



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY



Washington Dulles International Airport
Late 1970s

2012 CAFR

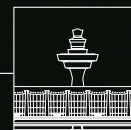
Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2012



Washington Dulles International Airport

50th Anniversary



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

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

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Vice President and Secretary

Vice President for Finance and Chief Financial Officer

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Vice President for Audit

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 Year Ended December 31, 2012

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April 26, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the Metropolitan Washington Airports Authority (the Airports Authority) for the year ended December 31, 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 to perform these audit services. PricewaterhouseCoopers LLP has issued an unqualified (“clean”) opinion on the Airports Authority’s financial statements for the years ended December 31, 2012 and 2011. 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 Board of Directors (the Board). In November 2011, the Federal Act was amended and subsequently ratified by the Commonwealth of Virginia and District of Columbia in 2012 to increase the number of Directors from 13 to 17 and to provide that they are not to continue to serve after their terms expire. Currently, seven members are appointed by the Governor of Virginia subject to confirmation by the Virginia General Assembly, four are appointed by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, three are appointed by the Governor of Maryland, and three are appointed by the President of the United States with the advice and consent of the United States Senate. Members serve staggered, six-year terms without compensation and may

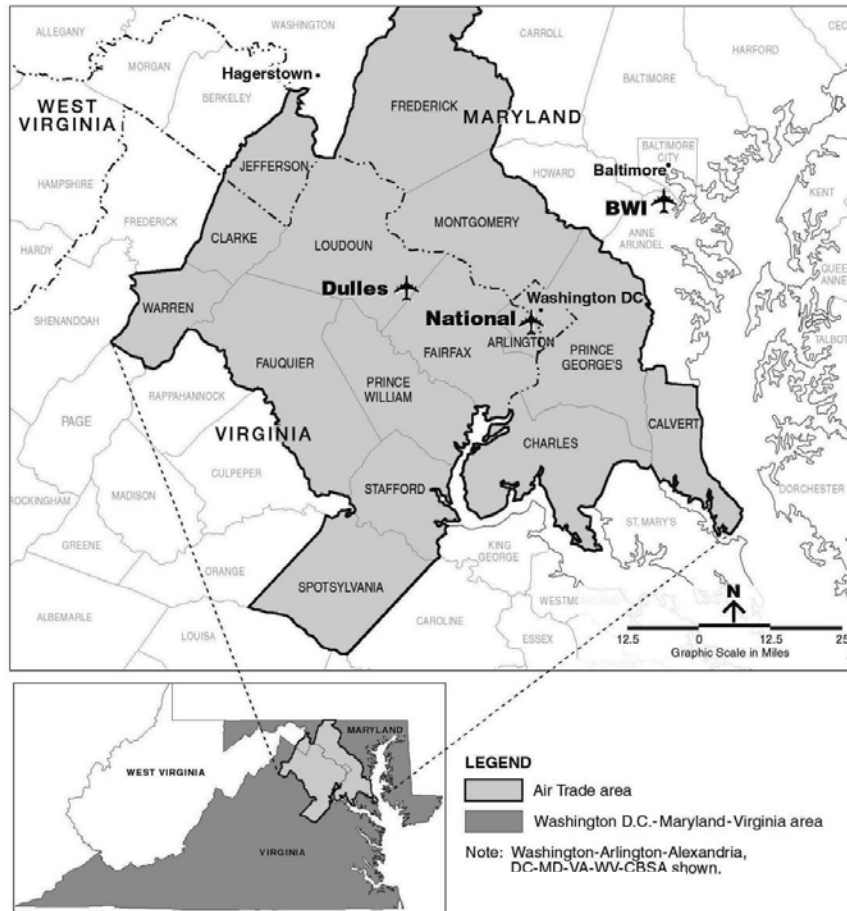


be reappointed once. The Board establishes the Airports Authority's policy and appoints the President and Chief Executive Officer to oversee the operations of the Airports Authority. The Board annually elects a Chairman, Vice Chairman, and Secretary.

Aviation Enterprise Fund

The Airports Authority operates a two-airport system (Reagan National and Dulles International) 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 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 24 mainline and regional airlines serving Reagan National as of December 31, 2012, providing 288 thousand takeoffs and landings during the year. There is no significant cargo transportation at Reagan National.

Dulles International opened for service in 1962 and celebrated its 50th anniversary in 2012. It is situated on approximately 11,830 acres in Fairfax and Loudoun Counties in Virginia. Dulles International is 26 miles from downtown Washington, D.C., from which it is accessible via a 17-mile dedicated four-lane (two lanes in each direction) access road and Interstate 66. Dulles International provides a full range of domestic and international air service, including service to destinations in Europe, Asia, South America, and Africa. There were 52 domestic and international mainline and regional airlines serving Dulles International as of December 31, 2012, providing 312 thousand takeoffs and landings during the year. Dulles International also provides facilities for cargo transport. There are 540 thousand square feet of cargo buildings at Dulles International, leased by airlines and other aviation support companies. Cargo operations at Dulles International are a major economic engine for the Air Trade Area.

In February 1990, the Airports Authority entered into the Airport Use Agreement and Premises Lease (Use and Lease Agreement) with the major airlines serving Reagan National and Dulles International. The Use and Lease Agreement provides the financial stability necessary for the Airports Authority to operate the Airports and access the capital markets to fund the Capital Construction Program (CCP). The Use and Lease Agreement is for a term of 25 years, 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 (refer to Note 2 – Airport Use Agreement and Premises Lease).

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

Projects currently in the CCP at Reagan National include immediate improvements to Terminal A, which are necessary to implement approved slot reallocations, development of long-term redevelopment plans for Terminal A and Terminals B/C, and significant improvements to the Airport's runway and runway safety areas. At Dulles International, projects currently in the CCP include replacement of airfield pavement panels, replacement



of the public parking revenue control system, improvements to the hydrant fuel line, and rehabilitation of cargo buildings.

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 uses collected tolls 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, 2010, 2-axle vehicle toll rates were \$1.00 at the main toll plaza and 75¢ at other exit and entrance locations. On January 1, 2011, the toll rate at the main toll plaza was increased to \$1.25, and on January 1, 2012, the toll rate at the main toll plaza was increased to \$1.50. In 2012, the Board approved toll rate increases through 2014. The rates will increase to \$1.75 at the main toll plaza and to \$1.00 at other exit and entrance locations in 2013, and to \$2.50 at the main toll plaza in 2014.

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 14 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 2013.



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 late 2013 or early 2014.

Phase 2 of the Dulles Metrorail Project will extend the Metrorail system an additional 11.3 miles from Wiehle Avenue in Reston to Dulles International and into Loudoun County. Phase 2 of the Metrorail Project 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 March 2012. The first major procurement of the Phase 2 Design-Build was initiated in 2012, and contract award is anticipated in May 2013. Construction for Phase 2 is planned through 2018.

AIRPORTS AUTHORITY'S ECONOMIC ENVIRONMENT

In spite of extraordinary volatility in the global and national economy, the Washington, D.C. region has grown steadily for the past two decades. The region has been ranked the strongest local economy in the U.S. for two 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 2012, Virginia, Maryland, and the District of Columbia were among the top ten areas with the highest economic confidence index.²

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.³

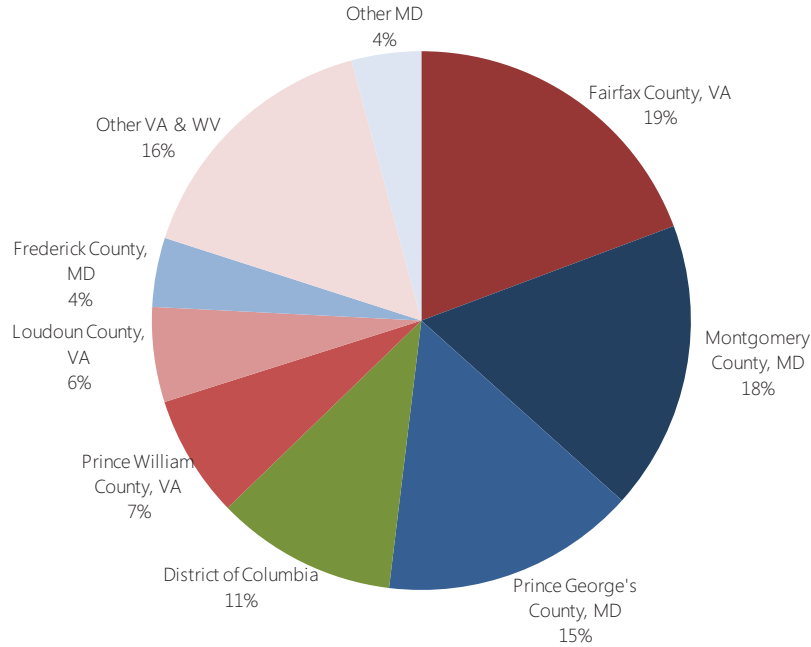
¹ Source: Policom Corporation, Economic Strength Rankings 2012

² Source: Gallup Economic Confidence Index 2012

³ Source: U.S. Census Bureau Population Division, May 2012



Air Trade Area
Population Concentration of 5.7 Million Residents
U.S. Census Bureau, 2011



The region had the 5th highest per capita personal income in the nation in 2011,⁴ and median household income was 72 percent higher than the U.S. median household income, as reported in the Census Bureau's 2011 American Community Survey.⁵ Over the years, the Air Trade Area has consistently had a lower unemployment rate than the national average. As of December 2012, the region's unemployment rate was 5.5 percent, significantly lower than the U.S. average of 8.1 percent.⁶

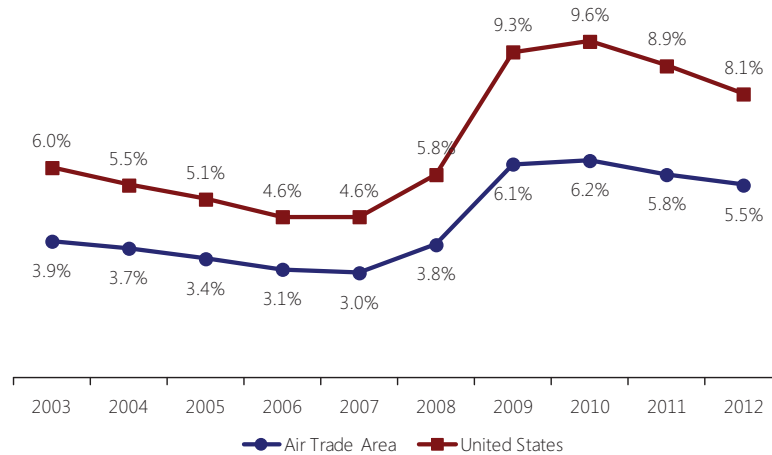
⁴ Source: U.S. Bureau of Economic Analysis

⁵ Source: U.S. Census Bureau's 2011 American Community Survey, Table DP03

⁶ Source: U.S. Department of Labor, Bureau of Labor Statistics (Preliminary December 2012 data)

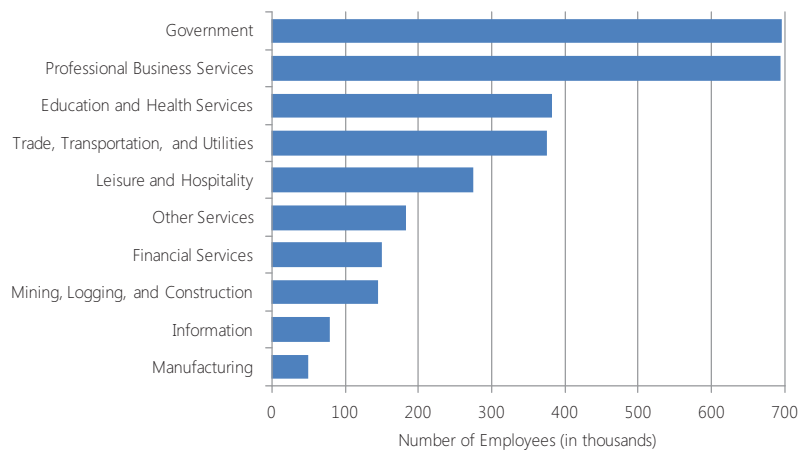


Average Annual Unemployment Rate
U.S. Bureau of Labor Statistics



Activity generated by the federal government provides a solid foundation and economic stimulus to the metropolitan area in both up and down cycles. The federal government’s procurement spending in the Air Trade Area totaled \$79.6 billion in 2011, the most recent period for which data is available.⁷ While federal spending may be impacted due to budget cuts, the Air Trade Area boasts a diversified employment base, with strong participation in professional business services; education and health; trade, transportation, and utilities; and leisure and hospitality sectors.⁸ The Air Trade Area is home to numerous large and small private companies, including 18 *Fortune* 500® companies, and continues to attract new business.⁹ In September 2011, Northrop Grumman moved its headquarters from Los Angeles, California to Falls Church, Virginia.

Air Trade Area Employment by Industry – 2012
Bureau of Labor Statistics



⁷ Source: Fuller, Stephen, “The Washington Area Economy: After the Fiscal Cliff.” Presented at Cardinal Bank & George Mason University 21st Annual Economic Conference, January 11, 2013.

⁸ Source: U.S. Department of Labor, Bureau of Labor Statistics (Preliminary December 2012 data)

⁹ Source: Fortune 500 2012 http://money.cnn.com/magazines/fortune/fortune500/2012/full_list/

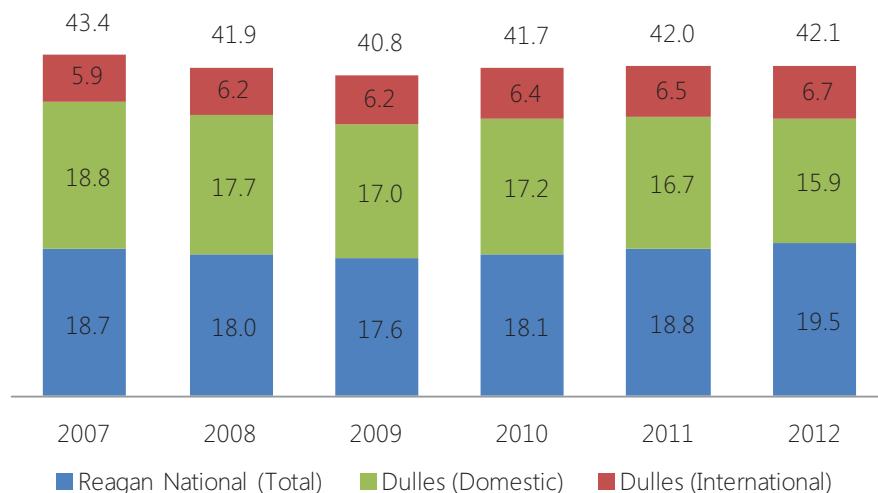


Aviation and Toll Road Activity

In 2012, combined Reagan National and Dulles International system enplanements grew by 0.2 percent, marking the third consecutive year of growth and a return to pre-recession levels. Activity at Reagan National reached record levels with total passengers of 19.5 million, representing a 3.7 percent increase over 2011 activity of 18.8 million. The increase in passenger traffic at Reagan National exceeded the U.S. system-wide industry average increase of 0.8 percent.¹⁰ Total aircraft operations at the airport increased from 282 thousand operations in 2011 to 288 thousand in 2012.

Dulles International served 22.6 million passengers in 2012, a 2.6 percent decrease from 2011 when Dulles International served 23.2 million passengers. The overall decrease was driven by a 4.7 percent decline in domestic passenger traffic primarily due to the repositioning of air service by jetBlue, Southwest/AirTran, Delta, and Virgin America to Reagan National, as well as consolidation in United and Continental operations. The decline in domestic traffic was partially offset by a 1.9 percent increase in international passenger traffic, which marked the ninth consecutive year of international passenger growth at Dulles International. The airport has been strengthening its status as the region’s international gateway and experienced record-breaking levels of international passenger growth in 2012. Contributing to this trend was an increase in the number of destination offerings and the attraction of new airlines, such as Aeromexico, Emirates, and Porter Airlines. New destinations in 2012 included Dubai, United Arab Emirates; Dublin, Ireland; Mexico City, Mexico; and San Salvador, El Salvador; among others. Total aircraft operations at Dulles International declined 4.6 percent in 2012 to 312 thousand operations from 327 thousand operations in 2011.

MWAA System-Wide Passengers (in Millions)



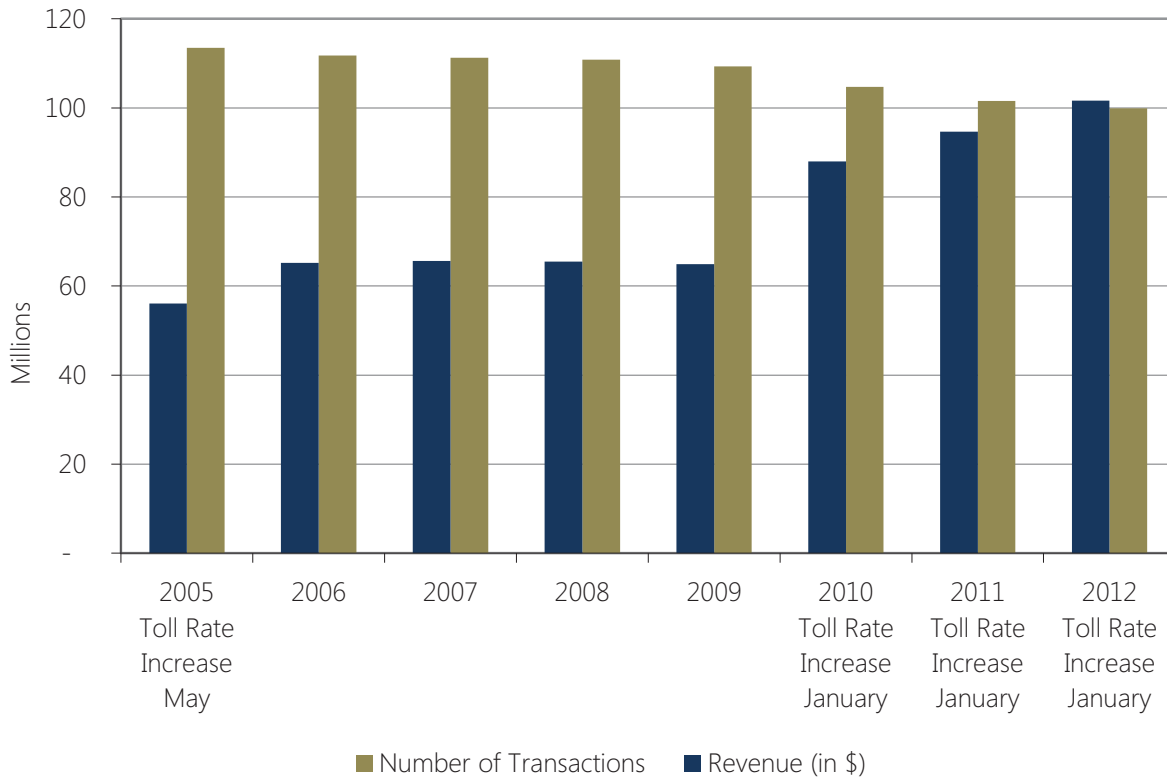
The Dulles Toll Road processed an average of 8.3 million toll transactions per month in 2012 and 8.5 million toll transactions per month in 2011. Dulles Toll Road toll transactions totaled 99.9 million in 2012 compared to

¹⁰ Source: Airlines for America Monthly Passenger Traffic Report, December 2012



101.5 million in 2011, a 1.6 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, 2012. At the same time, Dulles Toll Road revenue has increased to \$101.6 million in 2012, or 7.4 percent annually since 2010.

Dulles Toll Road Transactions and Revenue



Industry Outlook

The downward trend in air traffic levels reversed during 2010, and enplanements experienced a modest growth in 2011 and 2012. Industry-wide domestic enplanements increased 1.5 percent and 0.5 percent in 2011 and 2012, respectively, while industry-wide international growth averaged 1.4 percent and 2.1 percent, respectively.¹¹ Overall U.S. cargo volume declined 0.8 percent in 2012 due to weak trans-Atlantic cargo levels, which were 5.8 percent lower than in 2011. Airlines have responded to economic challenges by constraining growth of flights, reducing overall seat capacity, holding or increasing air fares, and focusing on more profitable international service. In addition to sluggish passenger and cargo growth, U.S. airports have been challenged with declining federal government airport funding, inflation in operating costs, and needed capital improvements. The Airports Authority has been closely managing budgeted expenditures and continuously looking for ways to increase non-airline revenues in order to minimize increases to airline rates and charges.

¹¹ Source: Airlines for America Monthly Passenger Traffic Report, December 2012



Toll roads in the U.S. have also been on a modest path of recovery from the economic downturn. While traffic and revenue trends have begun to stabilize, toll roads have yet to experience substantial traffic growth. Moody's expects toll road volume to grow in line with GDP – between 1.5 percent and 2.5 percent – through mid-2014.¹²

THE AIRPORTS AUTHORITY'S OPERATING BUDGETS

The Airports Authority's annual operating budgets are a financial planning tool outlining the estimated revenues and expenses for the Airports and for the Dulles Toll Road at certain activity levels. The budgets are a management tool, and, accordingly, are not required to be 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 2012, 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 0.2 percent in 2012 compared to reaching 98.9 percent of budget expectations in 2011. Operating expenses reached 93.7 percent of budget authorization in 2012, while in 2011 expenses reached 92.8 percent of budget authorization. The Airports Authority's 2012 budget reflected a 3.6 percent increase in revenues and a 2.0 percent increase in expenses, as compared to the 2011 Budget.

Aviation Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2012 Revenues	\$ 652,218,000	\$ 653,786,834	100.2%
2012 Expenses ²	\$ 332,235,000	\$ 311,146,359	93.7%
2011 Revenues	\$ 629,559,500	\$ 622,548,625	98.9%
2011 Expenses ²	\$ 325,706,000	\$ 302,182,190	92.8%

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

² Budgeted expenses exclude depreciation expense

¹² Source: The Bond Buyer. Moody's: Toll Road Outlook Is Negative. February 6, 2013



Dulles Corridor Enterprise Fund

The 2012 operating budget for the Dulles Corridor Enterprise Fund reflected the fourth full year of operating the Dulles Toll Road. Operating revenues reached 94.2 percent of budget expectations in 2012, while in 2011, operating revenues reached 96.7 percent of budget expectations. Operating expenses reached 84.8 percent of budget authorization in 2012 and 90.1 percent in 2011. The Airports Authority's 2012 budget reflected a 10.2 percent increase in revenues, due to increases in toll rates, and a 3.2 percent increase in expenses, due to an increase in allocated costs, as compared to the 2011 Budget.

Dulles Corridor Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2012 Revenues	\$ 107,823,000	\$ 101,596,089	94.2%
2012 Expenses	\$ 28,746,000	\$ 24,363,892	84.8%
2011 Revenues	\$ 97,847,000	\$ 94,659,538	96.7%
2011 Expenses	\$ 27,843,000	\$ 25,085,426	90.1%

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

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



Dulles Corridor Enterprise Fund

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

OTHER INFORMATION

The Airports Authority's Web Page

The Airports Authority has an Internet web site offering a wide array of information to users, including financial information and operational statistics. Users can obtain direct access to the airlines serving the Airports, as well as flight arrival and departure information. The Airports Authority's CAFR, Budget, Master Indentures of Trust, Official Statements, Debt Service Review, airline rates and charges, and aviation statistics are posted on the web site. 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 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, 2011. This was the twenty-third 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 Mark Tune, Controller; Chris Wedding, Assistant 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



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Washington
Airports Authority, Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Morrell

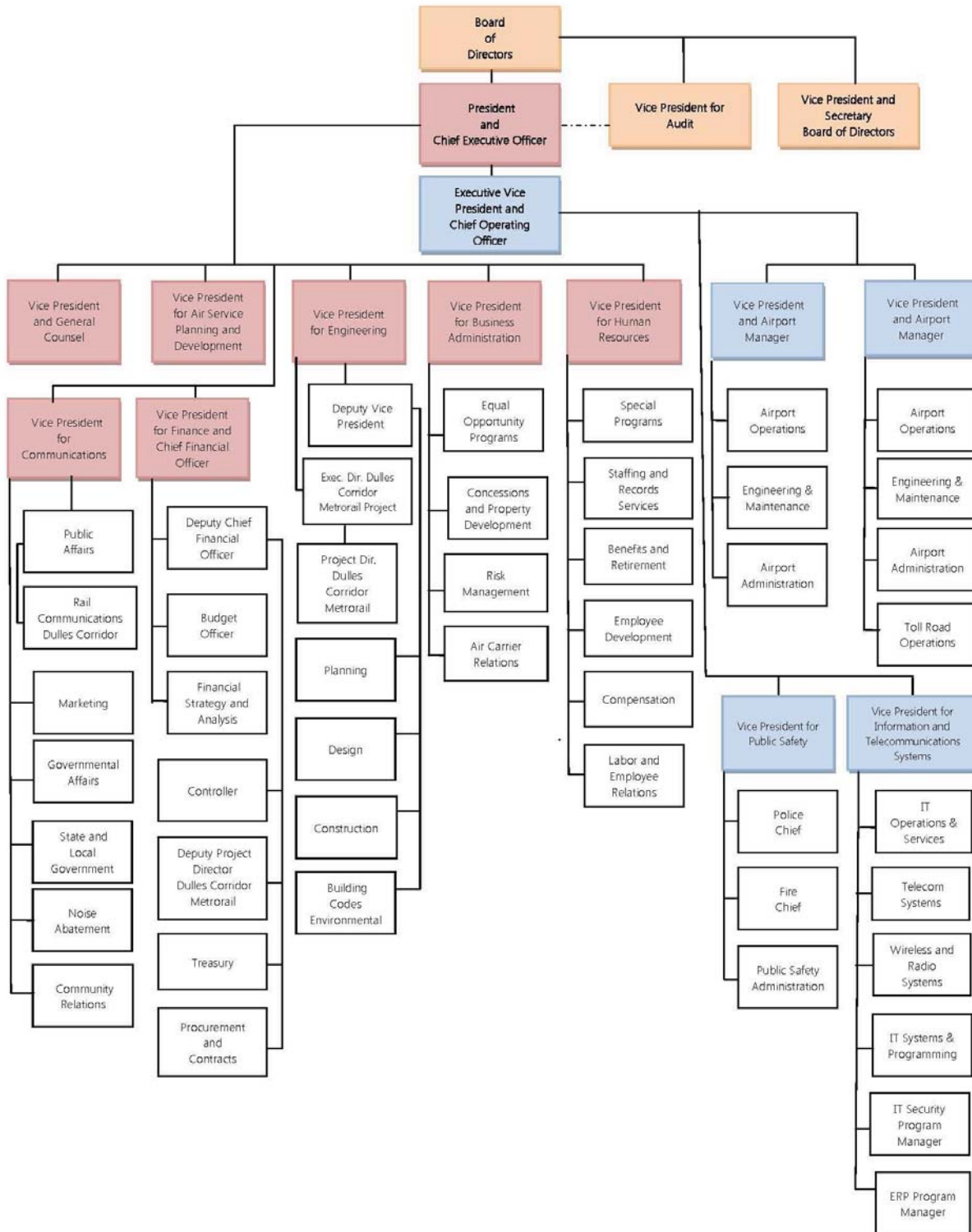
President

Jeffrey R. Emen

Executive Director



Organizational Chart
As of December 31, 2012





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the 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, 2012 and December 31, 2011, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.



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, 2012 and December 31, 2011, 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

The accompanying Management's Discussion and Analysis (MD&A) on pages 19 through 42 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.

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. 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 26, 2013



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, 2012 with selected comparative information for the years ended December 31, 2011 and December 31, 2010. 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.

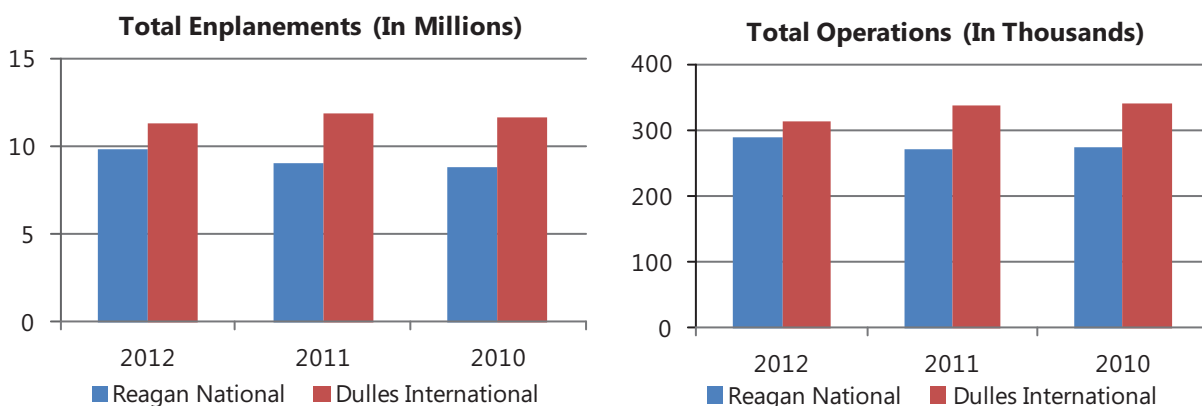
THE AIRPORTS AUTHORITY'S ACTIVITY HIGHLIGHTS

Aviation Enterprise Fund

Pursuant to the Airports Authority's Airport Use Agreement and Premises Lease (Use and Lease Agreement), the Airports Authority has activity-based revenues which include non-airline fees such as those from parking, rental car activities, and other concessions, and airline-based fees such as landing fees, rents, international arrival fees, and passenger conveyance fees.

As demand for aviation is driven by economic activity, the aviation industry has been negatively affected by the most serious economic downturn in recent history. Uncertainty surrounding the U.S. and European economies has slowed economic recovery. In 2012, 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. Overall system activity remained strong in the face of these economic changes. Enplanements and operations activity for the last three years follows:

Enplanements and Operations Activity for 2010 to 2012





	Enplanements and Operations		
	2012	2011	2010
Reagan National Enplanements			
Domestic	9,606,805	9,236,748	8,891,204
Transborder	181,350	126,064	144,340
Non-Commercial	<u>12,610</u>	<u>10,398</u>	<u>6,511</u>
Total Enplanements	9,800,765	9,373,210	9,042,055
Dulles International Enplanements			
Domestic	7,854,417	8,261,152	8,564,825
Transborder and International	3,317,819	3,256,804	3,177,235
Non-Commercial	<u>75,926</u>	<u>72,597</u>	<u>73,118</u>
Total Enplanements	11,248,162	11,590,553	11,815,178
Airports Authority System-wide Enplanements			
Domestic	17,461,222	17,497,900	17,456,029
Transborder and International	3,499,169	3,382,868	3,321,575
Non-Commercial	<u>88,536</u>	<u>82,995</u>	<u>79,629</u>
Total Enplanements	<u><u>21,048,927</u></u>	<u><u>20,963,763</u></u>	<u><u>20,857,233</u></u>
Total Operations			
Reagan National	288,176	281,770	271,097
Dulles International	<u>312,070</u>	<u>327,493</u>	<u>336,531</u>
Total Operations	<u><u>600,246</u></u>	<u><u>609,263</u></u>	<u><u>607,628</u></u>



COMPREHENSIVE ANNUAL FINANCIAL REPORT Metropolitan Washington Airports Authority

Enplanements at Reagan National for the 12 months of 2012 were 9.8 million, compared to 9.4 million for 2011 and 9.0 million for 2010. The rise in enplanements between 2010 and 2011 is attributable to new jetBlue air service and expanded Delta air service that began in November 2010 and continued into 2011. Low cost carriers, such as jetBlue, Southwest, and Virgin America have increased their presence at Reagan National; combined, these carriers accounted for 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 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 four new or limited incumbent airlines to add four new beyond-perimeter slot pairs beginning in August 2012. These beyond-perimeter flights are generally flown on larger aircraft, which translates into additional enplanements. New beyond-perimeter flights authorized in 2012 were as follows:

New Beyond-Perimeter Flights

Alaska Airlines	Portland, OR
American Airlines	Los Angeles, CA
Delta Airlines	Salt Lake City, UT
jetBlue	Puerto Rico, PR
Southwest Airlines	Austin, TX
United Airlines	San Francisco, CA
US Airways	San Diego, CA
Virgin America	San Francisco, CA

In July 2011, Delta and US Airways were approved to swap slots between Reagan National and New York LaGuardia airports. Since the approval by the Department of Justice, US Airways added service to 12 new markets and added service to nine cities already served by other airlines. 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 2012 were 11.2 million compared to 11.6 million in 2011 and 11.8 million in 2010. The decline in domestic enplanements between 2010 and 2012 is partially attributable to consolidated operations of United and Continental Airlines, as well as the transfer of select jetBlue and AirTran/Southwest air service to Reagan National and the transfer of certain Delta, Virgin America, and American Airlines air service to Reagan National as a result of the new beyond-perimeter flights. In 2012, United added domestic service to Ft. Lauderdale, FL; Greenbrier, WV; and Honolulu, HI. International enplanements of 3.3 million in 2012 represented a 1.9 percent and 4.4 percent increase over 2011 and 2010 international



enplanements, respectively. In 2012, United also added several new international markets: Dublin, Ireland; Manchester, England; and San Salvador, El Salvador. Moreover, new carriers added service to Toronto, Canada (Porter Airlines); Dubai, United Arab Emirates (Emirates); and Mexico City, Mexico (AeroMexico), while COPA Airlines increased daily service to Panama City, Panama.

According to the trade organization Airlines for America, industry-wide North American domestic and international enplanements increased by a combined 0.8 percent in 2012. Domestic enplanements grew 0.5 percent, while international enplanements grew 2.1 percent. Reagan National exceeded the domestic growth rate by 3.5 percentage points, due to the aforementioned increases in air service. Dulles International's domestic passenger growth rate was a 4.9 percent decline, which was 5.4 percentage points lower than the industry growth rate. This decline was primarily a result of capacity adjustments by domestic carriers. International enplanement growth of 1.9 percent at Dulles International slightly lagged the industry growth rate of 2.1 percent.

	Airports		
<u>2012 Enplanements Growth</u>	<u>Authority</u>	<u>North America</u>	<u>Difference</u>
Reagan National (Domestic)	4.0%	0.5%	3.5%
Dulles International (Domestic)	-4.9%	0.5%	-5.4%
Dulles International (International)	1.9%	2.1%	-0.2%

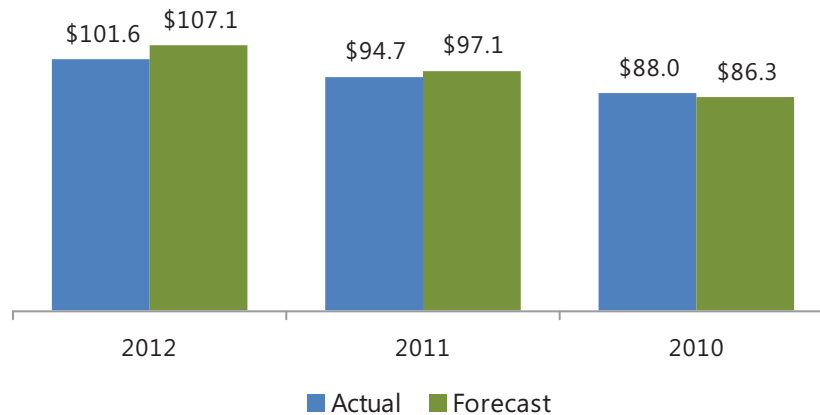
Dulles Corridor Enterprise Fund

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

The planned toll rate increases in each of the past three years resulted in expected declines in Dulles Toll Road transactions. The Dulles Toll Road processed an average of 8.3, 8.5, and 8.7 million toll transactions per month in 2012, 2011, and 2010, 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 2012 were approximately 94.9 percent of forecasted revenues compared to 97.5 percent in 2011. Electronic (E-ZPass) penetration accounted for 77.4 percent of Dulles Toll Road revenue in 2012, an increase from 74.6 percent in 2011.



Actual vs. Forecasted Revenues
(in the T&R Study April 15, 2010, in Millions)



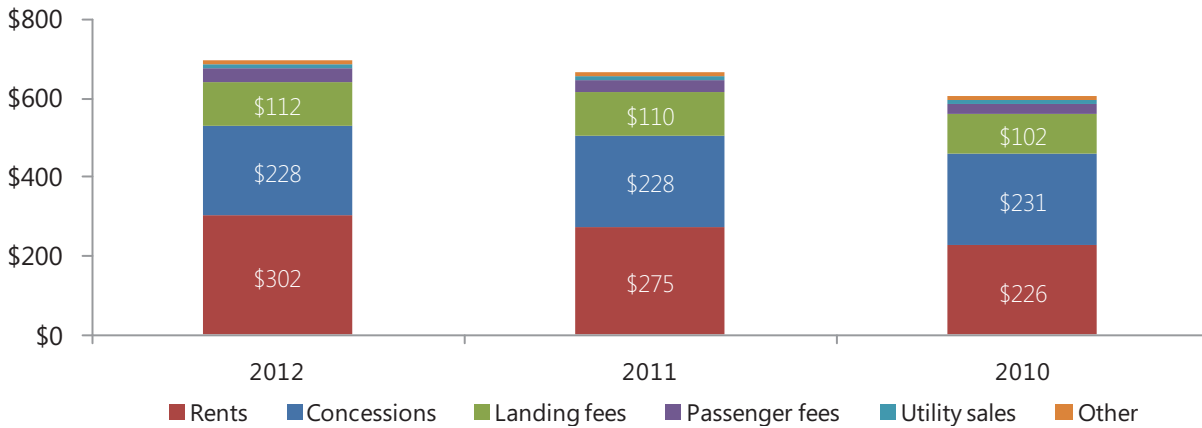
FINANCIAL HIGHLIGHTS - AVIATION ENTERPRISE FUND

The Aviation Enterprise Fund recorded \$694.9 million in operating revenues for 2012. This was an increase from 2011 of \$31.0 million and an increase from 2010 of \$91.1 million. The Airports Authority's revenues are primarily derived from rents and charges for the use of the Airports Authority's facilities, including landing fees received from airlines using the Airports and concession contracts at the Airports, including parking and rental car operations. Concessions historically have accounted for a substantial portion of the Airports Authority's revenues and comprised 32.8 percent of total operating revenues in 2012. Signatory airlines, those that have signed the Use and Lease Agreement, are required to pay actual costs plus debt service coverage, while the majority of concessionaires pay the greater of a percentage of revenue or a minimum annual guarantee (MAG).

	Aviation Enterprise Fund		
	2012	2011	2010
Operating revenues			
Rents	\$ 301,637,067	\$ 275,428,113	\$ 226,375,685
Concessions	227,719,891	227,599,995	230,973,498
Landing fees	112,282,616	110,255,672	101,637,867
Utility sales	11,704,662	11,979,591	12,464,920
Passenger fees	33,442,803	30,331,231	25,913,521
Other	<u>8,160,525</u>	<u>8,381,229</u>	<u>6,509,225</u>
Total operating revenues	<u>\$ 694,947,564</u>	<u>\$ 663,975,831</u>	<u>\$ 603,874,716</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 service the Airports' debt. When operating costs for the Airports Authority increase, there is a corresponding increase in the rates charged to the airlines. In 2012, airline revenue, which consists of landing fees, terminal rents, and passenger fees totaled \$447.4 million. This was an increase of \$31.3 million, or 7.5 percent, compared to 2011, and an increase of \$93.4 million, or 26.4 percent, compared to 2010.

In 2012, rent revenue totaled \$301.6 million, which was an increase of \$26.2 million from 2011 and an increase of \$75.3 million from 2010. The key driver of increased terminal rents in recent years was an increase in debt service costs resulting from 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.

