rate increases. Parking revenues in 2012 were flat compared to 2011 at \$108.9 million. New rental car contracts were executed at Reagan National in 2011; these contracts contained lower minimum annual guarantees than the contracts previously in effect. As a result, rental car revenues decreased \$3.3 million to \$35.4 million in 2012. In 2013, rental car revenues increased \$1.0 million to \$36.4 million, due to higher revenues in excess of the minimum annual guarantee.

The Airports Authority is implementing new food, beverage, and retail programs at both Airports; recently implemented concepts included CakeLove at Reagan National in 2013. Food and beverage revenue totaled \$19.0 million in 2013, which represented an increase of \$1.0 million from 2012. Food and beverage revenue increased \$736 thousand during 2012. Newsstand and retail revenue has remained relatively flat at \$12.8 million, \$12.2 million, and \$12.0 million in 2013, 2012, and 2011, respectively.

Fixed base operator revenues of \$15.5 million in 2013 remained consistent with prior year; increases in 2013 and 2012 were attributable to higher MAGs. Inflight catering revenues increased \$2.1 million to \$10.0 million in 2013 as a result of increased international passenger traffic at Dulles International and new contracts that provide the Airports Authority with a higher percentage of revenues. Ground transportation revenues increased \$1.2 million in 2013, due to an additional shared ride service provider at both airports and higher minimum guarantees at Dulles International. All other areas of concession revenues accounted for a combined net increase of \$1.5 million over 2012. This increase was largely attributable to a \$1.6 million increase in foreign currency revenues due to a new contract that provides for a higher minimum annual guarantee, but was partially offset by lower advertising revenues.



Utility Sales and Other Revenues

Revenues from utility sales to airport tenants increased 3.8 percent from \$11.7 million in 2012 to \$12.1 million in 2013 due to higher consumption. Revenues from utility sales decreased 2.3 percent in 2012 from \$12.0 million in 2011.

In 2013, other revenues, which primarily represent revenues from employee and tenant parking permits, decreased \$53 thousand to \$8.1 million. Other revenues decreased \$221 thousand from \$8.4 million in 2011 to \$8.2 million in 2012.

Operating Expenses

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2013 totaled \$630.8 million, a decrease of \$42.3 million, or 6.3 percent, from 2012. The primary reason for this decrease was a one-time expense of \$40.2 million that was charged in 2012 in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* (GASB 42) to write-off project costs for the discontinuation of the Tier 2 Concourse and related facilities at Dulles International and in-line baggage screening improvements at Reagan National. A \$19.9 million expense adjustment was also recorded in 2012 to reduce the balance of accumulated depreciation that had been recorded in 2011.

Materials, equipment, supplies, contract services, and other expenses increased \$11.0 million, or 5.6 percent, to \$206.0 million in 2013 primarily as a result of a \$3.9 million increase in non-capitalized facility projects, a \$3.1 million increase in snow and ice control supplies, and a \$2.6 million increase in bond issuance costs, which are now expensed in accordance with GASB 65. The same line item increased by \$7.4 million, or 3.9 percent in 2012, primarily due to a \$2.3 million increase in non-capitalized facility projects, a \$1.8 million charge for obsolescence of inventory, and a \$1.2 million increase in insurance payments and claims.

Salaries and related benefits expenses increased \$4.2 million, or 2.7 percent, from 2012 to \$155.7 million in 2013. Regular full time pay for Airports Authority employees increased \$2.5 million, or 2.5 percent, over 2012. Overtime costs increased \$1.0 million, or 16.6 percent, to \$7.3 million in 2013 as a result of snowstorms. In 2013, the Airports Authority's health insurance expenses increased \$1.7 million to \$20.0 million. The Airports Authority continued funding its Other Post-Employment Benefits (OPEB) program and recorded \$5.7 million in expenses for 2013 and \$6.4 million in expenses for 2012. The contribution percentages to the Airports Authority's pension plans increased to 7.8 percent in 2013 from 7.2 percent of eligible earnings in 2012 for the General Employee Plan and decreased to 13.5 percent in 2013 from 14.0 percent of eligible earnings in 2012 for the Police and Firefighters' plan. The funded ratio as of the actuarial valuation date of December 31, 2013 was 104.2 percent for the General Employee Plan and 103.2 percent for the Police and Firefighters' plan.

The Airports Authority implemented Oracle EBusiness Solutions as its Enterprise Resource Planning (ERP) System in mid-2011. According to accounting principles as promulgated in GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51), the Airports Authority was in the developmental stage of the



implementation program through early 2009 and expensed the costs through the Statements of Revenues, Expenses and Changes in Net Position. From 2009 until the system was placed in service in June of 2011, applicable costs were capitalized. All related training and data conversion costs were expensed.

The Airports Authority's utility expenses for 2013 were \$26.1 million, a decrease of \$1.1 million from 2012, or 4.2 percent. This decrease was a result of a reduction in natural gas usage and lower electricity rates compared to prior year. Utility expenses for 2012 were \$27.3 million, which was an increase of \$711 thousand compared to 2011.

Depreciation and amortization expenses totaled \$237.7 million in 2013. This was a decrease of \$16.1 million from 2012 because of the aforementioned \$19.9 million reduction of accumulated depreciation in 2012, partially offset by a \$3.3 million adjustment to the 2012 balance to reflect implementation of GASB 65. At Reagan National, the Airports Authority completed runway 1/19 improvements as well as improvements to Terminal A. In 2012, the public safety communications center was upgraded to include additional functionality, the security systems were upgraded, and improvements were made to runways and taxiways. At Dulles International in 2013, a passenger boarding bridge was installed in Concourse C/D, improvements were made to taxi lanes and taxiways, and improvements were made to the communication system and cargo building systems. In 2012, projects at Dulles International included the first phase of building changes for in-line baggage screening and improvements to runways and cargo building systems. For more information on changes in capital assets, please refer to Note 10 – Changes in Capital Assets.

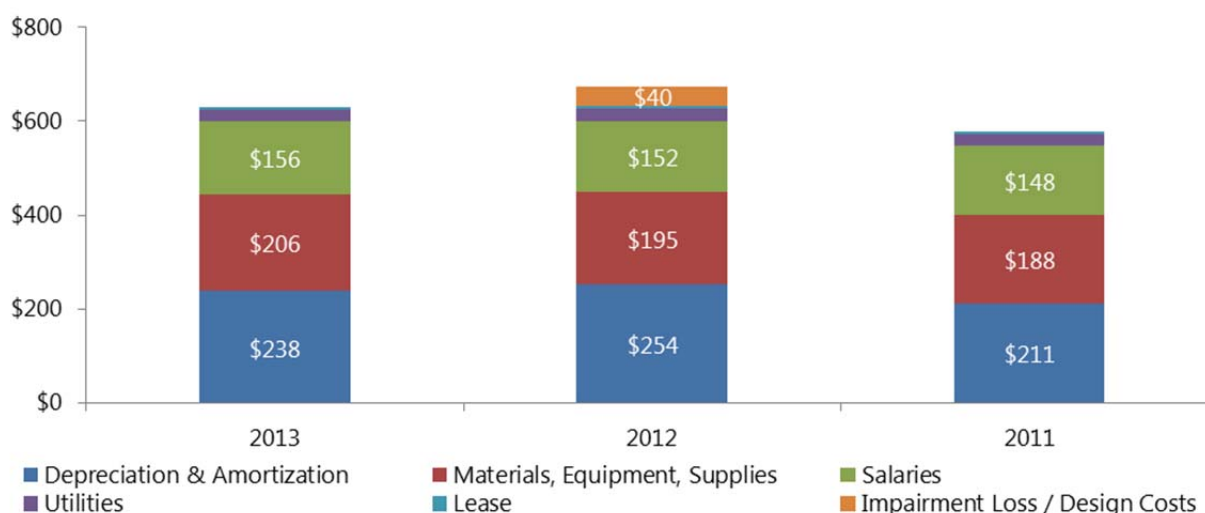
A cost allocation plan is used to identify and quantify all overhead and other indirect costs appropriately allocable to the Dulles Toll Road or to the Dulles Metrorail Project within the Dulles Corridor Enterprise Fund. As a result of this allocation plan, \$9.9, \$9.7, and \$8.5 million of Aviation Enterprise Fund operating expenses were allocated to the Dulles Corridor Enterprise Fund in 2013, 2012, and 2011, respectively.

The following presents total operating expenses for the years ended 2013, 2012 and 2011:

	Aviation Enterprise Fund		
	2013	2012	2011
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$ 205,964,686	\$ 194,967,615	\$ 187,607,830
Salaries and related benefits	155,687,570	151,531,516	148,072,307
Impairment loss / design costs	-	40,239,036	-
Utilities	26,116,991	27,253,512	26,542,084
Lease from U.S. Government	5,335,290	5,303,936	5,180,558
Depreciation and amortization	<u>237,667,144</u>	<u>253,743,153</u>	<u>211,365,393</u>
Total operating expenses	<u>\$ 630,771,681</u>	<u>\$ 673,038,768</u>	<u>\$ 578,768,172</u>



Aviation Enterprise Fund Operating Expenses (In Millions)



Changes in Net Position

Operating income was \$92.3 million in 2013, which was a \$70.3 million increase from 2012, when operating income totaled \$21.9 million. Operating income in 2012 declined \$63.3 million from 2011 as a result of one-time adjustments to depreciation and impairment expenses.

When compared to 2012, total non-operating revenues increased \$73.7 million and non-operating expenses increased \$6.8 million. Non-operating revenue in 2013 was comprised of \$12.0 million in investment income primarily as a result of interest earned on debt service reserve funds, \$82.0 million in fair value gains on swaps, and \$737 thousand of federal, state, and local grants in support of operations. Non-operating expenses, which included interest expense on the Aviation Enterprise Fund's \$5.1 billion in outstanding bonds and notes payable, totaled \$216.9 million. The \$82.0 million fair value gain on swaps was a significant change from 2012 and 2011 when the change in fair value on swaps was a gain of \$6.4 million and a loss of \$96.2 million, respectively. Please refer to Note 14 – Derivatives for more information on the swap portfolio.

Capital contributions include PFCs, federal, state, and local grants, and other capital property acquired. PFC revenue for 2013 was \$79.1 million, which was a decrease of \$4.2 million from 2012. PFC revenue in 2012 totaled \$83.3 million and increased \$4.6 million from 2011.

Federal, state, and local grants in support of capital programs were \$73.3 million in 2013, \$54.5 million in 2012, and \$54.8 million in 2011. In 2013, the Airports Authority received \$23.3 million in Airport Improvement Program (AIP) grants primarily to reimburse the capital costs of constructing the fourth runway at Dulles International, of reconstructing a portion of Taxiway Y at Dulles International, and improving the safety areas for runways 15/33 and 4/22 at Reagan National. The Airports Authority also received American Recovery and Reinvestment Act (ARRA) grants of \$46.9 million for the East/West in-line baggage electronic detection system.



Additionally, the Airports Authority received \$1.1 million from TSA for in-line baggage screening. Please refer to Note 18 – Government Grants for more information on grant activity.

The change in net position is an indicator of the overall fiscal condition of the Aviation Enterprise Fund. Net position increased in 2013 by \$130.9 million due in large part to higher operating income and increased fair value gain on swaps. In 2012, net position decreased by \$29.5 million as a result of higher operating expenses relating to one-time impairment costs and depreciation adjustments. Net position decreased \$68.8 million in 2011 due to the \$96.2 million fair value loss on swaps.

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

	Aviation Enterprise Fund		
	2013	2012	2011
Operating income			
Operating revenues	\$ 723,023,251	\$ 694,947,564	\$ 663,975,831
Operating expenses	<u>630,771,681</u>	<u>673,038,768</u>	<u>578,768,172</u>
Total operating income	<u>92,251,570</u>	<u>21,908,796</u>	<u>85,207,659</u>
Non-operating revenues			
Investment income	11,992,454	13,356,837	24,683,618
Federal, state and local grants	736,767	1,222,205	874,810
Fair value gains on swaps	<u>81,962,970</u>	<u>6,422,461</u>	<u>-</u>
Total non-operating revenues	<u>94,692,191</u>	<u>21,001,503</u>	<u>25,558,428</u>
Non-operating expenses			
Interest expense	(216,902,168)	(210,149,419)	(221,951,744)
Fair value losses on swaps	<u>-</u>	<u>-</u>	<u>(96,249,918)</u>
Total non-operating expenses	<u>(216,902,168)</u>	<u>(210,149,419)</u>	<u>(318,201,662)</u>
Income/(Loss) before capital contributions	(29,958,407)	(167,239,120)	(207,435,575)
Capital contributions	<u>160,813,543</u>	<u>137,715,748</u>	<u>138,612,005</u>
Change in net position	<u>\$ 130,855,136</u>	<u>\$ (29,523,372)</u>	<u>\$ (68,823,570)</u>



FINANCIAL HIGHLIGHTS - DULLES CORRIDOR ENTERPRISE FUND

Operating Revenues

For the year ended December 31, 2013, the Airports Authority recorded toll revenues of \$127.1 million, which consisted of electronic toll collections (E-ZPass) of \$102.5 million, cash collections of \$22.7 million, and violations revenue of \$1.8 million. Overall toll collection revenue increased \$25.5 million from 2012, largely driven by a \$23.9 million increase in E-ZPass revenues. Toll revenues increased \$6.9 million from 2011 to 2012. In 2013, E-ZPass revenue comprised 80.7 percent of toll revenues in 2013, up from 77.4 percent in 2012 and 74.6 percent in 2011. Overall increases in total operating revenue for 2013, 2012, and 2011 were driven by successive toll rate increases that went into effect on January 1 of each of the past three years.

	Dulles Corridor Enterprise Fund		
	2013	2012	2011
Operating revenues			
Electronic toll collection revenues	\$ 102,478,081	\$ 78,613,469	\$ 70,634,124
Cash revenues	22,735,432	21,892,705	22,905,593
Violation revenues	1,845,828	1,089,915	1,119,821
Other	500	7,750	-
Total operating revenues	<u>\$ 127,059,841</u>	<u>\$101,603,839</u>	<u>\$ 94,659,538</u>

Operating Expenses

For the years ended December 31, 2013 and 2012, the Dulles Corridor Enterprise Fund recorded \$39.9 million and \$34.1 million in operating expenses, respectively. Operating expenses were primarily comprised of materials, supplies, equipment, contract services, and other, which totaled \$23.0 million in 2013, an increase of \$2.4 million from 2012. This expense category included \$6.0 million in electronic toll collection fees paid to the third party processor of E-ZPass transactions and \$5.7 million in maintenance and repair costs. Snow removal costs increased \$687 thousand to \$927 thousand as a result of an increased amount of snowfall in 2013. In 2012, materials, supplies, equipment, contract services, and other totaled \$20.6 million, which included \$5.5 million in electronic toll collection fees paid to the third party processor of E-ZPass transactions and \$5.4 million in maintenance and repair costs.

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. In 2013, \$9.9 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, with \$5.6 million allocated to the Dulles Toll Road and \$4.3 million allocated to the Dulles Metrorail Project. In 2012, \$9.7 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, with \$5.3 million allocated to the Dulles Toll Road and \$4.4 million allocated to the Dulles Metrorail Project.



Depreciation and amortization expenses increased \$2.4 million to \$6.0 million in 2013. The same line item decreased \$374 thousand from \$3.9 million in 2011 to \$3.6 million in 2012. Recent increases in depreciation and amortization expenses were due to the Dulles Access Highway I-495 ramp that was placed into service in September 2012.

Salaries and related benefits expense increased \$934 thousand from \$9.8 million in 2012 to \$10.7 million in 2013. The increase was due to a \$774 thousand increase in allocated salaries and benefits expense associated with Metrorail Phase 2.

	Dulles Corridor Enterprise Fund		
	2013	2012	2011
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$23,017,779	\$20,603,618	\$21,744,158
Salaries and related benefits	10,697,056	9,763,238	9,298,144
Utilities	225,075	191,922	237,082
Depreciation and amortization	5,986,036	3,552,926	3,926,601
Total operating expenses	<u>\$39,925,946</u>	<u>\$34,111,704</u>	<u>\$35,205,985</u>



Changes in Net Position

The Dulles Corridor Enterprise Fund closed 2013 with total Net Position of \$1,795.3 million. The following represents a summary of the Statements of Revenues, Expenses and Changes in Net Position of the Dulles Corridor Enterprise Fund.

	Dulles Corridor Enterprise Fund		
	2013	2012	2011
Operating income			
Operating revenues	\$ 127,059,841	\$ 101,603,839	\$ 94,659,538
Operating expenses	<u>39,925,946</u>	<u>34,111,704</u>	<u>35,205,985</u>
Total operating income	<u>87,133,895</u>	<u>67,492,135</u>	<u>59,453,553</u>
Non-operating revenues (expenses)			
Investment income (loss)	(1,854,080)	1,182,797	10,932,190
Federal, state and local grants	-	6,810	107,564
Interest expense	(21,467,437)	(19,322,104)	(18,060,020)
Contributions to other governments	<u>-</u>	<u>(313,812)</u>	<u>(1,297,882)</u>
Total non-operating revenues (expenses)	<u>(23,321,517)</u>	<u>(18,446,309)</u>	<u>(8,318,148)</u>
Income before capital contributions	63,812,378	49,045,826	51,135,405
Capital contributions	<u>136,179,778</u>	<u>286,167,948</u>	<u>232,311,015</u>
Change in net position	<u>\$ 199,992,156</u>	<u>\$ 335,213,774</u>	<u>\$ 283,446,420</u>

The increase in net position for the Dulles Corridor Enterprise Fund totaled \$200.0 million, \$335.2 million, and \$283.4 million for the years ended December 31, 2013, 2012, and 2011, respectively. Total operating income for the Dulles Corridor Enterprise Fund was \$87.1 million, \$67.5 million in 2012, and \$59.5 million in 2011. The 29.1 percent increase in total operating income over 2012 was largely driven by toll rate increases that became effective January 1, 2013, while the 13.5 percent increase in total operating income from 2011 to 2012 was the result of toll rate increases that became effective January 1, 2012.

Total non-operating expenses increased from \$18.4 million in 2012 to \$23.3 million in 2013, primarily as a result of higher interest expense and investment losses. Interest expenses totaled \$21.5 million, which was a \$2.2 million increase from 2012, as a result of increased borrowings. Investment losses totaled \$1.9 million in 2013. For the years ended December 31, 2012 and 2011, the Dulles Corridor Enterprise Fund had investment income of \$1.2 million and \$10.9 million, respectively.



Government grants in support of capital programs for the Dulles Corridor Enterprise Fund totaled \$136.2 million for the fiscal year ending December 31, 2013 and \$282.1 million for the fiscal year ending December 31, 2012. Federal grants included \$85.0 million related to the Dulles Metrorail Project, while local government contributions totaled \$51.2 million. Please refer to Note 18 – Government Grants for more information on grant activity. In addition, the Dulles Corridor Enterprise Fund recorded other contributed capital property of \$4.1 million in 2012.

STATEMENTS OF NET POSITION – TOTAL BUSINESS TYPE ACTIVITIES

The Statements of Net Position 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 Position is the difference between total assets plus deferred outflows and total liabilities plus deferred inflows and is an indicator of the current fiscal health of the Airports Authority. A summarized comparison of the Airports Authority's assets, liabilities and net position on December 31, 2013, 2012, and 2011, follows:

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority



	Total Business-Type Activities		
	2013	2012	2011
Assets			
Current assets	\$ 953,742,525	\$ 780,698,464	\$ 696,107,643
Non-current assets			
Restricted	847,900,077	880,380,804	994,217,040
Unrestricted	377,740,115	209,261,341	288,588,541
Capital assets, net	<u>8,132,692,945</u>	<u>7,744,479,463</u>	<u>7,202,502,470</u>
Total Assets	<u>\$ 10,312,075,662</u>	<u>\$ 9,614,820,072</u>	<u>\$ 9,181,415,694</u>
 Deferred Outflows of Resources	 <u>\$ 65,951,606</u>	 <u>\$ 67,406,909</u>	 <u>\$ 54,870,485</u>
 Liabilities			
Current liabilities	\$ 637,552,876	\$ 401,498,137	\$ 413,978,790
Non-current liabilities	<u>7,117,266,865</u>	<u>6,988,326,978</u>	<u>6,785,041,244</u>
Total Liabilities	<u>\$ 7,754,819,741</u>	<u>\$ 7,389,825,115</u>	<u>\$ 7,199,020,034</u>
 Deferred Inflows of Resources	 <u>\$ 177,029</u>	 <u>\$ 218,660</u>	 <u>\$ 54,450</u>
 Net Position			
Net investment in capital assets	\$ 1,925,134,409	\$ 1,930,730,211	\$ 1,681,513,627
Restricted	363,436,785	179,512,976	165,379,374
Unrestricted	<u>334,459,304</u>	<u>181,940,019</u>	<u>190,318,694</u>
Total Net Position	<u>\$ 2,623,030,498</u>	<u>\$ 2,292,183,206</u>	<u>\$ 2,037,211,695</u>

Current assets totaled \$953.7 million on December 31, 2013, an increase of \$173.0 million from 2012. Current assets increased \$84.6 million to \$780.7 million at December 31, 2012. Current assets for the Aviation Enterprise Fund decreased \$27.5 million in 2013, primarily as a result of a \$57.4 million decrease in unrestricted cash and cash equivalents and a \$36.5 million decrease in unrestricted investments, partially offset by a \$59.2 million increase in restricted investments related to debt service. Between 2011 and 2012, current assets for the Aviation Enterprise Fund increased \$65.3 million due to a \$76.1 million increase in unrestricted investments and an \$11.0 million increase in cash and cash equivalents, offset by a \$19.2 million decrease in accounts receivable. Current assets for the Dulles Corridor Enterprise Fund increased 88.1 percent, or \$200.6 million, in 2013 due primarily to a \$142.7 million increase in restricted cash as a result of the issuance of commercial paper notes totaling \$150.5 million, as discussed in Note 15 – Capital Debt. In 2012, the Dulles Corridor Enterprise Fund's current assets increased \$19.3 million, or 9.2 percent.

Non-current assets increased \$524.2 million from 2012 to 2013 and \$348.8 million from 2011 to 2012, largely due to increases in capital assets, net of depreciation, totaling \$388.2 million and \$542.0 million, respectively. These increases were primarily related to the Dulles Metrorail Project. Other significant changes between 2012



and 2013 include a \$168.5 million increase in unrestricted non-current assets as a result of a \$172.6 million increase in investments within the Aviation Enterprise Fund. Total capital assets within the Dulles Corridor Enterprise Fund increased \$455.2 million as a result of continued construction of the Dulles Metrorail Project. In 2012, the Aviation Enterprise Fund recorded a \$110.2 million decrease in restricted non-current assets due largely to a \$104.9 million decrease in investments. Similarly, unrestricted non-current assets for the Aviation Enterprise Fund decreased \$62.4 million due to a \$23.2 million decrease in investments, as well as decreases associated with bond issuance as a result of implementation of GASB Statement No. 65 (please see Note 2 – Implementation of GASB Statement No. 65 for more information). The Dulles Corridor Enterprise Fund recorded an increase of \$697.8 million in capital assets that, as in 2013, was largely attributable to construction in progress for the Dulles Metrorail Project.

Current liabilities increased \$236.1 million from 2012 to \$637.6 million, due primarily to the issuance of \$150.0 million in Series 2013 interim revenue notes (discussed in greater detail in Note 15 – Capital Debt), as well as a \$30.0 million increase in advance billings and payments received in advance related to Commonwealth of Virginia grant revenues that are expected to be earned in 2014. The Aviation Enterprise Fund's accounts payable and accrued expenses increased \$27.8 million to \$79.6 in 2013. The change was driven by increases in rent payments received in advance as well as amounts due to signatory airlines as a result of the annual settlement process (please refer to Note 3 – Airport Use Agreement and Premises Lease for more information). As of December 31, 2013, the Dulles Corridor Enterprise Fund had a liability of \$3.9 million due to the Aviation Enterprise Fund for services provided in the normal course of business, including the cost allocation plan. In 2012, current liabilities decreased \$12.5 million from 2011. The decrease in current liabilities from 2011 was driven by a \$10.9 million decrease in accounts payable and accrued expenses in the Dulles Corridor Enterprise Fund due to the Dulles Metrorail Project.

In 2013, non-current liabilities increased \$128.9 million to \$7.1 billion. This increase was largely due to the issuance of commercial paper notes for the Dulles Corridor Enterprise Fund totaling \$150.4 million, in addition to a \$110.4 million increase in other liabilities. Of these other liabilities, \$110.0 million was unearned grant revenues from the Commonwealth of Virginia. These increases were offset by an \$82.0 million reduction in interest rate swaps payable and a \$49.9 million reduction in bonds payable. In 2012, non-current liabilities increased \$203.3 million, which was largely due to the issuance of \$149.6 million of commercial paper notes in the Dulles Corridor Enterprise Fund, offset by a \$17.5 million refunding in commercial paper notes in the Aviation Enterprise Fund. In addition, notes payable increased \$200.0 million in the Dulles Corridor Enterprise Fund with the issuance of the 2012 Full Funding Grant Agreement (FFGA) notes. Aviation Enterprise Fund bonds payable declined \$155.5 million due to principal payments totaling \$128.0 million, while Dulles Corridor Enterprise Fund bonds payable saw a \$32.0 million increase primarily related to the change in accretion of capital appreciation bonds.

Total net position, which represents the residual interest in the Airports Authority assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, increased \$330.8 million from 2012 and \$255.0 million from 2011. The Aviation Enterprise Fund and Dulles Corridor Enterprise Fund provided a \$130.8 million increase and \$200.0 million increase, respectively for 2013. In 2012, the Dulles Corridor Enterprise



Fund provided a \$320.3 million increase in total net position, while the Aviation Enterprise Fund recorded a decrease of \$65.3 million in total net position.

Net investment in capital assets decreased \$5.6 million from 2012 and increased \$249.2 million from 2011. The decrease in 2013 was attributable to a \$43.4 million reduction within the Aviation Enterprise Fund, partially offset by a \$37.8 million increase in the Dulles Corridor Enterprise Fund. The increase in 2012 was attributable to a \$356.4 million increase in the Dulles Corridor Enterprise Fund, partially offset by a \$107.2 million decrease in the Aviation Enterprise Fund.

On December 31, 2013, total restricted net position of \$363.4 million consisted of funds restricted for construction, debt service, leases, Dulles Rail latent defects, Dulles Toll Road repairs, and Public Safety. This was an overall increase from 2012 of \$183.9 million. The Aviation Enterprise Fund's restricted net position increased \$29.9 million, primarily due to a \$30.3 million net increase in assets restricted for construction. The Dulles Corridor Enterprise Fund's restricted net position increase of \$154.0 million included a \$139.4 million increase in assets restricted for construction. Total restricted net position increased \$14.1 million from 2011 to 2012 due to an \$8.9 million net increase in assets restricted for construction and a \$6.7 million increase in assets restricted for debt service.

Total unrestricted net position at the end of the reporting period for the Airports Authority was \$334.5 million, which represented an overall increase of \$152.5 million from 2012. Unrestricted net position increased \$144.3 million to \$386.5 million for the Aviation Enterprise Fund and increased \$8.2 million for the Dulles Corridor Enterprise Fund. These net unrestricted assets may be used to meet any of the Airports Authority's ongoing operational needs, including debt service for the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund, subject to approval by the Airports Authority's Board of Directors. Unrestricted net position decreased \$8.4 million from 2011 to 2012 due an increase of \$22.0 million for the Aviation Enterprise Fund, which was offset by a \$30.4 million reduction for the Dulles Corridor Enterprise Fund.

CAPITAL FINANCING AND DEBT MANAGEMENT

Aviation Enterprise Fund

The Airports Authority is financing its Aviation Enterprise Fund Capital Construction Program (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 15 – Capital Debt for additional detail on the Airports Authority's long-term debt activity.

On June 27, 2013, the Airports Authority's Aviation Enterprise Fund issued \$245.6 million of Series 2013A-C Airport System Revenue and Refunding Bonds. The Series 2013A Alternative Minimum Tax (AMT) Airport System Revenue and Refunding Bonds' par amount was \$207.2 million. The proceeds were used to refund Series 2003A Bonds, fund certain capital projects at the Airports, and pay the cost of issuing the bonds. This



transaction refunded \$153.3 million of Series 2003A Bonds maturing in 2013-2033. The Airports Authority's present value savings of this refunding was \$8.8 million. The Series 2013B Taxable Airport System Revenue Refunding Bonds' par amount was \$27.4 million, which refunded \$33.9 million of Taxable Series 2003C Bonds maturing in 2013-2023 for net present value savings of \$3.6 million. The Series 2013C Non-AMT Airport System Revenue Refunding Bonds' par amount was \$11.0 million, which refunded \$13.5 million of Series 2004A Bonds maturing in 2015-2022 for net present value savings of \$1.2 million.

The Airports Authority's Aviation Enterprise Fund's long-term uninsured bonds are rated "AA-" by Fitch, "A1" by Moody's, and "AA-" by Standard & Poor's Rating Services (S&P). Fitch affirmed the "AA-" rating with "Stable" outlook and S&P affirmed the Airports Authority's "AA-" rating with a "Stable Outlook" on June 20, 2013. Moody's changed its rating from "Aa3" to "A1" and the outlook from "Negative" to "Stable" on June 20, 2013.

The Airports Authority, through its Master Indenture of Trust, has agreed to maintain debt service coverage of not less than 1.25x. Debt service coverage is calculated as defined in the Master Indenture of Trust. Historically, the Airports Authority has maintained a coverage ratio significantly higher than its requirement. For 2013, 2012, and 2011 the Airports Authority's debt service coverage was 1.40x, 1.35x, and 1.37x, respectively.

Dulles Corridor Enterprise Fund

On November 13, 2013, the Airports Authority Board authorized the issuance of up to \$400.0 million Dulles Toll Road Subordinate Lien Notes, Series 2013 to provide funds for the Dulles Metrorail Project and fund costs of issuance of the Notes. In the same month, the Airports Authority sold \$150.0 million of the Series 2013 Notes to J.P. Morgan Chase Bank, National Association.

On December 17, 2012, the Airports Authority issued a \$200 million fixed rate note secured by the remaining federal funding anticipated to be received pursuant to a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration for Phase 1 of the Rail Project.

In June 2011, the Airports Authority Board authorized the issuance of CP Notes for the Dulles Corridor Enterprise Fund in a not-to-exceed amount of \$300 million. In 2012, the Airports Authority made a draw of the program totaling \$149.6 million. In August 2013, the Airports Authority made a draw of the program totaling \$150.4 million, which consumed the entire credit capacity available under the program. At December 31, 2013, the Dulles Corridor Enterprise Fund had \$300.0 million outstanding in Series One CP Notes and \$1.4 billion in outstanding bonds payable.

FEDERAL, STATE, AND LOCAL GRANT ACTIVITY

The Airports Authority receives 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 2013, the Aviation Enterprise Fund received \$1.2 million in total federal, state, and local grants in support of operations. This included \$460 thousand 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 \$422 thousand from TSA, which was used to offset the expense of training and caring for canines used in explosives detection and \$207 thousand related to the collaborative effort between the Airports Authority, the Department of Justice, and the U.S. Treasury Department.

The Aviation Enterprise Fund also recognized \$73.3 million in federal, state, and local grants in support of capital programs in 2013. The FAA's Airport Improvement Program provided \$23.3 million for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements. TSA funding included \$1.1 million for the South Bag Basement in-line baggage screening project. ARRA funds related to capital programs for the Aviation Enterprise Fund totaled \$46.9 million in 2013 and were reimbursed for the costs of installing East/West in-line baggage screening at Dulles International Airport.

Dulles Corridor Enterprise Fund

The Federal Transit Administration 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 2013, the Dulles Corridor Enterprise Fund recognized \$71.3 million of the FFGA award.

In 2009, USDOT allocated \$77.3 million in ARRA funding to the Dulles Metrorail Project. These funds replaced Section 5309 funds that are scheduled to be received in the final year (2016) of the FFGA. As of February 2012, the Airports Authority had fulfilled its ARRA local match requirement of \$199.2 million, and the close-out of the ARRA grant was completed on April 16, 2012.

During 2012, the Dulles Corridor Enterprise Fund recognized \$51.2 million of state and local grants in support of capital programs. In 2013, the Commonwealth of Virginia provided \$150.0 million in funding towards Phase 1 of the Dulles Metrorail Project in order to allow the Airports Authority to minimize future toll rates charged to users of the Dulles Toll Road. The first \$10.0 million was recognized in 2013.

Please refer to Note 18 – Government Grants for more information on grant activity.

CASH AND INVESTMENT MANAGEMENT – TOTAL BUSINESS TYPE ACTIVITIES

The Airports Authority's cash and cash equivalents increased \$24.7 million to \$885.5 million as of December 31, 2013. This was driven by an increase of \$128.9 million in the Dulles Corridor Enterprise Fund and a decrease in



available cash and cash equivalents, both restricted and unrestricted, of \$104.2 million in the Aviation Enterprise Fund. Cash and cash equivalents with an original maturity of three months or less are considered highly liquid investments. Restricted and unrestricted investments increased by \$107.8 million in 2013, which was attributable to a \$148.6 million increase in the Aviation Enterprise Fund non-current investments.

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

	Total Business-Type Activities		
	2013	2012	2011
Cash received from operations	\$890,435,794	\$823,810,455	\$735,825,740
Cash expended from operations	<u>(412,152,426)</u>	<u>(416,552,797)</u>	<u>(429,946,902)</u>
Net cash provided by operations	478,283,368	407,257,658	305,878,838
Net cash provided (used) by:			
Noncapital financing activities	733,463	915,187	346,296
Capital and related financing activities	(282,510,236)	(366,652,850)	(657,397,187)
Investing activities	<u>(171,853,266)</u>	<u>68,941,086</u>	<u>214,667,578</u>
Net increase (decrease) in cash and cash equivalents	24,653,329	110,461,081	(136,504,475)
Cash and cash equivalents, beginning of year	<u>860,893,456</u>	<u>750,432,375</u>	<u>886,936,850</u>
Cash and cash equivalents, end of year	<u><u>\$885,546,785</u></u>	<u><u>\$860,893,456</u></u>	<u><u>\$750,432,375</u></u>

Cash temporarily idle during 2013 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 2013, the Airports Authority's Aviation Enterprise Fund operating account average portfolio balance was \$493.0 million, and the average yield on investments was 0.179 percent. The capital funds are held by an agent for the Trustee but managed by the Airports Authority. For 2013, the capital funds had an average portfolio balance of \$447.4 million and an average yield of 1.827 percent. During 2013, the Airports Authority's Dulles Corridor Enterprise Fund operating account average portfolio balance was \$108.8 million and the average yield on investments was 0.010 percent. As is the case with the Aviation Enterprise Fund, capital funds for the Dulles Corridor Enterprise Fund are held by an agent for the Trustee, but managed by the Airports Authority. For 2013, the capital funds had an average portfolio balance of \$306.1 million and an average yield of 0.526 percent.

Certain Airports Authority funds that will be used for bond requirements 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. The Airports Authority's investment committee meets periodically to review the portfolios for policy compliance (see Note 5 – Deposits and Investments).



CAPITAL CONSTRUCTION

Aviation Enterprise Fund

The Aviation Enterprise Fund capitalized \$56.1 million in projects in 2013, principally for utility relocation related to runway 1/19 and improvements to Terminal A at Reagan National and installation of a passenger boarding bridge, taxi lane and taxiway improvements and pavement replacement, communication system improvements, and cargo building system improvements at Dulles International. Ongoing and new projects in 2014 and beyond include a building rehabilitation for Terminal A and runway safety improvements at Reagan National and improvements to Concourse C/D, electrical and utility upgrades and runway safety improvements at Dulles International.

Dulles Corridor Enterprise Fund

The Dulles Corridor Enterprise Fund's Renewal and Replacement program provided funds to address major maintenance requirements including overlays, sound wall repairs, bridge deck replacements, erosion and drainage control, and other maintenance projects. The Renewal and Replacement program is funded from toll road revenues. In addition, the Dulles Corridor Capital Improvement Program funds improvements related to the Dulles Toll Road, its ancillary ramps and interchanges, and the Dulles Rail Project. These projects, which are funded from bond proceeds, Federal Transit Administration grants, and contributions from Fairfax County and the Commonwealth of Virginia, include the Metrorail project, as well as other studies and improvements. The total Capital Improvement Program expenditure budget for 2013 was \$666.6 million, of which \$448.9 million was allocated for Phase 1 of the Rail project and \$147.0 million was allocated for Phase 2.

For more information on capital asset activity, please refer to Note 10 – Changes in Capital Assets.

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 for Finance and Chief Financial Officer, at the following address: 1 Aviation Circle, Washington, DC, 20001-6000 or e-mail BondholdersInformation@mwaa.com.



Statement of Net Position
As of December 31, 2013

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 53,107,005	\$ 121,966,039	\$ 175,073,044
Restricted cash and cash equivalents	211,205,801	288,031,505	499,237,306
Accounts receivable, net	43,525,251	425,747	43,950,998
Investments	141,279,455	-	141,279,455
Restricted investments	61,944,492	17,073,797	79,018,289
Inventory	8,079,261	361,404	8,440,665
Prepaid expenses and other current assets	6,412,364	330,404	6,742,768
Total current assets	525,553,629	428,188,896	953,742,525
Non-current assets			
Restricted:			
Cash and cash equivalents	16,043,720	195,192,715	211,236,435
Accounts receivable	48,840,644	130,528,402	179,369,046
Investments	321,696,946	135,597,650	457,294,596
Total restricted	386,581,310	461,318,767	847,900,077
Unrestricted:			
Note receivable	5,633,165	-	5,633,165
Investments	330,602,733	-	330,602,733
Net pension assets	3,797,361	-	3,797,361
Bond insurance costs	13,406,401	19,392,538	32,798,939
Other assets	4,907,917	-	4,907,917
Total unrestricted	358,347,577	19,392,538	377,740,115
Capital assets:			
Land and other non-depreciable assets	183,051,181	-	183,051,181
Construction in progress	379,274,498	6,340,599	385,615,097
Construction in progress - Dulles Metrorail Project Phase 1	-	3,028,392,978	3,028,392,978
Construction in progress - Dulles Metrorail Project Phase 2	-	185,077,990	185,077,990
Buildings, systems and equipment	6,844,443,330	78,263,346	6,922,706,676
Less: accumulated depreciation	(2,565,927,007)	(6,223,970)	(2,572,150,977)
Capital assets, net	4,840,842,002	3,291,850,943	8,132,692,945
Total non-current assets	5,585,770,889	3,772,562,248	9,358,333,137
Total assets	\$ 6,111,324,518	\$ 4,200,751,144	\$ 10,312,075,662
DEFERRED OUTFLOWS OF RESOURCES			
Gain on debt refundings	\$ 65,951,606	\$ -	\$ 65,951,606
Total deferred outflows of resources	\$ 65,951,606	\$ -	\$ 65,951,606

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority



Statement of Net Position
As of December 31, 2013

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 79,566,126	\$ 127,613,517	\$ 207,179,643
Advance billings and payments received in advance	38,283,978	34,281,629	72,565,607
Accrued lease obligations	341,140	7,851	348,991
Due to (due from) other funds	(3,936,941)	3,936,941	-
Accrued interest payable	52,366,780	13,194,973	65,561,753
Current portion of bonds and notes payable	<u>137,695,000</u>	<u>154,201,882</u>	<u>291,896,882</u>
Total current liabilities	<u>304,316,083</u>	<u>333,236,793</u>	<u>637,552,876</u>
Non-current liabilities			
Other liabilities	6,611,308	126,037,290	132,648,598
Commercial paper notes	21,000,000	300,000,000	321,000,000
Notes payable	-	200,000,000	200,000,000
Interest rate swaps payable	111,957,472	-	111,957,472
Bonds payable, net	<u>4,905,527,136</u>	<u>1,446,133,659</u>	<u>6,351,660,795</u>
Total non-current liabilities	<u>5,045,095,916</u>	<u>2,072,170,949</u>	<u>7,117,266,865</u>
Total liabilities	<u>\$ 5,349,411,999</u>	<u>\$ 2,405,407,742</u>	<u>\$ 7,754,819,741</u>
DEFERRED INFLOWS OF RESOURCES			
Loss on debt refundings	<u>\$ 177,029</u>	<u>\$ -</u>	<u>\$ 177,029</u>
Total deferred inflows of resources	<u>\$ 177,029</u>	<u>\$ -</u>	<u>\$ 177,029</u>
NET POSITION			
Net investment in capital assets	\$ 306,146,170	\$ 1,618,988,239	\$ 1,925,134,409
Restricted for			
Construction	87,380,885	183,413,785	270,794,670
Debt service	40,742,916	21,809,923	62,552,839
Leases	6,589,193	-	6,589,193
Dulles Rail latent defects	-	15,003,256	15,003,256
Dulles Toll Road repairs	-	8,121,425	8,121,425
Public Safety	375,402	-	375,402
Unrestricted	<u>386,452,530</u>	<u>(51,993,226)</u>	<u>334,459,304</u>
Total net position	<u>\$ 827,687,096</u>	<u>\$ 1,795,343,402</u>	<u>\$ 2,623,030,498</u>

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



Statement of Net Position As of December 31, 2012

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 110,499,852	\$ 79,492,264	\$ 189,992,116
Restricted cash and cash equivalents	204,762,899	145,364,093	350,126,992
Accounts receivable, net	42,595,511	65,560	42,661,071
Investments	177,750,805	-	177,750,805
Restricted investments	2,776,304	2,136,025	4,912,329
Inventory	8,173,110	205,914	8,379,024
Prepaid expenses and other current assets	6,532,112	344,015	6,876,127
Total current assets	553,090,593	227,607,871	780,698,464
Non-current assets			
Restricted:			
Cash and cash equivalents	69,343,025	251,431,323	320,774,348
Accounts receivable	30,213,001	43,688,292	73,901,293
Investments	345,718,767	139,986,396	485,705,163
Total restricted	445,274,793	435,106,011	880,380,804
Unrestricted:			
Note receivable	9,327,369	-	9,327,369
Investments	157,952,823	-	157,952,823
Net pension assets	3,467,187	-	3,467,187
Bond insurance costs (Note 2)	16,311,706	21,313,890	37,625,596
Other assets	888,366	-	888,366
Total unrestricted	187,947,451	21,313,890	209,261,341
Capital assets:			
Land and other non-depreciable assets	182,685,100	-	182,685,100
Construction in progress	274,520,382	137,493	274,657,875
Construction in progress - Dulles Metrorail Project Phase 1	-	2,678,740,974	2,678,740,974
Construction in progress - Dulles Metrorail Project Phase 2	-	86,308,162	86,308,162
Buildings, systems and equipment	6,782,501,724	73,824,878	6,856,326,602
Less: accumulated depreciation	(2,331,916,430)	(2,322,820)	(2,334,239,250)
Capital assets, net	4,907,790,776	2,836,688,687	7,744,479,463
Total non-current assets	5,541,013,020	3,293,108,588	8,834,121,608
Total assets	\$ 6,094,103,613	\$ 3,520,716,459	\$ 9,614,820,072
DEFERRED OUTFLOWS OF RESOURCES			
Gain on debt refundings (Note 2)	\$ 67,406,909	\$ -	\$ 67,406,909
Total deferred outflows of resources	\$ 67,406,909	\$ -	\$ 67,406,909

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



**Statement of Net Position
As of December 31, 2012**

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 51,782,056	\$ 126,488,934	\$ 178,270,990
Advance billings and payments received in advance	10,016,922	-	10,016,922
Accrued lease obligations	341,140	111,910	453,050
Due to (due from) other funds	(3,733,503)	3,733,503	-
Accrued interest payable	53,207,337	13,103,205	66,310,542
Current portion of bonds and notes payable	<u>137,405,000</u>	<u>9,041,633</u>	<u>146,446,633</u>
Total current liabilities	<u>249,018,952</u>	<u>152,479,185</u>	<u>401,498,137</u>
Non-current liabilities			
Other liabilities	6,221,580	16,042,796	22,264,376
Commercial paper notes	21,000,000	149,550,000	170,550,000
Notes payable	-	200,000,000	200,000,000
Interest rate swaps payable	193,920,442	-	193,920,442
Bonds payable, net (Note 2)	<u>4,994,298,928</u>	<u>1,407,293,232</u>	<u>6,401,592,160</u>
Total non-current liabilities	<u>5,215,440,950</u>	<u>1,772,886,028</u>	<u>6,988,326,978</u>
Total liabilities	<u>\$ 5,464,459,902</u>	<u>\$ 1,925,365,213</u>	<u>\$ 7,389,825,115</u>
DEFERRED INFLOWS OF RESOURCES			
Loss on debt refundings (Note 2)	<u>\$ 218,660</u>	<u>\$ -</u>	<u>\$ 218,660</u>
Total deferred inflows of resources	<u>\$ 218,660</u>	<u>\$ -</u>	<u>\$ 218,660</u>
NET POSITION			
Net investment in capital assets	\$ 349,551,737	\$ 1,581,178,474	\$ 1,930,730,211
Restricted for			
Construction	57,050,161	43,991,451	101,041,612
Debt service	41,301,170	7,436,165	48,737,335
Leases	6,438,460	-	6,438,460
Dulles Rail latent defects	-	15,001,701	15,001,701
Dulles Toll Road repairs	-	7,923,355	7,923,355
Public Safety	370,513	-	370,513
Unrestricted (Note 2)	<u>242,119,919</u>	<u>(60,179,900)</u>	<u>181,940,019</u>
Total net position	<u>\$ 696,831,960</u>	<u>\$ 1,595,351,246</u>	<u>\$ 2,292,183,206</u>

