

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2019 **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Years Ended December 31, 2019 and December 31, 2018



**METROPOLITAN
WASHINGTON
AIRPORTS AUTHORITY**

Dulles Corridor Metrorail

Reagan National Airport

Dulles International Airport

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, 2019 and DECEMBER 31, 2018**

BOARD OF DIRECTORS

as of December 31, 2019

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Jerome L. Davis, Executive Vice President and Chief Revenue Officer
Andrew T. Rountree, CPA, Senior Vice President for Finance and Chief Financial Officer
Monica R. Hargrove, Vice President and Secretary
Alan Davis, Vice President for Audit

Prepared by the Office of Finance

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

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METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Comprehensive Annual Financial Report
For the Fiscal Years Ended
December 31, 2019 and December 31, 2018**

Table of Contents

INTRODUCTORY SECTION (unaudited)

Transmittal Letter 1
2018 Certificate Of Achievement For Excellence In Financial Reporting21
Organizational Chart.....22

FINANCIAL SECTION

Report Of Independent Auditor.....23
Management’s Discussion And Analysis (Unaudited)25

Basic Financial Statements

Statement Of Business-Type Activities48
Statement Of Net Position.....48
Statement Of Revenues, Expenses And Changes In Net Position52
Statement Of Cash Flows54
Fiduciary Component Units.....58
Statement Of Fiduciary Net Position58
Statement Of Changes In Fiduciary Net Position59

Notes to Financial Statements

1. Summary Of Significant Accounting Policies.....61
2. Implementation Of GASB 83, GASB 84, GASB 88 And GASB 9075
3. Airport Use Agreement And Premises Lease.....75
4. The Dulles Toll Road And Construction Of The Dulles Metrorail Project.....79
5. Deposits And Investments81

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

6. Accounts Receivable.....	92
7. Pension Plans And Deferred Compensation Plan.....	93
8. Other Post-Employment Benefits.....	105
9. Changes In Capital Assets.....	114
10. Accounts Payable.....	116
11. Lease Commitments.....	116
12. Changes In Long-Term Non-Debt Liabilities.....	117
13. Accounting And Financial Reporting For Derivatives.....	118
14. Capital Debt.....	121
15. Net Position.....	134
16. Aviation Enterprise Fund Revenues.....	138
17. Government Grants.....	139
18. Passenger Facility Charges.....	143
19. Risk Management.....	143
20. Other Commitments And Contingencies.....	144
21. Litigation.....	145
22. Subsequent Events.....	146

REQUIRED SUPPLEMENTAL INFORMATION (unaudited)

Schedule 1 – Changes In Net Pension Liability (Asset) And Related Ratios.....	148
Schedule 2 – Schedule Of Contributions For Defined Benefit Pension Plans.....	150
Schedule 3 – Schedule Of Expected Rates Of Return For Defined Benefit Pension Plans.....	152
Schedule 4 – Schedule Of Employer Contributions – U.S. Government Pension Plans.....	153
Schedule 5 – Changes In Net OPEB Liability (Asset) And Related Ratios.....	154
Schedule 6 – Schedule Of Contributions For OPEB Plans.....	155
Schedule 7 – Schedule Of Expected Rates Of Return For OPEB Plans.....	157

SUPPLEMENTAL INFORMATION (unaudited)

Schedule 8 – Pension And Other Post-Employment Benefit Trust Funds Combining Statement Of Plan Net Position	158
Schedule 9 – Pension And Other Post- Employment Benefit Trust Funds Combining Statement Of Changes In Plan Net Position.....	160

STATISTICAL SECTION (unaudited)

Exhibit S-1 – Components Of Net Position.....	166
Exhibit S-2 – Revenues, Expenses And Changes In Net Position	167
Exhibit S-3 – Operating Expenses By Business Unit	168
Exhibit S-4 – Operating Revenues By Business Unit	169
Exhibit S-5 – Operating Revenues – Reagan National	170
Exhibit S-6 – Operating Revenues – Dulles International	171
Exhibit S-7 – Rates And Charges.....	172
Exhibit S-8 – Concession Revenues And Enplanements – Reagan National	173
Exhibit S-9 – Concession Revenues And Enplanements – Dulles International	174
Exhibit S-10 – Dulles Toll Road Transactions And Revenues.....	175
Exhibit S-11 – Dulles Toll Road Monthly Transactions And Revenues	176
Exhibit S-12 – Top 10 Payors.....	177
Exhibit S-13 – Debt Service Coverage – Aviation Enterprise Fund.....	178
Exhibit S-14 – Debt Service Coverage – Dulles Corridor Enterprise Fund.....	180
Exhibit S-15 – Debt Service Requirements By Enterprise Fund	182
Exhibit S-16 – Ratios Of Outstanding Debt	183
Exhibit S-17 – Airport Information	184
Exhibit S-18 – Dulles Toll Road Information.....	186
Exhibit S-19 – Employment By Industry	187
Exhibit S-20 – Major Private Employers	188

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-21 – Population Trends.....	189
Exhibit S-22 – Airports Authority Employee Strength	190
Exhibit S-23 – Aircraft Operations By Airport – Reagan National.....	191
Exhibit S-24 – Aircraft Operations By Airport – Dulles International.....	192
Exhibit S-25 – Commercial Passenger Enplanements.....	194
Exhibit S-26 – Market Share By Landed Weight – Reagan National	196
Exhibit S-27 – Market Share By Landed Weight – Dulles International.....	198
Exhibit S-28 – Market Share By Passenger Enplanements – Reagan National.....	200
Exhibit S-29 – Market Share By Passenger Enplanements – Dulles International.....	202
Exhibit S-30 – Market Share By Passenger Enplanements – Both Airports.....	204
Exhibit S-31 – Market Share By Enplaned Cargo Weight – Reagan National.....	206
Exhibit S-32 – Market Share By Enplaned Cargo Weight – Dulles International	208
Exhibit S-33 – Passenger Facility Charges By Airport	210
Exhibit S-34 – Top 30 Passenger Origination And Destination Markets In 2019 – Reagan National.....	211
Exhibit S-35 – Top 30 Passenger Origination And Destination Markets In 2019 – Dulles International.....	212
Exhibit S-36 – Top 10 Passenger Origination And Destination Markets – Reagan National.....	213
Exhibit S-37 – Top 10 Passenger Origination And Destination Markets – Dulles International.....	214
Exhibit S-38 – Airline Tenants – Both Airports.....	215
Exhibit S-39 – Non-Airline Tenants – Reagan National	216
Exhibit S-40 – Non-Airline Tenants – Dulles International	217

April 17, 2020

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

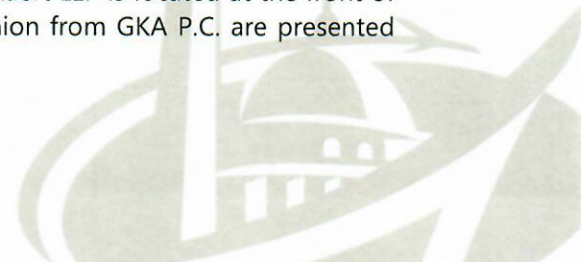
The Comprehensive Annual Financial Report (CAFR) of the Metropolitan Washington Airports Authority (the Airports Authority) for the years ended December 31, 2019 and 2018 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the 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 by the Office of Finance 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 controls. The concept of reasonable assurance is based on the recognition that the cost of a system of internal controls 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*.