Passenger fees, including passenger conveyance, international arrivals fees, and fees paid by the Transportation Security Administration (TSA) increased \$3.1 million, or 10.3 percent, from 2011 and increased \$7.5 million, or 29.1 percent, from 2010. The increase in passenger fees was driven by an increase in international traffic and corresponding International Arrivals Building fees at Dulles International. In 2012, signatory airline landing fees increased to \$3.72 per 1,000 pounds from \$3.50 per 1,000 pounds in 2011 at Dulles International to mitigate decreases in domestic landed weight activity. Landing fee revenue totaled \$112.3 million, which was an increase of \$2.0 million from 2011 and an increase of \$10.6 million from 2010.



Concession Revenues

The Airports Authority's concession revenues totaled \$227.7 million in 2012, which were relatively flat compared to 2011 and a decrease of \$3.3 million, or 1.4 percent, from 2010. Concession revenues accounted for 32.8 percent of total operating revenues in 2012, down 1.5 percentage points from 2011 due to the aforementioned increase in airline revenues.

Car parking revenue continued to rank as the Airports Authority's largest concession in 2012, providing \$108.9 million in total revenue for the year, consistent with 2011, and a decrease of \$1.2 million, or 1.1 percent, from 2010. Rental car revenue of \$35.4 million decreased \$3.3 million from 2011 as a result of rental car contracts implemented in mid-2011 that included lower minimum guaranteed amounts at Reagan National. Fixed Base Operator revenue of \$15.5 million in 2012 increased \$1.4 million from 2011, which was due to higher MAGs. All other areas of concession revenue accounted for a combined net increase of \$2.0 million over 2011. This increase was largely attributable to a \$753 thousand increase in inflight caterers revenue, a \$736 thousand increase in food and beverage revenue, and a \$446 thousand increase in duty free revenue, offset by a \$1.4 million decline in advertising revenue.

The following table details concession revenues by major category for the years ended December 31, 2012, December 31, 2011 and December 31, 2010:

	Concession Revenues		
	2012	2011	2010
Parking	\$ 108,943,383	\$ 108,936,324	\$ 110,150,990
Rental cars	35,433,032	38,706,628	44,305,092
Food and beverage	18,011,106	17,274,882	16,474,539
Fixed base operator	15,467,248	14,109,352	12,560,170
Display advertising	10,665,291	12,061,771	11,652,665
Newsstand and retail	12,238,148	12,003,769	11,837,876
Ground transportation	8,595,780	8,401,055	8,067,055
Inflight caterers	7,925,048	7,172,499	6,768,559
Duty free	4,455,682	4,009,278	3,200,337
All other	5,985,173	4,924,437	5,956,215
Total	<u>\$ 227,719,891</u>	<u>\$ 227,599,995</u>	<u>\$ 230,973,498</u>



Other Revenues

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

Operating Expenses

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2012 totaled \$677.1 million, an increase of \$98.4 million, or 17.0 percent over 2011. A major driver of the increase in operating expenses was a \$45.7 million, or 21.6 percent, increase in depreciation and amortization due to additional project costs being capitalized in 2012. Included in this increase was a \$19.9 million adjustment to reduce the balance of accumulated depreciation that was recorded in 2011 (refer to Note 9 – Changes in Capital Assets). Also, in 2012, a \$40.2 million expense for impairment was recognized 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 the in-line baggage screening improvements at Reagan National. Materials, equipment, supplies, contract services, and other expenses increased by \$8.2 million, or 4.3 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.

After three years of development, the Airports Authority implemented Oracle EBusiness Solutions as its new Enterprise Resource Planning (ERP) System. 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.

Salaries and related benefits expenses increased \$3.5 million from 2011 to \$151.5 million in 2012. Regular full time pay for Airports Authority employees increased \$3.3 million, or 3.5 percent, over 2011. This increase in compensation expenses was offset by a 20.3 percent reduction in overtime costs, which fell \$1.6 million as a result of fewer weather-related events, and a \$1.2 million reduction in special program compensation. In 2012, the Airports Authority's health insurance expenses increased by \$3.0 million to \$18.3 million. The Airports Authority continued funding its Other Post-employment Benefits (OPEB) program and recorded \$6.4 million in expenses for 2012 and \$6.8 million in expenses for 2011. The contribution percentages to the Airports Authority's pension plans decreased to 7.2 percent in 2012 from 7.4 percent of eligible earnings in 2011 for the General Employee Plan and decreased to 14.0 percent in 2012 from 14.7 percent of eligible earnings in 2011 for the Police and Firefighter Plan. The funded ratio as of the actuarial valuation date of December 31, 2011, the most recent period for which data is available, was 101.7 percent for the General Employee Plan and 99.5 percent for the Police and Firefighter Plan.



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

The Airports Authority's utility expenditures for 2012 were \$27.3 million, an increase of \$711 thousand from 2011, or 2.7 percent. The increase in utility expenses was driven principally by a \$1.0 million increase in electricity expense due to higher rates.

Depreciation and amortization expense in 2012 was \$257.0 million. This was an increase of \$45.7 million from 2011, which includes the aforementioned correction of accumulated depreciation. In January 2010, the AeroTrain became operational at Dulles International, and in November 2010, the Airports Authority completed the second phase of the International Arrivals Building (IAB). At Reagan National, the parking garage was expanded and runway and taxiway improvements were completed in 2010. In 2011, the Airports Authority completed the final phase of the IAB expansion at Dulles International and Runway 1/19 improvements at Reagan National. In 2012, the Airports Authority completed additional Runway 1/19 improvements at Reagan National as well as deicing and glycol run-off work at Dulles International.

For more information on changes in capital assets, please refer to Note 9 – Changes in Capital Assets.

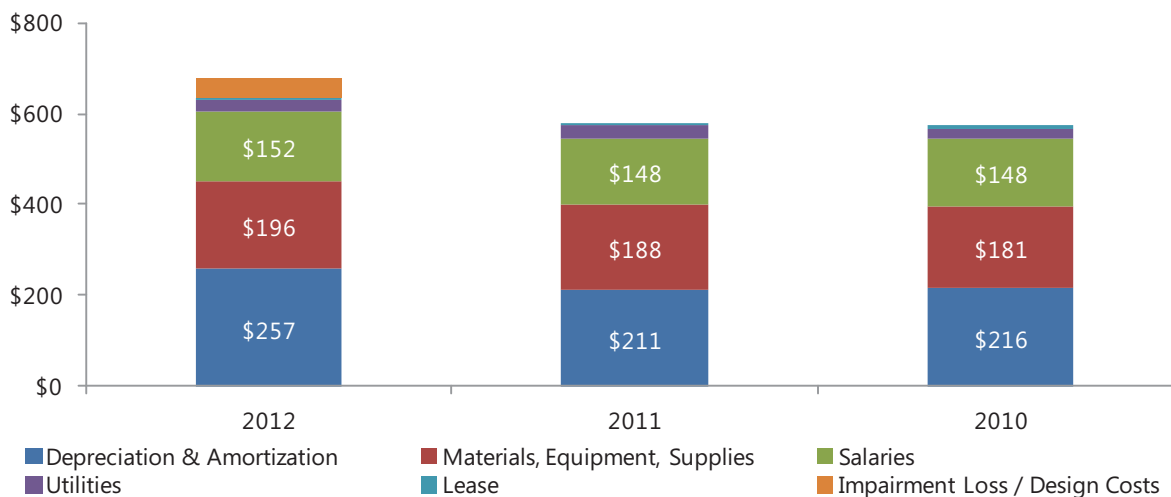
A cost allocation plan is used to identify and quantify all overhead and other indirect costs appropriately allocable to the Dulles Toll Road or to the Dulles Metrorail Project within the Dulles Corridor Enterprise Fund. As a result of this allocation plan, \$9.7, \$8.5, and \$7.3 million of Aviation Enterprise Fund operating expenses were allocated to the Dulles Corridor Enterprise Fund in 2012, 2011, and 2010, respectively.

The following presents total operating expenses for the years ended December 31, 2012, December 31, 2011 and December 31, 2010:

	Aviation Enterprise Fund		
	2012	2011	2010
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$ 195,758,320	187,607,830	\$ 180,632,889
Salaries and related benefits	151,531,516	148,072,307	148,274,437
Impairment loss / design costs	40,239,036	-	-
Utilities	27,253,512	26,542,084	24,375,181
Lease from U.S. Government	5,303,936	5,180,558	5,101,119
Depreciation and amortization	<u>257,043,569</u>	<u>211,365,393</u>	<u>215,536,523</u>
Total operating expenses	<u>\$ 677,129,889</u>	<u>\$ 578,768,172</u>	<u>\$ 573,920,149</u>



Aviation Enterprise Fund Operating Expenses (In Millions)



Changes in Net Position

Operating income was \$17.8 million in 2012, which was a \$67.4 million decrease from 2011 and a \$12.1 million decrease from 2010. In 2012, increases in expenses, including depreciation and amortization, outpaced the increases in airline and other revenues. Expenses remained relatively flat between 2010 and 2011 while revenues increased, resulting in the growth in operating income between 2010 and 2011.

When compared to 2011, total non-operating revenues decreased \$4.6 million and non-operating expenses decreased \$108.1 million. Non-operating revenue in 2012 was comprised of \$13.4 million in investment income, \$6.4 million in fair value gains on swaps, and \$1.2 million of federal, state, and local grants in support of operations. Non-operating expenses, which included interest expense, totaled \$210.1 million. The \$6.4 million fair value gain on swaps was a significant change from 2011 and 2010, when the change in fair value on swaps was a loss of \$96.2 million and \$35.0 million, respectively. Please refer to Note 13 – Derivatives for more information on the swap portfolio.

Capital contributions include PFCs, federal, state, and local grants, and other capital property acquired. PFC revenues for 2012 were \$83.3 million, which was an increase of \$4.6 million from 2011 and \$3.2 million from 2010.

Federal, state, and local grants in support of capital programs were \$54.5 million in 2012, \$54.8 million in 2011, and \$61.8 million in 2010. In 2012, the Airports Authority received \$25.9 million in Airport Improvement Program (AIP) grants primarily to reimburse the capital cost of rehabilitating and improving the safety area of Runway 1/19, and constructing the fourth runway at Dulles International. The Airports Authority also received American Recovery and Reinvestment Act (ARRA) grants of \$23.9 million for TSA surveillance closed circuit TV and East/West in-line baggage electronic detection systems. Additionally, the Airports Authority received \$2.6



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million from TSA for in-line baggage screening. Please refer to Note 17 – 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 decreased in 2012 by \$33.6 million. In 2011, net position decreased \$68.8 million, due in large part to the \$96.2 million fair value loss on swaps. The fair value loss on swaps was also a significant factor in 2010, when net position fell by \$50.0 million and the fair value loss on swaps totaled \$35.0 million.

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

	Aviation Enterprise Fund		
	2012	2011	2010
Operating income			
Operating revenues	\$ 694,947,564	\$ 663,975,831	\$ 603,874,716
Operating expenses	<u>677,129,889</u>	<u>578,768,172</u>	<u>573,920,149</u>
Total operating income	<u>17,817,675</u>	<u>85,207,659</u>	<u>29,954,567</u>
Non-operating revenues			
Investment income	13,356,837	24,683,618	20,367,841
Federal, state and local grants	1,222,205	874,810	1,192,743
Fair value gains on swaps	<u>6,422,461</u>	<u>-</u>	<u>-</u>
Total non-operating revenues	<u>21,001,503</u>	<u>25,558,428</u>	<u>21,560,584</u>
Non-operating expenses			
Interest expense	(210,149,419)	(221,951,744)	(209,147,708)
Fair value losses on swaps	<u>-</u>	<u>(96,249,918)</u>	<u>(34,978,410)</u>
Total non-operating expenses	<u>(210,149,419)</u>	<u>(318,201,662)</u>	<u>(244,126,118)</u>
Income/(Loss) before capital contributions	(171,330,241)	(207,435,575)	(192,610,967)
Capital contributions	<u>137,715,748</u>	<u>138,612,005</u>	<u>142,577,878</u>
Change in net position	<u>\$ (33,614,493)</u>	<u>\$ (68,823,570)</u>	<u>\$ (50,033,089)</u>



FINANCIAL HIGHLIGHTS - DULLES CORRIDOR ENTERPRISE FUND

Operating Revenue

For the year ended December 31, 2012, the Airports Authority recorded toll revenue of \$101.6 million, which consisted of Electronic Toll Collections (E-ZPass) of \$78.6 million, cash collections of \$21.9 million, and violations revenue of \$1.1 million. E-ZPass collection as a percentage of total operating revenue was 77.4 percent. Cash revenue declined 7.7 percent while E-ZPass revenue increased 23.6 percent from 2010. In 2011, toll revenue totaled \$94.7 million, which consisted of E-ZPass collections of \$70.6 million, cash collections of \$22.9 million, and violations revenue of \$1.1 million. E-ZPass collections as a percent of total operating revenue was 74.6 percent. Overall increases in total operating revenue for 2012, 2011, and 2010 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		
	2012	2011	2010
Operating revenues			
Electronic toll collection revenues	\$ 78,613,469	\$ 70,634,124	\$ 63,606,906
Cash revenues	21,892,705	22,905,593	23,715,733
Violation revenues	1,089,915	1,119,821	715,529
Other	7,750	-	-
Total operating revenues	<u>\$ 101,603,839</u>	<u>\$ 94,659,538</u>	<u>\$ 88,038,168</u>

Operating Expenses

For the years ended December 31, 2012 and 2011, the Dulles Corridor Enterprise Fund recorded \$34.8 million and \$35.2 million in operating expenses, respectively. In 2012, operating expenses were primarily comprised of materials, supplies, equipment, contract services, and other, which totaled \$19.3 million, a decline of \$2.4 million from 2011 and \$4.4 million from 2010. This expense category 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. Professional services declined \$1.4 million in 2012 due to a decline in consulting services. In 2011, materials, supplies, equipment, contract services, and other totaled \$21.7 million, which included \$5.1 million in electronic toll collection fees paid to the third party processor of E-ZPass transactions, \$6.0 million in maintenance and repair costs, and \$1.6 million in consulting services.

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 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. In 2011, \$8.5 million was allocated from the Aviation



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Enterprise Fund to the Dulles Corridor Enterprise Fund, with \$5.0 million allocated to the Dulles Toll Road and \$3.5 million to the Dulles Metrorail Project. The increase in allocated costs is primarily attributable to increases in the allocation for the Audit, Procurement and Contracts, and General Counsel expenses for Dulles Metrorail Project Phase 1.

Depreciation and amortization expenses increased \$1.6 million to \$5.5 million in 2012. This increase was due to an interchange ramp directly connecting the Dulles International Access Highway with Interstate 495 that was placed in service in September 2012.

Salaries and related benefits expense increased \$465 thousand from \$9.3 million in 2011 to \$9.8 million in 2012. The increase was due to a \$451 thousand increase in allocated salaries and benefits expense.

	Dulles Corridor Enterprise Fund		
	2012	2011	2010
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$19,258,742	\$21,744,158	\$22,827,231
Salaries and related benefits	9,763,238	9,298,144	8,260,815
Utilities	191,922	237,082	189,956
Depreciation and amortization	<u>5,536,403</u>	<u>3,926,601</u>	<u>3,523,732</u>
Total operating expenses	<u>\$34,750,305</u>	<u>\$35,205,985</u>	<u>\$34,801,734</u>



The Dulles Corridor Enterprise Fund closed 2012 with total Net Position of \$1,609.6 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		
	2012	2011	2010
Operating income			
Operating revenues	\$ 101,603,839	\$ 94,659,538	\$ 88,038,168
Operating expenses	<u>34,750,305</u>	<u>35,205,985</u>	<u>34,801,734</u>
Total operating income	<u>66,853,534</u>	<u>59,453,553</u>	<u>53,236,434</u>
Non-operating revenues			
Investment income	1,182,797	10,932,190	7,419,127
Federal, state and local grants	<u>6,810</u>	<u>107,564</u>	<u>672,275</u>
Total non-operating revenues	<u>1,189,607</u>	<u>11,039,754</u>	<u>8,091,402</u>
Non-operating expenses			
Interest expense	(19,322,104)	(18,060,020)	(31,072,729)
Contributions to other governments	<u>(313,812)</u>	<u>(1,297,882)</u>	<u>(10,086,067)</u>
Total non-operating expenses	<u>(19,635,916)</u>	<u>(19,357,902)</u>	<u>(41,158,796)</u>
Income before capital contributions	48,407,225	51,135,405	20,169,040
Capital contributions	<u>286,167,948</u>	<u>232,311,015</u>	<u>315,643,190</u>
Change in net position	<u>\$ 334,575,173</u>	<u>\$ 283,446,420</u>	<u>\$ 335,812,230</u>

Changes in Net Position

The increase in net position for the Dulles Corridor Enterprise Fund totaled \$334.6 million, \$283.4 million, and \$335.8 million for the years ended December 31, 2012, 2011, and 2010 respectively. Total operating income for the Dulles Corridor Enterprise Fund was \$66.9 million in 2012, \$59.5 million in 2011, and \$53.2 million in 2010. The 12.4 percent increase in total operating income over 2011 was largely driven by toll rate increases that became effective January 1, 2012, while the 11.8 percent increase in total operating income from 2010 to 2011 was the result of toll rate increases that became effective January 1, 2011. Investment income decreased \$9.7 million from 2011 as a result of lower average yields on investments and unrealized losses on investments totaling \$698 thousand, a decline from the \$8.7 million in unrealized gains in 2011 and \$4.9 million in unrealized



gains in 2010. Interest expense on bonds payable totaled \$19.3 million in 2012. Contributions to other governments in 2012 totaled \$314 thousand, a decrease of \$984 thousand from 2011 and a decrease of \$9.8 million from 2010. The Airports Authority made a one-time payment of \$6.6 million in 2010 to Fairfax County, VA for the operation of the Fairfax County Express Bus Service. Fairfax County previously received funding from VDOT from Dulles Toll Road revenues, and the Board adopted a resolution to continue payment for this service in 2010. In addition, the Airports Authority contributed \$550 thousand to VDOT in 2012 for costs related to the Transportation Management Plan, which comprises a set of strategies that are being implemented by VDOT during the construction of the Dulles Metrorail Project. The Airports Authority has contributed \$12.5 million to VDOT for the Transportation Management Plan between 2007 and 2012 — the last year the Airports Authority will make contributions to the Transportation Management Plan.

Government grants in support of capital programs for the Dulles Corridor Enterprise Fund totaled \$282.1 million for the fiscal year ending December 31, 2012 and \$232.3 million for the fiscal year ending December 31, 2011. Federal grants included \$187.9 million related to the Dulles Metrorail Project, while local government contributions totaled \$94.2 million. Please refer to Note 17 – Government Grants for more information on grant activity.

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 and total liabilities 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, 2012, 2011, and 2010, follows:



	Total Business-Type Activities		
	2012	2011	2010
Assets			
Current assets	\$ 775,786,135	\$ 690,918,140	\$ 712,984,260
Non-current assets			
Restricted	885,293,133	999,406,543	1,328,033,151
Unrestricted	255,250,510	288,588,541	239,103,998
Capital assets, net	<u>7,744,479,463</u>	<u>7,202,502,470</u>	<u>6,501,983,963</u>
Total Assets	<u>\$ 9,660,809,241</u>	<u>\$ 9,181,415,694</u>	<u>\$ 8,782,105,372</u>
Liabilities			
Current liabilities	\$ 401,498,137	\$ 413,978,790	\$ 406,950,920
Non-current liabilities	<u>6,921,138,729</u>	<u>6,730,225,209</u>	<u>6,552,565,607</u>
Total Liabilities	<u>\$ 7,322,636,866</u>	<u>\$ 7,144,203,999</u>	<u>\$ 6,959,516,527</u>
Net Position			
Net investment in capital assets	\$ 1,930,730,211	\$ 1,681,513,627	\$ 1,420,180,335
Restricted	179,512,976	165,379,374	107,411,365
Unrestricted	<u>227,929,188</u>	<u>190,318,694</u>	<u>294,997,145</u>
Total Net Position	<u>\$ 2,338,172,375</u>	<u>\$ 2,037,211,695</u>	<u>\$ 1,822,588,845</u>

Current assets increased \$84.9 million from 2011 and \$62.8 million from 2010. Current assets for the Aviation Enterprise Fund increased \$66.0 million in 2012, primarily as a result of the \$76.1 million increase in unrestricted investments and \$11.0 million increase in cash and cash equivalents, offset by a \$19.2 million decrease in accounts receivable. Between 2010 and 2011, current assets for the Aviation Enterprise Fund decreased \$56.8 million due to a \$59.1 million decrease in unrestricted investments, offset by a \$28.7 million increase in accounts receivable. Current assets for the Dulles Corridor Enterprise Fund increased 9.2 percent, or \$18.9 million, in 2012 and \$34.8 million in 2011. Both years' increases were driven by increases in cash and cash equivalents.

Non-current assets increased \$394.5 million from 2011, largely due to a \$542.0 million increase in capital assets, net of depreciation, which was related to the Dulles Metrorail Project, offset by a \$114.1 million decrease in restricted non-current assets. The Aviation Enterprise Fund recorded a \$110.8 million decrease in restricted non-current assets due largely to a \$105.5 million decrease in investments. Similarly, unrestricted non-current assets for the Aviation Enterprise Fund decreased \$30.7 million due to a \$23.2 million decrease in investments. The Dulles Corridor Enterprise Fund recorded an increase of \$697.8 million in capital assets, which was largely attributable to the \$699.5 million increase in construction in progress for the Dulles Metrorail Project. Non-current assets increased \$421.4 million from 2010 to 2011 that, as in 2012, was due to a \$700.5 million increase



in capital assets, net of depreciation, related to the Dulles Metrorail Project, though this amount was offset by a \$328.6 million decrease in restricted non-current assets due to decreases in restricted investment and cash balances.

Current liabilities decreased \$12.5 million from 2011. The decrease in current liabilities from 2011 was driven by an \$11.2 million decrease in accounts payable and accrued expenses in the Dulles Corridor Enterprise Fund due to the Dulles Metrorail Project. Additionally, increases in the current portion of long-term debt — \$2.0 million in the Aviation Enterprise Fund and \$3.3 million in the Dulles Corridor Enterprise Fund — contributed to the change in current liabilities. Current liabilities increased \$7.0 million from 2010 to 2011. This increase in current liabilities for 2011 was driven by a \$16.2 million increase in the current portion of long-term debt in the Aviation Enterprise Fund and a \$5.7 million increase in the Dulles Corridor Enterprise Fund. These increases were offset by a \$10.8 million decrease in accounts payable and other accrued expenses.

In 2012, long-term liabilities increased \$190.9 million. This was largely due to the issuance of \$149.0 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) note. Aviation Enterprise Fund bonds payable declined \$167.9 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. As of December 31, 2012, the Dulles Corridor Enterprise Fund liability of \$3.7 million was due to the Aviation Enterprise Fund for services provided to the Dulles Corridor Enterprise Fund in the normal course of business, including the cost allocation plan. Long-term liabilities increased \$177.7 million from 2010 to 2011 due to an increase in non-current bonds payable totaling \$100.6 million. Activity affecting this account included the issuance of \$637.1 million in Airport System Revenue Bonds less a principal payment of \$118.9 million on the outstanding bonds, as well as the refunding of \$433.5 million in Airport System Revenue and Refunding Bonds. The Airports Authority had a net decrease of \$19.5 million in its commercial paper outstanding in 2011.

Total net position, which represents the residual interest in the Airports Authority assets after liabilities are deducted, increased \$301.0 million from 2011 and \$515.6 million from 2010. The Dulles Corridor Enterprise Fund provided a \$334.6 million increase in total net position for 2012, while the Aviation Enterprise Fund recorded a decrease of \$33.6 million in total net position for 2012. In 2011, net position increased \$214.6 million from 2010 due to a \$283.4 million increase in net position provided by the Dulles Corridor Enterprise Fund and a \$68.8 million decrease in the Aviation Enterprise Fund's net position.

Net investment in capital assets increased \$249.2 million from 2011 and \$510.5 million from 2010. The increase in 2012 was attributable to a \$356.4 million increase in the Dulles Corridor Enterprise Fund. Similarly, in 2011, the Dulles Corridor Enterprise Fund's net investment in capital assets increased \$275.6 million.

At the year ended December 31, 2012, total restricted net position of \$179.5 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 2011 of \$14.1 million. The Aviation Enterprise Fund's restricted net position increased \$19.9 million to \$105.2 million, primarily due to a \$14.8 million net increase in assets restricted for construction. The Dulles Corridor Enterprise Fund's restricted net position of \$74.4 million included \$44.0 million in funds restricted for construction at December 31, 2012. Total restricted net position increased \$58.0 million from 2010 to 2011 due to a \$35.7 million net increase in assets restricted for construction, \$19.7 million of which was related to the Dulles Corridor Enterprise Fund.

Total unrestricted net position at the end of the reporting period for the Airports Authority was \$227.9 million, which represented an overall increase of \$37.6 million from 2011. Unrestricted net position increased \$53.7 million to \$273.8 million for the Aviation Enterprise Fund and decreased \$16.1 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 and 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 \$104.7 million from 2010 to 2011 due to decreases of \$75.1 million for the Aviation Enterprise Fund and \$29.5 million 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 14 – Capital Debt for additional detail on the Airports Authority's long-term debt activity.

In June 2012, the Airports Authority's Aviation Enterprise Fund issued \$311.8 million of Series 2012A-B Bonds. *The Series 2012A Alternative Minimum Tax (AMT) Airport System Revenue Refunding Bonds'* par amount was \$291.0 million. The proceeds were used to refund Series 2001A, Series 2002A and Series 2002D Bonds, fund applicable debt service reserve funds, and pay the cost of issuing the bonds. On June 5, 2012, \$67.8 million of Series 2001A Bonds maturing in 2031, \$186.8 million of Series 2002A Bonds maturing in 2012-2032, and \$89.2 million of Series 2002D Bonds maturing in 2013-2032 were refunded. The Airports Authority's present value savings of this refunding was \$38.4 million.

The Series 2012B Non-AMT Airport System Revenue Refunding Bonds' par amount was \$20.8 million. The proceeds were used to refund Series 2003B Bonds, fund applicable debt service reserve funds, and pay the cost of issuing the bonds. On June 5, 2012, \$20.6 million of Series 2003B Bonds maturing in 2014-2019 were refunded. The Airports Authority's present value savings of this refunding was \$2.2 million.

In December 2012, the Airports Authority Aviation Enterprise Fund executed several transactions to extend, and in some cases, substitute, liquidity facilities that were set to expire in 2013. The first transaction was a



Mandatory Tender, Amendment and Conversion of the *Series 2003D Airport System Revenue Variable Rate Bonds*, which terminated a Letter of Credit (LOC) with Wells Fargo Bank, N.A. and its related Syncora Bond Insurance policy. The Airports Authority entered into a \$63.2 million Direct Purchase Loan with Banc of America, which expires in December 2016.

The Airports Authority also replaced the LOC relating to the *Series 2009D Airport System Revenue Variable Rate Bonds* for a par amount of \$130.2 million. The transaction substituted the previous LOC with Bank of America, N.A. to TD Bank, N.A. for a term through December 2017.

The Airports Authority extended its LOC for the *Series 2010C Airport System Revenue Variable Rate Bonds* with Barclays Bank through December 2015 and extended the term of the Index Rate Period for the *Series 2010D Airport System Revenue Variable Rate Bonds* with Wells Fargo Bank, N.A. through December 2015.

On October 18, 2012, \$17.5 million of the Series One Commercial Paper (CP) Notes was refunded with grant proceeds. At December 31, 2012, the Aviation Enterprise Fund had \$21.0 million of Series Two CP Notes outstanding and \$5.1 billion in outstanding Airport System Revenue Bonds.

The Airports Authority's Aviation Enterprise Fund's long-term uninsured bonds are rated "AA-" by Fitch, "Aa3" by Moody's, and "AA-" by Standard & Poor's Rating Services (S&P). Fitch affirmed the "AA-" rating with "Stable" outlook and Moody's affirmed the "Aa3" rating with "Negative" outlook on May 23, 2012. S&P affirmed the Airports Authority's "AA-" rating with a "Stable Outlook" on May 25, 2012.

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. During 2012, 2011, and 2010 the Airports Authority's debt service coverage was 1.35x, 1.37x and 1.47x, respectively.

Dulles Corridor Enterprise Fund

The Dulles Corridor Enterprise Fund did not issue any Bonds in 2011 or 2012. 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 million. At December 31, 2012, the Dulles Corridor Enterprise Fund had \$149.6 million outstanding in Series One CP Notes and \$1.4 billion in outstanding bonds payable.



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.

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 2012, the Aviation Enterprise Fund received \$2.2 million in total federal, state, and local grants in support of operations. This included \$1.0 million in funding for the Law Enforcement Officer Reimbursement Program, which offsets expenses incurred by the Airports Authority's Public Safety personnel serving a support role to the Transportation Security Administration (TSA). Other federal grants included \$1.0 million from TSA, which was used to offset the expense of training and caring for canines used in explosives detection and \$191 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 \$54.4 million in federal, state, and local grants in support of capital programs in 2012. Federal programs, including the FAA's Airport Improvement Program, provided \$25.9 million for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvement. TSA funding included \$2.6 million for the South Bag Basement in-line baggage screening project. ARRA funds related to capital programs for the Aviation Enterprise Fund totaled \$23.9 million in 2012 and were reimbursed for the costs of installation of closed circuit television cameras at DCA and East/West in-line baggage screening at IAD.

Dulles Corridor Enterprise Fund

The Federal Transit Administration is the primary grantor to the Dulles Metrorail Project and has committed a total of \$900 million in federal New Starts funding for the project. The \$900 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 2012, the Dulles Corridor Enterprise Fund recognized \$173.3 million of the FFGA award.

In 2009, USDOT allocated \$77.3 million in ARRA funding to the Dulles Metrorail Project. These funds replace Section 5309 funds that are scheduled to be received in the final year (2016) of the FFGA. As of 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.



State and local funding sources for the Dulles Metrorail Project include transportation bonds issued by the Commonwealth of Virginia and a Fairfax County transportation improvement district property tax. In addition, the Virginia Transportation Act of 2000 dedicated \$75.0 million to the project from Surface Transportation Program funds. During 2012, the Dulles Corridor Enterprise Fund recognized \$94.2 million of state and local grants in support of capital programs.

Please refer to Note 17 – 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 \$110.5 million to \$860.9 million as of December 31, 2012. This was driven by an increase of \$113.3 million in the Dulles Corridor Enterprise Fund and a decrease in available cash and cash equivalents, both restricted and unrestricted, of \$2.9 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 decreased by \$53.0 million in 2012, which was attributable to a \$105.5 million decrease in the Aviation Enterprise Fund restricted non-current investments offset by a \$76.1 million increase in current investments.

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

	Total Business-Type Activities		
	2012	2011	2010
Cash received from operations	\$ 823,810,455	\$ 735,825,740	\$ 691,691,410
Cash expended from operations	(415,998,626)	(429,946,902)	(397,287,786)
Net cash provided by operations	407,811,829	305,878,838	294,403,624
Net cash provided (used) by:			
Noncapital financing activities	915,187	346,296	(7,805,066)
Capital and related financing activities	(367,207,021)	(657,397,187)	(183,156,060)
Investing activities	68,941,086	214,667,578	105,118,939
Net (decrease) increase in cash and cash equivalents	110,461,081	(136,504,475)	208,561,437
Cash and cash equivalents, beginning of year	750,432,375	886,936,850	678,375,413
Cash and cash equivalents, end of year	<u>\$ 860,893,456</u>	<u>\$ 750,432,375</u>	<u>\$ 886,936,850</u>

Source: Statements of Cash Flows

Cash temporarily idle during 2012 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 2012, the Airports Authority's Aviation Enterprise Fund operating account average portfolio balance was \$415.2 million, and the average yield on investments was 0.217 percent. The capital funds are held by an agent for the Trustee but managed by the



Airports Authority. For 2012, the capital funds had an average portfolio balance of \$542.3 million and an average yield of 1.830 percent. During 2012, the Airports Authority's Dulles Corridor Enterprise Fund operating account average portfolio balance was \$67.7 million and the average yield on investments was 0.010 percent. The capital funds are held by an agent for the Trustee, but the Airports Authority directs the investments. For 2012, the capital funds had an average portfolio balance of \$244.2 million and an average yield of 0.673 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. An investment committee meets quarterly to review the portfolios for compliance with the investment policy (refer to Note 4 – Deposits and Investments).

CAPITAL CONSTRUCTION

Aviation Enterprise Fund

During 2012, the Aviation Enterprise Fund expended \$217.8 million in its ongoing CCP compared to an expenditure budget of \$274.7 million. The Aviation Enterprise Fund capitalized \$107.1 million in projects in 2012, principally for Runway 1/19 overlay at Reagan National and Pad B deicing and glycol run-off at Dulles International and continued work on the International Arrivals Building. Projects continuing and new in 2013 and beyond include completion of in-line baggage systems, rehabilitation of Concourse C/D, airfield pavement panel replacement, hydrant fuel line improvements, maintenance equipment storage building, and preservation of historic Air Traffic Control Tower exterior at Dulles International. At Reagan National, projects continuing and planned for 2013 and beyond include Terminal A rehabilitation including a second baggage facility, Terminal A and Terminal B/C long-term redevelopment plan, and runway overlays and taxiway rehabilitation.

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 the construction of an Interchange Ramp between the Dulles Corridor and I-495, and other studies and improvements. The total Capital Improvement Program expenditure budget for 2012 was \$926.5 million, of which \$765.5 million was allocated for Phase 1 of the Rail project and \$48.0 million was allocated for Phase 2. The total expenditure in 2012 was \$798.8 million.



For more information on capital asset activity, please refer to Note 9 – 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@mwa.com.



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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
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	<u>550,314,289</u>	<u>225,471,846</u>	<u>775,786,135</u>
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	348,495,071	142,122,421	490,617,492
Total restricted	<u>448,051,097</u>	<u>437,242,036</u>	<u>885,293,133</u>
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 issuance costs, net	48,010,723	35,604,042	83,614,765
Other assets	888,366	-	888,366
Total unrestricted	<u>219,646,468</u>	<u>35,604,042</u>	<u>255,250,510</u>
Capital assets:			
Land and other non-depreciable assets	182,685,100	-	182,685,100
Construction in progress	274,520,382	19,277,376	293,797,758
Construction in progress - Dulles Metrorail Project	-	2,745,909,253	2,745,909,253
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	<u>4,907,790,776</u>	<u>2,836,688,687</u>	<u>7,744,479,463</u>
Total non-current assets	<u>5,575,488,341</u>	<u>3,309,534,765</u>	<u>8,885,023,106</u>
Total assets	<u>\$ 6,125,802,630</u>	<u>\$ 3,535,006,611</u>	<u>\$ 9,660,809,241</u>

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 long-term debt	137,405,000	9,041,633	146,446,633
Total current liabilities	249,018,952	152,479,185	401,498,137
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
Note payable	-	200,000,000	200,000,000
Interest rate swaps payable	193,920,442	-	193,920,442
Bonds payable, net	4,927,110,679	1,407,293,232	6,334,403,911
Total non-current liabilities	5,148,252,701	1,772,886,028	6,921,138,729
Total liabilities	5,397,271,653	1,925,365,213	7,322,636,866
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	273,818,936	(45,889,748)	227,929,188
Total net position	\$ 728,530,977	\$ 1,609,641,398	\$ 2,338,172,375

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, 2011**

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 99,501,092	\$ 52,697,660	\$ 152,198,752
Restricted cash and cash equivalents	207,629,461	152,750,501	360,379,962
Accounts receivable, net	61,761,793	382,965	62,144,758
Investments	101,610,902	-	101,610,902
Inventory	8,536,556	233,587	8,770,143
Prepaid expenses and other current assets	5,315,678	497,945	5,813,623
Total current assets	484,355,482	206,562,658	690,918,140
Non-current assets			
Restricted:			
Cash and cash equivalents	80,339,390	157,514,271	237,853,661
Accounts receivable	24,472,848	140,571,693	165,044,541
Investments	454,042,925	142,465,416	596,508,341
Total restricted	558,855,163	440,551,380	999,406,543
Unrestricted:			
Note receivable	11,876,689	-	11,876,689
Investments	181,174,135	-	181,174,135
Net pension assets	3,198,077	-	3,198,077
Bond issuance costs, net	53,436,256	38,289,847	91,726,103
Other assets	613,537	-	613,537
Total unrestricted	250,298,694	38,289,847	288,588,541
Capital assets:			
Land and other non-depreciable assets	182,730,618	-	182,730,618
Construction in progress	301,655,216	72,012,054	373,667,270
Construction in progress - Dulles Metrorail Project	-	2,065,582,731	2,065,582,731
Buildings, systems and equipment	6,661,545,877	2,096,741	6,663,642,618
Less: accumulated depreciation	(2,082,303,669)	(817,098)	(2,083,120,767)
Capital assets, net	5,063,628,042	2,138,874,428	7,202,502,470
Total non-current assets	5,872,781,899	2,617,715,655	8,490,497,554
Total assets	\$ 6,357,137,381	\$ 2,824,278,313	\$9,181,415,694

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



**Statement of Net Position
As of December 31, 2011**

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 52,158,587	\$ 137,361,411	\$ 189,519,998
Advance billings and payments received in advance	11,884,807	-	11,884,807
Accrued lease obligations	341,140	131,087	472,227
Due to (due from) other funds	(1,691,965)	1,691,965	-
Accrued interest payable	58,220,940	12,741,238	70,962,178
Current portion of long-term debt	135,395,000	5,744,580	141,139,580
Total current liabilities	256,308,509	157,670,281	413,978,790
Non-current liabilities			
Other liabilities	4,805,797	15,704,723	20,510,520
Commercial paper notes	38,500,000	550,000	39,050,000
Interest rate swaps payable	200,415,403	-	200,415,403
Bonds payable, net	5,094,962,202	1,375,287,084	6,470,249,286
Total non-current liabilities	5,338,683,402	1,391,541,807	6,730,225,209
Total liabilities	5,594,991,911	1,549,212,088	7,144,203,999
NET POSITION			
Net investment in capital assets	456,739,380	1,224,774,247	1,681,513,627
Restricted for:			
Construction	42,283,653	49,878,840	92,162,493
Debt service	36,497,945	5,524,321	42,022,266
Leases	6,148,457	1,959,376	8,107,833
Dulles Rail latent defects	-	15,000,163	15,000,163
Dulles Toll Road repairs	-	7,725,294	7,725,294
Public Safety	361,325	-	361,325
Unrestricted	220,114,710	(29,796,016)	190,318,694
Total net position	\$ 762,145,470	\$ 1,275,066,225	\$ 2,037,211,695

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	694,947,564	101,603,839	796,551,403
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	195,758,320	19,258,742	215,017,062
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	257,043,569	5,536,403	262,579,972
Total operating expenses	677,129,889	34,750,305	711,880,194
OPERATING INCOME	17,817,675	66,853,534	84,671,209
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)	(189,147,916)	(18,446,309)	(207,594,225)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(171,330,241)	48,407,225	(122,923,016)
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	137,715,748	286,167,948	423,883,696
NET POSITION			
Change in net position	(33,614,493)	334,575,173	300,960,680
Net position, beginning of year	762,145,470	1,275,066,225	2,037,211,695
Net position, end of year	\$ 728,530,977	\$ 1,609,641,398	\$ 2,338,172,375

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, 2011**

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 227,599,995	\$ -	\$ 227,599,995
Tolls	-	94,659,538	94,659,538
Rents	275,428,113	-	275,428,113
Landing fees	110,255,672	-	110,255,672
Utility sales	11,979,591	-	11,979,591
Passenger fees	30,331,231	-	30,331,231
Other	8,381,229	-	8,381,229
Total operating revenues	663,975,831	94,659,538	758,635,369
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	187,607,830	21,744,158	209,351,988
Salaries and related benefits	148,072,307	9,298,144	157,370,451
Utilities	26,542,084	237,082	26,779,166
Lease from U. S. Government	5,180,558	-	5,180,558
Depreciation and amortization	211,365,393	3,926,601	215,291,994
Total operating expenses	578,768,172	35,205,985	613,974,157
OPERATING INCOME	85,207,659	59,453,553	144,661,212
NON-OPERATING REVENUES (EXPENSES)			
Investment income	24,683,618	10,932,190	35,615,808
Interest expense	(221,951,744)	(18,060,020)	(240,011,764)
Federal, state and local grants	874,810	107,564	982,374
Fair value loss on swaps	(96,249,918)	-	(96,249,918)
Contributions to other governments	-	(1,297,882)	(1,297,882)
Total non-operating revenues (expenses)	(292,643,234)	(8,318,148)	(300,961,382)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(207,435,575)	51,135,405	(156,300,170)
CAPITAL CONTRIBUTIONS			
Passenger facility charges	78,626,926	-	78,626,926
Federal, state and local grants	54,805,079	232,311,015	287,116,094
Other capital property contributed	5,180,000	-	5,180,000
Total capital contributions	138,612,005	232,311,015	370,923,020
NET POSITION			
Change in net position	(68,823,570)	283,446,420	214,622,850
Net position, beginning of year	830,969,040	991,619,805	1,822,588,845
Net position, end of year	\$ 762,145,470	\$ 1,275,066,225	\$ 2,037,211,695

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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	(233,823,145)	(17,344,623)	(251,167,768)
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)
	333,809,752	74,002,077	407,811,829
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
	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
Payments of bond issuance costs	858,150	(1,344,876)	(486,726)
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)
	(403,874,788)	36,667,767	(367,207,021)
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)
	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	\$ 17,817,675	\$ 66,853,534	\$ 84,671,209
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	257,043,569	5,536,403	262,579,972
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	(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	\$ 333,809,752	\$ 74,002,077	\$ 407,811,829
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain (loss) on investments	\$ (2,706,458)	\$ (697,724)	\$ (3,404,182)
Contributions from other governments	\$ -	\$ 4,067,738	\$ 4,067,738
Increase (decrease) 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.