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



Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2013

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 236,254,054	\$ -	\$ 236,254,054
Tolls	-	127,059,341	127,059,341
Rents	305,301,798	-	305,301,798
Landing fees	128,386,773	-	128,386,773
Utility sales	12,143,660	-	12,143,660
Passenger fees	32,828,954	-	32,828,954
Other	8,108,012	500	8,108,512
Total operating revenues	723,023,251	127,059,841	850,083,092
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	205,964,686	23,017,779	228,982,465
Salaries and related benefits	155,687,570	10,697,056	166,384,626
Utilities	26,116,991	225,075	26,342,066
Lease from U.S. Government	5,335,290	-	5,335,290
Depreciation and amortization	237,667,144	5,986,036	243,653,180
Total operating expenses	630,771,681	39,925,946	670,697,627
OPERATING INCOME	92,251,570	87,133,895	179,385,465
NON-OPERATING REVENUES (EXPENSES)			
Investment income	11,992,454	(1,854,080)	10,138,374
Interest expense	(216,902,168)	(21,467,437)	(238,369,605)
Federal, state and local grants	736,767	-	736,767
Fair value gain on swaps	81,962,970	-	81,962,970
Total non-operating revenues (expenses)	(122,209,977)	(23,321,517)	(145,531,494)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(29,958,407)	63,812,378	33,853,971
CAPITAL CONTRIBUTIONS			
Passenger facility charges	79,056,914	-	79,056,914
Federal, state and local grants	73,256,629	136,179,778	209,436,407
Other capital property contributed	8,500,000	-	8,500,000
Total capital contributions	160,813,543	136,179,778	296,993,321
NET POSITION			
Change in net position	130,855,136	199,992,156	330,847,292
Net position, beginning of year	696,831,960	1,595,351,246	2,292,183,206
Net position, end of year	\$ 827,687,096	\$ 1,795,343,402	\$ 2,623,030,498

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority



Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2012

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 227,719,891	\$ -	\$ 227,719,891
Tolls	-	101,596,089	101,596,089
Rents	301,637,067	-	301,637,067
Landing fees	112,282,616	-	112,282,616
Utility sales	11,704,662	-	11,704,662
Passenger fees	33,442,803	-	33,442,803
Other	8,160,525	7,750	8,168,275
Total operating revenues	<u>694,947,564</u>	<u>101,603,839</u>	<u>796,551,403</u>
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other (Note 2)	194,967,615	20,603,618	215,571,233
Impairment loss / design costs	40,239,036	-	40,239,036
Salaries and related benefits	151,531,516	9,763,238	161,294,754
Utilities	27,253,512	191,922	27,445,434
Lease from U.S. Government	5,303,936	-	5,303,936
Depreciation and amortization (Note 2)	253,743,153	3,552,926	257,296,079
Total operating expenses	<u>673,038,768</u>	<u>34,111,704</u>	<u>707,150,472</u>
OPERATING INCOME	<u>21,908,796</u>	<u>67,492,135</u>	<u>89,400,931</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	13,356,837	1,182,797	14,539,634
Interest expense	(210,149,419)	(19,322,104)	(229,471,523)
Federal, state and local grants	1,222,205	6,810	1,229,015
Fair value gain on swaps	6,422,461	-	6,422,461
Contributions to other governments	-	(313,812)	(313,812)
Total non-operating revenues (expenses)	<u>(189,147,916)</u>	<u>(18,446,309)</u>	<u>(207,594,225)</u>
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(167,239,120)</u>	<u>49,045,826</u>	<u>(118,193,294)</u>
CAPITAL CONTRIBUTIONS			
Passenger facility charges	83,263,578	-	83,263,578
Federal, state and local grants	54,452,170	282,100,210	336,552,380
Other capital property contributed	-	4,067,738	4,067,738
Total capital contributions	<u>137,715,748</u>	<u>286,167,948</u>	<u>423,883,696</u>
NET POSITION			
Change in net position	(29,523,372)	335,213,774	305,690,402
Net position, beginning of year	<u>726,355,332</u>	<u>1,260,137,472</u>	<u>1,986,492,804</u>
Net position, end of year	<u><u>\$ 696,831,960</u></u>	<u><u>\$ 1,595,351,246</u></u>	<u><u>\$ 2,292,183,206</u></u>

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



Statement of Cash Flows
For the year ended December 31, 2013

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 754,054,772	\$ 126,699,654	\$ 880,754,426
Cash payments to suppliers for goods and services	(218,435,664)	(17,767,278)	(236,202,942)
Cash payments to employees for services	(163,489,919)	(2,778,197)	(166,268,116)
Cash receipts for interfund services	9,681,368	-	9,681,368
Cash payments for interfund services	-	(9,681,368)	(9,681,368)
NET CASH PROVIDED BY OPERATING ACTIVITIES	381,810,557	96,472,811	478,283,368
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interest paid to vendors	(214)	(3,090)	(3,304)
Federal, state and local grants in support of operations	736,767	-	736,767
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	736,553	(3,090)	733,463
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	245,615,000	150,000,000	395,615,000
Proceeds from issuance of commercial paper	-	150,450,000	150,450,000
Payments for refunding of bond notes and commercial paper	(200,670,000)	-	(200,670,000)
Principal payments on bonds/notes and commercial paper	(130,580,000)	(9,041,633)	(139,621,633)
Payments for capital expenditures and construction in progress	(150,311,217)	(380,531,770)	(530,842,987)
Proceeds from sale of capital assets	81,495	45,895	127,390
Refundings of bond insurance costs	1,832,318	-	1,832,318
Interest paid on bonds and commercial paper	(227,108,919)	(59,598,934)	(286,707,853)
Federal, state and local grants in aid of construction	52,983,376	193,621,297	246,604,673
Passenger facility charge receipts	80,702,524	-	80,702,524
Passenger facility charge expenses and interest	332	-	332
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(327,455,091)	44,944,855	(282,510,236)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from short-term investment maturities	312,277,863	3,504,722	315,782,585
Purchase of short-term investments	(318,475,863)	-	(318,475,863)
Proceeds from long-term investment maturities	223,057,511	14,996,313	238,053,824
Purchase of long-term investments	(376,200,780)	(31,013,032)	(407,213,812)
NET CASH USED IN INVESTING ACTIVITIES	(159,341,269)	(12,511,997)	(171,853,266)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(104,249,250)	128,902,579	24,653,329
CASH AND CASH EQUIVALENTS, Beginning of year	384,605,776	476,287,680	860,893,456
CASH AND CASH EQUIVALENTS, End of year	\$ 280,356,526	\$ 605,190,259	\$ 885,546,785

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



Statement of Cash Flows
For the year ended December 31, 2013

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 92,251,570	\$ 87,133,895	\$ 179,385,465
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	237,509,731	5,929,710	243,439,441
Loss on disposal of assets	157,413	56,326	213,739
Provision for losses on accounts receivable	331,462	-	331,462
(Increase) decrease in assets:			
Accounts receivable	(1,261,201)	(360,187)	(1,621,388)
Inventory	93,849	(155,488)	(61,639)
Prepaid expenses and other current assets	119,747	13,610	133,357
Net pension assets	(330,174)	-	(330,174)
Other long term assets	3,694,204	-	3,694,204
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	20,790,610	3,626,597	24,417,207
Advance billings and payments received in advance	28,267,056	-	28,267,056
Due to (due from) other funds	(203,438)	203,438	-
Long-term liabilities	389,728	24,910	414,638
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 381,810,557	\$ 96,472,811	\$ 478,283,368
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized loss on investments	\$ (4,572,316)	\$ (4,388,746)	\$ (8,961,062)
Contributions from other entities	\$ 8,500,000	\$ -	\$ 8,500,000
Increase (decrease) in capital assets in accounts payable and accrued expenses	\$ 6,993,460	\$ (2,636,489)	\$ 4,356,971
Fair value gain on swaps	\$ 81,962,970	\$ -	\$ 81,962,970

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



Statement of Cash Flows
For the year ended December 31, 2012

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 714,520,453	\$ 101,637,229	\$ 816,157,682
Cash payments to suppliers for goods and services (Note 2)	(233,032,440)	(18,689,499)	(251,721,939)
Cash payments to employees for services	(154,540,329)	(2,637,756)	(157,178,085)
Cash receipts for interfund services	7,652,773	-	7,652,773
Cash payments for interfund services	-	(7,652,773)	(7,652,773)
NET CASH PROVIDED BY OPERATING ACTIVITIES	334,600,457	72,657,201	407,257,658
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash provided to other governments	-	(313,812)	(313,812)
Interest paid to vendors	(16)	-	(16)
Federal, state and local grants in support of operations	1,222,205	6,810	1,229,015
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,222,189	(307,002)	915,187
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	311,825,000	200,000,000	511,825,000
Proceeds from issuance of commercial paper	-	149,000,000	149,000,000
Payments for refunding of bond notes and commercial paper	(381,910,000)	-	(381,910,000)
Principal payments on bonds/notes and commercial paper	(127,950,000)	(6,568,844)	(134,518,844)
Swap Payment	(72,500)	-	(72,500)
Payments for capital expenditures and construction in progress	(103,713,443)	(627,183,826)	(730,897,269)
Proceeds from sale of capital assets	192,708	-	192,708
Refundings of bond insurance costs (Note 2)	67,445	-	67,445
Interest paid on bonds and commercial paper	(235,077,901)	(56,502,315)	(291,580,216)
Federal, state and local grants in aid of construction	50,113,250	379,267,628	429,380,878
Passenger facility charge receipts	81,862,347	-	81,862,347
Passenger facility charge expenses and interest	(2,399)	-	(2,399)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(404,665,493)	38,012,643	(366,652,850)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	16,785,893	2,962,406	19,748,299
Proceeds from short-term investment maturities	248,218,888	-	248,218,888
Purchase of short-term investments	(244,756,218)	-	(244,756,218)
Proceeds from long-term investment maturities	304,252,379	10,994,977	315,247,356
Purchase of long-term investments	(258,522,262)	(10,994,977)	(269,517,239)
NET CASH PROVIDED BY INVESTING ACTIVITIES	65,978,680	2,962,406	68,941,086
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,864,167)	113,325,248	110,461,081
CASH AND CASH EQUIVALENTS, Beginning of year	387,469,943	362,962,432	750,432,375
CASH AND CASH EQUIVALENTS, End of year	\$ 384,605,776	\$ 476,287,680	\$ 860,893,456

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



Statement of Cash Flows

For the year ended December 31, 2012

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (Note 2)	\$ 21,908,796	\$ 67,492,135	\$ 89,400,931
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization (Note 2)	253,743,153	3,552,926	257,296,079
Provision for losses on accounts receivable	1,220,910	-	1,220,910
Impairment loss on construction in progress	40,239,036	-	40,239,036
(Increase) decrease in assets:			
Accounts receivable	17,945,372	33,389	17,978,761
Inventory	363,446	27,673	391,119
Prepaid expenses and other current assets	(1,216,434)	153,930	(1,062,504)
Net pension assets	(269,110)	-	(269,110)
Other long term assets	2,274,491	-	2,274,491
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	884,437	(645,018)	239,419
Advance billings and payments received in advance	(1,867,885)	-	(1,867,885)
Due to (due from) other funds	(2,041,538)	2,041,538	-
Long-term liabilities	1,415,783	628	1,416,411
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 334,600,457	\$ 72,657,201	\$ 407,257,658
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized loss on investments	\$ (2,706,458)	\$ (697,724)	\$ (3,404,182)
Contributions from other entities	\$ -	\$ 4,067,738	\$ 4,067,738
Decrease in capital assets in accounts payable and accrued expenses	\$ (1,260,970)	\$ (10,246,635)	\$ (11,507,605)
Fair value gain on swaps	\$ 6,494,961	\$ -	\$ 6,494,961

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



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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.

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, an 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 Position

Net position represents the residual interest of all other elements presented in the statement of financial position for the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in three components: *Net investment in capital assets*, which include capital assets funded from unrestricted and restricted sources, net of accumulated depreciation and outstanding debt attributable to acquisition of the capital assets; *Restricted* when constraints are imposed by third parties or enabling legislation on assets or deferred outflows of resources, net of any liabilities and deferred inflows of resources which will be liquidated with the restricted assets; or *Unrestricted*, which include all remaining assets, deferred outflows of resources, liabilities and deferred inflows of resources 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. Revenues are reported net of estimated uncollectible amounts. 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 the tenants' gross receipts. Parking fees are collected directly by the Airports Authority. Concession revenues are recognized when minimum guarantees are earned or as services are provided or goods are sold to the public or other tenants of the airport.

Tolls – Toll revenues represent revenues collected from vehicles using the Dulles Toll Road and include automated vehicle identification or electronic toll collections, cash collections and violation revenues. Violation revenues are recorded at gross amounts, and the related collection and administrative fees are expensed. Toll revenues 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 revenues 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 not already included in rental fees. 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 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 percent of the cost of the south parking structure, 55 percent 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 Airports Authority's indirect costs. CFC revenues are included in the Statements of Revenues, Expenses and Changes in Net Position as concessions revenues and associated assets are included in the Statements of Net Position as unrestricted assets.

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

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 are expensed by the Dulles Corridor Enterprise Fund and recognized as a reduction of expenses by the Aviation Enterprise Fund. Costs allocated for 2013 and 2012 are recognized within *Operating Expenses* on the Statements of Revenues, Expenses and Changes in Net Position as follows:



	Year ended December 31,	
	2013	2012
Materials, equipment, supplies, contract services, and other	\$ 1,447,318	\$ 2,308,629
Salaries and related benefits	7,816,073	7,041,624
Utilities	25,625	30,680
Depreciation and amortization	595,790	313,379
Total	<u>\$ 9,884,806</u>	<u>\$ 9,694,312</u>

The Dulles Metrorail Project is being constructed in two phases (refer to Note 4 – The Dulles Toll Road and Construction of the Dulles Metrorail Project). Project overhead costs are allocated between the two phases of the project based on a cost allocation plan and are recorded 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, with the exception of overnight sweeps, which are treated as investments.

J. Accounts Receivable

Accounts receivable are reported net of estimated uncollectible amounts 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 materials such as sand and salt, all of which are for use at the Airports and Dulles Toll Road. Inventories of materials and supplies are determined both by physical counts and through perpetual inventory systems. Inventories are valued at cost using the weighted average valuation method.

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 restricted to specific purposes by legally enforceable requirements are segregated on the Statements of Net Position. 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.

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 liability obligations are classified as current assets. Restricted assets that are restricted for disbursement in the acquisition or construction of non-current assets or that are segregated for the liquidation of long-term debts are classified as non-current assets.

Assets restricted for construction include the funds available for the design and construction of capital improvements for the Airports and the Dulles Toll Road as well as for construction of the Dulles Metrorail Project. Assets restricted for construction include cash, investments and receivables obtained from debt proceeds, grants and passenger facility charges. Assets restricted for debt service include the cash balances required to pay the semi-annual interest payments as well as the principal for the annual October bond payments. The restricted assets for debt service reserve include cash and investments totaling 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 operating fund of the Airports Authority if the construction funds have been expended. If the debt service reserve is insufficient, the Airports Authority transfers funds into the accounts. Assets restricted for leases represents funds which have been restricted based on operating lease agreements. Assets restricted for Dulles Rail latent defects and for Dulles Toll Road repairs represent cash and investments which are held in accordance with contractual agreements for the construction



of the Dulles Metrorail Project as well as the operation of the Dulles Toll Road (refer to Note 4 – The Dulles Toll Road and Construction of the Dulles Metrorail Project). Assets restricted for the benefit of the Airports Authority's Public Safety department represent cash funds obtained through cooperative seizure activities with federal and state justice agencies (refer to Note 18 – Government Grants).

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 at the date of transfer. Costs for capital assets under construction include direct and financing costs incurred. The Airports Authority does not capitalize overhead or other indirect costs of operations in 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.

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

<u>Category</u>	<u>Useful Life</u>	<u>Threshold</u>
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; assets that the Airports Authority has determined will no longer be used are written off completely. 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 that 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 certain properties acquired for construction and operation of the projects by deed, easement, or permit to the Airports Authority. 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.

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 that are discrete projects and intended for donation to other entities is 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 interest on 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.

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 expensed as incurred. Insurance related to debt issuance is amortized over the life of the related debt. Original issue discounts or premiums are 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 refunded, 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 Position. Grants obtained through operational activities that are not related to 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 Position 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 Statements of Net Position.

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 Statements of Net Position.

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 pension 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* (GASB 50). 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 8 – 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 9 – 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. Advance Billings and Payments Received in Advance

Advance billings consist of certain charges for rents, landing fees, and passenger fees to be earned at both airports and certain non-airline rental income at Dulles International. The applicable advance billing charges for rents, landing fees, and passenger fees charged to airlines are determined by the calculation of settlement (refer to Note 3 - Airport Use and Lease Agreement and Premises Lease). Advance billings as a result of settlement are recognized on a straight-line basis over a term of one year. The applicable non-airline rental income represents lease rentals, received in advance, for certain ground leases entered into with developers. The applicable non-airline rental income is recognized as revenue on a straight-line basis over the terms of the related leases when the term is less than one year. The applicable 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.

Payments received in advance represent remittances received from tenants in payment of future period rent obligations, in payment of future periods for annual parking permits or which exceed that tenant's total outstanding obligations to the Airports Authority.

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 (refer to Note 20 – 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 Position 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

The Airports Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. It also limits the use of the term "deferred" in financial statement presentations. The requirements for GASB 65 are effective for fiscal year 2013 and thereafter. This implementation resulted in bond issuance costs being recognized as expense in the period incurred, except for prepaid insurance costs associated with the issuance of debt. As the Airports Authority has historically recognized bond issuance costs as assets and amortized these costs over the life of the associated debt, the Airports Authority recognized a change in accounting principle upon the implementation of GASB 65 to write off unamortized bond issuance costs, less any costs related to prepaid insurance costs.

Prior to the change in accounting principle, the total amount of unamortized bond issuance costs as of December 31, 2012 was \$83.6 million, which included \$46.0 million of bond issuance costs and \$37.6 million of bond insurance costs. The cumulative effect of the write-off of bond issuance costs, net of prepaid insurance costs, reduced unrestricted assets by \$46.0 million as though these costs had been expensed as financing fees in the year incurred. The Airports Authority also separately reported gain on debt refundings as deferred outflows of resources and loss on debt refundings as deferred inflows of resources to meet the requirements of GASB 65. Prior this implementation, these gains and losses were reported as part of bonds payable on the Statement of Net Position. Please see Note 2 – Implementation of GASB Statement No. 65 for additional information.

GASB Statement No. 66, *Technical Corrections – 2012* (GASB 66) improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements for GASB 66 are



effective for fiscal year 2013 and thereafter. The requirements of GASB 66 do not currently impact the Airports Authority's financial statements as the amendments included in GASB 66 to previous GASB statements are not currently relevant to the financial statements of the Airports Authority.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) (as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*) improves accounting and financial reporting for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pensions such as the Airports Authority's plan, GASB 68 identifies the methods and assumptions that are to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. GASB 68 will replace the requirements of GASB 27 and GASB 50. The requirements for GASB 68 are effective for fiscal year 2015 and thereafter. The requirements of GASB 68 would require adjustment of the Airports Authority's net pension assets of \$3.8 million to equal the actuarial present value of projected benefit payments that is attributed to the past periods of employee service, net of the pension plan's fiduciary net position.

The Airports Authority will implement these statements as of their effective dates.

2. IMPLEMENTATION OF GASB STATEMENT NO. 65

On January 1, 2013, the Airports Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB 65 also limits the use of the word "deferred" in the financial statement presentations.

Change in Method of Accounting for Bond Issuance Costs

As part of the implementation of GASB 65, the Airports Authority changed its method of accounting for bond issuance costs, excluding prepaid insurance costs, to recognize these bond issuance costs as an expense in the period incurred. The 2012 financial statements were revised as part of the implementation to conform to the 2013 accounting requirements for comparative purposes, and the opening net assets were adjusted to reflect the cumulative effect of the change impacting periods prior to 2012. The following financial statement line items for 2012 were affected by the change in accounting principle.



Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2012

	Aviation Enterprise			Dulles Corridor Enterprise		
	Prior to GASB 65	Post GASB 65	Effect of Change	Prior to GASB 65	Post GASB 65	Effect of Change
Total operating revenues	\$ 694,947,564	\$ 694,947,564	\$ -	\$ 101,603,839	\$ 101,603,839	\$ -
Materials, equipment, supplies, contract services, and other	195,758,320	194,967,615	(790,705)	19,258,742	20,603,618	1,344,876
Other Expenses	224,328,000	224,328,000	-	9,955,160	9,955,160	-
Depreciation and amortization	257,043,569	253,743,153	(3,300,416)	5,536,403	3,552,926	(1,983,477)
Total operating expenses	677,129,889	673,038,768	(4,091,121)	34,750,305	34,111,704	(638,601)
OPERATING INCOME	17,817,675	21,908,796	4,091,121	66,853,534	67,492,135	638,601
Non-Operating Revenues and Expenses	(189,147,916)	(189,147,916)	-	(18,446,309)	(18,446,309)	-
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(171,330,241)	(167,239,120)	4,091,121	48,407,225	49,045,826	638,601
Capital Contributions	137,715,748	137,715,748	-	286,167,948	286,167,948	-
Change in Net Position	(33,614,493)	(29,523,372)	4,091,121	334,575,173	335,213,774	638,601
Net Position, beginning of year	762,145,470	726,355,332	(35,790,138)	1,275,066,225	1,260,137,472	(14,928,753)
Net position, end of year	\$ 728,530,977	\$ 696,831,960	\$ (31,699,017)	\$ 1,609,641,398	\$ 1,595,351,246	\$ (14,290,152)

As a result of the accounting change, financing fees decreased \$791 thousand and amortization decreased \$3.3 million for the Aviation Enterprise Fund. On the financial statements, financing fees are presented on the line materials, equipment, supplies, contract services, and other expenses. This resulted in a \$4.1 million increase to operating income for the Aviation Enterprise Fund.

Financing fees, which are presented on the materials, equipment, supplies, contract services, and other expenses line, increased \$1.3 million and amortization decreased \$2.0 million, which resulted in a \$639 thousand increase in operating income for the Dulles Corridor Enterprise Fund.

Net position as of January 1, 2012, decreased from \$762.1 million as originally reported, to \$726.4 million for the Aviation Enterprise Fund and from \$1.28 billion, as originally reported, to \$1.26 billion for the Dulles Corridor Enterprises, respectively, which represents the cumulative impact of expensing the bond issuance costs as financing fees in the year incurred and reducing the corresponding original amortization expense related to these bond issuance costs. Bond insurance cost is still carried as an asset on the Statement of Net Position and amortized over the life of the bond.

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Change in Presentation of Gains and Losses on the Statement of Net Position

Statement of Net Position As of December 31, 2012						
	Aviation Enterprise			Dulles Corridor Enterprise		
	Prior to GASB 65	Post GASB 65	Effect of Change	Prior to GASB 65	Post GASB 65	Effect of Change
Total current assets	\$ 550,314,289	\$ 553,090,593	\$ 2,776,304	\$ 225,471,846	\$ 227,607,871	\$ 2,136,025
Total non-current restricted assets	448,051,097	445,274,793	(2,776,304)	437,242,036	435,106,011	(2,136,025)
Bond insurance costs	48,010,723	16,311,706	(31,699,017)	35,604,042	21,313,890	(14,290,152)
Other non-current unrestricted assets	171,635,745	171,635,745	-	-	-	-
Capital assets, net	4,907,790,776	4,907,790,776	-	2,836,688,687	2,836,688,687	-
Total assets	<u>\$ 6,125,802,630</u>	<u>\$ 6,094,103,613</u>	<u>\$ (31,699,017)</u>	<u>\$ 3,535,006,611</u>	<u>\$ 3,520,716,459</u>	<u>\$ (14,290,152)</u>
Gain on debt refundings	\$ -	\$ 67,406,909	\$ 67,406,909	\$ -	\$ -	\$ -
Total deferred outflows of resources	\$ -	\$ 67,406,909	\$ 67,406,909	\$ -	\$ -	\$ -
Current liabilities	\$ 249,018,952	\$ 249,018,952	\$ -	\$ 152,479,185	\$ 152,479,185	\$ -
Non-current liabilities	5,148,252,701	5,215,440,950	67,188,249	1,772,886,028	1,772,886,028	-
Total liabilities	<u>\$ 5,397,271,653</u>	<u>\$ 5,464,459,902</u>	<u>\$ 67,188,249</u>	<u>\$ 1,925,365,213</u>	<u>\$ 1,925,365,213</u>	<u>\$ -</u>
Loss on debt refundings	\$ -	\$ 218,660	\$ 218,660	\$ -	\$ -	\$ -
Total deferred outflows of resources	\$ -	\$ 218,660	\$ 218,660	\$ -	\$ -	\$ -
Net Position	<u>\$ 728,530,977</u>	<u>\$ 696,831,960</u>	<u>\$ (31,699,017)</u>	<u>\$ 1,609,641,398</u>	<u>\$ 1,595,351,246</u>	<u>\$ (14,290,152)</u>

Also as a result of the implementation of GASB 65, bond insurance costs, which were previously included on the Statement of Net Position in bonds payable, net, decreased from \$48.0 million to \$16.3 million for the Aviation Enterprise Fund and from \$35.6 million to \$21.3 million for the Dulles Corridor Enterprise Fund.

The gain on debt refundings and loss on debt refundings are shown as separate segments on the Statement of Net Position above and are offset by a reduction in non-current liabilities. The \$67.4 million gain on debt refundings for the Aviation Enterprise Fund resulted in a corresponding increase of \$67.2 million in non-current liabilities and a \$219 thousand increase in loss on debt refundings.

Statement of Cash Flows For the year ended December 31, 2012						
	Aviation Enterprise			Dulles Corridor Enterprise		
	Prior to GASB 65	Post GASB 65	Effect of Change	Prior to GASB 65	Post GASB 65	Effect of Change
Cash payments to suppliers for goods and services	\$ (233,823,145)	\$ (233,032,440)	\$ 790,705	\$ (17,344,623)	\$ (18,689,499)	\$ (1,344,876)
Other cash flows from operating activities	567,632,897	567,632,897	-	91,346,700	91,346,700	-
Net cash provided by operating activities	<u>333,809,752</u>	<u>334,600,457</u>	<u>790,705</u>	<u>74,002,077</u>	<u>72,657,201</u>	<u>(1,344,876)</u>
Net cash provided (used) by noncapital financing activities	<u>1,222,189</u>	<u>1,222,189</u>	<u>-</u>	<u>(307,002)</u>	<u>(307,002)</u>	<u>-</u>
Payments for bond issuance costs and insurance	858,150	67,445	(790,705)	(1,344,876)	-	1,344,876
All other capital and related financing activities	(404,732,938)	(404,732,938)	-	38,012,643	38,012,643	-
Net cash provided (used) by capital and related financing activities	<u>(403,874,788)</u>	<u>(404,665,493)</u>	<u>(790,705)</u>	<u>36,667,767</u>	<u>38,012,643</u>	<u>1,344,876</u>
Net cash provided by investing activities	<u>65,978,680</u>	<u>65,978,680</u>	<u>-</u>	<u>2,962,406</u>	<u>2,962,406</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(2,864,167)	(2,864,167)	-	113,325,248	113,325,248	-
Cash and cash equivalents, beginning of year	387,469,943	387,469,943	-	362,962,432	362,962,432	-
Cash and cash equivalents, end of year	<u>\$ 384,605,776</u>	<u>\$ 384,605,776</u>	<u>\$ -</u>	<u>\$ 476,287,680</u>	<u>\$ 476,287,680</u>	<u>\$ -</u>



As a result of the accounting change, the net cash provided by operating activities increased by \$791 thousand and payments for bond issuance costs and insurance decreased by \$791 thousand for the Aviation Enterprise Fund. The net cash provided by operating activities decreased by \$1.3 million and payments for bond issuance costs and insurance increased by \$1.3 million for the Dulles Corridor Enterprise Fund.

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 provides for the use and occupancy of facilities at the Airports and establishes the methodology for rates and charges, including landing fees and terminal rents, to be paid by the Signatory Airlines. The Use and Lease Agreement is for a term of 25 years and currently remains in effect until its expiration on September 30, 2014. The Airports Authority is currently negotiating airline agreement terms beyond September 2014. While the Airports Authority expects to negotiate a new agreement prior to September 30, 2014, it is possible that the existing Use and Lease Agreement could be extended on a short-term basis until a final agreement is negotiated. Ultimately, if an agreement cannot be reached, the Airports Authority could impose rates and charges by regulation.

The Use and Lease Agreement is a hybrid agreement, which includes elements of both compensatory and residual rate-making methodologies. The Use and Lease Agreement is compensatory to the extent that the costs are allocated to specified cost centers, and the users of those cost centers are responsible for paying the costs. Signatory Airlines agree to pay fees that allow the Airports Authority to recover the total cost requirement of the airline-supported cost centers, which include: airfield, terminal, equipment (e.g., loading bridges, baggage conveyors and devices), passenger conveyance, and the International Arrivals Building at Dulles. The Airports Authority is responsible for all non-airline cost centers, such as general aviation, ground transportation, and Dulles International cargo.

Rates and charges are established annually and are based on projected activity and costs. The Use and Lease Agreement provides for a mid-year adjustment to rates and charges. In addition, any time revenues fall five percent or more below projections, rates and charges may be adjusted to provide for full cost recovery plus debt service coverage.

The Use and Lease Agreement provides for an annual settlement whereby rates and charges are recalculated using audited financial data to determine any airline over- or under-payment for airline-supported cost centers. For the years ended December 31, 2013 and 2012, the settlement resulted in net amounts due to the Signatory Airlines of \$3.0 million and net charges to the Signatory Airlines of \$13.8 million, respectively. Each year's net charge adjusts the amount of revenue recognized during that year, with either a corresponding receivable due from the Signatory Airlines (refer to Note 6 – Accounts Receivable) or advance billings.



The residual element of the Use and Lease Agreement provides for the sharing of Net Remaining Revenue (NRR) with the Signatory Airlines. Net Remaining Revenue is defined as revenue less all operating and maintenance expenses (excluding depreciation), debt service, deposits to specified reserves, and other requirements. The Signatory Airlines' share of NRR is used to lower airline rates and charges in the year following the year that the NRR is earned. 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 NRR is reflected in the Airports Authority's Capital Program and is available for repair and rehabilitation projects or any other lawful purpose. The Signatory Airlines' share of NRR, called Transfers, is calculated as a 50 percent split of NRR between the Airports Authority and the Signatory Airlines until the agreed upon amount, or Plateau, as identified in the Use And Lease Agreement, is reached. Amounts above the Plateau are allocated 75 percent to the Signatory Airlines and 25 percent to the Airports Authority. Transfers are applied as a credit in the calculation of the ensuing year's rates and charges. For the years ended December 31, 2013 and 2012, the Signatory Airlines' Transfer amounts were \$78.1 million and \$61.9 million, and the Airports Authority's share of NRR was \$41.7 million and \$39.7 million, respectively.

The Use and Lease Agreement has residual rate-making features that are designed to ensure that the Airports Authority's debt service and related coverage obligations will be met. As such, for airline-supported cost centers, rates and charges are established to provide net revenues before the payment of debt service of at least 125 percent of debt service. For the purposes of calculating debt service coverage under the Master Indenture of Trust, operating revenues and operating expenses are adjusted to exclude all non-aviation and non-operating and maintenance related cost centers and funds, as stipulated in the Use and Lease Agreement.

4. 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. The deficit in Unrestricted Net Assets is expected to be reversed over time through the accumulation of additional reserves resulting from future Dulles Toll Road revenue growth. Future Dulles Toll Road revenue will be used to service the debt for the construction of the Metrorail extension following the transfer to WMATA. Debt service through 2018 is also augmented by a contribution of \$150 million from the Commonwealth of Virginia.

Dulles Metrorail Project

The Airports Authority is funding and constructing the 23.1-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 Dulles Metrorail Project will extend the Metrorail system an additional 11.4 miles from Wiehle Avenue through Dulles International and west into Loudoun County, VA. Phase 2 of the Dulles Metrorail Project is expected to include six new stations and a maintenance yard located on Dulles International Airport property.

The Dulles 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 percent 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, 2013, the Airports Authority has approximately \$1.4 billion of Dulles Toll Road revenue bonds payable (refer to Note 15 – 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 Dulles Metrorail Project are disclosed in Note 10 – Changes in Capital Assets.

5. DEPOSITS AND INVESTMENTS

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, 2013 and 2012, the Airports Authority had various certificates of deposit in the amount of \$7.0 million and \$6.2 million, respectively, of which \$5.3 million and \$4.5 million, respectively, 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 a Community Reinvestment Act rating of "outstanding".

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 \$195 thousand and \$178 thousand as of December 31, 2013 and 2012, respectively.

As of December 31, 2013 and 2012, cash and cash equivalents and investments were classified on the Statements of Net Position as follows:

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	December 31, 2013			December 31, 2012		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
Cash and cash equivalents						
Current, unrestricted	\$ 53,107,005	\$ 121,966,039	\$ 175,073,044	\$ 110,499,852	\$ 79,492,264	\$ 189,992,116
Current, restricted	211,205,801	288,031,505	499,237,306	204,762,899	145,364,093	350,126,992
Non-current, restricted	<u>16,043,720</u>	<u>195,192,715</u>	<u>211,236,435</u>	<u>69,343,025</u>	<u>251,431,323</u>	<u>320,774,348</u>
Total cash and cash equivalents	280,356,526	605,190,259	885,546,785	384,605,776	476,287,680	860,893,456
Investments						
Current, unrestricted	141,279,455	-	141,279,455	177,750,805	-	177,750,805
Current, restricted	61,944,492	17,073,797	79,018,289	2,776,304	2,136,025	4,912,329
Non-current, unrestricted	330,602,733	-	330,602,733	157,952,823	-	157,952,823
Non-current, restricted	<u>321,696,946</u>	<u>135,597,650</u>	<u>457,294,596</u>	<u>345,718,767</u>	<u>139,986,396</u>	<u>485,705,163</u>
Total investments	855,523,626	152,671,447	1,008,195,073	684,198,699	142,122,421	826,321,120
Total	<u>\$1,135,880,152</u>	<u>\$ 757,861,706</u>	<u>\$1,893,741,858</u>	<u>\$1,068,804,475</u>	<u>\$ 618,410,101</u>	<u>\$1,687,214,576</u>

Cash and cash equivalents and securities as of December 31, 2013 and 2012 were comprised of the following:

	December 31, 2013			December 31, 2012		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
Cash deposits	\$ 7,250,559	\$ 974,059	\$ 8,224,618	\$ 4,475,833	\$ 1,730,940	\$ 6,206,773
Money market	228,856,666	443,324,610	672,181,276	331,746,247	360,548,083	692,294,330
Securities	<u>899,772,927</u>	<u>313,563,037</u>	<u>1,213,335,964</u>	<u>732,582,395</u>	<u>256,131,078</u>	<u>988,713,473</u>
Total	<u>\$1,135,880,152</u>	<u>\$ 757,861,706</u>	<u>\$1,893,741,858</u>	<u>\$1,068,804,475</u>	<u>\$ 618,410,101</u>	<u>\$1,687,214,576</u>

Carrying Value of Investments

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. Investments with an original maturity greater than one year include guaranteed investment contracts and repurchase agreements. 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.

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The change in carrying value of total securities during 2013 was \$224.6 million. At December 31, 2013 and 2012, the carrying value of securities was as follows:

Investment Type	Carrying Value as of December 31,					
	2013			2012		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
Treasury	\$ 152,252,084	\$ 135,597,650	\$ 287,849,734	\$ 160,801,161	\$ 139,986,396	\$ 300,787,557
Fannie Mae	136,318,407	-	136,318,407	103,381,920	-	103,381,920
Freddie Mac	154,607,165	9,058,246	163,665,411	85,272,887	-	85,272,887
Farmer Mac	-	-	-	19,966,275	-	19,966,275
Farm Credit	50,131,000	-	50,131,000	20,902,159	-	20,902,159
Home Loan	162,741,781	6,958,472	169,700,253	84,277,113	-	84,277,113
MBIA GIC ¹	33,645,518	-	33,645,518	36,274,390	-	36,274,390
Dexia (FSA) GIC ¹	67,075,427	-	67,075,427	67,075,427	-	67,075,427
BOA FPA ¹	-	-	-	7,716,000	-	7,716,000
City First Bank Repo ¹	-	-	-	750,000	-	750,000
Overnight Sweeps ¹	54,261,228	161,948,669	216,209,897	57,424,746	116,144,682	173,569,428
Debt Service Reserve Repurchase Agreements:						
BOA Repo ¹	16,333,690	-	16,333,690	16,333,690	-	16,333,690
Morgan Stanley Repo ¹	72,406,627	-	72,406,627	72,406,627	-	72,406,627
Total securities	<u>\$ 899,772,927</u>	<u>\$ 313,563,037</u>	<u>\$ 1,213,335,964</u>	<u>\$ 732,582,395</u>	<u>\$ 256,131,078</u>	<u>\$ 988,713,473</u>

¹ Collateralized by Federal Agency Notes

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

	As of December 31, 2013	
	Cost	Carrying Value
Securities with original maturity 1 year and over	\$ 778,011,927	\$ 787,897,330
Securities with original maturity less than 1 year	426,720,814	425,438,634
	<u>\$ 1,204,732,741</u>	<u>\$ 1,213,335,964</u>

	As of December 31, 2012	
	Cost	Carrying Value
Securities with original maturity 1 year and over	\$ 624,811,521	\$ 644,241,050
Securities with original maturity less than 1 year	346,855,504	344,472,423
	<u>\$ 971,667,025</u>	<u>\$ 988,713,473</u>



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.

The table below summarizes the investments by type and credit rating as of December 31, 2013:

Investment Type	Credit Rating as of December 31, 2013		
	Moody's	S&P	Fitch
Treasury	Aaa	AA+	AAA
Fannie Mae	Aaa	Not Rated	AAA
Freddie Mac	Aaa	Not Rated	AAA
Farm Credit	Aaa	Not Rated	AAA
Home Loan	Aaa	AA+	Not Rated
MBIA GIC ¹	Ba3	BBB	Not Rated
Dexia (FSA) GIC ¹	Not Rated	Not Rated	A
Overnight Sweeps ¹	P-2	A-2	F1
Debt Service Reserve Repurchase Agreements:			
BOA Repo ¹	Baa2	A-	A
Morgan Stanley Repo ¹	Baa2	A-	A

¹ Underlying rating of the counterparties

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.

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, 2013 and 2012, 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 percent 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 percent 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 \$222.5 million on December 31, 2013. The fair value of the collateral for the guaranteed investment contracts was \$108.1 million on December 31, 2013. The fair value of the collateral for the Debt Service Reserve repurchase agreements was \$91.3 million as of December 31, 2013. 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.



As of December 31, 2013 and 2012, the Airports Authority had the following investments with the respected weighted average maturity in years:

Investment Type	As of December 31,	
	2013	2012
Treasury	3.1	3.6
Fannie Mae	0.6	0.6
Freddie Mac	0.5	0.5
Farmer Mac	-	0.8
Farm Credit	0.7	0.3
Home Loan	0.6	0.5
MBIA GIC	20.5	21.4
Dexia (FSA) GIC	21.8	22.8
BOA FPA	-	0.7
City First Bank Repo	-	0.1
Overnight Sweeps	< 0.1	< 0.1
Debt Service Reserve Repurchase Agreements:		
BOA Repo	9.7	10.7
Morgan Stanley Repo	22.4	23.4
	<u>4.2</u>	<u>5.5</u>

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 percent of the total portfolio.



As of December 31, 2013 and 2012, investments accounted for the following percentages of the total portfolio:

Investment Type	As of December 31,	
	2013	2012
Treasury	23.7%	30.4%
Fannie Mae	11.2%	10.5%
Freddie Mac	13.5%	8.6%
Farmer Mac	-	2.0%
Farm Credit	4.1%	2.1%
Home Loan	14.0%	8.5%
MBIA GIC	2.8%	3.7%
Dexia (FSA) GIC	5.5%	6.8%
BOA FPA	-	0.8%
City First Bank Repo	-	0.1%
Overnight Sweeps	17.8%	17.6%
Debt Service Reserve Repurchase Agreements:		
BOA Repo	1.3%	1.7%
Morgan Stanley Repo	6.0%	7.3%
	<u>100.0%</u>	<u>100.0%</u>



6. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	As of December 31,	
	2013	2012
Trade accounts receivable	\$ 25,036,585	\$ 23,238,217
Less: allowance for doubtful accounts	(747,146)	(466,799)
Trade accounts receivable, net	24,289,439	22,771,418
Settlement due from airline tenants	14,005,006	15,066,298
Current portion of note receivable ¹	3,694,204	3,078,819
Grants receivable in support of operations	245,567	535,375
Other receivables	1,716,782	1,209,162
Total current accounts receivable	<u>\$ 43,950,998</u>	<u>\$ 42,661,072</u>
Grants receivable in support of capital programs	\$ 172,652,190	\$ 67,374,168
Passenger facility charge receivables	6,111,579	5,691,296
Other	605,277	835,829
Total restricted accounts receivable	<u>\$ 179,369,046</u>	<u>\$ 73,901,293</u>

¹See Note 7 - Note Receivable

During 2013, Simply Wheelz LLC DBA as Simply Wheelz and Advantage Rent A Car filed for Chapter 11 bankruptcy protection with a pre-petition balance totaling \$125 thousand. Payments for pre-petition debt totaling \$122 thousand were received in December 2013. The Airports Authority is monitoring the bankruptcy process. Also during 2013, Evergreen International Airlines, Inc. filed for Chapter 7 bankruptcy protection with a pre-petition balance totaling \$9 thousand. The Office of General Counsel is in the process of filing a proof of claim for pre-petition debt.

During 2012, Pinnacle Airlines Corporation, which encompasses several airlines including Pinnacle Airlines, Mesaba Airlines and Colgan Airways, filed for Chapter 11 bankruptcy protection with a pre-petition balance totaling \$891 thousand. The Airports Authority has filed proofs of claim for all pre-petition debts. Colgan Airways, with a pre-petition balance of \$768 thousand, rejected all of its leases at Dulles International Airport. While the Airports Authority is continuing to monitor this bankruptcy process, pre-petition debts owed by Pinnacles Airlines Corporation were written off in 2012.

Accounts receivable judged to be uncollectible and written off totaled \$56 thousand and \$1.1 million in 2013 and 2012, respectively. The Airports Authority judges existing reserves sufficient to cover any potentially uncollectible receivables owed as of December 31, 2013.



7. 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 percent commence in March 2006 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:

<u>Year ended December 31.</u>	
2014	\$ 3,991,158
2015	4,924,264
2016	849,386
Total future payments	9,764,808
Less: interest to be earned	437,439
Less: current portion of note receivable	3,694,204
Non-current portion of note receivable	<u>\$ 5,633,165</u>

8. 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 (\$17,500 in 2013).

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.

Under the CSRS, employees contribute 7.0 percent of their base pay (7.5 percent 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 percent to a maximum 80.0 percent 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, 2013, there were 18 regular employees and 1 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 percent of base pay for regular employees to 1.3 percent for public safety employees. The Airports Authority's contribution ranges from 10.7 percent of base pay for regular employees to 23.3 percent 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 percent (less than 20 years of service) to 1.1 percent (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 percent 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 percent of the same average three-year high for every year of service over 20 years. As of December 31, 2013, there were 34 regular employees and 15 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, 2013 was \$6.1 million. Employee contributions to the federal pension plans for 2013, 2012, and 2011 were \$175 thousand, \$221 thousand, and \$253 thousand, respectively. Employer contributions to the federal pension plans for 2013, 2012, and 2011 were \$766 thousand, \$852 thousand, and \$933 thousand, respectively. These contributions represent 100 percent 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 \$105.5 million and \$102.5 million in 2013 and 2012, 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 September 30, 2013, the number of employees participating in the Plans was:



Current Participants	Regular	Public Safety	Total
Vested	704	249	953
Non-vested	320	89	409
Retirees/disabled employees currently receiving benefits	287	48	335
Terminated vested participants	236	70	306
Total	1,547	456	2,003

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 percent of final-average eligible compensation up to covered compensation and 1.6 percent 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 5.0 percent 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 percent of final-average base pay for service up to 25 years and 1.0 percent 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 percent for each year by which benefits begin prior to age 50. Public safety employees are required to contribute 1.5 percent of base pay per year of participation to the Police and Firefighter Plan. This contributed amount is accumulated with a 5.0 percent 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 78 bi-weekly pay periods 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 percent 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 percent.

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 7.8 percent of the applicable base payroll to the Regular Plan and 13.5 percent of the applicable base payroll to the Police and Firefighter Plan in 2013. The Airports Authority's base payroll for employees covered by the Regular Plan was \$75.6 million and \$72.0 million for 2013 and 2012, respectively. The base payroll for employees covered by the Police and Firefighter Plan was \$23.8 million and \$23.6 million for 2013 and 2012, respectively. The Airports Authority contributed \$5.9 million and \$5.2 million to the Regular Plan and \$3.2 million and \$3.3 million to the Police and Firefighters Plan in 2013 and 2012, respectively. The following presents the required employer contributions from January 1, 2007 through December 31, 2013:

Calendar Year	General Employees Retirement Plan		Police Officers & Firefighters Retirement Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
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%
2011	\$5,129,216	100.0%	\$3,017,012	111.4%
2012	\$5,184,570	100.0%	\$3,039,682	109.2%
2013	\$5,751,707	102.6%	\$3,032,459	106.3%

During 2013, the Airports Authority's actuarial valuation assumptions were updated and approved by the Airports Authority's Retirement Committee, fully implemented with the January 1, 2013 actuarial valuation and remain in use for December 31, 2013 actuarial valuation. That is, the contribution rates for the 2013 year were calculated using the actuarial valuation done for year ended December 31, 2011. For this reason, the Airports Authority's contribution rates decreased from 6.1 percent of payroll (the prior valuation result) to 5.7 percent of payroll (based upon the December 31, 2013 valuation). The primary reason for this 0.4 percent decrease since the prior valuation is the increase in the value of assets due to investment income.

Annual Pension Cost and Net Pension Obligation (Asset)

The Airports Authority's net pension obligation (asset) for the Plans as of December 31, 2013, 2012, and 2011 and for the years then ended, which are based on the then latest actuarial valuations available, were as follows:

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General Employees Retirement Plan	Year ended December 31,		
	2013	2012	2011
Annual required contribution	\$ 5,751,707	\$ 5,184,570	\$ 5,129,216
Interest on net pension asset	(123,848)	(124,316)	(124,786)
Adjustment to annual required contribution	130,063	130,555	131,048
Annual pension cost	5,757,922	5,190,809	5,135,478
Contributions made	5,903,068	5,184,570	5,129,216
Change in net pension obligation (asset)	(145,146)	6,239	6,262
Net pension obligation (asset) beginning of year	(1,651,311)	(1,657,550)	(1,663,812)
Net pension obligation (asset) end of year	<u>\$ (1,796,457)</u>	<u>\$ (1,651,311)</u>	<u>\$ (1,657,550)</u>

Police Officers & Firefighters Retirement Plan	Year ended December 31,		
	2013	2012	2011
Annual required contribution	\$ 3,032,459	\$ 3,039,682	\$ 3,017,012
Interest on net pension asset	(136,191)	(115,540)	(90,124)
Adjustment to annual required contribution	143,025	121,338	94,646
Annual pension cost	3,039,293	3,045,480	3,021,534
Contributions made	3,224,321	3,320,829	3,360,411
Change in net pension obligation (asset)	(185,028)	(275,349)	(338,877)
Net pension obligation (asset) beginning of year	(1,815,876)	(1,540,527)	(1,201,650)
Net pension obligation (asset) end of year	<u>\$ (2,000,904)</u>	<u>\$ (1,815,876)</u>	<u>\$ (1,540,527)</u>

The net pension asset is reported as a non-current unrestricted asset as of December 31, 2013 and 2012 in the Statement of Net Position.

