



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2016 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Years Ended December 31, 2016 and December 31, 2015



Your
Journey
Begins With Us.

Reagan National Airport
Dulles International Airport
Dulles Corridor Metrorail
Dulles Toll Road

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

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Your Journey Begins With Us.

**METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2016 and DECEMBER 31, 2015**

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as of December 31, 2016

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Prepared by the Office of Finance

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

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METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Comprehensive Annual Financial Report
For the Fiscal Years Ended
December 31, 2016 and December 31, 2015**

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March 31, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the Metropolitan Washington Airports Authority (the Airports Authority) for the years ended December 31, 2016 and 2015 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 the assets of the Airports Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Airports Authority is responsible for ensuring 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 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 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 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 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*



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The Airports Authority selected the firms of Cherry Bekaert LLP and GKA P.C., respectively, to perform these audit services. The report from Cherry Bekaert LLP is located at the front of the financial section of this CAFR. The Single Audit Report and its opinion from GKA P.C. 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 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 (DOT). Pursuant to an Agreement and Deed of Lease, effective June 7, 1987, the Airports were transferred by the United States 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, Virginia.

The Airports Authority is an independent interstate agency governed by a 17-member Board of Directors (the Board). The Board is appointed as follows: seven members by the Governor of Virginia subject to confirmation by the Virginia General Assembly, four members by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, three members by the Governor of Maryland, and three members by the President of the United States with the advice and consent of the United States Senate. 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. As of December 31, 2016 one Federal appointment was vacant.

Aviation Enterprise Fund

The Airports Authority operates a two-airport system that provides domestic and international air service for the mid-Atlantic region. All aviation-related activity is accounted for within the Aviation Enterprise Fund. The Air Trade Area for the Airports Authority is comprised of the District of Columbia, five Maryland counties, eleven 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 2016 operations of the Airports Authority are not taxpayer-funded.

Air Trade Area

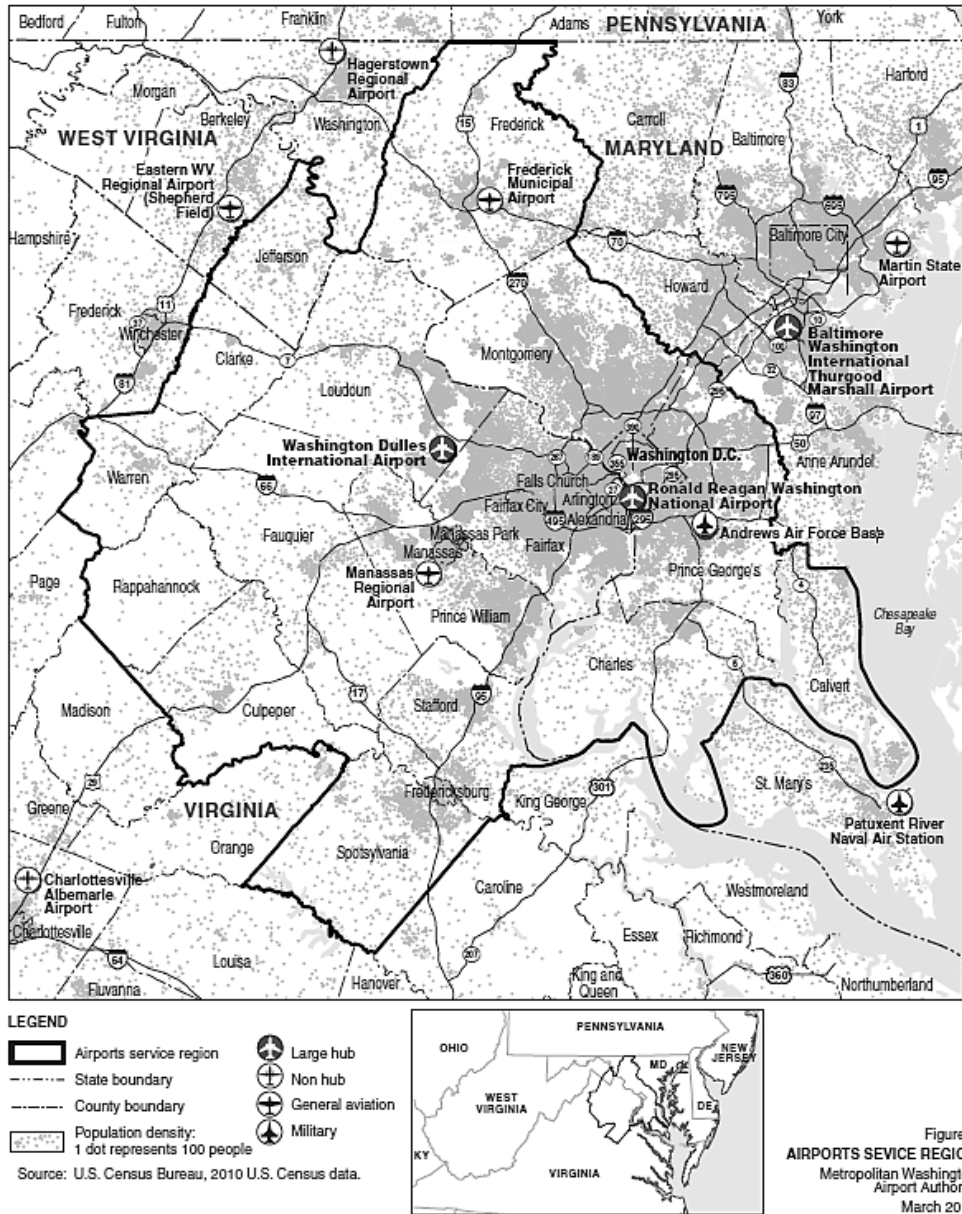


Figure 1
AIRPORTS SERVICE REGION
Metropolitan Washington
Airport Authority
March 2016

Reagan National opened for service in 1941 and celebrated its 75th Anniversary in 2016. 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. Reagan National is located southwest of Washington, D.C., along the Potomac River, and is accessible via Metrorail. There were 25 mainline and regional airlines serving Reagan National as of December 31, 2016, providing 295 thousand takeoffs and landings during the year. There are no significant cargo operations at Reagan National.

Dulles International opened for service in 1962. It is situated on approximately 11,830 acres in Fairfax and Loudoun Counties in Virginia. Dulles International is located 26 miles from downtown Washington, D.C., from which it is accessible via a 17-mile dedicated four-lane (two lanes in each direction) Dulles International Airport

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Access Highway 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 57 domestic, international mainline and regional airlines serving Dulles International as of December 31, 2016, providing 265 thousand takeoffs and landings during the year. Dulles International also provides facilities for cargo operations. There are 555 thousand square feet of cargo buildings at Dulles International, leased by airlines and other aviation support companies. Cargo operations at Dulles International are an economic engine for the Air Trade Area.

The Airports Authority's business relationship with the airlines operating at both Airports has been governed by a formal negotiated Airport Use Agreement and Premises Lease (Use and Lease Agreement) in effect since 1990 that provided for similar business terms for both Airports. That Use and Lease Agreement expired on September 30, 2014 and was extended through December 31, 2014 by Board action to allow sufficient time to complete negotiations of a new Agreement. The terms of the expiring 1990 Agreement have proven beneficial to the Airports Authority throughout changing industry conditions over time; therefore, the structure of the 1990 Agreement was used as the foundation for negotiation of a new Use and Lease Agreement.

In November 2014, the Airports Authority's Board approved a new Use and Lease Agreement effective January 1, 2015. The new Use and Lease Agreement became effective with nearly all the airlines providing service at Reagan National and Dulles International. For airlines operating at Reagan National, the term of agreement is 10 years, starting from the effective date of the agreement to December 31, 2024. For airlines operating at Dulles International, the term of agreement was originally three years, starting from the effective date of the agreement to December 31, 2017. In 2016, the First Universal Amendment to the Use and Lease Agreement (First Amendment) was agreed upon between the Airports Authority and the Signatory Airlines. It extended the Use and Lease Agreement to December 31, 2024, with respect to Dulles International. The Use and Lease Agreement, addresses the following core business issues:

- Financial responsibilities of the Airlines, including airline rates and charges methodology,
- Operational protocols including space and equipment use and maintenance obligations,
- Airports' Capital Development Plans, and
- General Business Provisions (environmental, insurance, business rights).

Key provisions of the Use and Lease Agreement are:

- A new Capital Construction Program (CCP) at both airports,
- A revised allocation for sharing Airport Net Remaining Revenue (NRR) with airlines at Reagan National (including 100 percent of NRR from 2014, 2015 and 2016 to be retained by the Airports Authority for use in 2015, 2016 and 2017),
- The Airports Authority can apply NRR from Reagan National at Dulles International, up to certain limitations,
- NRR generated at Dulles International will be shared between the Airports Authority and Dulles International airlines (generally 50 percent to airlines and 50 percent to the Airports Authority up to a "plateau" amount of \$15.6 million in 2014, and \$15.9 million in 2015, and thereafter 75 percent to airlines and 25 percent to the Airports Authority),
- Increased Debt Service Coverage payments from airlines for airline-supported cost centers at both airports (in years 2015 through 2017 airline funded debt service coverage will be 35 percent rather than 25 percent per the expiring Agreement. In fiscal years 2018 through 2023, debt service coverage will be 30 percent, and in the final year of the agreement 2024, debt service coverage will be 25 percent).

The centerpiece of the new Airline Use and Lease Agreement at Reagan National includes a \$1 billion ten-year CCP that will provide an additional north terminal facility, repositioned security access to National Hall, Terminal A renovations and various airfield, roadways, utility, and other enabling projects. The CCP at Reagan National will be debt-funded by the Airports Authority, and the Airports Authority will seek available grants and authorization during the term of the Use and Lease Agreement to impose and use Reagan National Passenger Facility Charges (PFCs) to reduce debt for the Reagan National CCP.

Equally important, but smaller in scale, the Airline Use and Lease Agreement at Dulles International includes a \$142 million three-year CCP that will provide for various airfield, utility systems and roadway projects. Improvements to increase the operational reliability of Concourse C/D systems are also included. The CCP at Dulles International will be primarily debt-funded, and the Airports Authority will seek grant funding where available.

The First Universal Amendment to the Use and Lease Agreement added an additional \$446 million of capital projects and extended the Dulles CCP through December 31, 2024. Per the Use and Lease Agreement, with regards to Dulles International, the Airports Authority may undertake a portion of the Dulles CCP, but will not be required to do so and may fund the projects it elects to undertake through the issuance of debt. The Reagan National CCP and the Dulles CCP together comprise the 2015-2024 CCP.

Reagan National generated \$90.1 million in NRR in 2016, of which \$40.0 million will be credited to airline supported cost centers at Dulles International to mitigate airline rates and charges in 2017. Dulles International generated \$155.8 million in NRR in 2016, of which \$110.4 million will be credited to the airlines at Dulles International. The Airline Use and Lease Agreement continues a long history of positive financial performance of the Airports Authority by sharing NRR.

Dulles Corridor Enterprise Fund

Activities related to the Omer L. Hirst-Adelard L. Brault Expressway (also known as the Dulles Toll Road and the Dulles Metrorail Project – a large capital improvement project extending the existing Metrorail system to Dulles International and beyond into Loudoun County – are accounted for within the Dulles Corridor Enterprise Fund. The Dulles Corridor Enterprise Fund is self-supporting, using tolls collected to support the Dulles Toll Road's operations and maintenance and, along with grants and contributions 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 currently 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, Virginia 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. After assuming responsibility in 2008, the Airports Authority Board of Directors approved the following Toll Rate increases. On January 1, 2013, rates were increased from \$1.50 to \$1.75 at the main line plaza and from \$0.70 to \$1.00 at the ramp plazas. The Board approved a main line plaza toll rate increase to \$2.50, which became effective on January 1, 2014. At this time, no further toll rate adjustments have been approved by the Board.

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The Dulles Toll Road has 59 toll collection lanes, including 29 E-ZPass-only collection lanes. All tollbooths are equipped with E-ZPass, an electronic toll collection system accepted in 15 contiguous states, including most states in the Virginia-to-Maine corridor.

With the transfer of the Dulles Toll Road from VDOT, the Airports Authority committed to constructing the Dulles Metrorail Project. This 23.1 mile extension of the existing Metrorail system begins from a location near the Metrorail Orange Line West Falls Church station, continues west through Dulles International and into Loudoun County. The Dulles Metrorail 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 extends 11.7 miles from a location near the Metrorail Orange Line West Falls Church station to Wiehle Avenue in Reston, Virginia. It includes five new stations and improvements to the existing WMATA service and an inspection yard at the West Falls Church station. Construction activities began in March 2009 and on July 26, 2014 the Silver Line opened for passenger service.

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.

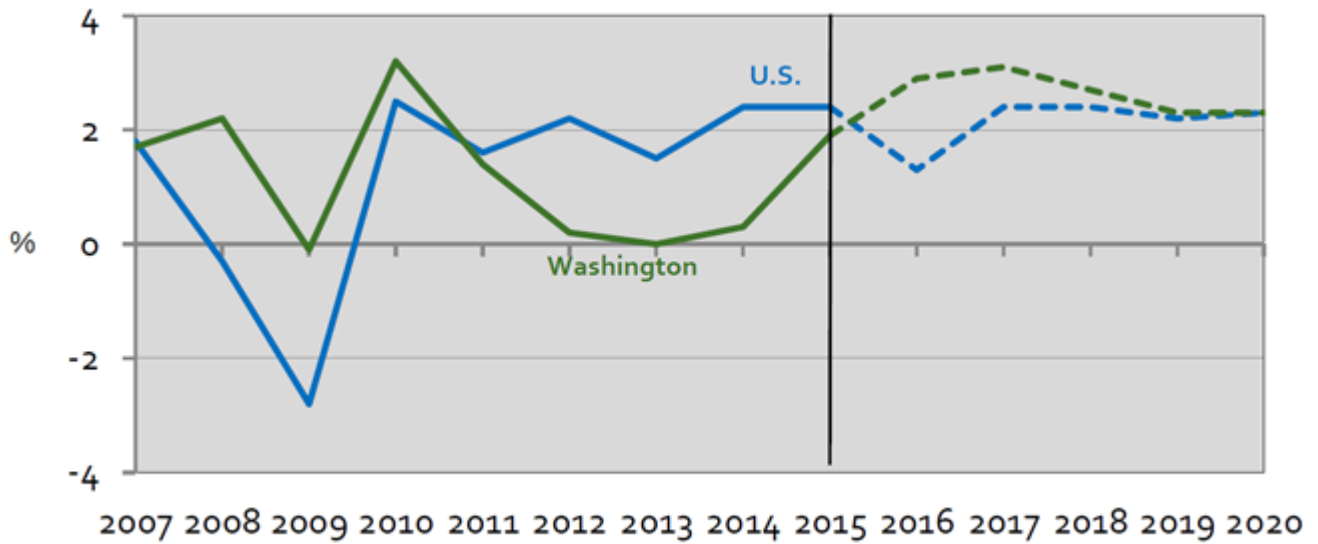
The capitalized cost of the asset for Phase 1 (\$3.26 billion) as of December 31, 2016 has been transferred to WMATA, governmental entities and others and is reflected as a transfer to other governments. Phase 2 will be transferred from the Airports Authority to WMATA and others after construction is completed, currently expected in 2020. The passenger service date will be determined by WMATA.

Phase 2 of the Dulles Metrorail Project will extend the Metrorail system an additional 11.4 miles from Wiehle Avenue in Reston, Virginia to Dulles International and into Loudoun County, Virginia. Phase 2 of the Metrorail Project includes six new stations and a maintenance yard located on Dulles International property. The Design-Build contract for Phase-2 was awarded in May 2013. The construction contract for the Phase 2 maintenance yard at Dulles International was awarded in August 2014. As of December 31, 2016, the design work is completed and construction is well underway. The project is scheduled for completion in the first quarter of 2020.

AIRPORTS AUTHORITY'S ECONOMIC ENVIRONMENT

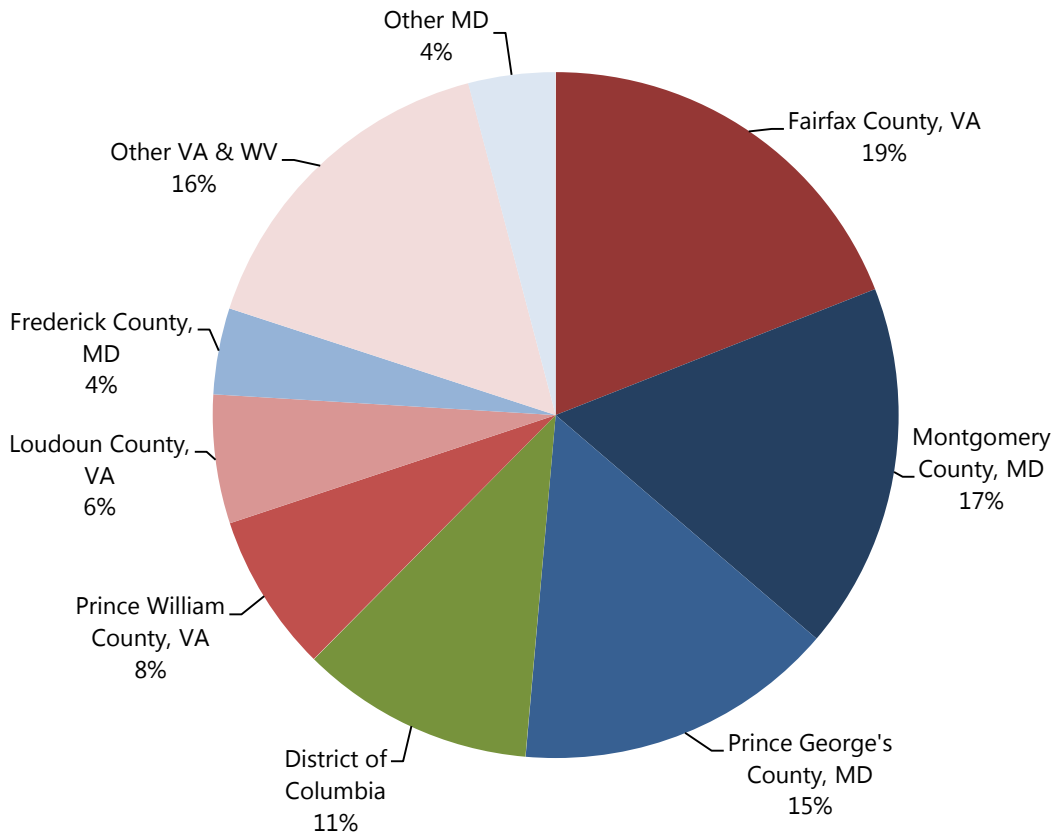
In spite of continued volatility in the global and national economies, the Washington, D.C. economy has grown steadily for the past two decades. Following the 2009 Recession and 2013 Sequestration, the Washington area's economy has begun to rebound. Economic growth in the Washington area is forecasted to exceed the U.S. average within the next several years, with the Washington area Gross Regional Product (GRP) exceeding the National Gross Domestic Product (GDP). Airline capacity growth is often tied to GDP growth.

**U.S. GDP and Washington Area GRP
2007 – 2015 – 2020
(Annual % Change)**



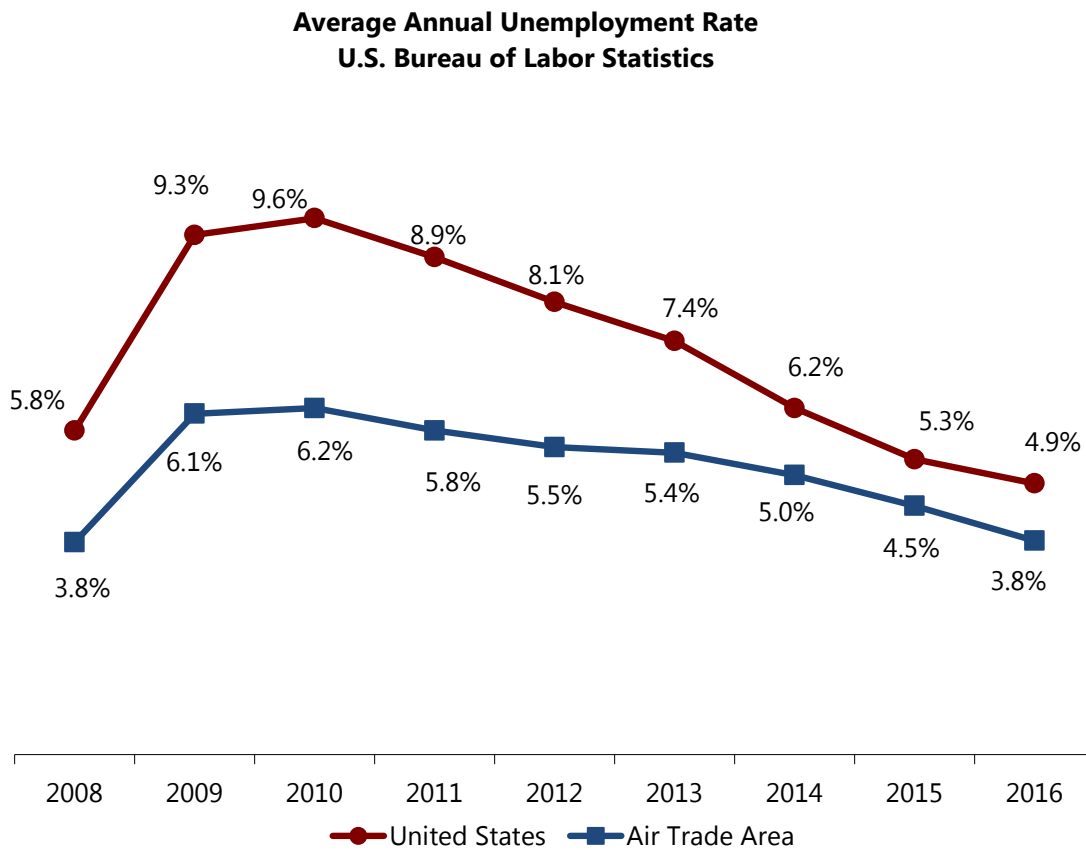
Source: IHS Economics, GMU Center for Regional Analysis, Forecast: April 2016

**Air Trade Area
Population Concentration of 6.0 Million Residents
U.S. Census Bureau, 2016**



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The Washington, D.C. Metropolitan Area has many inherent advantages relevant to its competitiveness in the global marketplace, most of which are rooted in Washington’s status as the seat of the U.S. government. The region has an educated workforce, a positive entrepreneurial climate, international connectivity, excellent public transit, and Federal government access. Washington is very well established as a hub of government and tourism, and has strong technology infrastructure and entrepreneurial climate.¹ The region had the ninth highest economic growth in the nation in 2016.²



Over the years, the Air Trade Area has consistently had a lower unemployment rate than the national average. As of December 2016, the region’s average unemployment rate was 3.8 percent, significantly lower than the U.S. average of 4.9 percent.³ Activity generated by the federal government provides a solid foundation and economic stimulus to the metropolitan area in both up and down cycles. While the impact of federal sequestration on the Air Trade Area was an estimated decline in the federal government’s procurement spending, the area topped the list of federal spending in 2015 with \$71.1 billion.⁴ The Air Trade Area boasts strong participation in professional business services; trade, transportation, and utilities; education and health services; and leisure and hospitality.⁵ The Air Trade Area is also home to numerous large and small private companies, including 15 *Fortune* 500® companies.⁶ The regional job market is diversifying. Local job growth is typically strong in the health-care and

¹ Source: Center for Regional Analysis, George Mason University

² Source: Policom Corporation Economic Strength Ranking, 2016.

³ Source: State of the U.S. Labor Market: Bureau of Labor Statistics December 2016 Jobs Release

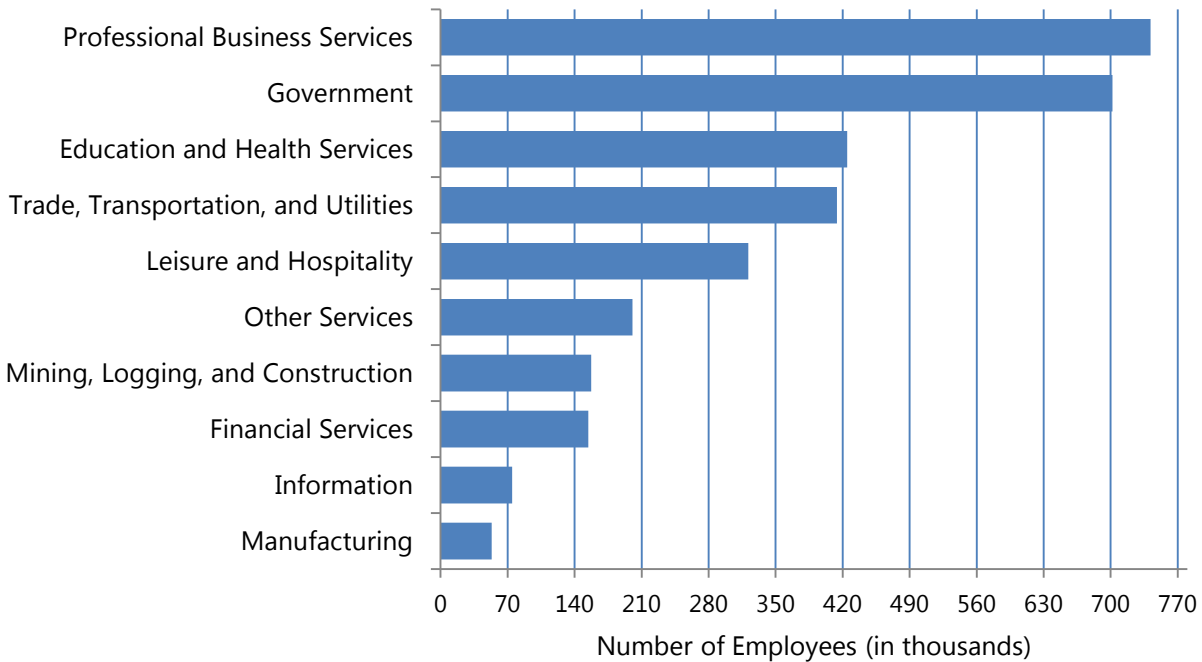
⁴ Source: SHRM, Metro Economic Outlook: Washington, DC, January 2017

⁵ Source: U.S. Department of Labor, Bureau of Labor Statistics

⁶ Source: Fortune 500, 2016 <http://money.cnn.com/magazines/fortune/fortune500/2016>

professional services sectors, but the past year also saw big increases in leisure, hospitality, retail and local government jobs.⁷

Air Trade Area Employment by Industry – 2016
Bureau of Labor Statistics



Aviation and Toll Road Activity

Activity at Reagan National reached record levels with total passengers of 23.6 million, representing a 2.6 percent increase over 2015 activity of 23.0 million, mainly due to the increase in Southwest service to many new domestic markets, as well as other carriers beginning service in new markets or additional service to beyond perimeter markets. Total aircraft operations at the airport increased from 293 thousand operations in 2015 to 295 thousand operations in 2016.

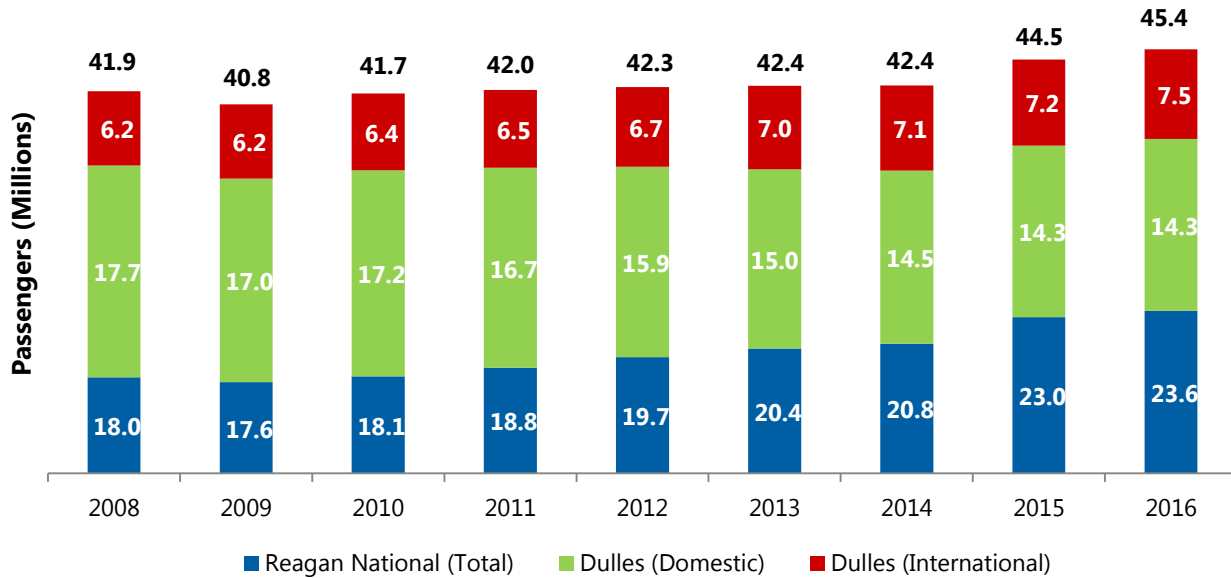
Dulles International served 21.8 million passengers in 2016, a 1.4 percent increase from 2015 when the airport served 21.5 million passengers. Total aircraft operations at Dulles International declined 1.5 percent in 2016 to 265 thousand operations from 269 thousand operations in 2015. The decrease was primarily due to fewer flights but larger aircraft by United Airlines and the loss of Essential Air Service (EAS) markets by Silver Airways. The domestic passenger traffic changed slightly as a result of domestic carrier capacity adjustments, primarily by United Airlines, and international passenger traffic was up by 4.2 percent. International passenger activity reached an all-time high of 7.5 million in 2016 and marked the thirteenth consecutive year of international passenger growth at Dulles International. The airport is the region’s international gateway and has continued to increase the number of destination offerings and attract new airlines. In 2016, new international markets included Lisbon, Portugal, Barcelona, Spain, Nassau, Bahamas and Providenciales in the Turks and Caicos by United Airlines. LATAM and Royal Air Maroc added new destinations of Lima, Peru and Casablanca, Morocco, respectively. Air Canada returned to Dulles International with service to Toronto by its regional carrier Air

⁷ Source: The Washington Post , Capital Business, August 2016

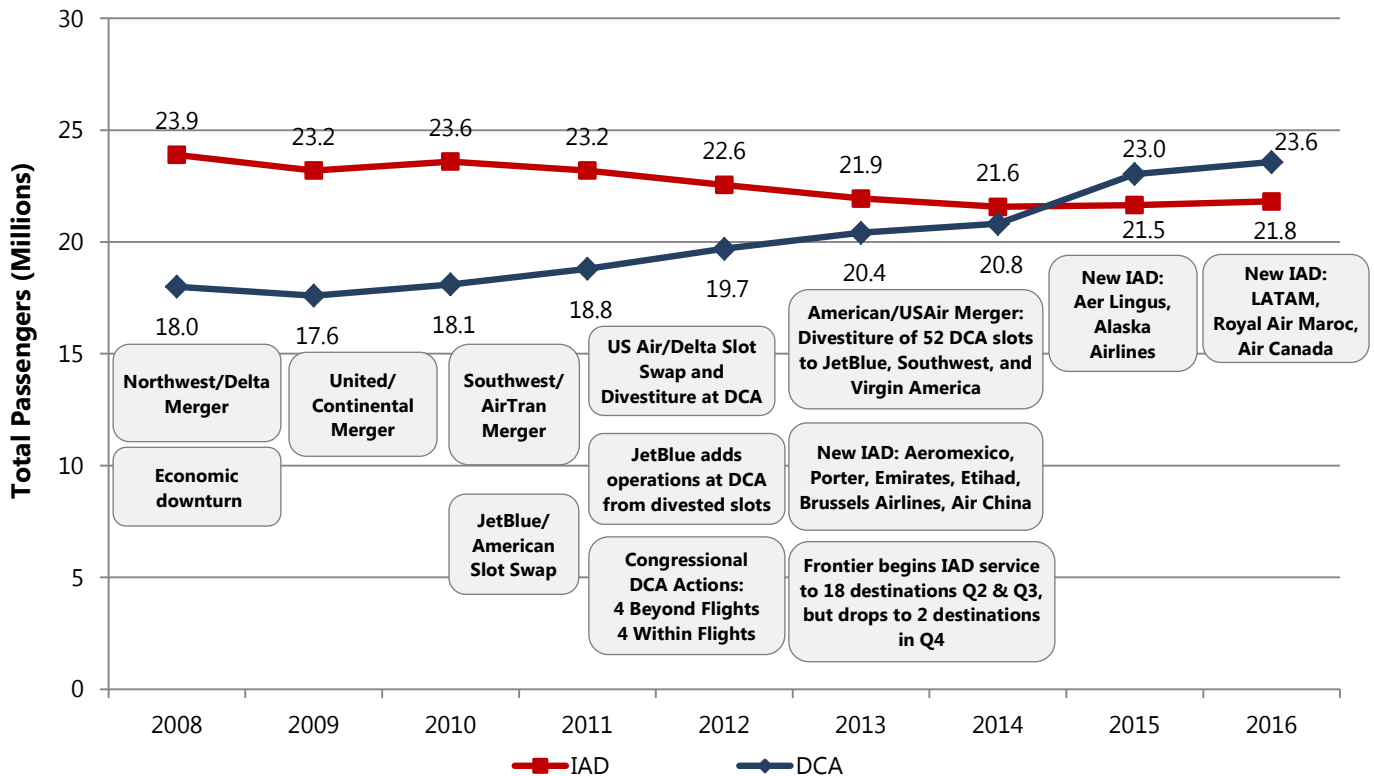
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Georgian. In 2015, new international markets included San Jose del Cabo by United Airlines and Accra by South African, as well as Dublin by Aer Lingus. In 2014, Air China started service to Beijing, and United Airlines added service to Madrid, Spain and Nassau, Bahamas.

MWAA System-Wide Passengers



MWAA Passenger Trends



Total air cargo tonnage at Dulles International was up 1.4 percent in 2016. Slight declines in international cargo are offset by growth in domestic cargo. Total international air cargo at Dulles International declined approximately 3.4 percent, driven primarily by a slow global economy in the first eight months of the year due to stagnant economies in Europe and Asia. However, the period between September and December experienced an 8.0 percent increase over previous year in international cargo and domestic cargo grew 16.0 percent during this same period reflecting a strong turnaround in air cargo for the latter part of the year. Overall, domestic air cargo at Dulles International increased approximately 10.2 percent, primarily due to increases in inbound shipments on FedEx and UPS.

The Dulles Toll Road processed an average of 8.1 million toll transactions per month in 2016 and 8.2 million toll transactions per month in 2015. Dulles Toll Road transactions totaled 97.7 million in 2016 compared to 98.2 million in 2015, a 0.5 percent decrease in activity. Dulles Toll Road revenue has increased to \$151.7 million in 2016, a 0.2 percent increase over 2015.

Industry Outlook

The downward trend industrywide in enplanement levels reversed during 2010, and enplanements continue to experience modest growth. Industry-wide domestic enplanements increased 3.2 percent in 2016, while industry-wide international growth averaged 2.7 percent.⁸ Commercial airlines are expected to take delivery of around 1,700 new aircrafts. Fuel will represent 18.7 percent of average operating cost.⁹ The air cargo industry continues to move toward more efficient operations. Declining oil prices have led to a more favorable operational cost environment. Despite changing industry dynamics, long-term air cargo forecasts remain optimistic.

Despite steady travel demand in 2016, airlines continued capacity discipline by constraining growth of flights and reducing overall seat capacity. In recent years, U.S. airports have also been challenged with declining federal government airport funding, inflation in operating costs, and the cost of needed capital improvements.

The outlook for the U.S. toll road industry remains positive, reflecting the expectation of continued strong traffic and revenue growth in the next 12 to 18 months. Toll roads in the U.S. have been on a modest path of recovery from the economic downturn, but continued improvement in the economy will support continued gains in traffic. Traffic and revenue trends reflected a strong recovery in 2016, which is expected to continue into 2017, and toll roads are estimated to experience single digit traffic growth in 2016.¹⁰

THE AIRPORTS AUTHORITY'S OPERATING BUDGETS

The Airports Authority's annual operating budgets are a financial planning tool outlining the estimated revenues and expenses for both Enterprise Funds at certain activity levels. The budgets are a management tool, and, accordingly, are not prepared in a manner consistent with Generally Accepted Accounting Principles (GAAP). The President and Chief Executive Officer submits the Airports Authority's annual operating budgets to the Board for approval. Budgetary controls and evaluations are affected 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.

⁸ Source: Airlines for America Monthly Passenger Traffic Report, December 2016

⁹ IATA Economic Performance of the Airline Industry, 2016 End-Year Report

¹⁰ Source: Moody's Investors Service, December, 2016

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Aviation Enterprise Fund

In 2016, the Airports Authority budgeted for the ability to operate the Airports in an efficient, safe and secure manner with quality customer service standards, while minimizing the impact to the airline cost structure in order to maximize the Airports' competitive position. The Airports Authority's 2016 Budget reflected a 2.3 percent increase in revenues and a 0.7 percent decrease in expenses, as compared to the 2015 Budget. Operating revenues surpassed budget expectations by 1.8 percent in 2016 compared to 2.1 percent over budget expectations in 2015. Operating expenses reached 93.8 percent of budget authorization in 2016, while in 2015 expenses reached 93.0 percent of budget authorization.

Aviation Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2016 Revenues	\$ 717,081,000	\$ 730,274,339	101.8%
2016 Expenses ²	\$ 343,968,000	\$ 322,590,554	93.8%
2015 Revenues	\$ 701,260,000	\$ 715,786,076	102.1%
2015 Expenses ²	\$ 346,474,000	\$ 322,321,883	93.0%

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

² Does not include depreciation expense or debt service

Dulles Corridor Enterprise Fund

The 2016 operating budget for the Dulles Corridor Enterprise Fund reflected the eighth full year of operating the Dulles Toll Road. The Dulles Corridor Enterprise Budget was prepared based on forecasted Toll Road revenues, operating and capital requirements, and requirements of the Toll Road Permit and Operation Agreement (December 2006) and the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Agreement (August 2014). The Airports Authority's 2016 Budget reflected a 1.8 percent increase in revenues and a 0.5 percent decrease in expenses. Operating revenues reached 96.7 percent of budget expectations in 2016, while in 2015, operating revenues reached 98.2 percent of budget expectations. Operating expenses reached 93.6 percent of budget authorization in 2016 and 88.5 percent in 2015.

Dulles Corridor Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2016 Revenues	\$ 156,972,000	\$ 151,731,033	96.7%
2016 Expenses ²	\$ 31,193,000	\$ 29,191,684	93.6%
2015 Revenues	\$ 154,166,000	\$ 151,417,528	98.2%
2015 Expenses ²	\$ 31,340,000	\$ 27,747,826	88.5%

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

² Does not include depreciation expense or debt service

LONG-TERM FINANCIAL PLANNING

Aviation Enterprise Fund

The Aviation Enterprise Fund'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 CCP.

It is anticipated that the major portion of future facilities development will be financed with the proceeds of bonds issued under the Master Indenture of Trust. In addition, the Airports Authority also expects to use PFC revenues, federal and state grants, and the Airports Authority's portion of NRR to finance capital development costs. While recent regulatory actions have contributed to short-term growth at Reagan National, because the airport is regulated through slot and perimeter regulations, much of the long-term future growth in aviation activity for the Air Trade Area is expected to occur at Dulles International.

Dulles Corridor Enterprise Fund

The Dulles Corridor Enterprise Fund's long-term planning includes the completion of the Dulles Metrorail Project and certain approved capital expenditures on the Dulles Toll Road and in the Dulles Corridor. The Airports Authority anticipates future funding for the capital expenditures in the Dulles Corridor will include tolls collected on the Dulles Toll Road, debt secured by toll road revenue, and continued receipt of grants and contributions from federal, state and local governments.

In 2014, the Airports Authority and the DOT executed the TIFIA Loan Agreement which provides up to \$1.278 billion of financing for Phase 2 of the Dulles Metrorail Project. The interest rate on the TIFIA Loan is 3.21 percent. At the end of 2016, a total of \$473.3 million was drawn on the TIFIA Loan. The TIFIA Loan along with contributions from funding partners is expected to provide the funding for the remainder of the Dulles Metrorail Project.

OTHER INFORMATION

The Airports Authority's Website

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

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, 2015. This was the twenty-sixth consecutive year 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.

Acknowledgments

In closing, I would like to thank the Board of Directors and the President and Chief Executive Officer for their leadership and support in planning and conducting the financial operations of the Airports Authority for 2016. Special thanks are expressed to Anne Field, Priya D'Souza and Chris Wedding for their leadership and 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 Cherry Bekaert LLP for their dedication to completing a timely audit.



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

2015 Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Metropolitan Washington
Airports Authority, Virginia**

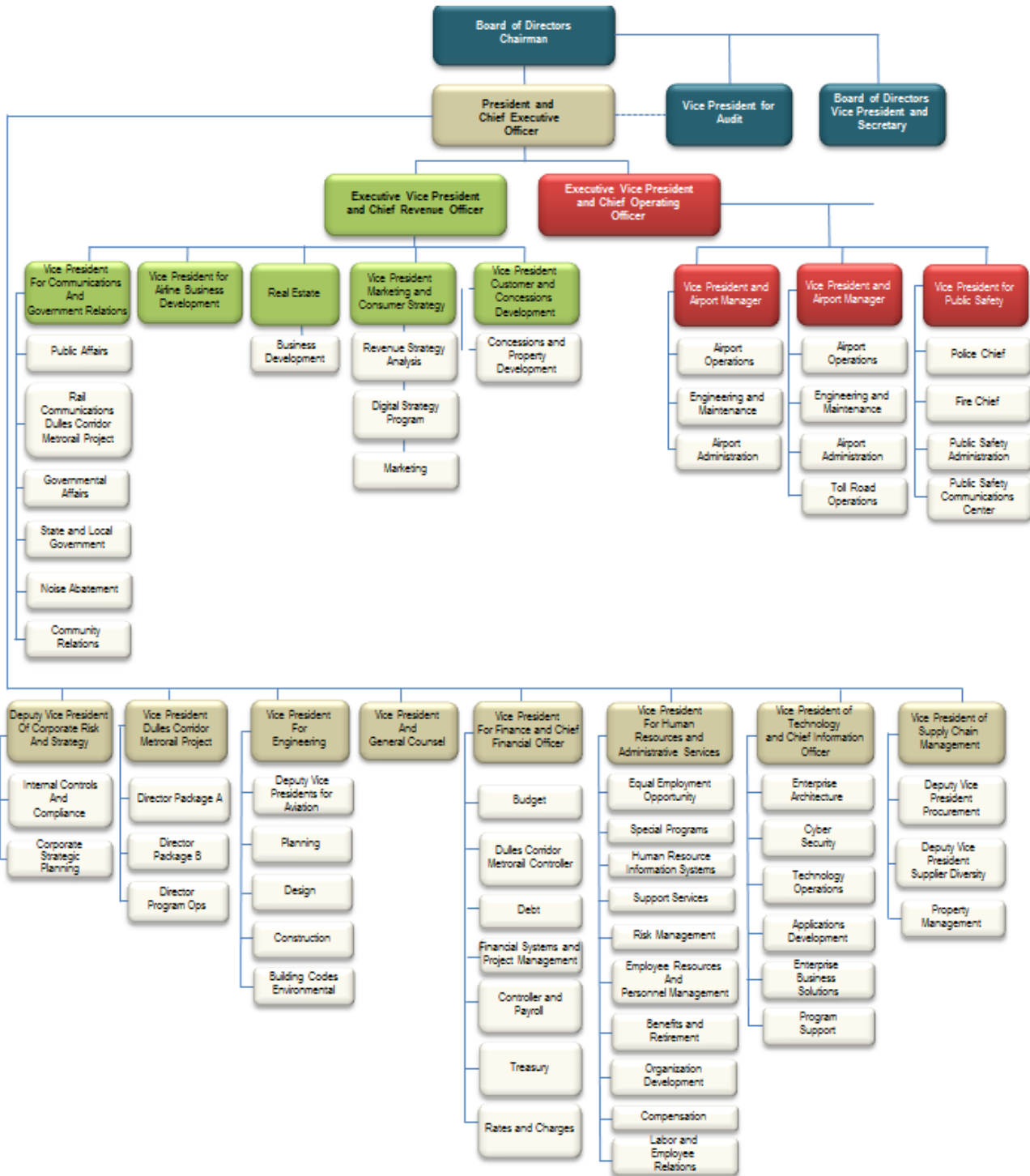
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

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Organizational Chart



FINANCIAL SECTION

Report of Independent Auditor



Report of Independent Auditor

To the Board of Directors of
Metropolitan Washington Airports Authority

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of Metropolitan Washington Airports Authority (the "Airports Authority") as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Airports Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of Metropolitan Washington Airports Authority, as of December 31, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Reclassification of Previously Issued Financial Statements

As discussed in Note 1 AA, the Airports Authority has reclassified certain items with its Net Position in Dulles Corridor Enterprise Fund 2015 net position. Our opinions are not modified with respect to this matter.

Report of Independent Auditor – (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the related Pension and Post-Employment Benefits Schedules on pages 19–38 and 119–124 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the Airports Authority's basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2017, on our consideration of the Airports Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airports Authority's internal control over financial reporting and compliance.

Cheryl Bekart LLP

Tysons Corner, Virginia
March 31, 2017

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, 2016 with selected comparative information for the years ended December 31, 2015 and December 31, 2014. 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, Virginia.

The Statements of Net Position depict the Airports Authority's financial position as of a point in time, December 31, and include all assets, liabilities, and deferred outflows and inflows of the Airports Authority. The Statements of Net Position present financial information on all of the Airports Authority's assets, liabilities, and deferred outflows and inflows 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

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Metropolitan Washington Airports Authority

cash payments resulting from operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

For the year ended December 31, 2016, the Airports Authority implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This statement improved financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements.

THE AIRPORTS AUTHORITY'S ACTIVITY HIGHLIGHTS

CHANGES IN NET POSITION – TOTAL BUSINESS TYPE ACTIVITIES

The Airports Authority's change in net position was \$323.4 million and \$176.1 million for the years ended December 31, 2016 and 2015. Total operating revenues for the Airports Authority increased \$12.5 million generated primarily by an increase in activity at the Airports. Operating expenses were down \$4.7 million as a result of an overall focus on cost containment within the organization. The increase in net contributions to (from) other governments of \$127.4 million was driven by the increased construction activity for Phase 2 of the Dulles Metrorail project and the contributions received from the project's funding partners to finance the project.

The following represents a summary of the Statements of Revenues, Expenses and Changes in Net Position for the Airports Authority:

	Total Business Type Activity		
	2016	2015	2014
Operating income			
Operating revenues	\$ 925,791,041	\$ 913,272,136	\$ 870,829,546
Operating expenses	<u>670,361,812</u>	<u>675,098,509</u>	<u>664,586,850</u>
Total operating income	<u>255,429,229</u>	<u>238,173,627</u>	<u>206,242,696</u>
Non-operating revenues			
Investment income	19,842,134	15,956,973	16,677,876
Federal, state and local grants	703,711	798,437	1,056,813
Fair value gains on swaps	16,447,932	1,196,495	-
Other income	-	5,877,306	-
Net contributions from (to) other governments	<u>130,861,460</u>	<u>3,424,708</u>	<u>(3,045,602,552)</u>
Total non-operating revenues	<u>167,855,237</u>	<u>27,253,919</u>	<u>(3,027,867,863)</u>
Non-operating expenses			
Interest expense	(318,726,488)	(312,014,926)	(266,110,407)
Fair value losses on swaps	<u>-</u>	<u>-</u>	<u>(54,156,518)</u>
Total non-operating expenses	<u>(318,726,488)</u>	<u>(312,014,926)</u>	<u>(320,266,925)</u>
Income/(Loss) before capital contributions	104,557,978	(46,587,380)	(3,141,892,092)
Capital contributions	218,834,233	222,692,452	271,598,268
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>4,780,116</u>
Change in net position (deficit)	<u>\$ 323,392,211</u>	<u>\$ 176,105,072</u>	<u>\$ (2,865,513,708)</u>

A detailed discussion of the results for each business type activity follows.

Aviation Enterprise Fund

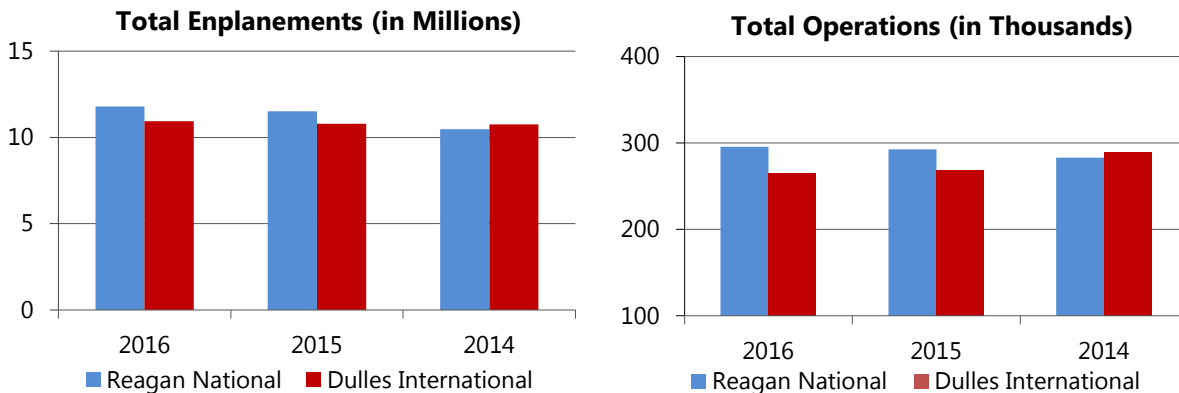
Air travel demand is directly related to key factors in regional, national and international economies, such as business activity, disposable income levels, employment, and currency rates, among others. The Great Recession of 2008 severely impacted airline finances, and was a significant factor in spurring the most recent merger activity. U.S. airlines calibrated capacity to the changing demand patterns that resulted from the economic downturn, and then were also able to control services and capacity as the U.S. economy recovered.

In 2016, the national economy continued to demonstrate signs of sustained national economic recovery and growth, which portends a stronger economic climate for the airline industry. In December 2016, the U.S. Bureau of Economic Analysis reported that national real Gross Domestic Product growth for the third quarter of 2016 was 3.5 percent, representing continuing economic strengthening and the largest quarterly growth since 2014. The Washington market, which had underperformed the national economy in 2013 and 2014 largely because of federal cutbacks, was expected to exceed the national rate of growth.

At the close of 2016, the expectation was that the Washington area’s economy would continue to rebound strongly and exceed the national levels of growth through 2017. Of the 15 largest job markets in the country, the Washington area experienced greater growth than most, with employment increasing by 2.4 percent from September 2015 through September 2016. Unemployment in the Washington area remains considerably lower than the national average.

Airports’ enplanements and operations activity for the last three years follows:

Enplanements and Operations Activity for 2014 to 2016



Enplanements and Operations Activity for 2014 to 2016

	Enplanements and Operations		
	2016	2015	2014
Reagan National Enplanements			
Domestic	11,600,333	11,298,258	10,257,226
Transborder	166,929	197,719	201,127
Non-Commercial	<u>13,348</u>	<u>13,817</u>	<u>13,127</u>
Total Enplanements	11,780,610	11,509,794	10,471,480
Dulles International Enplanements			
Domestic	7,144,653	7,139,042	7,112,454
Transborder and International	3,719,341	3,574,810	3,566,920
Non-Commercial	<u>73,683</u>	<u>75,030</u>	<u>77,660</u>
Total Enplanements	10,937,677	10,788,882	10,757,034
Airports Authority System-wide Enplanements			
Domestic	18,744,986	18,437,300	17,369,680
Transborder and International	3,886,270	3,772,529	3,768,047
Non-Commercial	<u>87,031</u>	<u>88,847</u>	<u>90,787</u>
Total Enplanements	<u>22,718,287</u>	<u>22,298,676</u>	<u>21,228,514</u>
Total Operations			
Reagan National	295,420	292,781	283,180
Dulles International	<u>264,766</u>	<u>269,070</u>	<u>289,382</u>
Total Operations	<u>560,186</u>	<u>561,851</u>	<u>572,562</u>

In 2016, combined Reagan National and Dulles International system enplanements grew by 1.9 percent, marking the seventh consecutive year of growth. Reagan National has undergone major changes in the last three years, due to Congressional actions and the American Airlines/US Airways merger. Enplanements at Reagan National for 2016 were a record high of 11.8 million, the seventh consecutive year of growth. This compares to 11.5 million for 2015 and 10.5 million for 2014. The growth in passenger traffic at Reagan National slowed notably in 2016 compared to 2015, when the full effect of the divestiture of 52 operating slots from American Airlines/US Airways to Southwest, JetBlue, and Virgin American was realized. The carriers receiving those slots operated larger aircraft to larger communities than American Airlines/US Airways had previously, adding nearly 2 million extra passengers. In 2016, the carriers continued to refine schedules to match demand by making adjustments to frequencies and destinations. American reduced frequency and capacity in a number of markets, such as Philadelphia, Orlando and Dallas/Ft. Worth; while adding new service to Atlanta, Cleveland and Minneapolis/St. Paul, as well as, increasing capacity in other key markets such as Providence, Charlotte and Hartford. Delta reduced capacity to Atlanta and New York LaGuardia, stopped service to Memphis while launching service to Raleigh/Durham and increasing capacity to New York/JFK and Minneapolis/St. Paul. Based on data from the U.S. Department of Transportation, Reagan National now has the largest share of domestic local Washington origin-and-destination (O&D) passengers.

Total enplanements at Dulles International stabilized at 10.9 million in 2016, due to growth in domestic and international enplanements. Dulles International served a record 3.7 million international enplaned passengers in 2016, which was the 13th consecutive year of international growth. United Airlines including its regional affiliates, had the largest commercial passenger market share of 59.4 percent, a decrease compared to 62.4 percent in 2015. Domestic activity increased by 0.1 percent and was driven by increased capacity by United

Airlines to 49 destinations and new service to Fort Lauderdale. As the Washington area economy is improving and the Metrorail Silver Line is on the way, Dulles International will continue to fill the expanding air travel needs for the region. International enplanements of 3.7 million in 2016 represented a 4.0 percent increase over 2015 and 4.2 percent increase over 2014 international enplanements. In 2016, new international markets included Lisbon, Portugal, Barcelona, Spain, Nassau, Bahamas and Providenciales in the Turks and Caicos by United Airlines. New service by LATAM and Royal Air Maroc added the new destinations of Lima, Peru and Casablanca, Morocco. Air Canada returned to Dulles International with service to Toronto by its regional carrier Air Georgian. Emirates, Qatar, Copa, Icelandair, South African, Ethiopian, Aer Lingus, Turkish Air and improved load factors on United Airlines also contributed to passenger increases

Trade organization Airlines for America reported that in 2016 industry-wide North American domestic enplanements grew 3.2 percent, while international enplanements grew 2.7 percent. Reagan National enplanement growth was below the industry domestic growth rate of 3.2 percent. Dulles International's domestic enplanement growth rate of 0.1 percent was below the industry rate but has shown improvement. International enplanement growth of 4.0 percent at Dulles International was higher than the industry growth rate of 2.7 percent.

<u>2016 Commercial Enplanements Growth</u>	<u>Airports Authority</u>	<u>North America</u>	<u>Difference</u>
Reagan National (Domestic)	2.7%	3.2%	-0.5%
Dulles International (Domestic)	0.1%	3.2%	-3.1%
Dulles International (International)	4.0%	2.7%	1.3%

Source: Airlines for America, 2016

In 2016, Dulles improved traveler experiences via the opening of 11 new shops and restaurants. Recent improvements at Dulles International such as the introduction of the CLEAR registered travel program, with new kiosks stationed at security checkpoints to verify passenger's identity using biometric technology to expedite the traditional document check, have helped speed the international arrivals process, and the Silver Line Express bus service has made getting to the airport more convenient and more cost effective for passengers. A new mobile passport application and a new children's play area near gate B70 were additional enhancements. A Sunoco gas station opened, which offered a drive through automated car wash, restaurant quality food at Laredo Taco Company and Subway, a convenience store and competitive fuel pricing.

Dulles Corridor Enterprise Fund

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred operating and maintenance responsibility of the Dulles Toll Road to the Airports Authority through a Permit and Operating Agreement for a period of 50 years. As of October 1, 2009, the employees of the Dulles Toll Road became employees of the Airports Authority, 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 a location near the Metrorail Orange Line West Falls Church 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.

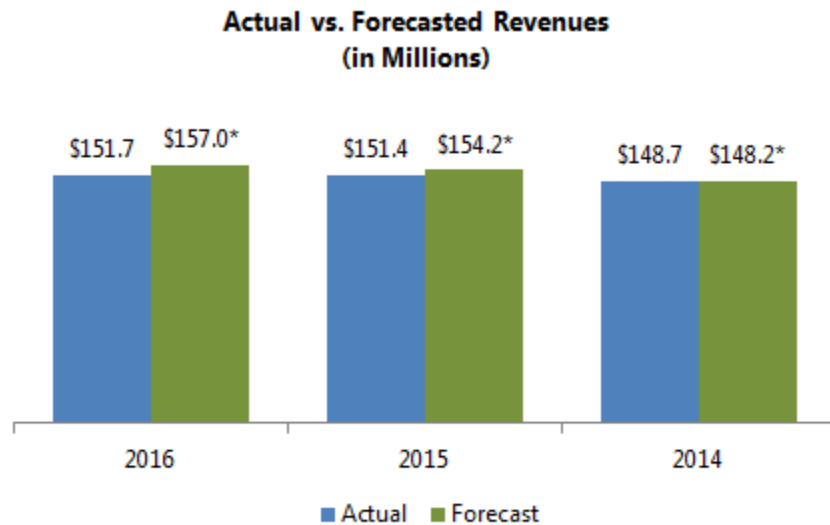
Phase 1 of the Dulles Metrorail Project extends 11.7 miles from a location near the Metrorail Orange Line West Falls Church station to Wiehle Avenue in Reston, Virginia. It includes five new stations and improvements to the existing Washington Metropolitan Area Transit Authority (WMATA) service and inspection yard at the West Falls

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Church station. Construction activities began in March 2009 and on July 26, 2014 the Silver Line opened for passenger service.