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Cash Flows
For the year ended December 31, 2011

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 633,557,214	\$ 94,622,935	\$ 728,180,149
Cash payments to suppliers for goods and services	(245,758,482)	(19,711,177)	(265,469,659)
Cash payments to employees for services	(154,199,694)	(2,621,260)	(156,820,954)
Cash receipts for interfund services	7,645,591	-	7,645,591
Cash payments for interfund services	-	(7,656,289)	(7,656,289)
NET CASH PROVIDED BY OPERATING ACTIVITIES	241,244,629	64,634,209	305,878,838
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash provided to other governments	-	(1,227,946)	(1,227,946)
Interest refunded from (paid to) vendors	(479)	231	(248)
Federal, state and local grants in support of operations	1,078,665	495,825	1,574,490
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,078,186	(731,890)	346,296
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	653,565,000	-	653,565,000
Proceeds from issuance of commercial paper	47,500,000	550,000	48,050,000
Payments for refunding of bond notes and commercial paper	(501,025,000)	-	(501,025,000)
Principal payments on bonds/notes	(135,395,000)	-	(135,395,000)
Principal payments on commercial paper	-	-	-
Payments for capital expenditures and construction in progress	(152,712,128)	(650,610,022)	(803,322,150)
Proceeds from sale of capital assets	199,417	-	199,417
Payments of bond issuance costs	2,604,025	(1,636,193)	967,832
Interest paid on bonds and commercial paper	(238,009,844)	(52,000,899)	(290,010,743)
Federal, state and local grants in aid of construction	55,629,035	234,650,944	290,279,979
Passenger facility charge receipts	79,292,688	-	79,292,688
Passenger facility charge expenses and interest	790	-	790
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(188,351,017)	(469,046,170)	(657,397,187)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	19,215,791	4,533,397	23,749,188
Proceeds from short-term investment maturities	328,289,678	239,307,837	567,597,515
Purchase of short-term investments	(348,934,233)	-	(348,934,233)
Proceeds from long-term investment maturities	154,158,633	-	154,158,633
Purchase of long-term investments	(181,903,525)	-	(181,903,525)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(29,173,656)	243,841,234	214,667,578
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	24,798,142	(161,302,617)	(136,504,475)
CASH AND CASH EQUIVALENTS, Beginning of year	362,671,801	524,265,049	886,936,850
CASH AND CASH EQUIVALENTS, End of year	\$ 387,469,943	\$ 362,962,432	\$ 750,432,375

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



Statement of Cash Flows
For the year ended December 31, 2011

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 85,207,659	\$ 59,453,553	\$ 144,661,212
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	211,365,393	3,926,601	215,291,994
Provision for losses on accounts receivable	-	-	-
Loss (gain) on disposal of assets	(8,930)	-	(8,930)
(Increase) decrease in assets:			
Accounts receivable	(28,669,407)	(36,603)	(28,706,010)
Inventory	119,131	(155,662)	(36,531)
Prepaid expenses and other current assets	1,508,485	181,176	1,689,661
Note receivable	2,203,658	-	2,203,658
Net pension assets	(332,615)	-	(332,615)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(25,235,700)	368,254	(24,867,446)
Advance billings and payments received in advance	(3,952,865)	-	(3,952,865)
Due to (due from) other funds	(884,456)	884,456	-
Lease obligation	250	-	250
Long-term liabilities	(75,974)	12,434	(63,540)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 241,244,629	\$ 64,634,209	\$ 305,878,838
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain (loss) on investments	\$ 5,452,358	\$ 8,704,975	\$ 14,157,333
Buildings and improvements provided by tenants	\$ 5,180,000	\$ -	\$ 5,180,000
Increase (decrease) in accounts payable and accrued expenses	\$ (5,379,570)	\$ 19,553,552	\$ 14,173,982
Fair value loss on swaps	\$ (96,249,918)	\$ -	\$ (96,249,918)

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 gross receipts. Parking fees are collected directly by the Airports Authority and are reported as revenues at their gross amount. 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 net of related collection and administrative fees. 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 2 – 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 2 – 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 expected to exceed certain limits. Utility revenues are recognized based on the period of actual usage.



Passenger Fees – Passenger fee revenues are comprised of fees charged to airlines for use of U.S. Customs and Border Protection Federal Inspection facilities and for use of the mobile lounge passenger conveyance system at Dulles International. Passenger fee revenues also include security fees charged to the Transportation Security Administration. Passenger fee revenues are recognized 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 Airport 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 charged to the Dulles Corridor Enterprise Fund are expensed, while the Aviation Enterprise Fund recognizes the allocated costs as a reduction of expenses. Costs allocated for 2012 and 2011 are recognized within *Operating Expenses* on the Statements of Revenues, Expenses and Changes in Net Position as follows:



	Year ended December 31,	
	2012	2011
Materials, equipment, supplies, contract services, and other	\$ 2,308,629	\$ 1,435,530
Salaries and related benefits	7,041,624	6,590,584
Utilities	30,680	32,814
Depreciation and amortization	313,379	481,816
Total	<u>\$ 9,694,312</u>	<u>\$ 8,540,744</u>

The Dulles Metrorail Project is being constructed in two phases (refer to Note 3 – Transfer of 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.



J. Accounts Receivable

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

K. Inventory and Prepaid Items

Inventory consists of supplies, maintenance parts, and bulk 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 undervalued, 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 3 – Transfer of 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 17 – 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 amortized over the life of the related debt using the effective-interest method. Original issue discounts or premiums are also amortized using the effective-interest method over the life of the related debt. Interest on capital appreciation debt is accreted using the straight-line method. For debt 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 7 – 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 8 – 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 2 - 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 19 – 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

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* (GASB 61) modifies certain requirements for inclusion of component units in the financial reporting entity, amends the criteria for reporting component units as if they were part of the primary government in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations. The requirements of GASB 61 are effective for fiscal year 2013 and thereafter. The requirements of GASB 61 would not currently impact the Airports Authority's financial statements, as the Airports Authority does not currently have component units or equity interests in legally separate organizations.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65) 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. Implementation of GASB 65 by the Airports Authority will result in the 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 will recognize 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, as the total amount of unamortized bond issuance costs as of December 31, 2012 was \$83.6 million. The amount as of December 31, 2012, of prepaid insurance costs associated with the issuance of debt was \$37.6 million. The write-off of these unamortized bond issuance costs, net of the prepaid insurance costs, will result in a reduction of unrestricted net assets.

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 ACIPA Pronouncements*. The requirements for GASB 66 are effective for fiscal year 2013 and thereafter. The requirements of GASB 66 would 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) 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 \$3.5 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. 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.



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, 2012 and 2011, the settlement resulted in net charges to the Signatory Airlines of \$13.8 million and \$18.0 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 5 – 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, 2012 and 2011, the Signatory Airlines' Transfer amounts were \$61.9 million and \$61.6 million, and the Airports Authority's share of NRR was \$39.7 million and \$40.2 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.

3. TRANSFER OF THE DULLES TOLL ROAD AND CONSTRUCTION OF THE DULLES METRORAIL PROJECT

Dulles Toll Road

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

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

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

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



Dulles Metrorail Project

The Airports Authority is funding and constructing the 23.1-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 2 – 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, 2012, the Airports Authority has approximately \$1.4 billion of Dulles Toll Road revenue bonds payable (refer to Note 14 – 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 9 – Changes in Capital Assets.



4. DEPOSITS AND INVESTMENTS

Deposits

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

As of December 31, 2012 and 2011, the Airports Authority had various certificates of deposit in the amount of \$6.2 million and \$6.3 million, respectively, that were not covered by insurance and were not collateralized with securities held by the pledging financial institutions. These certificates of deposit were held at institutions with a Kroll Bond Rating Agency rating of B or above. These certificates of deposit were part of the Airports Authority's Linked Deposit Program, whereby a portion of the reserve funds were deposited with banks that have 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 \$177.7 thousand and \$200.3 thousand as of December 31, 2012 and 2011, respectively.



Investments

The carrying value, weighted average maturity and credit quality of the Airports Authority's investment portfolio, by investment type, as of December 31, 2012 and 2011 were as follows:

2012 Investments	Credit Rating ¹	Carrying Value	Weighted Average Maturity (years)	% of Portfolio
Treasury	Aaa/AA+/AAA	\$ 300,787,557	3.6	30.4%
Fannie Mae	Aaa/NR/AAA	103,381,920	0.6	10.4%
Freddie Mac	NR/NR/AAA	85,272,887	0.5	8.6%
Farmer Mac	NR	19,966,275	0.8	2.0%
Farm Credit	NR	20,902,159	0.3	2.1%
Home Loan	NR	84,277,113	0.5	8.5%
MBIA GIC ^{2,3}	NR/B-/NR	36,274,390	21.4	3.7%
FSA GIC ^{2,3}	NR/NR/A+	67,075,427	22.8	6.8%
BOA FPA ^{2,3}	Baa2/A-/A	7,716,000	0.7	0.8%
City First Bank Repo ^{2,3}	B- (Kroll Bond Rating)	750,000	0.1	0.1%
Overnight Sweeps ^{2,3}	A-1/P-1 to A-2/P-2	173,569,428	0.0	17.6%
Debt Service Reserve Repurchase Agreements:				
BOA Repo ^{2,3}	Baa2/A-/A	16,333,690	10.7	1.7%
Morgan Stanley Repo ^{2,3}	Baa1/A-/A	72,406,627	23.4	7.3%
		\$ 988,713,473	5.5	100.0%

¹ The ratings in these tables are from Moody's/S&P/Fitch

² Underlying rating of the counterparties

³ Collateralized by Federal Agency Notes



2011 Investments	Credit Rating ¹	Carrying Value	Weighted Average Maturity (years)	% of Portfolio
Treasury	Aaa/AA+/AAA	\$ 546,982,607	2.5	48.9%
Fannie Mae	Aaa/NR/AAA	35,431,903	0.9	3.1%
Freddie Mac	Aaa/NR/AAA	19,428,120	0.7	1.7%
Farmer Mac	NR	19,997,333	0.2	1.8%
Home Loan	Aaa /NR/NR	30,378,422	0.4	2.7%
Commercial Paper	P-1/A-1/F1	14,966,497	0.3	1.3%
MBIA GIC ^{2,3}	B2/B-/NR	36,274,390	22.4	3.2%
FSA GIC ^{2,3}	Aa3/AA-/NR	67,075,427	23.8	6.0%
BOA FPA ^{2,3}	Baa1/A-/A	7,716,000	1.7	0.7%
City First Bank Repo ^{2,3}	C (Kroll Bond Rating)	750,000	0.1	0.1%
Overnight Sweeps ^{2,3}	A-1/P-1 to A-2/P-2	251,929,680	0.0	22.5%
Debt Service Reserve Repurchase Agreements:				
BOA Repo ^{2,3}	Baa1/A-/A	16,333,690	11.8	1.5%
Morgan Stanley Repo ^{2,3}	A2/A-/A	72,406,627	24.4	6.5%
		\$ 1,119,670,696	5.2	100.0%

¹ The ratings in these tables are from Moody's/S&P/Fitch

² Underlying rating of the counterparties

³ Collateralized by Federal Agency Notes

Credit Risk

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

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



Custodial Credit Risk

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

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, 2012 and 2011, all the Airports Authority's securities are held by the Airports Authority or its agent in the Airports Authority's name and are fully insured or registered investments.

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

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

The fair value of the collateral for overnight repurchase agreements was \$178.7 million on December 31, 2012. The fair value of the collateral for the guaranteed investment contracts was \$111.8 million on December 31, 2012. The fair value of the collateral for the forward purchase agreements was \$7.7 million on December 31, 2012. The fair value of the collateral for the Debt Service Reserve repurchase agreements was \$98.4 million as of December 31, 2012. All the collateral for these contracts was held by the Airports Authority's agent in the Airports Authority's name.

Interest Rate Risk

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



Concentration of Credit Risk

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

Fair 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. As permitted by GASB 31, investments with an original maturity of less than one year are carried at amortized cost. Fair values are determined through quoted market prices.

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

	As of 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>

	As of December 31, 2011	
	Cost	Carrying Value
Securities with original maturity 1 year and over	\$ 669,791,638	\$ 692,454,674
Securities with original maturity less than 1 year	427,628,410	427,216,022
	<u>\$ 1,097,420,048</u>	<u>\$ 1,119,670,696</u>



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Change in fair value from December 31, 2011 to December 31, 2012:

Fair value at December 31, 2012	\$ 988,713,473
Add: Proceeds of securities sold in 2012	806,719,623
Less: Cost of securities purchased in 2012	(680,342,885)
Less: Fair value at December 31, 2011	<u>(1,119,670,696)</u>
Change in fair value of securities	<u>\$ (4,580,485)</u>

Change in fair value from December 31, 2010 to December 31, 2011:

Fair value at December 31, 2011	\$ 1,119,670,696
Add: Proceeds of securities sold in 2011	1,101,678,120
Less: Cost of securities purchased in 2011	(769,762,432)
Less: Fair value at December 31, 2010	<u>(1,436,094,859)</u>
Change in fair value of securities	<u>\$ 15,491,525</u>

Reconciliation to Comparative Statements of Net Position

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

	As of December 31,	
	2012	2011
Deposits	\$ 6,206,773	\$ 15,798,306
Money market	692,294,330	494,256,751
Securities	988,713,473	1,119,670,696
	<u>\$ 1,687,214,576</u>	<u>\$ 1,629,725,753</u>
Current assets		
Cash and cash equivalents	\$ 189,992,116	\$ 152,198,752
Restricted cash and cash equivalents	350,126,992	360,379,962
Investments	177,750,805	101,610,902
Non-current assets		
Restricted cash and cash equivalents	320,774,348	237,853,661
Restricted investments	490,617,492	596,508,341
Unrestricted investments	157,952,823	181,174,135
	<u>\$ 1,687,214,576</u>	<u>\$ 1,629,725,753</u>



5. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	As of December 31,	
	2012	2011
Trade accounts receivable	\$ 23,238,217	\$ 36,988,325
Less: allowance for doubtful accounts	(466,799)	(290,998)
Trade accounts receivable, net	22,771,418	36,697,327
Settlement due from airline tenants ¹	15,066,298	20,158,220
Current portion of note receivable ²	3,078,819	2,807,804
Grants receivable in support of operations ³	535,375	602,140
Other receivables	1,209,161	1,879,267
Total current accounts receivable	<u>\$ 42,661,071</u>	<u>\$ 62,144,758</u>
Grants receivable in support of capital programs ³	\$ 67,374,168	\$ 158,314,181
Passenger facility charge receivables ⁴	5,691,295	6,378,002
Other	835,830	352,358
Total restricted accounts receivable	<u>\$ 73,901,293</u>	<u>\$ 165,044,541</u>

¹ See Note 2 - Airport Use Agreement and Premises Lease

² See Note 6 - Note Receivable

³ See Note 17 - Government Grants

⁴ See Note 18 - Passenger Facility Charges

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.

During 2011, American Airlines, Inc. filed for Chapter 11 bankruptcy protection with a pre-petition balance of \$605 thousand. This pre-petition balance was collected in full during 2012.

Accounts receivable judged to be uncollectible and written off totaled \$1.1 million and \$393 thousand in 2012 and 2011, respectively. The Airports Authority judges existing reserves sufficient to cover any potentially uncollectible receivables owed as of December 31, 2012.



6. 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; that UAL make annual payments of \$1.0 million in 2007, 2008, and 2009; and that UAL commence monthly payments in March 2008 of \$83,055, subject to annual escalations.

Amounts scheduled to be received on this note receivable are:

Year ended December 31,

2013	\$ 3,506,478
2014	3,991,158
2015	4,924,264
2016	849,386
Total future payments	<u>13,271,286</u>
Less: interest to be earned	865,098
Less: current portion of note receivable	3,078,819
Non-current portion of note receivable	<u>\$ 9,327,369</u>

7. 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 (\$17,000 in 2012).

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, 2012, there were 22 regular employees and 2 public safety employees enrolled in the CSRS.

Under the FERS, employees derive benefits from three different sources: a Basic Benefit Plan (BBP), Social Security, and a Thrift Savings Plan. Employee contributions to the BBP range from 0.8 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, 2012, there were 34 regular employees and 16 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, 2012 was \$6.9 million. Employee contributions to the federal pension plans for 2012, 2011, and 2010 were \$221 thousand, \$253 thousand, and \$286 thousand, respectively. Employer contributions to the federal pension plans for 2012, 2011, and 2010 were \$852 thousand, \$933 thousand, and \$963 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 \$102.5 million and \$99.8 million in 2012 and 2011, respectively.

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

Airports Authority Pension Plans

Effective January 1, 1989, the Airports Authority established a retirement benefits program for employees hired on or after June 7, 1987. Employee coverage and service credit was retroactive to June 7, 1987. The program includes the Airports Authority's General Employee Retirement Plan (the "Regular Plan," covering regular employees) and the Police Officers and Firefighters Retirement Plan (the "Police and Firefighter Plan," covering public safety employees) with the exception of employees working less than 20 hours per week and other temporary employees. Collectively, these plans are referred to as "the Plans." Both are considered to be single-employer defined benefit plans. Any amendment to the Plans must be approved by the Airports Authority's Board of Directors. The Plans provide retirement and death benefits to plan members and beneficiaries. As of December 31, 2012, the number of employees participating in the Plans was:



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<u>Current Participants</u>	<u>Regular</u>	<u>Public Safety</u>	<u>Total</u>
Vested	706	229	935
Non-vested	290	106	396
Retirees/disabled employees currently receiving benefits	234	29	263
Terminated vested participants	227	66	293
Total	<u>1,457</u>	<u>430</u>	<u>1,887</u>

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 36 months in the most recent 120 months, while covered compensation is the 35-year average of the Social Security Wage Bases ending with the year in which the participant attains Social Security normal retirement age. A participant's years of benefit service include the number of hours of accrued unused sick leave at a participant's termination. A pre-retirement surviving spouse benefit is payable in the event of death, equal to 50.0 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 7.2 percent of the applicable base payroll to the Regular Plan and 14.0 percent of the applicable base payroll to the Police and Firefighter Plan in 2012. The Airports Authority's base payroll for employees covered by the Regular Plan was \$72.0 million and \$69.3 million for 2012 and 2011, respectively. The base payroll for employees covered by the Police and Firefighter Plan was \$23.6 million and \$22.9 million for 2012 and 2011, respectively. The Airports Authority contributed \$5.2 million and \$5.1 million to the Regular Plan and \$3.3 million and \$3.4 million to the Police and Firefighters Plan in 2012 and 2011, respectively. The following presents the required employer contributions from January 1, 2006 through December 31, 2012:

Calendar Year	General Employees Retirement Plan		Police Officers & Firefighters Retirement Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
	2006	\$3,233,610	93.9%	\$1,939,938
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%

The contribution rates for any given year for the Plans are calculated based on the actuarial valuation done for the year two years prior to the current year. That is, the contribution rates for the 2012 year were calculated using the actuarial valuation done for year ended December 31, 2010. For this reason, the Airports Authority's contribution rates will not see the activity in the current financial markets reflected in the rates for years 2012 or 2013. The contribution rate for the calendar year 2013 will incorporate changes that took place in the current market in 2012 and any corresponding economic assumptions.

Annual Pension Cost and Net Pension Obligation (Asset)

The Airports Authority's net pension obligation (asset) for the Plans as of December 31, 2012, 2011, and 2010 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,		
	2012	2011	2010
Annual required contribution	\$ 5,184,570	\$ 5,129,216	\$ 4,977,049
Interest on net pension asset	(124,316)	(124,786)	(125,257)
Adjustment to annual required contribution	130,555	131,048	131,544
Annual pension cost	5,190,809	5,135,478	4,983,336
Contributions made	5,184,570	5,129,216	4,977,049
Change in net pension obligation (asset)	6,239	6,262	6,287
Net pension obligation (asset) beginning of year	(1,657,550)	(1,663,812)	(1,670,099)
Net pension obligation (asset) end of year	\$ (1,651,311)	\$ (1,657,550)	\$ (1,663,812)

Police Officers & Firefighters Retirement Plan	Year ended December 31,		
	2012	2011	2010
Annual required contribution	\$ 3,039,682	\$ 3,017,012	\$ 2,898,694
Interest on net pension asset	(115,540)	(90,124)	(48,122)
Adjustment to annual required contribution	121,338	94,646	50,537
Annual pension cost	3,045,480	3,021,534	2,901,109
Contributions made	3,320,829	3,360,411	3,461,127
Change in net pension obligation (asset)	(275,349)	(338,877)	(560,018)
Prior year adjustment	-	-	(122,644)
Net pension obligation (asset) beginning of year	(1,540,527)	(1,201,650)	(518,988)
Net pension obligation (asset) end of year	\$ (1,815,876)	\$ (1,540,527)	\$ (1,201,650)

The net pension asset is reported as a non-current unrestricted asset as of December 31, 2012 and 2011 in the Statement of Net Position.

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)
2010	\$ 4,983,336	99.9%	\$ (1,663,812)	\$ 2,901,109	119.3%	\$ (1,201,650)
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)



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, 2011
Actuarial Cost Method	Entry-age actuarial cost method
Amortization Method	30-year level
Assets Valuation Method	5-year smooth market
Actuarial Assumptions:	
a. Investment rate of return *	7.5%
b. Projected salary increases *	Variable rate 5.5% to 6.5%
*includes inflation at	3.0%
c. Cost of living adjustments	1.5%

The following presents the funding progress from January 1, 2006 through December 31, 2011:

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
12/31/2006	\$ 72,341,671	\$ 62,195,419	\$ (10,146,252)	116.3%	\$ 52,985,414	(19.1%)
12/31/2007	\$ 82,372,511	\$ 68,958,757	\$ (13,413,754)	119.5%	\$ 54,751,207	(24.5%)
12/31/2008	\$ 86,617,649	\$ 80,356,911	\$ (6,260,738)	107.8%	\$ 63,672,545	(9.8%)
12/31/2009	\$ 92,271,170	\$ 87,564,793	\$ (4,706,377)	105.4%	\$ 69,012,906	(6.8%)
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%)

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
12/31/2006	\$ 35,464,226	\$ 34,134,852	\$ (1,329,374)	103.9%	\$ 17,799,707	(7.5%)
12/31/2007	\$ 41,245,955	\$ 39,293,637	\$ (1,952,318)	105.0%	\$ 18,799,993	(10.4%)
12/31/2008	\$ 44,590,069	\$ 45,128,509	\$ 538,440	98.8%	\$ 20,932,221	2.6%
12/31/2009	\$ 49,077,816	\$ 49,958,724	\$ 880,908	98.2%	\$ 21,870,479	4.0%
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%



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 \$11.6 million, \$11.4 million, and \$8.7 million in the years ended December 31, 2012, 2011, and 2010, 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 \$14 thousand, \$25 thousand, and \$50 thousand into the MPPP in the years ended December 31, 2012, 2011, and 2010, respectively.

8. 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, 2012, 419 Participants were receiving health insurance benefits, and 436 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, 2012 and 2011, the Airports Authority's share of health and dental insurance premium costs totaled \$3.8 million and \$4.4 million, respectively. Plan participants contributed \$1.0 million and \$888 thousand of the total premiums for the years ended December 31, 2012 and 2011, 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.



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Monthly Contributions for Retirees Under 65 for 2012

Provider Choices	Retiree Only	Retiree Plus Spouse	Retiree Plus Child(ren)	Family
Aetna - HMO	\$ 110.00	\$ 230.00	\$ 209.00	\$ 328.00
Aetna - PPO	\$ 122.00	\$ 255.00	\$ 231.00	\$ 362.00
Kaiser Permanente HMO	\$ 100.00	\$ 209.00	\$ 190.00	\$ 299.00
MetLife Dental	\$ 14.00	\$ 29.00	\$ 33.00	\$ 54.00

Monthly Contributions for Retirees Over 65 for 2012

Provider Choices	Retiree Only	One > Age 65 One < Age 65	Two Party Medicare	Family Medicare
Aetna - HMO	\$ 97.00	\$ 219.00	\$ 192.00	\$ 348.00
Aetna - PPO	\$ 99.00	\$ 232.00	\$ 194.00	\$ 352.00
Kaiser HMO	\$ 52.00	\$ 151.00	\$ 103.00	\$ 203.00
MetLife Dental	\$ 14.00	\$ 29.00	\$ 33.00	\$ 54.00

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, 2012, 57 out of 436 retired employees had supplemental coverage, and the cost of life insurance totaled \$254 thousand. As of December 31, 2011, 45 out of 399 retired employees had supplemental insurance coverage, and the cost of life insurance for retired employees totaled \$203 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, 2012
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	10.0% initially to ultimate rate of 5.0%
d. Payroll Growth Rate (*)	6.5% to an ultimate rate of 5.5%
e. *includes inflation at	3.0%

Other Post-employment Benefit (OPEB) Costs and Obligations

The annual non-pension post-employment benefit cost is actuarially determined as is the calculation of the annual required contribution (ARC). The ARC represents the actuarially determined level of funding that, if paid on an ongoing basis, is projected to cover annual benefit costs and the 30-year open amortization of the difference between the AAL and amounts previously recognized. The following reflects the components of the 2012 annual OPEB costs, amounts paid, and changes to the net accrued OPEB obligation based on the January 1, 2012 actuarial valuation:



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Medical/Dental	Year ended December 31,		
	2012	2011	2010
Annual required contribution	\$ 11,300,000	\$ 10,730,000	\$ 10,560,000
Interest on net OPEB obligation (asset)	20,000	20,000	(100,000)
Adjustment to annual required contribution	(30,000)	(30,000)	110,000
Annual OPEB cost	11,290,000	10,720,000	10,570,000
Contributions made	9,956,111	10,730,000	8,837,510
Change in net OPEB obligation (asset)	1,333,889	(10,000)	1,732,490
Net OPEB obligation (asset) beginning of year	319,499	329,499	(1,402,991)
Net OPEB obligation end of year	<u>\$ 1,653,388</u>	<u>\$ 319,499</u>	<u>\$ 329,499</u>

Life Insurance	Year ended December 31,		
	2012	2011	2010
Annual required contribution	\$ 956,900	\$ 842,100	\$ 823,800
Interest on net OPEB obligation	5,700	5,700	4,800
Adjustment to annual required contribution	(6,000)	(6,000)	(5,000)
Annual OPEB cost	956,600	841,800	823,600
Contributions made	971,528	842,100	810,564
Change in net OPEB obligation	(14,928)	(300)	13,036
Net OPEB obligation beginning of year	76,123	76,423	63,387
Net OPEB obligation end of year	<u>\$ 61,195</u>	<u>\$ 76,123</u>	<u>\$ 76,423</u>

The net OPEB obligation liabilities are reported as non-current liabilities as of December 31, 2012 and 2011 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, 2012 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
2010	\$ 10,570,000	83.6%	\$ 329,499
2011	\$ 10,720,000	100.1%	\$ 319,499
2012	\$ 11,290,000	88.2%	\$ 1,653,388



Three-Year Trend Information - Life Insurance

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 823,600	98.4%	\$ 76,423
2011	\$ 841,800	100.0%	\$ 76,123
2012	\$ 956,600	101.6%	\$ 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 \$6.1 million, \$6.1 million, and \$6.2 million for the years ended December 31, 2012, 2011, and 2010, respectively to the Trust for medical and dental insurance. The Airports Authority also contributed \$516 thousand, \$625 thousand, and \$645 thousand for the years ended December 31, 2012, 2011, and 2010, 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
1/1/2006	\$ 6,500,000	\$ 76,080,000	\$ 69,580,000	8.5%	\$ 64,100,000	108.5%
1/1/2007	\$ 13,090,000	\$ 81,930,000	\$ 68,840,000	16.0%	\$ 69,770,000	98.7%
1/1/2008	\$ 19,450,000	\$ 85,170,000	\$ 65,720,000	22.8%	\$ 68,620,000	95.8%
1/1/2009	\$ 25,190,000	\$ 103,980,000	\$ 78,790,000	24.2%	\$ 73,960,000	106.5%
1/1/2010	\$ 31,420,000	\$ 116,870,000	\$ 85,450,000	26.9%	\$ 78,170,000	109.3%
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%



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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
1/1/2006	\$ 554,100	\$ 5,941,900	\$ 5,387,800	9.3%	\$ 64,148,900	8.4%
1/1/2007	\$ 1,152,000	\$ 6,722,000	\$ 5,570,000	17.1%	\$ 69,770,800	8.0%
1/1/2008	\$ 1,711,700	\$ 6,822,000	\$ 5,110,300	25.1%	\$ 68,616,300	7.4%
1/1/2009	\$ 2,217,400	\$ 7,578,300	\$ 5,360,900	29.3%	\$ 73,961,700	7.2%
1/1/2010	\$ 2,765,800	\$ 8,161,500	\$ 5,395,700	33.9%	\$ 78,171,500	6.9%
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%

9. CHANGES IN CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2012 and 2011 was as follows:

	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	373,667,270	172,235,462	(252,104,974)	293,797,758
Construction in progress - Dulles Metrorail Project - Phase 1	1,989,676,569	659,233,857	-	2,648,910,426
Construction in progress - Dulles Metrorail Project - Phase 2	75,906,162	21,092,665	-	96,998,827
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>

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	Balance as of January 1, 2011	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2011
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 156,407,176	\$ 56,476,729	\$ (30,153,287)	\$ 182,730,618
Construction in progress	316,349,408	216,426,643	(159,108,781)	373,667,270
Construction in progress - Dulles Metrorail Project - Phase 1	1,340,698,372	648,978,197	-	1,989,676,569
Construction in progress - Dulles Metrorail Project - Phase 2	28,531,980	47,374,182	-	75,906,162
Total capital assets not being depreciated	<u>1,841,986,936</u>	<u>969,255,751</u>	<u>(189,262,068)</u>	<u>2,621,980,619</u>
Other capital assets:				
Buildings	3,493,305,467	168,303,711	(1,194,070,579)	2,467,538,599
Systems and structures	2,885,380,436	3,982,282,699	(2,833,435,511)	4,034,227,624
Equipment	68,543,192	37,989,254	(2,730,940)	103,801,506
Motor vehicles	91,142,550	3,198,611	(36,266,272)	58,074,889
Total other capital assets	<u>6,538,371,645</u>	<u>4,191,774,275</u>	<u>(4,066,503,302)</u>	<u>6,663,642,618</u>
Less accumulated depreciation:				
Buildings	862,032,015	(34,096,462)	-	827,935,553
Systems and structures	883,152,052	254,888,134	-	1,138,040,186
Cumulative balance for change in depreciation	-	(19,453,903)	(431,665)	(19,885,568)
Equipment	52,679,743	42,649,873	(781,731)	94,547,885
Motor vehicles	80,510,808	(36,918,486)	(1,109,611)	42,482,711
Total accumulated depreciation	<u>1,878,374,618</u>	<u>207,069,156</u>	<u>(2,323,007)</u>	<u>\$ 2,083,120,767</u>
Totals	<u>\$ 6,501,983,963</u>	<u>\$ 4,953,960,870</u>	<u>\$ (4,253,442,363)</u>	<u>\$ 7,202,502,470</u>

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

	2012	2011
Aviation Enterprise Fund	\$ 252,476,186	\$ 206,852,851
Dulles Corridor Enterprise Fund	1,505,721	216,305
Total Depreciation Expense	<u>\$ 253,981,907</u>	<u>\$ 207,069,156</u>

The Airports Authority completed various capital asset construction and development projects during the years ended December 31, 2012 and 2011. 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. Projects completed in 2011 at Reagan National included an overlay of runway 1/19. At Dulles International, projects completed in 2012 included the first phase of building changes for in-line baggage screening, and improvements to runways and taxiways. Projects completed in 2011 at Dulles International included the rehabilitation of concourse C/D and the third phase of the expansion of the International Arrivals Building. In 2011, an Enterprise Resource Planning system was implemented authority-wide within the Aviation Enterprise Fund.



As of December 31, 2012, ongoing projects at Reagan National included a building rehabilitation for Terminal A and runway safety improvements. Ongoing projects for Dulles International included a cargo building rehabilitation, additional conveyor and second phase building changes for in-line baggage screening, and runway safety improvements. As of December 31, 2012, the Aviation Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$514.0 million.

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, 2012, ongoing projects included Phases 1 and 2 of the Dulles Metrorail Project, and other Dulles Corridor mobility and capacity improvements. As of December 31, 2012, the Dulles Corridor Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$595.8 million.

Services for the above commitment amounts had not been provided as of December 31, 2012, 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, 2012 and 2011 was as follows:

	2012	2011
Interest costs incurred	\$ 327,899,793	\$ 299,712,117
Less: interest costs capitalized	98,428,270	59,700,353
Interest costs expensed	<u>\$ 229,471,523</u>	<u>\$ 240,011,764</u>
	2012	2011
Interest income earned	\$ 19,258,038	\$ 22,286,504
Less: interest income capitalized	2,253,740	2,068,292
Interest income recognized	<u>\$ 17,004,298</u>	<u>\$ 20,218,212</u>

10. ACCOUNTS PAYABLE

A detail of accounts payable and accrued expenses as of December 31, 2012 and 2011 follows:

	As of December 31,	
	2012	2011
Trade accounts payable and accruals	\$ 160,554,471	\$ 173,407,527
Accrued compensation and benefits	13,860,328	12,253,985
Current portion of claims	2,642,981	2,619,306
Security deposits	<u>1,213,210</u>	<u>1,239,180</u>
Total accounts payable and accrued expenses	<u>\$ 178,270,990</u>	<u>\$ 189,519,998</u>

11. 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.



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The Use and Lease Agreement (refer to Note 2 – 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 2012 dollars, are:

Year ending December 31,	Minimum Annual Guaranteed Leases	Airline Terminal Leases	Fixed Rate Leases	Total
2013	\$ 66,618,623	\$ 281,497,000	\$ 21,547,494	\$ 369,663,117
2014	55,604,193	215,550,000	11,905,160	283,059,353
2015	48,105,816	-	11,991,329	60,097,145
2016	30,942,036	-	2,677,253	33,619,289
2017	24,756,506	-	1,559,549	26,316,055
2018 and thereafter	88,036,682	-	37,388,903	125,425,585
Total minimum future rentals	<u>\$ 314,063,856</u>	<u>\$ 497,047,000</u>	<u>\$ 87,069,688</u>	<u>\$ 898,180,544</u>

The above amounts do not include contingent rentals and fees in excess of minimums, which amounted to \$30.7 million and \$30.6 million for the years ended December 31, 2012 and 2011, respectively. Total income from leases, including minimum annual guarantees and contingent rentals and fees, totaled \$414.5 million and \$389.0 million for the years ended December 31, 2012 and 2011, 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 leases 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.



Minimum future rentals scheduled to be paid on the operating leases in effect on December 31, 2012, as calculated in 2012 dollars, are:

Year ending December 31,	Federal Lease	Office Space Lease	Total
2013	\$ 5,303,836	\$ 948,333	\$ 6,252,169
2014	5,303,836	75,605	5,379,441
2015	5,303,836	-	5,303,836
2016	5,303,836	-	5,303,836
2017	5,303,836	-	5,303,836
2018 and thereafter	265,191,804	-	265,191,804
Total minimum future rentals	<u>\$ 291,710,984</u>	<u>\$ 1,023,938</u>	<u>\$ 292,734,922</u>

Total rental expense paid to the United States Government for the years ended December 31, 2012 and 2011 was \$5.3 million and \$5.2 million, respectively. The 2012 and 2011 capitalized expenditures related to the office space lease totaled \$1.5 million and \$1.2 million, respectively.

12. CHANGES IN LONG-TERM NON-DEBT LIABILITIES

Activity for long-term liabilities, other than for capital debt, for the years ended December 31, 2012 and 2011 was as follows:

	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	\$ 7,477,857	\$ 1,358,740
Claims ¹	5,075,237	1,956,312	1,937,989	5,093,560	2,642,981	2,450,579
Lease obligations	216,373	-	96,612	119,761	111,910	7,851
Construction retainage	15,540,221	405,322	-	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>\$ 30,346,426</u>	<u>\$ 12,536,179</u>	<u>\$ 10,385,481</u>	<u>\$ 32,497,124</u>	<u>\$ 10,232,748</u>	<u>\$ 22,264,376</u>



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	Activity during year ended December 31, 2011				As of December 31, 2011	
	Beginning			Ending	Due Within	Due After
	Balance	Additions	Reductions	Balance	One Year	One Year
Compensated absences	\$ 8,185,530	\$ 9,662,946	\$ 9,516,583	\$ 8,331,893	\$ 7,085,513	\$ 1,246,380
Claims ¹	5,282,245	1,879,178	2,086,186	5,075,237	2,619,306	2,455,931
Lease obligations	314,200	-	97,827	216,373	131,087	85,286
Construction retainage	15,124,144	416,077	-	15,540,221	-	15,540,221
Net OPEB obligation ²	405,922	-	10,300	395,622	-	395,622
Payments received in advance	787,080	-	-	787,080	-	787,080
	<u>\$ 30,099,121</u>	<u>\$ 11,958,201</u>	<u>\$ 11,710,896</u>	<u>\$ 30,346,426</u>	<u>\$ 9,835,906</u>	<u>\$ 20,510,520</u>

¹ See Note 19 - Risk Management

² See Note 8 - Post-Employment Benefits

13. 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 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.	A3/A/A	\$ 80,590,000	\$ 47,570,000	2011A-2	\$ (8,663,435)	4.445%
06/15/06	10/01/09	J.P. Morgan Chase Bank	Aa3/A+/A+	190,000,000	180,778,667	2011A-3	(59,270,802)	4.099%
06/15/06	10/01/09	Bank of America, N.A.	A3/A/A	110,000,000	104,661,334	2009D/2010C-2	(34,238,956)	4.099%
06/15/06	10/01/10	Wells Fargo Bank, N.A.	Aa3/AA-/AA-	170,000,000	164,658,600	2010D	(56,402,685)	4.112%
05/13/05	10/01/11	Wells Fargo Bank, N.A.	Aa3/AA-/AA-	125,000,000	125,000,000	2011A-1	(35,344,564)	3.862%
Total				<u>\$ 675,590,000</u>	<u>\$ 622,668,601</u>		<u>\$ (193,920,442)</u>	

¹ Long-term ratings of Moody's, S&P, and Fitch, respectively, as of December 31, 2012.