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

Three Year Trend Information

Year Ended December 31,	General Employees Retirement Plan			Police Officers & Firefighters Retirement Plan		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2011	\$ 5,135,478	99.9%	\$ (1,657,550)	\$ 3,021,534	111.2%	\$ (1,540,527)
2012	\$ 5,190,809	99.9%	\$ (1,651,311)	\$ 3,045,480	109.0%	\$ (1,815,876)
2013	\$ 5,757,922	102.5%	\$ (1,796,457)	\$ 3,039,293	106.1%	\$ (2,000,904)

Funding Status and Funding Progress

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

Valuation Date	December 31, 2013
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 3.0% to 4.5%
(a) and (b) include inflation at	2.75%
(c) Cost of living adjustments	1.375%



The following presents the funding progress from January 1, 2008 through December 31, 2013:

Schedule of Funding Progress - General Employees Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
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%)
12/31/2010	\$ 100,170,793	\$ 94,407,358	\$ (5,763,435)	106.1%	\$ 69,900,547	(8.2%)
12/31/2011	\$ 105,761,262	\$ 103,975,917	\$ (1,785,345)	101.7%	\$ 73,704,863	(2.4%)
12/31/2012	\$ 112,173,461	\$ 122,314,229	\$ 10,140,768	91.7%	\$ 76,586,786	13.2%
12/31/2013	\$ 127,814,351	\$ 122,671,342	\$ (5,143,009)	104.2%	\$ 79,923,695	(6.4%)

Schedule of Funding Progress - Police Officers & Firefighters Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
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%
12/31/2010	\$ 55,342,783	\$ 55,874,563	\$ 531,780	99.0%	\$ 23,749,024	2.2%
12/31/2011	\$ 60,485,488	\$ 60,807,856	\$ 322,368	99.5%	\$ 24,408,371	1.3%
12/31/2012	\$ 66,188,335	\$ 70,959,156	\$ 4,770,821	93.3%	\$ 24,946,801	19.1%
12/31/2013	\$ 76,187,986	\$ 73,837,238	\$ (2,350,748)	103.2%	\$ 24,978,683	(9.4%)

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 percent of participant contributions up to the first 2 percent of regular compensation and matches an additional 50 percent of participant contributions between 2 percent and 4 percent 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 Position. 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 \$11.8 million, \$11.6 million, and \$11.4 million in the years ended December 31, 2013, 2012, and 2011, 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 \$80 thousand, \$14 thousand, and \$25 thousand into the MPPP in the years ended December 31, 2013, 2012, and 2011, respectively. The Airports Authority terminated this MPPP in 2013.

9. 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, 2013, 478 Participants were receiving health insurance benefits, and 468 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 percent of the health premium costs and 45 percent of the dental premiums costs, with the retirees paying the remaining premium costs. For the years ended December 31, 2013 and 2012, the Airports Authority's share of health and dental insurance premium costs totaled \$4.9 million and \$3.9 million, respectively. Plan participants contributed \$1.1 million and \$1.0 million of the total premiums for the years ended December 31, 2013 and 2012, respectively. 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 2013

Provider Choices	Retiree Only	Retiree Plus Spouse	Retiree Plus Child(ren)	Family
Aetna - HMO	\$ 114	\$ 237	\$ 215	\$ 338
Aetna - PPO	\$ 126	\$ 263	\$ 238	\$ 374
Kaiser Permanente HMO	\$ 100	\$ 211	\$ 191	\$ 301
MetLife Dental	\$ 14	\$ 29	\$ 34	\$ 54

Monthly Contributions for Retirees Over 65 for 2013

Provider Choices	Retiree Only	One > Age 65 One < Age 65	Two Party Medicare	Family Medicare
Aetna - HMO	\$ 101	\$ 226	\$ 198	\$ 359
Aetna - PPO	\$ 102	\$ 240	\$ 200	\$ 363
Kaiser HMO	\$ 52	\$ 152	\$ 104	\$ 204
MetLife Dental	\$ 14	\$ 29	\$ 34	\$ 54

The Airports Authority offers two life insurance options to its Participants. Under Option 1, the Airports Authority pays 100 percent of the Participant's basic and supplemental life insurance cost. Basic life insurance



cost is reduced to 25 percent 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 percent 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 percent of the Participant's basic life insurance cost. Basic life insurance cost is reduced to 25 percent of the Participant's life insurance in force at the time of retirement. Participants pay 100 percent 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 percent at age 70 and another 50 percent at age 75.

As of December 31, 2013, 68 out of 468 retired employees had supplemental coverage, and the cost of life insurance totaled \$308 thousand. As of December 31, 2012, 57 out of 436 retired employees had supplemental coverage, and the cost of life insurance for retired employees totaled \$254 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, 2014
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) Mortality Rates	Retirement Plans 2000 Healthy Mortality Table
(c) Healthcare Cost Trend Rate	5.5% initially to ultimate rate of 3.8%
(d) Payroll Growth Rate	4.0 - 4.5% to an ultimate rate of 3.0%
(d) includes inflation at	2.75%

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 2013 annual OPEB costs, amounts paid, and changes to the net accrued OPEB obligation based on the January 1, 2014 actuarial valuation:

	Year ended December 31,		
	2013	2012	2011
Medical/Dental			
Annual required contribution	\$ 10,130,000	\$ 11,300,000	\$ 10,730,000
Interest on net OPEB obligation (asset)	20,000	20,000	20,000
Adjustment to annual required contribution	(20,000)	(30,000)	(30,000)
Annual OPEB cost	10,130,000	11,290,000	10,720,000
Contributions made	10,147,100	9,956,111	10,730,000
Change in net OPEB obligation (asset)	(17,100)	1,333,889	(10,000)
Net OPEB obligation (asset) beginning of year	1,653,388	319,499	329,499
Net OPEB obligation end of year	<u>\$ 1,636,288</u>	<u>\$ 1,653,388</u>	<u>\$ 319,499</u>

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Life Insurance	Year ended December 31,		
	2013	2012	2011
Annual required contribution	\$ 1,048,700	\$ 956,900	\$ 842,100
Interest on net OPEB obligation	5,700	5,700	5,700
Adjustment to annual required contribution	(6,000)	(6,000)	(6,000)
Annual OPEB cost	1,048,400	956,600	841,800
Contributions made	1,048,400	971,528	842,100
Change in net OPEB obligation	-	(14,928)	(300)
Net OPEB obligation beginning of year	61,195	76,123	76,423
Net OPEB obligation end of year	\$ 61,195	\$ 61,195	\$ 76,123

The net OPEB obligation liabilities are reported as non-current liabilities as of December 31, 2013 and 2012 in the Statement of Net Position.

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, 2013 and the two preceding years, were as follows:

Three-Year Trend Information - Medical Insurance

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$10,720,000	100.1%	\$ 319,499
2012	\$11,290,000	88.2%	\$1,653,388
2013	\$10,130,000	100.2%	\$1,636,288

Three-Year Trend Information - Life Insurance

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 841,800	100.0%	\$ 76,123
2012	\$ 956,600	101.6%	\$ 61,195
2013	\$ 1,048,400	100.0%	\$ 61,195

Funding Status and Funding Progress

The Airports Authority began funding the Plan in 2005, and in addition to funding insurance costs for Participants, contributed \$5.2 million, \$6.1 million, and \$6.1 million for the years ended December 31, 2013, 2012, and 2011, respectively to the Trust for medical and dental insurance. The Airports Authority also contributed \$731 thousand, \$516 thousand, and \$625 thousand for the years ended December 31, 2013, 2012, and 2011, respectively, to the Trust for life insurance.



Schedule of Funding Progress - Medical Insurance

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
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%
1/1/2011	\$ 38,960,000	\$ 130,230,000	\$ 91,270,000	29.9%	\$ 92,170,000	99.0%
1/1/2012	\$ 47,710,000	\$ 122,470,000	\$ 74,760,000	39.0%	\$ 95,490,000	78.3%
1/1/2013	\$ 57,130,000	\$ 138,530,000	\$ 81,400,000	41.2%	\$ 105,430,000	77.2%
1/1/2014	\$ 69,730,000	\$ 160,580,000	\$ 90,850,000	43.4%	\$ 109,970,000	82.6%

Schedule of Funding Progress - Life Insurance

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
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%
1/1/2011	\$ 3,608,900	\$ 9,777,600	\$ 6,168,700	36.9%	\$ 92,169,900	6.7%
1/1/2012	\$ 4,324,200	\$ 11,035,700	\$ 6,711,500	39.2%	\$ 95,487,300	7.0%
1/1/2013	\$ 5,140,000	\$ 9,975,700	\$ 4,835,700	51.5%	\$ 105,429,000	4.6%
1/1/2014	\$ 6,539,000	\$ 10,689,800	\$ 4,150,800	61.2%	\$ 109,974,600	3.8%



10. CHANGES IN CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2013 and 2012 was as follows:

	Balance as of January 1, 2013	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2013
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 182,685,100	\$ 366,081	\$ -	\$ 183,051,181
Construction in progress - Aviation Enterprise	274,520,382	161,678,720	(56,924,604)	379,274,498
Construction in progress - Dulles Corridor Enterprise	2,765,186,629	468,862,755	(14,237,817)	3,219,811,567
Total capital assets not being depreciated	<u>3,222,392,111</u>	<u>630,907,556</u>	<u>(71,162,421)</u>	<u>3,782,137,246</u>
Other capital assets:				
Buildings	2,478,652,194	30,115,008	(7,597)	2,508,759,605
Systems and structures	4,191,839,205	36,155,898	(71,530)	4,227,923,573
Equipment	116,482,314	1,302,121	(1,407,678)	116,376,757
Motor vehicles	69,352,889	2,651,611	(2,357,759)	69,646,741
Total other capital assets	<u>6,856,326,602</u>	<u>70,224,638</u>	<u>(3,844,564)</u>	<u>6,922,706,676</u>
Less accumulated depreciation:				
Buildings	900,501,187	70,586,453	(118,138)	970,969,502
Systems and structures	1,291,322,025	160,961,959	-	1,452,283,984
Equipment	97,401,238	4,925,926	(795,065)	101,532,099
Motor vehicles	45,014,800	4,501,655	(2,151,063)	47,365,392
Total accumulated depreciation	<u>2,334,239,250</u>	<u>240,975,993</u>	<u>(3,064,266)</u>	<u>2,572,150,977</u>
Totals	<u>\$ 7,744,479,463</u>	<u>\$ 460,156,201</u>	<u>\$ (71,942,719)</u>	<u>\$ 8,132,692,945</u>
	Balance as of January 1, 2012	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2012
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 182,730,618	\$ 29,920	\$ (75,438)	\$ 182,685,100
Construction in progress - Aviation Enterprise	301,655,216	151,523,655	(178,658,489)	274,520,382
Construction in progress - Dulles Corridor Enterprise	2,137,594,785	701,038,329	(73,446,485)	2,765,186,629
Total capital assets not being depreciated	<u>2,621,980,619</u>	<u>852,591,904</u>	<u>(252,180,412)</u>	<u>3,222,392,111</u>
Other capital assets:				
Buildings	2,467,538,599	11,187,764	(74,169)	2,478,652,194
Systems and structures	4,034,227,624	157,902,960	(291,379)	4,191,839,205
Equipment	103,801,506	14,675,202	(1,994,394)	116,482,314
Motor vehicles	58,074,889	12,925,662	(1,647,662)	69,352,889
Total other capital assets	<u>6,663,642,618</u>	<u>196,691,588</u>	<u>(4,007,604)</u>	<u>6,856,326,602</u>
Less accumulated depreciation:				
Buildings	827,935,553	72,567,693	(2,059)	900,501,187
Systems and structures	1,138,040,186	153,300,159	(18,320)	1,291,322,025
Cumulative balance for change in depreciation	(19,885,568)	19,885,568	-	-
Equipment	94,547,885	5,091,143	(2,237,790)	97,401,238
Motor vehicles	42,482,711	4,505,082	(1,972,993)	45,014,800
Total accumulated depreciation	<u>2,083,120,767</u>	<u>255,349,645</u>	<u>(4,231,162)</u>	<u>2,334,239,250</u>
Totals	<u>\$ 7,202,502,470</u>	<u>\$ 793,933,847</u>	<u>\$ (251,956,854)</u>	<u>\$ 7,744,479,463</u>



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

	2013	2012
Aviation Enterprise Fund	\$ 236,594,157	\$ 252,476,186
Dulles Corridor Enterprise Fund	4,064,686	1,505,721
Total Depreciation Expense	<u>\$ 240,658,843</u>	<u>\$ 253,981,907</u>

The Airports Authority completed various capital asset construction and development projects during the years ended December 31, 2013 and 2012. Within the Aviation Enterprise Fund, at Reagan National, projects completed in 2013 included utility relocation for runway 1/19 and improvements (lobby upgrade, curbside check-in and outbound baggage facility) to Terminal A. Within the Aviation Enterprise Fund, at Reagan National, projects completed in 2012 included additional functionality for the public safety communications center, upgrades to security systems, and improvements to runways and taxiways. At Dulles International, projects completed in 2013 included a Concourse C/D boarding passenger bridge, taxi lane improvements, communication system improvements, taxiway pavement replacement and cargo building system improvements. At Dulles International, projects completed in 2012 included the first phase of building changes for in-line baggage screening, and improvements to runways and cargo building system improvements.

As of December 31, 2013, ongoing projects at Reagan National included a building rehabilitation for Terminal A and runway safety improvements. Ongoing projects for Dulles International included improvements to Concourse C/D, electrical and utility upgrades and runway safety improvements. As of December 31, 2013, the Aviation Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$416.8 million.

Within the Dulles Corridor Enterprise Fund, projects completed in 2013 included electrical and HVAC upgrades and replacements and resurfacing the road pavement. Within the Dulles Corridor Enterprise Fund, an interchange ramp directly connecting the Dulles International Access Highway with Interstate 495 and other Dulles Corridor mobility and capacity improvements were completed in 2012. VDOT contributed \$4.1 million to the cost of this interchange ramp. As of December 31, 2013, ongoing projects included Phases 1 and 2 of the Dulles Metrorail Project, sound wall replacement and other Dulles Corridor and mobility and capacity improvements. As of December 31, 2013, the Dulles Corridor Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$1.6 billion.

Services for the above commitment amounts had not been provided as of December 31, 2013, 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, commercial paper, passenger facility charges, and grants.

In 2012, the Airports Authority recognized expense for design costs incurred on the Tier 2 Concourse and related facilities at Dulles International and the in-line baggage screening improvements project at Reagan National. An



analysis and forecast of future projects was performed, and the determination was made that the Tier 2 projects would not proceed in the near future and that costs incurred to date had no future value. If the Airports Authority were to proceed with the Tier 2 projects at a later date, the Tier 2 Concourse and related facilities would be substantially different from designs and plans developed to date. At National Airport, the in-line baggage screening improvements project was a joint project with the Transportation Security Administration (TSA), which was cancelled during 2012. Consistent with the requirements of GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, in 2012, the Airports Authority recorded \$40.2 million in impairment losses relating to these projects. These impairment losses are included in the Transfers and Retirements line in the above table.

During the implementation of the Enterprise Resource Planning system in 2011, a \$19.9 million adjustment was recorded to the 2011 financial statements which reduced accumulated depreciation and depreciation expense. In 2012, it was determined that this adjustment was incorrect, and an entry to correct accumulated depreciation was recorded in the 2012 financial statements. This entry increased depreciation expense and accumulated depreciation in 2012 by \$19.9 million. Management concluded that the amount was not material to the prior period or current period financial statements.

Interest included as part of the capitalized value of the assets constructed during the years ended December 31, 2013 and 2012 was as follows:

	2013	2012
Interest costs incurred	\$ 328,857,270	\$ 327,899,793
Less: interest costs capitalized	90,487,665	98,428,270
Interest costs expensed	<u>\$ 238,369,605</u>	<u>\$ 229,471,523</u>
	2013	2012
Investment income earned	\$ 10,207,536	\$ 16,793,374
Less: interest income capitalized	69,162	2,253,740
Investment income recognized	<u>\$ 10,138,374</u>	<u>\$ 14,539,634</u>



11. ACCOUNTS PAYABLE

A detail of accounts payable and accrued expenses as of December 31, 2013 and 2012 follows:

	As of December 31,	
	2013	2012
Trade accounts payable and accruals	\$187,915,503	\$160,554,471
Accrued compensation and benefits	14,727,206	13,860,328
Current portion of claims	2,608,104	2,642,981
Security deposits	1,928,830	1,213,210
	<u> </u>	<u> </u>
Total accounts payable and accrued expenses	<u>\$207,179,643</u>	<u>\$178,270,990</u>

12. 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 (refer to 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 2013 dollars, are:

Year ending December 31,	Minimum Annual Guaranteed Leases	Airline Terminal Leases	Fixed Rate Leases	Total
2014	\$ 76,601,397	\$ 204,402,000	\$ 19,968,627	\$ 300,972,024
2015	69,206,576	-	14,668,193	83,874,769
2016	51,732,624	-	5,360,463	57,093,087
2017	43,957,023	-	4,241,790	48,198,813
2018	30,961,815	-	2,506,625	33,468,440
2019 and thereafter	83,172,743	-	37,109,808	120,282,551
Total minimum future rentals	<u>\$ 355,632,178</u>	<u>\$ 204,402,000</u>	<u>\$ 83,855,506</u>	<u>\$ 643,889,684</u>

The above amounts do not include contingent rentals and fees in excess of minimums, which amounted to \$38.3 million and \$30.7 million for the years ended December 31, 2013 and 2012, respectively. Total income from leases, including minimum annual guarantees and contingent rentals and fees, totaled \$428.6 million and \$414.5 million for the years ended December 31, 2013 and 2012, 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 per the Airports Authority's Investment Policy.

The Airports Authority has entered into a non-cancellable office space lease in Vienna, Virginia. This office lease, as amended, is for 26,094 rentable square feet and 16,427 rentable square feet, with expiration dates of July 31, 2013 and February 28, 2014, respectively. In addition, the Airports Authority has entered into a non-cancellable office space lease in Herndon, VA. The office lease is for 52,385 rentable square feet with an expiration date of March 31, 2019.



Minimum future rentals scheduled to be paid on the operating leases in effect on December 31, 2013, as calculated in 2013 dollars, are:

Year ending December 31,	Federal Lease	Office Space Lease	Total
2014	\$ 5,335,290	\$ 1,078,815	\$ 6,414,105
2015	5,335,290	1,390,385	6,725,675
2016	5,335,290	1,425,309	6,760,599
2017	5,335,290	1,460,843	6,796,133
2018	5,335,290	1,497,338	6,832,628
2019 and thereafter	261,429,225	379,005	261,808,230
Total minimum future rentals	<u>\$ 288,105,675</u>	<u>\$ 7,231,695</u>	<u>\$ 295,337,370</u>

Total rental expense paid to the United States Government for the years ended December 31, 2013 and 2012 was \$5.3 million and \$5.3 million, respectively. The 2013 and 2012 capitalized expenditures related to the office space lease totaled \$836 thousand and \$1.5 million, respectively.

13. CHANGES IN LONG-TERM NON-DEBT LIABILITIES

Activity for non-current liabilities, other than for capital debt, for the years ended December 31, 2013 and 2012 was as follows:

	Activity during year ended December 31, 2013				As of December 31, 2013	
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	\$ 8,836,597	\$ 8,837,924	\$ 8,403,816	\$ 9,270,705	\$ 8,315,061	\$ 955,644
Claims ¹	5,093,560	3,314,920	2,553,635	5,854,845	2,608,104	3,246,741
Lease obligations	119,761	-	111,910	7,851	7,851	-
Construction retainage	15,945,543	16,107	-	15,961,650	-	15,961,650
Net OPEB obligation ²	1,714,583	-	17,100	1,697,483	-	1,697,483
Payments received in advance	787,080	110,000,000	-	110,787,080	-	110,787,080
	<u>\$ 32,497,124</u>	<u>\$ 122,168,951</u>	<u>\$ 11,086,461</u>	<u>\$ 143,579,614</u>	<u>\$ 10,931,016</u>	<u>\$ 132,648,598</u>

¹ See Note 20 – Risk Management

² See Note 9 – Post-Employment Benefits

	Activity during year ended December 31, 2012				As of December 31, 2012	
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	\$ 8,331,893	\$ 8,855,584	\$ 8,350,880	\$ 8,836,597	\$ 7,477,858	\$ 1,358,739
Claims ¹	5,075,236	1,956,313	1,937,989	5,093,560	2,642,981	2,450,579
Lease obligations	216,373	-	96,612	119,761	111,909	7,852
Construction retainage	15,540,221	405,323	-	15,945,543	-	15,945,543
Net OPEB obligation ²	395,622	1,318,961	-	1,714,583	-	1,714,583
Payments received in advance	787,080	-	-	787,080	-	787,080
	<u>\$ 30,346,425</u>	<u>\$ 12,536,180</u>	<u>\$ 10,385,481</u>	<u>\$ 32,497,124</u>	<u>\$ 10,232,748</u>	<u>\$ 22,264,376</u>

¹ See Note 20 – Risk Management

² See Note 9 – Post-Employment Benefits



14. DERIVATIVES

In 2001, the Airports Authority began a risk management program to assist in managing the interest cost on outstanding and future debt. 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 Aviation Enterprise Fund variable rate debt and represent floating-to-fixed rate agreements. The 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 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 the 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 Date	Effective Date	Counterparty	Ratings ¹	Original Notional Amount	Outstanding Notional Amount	Hedged Series	Termination Value ²	Fixed Rate
07/31/01	08/29/02	Bank of America, N.A.	A2/A/A	\$ 80,590,000	\$ 43,275,000	2011A-2	\$ (5,842,260)	4.445%
06/15/06	10/01/09	J.P. Morgan Chase Bank	Aa3/A+/A+	\$ 190,000,000	177,403,000	2011A-3	(34,284,346)	4.099%
06/15/06	10/01/09	Bank of America, N.A.	A2/A/A	110,000,000	102,707,001	2009D/2010C-2	(19,937,502)	4.099%
06/15/06	10/01/10	Wells Fargo Bank, N.A.	Aa3/AA-/AA-	170,000,000	161,789,000	2010D	(32,363,636)	4.112%
05/13/05	10/01/11	Wells Fargo Bank, N.A.	Aa3/AA-/AA-	125,000,000	121,918,750	2011A-1	(19,529,728)	3.862%
Total				<u>\$ 675,590,000</u>	<u>\$ 607,092,751</u>		<u>\$ (111,957,472)</u>	

¹ Long-term ratings of Moody's, S&P, and Fitch, respectively, as of December 31, 2013.

² 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 terminated in the current market.

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* (GASB 53). According to GASB 53, all of the Aviation Enterprise Fund'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 Position. 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 Position as a fair value gain or (loss).

Derivative Fair Value Summary

For the years ended December 31, 2013 and 2012, all of the Airports Authority's interest rate swaps were recognized on the Statements of Net Position as liabilities at fair value. The fair value of the Swaps on December 31, 2013 and 2012 was a loss of \$112.0 million and \$193.9 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 swaps for 2013 was a gain of \$82.0 million. The change in fair value of swaps for 2012 was a gain of \$6.4 million, which was net of a \$72,500 settlement payment made to Lehman Brothers related to the 2008 termination of the 2006 swap with Lehman Brothers. 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 Position. 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, 2013, and 2012 was as follows:

Effective Date	Counterparty	Outstanding Notional Amount	Maturity	Fair Value as of 12/31/2013	Fair Value as of 12/31/2012	Change in Fair Value
2002	Bank of America, N.A.	\$ 43,275,000	2021	\$ (5,842,260)	\$ (8,663,435)	\$ 2,821,175
2009	J.P. Morgan Chase Bank	177,403,000	2039	(34,284,346)	(59,270,802)	24,986,456
2009	Bank of America, N.A.	102,707,001	2039	(19,937,502)	(34,238,956)	14,301,454
2010	Wells Fargo Bank, N.A.	161,789,000	2040	(32,363,636)	(56,402,685)	24,039,049
2011	Wells Fargo Bank, N.A.	121,918,750	2039	(19,529,728)	(35,344,564)	15,814,836
Total		<u>\$ 607,092,751</u>		<u>\$ (111,957,472)</u>	<u>\$ (193,920,442)</u>	<u>\$ 81,962,970</u>

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, 2013, all outstanding swap fair values were 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, 2013, the weighted average interest rate on the Airports Authority's hedged variable-rate debt was 0.77 percent, and 72 percent of LIBOR was 0.12 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.

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

15. CAPITAL DEBT

The Airports Authority utilizes a variety of debt instruments, including short-term and long-term borrowings, fixed and variable rate products, and taxable and tax-exempt debt, to finance construction of capital projects for both Enterprise Funds.

The Internal Revenue Service (IRS) has set up rules for the investment of bond proceeds of tax-exempt debt limiting the interest arbitrage that can be earned. All of the Airports Authority's tax-exempt debt follows the IRS rules for calculation and rebate of arbitrage. The Airports Authority had no arbitrage liabilities as of December 31, 2013 and 2012.

Aviation Enterprise Fund Debt

A Master Indenture of Trust was created in 1990 to secure Airport System Revenue Bonds issued by the Aviation Enterprise Fund 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's 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.

On May 2, 2001, the Airports Authority's Board adopted Resolution No. 01-6 allowing the issuance of Commercial Paper (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.



The Airports Authority's variable rate demand obligations (i.e. the Series 2009D and 2010C Bonds) are supported by letters of credit (each a "Credit Facility" as defined in the Master Trust Indenture). While in weekly or daily mode, the registered owners of such bonds have the right to tender such bonds for purchase upon compliance with certain conditions. Subject to certain conditions, to the extent remarketing proceeds are not available therefor, the Credit Facility will provide for the purchase from time to time of any bonds that are required to be purchased due to an optional tender.

Under the terms of the Series 2009D and Series 2010C Bonds while they are in weekly or daily mode and under the terms of the Series 2003D-1, Series 2010D, Series 2011A and Series 2011B Bonds while they are in index mode, such bonds may be redeemed at any time at the option of the Airports Authority subject to certain conditions.

Recent Transactions

On June 27, 2013, the Airports Authority Aviation Enterprise Fund issued \$245.6 million of Series 2013A-C Airport System Revenue and Refunding Bonds to refund \$200.7 million of outstanding bonds for debt service savings and provide additional monies to fund ongoing capital projects. Series 2013A-C refunded bonds with a par value of \$165.6 million and issued new revenue bonds with a par value of \$80.0 million.

The Series 2013A Alternative Minimum Tax (AMT) Airport System Revenue and Refunding Bonds' par amount was \$207.2 million. This transaction refunded \$153.3 million of Series 2003A Bonds maturing in 2013-2033 for net present value savings of \$8.8 million. The proceeds of this issuance were also used to provide additional funds to pay for certain capital projects at the Airports, including capitalized interest, and pay the cost of issuing the bonds.

The Series 2013B Taxable Airport System Revenue Refunding Bonds' par amount was \$27.4 million. This transaction refunded \$33.9 million of Taxable Series 2003C Bonds maturing in 2013-2023 for net present value savings of \$3.6 million.

The Series 2013C Non-AMT Airport System Revenue Refunding Bonds' par amount was \$11.0 million. This transaction refunded \$13.5 million of Series 2004A Bonds maturing in 2015-2022 for net present value savings of \$1.2 million.

Total debt service savings through 2033, the term of the Refunded Bonds, is approximately \$40 million. Debt service savings in years 2014-2015 are approximately \$9.5 million annually, \$6.9 million in 2016, \$5.8 million in 2017, and \$3.3 million in 2018.



Bonds Payable

The Aviation Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2013 and 2012 were as follows:

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2013	2012
Series 2003A Revenue & Refunding Bonds	10/01/03				\$ -	\$ 153,310,000
Series 2003B Refunding Bonds	10/01/03					2,920,000
Series 2003C Revenue & Refunding Bonds	10/01/03				-	33,850,000
Series 2003D-1 Revenue Bonds Term	10/01/03	Variable (0.819%) ¹	2014-2033		61,525,000	63,225,000
Series 2004A Refunding Bonds Term	08/26/04	3.750%	2014		10,000	13,530,000
Series 2004B Revenue Bonds Serial Serial Term	05/18/04	5.000% 5.050% 5.000%	2027 2028 2034	25,000,000 7,330,000 <u>212,670,000</u>	245,000,000	245,000,000
Series 2004C-1 Refunding Bonds Serial	07/07/04	5.000%	2020-2021		31,300,000	31,300,000
Series 2004C-2 Revenue Bonds Term Serial	08/12/04	5.000% 5.000%	2014-2022 2023-2024	32,170,000 <u>61,690,000</u>	93,860,000	93,980,000
Series 2004D Refunding Bonds Serial	08/26/04	5.000%-5.250%	2014-2019		131,865,000	150,430,000
Series 2005A Revenue Bonds Serial Term Term	04/12/05	4.250%-5.250% 4.750% 5.000%	2014-2020 2035 2035	72,890,000 22,290,000 <u>149,740,000</u>	244,920,000	254,525,000
Series 2005B Refunding Bonds Serial	04/12/05	3.875%-5.250%	2014-2020		14,640,000	16,410,000
Series 2005C Revenue Bonds Serial Serial Serial	04/12/05	5.590% 5.690% 5.730%	2025 2030 2035	8,315,000 9,350,000 <u>12,335,000</u>	30,000,000	30,000,000

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	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2013	2012
Series 2005D Revenue Bonds Serial	10/12/05	5.000%	2021-2023		7,650,000	7,650,000
Series 2006A Revenue Bonds Serial	01/25/06	4.750%	2030	12,500,000		
Term		5.000%	2032	81,555,000		
Term		5.000%	2035	<u>150,945,000</u>	245,000,000	245,000,000
Series 2006B Revenue Bonds Serial	12/06/06	4.550%	2031	59,020,000		
Serial		5.000%	2032	37,030,000		
Term		5.000%	2036	<u>279,270,000</u>	375,320,000	375,320,000
Series 2006C Refunding Bonds Serial	12/06/06	3.750%-5.000%	2014-2026	22,630,000		
Term		4.375%	2032	<u>11,595,000</u>	34,225,000	35,570,000
Series 2007A Refunding Bonds Serial	07/03/07	4.750%-5.000%	2014-2023		117,165,000	126,040,000
Series 2007B Revenue Bonds Serial	09/27/07	4.000%-5.000%	2014-2027	325,480,000		
Serial		4.750%	2032	1,150,000		
Term		5.000%	2032	67,225,000		
Term		5.000%	2035	<u>13,420,000</u>	407,275,000	420,355,000
Series 2008A Revenue Bonds Serial	06/24/08	5.000%-5.750%	2014-2029		210,365,000	220,450,000
Series 2009B Revenue Bonds Serial	04/01/09	3.000%-5.250%	2014-2026	162,840,000		
Term		5.000%	2029	31,450,000		
Term		5.000%	2029	<u>31,455,000</u>	\$225,745,000	228,655,000
Series 2009C Revenue Bonds Serial	07/02/09	4.000%-5.125%	2014-2031	160,880,000		
Term		5.125%	2034	43,405,000		
Term		5.125%	2039	34,125,000		
Term		5.625%	2039	<u>55,000,000</u>	293,410,000	298,965,000

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	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2013	2012
Serie 2009D-1-2 Revenue Bonds Term	07/02/09	Variable (4.099%) ²	2014-2039		127,755,000	130,185,000
Serie 2010A Revenue Bonds Serial	07/28/10	3.250%-5.000%	2014-2030	194,525,000		
Term		4.625%	2035	5,100,000		
Term		5.000%	2035	87,305,000		
Term		5.000%	2039	49,505,000		
					336,435,000	340,565,000
Serie 2010B Revenue Refunding Bonds Serial	07/28/10	3.000%-5.000%	2014-2030		191,755,000	205,055,000
Serie 2010C-1-2 Revenue Refunding Bonds Term	09/22/10	Variable C-1 (0.040%) ³	2033	61,350,000		
Term		Variable C-2 (4.099%) ⁴	2039	98,210,000		
					159,560,000	162,710,000
Serie 2010D Revenue Bonds Term	09/22/10	Variable (4.112%) ⁵	2040		161,785,000	164,655,000
Serie 2010F-1 Revenue Refunding Bonds Serial	11/17/10	4.375%-5.000%	2020-2031		61,820,000	61,820,000
Serie 2011A-1-2-3 Revenue & Refunding Bonds	09/21/11	Variable A-1 (3.862%) ⁶ Variable A-2 (4.445%) ⁷ Variable A-3 (4.099%) ⁸	2014-2039		219,340,000	228,165,000
Serie 2011B Revenue & Refunding Bonds	09/21/11	Variable (0.810%) ⁹	2014-2041		185,195,000	196,675,000
Serie 2011C Revenue Refunding Bonds Serial	09/29/11	4.000%-5.000%	2014-2028		171,060,000	178,315,000
Serie 2011D Revenue Refunding Bonds Serial	09/29/11	2.000%-5.000%	2014-2031		9,635,000	10,015,000

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	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2013	2012
Series 2012A	07/03/12					
Revenue Refunding						
Bonds						
Serial		3.000%-5.000%	2016-2032		291,035,000	291,035,000
Series 2012B	07/03/12					
Revenue Refunding						
Bonds						
Serial		3.000%-5.000%	2014-2019		20,570,000	20,790,000
Series 2013A	07/11/13					
Revenue & Refunding						
Bonds						
Serial		4.000%-5.00%	2018-2033	164,245,000		
Term		5.000%	2038	18,870,000		
Term		5.000%	2043	24,090,000		
					207,205,000	-
Series 2013B	07/11/13					
Refunding						
Bonds						
Serial		1.647%-3.979%	2016-2023		27,405,000	-
Series 2013C	07/11/13					
Refunding						
Bonds						
Serial		3.000%-5.000%	2020-2022		11,005,000	-
					\$ 4,950,835,000	\$ 5,036,470,000
Plus unamortized discount/premium, net					92,387,136	95,233,928
Total Aviation Enterprise Fund Bonds Payable					\$ 5,043,222,136	\$ 5,131,703,928

¹ Interest rates on Series 2003D-1 are reset monthly by the Remarketing Agent. As of 12/31/13, the rate was 0.819%.

² Interest rates on Series 2009D-1 are reset weekly, and interest rates on Series 2009D-2 are reset daily by the Remarketing Agent. The Bonds are hedged with a Swap Agreement at a fixed rate of 4.099%. Refer to Note 13 for information on the Airports Authority's swaps.

^{3,4} Interest rates on Series 2010C-1 are reset every two days, and rates on Series 2010C-2 are reset weekly by the Remarketing Agent. As of 12/31/13, the rate on Series 2010C-1 was 0.040%. The 2010C-2 Bonds are hedged with a Swap Agreement at a fixed rate of 4.099%. Refer to Note 13 for information on the Airports Authority's swaps.

⁵ Interest rates on Series 2010D are reset weekly by the Remarketing Agent. The Bonds are hedged with a Swap Agreement at a fixed rate of 4.112%. Refer to Note 13 for information on the Airports Authority's swaps.

^{6,7,8} Interest rates on Series 2011A-1-2-3 Bonds are calculated weekly using 72% of the 1-month LIBOR Index Rate plus a spread of .82% rounded to five decimal points. As of 12/31/13, the rate was 0.940%. The 2011A-1 Bonds are hedged with a Swap Agreement at a fixed rate of 3.862%. The 2011A-2 Bonds are hedged with a Swap Agreement at a fixed rate of 4.445%. The 2011A-3 Bonds are hedged with a Swap Agreement at a rate of 4.099%. Refer to Note 13 for information on the Airports Authority's swaps.

⁹ Interest rates on the 2011B Bonds are calculated weekly using the 1-month SIFMA Index Rate plus a spread of .55%. As of 12/31/13, the rate was 0.810%.



Changes to the Aviation Enterprise Fund's Bonds Payable balances during 2013 and 2012 were as follows:

Balance as of December 31, 2011				\$	5,230,357,202
Bonds Issued					
Series	2012A	Revenue Refunding Bonds	\$	291,035,000	
Series	2012B	Revenue Refunding Bonds		<u>20,790,000</u>	
					311,825,000
Bonds Refunded					
Series	2001A			(67,820,000)	
Series	2002A			(186,750,000)	
Series	2002D			(89,195,000)	
Series	2003B			<u>(20,645,000)</u>	
					(364,410,000)
Principal Payments					(127,950,000)
Change in Unamortized Discount/Premium					<u>81,881,726</u>
Balance as of December 31, 2012					5,131,703,928
Bonds Issued					
Series	2013A	Revenue & Refunding Bonds		207,205,000	
Series	2013B	Revenue Refunding Bonds		27,405,000	
Series	2013C	Revenue Refunding Bonds		<u>11,005,000</u>	
					245,615,000
Bonds Refunded					
Series	2003A			(153,310,000)	
Series	2003C			(33,850,000)	
Series	2004A			<u>(13,510,000)</u>	
					(200,670,000)
Principal Payments					(130,580,000)
Change in Unamortized Discount/Premium					(2,846,792)
Balance as of December 31, 2013				\$	<u>5,043,222,136</u>
Balance as of December 31, 2013 - Short Term					137,695,000
Balance as of December 31, 2013 - Long Term					<u>4,905,527,136</u>
				\$	<u>5,043,222,136</u>

Maturities and Sinking Fund Requirements

Principal payments on the Aviation Enterprise Fund's long-term bonds are due annually on October 1. The following table summarizes the maturities and sinking fund requirements for the Aviation Enterprise Fund Senior Debt, not including any unamortized discount or premium, based on interest rates as of December 31, 2013:

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Year Ending December 31	Principal	Interest	Total Debt Service
2014	\$ 137,695,000	\$ 236,826,049	\$ 374,521,049
2015	145,065,000	230,577,643	375,642,643
2016	157,260,000	224,022,309	381,282,309
2017	174,985,000	216,808,384	391,793,384
2018	189,280,000	208,754,006	398,034,006
2019 - 2023	1,034,955,000	902,689,222	1,937,644,222
2024 - 2028	982,455,000	654,393,465	1,636,848,465
2029 - 2033	1,239,105,000	401,605,029	1,640,710,029
2034 - 2038	772,855,000	112,022,486	884,877,486
Thereafter	117,180,000	8,961,735	126,141,735
	<u>\$ 4,950,835,000</u>	<u>\$ 3,196,660,327</u>	<u>\$ 8,147,495,327</u>

Insurance

The Airports Authority reviews each bond sale to determine if there is value in providing investors municipal bond insurance. As of December 31, 2013 and 2012, the Airports Authority's Aviation Enterprise Fund had insured \$2.2 billion and \$2.7 billion of long-term bonds, respectively. This represented 43.7 percent of total bonds as of December 31, 2013 and 54.1 percent of total bonds as of December 31, 2012.

Aviation Enterprise Fund bonds were insured by five 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), and Financial Security Assurance (FSA) as follows:

Insurer	Amount Insured at December 31, 2013	Percent of Total Bonds Payable	Amount Insured at December 31, 2012	Percent of Total Bonds Payable
Ambac	\$ 532,090,000	10.6%	\$ 554,045,000	10.9%
Berkshire Hathaway	225,745,000	4.5%	112,200,000	2.2%
FGIC	409,545,000	8.1%	567,120,000	11.2%
FSA	615,160,000	12.2%	615,280,000	12.1%
National Public Finance Guarantee	421,435,000	8.4%	834,180,000	16.5%
Syncora	-		63,225,000	1.2%
	<u>\$ 2,203,975,000</u>	<u>43.7%</u>	<u>\$ 2,746,050,000</u>	<u>54.1%</u>

Commercial Paper Notes

The Aviation Enterprise Fund had two credit facilities in place as of December 31, 2013 and 2012 to support the issuance of up to \$271.0 million in Commercial Paper (CP) Notes. 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 to each provider.

The CP Notes were issued in two series.

Series One CP Notes were authorized for issuance of up to \$250.0 million in 2004 and amended in 2005, 2007, 2010 and 2011. Series One CP Notes are further collateralized by an irrevocable direct pay LOC issued by JP Morgan Chase Bank, which expires in March 2014. On October 18, 2012, \$17.5 million was refunded with grant proceeds, leaving a balance of \$0 outstanding as of December 31, 2012 and December 31, 2013.

Series Two CP Notes were authorized for issuance of up to \$21.0 million in 2005 and amended in 2007, 2009 and 2011. Series Two CP Notes are further collateralized by an irrevocable direct pay LOC issued by Landesbank Baden-Wuerttemberg (LBBW), acting through its New York branch. The LOC expires in December 2015. As of December 31, 2013, the Airports Authority had \$21.0 million of Series Two CP Notes outstanding.

Changes to the Aviation Enterprise Fund's Commercial Paper Notes balances during 2013 and 2012 were as follows:

	<u>Series One</u>	<u>Series Two</u>	<u>Total</u>
Balance as of December 31, 2011	\$ 17,500,000	\$ 21,000,000	\$ 38,500,000
Commercial Paper Notes Refunded	(17,500,000)		(17,500,000)
Commercial Paper Notes Issued	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31, 2012	\$ -	\$ 21,000,000	\$ 21,000,000
Commercial Paper Notes Refunded	-	-	-
Commercial Paper Notes Issued	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31, 2013	<u>\$ -</u>	<u>\$ 21,000,000</u>	<u>\$ 21,000,000</u>



Credit Ratings

The Aviation Enterprise Fund's underlying credit ratings as of December 31, 2013 and 2012 are depicted in the table below:

Mode	Lien Position	Rating as of December 31, 2013			Rating as of December 31, 2012		
		Moody's / S&P / Fitch			Moody's / S&P / Fitch		
Fixed	Senior	A1 / AA- / AA-			Aa3 / AA- / AA-		
Variable, CP	¹ Senior	P-1 / A-1+ / F1+			P-1 / A-1+ / F1+		
Variable, VRDO	^{2,3} Senior	Aa1/Aa2/VMIG1	AAA/A-1+	AAA/F1+	Aa1/Aa2/VMIG1	AAA/A-1+	AAA/F1+
Variable, Index Floaters	⁴ Senior	Aa3 / NR / NR			Aa3 / NR / NR		

¹Includes CP One and Two Notes

²Includes Series 2009D and 2010C Bonds

³ Joint Default Analysis with Moody's, Joint Criteria Rating with S&P, Dual Party Pay Criteria with Fitch

⁴ Direct Funded Index Obligations, 2011B Moody's Bonds

Dulles Corridor Enterprise Fund Debt

In August of 2009, a Master Indenture of Trust was created to secure Dulles Toll Road Revenue Bonds issued by the Dulles Corridor Enterprise Fund 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 Dulles Toll Road (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.

On June 8, 2011, the Airports Authority Board adopted Resolution No. 11-16 allowing the issuance of CP Notes for the Dulles Corridor Enterprise Fund in a not-to-exceed amount of \$300.0 million. The principal purpose of the CP Notes is to provide funds to finance the costs of the Dulles Metrorail Project and certain Capital Improvements Program (CIP) projects and refund other forms of indebtedness.

Recent Transactions

On November 13, 2013 the Airports Authority Board adopted Resolution No. 13-31 authorizing the issuance of up to \$400.0 million Dulles Toll Road Subordinate Lien Notes, Series 2013 to provide funds for the Dulles Metrorail Project and fund costs of issuance of the Notes. In the same month, the Airports Authority sold \$150.0 million of the Series 2013 Notes to J.P. Morgan Chase Bank, National Association. The Series 2013 Notes bear interest equal to the Securities Industry and Financial Markets Association (SIFMA) rate plus 0.24 percent and mature in November 2014. The Subordinate Lien Notes, Series 2013 are included in the current portion of bonds and notes payable on the Statement of Net Position.



Bonds Payable

The Dulles Corridor Enterprise Fund's bonds payable as of December 31, 2013 and 2012 were as follows:

			Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31	
							2013	2012
Series	2009A	Revenue Bonds	08/12/09					
		CIBs Term		5.125%	2032	\$ 22,140,000		
		CIBs Term		5.000%	2039	89,735,000		
		CIBs Term		5.250%	2044	86,125,000		
							\$ 198,000,000	\$ 198,000,000
Series	2009B	Revenue Bonds	08/12/09	3.500%-7.910%	2014-2040		254,890,572	249,070,930
		CABs						
Series	2009C	Revenue Bonds	08/12/09	6.500%	2038-2041		209,628,230	196,646,175
		Convertible CABs						
Series	2009D	Revenue Bonds	08/12/09	7.462%	2045-2046		400,000,000	400,000,000
		Build America Bonds						
Series	2010A	Revenue Bonds	05/27/10	6.625%	2029-2037		69,291,844	64,920,078
		CABs Term						
Series	2010B	Revenue Bonds	05/27/10	6.500%	2040-2044		173,446,450	162,699,900
		Convertible CABs Term						
Series	2010D	Revenue Bonds	05/27/10	8.000%	2042-2047		150,000,000	150,000,000
		Build America Bonds						
							<u>\$ 1,455,257,096</u>	<u>\$ 1,421,337,083</u>
		Plus (Less) unamortized discount/premium, net					(4,921,555)	(5,002,218)
		Total Dulles Corridor Enterprise Bonds Payable					<u>\$ 1,450,335,541</u>	<u>\$ 1,416,334,865</u>



Changes to the Dulles Corridor Enterprise Fund's Bonds Payable balances during 2013 and 2012 were as follows:

Balance as of December 31, 2011	\$ 1,381,031,665
Bonds Issued in 2012	-
Principal Payments	(5,744,580)
Plus: Change in Accretion of Capital Appreciation Bonds	40,971,211
Change in unamortized (discount) or premium, net	76,569
Balance as of December 31, 2012	<u>\$ 1,416,334,865</u>
Bonds Issued in 2013	-
Principal Payments	(9,041,633)
Plus: Change in Accretion of Capital Appreciation Bonds	42,961,646
Change in unamortized (discount) or premium, net	80,663
Balance as of December 31, 2013	<u>\$ 1,450,335,541</u>
Balance as of December 31, 2013 - Short Term	4,201,882
Balance as of December 31, 2013 - Long Term	1,446,133,659
Total Dulles Corridor Enterprise Fund Bonds Payable	<u><u>\$ 1,450,335,541</u></u>

Maturities and Sinking Fund Requirements

Principal payments on the Dulles Corridor Enterprise Fund's long-term bonds are due annually on October 1. The following table summarizes the maturities and sinking fund requirements for the Dulles Corridor Enterprise Fund Senior Debt, not including any unamortized discount or premium:

Year Ending December 31	Principal	Interest	Total Debt Service
2014	\$ 4,201,882	\$ 53,004,105	\$ 57,205,987
2015	8,687,272	54,718,716	63,405,988
2016	7,588,182	55,047,805	62,635,987
2017	4,032,707	70,268,657	74,301,364
2018	4,086,658	70,759,704	74,846,362
2019 - 2023	26,921,056	446,380,757	473,301,813
2024 - 2028	37,876,420	492,695,394	530,571,814
2029 - 2033	106,365,878	664,950,693	771,316,571
2034 - 2038	161,765,555	782,035,715	943,801,270
Thereafter	929,594,696	845,634,865	1,775,229,561
	<u>\$ 1,291,120,306</u>	<u>\$ 3,535,496,411</u>	<u>\$ 4,826,616,717</u>



Insurance

As of December 31, 2013 and 2012, the Airports Authority's Dulles Corridor Enterprise Fund had insured \$350.5 million and \$340.8 million of long-term bonds, respectively with Assured Guaranty. This represented 24.2 percent of total bonds as of December 31, 2013 and 24.1 percent of total bonds as of December 31, 2012.