The Airports Authority retained the firms of Cherry Bekaert LLP, GKA P.C. and SB & Company, LLC 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 a separate cover. Management's discussion and analysis (MD&A) immediately follows the report of the independent auditor 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.

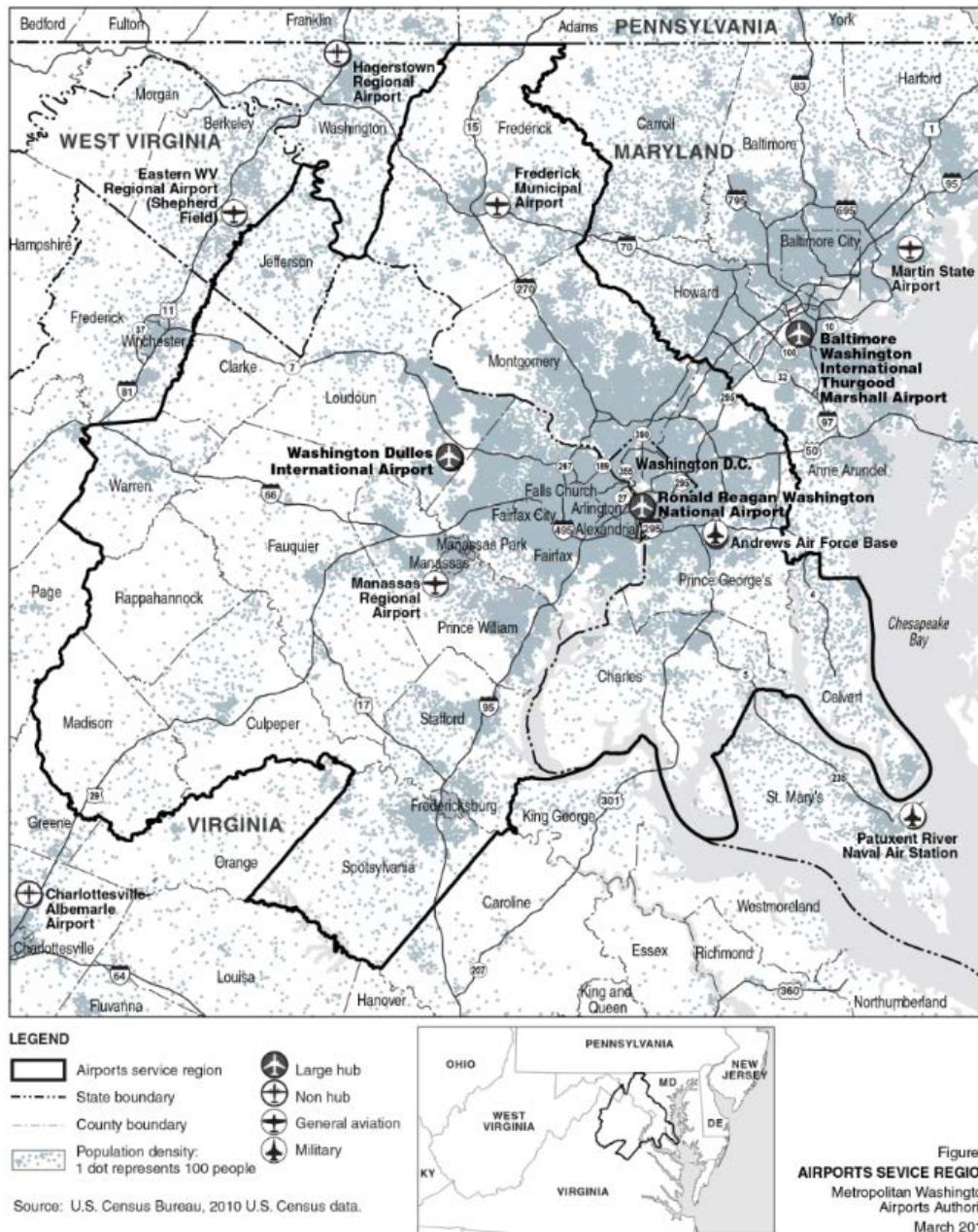
Pursuant to the Master Transfer Agreement, dated December 29, 2006 and effective November 1, 2008, the Virginia Department of Transportation (VDOT) granted a permit for the operation and maintenance of the Dulles Toll Road to the Airports Authority for a term of 50 years. As part of the agreement with 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 policies 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, 2019, the three Federal appointments were 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 Airports Service Region 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 operations of the Airports Authority are not taxpayer-funded, with the exception of a discretionary grant of \$50.0 million from the Commonwealth, \$25.0 million of which was applicable to 2017, and \$25.0 million of which was applicable to 2018.

Airports Service Region



Reagan National, which opened for service in 1941, completed its 78th year of operation in 2019. It is located in the southwest of Washington, D.C. approximately three miles from downtown, on approximately 860 acres along the Potomac River in Arlington County, Virginia. It is the longest operating commercial airport serving the Airports Service Region. Reagan National is the Airports Authority's principal domestic air service airport and is accessible via Metrorail. There were 21 mainline and regional airlines serving Reagan National as of December 31, 2019, providing 293 thousand takeoffs and landings during the year. There are no significant cargo operations at Reagan National.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

Dulles International opened for service in 1962 and completed its 57th year of operation in 2019. It is situated on approximately 11,406 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 the 17-mile dedicated four-lane (two lanes in each direction) Dulles International Airport Access Highway and Interstate 66. Access from Washington, D.C. to Dulles International via Metrorail is anticipated in 2021. 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 63 domestic, international mainline and regional airlines serving Dulles International as of December 31, 2019, providing 285 thousand takeoffs and landings during the year. Dulles International also provides full-service facilities for the airlines' cargo operations. The cargo facilities are comprised of six buildings with approximately 552 thousand square feet of warehouse space which is leased by airlines, cargo handling agents and other aviation support companies. Cargo operations at Dulles International are a vital part of the regional economic engine for the Airports Service Region.

The Airports Authority's business relationship with the airlines operating at both Airports is governed by a formal negotiated Airport Use Agreement and Premises Lease (Use and Lease Agreement).

The current Use and Lease Agreement was approved by the Airports Authority's Board of Directors in November 2014 and became effective January 1st, 2015 for nearly all airlines providing service at the Airports. 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 the 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 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 2014-2016, 55 percent in 2017-2018 and 45 percent in 2019, to be retained by the Airports Authority for use in the following years),
- 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, \$15.9 million in 2015, \$16.1 million in 2016, \$16.4 million in 2017, \$16.0 million in 2018, \$16.2 million in 2019 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 was 35 percent. In fiscal years 2018 airline funded debt service coverage was 30 percent which will continue through 2023, and in the final year of the agreement 2024, debt service coverage funded by the airlines will be 25 percent).

The centerpiece of the current 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 is primarily debt funded. Additionally, the Airports Authority will seek available grants and authorization to impose and utilize Passenger Facility Charges (PFCs) at Reagan National to reduce debt related to the CCP during the term of the current Use and Lease Agreement.

Equally important, but smaller in scale, the Airline Use and Lease Agreement at Dulles International included a \$142 million three-year CCP (Dulles CCP) that provides 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 is 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 \$100.0 million in NRR in 2019, of which \$43.3 million will be credited to the airlines at Reagan National and \$25.0 million will be credited to airline supported cost centers at Dulles International to mitigate airline rates and charges in 2020. Dulles International generated \$208.3 million in NRR in 2019, of which \$144.1 million will be credited to the airlines at Dulles International in 2020. 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.