Phase 2 of the Dulles Metrorail Project extends 11.4 miles from the Metrorail Wiehle Avenue Station in Reston through Dulles International to Route 772 in Loudoun County, Virginia. It includes 6 new stations and maintenance yard on Dulles International property. Construction is currently underway and the project is currently scheduled to be complete for passenger service in the first quarter of 2020.

Toll rate increases implemented in 2010 through 2014 resulted in expected declines in Dulles Toll Road transactions. The Dulles Toll Road processed an average of 8.1 million, 8.2 million and 8.0 million toll transactions per month in 2016, 2015, and 2014, respectively. Revenues and transactions were lower compared to the forecast made by the independent consulting firm that produced the 2014 Dulles Toll Road Traffic and Revenue study. This was due to extreme weather events in January 2016 and ongoing construction projects. Total revenues in 2016 were approximately 96.7 percent of forecasted revenues compared to 98.2 percent in 2015 and 100.3 percent in 2014. Electronic (E-ZPass) transactions accounted for 84.9 percent of Dulles Toll Road revenue in 2016, an increase from 84.2 percent in 2015 and 83.1 percent in 2014.



* T&R Study, April 2014

FINANCIAL HIGHLIGHTS - AVIATION ENTERPRISE FUND

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

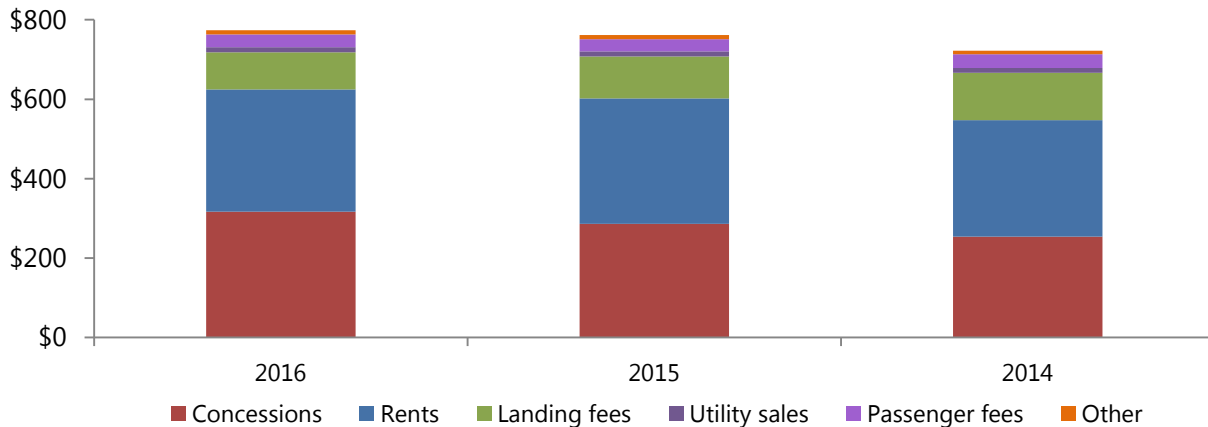
The Aviation Enterprise Fund recorded \$774.1 million in operating revenues for 2016, an increase of \$12.2 million from 2015, primarily due to increases in concession revenue and passenger fees. Aviation Enterprise Fund operating revenues increased \$39.7 million between 2014 and 2015.

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Total operating revenues for each of the past three years follows:

	Aviation Enterprise Fund		
	2016	2015	2014
Operating revenues			
Concessions	\$ 316,453,536	\$ 286,049,575	\$ 253,486,229
Rents	307,980,996	316,082,521	293,951,059
Landing fees	93,422,084	105,741,304	118,863,519
Utility sales	13,019,300	12,920,034	12,524,281
Passenger fees	32,544,343	30,500,912	34,247,856
Other	<u>10,639,749</u>	<u>10,546,031</u>	<u>9,103,861</u>
Total operating revenues	<u>\$ 774,060,008</u>	<u>\$ 761,840,377</u>	<u>\$ 722,176,805</u>

Aviation Enterprise Fund Operating Revenues (in Millions)



Airline Revenues

Airlines that operate at Reagan National and Dulles International pay for the actual costs to operate at the Airports including the Airports Authority's principal and interest payments on outstanding Aviation Enterprise Fund debt, as well as debt service coverage. When operating costs for the Aviation Enterprise Fund increase or decrease there is a corresponding increase or decrease in the rates charged to the airlines. In 2016, airline revenue, which consists of landing fees of \$93.4 million, terminal rents from airlines of \$266.9 million, and other airline fees of \$31.5 million for a total of \$391.9 million, decreased \$20.0 million, or 4.9 percent from prior year. In 2015, airline revenue of \$411.9 million increased \$6.1 million, or 1.5 percent compared to 2014.

In 2016, airline rent revenues totaled \$266.9 million a decrease of \$9.7 million, or 3.5 percent, from 2015. The key driver of decreased terminal rents in 2016 was the decrease in rent rates at Reagan National and Dulles International. In 2015, airline rent revenues totaled \$276.6 million, which was an increase of \$22.5 million, or 8.9 percent, from 2014. This increase was the result of an increase in the debt service requirement under the negotiation of the new Use and Lease Agreement for fiscal years 2015 through 2017.

Landing fee revenues totaled \$93.4 million in 2016, a decrease of \$12.3 million from 2015. Landing fee revenues decreased by \$13.1 million from \$118.9 million in 2014 to \$105.7 million in 2015. Landing fee rates at both Airports decreased in 2014 and 2015. Signatory landing fee rates paid per 1,000 pounds at Reagan National

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decreased to \$3.95 in 2016 from \$4.09 in 2015. In 2016, signatory airline landing fee rates paid per 1,000 pounds at Dulles International decreased to \$2.60 from \$2.93 in 2015.

Passenger fees, including passenger conveyance, international arrivals fees, totaled \$31.6 million in 2016 and increased \$1.9 million or 6.7 percent, from 2015 due to increased international traffic. In 2015, passenger fees decreased \$3.3 million, or 10.0 percent, from 2014.

Non-Airline Revenues

The Airports Authority's concession revenues totaled \$316.5 million in 2016, which was an increase of \$30.4 million, or 10.6 percent, from 2015. Concession revenues accounted for 41.0 percent of total operating revenues in 2016 which were attributable to increases primarily in ground transportation, food and beverage, inflight caterers, and display advertising. Concession revenues in 2015 and 2014 were 37.5 and 35.1 percent of total operating revenues, respectively.

The following table details concession revenues by major category for the years ended 2016, 2015 and 2014:

	Concession Revenues		
	2016	2015	2014
Parking	\$ 127,699,503	\$ 127,169,736	\$ 116,494,286
Rental cars	39,303,541	38,965,642	36,298,071
Food and beverage	30,377,267	26,276,371	20,513,081
Fixed base operator	20,229,037	17,515,830	17,275,789
Ground transportation	30,456,953	15,977,416	12,643,100
Inflight caterers	15,206,722	12,426,345	12,087,658
Display advertising	14,963,331	11,320,884	9,295,511
Newsstand and retail	14,490,773	13,632,732	12,959,027
Duty free	13,566,562	13,143,952	8,189,287
All other	10,159,847	9,620,667	7,730,419
Total	<u>\$ 316,453,536</u>	<u>\$ 286,049,575</u>	<u>\$ 253,486,229</u>

Parking revenues continued to rank as the Airports Authority's largest concession in 2016, providing \$127.7 million in total revenues for the year, an increase of \$0.5 million, or 0.4 percent from \$127.2 million in 2015 due to higher passenger traffic. Parking revenues in 2015 were \$10.7 million higher than 2014 due to parking rate increases. Rental car revenues of \$39.3 million were higher by \$0.3 million compared to 2015. In 2015 rental car revenues increased \$2.7 million compared to 2014.

The Airports Authority is implementing new food, beverage, and retail programs at both Airports. Recently implemented concepts included El Centro D.F. at Reagan National and Dulles Gourmet Market at Dulles International. Food and beverage revenue totaled \$30.4 million in 2016, which represented an increase of \$4.1 million from 2015. Food and beverage revenue totaled \$26.3 million in 2015, which represented an increase of \$5.8 million from 2014. Newsstand and retail revenue increased by \$0.9 million for a total of \$14.5 million in 2016. It increased by \$0.7 million in 2015 from the prior year.

Fixed base operator revenues of \$20.2 million in 2016 increased by \$2.7 million from prior year. Fixed base operator revenues of \$17.5 million in 2015 increased by \$0.2 million from prior year attributable to higher minimum annual guarantees. Inflight catering revenues increased by \$2.8 million compared to 2015 due to a new contract that provides for a higher minimum annual guarantee. Ground transportation revenues increased \$14.5 million in 2016, due to additional shared ride service providers at both airports. All other areas of concession revenues accounted for a combined net increase of \$4.6 million over 2015. This increase was largely due to a new display advertising contract at both airports.

Revenues from utility sales to airport tenants were relatively flat year over year and were \$13.0 million and \$12.9 million in 2016 and 2015, respectively. Revenues from utility sales increased 3.2 percent from \$12.5 million in 2014 to \$12.9 million in 2015 due to higher consumption.

In 2016, other non-concession revenues, which primarily represent revenues from employee and tenant parking permits, increased by \$0.1 million to \$10.6 million. Other revenues increased 15.8 percent from \$9.1 million in 2014 to \$10.5 million in 2015 due to a greater number of parking permits sold and the increase in parking fees.

Non airline rents totaled \$41.2 million in 2016. This was an increase from 2015 of \$1.5 million and an increase of \$1.1 million from 2014 revenues. The Airports Authority also receives revenues from the Transportation Security Administration (TSA) for reimbursement of expenses incurred by the Airports Authority's Public Safety personnel serving a support role to the TSA.

Operating Expenses

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2016 totaled \$625.6 million, a decrease of \$4.8 million or 0.8 percent from 2015. Operating expenses for 2015 increased \$13.5 million or 2.2 percent from operating expenses in 2014. Materials, equipment, supplies, contract services and other expenses decreased \$7.4 million or 3.8 percent, to \$186.3 million in 2016. The decrease was the result of a drop in contracted operational services. These same expenses were flat from 2015 as compared to 2014.

Salaries and related benefits expenses increased \$4.7 million, or 2.8 percent, from 2015 to \$171.9 million in 2016. Regular full time pay for Airports Authority employees increased \$4.4 million, or 4.1 percent, over 2015. The Airports Authority continued funding its Other Post-Employment Benefits (OPEB) program and recorded \$1.1 million in expenses in 2016 and \$1.5 million in expenses in 2015. The contribution percentages to the Airports Authority's pension plans increased to 5.5 percent in 2016 from 1.4 percent of eligible earnings in 2015 for the General Employee Plan and increased to 8.6 percent in 2016 from 2.1 percent of eligible earnings in 2015 for the Police and Firefighters' plan. The funded ratio as of the actuarial valuation date of December 31, 2016 was 99.9 percent for the General Employee Plan and 93.6 percent for the Police and Firefighters' plan.

The Airports Authority recorded a \$2.0 million impairment loss in 2016 related to the original costs of design and any build-out of relocating corporate staff to the southern hangars. All costs associated with the design and any build-out was identified as obsolete since it was determined the hangars to the south would be demolished and then used for possible additional parking.

The Airports Authority's utility expenses for 2016 were \$25.7 million up slightly from 2015. Utility expenses for 2015 were \$25.6 million, a decrease of \$0.6 million from 2014, or 2.4 percent.

Depreciation and amortization expenses totaled \$234.2 million in 2016, a decrease of \$4.4 million or 1.89 percent from 2015. Depreciation and amortization expenses in 2015 were \$238.6 million, which was \$2.2 million higher from 2014 primarily due to additional capitalizations in 2015 in building and systems.

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In 2016, at Reagan National, the Airports Authority completed the Digital Signage system in Terminal B/C, lobby and elevator upgrade in Terminal A, and screening checkpoint upgrade in Terminal A. At Dulles International, projects completed included the West Automated People Mover tunnels and stations, Taxiway B reconstruction and the widening of east station and the police range. In 2015, at Reagan National, the Airports Authority completed Runway 15-33, Runway 4-22 and the Master Site Refresh with Master Controller and Smart-X Technology. In 2015, at Dulles International, the East and West Basement Explosive Detection System in-line baggage screening and Taxiway Z reconstruction and airfield Runway 1R-19L and Road Safety Audits Pavements were completed. In 2014, at Reagan National, the Airports Authority completed Terminal A Building Rehabilitation and Switchgear and Supervisory Control and Data Acquisition (SCADA) systems. In 2014, at Dulles International, the South Baggage Basement Explosive Detection System in-line baggage screening and the airfield pavements were completed.

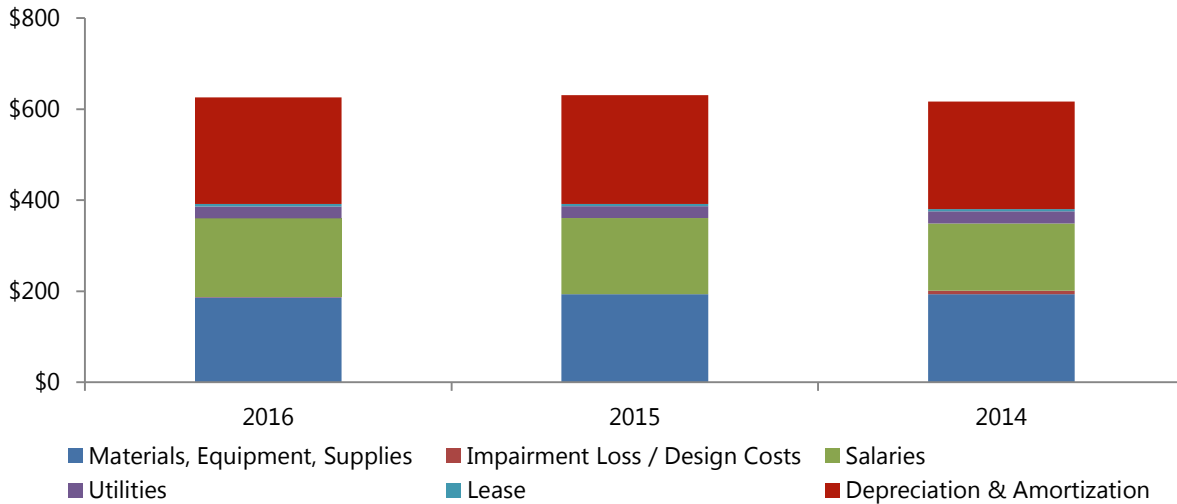
A cost allocation plan is used to identify and quantify all overhead and other indirect costs paid from the Aviation Enterprise Fund but appropriately allocable to the Dulles Toll Road or to the Dulles Metrorail Project within the Dulles Corridor Enterprise Fund. The following table shows the amount of the Aviation Enterprise Fund operating expenses that were allocated to the Dulles Corridor Enterprise Fund in 2016, 2015, and 2014, respectively.

	2016	2015	2014
Dulles Toll Road	\$ 5,532,341	\$ 5,511,104	\$ 5,335,304
Dulles Metrorail Project	<u>3,779,850</u>	<u>4,677,157</u>	<u>5,299,845</u>
	<u>\$ 9,312,191</u>	<u>\$ 10,188,261</u>	<u>\$ 10,635,149</u>

The following presents total operating expenses for the years ended 2016, 2015 and 2014:

	Aviation Enterprise Fund		
	2016	2015	2014
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$ 186,332,647	\$ 193,733,350	\$ 193,644,452
Impairment loss / design costs	2,045,592	-	8,000,402
Salaries and related benefits	171,931,528	167,220,134	147,529,800
Utilities	25,683,982	25,568,096	26,197,069
Lease from U.S. Government	5,502,217	5,392,439	5,297,523
Depreciation and amortization	<u>234,151,332</u>	<u>238,558,192</u>	<u>236,314,390</u>
Total operating expenses	<u>\$ 625,647,298</u>	<u>\$ 630,472,211</u>	<u>\$ 616,983,636</u>

Aviation Enterprise Fund Operating Expenses (in Millions)



Changes in Net Position

Operating income was \$148.4 million in 2016, an increase in revenue of \$17.0 million compared to 2015. The change is primarily due to a \$30.4 million increase in concession revenue and a \$4.8 million decrease in expenses offset by decreases of \$12.3 million in landing fees and \$8.1 in rents. Operating income was \$131.4 million in 2015, which increased by \$26.2 million from 2014.

When compared to 2015, total non-operating revenues increased \$19.0 million and non-operating expenses increased by \$12.2 million. Non-operating revenue in 2016 included \$17.9 million in investment income or interest earned on debt service reserve funds, \$704 thousand of federal, state, and local grants in support of operations and a \$16.4 million increase from fair value gain on Swaps. Non-operating expenses, which included interest expense on the Aviation Enterprise Fund’s \$4.8 billion bond debt, totaled \$189.2 million. Contributions to the Dulles Corridor Enterprise totaled \$38.5 million which reflected the Aviation Enterprise’s share of Phase 2 of the Dulles Metrorail Project.

Capital contributions include PFCs, federal, state, and local grants, and other capital property acquired. PFC revenue for 2016 was \$89.8 million, which was an increase of \$1.3 million from 2015. PFC revenue for 2015 was \$88.6 million, which was an increase of \$6.3 million from 2014.

Federal, state, and local grants in support of capital programs were \$21.5 million in 2016, \$47.6 million in 2015, and \$64.9 million in 2014. In 2016, the Airports Authority received \$14.8 million in Airport Improvement Programs (AIP) grants primarily to reimburse for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements. In 2015, the Airports Authority received \$28.1 million in Airport Improvement Program (AIP) grants to reimburse for the capital costs of constructing the fourth runway, reconstructing a portion of Taxiway Y, reconstructing Taxiway Z & Taxilane C Reconstruction, reconstructing and widening of Taxilane B East section all at Dulles International, and improving the safety areas for runways 15/33 and 4/22 at Reagan National. The Airports Authority also received American Recovery and Reinvestment Act (ARRA) grants of \$15.0 million for the East/West in-line baggage electronic detection system. Please refer to Note 17 – Government Grants for more information on grant activity.

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The change in net position is an indicator of the overall fiscal condition of the Aviation Enterprise Fund. Net position increased in 2016 by \$67.9 million due to increases in operating income and offset by the decrease in Federal, state and local grants and the increase in contributions to other governments. Net position increased in 2015 by \$68.1 million primarily due to an increase in operating income of \$26.2 million from 2014 and reduction in interest expense. Net position in 2015 was also affected by the increase in pension related costs due to the implementation of GASB 68. In 2014, net position decreased by \$19.6 million due to a fair value losses on Swaps and contributions to other governments plus pension related costs due to the implementation of GASB 68.

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

	Aviation Enterprise Fund		
	2016	2015	2014
Operating income			
Operating revenues	\$ 774,060,008	\$ 761,840,377	\$ 722,176,805
Operating expenses	<u>625,647,298</u>	<u>630,472,211</u>	<u>616,983,636</u>
Total operating income	<u>148,412,710</u>	<u>131,368,166</u>	<u>105,193,169</u>
Non-operating revenues			
Investment income	17,941,016	14,061,258	13,535,125
Federal, state and local grants	703,711	798,437	1,121,552
Fair value gains on swaps	<u>16,447,932</u>	<u>1,196,495</u>	<u>-</u>
Total non-operating revenues	<u>35,092,659</u>	<u>16,056,190</u>	<u>14,656,677</u>
Non-operating expenses			
Interest expense	(189,201,753)	(189,397,216)	(202,577,928)
Fair value losses on swaps	-	-	(54,156,518)
Contributions to other governments	<u>(37,647,152)</u>	<u>(26,104,546)</u>	<u>(34,727,931)</u>
Total non-operating expenses	<u>(226,848,905)</u>	<u>(215,501,762)</u>	<u>(291,462,377)</u>
Income/(loss) before capital contributions	(43,343,536)	(68,077,406)	(171,612,531)
Capital contributions	<u>111,280,048</u>	<u>136,142,101</u>	<u>147,189,851</u>
Change in net position before cumulative effect of change in accounting principle	-	-	(24,422,680)
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>4,780,116</u>
Change in net position (deficit)	<u>\$ 67,936,512</u>	<u>\$ 68,064,695</u>	<u>\$ (19,642,564)</u>

FINANCIAL HIGHLIGHTS - DULLES CORRIDOR ENTERPRISE FUND

Operating Revenues

For the year ended December 31, 2016, the Airports Authority recorded toll revenues of \$151.7 million, which consisted of electronic toll collections (E-ZPass) of \$128.9 million, cash collections of \$19.5 million, and violations revenue of \$3.3 million. Overall toll collection revenue increased \$0.3 million from 2015. In 2016, E-ZPass revenue comprised 84.9 percent of toll revenues, up from 84.2 percent in 2015 and 83.1 percent in 2014.

	Dulles Corridor Enterprise Fund		
	2016	2015	2014
Operating revenues			
Electronic toll collection revenues	\$ 128,853,731	\$127,562,090	\$123,537,397
Cash revenues	19,504,356	21,014,376	22,818,644
Violation revenues	3,372,946	2,855,293	2,296,700
Total operating revenues	\$ 151,731,033	\$151,431,759	\$148,652,741

Operating Expenses

For the years ended December 31, 2016 and 2015, the Dulles Corridor Enterprise Fund recorded \$44.7 million and \$44.6 million in operating expenses, respectively. Materials, supplies, equipment, contract services, and other totaled \$26.8 million in 2016, a decrease from 2015. Electronic toll collection fees paid to the third party processor of E-ZPass transactions were \$10.1 million and maintenance and repair costs were \$10.9 million in 2016. In 2015, materials, supplies, equipment, contract services, and other totaled \$26.9 million, which included \$9.4 million in electronic toll collection fees paid to the third party processor of E-ZPass transactions and \$11.8 million in maintenance and repair costs.

The majority of costs related to the Dulles Corridor Enterprise Fund are directly charged to the Fund. In certain instances, overhead costs for the Airports Authority are initially paid from the Aviation Enterprise Fund but are appropriately allocable to the Dulles Corridor Enterprise Fund as costs associated with operation of the Dulles Toll Road or as costs of the Dulles Metrorail Project. In 2016, \$9.3 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, \$5.5 million allocated to the Dulles Toll Road and \$3.8 million allocated to the Dulles Metrorail Project. In 2015, \$10.2 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, \$5.5 million allocated to the Dulles Toll Road and \$4.7 million allocated to the Dulles Metrorail Project. In 2014, \$10.6 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 \$5.3 million allocated to the Dulles Metrorail Project.

Depreciation and amortization expenses increased \$0.5 million to \$7.0 million in 2016 and increased \$0.5 million from 2014 to \$6.5 million in 2015. Recent increases in depreciation and amortization expenses were due to the sound wall replacement, E-ZPASS lanes and sign conversion, and Westbound ramps that were placed into service in 2016. Salaries and related benefits expense decreased \$0.2 million primarily due to higher pension related costs with the implementation of GASB 68 in 2015.

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	Dulles Corridor Enterprise Fund		
	2016	2015	2014
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$ 26,820,384	\$ 26,944,764	\$ 31,968,250
Salaries and related benefits	10,663,943	10,820,154	9,334,548
Utilities	243,236	349,593	247,460
Depreciation and amortization	<u>6,986,951</u>	<u>6,511,787</u>	<u>6,052,956</u>
Total operating expenses	<u>\$ 44,714,514</u>	<u>\$ 44,626,298</u>	<u>\$ 47,603,214</u>

Changes in Net Position

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		
	2016	2015	2014
Operating income			
Operating revenues	\$ 151,731,033	\$ 151,431,759	\$ 148,652,741
Operating expenses	<u>44,714,514</u>	<u>44,626,298</u>	<u>47,603,214</u>
Total operating income	<u>107,016,519</u>	<u>106,805,461</u>	<u>101,049,527</u>
Non-operating revenues (expenses)			
Investment income (loss)	1,901,118	1,895,715	3,142,751
Interest expense	(129,524,735)	(122,617,710)	(63,532,479)
Federal, state and local grants	-	-	(64,739)
Other income	-	5,877,306	-
Contributions from (to) other governments	<u>168,508,612</u>	<u>29,529,254</u>	<u>(3,010,874,621)</u>
Total non-operating revenues (expenses)	<u>40,884,995</u>	<u>(85,315,435)</u>	<u>(3,071,329,088)</u>
Income before capital contributions	147,901,514	21,490,026	(2,970,279,561)
Capital contributions	<u>107,554,185</u>	<u>86,550,351</u>	<u>124,408,417</u>
Change in net position (deficit)	<u>\$ 255,455,699</u>	<u>\$ 108,040,377</u>	<u>\$ (2,845,871,144)</u>

The increase in net position for the Dulles Corridor Enterprise Fund totaled \$255.5 million for the year ended December 31, 2016. The increase in net position for the Dulles Corridor Enterprise Fund totaled \$108.0 million for the year ended December 31, 2015, and a decrease in net position totaled \$2.8 billion for the year ended December 31, 2014. Total operating income for the Dulles Corridor Enterprise Fund was \$107.0 million in 2016, \$106.8 million in 2015 and \$101.0 million in 2014. Overall, operating revenues and operating expenses from

2016 and 2015 remain relatively stable. The large decrease in net position in 2014 was the result of the Dulles Metrorail Project Phase 1 transfer to WMATA and other entities of \$3.1 billion.

Total non-operating revenues (expenses) increased \$126.2 million in 2016 to \$40.9 million. In 2016, the contributions from other funding partners for the Dulles Metrorail Project Phase 2 increased as construction increased. Interest expense totaled \$129.5 million, which was a \$6.9 million increase from 2015, as a result of increased borrowings. Investment income totaled \$1.9 million in 2016, \$1.9 million in 2015 and \$3.1 million in 2014.

Government grants and contributions in support of capital programs for the Dulles Corridor Enterprise Fund totaled \$107.6 million for the fiscal year ended December 31, 2016 and \$86.6 million for the fiscal year ended December 31, 2015. Federal grants in 2016 included \$78.0 million related to the Dulles Metrorail Project, while the Commonwealth contributed \$30.0 million.

STATEMENTS OF NET POSITION – TOTAL BUSINESS TYPE ACTIVITIES

The Statements of Net Position present the financial position of the Airports Authority at the end of the fiscal year. The statements include all assets and liabilities of the Airports Authority. Net Position is the difference between total assets plus deferred outflows and total liabilities plus deferred inflows and is an indicator of the current fiscal health of the Airports Authority.

A summarized comparison of the Airports Authority's assets, liabilities, deferred outflows and inflows, and net position on December 31, 2016, 2015, and 2014, follows:

	Total Business-Type Activities		
	2016	2015	2014
Assets			
Current assets	\$ 1,650,120,403	\$ 1,504,046,367	\$ 1,171,306,196
Non-current assets			
Restricted	985,610,636	1,120,957,539	1,031,939,134
Unrestricted	18,244,830	22,469,461	145,688,665
Capital assets, net	<u>5,690,362,241</u>	<u>5,396,941,793</u>	<u>5,226,625,551</u>
Total Assets	<u>8,344,338,110</u>	<u>8,044,415,160</u>	<u>7,575,559,546</u>
Deferred Outflows of Resources	<u>93,204,615</u>	<u>95,217,736</u>	<u>75,192,612</u>
Liabilities			
Current liabilities	521,938,173	661,860,326	491,720,545
Non-current liabilities	<u>7,652,510,932</u>	<u>7,542,958,030</u>	<u>7,400,559,673</u>
Total Liabilities	<u>8,174,449,105</u>	<u>8,204,818,356</u>	<u>7,892,280,218</u>
Deferred Inflows of Resources	<u>6,079,547</u>	<u>1,192,678</u>	<u>955,150</u>
Net Position (deficit)			
Net investment in capital assets	730,742,281	429,894,047	(1,206,194,280)
Restricted	161,523,955	307,505,773	513,195,054
Unrestricted	<u>(635,252,163)</u>	<u>(803,777,958)</u>	<u>450,516,016</u>
Total Net Position (deficit)	<u>\$ 257,014,073</u>	<u>\$ (66,378,138)</u>	<u>\$ (242,483,210)</u>

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Current assets for the Airports Authority totaled \$1.7 billion on December 31, 2016, an increase of \$146.1 million from 2015. Current assets in 2015 increased \$332.7 million to \$1.5 billion as of December 31, 2015. Current assets for the Aviation Enterprise Fund increased \$112.9 million in 2016, primarily as a result of \$123.9 million increase in investments, offset by a decrease of \$12.2 million in cash and cash equivalents and a \$1.3 million decrease in accounts receivable. Between 2014 and 2015, current assets for the Aviation Enterprise Fund increased \$204.2 million, primarily as a result of \$26.7 million increase in cash and cash equivalents, a \$244.6 million increase in investments, offset by a decrease of \$13.9 million in accounts receivable. Current assets for the Dulles Corridor Enterprise Fund increased 7.3 percent, or \$33.1 million, in 2016 due primarily to a \$35.0 million increase in restricted investments. In 2015, the Dulles Corridor Enterprise Fund's current assets increased \$128.6 million, or 39.3 percent from 2014.

Non-current assets for the Airports Authority increased \$153.8 million from 2015 to 2016 and increased \$136.1 million from 2014 to 2015. The significant changes between 2015 and 2016 include a \$135.3 million decrease in restricted non-current assets as a result of a \$126.5 million increase in investments, offset by decreases of \$171.2 million and \$90.6 million in cash and cash equivalents and accounts receivable respectively. Unrestricted non-current assets decreased \$4.2 million, primarily as a result of a \$4.4 million amortization of bond insurance costs. Total capital assets increased \$293.4 million, a result of the continued construction at the Airports and the construction of the Dulles Metrorail Project Phase 2. The 2015 increase was primarily related to the construction of the Dulles Metrorail Project Phase 2.

The Airports Authority's current liabilities decreased \$139.9 million from 2015 as a result of the 2016 payoff of the Full Funding Grant Agreement note in the amount of \$100 million in the Dulles Corridor Enterprise Fund. In 2015, current liabilities increased \$170.1 million from 2014 to \$661.9 million, due primarily to increases in accrued liabilities, advanced billings and the current portion of bonds and notes payable.

In 2016, non-current liabilities increased \$109.6 million to \$7.7 billion. This increase was largely due to the draws and accretion on the TIFIA Loan in 2016 totaling \$234.9 million. Outstanding Commercial Paper decreased \$29.0 million and the interest rate swaps payable decreased \$16.4 million. Bonds payable, net decreased \$202.6 million in the Aviation Enterprise Funds and increased \$39.8 million in the Dulles Corridor Enterprise fund. The Aviation Enterprise Fund refunded Series 2006A, Series 2006B and Series 2006C Airport Revenue bonds in 2016. The Dulles Corridor Enterprise funds recorded \$39.8 million accretion on the capital appreciation bonds. Other liabilities include \$230.0 million in unearned grant revenues from the Commonwealth. In 2015, non-current liabilities increased \$142.4 million to \$7.5 billion. This increase was largely due to increase on the TIFIA Loan totaling \$256.6 million, a net issuance of Commercial Paper of \$24.5 million, an increase in other liabilities of \$54.0 million, and an increase in the accretion of the capital appreciation bonds payable of \$37.6 million. The Aviation Enterprise fund recorded a net Commercial Paper repayment of \$21.0 million. In addition, the Aviation Enterprise Fund refunded \$467.7 million and issued \$509.5 million in bonds.

Total net position, which represents the residual interest in the Airports Authority assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, increased \$323.4 million from 2015 and increased \$176.1 million from 2014. The Aviation Enterprise Fund and Dulles Corridor Enterprise Fund provided \$67.9 million increase and \$255.5 million increase, respectively, for 2016. In 2015, the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund provided \$68.1 million increase and \$108.0 million increase, respectively.

Net investment in capital assets increased \$300.8 million from 2015. The increase in 2016 was attributable to an \$9.4 million decrease and \$310.2 million increase in the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund, respectively.

On December 31, 2016, total restricted net position of \$161.5 million consisted of funds restricted for construction, debt service, leases, Dulles Metrorail Project latent defects, Dulles Toll Road repairs, and Public Safety. This was an overall decrease from 2015 of \$146.0 million. The Aviation Enterprise Fund's restricted net position decreased \$5.0 million, primarily due to a \$9.7 million net decrease in assets restricted for construction. The Dulles Corridor Enterprise Fund's restricted net position decrease of \$141.0 million included a \$137.0 million decrease in assets restricted for construction.

Total unrestricted net position at the end of the reporting period for the Airports Authority was a negative \$635.3 million, which represented an overall increase of \$168.5 million from 2015. Unrestricted net position increased \$82.2 million for the Aviation Enterprise Fund and increased \$86.3 million for the Dulles Corridor Enterprise Fund. These net unrestricted assets may be used to meet any of the Airports Authority's ongoing operational needs, including debt service for the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund, subject to approval by the Airports Authority's Board of Directors. Unrestricted net position is reduced by the debt associated with the Dulles Metrorail Project Phase 1. The costs of this project were effectively transferred to WMATA in 2014 and are no longer reflected on the Airports Authority's financial statements.

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.

On June 14, 2016, the Airports Authority Aviation Enterprise Fund issued \$386.0 million of Series 2016AB Airport System Revenue Refunding Bonds. As a result of debt service savings of \$102.1 million, Series 2016AB Bonds refunded \$469.4 million of outstanding Series 2006A-C Bonds and paid for the cost of issuance of the bonds.

The Series 2016A Alternative Minimum Tax (AMT) Airport System Revenue Refunding Bonds' par amount of \$362.7 million refunded \$153.6 million of Series 2006A Bonds maturing in 2030-2035 and \$284.3 million of Series 2006B maturing in 2031-2036 for a net present value savings of \$96.9 million. The Series 2016B Non-AMT Airport System Revenue Refunding Bonds' par amount of \$23.4 million refunded \$31.6 million of Series 2006C Bonds maturing in 2016-2032 for net present value savings of \$5.2 million.

The refunding produced total gross savings of \$166.7 million or \$102.1 million on a present value basis. Annual debt service savings in the near term are approximately \$6.0 million from 2017 through 2020.

The Airports Authority's Aviation Enterprise Fund's long-term uninsured bonds are rated "AA-" by Fitch, "A1" by Moody's, and "AA-" by Standard & Poor's Global Rating Services (S&P). In May 2016, Moody's affirmed its rating and revised its outlook from "Stable" to "Positive"; Fitch and S&P affirmed the ratings with "Stable" outlook.

The Airports Authority, through its Master Indenture of Trust, has agreed to maintain debt service coverage of not less than 1.25x. Debt service coverage is calculated as defined in the Master Indenture of Trust. Historically, the Airports Authority has maintained a coverage ratio significantly higher than its requirement. For 2016, 2015, and 2014 the Airports Authority's debt service coverage was 1.79x, 1.69x, and 1.45x, respectively.

Dulles Corridor Enterprise Fund

In 2009, a Master Indenture of Trust was created to secure Dulles Toll Road Revenue Bonds issued by the Dulles Corridor Enterprise Fund of the Airports Authority. Under this Indenture, all bonds are secured by a pledge of the Toll Road Revenues derived by the Airports Authority from the operation of the Dulles Toll Road.

In August 2014, the Airports Authority and the USDOT executed the TIFIA Loan Agreement which provides up to \$1.278 billion of financing for Phase 2 of the Dulles Metrorail Project. The Dulles Corridor Enterprise completed monthly draws on the TIFIA Loan with the USDOT totaling \$222.5 million in 2016 and \$250.8 million in 2015. In addition, in 2016, the Dulles Corridor Enterprise has incurred \$12.4 million in accreted interest costs of which \$10.5 million has been capitalized to the TIFIA Loan draws. The total accreted interest costs that have been capitalized to the TIFIA Loan draws through December 31, 2016 are \$18.2 million.

In December 2012, the Airports Authority issued \$200.0 million of fixed rate notes secured by the remaining federal funding anticipated to be received pursuant to a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration for Phase 1 of the Rail Project. The Dulles Corridor Enterprise Fund had \$100.0 million of FFGA Notes outstanding on December 31, 2015 that was paid off on December 1, 2016 with \$0 outstanding on December 31, 2016.

The Airports Authority's Dulles Corridor Enterprise Fund has four liens (First Senior, Second Senior, Subordinate, and Junior) associated with the Dulles Toll Road Revenue Bonds. The Bonds under these Liens have assigned ratings by Moody's and S&P.

Please refer to Note 14 – Capital Debt for additional detail on the ratings.

FEDERAL, STATE, AND LOCAL GRANT ACTIVITY

The Airports Authority receives grants from the United States government, the Commonwealth, and other local grantors for certain operating and capital construction programs.

Aviation Enterprise Fund

In 2016, the Aviation Enterprise Fund received \$1.7 million in total federal, state, and local grants in support of operations. This included \$0.9 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 \$0.6 million from the TSA, which was used to offset the expense of training and caring for canines used in explosives detection and \$0.1 million related to the collaborative effort between the Airports Authority and the Department of Justice.

The Aviation Enterprise Fund also recognized \$14.8 million in federal, state, and local grants in support of capital programs in 2016. The FAA's Airport Improvement Program provided \$14.8 million for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements. TSA funding include American Recovery and Reinvestment Act (ARRA) funds, related to capital programs for the Aviation Enterprise Fund totaled \$15.0 million in 2015 and were reimbursed for the costs of installing East/West in-line and South Basement baggage screening at Dulles International. The projects were completed in FY 2015.

Dulles Corridor Enterprise Fund

The Federal Transit Administration is the primary grantor to the Dulles Metrorail Project and has committed a total of \$900.0 million in federal New Starts funding for the project. The \$900.0 million Full Funding Grant Agreement (FFGA) was approved by the FTA on March 10, 2009 and is inclusive of all previously awarded grants for the Dulles Metrorail Project. During 2016, the Dulles Corridor Enterprise Fund recognized \$63.9 million of the FFGA award.

In 2009, USDOT allocated \$77.3 million in ARRA funding to the Dulles Metrorail Project. These funds replaced Section 5309 funds that 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.

During 2016, the Dulles Corridor Enterprise Fund recognized \$30.0 million of state grant in support of capital programs. In the 2014 Transportation Plan and 2014 Budget, the Commonwealth committed to provide \$300.0 million in funds to the Phase 2 Project. These funds were provided over a three year period, \$100.0 million per year beginning in 2014, \$100.0 million in 2015 and \$100.0 million in 2016. In 2013, the Commonwealth provided \$150.0 million in funding towards Phase 1 of the Dulles Metrorail Project in order to allow the Airports Authority to minimize future toll rates charged to users of the Dulles Toll Road. The first \$10.0 million was recognized in 2013 and an additional \$30.0 million was recognized in each year for 2014, 2015 and 2016.

The Airport Authority receives project funding from the Northern Virginia Transportation Authority (NVTA) a total of \$60.0 million, \$33.0 million in 2015 and \$27.0 million in 2016. These funds are used for the construction of the Metrorail Innovation Station which is a part of Phase 2 of the Dulles Metrorail Project. During 2016, MWAA recognized \$32.2 million of NVTA funds.

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 decreased \$185.3 million to \$784.0 million as of December 31, 2016. This was driven by a decrease of \$61.1 million in the Dulles Corridor Enterprise Fund and a decrease in available cash and cash equivalents, both restricted and unrestricted, of \$124.2 million in the Aviation Enterprise Fund. Cash and cash equivalents with an original maturity of three months or less are considered highly liquid investments. Restricted and unrestricted investments increased by \$285.5 million in 2016, which was attributable to a \$137.4 million increase in the Aviation Enterprise Fund and an increase of \$148.0 million in the Dulles Corridor Enterprise Fund investments.

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

	Total Business-Type Activities		
	2016	2015	2014
Cash received from operations	\$ 925,620,760	\$ 944,677,618	\$ 869,747,634
Cash expended from operations	<u>(437,136,219)</u>	<u>(431,697,068)</u>	<u>(453,924,543)</u>
Net cash provided by operations	488,484,541	512,980,550	415,823,091
Net cash provided (used) by:			
Noncapital financing activities	175,689,800	82,902,196	(19,716,750)
Capital and related financing activities	(583,897,066)	(243,808,029)	(359,141,880)
Investing activities	<u>(265,616,389)</u>	<u>(154,258,997)</u>	<u>(151,022,547)</u>
Net increase (decrease) in cash and cash equivalents	(185,339,114)	197,815,720	(114,058,086)
Cash and cash equivalents, beginning of year	<u>969,304,419</u>	<u>771,488,699</u>	<u>885,546,785</u>
Cash and cash equivalents, end of year	<u>\$ 783,965,305</u>	<u>\$ 969,304,419</u>	<u>\$ 771,488,699</u>

Cash temporarily idle during 2016 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 2016, the Airports Authority's Aviation Enterprise Fund operating account average portfolio balance was \$770.1 million, and the average yield on investments was 0.68 percent. The capital funds are held by an agent for the Trustee but managed by the Airports Authority. For 2016, the capital funds had an average portfolio balance of \$487.2 million and an average yield of 3.15 percent. During 2016, the Airports Authority's Dulles Corridor Enterprise Fund operating account average portfolio balance was \$49.4 million and the average yield on investments was 0.09 percent. As is the case with the Aviation Enterprise Fund, capital funds for the Dulles Corridor Enterprise Fund are held by an agent for the Trustee, but managed by the Airports Authority. For 2016, the capital funds had an average portfolio balance of \$275.7 million and an average yield of 1.47 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.

CAPITAL CONSTRUCTION

Aviation Enterprise Fund

The Aviation Enterprise Fund capitalized \$54.1 million in projects in 2016, principally for Digital Signage system in Terminal B/C, lobby, and elevator upgrade in Terminal A, security screening checkpoint expansion in terminal A at Reagan National, and at Dulles International included West Automated People Mover tunnels and stations, Taxilane B reconstruction and widening east station, and a police range.

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, studies, 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 including, Chathams Ford Noise Wall, Mclean Hamlet Noise Wall and Odricks Corner New Wall, and additional costs relating to the Dulles Metrorail Project. These projects, which are funded from bond proceeds, Federal Transit Administration grants, and contributions from Fairfax County, Loudoun County, the NVRTA and the Commonwealth, include the Dulles Metrorail Project, as well as other studies and improvements. The total Capital Improvement Program expenditure budget for 2016 was \$1.5 billion, of which \$411.7 million was allocated for Phase 1 of the Dulles Metrorail Project; \$1.0 billion was allocated for Phase 2 of the Dulles Metrorail Project, and \$44.6 million for Dulles Toll Road.

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 bondholders.information@mwaa.com.

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Basic Financial Statements

Statement of Net Position
As of December 31, 2016

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 35,110,978	\$ 234,632,901	\$ 269,743,879
Restricted cash and cash equivalents	150,279,993	103,274,852	253,554,845
Accounts receivable, net	31,477,178	582,798	32,059,976
Investments	747,024,471	-	747,024,471
Restricted investments	180,919,664	149,534,482	330,454,146
Inventory	9,732,658	206,994	9,939,652
Prepaid expenses and other current assets	<u>7,027,966</u>	<u>315,468</u>	<u>7,343,434</u>
Total current assets	<u>1,161,572,908</u>	<u>488,547,495</u>	<u>1,650,120,403</u>
Non-current assets			
Restricted:			
Cash and cash equivalents	50,238,911	210,427,670	260,666,581
Accounts receivable	12,463,081	163,832,121	176,295,202
Investments	<u>287,112,602</u>	<u>261,536,251</u>	<u>548,648,853</u>
Total restricted	<u>349,814,594</u>	<u>635,796,042</u>	<u>985,610,636</u>
Unrestricted:			
Bond insurance costs	2,136,016	14,493,216	16,629,232
Other assets	<u>1,615,598</u>	<u>-</u>	<u>1,615,598</u>
Total unrestricted	<u>3,751,614</u>	<u>14,493,216</u>	<u>18,244,830</u>
Capital assets:			
Land and other non-depreciable assets	182,738,053	-	182,738,053
Construction in progress	181,352,288	21,149,691	202,501,979
Construction in progress - Dulles Metrorail Project	-	1,146,623,098	1,146,623,098
Buildings, systems and equipment	7,320,910,127	118,919,840	7,439,829,967
Less: accumulated depreciation	<u>(3,260,703,540)</u>	<u>(20,627,316)</u>	<u>(3,281,330,856)</u>
Capital assets, net	<u>4,424,296,928</u>	<u>1,266,065,313</u>	<u>5,690,362,241</u>
Total non-current assets	<u>4,777,863,136</u>	<u>1,916,354,571</u>	<u>6,694,217,707</u>
Total assets	<u>\$ 5,939,436,044</u>	<u>\$ 2,404,902,066</u>	<u>\$ 8,344,338,110</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - debt refundings	\$ 74,717,792	\$ -	\$ 74,717,792
Deferred outflows - pension plans	<u>16,868,799</u>	<u>1,618,024</u>	<u>18,486,823</u>
Total deferred outflows of resources	<u>\$ 91,586,591</u>	<u>\$ 1,618,024</u>	<u>\$ 93,204,615</u>

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

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Statement of Net Position
As of December 31, 2016

	<u>Aviation</u>	<u>Dulles Corridor</u>	<u>Total</u>
	<u>Enterprise</u>	<u>Enterprise</u>	<u>Business-Type</u>
			<u>Activities</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 60,363,806	\$ 115,019,875	\$ 175,383,681
Advance billings and payments received in advance	17,482,625	86,122,979	103,605,604
Accrued lease obligations	371,137	-	371,137
Due to (due from) other funds	35,387,021	(35,387,021)	-
Accrued interest payable	47,964,617	23,005,427	70,970,044
Current portion of bonds and notes payable	<u>167,575,000</u>	<u>4,032,707</u>	<u>171,607,707</u>
 Total current liabilities	 <u>329,144,206</u>	 <u>192,793,967</u>	 <u>521,938,173</u>
 Non-current liabilities			
Other liabilities	9,196,904	230,133,384	239,330,288
Commercial paper notes	-	181,000,000	181,000,000
Interest rate swaps payable	148,469,565	-	148,469,565
Net pension liability	6,266,901	405,806	6,672,707
TIFIA payable	-	491,484,374	491,484,374
Bonds payable, net	<u>4,587,819,773</u>	<u>1,997,734,225</u>	<u>6,585,553,998</u>
 Total non-current liabilities	 <u>4,751,753,143</u>	 <u>2,900,757,789</u>	 <u>7,652,510,932</u>
 Total liabilities	 <u>\$ 5,080,897,349</u>	 <u>\$ 3,093,551,756</u>	 <u>\$ 8,174,449,105</u>
 DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - debt refundings	\$ 145,135	\$ -	\$ 145,135
Deferred inflows - pension plans	5,934,412	-	5,934,412
 Total deferred inflows of resources	 <u>\$ 6,079,547</u>	 <u>\$ -</u>	 <u>\$ 6,079,547</u>
 NET POSITION (DEFICIT)			
Net investment in capital assets	\$ 245,920,855	\$ 484,821,426	\$ 730,742,281
Restricted for			
Construction	60,104,737	11,346,057	71,450,794
Debt service	45,536,603	14,454,656	59,991,259
Leases	6,544,607	-	6,544,607
Dulles Rail latent defects	-	15,012,821	15,012,821
Dulles Toll Road repairs	-	8,334,261	8,334,261
Public Safety	190,213	-	190,213
Unrestricted (deficit)	<u>585,748,724</u>	<u>(1,221,000,887)</u>	<u>(635,252,163)</u>
 Total net position (deficit)	 <u>\$ 944,045,739</u>	 <u>\$ (687,031,666)</u>	 <u>\$ 257,014,073</u>

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

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Statement of Net Position
As of December 31, 2015

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 46,235,781	\$ 220,271,056	\$ 266,506,837
Restricted cash and cash equivalents	151,321,552	119,584,030	270,905,582
Accounts receivable, net	32,749,383	481,229	33,230,612
Investments	677,613,961	-	677,613,961
Restricted investments	126,399,558	114,514,290	240,913,848
Inventory	8,688,329	248,131	8,936,460
Prepaid expenses and other current assets	<u>5,616,891</u>	<u>322,176</u>	<u>5,939,067</u>
Total current assets	<u>1,048,625,455</u>	<u>455,420,912</u>	<u>1,504,046,367</u>
Non-current assets			
Restricted:			
Cash and cash equivalents	162,321,591	269,570,409	431,892,000
Accounts receivable	17,731,806	249,188,846	266,920,652
Investments	<u>273,634,939</u>	<u>148,509,948</u>	<u>422,144,887</u>
Total restricted	<u>453,688,336</u>	<u>667,269,203</u>	<u>1,120,957,539</u>
Unrestricted:			
Bond insurance costs	5,032,693	15,979,139	21,011,832
Other assets	<u>1,305,624</u>	<u>152,005</u>	<u>1,457,629</u>
Total unrestricted	<u>6,338,317</u>	<u>16,131,144</u>	<u>22,469,461</u>
Capital assets:			
Land and other non-depreciable assets	182,737,681	-	182,737,681
Construction in progress	162,943,105	6,012,714	168,955,819
Construction in progress - Dulles Metrorail Project	-	725,619,446	725,619,446
Buildings, systems and equipment	7,270,504,016	95,891,442	7,366,395,458
Less: accumulated depreciation	<u>(3,031,610,767)</u>	<u>(15,155,844)</u>	<u>(3,046,766,611)</u>
Capital assets, net	<u>4,584,574,035</u>	<u>812,367,758</u>	<u>5,396,941,793</u>
Total non-current assets	<u>5,044,600,688</u>	<u>1,495,768,105</u>	<u>6,540,368,793</u>
Total assets	<u>\$ 6,093,226,143</u>	<u>\$ 1,951,189,017</u>	<u>\$ 8,044,415,160</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - debt refundings	\$ 76,607,428	\$ -	\$ 76,607,428
Deferred outflows - pension plans	<u>16,698,151</u>	<u>1,912,157</u>	<u>18,610,308</u>
Total deferred outflows of resources	<u>\$ 93,305,579</u>	<u>\$ 1,912,157</u>	<u>\$ 95,217,736</u>

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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Net Position
As of December 31, 2015

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 65,073,691	\$ 129,348,636	\$ 194,422,327
Advance billings and payments received in advance	31,995,960	96,122,979	128,118,939
Accrued lease obligations	341,141	-	341,141
Due to (due from) other funds	31,317,916	(31,317,916)	-
Accrued interest payable	50,483,360	18,793,700	69,277,060
Current portion of bonds and notes payable	<u>162,112,677</u>	<u>107,588,182</u>	<u>269,700,859</u>
 Total current liabilities	 <u>341,324,745</u>	 <u>320,535,581</u>	 <u>661,860,326</u>
Non-current liabilities			
Other liabilities	6,193,949	150,070,790	156,264,739
Commercial paper notes	-	210,000,000	210,000,000
Interest rate swaps payable	164,917,497	-	164,917,497
Net pension liability	6,383,203	413,032	6,796,235
TIFIA payable	-	256,598,849	256,598,849
Bonds payable, net	<u>4,790,410,423</u>	<u>1,957,970,287</u>	<u>6,748,380,710</u>
 Total non-current liabilities	 <u>4,967,905,072</u>	 <u>2,575,052,958</u>	 <u>7,542,958,030</u>
 Total liabilities	 <u>\$ 5,309,229,817</u>	 <u>\$ 2,895,588,539</u>	 <u>\$ 8,204,818,356</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - debt refundings	\$ 163,208	\$ -	\$ 163,208
Deferred inflows - pension plans	<u>1,029,470</u>	<u>-</u>	<u>1,029,470</u>
 Total deferred inflows of resources	 <u>\$ 1,192,678</u>	 <u>\$ -</u>	 <u>\$ 1,192,678</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	\$ 255,235,162	\$ 174,658,885	\$ 429,894,047
Restricted for			
Construction	69,780,008	148,382,797	218,162,805
Debt service	41,423,993	18,133,683	59,557,676
Leases	5,753,012	-	5,753,012
Dulles Rail latent defects	-	15,006,242	15,006,242
Dulles Toll Road repairs	-	8,640,040	8,640,040
Public Safety	385,998	-	385,998
Unrestricted (deficit)	<u>503,531,054</u>	<u>(1,307,309,012)</u>	<u>(803,777,958)</u>
 Total net position (deficit)	 <u>\$ 876,109,227</u>	 <u>\$ (942,487,365)</u>	 <u>\$ (66,378,138)</u>

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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2016

	Aviation Enterprise Fund	Dulles Corridor Enterprise Fund	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 316,453,536	\$ -	\$ 316,453,536
Tolls	-	151,731,033	151,731,033
Rents	307,980,996	-	307,980,996
Landing fees	93,422,084	-	93,422,084
Utility sales	13,019,300	-	13,019,300
Passenger fees	32,544,343	-	32,544,343
Other	10,639,749	-	10,639,749
Total operating revenues	774,060,008	151,731,033	925,791,041
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	186,332,647	26,820,384	213,153,031
Impairment loss / design costs	2,045,592	-	2,045,592
Salaries and related benefits	171,931,528	10,663,943	182,595,471
Utilities	25,683,982	243,236	25,927,218
Lease from U.S. Government	5,502,217	-	5,502,217
Depreciation and amortization	234,151,332	6,986,951	241,138,283
Total operating expenses	625,647,298	44,714,514	670,361,812
OPERATING INCOME	148,412,710	107,016,519	255,429,229
NON-OPERATING REVENUES (EXPENSES)			
Investment income	17,941,016	1,901,118	19,842,134
Interest expense	(189,201,753)	(129,524,735)	(318,726,488)
Federal, state and local grants	703,711	-	703,711
Fair value gain on swaps	16,447,932	-	16,447,932
Other Income	-	-	-
Net contributions from (to) other governments	(37,647,152)	168,508,612	130,861,460
Total non-operating revenues (expenses)	(191,756,246)	40,884,995	(150,871,251)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(43,343,536)	147,901,514	104,557,978
CAPITAL CONTRIBUTIONS			
Passenger facility charges	89,811,124	-	89,811,124
Federal, state and local grants	21,468,924	107,554,185	129,023,109
Total capital contributions	111,280,048	107,554,185	218,834,233
NET POSITION (DEFICIT)			
Change in net position	67,936,512	255,455,699	323,392,211
Net position (deficit), beginning of year	876,109,227	(942,487,365)	(66,378,138)
Net position (deficit), end of year	\$ 944,045,739	\$ (687,031,666)	\$ 257,014,073

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, 2015

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 286,049,575	\$ -	\$ 286,049,575
Tolls	-	151,431,759	151,431,759
Rents	316,082,521	-	316,082,521
Landing fees	105,741,304	-	105,741,304
Utility sales	12,920,034	-	12,920,034
Passenger fees	30,500,912	-	30,500,912
Other	10,546,031	-	10,546,031
Total operating revenues	<u>761,840,377</u>	<u>151,431,759</u>	<u>913,272,136</u>
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	193,733,350	26,944,764	220,678,114
Impairment loss / design costs	-	-	-
Salaries and related benefits	167,220,134	10,820,154	178,040,288
Utilities	25,568,096	349,593	25,917,689
Lease from U.S. Government	5,392,439	-	5,392,439
Depreciation and amortization	238,558,192	6,511,787	245,069,979
Total operating expenses	<u>630,472,211</u>	<u>44,626,298</u>	<u>675,098,509</u>
OPERATING INCOME	<u>131,368,166</u>	<u>106,805,461</u>	<u>238,173,627</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	14,061,258	1,895,715	15,956,973
Interest expense	(189,397,216)	(122,617,710)	(312,014,926)
Federal, state and local grants	798,437	-	798,437
Fair value loss on swaps	1,196,495	-	1,196,495
Other Income	-	5,877,306	5,877,306
Net contributions from (to) other governments	(26,104,546)	29,529,254	3,424,708
Total non-operating revenues (expenses)	<u>(199,445,572)</u>	<u>(85,315,435)</u>	<u>(284,761,007)</u>
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(68,077,406)</u>	<u>21,490,026</u>	<u>(46,587,380)</u>
CAPITAL CONTRIBUTIONS			
Passenger facility charges	88,552,338	-	88,552,338
Federal, state and local grants	47,589,763	86,550,351	134,140,114
Total capital contributions	<u>136,142,101</u>	<u>86,550,351</u>	<u>222,692,452</u>
NET POSITION (DEFICIT)			
Change in net position	68,064,695	108,040,377	176,105,072
Net position (deficit), beginning of year (as restated)	<u>808,044,532</u>	<u>(1,050,527,742)</u>	<u>(242,483,210)</u>
Net position (deficit), end of year	<u>\$ 876,109,227</u>	<u>\$ (942,487,365)</u>	<u>\$ (66,378,138)</u>

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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Cash Flows
For the year ended December 31, 2016

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 760,818,881	\$ 151,609,077	\$ 912,427,958
Cash payments to suppliers for goods and services	(218,116,379)	(24,276,234)	(242,392,613)
Cash payments to employees for services	(178,713,826)	(2,836,978)	(181,550,804)
Cash receipts for interfund services	13,192,802	-	13,192,802
Cash payments for interfund services	-	(13,192,802)	(13,192,802)
NET CASH PROVIDED BY OPERATING ACTIVITIES	377,181,478	111,303,063	488,484,541
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash provided by other governments	-	211,615,034	211,615,034
Cash provided to other governments	(36,623,685)	-	(36,623,685)
Other income (non-operating)	-	-	-
Interest paid (refunded) to vendors	(3,845)	(1,415)	(5,260)
Federal, state and local grants in support of operations	703,711	-	703,711
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(35,923,819)	211,613,619	175,689,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	386,025,000	222,461,230	608,486,230
Proceeds from issuance of commercial paper	-	440,000,000	440,000,000
Payments for refunding of bond notes and commercial paper	(469,425,000)	-	(469,425,000)
Principal payments on bonds/notes and commercial paper	(152,002,677)	(476,588,182)	(628,590,859)
Payments for capital expenditures and construction in progress	(75,233,153)	(577,478,664)	(652,711,817)
Proceeds from sale of capital assets	413,654	9,806	423,460
Refundings of bond insurance costs	2,473,840	-	2,473,840
Interest paid on bonds and commercial paper	(154,836,127)	(100,028,178)	(254,864,305)
Federal, state and local grants in aid of construction	27,170,567	253,762,612	280,933,179
Passenger facility charge receipts	89,378,206	-	89,378,206
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(346,035,690)	(237,861,376)	(583,897,066)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from short-term investment maturities	1,257,922,631	196,622,575	1,454,545,206
Purchase of short-term investments	(1,365,798,479)	(226,492,280)	(1,592,290,759)
Proceeds from long-term investment maturities	109,769,486	117,621,211	227,390,697
Purchase of long-term investments	(121,364,649)	(233,896,884)	(355,261,533)
NET CASH USED IN INVESTING ACTIVITIES	(119,471,011)	(146,145,378)	(265,616,389)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(124,249,042)	(61,090,072)	(185,339,114)
CASH AND CASH EQUIVALENTS, Beginning of year	359,878,924	609,425,495	969,304,419
CASH AND CASH EQUIVALENTS, End of year	\$ 235,629,882	\$ 548,335,423	\$ 783,965,305

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

Statement of Cash Flows
For the year ended December 31, 2016

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 148,412,710	\$ 107,016,519	\$ 255,429,229
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	233,624,607	6,979,164	240,603,771
Gain on disposal of assets	526,725	7,787	534,512
Provision for losses on accounts receivable	353,166	-	353,166
Impairment loss on construction in progress	2,045,592	-	2,045,592
(Increase) decrease in assets:			
Accounts receivable	919,039	(121,956)	797,083
Inventory	(1,044,329)	41,137	(1,003,192)
Prepaid expenses and other current assets	(1,411,074)	6,708	(1,404,366)
Other long term assets	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(2,398,207)	140,574	(2,257,633)
Advance billings and payments received in advance	(14,513,335)	-	(14,513,335)
Due to (due from) other funds	3,045,638	(3,045,638)	-
Total pension liability	(286,950)	(665,482)	(952,432)
Long-term liabilities	7,907,896	944,250	8,852,146
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 377,181,478	\$ 111,303,063	\$ 488,484,541
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain (loss) on investments	\$ (2,292,783)	\$ (5,947,867)	\$ (8,240,650)
Contributions to other entities	\$ (37,647,152)	\$ (36,961,203)	\$ (74,608,355)
Contributions from other entities	\$ -	\$ 203,469,815	\$ 203,469,815
Increase (decrease) in capital assets in accounts payable and accrued expenses	\$ (2,281,764)	\$ (134,398,602)	\$ (136,680,366)
Fair value gain on swaps	\$ 16,447,932	\$ -	\$ 16,447,932

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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Cash Flows
For the year ended December 31, 2015

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 783,093,422	\$ 151,378,424	\$ 934,471,846
Cash payments to suppliers for goods and services	(234,612,530)	(25,341,776)	(259,954,306)
Cash payments to employees for services	(158,984,437)	(2,552,553)	(161,536,990)
Cash receipts for interfund services	10,205,772	-	10,205,772
Cash payments for interfund services	-	(10,205,772)	(10,205,772)
NET CASH PROVIDED BY OPERATING ACTIVITIES	399,702,227	113,278,323	512,980,550
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash provided by other governments	-	99,868,796	99,868,796
Cash provided to other governments	(23,648,055)	-	(23,648,055)
Other income (non-operating)	-	5,877,306	5,877,306
Interest paid to vendors	9,612	(3,900)	5,712
Federal, state and local grants in support of operations	798,437	-	798,437
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(22,840,006)	105,742,202	82,902,196
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	509,480,000	250,839,657	760,319,657
Proceeds from issuance of commercial paper	-	360,000,000	360,000,000
Payments for refunding of bond notes and commercial paper	(488,705,000)	-	(488,705,000)
Principal payments on bonds/notes and commercial paper	(130,009,255)	(379,459,580)	(509,468,835)
Payments for capital expenditures and construction in progress	(93,531,414)	(388,928,600)	(482,460,014)
Proceeds from sale of capital assets	369,953	44,852	414,805
Refundings of bond insurance costs	3,263,955	-	3,263,955
Interest paid on bonds and commercial paper	(163,610,625)	(59,542,320)	(223,152,945)
Federal, state and local grants in aid of construction	74,452,255	174,935,307	249,387,562
Passenger facility charge receipts	86,592,786	-	86,592,786
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(201,697,345)	(42,110,684)	(243,808,029)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from short-term investment maturities	1,138,367,184	176,364,803	1,314,731,987
Purchase of short-term investments	(1,366,827,868)	(259,304,076)	(1,626,131,944)
Proceeds from long-term investment maturities	186,703,525	30,065,527	216,769,052
Purchase of long-term investments	(46,379,831)	(13,248,261)	(59,628,092)
NET CASH USED IN INVESTING ACTIVITIES	(88,136,990)	(66,122,007)	(154,258,997)
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,027,886	110,787,834	197,815,720
CASH AND CASH EQUIVALENTS, Beginning of year	272,851,038	498,637,661	771,488,699
CASH AND CASH EQUIVALENTS, End of year	\$ 359,878,924	\$ 609,425,495	\$ 969,304,419

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

Statement of Cash Flows
For the year ended December 31, 2015

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 131,368,166	\$ 106,805,461	\$ 238,173,627
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	238,239,016	6,510,109	244,749,125
Gain on disposal of assets	319,176	1,678	320,854
Provision for losses on accounts receivable	349,793	-	349,793
Impairment loss on construction in progress	-	-	-
(Increase) decrease in assets:			
Accounts receivable	13,504,426	(53,336)	13,451,090
Inventory	(892,167)	(83,042)	(975,209)
Prepaid expenses and other current assets	997,398	(12,075)	985,323
Other long term assets	845,296	(131,214)	714,082
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(2,245,581)	(405,878)	(2,651,459)
Advance billings and payments received in advance	6,553,528	-	6,553,528
Due to (due from) other funds	17,513	(17,513)	-
Total pension liability	11,311,882	731,547	12,043,429
Long-term liabilities	(666,219)	(67,414)	(733,633)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 399,702,227	\$ 113,278,323	\$ 512,980,550
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain (loss) on investments	\$ (2,496,311)	\$ (4,992,263)	\$ (7,488,574)
Contributions to other entities	\$ (26,104,546)	\$ (86,661,709)	\$ (112,766,255)
Contributions from other entities	\$ -	\$ 116,190,963	\$ 116,190,963
Increase (decrease) in capital assets in accounts payable and accrued expenses	\$ 5,694,077	\$ 24,811,309	\$ 30,505,386
Fair value gain on swaps	\$ 1,196,495	\$ -	\$ 1,196,495

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 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 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 generally accepted accounting principles in the United States of America (GAAP), as prescribed by the Governmental 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 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 GAAP 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 net 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 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 include all remaining assets, deferred outflows of resources, liabilities and deferred inflows of resources not included in the preceding two categories.