Commercial Paper Notes

The CP Notes are structured as short-term demand obligations under the Seventh Supplemental Indenture. They are collateralized by certain pledged funds, including Net Revenues on parity with the bonds. They are further collateralized by an irrevocable direct pay LOC facility. The Airports Authority's obligation to repay amounts drawn under such LOCs is collateralized by a promissory note issued by the Airports Authority. The CP Notes are collateralized by an irrevocable direct pay LOC issued by J.P. Morgan Chase Bank, National Association. The LOC expires in August 2014. In August, 2013, a third draw on the LOC for \$150.5 million was made, which consumed the entire credit capacity available under the program.

Changes to the Dulles Corridor Enterprise Fund's Commercial Paper Notes balances during 2013 and 2012 were as follows:

Balance as of December 31, 2011	\$ 550,000
Commercial Paper Notes Refunded	-
Commercial Paper Notes Issued	149,000,000
Balance as of December 31, 2012	\$ 149,550,000
Commercial Paper Notes Refunded	-
Commercial Paper Notes Issued	150,450,000
Balance as of December 31, 2013	<u>\$ 300,000,000</u>

Notes Payable

As approved in Resolution No. 12-37, on December 17, 2012, the Airports Authority issued \$200.0 million of fixed rate notes secured by the remaining federal funding anticipated to be received pursuant to a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration for Phase 1 of the Rail Project. The notes are a direct purchase obligation with a 2.16 percent interest rate and final maturity in 2016. The Dulles Corridor Enterprise Fund had \$200.0 million of FFGA Notes outstanding at December 31, 2013 and December 31, 2012.

As approved in Resolution No. 13-31, on November 13, 2013, the Airports Authority was authorized to issue up to \$400.0 million Dulles Toll Road Subordinate Lien Notes, Series 2013 to provide funds for the Dulles Metrorail Project and fund costs of issuance of the Notes. In the same month, the Airports Authority sold \$150.0 million of the Series 2013 Notes to J.P. Morgan Chase Bank, National Association. The notes bear interest equal to the SIFMA rate plus 0.24 percent; at December 31, 2013 this equated to 0.84 percent.



Changes to the Dulles Corridor Enterprise Fund's Notes Payable balances during 2013 and 2012 were as follows:

Balance as of December 31, 2011	\$ -
Notes Refunded	-
Notes Issued	<u>200,000,000</u>
Balance as of December 31, 2012	\$ 200,000,000
Notes Refunded	-
Notes Issued	<u>150,000,000</u>
Balance as of December 31, 2013	<u><u>\$ 350,000,000</u></u>
 Balance as of December 31, 2013 - Short Term	 150,000,000
Balance as of December 31, 2013 - Long Term	<u>200,000,000</u>
Total Dulles Corridor Enterprise Fund Notes Payable	<u><u>\$ 350,000,000</u></u>

Credit Ratings

The Dulles Corridor Enterprise Fund's underlying credit ratings as of December 31, 2013 and 2012 are depicted in the table below:

Mode	Lien Position	Rating as of Decemeber 31, 2013	Rating as of December 31, 2012
		Moody's / S&P / Fitch	Moody's / S&P / Fitch
Fixed	First Senior	A2 / A / NR	A2 / A / NR
Fixed	Second Senior	Baa1 / BBB+ / NR	Baa1 / BBB+ / NR
Fixed	Second Senior ¹	Aa2 / AAA / NR	Aa2 / AAA / NR
Fixed	Subordinate	Baa2 / BBB / NR	Baa2 / BBB / NR
Variable, CP	Second Senior	P-1 / A-1+ / NR	P-1 / A-1+ / NR

¹ Enhanced Rating



16. NET POSITION

Net position consisted of the following, as of December 31, 2013:

	As of December 31, 2013				
	Net Investment in Capital Assets	Restricted for			
		Construction	Debt Service	Debt Service Reserve	Leases
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	-	-	-	-	-
Investments	-	-	-	-	-
Restricted investments	-	4,027,362	74,990,927	-	-
Inventory	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-
Due to (due from) other funds	-	-	-	-	-
Non-current assets					
Restricted					
Cash and cash equivalents *	-	615,628,939	53,123,665	18,962,034	6,485,918
Accounts receivable	-	178,478,616	-	-	890,430
Investments	-	-	-	450,034,971	-
Unrestricted:					
Note receivable	-	-	-	-	-
Investments	-	-	-	-	-
Net pension assets	-	-	-	-	-
Bond insurance costs, net	-	-	-	-	-
Other assets	-	-	-	-	-
Capital assets	8,132,692,945	-	-	-	-
Total Assets	<u>\$ 8,132,692,945</u>	<u>\$ 798,134,917</u>	<u>\$ 128,114,592</u>	<u>\$ 468,997,005</u>	<u>\$ 7,376,348</u>
Deferred Outflows of Resources					
Gain on debt refundings	\$ 65,951,606	\$ -	\$ -	\$ -	\$ -
Total deferred outflows of resources	<u>\$ 65,951,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Current liabilities					
Accounts payable and accrued expenses	\$ 141,745,870	-	\$ -	\$ -	\$ 75
Advance billings and payments received in advance	34,281,629	-	-	-	-
Accrued lease obligations	-	-	-	-	-
Accrued interest payable	-	-	65,561,753	-	-
Current portion of bonds and notes payable	291,896,882	-	-	-	-
Non-current liabilities					
Other liabilities	126,020,919	-	-	-	787,080
Commercial paper notes	321,000,000	-	-	-	-
Notes payable	200,000,000	-	-	-	-
Interest rate swaps payable	-	-	-	-	-
Bonds payable, net	5,158,387,813	527,340,247	-	468,997,005	-
Total Liabilities	<u>\$ 6,273,333,113</u>	<u>\$ 527,340,247</u>	<u>\$ 65,561,753</u>	<u>\$ 468,997,005</u>	<u>\$ 787,155</u>
Deferred Inflows of Resources					
Loss on debt refundings	\$ 177,029	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>\$ 177,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position	<u>\$ 1,925,134,409</u>	<u>\$ 270,794,670</u>	<u>\$ 62,552,839</u>	<u>\$ -</u>	<u>\$ 6,589,193</u>

* Includes the portion of restricted cash and cash equivalents classified as current on the Statement of Net Position

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As of December 31, 2013

Restricted for			Unrestricted	Total Business-Type Activities
Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety		
\$ -	\$ -	\$ -	\$ 175,073,044	\$175,073,044
-	-	-	43,950,998	43,950,998
-	-	-	141,279,455	141,279,455
-	-	-	-	79,018,289
-	-	-	8,440,665	8,440,665
-	-	-	6,742,768	6,742,768
-	-	-	-	-
15,003,256	861,800	408,129	-	710,473,741
-	-	-	-	179,369,046
-	7,259,625	-	-	457,294,596
-	-	-	5,633,165	5,633,165
-	-	-	330,602,733	330,602,733
-	-	-	3,797,361	3,797,361
-	-	-	32,798,939	32,798,939
-	-	-	4,907,917	4,907,917
-	-	-	-	8,132,692,945
\$ 15,003,256	\$ 8,121,425	\$ 408,129	\$ 753,227,045	\$ 10,312,075,662
\$ -	\$ -	\$ -	\$ -	\$ 65,951,606
\$ -	\$ -	\$ -	\$ -	\$ 65,951,606
\$ -	\$ -	\$ 32,727	\$ 65,400,971	\$ 207,179,643
-	-	-	38,283,978	72,565,607
-	-	-	348,991	348,991
-	-	-	-	65,561,753
-	-	-	-	291,896,882
-	-	-	5,840,599	132,648,598
-	-	-	-	321,000,000
-	-	-	-	200,000,000
-	-	-	111,957,472	111,957,472
-	-	-	196,935,730	6,351,660,795
\$ -	\$ -	\$ 32,727	\$ 418,767,741	\$ 7,754,819,741
\$ -	\$ -	\$ -	\$ -	\$ 177,029
\$ -	\$ -	\$ -	\$ -	\$ 177,029
\$ 15,003,256	\$ 8,121,425	\$ 375,402	\$ 334,459,304	\$ 2,623,030,498

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Net position consisted of the following, as of December 31, 2012:

	As of December 31, 2012				
	Net Investment in Capital Assets	Restricted for			
		Construction	Debt Service	Debt Service Reserve	Leases
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	-	-	-	-	-
Investments	-	-	-	-	-
Restricted investments	-	4,912,329	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-
Due to (due from) other funds	-	-	-	-	-
Non-current assets					
Restricted					
Cash and cash equivalents *	-	503,101,221	115,047,877	30,326,490	6,389,711
Accounts receivable	-	73,065,464	-	-	835,829
Investments	-	-	-	478,445,538	-
Unrestricted:					
Note receivable	-	-	-	-	-
Investments	-	-	-	-	-
Net pension assets	-	-	-	-	-
Bond insurance costs, net	-	-	-	-	-
Other assets	-	-	-	-	-
Capital assets	7,744,479,463	-	-	-	-
Total Assets	\$ 7,744,479,463	\$ 581,079,014	\$ 115,047,877	\$ 508,772,028	\$ 7,225,540
Deferred Outflows of Resources					
Gain on debt refundings	\$ 67,406,909	\$ -	\$ -	\$ -	\$ -
Total deferred outflows of resources	\$ 67,406,909	\$ -	\$ -	\$ -	\$ -
Current liabilities					
Accounts payable and accrued expenses	\$ 137,369,719	\$ -	\$ -	\$ -	\$ -
Advance billings and payments received in advance	-	-	-	-	-
Accrued lease obligations	-	-	-	-	-
Accrued interest payable	-	-	66,310,542	-	-
Current portion of bonds and notes payable	146,446,633	-	-	-	-
Non-current liabilities					
Other liabilities	15,986,778	-	-	-	787,080
Commercial paper notes	170,550,000	-	-	-	-
Notes payable	200,000,000	-	-	-	-
Interest rate swaps payable	-	-	-	-	-
Bonds payable, net	5,210,584,371	480,037,402	-	508,772,028	-
Total Liabilities	\$ 5,880,937,501	\$ 480,037,402	\$ 66,310,542	\$ 508,772,028	\$ 787,080
Deferred Inflows of Resources					
Loss on debt refundings	\$ 218,660	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ 218,660	\$ -	\$ -	\$ -	\$ -
Net Position	\$ 1,930,730,211	\$ 101,041,612	\$ 48,737,335	\$ -	\$ 6,438,460

* Includes the portion of restricted cash and cash equivalents classified as current on the Statement of Net Position

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As of December 31, 2012

Restricted for			Unrestricted	Total Business-Type Activities
Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety		
\$ -	\$ -	\$ -	\$ 189,992,116	\$ 189,992,116
-	-	-	42,661,071	42,661,071
-	-	-	177,750,805	177,750,805
-	-	-	-	4,912,329
-	-	-	8,379,024	8,379,024
-	-	-	6,876,127	6,876,127
-	-	-	-	-
15,001,701	663,730	370,610	-	670,901,340
-	-	-	-	73,901,293
-	7,259,625	-	-	485,705,163
-	-	-	9,327,369	9,327,369
-	-	-	157,952,823	157,952,823
-	-	-	3,467,187	3,467,187
-	-	-	37,625,596	37,625,596
-	-	-	888,366	888,366
-	-	-	-	7,744,479,463
\$ 15,001,701	\$ 7,923,355	\$ 370,610	\$ 634,920,484	\$ 9,614,820,072
\$ -	\$ -	\$ -	\$ -	\$ 67,406,909
\$ -	\$ -	\$ -	\$ -	\$ 67,406,909
\$ -	\$ -	\$ 97	\$ 40,901,174	\$ 178,270,990
-	-	-	10,016,922	10,016,922
-	-	-	453,050	453,050
-	-	-	-	66,310,542
-	-	-	-	146,446,633
-	-	-	5,490,518	22,264,376
-	-	-	-	170,550,000
-	-	-	-	200,000,000
-	-	-	193,920,442	193,920,442
-	-	-	202,198,359	6,401,592,160
\$ -	\$ -	\$ 97	\$ 452,980,465	\$ 7,389,825,115
\$ -	\$ -	\$ -	\$ -	\$ 218,660
\$ -	\$ -	\$ -	\$ -	\$ 218,660
\$ 15,001,701	\$ 7,923,355	\$ 370,513	\$ 181,940,019	\$ 2,292,183,206



The Aviation Enterprise Fund's debt service reserve accounts were over-funded by \$13.2 million as of December 31, 2013 and \$18.9 million as of December 31, 2012. The Dulles Corridor Enterprise Fund's debt service reserve accounts were over-funded by \$2.6 million as of December 31, 2013 and \$5.9 million as of December 31, 2012. Over-funded amounts can only be withdrawn from the Aviation Enterprise Fund's debt service reserve accounts once a year, based on balances as of October 1, while over-funded amounts can be withdrawn from the Dulles Corridor Enterprise Fund's debt service reserve accounts twice a year, based on balances as of April 1 and October 1.

17. AVIATION ENTERPRISE FUND REVENUES

Uncollectible Revenues

Aviation Enterprise Fund revenues, net of estimated uncollectible revenues, for the years ended December 31, 2013 and December 31, 2012, were as follows:

	Year ended December 31,	
	2013	2012
Concessions	\$ 236,306,083	\$ 227,768,855
Rents	305,462,615	302,595,917
Landing fees	128,457,251	112,443,856
Utility sales	12,148,621	11,709,367
Passenger fees	32,828,954	33,442,803
Other	<u>8,151,189</u>	<u>8,207,676</u>
Gross revenues	723,354,713	696,168,474
Less: Estimated uncollectible revenues	<u>(331,462)</u>	<u>(1,220,910)</u>
Total operating revenues	<u>\$ 723,023,251</u>	<u>\$ 694,947,564</u>

Concentrations of Revenues

Several airlines, and their affiliates, represent concentrations of revenues for the Airports Authority. At Reagan National, US Airways, Delta Air Lines (Delta) and American Airlines comprised approximately 76.9 percent of airline revenues during 2013. At Dulles International, United Airlines, Delta and British Airways comprised approximately 64.8 percent of airline revenues during 2013. Combined, these five airlines represented approximately 75.0 percent of total airline revenues during 2013 for the Airports Authority.



18. GOVERNMENT GRANTS

The Airports Authority receives, predominately 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. Government grants recorded by the Airports Authority during the years ended December 31, 2013 and 2012 totaled \$210.6 million and \$338.8 million, respectively. In fiscal years 2013 and 2012, 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 Department of Justice and the U.S. Treasury Equitable Sharing Agreements are collaborative efforts between these 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 expenditures as defined by these agencies.



	Award Recognized Year Ended Dec. 31,	
	2013 ¹	2012
Grants in Support of Operations		
Operating Revenue		
Passenger Fees		
TSA - Law enforcement officer reimbursement program	\$ 459,900	\$ 1,019,467
Grant recognized as operating revenues	459,900	1,019,467
Non-Operating Revenue		
Federal Grants		
TSA - National explosive detection canine team program	421,593	1,030,407
Department of Justice - Equitable sharing agreement ²	180,377	181,761
U.S. Treasury - Equitable sharing agreement ²	26,168	10,037
Total Federal Grants	628,138	1,222,205
Commonwealth of Virginia Grants		
Disaster relief and emergency assistance program	-	6,810
Total Commonwealth of Virginia Grants	-	6,810
Local Grant		
Fairfax County - Interoperable Communications Grants	67,320	-
Fairfax County - NCRnet Integration Award	41,309	-
Total Local Grants	108,629	-
Grants recognized as non-operating revenues	736,767	1,229,015
Total Federal, State, and Local grants in support of operations	\$ 1,196,667	\$ 2,248,482

¹ No award remained for these grants as of December 31, 2013.

² Funds received under this agreement can be expended for items which may be capitalized or expensed in accordance with the Airports Authority's capitalization thresholds.

Capital Programs

The Airports Authority Dulles Corridor Enterprise Fund receives grants in support of Phase 1 of the Dulles Metrorail Project. The Federal Transit Administration (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 Phase 1 of 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 \$77.3 million in American Recovery and Reinvestment Act (ARRA) funding to the project. These funds replaced Section 5309 funds that were scheduled to be received in the final year (2016) of the FFGA. As of February 2012, the Airports Authority had fulfilled its ARRA local match requirement of \$199.2 million, and the close-out of the ARRA grant was completed on April 16, 2012.

The Airports Authority's 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. The Commonwealth also provides discretionary funds for capital programs. The Airports Authority 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 south, east and west baggage in-line explosive detection systems.

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Grants in Support of Capital Programs	Award Recognized Year Ended Dec. 31,		Award Remaining Dec. 31, 2013
	2013	2012	
Federal Grants			
Federal Aviation Administration			
AIP - 4th runway	\$ 13,000,000	\$ 20,000,000	\$ 36,000,000
AIP - Rehabilitate runway 1/19	-	2,402,654	-
AIP - Improve runway 1/19 safety area (phase 2)	-	1,432,179	-
AIP - Improve runway 1/19 safety area (phase 3)	-	2,047,147	-
AIP - Rehabilitate runway 1C/19C	618,267	-	-
AIP - Improve runway 15/33 and 4/22 safety area	4,332,532	-	16,001,583
AIP - Reconstruction of south taxiway Y	<u>5,361,337</u>	<u>-</u>	<u>1,199,650</u>
Total Federal Aviation Administration Grants	23,312,136	25,881,980	53,201,233
Transportation Security Administration			
ARRA - EBB/WBB EDS in-line baggage project	46,877,806	23,529,116	53,521,134
SBB EDS in-line baggage project	1,066,687	2,625,633	9,169,268
ARRA - Closed circuit television camera installation	<u>-</u>	<u>415,441</u>	<u>-</u>
Total Transportation Security Administration Grants	47,944,493	26,570,190	62,690,402
Federal Transit Administration			
FFGA - Dulles Metrorail Project (phase 1)	<u>71,283,634</u>	<u>173,278,706</u>	<u>-</u>
Internal Revenue Service			
Build America Bonds interest subsidy	<u>13,691,096</u>	<u>14,646,800</u>	<u>-</u>
Total Federal Grants	<u>156,231,359</u>	<u>240,377,676</u>	<u>115,891,635</u>
Commonwealth of Virginia Grant			
Department of Aviation - AeroTrain	2,000,000	2,000,000	-
Virginia Department of Transportation - Dulles Toll Road Subsidy	<u>10,000,000</u>	<u>-</u>	<u>140,000,000</u>
Total State Grants	<u>12,000,000</u>	<u>2,000,000</u>	<u>140,000,000</u>
Local Grant			
Fairfax County - Dulles Metrorail Project (phase 1)	<u>41,205,048</u>	<u>94,174,704</u>	<u>-</u>
Total Federal, State, and Local grants in support of capital programs	<u>\$ 209,436,407</u>	<u>\$ 336,552,380</u>	<u>\$ 255,891,635</u>

19. PASSENGER FACILITY CHARGES

As of December 31, 2013, 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 2012 and 2013 was as follows:



	Reagan National	Dulles International	Total
PFC Revenue 2012	\$ 39,623,895	\$ 43,639,683	\$ 83,263,578
PFC Revenue 2013	\$ 40,497,585	\$ 38,559,329	\$ 79,056,914
Total Applications	\$ 600,053,032	\$ 2,442,654,150	\$ 3,042,707,182
PFC Revenue Received Through 12/31/13	\$ 579,048,926	\$ 661,596,783	\$ 1,240,645,709

PFC collections totaling \$40.0 million and \$42.0 million in 2012 and 2013, respectively, were applied to debt service payments. In addition, the Airports Authority has irrevocably committed a minimum of \$35.0 million toward debt service payments annually through 2016.

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 percent.

20. 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.

Major insurance coverages include airport liability, workers' compensation, property, equipment breakdown, environmental impairment, public officials, employment practices, law enforcement, crime, fiduciary, business travel, cyber risk, and executive risk. The Airports Authority is self-insured for the first \$750,000 of each workers' compensation loss and from \$0 to \$1,000,000 (depending on type) of all other risk management/insurance losses. Claim payments did not exceed insurance coverage for each of 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, 2013 and December 31, 2012 was \$5.9 million and \$5.1 million, respectively. Changes in the claim liability accounts in fiscal years 2013, 2012 and 2011 were as follows:

Fiscal Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2011	\$5,282,245	\$1,879,178	\$2,086,186	\$5,075,237
2012	\$5,075,237	\$1,956,312	\$1,937,989	\$5,093,560
2013	\$5,093,560	\$3,314,920	\$2,553,635	\$5,854,845



21. OTHER COMMITMENTS AND CONTINGENCIES**Grants**

Amounts received or receivable from grant agencies, principally the U.S. government, the Commonwealth 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.

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, 2013 and 2012 were \$495 thousand and \$400 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, 2013 and 2012 were \$5.2 million and \$4.9 million, respectively.

Rights-of-Way Purchases

The Airports Authority acquires property interests for the Dulles Metrorail Project through negotiated settlement or through the Commonwealth of Virginia Department of Transportation's Commissioner of Highways power of eminent domain. The Airports Authority is responsible for all costs associated with such proceedings and for the payment of all compensation and damages for the properties acquired. As of December 31, 2013, the Airports Authority had acquired one property interest through the power of eminent domain for a total of \$3.6 million 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, 2013.

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 fourteen participating police and sheriff agencies from Northern Virginia. Academy members cannot withdraw from the Academy while any bonds of the Academy are issued and outstanding. As of June 30, 2013, the most recent period for which audited financials were available, the Academy had \$10.1 million in revenue bonds outstanding. Payments by the Airports Authority to the Academy for training services totaled \$261 thousand and \$267 thousand during the years ended December 31, 2013 and 2012, respectively.



22. LITIGATION

In April 2011, two users of the Dulles Toll Road filed a lawsuit in federal district court against the Airports Authority claiming that the setting of tolls by the Airports Authority violates various rights and privileges they enjoy under the United States Constitution. The plaintiffs also sought to have the district court certify a class of all current and past users of the Dulles Toll Road since May 2005 and a refund to all class members of tolls paid since May 2005 in excess of the toll rates then in effect. In July 2011, in response to the Airports Authority's motion, the district court dismissed the plaintiffs' complaint. The court initially determined that plaintiffs lacked "prudential" standing to bring any of their claims. The court then proceeded to address the claims on the merits. The court concluded, specifically as to each claim, that plaintiffs had failed, as a matter of law, to state a valid claim as to which any relief could be granted and, more generally, that the setting of tolls by the Airports Authority does not violate the federal constitution.

Following the trial court ruling, plaintiffs appealed the district court's dismissal to the United States Court of Appeals for the Federal Circuit. In December 2012, the Federal Circuit determined that it lacked jurisdiction over the appeal and transferred it to the Court of Appeals for the Fourth Circuit.

On January 21, 2014, the Fourth Circuit affirmed the trial court's ruling and that court's dismissal of the plaintiffs' complaint.

The Airports Authority is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Airports Authority's legal counsel, the likely outcome in these matters will not have a material adverse effect on the financial condition of the Airports Authority.

23. SUBSEQUENT EVENTS

On February 19, 2014, the Airports Authority Board of Directors adopted Resolution No. 14-2, which suspended the issuance of additional Airport System Revenue Commercial Paper Notes, Series One (Series One Notes) upon the expiration (on March 13, 2014) of the direct-pay letter of credit securing the Series One Notes issued by JP Morgan Chase Bank, N.A. and authorized the substitution of a new credit facility for the Airport System Revenue Commercial Paper Notes, Series Two (Series Two Notes). The Airports Authority replaced the direct-pay letter of credit securing the Series Two Notes issued by Landesbank Baden-Wuerttemberg with a direct-pay letter of credit issued by the New York Branch of Sumitomo Mitsui Banking Corporation (SMBC) on March 6, 2014. The SMBC credit facility will support the issuance of up to \$200 million principal amount outstanding of Series Two Notes at any one time.



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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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Exhibit S-1 – Components of Net Position
(Expressed in Thousands)

	2013	2012	2011 ⁸	2010	2009	2008 ¹	2007 ¹	2006 ¹	2005 ¹	2004 ¹
NET POSITION AT YEAR END COMPOSED OF:										
Net investment in capital assets	\$ 1,925,134.4	\$ 1,930,730.2	\$ 1,681,513.6	\$ 1,420,180.3	\$ 1,099,998.9	\$ 638,153.5	\$ 523,330.0	\$ 598,949.4	\$ 492,384.5	\$ 344,583.5
Restricted ¹	363,436.8	179,513.0	165,379.4	107,411.4	144,904.2	128,133.7	114,983.4	46,083.3	65,337.7	170,526.4
Unrestricted ¹	334,459.3	181,940.0	190,318.7	294,997.1	291,906.6	355,889.7	335,422.9	291,864.8	262,645.4	226,049.3
Cumulative prior period adjustment ^{1,7,8}	-	-	(50,718.90)	-	-	(62,380.4)	(45,407.6)	-	-	-
TOTAL NET POSITION	\$ 2,623,030.5	\$ 2,292,183.2	\$ 1,986,492.8	\$ 1,822,588.8	\$ 1,536,809.7	\$ 1,059,796.5	\$ 928,328.7	\$ 936,897.5	\$ 820,367.6	\$ 741,159.2

A summary of the restatements affecting years 2008 and prior is as follows:

	Years prior to 2009 (cumulative)	Years prior to 2008 (cumulative)
Total net position, as previously stated ²	\$ 1,117,891.8	\$ 1,002,968.8
Decrease in net investment in capital assets ³	11.4	(31,876.6)
Increase in unrestricted ^{4,5,6}	4,273.7	2,644.1
Decrease due to cumulative prior period adjustment ⁷	(62,380.4)	(45,407.6)
Cumulative decrease in net position, due to restatements	(58,095.3)	(74,640.1)
Net position, as restated	\$ 1,059,796.5	\$ 928,328.7

¹ Components of net position have been restated for 2008 and 2007 based on adjustments recorded during the Airports Authority's 2011 and 2010 fiscal years. Based on existing Airports Authority records, restatements pertaining to investment income could not be specifically identified as pertaining to restricted or unrestricted investments or as to specific years in which the investment income was originally recognized and therefore those restatement amounts are shown in the aggregate.

² Total net position as stated in the Airport Authority's 2011 Comprehensive Annual Financial Report for the immediately preceeding year.

³ Capitalized interest expense for projects placed in service in prior years was reduced, resulting in reductions to accumulated depreciation.

⁴ Investment income was increased for interest income on a note receivable. This interest income had previously been capitalized as construction in progress.

⁵ Amortization of a bond premium was revised, resulting in a reduction of interest expense.

⁶ Interest expense was increased for the interest costs incurred on the unspent bond proceeds of tax-exempt debt. These interest costs had previously been capitalized.

⁷ Investment income was reduced as a result of correcting mark-to-market accruals for long-term investment valuations.

⁸ Cumulative adjustment for 2011 relates to change in accounting principle with the implementation of GASB Statement No. 65. Please see Note 2 for more information.

Source: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



Exhibit S-2 – Revenues, Expenses and Changes in Net Position (Expressed in Thousands)

	2013	2012	2011 ²	2010	2009	2008	2007 ²	2006 ¹	2005 ¹	2004 ¹
OPERATING REVENUES										
Concessions	\$ 236,254.0	\$ 227,719.9	\$ 227,600.0	\$ 230,973.6	\$ 217,461.2	\$ 223,710.7	\$ 217,486.8	\$ 199,011.3	\$ 198,691.2	\$ 173,962.7
Tolls	127,059.3	101,596.1	94,659.5	88,038.2	64,893.6	10,416.5	-	-	-	-
Rents	305,301.8	301,637.0	275,428.2	226,375.7	193,736.1	171,331.3	167,301.0	156,164.1	153,865.1	143,389.8
Design fees	-	-	-	-	-	20,363.2	-	-	-	-
Landing fees	128,386.8	112,282.6	110,255.7	101,637.9	96,934.6	82,289.6	78,682.5	73,375.4	76,359.1	76,274.3
Utility sales	12,143.7	11,704.7	11,979.6	12,464.9	13,227.2	13,348.6	11,778.8	11,249.0	10,934.6	12,035.2
Passenger fees	32,829.0	33,442.8	30,331.2	25,913.5	30,665.4	28,354.1	28,684.1	25,474.9	26,973.2	29,474.7
Other	8,108.5	8,168.3	8,381.2	6,509.1	6,428.9	11,547.4	6,542.9	5,893.9	10,398.5	7,149.4
TOTAL OPERATING REVENUES	850,083.1	796,551.4	758,635.4	691,912.9	623,347.0	561,361.4	510,476.1	471,168.6	477,221.7	442,286.1
OPERATING EXPENSES										
Materials, equipment, supplies, contract services and other ¹	228,982.4	215,571.2	209,352.0	203,460.1	173,143.4	176,288.7	182,096.1	151,009.8	142,107.4	130,127.5
Impairment loss/design costs	-	40,239.0	-	-	-	80,027.4	-	-	-	-
Salaries and related benefits	166,384.6	161,294.8	157,370.4	156,535.4	144,617.0	136,720.6	128,465.3	113,870.9	113,878.1	98,858.6
Utilities	26,342.1	27,445.5	26,779.2	24,565.1	28,209.6	25,402.3	21,134.3	20,359.2	21,493.9	18,754.5
Lease from U.S. Government	5,335.3	5,303.9	5,180.6	5,101.1	5,066.1	4,958.3	4,830.1	4,689.9	4,505.4	4,375.4
Depreciation and amortization ¹	243,653.2	257,296.1	215,291.9	219,060.3	185,914.1	164,852.8	142,029.5	133,106.4	132,424.5	126,177.8
TOTAL OPERATING EXPENSES¹	670,697.6	707,150.5	613,974.1	608,722.0	536,950.2	588,250.1	478,555.3	423,036.2	414,409.3	378,293.8
OPERATING INCOME (LOSS)²	179,385.5	89,400.9	144,661.3	83,190.9	86,396.8	(26,888.7)	31,920.8	48,132.4	62,812.4	63,992.3
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)
Investment income ¹	10,138.4	14,539.6	35,615.8	27,787.0	13,617.0	21,850.1	41,237.5	45,035.2	20,194.5	10,385.8
Interest expense ¹	(238,369.6)	(229,471.5)	(240,011.8)	(240,220.4)	(154,780.8)	(142,622.1)	(110,249.5)	(96,999.8)	(103,561.3)	(89,368.8)
Federal, state and local grants	736.7	1,229.0	982.4	1,865.0	1,415.2	948.7	-	-	-	-
Fair value gain (loss) on swaps	81,963.0	6,422.5	(96,249.9)	(34,978.4)	103,731.4	(158,374.6)	(24,577.7)	(14,572.3)	1,205.8	(2,060.7)
Contributions to other governments	-	(313.8)	(1,297.9)	(10,086.1)	(650.2)	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)¹	(145,531.5)	(207,594.2)	(300,961.4)	(255,632.9)	(37,612.2)	(280,528.4)	(97,558.5)	(68,563.3)	(83,658.1)	(82,568.7)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS¹	33,854.0	(118,193.3)	(156,300.1)	(172,442.0)	48,784.6	(307,417.1)	(65,637.7)	(20,430.9)	(20,845.7)	(18,576.4)
CAPITAL CONTRIBUTIONS										
Passenger facility charges	79,056.9	83,263.6	78,626.9	80,088.4	78,520.8	78,455.2	82,858.8	81,489.7	88,315.3	76,060.2
Federal, state and local grants	209,436.4	336,552.4	287,116.1	377,482.7	346,729.8	92,941.5	32,317.1	54,239.5	11,738.8	28,727.1
Other capital property acquired	8,500.0	4,067.7	5,180.0	650.0	2,978.0	267,488.2	3,498.2	1,231.6	-	-
TOTAL CAPITAL CONTRIBUTIONS	296,993.3	423,883.7	370,923.0	458,221.1	428,228.6	438,884.9	118,674.1	136,960.8	100,054.1	104,787.3
Cumulative change in net position due to restatements^{1,2}	-	-	(50,718.9)	-	-	-	(61,605.2)	-	-	-
CHANGE IN NET POSITION¹	\$ 330,847.3	\$ 305,690.4	\$ 163,904.0	\$ 285,779.1	\$ 477,013.2	\$ 131,467.8	\$ (8,568.8)	\$ 116,529.9	\$ 79,208.4	\$ 86,210.9

¹ Amounts for years prior to 2008 have not been revised due to restatements recorded during the Airports Authority's 2011 and 2010 fiscal years. The amount of these restatements to any one specific year prior to 2008 is not determinable based on existing Airports Authority records. A summary of the impact of these adjustments is as follows:

Years prior to 2008 (cumulative)

Increases in operating expenses due to restatements	
Increase in materials, equipment, supplies, contract services and other	\$ 5,603.2
Increase in depreciation and amortization	24,485.5
Change in operating expenses due to restatements	<u>30,088.7</u>
Change in operating income (loss)	<u>(30,088.7)</u>
Decreases in non-operating revenues (expenses) due to restatements	
Decrease in investment income	(29,513.3)
Decrease in interest expense	(2,003.2)
Change in non-operating revenues (expenses) due to restatements	<u>(31,516.5)</u>
Change in gain (loss) before capital contributions	<u>(61,605.2)</u>
Cumulative change in net position due to restatements	<u>\$ (61,605.2)</u>

² Cumulative adjustment for 2011 relates to change in accounting principle with the implementation of GASB Statement No. 65. Please see Note 2 for more information.

Source: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



Exhibit S-3 – Operating Expenses by Business Unit (Expressed in Thousands)

	2013	2012 ^{5,6}	2011 ⁶	2010 ⁶	2009	2008	2007	2006	2005	2004
REAGAN NATIONAL										
Materials, equipment, supplies, contract services, and other	\$ 64,364.3	\$ 58,069.0	\$ 56,509.9	\$ 55,813.2	\$ 47,846.1	\$ 49,691.4	\$ 58,393.0	\$ 49,285.6	\$ 44,273.9	\$ 43,028.1
Salaries and related benefits	64,001.4	61,879.4	59,716.2	59,799.5	56,522.7	56,112.1	53,294.8	47,818.9	47,660.8	41,725.6
Utilities	8,678.7	8,933.9	8,345.5	8,060.0	9,360.5	8,687.4	7,623.1	7,083.2	6,977.5	6,042.5
Travel	339.1	357.3	539.1	397.7	319.4	524.8	629.2	598.1	521.5	518.3
Insurance	4,163.7	4,246.1	3,657.8	3,654.2	3,696.6	4,116.5	4,448.7	3,463.5	3,715.0	3,790.6
Loss (proceeds) from disposal of capital assets	29.5	0.6	(46.8)	(116.7)	(115.4)	(132.0)	(45.1)	(67.8)	65.6	78.0
Non-capitalized facility projects	934.6	2,499.3	1,788.7	1,982.1	929.1	635.1	1,926.3	1,535.9	1,699.9	1,054.6
Lease from U.S. Government	2,667.6	2,652.0	2,590.3	2,550.5	2,388.6	2,478.9	2,415.1	2,344.9	2,252.7	2,187.7
Depreciation and amortization	8,088.0	6,466.8	6,714.6	8,923.1	9,271.3	13,546.1	11,571.8	10,584.6	10,894.5	13,154.6
Total Reagan National Expenses	153,266.9	145,104.4	139,815.3	141,063.6	130,218.9	135,660.3	140,256.9	122,646.9	118,061.4	111,580.0
DULLES INTERNATIONAL										
Materials, equipment, supplies, contract services, and other	108,144.2	104,034.2	101,754.1	103,955.9	76,608.5	80,837.2	87,758.6	82,318.7	76,630.2	70,323.6
Salaries and related benefits	91,552.7	89,528.5	88,176.1	88,302.8	83,870.6	80,236.6	75,067.2	65,992.3	66,090.0	57,018.3
Utilities	17,216.1	18,166.7	17,993.1	16,078.9	18,562.0	16,475.0	13,301.3	13,091.7	14,321.1	12,223.2
Travel	376.5	410.5	541.0	458.4	358.3	583.2	670.1	647.8	517.0	485.8
Insurance	4,498.3	4,246.1	3,656.6	3,654.2	3,693.5	4,116.5	4,448.7	3,463.5	3,715.5	3,790.6
Loss (proceeds) from disposal of capital assets	41.4	72.3	(67.8)	(111.2)	(117.2)	84.3	78.4	(24.2)	129.0	122.2
Non-capitalized facility projects	785.0	2,383.2	819.3	1,205.6	(26.0)	504.6	1,583.4	740.6	601.5	556.0
Lease from U.S. Government	2,667.6	2,652.0	2,590.3	2,550.6	6,017.0	2,479.3	2,415.1	2,344.9	2,252.7	2,187.7
Depreciation and amortization	9,670.6	9,155.5	9,320.7	10,963.5	12,112.0	30,409.8	27,277.5	26,310.0	26,408.4	25,855.4
Total Dulles International Expenses	234,952.4	230,649.0	224,783.4	227,058.7	201,078.7	215,726.5	212,600.3	194,885.3	190,665.4	172,562.8
DULLES TOLL ROAD										
Materials, equipment, supplies, contract services, and other	19,162.4	16,766.6	18,188.7	19,415.6	22,089.6	9,424.5	-	-	-	-
Salaries and related benefits	7,219.0	6,985.1	6,900.1	6,421.3	2,484.8	58.2	-	-	-	-
Utilities	203.3	172.3	217.1	171.6	122.8	-	-	-	-	-
Travel	25.8	31.2	36.7	18.5	44.4	10.8	-	-	-	-
Insurance	357.3	587.2	597.4	551.5	1,069.3	177.2	-	-	-	-
Loss (proceeds) from disposal of capital assets	0.2	-	(2.7)	(6.2)	(0.7)	-	-	-	-	-
Non-capitalized facility projects	797.0	147.5	398.5	66.2	13.0	-	-	-	-	-
Depreciation and amortization	1,194.1	154.4	164.8	77.7	141.9	3.2	-	-	-	-
Total Dulles Toll Road Expenses	28,959.1	24,844.3	26,500.6	26,716.2	25,965.1	9,673.9	-	-	-	-
DULLES METRORAIL PROJECT										
Materials, equipment, supplies, contract services, and other	1,509.5	1,957.0	1,790.4	1,238.9	1,255.1	415.6	-	-	-	-
Salaries and related benefits	3,478.0	2,778.1	2,398.0	1,839.6	1,586.6	154.5	-	-	-	-
Utilities	21.8	19.6	20.0	18.4	70.4	-	-	-	-	-
Travel	21.9	18.8	17.3	13.3	44.8	-	-	-	-	-
Insurance	0.4	(9.0)	1.6	5.2	16.6	-	-	-	-	-
Loss (proceeds) from disposal of capital assets	-	-	(1.4)	(2.9)	(4.2)	-	-	-	-	-
Non-capitalized facility projects	-	-	(4.4)	24.3	13.8	-	-	-	-	-
Depreciation and amortization	4,427.7	5,092.0	3,761.8	3,446.0	102.5	5.0	-	-	-	-
Total Dulles Metrorail Project Expenses	9,459.3	9,856.5	7,983.3	6,582.8	3,085.6	575.1	-	-	-	-
WASHINGTON FLYER EXPENSES	-	-	-	-	-	-	-	176.5	1,428.6	1,359.7
WASHINGTON FLYER MAGAZINE EXPENSES ¹	-	-	-	-	-	-	-	-	-	352.0
TELECOMMUNICATIONS EXPENSES	4,949.2	5,193.9	4,613.6	4,243.3	5,128.8	5,606.8	5,361.9	5,441.5	5,558.6	5,324.8
FAA AIR TRAFFIC CONTROL TOWER EXPENSES ²	154.5	172.7	183.3	241.9	232.1	340.7	213.2	30.6	-	-
45025 AVIATION DRIVE EXPENSES ³	1,203.2	1,197.2	1,331.9	1,430.0	1,198.9	1,406.1	1,233.7	1,234.6	1,302.0	1,146.5
CONSTRUCTION PROGRAMS⁴										
Materials, equipment, supplies, contract services, and other	2,994.8	5,712.2	6,307.6	2,500.6	2,677.6	12,281.0	3,400.9	2,425.6	1,469.5	(568.0)
Loss (proceeds) from disposal of capital assets	-	42,013.0	82.0	5.9	8.4	84,776.6	12,708.7	-	-	-
Non-capitalized facility projects	15,116.3	6,610.8	7,676.2	3,866.7	3,707.4	1,960.3	242.4	652.2	1,606.9	190.8
Depreciation and amortization	219,641.9	235,796.5	194,697.0	195,012.2	163,648.7	120,242.7	102,537.3	95,543.0	94,316.9	86,345.2
Total Construction Programs Expenses	237,753.0	290,132.5	208,762.8	201,385.4	170,042.1	219,260.7	118,889.3	98,620.8	97,393.3	85,968.0
TOTAL EXPENSES	\$ 670,697.6	\$ 707,150.5	\$ 613,974.2	\$ 608,721.9	\$ 536,950.2	\$ 588,250.1	\$ 478,555.3	\$ 423,036.2	\$ 414,409.3	\$ 378,293.8

¹ The Airports Authority converted the Washington Flyer Magazine Program to a management contract in 2005. Separate reporting has been discontinued.

² FAA Air Traffic Control Tower was completed in 2006.

³ 45025 Aviation Drive is inclusive of all expense classifications.

⁴ Construction programs consists of the Aviation Enterprise Capital Construction Program and the Dulles Corridor Capital Improvement Program.

⁵ Expenses for 2012 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 65. Please see Note 2 for more information.

⁶ Certain amounts for 2010 through 2012 have been reclassified to be consistent with current year reporting.