The Dulles Toll Road is an eight-lane (four lanes in each direction) limited-access highway 13.4 miles in length. It was constructed 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. Since assuming responsibility in 2008, the Airports Authority Board of Directors approved toll rate increases effective January 1st in the years 2010 through 2014 and 2019. All toll rate increases for the Dulles Toll Road followed a public comment period that included public hearings. The new toll rates in effect on January 1st, 2019 fulfill the Airports Authority's commitment to operate and maintain the Dulles Toll Road and to construct the Dulles Metrorail Project, also known as the Silver Line. On January 1st, 2019 the rates were increased from \$2.50 to \$3.25 at the main toll plaza, and from \$1.00 to \$1.50 on ramps.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

The Dulles Toll Road has 59 toll collection lanes, including 32 E-ZPass-only collection lanes. All tollbooths are equipped with E-ZPass, an electronic toll collection system accepted in 17 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 direct access 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 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 Phase 1 of the Silver Line opened for passenger service on July 26, 2014.

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

The capitalized cost of the asset for Phase 1 (\$3.31 billion) as of December 31, 2019 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 2021. The actual passenger service date will be determined by WMATA. The Metrorail cars associated with Phase 2 are complete and the Airports Authority transferred capitalized costs for the cars of \$134.4 million to WMATA as of December 31, 2019.

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 Dulles 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, 2019, the design work is completed, and construction is near completion. The Dulles Metrorail Project is scheduled for completion in 2021.

OUR BUSINESS

<p>100 Million+ Trips a year</p> <p> 50 Million Air</p> <p> 50 Million Dulles Toll Road</p>	<p> 1,800+ Employees</p>	<p></p> <p>2019 Innovation Recognition</p> <p>AAAE most innovative airport</p> <p>Digital Edge 50 award</p> <p>South by SW Interactive Innovation finalist</p>
<p>\$6 Billion Value of construction projects underway</p>	<p>13,000 Acres of airport property</p>	
<p>47.5 Million+  Passengers welcomed at Reagan National and Dulles International Airports</p>		

COMMUNITY PARTNERSHIPS AND AFFILIATIONS

The Airports Authority is affiliated with more than 40 business groups, trade associations and civic organizations working with them on issues affecting the Greater Capital Region. These groups, along with the business community and state, federal and local governments, are key partners in working toward our shared goals for the betterment of the region. The Airport Authority’s partners include the Washington Airports Task Force, Greater Washington Board of Trade, the Aero Club of Washington and Chambers of Commerce in several jurisdictions including the Northern Virginia Chamber (Fairfax County), the Dulles Area Chamber, and chambers in cities such as Reston and Alexandria, Virginia, and counties including Arlington and Loudoun. The Airports Authority is also affiliated with organizations such as the Hispanic Chamber and other business organizations representing ethnic communities across the region.



SERVING OUR PASSENGERS

Dulles International and Reagan National Airports were part of the journey of almost 50 million passengers in 2019. The needs of our passengers continue to evolve, and the Airports Authority strives to stay aligned and ahead through passenger feedback, investment in amenities and innovation. In 2019, over 400,000 customer feedback data points were collected through digital surveys, websites and in-airport kiosks. This data was analyzed and used to resolve real-time issues, prioritize investments and provide insights to our airport partners such as government agencies and concessionaries on their interactions with airport customers.

The airport teams strive to provide an amazing experience for passengers with a wide range of needs including the following:

- Award winning nursing mother facilities
- Pet relief areas
- Interfaith chapels
- State-of-the art free Wi-Fi
- A variety of dietary options available at concessions
- Travelers Aid volunteers and Airport Ambassadors
- Wheelchair services
- ADA-accessible taxis
- Children’s play area
- Information on airport websites available in ten languages



FISCAL YEAR 2019 HIGHLIGHTS

The year of 2019 was one of substantial growth, transformation and success for the Airports Authority.

Effective January 1, 2019, the toll rate for passenger vehicles on the Dulles Toll Road increased to \$3.25 at the main toll plaza, and \$1.50 on ramps. The 2019 toll increase was approved by the Metropolitan Washington Airports Authority Board of Directors following a public comment period in 2018 that included three public meetings throughout the Dulles Corridor and an online forum. The rate adjustments are necessary for the Airports Authority to fulfill its commitment to operate and maintain the Dulles Toll Road and to construct the Dulles Metrorail Project. That commitment is contained in agreements with the Commonwealth and local governments in Northern Virginia, and is based in substantial part on the parties' agreement that funding for the Dulles Metrorail Project is to come from Dulles Toll Road revenues, as well as contributions by the federal government, the Commonwealth, Fairfax and Loudoun counties, and the Airports Authority. Under its agreement with the Commonwealth, the Airports Authority assumed responsibility for the operation and maintenance of the Dulles Toll Road for a 50-year period beginning in November 2008.

In February 2019, nearly 70 executives from airports, airlines and other aviation-related businesses and government agencies gathered at Dulles International for an information session and live demonstration of the Airports Authority's newly developed veriScan facial-recognition technology for airport and airline security. The veriScan technology provides a way to process passengers for boarding flights, clearing security and other functions that is faster, more efficient and less expensive than other solutions currently on the market. Using proprietary software loaded on a portable tablet, veriScan encrypts and sends high-resolution photos of passengers boarding international flights to the U.S. Customs Traveler Verification Service for nearly instant identity verification. When integrated with airline boarding systems, veriScan further streamlines and expedites the boarding process by eliminating the need for boarding passes. The veriScan process fulfills congressionally mandated biometric exit requirements for international flights from the United States. Since its launch in July 2018, veriScan's functionality has been piloted in four airports with 27 airlines on 420 flights – processing more than 61,000 passengers with a successful first-time verification rate of more than 98.5 percent. Several airlines at Dulles International, including United Airlines, Air France-KLM, Scandinavian Airlines, Emirates and Cathay Pacific now use veriScan to expedite passenger verification on departing international flights. At Reagan National, JetBlue uses the system to expedite passenger boarding on their international flights to Nassau, Bahamas.

The Airports Authority engaged a commission to study the impact of its business activities on the local and regional economy. The study shows the Airports Authority's importance to the local and regional economies in terms of jobs, labor, income, visitor spending, and other areas. The study reviewed three general layers of economic contributions: economic, indirect and induced. The study also provided detail on the Airports Authority's economic output and Gross Domestic Product (GDP). The economic output is the total sum of a transaction as part of the economic process, and GDP is the value added. According to the study the Airports Authority supported more than 187,000 jobs and contributed \$23.6 billion to the National Capital Region's economy in 2017. The Airports Authority spent more than \$950 million during the year, 80 percent of which went to local businesses. Reagan National and Dulles International brought 8.4 million visitors to the National Capital Region from across the country and around the world, who spent about \$9 billion across the area on transportation, lodging, food, entertainment and shopping. If all its economic activity were combined into a single private-sector corporation, the Airports Authority would have ranked No. 123 on the Fortune 500 list for 2017, according to the study.

Reagan National's current facilities were designed to serve 15 million passengers per year, however more than 23.9 million passengers traveled through the airport in 2019, setting new records and straining the existing infrastructure. In response, the Airports Authority launched Project Journey in 2017, a \$1 billion investment to

transform the traveler experience inside terminals, at gates and along the roads. The result will provide passengers with greater connectivity, more shopping and dining choices and a more pleasant post-security environment.