F. Revenue Recognition

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

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

Tolls – Toll revenues represent revenues collected from vehicles using the Dulles Toll Road and include automated vehicle identification or electronic toll collections, cash collections and violation revenues. Violation revenues are recorded at gross amounts, and the related collection and administrative fees are expensed. Toll revenues are recognized in the period in which the toll road usage occurred.

Rents – Rental revenues are earned through leases of Airports Authority terminal and non-terminal property space. Leases with the airlines are based on full cost recovery plus debt service coverage, through rates and charges as described in Note 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.

Utility Sales – Utility revenues are generated from metered utility usage for terminal and non-terminal tenants whose utility usage is not already included in rental fees. Utility revenues are recognized based on the period of actual usage.

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

Customer Facility Charge – On April 1, 1993, the Airports Authority began requiring the on-airport car rental companies at Reagan National to charge a Customer Facility Charge (CFC) to be used to pay, or to reimburse the Airports Authority, for costs, fees, and expenses associated with financing, maintaining, and operating the car rental companies' Quick Turn-Around Facility, 55 percent of the cost of the south parking structure, 55 percent of the costs of busing service used to transport public parking patrons, and other costs, fees and expenses that may be paid from CFC proceeds. The CFC is \$2.50 in 2016 per rental day and is collected by the car rental companies from each of their customers and subsequently remitted to the Airports Authority. In accordance with the concessions contracts between the Airports Authority and the car rental companies, the CFC cannot be used for the Airports Authority's indirect costs. CFC revenues are included in the Statements of Revenues, Expenses and Changes in Net Position as Concession 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.

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

All allocated overhead and other indirect costs are expensed by the Dulles Corridor Enterprise Fund and recognized as a reduction of expenses by the Aviation Enterprise Fund. Costs allocated for 2016 and 2015 are recognized within *Operating Expenses* on the Statements of Revenues, Expenses and Changes in Net Position as follows:

	Year ended December 31,	
	2016	2015
Materials, equipment, supplies, contract services, and other	\$ 1,233,108	\$ 1,776,851
Salaries and related benefits	7,665,065	7,490,373
Utilities	62,214	171,528
Depreciation and amortization	351,804	749,509
Total	<u>\$ 9,312,191</u>	<u>\$ 10,188,261</u>

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

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, money market 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. 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.

In accordance with the provisions of GAAP, investments with an original maturity greater than one year are recorded at their fair value and all investment income, including changes in the fair value of investments, are reported as investment income in the financial statements. Investments with an original maturity of less than one year are carried at amortized cost. Fair value measurements are categorized within the fair value hierarchy and are based on the valuation inputs used to measure the fair value of the asset. The inputs are categorized into levels with highest priority given to unadjusted quoted prices in active markets (level 1) and the lowest priority to unobservable inputs (level 3).

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

J. Accounts Receivable

Accounts receivable are reported net of estimated uncollectible amounts when earned. The Airports Authority's payment terms range from zero to 30 days (60 days for government agencies), depending on the type of service provided. An allowance for doubtful accounts for the Aviation Enterprise Fund 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. An allowance for doubtful accounts for the Dulles Corridor Enterprise Fund is based on management estimates of uncollectible revenue billings. Since the receivables in the Dulles Corridor Enterprise Fund are primarily from governmental entities, the allowance for doubtful accounts is not needed.

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. The Airports Authority records all inventory adjustments identified by physical counts directly to expense. Obsolete inventory is either returned to the vendor for credit (if possible) or disposed of according to Airports Authority policy.

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

L. Restricted Assets

Assets restricted to specific purposes by legally enforceable requirements are segregated on the Statements of Net Position. Requirements include: externally imposed requirements by creditors (such as through debt covenants), grantors or contributors; laws or regulations of other governments; and constitutional provisions or enabling legislation.

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

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

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construction of the Dulles Metrorail Project as well as the operation of the Dulles Toll Road (refer to Note 3 – 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. Pensions

For purposes of measuring the net pension liability or (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Civil Service Retirement Systems (CSRS), the Federal Employees’ Retirement System (FERS) and the Airports Authority General and Public Safety Employee Retirement Plans (the Authority Plans) and the additions to and deductions from the CSRS’s, FERS’s and Authority Plans’ net fiduciary position have been determined on the same basis as they were reported by the United States Office of Personnel Management and the actuaries. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Capital Assets

Capital assets used in operations

Capital assets are stated at historical cost or, if acquired upon termination or expiration of tenant leases, acquisition value at the date of transfer. Costs for capital assets under construction include direct, indirect project management costs and financing costs 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 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 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 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 progress, 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.

O. 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.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position contains a separate section for deferred outflows of resources which represent a consumption of net position that applies to a future period(s) and will be recognized as an outflow of resources in a future period(s). The Airports Authority recognizes deferred outflows for debt refundings and pension plans.

In addition to liabilities, the Statement of Net Position contains a separate section for deferred inflows of resources which represent an acquisition of net position that applies to a future period(s) and will be recognized

as an inflow of resources in a future period(s). The Airports Authority recognizes deferred inflows for debt refundings and pension plans.

Q. Long-Term Debt

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

R. 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.

S. 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.

T. 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 Federal 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 an interest-bearing account or investments allowed by the Airports Authority Investment Policy and makes semi-annual payments, including interest, to the Federal 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 the 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.

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.

The Airports Authority has entered into a lease for office space used for the locating of office personnel originally situated in the Corporate Office Building on Reagan National. The expenditure under this operating lease is expensed as incurred.

U. Post-employment Benefits

The Airports Authority recognizes pension expense and deferred outflows of resources and deferred inflows of resources related to pensions that result in changes in the components of the net pension liability. Net pension liability is measured as a portion of the actuarial present value of projected benefits payments that is attributed to past period of employee service net of the pensions plan's fiduciary net position. See Note 7 – Pension Plans and Deferred Compensation Plan.

The Airports Authority provides other post-employment benefits (OPEB) of healthcare and life insurance. OPEB plan contributions are actuarially determined and the Airports Authority recognizes expense for the year in relation to the annual required contribution to the annual OPEB costs. The Airports Authority records an adjustment to the net OPEB obligation for any differences between the OPEB expense in relation to the annual required contribution and contributions made in relation to the annual required contribution. The contribution requirements are based upon projected pay-as-you-go financing requirements and funding for future benefits.

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The Airports Authority pays 80 percent of the health premium costs, 45 percent of the dental premium costs, and 100 percent of the basic life insurance costs for eligible employees, with the retirees paying the remaining premium costs and 100 percent of the cost of supplemental life insurance. See Note 8 – Post Employment Benefits.

V. 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 6 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.

W. 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.

X. 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.

Y. Taxes

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

Z. Recently Issued Accounting Pronouncements

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73) improves the usefulness of information about pensions included in the general purpose external financial reports or state and local governments for making decisions and assessing accountability. The requirements for GASB 73 are effective for periods beginning June 15, 2015 and thereafter. The Airports Authority's pension plans are within the Scope of GASB 68 and the Federal plans are within the Scope of GASB 78 so per Paragraph 9, GASB 73 the Airports Authority is subject to the requirements in Paragraphs 117 – 119. These requirements have been incorporated into this report.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74) improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans* (GASB 43), as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements for defined contribution OPEB plans replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, GASB 43, and Statement No. 50, *Pension Disclosures*. The requirements of GASB 74 are effective for periods beginning June 15, 2016 and thereafter. The Airports Authority will review the Statement and incorporate any required changes to their OPEB reporting.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), improves the accounting and financial reporting by state and local governments for postemployment benefits. The requirements of GASB 75 are effective for periods beginning June 15, 2017 and thereafter. The Airports Authority will review the Statement and incorporate any required changes necessary.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* identifies the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles and the framework for selecting those principles. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015 and thereafter and have been incorporated into this report. The Airports Authority does not have any accounting changes as a result of conformance to these provisions.

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GASB Statement No. 77 *Tax Abatement Disclosures* establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015 and thereafter. The Airports Authority does not engage in tax abatement programs so the provisions of this statement do not apply.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employees through a cost-sharing multiple-employer defined benefit pension plan that meets the criteria in paragraph 4 of GASB 68. The Airports Authority has incorporated these requirements into this document and discloses the information in Note 7 - Pension Plans and Deferred Compensation and in Required Supplemental Information.

GASB Statement No. 79 *Certain External Investment Pools and Pool Participants* establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. The requirements of this Statement are effective for periods beginning after June 15, 2015 and thereafter. The Airports Authority does not participate in any external investment pools so the provisions of this statement do not apply.

GASB Statement No. 80 *Blending Requirements for Certain Component Units* establishes an additional blending requirement for the financial statement presentation of component units. The requirements of this Statement are effective for periods beginning after June 15, 2016 and thereafter. The Airports Authority does not have any component units so the provisions of this statement do not apply.

GASB Statement No. 81 *Irrevocable Split-Interest Agreements* establishes accounting and financial reporting standards for irrevocable split-interest agreements created through trusts – or other legally enforceable agreements with characteristics that are equivalent to irrevocable split-interest agreements – in which a donor irrevocably transfers resources to an intermediary. The requirements of this Statement are effective for periods beginning after December 15, 2016 and thereafter. The Airports Authority does not have any irrevocable split-interest agreements so the provisions of this statement do not apply.

GASB Statement No. 82 *Pension Issues an amendment of GASB Standards No. 67, No. 68 and No. 73* establishes accounting and financial reporting requirements for pensions provided to the employees of state or local governmental employers. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 and thereafter. The Airports Authority will review the Statement and incorporate any required changes to their pension reporting.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes standards of accounting and financial reporting for certain asset retirement obligations, a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 and thereafter. The Airports Authority will review the Statement and incorporate any required changes to their financial reporting.

GASB Statement No. 84, *Fiduciary Activities* establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 and thereafter. The Airports Authority does not engage in fiduciary activity and does not have any component units engaged in fiduciary activity so the provisions of this statement do not apply.

AA. Prior Year Changes

The Airports Authority has reclassified certain items with its Net Position in the Dulles Corridor Enterprise Fund 2015 Statement of Net Position for this financial report. Net Position restricted for construction and debt service has been offset by \$0.3 billion of liabilities associated with those assets restricted for the same purpose. Outstanding debt of \$1.5 billion attributable to the construction of Phase 1 of the Dulles Metrorail Project which has been permanently transferred to Washington Metropolitan Area Transit Authority (WMATA), is reflected as a reduction of Net Position, Unrestricted.

Certain tables within the notes in previously published documents included amounts rounded to the thousands. These amounts have been updated to reflect rounding to the dollars to be consistent with the current presentation.

2. AIRPORT USE AGREEMENT AND PREMISES LEASE

The Airport Use Agreement and Premises Lease Agreement (Use and Lease Agreement) provides for the use and occupancy of facilities at the Airports and establishes the rates and charges, including landing fees and terminal rents, to be paid by the major airlines (Signatory Airlines) serving the Airports. Airline payments of rents, fees and other charges pay for the costs assigned to the airline-supported cost centers. The Airports Authority's other revenues, principally concession revenue, pay for the costs assigned to other cost centers at the Airports, such as roadways, parking areas and non-airline revenue generating portions of the terminal.

In February 1990, the Airports Authority entered into a long-term Airport Use and Lease Agreement with the Signatory Airlines serving the Airports. That Use and Lease Agreement was for a term of 25 years to expire on September 30, 2014, but was extended through December 31, 2014, terminating as of the end of the 2014 fiscal year. In November 2014, the Airports Authority's Board approved a new Use and Lease Agreement which became effective January 1, 2015. The new Use and Lease Agreement became effective with nearly all of the airlines providing service at Reagan National and Dulles International. For airlines operating at Reagan National, the term of agreement is 10 years, starting from the effective date of the agreement to December 31, 2024. For airlines operating at Dulles International, the term of agreement was originally three years, starting from the effective date of the agreement to December 31, 2017. In 2016, the First Universal Amendment to the Use and Lease Agreement (First Amendment) was agreed upon between the Airports Authority and the Signatory Airlines, which extended the Use and Lease Agreement for Dulles International through December 31, 2024.

Both the former and the new Use and Lease Agreements are hybrid agreements, which include elements of both compensatory and residual rate-making methodologies. The Use and Lease Agreements are compensatory to the extent 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 International. The Airports Authority is responsible for all non-airline cost centers, such as general aviation, ground transportation, and Dulles International cargo.

The residual element of the Use and Lease Agreement provides that, in accordance with a formula, the Airports Authority will share its revenue, after certain expenses, referred to as Net Remaining Revenue (NRR), with the Signatory Airlines. To calculate the Airports Authority's and the Signatory Airlines' respective shares of NRR, the total amount of NRR is first segregated by Airport. NRR at each Airport is then reduced by depreciation, debt service coverage on Senior Bonds and Subordinated Bonds and coverage in the tenant equipment cost centers

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allocable to each Airport, with the Signatory Airlines receiving 100 percent of an amount equal to the debt service coverage on any Senior Bonds and Subordinated Bonds and coverage in the tenant equipment cost centers and the Airports Authority receiving 100 percent of an amount equal to depreciation.

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, at any time during the year if 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 has rate making features that are designed to ensure the Airports Authority's debt service and related coverage obligations under the Indenture are met. The Use and Lease Agreement authorizes the Airports Authority to make immediate rate adjustments in the event projected revenues are not adequate to meet the rate covenant under the Indenture. These adjustments are referred to as "Extraordinary Coverage Protection Payments" under the Use and Lease Agreement. The Indenture requires there be 125 percent coverage on the debt service on the Bonds. Under the Use and Lease Agreement, the Airports Authority sets its airline rates and charges at each Airport to recover its costs in the airline-supported cost centers. These costs include 100 percent of the debt service assigned to these cost centers, plus debt service coverage at varying amounts, depending on the Airport and the year, to satisfy, with respect to this debt service, the 125 percent coverage covenant included in the Indenture.

Under the previous Use and Lease Agreement in effect through December 31, 2014, airline-funded debt service coverage at both Reagan National and Dulles International was 25 percent of debt service. In the first three years of the new Use and Lease Agreement, from 2015-2017, airline-funded debt service coverage at both Reagan National and Dulles International will be 35 percent of debt service. In the fourth through ninth years of the new Use and Lease Agreement, from 2018-2023, airline-funded debt service coverage will be 30 percent of debt service only at Reagan National. This requirement was extended to Dulles International under the First Amendment. In 2024, the final year of the new Use and Lease Agreement, airline-funded debt service coverage will be 25 percent of debt service at Reagan National. This requirement was also extended to Dulles International under the First Amendment.

In the event the 125 percent debt service coverage is not met at an Airport, an adjustment in the airlines rates and charges will occur at that Airport to produce compliance with the coverage covenant. In the event that the Airports Authority is unable to adjust airline rates sufficiently at the Airport that failed to generate the required 125 percent debt service coverage, under the Use and Lease Agreement, the Airports Authority shall adjust the rates at the other Airport as necessary to fulfill the Airports Authority's obligation to meet the debt service coverage covenant required by the Indenture.

The Use and Lease Agreement provides for a Capital Construction Program (CCP) at each of the Airports. The approved CCP at Reagan National includes a \$1 billion capital construction program including the following projects: (i) a project for the design and construction of a new commuter concourse; (ii) a project consisting of "enabling projects" associated with the commuter concourse project; (iii) a Terminal B/C "Secure National Hall" project; (iv) a project consisting of a set of "enabling projects" associated with the "Secure National Hall" project; (v) a project consisting of preliminary planning and design work on a facility to expand or replace current Terminal A; and (vi) a project for the design and construction of a new structured parking garage (collectively, the "Reagan National CCP"). In addition, the Reagan National CCP will include various airfield, roadway, utility and other projects.

The CCP at Dulles International includes a \$142.0 million three-year CCP that is expected to include major maintenance to the existing infrastructure of buildings, airfields, roadways, utilities and other projects (the

“Dulles CCP”). The First Amendment to the Use and Lease Agreement added \$446 million of additional capital projects and extended the Dulles CCP through December 31, 2024. Per the Use and Lease Agreement, with regards to Dulles International, the Airports Authority may undertake a portion of the Dulles CCP, but will not be required to do so and may fund the projects it elects to undertake through the issuance of debt. The Reagan National CCP and the Dulles CCP together comprise the 2015-2024 CCP.

An airline that files for bankruptcy has the right to reject its Use and Lease Agreement with the Airports Authority. In the event the Airports Authority does not recover all of its costs pursuant to the Use and Lease Agreement with a bankrupt carrier, the Airports Authority may adjust the rates and charges for all Signatory Airlines in a subsequent rate period to recover the rates and charges due from the bankrupt carrier. As a result, if a Signatory Airline were to reject its lease of space at either Airport, the unrecovered rental costs could be allocated among the remaining airline tenants.

If an airline is not a Signatory Airline, it is required to pay rates and charges set by the Airports Authority in accordance with regulations adopted by the Board and United States Department of Transportation requirements.

The Use and Lease Agreement excludes Dulles Toll Road revenues to ensure no revenues from the operation of the Airports will be used to support the operation of the Dulles Toll Road or finance Dulles Toll Road improvements or the Dulles Metrorail Project.

NRR at Reagan National will be shared as shown in the table below:

<u>Year in Which NRR is Generated</u>	<u>NRR Sharing</u>	<u>Maximum Amount of Airports Authority Share Usable at Dulles International in Year Following Year of Generation</u>
2014, 2015, 2016	100% Airports Authority/ 0% Airlines	\$40 million
2017	55% Airports Authority/ 45% Airlines	\$35 million
2018	55% Airports Authority/ 45% Airlines	\$30 million
2019 through 2023	45% Airports Authority/ 55% Airlines	\$25 million
2024	NRR allocation between the Airports Authority and the Airlines, as well as any limitation on the use of the Airports Authority's share at Dulles International, to be described in a new airport use and lease agreement, which would be effective in 2025, or, if none, in accordance with the allocation for NRR generated in 2023, as described above.	

NRR at Dulles International will be shared in the same manner as it had been shared under the previously existing agreement. At Dulles International, NRR will be divided equally between the Airports Authority and the Signatory Airlines up to a plateau of \$15.6 million (in 2014 dollars) escalated by the U.S. Implicit Price Deflator Index from the base date of January 1, 2014 to the current year. The remainder will then be split with 25 percent allocated to the Airports Authority and 75 percent allocated to the Signatory Airlines.

The Signatory Airlines' share of NRR, referred to as Transfers, is used to lower airline rates and charges in the year following the year the NRR is earned. The Airports Authority uses its share of NRR to finance its Capital,

Operating and Maintenance Investment Program or for any other lawful purpose. Under the new formula, the Airports Authority will retain an increased level of NRR from Reagan National and have the ability to use revenues generated at Reagan National to pay outstanding debt service costs at Dulles International, up to a maximum of \$40 million per year in years 2014, 2015 and 2016. Such revenue sharing between Reagan National and Dulles International is allowed under the Use and Lease Agreement.

Under the Use and Lease Agreement, the Airports Authority may increase its allocable share of NRR, with regard to Reagan National, in the event any new legislation is enacted which expands the Perimeter Rule by allowing additional flights in excess of the 1,250 mile perimeter. For each new pair of beyond-perimeter flights, the Airports Authority would be entitled to \$1.5 million from NRR, before any sharing of NRR occurs with the airlines. For the years ended December 31, 2016 and 2015, the Signatory Airlines' Transfer amounts were \$110.4 million and \$101.1 million, and the Airports Authority's share of NRR was \$135.5 million and \$104.3 million, respectively.

The Use and Lease Agreement also 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, 2016 and 2015, the settlement resulted in net charges to the Signatory Airlines of \$8.3 million and net charges to the Signatory Airlines of \$795 thousand, 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.

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

Dulles Toll Road

On November 1, 2008, the VDOT transferred operational and financial control of the Dulles Toll Road (Omer L. Hirst – Adelar 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 GAAP.

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 WMATA Metrorail system from a location near the Metrorail Orange Line West Falls Church station on I-66 through Tysons Corner to Dulles International and beyond Route 772 to 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 I-66 and a western terminus of Route 772 in Loudoun County, Virginia.

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, to provide the Airports Authority with advice on issues related to the management, improvement, and expansion of the Dulles Corridor, as well as changes to the toll rates on the Dulles Toll Road.

The Airports Authority may not use any net revenues pledged for payment of the Airport System Revenue Bonds or Notes to support the operation of the Dulles Toll Road or to pay debt service on Dulles Toll Road Revenue Bonds. Likewise, the Airports Authority may not use any revenues pledged for payment of the Dulles Toll Road Revenue Bonds or Notes to support the operation of the Airports or to pay debt service on Airport System Revenue Bonds or Notes. The deficit in Unrestricted Net Assets is expected to be reversed over time through the accumulation of additional reserves resulting from future Dulles Toll Road revenue growth. Future Dulles Toll Road revenue will be used to service the debt following the transfer to WMATA for the construction of the Metrorail extension. Debt service through 2018 is also augmented by a contribution of \$150.0 million from the Commonwealth. The Airports Authority has augmented its debt service by \$30.0 million each year for the years ended December 31, 2016 and 2015.

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 extends 11.7 miles from a location near the Metrorail Orange Line West Falls Church station to Wiehle Avenue in Reston, Virginia. 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 property and west into Loudoun County, Virginia. Phase 2 of the Dulles Metrorail Project is expected to include six new stations and a maintenance yard located on Dulles International 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 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, 2016, the Airports Authority has approximately \$2.0 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 the Dulles Metrorail Project is disclosed in Note 9 – Changes in Capital Assets.

Phase 1 of the Dulles Metrorail Project consisting of the 11.7 mile extension and related assets were accepted by WMATA and began operating on July 26, 2014. At that time, the assets were transferred to WMATA in their entirety and WMATA obtained ownership and title to these assets. These assets included the rail track, rail stations, buildings, power substations, rail cars, land, easements, right-of-ways etc. WMATA is responsible for all ongoing operating and maintenance costs pertaining to these transferred assets.

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The transfer of these assets resulted in a reduction of \$3.26 billion (\$3.14 billion in 2014, \$0.09 billion in 2015 and \$0.03 billion in 2016) in construction in progress shown on the Authority's Statement of Net Position and a \$3.26 billion non-operating expense (contribution to other governments) on the Authority's Statement of Revenues, Expenses and Changes in Net Position. It is expected the final project closeout for Phase 1 of the Dulles Metrorail Project will occur over the next few years and as part of the project close out, the Authority will transfer these additional costs on an on-going basis. In addition to these costs, costs for Metrorail cars will be included in these subsequent transfers.

4. DEPOSITS AND INVESTMENTS

The Airports Authority's investment policy, as approved by the Board, requires 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 money market fund investments.

As of December 31, 2016 and 2015, the Airports Authority had various certificates of deposit in the amount of \$16.0 million and \$15.0 million, respectively, of which \$10.5 million and \$10.5 million, respectively, were not covered by insurance and were not collateralized with securities held by the pledging financial institutions. These certificates of deposit were held at institutions with a Kroll Bond Rating Agency rating of B or above. These certificates of deposit were part of the Airports Authority's Linked Deposit Program, whereby a portion of the reserve funds were deposited with banks that have a Community Reinvestment Act rating of "outstanding" or the Local Deposit Program established for regional banks with a Community Reinvestment Act rating of "satisfactory". Participants in the Local Deposit Program must collateralize any deposit over the Federal Deposit Insurance Corporation (FDIC) limit.

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 \$176.2 thousand and \$179.9 thousand as of December 31, 2016 and 2015, respectively.

As of December 31, 2016 and 2015, cash and cash equivalents and investments were classified on the Statements of Net Position as follows:

	As of December 31,			As of December 31,		
	2016			2015		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
Cash and cash equivalents						
Current, unrestricted	\$ 35,110,978	\$ 234,632,901	\$ 269,743,879	\$ 46,235,781	\$ 220,271,056	\$ 266,506,837
Current, restricted	150,279,993	103,274,852	253,554,845	151,321,552	119,584,030	270,905,582
Non-current, restricted	<u>50,238,911</u>	<u>210,427,670</u>	<u>260,666,581</u>	<u>162,321,591</u>	<u>269,570,409</u>	<u>431,892,000</u>
Total cash and cash equivalents	235,629,882	548,335,423	783,965,305	359,878,924	609,425,495	969,304,419
Investments						
Current, unrestricted	747,024,471	-	747,024,471	677,613,961	-	677,613,961
Current, restricted	180,919,664	149,534,481	330,454,146	126,399,558	114,514,290	240,913,848
Non-current, restricted	<u>287,112,602</u>	<u>261,536,251</u>	<u>548,648,853</u>	<u>273,634,939</u>	<u>148,509,948</u>	<u>422,144,887</u>
Total investments	<u>1,215,056,737</u>	<u>411,070,733</u>	<u>1,626,127,470</u>	<u>1,077,648,458</u>	<u>263,024,238</u>	<u>1,340,672,696</u>
Total cash, cash equivalents, and investments	<u>\$1,450,686,619</u>	<u>\$ 959,406,156</u>	<u>\$2,410,092,775</u>	<u>\$1,437,527,382</u>	<u>\$ 872,449,733</u>	<u>\$2,309,977,115</u>

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Cash and cash equivalents and securities as of December 31, 2016 and 2015 were comprised of the following:

	As of December 31,			As of December 31,		
	2016			2015		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business- Type Activities	Aviation Enterprise	Dulles Corridor Enterprise	Total Business- Type Activities
Cash deposits	\$ 21,097,638	\$ 19,240,636	\$ 40,338,274	\$ 24,529,140	\$ 36,129,960	\$ 60,659,100
Money market	233,573,639	530,250,567	763,824,206	353,373,777	574,641,431	928,015,208
Securities	<u>1,196,015,342</u>	<u>409,914,953</u>	<u>1,605,930,295</u>	<u>1,059,624,465</u>	<u>261,678,342</u>	<u>1,321,302,807</u>
Total cash, cash equivalents, and investments	<u>\$1,450,686,619</u>	<u>\$ 959,406,156</u>	<u>\$2,410,092,775</u>	<u>\$1,437,527,382</u>	<u>\$ 872,449,733</u>	<u>\$2,309,977,115</u>

Fair Value Measurements

In accordance with the provisions of GAAP, investments with an original maturity greater than one year are recorded at their fair value and all investment income, including changes in the fair value of investments, are reported as investment income in the financial statements. Investments with an original maturity greater than one year include debt securities, nonparticipatory guaranteed investment contracts and repurchase agreements. Investments with an original maturity of less than one year are carried at amortized cost. Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The inputs are categorized into levels with highest priority given to unadjusted quoted prices in active markets (level 1) and the lowest priority to unobservable inputs (level 3):

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Quoted prices for similar instruments in active markets; quoted prices for identical or similar assets in markets that are not active; inputs other than quoted prices that are observable.
Level 3	Valuations derived from valuation techniques in which significant inputs are unobservable.

In instances where inputs used to measure fair value fall into two different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest priority level input that is significant to the valuation.

The change in carrying value of total securities during 2016 was \$284.6 million. At December 31, 2016 and 2015, the carrying value and the Fair Value Measures Used of the securities was determined through the portfolio tracking system and verified with the Trustee statements. The portfolio tracking system uses an independent company for pricing with a goal of producing fixed income evaluations representing a market based measurement that represents their good faith opinion as to what the holder would receive in an orderly transaction (for an institutional round lot position typically \$1 million or greater) under current market conditions. They use a global team of 200 evaluators to create the evaluation each day. Given that, on average, less than 1% of the outstanding U.S. dollar debt trades on any given day, they generally draw parallels from current market activity to generate evaluations for the majority of issues that have not traded.

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Investment Type	Carrying Value as of December 31, 2016			Fair Value Measures Using			Amortized Cost
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities							
Treasury	\$ 271,752,048	\$ 294,271,752	\$ 566,023,800	\$ -	\$ 416,886,314	\$ -	\$ 149,137,486
Fannie Mae	64,884,802	14,485,185	79,369,987	-	-	-	79,369,987
Freddie Mac	113,710,520	26,639,244	140,349,764	-	22,076,105	-	118,273,659
Farmer Mac	238,237,139	19,938,028	258,175,167	-	24,934,000	-	233,241,167
Farm Credit	62,998,844	-	62,998,844	-	24,956,500	-	38,042,344
Home Loan	209,451,794	54,580,744	264,032,538	-	49,984,903	-	214,047,635
Commercial Paper	69,927,870	-	69,927,870	-	-	-	69,927,870
Nonparticipatory Contracts							
MBIA GIC ¹	33,645,518	-	33,645,518	-	-	-	33,645,518
Dexia (FSA) GIC ¹	61,698,037	-	61,698,037	-	-	-	61,698,037
Repurchase Agreements:							
BOA Repo ¹	16,333,690	-	16,333,690	-	-	-	16,333,690
City First Bank Repo	1,750,000	-	1,750,000	-	-	-	1,750,000
Morgan Stanley Repo ¹	51,625,080	-	51,625,080	-	-	-	51,625,080
Total securities	\$ 1,196,015,342	\$ 409,914,953	\$ 1,605,930,295	\$ -	\$ 538,837,822	\$ -	\$ 1,067,092,473

¹ Collateralized by Federal Agency Notes

Investment Type	Carrying Value as of December 31, 2015			Fair Value Measures Using			Amortized Cost
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt Securities							
Treasury	\$ 203,116,459	\$ 232,044,159	\$ 435,160,618	\$ -	\$ 357,054,314	\$ -	\$ 78,106,304
Fannie Mae	104,411,139	20,660,052	125,071,191	-	-	-	125,071,191
Freddie Mac	93,530,911	4,866,266	98,397,177	-	-	-	98,397,177
Farmer Mac	241,320,900	-	241,320,900	-	20,864,550	-	220,456,350
Farm Credit	9,097,821	-	9,097,821	-	-	-	9,097,821
Home Loan	225,754,209	4,107,865	229,862,074	-	4,996,700	-	224,865,374
Nonparticipatory Contracts							
MBIA GIC ¹	33,645,518	-	33,645,518	-	-	-	33,645,518
Dexia (FSA) GIC ¹	61,698,037	-	61,698,037	-	-	-	61,698,037
Repurchase Agreements:							
BOA Repo ¹	16,333,690	-	16,333,690	-	-	-	16,333,690
City First Bank Repo	1,750,000	-	1,750,000	-	-	-	1,750,000
Morgan Stanley Repo ¹	68,965,781	-	68,965,781	-	-	-	68,965,781
Total securities	\$ 1,059,624,465	\$ 261,678,342	\$ 1,321,302,807	\$ -	\$ 382,915,564	\$ -	\$ 938,387,243

¹ Collateralized by Federal Agency Notes

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

	As of December 31, 2016	
	Cost	Carrying Value
Securites with original maturity 1 year and over	\$ 708,830,822	\$ 702,140,177
Securites with original maturity less than 1 year	903,585,898	903,790,118
	\$1,612,416,720	\$1,605,930,295

	As of December 31, 2015	
	Cost	Carrying Value
Securites with original maturity 1 year and over	\$ 566,718,973	\$ 565,308,591
Securites with original maturity less than 1 year	767,829,607	755,994,216
	\$1,334,548,580	\$1,321,302,807

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, 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.

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The table below summarizes the investments by type and credit rating as of December 31, 2016:

Investment Type	Credit Rating		
	Moody's	S&P	Fitch
Treasury	Aaa	AA+	AAA
Fannie Mae	Aaa	Not Rated	AAA
Freddie Mac	Aaa	Not Rated	AAA
Farmer Mac	Not Rated	Not Rated	Not Rated
Farm Credit	Aaa	AA+	AAA
Home Loan	Aaa	AA+	Not Rated
MBIA GIC ¹	Ba1	A-	Not Rated
Dexia (FSA) GIC ¹	Aa3	AA	Not Rated
Commercial Paper	P1	A1	F1
Debt Service Reserve Repurchase Agreements:			
BOA Repo ¹	Baa1	BBB+	A
Morgan Stanley Repo ¹	A3	BBB+	A

¹ Underlying rating of the counterparties

Custodial Credit Risk

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

The Airports Authority's investment policy requires 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, 2016 and 2015, all the Airports Authority's securities are held by the Airports Authority or its agent in the Airports Authority's name and are fully insured or registered investments.

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

The fair value of the collateral for the guaranteed investment contracts was \$101.4 million on December 31, 2016. The fair value of the collateral for the Debt Service Reserve repurchase agreements was \$69.5 million as of December 31, 2016. 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 capital losses are avoided, whether they are from securities defaults or erosion of market value. The Airports Authority mitigates interest rate risk by managing the weighted average maturity of each portfolio type to best meet liquidity needs.

As of December 31, 2016 and 2015, the Airports Authority had the following investments with the respected weighted average maturity in years:

Investment Type	As of December 31,	
	2016	2015
Treasury	3.0	3.0
Fannie Mae	0.6	0.6
Freddie Mac	0.5	0.3
Farmer Mac	0.4	0.7
Farm Credit	0.9	0.6
Home Loan	0.5	0.4
Commercial Paper	0.1	0.0
MBIA GIC	17.5	18.5
Dexia (FSA) GIC	18.8	19.8
Debt Service Reserve Repurchase Agreements:		
BOA Repo	6.8	7.8
City First Bank Repo	0.9	0.9
Morgan Stanley Repo	19.4	20.4

Concentration of Credit Risk

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

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As of December 31, 2016 and 2015, investments accounted for the following percentages of the total portfolio:

Investment Type	As of December 31,	
	2016	2015
Treasury	35.3%	32.9%
Fannie Mae	5.0%	9.5%
Freddie Mac	8.7%	7.4%
Farmer Mac	16.1%	18.3%
Farm Credit	3.9%	0.7%
Home Loan	16.4%	17.4%
MBIA GIC	2.1%	2.6%
Dexia (FSA) GIC	3.8%	4.7%
Commercial Paper	4.4%	0.0%
Debt Service Reserve Repurchase Agreements:		
BOA Repo	1.0%	1.2%
City First Bank Repo	0.1%	0.1%
Morgan Stanley Repo	3.2%	5.2%
	<u>100.0%</u>	<u>100.0%</u>

5. ACCOUNTS RECEIVABLE

As of December 31, 2016 and 2015, Accounts receivable consisted of the following:

	As of December 31,	
	2016	2015
Trade accounts receivable	\$ 31,290,403	\$ 19,812,406
Less: allowance for doubtful accounts	(1,637,907)	(1,390,601)
Trade accounts receivable, net	29,652,496	18,421,805
Settlement due from airline tenants	2,582,711	14,289,567
Current portion of note receivable ¹	-	845,296
Grants receivable in support of operations	139,216	186,119
Other receivables	(314,447)	(512,175)
Total current accounts receivable	<u>\$ 32,059,976</u>	<u>\$ 33,230,612</u>
Grants receivable in support of capital programs	\$ 167,069,709	\$ 258,763,116
Passenger facility charge receivables	8,671,216	8,312,563
Other	554,277	(155,027)
Total restricted accounts receivable	<u>\$ 176,295,202</u>	<u>\$ 266,920,652</u>

¹ See Note 6 - Note Receivable

During 2016, Republic Airways Holdings Inc., filed for Chapter 11 bankruptcy protection with a pre-petition balance totaling \$1,780. While the Airports Authority is continuing to monitor this bankruptcy process, one invoice in the amount of \$1,098 was submitted with the write-offs for 2016. The remaining balance of \$682 was

paid in January 2017. Also during 2016, Eddine Limousine Service LLC filed for Chapter 7 bankruptcy protection with a pre-petition balance totaling \$456. Eddine Limousine's presence at both airports was very limited and has since ceased operations. The pre-petition debts owed were written off in 2016. There were no bankruptcy filings reported in 2015.

Accounts receivable judged to be uncollectible and written off totaled \$109 thousand and \$21 thousand in 2016 and 2015, respectively. The Airports Authority judges existing reserves sufficient to cover any potentially uncollectible receivables owed as of December 31, 2016.

6. NOTE RECEIVABLE

The Airports Authority had 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." In 2016, the Airports Authority received \$849,386 in payments from UAL. These payments represented the final amounts due the Airports Authority and as of December 31, 2016 this note has been extinguished.

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. The CSRS was established by the Civil Service Retirement Act and the FERS was established by the Federal Employees' Retirement System Act of 1986. 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 the Internal Revenue Service elective deferral limit (\$18,000 in 2016 and 2015).

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. The Airports Authority also 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 or any age with 25 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, 2016, there were 11 regular 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.

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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, 2016, there were 22 regular employees and 3 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, 2016 was \$3.8 million. Employee contributions to the federal pension plans for 2016, 2015, and 2014 were \$95 thousand, \$111 thousand, and \$132 thousand, respectively. Employer contributions to the federal pension plans for 2016, 2015, and 2014 were \$446 thousand, \$568 thousand, and \$667 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 \$116.4 million and \$111.7 million in 2016 and 2015, respectively. The pension expense, deferred inflows and outflows for these pension plans are not recognized by the Airports Authority. See Schedule 4 –Schedule of Employer Contributions.

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 Retirement Committee. The Plans provide retirement and death benefits to plan members and beneficiaries. As of December 31, 2016, the number of employees participating in the Plans was:

<u>Current Participants</u>	<u>Regular</u>	<u>Public Safety</u>	<u>Total</u>
Vested	712	241	953
Non-vested	351	112	463
Retirees/disabled employees			
currently receiving benefits	402	96	498
Terminated vested participants	261	79	340
Total	<u>1,726</u>	<u>528</u>	<u>2,254</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 78 bi-weekly pay periods in the most recent 120 months, while covered compensation is the 35-year average of the Social Security Wage Bases ending with the year in which the participant attains Social Security normal retirement age. A participant's years of benefit service include the number of hours of accrued unused sick leave at a participant's termination provided the maximum amount of benefit service that may be credited to a participant is 30 years. 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 4.0 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 Retirement Committee. Level percentages of payroll employer contribution rates are determined using the entry age actuarial cost method. Unfunded actuarial accrued liabilities are being amortized over a period of 20 years on a closed basis.

The Airports Authority contributed 5.5 percent of the applicable base payroll to the Regular Plan and 8.6 percent of the applicable base payroll to the Police and Firefighters Plan in 2016. The Airports Authority's base payroll for employees covered by the Regular Plan was \$90.9 million and \$85.8 million for 2016 and 2015, respectively. The base payroll for employees covered by the Police and Firefighters Plan was \$27.7 million and \$25.4 million for 2016 and 2015, respectively. The Airports Authority contributed \$4.6 million and \$1.4 million to the Regular Plan and \$2.2 million and \$0.6 million to the Police and Firefighters Plan in 2016 and 2015, respectively.

Net Pension Liability

The components of the net pension liability of the Plans as of December 31, 2016 and 2015 were as follows:

General Employees Retirement Plan

Actuarial Valuation Date	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)	Plan Fiduciary Net Position as a Percentage of the TPL
12/31/2016	\$ 155,598,670	\$ 155,360,766	\$ 237,904	99.85%
12/31/2015	148,423,232	143,868,107	4,555,125	96.93%

Police Officers & Firefighters Retirement Plan

Actuarial Valuation Date	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)	Plan Fiduciary Net Position as a Percentage of the TPL
12/31/2016	\$ 100,225,777	\$ 93,790,974	\$ 6,434,803	93.58%
12/31/2015	88,974,180	86,733,070	2,241,110	97.48%

The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry-age actuarial cost method
Amortization Method	20-year level dollar, closed
Assets Valuation Method	5-year smoothed market
Actuarial Assumptions:	
(a) Investment rate of return	7.50%, net of expenses
(b) Projected salary increases	Variable rate 3.0% to 6.0%
(a) and (b) include inflation at	2.75%
(c) Cost of living adjustments	1.375%
(d) Mortality Rates	<u>For General Employees Plan:</u> RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015 <u>For Police Officers and Firefighters Plan:</u> RP-2014 Blue Collar Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015

Trends in assets in excess of TPL and annual covered payroll are both affected by inflation. Expressing the TPL in excess of assets as a percentage of annual covered payroll approximately adjusts for the effects of inflation and

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aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the lower this percentage, the stronger the retirement plans. 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 TPL as a factor. The Fiduciary Net Position is determined on the same basis of accounting as for benefits, payments, and valuation of investments.

All assets of the Airports Authority pension plans are held in trust at the Bank of New York Mellon. A copy of the Plans 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.

Changes in the Net Pension Liability

General Employees Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2015	\$ 148,423,232	\$ 143,868,107	\$ 4,555,125
Changes for the year:			
Service cost	5,294,135	-	5,294,135
Interest	11,357,903	-	11,357,903
Differences between expected and actual experience	1,128,023	-	1,128,023
Changes of assumptions	(5,963,403)	-	(5,963,403)
Contribution - employer	-	4,553,940	(4,553,940)
Contribution - member	-	-	-
Net investment income	-	11,755,443	(11,755,443)
Benefit payments	(4,641,220)	(4,641,220)	-
Plan administrative expenses	-	(175,504)	175,504
Net changes	<u>7,175,438</u>	<u>11,492,659</u>	<u>(4,317,221)</u>
Balances as of December 31, 2016	<u>\$ 155,598,670</u>	<u>\$ 155,360,766</u>	<u>\$ 237,904</u>

General Employees Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2014	\$ 131,985,841	\$ 144,499,092	\$ (12,513,251)
Changes for the year:			
Service cost	4,917,894	-	4,917,894
Interest	10,121,292	-	10,121,292
Differences between expected and actual experience	901	-	901
Changes of assumptions	5,375,564	-	5,375,564
Contribution - employer	-	1,431,907	(1,431,907)
Contribution - member	-	-	-
Net investment income	-	2,102,247	(2,102,247)
Benefit payments	(3,978,260)	(3,978,260)	-
Plan administrative expenses	-	(186,879)	186,879
Net changes	<u>16,437,391</u>	<u>(630,985)</u>	<u>17,068,376</u>
Balances as of December 31, 2015	<u>\$ 148,423,232</u>	<u>\$ 143,868,107</u>	<u>\$ 4,555,125</u>

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Police Officers and Firefighters Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2015	\$ 88,974,180	\$ 86,733,070	\$ 2,241,110
Changes for the year:			
Service cost	2,342,298	-	2,342,298
Interest	6,742,144	-	6,742,144
Differences between expected and actual experience	2,606,881	-	2,606,881
Changes of assumptions	2,455,053	-	2,455,053
Contribution - employer	-	2,174,817	(2,174,817)
Contribution - member	-	381,736	(381,736)
Net investment income	-	7,478,417	(7,478,417)
Benefit payments	(2,894,779)	(2,894,779)	-
Plan administrative expenses	-	(82,287)	82,287
Net changes	<u>11,251,597</u>	<u>7,057,904</u>	<u>4,193,693</u>
Balances as of December 31, 2016	<u>\$ 100,225,777</u>	<u>\$ 93,790,974</u>	<u>\$ 6,434,803</u>

Police Officers and Firefighters Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2014	\$ 80,823,789	\$ 87,010,657	\$ (6,186,868)
Changes for the year:			
Service cost	2,318,795	-	2,318,795
Interest	6,153,445	-	6,153,445
Differences between expected and actual experience	1,998,229	-	1,998,229
Changes of assumptions	(86,408)	-	(86,408)
Contribution - employer	-	592,481	(592,481)
Contribution - member	-	379,419	(379,419)
Net investment income	-	1,082,654	(1,082,654)
Benefit payments	(2,233,670)	(2,233,670)	-
Plan administrative expenses	-	(98,471)	98,471
Net changes	<u>8,150,391</u>	<u>(277,587)</u>	<u>8,427,978</u>
Balances as of December 31, 2015	<u>\$ 88,974,180</u>	<u>\$ 86,733,070</u>	<u>\$ 2,241,110</u>

The long-term expected rate of return on the pension plans is 7.5 percent. The long-term expected rate of return was determined using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation), developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 is summarized in the following table:

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Asset Class	Allocation Target	Long-Term Expected Real Rate of Return*
Domestic Equity	40%	7.5%
International Equity	20%	8.5%
Domestic Bonds	20%	2.5%
Convertible Bonds	10%	4.5%
Real Estate	10%	4.5%
Total	100%	

* The long-term expected rates of return listed are expected arithmetic average returns over the foreseeable future based on reasonable return expectations but cannot be guaranteed. These returns exclude inflation.

The long-term annual inflation assumption used is currently 2.5%.

The annual money-weighted rates of return, net of investment expenses, for the year ended December 31, 2016, were 8.12% for the Retirement Plan for General Employees and 8.52% for the Retirement Plan for Police Officers and Firefighters.

Discount Rate

The discount rate used to measure the TPL was 7.5 percent. The projection of cash flows used to determine the discount rate assumed contributions from plan participants will be made at the current contribution rate and contributions from the Airports Authority will be made at required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments to current participants. Therefore, long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the net pension liability can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the net pension liability to the discount rate.

	<u>For the year ended December 31, 2016</u>		
	1% Decrease	Discount Rate	1% Increase
	6.50%	7.50%	8.50%
<u>Net pension liability</u>			
General Employees Retirement Plan	\$ 20,003,689	\$ 237,904	\$ (16,409,918)
Police Officers & Firefighters Retirement Plan	20,443,919	6,434,803	(5,146,910)

The TPL and related deferred outflows and inflows were allocated between the Aviation Enterprise and the Dulles Corridor Enterprise based on the allocated wages and benefits per the cost allocation model. In 2016, the TPL allocated to the Aviation Enterprise and the Dulles Corridor Enterprise was \$6.3 million and \$0.4 million, respectively.

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Pension Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2016, the Airports Authority recognized pension expenses of \$7.7 million and \$3.9 million respectively for the Regular Plan and Police and Firefighter Plan. At December 31, 2016, the Airports Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources and will be recognized in future pension expenses as follows:

For the year ended December 31, 2016

General Employees Retirement Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 987,873	\$ -
Changes in assumptions	3,929,476	5,219,004
Differences between projected and actual earnings on pension plan investments	4,400,719	-
Total	\$ 9,318,068	\$ 5,219,004

Amount reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

Year ended December 31,	Deferred Outflows/(Inflows) of Resources
2017	\$ 1,651,481
2018	1,651,481
2019	1,651,483
2020	(75,426)
2021	119,575
Thereafter	(899,530)

For the year ended December 31, 2016

Police Officers & Firefighters Retirement Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,889,255	\$ -
Changes in assumptions	2,187,146	67,754
Differences between projected and actual earnings on pension plan investments	2,444,700	-
Total	\$ 8,521,101	\$ 67,754

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Amount reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

Year ended December 31,	Deferred Outflows/(Inflows) of Resources
2017	\$ 1,639,573
2018	1,639,573
2019	1,639,571
2020	560,963
2021	758,745
Thereafter	2,214,922

The Fiduciary Net Position is determined on the same basis of accounting as for benefits, payments, and valuation of investments.

The Airports Authority allocates the Deferred Outflows of Resources and the Deferred Inflows of Resources for their pension plans between the Aviation Enterprise and the Dulles Corridor Enterprise funds. As a result of this allocation, the Dulles Corridor Enterprise fund's Deferred Inflows of Resources was a contra balance as of December 31, 2016. This balance was classified as a Deferred Outflow of Resources on Statement of Net Position.

For the Year Ended December 31, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees Retirement Plan	\$ 9,318,068	\$ 5,219,004
Police Officers and Firefighters Retirement Plan	8,521,101	67,754
	17,839,169	5,286,758
Dulles Corridor Enterprise Fund Adjustment	647,654	647,654
Financial Statement Presentation	\$ 18,486,823	\$ 5,934,412

Pension Payable to the Pension Plans

The Airports Authority did not have a payable to the pension plans as of December 31, 2016.

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 career and non-career term employees and permits the deferral of a portion of regular compensation until future years. Participation in the plan is optional. Until December 31, 2013, the Airports Authority matched 100 percent of participant contributions for career employees up to the first 2 percent of regular compensation and matched an additional 50 percent of participant contributions between 2 percent and 4 percent of regular compensation. As of January 1, 2014, the Airports Authority's matching contributions are made to the Governmental Profit Sharing Plan. 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 Lincoln Financial Group. Investments are managed for participants by the Lincoln Financial Group 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 \$9.4 million and \$8.8 million in the years ended December 31, 2016 and 2015, respectively.

Governmental Profit Sharing Plan

The Airports Authority established a new supplemental defined contribution retirement plan under Section 401(a) of the Internal Revenue Code (the "Supplemental Savings Plan") effective May 15, 2013. The Airports Authority's matching contributions, the contributions it makes to match, fully or partially, the contributions career employees elect to make under the Retirement Savings Plan, are made under the new Supplemental Savings Plan as of January 1, 2014. For eligible employees, 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 Airports Authority contributed \$2.9 million and \$2.7 million in the years ended December 31, 2016 and 2015, 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). Participants hired prior to January 1, 2016 are eligible for the Healthcare Plan if they have attained 5 years of eligible service. All other Participants are eligible for the Healthcare Plan if they have attained 10 years of eligible service. As of December 31, 2016, 616 Participants were receiving health insurance benefits, and 595 Participants were receiving life insurance benefits under the Healthcare Plan. As of December 31, 2015, 577 Participants were receiving health insurance benefits, and 553 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 Department, 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, 2016 and 2015, the Airports Authority's share of health and dental insurance premium costs totaled \$4.4 million and \$4.2 million, respectively. Plan participants contributed \$1.8 million and \$1.5 million of the total

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premiums for the years ended December 31, 2016 and 2015, respectively. The monthly contribution requirements for participants in the Healthcare Plan depend on several factors including provider choices, participant age, and type of benefit coverage.

Monthly Contributions for Retirees Under 65 for 2016

Provider Choices	Retiree Only	Retiree Plus Spouse	Retiree Plus Child(ren)	Family
United - Choice	\$ 147	\$ 307	\$ 278	\$ 437
United - Choice Plus	163	340	308	483
Kaiser Permanente HMO	110	230	208	329
MetLife Dental	15	30	40	61

Monthly Contributions for Retirees Over 65 for 2016

Provider Choices	Retiree Only	One > Age 65 One < Age 65	Two Party Medicare	Family Medicare
United Healthcare Choice	\$ 130	\$ 290	\$ 272	\$ 350
United Healthcare Choice Plus	130	307	272	387
Kaiser HMO	56	166	113	222
MetLife Dental	15	30	40	61

Monthly Contributions for Retirees Under 65 for 2015

Provider Choices	Retiree Only	Retiree Plus Spouse	Retiree Plus Child(ren)	Family
United - Choice	\$ 136	\$ 284	\$ 257	\$ 403
United - Choice Plus	150	313	284	446
Kaiser Permanente HMO	116	243	220	347
MetLife Dental	14	29	37	57

Monthly Contributions for Retirees Over 65 for 2015

Provider Choices	Retiree Only	One > Age 65 One < Age 65	Two Party Medicare	Family Medicare
United Healthcare Choice	\$ 121	\$ 268	\$ 251	\$ 323
United Healthcare Choice Plus	121	283	251	357
Kasier HMO	56	172	112	228
MetLife Dental	14	29	37	57

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) 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.