Source: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



Exhibit S-4 – Operating Revenues by Business Unit (Expressed in Thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REAGAN NATIONAL										
Airline:										
Rents	\$ 87,000.4	\$ 82,203.8	\$ 85,704.4	\$ 81,175.2	\$ 73,828.0	\$ 66,302.8	\$ 67,234.1	\$ 63,938.0	\$ 63,568.0	\$ 62,236.9
Landing fees	51,570.6	45,345.2	41,756.2	40,143.3	32,928.4	32,290.3	30,149.2	32,057.9	29,445.5	31,328.2
Total Airline Revenues	138,571.0	127,549.0	127,460.6	121,318.5	106,756.4	98,593.1	97,383.3	95,995.9	93,013.5	93,565.1
Non-Airline:										
Concessions:										
Parking	49,704.7	48,167.8	44,853.2	43,684.4	41,764.0	43,980.2	44,569.9	40,459.6	37,647.4	35,285.0
Rental cars	18,544.4	18,562.1	21,667.9	28,169.9	23,248.3	20,736.1	19,432.8	16,411.3	16,065.9	14,566.0
Terminal concessions:										
Food and beverage	9,411.2	8,567.9	7,927.0	7,563.4	7,109.1	7,117.4	6,801.0	6,359.5	4,906.5	3,185.5
News stands	3,477.4	3,119.1	3,044.2	2,932.1	2,733.6	2,731.8	2,558.1	2,228.8	1,951.2	1,736.4
Retail	2,479.8	2,427.6	2,432.4	2,362.3	2,474.8	2,531.5	2,564.3	2,601.7	2,763.8	2,493.4
Display advertising	5,546.4	4,786.8	5,083.1	5,835.3	4,121.5	4,105.4	3,715.3	3,072.0	3,150.0	3,150.0
Ground transportation ¹	5,230.7	4,955.9	4,807.7	4,621.0	3,745.3	3,183.1	3,373.40	-	-	-
Services	70.6	69.8	76.5	84.6	96.0	576.7	239.9	219.3	201.9	192.3
Inflight catering	1,108.8	855.1	779.3	701.1	719.9	752.0	766.5	784.3	785.5	787.6
Fixed base operator	1,025.8	1,217.7	1,039.3	780.3	739.8	282.1	205.5	134.9	0.0	0.0
Duty free	83.7	83.4	74.8	42.2	49.7	52.8	40.9	36.3	33.3	19.7
All other	1,019.9	678.0	570.6	549.2	674.7	320.2	321.5	3,521.6	3,720.1	3,330.4
Total Concessions	97,703.4	93,491.2	92,356.0	97,325.8	87,476.7	86,369.3	84,589.1	75,829.3	71,225.6	64,746.3
Rents	8,149.9	7,946.5	7,769.3	9,259.1	9,368.1	7,349.9	7,254.0	7,267.2	8,424.7	9,055.5
Security	284.7	719.3	853.1	854.7	866.3	878.3	888.3	898.1	854.8	843.3
Utility sales	2,337.1	2,187.4	2,218.6	2,271.8	2,401.6	2,240.1	1,990.1	1,886.5	1,939.9	1,744.7
Other	2,481.9	2,183.8	2,530.0	1,681.0	1,801.5	2,651.3	1,695.5	1,553.5	4,083.1	1,650.5
Total Non-Airline Revenue	13,253.6	106,528.2	105,727.0	111,392.4	101,914.2	99,488.9	96,417.0	87,434.6	86,528.1	78,040.3
Total Reagan National Revenues	249,528.0	234,077.2	233,187.6	232,710.9	208,670.6	198,082.0	193,800.3	183,430.5	179,541.6	171,605.4
DULLES INTERNATIONAL										
Airline:										
Rents	185,723.7	187,250.7	159,425.8	112,189.2	86,335.9	78,354.7	75,075.8	71,961.8	69,886.1	62,372.3
Landing fees	76,816.2	66,937.5	68,499.5	61,494.6	64,006.2	49,999.3	48,533.3	41,317.6	46,913.6	44,946.1
International Arrival Building fees	26,363.2	25,702.1	21,407.8	18,012.6	11,897.4	9,372.0	9,100.2	9,394.9	8,849.9	12,295.1
Passenger Fees	6,005.8	6,721.2	7,676.6	6,652.5	17,508.0	17,703.5	18,294.4	14,777.1	16,874.0	15,950.3
Design Fees	-	-	-	-	-	20,361.2	-	-	-	-
Total Airline Revenues	294,908.9	286,611.5	257,009.7	198,348.9	179,747.5	175,790.7	151,003.7	137,451.4	142,523.6	135,563.8
Non-Airline:										
Concessions:										
Parking	60,409.1	60,775.6	64,083.1	66,466.6	65,957.7	71,125.6	71,958.9	68,608.0	75,769.0	64,396.8
Rental cars	17,871.7	16,870.9	17,038.7	16,135.2	15,616.9	15,213.1	14,985.7	13,790.7	14,484.9	13,458.5
Terminal concessions:										
Food and beverage	9,581.3	9,443.2	9,347.9	8,911.2	8,517.8	8,742.7	8,184.7	6,396.0	5,719.5	4,677.3
News stands	3,657.1	4,007.9	3,957.5	4,026.3	4,130.1	4,081.0	3,555.7	3,259.8	3,328.1	2,772.5
Retail	3,200.3	2,683.5	2,569.8	2,517.2	2,562.4	2,576.8	2,676.1	2,429.6	2,539.7	2,195.2
Display advertising	4,694.5	5,878.5	6,978.7	5,817.4	4,122.3	4,119.8	3,640.7	3,228.0	3,150.0	3,150.0
Ground transportation ¹	4,540.1	3,891.9	2,980.1	3,804.2	3,570.3	3,185.6	1,410.60	-	-	-
Services	3,341.7	3,263.3	3,162.0	3,260.6	3,329.6	5,515.2	5,374.0	5,372.2	5,293.9	4,682.8
Inflight catering	8,896.5	7,070.0	6,393.2	6,067.5	5,985.2	6,120.9	5,476.0	4,882.3	4,682.9	4,761.3
Fixed base operator	14,516.7	14,249.5	13,070.1	11,779.8	11,613.1	12,430.0	11,779.6	10,448.7	7,602.8	4,802.7
Duty free	4,583.1	4,372.3	3,934.4	3,158.1	2,831.4	3,757.5	3,381.5	2,892.4	3,133.1	2,700.0
All other	3,258.6	1,722.1	1,728.5	1,703.6	1,747.7	473.3	474.2	1,843.5	1,464.1	1,373.4
Total Concessions	138,550.7	134,228.7	135,244.0	133,647.7	129,984.5	137,341.5	132,897.7	123,151.2	127,168.0	108,970.5
Rents	20,091.3	19,852.7	18,085.8	19,259.4	19,372.2	14,402.3	11,917.6	11,396.1	10,358.8	8,066.0
Security	175.2	300.2	393.7	393.7	393.7	400.4	401.2	404.8	394.4	386.0
Utility sales	5,738.2	5,456.5	5,624.9	5,832.8	6,474.3	6,565.6	5,298.8	5,462.4	5,322.2	4,950.1
Other	5,626.1	5,976.6	5,851.2	4,828.2	4,598.3	9,039.1	4,668.5	4,254.1	4,668.6	3,884.3
Total Non-Airline Revenues	31,630.8	165,814.7	165,199.6	163,961.8	160,823.0	167,748.9	155,183.8	144,668.6	147,912.0	126,256.9
Total Dulles International Revenues	465,090.4	452,426.2	422,209.3	362,310.7	340,570.5	343,539.6	306,187.5	282,120.0	290,435.6	261,820.7
DULLES TOLL ROAD										
Tolls	127,059.3	101,596.1	94,659.5	88,038.2	64,893.6	10,416.5	-	-	-	-
Other	0.5	7.7	-	-	-	-	-	-	-	-
Total Dulles Toll Road	127,059.8	101,603.8	94,659.5	88,038.2	64,893.6	10,416.5	-	-	-	-
WASHINGTON FLYER										
	-	-	-	-	-	-	-	118.5	2,007.0	1,575.7
WASHINGTON FLYER MAGAZINE										
	-	-	-	-	-	-	-	-	4.7	352.0
TELECOMMUNICATIONS										
	3,879.8	3,866.7	3,931.5	4,157.2	4,119.3	4,179.9	4,414.7	3,900.0	3,673.6	5,345.7
FAA AIR TRAFFIC CONTROL TOWER										
	3,709.2	3,701.0	3,696.1	3,686.0	3,717.9	3,698.9	3,582.4	-	-	-
45025 AVIATION DRIVE²										
	815.9	876.5	951.4	1,009.9	1,375.1	1,444.5	2,491.2	1,599.6	1,559.2	1,586.6
TOTAL REVENUES	\$ 850,083.1	\$ 796,551.4	\$ 758,635.4	\$ 691,912.9	\$ 623,347.0	\$ 561,361.4	\$ 510,476.1	\$ 471,168.6	\$ 477,221.7	\$ 442,286.1

¹ Ground transportation was reported as other revenue in years prior to 2007.

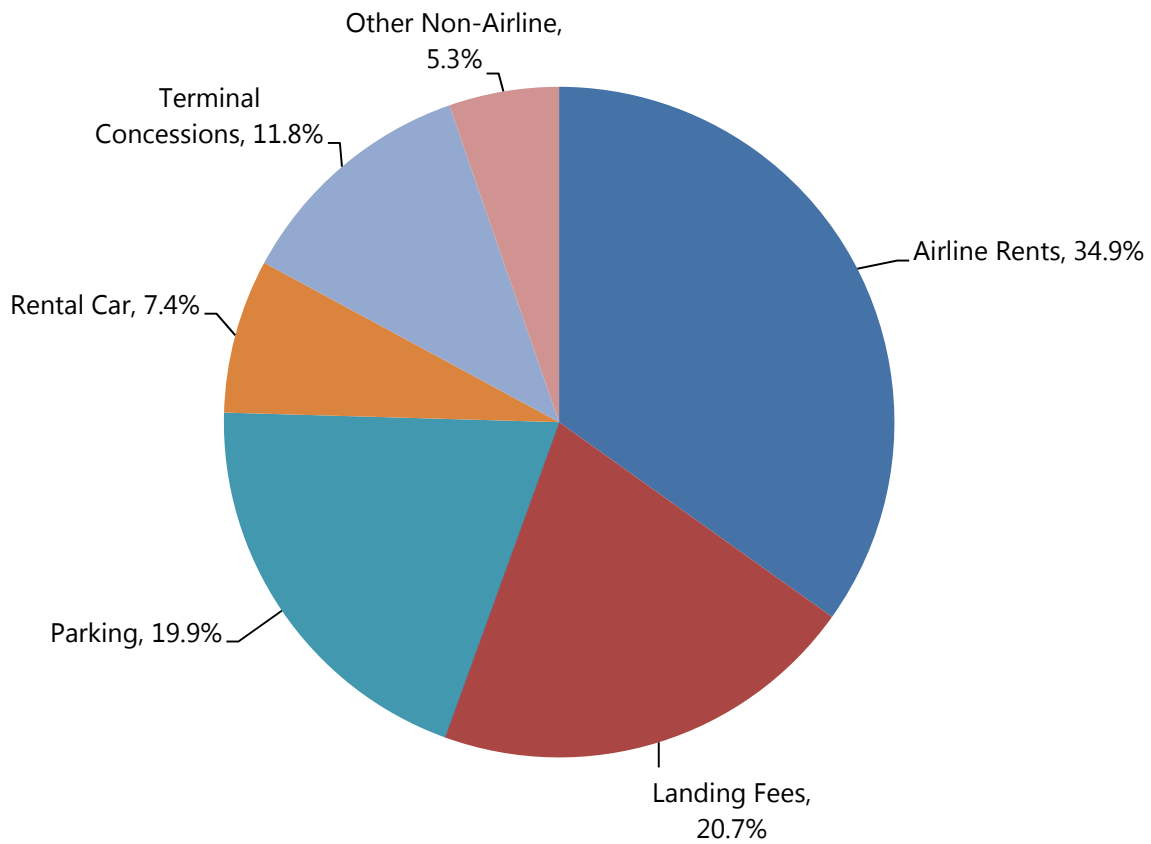
² 45025 Aviation Drive revenues include rents and utilities.

Source: Airports Authority Records



Exhibit S-5 – Operating Revenues – Reagan National

2013

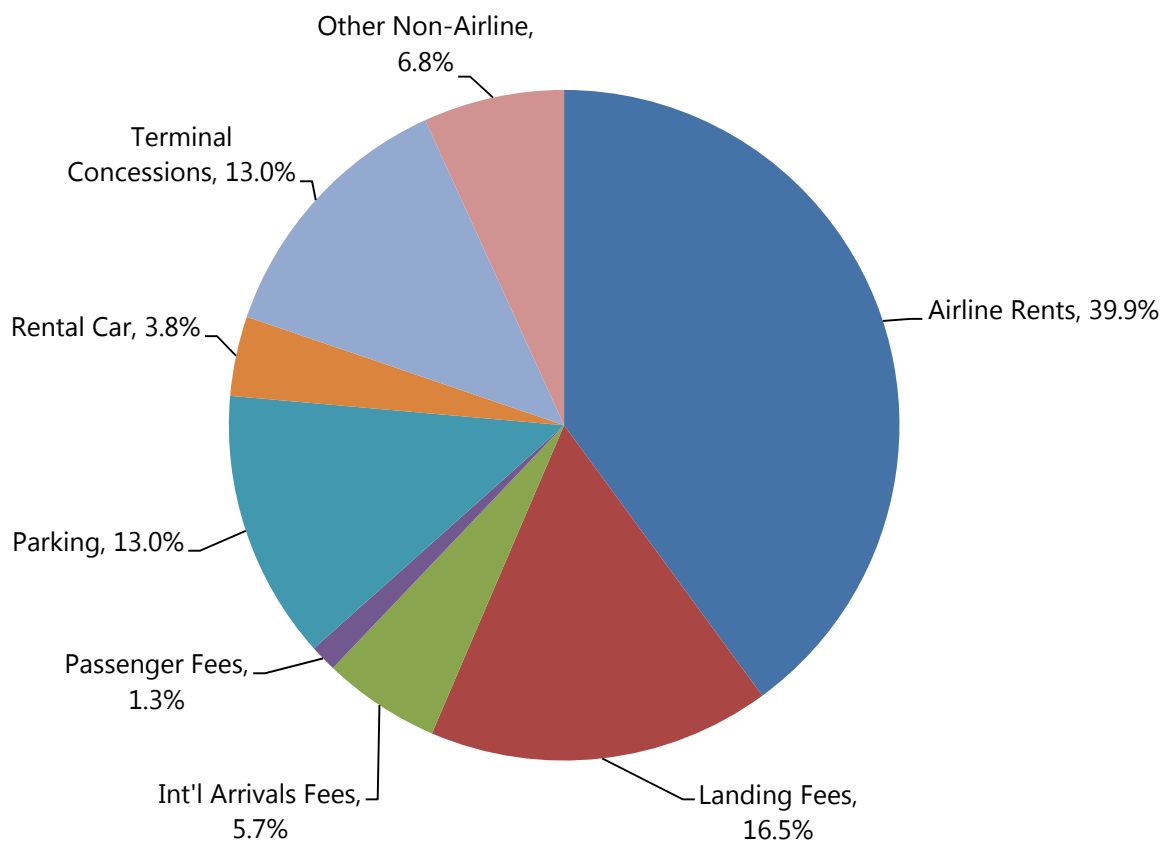


Source: Airports Authority Records



Exhibit S-6 – Operating Revenues – Dulles International

2013



Source: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



Exhibit S-7 – Rates and Charges

Reagan National Rates

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Signatory Airline Rates										
Landing Fee	\$ 4.19	\$ 3.55	\$ 3.42	\$ 3.16	\$ 2.81	\$ 2.55	\$ 2.34	\$ 2.26	\$ 2.16	\$ 2.41
Signatory Airline Cost Per Enplanement	\$ 14.19	\$ 12.28	\$ 13.94	\$ 12.84	\$ 12.49	\$ 10.95	\$ 10.51	\$ 10.02	\$ 10.22	\$ 11.84
Terminal A - Average Rate	\$ 157.51	\$ 145.23	\$ 160.22	\$ 174.48	\$ 111.55	\$ 103.47	\$ 100.73	\$ 84.22	\$ 68.76	\$ 69.46
Terminal B & C - Average Rate	\$ 207.32	\$ 191.82	\$ 208.51	\$ 194.94	\$ 180.68	\$ 162.87	\$ 169.51	\$ 156.22	\$ 150.16	\$ 150.44
Type 6 - Covered/Unenclosed	\$ 5.13	\$ 5.57	\$ 5.55	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85	\$ 5.68	\$ 5.49	\$ 5.21
Type 7 - Uncovered/Unenclosed	\$ 1.28	\$ 1.39	\$ 1.39	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46	\$ 1.42	\$ 1.37	\$ 1.30
Non-Signatory Airline Rates										
General Aviation Landing Fees	\$ 4.30	\$ 3.86	\$ 3.59	\$ 3.52	\$ 2.93	\$ 2.89	\$ 2.82	\$ 2.66	\$ 2.40	\$ 2.80
Landing Fee	\$ 5.37	\$ 4.83	\$ 4.48	\$ 4.40	\$ 3.66	\$ 3.61	\$ 3.52	\$ 3.33	\$ 3.00	\$ 2.80
Terminal A	\$ 165.83	\$ 154.95	\$ 148.47	\$ 175.85	\$ 111.15	\$ 106.40	\$ 115.79	\$ 92.79	\$ 84.81	\$ 92.93
Terminal B & C	\$ 236.82	\$ 223.82	\$ 229.12	\$ 213.51	\$ 199.45	\$ 185.11	\$ 193.36	\$ 172.31	\$ 169.93	\$ 167.07
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

Dulles International Rates

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Signatory Airline Rates										
Landing Fee	\$ 4.23	\$ 3.72	\$ 3.50	\$ 3.44	\$ 3.14	\$ 2.60	\$ 2.37	\$ 2.06	\$ 2.00	\$ 2.52
Signatory Airline Cost Per Enplanement	\$ 27.29	\$ 25.84	\$ 20.25	\$ 17.16	\$ 14.21	\$ 13.11	\$ 12.11	\$ 11.57	\$ 10.40	\$ 12.34
Concourse C & D	\$ 87.07	\$ 91.69	\$ 74.24	\$ 57.12	\$ 38.37	\$ 29.14	\$ 31.43	\$ 29.48	\$ 29.32	\$ 35.39
Concourse B	\$ 167.33	\$ 178.71	\$ 140.80	\$ 78.53	\$ 62.18	\$ 55.94	\$ 70.48	\$ 61.39	\$ 69.94	\$ 65.24
Main Terminal	\$ 349.40	\$ 362.73	\$ 277.55	\$ 198.18	\$ 142.72	\$ 131.84	\$ 129.23	\$ 125.19	\$ 128.72	\$ 120.69
Concourse A	\$ 290.57	\$ 317.42	\$ 226.91	\$ 188.48	\$ 144.38	\$ 142.05	\$ 144.59	\$ 80.36	\$ 54.22	\$ 65.53
Z-Gates	\$ 139.17	\$ 149.29	\$ 153.12	\$ 172.95	\$ 57.82	\$ 81.33	\$ 258.65	\$ 177.24	\$ 173.82	N/A
Type 6 - Covered/Unenclosed	\$ 5.47	\$ 5.35	\$ 5.42	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85	\$ 5.68	\$ 5.49	\$ 5.21
Type 7 - Uncovered/Unenclosed	\$ 1.37	\$ 1.34	\$ 1.36	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46	\$ 1.42	\$ 1.37	\$ 1.30
Airside Operations Building	\$ 40.44	\$ 48.94	\$ 38.38	\$ 33.77	\$ 25.28	\$ 19.97	\$ 21.52	\$ 20.89	\$ 12.60	\$ 10.11
International Arrivals Building	\$ 8.76	\$ 8.31	\$ 6.59	\$ 6.55	\$ 4.10	\$ 3.53	\$ 3.61	\$ 4.09	\$ 4.50	\$ 5.57
Apron Operations Building	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15.25
Concourse C International Arrival Building	\$ 9.60	\$ 9.16	\$ 6.52	\$ 4.72	\$ 2.98	\$ 1.78	\$ 2.04	\$ 2.33	\$ 1.73	\$ 6.53
Passenger Conveyance	\$ 1.83	\$ 2.08	\$ 2.40	\$ 2.20	\$ 2.02	\$ 2.02	\$ 1.92	\$ 1.74	\$ 1.61	\$ 1.54
Non-Signatory Airline Rates										
General Aviation Landing Fee	\$ 4.75	\$ 4.15	\$ 4.23	\$ 4.09	\$ 4.32	\$ 3.54	\$ 3.20	\$ 2.90	\$ 2.71	\$ 2.43
Landing Fee	\$ 6.26	\$ 5.46	\$ 5.56	\$ 5.38	\$ 5.68	\$ 4.66	\$ 4.21	\$ 3.81	\$ 3.57	\$ 2.43
Concourse C & D	\$ 92.04	\$ 88.29	\$ 83.93	\$ 65.96	\$ 54.98	\$ 46.74	\$ 47.65	\$ 45.32	\$ 42.08	\$ 37.96
Concourse B	\$ 167.32	\$ 169.92	\$ 155.86	\$ 95.20	\$ 81.87	\$ 67.80	\$ 83.61	\$ 75.21	\$ 74.24	\$ 54.12
Main Terminal	\$ 401.15	\$ 405.23	\$ 333.25	\$ 253.13	\$ 210.52	\$ 202.98	\$ 193.65	\$ 179.29	\$ 174.62	\$ 138.24
International Arrivals Building	\$ 9.27	\$ 9.41	\$ 7.61	\$ 7.18	\$ 5.28	\$ 4.74	\$ 4.72	\$ 5.25	\$ 5.86	\$ 5.65
Concourse C International Arrival Building	\$ 9.03	\$ 9.89	\$ 8.40	\$ 7.71	\$ 4.80	\$ 3.43	\$ 3.81	\$ 4.31	\$ 4.31	\$ 7.33
Concourse A	\$ 297.90	\$ 336.02	\$ 270.24	\$ 226.58	\$ 195.45	\$ 185.13	\$ 145.13	\$ 103.08	\$ 72.46	\$ 73.69
Z-Gates	\$ 97.06	\$ 158.08	\$ 141.76	\$ 194.60	\$ 187.23	\$ 178.91	\$ 282.72	\$ 226.76	\$ 173.82	N/A

Passenger Facility Charges

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Reagan National	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Two-Axle Vehicles										
Main Plaza	\$ 1.75	\$ 1.50	\$ 1.25	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.50
Ramp Plaza	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.25

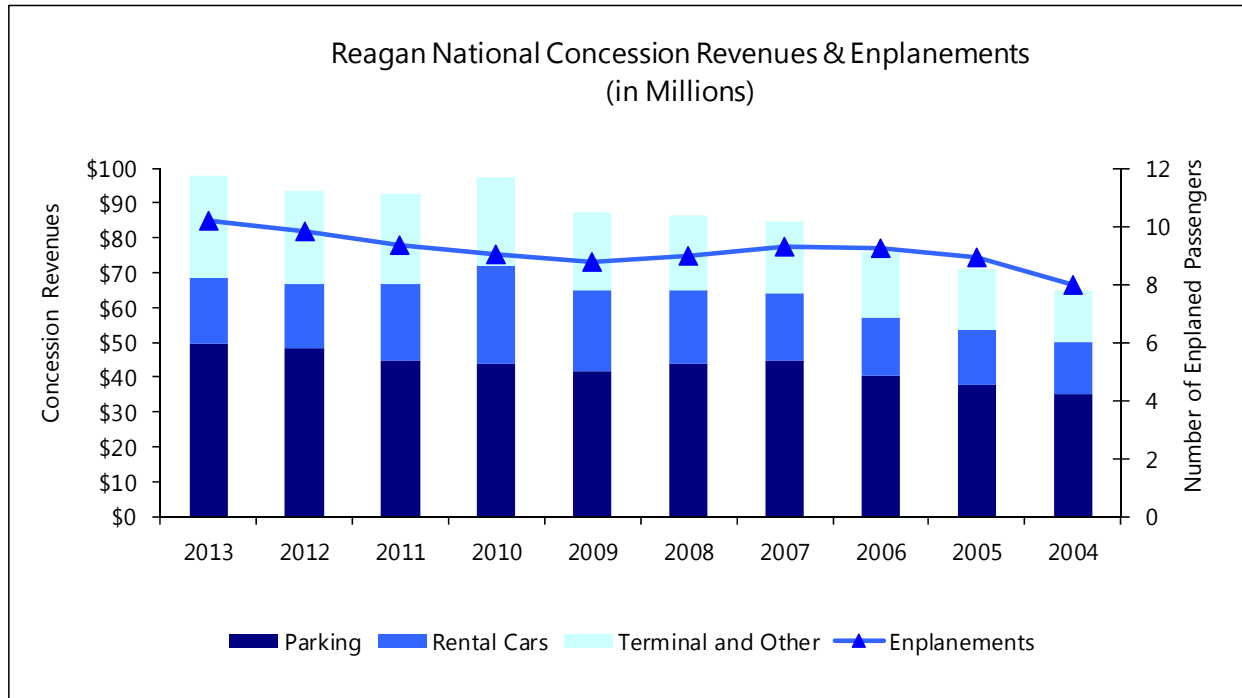
As discussed in Note 3 - Airport Use Agreement and Premises Lease (Use and Lease Agreement), airline rates and charges are calculated pursuant to the formulas set forth in the Use and Lease Agreement. The Use and Lease Agreement provides for the calculation of annual rates and charges, with rate adjustments 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.

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 twelve 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.

Source: Airports Authority Records



Exhibit S-8 – Concession Revenues and Enplanements – Reagan National



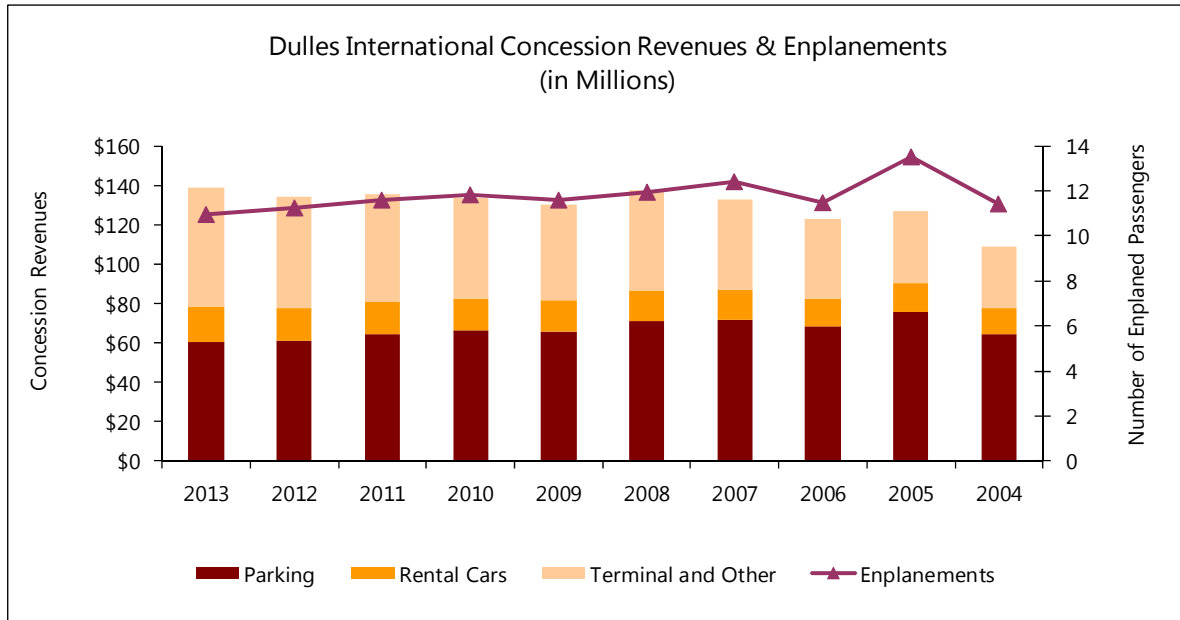
Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic factors. Enplanements at Reagan National set a new record in 2013.

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 revenue, 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. As passenger enplanements have increased over the past several years, so too have concession revenue. Parking revenue, for example, has increased 19.0 percent from 2009. Likewise, food and beverage revenue has increased 32.4 percent during the same period and advertising revenue has increased 34.6 percent. However, rental car revenue has declined because in June, 2011, the fixed component of the rental cars contract was renegotiated as part of a new contract.

Source: Airports Authority Records



Exhibit S-9 – Concession Revenues and Enplanements – Dulles International



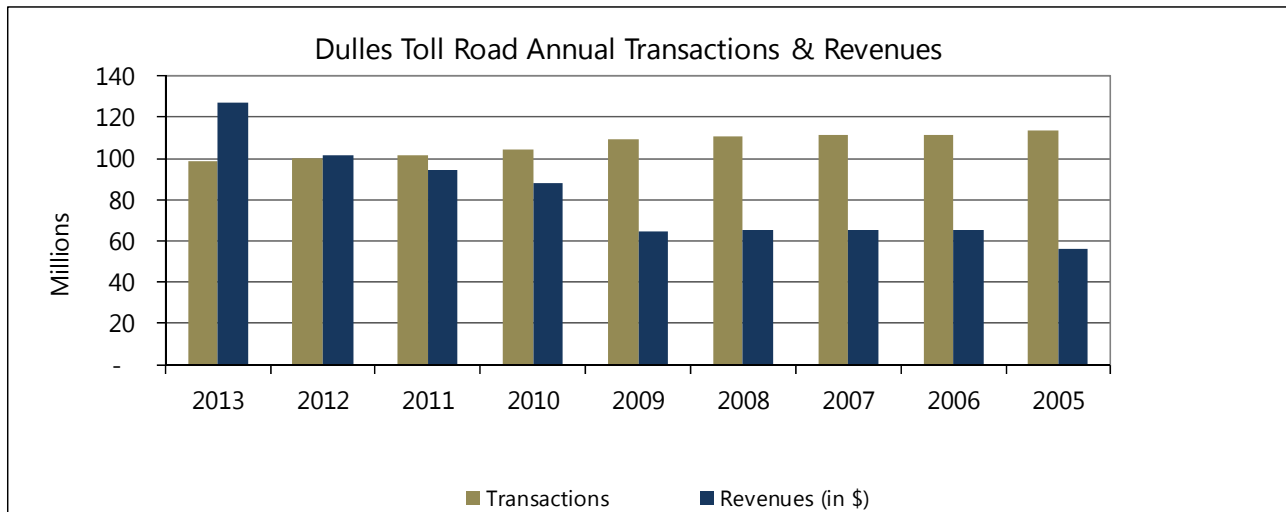
Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic variables. Enplanements at Dulles International fell in 2013 due to declining domestic enplanements. However, international enplanements set a new record in 2013. Enplanements grew rapidly in 2004 and 2005, largely due to Independence Air's operations but fell sharply after the airline ceased operations in 2006. Since 2006, total enplanements have declined only slightly.

Concession revenues, which are directly correlated with passenger enplanements, makes up the vast majority of the Airports Authority's non-airline revenues. The Airports Authority retains all risk related to the fluctuation of parking revenue, its largest concession revenue source. Parking revenue is highly dependent on passenger traffic and varies year to year. Since Independence Air ceased operations in 2006, parking revenue has declined 12.0 percent. 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 strong concession revenue despite lower enplanement figures in recent years. Total concession revenue per enplaned passenger increased from \$10.71 in 2006 to \$12.66 in 2013, an 18.2 percent increase. Since 2006, rental car revenue increased 29.6 percent, food and beverage increased 49.8 percent, inflight catering increased 82.2 percent, display advertising increased 45.4 percent, and newsstand and retail increased a combined 20.5 percent.

Source: Airports Authority Records



Exhibit S-10 – Dulles Toll Road Transactions and Revenues



Annual transactions include the total number of transactions, which includes the number of revenue transactions (i.e., each recorded toll payment, whether mainline or ramp), non-revenue transactions (i.e., police, emergency vehicles, military vehicles, etc.), 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, a third in January 2011, a fourth in January 2012, and a fifth in January 2013. The Dulles Toll Road was transferred to the Airports Authority on November 1, 2008.

The chart above includes VDOT data for years 2005-2008 and Airports Authority data for years 2008-2012.

*Non-revenue transaction data is not available prior to 2009.

Source: Airports Authority Records, VDOT



Exhibit S-11 – Dulles Toll Road Monthly Transactions

	2013	2012	2011	2010	2009	2008	2007	2006	2005
January	7,919,077	8,025,526	7,824,547	8,299,024	8,466,696	9,207,781	9,198,057	9,109,306	9,196,216
February	7,409,382	7,889,749	7,764,687	6,657,821	8,416,445	8,709,460	8,023,545	8,422,303	8,786,162
March	7,979,292	8,687,041	9,018,150	9,349,797	9,310,414	9,351,455	9,686,308	9,941,362	10,111,654
April	8,596,720	8,181,616	8,483,334	9,199,462	9,337,263	9,585,976	9,246,736	9,120,164	9,948,766
May	8,773,942	8,717,049	8,835,657	9,115,093	9,360,939	9,578,599	9,856,502	9,779,415	9,906,511
June	8,388,250	8,726,637	8,949,690	9,389,948	9,630,452	9,385,082	9,581,354	9,756,929	9,872,015
July	8,437,968	8,418,845	8,375,850	9,011,255	9,508,324	9,478,858	9,338,507	9,192,347	9,251,263
August	8,550,839	8,700,075	8,681,495	9,016,174	9,298,209	9,158,359	9,698,127	9,706,925	9,698,296
September	8,293,200	8,113,485	8,476,912	8,748,923	9,173,068	9,185,049	9,087,941	9,066,103	9,228,605
October	8,713,861	8,428,482	8,724,624	9,140,399	9,573,659	9,731,826	9,903,111	9,692,059	9,483,395
November	7,944,233	8,161,592	8,169,587	8,420,491	8,710,278	8,482,508	9,030,545	8,976,611	9,041,300
December	7,669,453	7,844,178	8,230,422	8,337,797	8,546,869	8,943,949	8,634,873	8,959,341	8,959,171
Total	98,676,217	99,894,275	101,534,955	104,686,184	109,332,616	110,798,902	111,285,606	111,722,865	113,483,354

Notes:

- 1) Toll rates were adjusted in May 2005, January 2010, January 2011, January 2012, and January 2013.
- 2) Transactions include cash and electronic transactions, violations, and non-revenue transactions (i.e., police, emergency vehicles, military vehicles, etc.).
- 3) Non-revenue transaction data prior to 2009 is not available.
- 4) Monthly transaction data prior to 2005 is not available.

Sources: VDOT for 2005-October 2008 data; Airports Authority Records for November 2008-2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



Exhibit S-12 – Top 10 Payors

PAYOR ¹	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
United Airlines ²	\$ 200,836,207	\$ 195,607,915	\$ 132,761,970	\$ 117,389,911	\$ 97,782,264	\$ 91,135,655	\$ 84,680,832	\$ 67,790,432	\$ 56,420,978	\$ 72,633,370
US Airways	56,417,666	42,523,675	43,538,638	39,941,628	38,060,252	36,106,513	36,461,505	33,401,313	35,626,226	34,225,469
Delta Airlines	35,998,400	37,438,965	31,832,207	24,763,314	17,974,561	15,845,321	15,585,066	15,311,064	17,962,266	22,576,592
American Airlines	28,574,259	26,924,185	25,628,008	22,380,542	20,472,606	19,362,364	19,237,901	18,470,865	18,058,028	20,408,805
Southwest ³	12,571,064	*	*	*	*	*	*	*	*	*
Signature Flight Support	12,233,542	9,961,070	9,654,269	8,282,227	9,202,521	8,904,302	8,261,740	*	*	*
JetBlue Airways	11,108,347	11,318,923	10,399,704	*	*	*	*	*	*	*
Hertz Rent-A-Car	10,441,012	11,262,291	11,749,340	12,397,487	11,751,506	10,910,269	10,084,507	9,451,974	8,897,173	9,833,202
JC Dedeaux/AK Media	10,262,622	10,804,427	11,969,794	11,751,277	8,245,804	8,364,731	*	*	7,155,910	5,775,000
British Airways	10,259,009	9,973,602	*	*	*	*	*	*	*	*
Landmark Aviation	*	9,890,712	10,093,319	*	*	8,319,844	8,624,059	8,566,513	*	*
Continental Airlines	*	*	9,984,056	8,267,352	8,161,420	*	8,286,042	7,669,611	7,875,267	8,607,773
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
Northwest Airlines	*	*	*	*	*	8,218,269	8,173,164	7,932,314	7,531,302	9,008,103
Mesa Airlines	*	*	*	*	*	*	*	7,952,342	*	*
Atlantic Coast Airlines / Independence	*	*	*	*	*	*	*	*	22,306,764	13,858,908
TOTAL ⁴	\$ 388,702,128	\$ 365,705,765	\$ 297,611,305	\$ 263,570,028	\$ 228,463,048	\$ 215,223,507	\$ 207,183,237	\$ 183,754,035	\$ 189,070,480	\$ 204,187,712

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

¹ Payors are determined based on invoiced tenant. Amounts exclude payments made by payors on behalf of other tenants per agreements between tenants.

² United Airlines includes amounts from Continental Airlines in 2013 to reflect the combined operating certificate issued on November 30, 2011.

³ Southwest includes amounts from AirTran in 2013 to reflect the combined operating certificate issued on March 1, 2012.

⁴ Passenger facility charges and grants are excluded from amounts.

Source: Airports Authority Records



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



Exhibit S-13 – Debt Service Coverage – Aviation Enterprise Fund

	2013	2012 ⁴	2011	2010
NET REVENUE:				
Operating Revenue	\$ 723,023,251	\$ 694,947,564	\$ 663,975,831	\$ 603,874,716
Revenue Adjustments ¹	(26,773,503)	(28,946,572)	(22,231,153)	(28,660,133)
Prior Year Transfers ²	61,907,217	61,560,812	61,613,810	65,848,672
Adjusted Revenue	758,156,965	727,561,804	703,358,488	641,063,255
Operating Expenses	630,771,681	673,038,768	578,768,172	573,920,149
Operating Expenses Adjustments ³	(307,615,823)	(365,677,287)	(274,239,044)	(281,071,560)
Direct Operating Expenses	323,155,858	307,361,481	304,529,128	292,848,589
Net Revenue Available for Debt Service	435,001,107	420,200,323	398,829,360	348,214,665
DEBT SERVICE				
1990A Airport System Revenue Bonds	-	-	-	-
1992A Airport System Revenue Bonds	-	-	-	-
1993A Airport System Revenue & Refunding Bonds	-	-	-	-
1993B Airport System Revenue & Refunding Bonds	-	-	-	-
1994A Airport System Revenue Bonds	-	-	-	-
1997A Airport System Revenue Bonds	-	-	-	-
1997B Airport System Revenue Bonds	-	-	-	-
1997C Airport System Revenue & Refunding Bonds	-	-	-	-
1998A Airport System Revenue Bonds	-	-	-	-
1998B Airport System Revenue & Refunding Bonds	-	-	1,131,638	12,232,774
1999A Airport System Revenue & Refunding Bonds	-	-	-	3,498,470
2001A Airport System Revenue Bonds	-	1,977,993	13,958,418	17,088,664
2001B Airport System Revenue Bonds	-	-	664,264	877,895
2002A Airport System Revenue Bonds	-	7,032,131	10,176,763	8,959,111
2002B Airport System Revenue Bonds	-	508,463	678,816	678,794
2002C Airport System Revenue Variable Rate Refunding Bonds	-	-	12,988,294	15,543,684
2002D Airport System Revenue Refunding Bonds	-	4,036,507	6,539,153	5,735,734
2003A Airport System Revenue Refunding Bonds	6,187,091	11,868,132	10,759,464	9,127,960
2003B Airport System Revenue Refunding Bonds	2,277,598	3,650,225	4,090,647	4,093,404
2003C Taxable Airport System Revenue Refunding Bonds	1,956,023	3,348,217	3,351,651	3,355,828
2003D Airport System Revenue Variable Rate Bonds	1,844,695	1,399,066	1,047,095	1,329,203
2004A Airport System Revenue Refunding Bonds	445,207	662,965	663,340	663,704
2004B Airport System Revenue Bonds	12,008,736	11,895,492	11,074,530	10,932,881
2004C-1 Airport System Revenue Refunding Bonds	1,564,952	1,564,952	1,564,943	2,670,647
2004C-2 Airport System Revenue Refunding Bonds	4,818,603	4,815,468	4,814,541	5,042,973
2004D Airport System Revenue Refunding Bonds	26,075,389	26,084,526	26,087,988	26,108,986
2005A Airport System Revenue Bonds	20,963,081	18,197,721	19,311,222	17,455,181
2005B Airport System Revenue Bonds	2,513,890	2,514,469	2,517,176	1,276,671
2005C Taxable Airport System Revenue Bonds	1,703,568	1,703,566	1,703,567	1,703,547
2005D Airport System Revenue Bonds	382,489	382,488	382,489	1,427,855
2006A Airport System Revenue Bonds	11,114,293	11,366,225	9,012,953	5,311,454
2006B Airport System Revenue Bonds	17,898,654	15,874,849	14,347,548	10,644,288
2006C Airport System Revenue Refunding Bonds	2,947,158	2,440,111	2,259,501	2,244,344
2007A Airport System Revenue Bonds	15,060,629	15,108,005	15,102,592	15,072,933
2007B Airport System Revenue Bonds	31,674,272	28,308,735	26,508,630	19,948,918
2008A Airport System Revenue Bonds	20,404,277	21,072,490	12,508,425	9,151,564
2009A Airport System Revenue Bonds	12,979,995	-	926,568	1,777,662
2009B Airport System Revenue Bonds	-	13,007,178	11,812,024	5,874,908
2009C Airport System Revenue Bonds	-	-	747,333	-
2009D Airport System Revenue Bonds	-	-	-	-
2010A Airport System Revenue Bonds	17,350,621	15,766,681	13,840,460	5,703,441
2010B Airport System Revenue Refunding Bonds	23,294,136	23,327,344	22,718,966	7,594,350
2010C Airport System Revenue Variable Rate Refunding Bonds	2,946,520	2,686,266	3,646,635	1,077,058
2010D Airport System Revenue Variable Rate Bonds	10,443,465	10,593,189	10,159,919	1,765,403
2010F-1 Airport System Revenue Refunding Bonds	2,513,706	2,845,154	3,166,627	286,326
2011A Airport System Revenue and Refunding Bonds	16,247,272	13,551,233	2,628,205	-
2011B Airport System Revenue and Refunding Bonds	11,943,904	11,751,722	3,417,931	-
2011C Airport System Revenue Refunding Bonds	15,339,560	15,374,273	3,851,186	-
2011D Airport System Revenue Refunding Bonds	778,241	775,697	196,019	-
2012A Airport System Revenue Refunding Bonds	9,107,325	5,860,900	-	-
2012B Airport System Revenue Refunding Bonds	1,733,107	469,023	-	-
2013A Airport System Revenue Refunding Bonds	2,672,871	-	-	-
2013B Airport System Revenue Refunding Bonds	288,218	-	-	-
2013C Airport System Revenue Refunding Bonds	249,451	-	-	-
Series A Bond Anticipation Commercial Paper Notes	-	-	-	-
Series B Bond Anticipation Commercial Paper Notes	-	-	-	-
Series One Airport System Revenue Commercial Paper Notes	99,345	72,679	197,813	764,555
Series Two Airport System Revenue Commercial Paper Notes	-	132,223	107,862	46,916
Net Debt Service	\$ 309,828,340	\$ 312,026,356	\$ 290,663,193	\$ 237,068,089
DEBT SERVICE COVERAGE	1.40	1.35	1.37	1.47

The Aviation Enterprise Fund has three programs: Operating and Maintenance (O&M); Capital, Operating and Maintenance Investment Program (COMIP); and Capital Construction Program (CCP).

¹ Revenue adjustments are calculated in accordance with the Master Indenture of Trust to adjust for such items as non-Aviation or non-O&M related entities and funds, restricted revenue, and investment earnings.

² Transfers are the Signatory Airlines' share of Net Remaining Revenue as defined and calculated in accordance with the Use and Lease Agreement and transferred by the Airports Authority from the General Purpose Fund to the Airline Transfer Account.

³ Operating expense adjustments are calculated in accordance with the Master Indenture of Trust to adjust for such items as non-Aviation or non-O&M related entities and funds, Federal lease, depreciation and amortization, and non-cash items.

⁴ Operating Expenses for 2012 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 65. Please see Note 2 for more information.

For more information please refer to Note 3 - Airport Use Agreement and Premises Lease.

Sources: Master Indenture of Trust for Airport System Revenue Bonds, Use and Lease Agreement, and Airports Authority Records.

2009		2008		2007		2006		2005		2004	
\$	558,453,459 (28,048,911) 72,352,566 602,757,114	\$	550,944,843 (47,420,422) 77,989,244 581,513,665	\$	510,476,130 (15,328,205) 74,681,804 569,829,729	\$	471,168,637 (12,700,400) 61,131,416 519,599,653	\$	477,221,696 (28,002,597) 53,981,019 503,200,118	\$	442,286,071 (31,413,485) 27,681,636 438,554,221
	506,888,004 (245,208,025) 261,679,979 341,077,134		555,549,712 (296,038,710) 259,511,002 322,002,663		478,556,150 (225,158,122) 253,398,028 316,431,700		423,036,183 (193,686,559) 229,349,624 290,250,029		414,409,317 (184,939,597) 229,469,720 273,730,399		378,293,762 (174,595,310) 203,698,452 234,855,769
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	-		-		971,072		1,257,695		2,142,909		23,257,594
	-		-		8,556,063		14,484,458		15,248,622		2,952,191
	-		-		-		-		-		12,842,186
	-		381,282		468,826		1,287,357		1,322,236		1,318,158
18,080,308		18,762,102		17,942,588		18,369,760		19,710,594		18,124,292	
5,533,497		5,934,291		5,891,335		5,855,002		5,946,837		5,841,298	
15,642,420		15,183,505		14,291,817		13,623,715		13,976,834		6,905,090	
765,360		741,309		651,072		316,128		366,495		451,143	
8,276,261		7,647,018		8,556,496		7,794,227		6,320,872		5,615,081	
575,748		555,736		477,883		611,720		789,395		1,085,449	
16,894,925		19,909,292		19,857,135		19,442,226		19,758,330		19,934,028	
5,653,245		5,138,941		5,267,806		4,884,026		2,596,248		2,994,667	
9,204,996		9,432,168		7,490,702		5,886,411		10,185,205		9,433,874	
4,080,345		4,044,855		4,000,040		4,012,211		4,050,272		2,603,708	
3,346,857		3,304,686		3,266,384		3,275,036		3,295,935		3,330,846	
3,033,369		4,610,424		4,754,407		3,366,517		3,230,574		2,656,903	
663,053		658,543		654,853		629,037		561,894		223,643	
8,513,411		2,687,609		5,104,256		1,482,108		4,819,952		2,535,517	
2,304,178		13,086,451		16,369,182		16,156,121		8,049,634		2,353,789	
4,524,687		4,951,434		4,924,855		4,992,470		14,346,612		5,161,229	
24,379,800		14,950,296		11,187,696		11,219,448		11,183,139		3,885,524	
18,369,390		18,734,984		16,966,776		12,701,790		9,863,398		-	
861,656		855,406		850,174		852,675		618,617		-	
1,700,941		1,085,993		289,964		1,677,884		1,647,078		-	
1,773,881		1,758,877		864,492		553,486		138,752		-	
8,392,188		5,604,803		5,810,728		-		-		-	
9,946,372		5,746,532		7,854,839		-		-		-	
1,903,483		1,485,981		1,732,719		-		-		-	
13,723,351		13,816,874		5,557,044		-		-		-	
20,751,616		14,659,468		3,194,582		-		-		-	
2,495,585		6,964,179		-		-		-		-	
3,874,659		-		-		-		-		-	
3,497,817		-		-		-		-		-	
8,278,752		-		-		-		-		-	
1,200,444		-		-		-		-		-	
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-		-		-		-					

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 of Trust 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 Revenue Bonds.

Debt service coverage calculations for all years shown in this Exhibit exceed the minimum requirement as defined in the Master Indenture of Trust; more recent coverage levels reflect the completion of major projects in Dulles International's CCP. It is important to note that net revenue, revenue, and expenses are presented in this Exhibit in accordance with definitions found in the Master Indenture of Trust. Additionally, debt service does not include debt paid from bond funds for capitalized interest or debt service paid from interest earnings.