Record passenger growth and consolidation in the airline industry led to the addition of outdoor regional aircraft parking positions at Reagan National accessed via buses departing from Gate 35X. The Airports Authority and American Airlines worked together to respond to customer feedback and improve the experience for regional aircraft passengers by designing and constructing a new 14-gate Concourse. The new concourse, a 225,000-square-foot building will be fully framed in steel and will have direct, enclosed access to planes via jet bridges, spacious hold rooms, new concessions and an American Airlines Admirals Club lounge. It will end the need for busing to and from the terminal. The concourse design includes architectural features consistent with Terminal B/C's exposed metal beams, glass walls and domed ceilings while maximizing open, navigable gate areas and panoramic views of downtown Washington, D.C. The new concourse is scheduled to open by the end of 2021.

Financial markets continued to provide unprecedented low interest rates in 2019, once again allowing the Airports Authority to take advantage of an opportunity to refinance its outstanding debt. The Airports Authority refunded a total of \$183.3 million of Airport System Revenue Bonds, resulting in \$32.3 million savings in 2019. Since 2010 the Airports Authority has issued \$3.5 billion of Airports System Revenue Refunding Bonds for a total net present value savings of \$535.9 million, or \$832.2 million in gross debt service savings for the Aviation Enterprise.

Refinancing opportunities were also realized for the Dulles Corridor Enterprise with the refunding of \$198.0 million of Dulles Toll Road Revenue Refunding Bonds which generated \$48.0 million in savings. Furthermore, the Airports Authority successfully issued \$1.4 billion of Dulles Toll Road Subordinate Lien Revenue and Refunding Bonds and received rating upgrades from S&P Global on all DTR debt liens. Bond proceeds from this transaction were used to repay the outstanding US DOT's Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan, which the Airports Authority obtained in 2014 to finance a portion of Phase 2 of the Dulles Corridor Metrorail Project.

The Airports Authority has been recognized in a number of ways for its top-quality facilities and services to the traveling public and its neighboring communities. In August 2019 the Airports Authority was honored by the Greater Washington Region Clean Cities Coalition with its annual Visionary Award, which is focused on the organization's efforts to minimize environmental impacts through initiatives that include electric vehicle charging stations, solar panels to produce some of its own electricity, encouraging the use of clean fuel vehicles on airfields, promoting public transportation, and requiring rental car contractors to include hybrid or electric vehicle charging stations in their fleets,

Several travel-related publications have ranked Reagan National and Dulles International among the best in the nation in several categories. The publication "The Points Guy" released its annual rankings in August 2019 for the nation's 50 largest airports. Dulles International ranked 19th overall with a ranking of 9th for amenities and a 10th for on-time flights. Reagan National ranked 29th overall and 4th for best commute time in getting to the airport. In another ranking by a group called "Upgraded Points", Dulles International ranked 2nd among the nation's 25 busiest airports for the shortest Transportation Security Administration (TSA) wait times. The average wait time at Dulles International is approximately 10 minutes.

The 27th annual Dulles Day and Plane Pull was held in September 2019 and raised approximately \$415,000 for the Special Olympics in Virginia. The event included several races, displays of aircraft and classic cars, activities for children and tours of Dulles International on mobile lounges, coupled with food, music and many other attractions.

Dominion Energy Virginia and the Airports Authority announced in October 2019 they will jointly explore the development of a large-scale 100-megawatt solar energy project on approximately 1,200 acres at Dulles International. Dominion Energy signed a sublease with the Airports Authority to begin feasibility studies for the project to move forward. Electricity generated from the solar project would connect to Dominion Energy's existing

transmission line located on Dulles International Airport property, delivering clean energy for residential and commercial customers. A solar project of this size could power 25,000 homes at peak output and would be one of the largest solar facilities in Northern Virginia, providing clean energy to the most populous region of the Commonwealth. On Sept. 18, 2019, Dominion Energy filed an application with PJM, the regional transmission organization that coordinates the electrical grid in all or parts of 13 states and the District of Columbia, to interconnect the project to the transmission grid. The new facility could come online as early as 2023 and is supportive of Dominion Energy's solar capital investment plan. This solar project would help meet Dominion Energy's goal to reduce carbon dioxide emissions 55 percent by 2030. This new solar project brings the company one-fourth of the way to its goal of having 3,000 megawatts of wind and solar in operation or under development by 2022.

THE AIRPORT SERVICE REGION'S ECONOMY

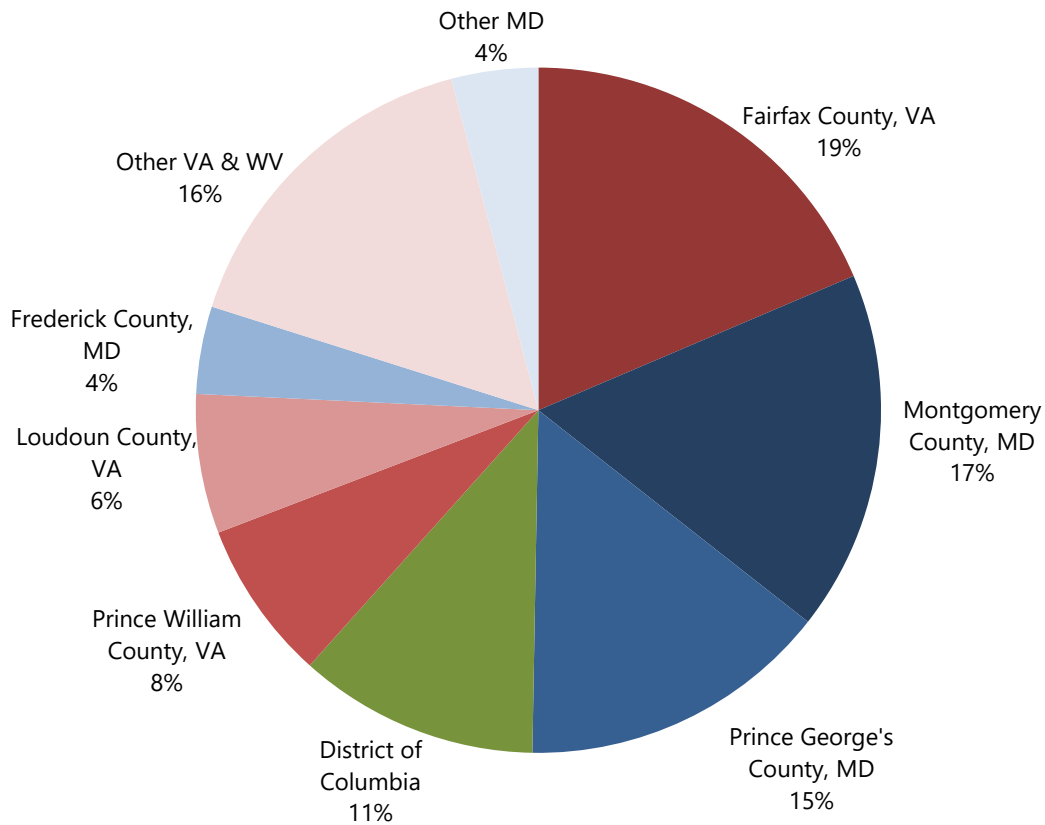
The Washington, D.C. economy has grown steadily for the past decade. According to the U.S. Bureau of Labor Statistics, Washington-Arlington-Alexandria was one of the nation's twelve largest metropolitan statistical areas in October 2019. All twelve areas had over-the-year job growth during the period, with the rates of job growth in seven areas (including Washington metro area) exceeding the national increase of 1.4 percent.¹ The Bureau's regional commissioner noted that the Washington area has had five consecutive over-the-year employment increases. The Airport Service Region is also home to numerous large and small private companies, including 16 *Fortune* 500® companies.² The IMF and World Bank have their headquarters here too, and lend an international element to the region. Among the region's locally headquartered Fortune 500 companies are defense contractors Lockheed Martin and General Dynamics, financial services companies including Capital One Financial, Fannie Mae, Freddie Mac and Booz Allen Hamilton and hoteliers Marriott International and Hilton Worldwide.