² Amounts as of December 31, 2012; A negative value represents a payment by the Airports Authority to the counterparty if the swap is terminated in the current market; a positive value represents a receipt by the Airports Authority if the swap is unwound in the current market.

As shown in the table above, the Airports Authority had five live Swap Agreements associated with various series of variable rate debt (hedging derivative instruments) as of December 31, 2012.

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'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, 2012 and 2011, 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, 2012 and 2011 was a loss of \$193.9 million and \$200.4 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 2012 was a gain of \$6.4 million. This gain is net of a \$72,500 settlement payment made to Lehman Brothers related to the 2008 termination of the 2006 swap with Lehman Brothers. The change in fair value of swaps for 2011 was a loss of \$96.2 million. 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.



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The fair value of the Airports Authority's Swaps as of December 31, 2012, and 2011 was as follows:

Effective Date	Counterparty	Outstanding Notional	Maturity	Fair Value as of 12/31/2012	Fair Value as of 12/31/2011	Change in Fair Value
2002	Bank of America, N.A.	\$ 47,570,000	2021	\$ (8,663,435)	\$ (9,395,591)	\$ 732,156
2009	J.P. Morgan Chase Bank	180,778,667	2039	(59,270,803)	(61,679,555)	2,408,752
2009	Bank of America, N.A.	104,661,334	2039	(34,238,956)	(35,631,785)	1,392,829
2010	Wells Fargo Bank, N.A.	164,658,600	2040	(56,402,685)	(57,733,964)	1,331,279
2011	Wells Fargo Bank, N.A.	125,000,000	2039	(35,344,564)	(35,974,508)	629,944
	Total	<u>\$ 622,668,601</u>		<u>\$ (193,920,443)</u>	<u>\$ (200,415,403)</u>	<u>\$ 6,494,960</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, 2012, 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, 2012, the weighted average interest rate on the Airports Authority's hedged variable-rate debt was 0.77 percent, and 72 percent of LIBOR was 0.15 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.



14. CAPITAL DEBT

The Airports Authority issues taxable and tax-exempt debt. 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. As of December 31, 2012 and 2011, the Airports Authority had liabilities of \$0 and \$72 thousand, respectively.

Recent Bond Issues

In June 2012, the Airports Authority Aviation Enterprise Fund issued \$311.8 million of *Series 2012A-B Airport System Revenue Refunding Bonds*. The combined refunding generated \$40.6 million of net present value savings, or 11.1 percent of the refunded par amount. Total debt service savings through 2032 (the term of the Bonds) totals over \$77.0 million. The 2012A-B bonds at a total debt service of \$520.4 million refunded bonds with a debt service of \$607.9 million. Debt service savings in years 2013-2015 are approximately \$11 million annually and \$8 million in 2016.

The *Series 2012A Alternative Minimum Tax (AMT) Airport System Revenue Refunding Bonds'* par amount was \$291.0 million. The proceeds were used to refund Series 2001A, Series 2002A and Series 2002D Bonds, fund applicable debt service reserve funds, and pay the cost of issuing the bonds. On June 5, 2012, \$67.8 million of Series 2001A Bonds maturing in 2031, \$186.8 million of Series 2002A Bonds maturing in 2012-2032, and \$89.2 million of Series 2002D Bonds maturing in 2013-2032 were refunded. The Airports Authority's net present value savings of this refunding was \$38.4 million.

The *Series 2012B Non-AMT Airport System Revenue Refunding Bonds'* par amount was \$20.8 million. The proceeds were used to refund Series 2003B Bonds, fund applicable debt service reserve funds, and pay the cost of issuing the bonds. On June 5, 2012, \$20.6 million of Series 2003B Bonds maturing 2014-2019 were refunded. The Airports Authority's net present value savings of this refunding was \$2.2 million.

Aviation Enterprise Fund Variable Rate Debt Program

In December 2012, the Airports Authority executed the following changes to the Aviation Enterprise Fund variable rate debt program.

Mandatory Tender, Amendment and Conversion of the *Series 2003D Airport System Revenue Variable Rate Bonds*. This transaction terminated the Letter of Credit (LOC) with Wells Fargo Bank, N.A., which was due to expire in March 2013, and terminated the bond insurance policy with Syncora. The Airports Authority entered into a \$63.2 million Direct Purchase Loan with Banc of America, Preferred Corporation for an Indexed Floater rate of 72% of one month LIBOR plus 65 basis points (bps). The Direct Purchase Loan expires in December 2016.



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Replacement of Letter of Credit relating to the Series 2009D Airport System Revenue Variable Rate Bonds for a par amount of \$130.2 million. The transaction substituted the Authority's current LOC with Bank of America, N.A. to TD Bank, N.A. for term through December 2017.

Extension of Letter of Credit for the Series 2010C Airport System Revenue Variable Rate Bonds with a \$162.7 million par amount. This transaction extended the LOC with Barclays Bank for a term through December 2015.

Extension of the Index Rate Period for the Series 2010D Airport System Revenue Variable Rate Bonds. This transaction extended the Index Rate Period with Wells Fargo Bank, N.A. for a term through December 2015.

Following closing of the December transactions, the Airports Authority has no bank facility expirations until 2014. These transactions helped maintain the diversity of the bank provider group and also diversified the Airports Authority's renewal risk. Prior to the execution of this bank plan, the weighted average cost of the Airports Authority's bank facilities (excluding commercial paper) was 63.1 basis points, and the weighted average expiration occurred in 2.0 years. Upon execution, the weighted average cost of the bank facilities is 62.9 basis points, and the weighted average expiration date is 3.6 years.

Credit Ratings

The Airports Authority's underlying ratings as of December 31, 2012 are depicted in the table below:

Enterprise Fund	Mode	Lien Position	Rating		Rating
			Moody's / S&P ¹ / Fitch	Moody's / S&P / Fitch	Enhanced
Aviation	Fixed	Senior	Aa3 / AA- / AA-		
Aviation	Variable, CP	² Senior	P-1 / A-1+ / F1+		
Aviation	Variable, VRDO	^{3,4} Senior	Aa1/VMIG1	AAA/A-1+	AAA/F1+
Aviation	Variable, Index Floaters	⁵ Senior	Aa3 / AA- / NR		
Dulles Corridor	Fixed	First Senior	A2 / A / NR		
Dulles Corridor	Fixed	Second Senior	Baa1 / BBB+ / NR		Aa2 / AAA / NR
Dulles Corridor	Fixed	Subordinate	Baa2 / BBB / NR		
Dulles Corridor	Variable, CP	Second Senior	P-1 / A-1+ / NR		

¹ LBBW has requested that S&P withdraw their ratings on the CP One Notes

² Includes CP One and Two Notes

³ Includes Series 2003D, 2009D, and 2010C Bonds

⁴ Joint Default Analysis with Moody's, Joint Criteria Rating with S&P, Dual Party Pay Criteria with Fitch

⁵ Direct Funded Indexed Obligations, 2011A (S&P rated) and 2011B (Moody's & S&P rated) Bonds



Aviation Enterprise Fund Interim Financing Instruments

Commercial Paper (CP) Notes. On May 2, 2001, the Airports Authority Board adopted Resolution No. 01-6 allowing the issuance of 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 had two credit facilities in place as of December 31, 2012 and 2011 to support the issuance of up to \$271.0 million in CP Notes for the Aviation Enterprise Fund at any given time.

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

The CP Notes are issued in two series:

CP Notes Series One. The issuance of up to \$250 million of the CP Notes Series One was authorized in 2004, and amended in 2005, 2007, 2010 and 2011. As noted above, the CP Notes Series One 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.

CP Notes Series Two. The issuance of up to \$21 million of CP Notes Series Two was authorized in 2005 and amended in 2007, 2009 and 2011. The CP Notes Series Two 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, 2012, the Airports Authority had \$21.0 million of CP Notes Series Two outstanding.

	Series One	Series Two	Total
Balance as of December 31, 2010	\$ 20,000,000	\$ 38,500,000	\$ 58,500,000
Commercial Paper Notes Refunded	(50,000,000)	(17,500,000)	(67,500,000)
Commercial Paper Notes Issued	47,500,000	-	47,500,000
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	-	-	-
Balance as of December 31, 2012	\$ -	\$ 21,000,000	\$ 21,000,000



Dulles Corridor Enterprise Fund Interim Financing Instruments

Second Senior Lien Commercial Notes (CP Notes). 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, refund other forms of indebtedness and fund costs of issuance of the CP 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. On August 6, 2012, a second draw on the LOC for \$149.0 million was made. As of December 31, 2012, the Airports Authority had \$149.6 million in Series CP Notes outstanding.

	CP Notes
Balance as of December 31, 2010	\$ -
Commercial Paper Notes Refunded	-
Commercial Paper Notes Issued	550,000
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	<u>\$ 149,550,000</u>

Full Funding Grant Agreement (FFGA) Note. As approved in Resolution No. 12-37, on December 17, 2012, the Airports Authority issued \$200.0 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. The note is a direct purchase obligation with a 2.160% interest rate and final maturity in 2016. As of December 31, 2012, the FFGA Note outstanding balance was \$200.0 million.

Aviation Enterprise Fund Bonds Payable

A Master Indenture of Trust was created in 1990 to secure Airport System Revenue Bonds issued by the Aviation Enterprise of the Airports Authority. This Master Indenture was amended effective September 1, 2001, to, in part, change the definition of Annual Debt Service to accommodate the issuance of secured commercial paper, to permit the Airports Authority to release certain revenues from the definition of revenues, and to expand the list of permitted investments to include new, safe investment vehicles designed to increase the return on the Airports Authority’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.



The Aviation Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2012 and 2011 were as follows:

BONDS PAYABLE – AVIATION ENTERPRISE FUND

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2012	2011
Series 2001A Revenue Bonds	04/01/01				\$ -	\$ 67,820,000
Series 2002A Revenue Bonds	06/04/02				-	186,750,000
Series 2002B Revenue Bonds	06/04/02				-	650,000
Series 2002D Refunding Bonds	08/28/02				-	89,195,000
Series 2003A Revenue & Refunding Bonds	10/01/03					
Serial		4.125%-5.500%	2013-2025	\$ 75,785,000		
Term		5.125%	2029	34,935,000		
Term		5.000%	2033	42,590,000		
					153,310,000	157,425,000
Series 2003B Refunding Bonds	10/01/03					
Serial		4.000%	2013-2019		2,920,000	26,370,000
Series 2003C Revenue & Refunding Bonds	10/01/03					
Serial		5.140%-5.390%	2013-2015	8,035,000		
Term		5.740%	2019	12,935,000		
Term		6.000%	2023	12,880,000		
					33,850,000	36,275,000
Series 2003D-1 Revenue Bonds	10/01/03					
Term		Variable (0.800%) ¹	2013-2033		63,225,000	64,825,000
Series 2004A Refunding Bonds	08/26/04					
Term		3.750%	2013-2014	20,000		
Serial		4.500%-5.000%	2015-2022	13,510,000		
					13,530,000	13,540,000
Series 2004B Revenue Bonds	05/18/04					
Serial		5.000%	2027	25,000,000		
Serial		5.050%	2028	7,330,000		
Term		5.000%	2034	212,670,000		
					245,000,000	245,000,000
Series 2004C-1 Refunding Bonds	07/07/04					
Serial		5.000%	2020-2021		31,300,000	31,300,000



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BONDS PAYABLE – AVIATION ENTERPRISE FUND (continued)

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2012	2011
Series 2004C-2 Revenue Bonds	08/12/04					
Term		5.000%	2013-2022	\$ 32,290,000		
Serial		5.000%	2023-2024	61,690,000		
					\$ 93,980,000	\$ 94,090,000
Series 2004D Refunding Bonds	08/26/04					
Serial		5.000%-5.250%	2013-2019		150,430,000	168,070,000
Series 2005A Revenue Bonds	04/12/05					
Serial		4.125%-5.250%	2013-2020	82,495,000		
Term		4.750%	2035	22,290,000		
Term		5.000%	2035	149,740,000		
					254,525,000	263,685,000
Series 2005B Refunding Bonds	04/12/05					
Serial		3.750%-5.250%	2013-2020		16,410,000	18,120,000
Series 2005C Revenue Bonds	04/12/05					
Serial		5.590%	2025	8,315,000		
Serial		5.690%	2030	9,350,000		
Serial		5.730%	2035	12,335,000		
					30,000,000	30,000,000
Series 2005D Revenue Bonds	10/12/05					
Serial		5.000%	2021-2023		7,650,000	7,650,000
Series 2006A Revenue Bonds	01/25/06					
Serial		4.750%	2030	12,500,000		
Term		5.000%	2032	81,555,000		
Term		5.000%	2035	150,945,000		
					245,000,000	245,000,000
Series 2006B Revenue Bonds	12/06/06					
Serial		4.550%	2031	59,020,000		
Serial		5.000%	2032	37,030,000		
Term		5.000%	2036	279,270,000		
					375,320,000	375,320,000
Series 2006C Refunding Bonds	12/06/06					
Serial		3.625%-5.000%	2013-2026	23,975,000		
Term		4.375%	2032	11,595,000		
					35,570,000	36,180,000
Series 2007A Refunding Bonds	07/03/07					
Serial		4.750%-5.000%	2013-2023		126,040,000	134,495,000



BONDS PAYABLE – AVIATION ENTERPRISE FUND (continued)

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2012	2011
Series 2007B Revenue Bonds	09/27/07					
Serial		4.000%-5.000%	2013-2027	\$ 338,560,000		
Serial		4.750%	2032	1,150,000		
Term		5.000%	2032	67,225,000		
Term		5.000%	2035	13,420,000		
					\$ 420,355,000	\$ 432,805,000
Series 2008A Revenue Bonds	06/24/08					
Serial		4.250%-5.750%	2013-2029		220,450,000	229,965,000
Series 2009B Revenue Bonds	04/01/09					
Serial		3.000%-5.250%	2013-2026	165,750,000		
Term		5.000%	2029	31,450,000		
Term		5.000%	2029	31,455,000		
					228,655,000	231,435,000
Series 2009C Revenue Bonds	07/02/09					
Serial		4.000%-5.125%	2013-2031	166,435,000		
Term		5.125%	2034	43,405,000		
Term		5.125%	2039	34,125,000		
Term		5.625%	2039	55,000,000		
					298,965,000	304,285,000
Series 2009D-1-2 Revenue Bonds	07/02/09					
Term		Variable (4.099%) ²	2013-2039		130,185,000	132,505,000
Series 2010A Revenue Bonds	07/28/10					
Serial		3.000%-5.000%	2013-2030	198,655,000		
Term		4.625%	2035	5,100,000		
Term		5.000%	2035	87,305,000		
Term		5.000%	2039	49,505,000		
					340,565,000	344,575,000
Series 2010B Revenue Refunding Bonds	07/28/10					
Serial		3.000%-5.000%	2013-2030		205,055,000	217,720,000
Series 2010C-1-2 Revenue Refunding Bonds	09/22/10					
Term		Variable C-1 (0.120%) ³	2033	59,460,000		
Term		Variable C-2 (4.099%) ⁴	2039	103,250,000		
					162,710,000	165,695,000
Series 2010D Revenue Bonds	09/22/10					
Term		Variable (4.112%) ⁵	2040		164,655,000	167,390,000



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BONDS PAYABLE – AVIATION ENTERPRISE FUND (continued)

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31,	
					2012	2011
Series 2010F-1 Revenue Refunding Bonds Serial	11/17/10	4.375%-5.000%	2020-2031		\$ 61,820,000	\$ 61,820,000
Series 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	2012-2039		228,165,000	233,635,000
Series 2011B Revenue & Refunding Bonds	09/21/11	Variable (0.680%) ⁹	2012-2041		196,675,000	207,640,000
Series 2011C Revenue Refunding Bonds Serial	09/29/11	3.000%-5.000%	2012-2028		178,315,000	185,390,000
Series 2011D Revenue Refunding Bonds Serial	09/29/11	2.000%-5.000%	2012-2031		10,015,000	10,385,000
Series 2012A Revenue Refunding Bonds Serial	07/03/12	3.000%-5.000%	2016-2032		291,035,000	-
Series 2012B Revenue Refunding Bonds Serial	07/03/12	3.000%-5.000%	2013-2019		20,790,000	-
					5,036,470,001	5,217,005,000
Plus unamortized discount/premium, net					28,045,678	13,352,202
Total Aviation Enterprise Fund Bonds Payable					<u>\$ 5,064,515,679</u>	<u>\$ 5,230,357,202</u>

¹ Interest rates on Series 2003D-1 are reset weekly by the Remarketing Agent. As of 12/31/12, the rate was 0.800%.

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 12/31/12, the rate on Series 2010C-1 was 0.120%. The 2010C-2 Bonds are hedged with a Swap Agreement. 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 12/31/12, the rate was 0.971%. 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 12/31/12, the rate was 0.680%.

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As of December 31, 2012, Series 2003B Revenue Bonds had an outstanding balance of \$23.6 million, which included \$2.9 million scheduled to mature on October 1, 2013, and \$20.6 million legally defeased with an escrow and callable on October 1, 2013.

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

Balance as of December 31, 2010			\$	5,147,135,825
Bonds Issued				
Series	2011A-1-2-3	Revenue & Refunding Bonds		233,635,000
Series	2011B	Revenue & Refunding Bonds		207,640,000
Series	2011C	Revenue Refunding Bonds		185,390,000
Series	2011D	Revenue Refunding Bonds		10,385,000
				<u>637,050,000</u>
Bonds Refunded				
Series	1998B			(30,210,000)
Series	2001A			(165,670,000)
Series	2001B			(11,370,000)
Series	2002C			(169,300,000)
Series	2009A			(56,975,000)
				<u>(433,525,000)</u>
Principal Payments				
				(118,880,000)
Change in Unamortized Discount/Premium				<u>(1,423,623)</u>
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		20,790,000
				<u>311,825,000</u>
Bonds Refunded				
Series	2001A			(67,820,000)
Series	2002A			(186,750,000)
Series	2002D			(89,195,000)
Series	2003B			(20,645,000)
				<u>(364,410,000)</u>
Principal Payments				
				(127,950,000)
Change in Unamortized Discount/Premium				<u>14,693,477</u>
Balance as of December 31, 2012			\$	<u>5,064,515,679</u>
Balance as of December 31, 2012 - Short Term				\$ 137,405,000
Balance as of December 31, 2012 - Long Term				<u>4,927,110,679</u>
				<u>\$ 5,064,515,679</u>



Dulles Corridor Enterprise Fund Bonds Payable

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

The Dulles Corridor Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2012 and 2011 were as follows:

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31 2012	Outstanding at December 31 2011
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	<u>86,125,000</u>		
					\$ 198,000,000	\$ 198,000,000
Series 2009B Revenue Bonds	08/12/09	3.500%-7.910%	2012-2040		249,070,930	240,201,249
CABs						
Series 2009C Revenue Bonds	08/12/09	6.500%	2038-2041		196,646,175	184,468,394
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		64,920,078	60,823,583
CABs Term						
Series 2010B Revenue Bonds	05/27/10	6.500%	2040-2044		162,699,900	152,617,225
Convertible CABs Term						
Series 2010D Revenue Bonds	05/27/10	8.000%	2042-2047		150,000,000	150,000,000
Build America Bonds						
					<u>\$ 1,421,337,083</u>	<u>\$ 1,386,110,451</u>
Plus (Less) unamortized discount/premium, net					(5,002,218)	(5,078,787)
Total Dulles Corridor Enterprise Bonds Payable					<u>\$ 1,416,334,865</u>	<u>\$ 1,381,031,664</u>



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

Balance as of December 31, 2010	\$ 1,341,716,526
Bonds Issued in 2011	-
Plus: Change in Accretion of Capital Appreciation Bonds	39,242,456
Change in unamortized (discount) or premium, net	72,683
Balance as of December 31, 2011	<u>\$ 1,381,031,665</u>
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><u>\$ 1,416,334,865</u></u>
Balance as of December 31, 2012- Short Term	9,041,633
Balance as of December 31, 2012 - Long Term	<u>1,407,293,232</u>
Total Dulles Corridor Enterprise Fund Bonds Payable	<u><u>\$ 1,416,334,865</u></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, 2012, the Airports Authority's Aviation Enterprise Fund had \$2.7 billion or 54.1 percent of its bonds insured by American Municipal Bond Assurance Corporation (Ambac), Berkshire Hathaway (BHAC), Financial Guaranty Insurance Company (FGIC), National Public Finance Guarantee Corporation, previously known as Municipal Bond Investors Assurance Corporation (MBIA), Financial Security Assurance (FSA), and Syncora Guarantee, previously known as XL Capital Assurance (XL). As of December 31, 2012, the Airports Authority's Dulles Corridor Enterprise Fund had \$340.8 million or 24.1 percent of its bonds insured by one insurance provider, Assured Guaranty (AG).



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

Aviation Enterprise Fund

Insurer	Amount Insured at December 31, 2012	Percent of Total Bonds Payable
Ambac	\$ 554,045,000	10.9%
Berkshire Hathaway	112,200,000	2.2%
FGIC	567,120,000	11.2%
FSA	615,280,000	12.1%
Syncora	63,225,000	1.2%
National Public Finance Guarantee	834,180,000	16.5%
	\$ 2,746,050,000	54.1%

Dulles Corridor Enterprise Fund

Insurer	Amount Insured at December 31, 2012	Percent of Total Bonds Payable
Assured Guaranty	\$ 340,756,815	24.1%

Maturities and Sinking Fund Requirements

The following is a summary of the maturities and sinking fund requirements, not including any unamortized discount or premium. Scheduled principal payments on long-term bonds are due annually on October 1. Interest assumptions are based on rates in effect at December 31, 2012.

Aviation Enterprise Fund Senior Debt

Year Ending December 31	Principal	Interest	Total Debt Service
2013	\$ 137,405,000	\$ 243,366,963	\$ 380,771,963
2014	144,825,000	237,033,556	381,858,556
2015	173,540,000	230,454,306	403,994,306
2016	162,585,000	221,646,259	384,231,259
2017	179,600,000	214,033,937	393,633,937
2018 - 2022	1,009,625,000	934,067,082	1,943,692,082
2023 - 2027	984,905,000	686,292,306	1,671,197,306
2028 - 2032	1,164,885,000	444,617,310	1,609,502,310
2033 - 2037	940,000,000	148,752,227	1,088,752,227
Thereafter	160,100,000	12,506,325	172,606,325
	\$ 5,057,470,000	\$ 3,372,770,271	\$ 8,430,240,271



Dulles Corridor Enterprise Fund Senior Debt

Year Ending December 31	Principal	Interest	Total Debt Service
2013	\$ 9,041,633	\$ 58,096,398	\$ 67,138,031
2014	153,751,882	57,702,085	211,453,967
2015	108,687,272	57,724,450	166,411,722
2016	107,588,182	55,473,788	163,061,970
2017	4,032,707	68,976,534	73,009,241
2018 - 2022	21,740,540	406,764,066	428,504,606
2023 - 2027	42,436,687	427,701,108	470,137,795
2028 - 2032	81,558,220	430,156,468	511,714,688
2033 - 2037	139,617,433	425,064,698	564,682,131
Thereafter	981,257,382	536,376,800	1,517,634,182
	<u>\$ 1,649,711,938</u>	<u>\$ 2,524,036,396</u>	<u>\$ 4,173,748,332</u>

15. NET POSITION

Net position consisted of the following:

As of December 31, 2012										
Net Investment in	Restricted for							Unrestricted	Total Business-	
	Capital Assets	Construction	Debt Service	Debt Service Reserve	Leases	Dulles Rail Latent Defects	Dulles Toll Road Repairs			Public Safety
Current assets										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,992,116	\$ 189,992,116
Accounts receivable, net	-	-	-	-	-	-	-	-	42,661,071	42,661,071
Investments	-	-	-	-	-	-	-	-	177,750,805	177,750,805
Inventory	-	-	-	-	-	-	-	-	8,379,024	8,379,024
Prepaid expenses and other current assets	-	-	-	-	-	-	-	-	6,876,127	6,876,127
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	15,001,701	663,730	370,610	-	670,901,340
Accounts receivable	-	73,065,464	-	-	835,829	-	-	-	-	73,901,293
Investments	-	4,912,329	-	478,445,538	-	-	7,259,625	-	-	490,617,492
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 issuance costs, net	-	-	-	-	-	-	-	-	83,614,765	83,614,765
Other assets	-	-	-	-	-	-	-	-	888,366	888,366
Capital assets	7,744,479,463	-	-	-	-	-	-	-	-	7,744,479,463
Total Assets	\$ 7,744,479,463	\$ 581,079,014	\$ 115,047,877	\$ 508,772,028	\$ 7,225,540	\$ 15,001,701	\$ 7,923,355	\$ 370,610	\$ 680,909,653	\$ 9,660,809,241
Current liabilities										
Accounts payable and accrued expenses	\$ 137,369,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97	\$ 40,901,174	\$ 178,270,990
Advance billings and payments received in advance	-	-	-	-	-	-	-	-	10,016,922	10,016,922
Accrued lease obligations	-	-	-	-	-	-	-	-	453,050	453,050
Accrued interest payable	-	-	66,310,542	-	-	-	-	-	-	66,310,542
Current portion of long-term debt	146,446,633	-	-	-	-	-	-	-	-	146,446,633
Non-current liabilities										
Other liabilities	15,986,778	-	-	-	787,080	-	-	-	5,490,518	22,264,376
Commercial paper notes	170,550,000	-	-	-	-	-	-	-	-	170,550,000
Notes payable	200,000,000	-	-	-	-	-	-	-	-	200,000,000
Interest rate swaps payable	-	-	-	-	-	-	-	-	193,920,442	193,920,442
Bonds payable, net	5,143,396,122	480,037,402	-	508,772,028	-	-	-	-	202,198,359	6,334,403,911
Total Liabilities	5,813,749,252	480,037,402	66,310,542	508,772,028	787,080	-	-	97	452,980,465	7,322,636,866
Net Position	\$ 1,930,730,211	\$ 101,041,612	\$ 48,737,335	-	\$ 6,438,460	\$ 15,001,701	\$ 7,923,355	\$ 370,513	\$ 227,929,188	\$ 2,338,172,375

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



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	Restricted for									Unrestricted	Total Business-Type Activities
	Net Investment in Capital Assets	Construction	Debt Service	Debt Service Reserve	Leases	Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety			
Current assets											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,198,752	\$ 152,198,752
Accounts receivable, net	-	-	-	-	-	-	-	-	-	62,144,758	62,144,758
Investments	-	-	-	-	-	-	-	-	-	101,610,902	101,610,902
Inventory	-	-	-	-	-	-	-	-	-	8,770,143	8,770,143
Prepaid expenses and other current assets	-	-	-	-	-	-	-	-	-	5,813,623	5,813,623
Due to (due from) other funds	-	-	-	-	-	-	-	362,425	-	(362,425)	-
Non-current assets											
Restricted											
Cash and cash equivalents *	-	426,087,269	112,984,444	35,142,608	8,553,470	15,000,163	465,669	-	-	-	598,233,623
Accounts receivable	-	164,692,183	-	-	352,358	-	-	-	-	-	165,044,541
Investments	-	105,189,178	-	484,059,538	-	-	7,259,625	-	-	-	596,508,341
Unrestricted:											
Note receivable	-	-	-	-	-	-	-	-	11,876,689	-	11,876,689
Investments	-	-	-	-	-	-	-	-	181,174,135	-	181,174,135
Net pension assets	-	-	-	-	-	-	-	-	3,198,077	-	3,198,077
Bond issuance costs, net	-	-	-	-	-	-	-	-	91,726,103	-	91,726,103
Other assets	-	-	-	-	-	-	-	-	613,537	-	613,537
Capital assets	7,202,502,470	-	-	-	-	-	-	-	-	-	7,202,502,470
Total Assets	\$ 7,202,502,470	\$ 695,968,630	\$ 112,984,444	\$ 519,202,146	\$ 8,905,828	\$ 15,000,163	\$ 7,725,294	\$ 362,425	\$ 618,764,294	\$ 9,181,415,694	
Current liabilities											
Accounts payable and accrued expenses	\$ 148,266,188	\$ -	\$ -	\$ -	\$ 10,915	\$ -	\$ -	\$ 1,100	\$ 41,241,795	\$ 189,519,998	
Advance billings and payments received in advance	-	-	-	-	-	-	-	-	11,884,807	11,884,807	
Accrued lease obligations	-	-	-	-	-	-	-	-	472,227	472,227	
Accrued interest payable	-	-	70,962,178	-	-	-	-	-	-	70,962,178	
Current portion of long-term debt	141,139,580	-	-	-	-	-	-	-	-	141,139,580	
Non-current liabilities											
Other liabilities	15,665,656	-	-	-	787,080	-	-	-	4,057,784	20,510,520	
Commercial paper notes	39,050,000	-	-	-	-	-	-	-	-	39,050,000	
Interest rate swaps payable	-	-	-	-	-	-	-	-	200,415,403	200,415,403	
Bonds payable, net	5,176,867,419	603,806,137	-	519,202,146	-	-	-	-	170,373,584	6,470,249,286	
Total Liabilities	5,520,988,843	603,806,137	70,962,178	519,202,146	797,995	-	-	1,100	428,445,600	7,144,203,999	
Net Position	\$ 1,681,513,627	\$ 92,162,493	\$ 42,022,266	-	\$ 8,107,833	\$ 15,000,163	\$ 7,725,294	\$ 361,325	\$ 190,318,694	\$ 2,037,211,695	

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

The Aviation Enterprise Fund's debt service reserve accounts were over-funded by \$18.9 million as of December 31, 2012 and \$9.3 million as of December 31, 2011. The Dulles Corridor Enterprise Fund's debt service reserve accounts were over-funded by \$5.9 million as of December 31, 2012 and \$11.8 million as of December 31, 2011. 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.



16. AVIATION ENTERPRISE FUND REVENUES

Uncollectible Revenues

Aviation Enterprise revenues, net of estimated uncollectible revenues, for the year ended December 31, 2012, were as follows:

	Gross Revenues	Estimated Uncollectible Revenues	Net Revenues
Concessions	\$ 227,768,855	\$ 48,964	\$ 227,719,891
Rents	302,595,917	958,850	301,637,067
Landing fees	112,443,856	161,240	112,282,616
Utility sales	11,709,367	4,705	11,704,662
Passenger fees	33,442,803	-	33,442,803
Other	8,207,676	47,151	8,160,525
	<u>\$ 696,168,474</u>	<u>\$ 1,220,910</u>	<u>\$ 694,947,564</u>
Totals			

There were no estimated uncollectible revenues for the year ended December 31, 2011.

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 76.2 percent of airline revenues during 2012. At Dulles International, United Airlines, Delta and British Airways comprised approximately 65.4 percent of airline revenues during 2012. Combined, these five airlines represented approximately 75.6 percent of total airline revenues during 2012 for the Airports Authority.

Revenues from Services Provided to Construction Contractors

The Airports Authority's Police Department provides services to contractors who are performing work on construction projects for the Airports Authority, principally the Dulles Metrorail Project. The contractors are billed for these services based on hourly rates established to recover compensation costs. The Airports Authority's construction contracts allow these contractors to recover such costs in their billing for construction work performed.

During 2012 and 2011, the Aviation Enterprise Fund revenues included \$305 thousand and \$247 thousand, respectively, for services provided by the Airports Authority's Police Department to construction contractors.



17. 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, 2012 and 2011 totaled \$338.8 million and \$289.3 million, respectively. In fiscal years 2012 and 2011, 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.



Grants in Support of Operations	Award Recognized		Award Remaining Dec. 31, 2012
	Year Ended Dec. 31,		
	2012	2011	
Operating Revenue			
Passenger Fees			
TSA - Law enforcement officer reimbursement program	\$ 1,019,467	\$ 1,246,792	\$ -
Grant recognized as operating revenues	<u>1,019,467</u>	<u>1,246,792</u>	<u>-</u>
Non-Operating Revenue			
Federal Grants			
TSA - National explosive detection canine team program	1,030,407	750,500	76,562
Department of Justice - Equitable sharing agreement ^{1,2}	181,761	106,301	-
U.S. Treasury - Equitable sharing agreement ^{1,2}	10,037	-	-
FEMA - Disaster relief and emergency assistance program	<u>-</u>	<u>66,750</u>	<u>-</u>
Total Federal Grants	1,222,205	923,551	76,562
Commonwealth of Virginia Grants			
Disaster relief and emergency assistance program	6,810	40,814	-
Equitable sharing agreement ^{1,2}	<u>-</u>	<u>805</u>	<u>-</u>
Total Commonwealth of Virginia Grants	6,810	41,619	-
Local Grant			
Arlington County - HIDTA task force	<u>-</u>	<u>17,204</u>	<u>-</u>
Grants recognized as non-operating revenues	<u>1,229,015</u>	<u>982,374</u>	<u>76,562</u>
Total Federal, State, and Local grants in support of operations	<u>\$ 2,248,482</u>	<u>\$ 2,229,166</u>	<u>\$ 76,562</u>

¹ 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.

² While the agreement remains in effect as of December 31, 2012, the amount of future awards is dependent on the occurrence of future events.

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 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.



Grants in Support of Capital Programs	Award Recognized Year Ended Dec. 31,		Award Remaining
	2012	2011	Dec. 31, 2012
Federal Grants			
Federal Aviation Administration			
AIP - 4th runway	\$ 20,000,000	\$ 6,662,414	\$ 49,000,000
AIP - Rehabilitate runway 1/19	2,402,654	8,005,672	-
AIP - Improve runway 1/19 safety area (phase 2)	1,432,179	8,617,821	-
AIP - Improve runway 1/19 safety area (phase 3)	2,047,147	2,086,197	-
AIP - Reconstruction of south taxiway Z	-	292,959	-
Total Federal Aviation Administration Grants	25,881,980	25,665,063	49,000,000
Transportation Security Administration			
ARRA - EBB/WBB EDS in-line baggage project	23,529,116	15,449,145	100,684,025
SBB EDS in-line baggage project	2,625,633	6,263,687	10,235,955
ARRA - Closed circuit television camera	415,441	5,427,183	-
Total Transportation Security Administration Grants	26,570,190	27,140,015	110,919,980
Federal Transit Administration			
FFGA - Dulles Metrorail Project (phase 1)	173,278,706	92,207,024	288,885,636
STP - Dulles Metrorail Project (phase 1)	-	27,781,891	-
Total Federal Transit Administration Grants	173,278,706	119,988,915	288,885,636
Internal Revenue Service			
Build America Bonds interest subsidy	14,646,800	14,646,801	-
Total Federal Grants	240,377,676	187,440,794	448,805,616
Commonwealth of Virginia Grant			
Department of Aviation - AeroTrain	2,000,000	2,000,000	-
Local Grant			
Fairfax County - Dulles Metrorail Project (phase 1)	94,174,704	97,675,300	154,660,267
Total Federal, State, and Local grants in support of capital programs	\$ 336,552,380	\$ 287,116,094	\$ 603,465,883

18. PASSENGER FACILITY CHARGES

As of December 31, 2012, 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 2011 was as follows:



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	Reagan National	Dulles International	Total
PFC Revenue 2011	\$ 36,993,974	\$ 41,632,952	\$ 78,626,926
PFC Revenue 2012	\$ 39,623,895	\$ 43,639,683	\$ 83,263,578
Total Applications	\$ 600,053,032	\$2,442,654,150	\$ 3,042,707,182
PFC Revenue Received Through 12/31/12	\$ 536,475,496	\$ 618,525,266	\$ 1,155,000,762
Estimated Final Collection Date	March 1, 2015	December 31, 2038	

A portion of future PFC collections has been pledged towards future debt service, with \$40.0 million pledged towards debt service payments in 2012 and \$42.0 million pledged in 2013. In addition, \$40.0 million has been pledged toward debt service payments annually during the years 2014-2038.

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

19. 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 workers' compensation, airport liability, property, equipment breakdown, environmental impairment, public officials, employment practices, law enforcement, crime, fiduciary, cyber risk, and executive risk. The Airports Authority is self-insured for the first \$500,000 of each workers' compensation loss and for the first \$100,000 to \$1,000,000 (depending on type) of all other risk management/insurance losses. 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, 2012 and December 31, 2011 was \$5.1 million and \$5.1 million, respectively. Changes in the claim liability accounts in fiscal years 2012, 2011 and 2010 were as follows:



Fiscal Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2010	\$5,584,701	\$2,531,808	\$2,834,264	\$5,282,245
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

20. 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, 2012 and 2011 were \$400 thousand and \$210 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, 2012 and 2011 were \$4.9 million and \$3.8 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, 2012, the Airports Authority had acquired nine property interests through the power of eminent domain for a total of \$4.8 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, 2012.

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 14 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, 2011, the most recent period for which audited financials were available, the



Academy had \$15.5 million in outstanding debt. Payments by the Airports Authority to the Academy for training services totaled \$267 thousand and \$276 thousand during the years ended December 31, 2012 and 2011, respectively.

21. 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. Briefing is underway in the Fourth Circuit and will be concluded in late April.

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 resolution of these matters will not have a material adverse effect on the financial condition of the Airports Authority.

22. SUBSEQUENT EVENTS

On January 16, 2013, the Airports Authority and the Commonwealth entered into an agreement whereby the Commonwealth agreed to provide \$150 million in funding towards Phase 1 of the Dulles Metrorail Project, upon satisfaction of certain conditions. Specifically, the Airports Authority will minimize the toll rates charged to users of the Dulles Toll Road; ensure that requests for proposals and related documents for obtaining construction services for Phase 2 of the Dulles Metrorail Project would not favor entities entering into a project labor agreement; make demonstrable progress on implementation of various audit recommendations; and maintain all necessary records to show how funds are used and to show compliance with all conditions of the agreement. These funds were received by the Airports Authority on April 15, 2013.

Three of the nine property interests acquired through the power of eminent domain which had not settled as of December 31, 2012 (refer to Note 20 – Other Commitments and Contingencies), have been settled by the issuance date of the financial statements. A total of \$91 thousand was paid subsequent to December 31, 2012, in settlement of these property acquisitions.



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)

	2012	2011	2010	2009	2008 ¹	2007 ¹	2006 ¹	2005 ¹	2004 ¹	2003 ¹
NET POSITION AT YEAR END COMPOSED OF:										
Net investment in capital assets	\$ 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	\$ 428,497.7
Restricted ¹	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	36,158.3
Unrestricted ¹	227,929.2	190,318.7	294,997.1	291,906.6	355,889.7	335,422.9	291,864.8	262,645.4	226,049.3	190,292.3
Cumulative prior period adjustment ^{1,7}	-	-	-	-	(62,380.4)	(45,407.6)	-	-	-	-
TOTAL NET POSITION	\$ 2,338,172.4	\$ 2,037,211.7	\$ 1,822,588.8	\$ 1,536,809.7	\$ 1,059,796.5	\$ 928,328.7	\$ 936,897.5	\$ 820,367.6	\$ 741,159.2	\$ 654,948.3

A summary of the restatements 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 preceding 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.