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Metropolitan Washington Airports Authority



Exhibit S-14 – Debt Service Coverage – Dulles Corridor Enterprise Fund

	2013	2012 ¹	2011	2010	2009
NET REVENUE					
Total Dulles Corridor Enterprise Fund Revenue	\$ 127,059,841	\$ 101,603,839	\$ 94,659,538	\$ 88,038,168	\$ 64,893,554
Less: Non Operating & Maintenance Program Revenue	-	(7,750)	-	-	-
Total Dulles Toll Road Gross Revenue	127,059,841	101,596,089	94,659,538	88,038,168	64,893,554
Add: Total Investment Income	(1,854,080)	1,182,797	10,932,190	7,419,127	1,137,968
Less: Non Operating & Maintenance Program Investment Income	1,993,621	(985,573)	(10,731,882)	(7,287,582)	(1,121,482)
Revenue	127,199,382	101,793,313	94,859,846	88,169,713	64,910,040
Total Dulles Corridor Enterprise Fund Operating Expenses	39,925,946	34,111,704	35,205,986	34,801,734	30,094,846
Less: Non Operating & Maintenance Program Operating Expenses	(12,950,640)	(9,463,606)	(9,877,753)	(8,476,815)	(4,129,722)
Total Dulles Toll Road Operating Expenses	26,975,306	24,648,098	25,328,233	26,324,919	25,965,124
Less: Operating & Maintenance Program Depreciation and Amortization	(473,942)	(273,686)	(319,822)	(178,113)	(141,864)
Operating Expenses	26,501,364	24,374,412	25,008,411	26,146,806	25,823,260
Total Dulles Corridor Enterprise Fund Interest Expense	21,467,437	19,322,104	18,060,020	31,072,729	11,414,822
Less: Non Operating & Maintenance Program Interest Expense	(19,923,877)	(14,338,842)	(18,050,020)	(31,072,113)	(11,414,822)
Interest Expense	1,543,560	4,983,262	10,000	616	-
Net Revenue Available for Debt Service	\$ 99,154,458	\$ 72,435,639	\$ 69,841,435	\$ 62,022,291	\$ 39,086,780
DEBT SERVICE					
	LIEN				
2009A Dulles Toll Road Revenue Bonds (Current Interest Bonds)	First Senior	10,142,988	10,142,988	10,372,412	3,686,895
2009B Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	9,227,500	7,445,000	-	-
2009C Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	-	-	-	-
2009D Dulles Toll Road Revenue Bonds (Current Interest Bonds, Build America)	Second Senior	29,848,000	29,848,000	30,523,133	10,849,511
2009D Dulles Toll Road Revenue Bonds (35% Subsidy)	Second Senior	(9,992,364)	(10,446,800)	(10,683,097)	(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	-	-	-	-
Commercial Paper Series One	Second Senior	271,115	90,536	4,808	-
2010D Dulles Toll Road Revenue Bonds (Current Interest Bonds)	Subordinate	12,000,000	12,000,000	7,133,333	-
2010D Dulles Toll Road Revenue Bonds (35% Subsidy)	Subordinate	(4,017,300)	(4,200,000)	(2,496,667)	-
Full Funding Grant Agreement (FFGA) Note	-	-	-	-	-
Net Debt Service		\$ 47,479,938	\$ 44,879,724	\$ 38,950,246	\$ 34,849,114
	LIEN				
DEBT SERVICE COVERAGE BY LIEN	REQUIREMENT				
First Senior Lien	2.00	9.78	7.14	6.89	5.98
Second Senior Lien	1.35	3.38	1.95	2.24	2.05
Subordinate Lien	1.20	2.09	1.61	1.79	1.78

The Dulles Corridor Enterprise Fund has three programs: Operating and Maintenance, Renewal & Replacement, and the Capital Improvement Program. Debt service coverage for the Dulles Corridor Enterprise Fund is calculated according to the Master Indenture of Trust for Dulles Toll Road Revenue Bonds. As such, the calculation excludes non Operating & Maintenance Program activity.

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; coverage levels will reflect the issuance of additional bonds as work on the Dulles Metrorail Project continues.

¹ Operating Expenses for 2012 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 65. Please see Note 2 for more information.

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

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Metropolitan Washington Airports Authority



Exhibit S-15 – Debt Service Requirements by Enterprise Fund

Aviation Enterprise Fund (\$ in thousands)

YEAR	TOTAL REVENUES ¹	DIRECT OPERATING EXPENSES ²	NET REVENUES AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				Principal	Interest	Total	Coverage
2013	\$ 758,157	\$ 323,156	\$ 435,001	\$ 125,388	\$ 184,440	\$ 309,828	1.40
2012	727,562	307,361	420,201	121,601	190,425	312,026	1.35
2011	703,358	304,529	398,829	107,656	183,007	290,663	1.37
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

¹ Total revenues include prior year transfers, see Exhibit S-13.

² Operating expense adjustments are calculated in accordance with the Master Indenture of Trust to adjust for such items as non-Aviation or non-O&M related entities and funds, Federal lease, depreciation and amortization, and non-cash items.

Dulles Corridor Enterprise Fund (\$ in thousands)

YEAR	TOTAL REVENUES ³	DIRECT OPERATING EXPENSES ⁴	NET REVENUES AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS				
				Lien	Principal	Interest	Capital Appreciation	Total Coverage
2013	\$ 127,199	\$ 28,045	\$ 99,154	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143 9.78
				Second Senior	9,042	20,127	185	29,354 3.38
				Subordinate	-	7,983	-	7,983 2.09
2012	101,793	29,358	72,436	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143 7.14
				Second Senior	5,745	19,492	1,700	26,937 1.95
				Subordinate	-	7,800	-	7,800 1.61
2011	94,860	25,018	69,841	First Senior	-	10,143	-	10,143 6.89
				Second Senior	-	19,406	1,601	21,007 2.24
				Subordinate	-	7,800	-	7,800 1.79
2010	88,170	26,147	62,022	First Senior	-	10,372	-	10,372 5.98
				Second Senior	-	19,840	-	19,840 2.05
				Subordinate	-	4,637	-	4,637 1.78
2009	64,910	25,823	39,087	First Senior	-	3,687	-	3,687 10.60
				Second Senior	-	7,052	-	7,052 3.64
				Subordinate	-	-	-	- N/A

³ Includes revenues and investment income from the Operating & Maintenance program; see Exhibit S-14.

⁴ Includes operating expenses, less depreciation and amortization, and interest expense from the Operating & Maintenance program; see Exhibit S-14.

Source: Airports Authority Records



Exhibit S-16 – Airport Information

Ronald Reagan Washington National Airport		
Location:	Three miles south from downtown Washington, D.C. along the Potomac River in Arlington County, VA	
Acres:	860 +/- acres	
Airport Code:	DCA	
Runways:	1/19	7,169 feet
	15/33	5,204 feet
	4/22	4,911 feet
Aircraft Capability:	Group IV - Boeing 767-300	
Terminal:	Terminal A	212,338 square feet
	Terminal B/C	994,030 square feet
	Total Terminal Space	1,206,368 square feet
	Number of Passenger Gates	44
	Number of Hardstand Positions	14
	Total Aircraft Positions	58
Parking:	Garage Parking	6,568 spaces
	Electric Car Charging Stations	8 spaces
	Surface Parking	2,461 spaces
	Cell Phone Waiting Area Parking	33 spaces
	Total Public Parking	9,070 spaces
	Tenant Employee Parking	3,000 spaces
Cargo:	Total Parking	12,070 spaces
International:	Number of Cargo Buildings	1
	Cargo Space	47,882 square feet
Tower:	TRACON - Vint Hill, VA - Operating 24 Hours/Day 7 Days/Week	
Fixed Base Operators:	Signature Flight Support	
Intermodal Access:	George Washington Parkway, VA State Route 233	
	Washington DC Metrorail System - Blue and Yellow Lines	
	Virginia Railway Express	

Data as of December 31, 2013

Source: Airports Authority Records



Exhibit S-16 – Airport Information (continued)

Washington Dulles International Airport		
Location:	Twenty-six miles west from downtown Washington, D.C., located in Fairfax and Loudoun Counties, VA	
Acres:	11,830 +/- acres	
Airport Code:	IAD	
Runways:	1C/19C	11,500 feet
	1R/19L	11,500 feet
	12/30	10,500 feet
	1L/19R	9,400 feet
Aircraft Capability:	Group VI - Airbus A-380	
Terminal:	Main Terminal	1,319,149 square feet
	Concourse A	189,852 square feet
	Concourse B	942,636 square feet
	Concourse C/D	882,784 square feet
	Concourse C International Arrivals Building	57,000 square feet
	Z Gates	19,037 square feet
	International Arrivals Building	268,000 square feet
	Airside Operations Building	17,105 square feet
	Total Terminal Space	3,695,563 square feet
	Number of Passenger Gates	125
Parking:	Maximum Aircraft Positions	165
	Garage Parking	8,317 spaces
	Electric Car Charging Stations	8 spaces
	Surface Parking	18,884 spaces
	Cell Phone Waiting Area Parking	224 spaces
	Total Public Parking	27,433 spaces
	Tenant Employee Parking	6,529 spaces
Cargo:	Total Parking	33,962 spaces
	Number of Cargo Buildings	6
International:	Cargo Space	554,734 square feet
	Customs/Immigration Federal Inspection Facility	
Tower:	TRACON - Vint Hill, VA - Operating 24 Hours/Day 7 Days/Week	
Fixed Base Operators:	Landmark Aviation	
	Signature Flight Support	
Intermodal Access:	Dulles Access Highway, VA State Routes 267 and 28	
	Washington Flyer Bus Service from West Falls Church Metrorail Station	
	Metro Bus 5A - D.C. - Dulles Line	

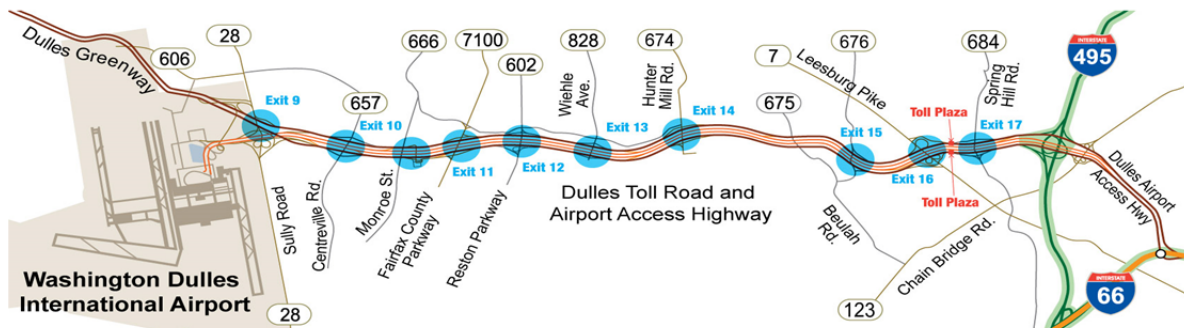
Data as of December 31, 2013
Source: Airports Authority Records



Exhibit S-17 – Dulles Toll Road Information

Dulles Toll Road

Location:	Eight-lane limited access highway that is situated on Virginia State Route 267. The Dulles Toll Road's eastern terminus is inside the Capital Beltway (Interstate 495) and the western terminus is the Dulles Greenway.	
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:	9	
Intersecting Roadways:	Chain Bridge Road (SR 123) Capital Beltway (I-495) Spring Hill Road (SR 684) Leesburg Pike (SR 7) Trap Road Hunter Mill Road (SR 674)	Wiehle Ave. (SR 828) Reston Parkway (SR 602) Fairfax County Parkway (SR 7100) Monroe Street Centreville Road (SR 657) Sully Road (SR 28)
Parallel Roadways:	Interstate 66 US Route 29 US Route 50	Leesburg Pike (SR 7) State Route 236



Data as of December 31, 2013

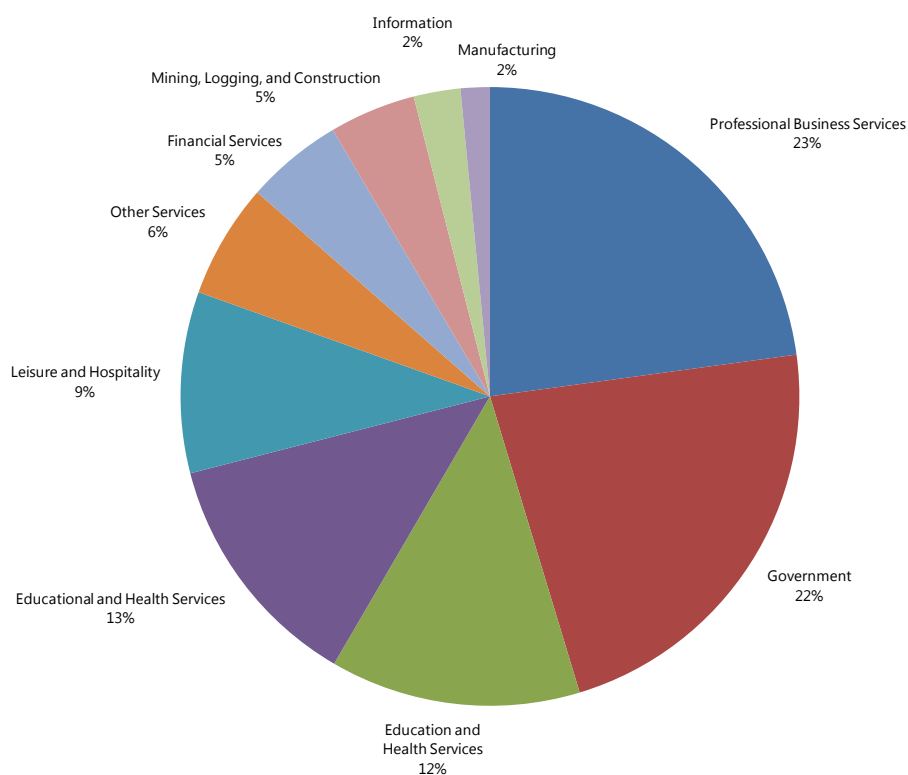
Source: Airports Authority Records



Exhibit S-18 – Employment by Industry

Industry	Annual Average Numbers of Employees (in thousands)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Professional Business Services	708.4	694.9	688.7	680.3	674.1	681.8	675.1	664.5	646.4	619.3
Government	696.9	695.7	691.2	687.6	674.9	659.8	646.6	640.5	632.1	623.1
Trade, Transportation and Utilities	405.8	376.4	378.8	377.2	377.6	397.9	404.8	404.7	406.5	399.6
Educational and Health Services	390.6	381.9	368.7	357.1	349.4	338.6	328.5	317.5	309.1	302.9
Leisure and Hospitality	293.6	275.3	267.6	259.9	258.1	261.8	254.3	249.4	245.2	237.7
Other Services	185.8	183.1	182.6	182.0	183.7	184.7	180.6	176.7	165.9	165.5
Financial Services	157.0	149.9	145.7	146.5	148.1	154.3	159.4	161.5	160.4	157.4
Mining, Logging, and Construction	140.1	145.5	141.5	139.9	148.7	172.4	184.9	191.5	186.6	177.3
Information	75.6	79.7	80.5	80.3	83.5	91.0	93.9	96.9	99.8	106.0
Manufacturing	47.3	49.6	50.3	52.1	55.4	60.8	62.2	63.7	65.4	66.1
DC-VA-MD-WV - Metropolitan Statistical Area	3,101.1	3,032.0	2,995.6	2,962.9	2,953.5	3,003.1	2,990.3	2,966.9	2,917.4	2,854.9

Air Trade Area Employment by Sector - 2013



Source: U.S. Department of Labor, Bureau of Labor Statistics (Preliminary December 2013 data)



Exhibit S-19 – Major Private Employers

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

Employer	Fortune 500 Rank		2012 Revenue (in \$ Billions)	State	Industry
	2013	2012			
Fannie Mae	12	8	\$127.2	DC	Financial Services
Freddie Mac	31	25	80.6	VA	Financial Services
Lockheed Martin Corp.	59	58	47.2	MD	Aerospace & Defense
General Dynamics Corp.	98	92	31.5	VA	Aerospace & Defense
Northrop Grumman	120	104	25.2	VA	Aerospace & Defense
Capital One Financial Corp.	127	148	23.8	VA	Financial Services
Danaher Corp.	152	158	18.3	DC	Manufacturing
AES Corp.	153	151	18.2	VA	Energy
Computer Sciences	176	162	15.9	VA	Information Technology
Coventry Health Care	195	219	14.1	MD	Health Care
Marriott International Inc.	230	217	11.8	MD	Hospitality & Travel
SAIC Inc.	240	245	11.2	VA	Professional Services
NII Holdings Inc.	421	369	6.1	VA	Telecommunications
Booz Allen Hamilton	436	439	5.9	VA	Professional Services
Exelis	453	422	5.5	VA	Aerospace & Defense
Gannett Co.	467	465	5.4	VA	Media / Data
Host Hotels & Resorts Inc.	469	479	5.3	MD	Hospitality & Travel
Pepco Holdings Inc.	483	415	5.1	DC	Energy
			<u>\$458.3</u>		

Eighteen Washington-area companies were on the Fortune 500 list of the country's largest companies by revenue in 2013.

Major Private-Sector Employers of Metro-Area Employees

Employer	Number of Metro-Area Employees	Industry
Inova Health System	15,178	Health Care
MedStar Health	14,316	Health Care
Lockheed Martin Corp.	14,000	Aerospace & Defense
Marriott International Inc.	13,935	Hospitality & Travel
Booz Allen Hamilton	13,900	Professional Services
Northrop Grumman Corp.	13,302	Aerospace & Defense
Giant Food LLC	11,206	Food & Drug Stores
Verizon Communications	11,000	Telecommunications
General Dynamics	8,100	Aerospace & Defense
Deloitte LLP	7,723	Professional Services
Safeway Inc.	7,422	Food & Drug Stores
Hilton Worldwide Inc.	7,200	Hospitality & Travel
CACI International	6,684	Aerospace & Defense
Wal-Mart Stores Inc.	6,500	Retail
Leidos Holdings Inc.	6,184	Technology
Children's National Medical Center	5,795	Health Care
Adventist Healthcare	5,600	Health Care
Kaiser Foundation Health Plan	5,599	Health Care
BAE Systems Inc.	5,368	Aerospace & Defense

Source: Washington Business Journal 2014 Book of Lists

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Exhibit S-20 – Population Trends

Annual Estimates of the Resident Population (in Thousands)

JURISDICTION	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
District of Columbia	632.3	619.0	605.0	592.2	580.2	574.4	570.7	567.1	567.8	568.5
Arlington County, VA	221.1	216.1	209.3	217.2	210.1	203.9	200.7	199.8	198.0	196.2
City of Alexandria, VA	146.3	144.1	140.8	149.8	144.6	140.3	138.2	137.6	136.6	134.9
Central Jurisdictions	999.7	979.2	955.1	959.2	934.9	918.6	909.6	904.5	902.4	899.6
Fairfax County, VA	1,118.6	1,104.3	1,086.6	1,036.4	1,018.3	1,004.4	997.9	1,001.2	995.8	991.0
Montgomery County, MD	1,004.7	991.6	976.0	970.6	953.5	941.5	935.0	928.9	921.1	915.2
Prince George's County, MD	881.1	874.0	865.7	832.2	828.7	930.8	835.1	839.0	834.9	829.6
City of Fairfax, VA	23.5	22.9	22.6	24.6	24.0	23.3	22.8	22.0	22.1	22.2
City of Falls Church, VA	13.2	12.8	12.5	12.0	11.4	11.1	11.0	10.9	10.7	10.7
Inner Suburbs	3,041.1	3,005.7	2,963.4	2,875.8	2,835.9	2,911.1	2,801.8	2,802.0	2,784.6	2,768.7
Prince William County, VA	430.3	419.5	406.5	376.8	364.3	358.7	351.1	344.1	332.3	319.8
Loudoun County, VA	336.9	326.3	315.5	300.5	289.8	277.2	265.0	253.2	237.0	219.5
Frederick County, MD	239.6	237.3	234.2	227.4	226.1	224.6	221.6	219.1	216.1	212.7
Charles County, MD	150.6	149.2	147.1	142.0	141.2	140.4	139.1	136.9	134.3	131.1
Stafford County, VA	134.4	132.2	129.9	123.3	121.5	120.2	117.9	116.1	112.7	108.4
Spotsylvania County, VA	125.7	124.5	122.9	120.7	119.9	118.8	117.6	114.7	110.4	106.4
Calvert County, MD	89.6	89.3	88.9	89.2	88.6	88.1	87.6	86.7	85.3	83.3
Fauquier County, VA	66.5	66.1	65.4	67.9	67.2	66.4	65.7	64.3	62.6	60.8
Jefferson County, WV	54.5	54.3	53.7	53.0	52.1	51.2	49.9	48.6	47.1	46.0
Warren County, VA	38.1	37.7	37.5	36.8	36.9	36.5	35.9	35.1	34.2	33.7
Manassas City, VA	40.6	39.3	38.3	36.5	34.7	34.8	35.5	36.3	36.5	36.2
Fredericksburg City, VA	27.3	25.9	24.4	23.3	22.8	22.5	22.1	21.4	21.3	20.5
Clarke County, VA	14.3	14.2	14.1	14.5	14.5	14.3	14.2	14.0	13.6	13.3
Manassas Park City, VA	15.8	15.5	14.4	12.1	11.4	11.5	11.5	11.6	11.3	10.9
Outer Suburbs	1,764.2	1,731.3	1,692.7	1,624.0	1,591.0	1,565.2	1,534.7	1,502.1	1,454.7	1,402.6
DC-MD-VA-WV										
Metropolitan Statistical Area	5,805.0	5,716.3	5,611.2	5,459.0	5,361.8	5,394.9	5,246.1	5,208.6	5,141.7	5,070.9
Personal Income (Millions)	\$ 358,420	\$ 347,746	\$ 326,704	\$ 312,522	\$ 314,078	\$ 306,840	\$ 286,316	\$ 267,660	\$ 249,079	\$ 232,126
Per Capital Income	\$ 61,743	\$ 60,834	\$ 58,223	\$ 57,249	\$ 58,577	\$ 56,876	\$ 54,577	\$ 51,388	\$ 48,443	\$ 45,776

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.

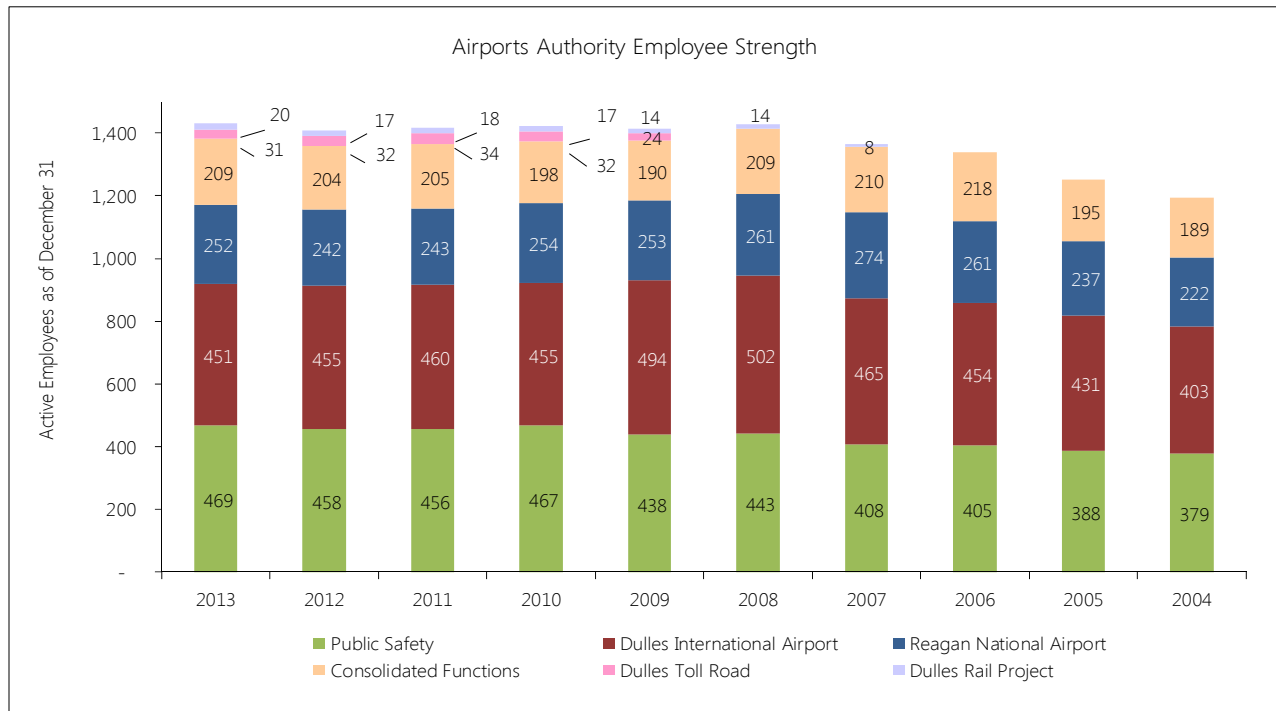
The U.S. Census Bureau produces the estimates of each county's population, starting with the revised population estimate for the prior year. The Census Bureau then adds or subtracts the demographic components of population change (e.g., births, deaths, net migration) calculated for that period. Resident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

The U.S. Bureau of Economic Analysis uses wages from the Bureau of Labor Statistics Quarterly Census of Employment and Wages for all four quarters to estimate annual metropolitan area personal income.

Source: U.S. Census Bureau, Population Division, Release Date: March 2013; U.S. Bureau of Economic Analysis, Release Date: November 2013



Exhibit S-21 – Airports Authority Employee Strength



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.

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, 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



Exhibit S-22 – Aircraft Operations (Takeoffs and Landings) by Airport

Reagan National

Year	Major / Nationals	Regional	General Aviation	Military	Total
2013	124,642	160,596	5,057	2,353	292,648
2012	125,720	154,448	6,441	1,567	288,176
2011	125,834	150,084	5,236	616	281,770
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

Dulles International

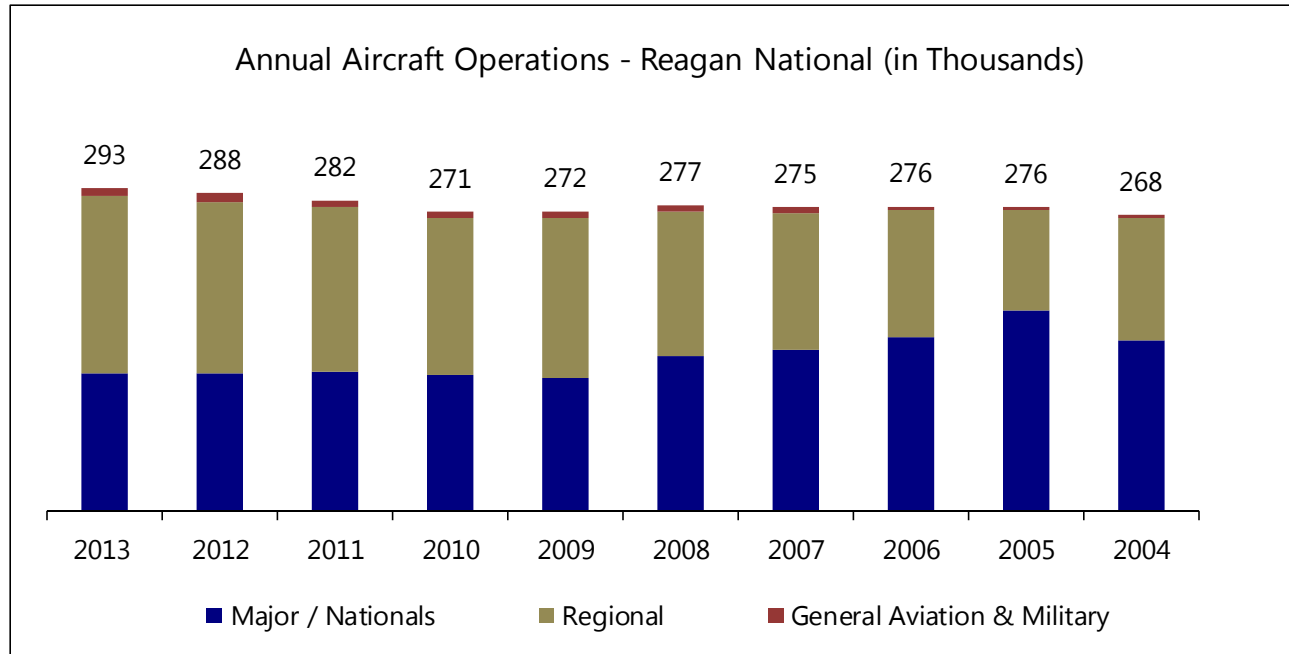
Year	Major / Nationals	Regional	General Aviation	Military	Total
2013	109,818	155,781	41,218	984	307,801
2012	114,138	154,647	42,540	753	312,078
2011	123,765	156,431	46,846	451	327,493
2010	125,011	163,042	47,845	633	336,531
2009	125,531	166,046	48,221	569	340,367
2008	136,052	168,608	54,808	824	360,292
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

Source: Airports Authority Records



Exhibit S-23 – Aircraft Operations by Airport – Reagan National

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, including its proximity to downtown Washington, 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 statute miles. In addition, the Airports Authority's noise abatement program includes limitations on certain aircraft operations after 9:59pm and before 7:00am.

Other factors that affect the operations at the Airport include economic conditions, the decline in high-yield air travel, and air carriers reducing capacity and replacing narrow-body aircraft with regional jets.

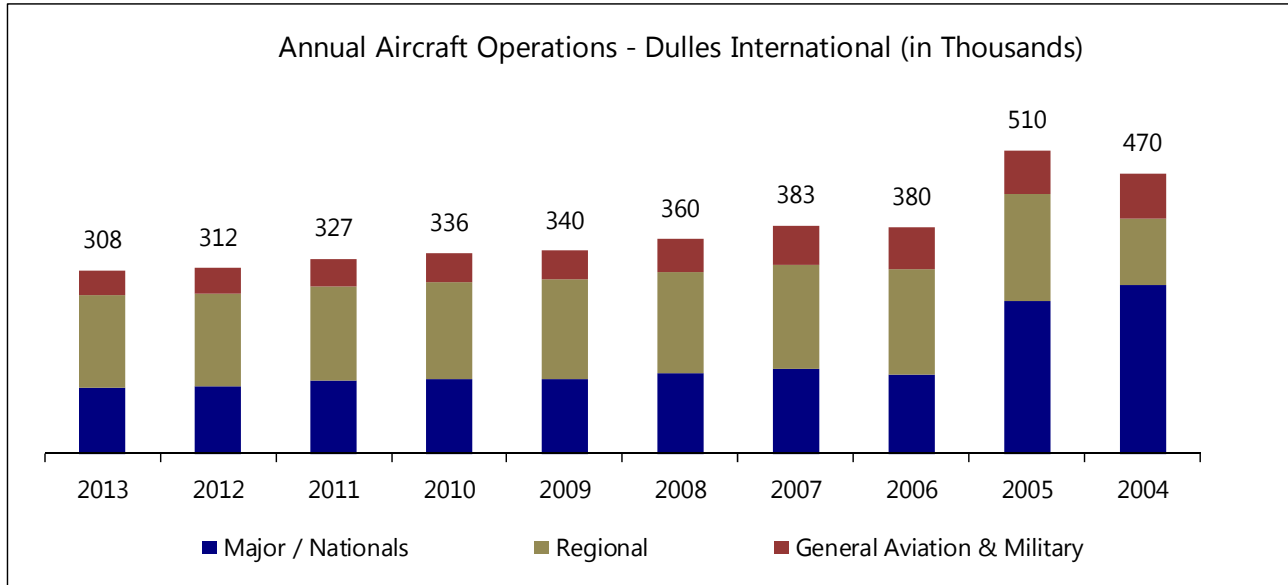
In 2013, there were 292,648 operations, compared to an average of 276,330 from 2004 through 2012. The increase was driven by a 2012 slot transaction between Delta and US Airways, which created new service by US Airways and JetBlue. In addition, four new slots were authorized by the passage of a FAA Reauthorization Bill in 2012, which added new service and a new airline, Virgin America, at Reagan National.

Source: Airports Authority Records



Exhibit S-24 – Aircraft Operations by Airport – Dulles International

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.



The number of flight operations at Dulles International had been increasing until Independence Air declared bankruptcy in 2006. This was the primary factor underlying a sizeable reduction in passenger flight operations. Since 2007, flight operations have declined 19.6 percent due to a decrease in domestic traffic as a result of airline industry consolidations and repositioning of air service to Reagan National. In 2013, total aircraft operations declined by 1.4 percent from 2012 levels to 307,801.

Other factors that affect the operations at the Airport include economic conditions, the decline in high-yield air travel, and air carriers reducing capacity and replacing narrow-body aircraft with regional jets.

Source: Airports Authority Records



Exhibit S-25 – Commercial Passenger Enplanements – Both Airports

Year	Reagan National: Domestic Passenger Enplanements	Annual Growth	Dulles International: Domestic Passenger Enplanements	Annual Growth	Industry: Domestic Passenger Enplanements	Annual Growth
2013	9,993,676	4.0%	7,396,633	-5.8%	467,885,283	1.1%
2012	9,606,805	4.0%	7,855,073	-4.9%	462,600,676	0.5%
2011	9,236,748	3.9%	8,261,152	-3.5%	460,091,034	1.5%
2010	8,891,204	3.0%	8,564,825	1.6%	453,172,772	0.8%
2009	8,634,011	-2.3%	8,429,620	-3.6%	449,388,803	-7.4%
2008	8,836,467	-3.4%	8,742,530	-6.1%	485,280,460	-0.7%
2007	9,145,554	1.0%	9,313,161	5.9%	488,545,689	1.0%
2006	9,054,485	3.6%	8,797,384	-19.6%	483,757,968	-1.3%
2005	8,736,725	12.0%	10,947,383	21.4%	490,230,172	1.6%
2004	7,797,382	22.7%	9,014,584	38.7%	482,412,769	1.9%

Year	Reagan National: International/ Transborder Passenger Enplanements	Annual Growth	Dulles International: International/ Transborder Passenger Enplanements	Annual Growth	Industry: International/ Transborder Passenger Enplanements	Annual Growth
2013	204,020	12.5%	3,463,983	4.4%	79,920,497	3.5%
2012	181,350	43.9%	3,317,819	1.9%	77,198,460	2.0%
2011	126,064	-12.7%	3,256,804	2.5%	75,692,629	1.4%
2010	144,340	8.3%	3,177,235	1.9%	74,645,512	7.6%
2009	133,232	-5.8%	3,117,151	0.1%	69,399,251	-3.5%
2008	141,364	-4.8%	3,115,417	5.2%	71,926,015	2.8%
2007	148,523	-19.9%	2,960,345	14.1%	69,984,263	4.4%
2006	185,333	7.4%	2,594,682	5.9%	67,052,683	5.5%
2005	172,549	11.5%	2,448,994	6.0%	63,577,739	9.4%
2004	154,689	48.4%	2,309,572	14.5%	58,106,623	11.9%

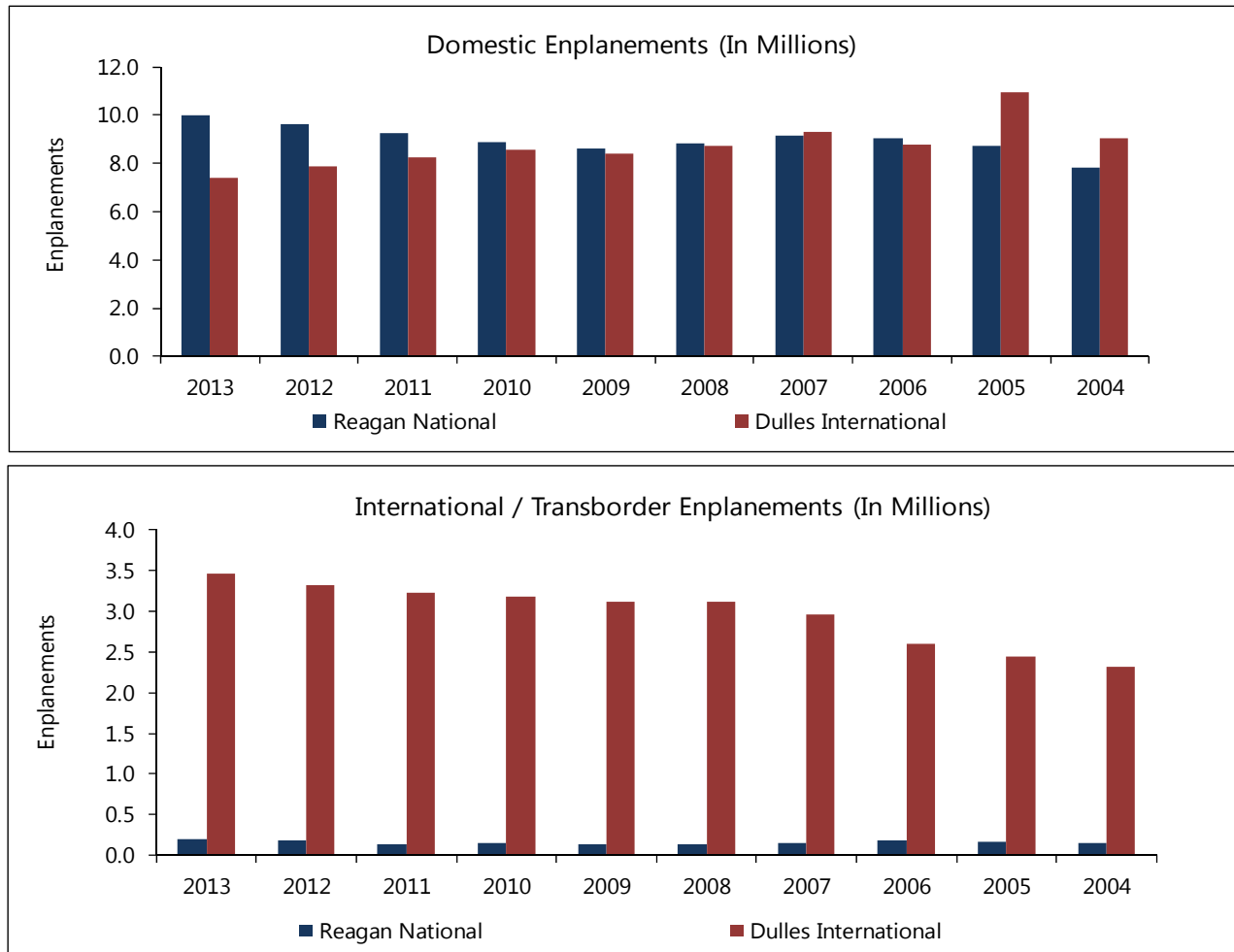
Prior years' comparative information may be adjusted for additional information or to conform with current year presentation.

Excludes general aviation and military enplanements.

Source: Airports Authority Records, Airlines for America (A4A) Monthly Traffic Report- Revenue Enplanements



Exhibit S-25 – Commercial Passenger Enplanements – Both Airports (continued)



Commercial enplanements at Reagan National increased 4.2 percent in 2013 to an all-time high of nearly 10.0 million. The increase marked the fourth straight year of enplanement growth at Reagan National after declines in 2008 and 2009. The increase is due to new service made available in 2012 because of additional slots authorized by the FAA and an increased presence of low cost carriers. International traffic accounted for approximately 2 percent of Reagan National's total enplanements in 2013.

Total commercial enplanements at Dulles International declined 2.8 percent in 2013. The decrease was driven by a 5.8 percent decline in domestic commercial enplanements due primarily to a transfer of air service to Reagan National by select carriers in 2012. Despite the decline in domestic enplanements, Dulles International set an all-time record for international enplanements in 2013 with nearly 3.5 million. The increase of 4.4 percent was higher than the industry average of 3.5 percent in 2013. International enplanements at Dulles International have been increasing since 2003 and now account for approximately 32 percent of the airport's enplanements.

Sources: Airports Authority Records, Airlines for America Monthly Passenger Traffic Report - Revenue Enplanements



Exhibit S-26 – Market Share by Landed Weight – Reagan National

(Expressed in Thousands of Pounds)

Airlines ¹	2013		2012		2011		2010	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
US Airways	2,726,557	20.74%	2,664,898	20.80%	2,698,821	21.34%	2,867,196	23.70%
Republic (US Airways Express)	1,772,876	13.48%	1,550,131	12.10%	1,261,456	9.97%	1,209,393	10.00%
American	1,413,537	10.75%	1,241,473	9.69%	1,338,976	10.59%	1,328,912	10.99%
Delta	1,398,371	10.64%	1,567,782	12.24%	1,639,911	12.97%	1,594,441	13.18%
Air Wisconsin (US Airways Express)	959,881	7.30%	823,675	6.43%	646,438	5.11%	651,796	5.39%
United	938,342	7.14%	647,716	5.06%	593,033	4.69%	688,696	5.69%
JetBlue	733,485	5.58%	532,902	4.16%	301,954	2.39%	48,306	0.40%
PSA	511,885	3.89%	390,287	3.05%	287,884	2.28%	298,624	2.47%
AirTran	436,336	3.32%	458,032	3.58%	471,904	3.73%	445,400	3.68%
American Eagle	289,451	2.20%	386,106	3.01%	325,040	2.57%	426,097	3.52%
Shuttle America (Delta Connection)	262,585	2.00%	313,146	2.44%	315,279	2.49%	317,956	2.63%
Alaska	209,664	1.59%	174,242	1.36%	156,081	1.23%	154,756	1.28%
Frontier	193,827	1.47%	356,844	2.79%	412,373	3.26%	211,315	1.75%
Southwest	181,298	1.38%	46,242	0.36%	0	0.00%	0	0.00%
Pinnacle (Delta Connection)	99,985	0.76%	172,595	1.35%	151,669	1.20%	32,618	0.27%
Endeavor (Delta Connection)	95,464	0.73%	0	0.00%	0	0.00%	0	0.00%
Continental	83,129	0.63%	397,026	3.10%	357,921	2.83%	357,161	2.95%
Shuttle America (United Express)	78,820	0.60%	26,610	0.21%	49,388	0.39%	14,824	0.12%
ExpressJet (United Express)	77,454	0.59%	93,609	0.73%	44	0.00%	0	0.00%
Chautauqua (US Airways Express)	68,291	0.52%	209,852	1.64%	174,153	1.38%	161,346	1.33%
Piedmont	67,902	0.52%	47,869	0.37%	19,882	0.16%	19,216	0.16%
Air Canada Jazz	66,988	0.51%	88,639	0.69%	83,063	0.66%	80,913	0.67%
Sky Regional (Air Canada)	61,689	0.47%	0	0.00%	0	0.00%	0	0.00%
MN Airlines	61,158	0.47%	46,324	0.36%	37,719	0.30%	0	0.00%
Republic (Frontier)	59,440	0.45%	0	0.00%	0	0.00%	0	0.00%
Chautauqua (Continental Express)	52,080	0.40%	38,081	0.30%	20,253	0.16%	35,614	0.29%
ExpressJet (Delta Connection)	50,043	0.38%	18,434	0.14%	0	0.00%	0	0.00%
Virgin America	49,368	0.38%	19,440	0.15%	0	0.00%	0	0.00%
Signature	46,858	0.36%	47,838	0.37%	34,392	0.27%	20,669	0.17%
Republic (United Express)	45,756	0.35%	0	0.00%	0	0.00%	0	0.00%
Air Canada	42,359	0.32%	100,187	0.78%	99,605	0.79%	100,936	0.83%
SkyWest (United Express)	6,162	0.05%	7,285	0.06%	0	0.00%	0	0.00%
Republic (American Eagle)	4,722	0.04%	0	0.00%	0	0.00%	0	0.00%
Compass (Delta Connection)	1,128	0.01%	6,005	0.05%	174,447	1.38%	23,686	0.20%
Other Charters	292	0.00%	0	0.00%	0	0.00%	0	0.00%
Midwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Delta Shuttle	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Northwest	0	0.00%	0	0.00%	0	0.00%	48,416	0.40%
Other ²	0	0.00%	338,424	2.64%	996,961	7.88%	957,178	7.91%
GRAND TOTAL	13,147,182	100.00%	12,811,694	100.00%	12,648,645	100.00%	12,095,463	100.00%

¹ 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.