Amazon has filed development plans with Arlington County, Virginia for the inaugural phase of its second headquarters in Crystal City. Dubbed "HQ2" by the company and located in an area of Northern Virginia that the Seattle-based company and regional officials are branding as "National Landing". The project is expected to create at least 25,000 jobs over roughly the next decade and comprise upwards of 6 million square feet of office space by the mid 2030s.

¹ Source: U.S. Bureau of Labor Statistics
https://www.bls.gov/regions/mid-atlantic/news-release/areaemployment_washingtondc.htm

² Source: Fortune 500, 2019 <http://fortune.com/fortune500/list/>

**Airports Service Region
Population Concentration of 6.2 Million Residents
U.S. Census Bureau, 2019**

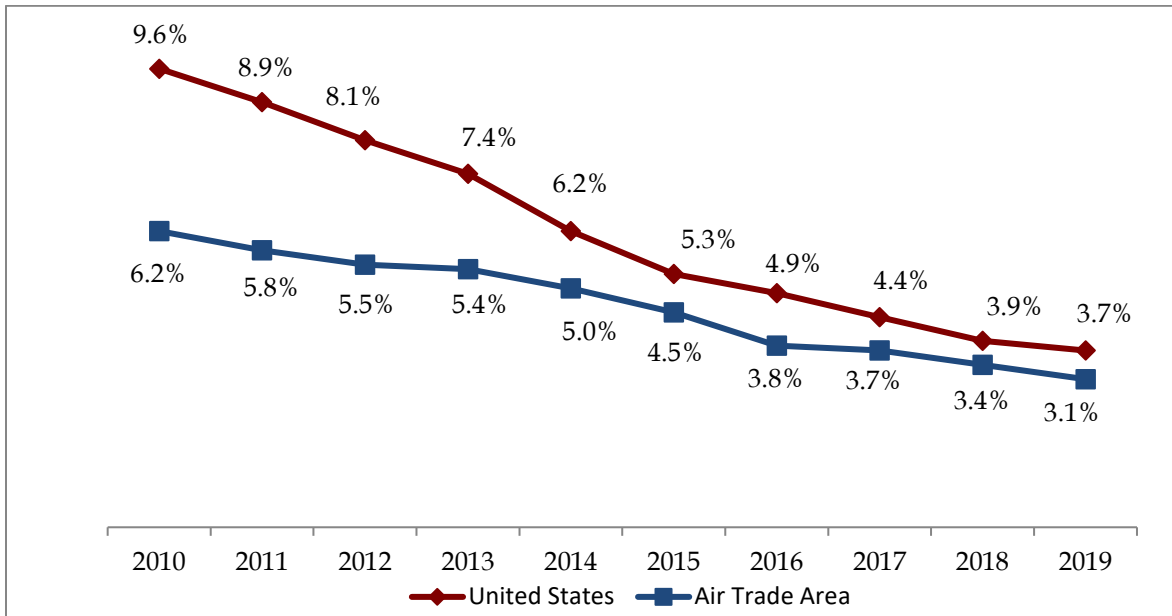


The population of the Airports Service Region has grown to over 6.2 million. The region has many inherent advantages relevant to its competitiveness in the global marketplace, most of which are rooted in Washington's status as the seat of the U.S. government. The region has an educated workforce, a positive entrepreneurial climate, international connectivity, excellent public transit, and Federal government access. Washington D.C. is very well established as a hub of government and tourism and has a strong technology infrastructure and entrepreneurial climate.³ The region had the 16th highest economic growth in the nation in 2019.⁴

³ Source: Center for Regional Analysis, George Mason University

⁴ Source: Policom Corporation Economic Strength Ranking, 2019 <https://policom.com/wp-content/uploads/2019-Economic-Strength-Rankings.pdf>

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



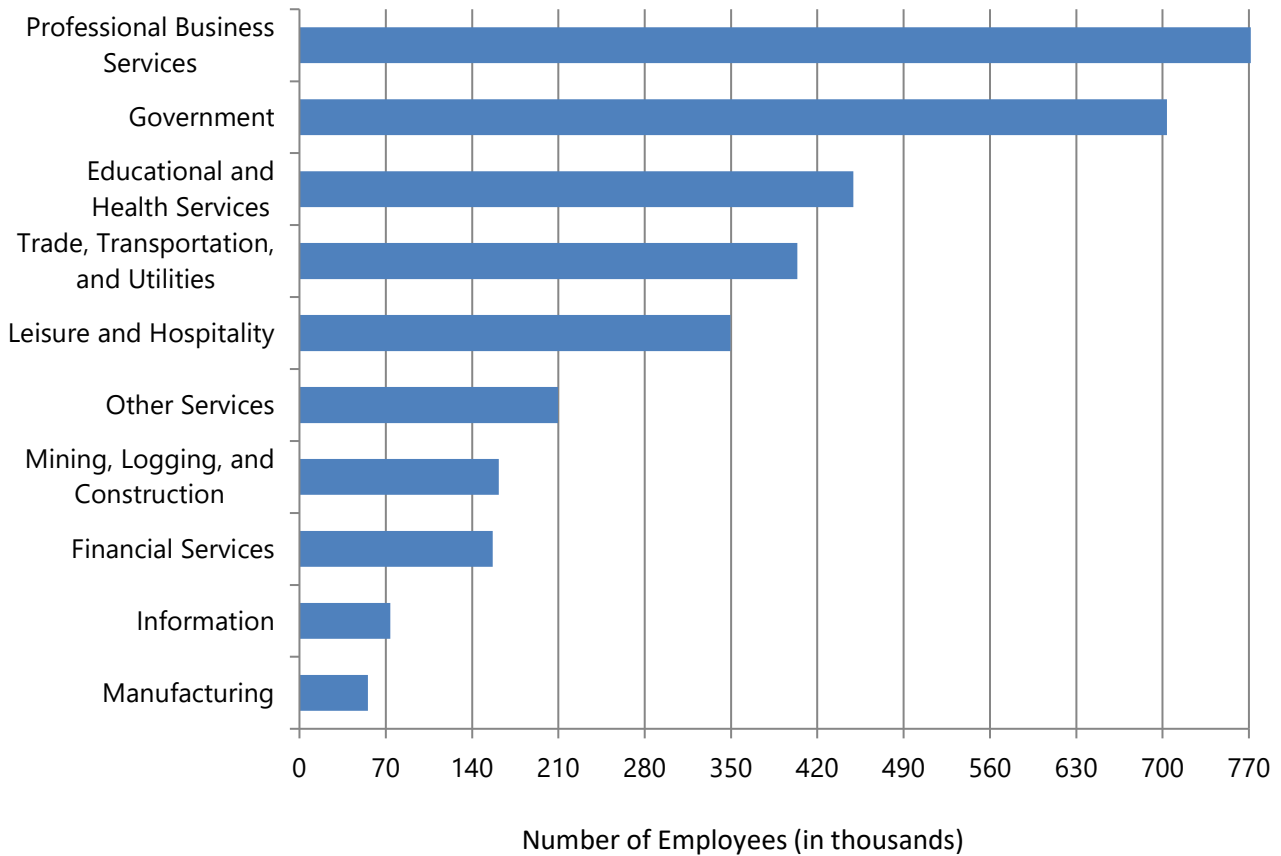
Over the years, the Airports Service Region has consistently had lower unemployment rates than the national average. Leisure and hospitality, and education and health services had the next largest over-the-year local job gains. The local rate of job growth in leisure and hospitality was more than double the 2.3 percent gain for the nation. Education and health services employment grew 2.2 percent in the Washington area, compared to 2.7 percent nationally.⁵ As of December 2019, the region’s average unemployment rate was 3.1 percent, lower than the U.S. average of 3.7 percent.⁶ The Airports Service Region boasts strong participation in professional business services; trade, transportation, and utilities; education and health services; and leisure and hospitality.⁷