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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 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, 2016, 110 out of 595 retired employees had supplemental coverage, and the cost of life insurance totaled \$495 thousand. As of December 31, 2015, 97 out of 553 retired employees had supplemental coverage, and the cost of life insurance for retired employees totaled \$413 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	December 31, 2016
Actuarial Cost Method	Entry-age, normal
Amortization Method	30-year level dollar, closed
Assets Valuation Method	5-year smooth market
Actuarial Assumptions:	
(a) Investment rate of return	7.50%, net of expenses
(b) Projected salary increases	Variable rate 3.0% to 6.0%
(a) and (b) include inflation at	2.75%
(c) Cost of living adjustments	1.375%
(d) Mortality Rates	<u>For General Employees Plan:</u> RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015 <u>For Police Officers and Firefighters Plan:</u> RP-2014 Blue Collar Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015
(e) Healthcare Cost Trend Rate	5.9% initially to ultimate rate of 3.9%

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 2015 annual OPEB costs, amounts paid, and changes to the net accrued OPEB obligation based on the January 1, 2016 actuarial valuation:

	Year ended December 31,		
	2016	2015	2014
<u>Medical/Dental</u>			
Annual required contribution	\$ 5,240,000	\$ 5,090,000	\$ 11,080,000
Interest on net OPEB obligation (asset)	140,000	140,000	120,000
Adjustment to annual required contribution	(140,000)	(140,000)	(130,000)
Annual OPEB cost	5,240,000	5,090,000	11,070,000
Contributions made	5,332,232	5,380,841	10,835,844
Change in net OPEB obligation (asset)	(92,232)	(290,841)	234,156
Net OPEB obligation (asset) beginning of year	1,579,603	1,870,444	1,636,288
Net OPEB obligation (asset) end of year	<u>\$ 1,487,371</u>	<u>\$ 1,579,603</u>	<u>\$ 1,870,444</u>

	Year ended December 31,		
	2016	2015	2014
<u>Life Insurance</u>			
Annual required contribution	\$ 769,900	\$ 754,600	\$ 797,400
Interest on net OPEB obligation (asset)	4,600	4,600	4,600
Adjustment to annual required contribution	(4,800)	(4,800)	(4,800)
Annual OPEB cost	769,700	754,400	797,200
Contributions made	769,700	754,400	797,200
Change in net OPEB obligation (asset)	-	-	-
Net OPEB obligation (asset) beginning of year	61,195	61,195	61,195
Net OPEB obligation (asset) end of year	<u>\$ 61,195</u>	<u>\$ 61,195</u>	<u>\$ 61,195</u>

The net OPEB obligation liabilities are reported as non-current liabilities as of December 31, 2016 and 2015 in the Statements 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, 2016 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
2014	\$ 11,070,000	97.9%	\$ 1,870,444
2015	5,090,000	105.7%	1,579,603
2016	5,240,000	101.8%	1,487,371

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Three-Year Trend Information - Life Insurance

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 797,200	100.0%	\$ 61,195
2015	754,400	100.0%	61,195
2016	769,700	100.0%	61,195

Funding Status and Funding Progress

The Airports Authority began funding the Plan in 2005, and in addition to funding insurance costs for Participants, contributed \$887 thousand, \$1.2 million, and \$5.7 million for the years ended December 31, 2016, 2015, and 2014, respectively to the Trust for medical and dental insurance. The Airports Authority also contributed \$305 thousand, \$369 thousand, and \$439 thousand for the years ended December 31, 2016, 2015, and 2014, 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
1/1/2016	\$ 91,120,100	\$ 105,060,000	\$ 13,939,900	86.73%	\$ 110,670,000	12.60%

Schedule of Funding Progress - Life 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
1/1/2016	\$ 8,688,031	\$ 11,212,900	\$ 2,524,869	77.48%	\$ 110,670,000	2.28%

9. CHANGES IN CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2016 and 2015 was as follows:

	Balance as of January 1, 2016	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2016
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 182,737,681	\$ 372	\$ -	\$ 182,738,053
Construction in progress - Aviation Enterprise	162,943,105	79,796,185	(61,387,002)	181,352,288
Construction in progress - Dulles Corridor Enterprise	731,632,160	494,075,457	(57,934,828)	1,167,772,789
Total capital assets not being depreciated	<u>1,077,312,946</u>	<u>573,872,014</u>	<u>(119,321,830)</u>	<u>1,531,863,130</u>
Other capital assets:				
Buildings	2,550,742,779	18,096,874	(137,910)	2,568,701,743
Systems and structures	4,606,588,519	52,663,648	(14,694)	4,659,237,473
Equipment	131,711,993	3,113,004	(894,823)	133,930,174
Motor vehicles	77,352,167	4,633,700	(4,025,290)	77,960,577
Total other capital assets	<u>7,366,395,458</u>	<u>78,507,226</u>	<u>(5,072,717)</u>	<u>7,439,829,967</u>
Less accumulated depreciation:				
Buildings	1,101,992,848	63,734,814	(14,106)	1,165,713,556
Systems and structures	1,785,272,237	165,985,000	(7,714)	1,951,249,523
Equipment	109,967,158	4,929,140	(794,343)	114,001,955
Motor vehicles	49,534,368	4,797,149	(3,965,695)	50,365,822
Total accumulated depreciation	<u>3,046,766,611</u>	<u>239,346,103</u>	<u>(4,781,858)</u>	<u>3,281,330,856</u>
Totals	<u>\$ 5,396,941,793</u>	<u>\$ 413,033,137</u>	<u>\$ (119,612,689)</u>	<u>\$ 5,690,362,241</u>
	Balance as of January 1, 2015	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2015
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 182,708,088	\$ 29,593	\$ -	\$ 182,737,681
Construction in progress - Aviation Enterprise	319,586,709	100,527,025	(257,170,629)	\$162,943,105
Construction in progress - Dulles Corridor Enterprise	429,652,520	401,785,049	(99,805,409)	\$731,632,160
Total capital assets not being depreciated	<u>931,947,317</u>	<u>502,341,667</u>	<u>(356,976,038)</u>	<u>1,077,312,946</u>
Other capital assets:				
Buildings	2,544,903,371	5,839,408	-	2,550,742,779
Systems and structures	4,355,273,662	251,314,857	-	4,606,588,519
Equipment	128,454,434	3,955,813	(698,254)	131,711,993
Motor vehicles	74,890,752	6,887,701	(4,426,286)	77,352,167
Total other capital assets	<u>7,103,522,219</u>	<u>267,997,779</u>	<u>(5,124,540)</u>	<u>7,366,395,458</u>
Less accumulated depreciation:				
Buildings	1,037,375,390	64,617,458	-	1,101,992,848
Systems and structures	1,616,626,882	168,645,355	-	1,785,272,237
Equipment	105,416,199	5,186,233	(635,274)	109,967,158
Motor vehicles	49,425,514	4,441,324	(4,332,470)	49,534,368
Total accumulated depreciation	<u>2,808,843,985</u>	<u>242,890,370</u>	<u>(4,967,744)</u>	<u>3,046,766,611</u>
Totals	<u>\$ 5,226,625,551</u>	<u>\$ 527,449,076</u>	<u>\$ (357,132,834)</u>	<u>\$ 5,396,941,793</u>

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

	2016	2015
Aviation Enterprise Fund	\$ 233,845,074	\$ 238,049,579
Dulles Corridor Enterprise Fund	5,501,029	4,840,791
Depreciation Expense	239,346,103	242,890,370
Amortization of Bond Insurance Costs	1,792,180	2,179,609
Total Depreciation and Amortization	<u>\$ 241,138,283</u>	<u>\$ 245,069,979</u>

The Airports Authority completed multiple capital asset construction and development projects during the years ended December 31, 2016 and 2015. Within the Aviation Enterprise Fund, at Reagan National, projects completed in 2016 included the Digital Signage system in Terminal B/C, lobby and elevator upgrade in Terminal A, and security screening checkpoint expansion in Terminal A. Within the Aviation Enterprise Fund, at Reagan National, projects completed in 2015 included Runway 15-33, Runway 4-22 and the Next Generation Communication system (Master Site refresh with Master Site Controller and Smart-X Technology). At Dulles International, projects completed in 2016 included West Automated People Mover tunnels and stations, Taxilane B reconstruction and widening east station and a police range. At Dulles International, projects completed in 2015 included East and West Basement Explosive Detection System in-line baggage screening and Taxiway Z reconstruction and airfield Runway 1R-19L and Road Safety Audits Pavements.

As of December 31, 2016, ongoing projects at Reagan National included continued secure national hall and new north concourse preconstruction, Corporate Office Building demolition, and south hanger line construction. Ongoing projects for Dulles International included completing cargo buildings 1-4 exterior rehabilitation and the parking access and revenue control system. As of December 31, 2016, the Aviation Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$125.7 million.

Within the Dulles Corridor Enterprise Fund, projects completed in 2016 included Chathams Ford Noise Wall, Mclean Hamlet Noise Wall and Odricks Corner New Wall. Within the Dulles Corridor Enterprise Fund, projects completed in 2015 included nineteen EZPASS lane and sign conversion, and Westbound MM 8&9 Ramps. In addition, the Airports Authority is funding and constructing the 23.1-mile Dulles Metrorail Project in two phases. The Airports Authority completed construction of Phase 1 of the Dulles Metrorail Project which extended 11.7 miles from a location near the Metrorail Orange Line West Falls Church Station to Wiehle Avenue in Reston, Virginia. It included five new stations and improvements to the existing WMATA Service and Inspection Yard at the West Falls Church Station. In 2016, additional costs of \$35.0 million dollars were incurred and transferred to WMATA as additional costs to Phase 1. 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, Virginia. Phase 2 of the Dulles Metrorail Project is expected to include six new stations and a maintenance yard located on Dulles International property. As of December 31, 2016, ongoing projects included Phase 2 of the Dulles Metrorail Project and the toll road revenue collection system. As of December 31, 2016, the Dulles Corridor Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$1,101.2 million.

Services for the above commitment amounts had not been provided as of December 31, 2016, 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 and contributions from Federal, state and local governments.

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Interest included as part of the capitalized value of the assets constructed during the years ended December 31, 2016 and 2015 were as follows:

	As of December 31,	
	2016	2015
Interest costs incurred	\$ 336,342,684	\$ 330,845,966
Less: interest costs capitalized	17,616,196	18,831,040
Interest costs expensed	\$ 318,726,488	\$ 312,014,926
	2016	2015
Investment income earned	\$ 19,873,978	\$ 15,964,827
Less: interest income capitalized	31,844	7,854
Investment income recognized	\$ 19,842,134	\$ 15,956,973

10. ACCOUNTS PAYABLE

A detail of accounts payable and accrued expenses as of December 31, 2016 and 2015 was as follows:

	As of December 31,	
	2016	2015
Trade accounts payable and accruals	\$ 159,944,463	\$ 174,673,508
Accrued compensation and benefits	11,919,281	15,774,092
Current portion of claims	2,557,995	2,446,793
Security deposits	961,942	1,527,934
Total accounts payable and accrued expenses	\$ 175,383,681	\$ 194,422,327

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.

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 was for a term of 25 years and remained in effect until its expiration on September 30, 2014. The Airports Authority extended the airline

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agreement to December 31, 2014. In November 2014, the Airports Authority's Board approved a new Use and Lease Agreement which became effective January 1, 2015.

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 2016 dollars, are:

Year ending December 31,	Minimum Annual Guaranteed Leases	Airline Terminal Leases	Fixed Rate Leases	Total
2017	\$ 116,494,892	\$ 266,400	\$ 25,824,249	\$ 142,585,541
2018	73,370,935	262,177	18,230,150	91,863,262
2019	66,294,262	288,371	16,196,838	82,779,471
2020	64,728,917	287,448	16,236,237	81,252,602
2021	62,844,803	303,085	7,837,233	70,985,121
2022 and thereafter	121,222,287	-	69,702,696	190,924,983
Total minimum future rentals	<u>\$ 504,956,096</u>	<u>\$ 1,407,481</u>	<u>\$ 154,027,403</u>	<u>\$ 660,390,980</u>

The above amounts do not include contingent rentals and fees in excess of minimums, which amounted to \$50.0 million and \$45.0 million for the years ended December 31, 2016 and 2015, respectively. Total income from leases, including minimum annual guarantees and contingent rentals and fees, totaled \$490.6 million and \$468.8 million for the years ended December 31, 2016 and 2015, 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 non-cancellable office space leases in Herndon, and Crystal City, Virginia. The Herndon location's total rentable space of 58,763 square feet includes additional rentable space of 6,378 square feet entered into during 2014. The Crystal City location's total rentable space is 74,248 square feet. The Crystal City lease is scheduled to commence on or about March 23, 2017 and includes parking and rent which is abated for the initial 12 months. Beginning April 2017, the lease expense will be amortized on a monthly basis.

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Minimum future rentals scheduled to be paid on the operating leases in effect on December 31, 2016, as calculated in 2016 dollars, are as follows:

Year ending December 31,	Federal Lease	Office Space Lease	Total
2017	\$ 5,557,250	\$ 1,768,484	\$ 7,325,734
2018	5,557,250	3,978,844	9,536,094
2019	5,557,250	3,486,226	9,043,476
2020	5,557,250	3,133,277	8,690,527
2021	5,557,250	3,207,282	8,764,532
2022 and thereafter	248,217,006	21,833,084	270,050,090
Total minimum future rentals	<u>\$ 276,003,256</u>	<u>\$ 37,407,197</u>	<u>\$ 313,410,453</u>

Total rental expense paid to the United States Government for the years ended December 31, 2016 and 2015 was \$5.5 million and \$5.4 million, respectively. The 2016 and 2015 capitalized expenditures related to the office space lease totaled \$1.6 million and \$1.6 million, respectively.

12. CHANGES IN LONG-TERM NON-DEBT LIABILITIES

Activity for non-current liabilities, other than for capital debt, for the years ended December 31, 2016 and 2015 was as follows:

	Activity during year ended December 31, 2016				As of December 31, 2016	
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
	Compensated absences	\$ 9,293,017	\$ 10,226,477	\$ 9,898,394	\$ 9,621,100	\$ 8,219,107
Claims ¹	4,731,103	4,282,571	2,642,194	6,371,480	2,557,995	3,813,485
Construction retainage	-	-	-	-	-	-
Arbitrage	192,604	1,586,560	-	1,779,164	-	1,779,164
Net OPEB obligation ²	1,637,483	-	88,917	1,548,566	-	1,548,566
Deferred rent revenue	787,080	-	-	787,080	-	787,080
Deferred grant revenue	150,000,000	100,000,000	20,000,000	230,000,000	-	230,000,000
	<u>\$ 166,641,287</u>	<u>\$ 116,095,608</u>	<u>\$ 32,629,505</u>	<u>\$ 250,107,390</u>	<u>\$ 10,777,102</u>	<u>\$ 239,330,288</u>

¹ See Note 19 – Risk Management

² See Note 8 – Post-Employment Benefits

	Activity during year ended December 31, 2015				As of December 31, 2015	
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
	Compensated absences	\$ 9,416,596	\$ 9,514,417	\$ 9,637,996	\$ 9,293,017	\$ 7,929,755
Claims ¹	5,086,662	2,436,317	2,791,876	4,731,103	2,446,793	2,284,310
Construction retainage	15,964,096	-	15,964,096	-	-	-
Arbitrage	-	192,604	-	192,604	-	192,604
Net OPEB obligation ²	1,927,483	-	290,000	1,637,483	-	1,637,483
Deferred rent revenue	787,080	-	-	787,080	-	787,080
Deferred grant revenue	80,000,000	100,000,000	30,000,000	150,000,000	-	150,000,000
	<u>\$ 113,181,917</u>	<u>\$ 112,143,338</u>	<u>\$ 58,683,968</u>	<u>\$ 166,641,287</u>	<u>\$ 10,376,548</u>	<u>\$ 156,264,739</u>

¹ See Note 19– Risk Management

² See Note 8 – Post-Employment Benefits

13. ACCOUNTING AND FINANCIAL REPORTING FOR DERIVATIVES

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

Based on the 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 Inter 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 as of 12/31/2016	Hedged Series	Termination Value ² as of 12/31/2016	Fixed Rate
07/31/01	08/29/02	Bank of America, N.A.	A1/A/A+	\$ 80,590,000	\$ 29,025,000	2011A-2	\$ (2,666,861)	4.445%
06/15/06	10/01/09	J.P. Morgan Chase Bank	Aa3/A+/AA-	190,000,000	166,253,167	2011A-3	(47,302,765)	4.099%
06/15/06	10/01/09	Bank of America, N.A.	A1/A/A+	110,000,000	96,251,834	2009D/2010C-2	(26,765,516)	4.099%
06/15/06	10/01/10	Wells Fargo Bank, N.A.	Aa2/AA-/AA	170,000,000	152,313,200	2010D	(45,232,475)	4.112%
05/13/05	10/01/11	Wells Fargo Bank, N.A.	Aa2/AA-/AA	125,000,000	112,115,625	2011A-1	(26,501,948)	3.862%
		Total		<u>\$ 675,590,000</u>	<u>\$ 555,958,826</u>		<u>\$ (148,469,565)</u>	

¹ Long-term ratings of Moody's, S&P, and Fitch, respectively, as of December 31, 2016.

² A negative value represents a payment by the Airports Authority to the counterparty if the swap is terminated in the current market; a positive value represents a receipt by the Airports Authority if the swap is terminated in the current market.

Accounting and Financial Reporting for Derivative Instruments

All of the Aviation Enterprise Fund's forward-starting swap transactions and those swap transactions associated with issued debt were determined to be ineffective in 2008 and are recognized at fair value on the Statements of Revenue, Expenses and Changes in Net Position. GAAP 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, 2016 and 2015, 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, 2016 and 2015 was a loss of \$148.5 million and \$164.9 million, respectively. This represents the maximum loss that would be recognized if all counterparties failed to perform as contracted. The change in fair value of Swaps for 2016 was a gain of \$16.4 million. The change in fair value of Swaps for 2015 was a gain of \$1.2 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.

The fair value of the Airports Authority's Swaps as of December 31, 2016, and 2015 was as follows:

Effective Date	Counterparty	Outstanding Notional	Maturity	Fair Value as of 12/31/2016	Fair Value as of 12/31/2015	Change in Fair Value
2002	Bank of America, N.A.	\$ 29,025,000	2021	\$ (2,666,861)	\$ (3,839,860)	\$ 1,172,999
2009	J.P. Morgan Chase Bank	166,253,167	2039	(47,302,765)	(52,142,880)	4,840,115
2009	Bank of America, N.A.	96,251,834	2039	(26,765,516)	(29,689,127)	2,923,611
2010	Wells Fargo Bank, N.A.	152,313,200	2040	(45,232,475)	(49,598,964)	4,366,489
2011	Wells Fargo Bank, N.A.	112,115,625	2039	(26,501,948)	(29,646,666)	3,144,718
	Total	<u>\$ 555,958,826</u>		<u>\$ (148,469,565)</u>	<u>\$ (164,917,497)</u>	<u>\$ 16,447,932</u>

Fair Value Measurements

The Airports Authority categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Airports Authority's Swaps are classified as Level 3, valuations derived from valuation techniques in which significant inputs are unobservable. The Swaps are valued by the counterparties.

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, 2016, 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.

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Basis Risk – The Airports Authority may be exposed to basis risk when the payments received from the counterparties are not sufficient to completely offset the debt service payments on the underlying variable rate bonds. As of December 31, 2016, the weighted average interest rate on the Airports Authority's hedged variable-rate debt was 0.76 percent and 72 percent of LIBOR was 0.56 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 utilizes a variety of debt instruments, including short-term and long-term borrowings, fixed and variable rate products, and taxable and tax-exempt debt, to finance construction of capital projects for both Enterprise Funds. The Internal Revenue Service (IRS) has set up rules for the investment of bond proceeds of tax-exempt debt limiting the interest income that can be earned. All of the Airports Authority's tax-exempt debt follows the IRS rules for calculation and rebate of arbitrage. The Airports Authority had a \$1.8 million arbitrage liability as of December 31, 2016 and a \$1.9 million arbitrage liability as of December 31, 2015.

AVIATION ENTERPRISE FUND DEBT

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

On May 2, 2001, the Airports Authority's Board adopted Resolution No. 01-6 allowing the issuance of Commercial Paper (CP) Notes for the Aviation Enterprise Fund in a not-to-exceed amount of \$500.0 million. The principal purpose of the CP Notes is to pay or provide for certain capital improvements at the Airports or to refund other forms of indebtedness.

Recent Transactions

On June 14, 2016, the Airports Authority Aviation Enterprise Fund issued \$386.0 million of Series 2016AB Airport System Revenue Refunding Bonds. As a result of debt service savings of \$102.1 million, Series 2016AB Bonds refunded \$469.4 million of outstanding Series 2006A-C Bonds for debt service savings and paid for the cost of issuance of the bonds.

The Series 2016A Alternative Minimum Tax (AMT) Airport System Revenue Refunding Bonds' par amount of \$362.7 million refunded \$153.6 million of Series 2006A Bonds maturing in 2030-2035 and \$284.3 million of Series 2006B maturing in 2031-2036 for a net present value savings of \$96.9 million. The Series 2016B Non-AMT

Airport System Revenue Refunding Bonds' par amount of \$23.4 million refunded \$31.6 million of Series 2006C Bonds maturing in 2016-2032 for net present value savings of \$5.2 million.

The refunding produced total gross savings of \$166.7 million or \$102.1 million on a present value basis. Annual debt service savings in the near term are approximately \$6.0 million from 2017 through 2020.

Bonds Payable

The Aviation Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2016 and 2015 were as follows:

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		<u>Issue Date</u>	<u>Interest Rates</u>	<u>Maturing on 1-Oct</u>	<u>Amount</u>	<u>Outstanding as of December 31,</u>	
						<u>2016</u>	<u>2015</u>
Series 2003D-1	Revenue Bonds	10/01/03					
	Term		Variable (0.759%) ¹	2017-2033		\$ 55,900,000	\$ 57,875,000
Series 2006A	Revenue Bonds	01/25/06				-	153,555,000
Series 2006B	Revenue Bonds	12/06/06				-	284,320,000
Series 2006C	Refunding Bonds	12/06/06				-	31,550,000
Series 2007A	Refunding Bonds	07/03/07					
	Serial		4.750%-5.000%	2017-2023		87,795,000	98,065,000
Series 2007B	Revenue Bonds	09/27/07					
	Serial		4.000%-5.000%	2017-2027	\$282,115,000		
	Serial		4.750%	2032	1,150,000		
	Term		5.000%	2032	67,225,000		
	Term		5.000%	2035	<u>13,420,000</u>		
						363,910,000	379,100,000
Series 2008A	Revenue Bonds	06/24/08					
	Serial		5.000%-5.750%	2017-2029		180,600,000	192,705,000
Series 2009B	Revenue Bonds	04/01/09					
	Serial		3.750%-5.250%	2017-2026	\$148,920,000		
	Term		5.000%	2029	31,450,000		
	Term		5.000%	2029	<u>31,455,000</u>		
						211,825,000	216,690,000
Series 2009C	Revenue Bonds	07/02/09					
	Serial		4.000%-5.125%	2017-2031	\$142,625,000		
	Term		5.125%	2034	43,405,000		
	Term		5.125%	2039	34,125,000		
	Term		5.625%	2039	<u>55,000,000</u>		
						275,155,000	281,520,000
Series 2009D-1-2	Revenue Bonds	07/02/09					
	Term		Variable (4.099%) ²	2017-2039		119,725,000	122,530,000
Series 2010A	Revenue Bonds	07/28/10					
	Serial		3.250%-5.000%	2017-2030	\$172,280,000		
	Term		4.625%	2035	5,100,000		
	Term		5.000%	2035	87,305,000		
	Term		5.000%	2039	<u>49,505,000</u>		
						314,190,000	318,805,000
Series 2010B	Revenue Refunding Bonds	07/28/10					
	Serial		4.000%-5.000%	2017-2027		148,085,000	163,280,000
Series 2010C-1-2	Revenue Refunding Bonds	09/22/10					
	Term		Variable C-1 (0.760%) ³	2033	\$55,950,000		
	Term		Variable C-2 (4.099%) ⁴	2039	<u>93,420,000</u>		
						149,370,000	153,020,000

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		<u>Issue Date</u>	<u>Interest Rates</u>	<u>Maturing on 1-Oct</u>	<u>Amount</u>	<u>Outstanding as of December 31, 2016</u>	<u>2015</u>
Series 2010D	Revenue Bonds	09/22/10					
	Term		Variable (4.112%) ⁵	2040		152,310,000	155,620,000
Series 2010F-1	Revenue Refunding Bonds	11/17/10					
	Serial		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	2017-2039	\$112,115,000		
			Variable A-2 (4.445%) ⁷	2017-2021	29,025,000		
			Variable A-3 (4.099%) ⁸	2017-2035	<u>49,360,000</u>	190,500,000	200,530,000
Series 2011B	Revenue & Refunding Bonds	09/21/11					
			Variable (0.868%) ⁹	2017-2041		147,470,000	160,620,000
Series 2011C	Revenue Refunding Bonds	09/29/11					
	Serial		4.000%-5.000%	2017-2028		147,730,000	155,815,000
Series 2011D	Revenue Refunding Bonds	09/29/11					
	Serial		3.000%-5.000%	2017-2031		8,440,000	8,845,000
Series 2012A	Revenue Refunding Bonds	07/03/12					
	Serial		3.000%-5.000%	2017-2032		287,960,000	291,035,000
Series 2012B	Revenue Refunding Bonds	07/03/12					
	Serial		4.000%-5.000%	2017-2019		10,745,000	14,050,000
Series 2013A	Revenue & Refunding Bonds	07/11/13					
	Serial		4.000%-5.000%	2018-2033	\$164,245,000		
	Term		5.000%	2038	18,870,000		
	Term		5.000%	2043	<u>24,090,000</u>	207,205,000	207,205,000
Series 2013B	Refunding Bonds	07/11/13					
	Serial		2.207%-3.979%	2017-2023		24,850,000	27,405,000
Series 2013C	Refunding Bonds	07/11/13					
	Serial		3.000%-5.000%	2020-2022		11,005,000	11,005,000
Series 2014A	Revenue & Refunding Bonds	07/03/14					
	Serial		2.000%-5.000%	2017-2034	\$451,195,000		
	Term		4.000%	2039	23,605,000		
	Term		5.000%	2044	<u>29,290,000</u>	504,090,000	524,710,000
Series 2015A	Revenue Refunding Bonds	1/29/2015					
	Term		5.000%	2033	\$96,745,000		
	Term		5.000%	2034	<u>67,035,000</u>	163,780,000	163,780,000
Series 2015B	Revenue & Refunding Bonds	7/15/2015					
	Serial		2.750%-5.000%	2017-2035	\$181,965,000		
	Term		5.000%	2035	51,900,000		
	Term		5.000%	2040	16,955,000		
	Term		5.000%	2045	<u>21,640,000</u>	272,460,000	278,685,000

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		<u>Issue Date</u>	<u>Interest Rates</u>	<u>Maturing on 1-Oct</u>	<u>Amount</u>	<u>Outstanding as of December 31,</u>	
						<u>2016</u>	<u>2015</u>
Series 2015C	Revenue Refunding Bonds	7/15/2015					
	Serial		3.000%-5.000%	2017-2035		33,165,000	35,630,000
Series 2015D	Revenue Refunding Bonds	7/15/2015					
	Serial		2.700%-4.485%	2020-2030	\$17,905,000		
	Term		4.963%	2035	<u>12,585,000</u>	30,490,000	30,490,000
Series 2016A	Revenue Refunding Bonds	7/7/2016					
	Serial		4.000%-5.000%	2030-2036		362,655,000	-
Series 2016B	Revenue Refunding Bonds	7/7/2016					
	Serial		5.000%	2030-2032		23,370,000	-
						\$4,546,600,000	\$4,780,260,000
						<u>208,794,773</u>	<u>170,520,423</u>
Plus (Less) unamortized discount/premium, net							
Total Aviation Enterprise Debt						<u>\$4,755,394,773</u>	<u>\$4,950,780,423</u>

- ¹ Interest rates on Series 2003D-1 Bonds are calculated monthly using 72% of the 1-month LIBOR Index Rate plus a spread of .65% rounded to five decimal points. As of 12/31/16, the rate was 0.759%.
- 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 weekly, and rates on Series 2010C-2 are reset weekly by the Remarketing Agent. As of 12/31/16, the rate on Series 2010C-1 was 0.760%. The Series 2010C-2 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.
- ⁵ Interest rates on Series 2010D are calculated weekly using 72% of the 1-month LIBOR Index Rate plus a spread of .325%. 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 reset weekly. As of 12/31/16, the rate was 0.750%. The Series 2011A-1 Bonds are hedged with a Swap Agreement at a fixed rate of 3.862%. The Series 2011A-2 Bonds are hedged with a Swap Agreement at a fixed rate of 4.445%. The Series 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 Series 2011B Bonds are calculated weekly using 72% of the 1-month LIBOR Index Rate plus a spread of .32%. As of 12/31/16, the rate was 0.868%.

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Changes to the Aviation Enterprise Fund's Bonds Payable balances during 2016 and 2015 were as follows:

Balance as of December 31, 2014		\$ 5,010,027,151
Bonds Issued		
Series 2015A	Revenue Refunding Bonds	\$ 163,780,000
Series 2015B	Revenue & Refunding Bonds	279,235,000
Series 2015C	Revenue Refunding Bonds	35,975,000
Series 2015D	Revenue Refunding Bonds	<u>30,490,000</u>
		509,480,000
Bonds Refunded		
Series 2005A		\$ (234,810,000)
Series 2005B		(12,800,000)
Series 2005C		(30,000,000)
Series 2005D		(7,650,000)
Series 2006A		(91,445,000)
Series 2006B		<u>(91,000,000)</u>
		(467,705,000)
Principal Payments		(131,545,000)
Change in Unamortized Discount/Premium		<u>30,523,272</u>
Balance as of December 31, 2015		<u>\$ 4,950,780,423</u>
Bonds Issued		
Series 2016A	Revenue Refunding Bonds	\$ 362,655,000
Series 2016B	Revenue Refunding Bonds	<u>23,370,000</u>
		386,025,000
Bonds Refunded		
Series 2006A		\$ (153,555,000)
Series 2006B		(284,320,000)
Series 2006C		<u>(31,550,000)</u>
		(469,425,000)
Principal Payments		(150,260,000)
Change in Unamortized Discount/Premium		<u>38,274,350</u>
Balance as of December 31, 2016		<u>\$ 4,755,394,773</u>
Balance as of December 31, 2016 - Short Term		\$ 167,575,000
Balance as of December 31, 2016 - Long Term		<u>4,587,819,773</u>
		<u>\$ 4,755,394,773</u>

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Maturities and Sinking Fund Requirements

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

Year Ending, December 31	Principal	Interest	Total Debt Service
2017	\$ 167,575,000	\$ 215,761,531	\$ 383,336,531
2018	185,620,000	208,221,901	393,841,901
2019	190,660,000	199,664,655	390,324,655
2020	203,560,000	190,749,820	394,309,820
2021	219,715,000	181,200,214	400,915,214
2022-2026	1,043,020,000	753,455,839	1,796,475,839
2027-2031	1,158,210,000	494,949,969	1,653,159,969
2032-2036	1,042,615,000	213,617,332	1,256,232,332
2037-2041	289,130,000	44,103,366	333,233,366
Thereafter	46,495,000	4,924,500	51,419,500
	<u>\$ 4,546,600,000</u>	<u>\$ 2,506,649,127</u>	<u>\$ 7,053,249,127</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, 2016 and 2015, the Airports Authority's Aviation Enterprise Fund had insured \$0.6 billion and \$1.1 billion of long-term bonds, respectively. This represented 11.9 percent of total bonds as of December 31, 2016 and 21.4 percent of total bonds as of December 31, 2015.

Aviation Enterprise Fund bonds were insured by two bond insurers in 2016: American Municipal Bond Assurance Corporation (Ambac) and Berkshire Hathaway (BHAC); and two additional ones in 2015: National Public Finance Guarantee Corporation (NPFPG) and Financial Security Assurance (FSA) as follows:

Insurer	Amount Insured as of December 31, 2016	Percent of Total Bonds Payable	Amount Insured as of December 31, 2015	Percent of Total Bonds Payable
Ambac	\$ 451,705,000	9.5%	\$ 477,165,000	9.6%
BHAC	112,200,000	2.4%	112,200,000	2.3%
FSA	-	-	153,555,000	3.1%
NPFPG	-	-	315,870,000	6.4%
	<u>\$ 563,905,000</u>	<u>11.9%</u>	<u>\$ 1,058,790,000</u>	<u>21.4%</u>

Commercial Paper Notes

The Airports Authority's Aviation Enterprise Fund has an authorized commercial paper program in an aggregate principal amount not to exceed \$500.0 million outstanding at any time. The Airports Authority currently has in place one credit facility allowing the Airports Authority to support the issuance of up to \$200.0 million of Commercial Paper (CP) Notes (CP Notes) 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. The Notes 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) facility. The

Airports Authority's obligation to repay amounts drawn under the LOC is collateralized by a promissory note issued to the provider.

The CP Notes were issued in two series.

Series One CP Notes were authorized for issuance of up to \$250.0 million in 2004 and suspended in March 2014. The LOC securing the Series One CP Notes expired and thus the program is noted as suspended.

Series Two CP Notes were authorized for issuance of up to \$200.0 million in March 2014 and collateralized by an irrevocable direct pay LOC issued by Sumitomo Mitsui Banking Corporation (SMBC) expiring in March 2017 in the amount of \$200.0 million in principal and \$13.3 million in interest. As of December 31, 2016 and 2015, the Airports Authority had no outstanding Series Two CP Notes.

Liquidity Facilities

The Airports Authority has \$815.3 million of outstanding variable rate bonds, which are further collateralized by LOC and Direct Purchase Indexed Loans (Index Floaters). The following table lists the liquidity facilities supporting the variable rate bonds as of December 31, 2016:

Bank Provider	Credit Facility	Associated Program/Series	Interest Rate	Expiration Date	Series Original Amount	Outstanding as of December 31, 2016	Interest Draw Allowed	Maximum Draw Allowed
PNC	Index Floater	2011 B	72% LIBOR + 32 bps	10/2/2017	\$ 207,640,000	\$ 147,470,000	\$ -	\$ 147,470,000
Royal Bank of Canada	LOC	2011A VRDO	27 bps	9/28/2018	\$ 233,635,000	\$ 190,500,000	\$ 3,006,247	\$ 193,506,247
SMBC	LOC	CP: Series Two	33 bps	3/6/2017	\$ 200,000,000	\$ -	\$ 13,315,069	\$ 213,315,069
SMBC	LOC	2010 C VRDO	34 bps	9/21/2020	\$ 170,000,000	\$ 149,370,000	\$ 2,357,181	\$ 151,727,181
TD Bank	LOC	2009 D VRDO	35 bps	2/28/2021	\$ 136,825,000	\$ 119,725,000	\$ 1,889,359	\$ 121,614,359
Wells Fargo	Index Floater	2003 D1	72% LIBOR + 31.5 bps	10/1/2018	\$ 150,000,000	\$ 55,900,000	\$ -	\$ 55,900,000
Wells Fargo	Index Floater	2010 D	72% LIBOR + 32.5 bps	9/23/2017	\$ 170,000,000	\$ 152,310,000	\$ -	\$ 152,310,000

Credit Ratings

The Aviation Enterprise Fund's underlying credit ratings as of December 31, 2016 and 2015 are depicted in the table below:

Mode	Lien Position	Rating as of December 31, 2016 Moody's / S&P / Fitch	Rating as of December 31, 2015 Moody's / S&P / Fitch
Fixed	Senior	A1 / AA- / AA-	A1 / AA- / AA-
Variable, CP	Senior	P-1 / A-1 / F1	P-1 / A-1 / F1
Variable, 2009D VRDO *	Senior	Aa1/VMIG1 AAA/A-1+ AA+/F1+	Aa1/VMIG1 AAA/A-1+ AA+/F1+
Variable, 2010C VRDO *	Senior	Aa2/VMIG1 AA+/A-1 AA-/F1	Aa2/VMIG1 AAA/A-1 AA-/F1
Variable, 2011A VRDO *	Senior	Aa1/VMIG1 AAA/A-1+ AAA/F1+	Aa1/VMIG1 AAA/A-1+ AAA/F1+

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

DULLES CORRIDOR ENTERPRISE FUND DEBT

In August of 2009, a Master Indenture of Trust was created to secure Dulles Toll Road Revenue Bonds issued by the Dulles Corridor Enterprise Fund of the Airports Authority. Under this Master Indenture, all bonds are secured by a pledge of the Toll Road Revenues derived by the Airports Authority from the operation of the Dulles Toll

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Road. The pledge of the Toll Road Revenues securing the Series 2009A Bonds (First Senior Lien), however, is senior to the pledge to Toll Road Revenues securing the Series 2009B-C-D Bonds and Series 2010A-B Bonds (Second Senior Lien). Following the Second Senior Lien pledge are the bonds that were issued on a Subordinate Lien, the Series 2010D Bonds.

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

On May 9, 2014, the Airports Authority's application for a secured loan under the Transportation Infrastructure Finance and Innovation Act of 1978 (TIFIA) to finance a portion of the costs of Phase 2 of the Metrorail Project was approved by the United States Department of Transportation (USDOT) in principal amount of \$1.278 billion. Subsequently, on July 16, 2014, the Airports Authority Board adopted Resolution No. 11-16 authorizing execution of the TIFIA Loan Agreement and issuance of Dulles Toll Road Junior Lien Revenue Bonds, TIFIA Series 2014.

Bonds Payable

The Dulles Corridor Enterprise Fund's bonds payable as of December 31, 2016 and 2015 were as follows:

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding as of December 31	
					2016	2015
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	5.100%-7.900%	2012-2040		280,772,834	272,599,789
CABs						
Series 2009C Revenue Bonds	08/12/09	6.500%	2038-2041		249,775,000	238,221,223
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		84,257,489	78,941,004
CABs Term						
Series 2010B Revenue Bonds	05/27/10	6.500%	2040-2044		210,139,350	197,118,000
Convertible CABs Term						
Series 2010D Revenue Bonds	05/27/10	8.000%	2042-2047		150,000,000	150,000,000
Build America Bonds						
Series 2014A Revenue Refunding Bonds	5/22/2014	5.000%	2051-2053		421,760,000	421,760,000
					<u>1,994,704,673</u>	<u>1,956,640,016</u>
Plus unamortized discount/premium, net					7,062,259	8,918,453
Total Dulles Corridor Enterprise Bonds Payable					<u>\$ 2,001,766,932</u>	<u>\$ 1,965,558,469</u>

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Changes to the Dulles Corridor Enterprise Fund's Bonds Payable balances during 2016 and 2015 were as follows:

Balance as of December 31, 2014	\$ 1,929,029,321
Bonds Issued	-
Principal Payments	(8,687,272)
Plus: Change in Accretion of Capital Appreciation Bonds	46,994,330
Change in unamortized (discount) or premium, net	<u>(1,777,910)</u>
 Balance as of December 31, 2015	 <u>1,965,558,469</u>
Bonds Issued	-
Principal Payments	(7,588,182)
Plus: Change in Accretion of Capital Appreciation Bonds	45,652,839
Change in unamortized (discount) or premium, net	<u>(1,856,194)</u>
 Balance as of December 31, 2016	 <u><u>\$ 2,001,766,932</u></u>
 Balance as of December 31, 2016 - Short Term	 \$ 4,032,707
Balance as of December 31, 2016 - Long Term	<u>1,997,734,225</u>
	<u><u>\$ 2,001,766,932</u></u>

Maturities and Sinking Fund Requirements

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

Year Ending December 31,	Principal	Interest	Total Debt Service
2017	\$ 4,032,707	\$ 91,356,657	\$ 95,389,364
2018	4,086,658	91,847,704	95,934,362
2019	7,259,874	109,974,489	117,234,363
2020	3,505,221	107,674,141	111,179,362
2021	3,466,610	108,122,753	111,589,363
2022-2026	38,929,095	586,462,718	625,391,813
2027-2031	64,082,607	674,435,024	738,517,631
2032-2036	138,438,385	874,081,427	1,012,519,812
2037-2041	299,933,562	882,344,799	1,182,278,361
Thereafter	1,128,668,250	585,191,824	1,713,860,074
	<u>\$ 1,692,402,969</u>	<u>\$ 4,111,491,536</u>	<u>\$ 5,803,894,505</u>

Insurance

As of December 31, 2016 and 2015, the Airports Authority's Dulles Corridor Enterprise Fund had insured \$330.0 million and \$337.6 million of long-term bonds, respectively with Assured Guaranty. This represented 16.5 percent of total bonds as of December 31, 2016 and 17.2 percent of total bonds as of December 31, 2015.

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Commercial Paper Notes

The CP Notes are structured as short-term demand obligations under the Seventh Supplemental Indenture. They are collateralized by certain pledged funds, including Net Revenues on parity with the bonds. They are further collateralized by an irrevocable direct pay LOC facility. The Airports Authority's obligation to repay amounts drawn under such LOCs is collateralized by a promissory note issued by the Airports Authority. The CP Notes are collateralized by an irrevocable direct pay LOC of \$300.0 million (and an additional \$20.0 million for interest draw) issued by J.P. Morgan Chase Bank, National Association.

In June 2016, CP Notes, Series One, Reimbursement Agreement with J.P. Morgan Chase Bank, National Association was extended two years through August 2018. The outstanding balance was \$181.0 million as of December 31, 2016.

Changes to the Dulles Corridor Enterprise Fund's Commercial Paper Notes balances during 2016 and 2015 were as follows:

	CP Notes
Balance as of December 31, 2014	<u>\$ 164,455,000</u>
Commercial Paper Notes Refunded	(314,455,000)
Commercial Paper Notes Issued	<u>360,000,000</u>
Balance as of December 31, 2015	<u>210,000,000</u>
Commercial Paper Notes Refunded	(469,000,000)
Commercial Paper Notes Issued	<u>440,000,000</u>
Balance as of December 31, 2016	<u><u>\$ 181,000,000</u></u>

Notes Payable

The Dulles Corridor Enterprise TIFIA Loan with the USDOT consists of monthly draws. Interest and principal will begin to be paid after substantial completion of Phase 2 of the Metrorail Project. Interest is accreted monthly and capitalized semi-annually on April 1 and October 1. The capitalized interest amount as of December 31, 2016 is \$10.5 million.

Changes to the Dulles Corridor Enterprise Fund's TIFIA Notes Payable during 2016 and 2015 were as follows:

	TIFIA Notes Outstanding
Draw Balance as of December 31, 2014	\$ -
Total Draws in 2015	<u>250,839,657</u>
Draw Balance as of December 31, 2015	<u>250,839,657</u>
Total Draws in 2016	<u>222,461,230</u>
Draw Balance as of December 31, 2016	<u><u>\$ 473,300,887</u></u>
Accreted Interest as of December 31, 2015	\$ 5,759,192
Accreted Interest in 2016	<u>12,424,295</u>
Accreted Interest as of December 31, 2016	<u><u>\$ 18,183,487</u></u>
Total TIFIA Balance as of December 31, 2016	<u><u>\$ 491,484,374</u></u>

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As approved in Resolution No. 12-37, on December 17, 2012, the Airports Authority issued \$200.0 million of fixed rate notes secured by the remaining federal funding anticipated to be received pursuant to a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration for Phase 1 of the Rail Project. The notes are a direct purchase obligation with a 2.16 percent interest rate and final maturity in 2016. The Dulles Corridor Enterprise Fund had \$100.0 million of FFGA Notes outstanding on December 31, 2015 that was paid off on December 1, 2016 with \$0 outstanding on December 31, 2016.

Changes to the Dulles Corridor Enterprise Fund's FFGA Notes Payable balances during 2016 and 2015 were as follows:

	Notes Payable
Balance as of December 31, 2014	\$ 156,317,308
Principal Payments in 2015	(56,317,308)
Balance as of December 31, 2015	100,000,000
Principal Payments in 2016	(100,000,000)
Balance as of December 31, 2016	\$ -

Credit Ratings

The Dulles Corridor Enterprise Fund's underlying credit ratings as of December 31, 2016 and 2015 are depicted in the table below:

Mode	Lien Position	Rating as of December 31, 2016 Moody's / S&P / Fitch	Rating as of December 31, 2015 Moody's / S&P / Fitch
Fixed	First Senior	A2 / A- / NR	A2 / A / NR
Fixed	Second Senior	Baa1 / BBB+ / NR	Baa1 / BBB+ / NR
Fixed	Second Senior ¹	Aa2 / AAA / NR	Aa2 / AAA / NR
Fixed	Subordinate	Baa2 / BBB+ / NR	Baa2 / BBB / NR
Fixed	Junior	Baa2 / A- / NR	Baa2 / BBB- / NR
Variable, CP	Second Senior	P-1 / A-1+ / NR	P-1 / A-1+ / NR

¹ Enhanced Rating

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15. NET POSITION

Net position consisted of the following, as of December 31, 2016:

	As of December 31, 2016				
	Net Investment in Capital Assets	Restricted for			
		Construction	Debt Service	Debt Service Reserve	Leases
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	-	-	-	-	-
Investments	-	-	-	-	-
Restricted investments	-	213,033,530	117,420,616	-	-
Inventory	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-
Due to (due from) other funds	-	-	-	-	-
Non-current assets					
Restricted					
Cash and cash equivalents *	-	426,147,257	63,540,687	1,323,203	6,556,078
Accounts receivable	-	175,506,532	-	-	788,670
Investments	-	-	-	541,728,741	-
Payments made in advance	-	-	-	-	-
Unrestricted:					
Note receivable	-	-	-	-	-
Investments	-	-	-	-	-
Net pension assets	-	-	-	-	-
Bond insurance costs, net	-	-	-	-	-
Other assets	-	-	-	-	-
Capital assets	5,690,362,241				
Total Assets	5,690,362,241	814,687,319	180,961,303	543,051,944	7,344,748
Deferred outflows of resources					
Deferred outflows - debt refundings	74,717,792	-	-	-	-
Deferred outflows - pension plans	-	-	-	-	-
Total deferred outflows of resources	74,717,792				
Current liabilities					
Accounts payable and accrued expenses	128,347,632	-	-	-	13,061
Advance billings and payments received in advance	-	66,122,979	20,000,000	-	-
Accrued lease obligations	-	-	-	-	-
Accrued interest payable	-	-	70,970,044	-	-
Current portion of bonds and notes payable	167,575,000	-	-	-	-
Non-current liabilities					
Other liabilities	1,803,061	200,000,000	30,000,000	-	787,080
Commercial paper notes	181,000,000	-	-	-	-
Notes payable	-	-	-	-	-
Interest rate swaps payable	-	-	-	-	-
Pension liability	-	-	-	-	-
TIFIA payable	392,108,073	4,868,030	-	94,508,271	-
Bonds payable, net	4,163,358,851	472,245,516	-	448,543,673	-
Total Liabilities	5,034,192,617	743,236,525	120,970,044	543,051,944	800,141
Deferred inflows of resources					
Deferred inflows - debt refundings	145,135	-	-	-	-
Deferred inflows - pension plans	-	-	-	-	-
Total deferred inflows of resources	145,135				
Net position (deficit)	\$ 730,742,281	\$ 71,450,794	\$ 59,991,259	\$ -	\$ 6,544,607

* 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
Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety		
\$ -	\$ -	\$ -	\$ 269,743,879	\$ 269,743,879
-	-	-	32,059,976	32,059,976
-	-	-	747,024,471	747,024,471
-	-	-	-	330,454,146
-	-	-	9,939,652	9,939,652
-	-	-	7,343,434	7,343,434
-	-	-	-	-
15,012,821	1,414,149	227,231	-	514,221,426
-	-	-	-	176,295,202
-	6,920,112	-	-	548,648,853
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	16,629,232	16,629,232
-	-	-	1,615,598	1,615,598
-	-	-	-	5,690,362,241
15,012,821	8,334,261	227,231	1,084,356,242	8,344,338,110
-	-	-	-	74,717,792
-	-	-	18,486,823	18,486,823
-	-	-	18,486,823	93,204,615
-	-	37,018	46,985,970	175,383,681
-	-	-	17,482,625	103,605,604
-	-	-	371,137	371,137
-	-	-	-	70,970,044
-	-	-	4,032,707	171,607,707
-	-	-	6,740,147	239,330,288
-	-	-	-	181,000,000
-	-	-	-	-
-	-	-	148,469,565	148,469,565
-	-	-	6,672,707	6,672,707
-	-	-	-	491,484,374
-	-	-	1,501,405,958	6,585,553,998
-	-	37,018	1,732,160,816	8,174,449,105
-	-	-	-	145,135
-	-	-	5,934,412	5,934,412
-	-	-	5,934,412	6,079,547
\$ 15,012,821	\$ 8,334,261	\$ 190,213	\$ (635,252,163)	\$ 257,014,073

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Net position consisted of the following, as of December 31, 2015:

	As of December 31, 2015				
	Net Investment in Capital Assets	Restricted for			
		Construction	Debt Service	Debt Service Reserve	Leases
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	-	-	-	-	-
Investments	-	-	-	-	-
Restricted investments	-	127,889,022	113,024,826	-	-
Inventory	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-
Due to (due from) other funds	-	-	-	-	-
Non-current assets					
Restricted					
Cash and cash equivalents *	-	568,242,537	95,809,910	15,638,064	6,452,933
Accounts receivable	-	266,820,898	-	-	99,754
Investments	-	-	-	414,762,655	-
Unrestricted:					
Note receivable	-	-	-	-	-
Investments	-	-	-	-	-
Net pension assets	-	-	-	-	-
Bond insurance costs, net	-	-	-	-	-
Other assets	-	-	-	-	-
Capital assets	5,396,941,793	-	-	-	-
Total Assets	<u>5,396,941,793</u>	<u>962,952,457</u>	<u>208,834,736</u>	<u>430,400,719</u>	<u>6,552,687</u>
Deferred outflows of resources					
Deferred outflows - debt refundings	76,607,428	-	-	-	-
Deferred outflows - pension plans	-	-	-	-	-
Total deferred outflows of resources	<u>76,607,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities					
Accounts payable and accrued expenses	144,935,804	-	-	-	12,595
Advance billings and payments received in advance	-	66,122,979	30,000,000	-	-
Accrued lease obligations	-	-	-	-	-
Accrued interest payable	-	-	69,277,060	-	-
Current portion of bonds and notes payable	162,112,677	-	-	-	-
Non-current liabilities					
Other liabilities	222,771	100,000,000	50,000,000	-	787,080
Commercial paper notes	210,000,000	-	-	-	-
Notes payable	-	-	-	-	-
Interest rate swaps payable	-	-	-	-	-
Pension Liability	-	-	-	-	-
TIFIA Payable	182,362,500	15,720,063	-	58,516,286	-
Bonds payable, net	4,343,858,214	562,946,610	-	371,884,433	-
Total Liabilities	<u>5,043,491,966</u>	<u>744,789,652</u>	<u>149,277,060</u>	<u>430,400,719</u>	<u>799,675</u>
Deferred inflows of resources					
Deferred inflows - debt refundings	163,208	-	-	-	-
Deferred inflows - pension plans	-	-	-	-	-
Total deferred inflows of resources	<u>163,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position (deficit)	<u>\$ 429,894,047</u>	<u>\$ 218,162,805</u>	<u>\$ 59,557,676</u>	<u>\$ -</u>	<u>\$ 5,753,012</u>

* 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
Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety		
\$ -	\$ -	\$ -	\$ 266,506,837	\$ 266,506,837
-	-	-	33,230,612	33,230,612
-	-	-	677,613,961	677,613,961
-	-	-	-	240,913,848
-	-	-	8,936,460	8,936,460
-	-	-	5,939,067	5,939,067
-	-	-	-	-
15,006,242	1,257,808	390,088	-	702,797,582
-	-	-	-	266,920,652
-	7,382,232	-	-	422,144,887
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	21,011,832	21,011,832
-	-	-	1,457,629	1,457,629
-	-	-	-	5,396,941,793
<u>15,006,242</u>	<u>8,640,040</u>	<u>390,088</u>	<u>1,014,696,398</u>	<u>8,044,415,160</u>
-	-	-	-	76,607,428
-	-	-	<u>18,610,308</u>	<u>18,610,308</u>
-	-	-	<u>18,610,308</u>	<u>95,217,736</u>
-	-	4,090	49,469,838	194,422,327
-	-	-	-	-
-	-	-	31,995,960	128,118,939
-	-	-	341,141	341,141
-	-	-	-	69,277,060
-	-	-	107,588,182	269,700,859
-	-	-	-	-
-	-	-	5,254,888	156,264,739
-	-	-	-	210,000,000
-	-	-	-	-
-	-	-	164,917,497	164,917,497
-	-	-	6,796,235	6,796,235
-	-	-	-	256,598,849
-	-	-	1,469,691,453	6,748,380,710
-	-	4,090	<u>1,836,055,194</u>	<u>8,204,818,356</u>
-	-	-	-	163,208
-	-	-	<u>1,029,470</u>	<u>1,029,470</u>
-	-	-	<u>1,029,470</u>	<u>1,192,678</u>
<u>\$ 15,006,242</u>	<u>\$ 8,640,040</u>	<u>\$ 385,998</u>	<u>\$ (803,777,958)</u>	<u>\$ (66,378,138)</u>

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The Aviation Enterprise Fund’s debt service reserve accounts were over-funded by \$7.5 million as of December 31, 2016 and \$11.1 million as of December 31, 2015. The Dulles Corridor Enterprise Fund’s debt service reserve accounts were under-funded by \$3.4 million as of December 31, 2016 and over-funded \$4.3 million as of December 31, 2015. 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. Dulles Corridor Enterprise Fund’s debt service reserve accounts are balanced twice a year, based on balances as of April 1 and October 1.

16. AVIATION ENTERPRISE FUND REVENUES

Uncollectible Revenues

Aviation Enterprise Fund revenues, net of estimated uncollectible revenues, for the years ended December 31, 2016 and December 31, 2015, were as follows:

<u>Gross Revenues</u>	<u>Year ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Concessions	\$ 316,530,157	\$ 286,114,726
Rents	308,138,272	316,245,536
Landing fees	93,479,793	105,799,633
Utility sales	13,024,832	12,925,462
Passenger fees	32,544,343	30,500,912
Other	<u>10,695,777</u>	<u>10,603,901</u>
Total gross revenues	774,413,174	762,190,170
Less: Estimated uncollectible revenues	<u>(353,166)</u>	<u>(349,793)</u>
Total net operating revenues	<u>\$ 774,060,008</u>	<u>\$ 761,840,377</u>

Concentrations of Revenues

Several airlines, and their affiliates, represent concentrations of revenues for the Airports Authority. At Reagan National, American, Delta, Southwest, and United Airlines comprised approximately 84.5 percent of Signatory Airline Revenues during 2016. At Dulles International, United Airlines, Delta, British and Lufthansa comprised approximately 64.2 percent of Signatory Airline Revenues during 2016. Combined, these eight airlines represented approximately 75.2 percent of total Signatory Airline Revenues during 2016 for the Airports Authority.

17. GOVERNMENT GRANTS

The Airports Authority receives, predominately on a cost-reimbursement basis, grants from the United States government, the Commonwealth, and other local grantors for certain operating and capital construction programs. Government grants and counties' contributions recorded by the Airports Authority during the years ended December 31, 2016 and 2015 totaled \$296.4 million and \$226.2 million, respectively. In fiscal years 2016 and 2015 the Airports Authority recognized federal, state and local grants for operating and capital programs as follows.

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.

In 2016, the Commonwealth, pursuant to the 2016-2018 Appropriation Act awarded the Airports Authority \$25.0 million of Commonwealth funding in the Commonwealth's Fiscal Year 2017 and \$25.0 million of Commonwealth funding in the Commonwealth's Fiscal Year 2018 for the purpose of reducing the airline cost per enplanement at Dulles International and thereby improving the competitiveness of the airport. The Airports Authority will begin receiving these funds in 2017.

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	Award Recognized Year Ended Dec. 31,	
	2016	2015
Grants in Support of Operations		
Operating Revenue		
TSA Security Fees		
TSA - Law enforcement officer reimbursement program	\$ 948,547	\$ 878,368
Grant recognized as operating revenues	<u>948,547</u>	<u>878,368</u>
Non-Operating Revenue		
Federal Grants		
TSA - National explosive detection canine team program	606,000	686,089
Department of Justice - Equitable sharing agreement ^{1,2}	97,711	101,106
Department of Treasury - Equitable sharing agreement ^{1,2}	-	-
Federal Emergency Management Agency Snow Assistance and Severe Storm Program	<u>-</u>	<u>-</u>
Total Federal Grants	703,711	787,195
State Grant		
Office of Emergency Medical Service	-	-
Commonwealth of Virginia - Equitable sharing agreement ^{1,2}	<u>-</u>	<u>11,242</u>
Total State Fund	-	11,242
Grants recognized as non-operating revenues	<u>703,711</u>	<u>798,437</u>
Total Federal, State, and Local grants in support of operations	<u>\$ 1,652,258</u>	<u>\$ 1,676,805</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, 2016, 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 Metrorail Project include transportation bonds issued by the Commonwealth 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 funds. In 2009, USDOT allocated \$77.3 million in American Recovery and Reinvestment Act (ARRA) funding to the project. These funds replaced Section 5309 funds that were scheduled to be received in the final year (2016) of the FFGA. As of February 2012, the Airports

Authority had fulfilled its ARRA local match requirement of \$199.2 million, and the close-out of the ARRA grant was completed on April 16, 2012. For 2016, a total of \$140.1 million of the New Starts funding of Phase 1 of the Dulles Metrorail Project was invoiced and received.

The Airports Authority's Aviation Enterprise Fund receives federal and state grants in support of its construction program. The federal programs, primarily through the Federal Aviation Administration's (FAA) 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. Projects from the TSA include ARRA funds to install new closed circuit television cameras and provide enhancements to the south, east and west baggage in-line explosive detection systems.