Source: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority



2009		2008		2007		2006		2005		2004	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
2,956,848	24.50%	3,349,614	26.40%	3,429,981	26.97%	3,777,558	29.07%	4,437,393	34.58%	3,082,443	26.87%
985,480	8.17%	886,321	6.99%	856,710	6.74%	692,821	5.33%	26,900	0.21%	0	0.00%
1,322,046	10.95%	1,316,961	10.38%	1,330,575	10.46%	1,288,058	9.91%	1,277,371	9.95%	1,156,215	10.08%
888,197	7.36%	874,708	6.90%	836,226	6.57%	955,899	7.36%	984,462	7.67%	873,553	7.61%
804,969	6.67%	951,797	7.50%	819,586	6.44%	724,223	5.57%	52,170	0.41%	0	0.00%
727,557	6.03%	702,636	5.54%	682,154	5.36%	685,035	5.27%	671,032	5.23%	846,889	7.38%
97	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
243,601	2.02%	222,845	1.76%	196,901	1.55%	208,700	1.61%	578,899	4.51%	302,035	2.63%
324,784	2.69%	305,608	2.41%	245,672	1.93%	199,552	1.54%	184,624	1.44%	182,535	1.59%
464,512	3.85%	420,394	3.31%	396,591	3.12%	425,382	3.27%	404,211	3.15%	361,779	3.15%
354,390	2.94%	49,609	0.39%	51,703	0.41%	1,663	0.01%	0	0.00%	0	0.00%
156,469	1.30%	157,074	1.24%	155,172	1.22%	148,008	1.14%	142,538	1.11%	94,224	0.82%
154,449	1.28%	153,061	1.21%	141,070	1.11%	137,573	1.06%	137,474	1.07%	128,394	1.12%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11,925	0.10%	8,159	0.06%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
386,058	3.20%	479,057	3.78%	534,727	4.20%	528,186	4.06%	506,448	3.95%	475,519	4.15%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
101,169	0.84%	88,233	0.70%	91,790	0.72%	119,937	0.92%	213,123	1.66%	292,133	2.55%
7,348	0.06%	19,578	0.15%	44,670	0.35%	20,192	0.16%	11,597	0.09%	95,502	0.83%
79,314	0.66%	68,770	0.54%	64,479	0.51%	50,044	0.39%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
292	0.00%	146	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
43,460	0.36%	39,940	0.31%	15,713	0.12%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
13,811	0.11%	10,402	0.08%	13,741	0.11%	5,181	0.04%	46,982	0.37%	41,747	0.36%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
94,097	0.78%	112,319	0.89%	109,403	0.86%	124,919	0.96%	159,966	1.25%	145,756	1.27%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
47,500	0.39%	275,464	2.17%	302,760	2.38%	303,872	2.34%	305,028	2.38%	355,080	3.10%
38,870	0.32%	537,550	4.24%	543,986	4.28%	565,122	4.35%	526,128	4.10%	537,805	4.69%
802,592	6.65%	884,805	6.97%	872,401	6.86%	875,902	6.74%	876,247	6.83%	842,286	7.34%
1,058,819	8.77%	770,749	6.08%	983,755	7.73%	1,158,342	8.91%	1,289,895	10.05%	1,657,905	14.45%
12,068,654	100.00%	12,685,799	100.00%	12,719,765	100.00%	12,996,168	100.00%	12,832,487	100.00%	11,471,799	100.00%



Exhibit S-27 – Market Share by Landed Weight – Dulles International

(Expressed in Thousands of Pounds)

Airlines ¹	2013		2012		2011		2010		2009	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
United	6,526,204	37.82%	6,839,902	38.38%	7,337,040	39.39%	7,651,068	40.38%	7,544,840	40.11%
ExpressJet (United Express)	1,207,473	7.00%	1,230,184	6.90%	627,505	3.37%	310,706	1.64%	74,112	0.39%
Mesa (United Express)	532,382	3.09%	569,902	3.20%	552,268	2.97%	682,887	3.60%	900,587	4.79%
Signature	487,886	2.83%	515,984	2.90%	536,921	2.88%	541,417	2.86%	525,464	2.79%
American	455,130	2.64%	448,902	2.52%	496,227	2.66%	551,836	2.91%	501,613	2.67%
British Airways	444,618	2.58%	462,992	2.60%	466,634	2.51%	421,788	2.23%	467,295	2.48%
Lufthansa	430,518	2.50%	426,173	2.39%	413,765	2.22%	398,763	2.10%	336,077	1.79%
Landmark Aviation	400,398	2.32%	458,406	2.57%	492,519	2.64%	470,478	2.48%	403,491	2.14%
Federal Express	386,618	2.24%	374,069	2.10%	358,709	1.93%	364,829	1.93%	358,267	1.90%
Air France	347,847	2.02%	370,643	2.08%	375,826	2.02%	371,939	1.96%	375,681	2.00%
Southwest	330,986	1.92%	343,746	1.93%	353,714	1.90%	412,040	2.17%	455,344	2.42%
Trans States (United Express)	323,457	1.87%	302,694	1.70%	459,444	2.47%	593,941	3.13%	652,276	3.47%
Delta	289,322	1.68%	333,098	1.87%	416,675	2.24%	394,850	2.08%	386,054	2.05%
Emirates	283,181	1.64%	84,621	0.47%	0	0.00%	0	0.00%	0	0.00%
JetBlue	273,038	1.58%	370,273	2.08%	599,679	3.22%	693,865	3.66%	786,663	4.18%
Commutair	271,850	1.58%	124,773	0.70%	552	0.00%	76,797	0.41%	49,542	0.26%
Shuttle America (United Express)	249,476	1.45%	254,316	1.43%	317,730	1.71%	541,385	2.86%	675,158	3.59%
Virgin America	242,958	1.41%	308,352	1.73%	284,629	1.53%	284,136	1.50%	286,088	1.52%
Republic (United Express)	233,430	1.35%	5,704	0.03%	0	0.00%	0	0.00%	0	0.00%
GoJet (United Express)	205,824	1.19%	212,926	1.19%	258,486	1.39%	476,839	2.52%	471,144	2.50%
All Nippon	202,116	1.17%	202,764	1.14%	202,210	1.09%	196,664	1.04%	186,018	0.99%
Qatar Amiri Air	201,291	1.17%	201,724	1.13%	201,233	1.08%	201,786	1.07%	201,786	1.07%
Korean Air	172,036	1.00%	194,428	1.09%	188,572	1.00%	168,652	0.89%	167,900	0.89%
Saudi Arabian	171,892	1.00%	139,024	0.78%	99,610	0.53%	78,036	0.41%	67,978	0.36%
KLM Royal Dutch	163,523	0.95%	164,600	0.92%	146,405	0.79%	149,875	0.79%	146,952	0.78%
South African	159,308	0.92%	154,659	0.87%	163,975	0.88%	172,680	0.91%	182,118	0.97%
Ethiopian Airlines	158,347	0.92%	151,159	0.85%	157,814	0.85%	93,882	0.50%	74,084	0.39%
Ethiad	153,451	0.89%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
SkyWest (United Express)	143,715	0.83%	116,781	0.66%	98,088	0.53%	44,220	0.23%	0	0.00%
Turkish Airlines	141,376	0.82%	140,315	0.79%	98,474	0.53%	12,207	0.06%	0	0.00%
Mesa (US Airways Express)	139,356	0.81%	118,456	0.66%	98,931	0.53%	106,653	0.56%	104,585	0.56%
Virgin Atlantic	139,203	0.81%	175,518	0.98%	174,018	0.93%	161,212	0.85%	193,267	1.03%
SAS	132,108	0.77%	137,725	0.77%	135,797	0.73%	129,120	0.68%	124,007	0.66%
TACA International	127,440	0.74%	116,560	0.65%	116,870	0.63%	102,634	0.54%	100,162	0.53%
Austrian	106,353	0.62%	107,200	0.60%	108,354	0.58%	107,575	0.57%	107,368	0.57%
Silver (United Express)	102,828	0.60%	38,960	0.22%	0	0.00%	0	0.00%	0	0.00%
COPA	94,542	0.55%	51,771	0.29%	48,878	0.26%	42,839	0.23%	43,710	0.23%
United Parcel Service	87,538	0.51%	84,212	0.47%	86,071	0.46%	83,869	0.44%	68,755	0.37%
Compass (Delta Connection)	73,481	0.43%	86,038	0.48%	78,481	0.42%	87,689	0.46%	0	0.00%
Pinnacle (Delta Connection)	69,665	0.40%	132,312	0.74%	88,861	0.48%	36,062	0.19%	35,475	0.19%
Porter	57,119	0.33%	49,771	0.28%	0	0.00%	0	0.00%	0	0.00%
Brussels	52,278	0.30%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
PSA	50,409	0.29%	44,719	0.25%	36,781	0.20%	33,381	0.18%	48,098	0.26%
Avianca	49,736	0.29%	49,452	0.28%	35,108	0.19%	35,635	0.19%	36,178	0.19%
Chautauqua (Delta Connection)	49,442	0.29%	49,825	0.28%	27,420	0.15%	17,062	0.09%	0	0.00%
Endeavor (Delta Connection)	48,739	0.28%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Icelandair	48,510	0.28%	40,320	0.23%	28,350	0.15%	0	0.00%	0	0.00%
Aeromexico	43,446	0.25%	28,016	0.16%	274	0.00%	255	0.00%	0	0.00%
ExpressJet (Delta Connection)	38,343	0.22%	30,983	0.17%	0	0.00%	0	0.00%	0	0.00%
Aeroflot	38,102	0.22%	19,277	0.11%	16,574	0.09%	16,121	0.09%	15,724	0.08%
North American	34,807	0.20%	15,966	0.09%	0	0.00%	255	0.00%	0	0.00%
GoJet (Delta Connection)	18,961	0.11%	2,420	0.01%	0	0.00%	0	0.00%	0	0.00%
Sun Air International	16,996	0.10%	1,141	0.01%	0	0.00%	0	0.00%	0	0.00%
SkyWest (Delta Connection)	8,712	0.05%	0	0.00%	585	0.00%	1,276	0.01%	1,875	0.01%
Atlas Air	6,336	0.04%	320	0.00%	4,554	0.02%	0	0.00%	0	0.00%
MN Airlines	4,380	0.03%	3,796	0.02%	3,650	0.02%	21,500	0.11%	22,078	0.12%
Antonov	3,655	0.02%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Republic (US Airways Express)	2,825	0.02%	586	0.00%	1,103	0.01%	1,028	0.01%	9,356	0.05%
Mountain Air Cargo	2,654	0.02%	2,169	0.01%	1,722	0.01%	1,857	0.01%	1,718	0.01%
Air Wisconsin (US Airways Express)	2,632	0.02%	9,729	0.05%	16,356	0.09%	8,977	0.05%	752	0.00%
Republic Airways Caesar	2,041	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
US Airways	1,873	0.01%	457	0.00%	21,823	0.12%	33,782	0.18%	46,683	0.25%
Evergreen International	1,541	0.01%	3,780	0.02%	630	0.00%	0	0.00%	630	0.00%
Cayman	1,516	0.01%	4,081	0.02%	4,314	0.02%	1,049	0.01%	3,265	0.02%
Kalitta Air	1,305	0.01%	2,932	0.02%	1,260	0.01%	0	0.00%	0	0.00%
Other Charters	997	0.01%	2,916	0.02%	5,695	0.03%	6,427	0.03%	10,058	0.05%
Chautauqua (United Express)	979	0.01%	0	0.00%	0	0.00%	1,191	0.01%	392,004	2.08%
Volga-Dnepr	926	0.01%	4,707	0.03%	0	0.00%	0	0.00%	0	0.00%
ABX Air	566	0.00%	0	0.00%	0	0.00%	0	0.00%	1,360	0.01%
Air Transport International	556	0.00%	1,650	0.01%	0	0.00%	1,041	0.01%	550	0.00%
World Airways	420	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Allegiant Air	279	0.00%	1,395	0.01%	103	0.00%	1,280	0.01%	279	0.00%
Royal Jordanian	273	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Air Canada	172	0.00%	75	0.00%	210	0.00%	0	0.00%	76	0.00%
Xtra Airways	124	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Shuttle America (Delta Connection)	72	0.00%	0	0.00%	225	0.00%	225	0.00%	222	0.00%
Chautauqua (US Airways Express)	43	0.00%	0	0.00%	425	0.00%	0	0.00%	0	0.00%
Independence Air Charter	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Atlantic Coast	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Colgan Air (United Express)	0	0.00%	430,281	2.41%	528,851	2.84%	327,123	1.73%	329,603	1.75%
Other ²	5,407	0.03%	469,850	2.64%	1,251,844	6.72%	1,220,894	6.44%	837,892	4.45%
GRAND TOTAL	17,253,930	100.00%	17,822,474	100.00%	18,625,821	100.00%	18,945,581	100.00%	18,812,263	100.00%

¹ 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: Airports Authority Records

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2008		2007		2006		2005		2004	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
7,435,550	38.09%	7,606,298	37.89%	7,048,694	37.76%	6,392,517	31.32%	6,557,152	34.22%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
1,126,123	5.77%	1,520,846	7.58%	1,847,801	9.90%	893,675	4.38%	347,739	1.81%
462,871	2.37%	538,636	2.68%	477,555	2.56%	0	0	419,380	2.19%
535,928	2.75%	544,803	2.71%	557,241	2.98%	598,510	2.93%	587,805	3.07%
492,144	2.52%	438,467	2.18%	458,074	2.45%	28,512	0.14%	529,004	2.76%
384,825	1.97%	443,982	2.21%	469,317	2.51%	409,835	2.01%	317,729	1.66%
501,128	2.57%	650,364	3.24%	701,682	3.76%	551,161	2.70%	297,868	1.55%
411,650	2.11%	421,845	2.10%	403,651	2.16%	401,655	1.97%	371,733	1.94%
387,484	1.98%	398,061	1.98%	413,269	2.21%	384,546	1.88%	321,257	1.68%
475,884	2.44%	518,676	2.58%	130,534	0.70%	0	0.00%	0	0.00%
628,832	3.22%	603,260	3.01%	596,537	3.20%	678,031	3.32%	217,860	1.14%
441,899	2.26%	481,132	2.40%	497,957	2.67%	530,760	2.60%	727,540	3.80%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
927,826	4.75%	952,941	4.75%	794,112	4.25%	523,980	2.57%	484,930	2.53%
26,190	0.13%	9,899	0.05%	0	0.00%	0	0.00%	0	0.00%
676,463	3.47%	629,476	3.14%	475,885	2.55%	370,263	1.81%	173,781	0.91%
257,399	1.32%	45,361	0.23%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
343,308	1.76%	306,123	1.53%	111,153	0.60%	0	0.00%	0	0.00%
202,764	1.04%	202,794	1.01%	187,630	1.01%	168,917	0.83%	168,360	0.88%
202,791	1.04%	96,778	0.48%	0	0.00%	0	0.00%	0	0.00%
118,508	0.61%	137,824	0.69%	119,136	0.64%	111,384	0.55%	108,756	0.57%
68,455	0.35%	74,359	0.37%	84,109	0.45%	61,241	0.30%	73,470	0.38%
147,041	0.75%	149,854	0.75%	132,227	0.71%	0	0.00%	0	0.00%
197,826	1.01%	203,850	1.02%	169,210	0.91%	64,125	0.31%	0	0.00%
76,639	0.39%	79,513	0.40%	59,714	0.32%	53,966	0.26%	45,664	0.24%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
62,622	0.32%	33,149	0.17%	16,137	0.09%	22,380	0.11%	23,623	0.12%
252,265	1.29%	245,771	1.22%	190,860	1.02%	165,869	0.81%	212,812	1.11%
128,077	0.66%	126,229	0.63%	125,820	0.67%	105,126	0.51%	111,950	0.58%
118,736	0.61%	146,944	0.73%	115,978	0.62%	107,680	0.53%	94,172	0.49%
142,221	0.73%	137,908	0.69%	143,320	0.77%	28,800	0.14%	145,155	0.76%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
41,137	0.21%	20,930	0.10%	0	0.00%	0	0.00%	0	0.00%
86,359	0.44%	85,884	0.43%	83,528	0.45%	78,162	0.38%	79,917	0.42%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
14,640	0.07%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
38,205	0.20%	27,732	0.14%	50,049	0.27%	30,738	0.15%	4,973	0.03%
19,875	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
43	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	279	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
15,724	0.08%	15,960	0.08%	21,168	0.11%	21,168	0.10%	28,425	0.15%
0	0.00%	0	0.00%	420	0.00%	2,320	0.01%	640	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	1,050	0.01%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
30,700	0.16%	61,320	0.31%	28,470	0.15%	584	0.00%	146	0.00%
0	0.00%	0	0.00%	726	0.00%	726	0.00%	0	0.00%
2,013	0.01%	506	0.00%	145	0.00%	72	0.00%	0	0.00%
570	0.00%	9	0.00%	51	0.00%	0	0.00%	0	0.00%
282	0.00%	517	0.00%	893	0.00%	5,264	0.03%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
126,347	0.65%	164,131	0.82%	159,723	0.86%	196,034	0.96%	185,961	0.97%
0	0.00%	1,260	0.01%	1,260	0.01%	0	0.00%	0	0.00%
700	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
630	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
6,133	0.03%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
401,533	2.06%	335,329	1.67%	200,743	1.08%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	726	0.00%	4,356	0.02%	1,452	0.01%
70,006	0.36%	71,670	0.36%	71,887	0.39%	0	0.00%	0	0.00%
825	0.00%	550	0.00%	1,325	0.01%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
1,559	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
134	0.00%	730	0.00%	6,548	0.04%	94,946	0.47%	150,749	0.79%
146	0.00%	496	0.00%	0	0.00%	0	0.00%	0	0.00%
2,025	0.01%	72	0.00%	289	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0	0	0	0	0	3,787,081	18.55%	0	0
0	0	0	0	0	0	15,331	0.08%	3,403,084	17.76%
345,987	1.77%	210,455	1.05%	207,564	1.11%	0	0	0	0
1,083,604	5.55%	1,329,853	6.62%	1,505,835	8.07%	3,523,564	17.26%	2,967,946	15.49%
19,522,626	100.00%	20,073,594	100.00%	18,669,230	100.00%	20,413,280	100.00%	19,161,031	100.00%

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Exhibit S-28 – Market Share by Passenger Enplanements – Reagan National

Airlines ¹	2013		2012		2011		2010		2009	
	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
Domestic										
US Airways	2,000,543	19.60%	1,902,549	19.41%	1,850,864	19.75%	1,927,713	21.32%	1,929,992	22.00%
American	1,222,743	11.98%	1,139,174	11.62%	1,194,779	12.75%	1,188,767	13.15%	1,143,658	13.04%
Delta	1,161,463	11.38%	1,269,557	12.95%	1,251,093	13.35%	1,253,421	13.86%	728,156	8.30%
United	676,651	6.63%	486,460	4.96%	468,066	4.99%	532,294	5.89%	522,673	5.96%
JetBlue	611,949	5.99%	447,570	4.57%	240,077	2.56%	37,103	0.41%	0	0.00%
AirTran	338,617	3.32%	383,833	3.92%	389,426	4.15%	381,746	4.22%	263,100	3.00%
Alaska	205,297	2.01%	171,582	1.75%	155,454	1.66%	149,368	1.65%	144,317	1.65%
Frontier	190,024	1.86%	323,292	3.30%	357,605	3.82%	204,339	2.26%	158,734	1.81%
Southwest	163,459	1.60%	42,037	0.43%	0	0.00%	0	0.00%	0	0.00%
Continental	61,565	0.60%	299,145	3.05%	269,102	2.87%	291,599	3.22%	303,467	3.46%
MN Airlines	40,894	0.40%	34,061	0.35%	26,374	0.28%	0	0.00%	0	0.00%
Virgin America	38,007	0.37%	11,236	0.11%	0	0.00%	0	0.00%	0	0.00%
Northwest	0	0.00%	0	0.00%	0	0.00%	28,371	0.31%	581,173	6.63%
Midwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%	32,247	0.37%
Delta Shuttle	0	0.00%	0	0.00%	0	0.00%	0	0.00%	13,149	0.15%
Other ²	0	0.00%	98,846	1.01%	146,539	1.56%	240,716	2.66%	117,546	1.34%
Regionals										
Republic (US Airways Express)	1,337,540	13.10%	1,131,600	11.55%	915,726	9.77%	907,075	10.03%	733,136	8.36%
Air Wisconsin (US Airways Express)	670,604	6.57%	538,617	5.50%	450,057	4.80%	446,339	4.94%	567,358	6.47%
PSA	404,206	3.96%	291,601	2.98%	203,834	2.17%	215,400	2.38%	168,781	1.92%
American Eagle	215,162	2.11%	288,187	2.94%	226,639	2.42%	292,901	3.24%	331,584	3.78%
Shuttle America (Delta Connection)	127,447	1.25%	146,677	1.50%	148,514	1.58%	164,543	1.82%	168,203	1.92%
Pinnacle (Delta Connection)	77,004	0.75%	116,780	1.19%	98,655	1.05%	21,038	0.23%	7,844	0.09%
Endeavor (Delta Connection)	65,165	0.64%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
ExpressJet (United Express)	59,002	0.58%	77,371	0.79%	0	0.00%	0	0.00%	0	0.00%
Shuttle America (United Express)	58,457	0.57%	18,444	0.19%	37,218	0.40%	10,495	0.12%	0	0.00%
Chautauqua (US Airways Express)	54,559	0.53%	166,531	1.70%	125,817	1.34%	123,584	1.37%	77,766	0.89%
Piedmont	50,815	0.50%	32,433	0.33%	10,183	0.11%	12,223	0.14%	4,466	0.05%
Republic (Frontier)	49,003	0.48%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Chautauqua (Continental Express)	43,142	0.42%	30,311	0.31%	14,513	0.15%	29,123	0.32%	32,401	0.37%
ExpressJet (Delta Connection)	31,220	0.31%	13,138	0.13%	0	0.00%	0	0.00%	0	0.00%
Republic (United Express)	30,446	0.30%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
SkyWest (United Express)	4,355	0.04%	5,850	0.06%	0	0.00%	0	0.00%	0	0.00%
Republic (American Eagle)	3,675	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Compass (Delta Connection)	662	0.01%	4,982	0.05%	128,135	1.37%	20,568	0.23%	0	0.00%
Comair (Delta Connection)	0	0.00%	66,578	0.68%	147,478	1.57%	206,210	2.28%	250,061	2.85%
Chautauqua (Delta Connection)	0	0.00%	24,556	0.25%	46,182	0.49%	2,908	0.03%	6,065	0.07%
ASA (Delta Connection)	0	0.00%	15,072	0.15%	138,417	1.48%	31,273	0.35%	2,974	0.03%
Continental Express	0	0.00%	11,929	0.12%	62,234	0.66%	55,260	0.61%	61,874	0.71%
Colgan Air (Continental Connection)	0	0.00%	8,876	0.09%	32,047	0.34%	44,085	0.49%	44,203	0.50%
Colgan Air (United Express)	0	0.00%	3,969	0.04%	0	0.00%	0	0.00%	0	0.00%
SkyWest (Continental Connection)	0	0.00%	2,355	0.02%	8,613	0.09%	0	0.00%	0	0.00%
Colgan Air (US Airways Express)	0	0.00%	943	0.01%	15,493	0.17%	15,315	0.17%	13,983	0.16%
Mesaba Aviation (Delta Connection)	0	0.00%	630	0.01%	77,491	0.83%	41,114	0.45%	0	0.00%
SkyWest (Delta Connection)	0	0.00%	33	0.00%	0	0.00%	0	0.00%	0	0.00%
Republic (Midwest Connect)	0	0.00%	0	0.00%	0	0.00%	10,503	0.12%	147,868	1.69%
Mesaba Aviation (Northwest Airlin)	0	0.00%	0	0.00%	0	0.00%	4,944	0.05%	29,506	0.34%
Pinnacle (Northwest Airlin)	0	0.00%	0	0.00%	0	0.00%	454	0.01%	47,431	0.54%
Freedom (Delta Connection)	0	0.00%	0	0.00%	0	0.00%	193	0.00%	44	0.00%
Chautauqua (Midwest Connect)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	50	0.00%
ACA/DL Connection	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Allegheny	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Chautauqua (American Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mesa (US Airways Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Trans States (American Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Trans States (US Airways Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	134,941	1.38%	527,955	5.63%	412,259	4.56%	604,059	6.89%
Charters	0	0.00%	0	0.00%	123	0.00%	219	0.00%	201	0.00%
General Aviation	7,586	0.07%	6,693	0.07%	5,235	0.06%	3,062	0.03%	1,656	0.02%
Military	3,749	0.04%	5,917	0.06%	5,163	0.06%	3,449	0.04%	2,995	0.03%
TOTAL DOMESTIC	10,005,011	98.00%	9,619,415	98.15%	9,247,146	98.66%	8,897,715	98.40%	8,638,662	98.48%
Transborder / International										
Air Canada	25,495	0.25%	58,479	0.60%	58,417	0.62%	63,165	0.70%	54,701	0.62%
Regionals										
Air Wisconsin (US Airways Express)	66,664	0.65%	46,911	0.48%	672	0.01%	0	0.00%	0	0.00%
Sky Regional (Air Canada)	44,481	0.44%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Air Canada Jazz	38,501	0.38%	45,577	0.47%	46,566	0.50%	45,512	0.50%	42,720	0.49%
US Airways	16,247	0.16%	15,514	0.16%	11,640	0.12%	35,663	0.39%	35,786	0.41%
Republic (US Airways Express)	12,632	0.12%	14,869	0.15%	8,769	0.09%	0	0.00%	0	0.00%
Chautauqua (US Airways Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mesa (US Airways Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
PSA	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Piedmont	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	204,020	2.00%	181,350	1.85%	126,064	1.34%	144,340	1.60%	133,232	1.52%
GRAND TOTAL	10,209,031	100.00%	9,800,765	100.00%	9,373,210	100.00%	9,042,055	100.00%	8,771,894	100.00%

¹ 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.

Source: Airports Authority Records

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2008		2007		2006		2005		2004	
Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
2,132,137	23.74%	2,255,033	24.25%	2,353,896	25.47%	2,715,964	30.48%	2,087,921	26.24%
1,158,855	12.90%	1,214,058	13.06%	1,132,839	12.26%	1,119,235	12.56%	921,936	11.59%
726,473	8.09%	704,772	7.58%	761,946	8.24%	834,287	9.36%	767,987	9.65%
518,293	5.77%	519,311	5.59%	511,091	5.53%	462,300	5.19%	441,683	5.55%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
249,030	2.77%	213,397	2.30%	172,293	1.86%	155,613	1.75%	138,707	1.74%
146,589	1.63%	142,567	1.53%	130,596	1.41%	116,137	1.30%	77,325	0.97%
156,669	1.74%	128,498	1.38%	123,223	1.33%	121,424	1.36%	72,757	0.91%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
325,851	3.63%	373,191	4.01%	378,298	4.09%	357,253	4.01%	309,128	3.88%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
669,821	7.46%	675,764	7.27%	666,028	7.21%	643,017	7.22%	622,144	7.82%
174,737	1.95%	204,583	2.20%	207,345	2.24%	187,012	2.10%	166,059	2.09%
206,552	2.30%	252,743	2.72%	311,460	3.37%	297,640	3.34%	327,428	4.11%
106,483	1.19%	371,108	3.99%	431,595	4.67%	453,589	5.09%	428,994	5.39%
630,563	7.02%	594,411	6.39%	465,755	5.04%	14,032	0.16%	0	0.00%
670,067	7.46%	568,630	6.12%	460,008	4.98%	32,716	0.37%	0	0.00%
147,013	1.64%	139,087	1.50%	152,515	1.65%	339,434	3.81%	191,904	2.41%
268,652	2.99%	258,697	2.78%	280,129	3.03%	264,758	2.97%	215,408	2.71%
23,646	0.26%	27,201	0.29%	269	0.00%	0	0.00%	0	0.00%
7,051	0.08%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
64,453	0.72%	70,677	0.76%	95,080	1.03%	150,719	1.69%	225,935	2.84%
12,856	0.14%	28,463	0.31%	11,584	0.13%	4,342	0.05%	47,334	0.59%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
34,546	0.38%	14,381	0.15%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
190,134	2.12%	179,534	1.93%	176,297	1.91%	158,060	1.77%	214,242	2.69%
9,881	0.11%	11,009	0.12%	1,700	0.02%	0	0.00%	0	0.00%
4,965	0.06%	26,268	0.28%	27,887	0.30%	35,904	0.40%	65,488	0.82%
58,935	0.66%	80,791	0.87%	97,211	1.05%	90,506	1.02%	90,655	1.14%
19,678	0.22%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
13,740	0.15%	13,867	0.15%	13,041	0.14%	10,242	0.11%	34,500	0.43%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
20,291	0.23%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
4,658	0.05%	9,895	0.11%	14,734	0.16%	25,724	0.29%	0	0.00%
58,100	0.65%	59,895	0.64%	55,563	0.60%	62,386	0.70%	10,455	0.13%
24,797	0.28%	1,194	0.01%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	3,872	0.05%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	24,344	0.31%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	2,874	0.04%
0	0.00%	0	0.00%	6,849	0.07%	58,990	0.66%	265,276	3.33%
0	0.00%	0	0.00%	15,250	0.16%	25,230	0.28%	42,617	0.54%
99	0.00%	6,529	0.07%	0	0.00%	211	0.00%	0	0.00%
405,278	4.51%	388,982	4.18%	408,532	4.42%	467,253	5.24%	754,323	9.48%
852	0.01%	0	0.00%	3	0.00%	0	0.00%	409	0.01%
1,516	0.02%	1,136	0.01%	536	0.01%	53	0.00%	0	0.00%
2,833	0.03%	3,094	0.03%	2,126	0.02%	1,906	0.02%	5,375	0.07%
8,840,816	98.43%	9,149,784	98.40%	9,057,147	97.99%	8,738,684	98.06%	7,802,757	98.06%
65,031	0.72%	61,837	0.67%	76,107	0.82%	104,637	1.17%	94,135	1.18%
0	0.00%	0	0.00%	23,915	0.26%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
38,313	0.43%	45,314	0.49%	36,001	0.39%	0	0.00%	0	0.00%
38,020	0.42%	41,372	0.44%	48,559	0.53%	40,830	0.46%	37,625	0.47%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	5,872	0.07%	1,672	0.02%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	14,889	0.19%
0	0.00%	0	0.00%	751	0.01%	21,210	0.24%	5,925	0.07%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	443	0.01%
0	0.00%	0	0.00%	751	0.01%	27,082	0.30%	22,929	0.29%
141,364	1.57%	148,523	1.60%	185,333	2.01%	172,549	2.24%	154,689	2.23%
8,982,180	100.00%	9,298,307	100.00%	9,242,480	100.00%	8,911,233	100.30%	7,957,446	100.00%

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Exhibit S-29 – Market Share by Passenger Enplanements – Dulles International

Airlines ¹	2013		2012		2011		2010		2009	
	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
Domestic										
United	3,132,389	28.64%	3,112,021	27.67%	3,264,591	28.17%	3,430,680	29.04%	3,286,673	28.30%
American	356,889	3.26%	388,322	3.45%	427,886	3.69%	464,266	3.93%	409,716	3.53%
Southwest	289,823	2.65%	308,414	2.74%	321,205	2.77%	374,282	3.17%	371,029	3.19%
Delta	231,202	2.11%	271,077	2.41%	324,660	2.80%	317,266	2.69%	296,772	2.56%
JetBlue	225,087	2.06%	321,138	2.85%	495,844	4.28%	576,039	4.88%	625,519	5.39%
Virgin America	191,220	1.75%	241,489	2.15%	235,983	2.04%	231,889	1.96%	237,796	2.05%
US Airways	790	0.01%	0	0.00%	13,258	0.11%	22,629	0.19%	34,728	0.30%
Continental	0	0.00%	98,544	0.88%	85,485	0.74%	701	0.01%	817	0.01%
AirTran	0	0.00%	32,033	0.28%	98,207	0.85%	119,681	1.01%	127,164	1.09%
Atlantic Coast	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Independence Air	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	0	0.00%	0	0.00%	15,139	0.13%	49,636	0.43%
Regionals										
ExpressJet (United Express)	940,398	8.60%	1,000,835	8.90%	523,817	4.52%	277,075	2.35%	62,152	0.54%
Mesa (United Express)	445,756	4.08%	471,395	4.19%	440,505	3.80%	549,219	4.65%	719,003	6.19%
Trans States (United Express)	295,704	2.70%	283,208	2.52%	349,374	3.01%	445,031	3.77%	566,386	4.88%
Commutair	211,757	1.94%	100,300	0.89%	360	0.00%	46,013	0.39%	30,694	0.26%
Republic (United Express)	206,860	1.89%	4,933	0.04%	0	0.00%	0	0.00%	0	0.00%
GoJet (United Express)	170,232	1.56%	160,431	1.43%	173,835	1.50%	308,225	2.61%	372,543	3.21%
Mesa (US Airways Express)	134,874	1.23%	131,282	1.17%	165,390	1.43%	318,557	2.70%	352,162	3.03%
United Express	123,001	1.11%	98,349	0.87%	84,534	0.73%	86,547	0.73%	86,754	0.75%
SkyWest (United Express)	98,604	0.90%	81,255	0.72%	67,254	0.58%	33,166	0.28%	0	0.00%
Pinnacle (Delta Connection)	57,697	0.53%	106,712	0.95%	70,130	0.61%	30,405	0.26%	30,379	0.26%
Compass (Delta Connection)	54,893	0.50%	69,443	0.62%	61,513	0.53%	69,150	0.59%	0	0.00%
Silver (United Express)	46,710	0.43%	20,196	0.18%	0	0.00%	0	0.00%	0	0.00%
PSA	44,931	0.41%	40,353	0.36%	33,959	0.29%	31,284	0.26%	42,999	0.37%
Endeavor (Delta Connection)	41,178	0.38%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Chautauque (Delta Connection)	33,182	0.30%	44,183	0.39%	18,158	0.16%	14,377	0.12%	0	0.00%
ExpressJet (Delta Connection)	30,938	0.28%	25,768	0.23%	0	0.00%	0	0.00%	0	0.00%
GoJet (Delta Connection)	9,330	0.09%	1,185	0.01%	0	0.00%	0	0.00%	0	0.00%
SkyWest (Delta Connection)	7,122	0.07%	0	0.00%	464	0.00%	1,132	0.01%	1,232	0.01%
Sun Air International	2,980	0.03%	198	0.00%	0	0.00%	0	0.00%	0	0.00%
Republic (US Airways Express)	1,956	0.02%	534	0.00%	373	0.00%	621	0.01%	6,243	0.05%
Air Wisconsin (US Airways Express)	1,299	0.01%	8,923	0.08%	14,611	0.13%	6,924	0.06%	475	0.00%
Other ²	573	0.00%	422,351	3.75%	977,078	8.43%	783,846	6.63%	708,310	6.10%
Charters	9,258	0.08%	10,981	0.10%	16,499	0.14%	13,403	0.11%	12,000	0.10%
General Aviation	73,340	0.67%	73,610	0.65%	70,590	0.61%	72,164	0.61%	66,831	0.58%
Military	114	0.00%	121	0.00%	447	0.00%	133	0.00%	36	0.00%
TOTAL DOMESTIC	7,470,087	68.31%	7,928,804	70.49%	8,332,189	71.89%	8,637,122	73.10%	8,496,487	73.16%
Transborder/International										
United	1,401,491	12.82%	1,372,383	12.20%	1,439,487	12.42%	1,451,292	12.28%	1,443,621	12.43%
Lufthansa	203,071	1.86%	186,521	1.66%	174,947	1.51%	176,179	1.49%	158,147	1.36%
British Airways	186,795	1.71%	192,722	1.71%	190,445	1.64%	173,211	1.47%	182,703	1.57%
Air France	172,083	1.57%	173,360	1.54%	173,618	1.50%	161,910	1.37%	181,787	1.57%
TACA International	103,621	0.95%	99,160	0.88%	103,804	0.90%	98,844	0.84%	95,132	0.82%
Qatar Amiri Air	90,845	0.83%	99,028	0.88%	101,139	0.87%	103,078	0.87%	88,061	0.76%
Emirates	88,361	0.81%	23,829	0.21%	0	0.00%	0	0.00%	0	0.00%
KLM Royal Dutch	85,959	0.79%	89,613	0.80%	77,930	0.67%	74,878	0.63%	79,265	0.68%
Turkish Airlines	82,057	0.75%	74,594	0.66%	47,988	0.41%	5,370	0.05%	0	0.00%
Ethiopian Airlines	81,661	0.75%	74,103	0.66%	80,752	0.70%	56,373	0.48%	42,141	0.36%
Korean Air	77,363	0.71%	83,286	0.74%	83,112	0.72%	78,117	0.66%	72,814	0.63%
South African	74,339	0.68%	71,239	0.63%	78,859	0.68%	80,797	0.68%	73,221	0.63%
Virgin Atlantic	69,543	0.64%	75,165	0.67%	75,256	0.65%	76,417	0.65%	84,778	0.73%
SAS	68,163	0.62%	68,620	0.61%	65,797	0.57%	71,042	0.60%	66,085	0.57%
COPA	66,069	0.60%	41,608	0.37%	35,917	0.31%	31,200	0.26%	31,723	0.27%
Austrian	64,764	0.59%	65,325	0.58%	60,793	0.52%	60,401	0.51%	63,885	0.55%
All Nippon	62,315	0.57%	65,839	0.59%	62,994	0.54%	66,573	0.56%	60,949	0.52%
Saudi Arabian	61,076	0.56%	48,579	0.43%	35,634	0.31%	28,874	0.24%	23,044	0.20%
Ethiad	53,774	0.49%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Avianca	37,327	0.34%	35,557	0.32%	24,383	0.21%	24,536	0.21%	23,502	0.20%
Icelandair	35,472	0.32%	30,028	0.27%	20,193	0.17%	0	0.00%	0	0.00%
Aeromexico	30,439	0.28%	18,848	0.17%	0	0.00%	0	0.00%	0	0.00%
Aeroflot	19,902	0.18%	10,390	0.09%	8,490	0.07%	8,838	0.07%	7,301	0.06%
Brussels	19,031	0.17%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Delta	1,414	0.01%	1,388	0.01%	4,199	0.04%	3,923	0.03%	4,513	0.04%
Other ²	672	0.01%	109,402	0.97%	122,891	1.06%	109,984	0.93%	71,977	0.62%
Regionals										
ExpressJet (United Express)	127,794	1.17%	110,063	0.98%	32,372	0.28%	0	0.00%	0	0.00%
Porter	33,025	0.30%	24,985	0.22%	0	0.00%	0	0.00%	0	0.00%
GoJet (United Express)	27,412	0.25%	30,838	0.27%	25,838	0.22%	33,447	0.28%	0	0.00%
SkyWest (United Express)	17,575	0.16%	10,927	0.10%	5,552	0.05%	0	0.00%	0	0.00%
Shuttle America (United Express)	12,326	0.11%	23,406	0.21%	40,163	0.35%	68,332	0.58%	93,135	0.80%
Republic (United Express)	2,321	0.02%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	0	0.00%	74,429	0.64%	123,271	1.04%	158,365	1.36%
Charters	5,923	0.05%	7,011	0.06%	9,822	0.08%	10,348	0.09%	11,002	0.09%
General Aviation	1,530	0.01%	2,009	0.02%	1,047	0.01%	377	0.00%	167	0.00%
GAF	366	0.00%	186	0.00%	422	0.00%	161	0.00%	382	0.00%
RAF	98	0.00%	0	0.00%	91	0.00%	283	0.00%	141	0.00%
Other Foreign Military	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
US	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Military	464	0.00%	186	0.00%	513	0.00%	444	0.00%	523	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	3,465,977	31.69%	3,320,014	29.51%	3,258,364	28.11%	3,178,056	26.90%	3,117,841	26.84%
GRAND TOTAL	10,936,064	100.00%	11,248,818	100.00%	11,590,553	100.00%	11,815,178	100.00%	11,614,328	100.00%

¹ 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: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



2008		2007		2006		2005		2004	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
3,312,845	27.73%	3,551,268	28.68%	3,430,537	29.84%	3,131,653	23.19%	3,064,079	26.81%
435,623	3.65%	444,445	3.59%	450,718	3.92%	471,771	3.49%	410,792	3.59%
396,298	3.32%	368,977	2.98%	80,567	0.70%	0	0.00%	0	0.00%
333,445	2.79%	368,507	2.98%	384,682	3.35%	392,954	2.91%	474,913	4.16%
730,989	6.12%	776,980	6.27%	666,704	5.80%	475,282	3.52%	444,592	3.89%
194,248	1.63%	27,247	0.22%	0	0.00%	0	0.00%	0	0.00%
96,997	0.81%	109,878	0.89%	101,772	0.89%	118,897	0.88%	97,310	0.85%
3,808	0.03%	20,415	0.16%	15,217	0.13%	26,260	0.19%	27,616	0.24%
179,892	1.51%	204,194	1.65%	199,898	1.74%	133,541	0.99%	129,738	1.14%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	817,453	7.15%
0	0.00%	0	0.00%	22,050	0.19%	2,690,638	19.93%	1,221,575	10.69%
135,150	1.13%	269,839	2.18%	310,515	2.70%	358,019	2.65%	415,112	3.63%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
906,747	7.59%	1,279,241	10.33%	1,602,553	13.94%	730,191	5.41%	282,517	2.47%
545,487	4.57%	528,990	4.27%	498,796	4.34%	567,626	4.20%	288,287	2.52%
15,014	0.13%	6,623	0.05%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
369,050	3.09%	375,942	3.04%	266,414	2.32%	239,948	1.78%	110,075	0.96%
249,456	2.09%	227,050	1.83%	77,833	0.68%	0	0.00%	0	0.00%
50,061	0.42%	22,464	0.18%	9,128	0.08%	15,509	0.11%	19,969	0.17%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11,589	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
32,574	0.27%	23,553	0.19%	37,924	0.33%	20,372	0.15%	3,207	0.03%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	635	0.01%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
950	0.01%	105	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	218	0.00%	2,338	0.02%	0	0.00%
732,409	6.13%	697,734	5.63%	637,204	5.54%	1,552,279	11.50%	1,198,270	10.48%
11,171	0.09%	12,837	0.10%	6,396	0.06%	34,711	0.26%	15,175	0.13%
84,997	0.71%	108,059	0.87%	102,778	0.89%	103,520	0.77%	99,923	0.87%
314	0.00%	0	0.00%	573	0.00%	573	0.00%	698	0.01%
8,827,841	73.90%	9,421,220	76.08%	8,900,335	77.41%	11,051,476	81.84%	9,115,205	79.76%
1,401,537	11.73%	1,350,797	10.91%	1,105,952	9.62%	1,004,913	7.44%	932,830	8.16%
173,440	1.45%	203,686	1.64%	215,272	1.87%	200,149	1.48%	163,817	1.43%
189,442	1.59%	173,361	1.40%	182,241	1.59%	189,991	1.41%	189,690	1.66%
176,064	1.47%	192,578	1.56%	201,577	1.75%	190,865	1.41%	156,142	1.37%
101,867	0.85%	118,331	0.96%	98,628	0.86%	90,554	0.67%	81,316	0.71%
85,231	0.71%	25,841	0.21%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
78,574	0.66%	83,033	0.67%	76,926	0.67%	73,253	0.54%	70,856	0.62%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
44,955	0.38%	41,977	0.34%	34,300	0.30%	29,812	0.22%	13,422	0.12%
57,850	0.48%	63,789	0.52%	56,776	0.49%	60,604	0.45%	58,695	0.51%
82,084	0.69%	87,604	0.71%	58,492	0.51%	13,254	0.10%	0	0.00%
95,567	0.80%	104,319	0.84%	83,992	0.73%	75,626	0.56%	92,282	0.81%
71,112	0.60%	66,251	0.54%	66,272	0.58%	74,016	0.55%	68,727	0.60%
30,063	0.25%	12,704	0.10%	0	0.00%	0	0.00%	0	0.00%
80,821	0.68%	80,054	0.65%	78,879	0.69%	81,580	0.60%	82,215	0.72%
62,932	0.53%	65,852	0.53%	70,047	0.61%	68,507	0.51%	68,744	0.60%
20,785	0.17%	16,476	0.13%	10,740	0.09%	8,028	0.06%	8,750	0.08%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
12,828	0.11%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
8,029	0.07%	7,356	0.06%	8,238	0.07%	7,614	0.06%	9,916	0.09%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
5,223	0.04%	5,223	0.04%	2,811	0.02%	0	0.00%	0	0.00%
79,199	0.66%	49,936	0.40%	61,663	0.54%	177,206	1.31%	259,873	2.27%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
89,225	0.75%	74,393	0.60%	56,105	0.49%	11,099	0.08%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
163,846	1.37%	135,867	1.10%	123,979	1.08%	88,379	0.65%	51,557	0.45%
4,743	0.04%	917	0.01%	1,792	0.02%	3,544	0.03%	740	0.01%
63	0.00%	448	0.00%	581	0.01%	1,696	0.01%	1,191	0.01%
1,540	0.01%	803	0.01%	1,552	0.01%	1,647	0.01%	2,869	0.03%
3,117,020	26.10%	2,961,596	23.92%	2,596,815	22.59%	2,452,337	18.16%	2,313,632	20.24%
11,944,861	100.00%	12,382,816	100.00%	11,497,150	100.00%	13,503,813	100.00%	11,428,837	100.00%



Exhibit S-30 – Market Share by Enplaned Cargo Weight – Reagan National
(Expressed in Pounds)

Airlines ¹	2013		2012		2011		2010		2009	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic										
American	613,811	24.68%	987,384	24.47%	1,115,895	30.74%	347,170	9.83%	438,101	16.27%
Frontier	502,027	20.19%	690,220	17.11%	428,095	11.79%	863,751	24.45%	499,669	18.56%
US Airways	399,430	16.06%	714,094	17.70%	543,956	14.98%	618,598	17.51%	554,872	20.61%
Delta	360,095	14.48%	429,637	10.65%	344,901	9.50%	286,798	8.12%	156,417	5.81%
Alaska	79,491	3.20%	47,177	1.17%	50,987	1.40%	113,101	3.20%	97,411	3.62%
United	78,564	3.16%	3,468	0.09%	10,406	0.29%	18,691	0.53%	16,191	0.60%
Continental	8,998	0.36%	133,778	3.32%	95,266	2.62%	157,450	4.46%	110,081	4.09%
Federal Express	0	0.00%	809,428	20.06%	779,768	21.48%	910,324	25.77%	549,860	20.42%
Republic (Midwest)	0	0.00%	0	0.00%	0	0.00%	28,589	0.81%	0	0.00%
Northwest	0	0.00%	0	0.00%	0	0.00%	21,974	0.62%	85,523	3.18%
Midwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%	11,783	0.44%
Air Canada	0	0.00%	0	0.00%	0	0.00%	0	0.00%	53	0.00%
ATA	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
AirTran	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
America West	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Delta Shuttle	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Spirit	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Regional										
PSA	272,804	10.97%	96,824	2.40%	135,206	3.72%	82,369	2.33%	56,727	2.11%
Air Wisconsin (US Airways Express)	159,049	6.40%	112,633	2.79%	124,420	3.43%	73,300	2.07%	63,295	2.35%
American Eagle	6,005	0.24%	7,862	0.19%	0	0.00%	0	0.00%	0	0.00%
Piedmont	3,442	0.14%	1,543	0.04%	139	0.00%	348	0.01%	412	0.02%
SkyWest (Continental Connection)	0	0.00%	14	0.00%	525	0.01%	0	0.00%	0	0.00%
Chautauqua (Continental Express)	0	0.00%	0	0.00%	340	0.01%	1,758	0.05%	1,969	0.07%
Continental Express	0	0.00%	0	0.00%	334	0.01%	5,848	0.17%	8,900	0.33%
Republic (Midwest Connect)	0	0.00%	0	0.00%	0	0.00%	2,116	0.06%	39,083	1.45%
Mesaba Aviation (Northwest Airlink)	0	0.00%	0	0.00%	0	0.00%	14	0.00%	345	0.01%
Pinnacle (Northwest Airlink)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1,901	0.07%
Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
TOTAL DOMESTIC	2,483,716	99.88%	4,034,062	99.98%	3,630,238	100.00%	3,532,199	99.98%	2,692,593	99.99%
Transborder / International										
Air Carrier - Chartered	240	0.01%	25	0.00%	66	0.00%	592	0.02%	200	0.01%
Regional	2,651	0.11%	601	0.01%	0	0.00%	0	0.00%	0	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	2,891	0.12%	626	0.02%	66	0.00%	592	0.02%	200	0.01%
GRAND TOTAL	2,486,607	100.00%	4,034,688	100.00%	3,630,304	100.00%	3,532,791	100.00%	2,692,793	100.00%

¹ 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.