⁵ Source: U.S. Bureau of Labor Statistics https://www.bls.gov/regions/mid-atlantic/news-release/areaemployment_washingtondc.htm

⁶ Source: State of the U.S. Labor Market: Bureau of Labor Statistics 2019 Jobs Release

⁷ Source: U.S. Department of Labor, Bureau of Labor Statistics

Airports Service Region Employment by Industry – 2019
Bureau of Labor Statistics



AIRPORTS AUTHORITY’S ECONOMIC ENVIRONMENT

AVIATION AND TOLL ROAD ACTIVITY

Reagan National

Activity at Reagan National increased slightly with total passengers of 23.9 million, representing a 1.8 percent increase from 2018 activity of 23.5 million due to slightly improved load factors and slightly larger aircrafts. Total aircraft operations at the Airport remained virtually flat with only a slight 0.4 percent decrease from 294 thousand operations in 2018 to 293 thousand operations in 2019 as a result of decreased weekend service to leisure destinations throughout the year.

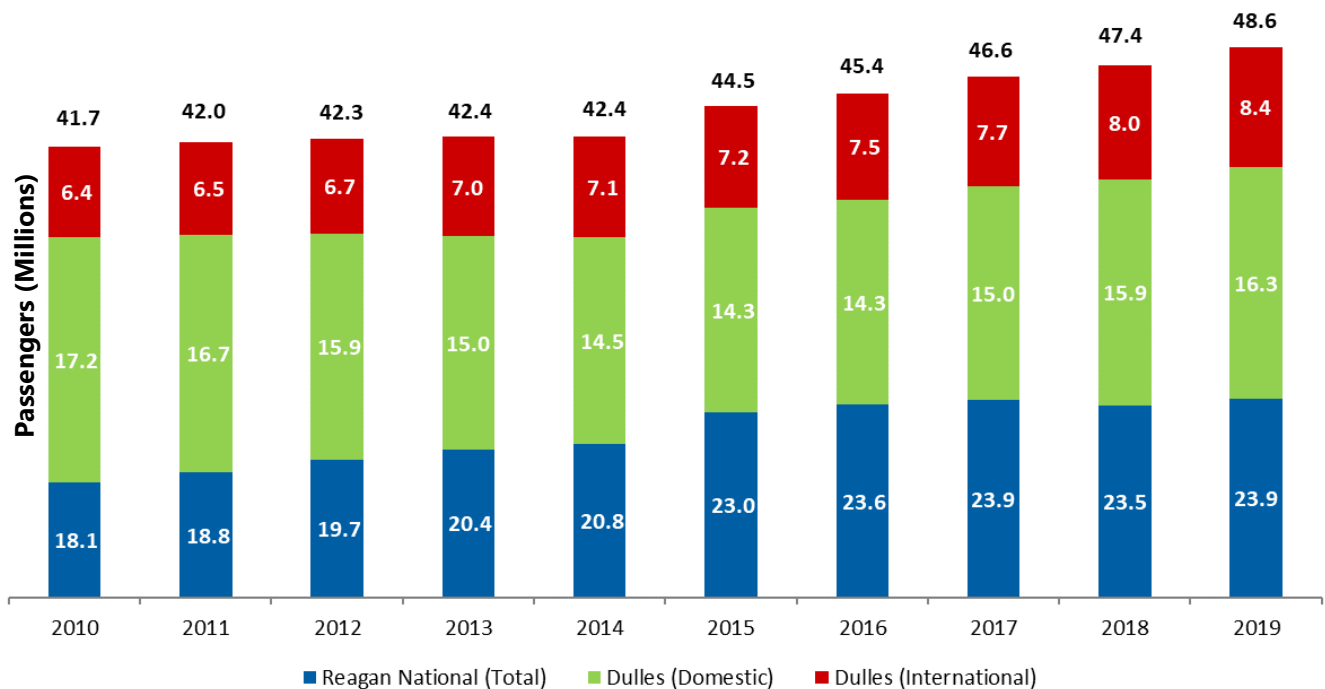
Dulles International

For the second consecutive year, Dulles International passenger activity exceeded that of Reagan National. Dulles International served 24.8 million passengers in 2019, a 3.0 percent increase over 2018 when the airport served 24.1 million passengers. Total aircraft operations at Dulles International in 2019 increased to 285 thousand operations, a 3.9 percent increase over 2018 when the airport experienced 274 thousand operations. In 2019 domestic enplaned and deplaned passenger traffic at Dulles International increased by 2.6 percent as a result of domestic capacity adjustments by United Airlines and service increases by Delta Air Lines. Meanwhile, international