Source: Airports Authority Records



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Exhibit S-2 – Revenues, Expenses and Changes in Net Position

(Expressed in Thousands)

	2012	2011	2010	2009	2008	2007 ¹	2006 ¹	2005 ¹	2004 ¹	2003 ¹
OPERATING REVENUES										
Concessions	\$ 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	\$ 146,095.9
Tolls	101,596.1	94,659.5	88,038.2	64,893.6	10,416.5	-	-	-	-	-
Rents	301,637.1	275,428.2	226,375.7	193,736.1	171,331.3	167,301.0	156,164.1	153,865.1	143,389.8	130,802.7
Design fees	-	-	-	-	20,363.2	-	-	-	-	-
Landing fees	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	67,637.2
Utility sales	11,704.6	11,979.6	12,464.9	13,227.2	13,348.6	11,778.8	11,249.0	10,934.6	12,035.2	11,868.0
Passenger fees	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	27,878.9
Other	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	5,355.6
TOTAL OPERATING REVENUES	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	389,638.3
OPERATING EXPENSES										
Materials, equipment, supplies, contract services and other ¹	215,017.1	209,352.0	203,460.1	173,143.4	176,288.7	182,096.1	151,009.8	142,107.4	130,127.5	134,105.4
Impairment loss/design costs	40,239.0	-	-	-	80,027.4	-	-	-	-	-
Salaries and related benefits	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	95,192.2
Utilities	27,445.4	26,779.2	24,565.1	28,209.6	25,402.3	21,134.3	20,359.2	21,493.9	18,754.5	16,754.4
Lease from U.S. Government	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	4,303.8
Depreciation and amortization ¹	262,580.0	215,291.9	219,060.3	185,914.1	164,852.8	142,029.5	133,106.4	132,424.5	126,177.8	114,950.5
TOTAL OPERATING EXPENSES¹	711,880.2	613,974.1	608,722.0	536,950.2	588,250.1	478,555.3	423,036.2	414,409.3	378,293.8	365,306.3
OPERATING INCOME (LOSS)¹	84,671.2	144,661.3	83,190.9	86,396.8	(26,888.7)	31,920.8	48,132.4	62,812.4	63,992.3	24,332.0
NON-OPERATING REVENUES (EXPENSES)										
Passenger facility charges, financing costs	-	-	-	(944.8)	(2,330.5)	(3,968.8)	(2,026.4)	(1,497.1)	(1,525.0)	(1,137.7)
Investment income ¹	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	5,896.2
Interest expense ¹	(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)	(95,610.1)
Federal, state and local grants	1,229.0	982.4	1,865.0	1,415.2	948.7	-	-	-	-	-
Fair value gain (loss) on swaps	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)	5,572.3
Contributions to other governments	(313.8)	(1,297.9)	(10,086.1)	(650.2)	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)¹	(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)	(85,279.3)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS¹	(122,923.0)	(156,300.1)	(172,442.0)	48,784.6	(307,417.1)	(65,637.7)	(20,430.9)	(20,845.7)	(18,576.4)	(60,947.3)
CAPITAL CONTRIBUTIONS										
Passenger facility charges	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	58,438.0
Federal, state and local grants	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	14,378.3
Other capital property acquired	4,067.7	5,180.0	650.0	2,978.0	267,488.2	3,498.2	1,231.6	-	-	6,044.9
TOTAL CAPITAL CONTRIBUTIONS	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	78,861.2
Cumulative change in net position due to restatements ¹	-	-	-	-	-	(61,605.2)	-	-	-	-
CHANGE IN NET POSITION¹	\$ 300,960.7	\$ 214,622.9	\$ 285,779.1	\$ 477,013.2	\$ 131,467.8	\$ (8,568.8)	\$ 116,529.9	\$ 79,208.4	\$ 86,210.9	\$ 17,913.9

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>

Source: Airports Authority Records

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority



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

	2012	2011 ⁵	2010	2009	2008	2007	2006	2005	2004	2003
REAGAN NATIONAL										
Materials, equipment, supplies, contract services, and other	\$ 58,217.9	\$ 56,664.9	\$ 55,848.8	\$ 47,846.1	\$ 49,691.4	\$ 58,393.0	\$ 49,285.6	\$ 44,273.9	\$ 43,028.1	\$ 42,379.1
Salaries and related benefits	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	40,221.7
Utilities	9,065.1	8,366.0	8,063.6	9,360.5	8,687.4	7,623.1	7,083.2	6,977.5	6,042.5	5,801.8
Travel	357.3	539.1	397.7	319.4	524.8	629.2	598.1	521.5	518.3	407.3
Insurance	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	3,936.5
Loss (proceeds) from disposal of capital assets	0.6	(46.8)	(116.7)	(115.4)	(132.0)	(45.1)	(67.8)	65.6	78.0	50.3
Non-capitalized facility projects	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	222.8
Lease from U.S. Government	2,700.2	2,606.3	2,636.1	2,388.6	2,478.9	2,415.1	2,344.9	2,252.7	2,187.7	2,151.9
Depreciation and amortization	8,184.0	6,523.1	8,798.3	9,271.3	13,546.1	11,571.8	10,584.6	10,894.5	13,154.6	11,110.8
Total Reagan National Expenses	147,149.9	139,815.3	141,063.6	130,218.9	135,660.3	140,256.9	122,646.9	118,061.4	111,580.0	106,282.2
DULLES INTERNATIONAL										
Materials, equipment, supplies, contract services, and other	104,163.3	101,656.2	102,974.0	76,608.5	80,837.2	87,758.6	82,318.7	76,630.2	70,323.6	68,998.1
Salaries and related benefits	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	54,749.8
Utilities	18,306.1	18,010.9	16,082.5	18,562.0	16,475.0	13,301.3	13,091.7	14,321.1	12,223.2	10,756.8
Travel	410.5	541.0	458.4	358.3	583.2	670.1	647.8	517.0	485.8	371.3
Insurance	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	3,936.5
Loss (proceeds) from disposal of capital assets	72.3	(67.8)	(111.2)	(117.2)	84.3	78.4	(24.2)	129.0	122.2	109.1
Non-capitalized facility projects	2,383.2	819.3	1,205.6	(26.0)	504.6	1,583.4	740.6	601.5	556.0	630.1
Lease from U.S. Government	2,713.3	2,724.5	3,576.7	6,017.0	2,479.3	2,415.1	2,344.9	2,252.7	2,187.7	2,151.9
Depreciation and amortization	10,871.2	9,266.6	10,915.7	12,112.0	30,409.8	27,277.5	26,310.0	26,408.4	25,855.4	22,390.7
Total Dulles International Expenses	232,694.5	224,783.4	227,058.7	201,078.7	215,726.5	212,600.3	194,885.3	190,665.4	172,562.8	164,094.3
DULLES TOLL ROAD										
Materials, equipment, supplies, contract services, and other	16,430.4	17,879.1	19,130.3	22,089.6	9,424.5	-	-	-	-	-
Salaries and related benefits	6,985.1	6,900.2	6,421.3	2,484.8	58.2	-	-	-	-	-
Utilities	354.9	345.9	356.5	122.8	-	-	-	-	-	-
Travel	31.2	36.7	18.5	44.4	10.8	-	-	-	-	-
Insurance	587.2	597.4	551.5	1,069.3	177.2	-	-	-	-	-
Loss (proceeds) from disposal of capital assets	-	(2.7)	(6.2)	(0.7)	-	-	-	-	-	-
Non-capitalized facility projects	147.5	398.5	66.2	13.0	-	-	-	-	-	-
Depreciation and amortization	308.0	345.5	178.1	141.9	3.2	-	-	-	-	-
Total Dulles Toll Road Expenses	24,844.3	26,500.6	26,716.2	25,965.1	9,673.9	-	-	-	-	-
DULLES METRO RAIL PROJECT										
Materials, equipment, supplies, contract services, and other	1,725.9	1,408.7	1,105.5	1,255.1	415.6	-	-	-	-	-
Salaries and related benefits	2,778.1	2,398.0	1,839.6	1,586.6	154.5	-	-	-	-	-
Utilities	90.9	100.7	79.6	70.4	-	-	-	-	-	-
Travel	18.8	17.3	13.3	44.8	-	-	-	-	-	-
Insurance	(9.0)	1.5	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	159.8	228.9	82.6	102.5	5.0	-	-	-	-	-
Total Dulles Metrorail Project Expenses	4,764.5	4,149.3	3,147.2	3,085.6	575.1	-	-	-	-	-
WASHINGTON FLYER EXPENSES										
	-	-	-	-	-	-	176.5	1,428.6	1,359.7	1,477.1
WASHINGTON FLYER MAGAZINE EXPENSES¹										
	-	-	-	-	-	-	-	-	352.0	905.8
TELECOMMUNICATIONS EXPENSES										
	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	6,257.8
FAA AIR TRAFFIC CONTROL TOWER EXPENSES²										
	172.7	183.3	241.9	232.1	340.7	213.2	30.6	-	-	-
45025 AVIATION DRIVE EXPENSES³										
	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	1,231.1
CONSTRUCTION PROGRAMS⁴										
Materials, equipment, supplies, contract services, and other	4,813.3	6,543.9	2,500.6	2,677.6	12,281.0	3,400.9	2,425.6	1,469.5	(568.0)	2,712.5
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	6,610.8	7,676.2	3,866.7	3,707.4	1,960.3	242.4	652.2	1,606.9	190.8	269.6
Financing expenses	-	-	-	-	-	-	-	-	-	13.1
Legal fees	-	-	-	-	-	-	-	-	-	1,434.0
Depreciation and amortization	242,426.1	198,294.7	198,447.8	163,648.7	120,242.7	102,537.3	95,543.0	94,316.9	86,345.2	80,628.8
Total Construction Programs Expenses	295,863.2	212,596.8	204,821.0	170,042.1	219,260.7	118,889.3	98,620.8	97,393.3	85,968.0	85,058.0
TOTAL EXPENSES	\$ 711,880.2	\$ 613,974.2	\$ 608,721.9	\$ 536,950.2	\$ 588,250.1	\$ 478,555.3	\$ 423,036.2	\$ 414,409.3	\$ 378,293.8	\$ 365,306.3

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 Certain amounts in 2011 have been reclassified within business units 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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REAGAN NATIONAL										
Airline:										
Rents	\$ 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	\$ 53,802.5
Landing fees	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	26,455.0
Total Airline Revenues	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	80,257.5
Non-Airline:										
Concessions:										
Parking	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	32,381.8
Rental cars	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	15,189.2
Terminal concessions:										
Food and beverage	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	3,213.8
News stands	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	1,653.8
Retail	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	1,894.1
Display advertising	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	3,170.5
Ground transportation ¹	4,955.9	4,807.7	4,621.0	3,745.3	3,183.1	3,373.40	-	-	-	-
Services	69.8	76.5	84.6	96.0	576.7	239.9	219.3	201.9	192.3	208.9
Inflight catering	855.1	779.3	701.1	719.9	752.0	766.5	784.3	785.5	787.6	735.4
Fixed base operator	1,217.7	1,039.3	780.3	739.8	282.1	205.5	134.9	0.0	0.0	0.0
Duty free	83.4	74.8	42.2	49.7	52.8	40.9	36.3	33.3	19.7	0.0
All other	678.0	570.6	549.2	674.7	320.2	321.5	3,521.6	3,720.1	3,330.4	2,734.2
Total Concessions	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	61,181.7
Rents	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	6,570.7
Security	719.3	853.1	854.7	866.3	878.3	888.3	898.1	854.8	843.3	1,083.0
Utility sales	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	1,731.4
Other	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	694.1
Total Non-Airline Revenue	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	71,260.9
Total Reagan National Revenues	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	151,518.4
DULLES INTERNATIONAL										
Airline:										
Rents	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	62,281.5
Landing fees	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	41,182.2
International Arrival Building fees	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	12,768.8
Passenger Fees	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	12,477.8
Design Fees	-	-	-	-	20,361.2	-	-	-	-	-
Total Airline Revenues	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	128,710.3
Non-Airline:										
Concessions:										
Parking	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	47,408.0
Rental cars	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	11,313.6
Terminal concessions:										
Food and beverage	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	3,724.1
News stands	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	1,551.6
Retail	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	1,537.8
Display advertising	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	3,171.9
Ground transportation ¹	3,891.9	2,980.1	3,804.2	3,570.3	3,185.6	1,410.60	-	-	-	-
Services	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	4,195.0
Inflight catering	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	4,470.3
Fixed base operator	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	4,381.6
Duty free	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	2,016.9
All other	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	926.4
Total Concessions	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	84,697.2
Rents	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	6,117.7
Security	300.2	393.7	393.7	393.7	400.4	401.2	404.8	394.4	386.0	1,549.3
Utility sales	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	4,775.5
Other	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	2,980.6
Total Non-Airline Revenues	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	100,120.3
Total Dulles International Revenues	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	228,830.6
DULLES TOLL ROAD										
Tolls	101,596.1	94,659.5	88,038.2	64,893.6	10,416.5	-	-	-	-	-
Other	7.7	-	-	-	-	-	-	-	-	-
Total Dulles Toll Road	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	1,243.0
WASHINGTON FLYER MAGAZINE										
-	-	-	-	-	-	-	-	4.7	352.0	722.1
TELECOMMUNICATIONS										
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	5,361.0	
FAA AIR TRAFFIC CONTROL TOWER										
3,701.0	3,696.1	3,686.0	3,717.9	3,698.9	3,582.4	-	-	-	-	
45025 AVIATION DRIVE²										
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	1,963.1	
TOTAL REVENUES	\$ 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	\$ 389,638.2

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

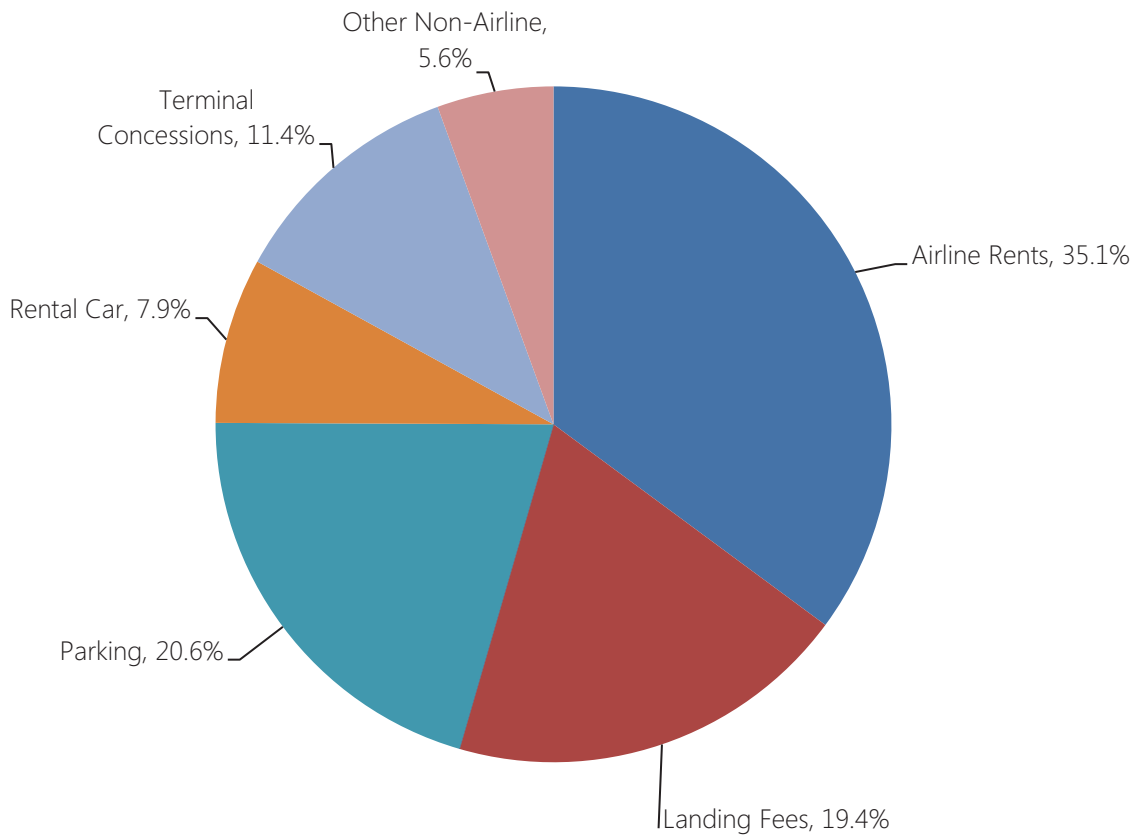


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Exhibit S-5 – Operating Revenues – Reagan National

2012

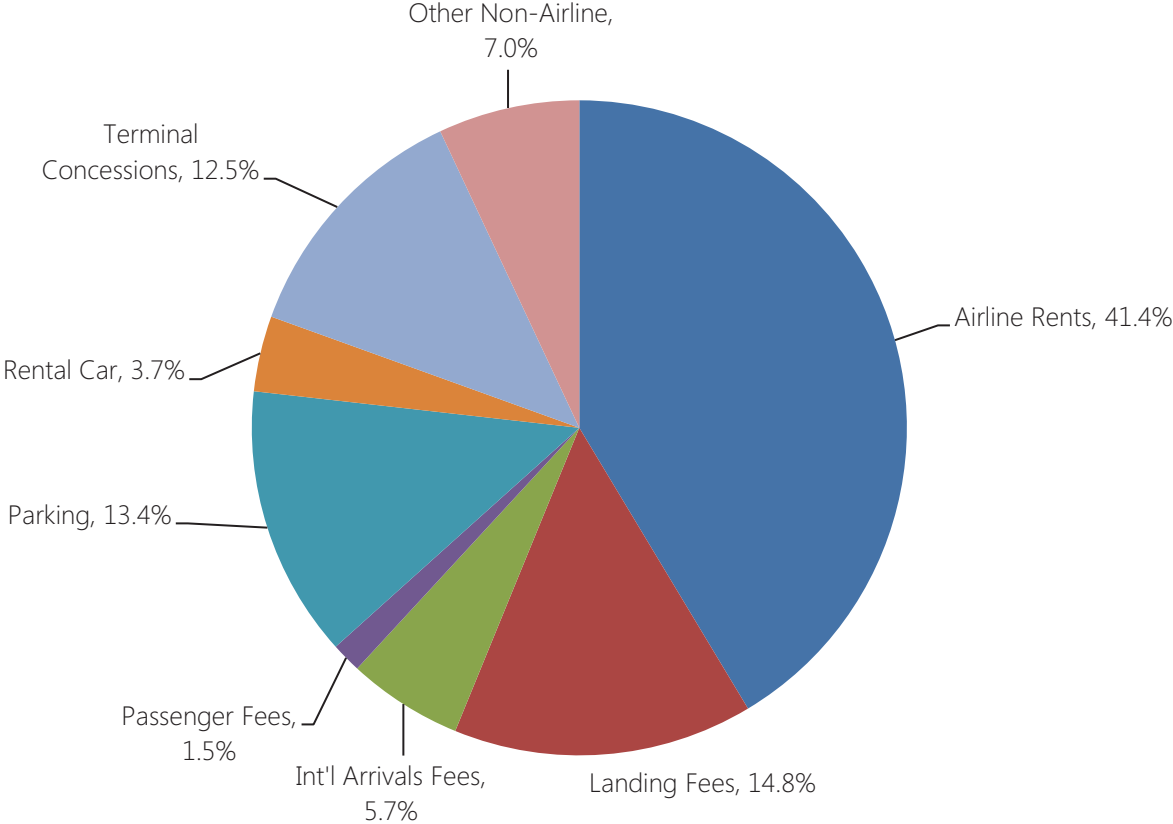


Source: Airports Authority Records



Exhibit S-6 – Operating Revenues – Dulles International

2012



Source: Airports Authority Records



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

Exhibit S-7 – Rates and Charges

Reagan National Rates

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Signatory Airline Rates										
Landing Fee	\$ 3.55	\$ 3.42	\$ 3.16	\$ 2.81	\$ 2.55	\$ 2.34	\$ 2.26	\$ 2.16	\$ 2.41	\$ 2.34
Signatory Airline Cost Per Enplanement	\$ 12.28	\$ 13.94	\$ 12.84	\$ 12.49	\$ 10.95	\$ 10.51	\$ 10.02	\$ 10.22	\$ 11.84	\$ 11.29
Terminal A - Average Rate	\$ 145.23	\$ 160.22	\$ 174.48	\$ 111.55	\$ 103.47	\$ 100.73	\$ 84.22	\$ 68.76	\$ 69.46	\$ 57.10
Terminal B & C - Average Rate	\$ 191.82	\$ 208.51	\$ 194.94	\$ 180.68	\$ 162.87	\$ 169.51	\$ 156.22	\$ 150.16	\$ 150.44	\$ 125.49
Type 6 - Covered/Unenclosed	\$ 5.57	\$ 5.55	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85	\$ 5.68	\$ 5.49	\$ 5.21	\$ 5.09
Type 7 - Uncovered/Unenclosed	\$ 1.39	\$ 1.39	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46	\$ 1.42	\$ 1.37	\$ 1.30	\$ 1.27
Non-Signatory Airline Rates										
General Aviation Landing Fees	\$ 3.86	\$ 3.59	\$ 3.52	\$ 2.93	\$ 2.89	\$ 2.82	\$ 2.66	\$ 2.40	\$ 2.80	\$ 2.45
Landing Fees	\$ 4.83	\$ 4.48	\$ 4.40	\$ 3.66	\$ 3.61	\$ 3.52	\$ 3.33	\$ 3.00	\$ 2.80	\$ 2.45
Terminal A	\$ 154.95	\$ 148.47	\$ 175.85	\$ 111.15	\$ 106.40	\$ 115.79	\$ 92.79	\$ 84.81	\$ 92.93	\$ 76.79
Terminal B & C	\$ 223.82	\$ 229.12	\$ 213.51	\$ 199.45	\$ 185.11	\$ 193.36	\$ 172.31	\$ 169.93	\$ 167.07	\$ 154.56
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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Signatory Airline Rates										
Landing Fee	\$ 3.72	\$ 3.50	\$ 3.44	\$ 3.14	\$ 2.60	\$ 2.37	\$ 2.06	\$ 2.00	\$ 2.52	\$ 2.82
Signatory Airline Cost Per Enplanement	\$ 25.84	\$ 20.25	\$ 17.16	\$ 14.21	\$ 13.11	\$ 12.11	\$ 11.57	\$ 10.40	\$ 12.34	\$ 13.30
Concourse C & D	\$ 91.69	\$ 74.24	\$ 57.12	\$ 38.37	\$ 29.14	\$ 31.43	\$ 29.48	\$ 29.32	\$ 35.39	\$ 33.27
Concourse B	\$ 178.71	\$ 140.80	\$ 78.53	\$ 62.18	\$ 55.94	\$ 70.48	\$ 61.39	\$ 69.94	\$ 65.24	\$ 62.53
Main Terminal	\$ 362.73	\$ 277.55	\$ 198.18	\$ 142.72	\$ 131.84	\$ 129.23	\$ 125.19	\$ 128.72	\$ 120.69	\$ 103.97
Concourse A	\$ 317.42	\$ 226.91	\$ 188.48	\$ 144.38	\$ 142.05	\$ 144.59	\$ 80.36	\$ 54.22	\$ 65.53	\$ 52.56
Z-Gates	\$ 149.29	\$ 153.12	\$ 172.95	\$ 57.82	\$ 81.33	\$ 258.65	\$ 177.24	\$ 173.82	N/A	N/A
Type 6 - Covered/Unenclosed	\$ 5.35	\$ 5.42	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85	\$ 5.68	\$ 5.49	\$ 5.21	\$ 5.09
Type 7 - Uncovered/Unenclosed	\$ 1.34	\$ 1.36	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46	\$ 1.42	\$ 1.37	\$ 1.30	\$ 1.27
Airside Operations Building	\$ 48.94	\$ 38.38	\$ 33.77	\$ 25.28	\$ 19.97	\$ 21.52	\$ 20.89	\$ 12.60	\$ 10.11	\$ 14.34
International Arrivals Building	\$ 8.31	\$ 6.59	\$ 6.55	\$ 4.10	\$ 3.53	\$ 3.61	\$ 4.09	\$ 4.50	\$ 5.57	\$ 5.68
Apron Operations Building	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15.25	\$ 10.90
Concourse C International Arrival Building	\$ 9.16	\$ 6.52	\$ 4.72	\$ 2.98	\$ 1.78	\$ 2.04	\$ 2.33	\$ 1.73	\$ 6.53	\$ 6.79
Passenger Conveyance	\$ 2.08	\$ 2.40	\$ 2.20	\$ 2.02	\$ 2.02	\$ 1.92	\$ 1.74	\$ 1.61	\$ 1.54	\$ 1.73
Non-Signatory Airline Rates										
General Aviation Landing Fees	\$ 4.15	\$ 4.23	\$ 4.09	\$ 4.32	\$ 3.54	\$ 3.20	\$ 2.90	\$ 2.71	\$ 2.43	\$ 3.05
Landing Fees	\$ 5.46	\$ 5.56	\$ 5.38	\$ 5.68	\$ 4.66	\$ 4.21	\$ 3.81	\$ 3.57	\$ 2.43	\$ 3.05
Concourse C & D	\$ 88.29	\$ 83.93	\$ 65.96	\$ 54.98	\$ 46.74	\$ 47.65	\$ 45.32	\$ 42.08	\$ 37.96	\$ 38.43
Concourse B	\$ 169.92	\$ 155.86	\$ 95.20	\$ 81.87	\$ 67.80	\$ 83.61	\$ 75.21	\$ 74.24	\$ 54.12	\$ 63.32
Main Terminal	\$ 405.23	\$ 333.25	\$ 253.13	\$ 210.52	\$ 202.98	\$ 193.65	\$ 179.29	\$ 174.62	\$ 138.24	\$ 128.58
International Arrivals Building	\$ 9.41	\$ 7.61	\$ 7.18	\$ 5.28	\$ 4.74	\$ 4.72	\$ 5.25	\$ 5.86	\$ 5.65	\$ 6.75
Concourse C International Arrival Building	\$ 9.89	\$ 8.40	\$ 7.71	\$ 4.80	\$ 3.43	\$ 3.81	\$ 4.31	\$ 4.31	\$ 7.33	\$ 9.05
Concourse A	\$ 336.02	\$ 270.24	\$ 226.58	\$ 195.45	\$ 185.13	\$ 145.13	\$ 103.08	\$ 72.46	\$ 73.69	\$ 64.23
Z-Gates	\$ 158.08	\$ 141.76	\$ 194.60	\$ 187.23	\$ 178.91	\$ 282.72	\$ 226.76	\$ 173.82	N/A	N/A

Passenger Facility Charges

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Two-Axle Vehicles										
Main Plaza	\$ 1.50	\$ 1.25	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.50	\$ 0.50
Ramp Plaza	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.25	\$ 0.25

As discussed in Note 2 - 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. The cost per enplanement decreased at Reagan National and increased at Dulles International in 2012. Terminal rents increased at Dulles International due to the opening of the AeroTrain.

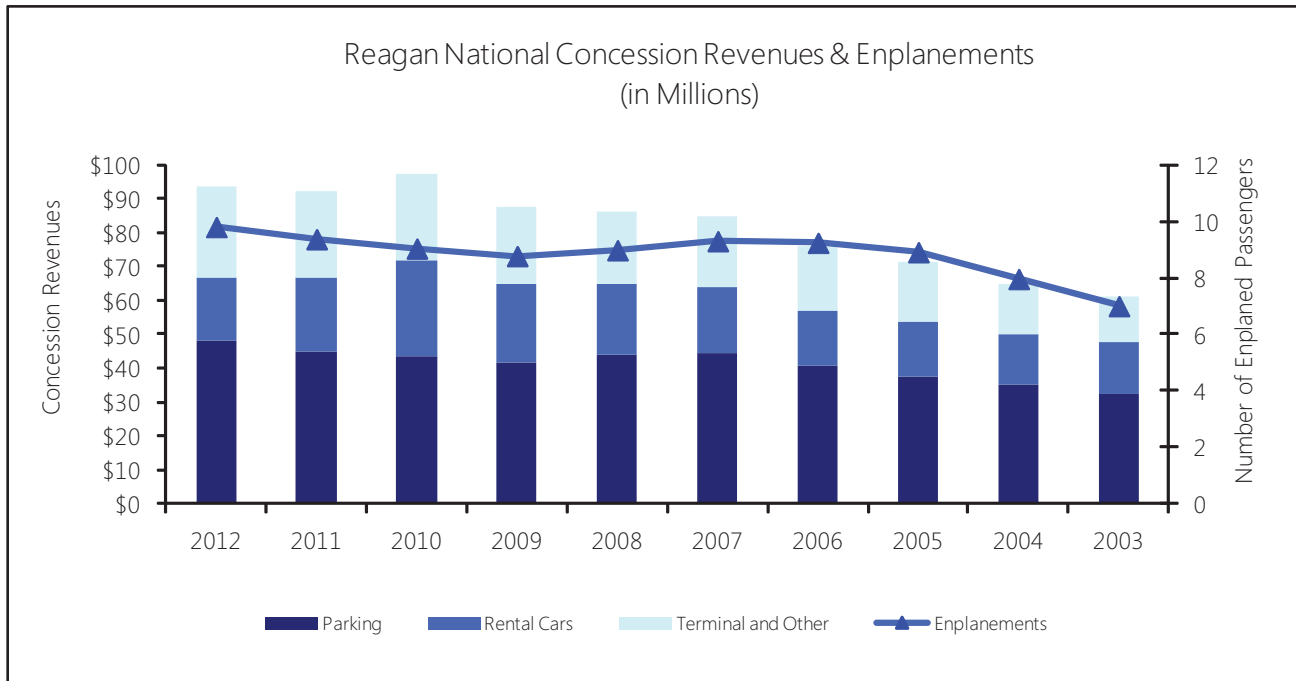
Passenger Facility Charges (PFCs) were increased from \$3.00 to \$4.50 in May 2001 and have been flat at \$4.50 at both Airports for the last twelve years. Although the rates shown are the amounts collected by the airlines on the Airport Authority's behalf, the Airports Authority records PFCs net of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

Toll rates were increased on the Dulles Toll Road in 2012 to \$1.50 at the mainline plaza. The increase was the third of three Board-approved increases, effective January 1 of 2010, 2011 and 2012, necessary to service debt associated with the Dulles Metrorail Project.

Source: Airports Authority Records



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



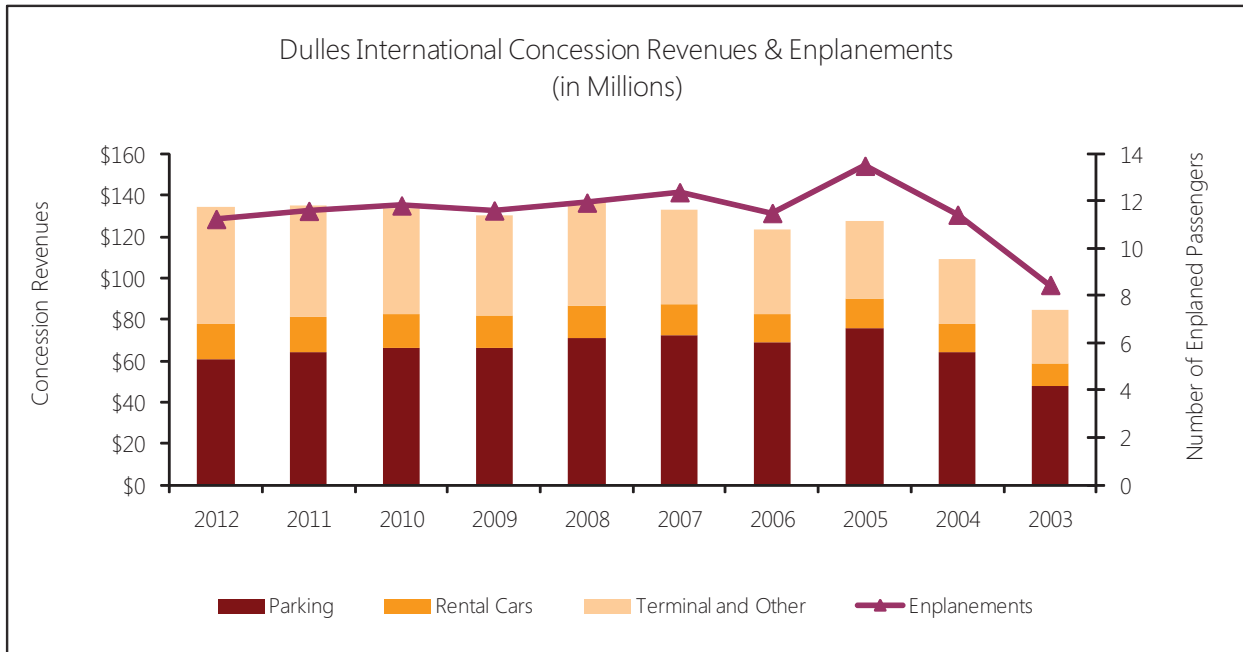
Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic factors. Enplanements at Reagan National set a new record in 2012.

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 15.3 percent from 2009. Likewise, food and beverage revenue has increased 20.5 percent during the same period and advertising revenue has increased 16.1 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. These lower contract amounts were realized for all 12 months of 2012, which explains the continued decline from 2011 in revenue from rental cars.

Source: Airports Authority Records



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



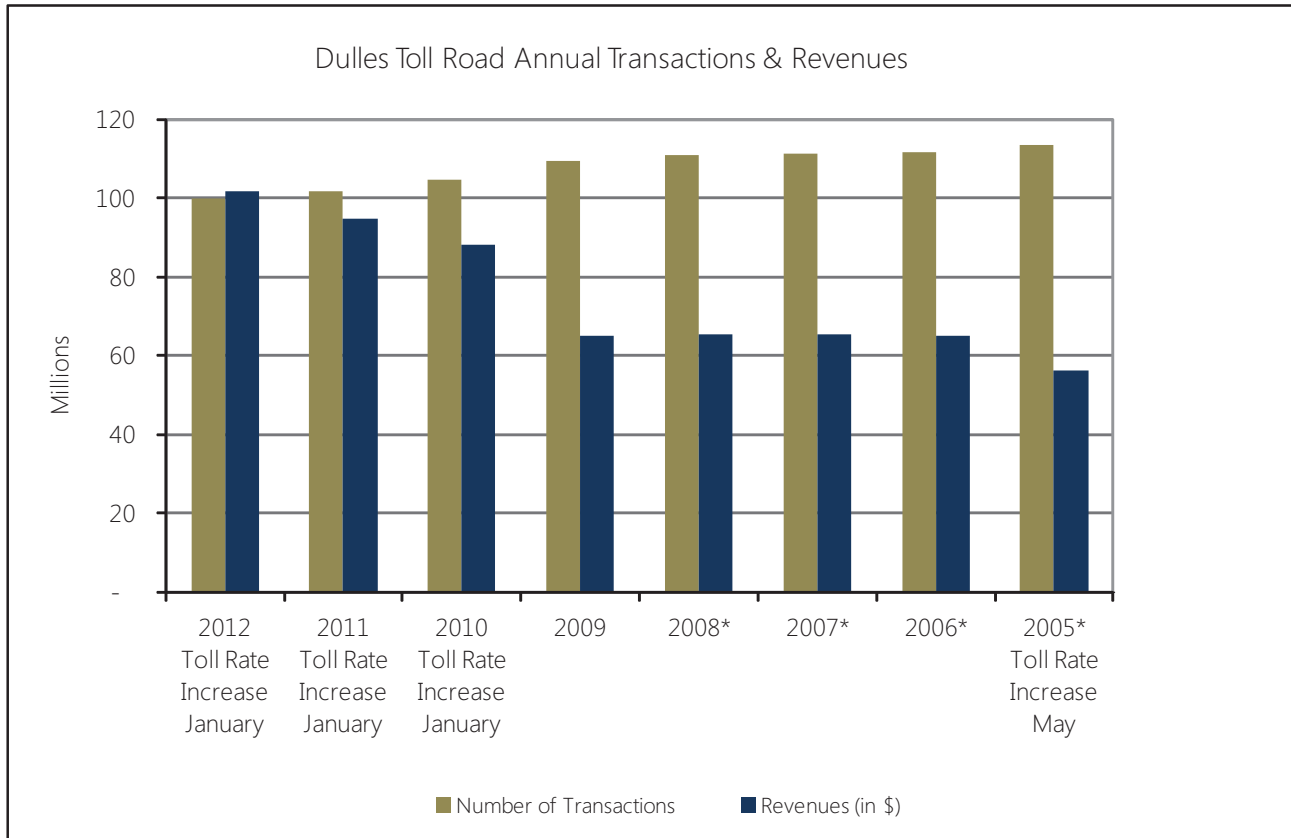
Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic variables. Enplanements at Dulles International fell in 2012 due to declining domestic enplanements. 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 11.4 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 \$11.93 in 2012, an 11.4 percent increase. Since 2006, rental car revenue increased 22.3 percent, food and beverage increased 47.6 percent, inflight catering increased 44.8 percent, display advertising increased 82.1 percent, and newsstand and retail increased a combined 17.6 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, and a fourth in January 2012. 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

	2012	2011	2010	2009	2008	2007	2006	2005
January	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	7,889,749	7,764,687	6,657,821	8,416,445	8,709,460	8,023,545	8,422,303	8,786,162
March	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	8,181,616	8,483,334	9,199,462	9,337,263	9,585,976	9,246,736	9,120,164	9,948,766
May	8,717,049	8,835,657	9,115,093	9,360,939	9,578,599	9,856,502	9,779,415	9,906,511
June	8,726,637	8,949,690	9,389,948	9,630,452	9,385,082	9,581,354	9,756,929	9,872,015
July	8,418,845	8,375,850	9,011,255	9,508,324	9,478,858	9,338,507	9,192,347	9,251,263
August	8,700,075	8,681,495	9,016,174	9,298,209	9,158,359	9,698,127	9,706,925	9,698,296
September	8,113,485	8,476,912	8,748,923	9,173,068	9,185,049	9,087,941	9,066,103	9,228,605
October	8,428,482	8,724,624	9,140,399	9,573,659	9,731,826	9,903,111	9,692,059	9,483,395
November	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	7,844,178	8,230,422	8,337,797	8,546,869	8,943,949	8,634,873	8,959,341	8,959,171
Total	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, and January 2012
- 2) Transactions includes 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 2008-2012



Exhibit S-12 – Top 10 Payors

PAYOR ¹	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
United Airlines ²	\$ 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	\$ 61,798,327
US Airways	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	32,861,624
Delta Airlines	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	20,083,033
American Airlines	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	18,036,993
JetBlue Airways	11,318,923	10,399,704	*	*	*	*	*	*	*	*
Hertz Rent-A-Car	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	7,933,316
JC Dedeaux/AK Media	10,804,427	11,969,794	11,751,277	8,245,804	8,364,731	*	*	7,155,910	5,775,000	6,300,000
British Airways	9,973,602	*	*	*	*	*	*	*	*	*
Signature Flight Support	9,961,070	9,654,269	8,282,227	9,202,521	8,904,302	8,261,740	*	*	*	*
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	7,030,103
Vanguard Car Rental USA	*	*	9,737,445	8,518,193	*	*	*	*	*	*
Avis Rent-A-Car	*	*	8,658,845	8,293,921	8,056,239	7,788,421	7,207,607	7,236,566	7,260,490	6,469,176
Northwest Airlines	*	*	*	*	8,218,269	8,173,164	7,932,314	7,531,302	9,008,103	8,702,245
Mesa Airlines	*	*	*	*	*	*	7,952,342	*	*	*
Atlantic Coast Airlines / Independence Air	*	*	*	*	*	*	*	22,306,764	13,858,908	7,726,624
TOTAL³	\$ 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	\$ 176,941,441

* 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 2012 to reflect the combined operating certificate issued on November 30, 2011.