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Grants in Support of Capital Programs	Award Recognized Year Ended Dec. 31,		Award Remaining
	2016	2015	Dec. 31, 2016
Federal Grants			
Federal Aviation Administration			
AIP - 4th Runway	\$ 7,129,613	\$ 14,000,000	\$ -
AIP - Taxiway Z & Taxilane C Reconstruction	45,599	1,693,412	-
AIP - Improve runway 15/33 and 4/22 safety area (Phase 2)	1,516,149	5,417,639	1,874,999
AIP - Improve runway 15/33 and 4/22 safety area (Phase 1)	-	5,365,832	-
AIP - Reconstruction of South Taxiway Y	240,304	121,686	-
AIP - Improve Runway 1/19 safety area (Phase 2)	1,507,500	-	-
AIP - Rehabilitate Runway 1/19 and Associated Taxiways	386,655	-	-
AIP - Improve runway 1/19 safety area	-	300	-
AIP - Taxilane C and Taxiway Z Reconstruction	2,302,319	-	3,125,796
AIP - Taxilane B Reconstruction and Widening, East Section	1,632,400	1,465,592	80,490
Total Federal Aviation Administration Grants	14,760,539	28,064,461	5,081,285
Transportation Security Administration			
ARRA - EBB/WBB EDS in-line baggage project	-	14,035,212	-
SBB EDS in-line baggage project	-	953,531	-
Total Transportation Security Administration Grants	-	14,988,743	-
Federal Transit Administration			
FFGA - Dulles Metrorail Project (Phase 1)	63,911,008	42,954,022	48,481,667
Internal Revenue Service			
Build America Bonds interest subsidy	13,643,177	13,596,328	-
Total Federal Grants	92,314,724	99,603,554	53,562,952
Commonwealth of Virginia Grant			
Department of Aviation - AeroTrain	2,000,000	2,000,000	-
Virginia Department of Transportation - Dulles Toll Road Subsidy	30,000,000	30,000,000	50,000,000
Virginia Department of Transportation - Dulles Metrorail Project (Phase 2)	-	-	266,122,979
	32,000,000	32,000,000	316,122,979
Local Grant			
Northern Virginia Transportation Authority (NVTA) - Phase 2	32,162,187	-	27,837,813
Fairfax County Water Authority	1,002,285	-	-
Fairfax County - Betterments	5,555,000	355,727	-
Loudoun County - Betterments	-	1,042,528	-
Arlington County - Arlington County Police Firing Range Agreement	4,708,386	2,536,560	1,153,864
	43,427,858	3,934,815	28,991,677
Total Federal, State, and Local grants in support of capital programs	167,742,582	135,538,369	398,677,608
Local Counties Contributions for Dulles Metrorail Project			
Fairfax County Contributions (Phase 2)	82,900,236	58,424,880	376,366,650
Loudoun County Contributions (Phase 2)	44,071,854	30,529,244	198,996,447
	126,972,090	88,954,124	575,363,097
Total Federal, State, and Local grants including counties contributions in support of capital programs.	\$ 294,714,672	\$ 224,492,493	\$ 974,040,705

18. PASSENGER FACILITY CHARGES

As of December 31, 2016, the FAA has approved ten PFC applications for a total authority of \$3.5 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 revenue for 2015 and 2016 was as follows:

	Reagan National	Dulles International	Total
PFC Revenue 2015	\$ 46,885,509	\$ 41,666,829	\$ 88,552,338
PFC Revenue 2016	\$ 47,673,620	\$ 42,137,504	\$ 89,811,124
Total Applications	\$ 1,025,567,306	\$ 2,442,654,150	\$ 3,468,221,456
PFC Revenue Received Through December 31, 2016	\$ 713,263,713	\$ 785,563,017	\$ 1,498,826,730
Estimated Final Collection Date	February 1, 2023	December 31, 2038	

PFC collections totaling \$46.5 million and \$45.5 million in 2015 and 2016, respectively, were applied to debt service payments.

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

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 airport liability, workers' compensation, property, equipment breakdown, environmental impairment, public officials, employment practices, law enforcement, crime, fiduciary, business travel, cyber risk, terrorism and executive risk. The Airports Authority is self-insured for the first \$750 thousand of each workers' compensation loss and from \$0 to \$1.0 million (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.

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The overall accrual for potential losses as of December 31, 2016 and December 31, 2015 was \$6.4 million and \$4.7 million, respectively. Changes in the claim liability accounts in fiscal years 2016, 2015 and 2014 were as follows:

Fiscal Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2014	\$5,854,845	\$2,079,980	\$2,848,163	\$5,086,662
2015	\$5,086,662	\$2,436,317	\$2,791,876	\$4,731,103
2016	\$4,731,103	\$4,282,571	\$2,642,194	\$6,371,480

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, 2016 and 2015 were \$0.2 million and \$1.4 million, respectively. Routine pollution prevention, control, and monitoring costs are expensed as incurred. Pollution prevention, control, and monitoring expenses for the years ended December 31, 2016 and 2015 were \$5.1 million and \$6.4 million, respectively.

Rights-of-Way Purchases

The Airports Authority acquires property interests for the Dulles Metrorail Project through negotiated settlement or through the VDOT'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, 2016, the Airports Authority had acquired multiple property interests through the power of eminent domain for a total of \$568 thousand 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, 2016.

Northern Virginia Criminal Justice Training Academy

The Airports Authority is a member of the Northern Virginia Criminal Justice Training Academy (the Academy), which provides criminal justice training to fourteen participating police and sheriff agencies from Northern Virginia. Academy members cannot withdraw from the Academy while any bonds of the Academy are issued and outstanding. As of June 30, 2015, the most recent period for which audited financials were available, the Academy had \$9.0 million in revenue bonds outstanding. Payments by the Airports Authority to the Academy

for training services totaled \$315 thousand and \$206 thousand during the years ended December 31, 2016 and 2015, respectively.

21. LITIGATION

In July 2016, six users of the Dulles Toll Road, individually and on behalf of all others similarly situated, filed a class action complaint against the Airports Authority, the United States Department of Transportation and the Secretary of Transportation in the federal district court for the District of Columbia.

In this lawsuit, plaintiffs asserted a number of claims, including without limitation (i) that the tolls the Airports Authority establishes for the Dulles Toll Road are invalid because they are set at levels designed to produce revenues to be used to subsidize construction of the Dulles Corridor Metrorail Project; (ii) that the 1985 interstate compact between the Commonwealth and the District of Columbia which created the Airports Authority is invalid; and (iii) that, in operating the Dulles Toll Road, using toll road revenues to pay for construction of the Dulles Corridor Metrorail Project, and constructing that project on Airport property, the Airports Authority is acting in violation of its lease with the federal government. Other claims in the complaint are similar to claims made in previous litigation challenging the tolls the Authority has set for the Dulles Toll Road, all of which have been concluded in favor of the Authority.

In September 2016, the federal district court in the District of Columbia transferred this case to the federal district court in Alexandria, Virginia. It is anticipated that the proceedings in the Alexandria court will conclude during the second or third quarter of 2017.

22. SUBSEQUENT EVENTS

The Dulles Corridor Enterprise completed loan draws on the TIFIA Loan with the USDOT totaling \$98.8 million in the 1st quarter of 2017. The Aviation Enterprise Fund received \$25.0 million in grants in March 2017 from the Commonwealth pursuant to the 2016-2018 Appropriation Act for the purpose of reducing the airline cost per enplanement at Dulles International. The new Letter of Credit with the Industrial and Commercial Bank of China Limited, New York Branch in the amount of \$200.0 million for the Commercial Paper Series Two closed on February 27, 2017. The new bank facility expires on February 25, 2022.

REQUIRED SUPPLEMENTAL INFORMATION (unaudited)

SCHEDULE 1 – SCHEDULE OF FUNDING PROGRESS FOR POST-EMPLOYMENT BENEFITS

The following presents the funding progress from January 1, 2008 through December 31, 2016.

Schedule of Funding Progress - Medical Insurance

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded UAAL	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$ 19,450,000	\$ 85,170,000	\$ 65,720,000	22.8%	\$ 68,620,000	95.8%
1/1/2009	25,190,000	103,980,000	78,790,000	24.2%	73,960,000	106.5%
1/1/2010	31,420,000	116,870,000	85,450,000	26.9%	78,170,000	109.3%
1/1/2011	38,960,000	130,230,000	91,270,000	29.9%	92,170,000	99.0%
1/1/2012	47,710,000	122,470,000	74,760,000	39.0%	95,490,000	78.3%
1/1/2013	57,130,000	138,530,000	81,400,000	41.2%	105,430,000	77.2%
1/1/2014	69,730,000	160,580,000	90,850,000	43.4%	109,970,000	82.6%
1/1/2015	83,180,000	104,200,000	21,020,000	79.8%	107,560,000	19.5%
1/1/2016	91,120,000	105,060,000	13,940,000	86.7%	110,670,000	12.6%
1/1/2017	100,172,093	119,590,000	19,417,907	83.8%	116,930,000	16.6%

Schedule of Funding Progress - Life Insurance

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded UAAL	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$ 1,711,700	\$ 6,822,000	\$ 5,110,300	25.1%	\$ 68,616,300	7.5%
1/1/2009	2,217,400	7,578,300	5,360,900	29.3%	73,961,700	7.2%
1/1/2010	2,765,800	8,161,500	5,395,700	33.9%	78,171,500	6.9%
1/1/2011	3,608,900	9,777,600	6,168,700	36.9%	92,169,900	6.7%
1/1/2012	4,324,200	11,035,700	6,711,500	39.2%	95,487,300	7.0%
1/1/2013	5,140,000	9,975,700	4,835,700	51.5%	105,429,000	4.6%
1/1/2014	6,539,000	10,689,800	4,150,800	61.2%	109,974,600	3.8%
1/1/2015	7,691,800	11,670,700	3,978,900	65.9%	107,563,400	3.7%
1/1/2016	8,688,000	11,212,900	2,524,900	77.5%	110,670,300	2.3%
1/1/2017	9,765,157	12,233,600	2,468,443	79.8%	116,927,800	2.1%

SCHEDULE 2 –CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

General Employees Retirement Plan

Fiscal year ending December 31,	2016	2015	2014	2013
Total Pension Liability				
Changes for the year:				
Service cost	\$ 5,294,135	\$ 4,917,894	\$ 4,596,269	\$ 4,285,977
Interest	11,357,903	10,121,292	9,413,518	8,636,527
Differences between expected and actual experience	1,128,023	901	(1,122,634)	377,551
Changes of assumptions	(5,963,403)	5,375,564	-	-
Benefit payments (including refunds)	(4,641,220)	(3,978,260)	(3,572,654)	(2,939,701)
Net changes in Total Pension Liability	7,175,438	16,437,391	9,314,499	10,360,354
Total Pension Liability - Beginning	148,423,232	131,985,841	122,671,342	112,310,988
Total Pension Liability - Ending (a)	<u>\$ 155,598,670</u>	<u>\$ 148,423,232</u>	<u>\$ 131,985,841</u>	<u>\$ 122,671,342</u>
Plan Fiduciary Net Position				
Changes for the year:				
Contribution - employer	\$ 4,553,940	\$ 1,431,907	\$ 4,812,943	\$ 5,903,067
Contribution - member	-	-	-	-
Net investment income	11,755,443	2,102,247	6,366,579	20,759,598
Benefit payments (including refunds)	(4,641,220)	(3,978,260)	(3,572,655)	(2,939,701)
Plan administrative expenses	(175,504)	(186,879)	(225,762)	(59,919)
Net changes in Plan Fiduciary Net Position	11,492,659	(630,985)	7,381,105	23,663,045
Plan Fiduciary Net Position - Beginning	143,868,107	144,499,092	137,117,987	113,454,942
Plan Fiduciary Net Position - Ending (b)	<u>\$ 155,360,766</u>	<u>\$ 143,868,107</u>	<u>\$ 144,499,092</u>	<u>\$ 137,117,987</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 237,904	\$ 4,555,125	\$ (12,513,251)	\$ (14,446,645)
Plan Fiduciary Net Position as Percentage of the TPL	99.85%	96.93%	109.48%	111.78%
Covered-Employee Payroll	\$ 90,852,722	\$ 85,760,198	\$ 82,620,662	\$ 79,926,284
Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	0.26%	5.31%	-15.15%	-18.07%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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SCHEDULE 2- CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (continued)

Police Officers and Firefighters Retirement Plan

Fiscal year ending December 31,	2016	2015	2014	2013
Total Pension Liability				
Changes for the year:				
Service cost	\$ 2,342,298	\$ 2,318,795	\$ 2,187,801	\$ 2,252,676
Interest	6,742,144	6,153,445	5,646,934	5,066,533
Differences between expected and actual experience	2,606,881	1,998,229	643,950	1,716,317
Changes of assumptions	2,455,053	(86,408)	-	-
Benefit payments (including refunds)	(2,894,779)	(2,233,670)	(1,492,134)	(981,032)
Net changes in Total Pension Liability	11,251,597	8,150,391	6,986,551	8,054,494
Total Pension Liability - Beginning	88,974,180	80,823,789	73,837,238	65,782,744
Total Pension Liability - Ending (a)	<u>\$ 100,225,777</u>	<u>\$ 88,974,180</u>	<u>\$ 80,823,789</u>	<u>\$ 73,837,238</u>
Plan Fiduciary Net Position				
Changes for the year:				
Contribution - employer	\$ 2,174,817	\$ 592,481	\$ 2,408,703	\$ 3,224,322
Contribution - member	381,736	379,419	368,102	357,463
Net investment income	7,478,417	1,082,654	3,979,334	12,634,140
Benefit payments (including refunds)	(2,894,779)	(2,233,670)	(1,492,134)	(981,032)
Plan administrative expenses	(82,287)	(98,471)	(89,888)	(42,023)
Net changes in Plan Fiduciary Net Position	7,057,904	(277,587)	5,174,117	15,192,870
Plan Fiduciary Net Position - Beginning	86,733,070	87,010,657	81,836,540	66,643,670
Plan Fiduciary Net Position - Ending (b)	<u>\$ 93,790,974</u>	<u>\$ 86,733,070</u>	<u>\$ 87,010,657</u>	<u>\$ 81,836,540</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 6,434,803	\$ 2,241,110	\$ (6,186,868)	\$ (7,999,302)
Plan Fiduciary Net Position as Percentage of the TPL	93.58%	97.48%	107.65%	110.83%
Covered-Employee Payroll	\$ 27,708,013	\$ 25,360,689	\$ 25,617,129	\$ 24,978,683
Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	23.22%	8.84%	-24.15%	-32.02%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SCHEDULE 3 – SCHEDULE OF FUNDING PROGRESS FOR DEFINED BENEFIT PENSION PLANS

Schedule of Funding Progress - General Employees Retirement Plan

Fiscal Year Ended December 31	Actuarially Determined Contribution (ADC)	Contribution in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2013	\$ 5,903,067	\$ 5,903,067	\$ -	\$ 79,926,284	7.39%
2014	4,812,943	4,812,943	-	82,620,662	5.83%
2015	1,431,907	1,431,907	-	85,760,198	1.67%
2016	4,553,940	4,553,940	-	90,852,722	5.01%

Schedule of Funding Progress - Police Officers & Firefighters Retirement Plan

Fiscal Year Ended December 31	Actuarially Determined Contribution (ADC)	Contribution in Relation to ADC	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2013	\$ 3,224,322	\$ 3,224,322	\$ -	\$ 24,978,683	12.91%
2014	2,408,703	2,408,703	-	25,617,129	9.40%
2015	592,481	592,481	-	25,360,689	2.34%
2016	2,174,817	2,174,817	-	27,708,013	7.85%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule of Employer Contributions

The total pension liability was determined by an actuarial valuation as of December 31, two years prior to the end of the fiscal year in which contributions are reported. The Airports Authority's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered-employee 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 Retirement Committee.

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Methods and assumptions used to determine contribution rates:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry-age actuarial cost method
Amortization Method	20-year level dollar, closed
Assets Valuation Method	5-year smoothed market
Actuarial Assumptions:	
(a) Investment rate of return	7.50%, net of expenses
(b) Projected salary increases	Variable rate 3.0% to 6.0%
(a) and (b) include inflation at	2.75%
(c) Cost of living adjustments	1.375%
(d) Mortality Rates	<u>For General Employees Plan:</u> RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015 <u>For Police Officers and Firefighters Plan:</u> RP-2014 Blue Collar Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015

All assets of the Airports Authority pension plans are held in trust at the Bank of New York Mellon. A copy of the Plans 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.

SCHEDULE 4 – SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended December 31,	Civil Service Retirement System	Federal Employees Retirement System	Total
2007	\$ 306,603	\$ 793,376	\$ 1,099,979
2008	289,953	815,338	1,105,291
2009	261,505	714,790	976,295
2010	244,560	714,234	958,794
2011	206,310	726,618	932,928
2012	177,952	674,483	852,435
2013	134,062	631,912	765,974
2014	94,739	571,974	666,713
2015	78,597	489,635	568,232
2016	69,078	377,289	446,367

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.

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STATISTICAL SECTION (unaudited)

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.

Financial Trends: (S-1 through S-3): These schedules contain trend information to help the reader understand how the Airports Authority’s financial performance and well-being have changed over time.

Revenue Capacity: (S-4 through S-12): These schedules contain information to help the reader assess the factors affecting the Airports Authority’s ability to generate airline and non-airline revenues.

Debt Capacity: (S-13 through S-15): These schedules present information to help the reader assess the affordability of the Airports Authority’s current levels of outstanding debt and the Airports Authority’s ability to issue additional debt in the future.

Demographic and Economic Information: (S-16 through S-20): These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airports Authority’s financial activities take place and to help make comparisons over time and with other airports.

Operating Information: (S-21 through S-39): These schedules contain information about the Airports Authority’s operations and resources to help the reader understand how the Airports Authority’s financial information relates to the services the Airports Authority provides and the activities it performs.

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Exhibit S-1 – COMPONENTS OF NET POSITION
(Expressed in Thousands)

	2016	2015	2014 ⁹	2013	2012 ⁸	2011	2010	2009	2008 ¹	2007 ¹
NET POSITION AT YEAR END COMPOSED OF:										
Net investment in capital assets	\$ 730,742.3	\$ 429,894.0	\$ (1,206,194.3)	\$ 1,925,134.4	\$ 1,930,730.2	\$ 1,681,513.6	\$ 1,420,180.3	\$ 1,099,998.9	\$ 638,153.5	\$ 523,330.0
Restricted ¹	161,524.0	307,505.8	513,195.1	363,436.8	179,513.0	165,379.4	107,411.4	144,904.2	128,133.7	114,983.4
Unrestricted ¹	(635,252.2)	(803,778.0)	432,220.8	334,459.3	181,940.0	190,318.7	294,997.1	291,906.6	355,889.7	335,422.9
Cumulative prior period adjustment ^{1,7,8}	-	-	18,295.2	-	-	(50,718.90)	-	-	(62,380.4)	(45,407.6)
TOTAL NET POSITION	\$ 257,014.1	\$ (66,378.2)	\$ (242,483.2)	\$ 2,623,030.5	\$ 2,292,183.2	\$ 1,986,492.8	\$ 1,822,588.8	\$ 1,536,809.7	\$ 1,059,796.5	\$ 928,328.7

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

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

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.

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

⁹ Cumulative adjustment for 2014 relates to change in accounting principles with the implementation of GASB Statement No. 68.

Source: Airports Authority Records

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Exhibit S-2 – REVENUES, EXPENSES AND CHANGES IN NET POSITION
(Expressed in Thousands)

	2016	2015	³ 2014	2013	2012	2011 ²	2010	2009	2008	2007 ¹
OPERATING REVENUES										
Concessions	\$ 316,453.5	\$ 286,049.6	\$ 253,486.1	\$ 236,254.0	\$ 227,719.9	\$ 227,600.0	\$ 230,973.6	\$ 217,461.2	\$ 223,710.7	\$ 217,486.8
Tolls	151,731.0	151,431.8	148,652.7	127,059.3	101,596.1	94,659.5	88,038.2	64,893.6	10,416.5	-
Rents	307,981.0	316,082.5	293,951.1	305,301.8	301,637.0	275,428.2	226,375.7	193,736.1	171,331.3	167,301.0
Design fees	-	-	-	-	-	-	-	-	20,363.2	-
Landing fees	93,422.1	105,741.3	118,863.5	128,386.8	112,282.6	110,255.7	101,637.9	96,934.6	82,289.6	78,682.5
Utility sales	13,019.3	12,920.0	12,524.3	12,143.7	11,704.7	11,979.6	12,464.9	13,227.2	13,348.6	11,778.8
Passenger fees	32,544.3	30,500.9	34,247.9	32,829.0	33,442.8	30,331.2	25,913.5	30,665.4	28,354.1	28,684.1
Other	10,639.8	10,546.0	9,103.9	8,108.5	8,169.3	8,381.2	6,509.1	6,428.9	11,547.4	6,542.9
TOTAL OPERATING REVENUES	925,791.0	913,272.1	870,829.5	850,083.1	796,551.4	758,635.4	691,912.9	623,347.0	561,361.4	510,476.1
OPERATING EXPENSES										
Materials, equipment, supplies, contract services and other ²	213,153.0	220,678.1	225,612.6	228,982.4	215,571.2	209,352.0	203,460.1	173,143.4	176,288.7	182,096.1
Impairment loss/design costs	2,045.6	-	8,000.4	-	40,239.0	-	-	-	80,027.4	-
Salaries and related benefits	182,595.5	178,040.3	170,379.5	166,384.6	161,294.8	157,370.4	156,535.4	144,617.0	136,720.6	128,465.3
Utilities	25,927.2	25,917.7	26,444.5	26,342.1	27,445.5	26,779.2	24,565.1	28,209.6	25,402.3	21,134.3
Lease from U.S. Government	5,502.2	5,392.4	5,297.5	5,335.3	5,303.9	5,180.6	5,101.1	5,066.1	4,958.3	4,830.1
Depreciation and amortization ¹	241,138.3	245,070.0	242,367.3	243,653.2	257,296.1	215,291.9	219,060.3	185,914.1	164,852.8	142,029.5
TOTAL OPERATING EXPENSES¹	670,361.8	675,098.5	678,101.8	670,697.6	707,150.5	613,974.1	608,722.0	536,950.2	588,250.1	478,555.3
OPERATING INCOME (LOSS)¹	255,429.2	238,173.6	192,727.7	179,385.5	89,400.9	144,661.3	83,190.9	86,396.8	(26,888.7)	31,920.8
NON-OPERATING REVENUES (EXPENSES)										
Passenger facility charges, financing costs	-	-	-	-	-	-	-	(944.8)	(2,330.5)	(3,968.8)
Investment income ²	19,842.1	15,957.0	16,677.9	10,138.4	14,539.6	35,615.8	27,787.0	13,617.0	21,850.1	41,237.5
Interest expense ¹	(318,726.5)	(312,014.9)	(266,110.4)	(238,369.6)	(229,471.5)	(240,011.8)	(240,220.4)	(154,780.8)	(142,622.1)	(110,249.5)
Federal, state and local grants	703.7	798.4	1,056.7	736.7	1,229.0	982.4	1,865.0	1,415.2	948.7	-
Fair value gain (loss) on swaps	16,447.9	1,196.5	(54,156.5)	81,963.0	6,422.5	(96,249.9)	(34,978.4)	103,731.4	(158,374.6)	(24,577.7)
Other Income	-	5,877.3	-	-	-	-	-	-	-	-
Contributions to other governments	130,861.6	3,424.7	(3,045,602.6)	0.0	(313.8)	(1,297.9)	(10,086.1)	(650.2)	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)¹	(150,871.2)	(284,761.0)	(3,348,134.9)	(145,531.5)	(207,594.2)	(300,961.4)	(255,632.9)	(37,612.2)	(280,528.4)	(97,558.5)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS¹	104,558.0	(46,587.4)	(3,155,407.2)	33,854.0	(118,193.3)	(156,300.1)	(172,442.0)	48,784.6	(307,417.1)	(65,637.7)
CAPITAL CONTRIBUTIONS										
Passenger facility charges	89,811.1	88,552.4	82,278.8	79,056.9	83,263.6	78,626.9	80,088.4	78,520.8	78,455.2	82,858.8
Federal, state and local grants	129,023.1	134,140.1	189,319.5	209,436.4	336,552.4	287,116.1	377,482.7	346,729.8	92,941.5	32,317.1
Other capital property acquired	-	-	-	8,500.0	4,067.7	5,180.0	650.0	2,978.0	267,488.2	3,498.2
TOTAL CAPITAL CONTRIBUTIONS	218,834.2	222,692.5	271,598.3	296,993.3	423,883.7	370,923.0	458,221.1	428,228.6	438,884.9	118,674.1
Cumulative change in net position due to restatements ^{1,2}	-	-	18,295.2	-	-	(50,718.9)	-	-	-	(61,605.2)
CHANGE IN NET POSITION¹	\$ 323,392.2	\$ 176,105.1	\$(2,865,513.7)	\$ 330,847.3	\$ 305,690.4	\$ 163,904.0	\$ 285,779.1	\$ 477,013.2	\$ 131,467.8	\$(8,568.8)

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

	Years prior to 2008 (cumulative)
Increases in operating expenses due to restatements	
Increase in materials, equipment, supplies, contract services and other	\$ 5,603.2
Increase in depreciation and amortization	24,485.5
Change in operating expenses due to restatements	<u>30,088.7</u>
Change in operating income (loss)	<u>(30,088.7)</u>
Decreases in non-operating revenues (expenses) due to restatements	
Decrease in investment income	(29,513.3)
Decrease in interest expense	(2,003.2)
Change in non-operating revenues (expenses) due to restatements	<u>(31,516.5)</u>
Change in gain (loss) before capital contributions	<u>(61,605.2)</u>
Cumulative change in net position due to restatements	<u>\$ (61,605.2)</u>

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

³ Cumulative adjustment for 2014 relates to change in accounting principle with the implementation of GASB Statement No. 68.

Source: Airports Authority Records

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-3 – OPERATING EXPENSES BY BUSINESS UNIT
(Expressed in Thousands)

	2016	2015	2014	2013	2012 ^{5,6}	2011 ⁶	2010 ⁶	2009	2008	2007
REAGAN NATIONAL										
Materials, equipment, supplies, contract services, and other	\$ 59,895.3	\$ 61,986.4	\$ 61,248.8	\$ 64,364.3	\$ 58,069.0	\$ 56,509.9	\$ 55,813.2	\$ 47,846.1	\$ 49,691.4	\$ 58,393.0
Salaries and related benefits	78,626.6	76,410.9	61,218.3	64,001.4	61,879.4	59,716.2	59,799.5	56,522.7	56,112.1	53,294.8
Utilities	8,893.8	8,818.0	9,009.0	8,678.7	8,933.9	8,345.5	8,060.0	9,360.5	8,687.4	7,623.1
Travel	319.3	377.0	349.8	339.1	357.3	539.1	397.7	319.4	524.8	629.2
Insurance	4,779.8	4,979.0	4,266.1	4,163.7	4,246.1	3,657.8	3,654.2	3,696.6	4,116.5	4,448.7
Loss (proceeds) from disposal of capital assets	18.0	6.1	(0.1)	29.5	0.6	(46.8)	(116.7)	(115.4)	(132.0)	(45.1)
Non-capitalized facility projects	708.0	1,524.3	914.9	934.6	2,499.3	1,788.7	1,982.1	929.1	635.1	1,926.3
Lease from U.S. Government	2,751.1	2,696.2	2,648.8	2,667.6	2,652.0	2,590.3	2,550.5	2,388.6	2,478.9	2,415.1
Depreciation and amortization	8,596.8	7,979.5	7,784.4	8,088.0	6,466.8	6,714.6	8,923.1	9,271.3	13,546.1	11,571.8
Total Reagan National Expenses	164,588.7	164,777.4	147,440.0	153,266.9	145,104.4	139,815.3	141,063.6	130,218.9	135,660.3	140,256.9
DULLES INTERNATIONAL										
Materials, equipment, supplies, contract services, and other	101,570.8	100,124.3	105,791.0	108,144.2	104,034.2	101,754.1	103,955.9	76,608.5	80,837.2	87,758.6
Salaries and related benefits	93,123.6	90,859.7	85,390.7	91,552.7	89,528.5	88,176.1	88,302.8	83,870.6	80,236.6	75,067.2
Utilities	16,545.6	16,480.4	16,949.2	17,216.1	18,166.7	17,993.1	16,078.9	18,562.0	16,475.0	13,301.3
Travel	269.9	305.3	285.1	376.5	410.5	541.0	458.4	358.3	583.2	670.1
Insurance	3,186.6	3,322.6	2,813.0	4,498.3	4,246.1	3,656.6	3,654.2	3,693.5	4,116.5	4,448.7
Loss (proceeds) from disposal of capital assets	36.5	33.3	(18.9)	41.4	72.3	(67.8)	(111.2)	(117.2)	84.3	78.4
Non-capitalized facility projects	699.1	1,508.6	855.2	785.0	2,383.2	819.3	1,205.6	(26.0)	504.6	1,583.4
Lease from U.S. Government	2,751.1	2,696.2	2,648.8	2,667.6	2,652.0	2,590.3	2,550.6	6,017.0	2,479.3	2,415.1
Depreciation and amortization	9,322.9	9,142.5	9,274.0	9,670.6	9,155.5	9,320.7	10,963.5	12,112.0	30,409.8	27,277.5
Total Dulles International Expenses	227,506.1	224,472.9	223,988.1	234,952.4	230,649.0	224,783.4	227,058.7	201,078.7	215,726.5	212,600.3
DULLES TOLL ROAD										
Materials, equipment, supplies, contract services, and other	21,156.1	20,498.7	19,262.9	19,162.4	16,766.6	18,188.7	19,415.6	22,089.6	9,424.5	-
Salaries and related benefits	7,806.1	7,490.9	6,722.6	7,219.0	6,985.1	6,900.1	6,421.3	2,484.8	58.2	-
Utilities	212.9	200.3	216.7	203.3	172.3	217.1	171.6	122.8	-	-
Travel	26.7	24.1	25.9	25.8	31.2	36.7	18.5	44.4	10.8	-
Insurance	609.5	515.8	483.8	357.3	587.2	597.4	551.5	1,069.3	177.2	-
Loss (proceeds) from disposal of capital assets	-	(15.3)	0.1	0.2	-	(2.7)	(6.2)	(0.7)	-	-
Non-capitalized facility projects	140.3	820.5	1,558.2	797.0	147.5	398.5	66.2	13.0	-	-
Depreciation and amortization	327.4	310.5	308.2	1,194.1	154.4	164.8	77.7	141.9	3.2	-
Total Dulles Toll Road Expenses	30,279.0	29,845.5	28,578.4	28,959.1	24,844.3	26,500.6	26,716.2	25,965.1	9,673.9	-
DULLES METRORAIL PROJECT										
Materials, equipment, supplies, contract services, and other	3,716.2	4,347.8	9,718.2	1,509.5	1,957.0	1,790.4	1,238.9	1,255.1	415.6	-
Salaries and related benefits	2,857.8	3,124.0	3,383.4	3,478.0	2,778.1	2,398.0	1,839.6	1,586.6	154.5	-
Utilities	30.3	149.3	30.8	21.8	19.6	20.0	18.4	70.4	-	-
Travel	18.6	17.0	19.9	21.9	18.8	17.3	13.3	44.8	-	-
Insurance	-	-	-	0.4	(9.0)	1.6	5.2	16.6	-	-
Loss (proceeds) from disposal of capital assets	(0.1)	(0.1)	0.1	-	-	(1.4)	(2.9)	(4.2)	-	-
Non-capitalized facility projects	0.1	-	-	-	-	(4.4)	24.3	13.8	-	-
Depreciation and amortization	6,660.1	6,201.3	5,768.0	4,427.7	5,092.0	3,761.8	3,446.0	102.5	5.0	-
Total Dulles Metrorail Project Expenses	13,283.0	13,839.3	18,920.4	9,459.3	9,856.5	7,983.3	6,582.8	3,085.6	575.1	-
WASHINGTON FLYER EXPENSES	-	-	-	-	-	-	-	-	-	-
WASHINGTON FLYER MAGAZINE EXPENSES ¹	-	-	-	-	-	-	-	-	-	-
TELECOMMUNICATIONS EXPENSES	3,351.5	4,222.6	5,102.1	4,949.2	5,193.9	4,613.6	4,243.3	5,128.8	5,606.8	5,361.9
FAA AIR TRAFFIC CONTROL TOWER EXPENSES ²	273.2	202.6	187.0	154.5	172.7	183.3	241.9	232.1	340.7	213.2
45025 AVIATION DRIVE EXPENSES ³	1,409.2	1,447.8	1,473.7	1,203.2	1,197.2	1,331.9	1,430.0	1,198.9	1,406.1	1,233.7
CONSTRUCTION PROGRAMS⁴										
Materials, equipment, supplies, contract services, and other	9,034.9	10,768.4	8,515.0	2,994.8	5,712.2	6,307.6	2,500.6	2,677.6	12,281.0	3,400.9
Loss (proceeds) from disposal of capital assets	2,045.6	-	8,000.4	-	42,013.0	82.0	5.9	8.4	84,776.6	12,708.7
Non-capitalized facility projects	2,990.4	4,716.7	3,780.0	15,116.3	6,610.8	7,676.2	3,866.7	3,707.4	1,960.3	242.4
Depreciation and amortization	215,600.2	220,805.3	218,601.8	219,641.9	235,796.5	194,697.0	195,012.2	163,648.7	120,242.7	102,537.3
Total Construction Programs Expenses	229,671.1	236,290.4	238,897.2	237,753.0	290,132.5	208,762.8	201,385.4	170,042.1	226,614.2	118,889.3
TOTAL EXPENSES	\$ 670,361.8	\$ 675,098.5	\$ 664,586.8	\$ 670,697.6	\$ 707,150.5	\$ 613,974.2	\$ 608,721.9	\$ 536,950.2	\$ 588,250.0	\$ 478,555.3

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 Expenses for 2012 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 65.

⁶ Certain amounts for 2010 through 2014 have been reclassified to be consistent with current year reporting.

Source: Airports Authority Records

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-4 – OPERATING REVENUES BY BUSINESS UNIT

(Expressed in Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REAGAN NATIONAL										
Airline:										
Rents	\$ 104,827.3	\$ 100,824.8	\$ 75,410.7	\$ 87,000.4	\$ 82,203.8	\$ 85,704.4	\$ 81,175.2	\$ 73,828.0	\$ 66,302.8	\$ 67,234.1
Landing fees	55,292.3	54,378.1	44,292.4	51,570.6	45,345.2	41,756.2	40,143.3	32,928.4	32,290.3	30,149.2
Total Airline Revenues	160,119.6	155,202.9	119,703.1	138,571.0	127,549.0	127,460.6	121,318.5	106,756.4	98,593.1	97,383.3
Non-Airline:										
Concessions:										
Parking	62,375.5	62,366.9	53,404.4	49,704.7	48,167.8	44,853.2	43,684.4	41,764.0	43,980.2	44,569.9
Rental cars	21,444.7	21,413.9	19,073.3	18,544.4	18,562.1	21,667.9	28,169.9	23,248.3	20,736.1	19,432.8
Terminal concessions:										
Food and beverage	15,874.9	13,020.8	10,089.3	9,411.2	8,567.9	7,927.0	7,563.4	7,109.1	7,117.4	6,801.0
News stands	4,143.3	4,502.9	3,411.9	3,477.4	3,119.1	3,044.2	2,932.1	2,733.6	2,731.8	2,558.1
Retail	1,379.4	1,418.8	1,821.6	2,479.8	2,427.6	2,432.4	2,362.3	2,474.8	2,531.5	2,564.3
Display advertising	7,977.0	7,112.3	5,381.2	5,546.4	4,786.8	5,083.1	5,835.3	4,121.5	4,105.4	3,715.3
Ground transportation ¹	19,038.4	8,526.7	6,058.8	5,230.7	4,955.9	4,807.7	4,621.0	3,745.3	3,183.1	3,373.40
Services	154.9	119.4	82.8	70.6	69.8	76.5	84.6	96.0	576.7	239.9
Inflight catering	1,707.8	1,715.0	1,612.5	1,108.8	855.1	779.3	701.1	719.9	752.0	766.5
Fixed base operator	1,738.2	1,626.9	1,569.0	1,025.8	1,217.7	1,039.3	780.3	739.8	282.1	205.5
Duty free	207.9	182.1	123.0	83.7	83.4	74.8	42.2	49.7	52.8	40.9
All other	1,581.9	1,363.7	1,189.8	1,019.9	678.0	570.6	549.2	674.7	320.2	321.5
Total Concessions	137,623.9	123,369.4	103,817.6	97,703.4	93,491.2	92,356.0	97,325.8	87,476.5	86,369.3	84,589.1
Rents	7,653.4	7,809.4	7,857.9	8,149.9	7,946.5	7,769.3	9,259.1	9,368.1	7,349.9	7,254.0
Security	586.4	549.6	916.4	284.7	719.3	853.1	854.7	866.3	878.3	888.3
Utility sales	2,790.5	2,825.0	2,547.6	2,337.1	2,187.4	2,218.6	2,271.8	2,401.6	2,240.1	1,990.1
Other	3,024.5	2,711.0	2,770.2	2,481.9	2,183.8	2,530.0	1,681.0	1,801.5	2,651.3	1,695.5
Total Non-Airline Revenue	151,678.7	137,264.4	117,909.7	110,957.0	106,528.2	105,727.0	111,392.4	101,913.9	99,488.9	96,417.0
Total Reagan National Revenues	311,798.3	292,467.3	237,612.8	249,528.0	234,077.2	233,187.6	232,710.9	208,670.3	198,082.0	193,800.3
DULLES INTERNATIONAL										
Airline:										
Rents	165,923.1	179,386.5	183,216.7	185,723.7	187,250.7	159,425.8	112,189.2	86,335.9	78,354.7	75,075.8
Landing fees	38,129.8	51,363.2	74,571.1	76,816.2	66,937.5	68,499.5	61,494.6	64,006.2	49,999.3	48,533.3
International Arrival Building fees	23,708.7	23,424.2	25,621.8	26,363.2	25,702.1	21,407.8	18,012.6	11,897.4	9,372.0	9,100.2
Passenger Fees	7,887.1	6,198.3	7,620.7	6,005.8	6,721.2	7,676.6	6,652.5	17,508.0	17,703.5	18,294.4
Design Fees	-	-	-	-	-	-	-	-	20,361.2	-
Total Airline Revenues	235,648.7	260,372.2	290,670.3	294,908.9	286,611.5	257,009.7	198,348.9	179,747.5	175,790.7	151,003.7
Non-Airline:										
Concessions:										
Parking	65,324.0	64,802.8	63,089.9	60,409.1	60,775.6	64,083.1	66,466.6	65,957.7	71,125.6	71,958.9
Rental cars	17,858.9	17,551.8	17,224.8	17,871.7	16,870.9	17,038.7	16,135.2	15,616.9	15,213.1	14,985.7
Terminal concessions:										
Food and beverage	14,502.4	13,255.6	10,423.8	9,581.3	9,443.2	9,347.9	8,911.2	8,517.8	8,742.7	8,184.7
News stands	5,931.6	5,250.8	3,867.1	3,657.1	4,007.9	3,957.5	4,026.3	4,130.1	4,081.0	3,555.7
Retail	3,036.5	2,460.2	2,521.4	3,200.3	2,683.5	2,569.8	2,517.2	2,562.4	2,576.8	2,676.1
Display advertising	6,986.3	4,208.6	3,914.3	4,694.5	5,878.5	6,978.7	5,817.4	4,122.3	4,119.8	3,640.7
Ground transportation ¹	11,418.5	7,450.6	6,584.2	4,540.1	3,891.9	2,980.1	3,804.2	3,570.3	3,185.6	1,410.60
Services	3,447.6	3,439.1	3,442.8	3,341.7	3,263.3	3,162.0	3,260.6	3,329.6	5,515.2	5,374.0
Inflight catering	13,498.9	10,711.4	10,475.1	8,896.5	7,070.0	6,393.2	6,067.5	5,985.2	6,120.9	5,476.0
Fixed base operator	18,490.8	15,888.9	15,706.8	14,516.7	14,249.5	13,070.1	11,779.8	11,613.1	12,430.0	11,779.6
Duty free	13,358.7	12,961.9	8,066.3	4,583.1	4,372.3	3,934.4	3,158.1	2,831.4	3,757.5	3,381.5
All other	4,975.6	4,698.4	4,352.0	3,258.6	1,722.1	1,728.5	1,703.6	1,747.7	473.3	474.2
Total Concessions	178,829.8	162,680.1	149,668.5	138,550.7	134,228.7	135,244.0	133,647.7	129,984.5	137,341.5	132,897.7
Rents	25,192.6	23,770.6	23,286.5	20,091.3	19,852.7	18,085.8	19,259.4	19,372.2	14,402.3	11,917.6
Security	362.2	328.8	448.9	175.2	300.2	393.7	393.7	393.7	400.4	401.2
Utility sales	6,215.5	6,035.2	6,051.7	5,738.2	5,456.5	5,624.9	5,832.8	6,474.3	6,565.6	5,298.8
Other	7,615.2	7,835.1	6,333.6	5,626.1	5,976.6	5,851.2	4,828.2	4,598.3	9,039.1	4,668.5
Total Non-Airline Revenues	218,215.3	200,649.8	185,789.2	170,181.5	165,814.7	165,199.6	163,961.8	160,823.0	30,407.4	155,183.8
Total Dulles International Revenues	453,864.0	461,022.0	476,459.5	465,090.4	452,426.2	422,209.3	362,310.7	340,570.5	343,539.6	306,187.5
DULLES TOLL ROAD										
Tolls	151,731.0	151,431.8	148,652.7	127,059.8	101,596.1	94,659.5	88,038.2	64,893.6	10,416.5	-
Other	-	-	-	0.5	7.7	-	-	-	-	-
Total Dulles Toll Road	151,731.0	151,431.8	148,652.7	127,059.8	101,603.8	94,659.5	88,038.2	64,893.6	10,416.5	-
TELECOMMUNICATIONS										
	3,810.8	3,868.9	3,742.8	3,879.8	3,866.7	3,931.5	4,157.2	4,119.3	4,179.9	4,414.7
FAA AIR TRAFFIC CONTROL TOWER										
	3,750.6	3,729.7	3,711.7	3,709.2	3,701.0	3,696.0	3,686.0	3,717.9	3,698.9	3,582.4
45025 AVIATION DRIVE²										
	836.3	752.4	649.7	815.9	876.5	951.4	1,009.9	1,375.1	1,444.5	2,491.2
TOTAL REVENUES	\$ 925,791.0	\$ 913,272.1	\$ 870,829.2	\$ 850,083.1	\$ 796,551.4	\$ 758,635.4	\$ 691,912.9	\$ 623,347.0	\$ 561,361.4	\$ 510,476.1

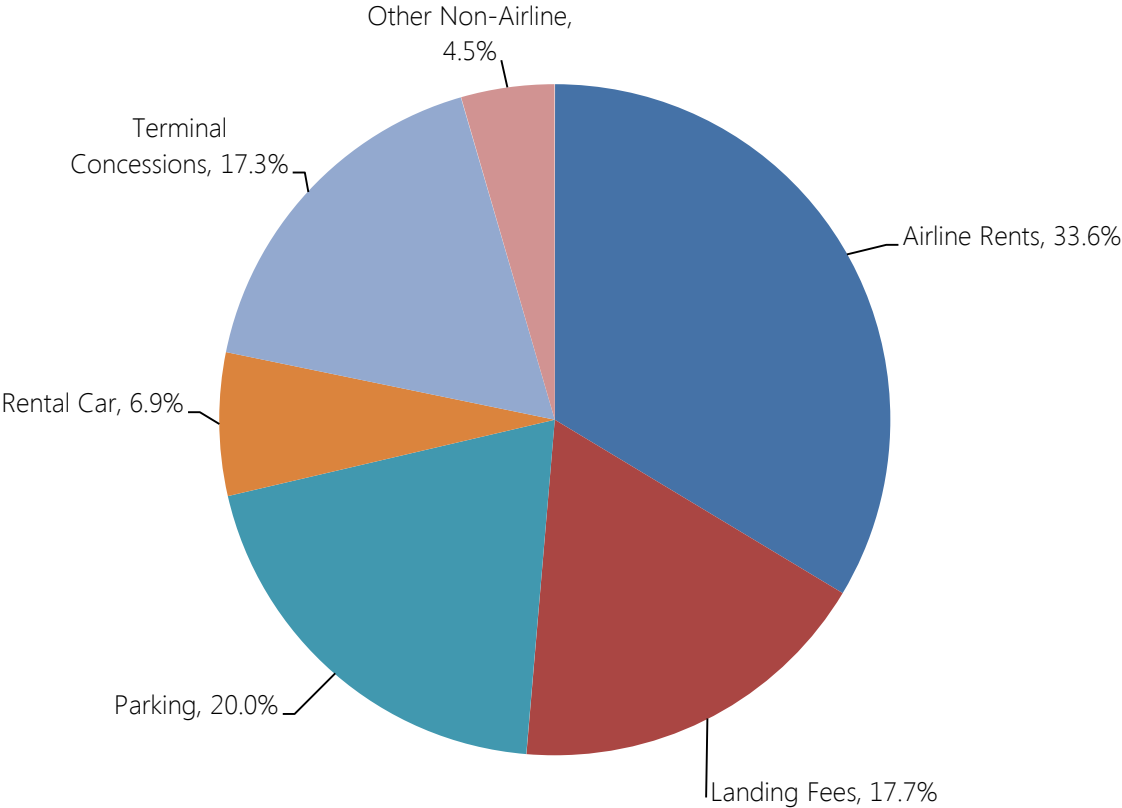
¹ Ground transportation was reported as other revenue in years prior to 2007.

² 45025 Aviation Drive revenues include rents and utilities.

Source: Airports Authority Records

Exhibit S-5 – OPERATING REVENUES – REAGAN NATIONAL

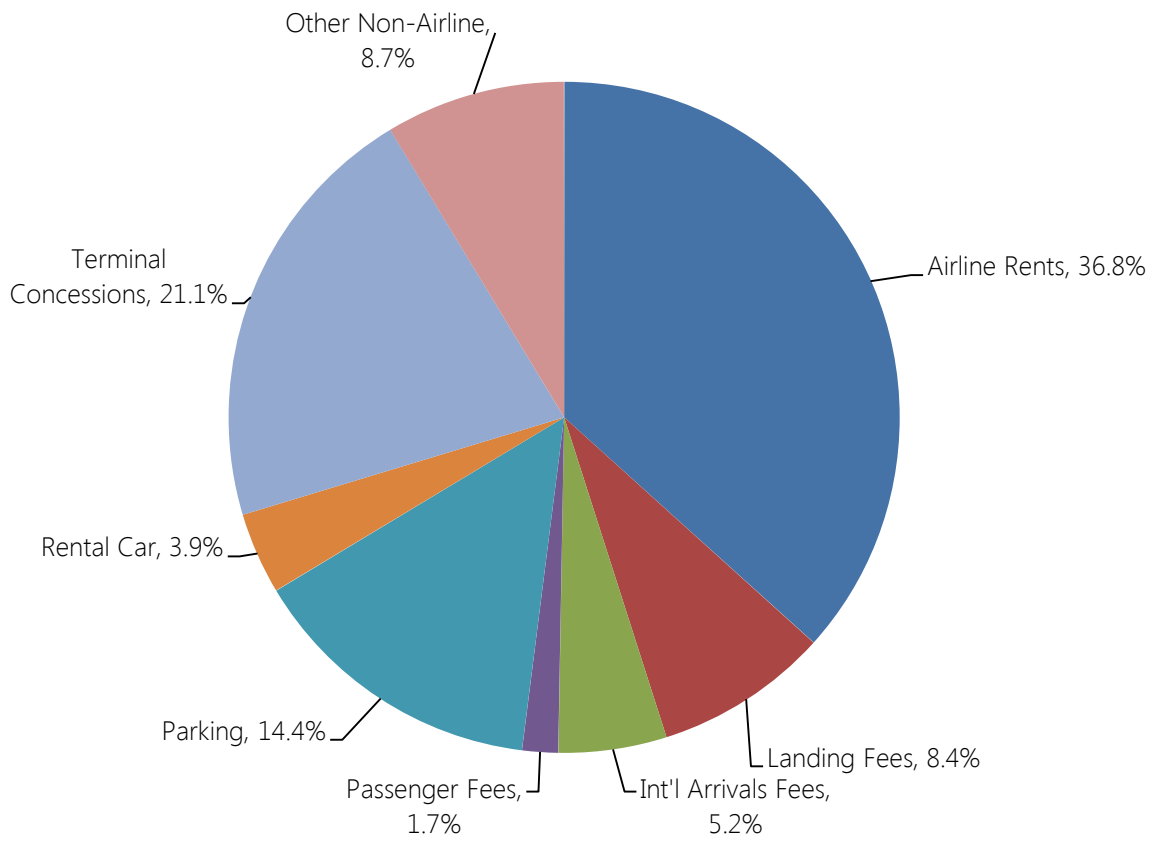
2016



Source: Airports Authority Records

Exhibit S-6 – OPERATING REVENUES – DULLES INTERNATIONAL

2016



Source: Airports Authority Records

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-7 – RATES AND CHARGES

Reagan National Rates

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Signatory Airline Rates										
Signatory Airline Cost Per Enplanement (CPE)	\$ 13.44	\$ 13.32	\$ 11.26	\$ 13.39	\$ 12.79	\$ 13.37	\$ 13.52	\$ 12.28	\$ 10.91	\$ 10.45
Signatory Airline CPE (including prior year Settlement)	\$ 13.15	\$ 13.65	\$ 10.90	\$ 14.19	\$ 12.28	\$ 13.94	\$ 12.84	\$ 12.49	\$ 10.95	\$ 10.51
Landing Fee	\$ 3.90	\$ 4.03	\$ 3.72	\$ 4.19	\$ 3.55	\$ 3.42	\$ 3.16	\$ 2.81	\$ 2.55	\$ 2.34
Terminal A - Average Rate	\$ 173.23	\$ 167.24	\$ 122.88	\$ 157.51	\$ 145.23	\$ 160.22	\$ 174.48	\$ 111.55	\$ 103.47	\$ 100.73
Terminal B & C - Average Rate	\$ 250.05	\$ 228.27	\$ 154.72	\$ 207.32	\$ 191.82	\$ 208.51	\$ 194.94	\$ 180.68	\$ 162.87	\$ 169.51
Type 6 - Covered/Unenclosed	\$ 5.37	\$ 5.29	\$ 5.30	\$ 5.13	\$ 5.57	\$ 5.55	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85
Type 7 - Uncovered/Unenclosed	\$ 1.34	\$ 1.32	\$ 1.32	\$ 1.28	\$ 1.39	\$ 1.39	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46
Non-Signatory Airline Rates										
General Aviation Landing Fees	\$ 3.94	\$ 3.91	\$ 4.01	\$ 4.30	\$ 3.86	\$ 3.59	\$ 3.52	\$ 2.93	\$ 2.89	\$ 2.82
Landing Fee	\$ 4.93	\$ 4.89	\$ 5.01	\$ 5.37	\$ 4.83	\$ 4.48	\$ 4.40	\$ 3.66	\$ 3.61	\$ 3.52
Terminal A	\$ 142.56	\$ 156.57	\$ 143.48	\$ 165.83	\$ 154.95	\$ 148.47	\$ 175.85	\$ 111.15	\$ 106.40	\$ 115.79
Terminal B & C	\$ 247.21	\$ 233.31	\$ 217.16	\$ 236.82	\$ 223.82	\$ 229.12	\$ 213.51	\$ 199.45	\$ 185.11	\$ 193.36
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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Signatory Airline Rates										
Signatory Airline CPE	\$ 21.00	\$ 23.67	\$ 26.55	\$ 26.47	\$ 25.01	\$ 21.70	\$ 16.40	\$ 15.37	\$ 12.74	\$ 11.92
Signatory Airline CPE (including prior year Settlement)	\$ 22.15	\$ 23.46	\$ 26.39	\$ 27.29	\$ 25.84	\$ 20.25	\$ 17.16	\$ 14.21	\$ 13.11	\$ 12.11
Landing Fee	\$ 2.35	\$ 3.41	\$ 4.59	\$ 4.23	\$ 3.72	\$ 3.50	\$ 3.44	\$ 3.14	\$ 2.60	\$ 2.37
Concourse C & D	\$ 65.61	\$ 79.23	\$ 81.65	\$ 87.07	\$ 91.69	\$ 74.24	\$ 57.12	\$ 38.37	\$ 29.14	\$ 31.43
Concourse B	\$ 120.65	\$ 141.65	\$ 158.30	\$ 167.33	\$ 178.71	\$ 140.80	\$ 78.53	\$ 62.18	\$ 55.94	\$ 70.48
Main Terminal	\$ 358.77	\$ 321.17	\$ 314.51	\$ 349.40	\$ 362.73	\$ 277.55	\$ 198.18	\$ 142.72	\$ 131.84	\$ 129.23
Concourse A	\$ 211.99	\$ 250.65	\$ 257.05	\$ 290.57	\$ 317.42	\$ 226.91	\$ 188.48	\$ 144.38	\$ 142.05	\$ 144.59
Z-Gates	\$ 60.13	\$ 91.23	\$ 147.46	\$ 139.17	\$ 149.29	\$ 153.12	\$ 172.95	\$ 57.82	\$ 81.33	\$ 258.65
Type 6 - Covered/Unenclosed	\$ 5.37	\$ 5.57	\$ 5.42	\$ 5.47	\$ 5.35	\$ 5.42	\$ 5.42	\$ 5.35	\$ 6.00	\$ 5.85
Type 7 - Uncovered/Unenclosed	\$ 1.34	\$ 1.39	\$ 1.35	\$ 1.37	\$ 1.34	\$ 1.36	\$ 1.35	\$ 1.34	\$ 1.50	\$ 1.46
Airside Operations Building	N/A	N/A	\$ 46.97	\$ 40.44	\$ 48.94	\$ 38.38	\$ 33.77	\$ 25.28	\$ 19.97	\$ 21.52
International Arrivals Building	\$ 7.11	\$ 7.68	\$ 8.64	\$ 8.76	\$ 8.31	\$ 6.59	\$ 6.55	\$ 4.10	\$ 3.53	\$ 3.61
Apron Operations Building	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Concourse C International Arrival Building	\$ 10.91	\$ 10.23	\$ 9.46	\$ 9.60	\$ 9.16	\$ 6.52	\$ 4.72	\$ 2.98	\$ 1.78	\$ 2.04
Passenger Conveyance	\$ 1.82	\$ 1.65	\$ 1.85	\$ 1.83	\$ 2.08	\$ 2.40	\$ 2.20	\$ 2.02	\$ 2.02	\$ 1.92
Non-Signatory Airline Rates										
General Aviation Landing Fee	\$ 5.81	\$ 6.14	\$ 4.96	\$ 4.75	\$ 4.15	\$ 4.23	\$ 4.09	\$ 4.32	\$ 3.54	\$ 3.20
Landing Fee	\$ 7.57	\$ 8.07	\$ 6.53	\$ 6.26	\$ 5.46	\$ 5.56	\$ 5.38	\$ 5.68	\$ 4.66	\$ 4.21
Concourse C & D	\$ 90.34	\$ 94.88	\$ 96.32	\$ 92.04	\$ 88.29	\$ 83.93	\$ 65.96	\$ 54.98	\$ 46.74	\$ 47.65
Concourse B	\$ 166.01	\$ 177.61	\$ 186.01	\$ 167.32	\$ 169.92	\$ 155.86	\$ 95.20	\$ 81.87	\$ 67.80	\$ 83.61
Main Terminal	\$ 432.16	\$ 420.15	\$ 386.24	\$ 401.15	\$ 405.23	\$ 333.25	\$ 253.13	\$ 210.52	\$ 202.98	\$ 193.65
International Arrivals Building	\$ 8.37	\$ 8.43	\$ 9.15	\$ 9.27	\$ 9.41	\$ 7.61	\$ 7.18	\$ 5.28	\$ 4.74	\$ 4.72
Concourse C International Arrival Building	\$ 11.39	\$ 9.77	\$ 9.55	\$ 9.03	\$ 9.89	\$ 8.40	\$ 7.71	\$ 4.80	\$ 3.43	\$ 3.81
Concourse A	\$ 311.55	\$ 315.58	\$ 292.12	\$ 297.90	\$ 336.02	\$ 270.24	\$ 226.58	\$ 195.45	\$ 185.13	\$ 145.13
Z-Gates	\$ 82.12	\$ 93.99	\$ 158.82	\$ 97.06	\$ 158.08	\$ 141.76	\$ 194.60	\$ 187.23	\$ 178.91	\$ 282.72
Passenger Conveyance	\$ 2.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Passenger Facility Charges

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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

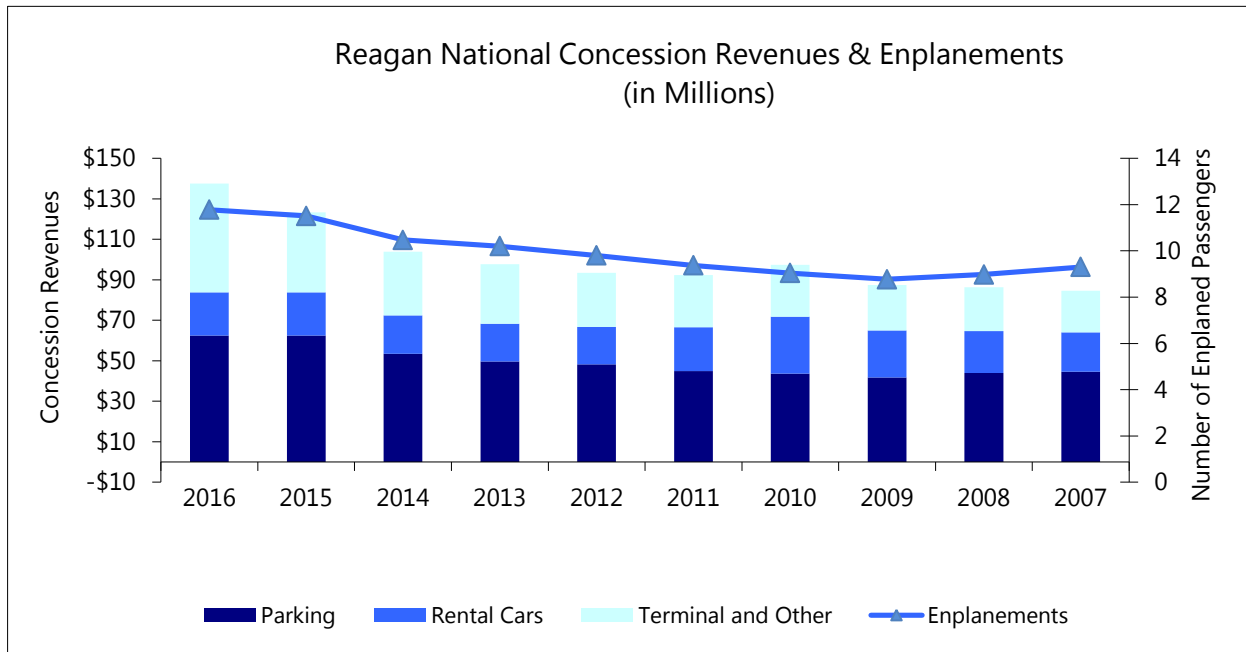
Dulles Toll Road Toll Rates

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Two-Axle Vehicles										
Main Plaza	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.75	\$ 1.50	\$ 1.25	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75
Ramp Plaza	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.50	\$ 0.50	\$ 0.50

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.