Source: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority



2008		2007		2006		2005		2004	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
357,360	17.47%	2,628	0.10%	4,457	0.15%	92,242	3.02%	744,151	16.38%
19,694	0.96%	2,856	0.10%	0	0	0	0	1,371	0.03%
642,775	31.43%	1,661,112	60.57%	1,210,445	40.61%	1,037,946	34.03%	1,727,285	38.02%
95,744	4.68%	107,764	3.93%	140,659	4.72%	263,842	8.65%	273,507	6.02%
106,397	5.20%	106,366	3.88%	120,052	4.03%	43,616	1.43%	752	0.02%
17,874	0.87%	17,631	0.64%	20,069	0.67%	76,329	2.50%	172,457	3.80%
156,508	7.65%	163,807	5.97%	246,489	8.27%	300,118	9.84%	487,743	10.74%
313,462	15.33%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
83,748	4.09%	69,039	2.52%	24,575	0.82%	24,992	0.82%	41,723	0.92%
102,453	5.01%	146,642	5.35%	172,537	5.79%	143,100	4.69%	277,948	6.12%
152	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	215,872	7.87%	371,210	12.45%	589,871	19.34%	225,601	4.97%
0	0.00%	7,500	0.27%	28,539	0.96%	21,234	0.70%	0	0.00%
0	0.00%	86,448	3.15%	287,846	9.66%	284,665	9.33%	381,530	8.40%
0	0.00%	0	0.00%	882	0.03%	781	0.03%	2,193	0.05%
0	0.00%	0	0.00%	1,210	0.04%	8,791	0.29%	32,198	0.71%
23,795	1.16%	27,467	1.00%	56,658	1.90%	67,526	2.21%	30,539	0.67%
43,548	2.13%	25,796	0.94%	138,487	4.65%	23,281	0.76%	0	0.00%
0	0.00%	0	0.00%	45,960	1.54%	52	0.00%	789	0.02%
481	0.02%	2,032	0.07%	1,849	0.06%	1,089	0.04%	13,044	0.29%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
7,191	0.35%	3,333	0.12%	0	0.00%	0	0.00%	0	0.00%
20,167	0.99%	35,974	1.31%	60,917	2.04%	43,763	1.43%	30,235	0.67%
9,538	0.47%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
4	0.00%	154	0.01%	0	0.00%	0	0.00%	0	0.00%
4,445	0.22%	4,608	0.17%	1,298	0.04%	0	0.00%	0	0.00%
64	0.00%	2,262	0.08%	14,671	0.49%	10,541	0.35%	96,546	2.13%
2,005,400	98.05%	2,689,291	98.06%	2,948,810	98.93%	3,033,779	99.46%	4,539,612	99.93%
39,907	1.95%	53,277	1.94%	28,872	0.97%	15,756	0.52%	3,338	0.07%
0	0.00%	0	0.00%	3,141	0.11%	656	0.02%	64	0.00%
39,907	1.95%	53,277	1.94%	32,013	1.07%	16,412	0.54%	3,402	0.07%
2,045,307	100.00%	2,742,568	100.00%	2,980,823	100.00%	3,050,191	100.00%	4,543,014	100.00%



Exhibit S-31 – Market Share by Enplaned Cargo Weight – Dulles International (Expressed in Pounds)

Airlines ¹	2013		2012		2011		2010		2009	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic										
Federal Express	73,530,300	30.84%	73,713,462	28.54%	74,823,743	24.94%	76,889,656	23.12%	83,793,859	26.97%
United	16,431,907	6.89%	27,840,466	10.78%	34,373,835	11.46%	45,511,042	13.68%	38,771,925	12.48%
United Parcel Service	11,766,223	4.94%	14,242,032	5.51%	12,291,618	4.10%	10,519,509	3.16%	8,304,813	2.67%
American	637,883	0.27%	686,611	0.27%	793,807	0.26%	1,091,210	0.33%	1,289,901	0.42%
Delta	498,208	0.21%	482,352	0.19%	556,270	0.19%	539,498	0.16%	399,477	0.13%
Southwest	402,705	0.17%	417,056	0.16%	423,510	0.14%	316,218	0.10%	271,671	0.09%
ABX Air	53,761	0.02%	0	0.00%	0	0.00%	0	0.00%	119,843	0.04%
JetBlue	13,203	0.01%	21,821	0.01%	209,458	0.07%	386,739	0.12%	455,711	0.15%
Other ²	238	0.00%	367,558	0.14%	1,886,777	0.63%	2,909,366	0.87%	2,197,557	0.71%
Regionals										
PSA	36,011	0.02%	43,336	0.02%	27,339	0.01%	47,596	0.01%	29,119	0.01%
Air Wisconsin (US Airways Express)	2,020	0.00%	3,186	0.00%	6,846	0.00%	10,311	0.00%	16	0.00%
Other ²	0	0.00%	2,700	0.00%	1,133	0.00%	2,357	0.00%	9,670	0.00%
Air Carrier -- Chartered										
Mountain Air Cargo	194,559	0.08%	606	0.00%	0	0.00%	121,943	0.04%	8,117	0.00%
Antonov	189,597	0.08%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Atlas Air	113,459	0.05%	0	0.00%	106,560	0.04%	0	0.00%	0	0.00%
Kalitta Air	100,797	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	244,204	0.09%	0	0.00%	0	0.00%	0	0.00%
Military	0	0.00%	0	0.00%	4,914	0.00%	0	0.00%	0	0.00%
TOTAL DOMESTIC	103,970,871	43.61%	118,065,390	45.71%	125,505,810	41.84%	138,345,445	41.60%	135,651,679	43.67%
Transborder/International										
United	39,792,569	16.69%	54,935,397	21.27%	82,974,260	27.66%	99,578,299	29.94%	85,576,244	27.55%
Qatar Amiri Air	11,323,975	4.75%	11,776,045	4.56%	12,548,060	4.18%	13,088,631	3.94%	12,546,842	4.04%
British Airways	11,043,749	4.63%	11,882,801	4.60%	12,424,127	4.14%	13,277,122	3.99%	14,530,288	4.68%
Lufthansa	9,340,958	3.92%	10,004,312	3.87%	8,568,118	2.86%	10,568,050	3.18%	16,741,822	5.39%
All Nippon	9,298,822	3.90%	9,405,747	3.64%	9,915,876	3.31%	8,964,621	2.70%	7,120,220	2.29%
Emirates	8,872,668	3.72%	1,580,157	0.61%	0	0.00%	0	0.00%	0	0.00%
Virgin Atlantic	6,344,117	2.66%	6,523,720	2.53%	7,601,676	2.53%	8,028,698	2.41%	6,908,136	2.22%
South African	5,693,550	2.39%	6,395,193	2.48%	6,367,193	2.12%	6,655,220	2.00%	4,687,739	1.51%
Etihad	5,177,633	2.17%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Saudi Arabian	4,529,444	1.90%	3,170,035	1.23%	906,596	0.30%	1,423,270	0.43%	619,146	0.20%
KLM Royal Dutch	3,789,649	1.59%	3,794,531	1.47%	4,721,047	1.57%	3,388,973	1.02%	4,164,994	1.34%
Turkish Airlines	3,526,170	1.48%	2,945,046	1.14%	1,095,562	0.37%	6,036	0.00%	0	0.00%
Air France	3,168,263	1.33%	4,945,166	1.91%	10,212,850	3.40%	11,019,582	3.31%	6,913,773	2.23%
SAS	3,087,444	1.30%	3,612,476	1.40%	5,458,393	1.82%	7,756,339	2.33%	5,502,209	1.77%
Austrian	2,460,646	1.03%	2,728,674	1.06%	4,210,682	1.40%	5,083,851	1.53%	5,371,312	1.73%
Korean Air	2,361,651	0.99%	2,013,681	0.78%	1,037,363	0.35%	681,332	0.20%	631,640	0.20%
Ethiopian Airlines	842,637	0.35%	970,498	0.38%	964,461	0.32%	763,721	0.23%	571,426	0.18%
Brussels	836,244	0.35%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COPA	330,540	0.14%	46,626	0.02%	67,203	0.02%	44,164	0.01%	46,304	0.01%
TACA International	169,785	0.07%	235,572	0.09%	391,626	0.13%	387,763	0.12%	452,220	0.15%
Aeroflot	46,005	0.02%	80,482	0.03%	26,752	0.01%	0	0.00%	7,193	0.00%
Avianca	26,663	0.01%	8,537	0.00%	943	0.00%	3,346	0.00%	15,656	0.01%
Icelandair	24,881	0.01%	12,059	0.00%	12,399	0.00%	0	0.00%	0	0.00%
United Parcel Service	17,255	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	919,927	0.36%	3,242,232	1.08%	2,455,297	0.74%	1,347,021	0.43%
Regionals										
Air Wisconsin (United Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
All Cargo Charters										
Volga-Dnepr	421,672	0.18%	91,424	0.04%	0	0.00%	0	0.00%	0	0.00%
Atlas Air	308,556	0.13%	0	0.00%	563,216	0.19%	0	0.00%	0	0.00%
Antonov	283,514	0.12%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Evergreen International	258,128	0.11%	760,523	0.29%	225,024	0.08%	0	0.00%	220,000	0.07%
Air Transport International	15,900	0.01%	156,240	0.06%	0	0.00%	14,698	0.00%	59,055	0.02%
Other ²	0	0.00%	263,496	0.10%	126,706	0.04%	0	0.00%	0	0.00%
Military	1,027,722	0.43%	969,170	0.38%	802,239	0.27%	1,031,532	0.31%	950,429	0.31%
TOTAL TRANSBORDER/INTERNATIONAL	134,420,810	56.39%	140,227,535	54.29%	174,464,604	58.16%	194,220,545	58.40%	174,983,669	56.33%
GRAND TOTAL	238,391,681	100.00%	258,292,925	100.00%	299,970,414	100.00%	332,565,990	100.00%	310,635,348	100.00%

¹ 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: Airports Authority Records

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2008		2007		2006		2005		2004	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
82,766,364	23.66%	90,637,340	25.35%	84,999,063	24.86%	89,954,132	29.61%	85,571,561	28.33%
40,833,059	11.67%	47,996,696	13.43%	44,757,206	13.09%	42,347,957	13.94%	55,671,032	18.43%
8,582,825	2.45%	9,522,514	2.66%	9,210,600	2.69%	8,522,281	2.81%	7,394,010	2.45%
2,264,649	0.65%	1,486,544	0.42%	1,709,804	0.50%	1,441,953	0.47%	2,677,255	0.89%
420,072	0.12%	547,443	0.15%	732,947	0.21%	1,415,717	0.47%	2,514,816	0.83%
560,639	0.16%	585,535	0.16%	100,030	0.03%	0	0.00%	0	0.00%
11,811,662	3.38%	13,330,418	3.73%	11,161,815	3.27%	10,135,209	3.34%	10,007,380	3.31%
678,715	0.19%	138,833	0.04%	85,449	0.02%	123,565	0.04%	174,301	0.06%
1,224,394	0.35%	2,730,567	0.76%	3,280,850	0.96%	5,313,174	1.75%	8,478,398	2.81%
20,189	0.01%	13,075	0.00%	15,524	0.00%	1,299	0.00%	145	0.00%
0	0.00%	0	0.00%	700	0.00%	0	0.00%	0	0.00%
1,189,723	0.34%	42,194	0.01%	75,399	0.02%	243,264	0.08%	224,549	0.07%
0	0.00%	2,734	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	121,070	0.04%
31,635	0.01%	0	0.00%	0	0.00%	0	0.00%	95,280	0.03%
0	0.00%	0	0.00%	0	0.00%	200	0.00%	1,050	0.00%
150,383,926	43.00%	167,033,893	46.72%	156,129,387	45.67%	159,498,751	52.51%	172,930,847	57.25%
94,114,032	26.91%	96,960,774	27.12%	106,822,333	31.25%	64,727,512	21.31%	50,470,602	16.71%
12,987,692	3.71%	5,196,251	1.45%	0	0.00%	0	0.00%	0	0.00%
14,539,614	4.16%	12,824,088	3.59%	11,246,501	3.29%	11,563,749	3.81%	10,578,872	3.50%
19,296,508	5.52%	21,636,118	6.05%	20,128,114	5.89%	17,550,693	5.78%	14,632,524	4.84%
10,093,321	2.89%	12,112,144	3.39%	9,251,189	2.71%	6,663,410	2.19%	6,707,108	2.22%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
9,891,243	2.83%	8,941,718	2.50%	7,924,997	2.32%	6,585,176	2.17%	7,404,359	2.45%
3,797,528	1.09%	1,156,830	0.32%	3,342,760	0.98%	612,131	0.20%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
697,661	0.20%	680,012	0.19%	631,037	0.18%	648,639	0.21%	875,122	0.29%
5,766,904	1.65%	5,498,164	1.54%	4,679,652	1.37%	4,137,455	1.36%	3,599,933	1.19%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
8,659,903	2.48%	6,331,689	1.77%	5,570,291	1.63%	9,209,885	3.03%	8,210,094	2.72%
6,208,829	1.78%	7,262,647	2.03%	6,616,384	1.94%	7,375,992	2.43%	6,035,730	2.00%
7,344,158	2.10%	7,459,761	2.09%	4,930,035	1.44%	5,752,394	1.89%	7,593,452	2.51%
348,966	0.10%	288,372	0.08%	315,087	0.09%	313,519	0.10%	208,699	0.07%
722,967	0.21%	316,427	0.09%	109,308	0.03%	121,825	0.04%	116,894	0.04%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
10,013	0.00%	1,387	0.00%	0	0.00%	0	0.00%	0	0.00%
624,461	0.18%	644,573	0.18%	859,922	0.25%	669,909	0.22%	873,307	0.29%
77,707	0.02%	97,483	0.03%	180,476	0.05%	439,147	0.14%	1,027,717	0.34%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
2,518,677	0.72%	1,165,864	0.33%	1,564,238	0.46%	6,106,756	2.01%	9,011,557	2.98%
0	0.00%	0	0.00%	0	0.00%	38	0.00%	140	0.00%
0	0.00%	0	0.00%	169,400	0.05%	407,034	0.13%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	123,200	0.04%	0	0.00%	0	0.00%
0	0.00%	202,783	0.06%	152,764	0.04%	0	0.00%	0	0.00%
62,189	0.02%	54,930	0.02%	57,459	0.02%	0	0.00%	0	0.00%
50,000	0.01%	345,000	0.10%	0	0.00%	74,434	0.02%	157,660	0.05%
1,569,418	0.45%	1,304,371	0.36%	1,054,151	0.31%	1,318,272	0.43%	1,650,338	0.55%
199,381,791	57.00%	190,481,386	53.28%	185,729,298	54.33%	144,277,970	47.49%	129,154,108	42.75%
349,765,717	100.00%	357,515,279	100.00%	341,858,685	100.00%	303,776,721	100.00%	302,084,955	100.00%

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Exhibit S-32 – Passenger Facility Charges by Airport

Reagan National

Airlines ¹	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
US Airways	\$ 18,492,628	\$ 16,878,970	\$ 14,199,404	\$ 14,582,062	\$ 13,934,880	\$ 14,476,818	\$ 14,351,176	\$ 12,086,972	\$ 12,625,267	\$ 10,503,641
Delta Airlines	5,478,172	6,344,119	7,567,947	7,079,513	5,081,996	4,636,630	4,676,954	4,967,091	5,179,372	5,209,141
American Airlines	5,294,318	5,226,296	5,215,581	5,558,325	5,435,374	5,253,701	5,534,500	5,394,631	5,427,137	4,375,254
United Airlines	3,819,294	3,699,333	2,527,462	2,557,228	2,467,198	2,506,485	2,573,881	2,705,570	2,656,152	2,616,829
JetBlue Airways	2,567,433	1,931,568	1,062,230	206,786	-	-	-	-	-	-
Southwest Airlines	1,942,504	184,328	-	-	-	-	-	-	-	-
Frontier Airlines	1,040,644	1,404,603	1,579,634	809,107	628,660	625,194	535,577	514,022	504,049	303,045
Alaska Airlines	686,373	607,491	547,900	480,340	432,464	437,198	465,254	425,640	413,946	296,442
Air Canada	445,550	423,968	365,562	345,315	331,797	361,106	334,925	359,440	354,705	292,456
MN Airlines	179,845	155,292	124,509	-	764	145	-	-	-	-
Virgin America	164,828	51,681	-	-	-	-	-	-	-	-
AirTran Airlines	78,338	1,650,696	1,638,033	1,632,888	1,156,620	1,075,203	854,421	814,715	695,644	615,315
Spirit Airlines	(803)	428,264	641,203	553,306	540,296	487,386	396,793	453,489	581,274	481,408
Continental Airlines	-	260,462	1,270,792	1,622,627	1,775,593	1,750,203	1,806,768	1,856,835	1,687,362	1,464,417
Midwest Airlines	-	-	-	551,920	769,813	798,789	855,607	892,721	792,860	685,642
Northwest Airlines	-	-	-	59,807	2,055,181	2,775,098	2,956,332	2,926,818	2,907,962	2,465,069
ATA	-	-	-	-	-	238	451,217	551,933	652,466	427,487
America West Airlines	-	-	-	-	-	-	854,244	2,901,072	728,576	645,104
Midwest Express Airlines	-	-	-	-	-	-	-	-	-	-
Other Airlines ²	118,143	121,122	149,341	202,841	110,126	92,348	97,162	173,311	142,142	124,827
Adjustments ³	190,319	255,702	104,376	(87,424)	191,848	(238,756)	98,581	206,780	87,928	375,773
TOTAL	\$ 40,497,586	\$ 39,623,895	\$ 36,993,974	\$ 36,154,641	\$ 34,912,610	\$ 35,037,786	\$ 36,843,392	\$ 37,231,040	\$ 35,436,842	\$ 30,881,850

Dulles International

Airlines ¹	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
United Airlines	\$ 24,604,350	\$ 24,700,284	\$ 21,972,484	\$ 24,381,322	\$ 24,188,764	\$ 24,105,856	\$ 27,004,434	\$ 25,902,234	\$ 24,377,946	\$ 24,953,913
Delta Airlines	2,153,258	2,439,923	2,304,143	2,450,430	1,977,246	1,907,178	1,952,085	1,928,007	2,196,748	2,473,274
American Airlines	1,481,683	1,593,514	1,642,789	1,720,637	1,686,082	1,695,527	1,943,558	2,094,490	2,372,467	1,964,577
Lufthansa German Airline	1,236,194	1,201,882	1,124,200	1,139,039	1,256,257	1,299,418	973,447	1,130,727	1,168,401	1,063,212
Southwest Airlines	1,104,271	1,199,309	1,239,318	1,482,116	1,491,052	1,591,622	1,499,638	465,784	-	-
US Airways	1,078,679	1,104,201	1,093,620	1,300,499	1,309,668	1,288,635	1,522,274	2,069,268	1,571,054	1,588,412
JetBlue Airways	908,827	1,305,838	2,089,605	2,525,215	2,579,607	3,055,512	3,272,345	2,840,661	2,091,638	1,949,480
Virgin America	812,956	963,648	1,041,615	989,353	1,059,457	867,813	185,561	-	-	-
British Airways	713,751	700,319	724,845	742,379	753,116	794,545	740,442	763,123	788,243	811,730
Air France	503,992	500,175	599,476	585,248	622,599	593,256	640,047	673,672	595,872	404,770
Taca International Airlines	452,372	428,416	449,430	436,273	452,951	416,958	533,730	427,165	407,021	372,168
Qatar Amiri Air	395,144	184,973	150,770	252,403	414,570	216,286	74,841	-	-	-
Turkish Airlines	392,329	354,787	260,776	40,923	10,346	3,130	-	-	-	-
Emirates Airlines	373,409	104,192	20,907	17,064	27,909	14,074	-	-	-	-
Ethiopian Airlines	362,772	323,696	344,725	236,732	174,015	191,196	175,408	141,155	129,938	-
South African Airways	346,621	340,190	409,934	648,930	473,554	490,495	519,315	368,339	59,444	5,315
Scandinavian Airlines	341,059	316,627	316,801	315,402	300,074	301,378	303,343	275,317	283,535	308,706
Korean Air Lines	309,673	324,763	327,978	354,164	286,737	226,761	246,580	216,256	223,869	224,540
Virgin Atlantic Airways	290,313	301,247	269,760	295,854	345,970	389,053	345,685	332,503	276,262	321,481
Air Canada	284,267	288,612	273,518	326,640	306,503	373,935	335,333	332,483	327,522	344,102
All Nippon Airways	270,708	286,997	252,669	280,246	263,481	246,599	255,203	266,327	261,000	282,924
C.O.P.A. Airlines	261,791	176,825	145,920	118,460	127,525	130,023	-	-	-	-
Austrian Airlines	230,402	257,879	251,019	268,722	304,465	258,781	341,175	359,218	417,492	384,484
KLM Royal Dutch Airlines	175,920	191,619	172,065	159,763	169,051	170,780	-	-	-	-
Icelandair	141,165	129,839	90,368	-	-	-	-	-	-	-
Saudi Arabian Airlines	125,313	84,628	67,387	54,985	49,097	31,657	-	-	-	-
Porter Airlines	82,694	108,854	-	-	-	-	-	-	-	-
Alaska Airlines	13,568	11,998	11,284	30,905	31,546	34,970	21,156	49,074	171,266	167,221
Continental Airlines	-	962,291	3,098,744	1,260,003	536,166	435,936	619,562	661,516	837,418	813,813
AirTran Airlines	-	133,723	413,359	530,408	538,680	755,506	891,901	861,884	624,016	586,399
Northwest Airlines	-	-	-	31,630	676,823	903,702	1,093,729	1,060,255	1,102,369	1,075,361
America West Airlines	-	-	-	-	-	-	63,575	373,922	401,961	522,655
Independence Air	-	-	-	-	-	-	-	(202,588)	11,236,855	1,899,055
Other Airlines ²	869,251	633,181	723,154	620,257	776,177	841,324	802,431	557,360	557,482	1,011,179
Adjustments ³	(1,757,404)	1,985,253	(249,711)	337,707	418,666	(214,475)	(341,344)	280,511	398,649	1,649,555
TOTAL	\$ 38,559,328	\$ 43,639,683	\$ 41,632,952	\$ 43,933,709	\$ 43,608,154	\$ 43,417,431	\$ 46,015,454	\$ 44,258,664	\$ 52,878,468	\$ 45,178,326

Passenger facility charges (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. These schedules reflect the amounts of PFCs submitted by carriers to the Airports Authority based on the airlines' year of collection.

¹ Previous years' comparative information has been modified as necessary based on revisions from carriers. Carrier information is based on each year presented.

² Other Airlines includes PFCs applicable for carriers that do not operate at Reagan National or Dulles International.

³ Adjustments include estimates of receivables due from carriers for PFCs not yet remitted as of year-end, less estimates carried forward from the prior year.

Source: Airports Authority Records



Exhibit S-33 – Top 30 Passenger Origination and Destination Markets in 2013 – Reagan National

Domestic			International		
Destination Airport	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
Boston, MA	SH	1,069,152	Toronto, Pearson	Canada	122,395
Chicago, O'Hare	MH	951,598	Montreal, Dorval	Canada	53,168
Atlanta, GA	SH	729,708	Nassau	Bahamas	38,084
Orlando, FL	MH	707,530	Lima	Peru	37,465
Fort Lauderdale, FL	MH	525,531	Ottawa	Canada	33,203
New York, LaGuardia	SH	420,595	Cancun	Mexico	31,503
Miami, FL	MH	405,488	Santo Domingo	Dominican Rep	31,357
Dallas/Fort Worth, TX	MH	397,671	San Jose	Costa Rica	27,233
Tampa, FL	MH	375,039	Guatemala City	Guatemala	25,924
Denver, CO	MH	366,288	Buenos Aires	Argentina	23,748
Minneapolis/St. Paul, MN	MH	326,022	Bogota	Colombia	20,066
Los Angeles, CA	LH	300,182	Montego Bay	Jamaica	19,980
Houston, TX	MH	288,160	Port au Prince	Haiti	19,705
San Francisco, CA	LH	240,062	Tel Aviv	Israel	19,260
Seattle, WA	LH	237,976	Beijing	China	19,060
Detroit, MI	SH	217,785	Punta Cana	Dominican Rep	17,734
Milwaukee, WI	MH	207,479	Vancouver	Canada	16,521
St. Louis, MO	MH	201,157	Bermuda	Bermuda	16,445
Kansas City, MO	MH	193,963	Mexico City	Mexico	16,257
New Orleans, LA	MH	190,710	Shanghai	China	15,621
Las Vegas, NV	LH	164,717	Port of Spain	Trinidad & Tobago	15,492
San Diego, CA	LH	161,646	San Jose Cabo	Mexico	15,344
Phoenix, AZ	LH	158,975	Santiago	Chile	14,648
Palm Beach, FL	MH	149,769	Kingston	Jamaica	14,646
Indianapolis, IN	SH	147,200	Calgary	Canada	13,638
Salt Lake City, UT	LH	141,924	Managua	Nicaragua	13,053
Jacksonville, FL	MH	141,841	Quito	Ecuador	12,270
Omaha, NE	MH	137,599	Manila	Philippines	12,159
Austin, TX	MH	131,901	Tegucigalpa	Honduras	11,962
Fort Myers, FL	MH	127,682	Madrid	Spain	11,950

***Note**

SH Short Haul = 0 to 600 miles
MH Medium Haul = 601 - 1,800 miles
LH Long Haul = over 1,800 miles

Domestic Source: U.S. DOT O&D Survey, Year Ending 2Q2013

International Source: FmGlobal, Diio MI 12 months ending October of 2013



Exhibit S-34 – Top 30 Passenger Origination and Destination Markets in 2013 – Dulles International

Domestic			International		
Destination Airport	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
San Francisco, CA	LH	816,226	London, Heathrow	U.K.	449,105
Los Angeles, CA	LH	800,348	Paris, CDG	France	184,768
Denver, CO	MH	345,656	San Salvador	El Salvador	177,230
Boston, MA	SH	270,671	Seoul, Incheon	South Korea	110,150
Atlanta, GA	SH	258,172	Beijing	China	107,575
Chicago, O'Hare	SH	235,935	Frankfurt	Germany	98,570
Orlando, FL	MH	216,727	Dubai	U.A.E.	90,550
Dallas/Fort Worth, TX	MH	209,242	Rome, FCO	Italy	86,222
Chicago, Midway	SH	194,091	Mexico City	Mexico	84,598
Seattle, WA	LH	186,741	Amsterdam	Netherlands	82,348
San Diego, CA	LH	184,638	Istanbul	Turkey	79,857
Las Vegas, NV	LH	174,489	Tokyo, Narita	Japan	75,404
Tampa, FL	MH	144,354	Jeddah	Saudi Arabia	74,539
New York, Kennedy	SH	112,507	Cancun	Mexico	68,928
Honolulu, HI	LH	111,877	Delhi	India	68,836
Miami, FL	MH	108,692	Riyadh	Saudi Arabia	68,733
Houston, TX	MH	108,299	Toronto, Pearson	Canada	65,872
Minneapolis/St. Paul, MN	MH	102,735	Lima	Peru	57,879
Portland, OR	LH	88,593	Addis Ababa	Ethiopia	57,475
St. Louis, MO	MH	87,242	Brussels	Belgium	56,319
Phoenix, AZ	LH	85,222	Toronto, Island	Canada	51,548
New York, LaGuardia	SH	84,513	Hyderabad	India	48,367
Sacramento, CA	LH	78,127	Mumbai	India	46,739
Kansas City, MO	MH	77,731	Johannesburg	South Africa	45,747
Detroit, MI	SH	74,288	Copenhagen	Denmark	45,651
Austin, TX	MH	73,408	Munich	Germany	40,908
Oakland, CA	LH	70,425	Sao Paulo	Brazil	40,769
Long Beach, CA	LH	70,062	Geneva	Switzerland	40,662
Salt Lake City, UT	LH	69,492	Bogota	Colombia	40,429
San Antonio, TX	MH	65,549	Ho Chi Minh City	Vietnam	40,246

***Note**

SH Short Haul = 0 to 600 miles

MH Medium Haul = 601 - 1,800 miles

LH Long Haul = over 1,800 miles

Domestic Source: U.S. DOT O&D Survey, Year Ending 2Q2013

International Source: FmGlobal, Diio MI 12 months ending October of 2013



Exhibit S-35 – Top 10 Passenger Origination and Destination Markets – Reagan National

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 cities beyond the perimeter: Austin; Denver; Las Vegas; Los Angeles; Phoenix; Portland, Ore.; Salt Lake City; San Diego; San Francisco; and Seattle.

2013	
Destination Airport	Passengers
Boston, MA	1,069,152
Chicago, O'Hare	951,598
Atlanta, GA	729,708
Orlando, FL	707,530
Fort Lauderdale, FL	525,531
New York, LaGuardia	420,595
Miami, FL	405,488
Dallas/Fort Worth, TX	397,671
Tampa, FL	375,039
Denver, CO	366,288

2012	
Destination Airport	Passengers
Boston, MA	1,093,167
Chicago, O'Hare	898,736
Atlanta, GA	733,268
Orlando, FL	631,824
Fort Lauderdale, FL	606,321
New York, LaGuardia	421,678
Miami, FL	416,186
Dallas/Fort Worth, TX	393,588
Denver, CO	377,562
Minneapolis/St. Paul, MN	341,532

2011	
Destination Airport	Passengers
Boston, MA	1,062,304
Chicago, O'Hare	823,075
Atlanta, GA	720,492
Orlando, FL	629,383
Ft. Lauderdale, FL	525,349
Dallas/Ft. Worth, TX	449,700
Miami, FL	443,140
New York, LaGuardia	439,776
Minneapolis/St. Paul, MN	347,230
Denver, CO	320,162

2010	
Destination Airport	Passengers
Chicago, O'Hare	822,180
Atlanta, GA	764,100
Boston, MA	647,120
New York, LaGuardia	536,050
Orlando, FL	508,730
Dallas/Ft. Worth, TX	474,090
Ft. Lauderdale, FL	466,320
Miami, FL	341,290
Denver, CO	316,990
Minneapolis/St. Paul, MN	316,560

2009	
Destination Airport	Passengers
Chicago, O'Hare	787,160
Atlanta, GA	781,140
Boston, MA	609,470
New York, LaGuardia	593,990
Dallas/Ft. Worth, TX	473,360
Ft. Lauderdale, FL	411,630
Orlando, FL	372,820
Miami, FL	332,230
Denver, CO	324,950
Minneapolis/St. Paul, MN	322,460

2008	
Destination Airport	Passengers
Atlanta, GA	787,360
Chicago, O'Hare	783,330
New York, LaGuardia	754,970
Boston, MA	675,980
Dallas/Ft. Worth, TX	447,430
Ft. Lauderdale, FL	396,270
Detroit, MI	386,830
Miami, FL	343,690
Denver, CO	342,290
Orlando, FL	327,740

2007	
Destination Airport	Passengers
New York, LaGuardia	988,930
Atlanta, GA	790,320
Chicago, O'Hare	775,600
Boston, MA	707,840
Dallas/Ft. Worth, TX	438,900
Detroit, MI	394,760
Ft. Lauderdale, FL	392,810
Miami, FL	372,930
Orlando, FL	350,710
Denver, CO	314,810

2006	
Destination Airport	Passengers
New York, LaGuardia	1,172,490
Atlanta, GA	812,650
Chicago, O'Hare	752,350
Boston, MA	634,750
Dallas/Ft. Worth, TX	423,070
Detroit, MI	416,330
Miami, FL	357,280
Orlando, FL	347,590
Ft. Lauderdale, FL	342,040
Houston, TX	329,010

2005	
Destination Airport	Passengers
New York, LaGuardia	1,147,930
Atlanta, GA	799,300
Chicago, O'Hare	779,730
Boston, MA	720,680
Dallas/Ft. Worth, TX	429,530
Detroit, MI	390,590
Ft. Lauderdale, FL	384,840
Denver, CO	341,060
Minneapolis/St. Paul, MN	323,900
Houston, TX	318,170

2004	
Destination Airport	Passengers
New York, LaGuardia	1,231,600
Boston, MA	703,980
Atlanta, GA	626,910
Chicago, O'Hare	596,940
Ft. Lauderdale, FL	404,600
Dallas/Ft. Worth, TX	353,740
Orlando, FL	312,960
Minneapolis/St. Paul, MN	297,110
Detroit, MI	286,850
Denver, CO	268,110

Data reported for current year reflects year-ending estimates as of the 2nd 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



Exhibit S-36 – Top 10 Passenger Origination and Destination Markets – Dulles International

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.

2013		2012		2011		2010	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
San Francisco, CA	816,226	San Francisco, CA	809,011	Los Angeles, CA	847,849	Los Angeles, CA	881,620
Los Angeles, CA	800,348	Los Angeles, CA	783,746	San Francisco, CA	816,038	San Francisco, CA	826,940
London, Heathrow	449,105	London, Heathrow	443,884	London, Heathrow	453,425	Boston, MA	525,960
Denver, CO	345,656	Denver, CO	320,618	Orlando, FL	380,408	Orlando, FL	457,270
Boston, MA	270,671	Orlando, FL	294,857	Boston, MA	357,608	London, Heathrow	432,084
Atlanta, GA	258,172	Boston, MA	286,648	Denver, CO	343,269	Denver, CO	341,530
Chicago, O'Hare	235,935	Atlanta, GA	280,054	Atlanta, GA	302,268	Atlanta, GA	313,950
Orlando, FL	216,727	Chicago, O'Hare	221,420	Las Vegas, NV	232,506	Las Vegas, NV	262,030
Dallas/Fort Worth, TX	209,242	Chicago, Midway	199,100	San Diego, CA	221,891	San Diego, CA	236,010
Chicago, Midway	194,091	San Diego, CA	194,227	Dallas/Fort Worth, TX	220,654	Dallas/Ft. Worth, TX	230,750

2009		2008		2007		2006	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	921,510	Los Angeles, CA	863,790	Los Angeles, CA	697,880	Los Angeles, CA	660,780
San Francisco, CA	769,920	San Francisco, CA	649,480	Orlando, FL	606,640	Boston, MA	612,590
Orlando, FL	482,230	Orlando, FL	588,200	Boston, MA	521,060	Orlando, FL	496,890
Boston, MA	473,860	Boston, MA	497,590	San Francisco, CA	511,210	Atlanta, GA	476,330
London, Heathrow	419,032	London, Heathrow	444,938	London, Heathrow	447,149	London, Heathrow	456,853
Atlanta, GA	346,200	Atlanta, GA	375,670	Atlanta, GA	441,950	San Francisco, CA	417,340
Denver, CO	320,320	Denver, CO	364,690	Las Vegas, NV	405,550	Denver, CO	364,960
Las Vegas, NV	258,860	Las Vegas, NV	313,100	Denver, CO	368,530	Las Vegas, NV	341,860
San Diego, CA	242,610	San Diego, CA	290,200	San Diego, CA	315,210	Oakland, CA	331,910
Dallas/Ft. Worth, TX	229,300	Tampa, FL	261,810	Oakland, CA	306,270	Chicago, O'Hare	324,000

2005		2004	
Destination Airport ¹	Passengers	Destination Airport ¹	Passengers
Los Angeles, CA	729,040	Los Angeles, CA	664,880
Atlanta, GA	619,240	Atlanta, GA	657,680
Orlando, FL	563,380	Chicago, O'Hare	490,640
San Francisco, CA	492,590	Oakland, CA	446,160
Boston, MA	460,710	Denver, CO	419,800
Chicago, O'Hare	441,730	Boston, MA	396,960
Oakland, CA	363,730	Orlando, FL	374,230
Denver, CO	362,470	Ft. Lauderdale, FL	360,160
Las Vegas, NV	339,420	Long Beach, CA	350,480
Long Beach, CA	338,840	San Francisco, CA	325,730

¹ International passenger O&D data is not available before 2006. As such, 2003-2005 data includes domestic passenger O&D data only.

Domestic traffic data reported for current year reflects year-ending estimates as of the 2nd Quarter in the calendar year. International traffic data for current year is based on traffic for twelve months ending October of 2013. Prior year results have been adjusted to reflect actual annual traffic.

Domestic Source: U.S. Department of Transportation O&D Surveys

International Source: Marketing Information Data Transfer Global Airline Database (2004-2010), FmGlobal, Diio MI (2011-2013)



Exhibit S-37 – Airline Tenants – Both Airports

As of December 31, 2013

<u>Reagan National</u>	<u>Dulles International</u>		
<p><u>Signatory Airlines</u></p> <p>Air Canada Jazz Air Wisconsin Airlines Corp. Alaska Airlines American Airlines American Eagle Chautauqua Airlines Compass Airlines Delta Airlines Endeavor Air, Inc. ExpressJet Airlines Frontier Airlines Jet Blue Airways Corp Piedmont Airlines PSA Airlines Republic Airlines Shuttle America Sky Regional Airlines SkyWest Airlines Southwest Airlines (including AirTran Airways, Inc.) MN Airlines (DBA Sun Country Airlines) United Airlines US Airways, Inc. Virgin America, Inc.</p>	<table border="0"> <tr> <td style="vertical-align: top;"> <p><u>Signatory Airlines</u></p> <p>Air France All Nippon Airways American Airlines Austrian Airlines Avianca Airlines British Airways Brussels Airlines Chautauqua Airlines CommutAir Compass Airlines COPA Airlines Delta Airlines Emirates Airlines Endeavor Air, Inc. Ethiopian Airlines Etihad Airways ExpressJet Airlines Federal Express GoJet Airlines Icelandair Jet Blue Airways Corp KLM Royal Dutch Airlines Korean Air Lufthansa German Airlines Mesa Airlines Mountain Air Cargo Porter Airlines PSA Airlines Qatar Airways Republic Airlines Saudi Arabian Airlines Scandinavian Airlines Shuttle America Silver Airways Skywest Airlines South African Airways Southwest Airlines TACA International Airlines Trans States Airlines, Inc. Turkish Airlines United Airlines United Parcel Service Virgin America, Inc. Virgin Atlantic Airways Ltd.</p> </td><td style="vertical-align: top;"> <p><u>Non-Signatory Airlines</u></p> <p>Aeroflot Aeromexico North American Airlines Pacific Wings (DBA Sun Air International)</p> </td></tr> </table>	<p><u>Signatory Airlines</u></p> <p>Air France All Nippon Airways American Airlines Austrian Airlines Avianca Airlines British Airways Brussels Airlines Chautauqua Airlines CommutAir Compass Airlines COPA Airlines Delta Airlines Emirates Airlines Endeavor Air, Inc. Ethiopian Airlines Etihad Airways ExpressJet Airlines Federal Express GoJet Airlines Icelandair Jet Blue Airways Corp KLM Royal Dutch Airlines Korean Air Lufthansa German Airlines Mesa Airlines Mountain Air Cargo Porter Airlines PSA Airlines Qatar Airways Republic Airlines Saudi Arabian Airlines Scandinavian Airlines Shuttle America Silver Airways Skywest Airlines South African Airways Southwest Airlines TACA International Airlines Trans States Airlines, Inc. Turkish Airlines United Airlines United Parcel Service Virgin America, Inc. Virgin Atlantic Airways Ltd.</p>	<p><u>Non-Signatory Airlines</u></p> <p>Aeroflot Aeromexico North American Airlines Pacific Wings (DBA Sun Air International)</p>
<p><u>Signatory Airlines</u></p> <p>Air France All Nippon Airways American Airlines Austrian Airlines Avianca Airlines British Airways Brussels Airlines Chautauqua Airlines CommutAir Compass Airlines COPA Airlines Delta Airlines Emirates Airlines Endeavor Air, Inc. Ethiopian Airlines Etihad Airways ExpressJet Airlines Federal Express GoJet Airlines Icelandair Jet Blue Airways Corp KLM Royal Dutch Airlines Korean Air Lufthansa German Airlines Mesa Airlines Mountain Air Cargo Porter Airlines PSA Airlines Qatar Airways Republic Airlines Saudi Arabian Airlines Scandinavian Airlines Shuttle America Silver Airways Skywest Airlines South African Airways Southwest Airlines TACA International Airlines Trans States Airlines, Inc. Turkish Airlines United Airlines United Parcel Service Virgin America, Inc. Virgin Atlantic Airways Ltd.</p>	<p><u>Non-Signatory Airlines</u></p> <p>Aeroflot Aeromexico North American Airlines Pacific Wings (DBA Sun Air International)</p>		

Signatory airlines are those that have signed the Airports Authority Use 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 Agreement and Premises Lease.

Source: Airports Authority Records, airlines with regular operations during December, 2013



Exhibit S-38 – Non-Airline Tenants – Reagan National
As of December 31, 2013

Retail

Accessorize
Airport Wireless
America!
As Kindred Spirits
Better Vision Group
BluWire Dulles, LLC
Brooks Brothers
Brookstone
Capital Image
Capital Luggage & Gifts
DC Home Team Sports
DC Marketplace
Forever Heather, Inc.
Heritage Booksellers
Hickory Farms
Johnston & Murphy
Jos. A Banks Clothiers, Inc
Knits Etc.
Landau
MacTrade
Maggie Collection
Noble Collections
Pen & Prose
PGA Tour Shop
Pro Image Sports
Rosetta Stone
See the World
Smithsonian Museum Store
Sunglass Hut International
The Bead Factory
Time Flies
Touch of Color
Traveller's Aide
Virginia Chocolate
Washington Gifts
Zagros Photos

Newsstands

Capital Travelmart
CNBC News
Faber News
Hudson AeroMart
Hudson News Company

Duty Free

Dulles Duty Free LLC.

Foreign Currency

Travelex Currency Services

Fixed Based Operators

Signature Flight Support

Parking Managed by:

Five Star U Street Metropolitan
Washington Airport Parking

Food and Beverage

Allie's Deli
Auntie Anne's Pretzels
CakeLove
California Tortilla
Cibo Bistro & Wine Bar
Cibo Express Gourmet
Cinnabon
Cosi
DC Brewhouse
DCA Bistro
Dunkin Donuts
Einstein Bros Bagels
Euro Café
Fabulously Fresh
Famous Famiglia
Five Guys
Fuddruckers
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
Qdoba
Ranch *1
Sam Adams Brewpub
Sam and Harry's
Starbucks
T.G.I. Fridays
Tidewater Landing

Advertising

JCDeceaux Airport, Inc.

Services

AC Holdings, Inc.(CNN)
C&P Shoeshine
Capital One Bank
Kiko's Shoeshine
Pacific Telemanagement Services
Smarte Carte Inc.
VIP Shoeshine

Rental Cars

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

Ground Transportation

Challenger Transportation, Inc.
(Supreme Airport Shuttle)
Hotel Shuttles
Standard Parking (Shuttle Bus Operations)
Technical and Professional Services
Washington Shuttle, Inc. (Super Shuttle)

Commercial Aviation Services

ABM Janitorial Services-Northeast, Inc.
Aircraft Service International Group, Inc.
Airline Tech Reps (STS Line Maintenance)
Airport Terminal Services
Airway Cleaners, LLC.
Allied Aviation Fueling of National Airport
Avdyne AeroServices, LLC
Contego Systems DCA, LLC
DAL Global Services, LLC
Elite Line Services, LLC
Eulen America
First Transit, Inc.
G2 Secure Staff, LLC
Huntleigh USA Corporation
Menzies Aviation(USA), Inc.
PrimeFlight Aviation Services, Inc.
Readyjet, Inc.
Worldwide Flight Services, Inc

Fixed Based Operators

Signature Flight Support

Other Airport Tenants

Aeronautical Radio, Inc.
Airport Terminal Services
American Airlines Federal Credit Union
Anton Enterprises, Inc.
Drug Enforcement Administration
Eastern Industrial Maintenance, Inc.
Elite Line Services, LLC
Federal Aviation Administration
Federal Bureau of Investigation
Federal Express Corporation
First Transit, Inc.
Flight Services and Systems
G2 Secure Staff, LLC.
General Services Administration
Gulf Coast Real Estate Consultants
Huntleigh USA Corporation
Jet Aircraft Maintenance
Marketplace Development
Menzies Aviation Group, Inc.
Nextel Communications of the Mid-Atlantic
Riva Networks, Inc
Siemens Government Services, Inc.
Transportation Security Administration
University of District of Columbia
US Coast Guard Air Station
Worldwide Flight Services International

Source: Airports Authority Records



Exhibit S-39 – Non-Airline Tenants – Dulles International

As of December 31, 2013

Retail

10 Minute Manicure
Airport Wireless
America!
Appalachian Spring
Authors Books
Brooks Brothers
Brookstone
Flag World
Hudson Books
InMotion Entertainment
Mac Trade
Massage Bar
Mindworks
See's Candy
Smithsonian Museum Store
Solstice
Stellar Books
Sunglass Icon
Taxco Sterling
Techshowcase
Touch of Color
Travel Comfort by Clouds
Washington Gift
Zoom Systems-Best Buy

Newsstands

CNBC News
Concourse Concession News
DC Express
Faber News
Fox News Channel
Hudson News
News Connection
News Exchange
News Express
Stellar News

Duty Free

Dulles Duty Free, LLC

Services

AC Holdings, Inc.(CNN)
Capital One Bank
Exxon Gas Station
Marriott Hotel at Dulles
Pacific Telemanagement Services
Pena Shoeshine
Professional Leather Care
Smarte Carte, Inc.

Foreign Currency

International Currency Exchange

Parking Managed by:

Five Star U Street Metropolitan
Washington Airport Parking

Parking Shuttle Managed by:

Standard Parking Corporation

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
Simply Wheelz, LLC.(Advantage Rent A Car)
Vanguard Car Rental USA

In-flight Kitchens

Gate Gourmet International
Sky Chefs, Inc.

Fixed Based Operators

Signature Flight Support
Landmark Aviation

Ground Transportation

Capital Executive Limousine
Challenger Transportation
(Supreme Airport Shuttle)

Dulles Airport Taxi
Hotel Shuttles
Regency Cab
Technical and Professional Services, Inc.
Veolia Transportation, Inc.
Washington Shuttle, Inc. (Super Shuttle)

Commercial Aviation Services

Air General
Aircraft Services Int'l
Air Serv Corporation
AvDyne Aero Services, LLC.
Cargo Airport Services
Delta Airline Global Services
Eulen America
Global Aviation Services, LLC.
Ground Services International, Inc.
Huntleigh Corporation
National Aviation Services
Swissport USA, Inc.
Swissport Fueling, Inc.
Tug Technologies Corporation
U.S. Aviation Services
Worldwide Flight Services, Inc.

Other Airport Tenants

A to Z Duty Free, LLC
AECOM Technology Corporation
Airline Tariff Publishing Company
Airschott, Inc.
AMB/AFCO Cargo IAD, LLC
Aviation Facilities Company
Dulles East- MWAA
Federal Aviation Administration
Federal Republic of Germany
General Services Administration
Globe Air Cargo, Inc.
Gulf Coast Real Estate Consultants, LLC
Host International, Inc.
IAD Fuels, LLC
John S. Connor, Inc.
Landow Aviation Limited Partnership
Livingston International Tech. Services Corp.
Marketplace Development
Nextel Communications of the Mid-Atlantic
Parsons Management Corporation
Platinum Air Cargo USA, LLC.
Pollo Real
Quettawala Inc. D.B.A. Inter Global Systems
Qwest
The Smithsonian Institution
Timco Line Care, LLC
Transportation Security Administration
U.S. Fish and Wildlife Service
U.S. Postal Service
UPS Supply Chain Solutions
V-Dulles West, LLC.
Velsor
Verizon South, Inc.

Source: Airports Authority Records



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