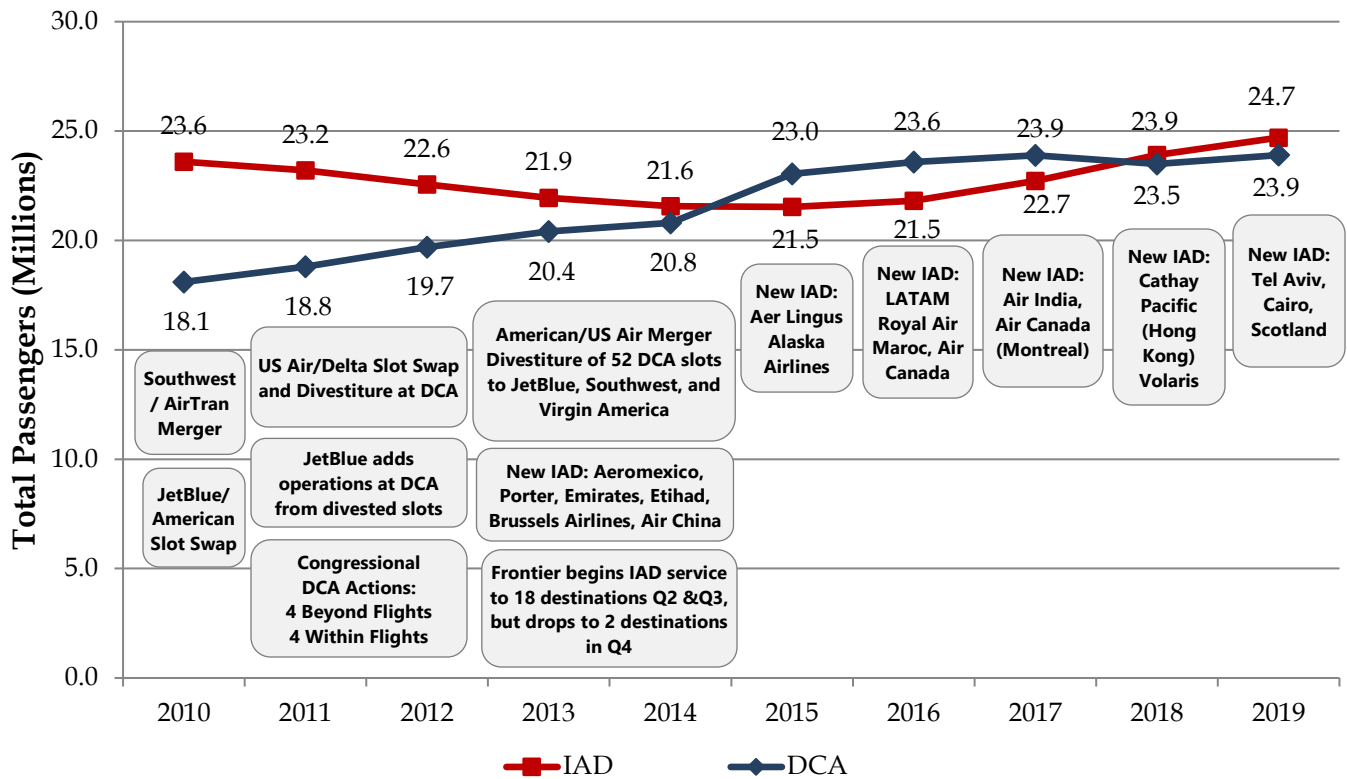
passenger traffic was up by 4.6 percent as international passenger activity reached an all-time high of 8.4 million in 2019, marking the 16th consecutive year of international passenger growth at Dulles International. As the region’s international gateway, Dulles International has continued to increase the number of destination offerings and attract new airlines over the years.

In 2019, Dulles International expanded service to three new international and nine new domestic destinations. New international markets included Tel Aviv, Israel, operated by United Airlines, Cairo, Egypt, operated by Egypt Air, and Sal, Cape Verde, operated by Cabo Verde Airlines. Increased service to existing international markets by new airlines included service to Rome, Italy, operated by Alitalia and service to Lisbon, Portugal, operated by TAP Air Portugal. In 2018, new international markets included Hong Kong, operated by Cathay Pacific, and Edinburgh, Scotland, operated by United Airlines.

Airports Authority System-Wide Passengers



Airports Authority Passenger Trends



Dulles International also provides full-service facilities for airline cargo operations. The cargo facilities are comprised of six buildings with over 552,000 square feet of warehouse and office space which is leased by airlines, cargo handling agents and other aviation support companies. Cargo operations at Dulles International are a vital part of the regional economic engine for the air trade industry.

Total air cargo tonnage, freight and mail at Dulles International were down 9.0 percent in 2019 over the previous year. International cargo was down 12.7 percent, domestic cargo declined by 2.5 percent, and total mail and express tonnage experienced a 32 percent decrease compared to last year. Overall, international exports from Dulles International decreased 15.3 percent and imports declined by 11.4 percent due to the softening of international demand and the trade war with China. Domestic outbound cargo declined by 0.1 percent and inbound decreased by 0.4 percent over last year.

Dulles Toll Road

The Dulles Toll Road processed an average of 7.6 million toll transactions per month in 2019 and 8.0 million toll transactions per month in 2018. Dulles Toll Road transactions totaled 91.0 million in 2019 compared to 96.3 million in 2018, a 5.6 percent decrease in activity. Dulles Toll Road revenue was \$197.4 million in 2019, a 30.4 percent increase from 2018. Revenue collections via electronic toll collection (E-Z Pass) increased from \$131.5 million in 2018 to \$174.3 million in 2019. The decrease in activity and increase in revenue was due to the toll rate increase in 2019.

Industry Outlook

These are unprecedented times for the aviation industry and COVID-19 is transforming the global aviation outlook. Airlines around the world are confronting the challenge of a sharp decline in demand. The collapse in demand has led major airlines worldwide to announce severe cost-cutting measures, request government assistance, and, in the case of certain airlines, reduce and/or cancel flights. Air transportation systems are critical for the vitality of economies, and how governments and airlines collectively manage both the crisis and recovery will set the future course of the industry for the foreseeable future. The International Air Transport Association (IATA) now predicts it could take passenger air travel demand anywhere from several months to two years to recover to 2019 levels. This depends on multiple factors including the speed of virus containment, when international borders are reopened, and a return to normal economic and social activity.

In March 2020, Moody's, S&P Global and Fitch Ratings revised their airport sector outlooks to negative due to the severe impact on the airline industry and restrictions on international travel related to the COVID-19 pandemic. Further, S&P Global and Fitch revised their outlooks on international gateway airport credits, including that of the Airports Authority, to negative. The sudden drop in airline traffic related to stay-at-home orders has led to record lows in enplanement activity nationwide, as both business and leisure air travel have been affected. While many airports entered the crisis in a position of strength, Moody's expects that many will have to use their liquidity to provide relief to airlines and other tenants in the short-term. S&P Global recognizes that federal stimulus aid will offset pressure on airport operators, however due to the unknown duration of the pandemic and related travel restrictions, the aviation industry may face a potentially lengthy recovery period.

Also, in March 2020, Moody's revised its outlook for the toll road sector to negative and S&P Global revised the outlook on nearly all long-term toll road debt ratings to negative due to the severe impacts being realized to transportation infrastructure as a result of the COVID-19 pandemic. Unprecedented measures including telework, school closures and restrictions on social gatherings have had significant impacts across all transportation sectors. While both, commercial and passenger traffic have been affected, commercial traffic in support of the movement of cargo and online shopping, as well as the continued mobility of medical and other essential personnel may offset some of the losses experienced. Moody's expects that most toll roads have the liquidity and resiliency to manage to absorb the traffic and revenue shock caused by the pandemic and will experience a slow but steady recovery once restrictions are lifted.

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.

Aviation Enterprise Fund

In 2019, 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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

to maximize the Airports competitive position. The Airports Authority's 2019 Budget reflected a 2.9 percent increase in revenues and a 4.0 percent increase in expenses, as compared to the 2018 Budget. Operating revenues were lower than budget estimates by 1.7 percent in 2019, compared to 1.5 percent higher than budget expectations in 2018. Operating expenses were 93.5 percent of budget in 2019, while in 2018 expenses were 94.9 percent of budget.

Aviation Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2019 Revenues	\$ 728,424,325	\$ 716,135,319	98.3%
2019 Expenses ²	\$ 373,703,689	\$ 349,585,903	93.5%
2018 Revenues	\$ 707,744,966	\$ 718,132,337	101.5%
2018 Expenses ²	\$ 359,422,638	\$ 341,131,575	94.9%

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 2019 operating budget for the Dulles Corridor Enterprise Fund reflected the 11th 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 Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Agreement (August 2014). The Airports Authority's 2019 Budget reflected a 29.0 percent increase in revenues and a 1.3 percent increase in expenses, as compared to the 2018 Budget. Operating revenues reached 99.4 percent of budget expectations in 2019, while in 2018, operating revenues were 98.3 percent of budget expectations. Operating expenses were 106.3 percent of budget in 2019, due to an increase in Electronic Toll Collection costs which are driven by significantly higher Toll Road revenues and 96.2 percent in 2018.