Source: Airports Authority Records

Exhibit S-8 – CONCESSION REVENUES AND ENPLANEMENTS – REAGAN NATIONAL

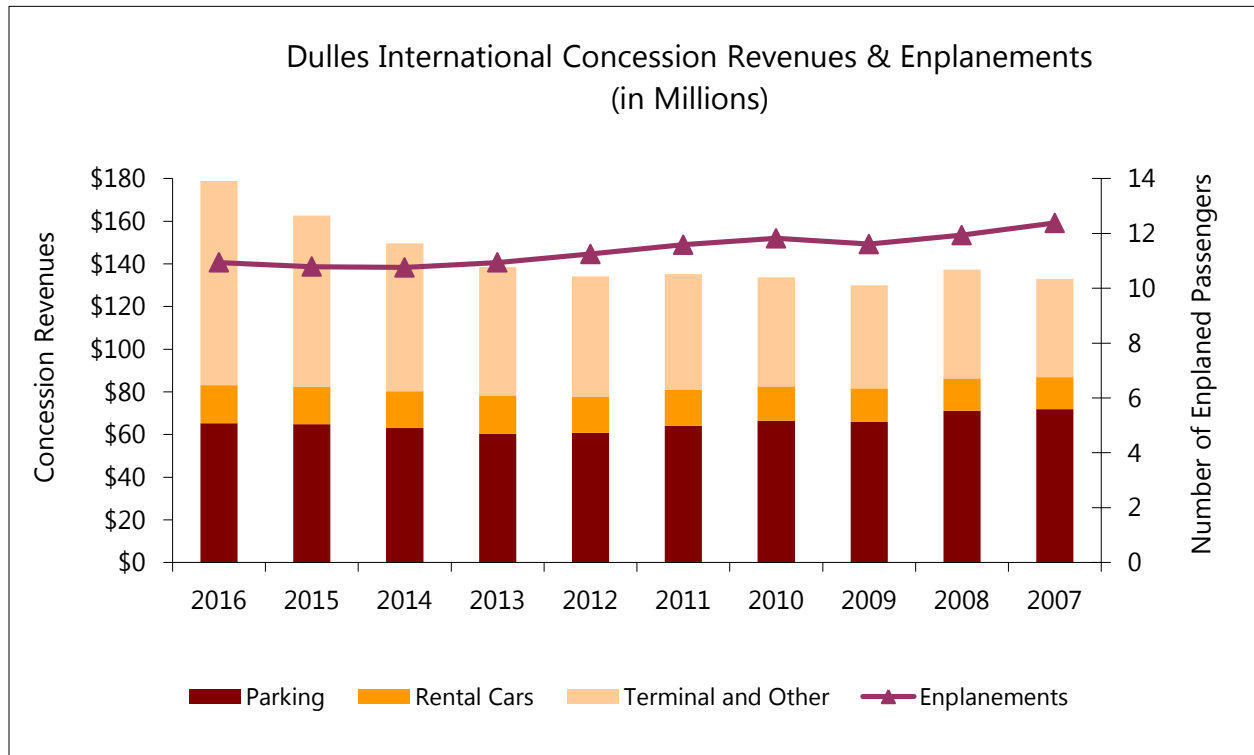


Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic factors. Enplanements at Reagan National set a new record in 2016.

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 49.4 percent from 2009. Food and beverage revenue has increased 123.3 percent and advertising revenue has increased 93.6 percent during the same period. The food and beverage tenants in the terminal have undergone major redevelopment in the past 2 years and a new advertising contract was negotiated in 2016.

Source: Airports Authority Records

Exhibit S-9 – CONCESSION REVENUES AND ENPLANEMENTS – DULLES INTERNATIONAL

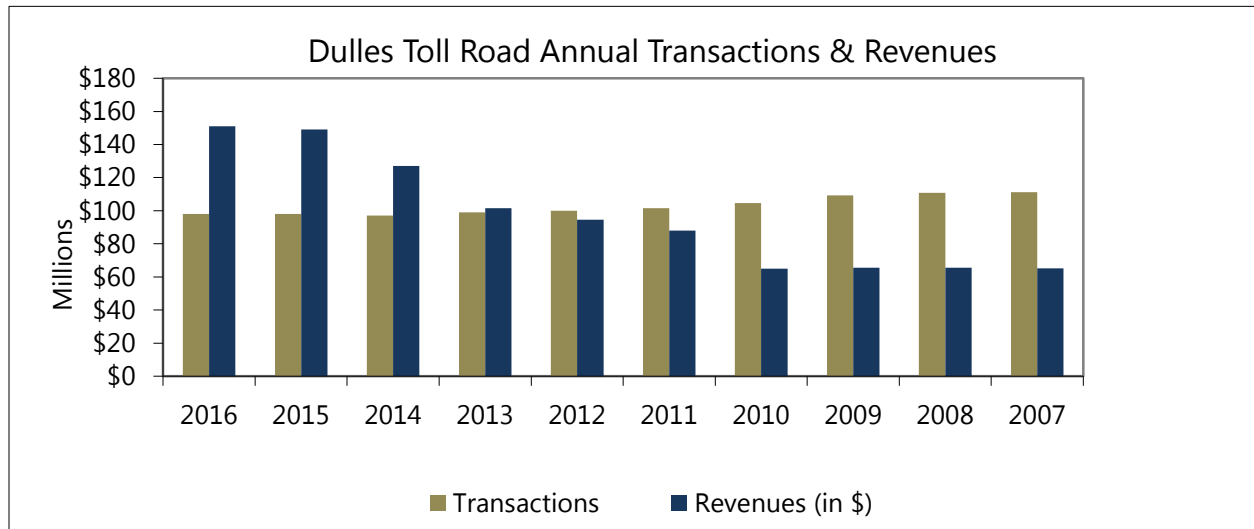


Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic variables. Enplanements at Dulles International increased slightly in 2016.

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 2007, parking revenue has declined 9.2 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 \$10.74 in 2007 to \$16.35 in 2016, a 52.3 percent increase. Since 2007, rental car revenue increased 19.2 percent, food and beverage increased 77.2 percent, inflight catering increased 146.5 percent, display advertising increased 91.9 percent, and newsstand and retail increased a combined 66.1 percent.

Source: Airports Authority Records

Exhibit S-10 – DULLES TOLL ROAD TRANSACTIONS AND REVENUES



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

Transactions measure roadway usage and are impacted by toll rate increases. The first toll rate increase in the roadway's history became effective in May 2005 while the Dulles Toll Road was under the operation of Virginia Department of Transportation (VDOT). A second toll rate increase became effective in January 2010, a third in January 2011, a fourth in January 2012, a fifth in January 2013 and a sixth in January 2014. The Dulles Toll Road was transferred to the Airports Authority on November 1, 2008.

The chart above includes VDOT data for years 2007-2008 and Airports Authority data for years 2008-2016.

Source: Airports Authority Records, VDOT

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Exhibit S-11 – DULLES TOLL ROAD MONTHLY TRANSACTIONS AND REVENUES

DULLES TOLL ROAD TRANSACTIONS - MONTHLY

	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	6,801,818	7,421,306	7,533,849	7,919,077	8,022,521	7,824,547	8,299,024	8,466,696	9,207,781
February	7,597,218	6,949,373	6,897,287	7,409,382	7,889,749	7,764,687	6,657,821	8,416,445	8,709,460
March	8,546,164	8,067,467	7,813,556	7,979,292	8,687,041	9,018,150	9,349,797	9,310,414	9,351,455
April	8,376,903	8,531,503	8,366,358	8,596,720	8,181,616	8,483,334	9,199,462	9,337,263	9,585,976
May	8,486,112	8,630,483	8,677,032	8,773,942	8,717,049	8,835,657	9,115,093	9,360,939	9,578,599
June	8,761,470	8,763,974	8,475,065	8,388,250	8,726,637	8,949,690	9,389,948	9,630,452	9,385,082
July	8,156,218	8,622,889	8,425,436	8,437,968	8,418,491	8,375,850	9,011,255	9,508,324	9,478,858
August	8,502,760	8,348,215	8,074,295	8,550,839	8,700,231	8,681,495	9,016,174	9,298,209	9,158,359
September	8,153,590	8,316,546	8,175,388	8,293,200	8,113,485	8,476,912	8,748,923	9,173,068	9,185,049
October	8,584,122	8,660,062	8,670,164	8,713,861	8,428,482	8,724,624	9,140,399	9,573,659	9,731,826
November	7,889,319	7,806,575	7,504,223	7,944,233	8,161,592	8,169,587	8,420,491	8,710,278	8,482,508
December	7,862,834	8,122,250	7,894,372	7,669,453	7,844,178	8,230,422	8,337,797	8,546,869	8,943,949
Total	97,718,528	98,240,643	96,507,025	98,676,217	99,891,072	101,534,955	104,686,184	109,332,616	110,798,902

DULLES TOLL ROAD REVENUES - MONTHLY

	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	\$ 10,543,515	\$ 11,389,551	\$ 11,628,573	\$ 10,053,324	\$ 8,178,917	\$ 7,252,137	\$ 6,943,140	\$ 4,985,174	\$ 5,447,177
February	11,704,668	10,642,237	10,649,396	9,443,886	8,054,220	7,207,088	5,527,103	4,966,879	5,155,941
March	13,167,526	12,344,215	12,024,127	10,204,385	8,819,788	8,357,690	7,926,739	5,480,864	5,529,627
April	12,896,331	13,092,256	12,881,743	10,830,020	8,398,229	7,899,087	7,758,412	5,525,242	5,672,881
May	13,116,779	13,324,202	13,288,581	11,411,164	8,900,082	8,222,220	7,682,533	5,557,699	5,668,517
June	13,454,426	13,442,996	13,173,845	10,787,616	8,884,182	8,395,804	7,881,709	5,731,147	5,553,988
July	12,716,315	13,284,638	12,991,259	10,820,010	8,579,991	7,897,235	7,576,203	5,708,503	5,527,081
August	13,221,979	12,991,819	12,548,064	11,114,413	8,824,605	8,107,776	7,615,869	5,517,772	5,304,363
September	12,794,683	12,918,314	12,777,532	10,778,250	8,255,318	7,918,571	7,374,258	5,483,727	5,439,259
October	13,558,343	13,374,739	13,127,022	11,503,339	8,549,445	8,145,202	7,673,235	5,697,597	5,765,472
November	12,336,830	12,114,303	11,523,551	10,339,310	8,235,967	7,665,907	7,191,951	5,183,999	5,034,561
December	12,219,638	12,512,489	12,039,048	9,774,124	7,915,344	7,590,822	6,887,014	5,054,951	5,381,936
Total	\$ 151,731,033	\$ 151,431,759	\$ 148,652,741	\$ 127,059,841	\$ 101,596,088	\$ 94,659,539	\$ 88,038,167	\$ 64,893,554	\$ 65,480,803

Notes:

- 1) Toll rates were adjusted in May 2005, January 2010, January 2011, January 2012, January 2013, and January 2014.
- 2) Transactions include cash and electronic transactions, violations, and non-revenue transactions (i.e., police, emergency vehicles, military vehicles, etc.).
- 3) Monthly revenue data prior to 2008 is not available as the Toll Road was not transferred to the Airports Authority until November 2008.

Sources: VDOT for 2007-October 2008 data; Airports Authority Records for November 2008-2016

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Exhibit S-12 – TOP 10 PAYORS

PAYOR ¹	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
United Airlines ²	\$ 128,975,358	\$ 163,582,680	\$ 161,331,091	\$ 200,836,207	\$ 195,607,915	\$ 132,761,970	\$ 117,389,911	\$ 97,782,264	\$ 91,135,655	\$ 84,680,832
American Airlines	74,721,175	65,649,533	20,480,216	28,574,259	26,924,185	25,628,008	22,380,542	20,472,606	19,362,364	19,237,901
Delta Airlines	30,456,819	33,489,855	31,051,104	35,998,400	37,438,965	31,832,207	24,763,314	17,974,561	15,845,321	15,585,066
Southwest ³	20,897,539	20,455,778	12,506,395	12,571,064	*	*	*	*	*	*
JetBlue Airways	15,687,679	17,104,209	11,283,876	11,108,347	11,318,923	10,399,704	*	*	*	*
IAD DC Holdings, LLC ⁵	15,259,065	11,440,879	*	*	9,890,712	10,093,319	*	*	8,319,844	8,624,059
Dulles Duty Free, LLC	14,287,142	14,909,516	*	*	*	*	*	*	*	*
Signature Flight Support	12,765,027	12,932,607	13,595,464	12,233,542	9,961,070	9,654,269	8,282,227	9,202,521	8,904,302	8,261,740
Rasier, LLC	12,162,144	*	*	*	*	*	*	*	*	*
In-Ter-Space Services, Inc.	11,049,855	*	*	*	*	*	*	*	*	*
US Airways	*	12,031,385	39,492,497	56,417,666	42,523,675	43,538,638	39,941,628	38,060,252	36,106,513	36,461,505
Hertz Rent-A-Car	*	11,493,331	10,086,569	10,441,012	11,262,291	11,749,340	12,397,487	11,751,506	10,910,269	10,084,507
Lufthansa German Airline	*	*	9,841,438	*	*	*	*	*	*	*
JC Decaux/AK Media	*	*	9,430,087	10,262,622	10,804,427	11,969,794	11,751,277	8,245,804	8,364,731	*
British Airways	*	*	*	10,259,009	9,973,602	*	*	*	*	*
Continental Airlines	*	*	*	*	*	9,984,056	8,267,352	8,161,420	*	8,286,042
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
Northwest Airlines	*	*	*	*	*	*	*	*	8,218,269	8,173,164
TOTAL⁴	\$336,261,803	\$363,089,773	\$319,098,737	\$388,702,128	\$365,705,765	\$ 297,611,305	\$ 263,570,028	\$ 228,463,048	\$ 215,223,507	\$ 207,183,237

* 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 2014 to reflect the combined operating certificate issued on November 30, 2011.

³ Southwest includes amounts from AirTran in 2014 to reflect the combined operating certificate issued on March 1, 2012.

⁴ Passenger facility charges and grants are excluded from amounts.

⁵ IAD DC Holdings, LLC acquired Landmark Aviation in 2016.

Source: Airports Authority Records

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Exhibit S-13 – DEBT SERVICE COVERAGE – AVIATION ENTERPRISE FUND

	2016	2015	2014 ⁵	2013	2012 ⁴
NET REVENUE:					
Operating Revenue	\$ 774,060,008	\$ 761,840,377	\$ 722,176,805	\$ 723,023,251	\$ 694,947,564
Revenue Adjustments ¹	(18,998,524)	(25,302,779)	(32,095,870)	(26,773,503)	(28,946,572)
Prior Year Transfers ²	141,117,166	103,644,629	78,096,697	61,907,217	61,560,812
Adjusted Revenue	896,178,650	840,182,227	768,177,632	758,156,965	727,561,804
Operating Expenses	625,647,298	630,472,211	616,983,636	630,771,681	673,038,768
Operating Expenses Adjustments ³	(301,882,075)	(309,049,646)	(296,707,434)	(307,615,823)	(365,677,287)
Direct Operating Expenses	323,765,223	321,422,565	320,276,202	323,155,858	307,361,481
Net Revenue Available for Debt Service	572,413,427	518,759,662	447,901,430	435,001,107	420,200,323
DEBT SERVICE					
1997A Airport System Revenue Bonds	-	-	-	-	-
1997B Airport System Revenue Bonds	-	-	-	-	-
1998A Airport System Revenue Bonds	-	-	-	-	-
1998B Airport System Revenue & Refunding Bonds	-	-	-	-	-
1999A Airport System Revenue & Refunding Bonds	-	-	-	-	-
2001A Airport System Revenue Bonds	-	-	-	-	1,977,993
2001B Airport System Revenue Bonds	-	-	-	-	-
2002A Airport System Revenue Bonds	-	-	-	-	7,032,131
2002B Airport System Revenue Bonds	-	-	-	-	508,463
2002C Airport System Revenue Variable Rate Refunding Bonds	-	-	-	-	-
2002D Airport System Revenue Refunding Bonds	-	-	-	-	4,036,507
2003A Airport System Revenue Refunding Bonds	-	-	-	6,187,091	11,868,132
2003B Airport System Revenue Refunding Bonds	2,319,489	-	-	2,277,598	3,650,225
2003C Taxable Airport System Revenue Refunding Bonds	-	-	-	1,956,023	3,348,217
2003D Airport System Revenue Variable Rate Bonds	-	2,329,969	1,735,804	1,844,695	1,399,066
2004A Airport System Revenue Refunding Bonds	-	-	7,782	445,207	662,965
2004B Airport System Revenue Bonds	-	-	7,002,346	12,008,736	11,895,492
2004C-1 Airport System Revenue Refunding Bonds	-	-	912,895	1,564,952	1,564,952
2004C-2 Airport System Revenue Refunding Bonds	-	-	2,832,309	4,818,603	4,815,468
2004D Airport System Revenue Refunding Bonds	-	-	18,643,472	26,075,389	26,084,526
2005A Airport System Revenue Bonds	-	10,645,260	19,838,515	20,963,081	18,197,721
2005B Airport System Revenue Bonds	-	1,467,322	2,516,115	2,513,890	2,514,469
2005C Taxable Airport System Revenue Bonds	-	993,753	1,703,571	1,703,568	1,703,566
2005D Airport System Revenue Bonds	-	223,120	382,489	382,489	382,488
2006A Airport System Revenue Bonds	4,163,865	7,346,516	11,201,123	11,114,293	11,366,225
2006B Airport System Revenue Bonds	7,433,464	12,760,704	16,567,503	17,898,654	15,874,849
2006C Airport System Revenue Refunding Bonds	1,687,918	2,893,066	2,778,070	2,947,158	2,440,111
2007A Airport System Revenue Bonds	15,092,539	15,096,013	15,085,864	15,060,629	15,108,005
2007B Airport System Revenue Bonds	30,262,154	29,367,074	30,196,961	31,674,272	28,308,735
2008A Airport System Revenue Bonds	21,030,075	17,694,731	19,765,600	20,404,277	21,072,490
2009A Airport System Revenue Bonds	-	-	-	-	-
2009B Airport System Revenue Bonds	15,178,598	14,928,697	14,294,086	12,979,995	13,007,178
2009C Airport System Revenue Bonds	-	-	-	-	-
2009D Airport System Revenue Bonds	-	-	-	-	-
2010A Airport System Revenue Bonds	19,642,731	24,873,804	20,453,504	17,350,621	15,766,681
2010B Airport System Revenue Refunding Bonds	23,281,173	23,289,781	23,301,847	23,294,136	23,327,344
2010C Airport System Revenue Variable Rate Refunding Bonds	6,712,280	6,656,416	6,608,429	2,946,520	2,686,266
2010D Airport System Revenue Variable Rate Bonds	10,226,351	9,957,615	9,223,171	10,443,465	10,593,189
2010F-1 Airport System Revenue Refunding Bonds	3,071,721	3,064,830	3,062,716	2,513,706	2,845,154
2011A Airport System Revenue and Refunding Bonds	17,561,705	17,292,635	17,396,150	16,247,272	13,551,233
2011B Airport System Revenue and Refunding Bonds	14,075,471	12,719,610	12,208,206	11,943,904	11,751,722
2011C Airport System Revenue Refunding Bonds	15,441,560	15,468,007	14,909,398	15,339,560	15,374,273
2011D Airport System Revenue Refunding Bonds	775,846	780,470	780,593	778,241	775,697
2012A Airport System Revenue Refunding Bonds	17,497,635	13,775,073	10,565,206	9,107,325	5,860,900
2012B Airport System Revenue Refunding Bonds	3,937,013	3,976,897	4,065,535	1,733,107	469,023
2013A Airport System Revenue Refunding Bonds	7,041,412	6,141,396	6,760,835	2,672,871	-
2013B Airport System Revenue Refunding Bonds	3,645,642	1,318,238	713,237	288,218	-
2013C Airport System Revenue Refunding Bonds	528,188	528,235	507,819	249,451	-
2014A Airport System Revenue Refunding Bonds	39,578,905	36,226,596	14,205,003	-	-
2015A Airport System Revenue Refunding Bonds	8,170,115	6,688,075	-	-	-
2015B Airport System Revenue and Refunding Bonds	15,600,408	6,862,621	-	-	-
2015C Airport System Revenue Refunding Bonds	4,067,218	1,704,252	-	-	-
2015D Airport System Revenue Refunding Bonds	1,318,680	608,287	-	-	-
2016A Airport System Revenue Refunding Bonds	7,152,271	-	-	-	-
2016B Airport System Revenue Refunding Bonds	561,044	-	-	-	-
Series A Bond Anticipation Commercial Paper Notes	-	-	-	-	-
Series One Airport System Revenue Commercial Paper Notes	-	-	56,513	99,345	72,679
Series Two Airport System Revenue Commercial Paper Notes	-	32,689	-	-	132,223
Variable rate fees	3,568,135	-	-	-	-
Net Debt Service	\$ 320,623,606	\$ 307,711,751	\$ 309,882,667	\$ 309,828,342	\$ 312,026,358
DEBT SERVICE COVERAGE	1.79	1.69	1.45	1.40	1.35

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, investment earnings and pension expenses with the implementation of GASB 68.

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, non-cash items and pension valuation.

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

⁵ Operating Expenses for 2014 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 68.

⁶ 2016 Debt Service Coverage includes Financing Fees

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

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Metropolitan Washington Airports Authority

2011	2010	2009	2008	2007
\$ 663,975,831	\$ 603,874,716	\$ 558,453,459	\$ 550,944,843	\$ 510,476,130
(22,231,153)	(28,660,133)	(28,048,911)	(47,420,422)	(15,328,205)
61,613,810	65,848,672	72,352,566	77,989,244	74,681,804
703,358,488	641,063,255	602,757,114	581,513,665	569,829,729
578,768,172	573,920,149	506,888,004	555,549,712	478,556,150
(274,239,044)	(281,071,560)	(245,208,025)	(296,038,710)	(225,158,122)
304,529,128	292,848,589	261,679,979	259,511,002	253,398,028
398,829,360	348,214,666	341,077,135	322,002,663	316,431,701
-	-	-	-	971,072
-	-	-	-	8,556,063
-	-	-	381,282	468,826
1,131,638	12,232,774	18,080,308	18,762,102	17,942,588
-	3,498,470	5,533,497	5,934,291	5,891,335
13,958,418	17,088,664	15,642,420	15,183,505	14,291,817
664,264	877,895	765,360	741,309	651,072
10,176,763	8,959,111	8,276,261	7,647,018	8,556,496
678,816	678,794	575,748	555,736	477,883
12,988,294	15,543,684	16,894,925	19,909,292	19,857,135
6,539,153	5,735,734	5,653,245	5,138,941	5,267,806
10,759,464	9,127,960	9,204,996	9,432,168	7,490,702
4,090,647	4,093,404	4,080,345	4,044,855	4,000,040
3,351,651	3,355,828	3,346,857	3,304,686	3,266,384
1,047,095	1,329,203	3,033,369	4,610,424	4,754,407
663,340	663,704	663,053	658,543	654,853
11,074,530	10,932,881	8,513,411	2,687,609	5,104,256
1,564,943	2,670,647	2,304,178	13,086,451	16,369,182
4,814,541	5,042,973	4,524,687	4,951,434	4,924,855
26,087,988	26,108,986	24,379,800	14,950,296	11,187,696
19,311,222	17,455,181	18,369,390	18,734,984	16,966,776
2,517,176	1,276,671	861,656	855,406	850,174
1,703,567	1,703,547	1,700,941	1,085,993	289,964
382,489	1,427,855	1,773,881	1,758,877	864,492
9,012,953	5,311,454	8,392,188	5,604,803	5,810,728
14,347,548	10,644,288	9,946,372	5,746,532	7,854,839
2,259,501	2,244,344	1,903,483	1,485,981	1,732,719
15,102,592	15,072,933	13,723,351	13,816,874	5,557,044
26,508,630	19,948,918	20,751,616	14,659,468	3,194,582
12,508,425	9,151,564	2,495,585	6,964,179	-
926,568	1,777,662	3,874,659	-	-
11,812,024	5,874,908	3,497,817	-	-
747,333	-	8,278,752	-	-
-	-	1,200,444	-	-
13,840,460	5,703,441	-	-	-
22,718,966	7,594,350	-	-	-
3,646,635	1,077,058	-	-	-
10,159,919	1,765,403	-	-	-
3,166,627	286,326	-	-	-
2,628,205	-	-	-	-
3,417,931	-	-	-	-
3,851,186	-	-	-	-
196,019	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
197,813	764,555	759,104	1,401,056	75,000
107,862	46,916	58,482	402,269	365,833
\$ 290,663,196	\$ 237,068,086	\$ 229,060,181	\$ 204,496,364	\$ 184,246,619
1.37	1.47	1.49	1.57	1.72

Notes:
The Aviation Enterprise Fund has three programs: Operating and Maintenance (O&M); Capital, Operating and Maintenance Investment Program (COMIP); and Capital Construction Program (CCP).
All outstanding debt are on a Senior Lein basis and Lein requirement is 1.25.

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

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

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Metropolitan Washington Airports Authority

Exhibit S-14 – DEBT SERVICE COVERAGE – DULLES CORRIDOR ENTERPRISE FUND

	2016	2015	2014 ²	2013	2012 ¹	2011	2010	2009
NET REVENUE								
Total Dulles Corridor Enterprise Fund Revenue	\$ 151,731,033	\$ 157,309,065	\$ 148,652,741	\$ 127,059,841	\$ 101,603,839	\$ 94,659,538	\$ 88,038,168	\$ 64,893,554
Less: Non Operating & Maintenance Program Revenue	-	(5,891,537)	-	-	(7,750)	-	-	-
Total Dulles Toll Road Gross Revenue	151,731,033	151,417,528	148,652,741	127,059,841	101,596,089	94,659,538	88,038,168	64,893,554
Add: Total Investment Income	1,901,118	1,895,715	3,142,751	(1,854,080)	1,182,797	10,932,190	7,419,127	1,137,968
Less: Non Operating & Maintenance Program Investment Income	(1,640,774)	(2,141,025)	(2,852,609)	1,993,621	(985,573)	(10,731,882)	(7,287,582)	(1,121,482)
Revenue	151,991,377	151,172,218	148,942,883	127,199,382	101,793,313	94,859,846	88,169,713	64,910,040
Total Dulles Corridor Enterprise Fund Operating Expenses	44,714,514	44,626,297	48,441,763	39,925,946	34,111,704	35,205,986	34,801,734	30,094,846
Less: Non Operating & Maintenance Program Operating Expenses	(15,036,058)	(15,712,624)	(21,689,595)	(12,950,640)	(9,463,606)	(9,877,753)	(8,476,815)	(4,129,722)
Total Dulles Toll Road Operating Expenses	29,678,456	28,913,673	26,752,168	26,975,306	24,648,098	25,328,233	26,324,919	25,965,124
Less: Operating & Maintenance Program Depreciation and Amortization and GASB 68	(590,117)	(684,793)	(417,498)	(473,942)	(273,686)	(319,822)	(178,113)	(141,864)
Operating Expenses	29,088,339	28,228,880	26,334,670	26,501,364	24,374,412	25,008,411	26,146,806	25,823,260
Total Dulles Corridor Enterprise Fund Interest Expense	129,524,735	122,617,710	63,532,479	21,467,437	19,322,104	18,060,020	31,072,729	11,414,822
Less: Non Operating & Maintenance Program Interest Expense	(129,524,730)	(122,616,508)	(63,531,144)	(19,923,877)	(14,338,842)	(18,050,020)	(31,072,113)	(11,414,822)
Interest Expense	5	1,202	1,335	1,543,560	4,983,262	10,000	616	-
Net Revenue Available for Debt Service	\$ 122,903,033	\$ 122,942,136	\$ 122,606,878	\$ 99,154,458	\$ 72,435,639	\$ 69,841,435	\$ 62,022,291	\$ 39,086,780
DEBT SERVICE								
	LIEN							
2009A Dulles Toll Road Revenue Bonds (Current Interest Bonds)	First Senior	10,142,988	10,142,988	10,142,988	10,142,988	10,142,988	10,372,412	3,686,895
2009B Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	9,502,644	11,222,500	6,765,500	9,227,500	7,445,000	1,601,250	-
2009C Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	4,058,844	-	-	-	-	-	-
2009D Dulles Toll Road Revenue Bonds (Current Interest Bonds, Build America Bonds)	Second Senior	29,848,000	29,848,000	29,847,129	29,848,000	29,848,000	30,523,133	10,849,511
2009D Dulles Toll Road Revenue Bonds (35% Subsidy)	Second Senior	(9,732,710)	(9,684,184)	(9,694,630)	(9,992,364)	(10,446,800)	(10,683,097)	(3,797,329)
2010A Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	-	-	-	-	-	-	-
2010B Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	-	-	-	-	-	-	-
Commercial Paper Series One	Second Senior	443,288	134,360	190,383	271,115	90,536	4,808	-
2010D Dulles Toll Road Revenue Bonds (Current Interest Bonds)	Subordinate	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	7,133,333	-
2010D Dulles Toll Road Revenue Bonds (35% Subsidy)	Subordinate	(3,914,400)	(3,893,836)	(3,897,600)	(4,017,300)	(4,200,000)	(2,496,667)	-
2014A Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	Second Senior	21,088,000	21,088,000	12,828,533	-	-	-	-
Net Debt Service		\$ 73,436,654	\$ 70,857,828	\$ 58,181,803	\$ 47,479,939	\$ 44,879,724	\$ 38,950,246	\$ 34,849,114
	LIEN							
	REQUIREMENT							
First Senior Lien	2.00	12.12	12.09	9.78	7.14	6.89	5.98	10.60
Second Senior Lien	1.35	1.88	1.96	2.45	1.95	2.24	2.05	3.64
Subordinate Lien	1.20	1.67	1.74	2.09	1.61	1.79	1.78	N/A

Notes:

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. The Dulles Corridor Enterprise did not incur any long term debt prior to 2009.

It is important to note that net revenue, revenue and expenses are presented in this Exhibit in accordance with definitions found in the Master Indenture. Additionally, debt service excludes accreted interest associated with the Capital Appreciation Bonds.

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

²Operating Expenses for 2014 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 68.

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				Coverage
				Principal	Interest	Total	
2016	\$ 896,179	\$ 323,765	\$ 572,414	\$ 139,940	\$ 180,683	\$ 320,623	1.79
2015	840,182	321,422	518,760	128,531	179,181	307,712	1.69
2014	768,177	320,276	447,901	126,102	183,781	309,883	1.45
2013	758,157	323,156	435,001	125,388	184,440	309,828	1.40
2012	727,562	307,361	420,201	121,601	190,425	312,026	1.35
2011	703,358	304,529	398,829	107,656	183,007	290,663	1.37
2010	641,063	292,849	348,214	87,883	149,185	237,068	1.47
2009	602,757	261,680	341,077	87,306	141,754	229,060	1.49
2008	581,514	259,511	322,003	83,360	121,136	204,496	1.57
2007	569,830	253,398	316,432	110,322	73,925	184,247	1.72

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	Lien	Capital			Total	Coverage
					Principal	Interest	Appreciation		
2016	\$ 151,991	\$ 29,088	\$ 122,903	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143	12.12
				Second Senior	7,588	45,705	1,914	55,207	1.88
				Subordinate	-	8,086	-	8,086	1.67
2015	\$ 151,172	\$ 28,230	\$ 122,942	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143	12.12
				Second Senior	8,687	41,387	2,535	52,609	1.96
				Subordinate	-	8,106	-	8,106	1.74
2014	\$ 148,943	\$ 26,336	\$ 122,607	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143	12.09
				Second Senior	4,202	33,172	2,563	39,937	2.45
				Subordinate	-	8,102	-	8,102	2.11
2013	\$ 127,199	\$ 28,045	\$ 99,154	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143	9.78
				Second Senior	9,042	20,127	185	29,354	2.51
				Subordinate	-	7,983	-	7,983	2.09
2012	\$ 101,793	\$ 29,358	\$ 72,436	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143	7.14
				Second Senior	5,745	19,492	1,700	26,937	1.95
				Subordinate	-	7,800	-	7,800	1.61
2011	\$ 94,860	\$ 25,018	\$ 69,841	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143	6.89
				Second Senior	-	19,406	1,601	21,007	2.24
				Subordinate	-	7,800	-	7,800	1.79
2010	88,170	26,147	62,022	First Senior	-	\$ 10,372	\$ -	\$ 10,372	5.98
				Second Senior	-	19,840	-	19,840	2.05
				Subordinate	-	4,637	-	4,637	1.78
2009	64,910	25,823	39,087	First Senior	-	\$ 3,687	\$ -	\$ 3,687	10.60
				Second Senior	-	7,052	-	7,052	3.64
				Subordinate	-	-	-	-	N/A

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

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

The Dulles Corridor Enterprise did not have any long term debt prior to 2009.

Source: Airports Authority Records

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-16 – AIRPORT INFORMATION

Ronald Reagan Washington National Airport
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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	5,000 feet
Aircraft Capability:	Group IV - Boeing 767-300	
Terminal:	Terminal A	246,880 square feet
	Terminal B/C	994,030 square feet
	Total Terminal Space	1,240,910 square feet
	Number of Passenger Gates	44
	Number of Hardstand Positions	14
	Total Aircraft Positions	58
Parking:	Garage Parking	6,408 spaces
	Electric Car Charging Stations	8 spaces
	Surface Parking	2,653 spaces
	Cell Phone Waiting Area Parking	33 spaces
	Total Public Parking	9,094 spaces
	Tenant Employee Parking	2,944 spaces
	Total Parking	12,038 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, 2016
Source: Airports Authority Records

Exhibit S-16 – AIRPORT INFORMATION (continued)

Washington Dulles International Airport
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Location:	Twenty-six miles west from downtown Washington, D.C., located in Fairfax and Loudoun Counties, VA		
Acres:	11,830 +/- acres		
Airport Code:	IAD		
Runways:	1C/19C	11,500 feet	
	1R/19L	11,500 feet	
	12/30	10,500 feet	
	1L/19R	9,400 feet	
Aircraft Capability:	Group VI - Airbus A-380		
Terminal:	Main Terminal	1,319,845 square feet	
	Concourse A	189,852 square feet	
	Concourse B	942,600 square feet	
	Concourse C/D	900,064 square feet	
	Concourse C International Arrivals Building	57,000 square feet	
	Z Gates	18,916 square feet	
	International Arrivals Building	268,000 square feet	
	Total Terminal Space	3,696,277 square feet	
		Number of Passenger Gates	124
		Maximum Aircraft Positions	163
Parking:	Garage Parking	8,325 spaces	
	Electric Car Charging Stations	8 spaces	
	Surface Parking	14,455 spaces	
	Cell Phone Waiting Area Parking	328 spaces	
	Total Public Parking	23,108 spaces	
	Tenant Employee Parking	6,522 spaces	
	Total Parking	29,630 spaces	
Cargo:	Number of Cargo Buildings	6	
	Cargo Space	554,734 square feet	
International:	Customs/Immigration Federal Inspection Facility		
Tower:	TRACON - Vint Hill, VA - Operating 24 Hours/Day 7 Days/Week		
Fixed Base Operators:	IAD DC Holdings Signature Flight Support		
Intermodal Access:	Dulles Access Highway, VA State Routes 267 and 28		
	Washington Flyer Bus Service from Wiehle-Reston East Metrorail Station		
	Metro Bus 5A - D.C. - Dulles Line		

Data as of December 31, 2016
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:	29	
Intersecting Roadways:	Chain Bridge Road (SR 123) Capital Beltway (I-495) Spring Hill Road (SR 684) Leesburg Pike (SR 7) Trap Road Hunter Mill Road (SR 674)	Wiehle Ave. (SR 828) Reston Parkway (SR 602) Fairfax County Parkway (SR 7100) Monroe Street Centreville Road (SR 657) Sully Road (SR 28)
Parallel Roadways:	Interstate 66 US Route 29 US Route 50	Leesburg Pike (SR 7) State Route 236

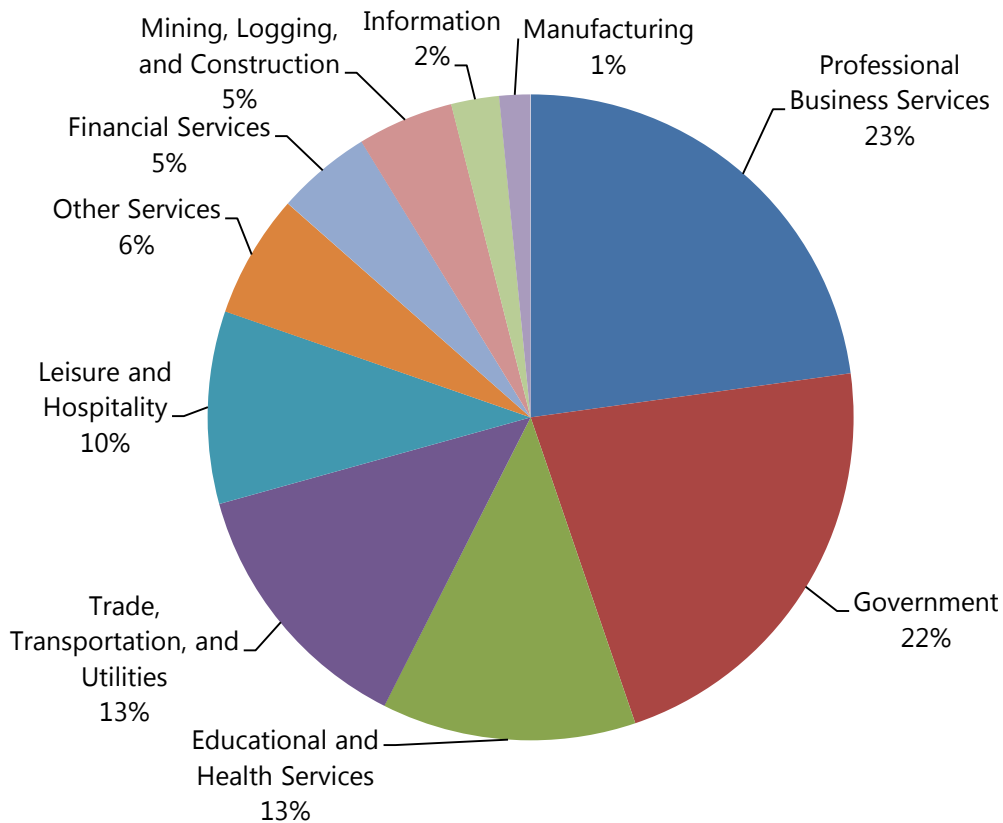


Data as of January 13, 2017
 Source: Airports Authority Records

Exhibit S-18 – EMPLOYMENT BY INDUSTRY

Industry	Annual Average Numbers of Employees (in thousands)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Professional Business Services	741.6	722.7	748.1	708.4	694.9	688.7	680.3	674.1	681.8	675.1
Government	701.8	694.8	685.6	696.9	695.7	691.2	687.6	674.9	659.8	646.6
Trade, Transportation, and Utilities	413.9	403.0	395.5	405.8	376.4	378.8	377.2	377.6	397.9	404.8
Educational and Health Services	424.8	418.7	397.1	390.6	381.9	368.7	357.1	349.4	338.6	328.5
Leisure and Hospitality	321.5	305.1	298.9	293.6	275.3	267.6	259.9	258.1	261.8	254.3
Other Services	200.6	195.8	235.6	185.8	183.1	182.6	182.0	183.7	184.7	180.6
Financial Services	154.4	150.5	154.6	157.0	149.9	145.7	146.5	148.1	154.3	159.4
Mining, Logging, and Construction	157.2	152.0	147.9	140.1	145.5	141.5	139.9	148.7	172.4	184.9
Information	74.6	76.1	73.7	75.6	79.7	80.5	80.3	83.5	91.0	93.9
Manufacturing	53.5	49.3	45.4	47.3	49.6	50.3	52.1	55.4	60.8	62.2
DC-VA-MD-WV - Metropolitan Statistical Area	3,243.9	3,168.0	3,182.3	3,101.1	3,032.0	2,995.6	2,962.9	2,953.5	3,003.1	2,990.3

Air Trade Area Employment by Sector - 2016



Source: U.S. Department of Labor, Bureau of Labor Statistics (Preliminary December 2016 data)

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Exhibit S-19 – MAJOR PRIVATE EMPLOYERS

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

Employer	Fortune 500 Rank		2016 Revenue (in \$ Millions)	State	Industry
	2016	2015			
Fannie Mae	16	17	\$ 110,359	DC	Financial Services
Freddie Mac	43	42	63,491	VA	Financial Services
Lockheed Martin Corp.	60	64	46,132	MD	Aerospace & Defense
General Dynamics Corp.	88	100	31,469	VA	Aerospace & Defense
Capital One Financial Corp.	112	124	25,098	VA	Financial Services
Northrop Grumman	118	126	23,526	VA	Aerospace & Defense
Danaher Corp.	133	147	20,909	DC	Technology
AES Corp.	190	178	14,963	VA	Energy
Marriott International Inc.	195	221	14,486	MD	Hospitality & Travel
Computer Sciences Corp.	233	229	12,183	VA	Information Technology
Hilton Worldwide Holdings Inc.	254	280	11,272	VA	Hospitality
Discovery Communications Inc.	406	430	6,394	MD	Mass Media & Entertainment
Host Hotels & Resorts Inc.	472	485	5,387	MD	Hospitality & Travel
Booz Allen Hamilton	487	475	5,275	VA	Professional Services
NVR	498	*	5,170	VA	Homebuilders
			<u>\$ 396,114</u>		

Fifteen Washington-area companies were on the Fortune 500 list of the country's largest companies by revenue in 2016.

* Did not make the list in 2015.

Major Private-Sector Employers of Metro-Area Employees

Employer	Number of Metro-Area Employees	Industry
MedStar Health	16,789	Health Care
Inova Health System	16,000	Health Care
Marriott International Inc.	15,204	Hospitality & Travel
Booz Allen Hamilton Inc.	11,507	Professional Services
Giant Food LLC	11,431	Food & Drug Stores
CSRA Inc.	9,123	Technology
Deloitte LLP	8,778	Professional Services
Verizon Communications Inc.	8,300	Telecommunications
Lockheed Martin Corp.	8,043	Aerospace & Defense
General Dynamics Corp.	8,000	Aerospace & Defense
Hilton Worldwide Holdings Inc.	7,842	Hospitality & Travel
Children's National Health System	6,582	Health Care
Leidos Holdings Inc.	6,200	Technology
The Long & Foster Cos. Inc.	5,635	Real Estate
Freddie Mac	5,416	Financial Services
Adventist HealthCare	5,247	Health Care
Science Applications International Corp.	5,000	Health Care
Fannie Mae	4,992	Financial Services
Northrop Grumman Corp.	4,900	Aerospace & Defense
Capital One Financial Corp.	4,534	Financial Services

Source: Washington Business Journal 2016 Book of Lists

Exhibit S-20 – POPULATION TRENDS

Annual Estimates of the Resident Population (in Thousands)

JURISDICTION	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District of Columbia	672.2	658.9	646.4	632.3	619.0	605.0	592.2	580.2	574.4	570.7
Arlington County, VA	229.2	226.9	224.9	221.1	216.1	209.3	217.2	210.1	203.9	200.7
City of Alexandria, VA	153.5	150.6	148.9	146.3	144.1	140.8	149.8	144.6	140.3	138.2
Central Jurisdictions	1,054.9	1,036.4	1,020.2	999.7	979.2	955.1	959.2	934.9	918.6	909.6
Fairfax County, VA	1142.2	1,137.5	1,130.9	1,118.6	1,104.3	1,086.6	1,036.4	1,018.3	1,004.4	997.9
Montgomery County, MD	1040.1	1,030.4	1,016.7	1,004.7	991.6	976.0	970.6	953.5	941.5	935.0
Prince George's County, MD	909.5	904.4	890.1	881.1	874.0	865.7	832.2	828.7	930.8	835.1
City of Fairfax, VA	24.0	24.5	24.0	23.5	22.9	22.6	24.6	24.0	23.3	22.8
City of Falls Church, VA	13.9	13.6	13.5	13.2	12.8	12.5	12.0	11.4	11.1	11.0
Inner Suburbs	3,129.7	3,110.4	3,075.2	3,041.1	3,005.6	2,963.4	2,875.8	2,835.9	2,911.1	2,801.8
Prince William County, VA	451.7	446.1	438.6	430.3	419.5	406.6	376.8	364.3	358.7	351.1
Loudoun County, VA	375.6	363.1	349.7	336.9	326.3	315.5	300.5	289.8	277.2	265.0
Frederick County, MD	245.3	243.7	241.4	239.6	237.3	234.2	227.4	226.1	224.6	221.6
Charles County, MD	156.1	154.7	152.9	150.6	149.2	147.1	142.0	141.2	140.4	139.1
Stafford County, VA	142.0	140.0	136.8	134.4	132.2	129.9	123.3	121.5	120.2	117.9
Spotsylvania County, VA	130.5	129.2	127.3	125.7	124.5	122.9	120.7	119.9	118.8	117.6
Calvert County, MD	90.6	90.6	90.5	89.6	89.3	88.9	89.2	88.6	88.1	87.6
Fauquier County, VA	68.8	68.2	67.2	66.5	66.1	65.4	67.9	67.2	66.4	65.7
Jefferson County, WV	56.5	55.7	55.1	54.5	54.3	53.7	53.0	52.1	51.2	49.9
Warren County, VA	39.1	39.0	38.7	38.1	37.7	37.5	36.8	36.9	36.5	35.9
Manassas City, VA	41.8	42.1	41.7	40.6	39.3	38.3	36.5	34.7	34.8	35.5
Fredericksburg City, VA	28.1	28.4	28.1	27.3	25.9	24.4	23.3	22.8	22.5	22.1
Clarke County, VA	14.4	14.4	14.3	14.3	14.2	14.1	14.5	14.5	14.3	14.2
Manassas Park City, VA	15.7	15.2	16.1	15.8	15.5	14.4	12.1	11.4	11.5	11.5
Outer Suburbs	1,856.2	1,830.4	1,798.4	1,764.2	1,731.3	1,692.8	1,624.0	1,591.0	1,565.2	1,534.7
DC-MD-VA-WV Metropolitan Statistical Area	6,040.8	5,977.2	5,893.8	5,805.0	5,716.1	5,611.3	5,459.0	5,361.8	5,394.9	5,246.1
Personal Income (Millions)	\$ 391,938	\$ 376,413	\$ 362,511	\$ 358,420	\$ 347,744	\$ 326,709	\$ 312,522	\$ 314,078	\$ 306,840	\$ 286,316
Per Capital Income	\$ 64,882	\$ 62,975	\$ 61,507	\$ 61,743	\$ 60,836	\$ 58,223	\$ 57,249	\$ 58,577	\$ 56,876	\$ 54,577

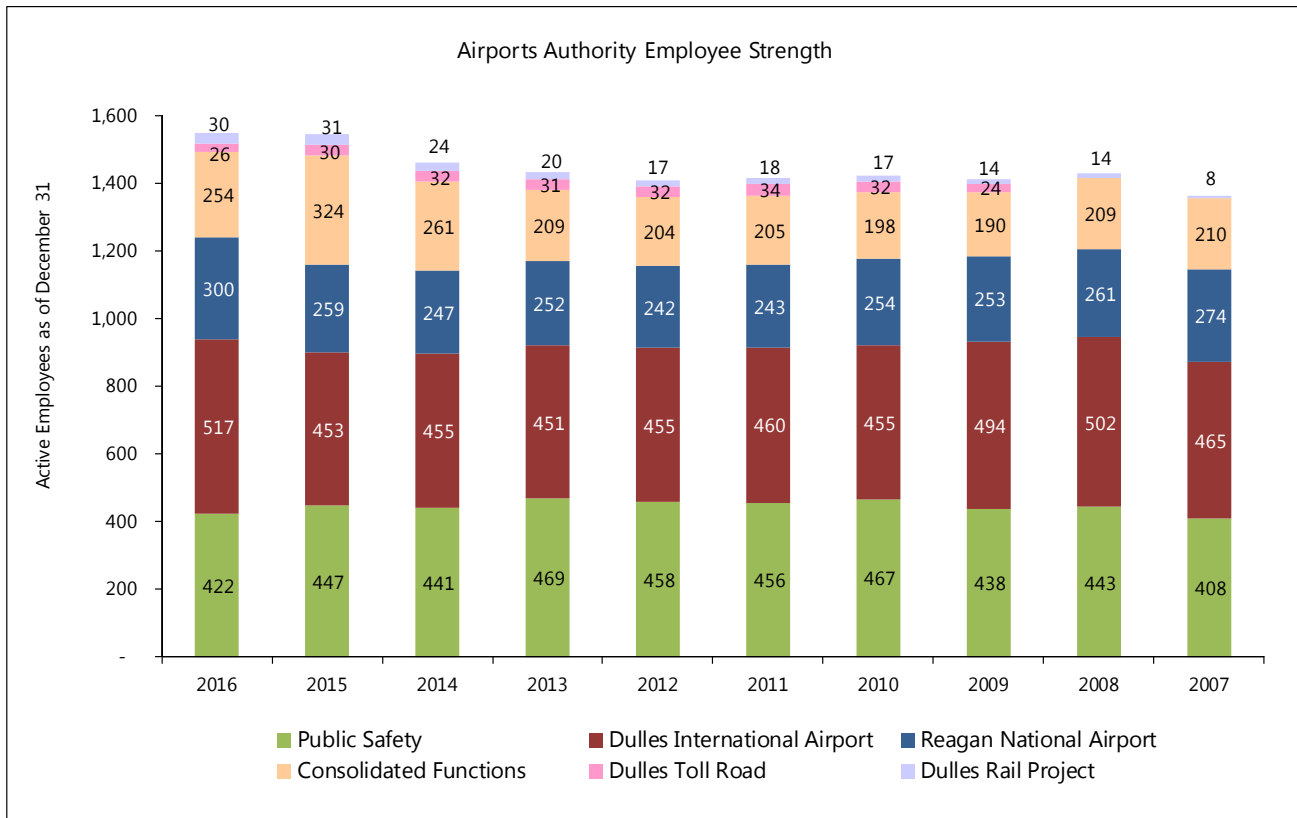
The DC-MD-VA-WVA Metropolitan Statistical Area is the Air Trade Area for the Airports Authority. Ronald Reagan Washington National Airport is located in Arlington County, VA and Washington Dulles International Airport is located in Fairfax and Loudoun Counties, VA. The Dulles Toll Road is located in 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 2016; U.S. Bureau of Economic Analysis, Release Date: November 2016

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, casual employees, part time temporary employees, full time temporary employees, and the Chantilly and Pulley Partnership Programs with Fairfax County and Alexandria City Public Schools that gives opportunities to students with disabilities.

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 Airline Business Development, General Counsel, Office of Audit, Office of Supply Chain Management, Office of Real Estate, Office of Marketing and Consumer Strategy, Office of Customer and Concessions Development, 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.

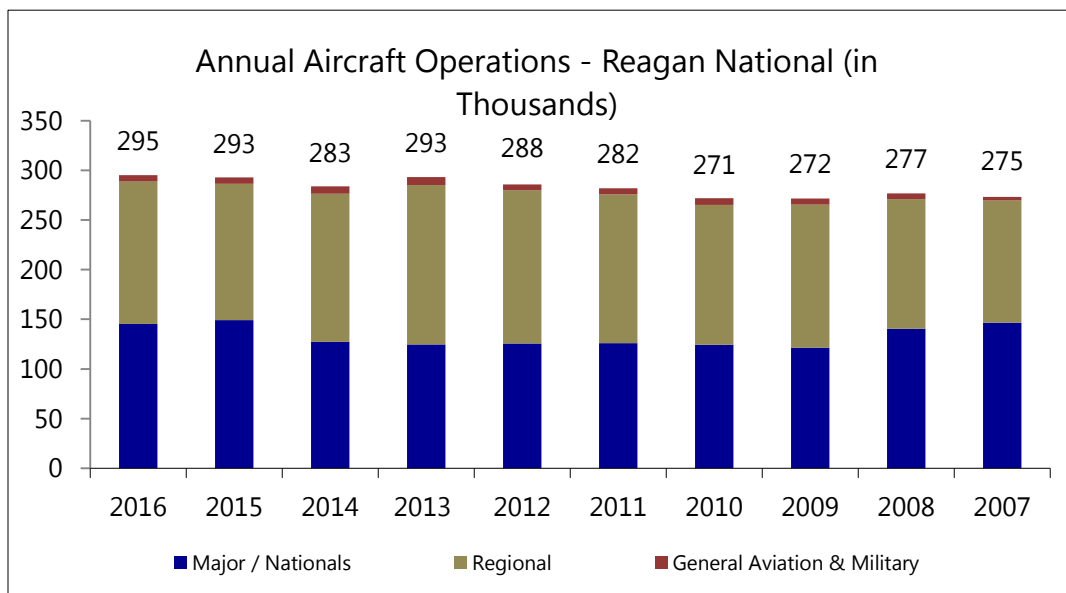
Although the Dulles Metrorail Project was not an Airports Authority responsibility until November 1, 2008, the Airports Authority commenced hiring employees specifically for this function in 2007.

Source: Airports Authority Records

Exhibit S-22 – AIRCRAFT OPERATIONS BY AIRPORT – REAGAN NATIONAL

Year	Major / Nationals	Regional	General Aviation	Military	Total
2016	145,227	143,358	3,363	3,472	295,420
2015	149,140	137,197	3,112	3,332	292,781
2014	127,250	149,343	3,740	2,847	283,180
2013	124,643	160,603	5,057	2,353	292,656
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

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 9:59 pm and before 7:00 am.

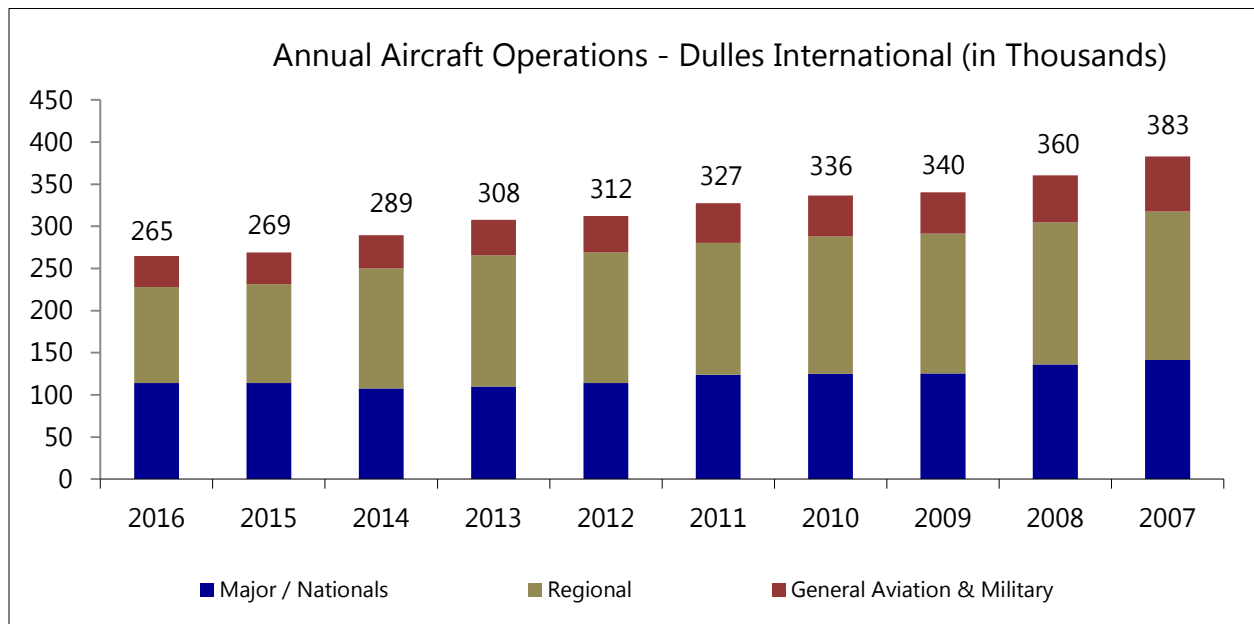
Other factors that affect the operations at the Airport include economic conditions, the decline in high-yield air travel, and air carriers reducing capacity and replacing narrow-body aircraft with regional jets.

In 2016, there were 295,420 operations, compared to an average of 281,615 from 2007 through 2015. The increase was driven by the passage of the FAA Reauthorization Bill in 2012, which allowed more beyond perimeter flights and added four new slots resulting in new flights and a new airline, Virgin America, at Reagan National. In addition, a 2012 slot transaction between Delta and US Airways resulted in higher utilization of existing slots as US Airways added new service and JetBlue doubled its service through the purchase of 8 slot-pairs that Delta was required to auction.

Exhibit S-23 – AIRCRAFT OPERATIONS BY AIRPORT – DULLES INTERNATIONAL

Year	Major / Nationals	Regional	General Aviation	Military	Total
2016	113,846	114,203	36,256	461	264,766
2015	114,199	117,263	37,126	482	269,070
2014	107,477	142,400	38,965	540	289,382
2013	109,825	155,789	41,218	984	307,816
2012	114,138	154,647	42,540	753	312,078
2011	123,767	156,431	46,846	451	327,495
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

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.



Since 2008, flight operations have declined 26.5 percent due to a decrease in domestic traffic as a result of airline industry consolidations and repositioning of air service to Reagan National. In 2016, total aircraft operations declined by 1.6 percent from 2015 levels to 264,766.

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.