³ Passenger facility charges and grants are excluded from amounts.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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

	2012	2011	2010	2009
NET REVENUE:				
Operating Revenue	\$ 694,947,564	\$ 663,975,831	\$ 603,874,716	\$ 558,453,459
Revenue Adjustments ¹	(28,946,572)	(22,231,153)	(28,660,133)	(28,048,911)
Prior Year Transfers ²	61,560,812	61,613,810	65,848,672	72,352,566
Adjusted Revenue	727,561,804	703,358,488	641,063,255	602,757,114
Operating Expenses	677,129,889	(578,768,172)	(573,920,149)	(506,888,004)
Operating Expenses Adjustments ³	984,491,370	(274,239,044)	(281,071,560)	(245,208,025)
Direct Operating Expenses	(307,361,481)	(304,529,128)	(292,848,589)	(261,679,979)
Net Revenue Available for Debt Service	420,200,323	398,829,360	348,214,665	341,077,134
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	18,080,308
1999A Airport System Revenue & Refunding Bonds	-	-	3,498,470	5,533,497
2001A Airport System Revenue Bonds	1,977,993	13,958,418	17,088,664	15,642,420
2001B Airport System Revenue Bonds	-	664,264	877,895	765,360
2002A Airport System Revenue Bonds	7,032,131	10,176,763	8,959,111	8,276,261
2002B Airport System Revenue Bonds	508,463	678,816	678,794	575,748
2002C Airport System Revenue Variable Rate Refunding Bonds	-	12,988,294	15,543,684	16,894,925
2002D Airport System Revenue Refunding Bonds	4,036,507	6,539,153	5,735,734	5,653,245
2003A Airport System Revenue Refunding Bonds	11,868,132	10,759,464	9,127,960	9,204,996
2003B Airport System Revenue Refunding Bonds	3,650,225	4,090,647	4,093,404	4,080,345
2003C Taxable Airport System Revenue Refunding Bonds	3,348,217	3,351,651	3,355,828	3,346,857
2003D Airport System Revenue Variable Rate Bonds	1,399,066	1,047,095	1,329,203	3,033,369
2004A Airport System Revenue Refunding Bonds	662,965	663,340	663,704	663,053
2004B Airport System Revenue Bonds	11,895,492	11,074,530	10,932,881	8,513,411
2004C-1 Airport System Revenue Refunding Bonds	1,564,952	1,564,943	2,670,647	2,304,178
2004C-2 Airport System Revenue Refunding Bonds	4,815,468	4,814,541	5,042,973	4,524,687
2004D Airport System Revenue Refunding Bonds	26,084,526	26,087,988	26,108,986	24,379,800
2005A Airport System Revenue Bonds	18,197,721	19,311,222	17,455,181	18,369,390
2005B Airport System Revenue Bonds	2,514,469	2,517,176	2,676,671	861,656
2005C Taxable Airport System Revenue Bonds	1,703,566	1,703,567	1,703,547	1,700,941
2005D Airport System Revenue Bonds	382,488	382,489	1,427,855	1,773,881
2006A Airport System Revenue Bonds	11,366,225	9,012,953	5,311,454	8,392,188
2006B Airport System Revenue Bonds	15,874,849	14,347,548	10,644,288	9,946,372
2006C Airport System Revenue Refunding Bonds	2,440,111	2,259,501	2,244,344	1,903,483
2007A Airport System Revenue Bonds	15,108,005	15,102,592	15,072,933	13,723,351
2007B Airport System Revenue Bonds	28,308,735	26,508,630	19,948,918	20,751,616
2008A Airport System Revenue Bonds	21,072,490	12,508,425	9,151,564	2,495,585
2009A Airport System Revenue Bonds	-	926,568	1,777,662	3,874,659
2009B Airport System Revenue Bonds	13,007,178	11,812,024	5,874,908	3,497,817
2009C Airport System Revenue Bonds	-	747,333	-	8,278,752
2009D Airport System Revenue Bonds	-	-	-	1,200,444
2010A Airport System Revenue Bonds	15,766,681	13,840,460	5,703,441	-
2010B Airport System Revenue Refunding Bonds	23,327,344	22,718,966	7,594,350	-
2010C Airport System Revenue Variable Rate Refunding Bonds	2,686,266	3,646,635	1,077,058	-
2010D Airport System Revenue Variable Rate Bonds	10,593,189	10,159,919	1,765,403	-
2010F-1 Airport System Revenue Refunding Bonds	2,845,154	3,166,627	286,326	-
2011A Airport System Revenue and Refunding Bonds	13,551,233	2,628,205	-	-
2011B Airport System Revenue and Refunding Bonds	11,751,722	3,417,931	-	-
2011C Airport System Revenue Refunding Bonds	15,374,273	3,851,186	-	-
2011D Airport System Revenue Refunding Bonds	775,697	196,019	-	-
2012A Airport System Revenue Refunding Bonds	5,860,900	-	-	-
2012B Airport System Revenue Refunding Bonds	469,023	-	-	-
Series A Bond Anticipation Commercial Paper Notes	-	-	-	-
Series B Bond Anticipation Commercial Paper Notes	-	-	-	-
Series One Airport System Revenue Commercial Paper Notes	72,679	197,813	764,555	759,104
Series Two Airport System Revenue Commercial Paper Notes	132,223	107,862	46,916	58,482
Net Debt Service	\$ 312,026,356	\$ 290,663,193	\$ 237,068,089	\$ 229,060,179
DEBT SERVICE COVERAGE	1.35	1.37	1.47	1.49

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.

For more information please refer to Note 2 - Airport Use Agreement and Premises Lease.

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	2012	2011	2010	2009
NET REVENUE				
Total Dulles Corridor Enterprise Fund Revenue	\$ 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	101,596,089	94,659,538	88,038,168	64,893,554
Add: Total Investment Income	1,182,797	10,932,190	7,419,127	1,137,968
Less: Non Operating & Maintenance Program Investment Income	(985,573)	(10,731,882)	(7,287,582)	(1,121,482)
Revenue	101,793,313	94,859,846	88,169,713	64,910,040
Total Dulles Corridor Enterprise Fund Operating Expenses	34,750,305	35,205,986	34,801,734	30,094,846
Less: Non Operating & Maintenance Program Operating Expenses	(10,102,207)	(9,877,753)	(8,476,815)	(4,129,722)
Total Dulles Toll Road Operating Expenses	24,648,098	25,328,233	26,324,919	25,965,124
Less: Operating & Maintenance Program Depreciation and Amortization	(273,686)	(319,822)	(178,113)	(141,864)
Operating Expenses	24,374,412	25,008,411	26,146,806	25,823,260
Total Dulles Corridor Enterprise Fund Interest Expense	19,322,104	18,060,020	31,072,729	11,414,822
Less: Non Operating & Maintenance Program Interest Expense	(14,338,842)	(18,050,020)	(31,072,113)	(11,414,822)
Interest Expense	4,983,262	10,000	616	-
Net Revenue Available for Debt Service	\$ 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
2009B Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	7,445,000	1,601,250	-
2009C Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	-	-	-
2009D Dulles Toll Road Revenue Bonds (Current Interest Bonds, Build America Bonds)	Second Senior	29,848,000	29,848,000	30,523,133
2009D Dulles Toll Road Revenue Bonds (35% Subsidy)	Second Senior	(10,446,800)	(10,446,800)	(10,683,097)
2010A Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	-	-	(3,797,329)
2010B Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	-	-	-
Commercial Paper Series One	Second Senior	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	(4,200,000)	(4,200,000)	(2,496,667)
Full Funding Grant Agreement (FFGA) Note	-	-	-	-
Net Debt Service		\$ 44,879,724	\$ 38,950,246	\$ 34,849,114
	LIEN REQUIREMENT			
DEBT SERVICE COVERAGE BY LIEN				
First Senior Lien	2.00	7.14	6.89	5.98
Second Senior Lien	1.35	1.95	2.24	2.05
Subordinate Lien	1.20	1.61	1.79	1.78
				N/A

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. Certain prior year debt service amounts have been amended.

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



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
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
2003	388,713	189,109	199,604	51,875	89,953	141,829	1.41

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
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		63,014 square feet
	Terminal B/C		1,000,000 square feet
	Total Terminal Space		1,063,014 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
	Total Parking		12,070 spaces
Cargo:	Number of Cargo Buildings		1
	Cargo Space		47,882 square feet
International:	No facilities		
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, 2012
Source: Airports Authority Records



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	1,100,000	square feet
	Concourse A	412,000	square feet
	Concourse B	546,000	square feet
	Concourse C/D	608,627	square feet
	International Arrivals Building	400,000	square feet
	Total Terminal Space	3,066,627	square feet
	Number of Passenger Gates	125	
	Maximum Aircraft Positions	158	
Parking:	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
	Total Parking	33,962	spaces
Cargo:	Number of Cargo Buildings	6	
	Cargo Space	540,051	square feet
International:	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		

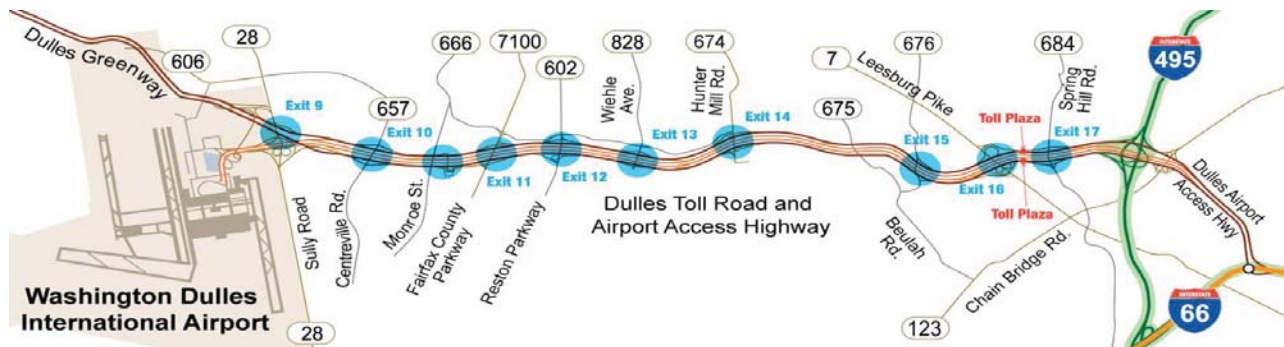
Data as of December 31, 2012
Source: Airports Authority Records



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 23) 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



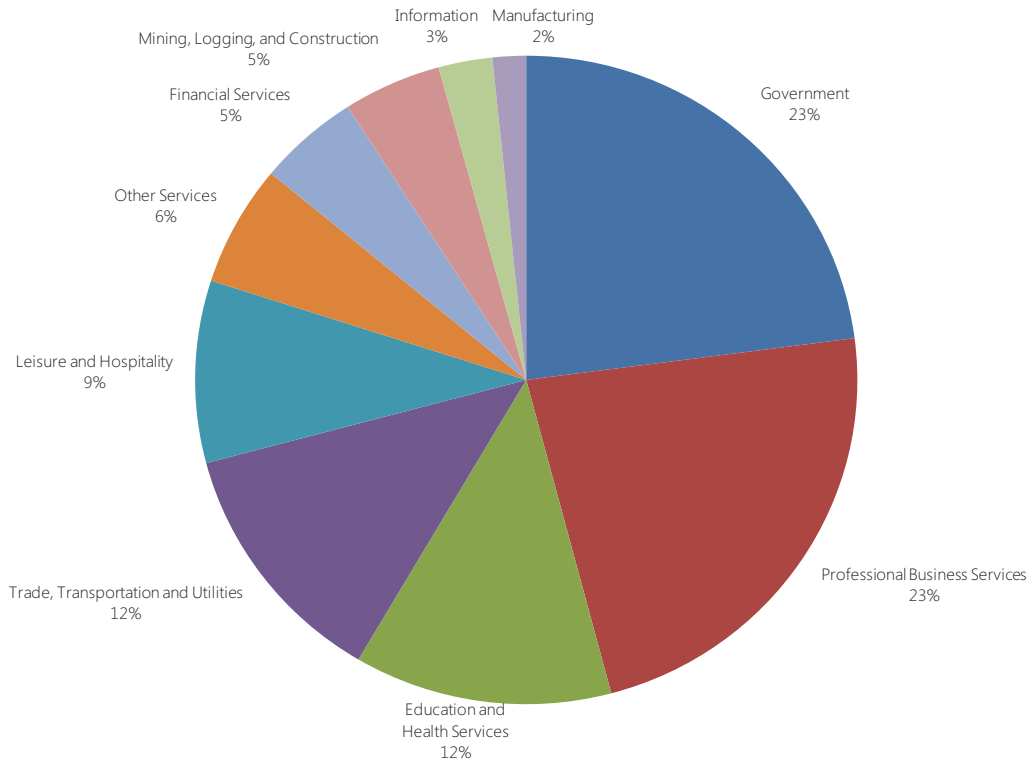
Data as of December 31, 2012
Source: Airports Authority Records



Exhibit S-18 – Employment by Industry

Industry	Annual Average Numbers of Employees (in thousands)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Government	695.7	691.2	687.6	674.9	659.8	646.6	640.5	632.1	623.1	616.5
Professional Business Services	694.9	688.7	680.3	674.1	681.8	675.1	664.5	646.4	619.3	590.2
Educational and Health Services	381.9	368.7	357.1	349.4	338.6	328.5	317.5	309.1	302.9	294.0
Trade, Transportation and Utilities	376.4	378.8	377.2	377.6	397.9	404.8	404.7	406.5	399.6	392.0
Leisure and Hospitality	275.3	267.6	259.9	258.1	261.8	254.3	249.4	245.2	237.7	229.6
Other Services	183.1	182.6	182.0	183.7	184.7	180.6	176.7	165.9	165.5	161.3
Financial Services	149.9	145.7	146.5	148.1	154.3	159.4	161.5	160.4	157.4	155.9
Mining, Logging, and Construction	145.5	141.5	139.9	148.7	172.4	184.9	191.5	186.6	177.3	168.1
Information	79.7	80.5	80.3	83.5	91.0	93.9	96.9	99.8	106.0	109.6
Manufacturing	49.6	50.3	52.1	55.4	60.8	62.2	63.7	65.4	66.1	67.2
DC-VA-MD-WV - Metropolitan Statistical Area	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	2,784.4

Air Trade Area Employment by Sector - 2012



Source: U.S. Department of Labor, Bureau of Labor Statistics (Preliminary December 2012 data)



COMPREHENSIVE ANNUAL FINANCIAL REPORT Metropolitan Washington Airports Authority

Exhibit S-19 – Major Private Employers

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

Employer	Fortune 500 Rank		2011 Revenue (in \$ Billions)	State	Industry
	2012	2011			
Fannie Mae	8	5	\$137.5	DC	Financial Services
Freddie Mac	25	20	88.3	VA	Financial Services
Lockheed Martin Corp.	58	52	46.5	MD	Aerospace & Defense
General Dynamics Corp.	92	86	32.7	VA	Aerospace & Defense
Northrop Grumman	104	72	26.4	VA	Aerospace & Defense
Capital One Financial Corp.	148	134	18.5	VA	Financial Services
AES Corp.	151	150	17.3	VA	Energy
Computer Sciences Corp.	162	155	16.1	VA	Information Technology
Danaher Corp.	158	187	16.1	DC	Manufacturing
Marriott International Inc.	217	210	12.3	MD	Hospitality & Travel
Coventry Health Care Inc.	219	212	12.2	MD	Health Care
SAIC Inc.	245	219	10.6	VA	Professional Services
NII Holdings Inc.	369	406	6.7	VA	Telecommunications
Pepco Holdings Inc.	415	335	5.9	DC	Energy
Exelis	422	-	5.8	VA	Aerospace & Defense
Booz Allen Hamilton	439	438	5.6	VA	Professional Services
Gannett Co.	465	415	5.2	VA	Media / Data
Host Hotels & Resorts Inc.	479	494	5.0	MD	Hospitality & Travel
			\$468.7		

Eighteen Washington-area companies were on the Fortune 500 list of the country's largest companies by revenue in 2012. Exelis was newly-listed in 2012 and replaced The Washington Post, which had been listed in 2011.

Major Private-Sector Employers of Metro-Area Employees

Employer	Number of Metro-Area Employees	Industry
Inova Health System	16,000	Health Care
SAIC Inc.	15,441	Professional Services
Northrop Grumman Corp.	15,053	Aerospace & Defense
MedStar Health	14,158	Health Care
Booz Allen Hamilton	14,000	Professional Services
Marriott International Inc.	13,727	Hospitality & Travel
Verizon Communications	13,100	Telecommunications
Giant Food LLC	12,110	Food & Drug Stores
Lockheed Martin Corp.	12,000	Aerospace & Defense
General Dynamics	8,200	Aerospace & Defense
Safeway Inc.	8,000	Food & Drug Stores
Deloitte LLP	6,781	Professional Services
Wal-Mart Stores Inc.	6,500	Retail
Hilton Worldwide Inc.	6,400	Hospitality & Travel
Children's National Medical Center	6,146	Health Care
CACI International	5,985	Aerospace & Defense
BAE Systems Inc.	5,963	Aerospace & Defense
Adventist Healthcare	5,600	Health Care
IBM Corp.	5,000	Information Technology

Source: Washington Business Journal 2013 Book of Lists



Exhibit S-20 – Population Trends

Annual Estimates of the Resident Population (in Thousands)

JURISDICTION	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
District of Columbia	619.0	605.0	592.2	580.2	574.4	570.7	567.1	567.8	568.5	573.2
Arlington County, VA	216.0	209.3	217.2	210.1	203.9	200.7	199.8	198.0	196.2	195.4
City of Alexandria, VA	144.3	140.9	149.8	144.6	140.3	138.2	137.6	136.6	134.9	134.5
Central Jurisdictions	979.3	955.2	959.2	934.9	918.6	909.6	904.5	902.4	899.6	903.1
Fairfax County, VA	1,100.7	1,085.9	1,036.4	1,018.3	1,004.4	997.9	1,001.2	995.8	991.0	989.3
Montgomery County, MD	989.8	975.4	970.6	953.5	941.5	935.0	928.9	921.1	915.2	906.5
Prince George's County, MD	871.2	865.2	832.2	828.7	930.8	835.1	839.0	834.9	829.6	823.6
City of Fairfax, VA	22.5	22.6	24.6	24.0	23.3	22.8	22.0	22.1	22.2	22.1
City of Falls Church, VA	12.8	12.5	12.0	11.4	11.1	11.0	10.9	10.7	10.7	10.6
Inner Suburbs	2,997.0	2,961.6	2,875.8	2,835.9	2,911.1	2,801.8	2,802.0	2,784.6	2,768.7	2,752.1
Prince William County, VA	419.0	406.4	376.8	364.3	358.7	351.1	344.1	332.3	319.8	309.4
Loudoun County, VA	325.4	315.3	300.5	289.8	277.2	265.0	253.2	237.0	219.5	203.0
Frederick County, MD	236.8	234.2	227.4	226.1	224.6	221.6	219.1	216.1	212.7	208.4
Charles County, MD	149.1	147.1	142.0	141.2	140.4	139.1	136.9	134.3	131.1	127.6
Stafford County, VA	132.1	129.8	123.3	121.5	120.2	117.9	116.1	112.7	108.4	103.5
Spotsylvania County, VA	124.3	122.9	120.7	119.9	118.8	117.6	114.7	110.4	106.4	101.8
Calvert County, MD	89.3	88.9	89.2	88.6	88.1	87.6	86.7	85.3	83.3	80.4
Fauquier County, VA	66.1	65.4	67.9	67.2	66.4	65.7	64.3	62.6	60.8	59.2
Jefferson County, WV	54.2	53.6	53.0	52.1	51.2	49.9	48.6	47.1	46.0	44.7
Warren County, VA	37.8	37.6	36.8	36.9	36.5	35.9	35.1	34.2	33.7	32.9
Manassas City, VA	39.3	38.3	36.5	34.7	34.8	35.5	36.3	36.5	36.2	35.8
Fredericksburg City, VA	25.7	24.4	23.3	22.8	22.5	22.1	21.4	21.3	20.5	20.4
Clarke County, VA	14.3	14.1	14.5	14.5	14.3	14.2	14.0	13.6	13.3	13.0
Manassas Park City, VA	15.3	14.4	12.1	11.4	11.5	11.5	11.6	11.3	10.9	10.8
Outer Suburbs	1,728.7	1,692.4	1,624.0	1,591.0	1,565.2	1,534.7	1,502.1	1,454.7	1,402.6	1,350.9
DC-MD-VA-WV Metropolitan Statistical Area	5,705.0	5,609.2	5,459.0	5,361.8	5,394.9	5,246.1	5,208.6	5,141.7	5,070.9	5,006.1
Personal Income (Millions)	\$ 338,563	\$ 321,525	\$ 304,148	\$ 311,183	\$ 301,645	\$ 280,058	\$ 261,404	\$ 243,254	\$ 226,218	\$ 216,904
Per Capital Income	\$ 59,345	\$ 57,321	\$ 55,715	\$ 58,037	\$ 55,913	\$ 53,384	\$ 50,187	\$ 47,310	\$ 44,611	\$ 43,328

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.

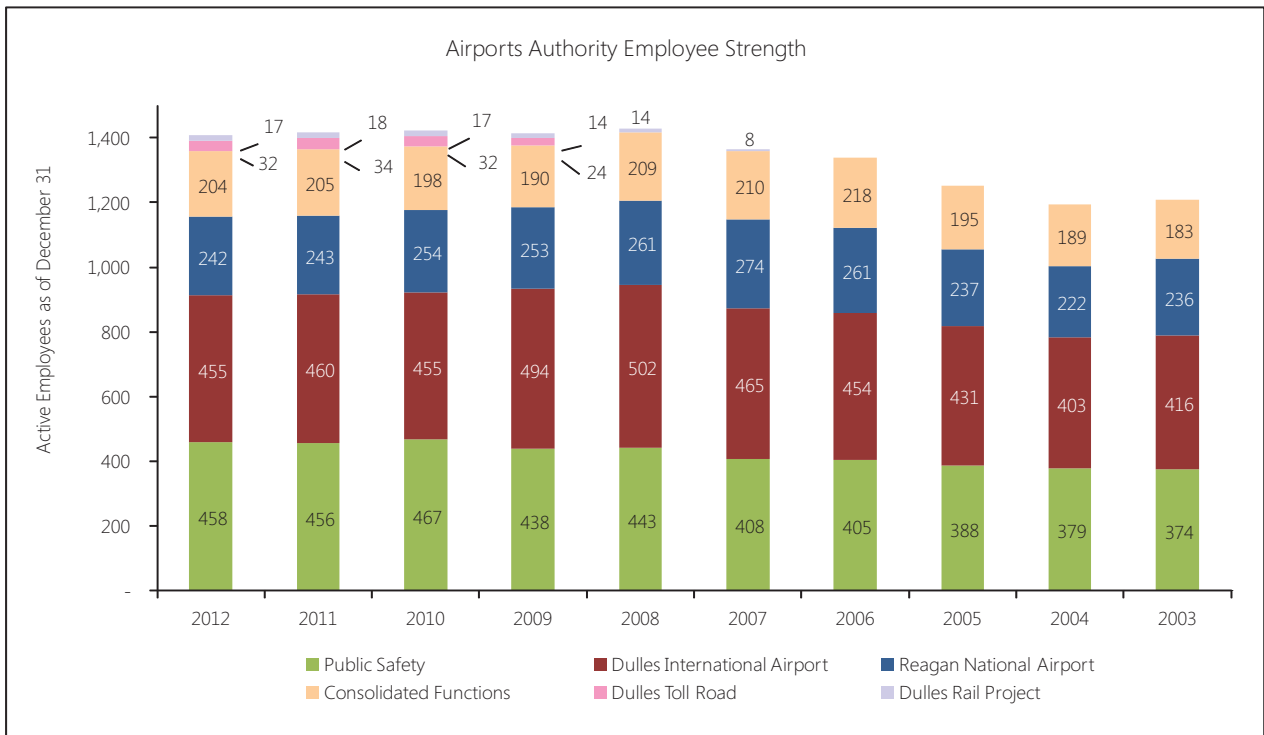
The U.S. Census Bureau produces the estimates of each county's population, starting with the revised population estimate for the prior year. The Census Bureau then adds or subtracts the demographic components of population change (e.g., births, deaths, net migration) calculated for that period. Resident 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: May 2012; U.S. Bureau of Economic Analysis, Release Date: November 2012



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
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
2003	139,343	109,085	2,087	287	250,802

Dulles International

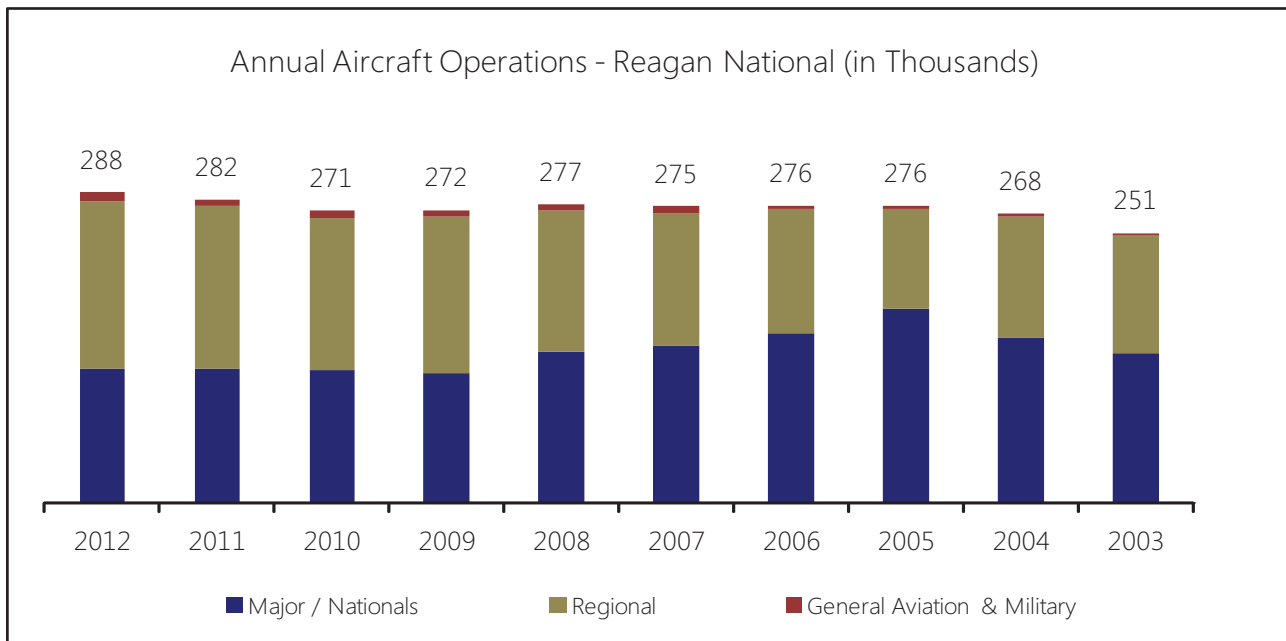
Year	Major / Nationals	Regional	General Aviation	Military	Total
2012	114,130	154,647	42,540	753	312,070
2011	123,765	156,431	46,846	451	327,493
2010	125,011	163,042	47,845	633	336,531
2009	125,531	166,046	48,221	569	340,367
2008	136,052	168,608	54,808	824	360,292
2007	141,428	176,150	64,549	816	382,943
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
2003	232,112	27,833	73,668	1,784	335,397

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.

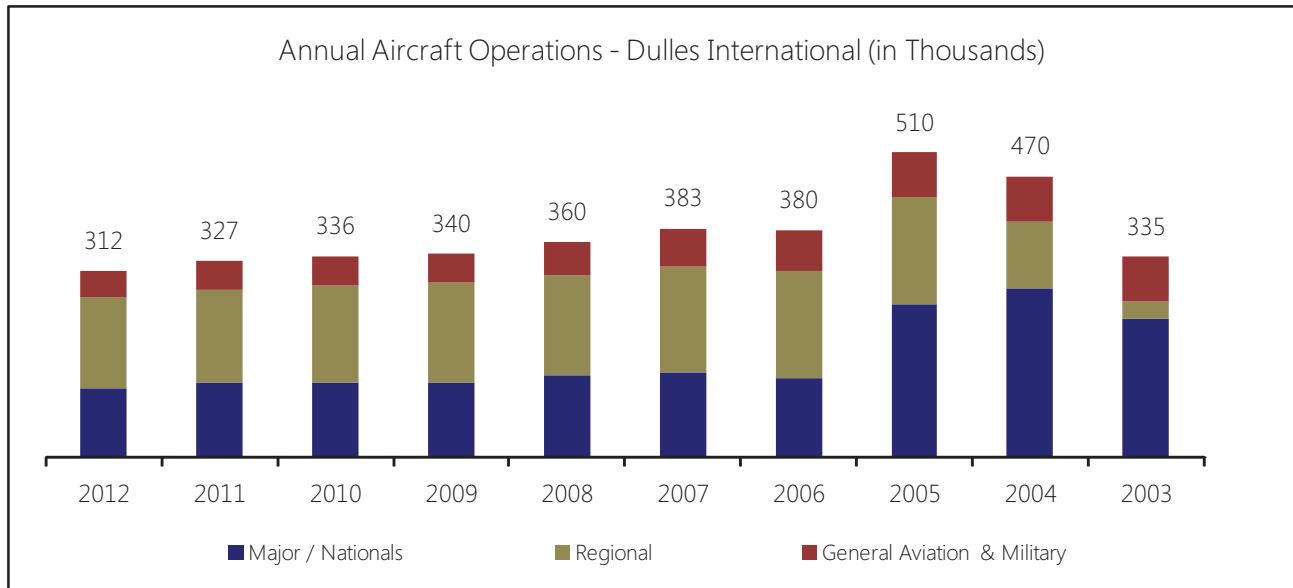
In 2012, there were 288,176 operations, compared to an average of 272,133 from 2003 through 2011. The increase was driven by a slot transaction between Delta and US Airways, which created new service by US Airways and jetBlue as discussed in the Management's Discussion and Analysis section. In addition, 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 18.5 percent due to a decrease in domestic traffic due to airline industry consolidations and jetBlue's repositioning of service to Reagan National. In 2012, total aircraft operations declined by 4.7 percent from 2011 levels to 312,070.

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



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Exhibit S-25 – Commercial Passenger Enplanements – Both Airports

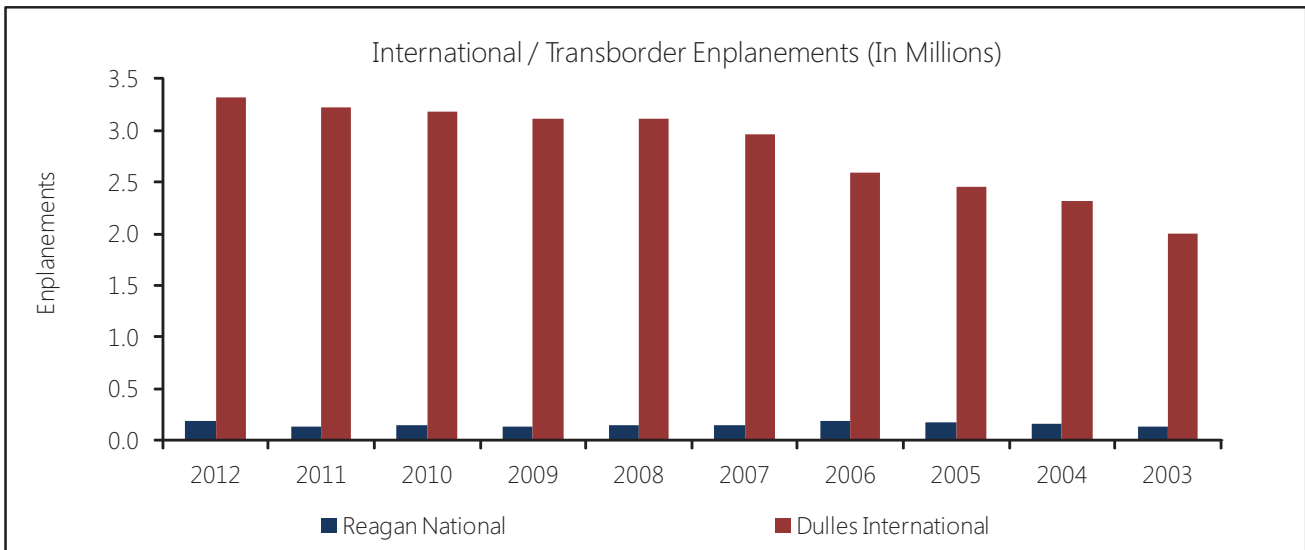
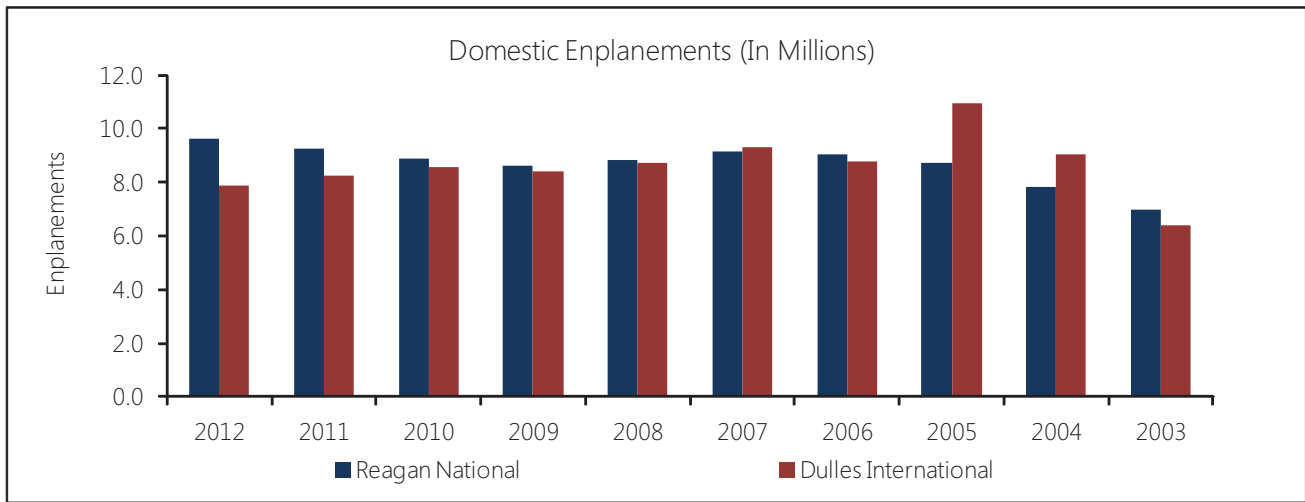
Year	Reagan National: Domestic Passenger Enplanements	Annual Growth	Dulles International: Domestic Passenger Enplanements	Annual Growth	Industry: Domestic Passenger Enplanements	Annual Growth
2012	9,606,805	4.0%	7,854,417	-4.9%	462,600,676	0.5%
2011	9,236,748	3.9%	8,261,152	-3.5%	460,091,034	1.5%
2010	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	11.9%	9,014,584	41.5%	482,412,769	4.8%
2003	6,970,957	9.7%	6,371,646	-1.9%	460,169,602	-2.8%

Year	Reagan National: International/ Transborder Passenger Enplanements	Annual Growth	Dulles International: International/ Transborder Passenger Enplanements	Annual Growth	Industry: International/ Transborder Passenger Enplanements	Annual Growth
2012	181,350	43.9%	3,317,819	1.9%	77,259,398	2.1%
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	17.7%	2,309,572	15.8%	58,106,623	13.9%
2003	131,458	26.1%	1,994,840	-1.1%	51,024,475	-1.8%

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



Commercial enplanements at Reagan National increased 4.5 percent in 2012 to an all-time high of nearly 9.8 million. The increase marked the third straight year of enplanement growth at Reagan National after declines in 2008 and 2009. The increase is due to new service made available because of additional slots authorized by the FAA and an increased presence of low cost carriers. International traffic accounted for less than 2 percent of Reagan National's total enplanements in 2012.

Total commercial enplanements at Dulles International declined by 3.0 percent in 2012. The decrease was driven by a 4.9 percent decline in domestic commercial enplanements due primarily to a transfer of air service to Reagan National by select carriers. Despite the decline in domestic enplanements, Dulles International set an all-time record for international enplanements in 2012 with 3.3 million. The increase of 1.9 percent was slightly lower than the industry average of 2.1 percent in 2012. International enplanements at Dulles International have been increasing since 2003 and now account for approximately 30 percent of the airport's enplanements.