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Exhibit S-24 – COMMERCIAL PASSENGER ENPLANEMENTS

Year	Reagan National: Domestic Passenger Enplanements	Annual Growth	Dulles International: Domestic Passenger Enplanements	Annual Growth	Industry: Domestic Passenger Enplanements	Annual Growth
2016	11,600,333	2.7%	7,144,653	0.1%	405,096,848	3.2%
2015	11,298,258	10.1%	7,139,042	0.4%	392,353,910	-18.4%
2014	10,257,226	2.6%	7,112,454	-3.8%	480,588,729	2.7%
2013	9,993,676	4.0%	7,396,633	-5.8%	467,885,283	1.1%
2012	9,606,805	4.0%	7,855,073	-4.9%	462,600,676	0.5%
2011	9,236,748	3.9%	8,261,152	-3.5%	460,091,034	1.5%
2010	8,891,204	3.0%	8,564,825	1.6%	453,172,772	0.8%
2009	8,634,011	-2.3%	8,429,620	-3.6%	449,388,803	-7.4%
2008	8,836,467	-3.4%	8,742,530	-6.1%	485,280,460	-0.7%
2007	9,145,554	1.0%	9,313,161	5.9%	488,545,689	1.0%

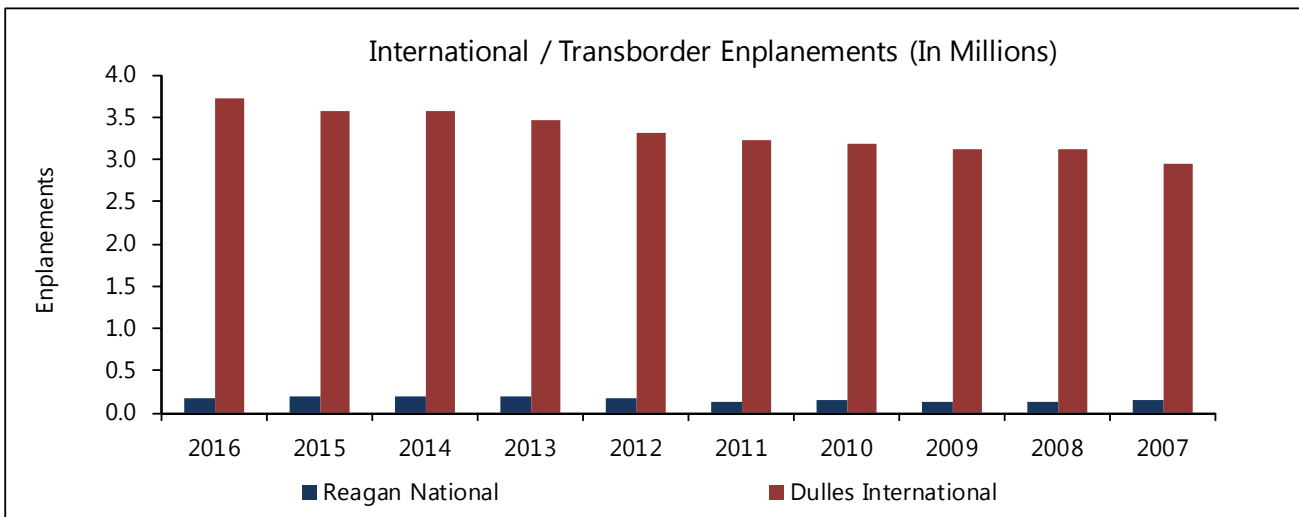
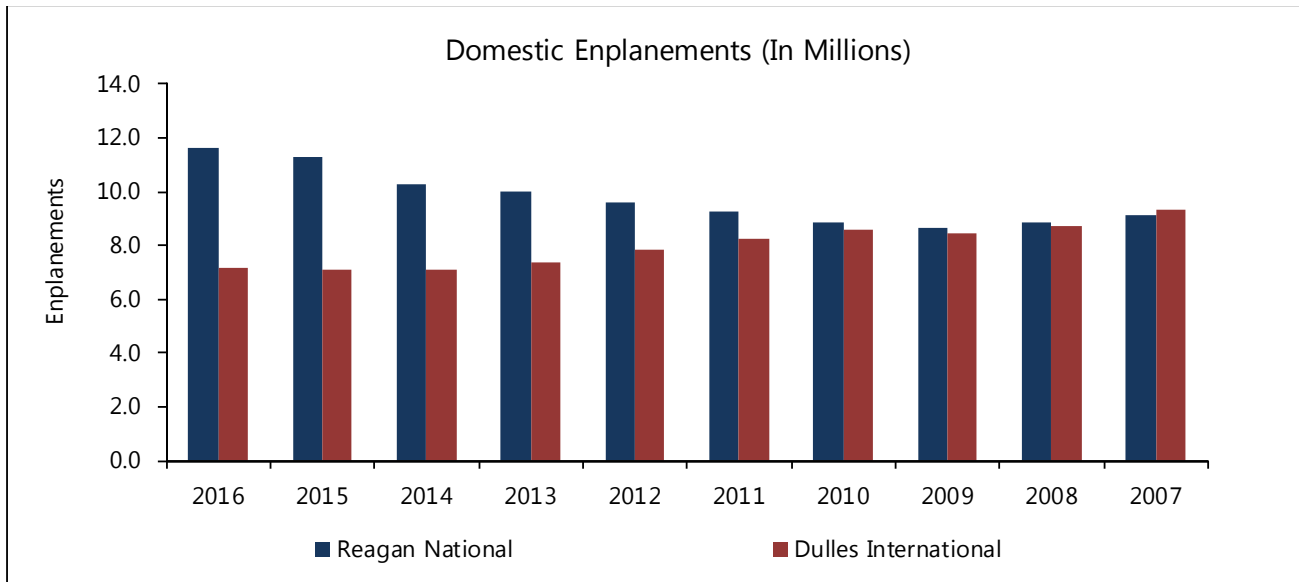
Year	Reagan National: International/ Transborder Passenger Enplanements	Annual Growth	Dulles International: International/ Transborder Passenger Enplanements	Annual Growth	Industry: International/ Transborder Passenger Enplanements	Annual Growth
2016	166,929	-15.6%	3,719,341	4.0%	64,701,399	2.7%
2015	197,719	-1.7%	3,574,810	0.2%	63,013,932	-24.4%
2014	201,127	-1.4%	3,566,920	3.0%	83,372,386	2.9%
2013	204,020	12.5%	3,463,983	4.4%	81,009,988	4.9%
2012	181,350	43.9%	3,317,819	1.9%	77,198,460	2.0%
2011	126,064	-12.7%	3,256,804	2.5%	75,692,629	1.4%
2010	144,340	8.3%	3,177,235	1.9%	74,645,512	7.6%
2009	133,232	-5.8%	3,117,151	0.1%	69,399,251	-3.5%
2008	141,364	-4.8%	3,115,417	5.2%	71,926,015	2.8%
2007	148,523	-19.9%	2,960,345	14.1%	69,984,263	4.4%

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

Excludes general aviation and military enplanements.

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

Exhibit S-24 – COMMERCIAL PASSENGER ENPLANEMENTS (continued)



Domestic commercial enplanements at Reagan National increased 2.7 percent in 2016 to an all-time high of nearly 11.6 million. The increase marked the seventh straight year of enplanement growth at Reagan National. The growth in passenger traffic at Reagan National passenger slowed notably in 2016 compared to 2015, when the full effect of the divestiture of 52 operating slots from US Airways/American to Southwest, JetBlue, and Virgin American was realized. International traffic accounted for approximately 1 percent of Reagan National's total enplanements in 2016.

Total enplanements at Dulles International stabilized at 10.9 million in 2016. Domestic commercial enplanements at Dulles International increased by 0.1 percent in 2016, primarily due to the United Continental merger and the transfer of select air services to Reagan National. International enplanements at Dulles International of 3.7 million in 2016 represented a 4.0 percent increase over 2015 which was the 13th consecutive year of international growth.

Sources: Airports Authority Records

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Exhibit S-25 – MARKET SHARE BY LANDED WEIGHT – REAGAN NATIONAL

(Expressed in Thousands of Pounds)

Airlines ¹	2016		2015		2014		2013	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
American	3,788,628	27.00%	1,427,907	10.27%	1,337,039	10.34%	1,413,537	10.74%
Southwest	1,975,312	14.08%	1,945,206	13.99%	799,870	6.19%	181,298	1.38%
Delta	1,377,218	9.82%	1,337,791	9.61%	1,347,547	10.42%	1,398,371	10.63%
JetBlue	1,120,843	7.99%	1,123,683	8.08%	831,771	6.43%	733,485	5.58%
Republic (American Eagle)	1,039,282	7.41%	226,520	1.63%	63,039	0.49%	4,722	0.04%
PSA	990,714	7.06%	408,290	2.94%	325,395	2.52%	511,885	3.89%
Air Wisconsin (US Airways Express)	941,814	6.71%	1,090,917	7.85%	1,014,636	7.85%	959,881	7.30%
United	635,272	4.53%	700,245	5.04%	799,485	6.18%	938,342	7.14%
Shuttle America (Delta Connection)	344,695	2.46%	332,244	2.39%	331,520	2.56%	262,585	2.00%
Republic (US Airways Express)	264,185	1.88%	1,215,076	8.74%	1,714,801	13.27%	1,772,876	13.48%
Alaska	208,971	1.49%	208,669	1.50%	207,389	1.60%	209,664	1.59%
Virgin America	186,701	1.33%	185,290	1.33%	81,090	0.63%	49,368	0.38%
Frontier	151,142	1.08%	152,231	1.10%	150,181	1.16%	193,827	1.47%
ExpressJet (United Express)	150,712	1.08%	132,967	0.96%	115,361	0.89%	77,454	0.59%
Republic (United Express)	109,620	0.78%	41,827	0.30%	49,724	0.38%	45,756	0.35%
Endeavor (Delta Connection)	107,929	0.77%	167,775	1.21%	186,956	1.45%	95,464	0.73%
Sky Regional (Air Canada)	107,862	0.77%	108,236	0.78%	107,112	0.83%	61,689	0.47%
MN Airlines	86,550	0.62%	90,358	0.65%	88,602	0.69%	61,158	0.47%
SkyWest (United Express)	77,267	0.55%	121,280	0.87%	61,192	0.47%	6,162	0.05%
GoJet (Delta Connection)	66,049	0.47%	20,744	0.15%	0	0.00%	0	0.00%
Air Canada Jazz	64,158	0.46%	67,026	0.48%	64,145	0.50%	66,988	0.51%
Shuttle America (United Express)	63,562	0.45%	77,374	0.56%	91,330	0.71%	78,820	0.60%
Mesa (United Express)	63,300	0.45%	19,950	0.14%	0	0.00%	0	0.00%
Signature	60,097	0.43%	58,401	0.42%	58,613	0.45%	46,858	0.36%
Piedmont	23,204	0.16%	29,324	0.21%	56,545	0.44%	67,902	0.52%
Trans States (American Connection)	11,836	0.08%	3,702	0.03%	0	0.00%	0	0.00%
ExpressJet (Delta Connection)	8,768	0.06%	4,113	0.03%	7,393	0.06%	50,043	0.38%
Compass (Delta Connection)	2,602	0.02%	7,146	0.05%	0	0.00%	1,128	0.01%
Envoy Air (American Eagle)	1,483	0.01%	36,935	0.27%	129,558	1.00%	0	0.00%
Air Canada	134	0.00%	0	0.00%	231	0.00%	42,359	0.32%
SkyWest (Delta Connection)	94	0.00%	47	0.00%	47	0.00%	0	0.00%
Mesa Airlines, Inc. (American Eagle)	75	0.00%	0	0.00%	0	0.00%	0	0.00%
Elite Airways	67	0.00%	0	0.00%	0	0.00%	0	0.00%
US Airways	0	0.00%	2,560,827	18.42%	2,528,041	19.56%	2,726,557	20.74%
Eastern	0	0.00%	146	0.00%	0	0.00%	0	0.00%
AirTran	0	0.00%	0	0.00%	248,840	1.93%	436,336	3.32%
American Eagle	0	0.00%	0	0.00%	103,385	0.80%	289,451	2.20%
Chautauqua (Continental Express)	0	0.00%	0	0.00%	10,212	0.08%	52,080	0.40%
Republic (Frontier)	0	0.00%	0	0.00%	8,816	0.07%	59,440	0.45%
Chautauqua (Delta Connection)	0	0.00%	0	0.00%	6,127	0.05%	0	0.00%
Other Charters	0	0.00%	0	0.00%	292	0.00%	292	0.00%
Miami Air International	0	0.00%	0	0.00%	292	0.00%	0	0.00%
Northwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Midwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Delta Shuttle	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Pinnacle (Delta Connection)	0	0.00%	0	0.00%	0	0.00%	99,985	0.76%
Continental	0	0.00%	0	0.00%	0	0.00%	83,129	0.63%
Chautauqua (US Airways Express)	0	0.00%	0	0.00%	0	0.00%	68,291	0.52%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%
GRAND TOTAL	14,030,146	100.00%	13,902,247	100.00%	12,926,577	100.00%	13,147,183	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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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2012		2011		2010		2009		2008		2007	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
1,241,473	9.69%	1,338,976	10.58%	1,328,912	10.99%	1,322,046	10.95%	1,316,961	10.38%	1,330,575	10.46%
46,242	0.36%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
1,567,782	12.23%	1,639,911	12.96%	1,594,441	13.19%	888,197	7.36%	874,708	6.90%	836,226	6.57%
532,902	4.16%	301,954	2.39%	48,306	0.40%	97	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
390,287	3.05%	287,884	2.28%	298,624	2.47%	243,601	2.02%	222,845	1.76%	196,901	1.55%
823,675	6.43%	646,438	5.11%	651,796	5.39%	804,969	6.67%	951,797	7.50%	819,586	6.44%
647,716	5.06%	593,033	4.69%	688,696	5.69%	727,557	6.03%	702,636	5.54%	682,154	5.36%
313,146	2.44%	315,279	2.49%	317,956	2.63%	354,390	2.94%	49,609	0.39%	51,703	0.41%
1,550,131	12.10%	1,261,456	9.97%	1,209,393	10.00%	985,480	8.17%	886,321	6.99%	856,710	6.74%
174,242	1.36%	156,081	1.23%	154,756	1.28%	156,469	1.30%	157,074	1.24%	155,172	1.22%
19,440	0.15%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
356,844	2.79%	412,373	3.26%	211,315	1.75%	154,449	1.28%	153,061	1.21%	141,070	1.11%
93,609	0.73%	44	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
46,324	0.36%	37,719	0.30%	0	0.00%	292	0.00%	146	0.00%	0	0.00%
7,285	0.06%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
88,639	0.69%	83,063	0.66%	80,913	0.67%	79,314	0.66%	68,770	0.54%	64,479	0.51%
26,610	0.21%	49,388	0.39%	14,824	0.12%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
47,838	0.37%	34,392	0.27%	20,669	0.17%	13,811	0.11%	10,402	0.08%	13,741	0.11%
47,869	0.37%	19,882	0.16%	19,216	0.16%	7,348	0.06%	19,578	0.15%	44,670	0.35%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
18,434	0.14%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
6,005	0.05%	174,447	1.38%	23,686	0.20%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
100,187	0.78%	99,605	0.79%	100,936	0.83%	94,097	0.78%	112,319	0.89%	109,403	0.86%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
2,664,898	20.80%	2,698,821	21.34%	2,867,196	23.71%	2,956,848	24.50%	3,349,614	26.40%	3,429,981	26.97%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
458,032	3.58%	471,904	3.73%	445,400	3.68%	324,784	2.69%	305,608	2.41%	245,672	1.93%
386,106	3.01%	325,040	2.57%	426,097	3.52%	464,512	3.85%	420,394	3.31%	396,591	3.12%
38,081	0.30%	20,253	0.16%	35,614	0.29%	43,460	0.36%	39,940	0.31%	15,713	0.12%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	48,416	0.40%	802,592	6.65%	884,805	6.97%	872,401	6.86%
0	0.00%	0	0.00%	0	0.00%	47,500	0.39%	275,464	2.17%	302,760	2.38%
0	0.00%	0	0.00%	0	0.00%	38,870	0.32%	537,550	4.24%	543,986	4.28%
172,595	1.35%	151,669	1.20%	32,618	0.27%	11,925	0.10%	8,159	0.06%	0	0.00%
397,026	3.10%	357,921	2.83%	357,161	2.95%	386,058	3.20%	479,057	3.78%	534,727	4.20%
209,852	1.64%	174,153	1.38%	161,346	1.33%	101,169	0.84%	88,233	0.70%	91,790	0.72%
338,424	2.64%	996,961	7.88%	957,178	7.91%	1,058,819	8.77%	770,749	6.08%	983,755	7.73%
12,811,694	100.00%	12,648,647	100.00%	12,095,465	100.00%	12,068,654	100.00%	12,685,800	100.00%	12,719,766	100.00%

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Exhibit S-26 – MARKET SHARE BY LANDED WEIGHT – DULLES INTERNATIONAL
(Expressed in Thousands of Pounds)

Airlines ¹	2016		2015		2014		2013	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
United	6,061,065	36.20%	5,850,223	35.44%	6,027,022	36.06%	6,526,204	37.81%
Mesa (United Express)	1,832,724	10.95%	1,558,933	9.44%	577,406	3.45%	532,382	3.08%
Signature	625,638	3.74%	573,319	3.47%	569,271	3.41%	487,886	2.82%
Lufthansa	482,661	2.88%	458,813	2.79%	434,196	2.60%	430,518	2.49%
British Airways	464,889	2.78%	472,437	2.86%	480,525	2.88%	444,618	2.57%
Commutair	449,365	2.68%	324,419	1.96%	313,298	1.87%	271,850	1.58%
Trans States (United Express)	421,909	2.52%	668,513	4.05%	304,013	1.82%	323,457	1.87%
Delta	382,964	2.29%	377,066	2.28%	336,728	2.01%	289,323	1.68%
Federal Express	364,015	2.17%	385,843	2.34%	384,891	2.30%	386,618	2.24%
American	357,513	2.13%	314,182	1.90%	402,712	2.41%	455,130	2.64%
Landmark Aviation	353,888	2.11%	400,148	2.43%	368,178	2.20%	400,398	2.32%
Emirates	309,339	1.85%	201,786	1.22%	202,339	1.21%	283,181	1.64%
Air France	308,314	1.84%	301,451	1.83%	329,899	1.97%	347,847	2.02%
Southwest	284,330	1.70%	310,896	1.88%	308,878	1.85%	330,986	1.92%
Virgin America	230,149	1.37%	232,872	1.41%	220,872	1.32%	242,958	1.40%
PSA	206,370	1.23%	126,459	0.77%	51,453	0.31%	50,409	0.29%
All Nippon	202,764	1.21%	202,764	1.23%	202,210	1.21%	202,116	1.17%
Qatar Airways	201,963	1.21%	203,018	1.23%	201,786	1.21%	201,291	1.20%
Korean Air	201,102	1.20%	193,562	1.17%	191,212	1.14%	172,036	1.00%
Saudi Arabian	201,080	1.20%	201,643	1.22%	202,020	1.21%	171,892	1.00%
JetBlue	198,959	1.19%	200,751	1.22%	219,508	1.31%	273,038	1.58%
South African	171,666	1.03%	155,980	0.94%	149,598	0.91%	159,308	0.92%
Ethiopian Airlines	171,609	1.03%	164,575	1.00%	163,800	0.98%	158,347	0.91%
Etihad	155,568	0.93%	167,326	1.01%	201,052	1.20%	153,451	0.89%
Turkish Airlines	159,915	0.96%	139,246	0.84%	138,418	0.83%	141,376	0.82%
KLM Royal Dutch	149,604	0.89%	147,229	0.89%	150,448	0.90%	163,523	0.95%
Virgin Atlantic	140,395	0.84%	152,272	0.92%	138,570	0.83%	139,203	0.80%
SAS	139,011	0.83%	135,879	0.82%	136,369	0.82%	132,108	0.76%
TACA International	113,314	0.68%	120,116	0.73%	148,980	0.89%	127,440	0.74%
Air China	108,933	0.65%	109,545	0.66%	61,765	0.37%	0	0.00%
COPA	107,601	0.64%	102,756	0.62%	96,725	0.58%	94,542	0.55%
Austrian	101,547	0.61%	132,213	0.80%	131,564	0.79%	106,353	0.62%
United Parcel Service	96,090	0.57%	89,541	0.54%	90,665	0.54%	87,538	0.51%
Icelandair	91,560	0.55%	73,710	0.45%	46,620	0.28%	48,510	0.28%
Silver Airways	91,314	0.55%	101,175	0.61%	26,078	0.16%	0	0.00%
Frontier	86,161	0.51%	300,613	1.82%	168,686	1.01%	0	0.00%
Endeavor (Delta Connection)	73,227	0.44%	43,980	0.27%	50,550	0.30%	48,739	0.28%
Brussels	67,944	0.41%	58,573	0.35%	98,811	0.59%	52,278	0.30%
Porter	61,009	0.36%	58,169	0.35%	54,896	0.33%	57,119	0.33%
Aer Lingus	56,268	0.34%	47,240	0.29%	0	0.00%	0	0.00%
Alaska	55,196	0.33%	43,856	0.27%	0	0.00%	0	0.00%
Avianca	50,236	0.30%	50,236	0.30%	49,574	0.30%	49,736	0.29%
LAN Peru SA	38,080	0.23%	0	0.00%	0	0.00%	0	0.00%
Aeromexico	37,697	0.23%	42,734	0.26%	45,784	0.27%	43,446	0.25%
Aeroflot	37,182	0.22%	42,588	0.26%	53,972	0.32%	38,102	0.22%
Omni Air International	34,807	0.21%	34,168	0.21%	22,353	0.13%	0	0.00%
Air Georgian	33,981	0.20%	0	0.00%	0	0.00%	0	0.00%
ExpressJet (Delta Connection)	30,412	0.18%	43,265	0.26%	44,008	0.26%	38,343	0.22%
Shuttle America (Delta Connection)	29,511	0.18%	58,049	0.35%	150	0.00%	72	0.00%
SkyWest (Delta Connection)	24,903	0.15%	12,356	0.07%	8,648	0.05%	8,712	0.05%
Compass Airlines (Delta Connection)	22,007	0.13%	5,448	0.03%	6,293	0.04%	73,481	0.43%
Royal Air Maroc	15,196	0.09%	0	0.00%	0	0.00%	0	0.00%
GoJet Airlines (Delta Connection)	12,464	0.07%	812	0.01%	22,512	0.13%	18,961	0.11%
Other ²	35,868	0.21%	317,883	1.93%	2,076,908	12.44%	2,494,511	14.45%
GRAND TOTAL	16,741,277	100.00%	16,510,631	100.00%	16,712,214	100.00%	17,259,337	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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2012		2011		2010		2009		2008		2007	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
6,839,902	38.38%	7,337,040	39.39%	7,651,068	40.38%	7,544,840	40.11%	7,435,550	38.09%	7,606,298	37.89%
569,902	3.20%	552,268	2.96%	682,887	3.60%	900,587	4.79%	1,126,123	5.77%	1,520,846	7.58%
515,984	2.90%	536,921	2.88%	541,417	2.86%	525,464	2.80%	462,871	2.37%	538,636	2.68%
426,173	2.39%	413,765	2.22%	398,763	2.10%	336,077	1.79%	384,825	1.97%	443,982	2.21%
462,992	2.60%	466,634	2.51%	421,788	2.23%	467,295	2.48%	492,144	2.52%	438,467	2.18%
124,773	0.70%	552	0.00%	76,797	0.41%	49,542	0.26%	26,190	0.13%	9,899	0.05%
302,694	1.70%	459,444	2.46%	593,941	3.13%	652,276	3.47%	628,832	3.22%	603,260	3.00%
333,098	1.87%	416,675	2.24%	394,850	2.08%	386,054	2.05%	441,899	2.26%	481,132	2.40%
374,069	2.10%	358,709	1.92%	364,829	1.93%	358,267	1.90%	411,650	2.11%	421,845	2.10%
448,902	2.52%	496,227	2.66%	551,836	2.91%	501,613	2.67%	535,928	2.74%	544,803	2.71%
458,406	2.57%	492,519	2.64%	470,478	2.48%	403,491	2.15%	501,128	2.57%	650,364	3.24%
84,621	0.47%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
370,643	2.08%	375,826	2.02%	371,939	1.96%	375,681	2.00%	387,484	1.98%	398,061	1.98%
343,746	1.93%	353,714	1.90%	412,040	2.17%	455,344	2.42%	475,884	2.44%	518,676	2.58%
308,352	1.73%	284,629	1.53%	284,136	1.50%	286,088	1.52%	257,399	1.32%	45,361	0.22%
44,719	0.25%	36,781	0.20%	33,381	0.18%	48,098	0.26%	38,205	0.20%	27,732	0.14%
202,764	1.14%	202,210	1.09%	196,664	1.04%	186,018	0.99%	202,764	1.04%	202,794	1.01%
201,724	1.13%	201,233	1.08%	201,786	1.07%	201,786	1.07%	202,791	1.04%	96,778	0.48%
194,428	1.09%	185,572	1.00%	168,652	0.89%	167,900	0.89%	118,508	0.61%	137,824	0.69%
139,024	0.78%	99,610	0.53%	78,036	0.41%	67,978	0.36%	68,455	0.35%	74,359	0.37%
370,273	2.08%	599,679	3.22%	693,865	3.66%	786,663	4.18%	927,826	4.75%	952,941	4.75%
154,659	0.87%	163,975	0.88%	172,680	0.91%	182,118	0.97%	197,826	1.01%	203,850	1.02%
151,159	0.85%	157,814	0.85%	93,882	0.50%	74,084	0.39%	76,639	0.39%	79,513	0.40%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
140,315	0.79%	98,474	0.53%	12,207	0.06%	0	0.00%	0	0.00%	0	0.00%
164,600	0.92%	146,405	0.79%	149,875	0.79%	146,952	0.78%	147,041	0.75%	149,854	0.75%
175,518	0.99%	174,018	0.93%	161,212	0.85%	193,267	1.03%	252,265	1.29%	245,771	1.22%
137,725	0.77%	135,797	0.73%	129,120	0.68%	124,007	0.66%	128,077	0.66%	126,229	0.63%
116,560	0.65%	116,870	0.63%	102,634	0.54%	100,162	0.53%	118,736	0.61%	146,944	0.73%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
51,771	0.29%	48,878	0.26%	42,839	0.23%	43,710	0.23%	41,137	0.21%	20,930	0.10%
107,200	0.60%	108,354	0.58%	107,575	0.57%	107,368	0.57%	142,221	0.73%	137,908	0.69%
84,212	0.47%	86,071	0.46%	83,869	0.44%	68,755	0.37%	86,359	0.44%	85,884	0.43%
40,320	0.23%	28,350	0.15%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
371	0.00%	277	0.00%	0	0.00%	269	0.00%	0	0.00%	134	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
49,771	0.28%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
102,183	0.57%	126,487	0.68%	110,979	0.59%	57,169	0.31%	81,417	0.42%	33,729	0.17%
144	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
49,452	0.28%	35,108	0.19%	35,635	0.19%	36,178	0.19%	19,875	0.10%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
28,016	0.16%	274	0.00%	255	0.00%	0	0.00%	0	0.00%	0	0.00%
19,277	0.11%	16,574	0.09%	16,121	0.09%	15,724	0.08%	15,724	0.08%	15,960	0.08%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
30,983	0.17%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	225	0.00%	225	0.00%	222	0.00%	2,025	0.01%	72	0.00%
0	0.00%	585	0.00%	1,276	0.01%	1,875	0.01%	0	0.00%	1,050	0.01%
86,038	0.48%	78,481	0.42%	87,689	0.46%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
2,420	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
3,012,597	16.90%	3,232,797	17.38%	3,048,351	16.10%	2,959,340	15.72%	3,086,828	15.82%	3,111,710	15.51%
17,822,480	100.00%	18,625,822	100.00%	18,945,577	100.00%	18,812,262	100.00%	19,522,626	100.00%	20,073,596	100.00%

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-27 – MARKET SHARE BY PASSENGER ENPLANEMENTS – REAGAN NATIONAL

Airlines ¹	2016		2015		2014		2013	
	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
Domestic								
American	3,265,412	27.72%	1,434,409	12.46%	1,326,519	12.67%	1,222,743	11.98%
Southwest	1,720,193	14.60%	1,526,755	13.26%	602,534	5.75%	163,459	1.60%
Delta	1,291,474	10.96%	1,227,598	10.67%	1,218,088	11.63%	1,161,463	11.38%
JetBlue	953,568	8.09%	936,319	8.13%	698,337	6.67%	611,949	5.99%
United	536,397	4.55%	565,748	4.92%	621,019	5.93%	676,651	6.63%
Alaska	217,186	1.85%	216,726	1.88%	211,710	2.02%	205,297	2.01%
Frontier	175,806	1.49%	165,349	1.44%	159,684	1.52%	190,024	1.86%
Virgin America	120,767	1.03%	126,313	1.10%	59,215	0.57%	38,007	0.37%
MN Airlines	57,203	0.49%	56,929	0.49%	53,266	0.51%	40,894	0.40%
Elite Airways	69	0.00%	0	0.00%	0	0.00%	0	0.00%
US Airways	0	0.00%	1,963,050	17.06%	1,842,640	17.60%	2,000,543	19.60%
AirTran	0	0.00%	0	0.00%	210,417	2.01%	338,617	3.32%
Continental	0	0.00%	0	0.00%	0	0.00%	61,565	0.60%
Northwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Midwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Delta Shuttle	0	0.00%	0	0.00%	0	0.00%	0	0.00%
ATA	0	0.00%	0	0.00%	0	0.00%	0	0.00%
America West	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Regionals								
Republic (American Eagle)	824,685	7.00%	173,457	1.51%	50,020	0.48%	3,675	0.04%
PSA	756,932	6.43%	330,904	2.87%	267,293	2.55%	404,206	3.96%
Air Wisconsin (US Airways Express)	741,058	6.29%	898,438	7.81%	783,471	7.48%	670,604	6.57%
Republic (US Airways Express)	194,114	1.65%	959,873	8.34%	1,328,425	12.69%	1,337,540	13.10%
Shuttle America (Delta Connection)	181,357	1.54%	171,311	1.49%	171,477	1.64%	127,447	1.25%
ExpressJet (United Express)	126,680	1.08%	106,741	0.93%	97,213	0.93%	59,002	0.58%
Republic (United Express)	94,728	0.80%	38,665	0.33%	38,742	0.37%	30,446	0.30%
Endeavor (Delta Connection)	87,021	0.74%	135,580	1.18%	144,621	1.38%	65,165	0.64%
SkyWest (United Express)	68,882	0.58%	107,115	0.93%	53,543	0.51%	4,355	0.04%
Mesa (United Express)	56,342	0.48%	17,430	0.15%	0	0.00%	0	0.00%
Shuttle America (United Express)	48,807	0.41%	60,188	0.52%	69,776	0.67%	58,457	0.57%
GoJet (Delta Connection)	42,944	0.36%	14,954	0.13%	0	0.00%	0	0.00%
Piedmont	15,037	0.13%	21,342	0.19%	39,852	0.38%	50,815	0.50%
Trans States (American Connection)	11,832	0.10%	4,699	0.04%	0	0.00%	0	0.00%
ExpressJet (Delta Connection)	7,809	0.07%	3,318	0.03%	7,303	0.07%	31,220	0.31%
Compass (Delta Connection)	2,544	0.02%	6,456	0.06%	0	0.00%	662	0.01%
Envoy Air (American Eagle)	1,379	0.01%	28,401	0.24%	102,619	0.98%	0	0.00%
Mesaba Aviation (American Eagle)	57	0.00%	0	0.00%	0	0.00%	0	0.00%
SkyWest (Delta Connection)	50	0.00%	45	0.00%	49	0.00%	0	0.00%
American Eagle	0	0.00%	0	0.00%	82,675	0.79%	215,162	2.11%
Chautauqua (Continental Express)	0	0.00%	0	0.00%	7,448	0.07%	43,142	0.42%
Republic (Frontier)	0	0.00%	0	0.00%	5,600	0.05%	49,003	0.48%
Chautauqua (Delta Connection)	0	0.00%	0	0.00%	3,670	0.04%	0	0.00%
Pinnacle (Delta Connection)	0	0.00%	0	0.00%	0	0.00%	77,004	0.75%
Chautauqua (US Airways Express)	0	0.00%	0	0.00%	0	0.00%	54,559	0.53%
Comair (Delta Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
ASA (Delta Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Continental Express	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Colgan Air (Continental Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Colgan Air (United Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
SkyWest (Continental Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Colgan Air (US Airways Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mesaba Aviation (Delta Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Republic (Midwest Connect)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mesaba Aviation (Northwest Airlink)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Pinnacle (Northwest Airlink)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Freedom (Delta Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Charters	0	0.00%	145	0.00%	0	0.00%	0	0.00%
General Aviation	9,831	0.08%	10,361	0.09%	9,555	0.09%	7,586	0.07%
Military	3,517	0.03%	3,456	0.03%	3,572	0.03%	3,749	0.03%
TOTAL DOMESTIC	11,613,681	98.58%	11,312,075	98.28%	10,270,353	98.08%	10,005,011	98.00%
Transborder / International								
JetBlue	9,654	0.08%	23,140	0.20%	13,598	0.13%	0	0.00%
Air Canada	26	0.00%	0	0.00%	183	0.00%	25,495	0.25%
Regionals								
Sky Regional (Air Canada)	81,921	0.70%	82,735	0.72%	77,706	0.74%	44,481	0.44%
Air Canada Jazz	47,387	0.40%	47,188	0.41%	41,755	0.40%	38,501	0.38%
Air Wisconsin (US Airways Express)	25,392	0.22%	26,324	0.23%	46,516	0.45%	66,664	0.65%
US Airways	0	0.00%	12,545	0.11%	15,086	0.14%	16,247	0.16%
Republic (US Airways Express)	2,290	0.02%	4,450	0.04%	6,283	0.06%	12,632	0.12%
Republic (American Eagle)	259	0.00%	0	0.00%	0	0.00%	0	0.00%
Envoy	0	0.00%	1,337	0.01%	0	0.00%	0	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	166,929	1.42%	197,719	1.72%	201,127	1.92%	204,020	2.00%
GRAND TOTAL	11,780,610	100.00%	11,509,794	100.00%	10,471,480	100.00%	10,209,031	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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2012		2011		2010		2009		2008		2007	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
1,139,174	11.62%	1,194,779	12.75%	1,188,767	13.15%	1,143,658	13.04%	1,158,855	12.90%	1,214,058	13.06%
42,037	0.43%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
1,269,557	12.95%	1,251,093	13.35%	1,253,421	13.86%	728,156	8.30%	726,473	8.09%	704,772	7.58%
447,570	4.57%	240,077	2.56%	37,103	0.41%	0	0.00%	0	0.00%	0	0.00%
486,460	4.96%	468,066	4.99%	532,294	5.89%	522,673	5.96%	518,293	5.77%	519,311	5.59%
171,582	1.75%	155,454	1.66%	149,368	1.65%	144,317	1.65%	146,589	1.63%	142,567	1.53%
323,292	3.30%	357,605	3.82%	204,339	2.26%	158,734	1.81%	156,669	1.74%	128,498	1.38%
11,236	0.11%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
34,061	0.35%	26,374	0.28%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
1,902,549	19.41%	1,850,864	19.75%	1,927,713	21.32%	1,929,992	22.00%	2,132,137	23.74%	2,255,033	24.25%
383,833	3.92%	389,426	4.15%	381,746	4.22%	263,100	3.00%	249,030	2.77%	213,397	2.30%
299,145	3.05%	269,102	2.87%	291,599	3.22%	303,467	3.46%	325,851	3.63%	373,191	4.01%
0	0.00%	0	0.00%	28,371	0.31%	581,173	6.63%	669,821	7.46%	675,764	7.27%
0	0.00%	0	0.00%	0	0.00%	32,247	0.37%	174,737	1.95%	204,583	2.20%
0	0.00%	0	0.00%	0	0.00%	13,149	0.15%	206,552	2.30%	252,743	2.72%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	159,377	1.71%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	125,095	1.35%
98,846	1.01%	146,539	1.57%	240,716	2.66%	117,596	1.34%	106,582	1.19%	93,165	1.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
291,601	2.98%	203,834	2.17%	215,400	2.38%	168,781	1.92%	147,013	1.64%	139,087	1.50%
538,617	5.50%	450,057	4.80%	446,339	4.94%	567,358	6.47%	670,067	7.46%	568,630	6.12%
1,131,600	11.55%	915,726	9.77%	907,075	10.03%	733,136	8.36%	630,563	7.02%	594,411	6.39%
146,677	1.50%	148,514	1.58%	164,543	1.82%	168,203	1.92%	23,646	0.26%	27,201	0.29%
77,371	0.79%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
5,850	0.06%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
18,444	0.19%	37,218	0.40%	10,495	0.12%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
32,433	0.33%	10,183	0.11%	12,223	0.14%	4,466	0.05%	12,856	0.14%	28,463	0.31%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
13,138	0.13%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
4,982	0.05%	128,135	1.37%	20,568	0.23%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
33	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
288,187	2.94%	226,639	2.42%	292,901	3.24%	331,584	3.78%	268,652	2.99%	258,697	2.78%
30,311	0.31%	14,513	0.15%	29,123	0.32%	32,401	0.37%	34,546	0.38%	14,381	0.15%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
24,556	0.25%	46,182	0.49%	2,908	0.03%	6,065	0.07%	9,881	0.11%	11,009	0.12%
116,780	1.19%	98,655	1.05%	21,038	0.23%	7,844	0.09%	7,051	0.08%	0	0.00%
166,531	1.70%	125,817	1.34%	123,584	1.37%	77,766	0.89%	64,453	0.72%	70,677	0.76%
66,578	0.68%	147,478	1.57%	206,210	2.28%	250,061	2.85%	190,134	2.12%	179,534	1.93%
15,072	0.15%	138,417	1.48%	31,273	0.35%	2,974	0.03%	4,965	0.06%	26,268	0.28%
11,929	0.12%	62,234	0.66%	55,260	0.61%	61,874	0.70%	58,935	0.66%	80,791	0.87%
8,876	0.09%	32,047	0.34%	44,085	0.49%	44,203	0.50%	19,678	0.22%	0	0.00%
3,969	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
2,355	0.02%	8,613	0.09%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
943	0.01%	15,493	0.17%	15,315	0.17%	13,983	0.16%	13,740	0.15%	13,867	0.15%
630	0.01%	77,491	0.83%	41,114	0.45%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	10,503	0.12%	147,868	1.68%	20,291	0.23%	0	0.00%
0	0.00%	0	0.00%	4,944	0.05%	29,506	0.34%	4,658	0.05%	9,895	0.11%
0	0.00%	0	0.00%	454	0.01%	47,431	0.54%	58,100	0.64%	59,895	0.64%
0	0.00%	0	0.00%	193	0.00%	44	0.00%	24,797	0.27%	1,194	0.01%
0	0.00%	123	0.00%	219	0.00%	201	0.00%	852	0.01%	0	0.00%
6,693	0.06%	5,235	0.06%	3,062	0.03%	1,656	0.02%	1,516	0.02%	1,136	0.01%
5,917	0.06%	5,163	0.06%	3,449	0.04%	2,995	0.03%	2,833	0.03%	3,094	0.03%
9,619,415	98.14%	9,247,146	98.66%	8,897,715	98.40%	8,638,662	98.48%	8,840,816	98.43%	9,149,784	98.40%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
58,479	0.60%	58,417	0.62%	63,165	0.70%	54,726	0.62%	65,031	0.72%	61,837	0.67%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
45,577	0.47%	46,566	0.50%	45,512	0.51%	42,720	0.49%	38,313	0.43%	45,314	0.49%
46,911	0.48%	672	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
15,514	0.16%	11,640	0.12%	35,663	0.39%	35,786	0.41%	38,020	0.42%	41,372	0.44%
14,869	0.15%	8,769	0.09%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
181,350	1.86%	126,064	1.34%	144,340	1.60%	133,232	1.52%	141,364	1.57%	148,523	1.60%
9,800,765	100.00%	9,373,210	100.00%	9,042,055	100.00%	8,771,894	100.00%	8,982,180	100.00%	9,298,307	100.00%

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Exhibit S-28 – MARKET SHARE BY PASSENGER ENPLANEMENTS – DULLES INTERNATIONAL

Airlines ¹	2016		2015		2014		2013	
	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
Domestic								
United	3,142,765	28.74%	2,890,987	26.80%	2,866,519	26.65%	3,132,389	28.64%
American	327,164	2.99%	294,901	2.73%	353,899	3.29%	356,889	3.26%
Delta	312,695	2.86%	314,335	2.91%	277,699	2.58%	231,202	2.11%
Southwest	258,813	2.37%	265,206	2.46%	269,534	2.51%	289,823	2.65%
Virgin America	190,201	1.74%	187,927	1.74%	187,422	1.74%	191,220	1.75%
JetBlue	160,151	1.46%	155,894	1.44%	182,980	1.70%	225,087	2.06%
Frontier	89,789	0.82%	306,584	2.84%	159,044	1.48%	0	0.00%
Alaska	50,405	0.46%	38,941	0.36%	0	0.00%	0	0.00%
Silver Airways	29,634	0.27%	36,541	0.34%	9,722	0.09%	0	0.00%
US Airways	0	0.00%	35,299	0.33%	0	0.00%	790	0.01%
Other ²	0	0.00%	72	0.00%	447	0.00%	0	0.00%
Regionals								
Mesa (United Express)	1,448,244	13.24%	1,249,649	11.58%	449,283	4.18%	445,756	4.08%
Commutair	409,860	3.75%	285,392	2.65%	266,623	2.48%	211,757	1.94%
Trans States (United Express)	372,455	3.41%	600,996	5.57%	285,561	2.65%	295,704	2.70%
PSA	169,881	1.55%	113,341	1.05%	45,716	0.42%	44,931	0.41%
Endeavor (Delta Connection)	60,807	0.56%	39,285	0.36%	43,532	0.40%	41,178	0.38%
Shuttle America (Delta Connection)	28,426	0.26%	56,912	0.53%	82	0.00%	32	0.00%
ExpressJet (Delta Connection)	24,286	0.22%	36,412	0.34%	38,011	0.35%	30,938	0.28%
SkyWest (Delta Connection)	22,875	0.21%	11,346	0.11%	7,621	0.07%	7,122	0.07%
Compass Airlines (Delta Connection)	18,306	0.17%	4,510	0.04%	4,865	0.05%	54,893	0.50%
ExpressJet (United Express)	316	0.00%	112,531	1.04%	916,552	8.52%	940,398	8.60%
Mesa (US Airways Express)	0	0.00%	63,522	0.59%	127,943	1.19%	123,001	1.11%
Republic (United Express)	7,577	0.07%	19,760	0.18%	244,988	2.28%	206,860	1.89%
Other ²	15,119	0.14%	12,612	0.13%	367,542	3.41%	557,405	5.12%
Charters	4,884	0.04%	6,087	0.06%	6,869	0.06%	9,258	0.08%
General Aviation	71,832	0.66%	73,237	0.68%	76,012	0.71%	73,340	0.67%
Military	29	0.00%	215	0.00%	29	0.00%	114	0.00%
TOTAL DOMESTIC	7,216,514	65.99%	7,212,494	66.86%	7,188,495	66.81%	7,470,087	68.31%
Transborder/International								
United	1,304,012	11.92%	1,323,186	12.26%	1,372,404	12.76%	1,401,491	12.82%
Lufthansa	212,300	1.94%	208,539	1.93%	199,170	1.85%	203,071	1.86%
British Airways	192,065	1.76%	198,664	1.84%	193,323	1.80%	186,795	1.71%
Air France	152,569	1.39%	153,051	1.42%	158,830	1.48%	172,083	1.57%
Emirates	129,540	1.18%	101,449	0.94%	97,732	0.91%	88,361	0.81%
TACA International	106,961	0.98%	106,156	0.99%	124,034	1.15%	103,621	0.95%
Qatar Amiri Air	104,658	0.96%	99,589	0.92%	95,529	0.89%	90,845	0.83%
Turkish Airlines	95,575	0.87%	90,738	0.84%	90,259	0.84%	82,057	0.75%
COPA	94,416	0.86%	77,731	0.72%	71,150	0.66%	66,069	0.60%
KLM Royal Dutch	85,625	0.78%	84,236	0.78%	82,057	0.76%	85,959	0.79%
Ethiopian Airlines	80,790	0.74%	85,329	0.79%	88,607	0.82%	81,661	0.75%
Korean Air	79,897	0.73%	77,863	0.72%	78,109	0.73%	77,363	0.71%
South African	74,745	0.68%	65,021	0.60%	67,721	0.63%	74,339	0.68%
Etihad	71,546	0.65%	70,513	0.66%	76,432	0.71%	53,774	0.49%
All Nippon	70,419	0.64%	68,765	0.64%	64,128	0.60%	62,315	0.57%
Icelandair	68,387	0.63%	55,057	0.51%	39,379	0.37%	35,472	0.32%
SAS	66,538	0.61%	64,359	0.60%	69,814	0.65%	68,163	0.62%
Saudi Arabian	65,843	0.60%	69,839	0.65%	72,016	0.67%	61,076	0.56%
Virgin Atlantic	65,807	0.60%	65,159	0.60%	66,775	0.62%	69,543	0.64%
Austrian	59,563	0.55%	75,971	0.71%	75,777	0.71%	64,764	0.59%
Air China	44,032	0.40%	42,064	0.39%	22,240	0.21%	0	0.00%
Aer Lingus	37,386	0.34%	27,279	0.25%	0	0.00%	0	0.00%
Avianca	36,643	0.34%	36,936	0.34%	38,543	0.36%	37,327	0.34%
Brussels	28,884	0.26%	25,861	0.24%	34,072	0.32%	19,031	0.17%
Aeromexico	27,182	0.25%	30,616	0.28%	33,387	0.31%	30,439	0.28%
LAN Peru SA	21,417	0.20%	0	0.00%	0	0.00%	0	0.00%
Aeroflot	20,574	0.19%	19,206	0.18%	21,515	0.20%	19,902	0.18%
Other ²	4,493	0.04%	8,766	0.09%	2,735	0.03%	2,086	0.02%
Regionals								
Mesa (United Express)	194,773	1.78%	142,721	1.32%	39,884	0.37%	0	0.00%
Porter	52,405	0.48%	41,440	0.38%	38,152	0.35%	33,025	0.30%
Trans States (United Express)	28,746	0.26%	46,796	0.43%	0	0.00%	0	0.00%
Air Georgian	27,859	0.26%	0	0.00%	0	0.00%	0	0.00%
Other ²	7,528	0.07%	5,180	0.05%	147,821	1.37%	187,428	1.71%
Charters	6,163	0.06%	6,730	0.06%	5,325	0.05%	5,923	0.05%
General Aviation	1,335	0.01%	1,081	0.01%	1,361	0.01%	1,530	0.02%
Military	487	0.00%	497	0.00%	258	0.00%	464	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	3,721,163	34.01%	3,576,388	33.14%	3,568,539	33.19%	3,465,977	31.69%
GRAND TOTAL	10,937,677	100.00%	10,788,882	100.00%	10,757,034	100.00%	10,936,064	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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2012		2011		2010		2009		2008		2007	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
3,112,021	27.67%	3,264,591	28.17%	3,430,680	29.04%	3,286,673	28.30%	3,312,845	27.73%	3,551,268	28.68%
388,322	3.46%	427,886	3.69%	464,266	3.93%	409,716	3.53%	435,623	3.65%	444,445	3.59%
271,077	2.41%	324,660	2.80%	317,266	2.69%	296,772	2.56%	333,445	2.79%	368,507	2.98%
308,414	2.74%	321,205	2.77%	374,282	3.17%	371,029	3.19%	396,298	3.32%	368,977	2.98%
241,489	2.15%	235,983	2.04%	231,889	1.96%	237,796	2.05%	194,248	1.63%	27,247	0.22%
321,138	2.86%	495,844	4.28%	576,039	4.88%	625,519	5.39%	730,989	6.12%	776,980	6.27%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	13,258	0.12%	22,629	0.19%	34,728	0.30%	96,997	0.81%	109,878	0.89%
130,577	1.16%	183,692	1.58%	135,521	1.15%	177,617	1.53%	318,850	2.67%	494,448	3.99%
471,395	4.19%	440,505	3.80%	549,219	4.65%	719,003	6.19%	906,747	7.59%	1,279,241	10.33%
100,300	0.89%	360	0.00%	46,013	0.39%	30,694	0.26%	15,014	0.13%	6,623	0.05%
283,208	2.52%	349,374	3.01%	445,031	3.77%	566,386	4.88%	545,487	4.57%	528,990	4.27%
40,353	0.36%	33,959	0.29%	31,284	0.26%	42,999	0.37%	32,574	0.27%	23,553	0.19%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	82	0.00%	174	0.00%	1,641	0.01%	18	0.00%
25,768	0.23%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	464	0.00%	1,132	0.01%	1,232	0.01%	0	0.00%	635	0.01%
69443	0.62%	61,513	0.53%	69,150	0.59%	0	0.00%	0	0.00%	0	0.00%
1,000,835	8.90%	523,817	4.52%	277,075	2.35%	62,152	0.54%	0	0.00%	0	0.00%
98,349	0.87%	84,534	0.73%	86,547	0.73%	86,754	0.75%	50,061	0.42%	22,464	0.18%
4,933	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
977,250	8.68%	1,486,829	12.84%	1,496,039	12.67%	1,469,938	12.65%	1,361,813	11.41%	1,300,813	10.50%
10,201	0.09%	12,678	0.11%	10,681	0.09%	10,438	0.09%	9,898	0.08%	9,074	0.07%
73,610	0.65%	70,590	0.61%	72,164	0.61%	66,831	0.58%	84,997	0.71%	108,059	0.87%
121	0.00%	447	0.00%	133	0.00%	36	0.00%	314	0.00%	0	0.00%
7,928,804	70.49%	8,332,189	71.89%	8,637,122	73.13%	8,496,487	73.17%	8,827,841	73.91%	9,421,220	76.07%
1,372,383	12.20%	1,439,487	12.42%	1,451,292	12.28%	1,443,621	12.43%	1,401,537	11.73%	1,350,797	10.91%
186,521	1.66%	174,947	1.51%	176,119	1.49%	158,147	1.36%	173,440	1.45%	203,686	1.64%
192,722	1.71%	190,445	1.64%	173,211	1.47%	182,703	1.57%	189,442	1.59%	173,361	1.40%
173,360	1.54%	173,618	1.50%	161,910	1.37%	181,787	1.57%	176,064	1.47%	192,578	1.56%
23,829	0.21%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
99,160	0.88%	103,804	0.90%	98,844	0.84%	95,132	0.82%	101,867	0.85%	118,331	0.96%
99,028	0.88%	101,139	0.87%	103,078	0.87%	88,061	0.76%	85,231	0.71%	25,841	0.21%
74,594	0.66%	47,988	0.41%	5,370	0.05%	0	0.00%	0	0.00%	0	0.00%
41,608	0.37%	35,917	0.31%	31,200	0.26%	31,723	0.27%	30,063	0.25%	12,704	0.10%
89,613	0.80%	77,930	0.67%	74,878	0.63%	79,265	0.68%	78,574	0.66%	83,033	0.67%
74,103	0.66%	80,752	0.70%	56,373	0.48%	42,141	0.36%	44,955	0.38%	41,977	0.34%
83,288	0.74%	83,112	0.72%	78,117	0.66%	72,814	0.63%	57,850	0.48%	63,789	0.52%
71,239	0.63%	78,859	0.68%	80,797	0.68%	73,221	0.63%	82,084	0.69%	87,604	0.71%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
65,839	0.59%	62,994	0.54%	66,573	0.56%	60,949	0.53%	62,932	0.53%	65,852	0.53%
30,028	0.27%	20,193	0.17%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
68,620	0.61%	65,797	0.57%	71,042	0.60%	66,085	0.57%	71,112	0.60%	66,251	0.54%
48,579	0.43%	35,634	0.31%	28,874	0.24%	23,044	0.20%	20,785	0.17%	16,476	0.13%
75,165	0.67%	75,256	0.65%	76,417	0.65%	84,778	0.73%	95,567	0.80%	104,319	0.84%
65,325	0.58%	60,793	0.53%	60,401	0.51%	63,885	0.55%	80,821	0.68%	80,054	0.65%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
35,557	0.32%	24,383	0.21%	24,536	0.21%	23,502	0.20%	12,828	0.11%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
18,848	0.17%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
10,390	0.09%	8,490	0.07%	8,838	0.07%	7,301	0.06%	8,029	0.07%	7,356	0.06%
110,790	0.98%	63,284	0.55%	32,014	0.27%	76,490	0.66%	84,422	0.70%	55,159	0.44%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
24,985	0.22%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	63,806	0.55%	81,893	0.69%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
175,234	1.56%	178,354	1.54%	225,050	1.90%	251,500	2.16%	253,071	2.12%	210,260	1.70%
7,011	0.06%	9,822	0.08%	10,348	0.09%	11,002	0.09%	4,743	0.04%	917	0.01%
2,009	0.02%	1,047	0.01%	377	0.00%	167	0.00%	63	0.00%	448	0.00%
186	0.00%	513	0.00%	444	0.00%	523	0.00%	1,540	0.01%	803	0.01%
3,320,014	29.51%	3,258,364	28.11%	3,178,056	26.87%	3,117,841	26.83%	3,117,020	26.09%	2,961,596	23.93%
11,248,818	100.00%	11,590,553	100.00%	11,815,178	100.00%	11,614,328	100.00%	11,944,861	100.00%	12,382,816	100.00%

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Exhibit S-29 – MARKET SHARE BY PASSENGER ENPLANEMENTS - BOTH AIRPORTS

Airlines ¹	2016		2015		2014		2013	
	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
Domestic								
United	3,679,162	16.19%	3,456,735	15.50%	3,487,538	16.43%	3,809,040	18.02%
American	3,592,576	15.81%	1,729,310	7.76%	1,680,418	7.91%	1,579,632	7.47%
Southwest	1,979,006	8.71%	1,791,961	8.04%	872,068	4.11%	453,282	2.15%
Delta	1,604,169	7.06%	1,541,933	6.91%	1,495,787	7.04%	1,392,665	6.59%
JetBlue	1,113,719	4.90%	1,092,213	4.90%	881,317	4.15%	837,036	3.96%
Virgin America	310,968	1.37%	314,240	1.41%	246,637	1.16%	229,227	1.08%
Alaska	267,591	1.18%	255,667	1.15%	211,710	1.00%	205,297	0.97%
Frontier	265,595	1.17%	471,933	2.12%	318,728	1.50%	190,024	0.90%
MN Airlines	57,203	0.26%	56,929	0.26%	53,266	0.25%	40,894	0.19%
US Airways	0	0.00%	1,998,349	8.96%	1,842,640	8.68%	2,001,333	9.47%
Other ²	69	0.00%	36,613	0.16%	220,586	1.03%	400,182	1.89%
Regionals								
Mesa (United Express)	1,504,586	6.62%	1,267,079	5.68%	489,167	2.30%	445,756	2.11%
PSA	926,813	4.08%	444,245	1.99%	313,009	1.47%	449,137	2.13%
Republic (American Eagle)	825,096	3.64%	175,368	0.79%	50,020	0.24%	3,675	0.02%
Air Wisconsin (US Airways Express)	741,058	3.26%	898,484	4.03%	783,707	3.69%	671,903	3.18%
Commutair	409,860	1.80%	285,392	1.28%	266,623	1.26%	211,757	1.00%
Trans States (United Express)	372,455	1.64%	600,996	2.70%	285,561	1.35%	295,704	1.40%
Shuttle America (Delta Connection)	209,783	0.93%	228,223	1.02%	171,559	0.81%	127,479	0.60%
Republic (US Airways Express)	194,177	0.85%	961,772	4.31%	1,330,673	6.27%	1,339,496	6.33%
Endeavor (Delta Connection)	147,828	0.65%	174,865	0.78%	188,153	0.89%	106,343	0.50%
ExpressJet (United Express)	126,996	0.56%	219,272	0.98%	1,013,765	4.78%	999,400	4.73%
Republic (United Express)	102,305	0.45%	58,425	0.26%	283,730	1.34%	237,306	1.12%
SkyWest (United Express)	68,882	0.30%	108,086	0.48%	127,493	0.60%	102,959	0.49%
Shuttle America (United Express)	50,584	0.22%	65,274	0.29%	158,117	0.74%	228,689	1.08%
Mesa (US Airways Express)	0	0.00%	63,522	0.28%	127,943	0.60%	123,001	0.58%
Other ²	189,621	0.83%	134,182	0.61%	503,886	2.39%	899,834	4.24%
Chartered	4,884	0.02%	6,232	0.03%	6,869	0.03%	9,258	0.04%
General Aviation	81,663	0.36%	83,598	0.37%	85,567	0.40%	80,926	0.38%
Military	3,546	0.02%	3,671	0.02%	3,601	0.02%	3,863	0.02%
TOTAL DOMESTIC	18,830,195	82.88%	18,524,569	83.07%	17,500,138	82.44%	17,475,098	82.64%
Transborder / International								
United	1,304,012	5.74%	1,323,186	5.93%	1,372,404	6.46%	1,401,491	6.63%
Lufthansa	212,300	0.93%	208,539	0.94%	199,170	0.94%	203,071	0.96%
British Airways	192,065	0.85%	198,664	0.89%	193,323	0.91%	186,795	0.88%
Air France	152,569	0.67%	153,051	0.69%	158,830	0.75%	172,083	0.81%
Emirates	129,540	0.57%	101,449	0.45%	97,732	0.46%	88,361	0.42%
TACA International	106,961	0.47%	106,156	0.48%	124,034	0.58%	103,621	0.49%
Qatar Amiri Air	104,658	0.46%	99,589	0.45%	95,529	0.45%	90,845	0.43%
Turkish Airlines	95,575	0.42%	90,738	0.41%	90,259	0.42%	82,057	0.39%
COPA	94,416	0.42%	77,731	0.35%	71,150	0.34%	66,069	0.31%
KLM Royal Dutch	85,625	0.38%	84,236	0.38%	82,057	0.38%	85,959	0.41%
Ethiopian Airlines	80,790	0.36%	85,329	0.38%	88,607	0.42%	81,661	0.39%
Korean Air	79,897	0.35%	77,863	0.35%	78,109	0.37%	77,363	0.37%
South African	74,745	0.33%	65,021	0.29%	67,721	0.32%	74,339	0.35%
Etihad	71,546	0.31%	70,513	0.32%	76,432	0.36%	53,774	0.25%
All Nippon	70,419	0.31%	68,765	0.31%	64,128	0.30%	62,315	0.29%
Icelandair	68,387	0.30%	55,057	0.25%	39,379	0.19%	35,472	0.17%
SAS	66,538	0.29%	64,359	0.29%	69,814	0.33%	68,163	0.32%
Saudi Arabian	65,843	0.29%	69,839	0.31%	72,016	0.34%	61,076	0.29%
Virgin Atlantic	65,807	0.29%	65,159	0.29%	66,775	0.31%	69,543	0.33%
Austrian	59,563	0.26%	75,971	0.34%	75,777	0.36%	64,764	0.31%
Other ²	237,819	1.05%	213,868	0.97%	181,359	0.84%	150,527	0.71%
Regionals								
Mesa (United Express)	194,773	0.86%	142,721	0.64%	0	0.00%	0	0.00%
Sky Regional (Air Canada)	81,921	0.36%	82,735	0.37%	77,706	0.37%	44,481	0.21%
Other ²	184,338	0.81%	185,260	0.82%	279,121	1.32%	338,250	1.60%
Chartered	6,163	0.03%	6,730	0.03%	5,325	0.03%	5,923	0.03%
General Aviation	1,335	0.01%	1,081	0.00%	1,361	0.01%	1,530	0.01%
Military	487	0.00%	497	0.00%	258	0.00%	464	0.00%
TOTAL TRANSBORDER INTERNATIONAL	3,888,092	17.12%	3,774,107	16.93%	3,728,376	17.56%	3,669,997	17.36%
GRAND TOTAL	22,718,287	100.00%	22,298,676	100.00%	21,228,514	100.00%	21,145,095	100.00%

¹ Prior years' comparative information has been modified as necessary based on revisions from carriers.