Sources: Airports Authority Records, Airlines for America Monthly Passenger Traffic Report for December 2012



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Exhibit S-26 – Market Share by Landed Weight – Reagan National
(Expressed in Thousands of Pounds)

Airlines ¹	2012		2011		2010		2009	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
US Airways	2,664,898	20.80%	2,698,821	21.34%	2,867,196	23.70%	2,956,848	24.50%
Delta	1,567,782	12.24%	1,639,911	12.97%	1,594,441	13.18%	888,197	7.36%
Republic (US Airways Express)	1,550,131	12.10%	1,261,456	9.97%	1,209,393	10.00%	985,480	8.17%
American	1,241,473	9.69%	1,338,974	10.59%	1,328,911	10.99%	1,322,046	10.95%
Air Wisconsin (US Airways Express)	823,675	6.43%	646,438	5.11%	651,796	5.39%	804,969	6.67%
United	647,716	5.06%	593,033	4.69%	688,696	5.69%	727,557	6.03%
JetBlue	532,902	4.16%	301,954	2.39%	48,306	0.40%	97	0.00%
AirTran	458,032	3.58%	471,904	3.73%	445,400	3.68%	324,784	2.69%
Continental	397,026	3.10%	357,921	2.83%	357,161	2.95%	386,058	3.20%
PSA	390,287	3.05%	287,884	2.28%	298,624	2.47%	243,601	2.02%
American Eagle	386,106	3.01%	325,040	2.57%	426,097	3.52%	464,512	3.85%
Frontier	356,844	2.79%	412,373	3.26%	211,315	1.75%	154,449	1.28%
Shuttle America (Delta Connection)	313,146	2.44%	315,279	2.49%	317,956	2.63%	354,390	2.94%
Chautauqua (US Airways Express)	209,852	1.64%	174,153	1.38%	161,346	1.33%	101,169	0.84%
Alaska	174,242	1.36%	156,081	1.23%	154,756	1.28%	156,469	1.30%
Pinnacle (Delta Connection)	172,595	1.35%	151,669	1.20%	32,618	0.27%	11,925	0.10%
Air Canada	100,187	0.78%	99,605	0.79%	100,936	0.84%	94,097	0.78%
Spirit	100,039	0.78%	157,835	1.24%	137,342	1.14%	142,196	1.18%
Comair (Delta Connection)	98,616	0.77%	219,405	1.73%	328,442	2.72%	398,162	3.30%
ExpressJet (United Express)	93,609	0.73%	44	0.00%	-	-	-	-
Air Canada Jazz	88,639	0.69%	83,063	0.66%	80,913	0.67%	79,314	0.66%
Piedmont	47,869	0.37%	19,882	0.16%	19,216	0.16%	7,348	0.06%
General Aviation (Signature Flight Support)	47,838	0.37%	34,392	0.27%	20,669	0.17%	13,811	0.11%
MN Airlines	46,324	0.36%	37,719	0.30%	-	-	292	0.00%
Southwest	46,242	0.36%	-	-	-	-	-	-
Federal Express	39,204	0.31%	39,798	0.31%	39,402	0.33%	39,204	0.32%
Chautauqua (Delta Connection)	38,762	0.30%	62,462	0.49%	5,361	0.04%	6,641	0.06%
Chautauqua (Continental Express)	38,081	0.30%	20,253	0.16%	35,614	0.29%	43,460	0.36%
Shuttle America (United Express)	26,610	0.21%	49,388	0.39%	14,824	0.12%	-	-
ASA (Delta Connection)	19,571	0.15%	228,802	1.81%	59,262	0.49%	4,869	0.04%
Virgin America	19,440	0.15%	-	-	-	-	-	-
Continental Express	19,172	0.15%	96,571	0.76%	78,203	0.65%	80,775	0.67%
ExpressJet (Delta Connection)	18,434	0.14%	-	-	-	-	-	-
Colgan Air (Continental Connection)	11,532	0.09%	48,670	0.38%	63,364	0.52%	60,264	0.50%
SkyWest (United Express)	7,285	0.06%	-	-	-	-	-	-
Compass (Delta Connection)	6,005	0.05%	174,447	1.38%	23,686	0.20%	-	-
Colgan Air (United Express)	5,208	0.04%	-	-	-	-	-	-
SkyWest (Continental Connection)	3,384	0.03%	10,904	0.09%	-	-	-	-
Colgan Air (US Airways Express)	2,138	0.02%	26,334	0.21%	26,505	0.22%	26,933	0.22%
Mesaba Aviation (Delta Connection)	751	0.01%	105,938	0.84%	56,826	0.47%	-	-
SkyWest (Delta Connection)	47	0.00%	-	-	-	-	-	-
Miami Air International	-	-	242	0.00%	897	0.01%	-	-
Republic (Midwest)	-	-	-	-	136,763	1.13%	-	-
Northwest	-	-	-	-	48,416	0.40%	802,592	6.65%
Republic (Midwest Connect)	-	-	-	-	17,137	0.14%	188,415	1.56%
Mesaba Aviation (Northwest Airlink)	-	-	-	-	6,534	0.05%	35,447	0.29%
Pinnacle (Northwest Airlink)	-	-	-	-	799	0.01%	75,482	0.63%
Freedom (Delta Connection)	-	-	-	-	340	0.00%	128	0.00%
Midwest	-	-	-	-	-	-	47,500	0.39%
Delta Shuttle	-	-	-	-	-	-	38,870	0.32%
Ryan International	-	-	-	-	-	-	260	0.00%
Chautauqua (Midwest Connect)	-	-	-	-	-	-	43	0.00%
ATA	-	-	-	-	-	-	-	-
Other ²	-	-	-	-	-	-	-	-
GRAND TOTAL	12,811,694	100.00%	12,648,645	100.00%	12,095,463	100.00%	12,068,654	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		2003	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
3,349,613.60	26.40%	3,429,981	26.97%	3,777,558	29.07%	4,437,393	34.58%	3,082,443	26.87%	3,059,815	28.24%
874,707.70	6.90%	836,226	6.57%	955,899	7.35%	984,462	7.67%	873,553	7.61%	936,778	8.65%
886,321.13	6.99%	856,710	6.74%	692,821	5.33%	26,900	0.21%	-	-	-	-
1,316,960.50	10.38%	1,330,575	10.46%	1,288,058	9.91%	1,277,371	9.95%	1,156,215	10.08%	1,362,246	12.57%
951,797.00	7.50%	819,586	6.44%	724,223	5.57%	52,170	0.41%	-	-	-	-
702,636.16	5.54%	682,154	5.36%	685,035	5.27%	671,032	5.23%	846,889	7.38%	615,931	5.69%
-	-	-	-	-	-	-	-	-	-	-	-
305,608.00	2.41%	245,672	1.93%	199,552	1.53%	184,624	1.44%	182,535	1.59%	36,296	0.34%
479,057.30	3.78%	534,727	4.20%	528,186	4.06%	506,448	3.95%	475,519	4.15%	481,828	4.45%
222,845.00	1.76%	196,901	1.55%	208,700	1.61%	578,899	4.51%	302,035	2.63%	232,511	2.15%
420,393.80	3.31%	396,591	3.12%	425,382	3.27%	404,211	3.15%	361,779	3.15%	363,734	3.36%
153,060.71	1.21%	141,070	1.11%	137,573	1.06%	137,474	1.07%	128,394	1.12%	47,815	0.44%
49,608.73	0.39%	51,703	0.41%	1,663	0.01%	-	-	-	-	-	-
88,232.51	0.70%	91,790	0.72%	119,937	0.92%	213,123	1.66%	292,133	2.55%	156,538	1.44%
157,074.40	1.24%	155,172	1.22%	148,008	1.14%	142,538	1.11%	94,224	0.82%	46,770	0.43%
8,159.00	0.06%	0	-	-	-	-	-	-	-	-	-
112,319.17	0.89%	109,403	0.86%	124,919	0.96%	159,966	1.25%	145,756	1.27%	129,872	1.20%
130,622.08	1.03%	102,376	0.80%	143,724	1.11%	182,057	1.42%	125,013	1.09%	8,060	0.07%
293,497.80	2.31%	262,815	2.07%	287,789	2.21%	291,534	2.27%	417,530	3.64%	473,666	4.37%
-	-	-	-	-	-	-	-	-	-	-	-
68,770.26	0.54%	64,479	0.51%	50,044	0.39%	-	-	-	-	-	-
19,578.30	0.15%	44,670	0.35%	20,192	0.16%	11,597	0.09%	95,502	0.83%	177,332	1.64%
10,402.33	0.08%	13,741	0.11%	5,181	0.04%	46,982	0.36%	41,747	0.36%	30,662	0.28%
146.00	0.00%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
16,830.00	0.13%	-	-	-	-	-	-	-	-	-	-
15,071.38	0.12%	19,949	0.16%	3,147	0.02%	-	-	-	-	-	-
39,939.61	0.32%	15,713	0.12%	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
10,045.00	0.08%	46,076	0.36%	43,851	0.34%	50,422	0.39%	89,497	0.78%	87,245	0.80%
-	-	-	-	-	-	-	-	-	-	-	-
88,674.00	0.70%	108,012	0.85%	123,207	0.95%	116,228	0.91%	189,110	1.65%	113,036	1.04%
-	-	-	-	-	-	-	-	-	-	-	-
23,932.00	0.19%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
25,826.00	0.20%	24,935	0.20%	25,734	0.20%	31,379	0.24%	105,417	0.92%	11,258	0.10%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
884,804.70	6.97%	872,401	6.86%	875,902	6.74%	876,247	6.83%	842,286	7.34%	916,221	8.46%
29,719.41	0.23%	-	-	-	-	-	-	-	-	-	-
8,818.80	0.07%	15,396	0.12%	26,010	0.20%	50,065	0.39%	-	-	-	-
84,271.00	0.66%	80,652	0.63%	80,464	0.62%	106,596	0.83%	37,404	0.33%	-	-
41,064.00	0.32%	1,573	0.01%	-	-	-	-	-	-	-	-
275,464.00	2.17%	302,760	2.38%	303,872	2.34%	305,028	2.38%	355,080	3.10%	272,663	2.52%
537,550.00	4.24%	543,986	4.28%	565,122	4.35%	526,128	4.10%	537,805	4.69%	553,077	5.10%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	164,658	1.29%	180,125	1.39%	204,921	1.60%	214,056	1.87%	158,894	1.47%
2,377.41	0.02%	157,312	1.24%	244,290	1.88%	256,692	2.00%	479,877	4.18%	561,856	5.19%
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%	10,834,104	100.00%



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Exhibit S-27 – Market Share by Landed Weight – Dulles International
(Expressed in Thousands of Pounds)

Airlines ¹	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
United	6,839,902	38.38%	7,337,040	39.39%	7,651,068	40.38%	7,544,840	40.11%
ExpressJet (United Express)	1,230,184	6.90%	627,505	3.37%	310,706	1.64%	74,112	0.39%
Mesa (United Express)	569,902	3.20%	552,268	2.97%	682,887	3.60%	900,587	4.79%
General Aviation (Signature Flight Support)	515,984	2.90%	536,921	2.88%	541,417	2.86%	525,464	2.79%
British Airways	462,992	2.60%	466,634	2.51%	421,788	2.23%	467,295	2.48%
General Aviation (Landmark Aviation)	458,406	2.57%	492,519	2.64%	470,478	2.48%	403,491	2.14%
American	448,902	2.52%	496,227	2.66%	551,836	2.91%	501,613	2.67%
Colgan Air (United Express)	430,281	2.41%	528,851	2.84%	327,123	1.73%	329,603	1.75%
Lufthansa	426,173	2.39%	413,765	2.22%	398,763	2.10%	336,077	1.79%
Federal Express	374,069	2.10%	358,709	1.93%	364,829	1.93%	358,267	1.90%
Air France	370,643	2.08%	375,826	2.02%	371,939	1.96%	375,681	2.00%
JetBlue	370,273	2.08%	599,679	3.22%	693,865	3.66%	786,663	4.18%
Southwest	343,746	1.93%	353,714	1.90%	412,040	2.17%	455,344	2.42%
Delta	333,098	1.87%	416,675	2.24%	394,850	2.08%	386,054	2.05%
Virgin America	308,352	1.73%	284,629	1.53%	284,136	1.50%	286,088	1.52%
Trans States (United Express)	302,694	1.70%	459,444	2.47%	593,941	3.13%	652,276	3.47%
Shuttle America (United Express)	254,316	1.43%	317,730	1.71%	541,385	2.86%	675,158	3.59%
GoJet (United Express)	212,926	1.19%	258,486	1.39%	476,839	2.52%	471,144	2.50%
Continental	205,025	1.15%	193,486	1.04%	4,782	0.03%	3,411	0.02%
All Nippon	202,764	1.14%	202,210	1.09%	196,664	1.04%	186,018	0.99%
Qatar Amiri Air	201,724	1.13%	201,233	1.08%	201,786	1.07%	201,786	1.07%
Korean Air	194,428	1.09%	185,572	1.00%	168,652	0.89%	167,900	0.89%
Virgin Atlantic	175,518	0.98%	174,018	0.93%	161,212	0.85%	193,267	1.03%
KLM Royal Dutch	164,600	0.92%	146,405	0.79%	149,875	0.79%	146,952	0.78%
South African	154,659	0.87%	163,975	0.88%	172,680	0.91%	182,118	0.97%
Ethiopian Airlines	151,159	0.85%	157,814	0.84%	93,882	0.50%	74,084	0.39%
Turkish Airlines	140,315	0.79%	98,474	0.52%	12,207	0.07%	-	-
Saudi Arabian	139,024	0.78%	99,610	0.53%	78,036	0.41%	67,978	0.36%
SAS	137,725	0.77%	135,797	0.73%	129,120	0.68%	124,007	0.66%
Pinnacle (Delta Connection)	132,312	0.74%	88,861	0.48%	36,062	0.19%	35,475	0.19%
Commutair	124,773	0.70%	552	0.00%	76,797	0.41%	49,542	0.26%
Mesa (US Airways Express)	118,456	0.66%	98,931	0.53%	106,653	0.56%	104,585	0.56%
SkyWest (United Express)	116,781	0.66%	98,088	0.53%	44,220	0.23%	-	-
TACA International	116,560	0.66%	116,870	0.63%	102,634	0.54%	100,162	0.53%
Austrian	107,200	0.60%	108,354	0.58%	107,575	0.57%	107,368	0.57%
Aer Lingus	102,183	0.57%	126,487	0.68%	110,979	0.59%	57,169	0.31%
Compass (Delta Connection)	86,038	0.48%	78,481	0.42%	87,689	0.46%	-	-
Emirates	84,621	0.47%	-	-	-	-	-	-
United Parcel Service	84,212	0.47%	86,071	0.46%	83,869	0.44%	68,755	0.37%
COPA	51,771	0.29%	48,878	0.26%	42,839	0.23%	43,710	0.23%
Chautauqua (Delta Connection)	49,825	0.28%	27,420	0.15%	17,062	0.09%	-	-
Porter	49,771	0.28%	-	-	-	-	-	-
Avianca	49,452	0.28%	35,108	0.19%	35,635	0.19%	36,178	0.19%
AirTran	48,112	0.27%	127,320	0.68%	137,616	0.73%	166,448	0.88%
PSA	44,719	0.25%	36,781	0.20%	33,381	0.18%	48,098	0.26%
Icelandair	40,320	0.23%	28,350	0.15%	-	-	-	-
Silver (United Express)	38,960	0.22%	-	-	-	-	-	-
ExpressJet (Delta Connection)	30,983	0.17%	-	-	-	-	-	-
Comair (Delta Connection)	29,086	0.16%	48,961	0.26%	64,465	0.34%	30,032	0.16%
Aeromexico	28,016	0.16%	274	0.00%	255	0.00%	-	-
Colgan Air (Continental Connection)	25,854	0.15%	45,227	0.24%	7,653	0.04%	-	-
Aeroflot	19,277	0.11%	16,574	0.09%	16,121	0.09%	15,724	0.09%
Continental Express	17,169	0.10%	43,531	0.23%	48,161	0.25%	31,084	0.17%
Vision	16,864	0.09%	45,026	0.24%	56,722	0.30%	56,032	0.30%
North American	15,966	0.09%	-	-	255	0.00%	-	-
Air Wisconsin (US Airways Express)	9,729	0.05%	16,356	0.09%	8,977	0.05%	752	0.00%
Piedmont	8,306	0.05%	6,780	0.04%	6,455	0.03%	237	0.00%
SkyWest (Continental Connection)	8,040	0.05%	26,465	0.14%	-	-	-	-
Republic (United Express)	5,704	0.03%	-	-	-	-	-	-
AeroSur	5,214	0.03%	9,084	0.05%	228	0.00%	-	-
Other ²	34,550	0.20%	625,145	3.36%	854,492	4.51%	983,634	5.23%
GRAND TOTAL	17,820,608	100.00%	18,625,191	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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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2008		2007		2006		2005		2004		2003	
Landed Weights	Market Share	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%	5,663,094	37.40%
-	-	-	-	-	-	-	-	-	-	-	-
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%	-	-	419,380	2.19%	375,348	2.48%
492,144	2.52%	438,467	2.18%	458,074	2.45%	28,512	0.14%	529,004	2.76%	515,279	3.40%
501,128	2.57%	650,364	3.24%	701,682	3.76%	551,161	2.70%	297,868	1.55%	352,416	2.33%
535,928	2.75%	544,803	2.71%	557,241	2.98%	598,510	2.93%	587,805	3.07%	777,149	5.13%
345,987	1.77%	210,455	1.05%	207,564	1.11%	-	-	-	-	-	-
384,825	1.97%	443,982	2.21%	469,317	2.51%	409,835	2.01%	317,729	1.66%	310,526	2.05%
411,650	2.11%	421,845	2.10%	403,651	2.16%	401,655	1.97%	371,733	1.94%	410,858	2.71%
387,484	1.98%	398,061	1.98%	413,269	2.21%	384,546	1.88%	321,257	1.68%	296,325	1.96%
927,826	4.75%	952,941	4.75%	794,112	4.25%	523,980	2.57%	484,930	2.53%	361,958	2.39%
475,884	2.44%	518,676	2.58%	130,534	0.70%	-	-	-	-	-	-
441,899	2.26%	481,132	2.40%	497,957	2.67%	530,760	2.60%	727,540	3.80%	759,207	5.01%
257,399	1.32%	45,361	0.23%	-	-	-	-	-	-	-	-
628,832	3.22%	603,260	3.01%	596,537	3.20%	678,031	3.32%	217,860	1.14%	-	-
676,463	3.47%	629,476	3.14%	475,885	2.55%	370,263	1.81%	173,781	0.91%	-	-
343,308	1.76%	306,123	1.52%	111,153	0.60%	-	-	-	-	-	-
5,071	0.03%	36,415	0.18%	26,020	0.14%	37,391	0.18%	44,334	0.23%	60,142	0.40%
202,764	1.04%	202,794	1.01%	187,630	1.01%	168,917	0.83%	168,360	0.88%	169,440	1.12%
202,791	1.04%	96,778	0.48%	-	-	-	-	-	-	-	-
118,508	0.61%	137,824	0.69%	119,136	0.64%	111,384	0.55%	108,756	0.57%	99,716	0.66%
252,265	1.29%	245,771	1.22%	190,860	1.02%	165,869	0.81%	212,812	1.11%	181,611	1.20%
147,041	0.75%	149,854	0.75%	132,227	0.71%	-	-	-	-	-	-
197,826	1.01%	203,850	1.01%	169,210	0.91%	64,125	0.32%	-	-	-	-
76,639	0.39%	79,513	0.40%	59,714	0.32%	53,966	0.27%	45,664	0.24%	40,874	0.27%
-	-	-	-	-	-	-	-	-	-	-	-
68,455	0.35%	74,359	0.37%	84,109	0.45%	61,241	0.30%	73,470	0.38%	70,397	0.46%
128,077	0.66%	126,229	0.63%	125,820	0.67%	105,126	0.51%	111,950	0.58%	114,283	0.75%
14,640	0.07%	-	-	-	-	-	-	-	-	-	-
26,190	0.13%	9,899	0.05%	-	-	-	-	-	-	-	-
62,622	0.32%	33,149	0.17%	16,137	0.09%	22,380	0.11%	23,623	0.12%	184,629	1.22%
-	-	-	-	-	-	-	-	-	-	-	-
118,736	0.61%	146,944	0.73%	115,978	0.62%	107,680	0.53%	94,172	0.49%	88,868	0.59%
142,221	0.73%	137,908	0.69%	143,320	0.77%	28,800	0.14%	145,155	0.76%	143,237	0.95%
81,417	0.42%	33,729	0.17%	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
86,359	0.44%	85,884	0.43%	83,528	0.45%	78,162	0.38%	79,917	0.42%	79,890	0.53%
41,137	0.21%	20,930	0.10%	-	-	-	-	-	-	-	-
43	0.00%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
19,875	0.10%	-	-	-	-	-	-	-	-	-	-
222,712	1.14%	255,984	1.27%	267,592	1.43%	178,360	0.87%	184,808	0.96%	211,560	1.40%
38,205	0.19%	27,732	0.14%	50,049	0.27%	30,738	0.15%	4,973	0.03%	-	-
-	-	-	-	279	0.00%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
52,429	0.27%	91,573	0.46%	80,395	0.43%	190,435	0.93%	101,050	0.53%	120,943	0.80%
-	-	-	-	-	-	-	-	-	-	-	-
7,195	0.04%	-	-	-	-	-	-	-	-	-	-
15,724	0.08%	15,960	0.08%	21,168	0.11%	21,168	0.10%	28,425	0.15%	37,194	0.24%
110,616	0.57%	145,612	0.73%	178,176	0.95%	197,711	0.97%	190,639	0.99%	135,889	0.90%
25,098	0.13%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	420	0.00%	2,320	0.01%	640	0.00%	-	-
282	0.00%	517	0.00%	893	0.00%	5,264	0.03%	-	-	-	-
-	-	41	0.00%	-	-	68	0.00%	102	0.00%	823	0.01%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,222,387	6.26%	1,403,619	6.99%	1,425,543	7.64%	7,018,730	34.38%	6,188,403	32.30%	3,579,134	23.64%
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%	15,140,790	100.00%



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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

Airlines ¹	2012		2011		2010		2009	
	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
Domestic								
US Airways	1,902,549	19.41%	1,850,864	19.75%	1,927,713	21.32%	1,929,992	22.00%
Delta	1,269,557	12.95%	1,251,093	13.35%	1,253,421	13.86%	728,156	8.30%
American	1,139,174	11.62%	1,194,779	12.75%	1,188,767	13.15%	1,143,658	13.04%
United	486,460	4.96%	468,066	4.99%	532,294	5.89%	522,673	5.96%
JetBlue	447,570	4.57%	240,077	2.56%	37,103	0.41%	-	-
AirTran	383,833	3.92%	389,426	4.15%	381,746	4.22%	263,100	3.00%
Frontier	323,292	3.30%	357,605	3.82%	204,339	2.26%	158,734	1.81%
Continental	299,145	3.05%	269,102	2.87%	291,599	3.22%	303,467	3.46%
Alaska	171,582	1.75%	155,454	1.66%	149,368	1.65%	144,317	1.64%
Spirit	98,846	1.01%	146,539	1.56%	123,878	1.37%	117,546	1.34%
Southwest	42,037	0.43%	-	-	-	-	-	-
MN Airlines	34,061	0.35%	26,374	0.28%	-	-	-	-
Virgin America	11,236	0.11%	-	-	-	-	-	-
Republic (Midwest)	-	-	-	-	116,838	1.29%	-	-
Northwest	-	-	-	-	28,371	0.31%	581,173	6.63%
ATA	-	-	-	-	-	-	-	-
America West	-	-	-	-	-	-	-	-
Delta Shuttle	-	-	-	-	-	-	13,149	0.15%
Midwest	-	-	-	-	-	-	32,247	0.37%
Regionals								
Republic (US Airways Express)	1,131,600	11.55%	915,726	9.77%	907,075	10.03%	733,136	8.36%
Air Wisconsin (US Airways Express)	538,617	5.50%	450,057	4.80%	446,339	4.94%	567,358	6.47%
PSA	291,601	2.98%	203,834	2.17%	215,400	2.38%	168,781	1.92%
American Eagle	288,187	2.94%	226,639	2.42%	292,901	3.24%	331,584	3.78%
Chautauqua (US Airways Express)	166,531	1.70%	125,817	1.34%	123,584	1.37%	77,766	0.89%
Shuttle America (Delta Connection)	146,677	1.50%	148,514	1.59%	164,543	1.82%	168,203	1.92%
Pinnacle (Delta Connection)	116,780	1.19%	98,655	1.05%	21,038	0.23%	7,844	0.09%
ExpressJet (United Express)	77,371	0.79%	-	-	-	-	-	-
Comair (Delta Connection)	66,578	0.68%	147,478	1.57%	206,210	2.28%	250,061	2.85%
Piedmont	32,433	0.33%	10,183	0.11%	12,223	0.14%	4,466	0.05%
Chautauqua (Continental Express)	30,311	0.31%	14,513	0.15%	29,123	0.32%	32,401	0.37%
Chautauqua (Delta Connection)	24,556	0.25%	46,182	0.49%	2,908	0.03%	6,065	0.07%
Shuttle America (United Express)	18,444	0.19%	37,218	0.40%	10,495	0.12%	-	-
ASA (Delta Connection)	15,072	0.15%	138,417	1.48%	31,273	0.35%	2,974	0.03%
ExpressJet (Delta Connection)	13,138	0.13%	-	-	-	-	-	-
Continental Express	11,929	0.12%	62,234	0.66%	55,260	0.61%	61,874	0.71%
Colgan Air (Continental Connection)	8,876	0.09%	32,047	0.34%	44,085	0.49%	44,203	0.50%
SkyWest (United Express)	5,850	0.06%	-	-	-	-	-	-
Compass (Delta Connection)	4,982	0.05%	128,135	1.37%	20,568	0.23%	-	-
Colgan Air (United Express)	3,969	0.04%	-	-	-	-	-	-
SkyWest (Continental Connection)	2,355	0.02%	8,613	0.09%	-	-	-	-
Colgan Air (US Airways Express)	943	0.01%	15,493	0.17%	15,315	0.17%	13,983	0.16%
Mesaba Aviation (Delta Connection)	630	0.01%	77,491	0.83%	41,114	0.45%	-	-
SkyWest (Delta Connection)	33	0.00%	-	-	-	-	-	-
Other ²	-	-	-	-	16,094	0.18%	224,899	2.56%
Air Carrier - Chartered								
ATA - Cht	-	-	-	-	-	-	-	-
Champion Air	-	-	-	-	-	-	-	-
JetBlue	-	-	-	-	-	-	27	0.00%
MN Airlines	-	-	-	-	-	-	174	0.00%
Miami Air International	-	-	123	0.00%	219	0.00%	-	-
North American	-	-	-	-	-	-	-	-
Other Charters	-	-	-	-	-	-	-	-
Swift Air	-	-	-	-	-	-	-	-
General Aviation								
Signature Flight Support	6,693	0.07%	5,235	0.06%	3,062	0.03%	1,656	0.02%
Military	5,917	0.06%	5,163	0.06%	3,449	0.04%	2,995	0.03%
TOTAL DOMESTIC	9,619,415	98.15%	9,247,146	98.66%	8,897,715	98.40%	8,638,662	98.48%
Transborder/International								
Air Canada	58,479	0.60%	58,417	0.62%	63,165	0.70%	54,701	0.62%
US Airways	15,514	0.16%	11,640	0.12%	35,663	0.40%	35,786	0.41%
Regionals								
Air Wisconsin (US Airways Express)	46,911	0.48%	672	0.01%	-	-	-	-
Air Canada Jazz	45,577	0.46%	46,566	0.50%	45,512	0.50%	42,720	0.49%
Republic (US Airways Express)	14,869	0.15%	8,769	0.09%	-	-	-	-
Chautauqua (US Airways Express)	-	-	-	-	-	-	-	-
Mesa (US Airways Express)	-	-	-	-	-	-	-	-
Midway (US Airways Express)	-	-	-	-	-	-	-	-
PSA	-	-	-	-	-	-	-	-
Piedmont	-	-	-	-	-	-	-	-
Air Carrier - Chartered								
Ryan International	-	-	-	-	-	-	25	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	181,350	1.85%	126,064	1.34%	144,340	1.60%	133,232	1.52%
GRAND TOTAL	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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority



2008		2007		2006		2005		2004		2003	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	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%	1,895,630	26.68%
726,473	8.09%	704,772	7.58%	761,946	8.24%	834,287	9.36%	767,987	9.65%	692,509	9.74%
1,158,855	12.90%	1,214,058	13.06%	1,132,839	12.26%	1,119,235	12.56%	921,936	11.59%	955,780	13.45%
518,293	5.77%	519,311	5.59%	511,091	5.53%	462,300	5.19%	441,683	5.55%	398,713	5.61%
-	-	-	-	-	-	-	-	-	-	-	-
249,030	2.77%	213,397	2.30%	172,293	1.86%	155,613	1.75%	138,707	1.74%	26,303	0.37%
156,669	1.74%	128,498	1.38%	123,223	1.33%	121,424	1.36%	72,757	0.91%	39,044	0.55%
325,851	3.63%	373,191	4.01%	378,298	4.09%	357,253	4.01%	309,128	3.88%	306,612	4.31%
146,589	1.63%	142,567	1.53%	130,596	1.41%	116,137	1.30%	77,325	0.97%	33,895	0.48%
106,483	1.19%	86,636	0.93%	104,988	1.14%	135,878	1.52%	110,303	1.39%	8,854	0.12%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
669,821	7.46%	675,764	7.27%	666,028	7.21%	643,017	7.21%	622,144	7.82%	587,036	8.26%
-	-	159,377	1.71%	151,274	1.64%	145,227	1.63%	165,032	2.07%	126,474	1.78%
-	-	125,095	1.35%	175,333	1.90%	172,484	1.94%	153,659	1.93%	131,354	1.85%
206,552	2.30%	252,743	2.72%	311,460	3.37%	297,640	3.34%	327,428	4.12%	357,624	5.03%
174,737	1.95%	204,583	2.20%	207,345	2.24%	187,012	2.10%	166,059	2.09%	149,368	2.10%
-	-	-	-	-	-	-	-	-	-	-	-
630,563	7.02%	594,411	6.39%	465,755	5.04%	14,032	0.16%	-	-	-	-
670,067	7.46%	568,630	6.12%	460,008	4.98%	32,716	0.37%	-	-	-	-
147,013	1.64%	139,087	1.50%	152,515	1.65%	339,434	3.81%	191,904	2.41%	111,727	1.57%
268,652	2.99%	258,697	2.78%	280,129	3.03%	264,758	2.97%	215,408	2.71%	198,460	2.79%
64,453	0.72%	70,677	0.76%	95,080	1.03%	150,719	1.69%	225,935	2.84%	115,102	1.62%
23,646	0.26%	27,201	0.29%	269	0.00%	-	-	-	-	-	-
7,051	0.08%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
190,134	2.12%	179,534	1.93%	176,297	1.91%	158,060	1.77%	214,242	2.69%	243,627	3.43%
12,856	0.14%	28,463	0.31%	11,584	0.12%	4,342	0.05%	47,334	0.60%	100,245	1.41%
34,546	0.38%	14,381	0.15%	-	-	-	-	-	-	-	-
9,881	0.11%	11,009	0.12%	1,700	0.02%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
4,965	0.05%	26,268	0.28%	27,887	0.30%	35,904	0.40%	65,488	0.82%	54,430	0.77%
-	-	-	-	-	-	-	-	-	-	-	-
58,935	0.66%	80,791	0.87%	97,211	1.05%	90,506	1.02%	90,655	1.14%	90,836	1.28%
19,678	0.22%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
13,740	0.15%	13,867	0.15%	13,041	0.14%	10,242	0.11%	34,500	0.43%	5,742	0.08%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
107,945	1.20%	77,513	0.83%	92,396	1.00%	172,541	1.94%	349,438	4.39%	341,592	4.81%
-	-	-	-	-	-	-	-	-	-	-	-
158	0.00%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	409	0.01%	-	-
-	-	-	-	-	-	-	-	-	-	-	-
33	0.00%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
46	0.00%	-	-	-	-	-	-	-	-	-	-
35	0.00%	-	-	3	0.00%	-	-	-	-	-	-
580	0.01%	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,516	0.02%	1,136	0.01%	536	0.01%	53	0.00%	-	-	-	-
2,833	0.03%	3,094	0.03%	2,126	0.02%	1,906	0.02%	5,375	0.07%	3,940	0.06%
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%	6,974,897	98.15%
65,031	0.72%	61,837	0.67%	76,107	0.82%	104,637	1.17%	94,135	1.18%	79,436	1.12%
38,020	0.42%	41,372	0.44%	48,559	0.53%	40,830	0.46%	37,625	0.47%	33,891	0.48%
-	-	-	-	23,915	0.26%	-	-	-	-	-	-
38,313	0.43%	45,314	0.49%	36,001	0.39%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,872	0.07%	1,672	0.02%	-	-
-	-	-	-	-	-	-	-	14,889	0.19%	9,421	0.13%
-	-	-	-	-	-	-	-	-	-	2,846	0.04%
-	-	-	-	751	0.01%	21,210	0.24%	5,925	0.07%	1,047	0.01%
-	-	-	-	-	-	-	-	443	0.01%	4,817	0.07%
-	-	-	-	-	-	-	-	-	-	-	-
141,364	1.57%	148,523	1.60%	185,333	2.01%	172,549	1.94%	154,689	1.94%	131,458	1.85%
8,982,180	100.00%	9,298,307	100.00%	9,242,480	100.00%	8,911,233	100.00%	7,957,446	100.00%	7,106,355	100.00%



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

Airlines ¹	2012		2011		2010		2009	
	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
Domestic								
United	3,112,021	27.67%	3,264,591	28.17%	3,430,680	29.04%	3,286,673	28.30%
American	388,322	3.45%	427,886	3.69%	464,266	3.93%	409,716	3.53%
JetBlue	321,138	2.86%	495,844	4.28%	576,039	4.88%	625,519	5.39%
Southwest	308,414	2.74%	321,205	2.77%	374,282	3.17%	371,029	3.19%
Delta	271,077	2.41%	324,660	2.80%	317,266	2.69%	296,772	2.56%
Virgin America	241,489	2.15%	235,983	2.04%	231,889	1.96%	237,796	2.05%
Continental	98,544	0.88%	85,485	0.74%	701	0.01%	817	0.01%
AirTran	32,033	0.28%	98,207	0.85%	119,681	1.01%	127,164	1.09%
Other ²	-	-	13,258	0.11%	37,768	0.32%	84,364	0.73%
Regionals								
ExpressJet (United Express)	1,000,835	8.90%	523,817	4.52%	277,075	2.35%	62,152	0.54%
Mesa (United Express)	471,395	4.19%	440,505	3.80%	549,219	4.65%	719,003	6.19%
Colgan Air (United Express)	358,005	3.18%	450,143	3.88%	219,380	1.86%	221,228	1.90%
Trans States (United Express)	283,208	2.52%	349,374	3.01%	445,031	3.77%	566,386	4.88%
Shuttle America (United Express)	160,431	1.43%	173,835	1.50%	308,225	2.61%	372,543	3.21%
GoJet (United Express)	131,282	1.17%	165,390	1.43%	318,557	2.70%	352,162	3.03%
Pinnacle (Delta Connection)	106,712	0.95%	70,130	0.61%	30,405	0.26%	30,379	0.26%
Commutair	100,300	0.89%	360	0.00%	46,013	0.39%	30,694	0.26%
Mesa (US Airways Express)	98,349	0.87%	84,534	0.73%	86,547	0.73%	86,754	0.75%
SkyWest (United Express)	81,255	0.72%	67,254	0.58%	33,166	0.28%	-	-
Compass (Delta Connection)	69,443	0.62%	61,513	0.53%	69,150	0.59%	-	-
Other ²	210,619	1.87%	594,500	5.13%	618,804	5.24%	538,031	4.63%
Air Carrier - Chartered								
Other ²	9,545	0.08%	12,678	0.11%	10,681	0.09%	10,438	0.09%
General Aviation								
Signature Flight Support	61,743	0.55%	56,171	0.48%	54,923	0.46%	49,845	0.43%
Landmark Aviation	11,867	0.11%	14,419	0.12%	17,241	0.15%	16,986	0.15%
Military								
Other Military	121	0.00%	447	0.00%	133	0.00%	36	0.00%
TOTAL DOMESTIC	7,928,148	70.48%	8,332,189	71.89%	8,637,122	73.10%	8,496,487	73.16%
Transborder/International								
United	1,372,383	12.20%	1,439,487	12.42%	1,451,292	12.28%	1,443,621	12.43%
British Airways	192,722	1.71%	190,445	1.64%	173,211	1.47%	182,703	1.57%
Lufthansa	186,521	1.66%	174,947	1.51%	176,179	1.49%	158,147	1.36%
Air France	173,360	1.54%	173,618	1.50%	161,910	1.37%	181,787	1.57%
TACA International	99,160	0.88%	103,804	0.90%	98,844	0.84%	95,132	0.82%
Qatar Amiri Air	99,028	0.88%	101,139	0.87%	103,078	0.87%	88,061	0.76%
KLM Royal Dutch	89,613	0.80%	77,930	0.67%	74,878	0.63%	79,265	0.68%
Korean Air	83,288	0.74%	83,112	0.72%	78,117	0.66%	72,814	0.63%
Virgin Atlantic	75,165	0.67%	75,256	0.65%	76,417	0.65%	84,778	0.73%
Turkish Airlines	74,594	0.66%	47,988	0.41%	5,370	0.05%	-	-
Ethiopian Airlines	74,103	0.66%	80,752	0.70%	56,373	0.48%	42,141	0.36%
South African	71,239	0.63%	78,859	0.68%	80,797	0.68%	73,221	0.63%
SAS	68,620	0.61%	65,797	0.57%	71,042	0.60%	66,085	0.57%
All Nippon	65,839	0.59%	62,994	0.54%	66,573	0.56%	60,949	0.52%
Austrian	65,325	0.58%	60,793	0.52%	60,401	0.51%	63,885	0.55%
Continental	55,592	0.49%	45,209	0.39%	-	-	-	-
Other ²	264,037	2.35%	206,498	1.78%	207,355	1.75%	162,060	1.40%
Regionals								
ExpressJet (United Express)	110,063	0.98%	32,372	0.28%	-	-	-	-
GoJet (United Express)	30,838	0.27%	25,838	0.22%	33,447	0.28%	-	-
Porter	24,985	0.22%	-	-	-	-	-	-
Shuttle America (United Express)	23,406	0.21%	40,163	0.35%	68,332	0.58%	93,135	0.80%
Other ²	10,927	0.10%	79,981	0.69%	123,271	1.04%	158,365	1.36%
Air Carrier - Chartered								
Other ²	7,011	0.06%	9,822	0.08%	10,348	0.09%	11,002	0.09%
General Aviation								
Signature	2,009	0.02%	1,047	0.01%	377	0.00%	167	0.00%
Landmark Aviation	-	-	-	-	-	-	-	-
Military								
Other Military	186	0.00%	513	0.00%	444	0.00%	523	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	3,320,014	29.52%	3,258,364	28.11%	3,178,056	26.90%	3,117,841	26.84%
GRAND TOTAL	11,248,162	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

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2008		2007		2006		2005		2004		2003	
Passenger Enplanements	Market Share	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%	2,459,604	29.08%
435,623	3.65%	444,445	3.59%	450,718	3.92%	471,771	3.49%	410,792	3.59%	438,793	5.19%
730,989	6.12%	776,980	6.27%	666,704	5.80%	475,282	3.52%	444,592	3.89%	342,582	4.05%
396,298	3.32%	368,977	2.98%	80,567	0.70%	-	-	-	-	-	-
333,445	2.79%	368,507	2.98%	384,682	3.35%	392,954	2.91%	474,913	4.16%	531,773	6.29%
194,248	1.63%	27,247	0.22%	-	-	-	-	-	-	-	-
3,808	0.03%	20,415	0.16%	15,217	0.13%	26,260	0.19%	27,616	0.24%	39,506	0.47%
179,892	1.51%	204,194	1.65%	199,898	1.74%	133,541	0.99%	129,738	1.14%	166,607	1.97%
232,147	1.94%	379,717	3.07%	434,337	3.78%	3,167,554	23.46%	2,551,450	22.32%	1,942,910	22.97%
-	-	-	-	-	-	-	-	-	-	-	-
906,747	7.59%	1,279,241	10.33%	1,602,553	13.94%	730,191	5.41%	282,517	2.47%	-	-
203,456	1.70%	156,967	1.27%	142,528	1.24%	22,075	0.16%	-	-	-	-
545,487	4.57%	528,990	4.27%	498,796	4.34%	567,626	4.20%	288,287	2.52%	2,707	0.03%
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%	-	-	-	-	-	-
11,589	0.10%	-	-	-	-	-	-	-	-	-	-
15,014	0.13%	6,623	0.05%	-	-	-	-	-	-	-	-
50,061	0.42%	22,464	0.18%	9,128	0.08%	15,509	0.11%	19,969	0.17%	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
562,477	4.71%	565,060	4.56%	532,818	4.63%	1,552,914	11.50%	1,201,477	10.51%	435,314	5.15%
-	-	-	-	-	-	-	-	-	-	-	-
9,898	0.08%	9,074	0.07%	4,654	0.04%	20,105	0.15%	9,079	0.08%	11,850	0.14%
-	-	-	-	-	-	-	-	-	-	-	-
60,399	0.51%	72,635	0.59%	66,673	0.58%	59,748	0.44%	60,106	0.53%	48,106	0.57%
24,598	0.21%	35,424	0.29%	36,105	0.31%	43,772	0.32%	39,817	0.35%	40,184	0.48%
-	-	-	-	-	-	-	-	-	-	-	-
314	0.00%	-	-	173	0.00%	573	0.00%	698	0.01%	903	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%	6,460,839	76.38%
1,401,537	11.73%	1,350,797	10.91%	1,105,952	9.62%	1,004,913	7.44%	932,830	8.16%	768,233	9.08%
189,442	1.59%	173,361	1.40%	182,241	1.59%	189,991	1.41%	189,690	1.66%	187,934	2.22%
173,440	1.45%	203,686	1.64%	215,272	1.87%	200,149	1.48%	163,817	1.43%	149,399	1.77%
176,064	1.47%	192,578	1.56%	201,577	1.75%	190,865	1.41%	156,142	1.37%	139,751	1.65%
101,867	0.85%	118,331	0.96%	98,628	0.86%	90,554	0.67%	81,316	0.71%	72,989	0.86%
85,231	0.71%	25,841	0.21%	-	-	-	-	-	-	-	-
78,574	0.66%	83,033	0.67%	76,926	0.67%	73,253	0.54%	70,856	0.62%	39,718	0.47%
57,850	0.48%	63,789	0.52%	56,776	0.49%	60,604	0.45%	58,695	0.51%	46,316	0.55%
95,567	0.80%	104,319	0.84%	83,992	0.73%	75,626	0.56%	92,282	0.81%	82,415	0.97%
-	-	-	-	-	-	-	-	-	-	-	-
44,955	0.38%	41,977	0.34%	34,300	0.30%	29,812	0.22%	13,422	0.12%	7,672	0.09%
82,084	0.69%	87,604	0.71%	58,492	0.51%	13,254	0.10%	-	-	-	-
71,112	0.60%	66,251	0.54%	66,272	0.58%	74,016	0.55%	68,727	0.60%	58,086	0.69%
62,932	0.53%	65,852	0.53%	70,047	0.61%	68,507	0.51%	68,744	0.60%	62,181	0.74%
80,821	0.68%	80,054	0.65%	78,879	0.69%	81,580	0.60%	82,215	0.72%	76,242	0.90%
-	-	-	-	-	-	-	-	-	-	-	-
156,127	1.31%	91,695	0.74%	83,452	0.73%	192,848	1.43%	278,539	2.44%	300,261	3.55%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
89,225	0.75%	74,393	0.60%	56,105	0.49%	11,099	0.08%	-	-	-	-
163,846	1.37%	135,867	1.10%	123,979	1.08%	88,379	0.65%	51,557	0.45%	-	0.00%
-	-	-	-	-	-	-	-	-	-	-	-
4,743	0.04%	917	0.01%	1,792	0.02%	3,544	0.03%	740	0.01%	3,643	0.04%
-	-	-	-	-	-	-	-	-	-	-	-
63	0.00%	311	0.00%	179	0.00%	363	0.00%	200	0.00%	64	0.00%
-	-	137	0.00%	402	0.00%	1,333	0.01%	991	0.01%	939	0.01%
-	-	-	-	-	-	-	-	-	-	-	-
1,540	0.01%	803	0.01%	1,552	0.01%	1,647	0.01%	2,869	0.03%	2,005	0.02%
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%	1,997,848	23.62%
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%	8,458,687	100.00%



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Exhibit S-30 – Market Share by Enplaned Cargo Weight – Reagan National

(Expressed in Pounds)

Airlines ¹	2012		2011		2010		2009	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic								
American	987,384	24.47%	1,115,895	30.74%	347,170	9.83%	438,101	16.27%
Federal Express	809,428	20.06%	779,768	21.48%	910,324	25.77%	549,860	20.42%
US Airways	714,094	17.70%	543,956	14.98%	618,598	17.51%	554,872	20.60%
Frontier	690,220	17.11%	428,095	11.79%	863,751	24.45%	499,669	18.56%
Delta	429,637	10.65%	344,901	9.50%	286,798	8.12%	156,417	5.81%
Continental	133,778	3.31%	95,266	2.62%	157,450	4.46%	110,081	4.09%
Alaska	47,177	1.17%	50,987	1.41%	113,101	3.20%	97,411	3.62%
United	3,468	0.09%	10,406	0.29%	18,691	0.53%	16,191	0.60%
Republic (Midwest)	-	-	-	-	28,589	0.81%	-	-
Northwest	-	-	-	-	21,974	0.62%	85,523	3.18%
ATA	-	-	-	-	-	-	-	-
Air Canada	-	-	-	-	-	-	53	0.00%
AirTran	-	-	-	-	-	-	-	-
America West	-	-	-	-	-	-	-	-
Delta Shuttle	-	-	-	-	-	-	-	-
Midwest	-	-	-	-	-	-	11,783	0.44%
Spirit	-	-	-	-	-	-	-	-
Regionals								
Air Wisconsin (US Airways Express)	112,633	2.79%	124,420	3.43%	73,300	2.07%	63,295	2.35%
PSA	96,824	2.40%	135,206	3.72%	82,369	2.33%	56,727	2.11%
American Eagle	7,862	0.19%	-	-	-	-	-	-
Piedmont	1,543	0.04%	139	0.00%	348	0.01%	412	0.01%
SkyWest (Continental Connection)	14	0.00%	525	0.02%	-	-	-	-
Chautauqua (Continental Express)	-	-	340	0.01%	1,758	0.05%	1,969	0.07%
Continental Express	-	-	334	0.01%	5,848	0.16%	8,900	0.33%
Republic (Midwest Connect)	-	-	-	-	2,116	0.06%	39,083	1.45%
Mesaba Aviation (Northwest Airlink)	-	-	-	-	14	0.00%	345	0.01%
Pinnacle (Northwest Airlink)	-	-	-	-	-	-	1,901	0.07%
Comair (Delta Connection)	-	-	-	-	-	-	-	-
Republic (US Airways Express)	-	-	-	-	-	-	-	-
Chautauqua (Delta Connection)	-	-	-	-	-	-	-	-
Chautauqua (US Airways Express)	-	-	-	-	-	-	-	-
ASA (Delta Connection)	-	-	-	-	-	-	-	-
Allegheny	-	-	-	-	-	-	-	-
Chautauqua (America West Express)	-	-	-	-	-	-	-	-
Midway (US Airways Express)	-	-	-	-	-	-	-	-
Skyway	-	-	-	-	-	-	-	-
TOTAL DOMESTIC	4,034,062	99.98%	3,630,238	100.00%	3,532,199	99.98%	2,692,593	99.99%
Transborder/International								
US Airways	23	0.00%	22	0.00%	412	0.01%	169	0.01%
Air Canada	2	0.00%	44	0.00%	180	0.01%	31	0.00%
Regionals								
Air Wisconsin (US Airways Express)	601	0.02%	-	-	-	-	-	-
Midway (US Airways Express)	-	-	-	-	-	-	-	-
PSA	-	-	-	-	-	-	-	-
TOTAL TRANSBORDER/INTERNATIONAL	626	0.02%	66	0.00%	592	0.02%	200	0.01%
GRAND TOTAL	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.

Source: Airports Authority Records

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2008		2007		2006		2005		2004		2003	
Cargo Weight	Market Share	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%	289,789	6.27%
313,462	15.33%	-	-	-	-	-	-	-	-	-	-
642,775	31.43%	1,661,112	60.57%	1,210,445	40.61%	1,037,946	34.03%	1,727,285	38.02%	1,832,745	39.64%
19,694	0.96%	2,856	0.11%	-	-	-	-	1,371	0.03%	36,318	0.78%
95,744	4.68%	107,764	3.93%	140,659	4.72%	263,842	8.65%	273,507	6.02%	315,869	6.83%
156,508	7.65%	163,807	5.97%	246,489	8.27%	300,118	9.84%	487,743	10.74%	437,175	9.45%
106,397	5.20%	106,366	3.88%	120,052	4.03%	43,616	1.43%	752	0.02%	22,764	0.49%
17,874	0.87%	17,631	0.64%	20,069	0.67%	76,329	2.50%	172,457	3.80%	221,887	4.80%
-	-	-	-	-	-	-	-	-	-	-	-
83,748	4.10%	69,039	2.52%	24,575	0.83%	24,992	0.82%	41,723	0.92%	239,483	5.18%
-	-	215,872	7.87%	371,210	12.45%	589,871	19.34%	225,601	4.96%	87,735	1.90%
152	0.01%	-	-	-	-	-	-	-	-	-	-
-	-	7,500	0.27%	28,539	0.96%	21,234	0.70%	-	-	-	-
-	-	86,448	3.15%	287,846	9.66%	284,665	9.33%	381,530	8.40%	499,521	10.80%
-	-	-	-	882	0.03%	781	0.03%	2,193	0.05%	63,627	1.38%
102,453	5.01%	146,642	5.35%	172,537	5.79%	143,100	4.69%	277,948	6.12%	300,996	6.51%
-	-	-	-	1,210	0.04%	8,791	0.29%	32,198	0.71%	3,052	0.07%
-	-	-	-	-	-	-	-	-	-	-	-
43,548	2.13%	25,796	0.94%	138,487	4.65%	23,281	0.76%	-	-	-	-
23,795	1.16%	27,467	1.00%	56,658	1.90%	67,526	2.21%	30,539	0.67%	20,245	0.44%
-	-	-	-	45,960	1.54%	52	0.00%	789	0.02%	2,800	0.06%
481	0.02%	2,032	0.07%	1,849	0.06%	1,089	0.04%	13,044	0.29%	54,940	1.19%
-	-	-	-	-	-	-	-	-	-	-	-
7,191	0.35%	3,333	0.12%	-	-	-	-	-	-	-	-
20,167	0.99%	35,974	1.31%	60,917	2.04%	43,763	1.44%	30,235	0.66%	18,279	0.39%
9,538	0.47%	-	-	-	-	-	-	-	-	-	-
4	0.00%	154	0.01%	-	-	-	-	-	-	-	-
4,445	0.22%	4,608	0.17%	1,298	0.04%	-	-	-	-	-	-
64	0.00%	-	-	-	-	7,082	0.23%	32,909	0.72%	56,881	1.23%
-	-	2,222	0.08%	12,545	0.42%	901	0.03%	-	-	-	-
-	-	35	0.00%	2,000	0.07%	-	-	-	-	-	-
-	-	5	0.00%	126	0.00%	1,028	0.03%	16,677	0.37%	28,477	0.62%
-	-	-	-	-	-	1,530	0.05%	40,939	0.90%	38,554	0.83%
-	-	-	-	-	-	-	-	6,021	0.13%	31,054	0.67%
-	-	-	-	-	-	-	-	-	-	2,616	0.06%
-	-	-	-	-	-	-	-	-	-	11,004	0.24%
-	-	-	-	-	-	-	-	-	-	314	0.01%
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%	4,616,125	99.84%
39,907	1.95%	52,526	1.91%	27,321	0.92%	12,198	0.40%	2,876	0.06%	6,682	0.14%
-	-	751	0.03%	1,551	0.05%	3,558	0.12%	462	0.01%	708	0.02%
-	-	-	-	3,100	0.10%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	4	0.00%
-	-	-	-	41	0.00%	656	0.02%	64	0.00%	1	0.00%
39,907	1.95%	53,277	1.94%	32,013	1.07%	16,412	0.54%	3,402	0.07%	7,395	0.16%
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%	4,623,520	100.00%



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

Airline ¹	2012		2011		2010		2009	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic								
Federal Express	73,713,462	28.55%	74,823,743	24.95%	76,889,656	23.12%	83,793,859	26.97%
United	27,840,466	10.78%	34,373,835	11.46%	45,511,042	13.69%	38,771,925	12.48%
United Parcel Service	14,242,032	5.52%	12,291,618	4.10%	10,519,509	3.16%	8,304,813	2.67%
American	686,611	0.27%	793,807	0.27%	1,091,210	0.33%	1,289,901	0.42%
Delta	482,352	0.19%	556,270	0.19%	539,498	0.16%	399,477	0.13%
Southwest	417,056	0.16%	423,510	0.14%	316,218	0.09%	271,671	0.09%
Continental	367,558	0.14%	1,873,912	0.63%	2,811,265	0.85%	1,949,852	0.63%
JetBlue	21,821	0.01%	209,458	0.07%	386,739	0.12%	455,711	0.15%
US Airways	-	-	12,865	0.00%	86,276	0.03%	225,628	0.07%
Other ²	-	-	-	-	-	-	141,920	0.05%
Regionals								
PSA	43,336	0.02%	27,339	0.01%	47,596	0.01%	29,119	0.01%
Air Wisconsin (US Airways Express)	3,186	0.00%	6,846	0.00%	10,311	0.00%	16	0.00%
Piedmont	2,202	0.00%	764	0.00%	1,448	0.00%	16	0.00%
Pinnacle (Delta Connection)	199	0.00%	132	0.00%	27	0.00%	-	-
ExpressJet (Delta Connection)	180	0.00%	-	-	-	-	-	-
Other ²	119	0.00%	237	0.00%	882	0.00%	9,654	0.00%
All-Cargo Charters								
Volga-Dnepr	182,860	0.07%	-	-	-	-	-	-
National (Murray Air Cargo)	61,344	0.02%	-	-	-	-	-	-
Mountain Air Cargo	606	0.00%	-	-	121,943	0.04%	8,117	0.00%
Atlas Air	-	-	106,560	0.04%	-	-	-	-
Other ²	-	-	-	-	-	-	-	-
Military								
RAF	-	-	4,914	0.00%	-	-	-	-
TOTAL DOMESTIC	118,065,390	45.73%	125,505,810	41.86%	138,333,620	41.60%	135,651,679	43.67%
Transborder/International								
United	54,935,397	21.28%	82,974,260	27.67%	99,578,299	29.94%	85,576,244	27.55%
British Airways	11,882,801	4.60%	12,424,127	4.14%	13,277,122	3.99%	14,530,288	4.68%
Qatar Amiri Air	11,776,045	4.56%	12,548,060	4.18%	13,088,631	3.94%	12,546,842	4.04%
Lufthansa	10,004,312	3.87%	8,568,118	2.86%	10,568,050	3.18%	16,741,822	5.39%
All Nippon	9,405,747	3.64%	9,915,876	3.31%	8,964,621	2.70%	7,120,220	2.29%
Virgin Atlantic	6,523,720	2.53%	7,601,676	2.53%	8,028,698	2.41%	6,908,136	2.22%
South African	6,395,193	2.48%	6,367,193	2.12%	6,655,220	2.00%	4,687,739	1.51%
Air France	4,945,166	1.91%	10,212,850	3.41%	11,019,582	3.31%	6,913,773	2.22%
KLM Royal Dutch	3,794,531	1.47%	4,721,047	1.57%	3,388,973	1.02%	4,164,994	1.34%
SAS	3,612,476	1.40%	5,458,393	1.82%	7,756,339	2.33%	5,502,209	1.77%
Saudi Arabian	3,170,035	1.23%	906,596	0.30%	1,423,270	0.43%	619,146	0.20%
Turkish Airlines	2,945,046	1.14%	1,095,562	0.37%	6,036	0.00%	-	-
Austrian	2,728,674	1.06%	4,210,682	1.40%	5,083,851	1.53%	5,371,312	1.73%
Korean Air	2,013,681	0.78%	1,037,363	0.35%	681,332	0.21%	631,640	0.20%
Emirates	1,580,157	0.61%	-	-	-	-	-	-
Other ²	2,273,701	0.88%	4,705,616	1.57%	3,654,291	1.10%	2,439,820	0.79%
Regionals								
Air Wisconsin (United Express)	-	-	-	-	-	-	-	-
All-Cargo Charters								
Evergreen International	760,523	0.29%	225,024	0.08%	-	-	220,000	0.07%
Air Transport International	156,240	0.06%	-	-	14,698	0.00%	59,055	0.02%
Kalitta Air	118,552	0.05%	-	-	-	-	-	-
Volga-Dnepr	91,424	0.04%	-	-	-	-	-	-
National (Murray Air Cargo)	20,463	0.01%	-	-	-	-	-	-
Atlas Air	-	-	563,216	0.19%	-	-	-	-
Other ²	-	-	-	-	-	-	-	-
Military								
GAF	969,170	0.38%	802,239	0.27%	1,026,487	0.31%	950,129	0.31%
RAF	-	-	-	-	5,045	0.00%	300	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	140,103,054	54.27%	174,337,898	58.14%	194,220,545	58.40%	174,983,669	56.33%
GRAND TOTAL	258,168,444	100.00%	299,843,708	100.00%	332,554,165	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		2003	
Cargo Weight	Market Share	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%	72,467,555	26.61%
40,833,059	11.68%	47,996,696	13.43%	44,757,206	13.09%	42,347,957	13.94%	55,671,032	18.43%	62,396,831	22.92%
8,582,825	2.45%	9,522,514	2.66%	9,210,600	2.70%	8,522,281	2.81%	7,394,010	2.45%	7,347,070	2.70%
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%	4,106,286	1.51%
420,072	0.12%	547,443	0.15%	732,947	0.21%	1,415,717	0.47%	2,514,816	0.83%	2,557,510	0.94%
560,639	0.16%	585,535	0.17%	100,030	0.03%	-	-	-	-	-	-
875,020	0.25%	2,296,733	0.64%	2,484,266	0.73%	2,893,214	0.95%	3,181,635	1.05%	2,811,793	1.03%
678,715	0.19%	138,833	0.04%	85,449	0.03%	123,565	0.04%	174,301	0.06%	86,081	0.03%
274,354	0.08%	119,368	0.03%	99,377	0.03%	83,805	0.03%	128,821	0.04%	146,319	0.05%
11,886,682	3.40%	13,644,884	3.82%	11,859,022	3.47%	12,471,364	4.11%	15,175,322	5.03%	11,132,750	4.09%
20,189	0.01%	13,075	0.00%	15,524	0.00%	1,299	0.00%	145	0.00%	-	-
-	-	-	-	700	0.00%	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,189,723	0.34%	42,194	0.01%	75,399	0.02%	243,264	0.08%	224,549	0.07%	90,263	0.03%
-	-	-	-	-	-	-	-	-	-	-	-
30,878	0.01%	-	-	-	-	-	-	-	-	-	-
-	-	2,734	0.00%	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
757	0.00%	-	-	-	-	-	-	216,350	0.07%	294,550	0.11%
-	-	-	-	-	-	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%	163,437,008	60.02%
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%	39,940,381	14.67%
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%	10,758,490	3.95%
12,987,692	3.71%	5,196,251	1.45%	-	-	-	-	-	-	-	-
19,296,508	5.52%	21,636,118	6.05%	20,128,114	5.89%	17,550,693	5.78%	14,632,524	4.85%	12,251,601	4.50%
10,093,321	2.88%	12,112,144	3.39%	9,251,189	2.71%	6,663,410	2.20%	6,707,108	2.22%	7,236,405	2.66%
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%	6,485,883	2.38%
3,797,528	1.08%	1,156,830	0.32%	3,342,760	0.98%	612,131	0.20%	-	-	-	-
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%	5,032,086	1.85%
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%	1,287,174	0.47%
6,208,829	1.77%	7,262,647	2.03%	6,616,384	1.94%	7,375,992	2.43%	6,035,730	2.00%	4,338,814	1.59%
697,661	0.20%	680,012	0.19%	631,037	0.18%	648,639	0.21%	875,122	0.29%	886,750	0.33%
-	-	-	-	-	-	-	-	-	-	-	-
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%	6,593,887	2.42%
348,966	0.10%	288,372	0.08%	315,087	0.09%	313,519	0.10%	208,699	0.07%	468,292	0.17%
-	-	-	-	-	-	-	-	-	-	-	-
3,953,825	1.13%	2,225,734	0.62%	2,713,944	0.79%	7,337,637	2.42%	11,029,475	3.65%	11,225,301	4.12%
-	-	-	-	-	-	38	0.00%	140	0.00%	-	-
-	-	202,783	0.06%	152,764	0.04%	-	-	-	-	-	-
62,189	0.02%	54,930	0.02%	57,459	0.02%	-	-	-	-	-	-
-	-	-	-	-	-	38,771	0.01%	-	-	-	-
-	-	-	-	169,400	0.05%	407,034	0.13%	-	-	37,366	0.01%
-	-	-	-	-	-	-	-	-	-	48,598	0.02%
-	-	-	-	-	-	-	-	-	-	-	-
50,000	0.01%	345,000	0.10%	123,200	0.04%	35,663	0.01%	157,660	0.05%	179,267	0.07%
1,564,128	0.45%	1,286,551	0.36%	1,040,750	0.30%	1,185,027	0.39%	1,611,938	0.53%	1,991,730	0.73%
5,290	0.00%	17,820	0.00%	13,401	0.00%	133,245	0.04%	38,400	0.01%	96,592	0.04%
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%	108,858,617	39.98%
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%	272,295,625	100.00%



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Exhibit S-32 – Passenger Facility Charges by Airport

Reagan National

AIRLINE ¹	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
US Airways	\$ 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	\$ 9,952,854
Delta Airlines	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	5,040,580
American Airlines	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	4,258,802
United Airlines	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	2,028,592
JetBlue Airways	1,931,568	1,062,230	206,786	-	-	-	-	-	-	-
AirTran Airlines	1,650,696	1,638,033	1,632,888	1,156,620	1,075,203	854,421	814,715	695,644	615,315	108,693
Frontier Airlines	1,404,603	1,579,634	809,107	628,660	625,194	535,577	514,022	504,049	303,045	165,064
Alaska Airlines	607,491	547,900	480,340	432,464	437,198	465,254	425,640	413,946	296,442	135,181
Spirit Airlines	428,264	641,203	553,306	540,296	487,386	396,793	453,489	581,274	481,408	42,664
Air Canada	423,968	365,562	345,315	331,797	361,106	334,925	359,440	354,705	292,456	251,533
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	1,443,269
Southwest Airlines	184,328	-	-	-	-	-	-	-	-	-
MN Airlines	155,292	124,509	-	764	145	-	-	-	-	-
Virgin America	51,681	-	-	-	-	-	-	-	-	-
Midwest Airlines	-	-	551,920	769,813	798,789	855,607	892,721	792,860	685,642	295,228
Northwest Airlines	-	-	59,807	2,055,181	2,775,098	2,956,332	2,926,818	2,907,962	2,465,069	2,267,920
ATA	-	-	-	-	238	451,217	551,933	652,466	427,487	-
America West Airlines	-	-	-	-	-	854,244	2,901,072	728,576	645,104	598,967
Midwest Express Airlines	-	-	-	-	-	-	-	-	-	371,564
Other Airlines ²	121,122	149,341	202,841	110,126	92,348	97,162	173,311	142,142	124,827	114,300
Adjustments ³	255,702	104,376	(87,424)	191,848	(238,756)	98,581	206,780	87,928	375,773	826,407
TOTAL	\$ 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	\$ 27,901,618

Dulles International

AIRLINE ¹	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
United Airlines	\$ 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	\$ 16,620,394
Delta Airlines	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	2,391,578
American Airlines	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	1,825,554
JetBlue Airways	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	1,578,953
Lufthansa German Airline	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	862,049
Southwest Airlines	1,199,309	1,239,318	1,482,116	1,491,052	1,591,622	1,499,638	465,784	-	-	-
US Airways	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	703,995
Virgin America	963,648	1,041,615	989,353	1,059,457	867,813	185,561	-	-	-	-
Continental Airlines	962,291	3,098,744	1,260,003	536,166	435,936	619,562	661,516	837,418	813,813	503,137
British Airways	700,319	724,845	742,379	753,116	794,545	740,442	763,123	788,243	811,730	777,962
Air France	500,175	599,476	585,248	622,599	593,256	640,047	673,672	595,872	404,770	404,383
Taca International Airlines	428,416	449,430	436,273	452,951	416,958	533,730	427,165	407,021	372,168	301,398
Turkish Airlines	354,787	260,776	40,923	10,346	-	-	-	-	-	-
South African Airways	340,190	409,934	648,930	473,554	490,495	519,315	368,339	59,444	5,315	6,727
Korean Air Lines	324,763	327,978	354,164	286,737	226,761	246,580	216,256	223,869	224,540	180,881
Ethiopian Airlines	323,696	344,725	236,732	174,015	191,196	175,408	141,155	129,938	-	-
Scandinavian Airlines	316,627	316,801	315,402	300,074	301,378	303,343	275,317	283,535	308,706	244,422
Virgin Atlantic Airways	301,247	269,760	295,854	345,970	389,053	345,685	332,503	276,262	321,481	230,746
Air Canada	288,612	273,518	326,640	306,503	373,935	335,333	332,483	327,522	344,102	345,372
All Nippon Airways	286,997	252,669	280,246	263,481	246,599	255,203	266,327	261,000	282,924	186,932
Austrian Airlines	257,879	251,019	268,722	304,465	258,781	341,175	359,218	417,492	384,484	352,009
KLM Royal Dutch Airlines	191,619	172,065	159,763	169,051	170,780	-	-	-	-	-
Qatar Amiri Air	184,973	150,770	252,403	414,570	216,286	74,841	-	-	-	-
C.O.P.A. Airlines	176,825	145,920	118,460	127,525	130,023	-	-	-	-	-
AirTran Airlines	133,723	413,359	530,408	538,680	755,506	891,901	861,884	624,016	586,399	757,141
Icelandair	129,839	90,368	-	-	-	-	-	-	-	-
Porter Airlines	108,854	-	-	-	-	-	-	-	-	-
Emirates Airlines	104,192	20,907	17,064	27,909	14,074	-	-	-	-	-
Saudi Arabian Airlines	84,628	67,387	54,985	49,097	31,657	-	-	-	-	-
Alaska Airlines	11,998	11,284	30,905	31,546	34,970	21,156	49,074	171,266	167,221	219,560
Northwest Airlines	-	-	31,630	676,823	903,702	1,093,729	1,060,255	1,102,369	1,075,361	796,116
America West Airlines	-	-	-	-	-	63,575	373,922	401,961	522,655	421,309
Independence Air	-	-	-	-	-	-	(202,588)	11,236,855	1,899,055	-
Other Airlines ²	633,181	723,154	620,257	776,177	841,324	802,431	587,360	557,482	1,011,179	448,991
Adjustments ³	1,985,253	(249,711)	337,707	418,666	(214,475)	(341,344)	280,511	398,649	1,649,555	376,811
TOTAL	\$ 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	\$ 30,536,420

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 2012 – Reagan National

Domestic			International		
Destination Airport	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
Boston, MA	SH	1,108,630	Toronto, Pearson	Canada	117,448
Chicago, O'Hare	MH	875,460	Nassau	Bahamas	53,811
Atlanta, GA	SH	715,880	Montreal, Dorval	Canada	51,573
Orlando, FL	MH	631,060	Ottawa	Canada	45,354
Ft. Lauderdale, FL	MH	622,090	Montego Bay	Jamaica	36,098
Miami, FL	MH	439,380	Cancun	Mexico	34,057
New York, LaGuardia	SH	423,440	Lima	Peru	33,765
Dallas/Ft. Worth, TX	MH	406,440	Punta Cana	Dominican Rep.	32,896
Denver, CO	MH	384,890	San Jose	Costa Rica	29,196
Minneapolis/St. Paul, MN	MH	350,280	Santo Domingo	Dominican Rep.	28,773
Tampa, FL	MH	308,840	Vancouver	Canada	28,709
Houston, TX	MH	279,970	Guatemala City	Guatemala	28,508
Seattle, WA	LH	253,900	Port Au Prince	Haiti	27,405
Milwaukee, WI	MH	245,500	Mexico City	Mexico	22,308
Los Angeles, CA	LH	240,230	Buenos Aires	Argentina	21,463
Kansas City, MO	MH	206,230	San Salvador	El Salvador	20,038
Detroit, MI	SH	201,630	Shanghai, Pudong	China	19,570
Las Vegas, NV	LH	196,030	Tel Aviv	Israel	19,081
New Orleans, LA	MH	190,400	Calgary	Canada	18,044
San Francisco, CA	LH	174,430	Kingston	Jamaica	16,687
St. Louis, MO	MH	173,810	Port of Spain	Trinidad & Tobago	15,096
Indianapolis, IN	SH	154,760	Bogota	Colombia	15,086
Phoenix, AZ	LH	150,740	Manila	Philippines	14,978
West Palm Beach, FL	MH	142,110	Tokyo, Narita	Japan	14,691
Jacksonville, FL	MH	141,910	Santiago	Chile	14,295
Omaha, NE	MH	137,090	Bermuda	Bermuda	14,235
San Diego, CA	LH	136,940	Beijing	China	13,523
New York, Kennedy	SH	125,050	Los Cabos	Mexico	13,425
Fort Myers, FL	MH	124,090	Hong Kong	China	12,923
Charlotte, NC	SH	123,950	Barbados	Barbados	12,821

***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. Department of Transportation O&D Surveys (Year Ending 3Q2012)
International Source: 2012 Marketing Information Data Transfer Global Airline Database (adjusted)



Exhibit S-34 – Top 30 Passenger Origination and Destination Markets in 2012 – Dulles International

Domestic			International		
Destination Airport	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
San Francisco, CA	LH	841,960	London, Heathrow	U.K.	417,978
Los Angeles, CA	LH	840,980	Paris, CDG	France	191,006
Orlando, FL	MH	339,170	San Salvador	El Salvador	166,676
Denver, CO	MH	317,340	Seoul, Incheon	Rep. of Korea	143,727
Boston, MA	SH	313,200	Frankfurt	Germany	136,530
Atlanta, GA	SH	287,620	Beijing	China	99,763
Chicago, O'Hare	SH	218,490	Toronto, Pearson	Canada	92,931
San Diego, CA	LH	213,170	Tokyo, Narita	Japan	92,490
Dallas/Ft. Worth, TX	MH	199,510	Amsterdam	Netherlands	90,333
Chicago, Midway	SH	198,230	Mexico City	Mexico	81,600
Las Vegas, NV	LH	198,150	Addis Ababa	Ethiopia	74,229
Seattle, WA	LH	189,100	Dubai	U.A.E.	72,750
Ft. Lauderdale, FL	MH	138,830	Istanbul	Turkey	69,473
Tampa, FL	MH	130,920	Brussels	Belgium	67,534
New York, Kennedy	SH	124,370	Rome	Italy	65,802
Miami, FL	MH	120,970	Cancun	Mexico	63,918
Minneapolis/St. Paul, MN	MH	109,130	Delhi	India	63,457
St. Louis, MO	MH	108,920	Madrid	Spain	61,288
Houston, TX	MH	101,990	Munich	Germany	60,414
Salt Lake City, UT	LH	93,950	Lima	Peru	54,730
Long Beach, CA	LH	93,610	Copenhagen	Denmark	47,626
Portland, OR	LH	92,230	Ho Chi Minh City	Vietnam	47,301
Phoenix, AZ	LH	88,790	Vienna	Austria	44,650
New York, LaGuardia	SH	88,060	Bangkok	Thailand	44,059
Honolulu, HI	LH	87,690	Sao Paulo	Brazil	44,054
Oakland, CA	LH	82,370	Geneva	Switzerland	42,067
Sacramento, CA	LH	81,890	Mumbai	India	42,024
Austin, TX	MH	80,820	Johannesburg	South Africa	41,735
San Antonio, TX	MH	74,210	Riyadh	Saudi Arabia	40,136
Kansas City, MO	MH	73,750	Guatemala City	Guatemala	39,485

***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. Department of Transportation O&D Surveys (Year Ending 3Q2012)

International Source: 2012 Marketing Information Data Transfer Global Airline Database (adjusted)



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.

2012	
Destination Airport	Passengers
Boston, MA	1,108,630
Chicago, O'Hare	875,460
Atlanta, GA	715,880
Orlando, FL	631,060
Ft. Lauderdale, FL	622,090
Miami, FL	439,380
New York, LaGuardia	423,440
Dallas/Ft. Worth, TX	406,440
Denver, CO	384,890
Minneapolis/St. Paul, MN	350,280

2011	
Destination Airport	Passengers
Boston, MA	1,069,270
Chicago, O'Hare	815,210
Atlanta, GA	718,910
Orlando, FL	635,480
Ft. Lauderdale, FL	526,000
Dallas/Ft. Worth, TX	451,110
New York, LaGuardia	436,900
Miami, FL	436,710
Minneapolis/St. Paul, MN	347,920
Denver, CO	327,630

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

2003	
Destination Airport	Passengers
New York, LaGuardia	1,285,410
Boston, MA	713,620
Chicago, O'Hare	571,730
Atlanta, GA	417,720
Dallas/Ft. Worth, TX	354,350
Minneapolis/St. Paul, MN	277,260
Ft. Lauderdale, FL	261,260
Orlando, FL	249,700
Houston, TX	225,000
Detroit, MI	222,520

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

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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.

2012		2011		2010		2009	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
San Francisco, CA	841,960	Los Angeles	879,570	Los Angeles, CA	881,620	Los Angeles, CA	921,510
Los Angeles, CA	840,980	San Francisco, CA	826,630	San Francisco, CA	826,940	San Francisco, CA	769,920
London, Heathrow	417,978	London, Heathrow	430,194	Boston, MA	525,960	Orlando, FL	482,230
Orlando, FL	339,170	Orlando, FL	386,820	Orlando, FL	457,270	Boston, MA	473,860
Denver, CO	317,340	Boston, MA	369,730	London, Heathrow	432,084	London, Heathrow	419,032
Boston, MA	313,200	Denver, CO	346,490	Denver, CO	341,530	Atlanta, GA	346,200
Atlanta, GA	287,620	Atlanta, GA	301,180	Atlanta, GA	313,950	Denver, CO	320,320
Chicago, O'Hare	218,490	Las Vegas, NV	234,170	Las Vegas, NV	262,030	Las Vegas, NV	258,860
San Diego, CA	213,170	San Diego, CA	232,610	San Diego, CA	236,010	San Diego, CA	242,610
Dallas/Ft. Worth, TX	199,510	Dallas/Ft. Worth, TX	221,800	Dallas/Ft. Worth, TX	230,750	Dallas/Ft. Worth, TX	229,300

2008		2007		2006		2005	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport ¹	Passengers
Los Angeles, CA	863,790	Los Angeles, CA	697,880	Los Angeles, CA	660,780	Los Angeles, CA	729,040
San Francisco, CA	649,480	Orlando, FL	606,640	Boston, MA	612,590	Atlanta, GA	619,240
Orlando, FL	588,200	Boston, MA	521,060	Orlando, FL	496,890	Orlando, FL	563,380
Boston, MA	497,590	San Francisco, CA	511,210	Atlanta, GA	476,330	San Francisco, CA	492,590
London, Heathrow	444,938	London, Heathrow	447,149	London, Heathrow	456,853	Boston, MA	460,710
Atlanta, GA	375,670	Atlanta, GA	441,950	San Francisco, CA	417,340	Chicago, O'Hare	441,730
Denver, CO	364,690	Las Vegas, NV	405,550	Denver, CO	364,960	Oakland, CA	363,730
Las Vegas, NV	313,100	Denver, CO	368,530	Las Vegas, NV	341,860	Denver, CO	362,470
San Diego, CA	290,200	San Diego, CA	315,210	Oakland, CA	331,910	Las Vegas, NV	339,420
Tampa, FL	261,810	Oakland, CA	306,270	Chicago, O'Hare	324,000	Long Beach, CA	338,840

2004		2003	
Destination Airport ¹	Passengers	Destination Airport ¹	Passengers
Los Angeles, CA	664,880	Atlanta, GA	579,400
Atlanta, GA	657,680	Los Angeles, CA	512,890
Chicago, O'Hare	490,640	Oakland, CA	382,170
Oakland, CA	446,160	Denver, CO	349,390
Denver, CO	419,800	Orlando, FL	324,870
Boston, MA	396,960	San Francisco, CA	324,750
Orlando, FL	374,230	Chicago, O'Hare	281,090
Ft. Lauderdale, FL	360,160	Long Beach, CA	273,780
Long Beach, CA	350,480	Ft. Lauderdale, FL	259,700
San Francisco, CA	325,730	Dallas/Ft. Worth, TX	232,490

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

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

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



Exhibit S-37 – Airline Tenants – Both Airports
As of December 31, 2012

Reagan National	Dulles International	
<p><u>Signatory Airlines</u></p> <p>Air Canada Air Canada Jazz Air Wisconsin Airlines Corp. AirTran Airways, Inc. Alaska Airlines American Airlines American Eagle Chautauqua Airlines Compass Airlines Delta Airlines ExpressJet Airlines Federal Express Frontier Airlines Jet Blue Airways Corp Piedmont Airlines Pinnacle Airlines, Inc. PSA Airlines Republic Airlines Shuttle America Southwest Airlines MN Airlines (d.b.a. Sun Country Airlines) United Airlines US Airways, Inc. Virgin America, Inc.</p>	<p><u>Signatory Airlines</u></p> <p>Air France Air Wisconsin Airlines Corp. AirTran Airways, Inc. All Nippon Airways American Airlines Austrian Airlines Avianca Airlines British Airways Chautauqua Airlines CommutAir Compass Airlines COPA Airlines Delta Airlines Emirates Airlines Ethiopian Airlines 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 Pinnacle Airlines Porter Airlines PSA Airlines Qatar Airways Republic Airlines Saudi Arabian Airlines Scandinavian Airlines Shuttle America Silver Airways Skywest Airlines South African Airways Southwest Airlines Sun Country 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 Cayman Airways Kalitta Air North American Airlines Ryan International Pacific Wings (d.b.a. Sun Air International)</p>

Signatory airlines are those that have signed the Airports Authority Use and Lease Agreement & Premises Lease. Signatory status is available to all airlines providing scheduled service and offers benefits such as lower fees, sharing of Airports Authority revenue, and the right to lease space. Additional detail is provided in Note 2 – Airport Use and Lease Agreement & Premises Lease.



Exhibit S-38 – Non-Airline Tenants – Reagan National

As of December 31, 2012

Retail

Accessor'ize
Airport Wireless
America!
Arm Candy
As Kindred Spirits
Better Vision Group
BluWire Dulles, LLC
Brooks Brothers
Brookstone
Capital Image
DC Marketplace
Forever Heather, Inc.
Heritage Booksellers
Johnston & Murphy
Jos. A Banks Clothiers, Inc
Just 4 Fun
Knits Etc.
Landau
MacTrade
Noble Collections
Pen & Prose
PGA Tour Shop
Rosetta Stone
Smithsonian Museum Store
Sunglass Hut International
The Bead Factory
Time Flys
Touch of Color
Washington Gifts

Newsstands

Capital Travelmart
CNBC News
Faber News
Hudson AeroMart
Hudson News Company

Duty Free

Dulles Duty Free LLC.

Foreign Currency

Travelex Currency Services

Parking Managed by:

Five Star U Street Metropolitan
Washington Airport Parking

Food and Beverage

Allie's Deli
Auntie Anne's Pretzels
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

Aircraft Service International Group, Inc.
Allied Aviation Fueling of National Airport

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
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
Menzie's Aviation Group, Inc.
Nextel Communications of the Mid-Atlantic
Siemens Government Services, Inc.
Transportation Security Administration
University of District of Columbia
US Coast Guard Air Station
Worldwide Flight Services International

Source: Airports Authority Records



Exhibit S-39 – Non-Airline Tenants – Dulles International
As of December 31, 2012

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
Rosetta Stone
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

Travel Currency Services

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

Commercial Aviation Services

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

Other Airport Tenants

AECOM Technology Corporation
Airline Tariff Publishing Company
Airlogistics America
Airschott, Inc.
AMB/AFCO Cargo IAD, LLC
Aviation Facilities Company
Federal Aviation Administration
Federal Republic of Germany
General Services Administration
Gulf Coast Real Estate Consultants, LLC
Host International, Inc.
IAD Fuels, LLC
John S. Connor, Inc.
JP Morgan Chase
Landow Aviation Limited Partnership
Livingston International Tech. Services Corp.
Nextel Communications of the Mid-Atlantic
Parsons Management Corporation
Pollo Real
Quettawala Inc. D.B.A. Inter Global Systems
Qwest
Skylink Air & Logistical Support (USA), Inc.
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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2012 Comprehensive Annual Financial Report



Washington Dulles International Airport

50th Anniversary



The opening of Dulles International 50 years ago promised to lift us into the jet age. On November 17, 1962, a modernist Airport, designed by Architect Saarinen, would take flight, known today as Washington Dulles International Airport (Dulles International). Dulles International was named for John Foster Dulles, former President Eisenhower's Secretary of State. Dulles International was going to transform Washington into an international gateway. In 1987, former President Ronald Reagan signed a bill transferring administration of Dulles International to the Metropolitan Washington Airports Authority.

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