² Includes airlines with insignificant activity.

Source: Airports Authority Records

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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2012		2011		2010		2009		2008		2007	
Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
3,598,481	17.10%	3,732,657	17.81%	3,962,974	19.00%	3,809,346	18.66%	3,831,138	18.28%	4,070,579	18.76%
1,527,496	7.26%	1,622,665	7.74%	1,653,033	7.94%	1,553,374	7.61%	1,594,478	7.60%	1,658,503	7.64%
350,451	1.66%	321,205	1.53%	374,282	1.79%	371,029	1.82%	396,298	1.89%	368,977	1.70%
1,540,634	7.32%	1,575,753	7.52%	1,570,687	7.53%	1,024,928	5.02%	1,059,918	5.06%	1,073,279	4.95%
768,708	3.65%	735,921	3.51%	613,142	2.94%	625,519	3.07%	730,989	3.49%	776,980	3.58%
252,725	1.20%	235,983	1.12%	231,889	1.11%	237,796	1.17%	194,248	0.92%	27,247	0.13%
171,582	0.82%	155,454	0.74%	149,368	0.72%	144,317	0.71%	146,589	0.70%	142,567	0.66%
323,292	1.54%	357,605	1.71%	204,339	0.98%	158,734	0.78%	156,669	0.75%	128,498	0.59%
34,061	0.16%	26,374	0.13%	14,327	0.07%	15,194	0.07%	20,661	0.10%	31,423	0.14%
1,902,549	9.04%	1,864,122	8.89%	1,950,342	9.35%	1,964,720	9.63%	2,229,134	10.64%	2,364,911	10.90%
912,401	4.33%	988,759	4.72%	1,063,626	5.10%	1,473,105	7.22%	2,030,663	9.69%	2,553,811	11.77%
471,395	2.24%	440,505	2.10%	549,219	2.63%	719,003	3.52%	906,747	4.33%	1,279,241	5.90%
331,954	1.58%	237,793	1.13%	246,684	1.18%	211,780	1.04%	179,587	0.86%	162,640	0.75%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
547,540	2.60%	464,668	2.22%	453,263	2.17%	567,833	2.78%	670,067	3.20%	568,630	2.62%
100,300	0.48%	360	0.00%	46,013	0.22%	30,694	0.15%	15,014	0.07%	6,623	0.03%
283,208	1.35%	349,374	1.67%	445,031	2.13%	566,386	2.78%	545,487	2.60%	528,990	2.44%
146,677	0.70%	148,514	0.71%	164,625	0.79%	168,377	0.82%	25,287	0.12%	27,219	0.13%
1,132,134	5.38%	916,099	4.37%	907,696	4.35%	739,379	3.62%	631,513	3.01%	594,516	2.74%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
1,078,206	5.12%	523,817	2.50%	277,075	1.33%	62,152	0.30%	0	0.00%	0	0.00%
4,933	0.02%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
87,105	0.41%	67,254	0.32%	33,166	0.16%	0	0.00%	0	0.00%	0	0.00%
178,875	0.85%	211,053	1.01%	318,720	1.53%	372,543	1.82%	369,050	1.76%	375,942	1.73%
98,349	0.47%	84,534	0.40%	86,547	0.41%	86,754	0.42%	50,061	0.24%	22,464	0.10%
1,608,621	7.63%	2,424,630	11.56%	2,129,081	10.21%	2,150,029	10.53%	1,784,649	8.51%	1,686,601	7.78%
10,201	0.05%	12,801	0.06%	10,900	0.05%	10,639	0.05%	10,750	0.05%	9,074	0.04%
80,303	0.38%	75,825	0.36%	75,226	0.36%	68,487	0.34%	86,513	0.41%	109,195	0.50%
6,038	0.03%	5,610	0.03%	3,582	0.02%	3,031	0.01%	3,147	0.02%	3,094	0.01%
17,548,219	83.37%	17,579,335	83.86%	17,534,837	84.07%	17,135,149	83.94%	17,668,657	84.30%	18,571,004	85.59%
1,372,383	6.52%	1,439,487	6.87%	1,451,292	6.96%	1,443,621	7.07%	1,401,537	6.69%	1,350,797	6.23%
186,521	0.89%	174,947	0.82%	176,179	0.84%	158,147	0.77%	173,440	0.83%	203,686	0.94%
192,722	0.92%	190,445	0.91%	173,211	0.83%	182,703	0.89%	189,442	0.90%	173,361	0.80%
173,360	0.82%	173,618	0.83%	161,910	0.78%	181,787	0.89%	176,064	0.84%	192,578	0.89%
23,829	0.11%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
99,160	0.47%	103,804	0.50%	98,844	0.47%	95,132	0.47%	101,867	0.48%	118,331	0.55%
99,028	0.47%	101,139	0.48%	103,078	0.49%	88,061	0.43%	85,231	0.41%	25,841	0.12%
74,594	0.35%	47,988	0.23%	5,370	0.03%	0	0.00%	0	0.00%	0	0.00%
41,608	0.20%	35,917	0.17%	31,200	0.15%	31,723	0.16%	30,063	0.14%	12,704	0.06%
89,613	0.43%	77,930	0.37%	74,878	0.36%	79,265	0.39%	78,574	0.37%	83,033	0.38%
74,103	0.35%	80,752	0.39%	56,373	0.27%	42,141	0.21%	44,955	0.21%	41,977	0.20%
83,288	0.40%	83,112	0.40%	78,117	0.38%	72,814	0.36%	57,850	0.27%	63,789	0.30%
71,239	0.34%	78,859	0.38%	80,797	0.39%	73,221	0.36%	82,084	0.39%	87,604	0.40%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
65,839	0.31%	62,994	0.30%	66,573	0.32%	60,949	0.30%	62,932	0.30%	65,852	0.30%
30,028	0.14%	20,193	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
68,620	0.33%	65,797	0.31%	71,042	0.34%	66,085	0.32%	71,112	0.34%	66,251	0.31%
48,579	0.23%	35,634	0.17%	28,874	0.14%	23,044	0.11%	20,785	0.10%	16,476	0.08%
75,165	0.36%	75,256	0.36%	76,417	0.37%	84,778	0.42%	95,567	0.46%	104,319	0.48%
65,325	0.31%	60,793	0.29%	60,401	0.29%	63,885	0.31%	80,821	0.39%	80,054	0.37%
249,578	1.18%	230,020	1.11%	246,109	1.18%	197,780	1.11%	208,330	1.15%	165,724	0.83%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
307,576	1.46%	234,361	1.10%	270,562	1.29%	294,220	1.44%	291,384	1.40%	255,574	1.17%
7,011	0.03%	9,822	0.05%	10,348	0.05%	11,027	0.05%	4,743	0.02%	917	0.00%
2,009	0.01%	1,047	0.00%	377	0.00%	167	0.00%	63	0.00%	448	0.00%
186	0.00%	513	0.00%	444	0.00%	523	0.00%	1,540	0.01%	803	0.00%
3,501,364	16.63%	3,384,428	16.14%	3,322,396	15.93%	3,251,073	16.06%	3,258,384	15.70%	3,110,119	14.41%
21,049,583	100.00%	20,963,763	100.00%	20,857,233	100.00%	20,386,222	100.00%	20,927,041	100.00%	21,681,123	100.00%

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Exhibit S-30 – MARKET SHARE BY ENPLANED CARGO WEIGHT – REAGAN NATIONAL
(Expressed in Pounds)

Airlines ¹	2016		2015		2014		2013	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic								
American	1,112,583	43.13%	1,224,376	30.00%	741,760	24.80%	613,811	24.68%
Delta	369,456	14.32%	445,186	10.92%	340,027	11.36%	360,095	14.48%
Southwest	344,327	13.35%	209,111	5.12%	57,682	1.93%	0	0.00%
United	128,209	4.97%	150,478	3.69%	93,875	3.13%	78,564	3.16%
MN Airlines	64,803	2.51%	36,599	0.90%	2,307	0.08%	0	0.00%
Alaska	46,045	1.79%	33,986	0.83%	36,729	1.23%	79,491	3.20%
US Airways	0	0.00%	1,561,869	38.27%	1,313,813	43.93%	399,430	16.06%
Frontier	0	0.00%	0	0.00%	0	0.00%	502,027	20.19%
Continental	0	0.00%	0	0.00%	0	0.00%	8,998	0.36%
Federal Express	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Republic (Midwest)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Northwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Midwest	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Air Canada	0	0.00%	0	0.00%	0	0.00%	0	0.00%
ATA	0	0.00%	0	0.00%	0	0.00%	0	0.00%
AirTran	0	0.00%	0	0.00%	0	0.00%	0	0.00%
America West	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Regional								
PSA	282,662	10.96%	196,229	4.81%	196,549	6.57%	272,804	10.97%
Air Wisconsin (US Airways Express)	228,819	8.87%	209,909	5.14%	196,073	6.56%	159,049	6.40%
Piedmont	1,545	0.06%	2,071	0.05%	7,492	0.25%	3,442	0.14%
Trans States Airlines (American Connection)	362	0.01%	15	0.00%	0	0.00%	0	0.00%
American Eagle	109	0.00%	0	0.00%	1,773	0.06%	6,005	0.24%
SkyWest (Continental Connection)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Chautauqua (Continental Express)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Continental Express	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Republic (Midwest Connect)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Mesaba Aviation (Northwest Airlink)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Pinnacle (Northwest Airlink)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Envoy Air (American Eagle)	0	0.00%	2,947	0.07%	1,766	0.06%	0	0.00%
TOTAL DOMESTIC	2,578,920	99.97%	4,072,776	99.80%	2,989,846	99.96%	2,483,716	99.88%
Air Carrier - Chartered	0	0.00%	6,567	0.16%	0	0.00%	240	0.01%
Regional	655	0.03%	1,668	0.04%	1,117	0.04%	2,651	0.11%
TOTAL TRANSBORDER/INTERNATIONAL	655	0.03%	8,235	0.02%	1,117	0.04%	2,891	0.12%
GRAND TOTAL	2,579,575	100.00%	4,081,011	100.00%	2,990,963	100.00%	2,486,607	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

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2012		2011		2010		2009		2008		2007	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
987,384	24.47%	1,115,895	30.74%	347,170	9.83%	438,101	16.27%	357,360	17.47%	2,628	0.10%
429,637	10.64%	344,901	9.51%	286,798	8.11%	156,417	5.80%	95,744	4.68%	107,764	3.93%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
3,468	0.09%	10,406	0.29%	18,691	0.53%	16,191	0.60%	17,874	0.87%	17,631	0.64%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
47,177	1.17%	50,987	1.41%	113,101	3.20%	97,411	3.61%	106,397	5.21%	106,366	3.89%
714,094	17.70%	543,956	14.98%	618,598	17.51%	554,872	20.61%	642,775	31.43%	1,661,112	60.57%
690,220	17.11%	428,095	11.79%	863,751	24.45%	499,669	18.56%	19,694	0.96%	2,856	0.10%
133,778	3.32%	95,266	2.62%	157,450	4.46%	110,081	4.09%	156,508	7.65%	163,807	5.97%
809,428	20.06%	779,768	21.48%	910,324	25.77%	549,860	20.42%	313,462	15.33%	0	0.00%
0	0.00%	0	0.00%	28,589	0.81%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	21,974	0.62%	85,523	3.18%	83,748	4.09%	69,039	2.52%
0	0.00%	0	0.00%	0	0.00%	11,783	0.44%	102,453	5.01%	146,642	5.35%
0	0.00%	0	0.00%	0	0.00%	53	0.00%	152	0.01%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	215,872	7.87%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	7,500	0.27%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	86,448	3.15%
96,824	2.40%	135,206	3.72%	82,369	2.33%	56,727	2.11%	23,795	1.16%	27,467	1.00%
112,633	2.79%	124,420	3.43%	73,300	2.07%	63,295	2.35%	43,548	2.13%	25,796	0.94%
1,543	0.04%	139	0.00%	348	0.01%	412	0.02%	481	0.02%	2,032	0.07%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
7,862	0.19%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
14	0.00%	525	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	340	0.01%	1,758	0.05%	1,969	0.07%	7,191	0.35%	3,333	0.12%
0	0.00%	334	0.01%	5,848	0.17%	8,900	0.33%	20,167	0.99%	35,974	1.31%
0	0.00%	0	0.00%	2,116	0.06%	39,083	1.45%	9,538	0.47%	0	0.00%
0	0.00%	0	0.00%	14	0.00%	345	0.01%	4	0.00%	154	0.01%
0	0.00%	0	0.00%	0	0.00%	1,901	0.07%	4,445	0.22%	4,608	0.17%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	64	0.00%	2,262	0.08%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
4,034,062	99.98%	3,630,238	100.00%	3,532,199	99.98%	2,692,593	99.99%	2,005,400	98.05%	2,689,291	98.06%
25	0.01%	66	0.00%	592	0.02%	200	0.01%	39,907	1.95%	53,277	1.94%
601	0.01%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
626	0.02%	66	0.00%	592	0.02%	200	0.01%	39,907	1.95%	53,277	1.94%
4,034,688	100.00%	3,630,304	100.00%	3,532,791	100.00%	2,692,793	100.00%	2,045,307	100.00%	2,742,568	100.00%

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Exhibit S-31 – MARKET SHARE BY ENPLANED CARGO WEIGHT – DULLES INTERNATIONAL
 (Expressed in Pounds)

Airlines ¹	2016		2015		2014		2013		2012	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic										
Federal Express	68,205,408	28.93%	70,422,839	28.42%	72,447,956	28.27%	73,530,300	30.84%	73,713,462	28.54%
United	19,714,724	8.36%	22,698,194	9.16%	16,255,607	6.34%	16,431,907	6.89%	27,840,466	10.78%
United Parcel Service	15,163,816	6.43%	15,077,236	6.09%	14,099,929	5.50%	11,766,223	4.94%	14,242,032	5.51%
Delta	877,693	0.37%	849,347	0.34%	387,046	0.15%	498,208	0.20%	482,352	0.19%
American	414,267	0.18%	402,774	0.16%	428,054	0.17%	637,883	0.27%	686,611	0.27%
Southwest	283,598	0.12%	270,115	0.11%	250,770	0.10%	402,705	0.17%	417,056	0.16%
Alaska Airlines	14,409	0.01%	6,354	0.00%	0	0.00%	0	0.00%	0	0.00%
JetBlue	0	0.00%	1,626	0.00%	2,884	0.00%	13,203	0.01%	21,821	0.01%
ABX Air	0	0.00%	0	0.00%	0	0.00%	53,761	0.02%	0	0.00%
Other ²	0	0.00%	0	0.00%	0	0.00%	238	0.00%	367,558	0.14%
Regionals										
PSA	353,298	0.15%	74,749	0.03%	29,492	0.01%	36,011	0.02%	43,336	0.02%
Air Wisconsin (US Airways Express)	0	0.00%	0	0.00%	586	0.00%	2,020	0.00%	3,186	0.00%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%	2,700	0.00%
Air Carrier -- Chartered										
Atlas Air	246,325	0.10%	0	0.00%	156,679	0.06%	113,459	0.05%	0	0.00%
Kalitta Air	218,161	0.09%	0	0.00%	0	0.00%	100,797	0.04%	0	0.00%
Antonov	12,764	0.01%	0	0.00%	0	0.00%	189,597	0.08%	0	0.00%
Mountain Air Cargo	2,205	0.00%	3,224	0.00%	14,037	0.01%	194,559	0.08%	606	0.00%
Volga-Dnepr	0	0.00%	20,000	0.01%	0	0.00%	0	0.00%	182,860	0.07%
Miami Air International	0	0.00%	410	0.00%	0	0.00%	0	0.00%	0	0.00%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%	61,344	0.02%
Military										
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
TOTAL DOMESTIC	105,506,668	44.75%	109,826,868	44.32%	104,073,040	40.61%	103,970,871	43.61%	118,065,390	45.71%
Transborder/International										
United	38,195,727	16.20%	42,725,437	17.24%	46,312,782	18.07%	39,792,569	16.69%	54,935,397	21.27%
Lufthansa	12,353,226	5.24%	10,395,682	4.20%	9,170,198	3.58%	9,340,958	3.92%	10,004,312	3.87%
All Nippon	11,090,517	4.70%	10,506,051	4.24%	10,681,518	4.17%	9,298,822	3.90%	9,405,747	3.64%
Qatar Airways	9,847,619	4.18%	10,110,588	4.08%	12,337,711	4.80%	11,323,975	4.75%	11,776,045	4.56%
British Airways	7,131,781	3.02%	7,100,962	2.87%	11,437,529	4.46%	11,043,749	4.63%	11,882,801	4.60%
Emirates	6,408,122	2.72%	6,888,972	2.78%	10,480,296	4.09%	8,872,668	3.72%	1,580,157	0.61%
Virgin Atlantic	6,281,859	2.67%	5,916,764	2.39%	5,724,746	2.23%	6,344,117	2.66%	6,523,720	2.53%
Korean Air	4,752,249	2.02%	4,776,097	1.93%	2,875,631	1.12%	2,361,651	0.99%	2,013,681	0.78%
Ethiad	4,345,426	1.84%	6,056,897	2.44%	6,942,708	2.71%	5,177,633	2.17%	0	0.00%
SAS	4,301,157	1.82%	3,505,860	1.41%	3,480,356	1.36%	3,087,444	1.30%	3,612,476	1.40%
Saudi Arabian	3,708,011	1.57%	5,260,345	2.12%	5,565,253	2.17%	4,529,444	1.90%	3,170,035	1.23%
Air France	3,538,026	1.50%	2,687,616	1.08%	2,974,938	1.16%	3,168,263	1.33%	4,945,166	1.91%
KLM Royal Dutch	3,428,298	1.45%	3,339,690	1.35%	5,211,000	2.03%	3,789,649	1.59%	3,794,531	1.47%
South African	3,361,334	1.43%	3,506,214	1.42%	4,877,420	1.90%	5,693,550	2.39%	6,395,193	2.48%
Turkish Airlines	3,246,615	1.38%	3,637,634	1.47%	4,545,279	1.77%	3,526,170	1.48%	2,945,046	1.14%
Austrian	1,894,490	0.80%	2,473,462	1.00%	2,849,635	1.11%	2,460,646	1.03%	2,728,674	1.06%
Ethiopian Airlines	1,477,215	0.63%	1,568,294	0.63%	1,437,085	0.56%	842,637	0.35%	970,498	0.38%
Air China	1,272,747	0.54%	2,171,700	0.88%	1,745,056	0.68%	0	0.00%	0	0.00%
United Parcel Service	839,831	0.36%	643,206	0.26%	354,267	0.14%	17,255	0.01%	0	0.00%
Brussels	738,374	0.31%	1,639,086	0.66%	1,808,041	0.71%	836,244	0.35%	0	0.00%
Federal Express	418,957	0.18%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
LAN Peru SA	392,515	0.17%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COPA	129,936	0.06%	229,256	0.09%	329,706	0.13%	330,540	0.14%	46,626	0.02%
TACA International	118,376	0.05%	220,649	0.09%	118,846	0.05%	169,785	0.07%	235,572	0.09%
Icelandair	33,817	0.01%	50,972	0.02%	39,063	0.02%	24,881	0.01%	12,059	0.00%
Aer Lingus	24,265	0.01%	592,755	0.24%	0	0.00%	0	0.00%	914,466	0.35%
Avianca	22,140	0.01%	38,599	0.02%	83,401	0.03%	26,663	0.01%	8,537	0.00%
Aeroflot	3,724	0.00%	20,752	0.01%	46,948	0.02%	46,005	0.02%	80,482	0.03%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%	5,461	0.00%
All Cargo Charters										
Atlas Air	164,734	0.07%	300,733	0.12%	16,707	0.01%	308,556	0.13%	0	0.00%
Kalitta Air	101,364	0.04%	510,739	0.21%	176,819	0.07%	0	0.00%	243,033	0.09%
Air Transport International	0	0.00%	0	0.00%	0	0.00%	15,900	0.01%	156,240	0.06%
Antonov	0	0.00%	0	0.00%	0	0.00%	283,514	0.12%	0	0.00%
Evergreen International	0	0.00%	0	0.00%	0	0.00%	258,128	0.11%	760,523	0.29%
Volga-Dnepr	0	0.00%	0	0.00%	78,000	0.03%	421,672	0.18%	91,424	0.04%
Other ²	0	0.00%	0	0.00%	0	0.00%	0	0.00%	20,463	0.01%
Military										
Other ²	644,487	0.27%	1,068,086	0.43%	526,543	0.21%	1,027,722	0.43%	969,170	0.38%
TOTAL TRANSBORDER/INTERNATIONAL	130,266,939	55.25%	137,943,098	55.68%	152,227,482	59.39%	134,420,810	56.39%	140,227,535	54.29%
GRAND TOTAL	235,773,607	100.00%	247,769,966	100.00%	256,300,522	100.00%	238,391,681	100.00%	258,292,925	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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2011		2010		2009		2008		2007	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
74,823,743	24.94%	76,889,656	23.12%	83,793,859	26.97%	82,766,364	23.66%	90,637,340	25.35%
34,373,835	11.46%	45,511,042	13.68%	38,771,925	12.48%	40,833,059	11.67%	47,996,696	13.43%
12,291,618	4.10%	10,519,509	3.17%	8,304,813	2.67%	8,582,825	2.46%	9,522,514	2.67%
556,270	0.19%	539,498	0.16%	399,477	0.13%	420,072	0.12%	547,443	0.15%
793,807	0.26%	1,091,210	0.33%	1,289,901	0.42%	2,264,649	0.65%	1,486,544	0.42%
423,510	0.14%	316,218	0.10%	271,671	0.09%	560,639	0.16%	585,535	0.16%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
209,458	0.07%	386,739	0.12%	455,711	0.15%	678,715	0.19%	138,833	0.04%
0	0.00%	0	0.00%	119,843	0.04%	11,811,662	3.38%	13,330,418	3.73%
1,886,777	0.63%	2,909,366	0.87%	2,197,557	0.71%	1,224,394	0.35%	2,730,567	0.76%
27,339	0.01%	47,596	0.01%	29,119	0.01%	20,189	0.01%	13,075	0.00%
6,846	0.00%	10,311	0.00%	16	0.00%	0	0.00%	0	0.00%
1,133	0.00%	2,357	0.00%	9,670	0.00%	1,189,723	0.34%	42,194	0.01%
106,560	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	121,943	0.04%	8,117	0.00%	0	0.00%	2,734	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	31,635	0.01%	0	0.00%
4,914	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
125,505,810	41.84%	138,345,445	41.60%	135,651,679	43.67%	150,383,926	43.00%	167,033,893	46.72%
82,974,260	27.66%	99,578,299	29.94%	85,576,244	27.55%	94,114,032	26.91%	96,960,774	27.12%
8,568,118	2.86%	10,568,050	3.18%	16,741,822	5.39%	19,296,508	5.52%	21,636,118	6.05%
9,915,876	3.31%	8,964,621	2.70%	7,120,220	2.29%	10,093,321	2.89%	12,112,144	3.39%
12,548,060	4.20%	13,088,631	3.90%	12,546,842	4.00%	12,987,692	3.70%	5,196,251	1.45%
12,424,127	4.14%	13,277,122	3.99%	14,530,288	4.68%	14,539,614	4.16%	12,824,088	3.59%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
7,601,676	2.53%	8,028,698	2.41%	6,908,136	2.22%	9,891,243	2.83%	8,941,718	2.50%
1,037,363	0.35%	681,332	0.20%	631,640	0.20%	348,966	0.10%	288,372	0.08%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
5,458,393	1.82%	7,756,339	2.33%	5,502,209	1.77%	6,208,829	1.78%	7,262,647	2.03%
906,596	0.30%	1,423,270	0.43%	619,146	0.20%	697,661	0.20%	680,012	0.19%
10,212,850	3.40%	11,019,582	3.31%	6,913,773	2.23%	8,659,903	2.48%	6,331,689	1.77%
4,721,047	1.57%	3,388,973	1.02%	4,164,994	1.34%	5,766,904	1.65%	5,498,164	1.54%
6,367,193	2.12%	6,655,220	2.00%	4,687,739	1.51%	3,797,528	1.09%	1,156,830	0.32%
1,095,562	0.37%	6,036	0.00%	0	0.00%	0	0.00%	0	0.00%
4,210,682	1.40%	5,083,851	1.53%	5,371,312	1.73%	7,344,158	2.10%	7,459,761	2.09%
964,461	0.32%	763,721	0.23%	571,426	0.18%	722,967	0.21%	316,427	0.09%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	45,298	0.01%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
67,203	0.02%	44,164	0.01%	46,304	0.01%	10,013	0.00%	1,387	0.00%
391,626	0.13%	387,763	0.12%	452,220	0.15%	624,461	0.18%	644,573	0.18%
12,399	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
3,242,232	1.07%	2,253,950	0.73%	705,060	0.26%	1,129,916	0.30%	442,914	0.12%
943	0.00%	3,346	0.00%	15,656	0.01%	0	0.00%	0	0.00%
26,752	0.01%	0	0.00%	7,193	0.00%	77,707	0.02%	97,483	0.03%
0	0.00%	156,049	0.05%	641,961	0.21%	1,388,761	0.40%	722,950	0.20%
563,216	0.19%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
126,706	0.04%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	14,698	0.00%	59,055	0.02%	62,189	0.02%	54,930	0.02%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
225,024	0.08%	0	0.00%	220,000	0.07%	0	0.00%	202,783	0.06%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
0	0.00%	0	0.00%	0	0.00%	50,000	0.01%	345,000	0.10%
802,239	0.27%	1,031,532	0.31%	950,429	0.31%	1,569,418	0.45%	1,304,371	0.36%
174,464,604	58.16%	194,220,545	58.40%	174,983,669	56.33%	199,381,791	57.00%	190,481,386	53.28%
299,970,414	100.00%	332,565,990	100.00%	310,635,348	100.00%	349,765,717	100.00%	357,515,279	100.00%

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Exhibit S-32 – PASSENGER FACILITY CHARGES BY AIRPORT

Reagan National

Airlines ¹	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Airlines ⁴	\$23,720,880	\$ 12,620,573	\$ 6,607,691	\$ 5,294,318	\$ 5,226,296	\$ 5,215,581	\$ 5,558,325	\$ 5,435,374	\$ 5,253,701	\$ 5,534,500
US Airways	-	10,971,171	16,699,046	18,492,628	16,878,970	14,199,404	14,582,062	13,934,880	14,476,818	14,351,176
Southwest Airlines	6,732,944	6,128,934	3,212,031	1,942,504	184,328	-	-	-	-	-
Delta Airlines	6,265,275	6,068,136	5,906,588	5,478,172	6,344,119	7,567,947	7,079,513	5,081,996	4,636,630	4,676,954
JetBlue Airways	4,040,767	4,036,800	3,029,943	2,567,433	1,931,568	1,062,230	206,786	-	-	-
United Airlines	3,997,233	3,900,631	3,735,844	3,819,294	3,699,333	2,527,462	2,557,228	2,467,198	2,506,485	2,573,881
Alaska Airlines	812,374	807,208	743,296	686,373	607,491	547,900	480,340	432,464	437,198	465,254
Frontier Airlines	757,596	713,263	711,404	1,040,644	1,404,603	1,579,634	809,107	628,660	625,194	535,577
Air Canada	466,802	464,959	477,086	445,550	423,968	365,562	345,315	331,797	361,106	334,925
Virgin America	563,436	-	-	164,828	51,681	-	-	-	-	-
MN Airlines	251,854	251,121	232,969	179,845	155,292	124,509	-	764	145	-
AirTran Airlines	-	-	-	78,338	1,650,696	1,638,033	1,632,888	1,156,620	1,075,203	854,421
Spirit Airlines	-	-	-	(803)	428,264	641,203	553,306	540,296	487,386	396,793
Continental Airlines	-	-	-	-	260,462	1,270,792	1,622,627	1,775,593	1,750,203	1,806,768
Midwest Airlines	-	-	-	-	-	-	551,920	769,813	798,789	855,607
Northwest Airlines	-	-	-	-	-	-	59,807	2,055,181	2,775,098	2,956,332
ATA	-	-	-	-	-	-	-	-	238	451,217
America West Airlines	-	-	-	-	-	-	-	-	-	854,244
Other Airlines ²	182,536	700,510	400,249	118,143	121,122	149,341	202,841	110,126	92,348	97,162
Adjustments ³	(118,077)	222,203	213,285	190,319	255,702	104,376	(87,424)	191,848	(238,756)	98,581
TOTAL	\$47,673,620	\$46,885,509	\$41,969,433	\$40,497,586	\$39,623,895	\$36,993,974	\$36,154,641	\$34,912,610	\$35,037,786	\$36,843,392

Dulles International

Airlines ¹	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
United Airlines	\$25,657,007	\$24,298,549	\$24,402,180	\$24,604,350	\$24,700,284	\$21,972,484	\$24,381,322	\$24,188,764	\$24,105,856	\$27,004,434
Delta Airlines	2,308,384	2,180,717	2,040,765	2,153,258	2,439,923	2,304,143	2,450,430	1,977,246	1,907,178	1,952,085
American Airlines ⁴	2,180,496	1,600,336	1,559,167	1,481,683	1,593,514	1,642,789	1,720,637	1,686,082	1,695,527	1,943,558
Southwest Airlines	1,010,730	1,042,577	1,035,401	1,104,271	1,199,309	1,239,318	1,482,116	1,491,052	1,591,622	1,499,638
Lufthansa German Airline	999,892	1,199,891	1,229,411	1,236,194	1,201,882	1,124,200	1,139,039	1,256,257	1,299,418	973,447
Virgin America	778,362	768,290	770,746	812,956	963,648	1,041,615	989,353	1,059,457	867,813	185,561
British Airways	643,337	699,176	699,874	713,751	700,319	724,845	742,379	753,116	794,545	740,442
JetBlue Airways	616,995	593,514	736,431	908,827	1,305,838	2,089,605	2,525,215	2,579,607	3,055,512	3,272,345
Emirates Airlines	547,828	445,976	419,587	373,409	104,192	20,907	17,064	27,909	14,074	-
Air France	483,104	484,801	525,386	503,992	500,175	599,476	585,248	622,599	593,256	640,047
Qatar Amiri Air	445,515	422,897	441,928	395,144	184,973	150,770	252,403	414,570	216,286	74,841
Frontier Airlines	417,707	1,392,663	790,824	-	-	-	-	-	-	-
Turkish Airlines	430,192	399,715	358,358	392,329	354,787	260,776	40,923	10,346	3,130	-
C.O.P.A. Airlines	412,996	339,602	277,810	261,791	176,825	145,920	118,460	127,525	130,023	-
South African Airways	359,629	315,632	305,219	346,621	340,190	409,934	648,930	473,554	490,495	519,315
Ethiopian Airlines	358,033	366,365	376,385	362,772	323,696	344,725	236,732	174,015	191,196	175,408
Scandinavian Airlines	317,303	313,229	337,647	341,059	316,627	316,801	315,402	300,074	301,378	303,343
Korean Air Lines	316,583	301,440	314,216	309,673	324,763	327,978	354,164	286,737	226,761	246,580
Air Canada	299,252	247,670	257,116	284,267	288,612	273,518	326,640	306,503	373,935	335,333
Icelandair	298,375	240,410	172,804	141,165	129,839	90,368	-	-	-	-
All Nippon Airways	289,635	265,869	265,740	270,708	286,997	252,669	280,246	263,481	246,599	255,203
Porter Airlines	233,763	187,254	160,581	82,694	108,854	-	-	-	-	-
Virgin Atlantic Airways	225,259	220,445	238,967	290,313	301,247	269,760	295,854	345,970	389,053	345,685
Alaska Airlines	189,726	149,224	9,906	13,568	11,998	11,284	30,905	31,546	34,970	21,156
Air China	188,687	164,577	79,696	-	-	-	-	-	-	-
Austrian Airlines	168,377	253,094	256,538	230,402	257,879	251,019	268,722	304,465	258,781	341,175
KLM Royal Dutch Airlines	165,505	164,723	176,034	175,920	191,619	172,065	159,763	169,051	170,780	-
Taca International Airlines	157,350	169,694	205,893	452,372	428,416	449,430	436,273	452,951	416,958	533,730
Saudi Arabian Airlines	86,373	113,393	106,036	125,313	84,628	67,387	54,985	49,097	31,657	-
US Airways	-	603,218	843,164	1,078,679	1,104,201	1,093,620	1,300,499	1,309,668	1,288,635	1,522,274
Continental Airlines	-	-	-	-	962,291	3,098,744	1,260,003	536,166	435,936	619,562
AirTran Airlines	-	-	-	-	133,723	413,359	530,408	538,680	755,506	891,901
Northwest Airlines	-	-	-	-	-	-	31,630	676,823	903,702	1,093,729
America West Airlines	-	-	-	-	-	-	-	-	-	63,575
Independence Air	-	-	-	-	-	-	-	-	-	-
Other Airlines ²	1,510,851	1,370,965	1,239,765	869,251	633,181	723,154	620,257	776,177	841,324	802,431
Adjustments ³	40,258	350,923	(324,232)	(1,757,404)	1,985,253	(249,711)	337,707	418,666	(214,475)	(341,344)
TOTAL	\$42,137,504	\$41,666,829	\$40,309,344	\$38,559,328	\$43,639,683	\$41,632,952	\$43,933,709	\$43,608,154	\$43,417,431	\$46,015,454

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.

⁴ US Airways merger with American Airlines completed in October 2015.

Source: Airports Authority Records

Exhibit S-33 – TOP 30 PASSENGER ORIGIN AND DESTINATION MARKETS IN 2016 – REAGAN NATIONAL

Domestic

Destination Airport	State	Trip Length*	Total O&D
Boston Logan	MA	SH	1,184,229
Atlanta	GA	SH	885,741
Chicago O'Hare	IL	MH	826,250
Orlando	FL	MH	771,552
Fort Lauderdale	FL	MH	531,709
Tampa	FL	MH	512,559
Miami	FL	MH	490,522
Los Angeles	CA	LH	475,373
New York La Guardia	NY	SH	441,559
Dallas/Fort Worth	TX	MH	425,316
Minneapolis/ St. Paul	MN	MH	398,353
Denver	CO	MH	385,655
San Francisco	CA	LH	363,115
Chicago Midway	IL	SH	348,478
Dallas Love Field	TX	MH	337,435
New Orleans	LA	MH	329,296
St. Louis	MO	MH	304,053
Detroit	MI	SH	276,526
Phoenix	AZ	LH	262,412
Indianapolis	IN	SH	261,201
Seattle/Tacoma	WA	LH	259,983
Kansas City	MO	MH	259,938
Nashville	TN	SH	258,169
Jacksonville	FL	MH	256,602
Houston Intercontinental	TX	MH	249,008
Hartford	CT	SH	246,746
Houston Hobby	TX	MH	228,947
West Palm Beach	FL	MH	225,251
Las Vegas	NV	MH	221,841
Charleston	SC	SH	213,000

***Note**

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

Domestic Source: U.S. DOT DB1B, Year Ending 3Q 2016, via Diio online portal.

International Source: MIDT via Sabre Global Demand Data (GDD), 12 months ending December of 2016, preliminary data.

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Exhibit S-34 – TOP 30 PASSENGER ORIGIN AND DESTINATION MARKETS IN 2016 – DULLES INTERNATIONAL

Domestic				International		
Destination Airport	State	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
Los Angeles	CA	LH	815,488	London Heathrow	United Kingdom	445,207
San Francisco	CA	LH	774,931	Paris De Gaulle	France	175,078
Denver	CO	MH	442,756	Cancun	Mexico	172,664
Orlando	FL	MH	352,138	San Salvador	El Salvador	164,967
Atlanta	GA	SH	341,711	Beijing	China	124,739
Seattle/Tacoma	WA	LH	250,301	Seoul	South Korea	95,061
Boston Logan	MA	SH	248,884	Frankfurt	Germany	94,729
Las Vegas	NV	LH	241,729	Dublin	Ireland	94,602
San Diego	CA	LH	230,623	Rome	Italy	86,133
Dallas/Fort Worth	TX	MH	212,656	Amsterdam	Netherlands	83,029
Chicago O'Hare	IL	SH	192,159	Mexico City	Mexico	82,298
Tampa	FL	MH	183,636	Delhi	India	80,638
Houston Intercontinental	TX	MH	144,523	Toronto Bishop	Canada	77,782
Minneapolis St. Paul	MN	MH	111,454	Dubai	United Arab Emirates	72,505
Austin	TX	MH	107,957	Lima	Peru	69,222
Detroit	MI	SH	107,046	Tokyo	Japan	64,976
Miami	FL	MH	106,055	Hyderabad	India	59,220
Phoenix	AZ	LH	102,226	Riyadh	Saudi Arabia	59,157
New York J F Kennedy	NY	SH	101,818	Addis Ababa	Ethiopia	58,163
Honolulu	HI	LH	94,283	Tel Aviv Yafo Ben Gurion	Israel	54,892
Charlotte	NC	SH	91,479	Manila	Philippines	54,863
Portland	OR	LH	82,264	Ho Chi Minh City	Vietnam	53,835
New Orleans	LA	MH	75,121	Brussels	Belgium	53,116
San Antonio	TX	MH	73,122	Bangkok	Thailand	52,745
Indianapolis	IN	SH	72,700	Guatemala City	Guatemala	50,461
St. Louis	MO	MH	70,615	Geneva	Switzerland	50,148
Sacramento	CA	LH	68,016	Toronto Pearson	Canada	49,487
Nashville	TN	SH	62,833	Mumbai	India	48,786
Jacksonville	FL	MH	59,665	Jeddah	Saudi Arabia	48,584
Kansas City	MO	MH	59,187	Munich	Germany	48,560

***Note**

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

Domestic Source: U.S. DOT DB1B, Year Ending 3Q2016, via Diio online portal.

International Source: MIDT via Sabre Global Demand Data (GDD), 12 months ending December of 2016, preliminary data.

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Exhibit S-35 – TOP 10 PASSENGER ORIGIN 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.

2016		2015		2014		2013	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,184,229	Boston, MA	1,117,410	Boston, MA	1,130,313	Boston, MA	1,051,126
Atlanta, GA	885,741	Atlanta, GA	811,460	Chicago, O'Hare	806,970	Chicago, O'Hare	949,322
Chicago, O'Hare	826,250	Chicago, O'Hare	787,175	Atlanta, GA	732,631	Orlando, FL	728,413
Orlando, FL	771,552	Orlando, FL	676,587	Orlando, FL	628,918	Atlanta, GA	687,700
Fort Lauderdale, FL	531,709	Tampa, FL	528,561	Tampa, FL	437,091	Fort Lauderdale, FL	451,421
Tampa, FL	512,559	Fort Lauderdale, FL	467,864	New York, LaGuardia	429,451	New York, LaGuardia	438,792
Miami, FL	490,522	Denver, CO	465,287	Fort Lauderdale, FL	426,535	Miami, FL	423,460
Los Angeles, CA	475,373	New York, LaGuardia	451,477	Miami, FL	414,004	Dallas/Fort Worth, TX	397,727
New York, LaGuardia	441,559	Miami, FL	444,096	Denver, CO	404,842	Tampa, FL	373,635
Dallas/Ft. Worth, TX	425,316	Los Angeles, CA	440,020	Dallas/Fort Worth, TX	379,532	Denver, CO	360,098

2012		2011		2010		2009	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,093,141	Boston, MA	1,062,242	Chicago, O'Hare	822,763	Chicago, O'Hare	781,980
Chicago, O'Hare	898,683	Chicago, O'Hare	823,013	Atlanta, GA	767,081	Atlanta, GA	777,598
Atlanta, GA	733,234	Atlanta, GA	720,482	Boston, MA	646,227	Boston, MA	605,344
Orlando, FL	631,807	Orlando, FL	629,355	New York, LaGuardia	524,133	New York, LaGuardia	592,826
Fort Lauderdale, FL	606,297	Ft. Lauderdale, FL	525,329	Orlando, FL	502,996	Dallas/Ft. Worth, TX	460,984
New York, LaGuardia	421,656	Dallas/Ft. Worth, TX	449,662	Dallas/Ft. Worth, TX	486,589	Ft. Lauderdale, FL	410,870
Miami, FL	416,144	Miami, FL	443,104	Ft. Lauderdale, FL	465,358	Orlando, FL	368,557
Dallas/Fort Worth, TX	393,561	New York, LaGuardia	439,741	Miami, FL	343,872	Miami, FL	334,183
Denver, CO	377,543	Minneapolis/St. Paul, MN	347,184	Minneapolis/St. Paul, MN	319,561	Denver, CO	318,801
Minneapolis/St. Paul, MN	341,466	Denver, CO	320,124	Denver, CO	315,126	Minneapolis/St. Paul, MN	316,259

2008		2007	
Destination Airport	Passengers	Destination Airport	Passengers
Chicago, O'Hare	795,642	New York, LaGuardia	1,003,596
Atlanta, GA	776,303	Chicago, O'Hare	791,525
New York, LaGuardia	760,458	Atlanta, GA	791,071
Boston, MA	690,429	Boston, MA	786,946
Dallas/Ft. Worth, TX	452,014	Dallas/Ft. Worth, TX	445,836
Detroit, MI	391,503	Ft. Lauderdale, FL	405,878
Ft. Lauderdale, FL	391,001	Detroit, MI	402,347
Miami, FL	351,765	Miami, FL	376,605
Denver, CO	338,055	Orlando, FL	356,828
Orlando, FL	326,621	Denver, CO	316,885

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. DOT, DB1B database, via Diio online portal.

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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.

2016		2015		2014		2013	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	815,488	San Francisco, CA	803,235	Los Angeles, CA	822,948	Los Angeles, CA	835,895
San Francisco, CA	774,931	San Francisco, CA	787,614	San Francisco, CA	812,980	San Francisco, CA	809,625
London, Heathrow	445,207	London, Heathrow	448,828	London, Heathrow	455,181	London, Heathrow	481,089
Denver, CO	442,756	Denver, CO	392,909	Denver, CO	374,384	Denver, CO	350,647
Orlando, FL	352,138	Orlando, FL	344,595	Boston, MA	267,014	Boston, MA	291,033
Atlanta, GA	341,711	Atlanta, GA	318,188	Atlanta, GA	266,181	Atlanta, GA	243,826
Seattle, WA	250,301	Las Vegas, NV	282,630	Orlando, FL	259,000	Chicago, O'Hare	236,008
Boston, MA	248,884	Boston, MA	246,783	Chicago O'Hare, IL	236,643	Dallas/Fort Worth, TX	217,767
Las Vegas, NV	241,729	Chicago O'Hare, IL	245,335	Dallas/Fort Worth, TX	196,885	Orlando, FL	212,326
San Diego, CA	230,623	San Diego, CA	241,795	Paris, De Gaulle	194,293	Paris, De Gaulle	211,338

2012		2011		2010		2009	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
San Francisco, CA	808,779	Los Angeles, CA	847,686	Los Angeles, CA	848,814	Los Angeles, CA	873,918
Los Angeles, CA	783,603	San Francisco, CA	815,813	San Francisco, CA	806,058	San Francisco, CA	733,077
London, Heathrow	522,592	London, Heathrow	483,574	Boston, MA	506,669	Orlando, FL	477,197
Denver, CO	320,527	Orlando, FL	380,384	Orlando, FL	449,486	Boston, MA	465,043
Orlando, FL	294,831	Boston, MA	357,564	London, Heathrow	396,859	London, Heathrow	419,241
Boston, MA	286,600	Denver, CO	343,145	Denver, CO	338,793	Atlanta, GA	338,386
Atlanta, GA	280,040	Atlanta, GA	302,228	Atlanta, GA	311,385	Denver, CO	306,213
Paris, De Gaulle	268,740	Paris, De Gaulle	232,914	Las Vegas, NV	260,038	Las Vegas, NV	256,342
Chicago, O'Hare	221,285	Las Vegas, NV	232,451	Dallas/Ft. Worth, TX	225,741	San Diego, CA	229,424
Chicago, Midway	199,097	San Diego, CA	221,778	San Diego, CA	225,159	Dallas/Ft. Worth, TX	218,505

2008		2007	
Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	848,158	Los Angeles, CA	662,379
San Francisco, CA	654,212	Orlando, FL	614,422
Orlando, FL	583,915	Boston, MA	521,726
Boston, MA	489,643	San Francisco, CA	476,747
London, Heathrow	422,970	London, Heathrow	458,716
Atlanta, GA	369,003	Atlanta, GA	434,931
Denver, CO	353,317	Las Vegas, NV	403,789
Las Vegas, NV	312,148	Denver, CO	357,104
San Diego, CA	281,208	San Diego, CA	310,929
Tampa, FL	260,788	Oakland, CA	297,854

Domestic Source: U.S. DOT, DB1B database, via Diio online portal.

International Source: MIDT via Sabre Global Demand Data (GDD), 12 months ending December of 2005-2016, preliminary data.

Exhibit S-37 – AIRLINE TENANTS – BOTH AIRPORTS

As of December 31, 2016

Reagan National	Dulles International	
Signatory Airlines	Signatory Airlines	Non-Signatory Airlines
Air Canada	Aer Lingus	Aeroflot
Air Wisconsin Airlines	Air Canada	Aeromexico
Alaska Airlines	Air China	Omni Air International
American Airlines	Air France	Southern Airways International
Compass Airlines	Air Georgian	
Delta Airlines	Air Wisconsin	
Endeavor Air	Alaska Airlines	
Envoy Air	All Nippon Airways	
ExpressJet Airlines	American Airlines	
Frontier Airlines	Austrian Airlines	
GoJet Airlines	Avianca Airlines	
Jazz Aviation LP	British Airways	
Jet Blue Airways Corp	Brussels Airlines	
Mesa Airlines	CommutAir	
Piedmont Airlines	Compass Airlines	
PSA Airlines	COPA Airlines	
Republic Airlines	Delta Airlines	
Shuttle America	Emirates Airlines	
Sky Regional Airlines	Endeavor Air, Inc.	
SkyWest Airlines	Ethiopian Airlines	
Southwest Airlines	Etihad Airways	
MN Airlines (DBA Sun Country Airlines)	ExpressJet Airlines	
Trans States Airlines	Federal Express	
United Airlines	Frontier Airlines	
Virgin America, Inc.	GoJet Airlines	
	Icelandair	
	Jet Blue Airways Corp	
	KLM Royal Dutch Airlines	
	Korean Air	
	LATAM	
	Lufthansa German Airlines	
	Mesa Airlines	
	Mountain Air Cargo	
	Piedmont	
	Porter Airlines	
	PSA	
	Qatar Airways	
	Republic Airlines	
	Royal Air Maroc	
	Saudi Arabian Airlines	
	Scandinavian Airlines	
	Shuttle America	
	Silver Airways	
	Sky West	
	South African Airways	
	Southwest Airlines	
	TACA International Airlines	
	Trans States Airlines, Inc.	
	Turkish Airlines	
	United Airlines	
	United Parcel Service	
	Virgin America, Inc.	
	Virgin Atlantic Airways Ltd.	

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

Source: Airports Authority Records

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Exhibit S-38 – NON-AIRLINE TENANTS – REAGAN NATIONAL

As of December 31, 2016

Reagan National		
<p><u>Retail</u> America! Brighton Brooks Brothers Capital Image Fine Leather Works Fort America, Inc. InMotion Entertainment I Relax and Massage iTravel2 Johnston & Murphy Lacoste Landau National Treasures Pen & Prose Boutique Smithsonian Institution Spanx Sunglass Hut International Tumi Uniquely DC Vineyard Vines XpresSpa</p> <p><u>Newsstands</u> CNBC News Forbes Hudson News NBC4 Washingtonian</p> <p><u>Duty Free</u> Dulles Duty Free LLC</p> <p><u>Foreign Currency</u> ICE Currency Services</p> <p><u>Fixed Based Operators</u> Signature Flight Support</p> <p><u>Parking Managed by:</u> Five Star U Street Metropolitan Washington Airport Parking</p> <p><u>Parking Shuttle Managed by:</u> Five Star U Street Metropolitan Washington Airport Parking</p> <p><u>Inflight Kitchens</u> Sky Chefs, Inc.</p>	<p><u>Food and Beverage</u> &Pizza American Tap Room Ben's Chili Bowl Big Bowl Boar's Head Delicatessen Bracket Room/Green Beans Coffee Cava Mezza Cibo Bistro & Wine Bar Cibo Express Gourmet Cosi CTY Custom Burger DCA Bistro District Bar Dunkin Donuts El Centro D.F. Five Guys Georgetown Gourmet Market Good Stuff Eatery Grille District Kapnos Taverna Lebanese Taverna Legal Sea Foods Lickety Split Magic Pan Matsutaki Sushi May Vending Company Page Pinkberry Qdoba Mexican Grill Reservoir Sam and Harry's Say Si Bon Gourmet Sip Munch & More Starbucks Tagliare Taylor Gourmet U Street Pub Washington Pour Bar Wow Bau Hot Asian Buns</p> <p><u>Advertising</u> In-Ter-Space Services, Inc.</p> <p><u>Services</u> AC Holdings, Inc.(CNN) Alclear, LLC C&P Shoeshine Capital One Bank Kiko's Shoeshine Pacific Telemanagement Services Smarte Carte Inc. VIP Shoeshine</p> <p><u>Rental Cars</u> Advantage Rent A Car Avis Rent -A-Car Systems Budget Rent-A-Car DTG Operations Enterprise Leasing Hertz Rent-A-Car Vanguard Car Rental</p>	<p><u>Ground Transportation</u> Challenger Transportation, Inc. Hotel Shuttles Limousine Operators Lyft, Inc. Rasier LLC (Uber) Technical and Professional Services The Airport Shuttle, Inc. Washington Shuttle, Inc. (Super Shuttle)</p> <p><u>Commercial Aviation Services</u> ABM Janitorial Services-Northeast, Inc. Aircraft Service International Group, Inc. Airline Tech Reps (STS Line Maintenance) Airport Terminal Services Airway Cleaners, LLC Air Serv Corporation Allied Aviation Fueling of National Airport American Sales & Management Avdyne AeroServices, LLC DAL Global Services, LLC Elite Line Services, LLC First Transit, Inc. G2 Secure Staff, LLC Huntleigh USA Corporation Inland Technologies Oxford Airport Technical Services PrimeFlight Aviation Services, Inc. Readyjet, Inc. Swissport USA, Inc. Ultimate Aircraft Deicing Corp. Worldwide Flight Services, Inc.</p> <p><u>Other Airport Tenants</u> Aeronautical Radio, Inc. Air General American Airlines Federal Credit Union BMG Consulting Services Concessions International/MBC Concessions DC Provisions, LLC Drug Enforcement Administration Eastern Industrial Maintenance, Inc. Federal Aviation Administration Federal Bureau of Investigation General Services Administration Gulf Coast Real Estate Consultants Marketplace Development MorphoTrust USA Nextel Communications of the Mid-Atlantic Pleasant News at DCA, LLC Riva Networks, Inc. Transportation Security Administration University of District of Columbia US Coast Guard Air Station</p>


Source: Airports Authority Records

Exhibit S-39 – NON-AIRLINE TENANTS – DULLES INTERNATIONAL

As of December 31, 2016

Dulles International		
<p><u>Retail</u> America! Bluewire DC. LLC Burberry Cacao Factory, LLC Coach Erwin Pearl Estee Lauder Fine Leather Works Flag World Flagland International GenX Wireless InMotion Entertainment I Relax-n-Massage iTravel 2 iWireless Shop, LLC Kiehl's Landau L'Occitane Michael Kors Montblanc See's Candies Souvenir Library Swarovski Thomas Pink Travel Well, Inc. Tumi Uniquely DC Vera Bradley Vineyard Vines Virginia Cacao Factory Zoom Systems-Best Buy</p> <p><u>Newsstands</u> Capitol City Ink Forbes Hudson News NBC4 Stellar News Washington Informer Washingtonian</p> <p><u>Duty Free</u> Dulles Duty Free, LLC</p> <p><u>Services</u> AC Holdings, Inc. (CNN) Alclear, LLC Be Relax Capital One Bank Marriott Hotel at Dulles Pacific Telemanagement Services Pena Shoeshine Professional Leather Care Smarte Carte, Inc. Sunoco Gas Station</p> <p><u>Foreign Currency</u> ICE Currency Services</p> <p><u>Parking Managed by:</u> Five Star U Street Metropolitan Washington Airport Parking</p> <p><u>Parking Shuttle Managed by:</u> Five Star U Street Metropolitan Washington Airport Parking</p>	<p><u>Food & Beverage</u> &Pizza American Tap Room Au Bon Pain Auntie Anne's Pretzels Bar Symon Be Right Burger Bistro Atelier Bracket Room Capitol Grounds Carrabba's Chef Geoff's Chipotle Mexican Grill Cosi DC-3 Hot Dog Joint DC Craft & Brews District Chop House Dulles Gourmet Market Dunkin Donuts Firkin and the Fox Five Guys Luv'nBerry Max & Erma's Moe's Grill & Bar Potbelly Sandwich Works Smashburger Starbucks Subway The Kitchen by Wolfgang Puck Vino Volo Wendy's</p> <p><u>Advertising</u> In-Ter-Space Services, Inc.</p> <p><u>Rental Cars</u> Advantage Rent-A-Car Avis Rent-A-Car Systems Budget Rent-A-Car DTG Operations Enterprise Leasing Hertz Rent-A-Car Vanguard Car Rental USA</p> <p><u>In-flight Kitchens</u> Flying Food Group, LLC Gate Gourmet International Sky Chefs, Inc.</p> <p><u>Fixed Based Operators</u> IAD DC Holdings, LLC Signature Flight Support</p> <p><u>Ground Transportation</u> Capital Executive Limousine Challenger Transportation Checker Airport Taxi, Inc. Supreme Airport Shuttle Dulles Airport Taxi Hotel Shuttles Limousine Operators Lyft Inc. Raiser, LLC (Uber) Regency Cab Technical and Professional Services, Inc. The Airport Shuttle Washington Shuttle, Inc. (Super Shuttle)</p>	<p><u>Commercial Aviation Services</u> Air General Air Serv Corporation Aircraft Services Int'l AvDyne Aero Services, LLC Cargo Airport Services Delta Airline Global Services FlightCheck Comm. Aviation Services G2 Secure Staff Global Aviation Services, LLC Ground Services International, Inc. Huntleigh Corporation Swissport Fueling, Inc. Swissport USA, Inc. Tug Technologies Corporation Worldwide Flight Services, Inc.</p> <p><u>Other Airport Tenants</u> ACT Cargo (USA), Inc. Adesa AECOM Technology Corporation Airline Tariff Publishing Company Airschott, Inc. AMB/AFCO Cargo IAD, LLC Aviation Facilities Company Concessions International Drug Enforcement Administration Dulles East- MWAA Eastern Industrial Maintenance, Inc. Federal Aviation Administration Federal Republic of Germany General Services Administration Globe Air Cargo, Inc. Gulf Coast Real Estate Consultants, LLC Heavyweight Air Cargo Host International, Inc. IAD Fuels, LLC Inland Technologies International IOM (International Org. for Migration) Jet Airways of the U.S. John S. Connor, Inc. Landow Aviation Limited Partnership Livingston International Tech. Services Corp. Lufthansa Cargo AG Marketplace Development MorphoTrust USA, Inc. Network Management Corporation Nextel Communications of the Mid-Atlantic Nicoya Trucking Platinum Air Cargo USA, LLC Pollo Real Quality Pipe Cleaning Co., Inc. Qwest Sealtec, LLC Swissport North America, Inc. The Smithsonian Institution Transportation Security Administration Triad International Maintenance Corp. U.S. Postal Service UPS Supply Chain Solutions V-Dulles West, LLC Verizon South, Inc.</p>

Source: Airports Authority Records



2016 Comprehensive Annual Financial Report

Reagan National Airport Celebrates 75 Years Serving the National Capital Region

Ronald Reagan Washington National Airport is rich in historical significance. 'National Airport' opened for business on June 16, 1941. Seventy-five years later, the airport is a bustling aviation hub for travelers who are journeying to or from the nation's capital. Serving more than 20 million passengers and nearly 850 flights daily, the airport is poised for continued success in coming years. The airport's popularity has led to increased passenger traffic, prompting the need to build a new concourse in the near future to accommodate the growth. Reagan National Airport celebrated its 75th Anniversary in 2016.



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

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