Dulles Corridor Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2019 Revenues	\$ 198,650,000	\$ 197,407,329	99.4%
2019 Expenses ²	\$ 30,570,124	\$ 32,503,552	106.3%
2018 Revenues	\$ 154,002,800	\$ 151,396,932	98.3%
2018 Expenses ²	\$ 30,191,884	\$ 29,054,250	96.2%

¹ Actuals 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 a 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 Airport Service Region 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. Funding for capital expenditures in the Dulles Corridor 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 U.S. DOT executed the TIFIA Loan Agreement which provided up to \$1.278 billion of financing for Phase 2 of the Dulles Metrorail Project. The Airports Authority has paid off the TIFIA loan in full with bond proceeds during 2019.

OTHER INFORMATION

The Airports Authority's Website

The Airports Authority's website offers a wide array of information to users, including financial information and operational statistics, airlines serving the airports and flight arrival and departure information. Documents posted on the website include the Airports Authority's CAFR, Budget, Master Indentures of Trust, Official Statements, Debt Service Review, airline rates and charges, and airline statistics. 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, 2018. This was the thirtieth 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. The Airports Authority has

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

prepared the 2019 CAFR according to the requirements of the Certificate of Achievement Program and will submit the current CAFR to GFOA as a candidate for the 2019 Certificate of Achievement for Excellence in Financial Reporting.

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 2019. Special thanks are expressed to Christopher Wedding, Priya D'Souza and Anne Field 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.

A handwritten signature in blue ink, appearing to read "Andrew T. Rountree". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

2018 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**

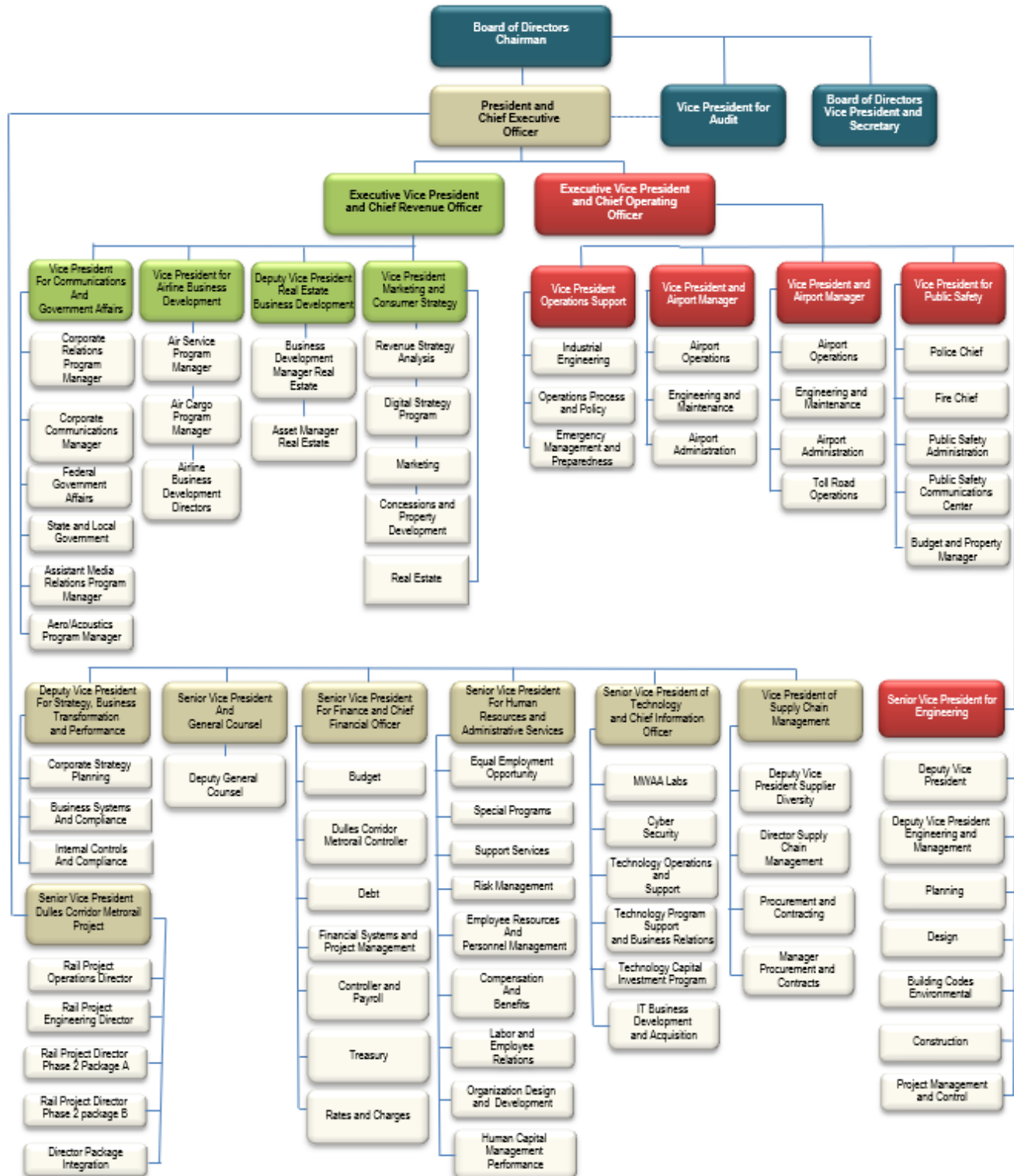
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

Organizational Chart



FINANCIAL SECTION

Report of Independent Auditor



Report of Independent Auditor

To the Board of Directors
Metropolitan Washington Airports Authority

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Metropolitan Washington Airports Authority (the "Airports Authority") as of and for the years ended December 31, 2019 and 2018, 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 audits. We did not audit the financial statements of the General Retirement Plan (the "Regular Plan") and Police Officers and Firefighters Retirement Plan (the "Police and Firefighters Plan"), which represent 66.5 percent, 66.4 percent, and 62.4 percent, respectively, of the assets, net position, and additions of the aggregate remaining fund information for the year ended December 31, 2019 and 67.3 percent, 67.3 percent, and 33.7 percent, respectively, of the assets, net position, and additions of the aggregate remaining fund information unit for the year ended December 31, 2018. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Regular Plan and Police Firefighters Plan, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Airports Authority, as of December 31, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report of Independent Auditor – (Continued)

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Airports Authority adopted the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 84, *Fiduciary Activities*, effective January 1, 2018. As a result, the Fiduciary Fund financial statements (effectively the aggregate remaining fund information have been added to the Airports Authority's basic financial statements. Our opinions are not modified with respect to this matter.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 and other auditors 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 Airport Authority's basic financial statements. The introductory section, supplemental information and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 April 17, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airports Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airports Authority's internal control over financial reporting and compliance.

Cherry Berkout LLP

Tysons Corner, Virginia
April 17, 2020

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, 2019 with selected comparative information for the years ended December 31, 2018 and December 31, 2017. 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

Business-Type Activities

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 includes all assets, deferred outflows, liabilities, and deferred 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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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

Fiduciary Activities

These activities are used to account for resources held for the benefit of parties outside the Airports Authority and use the full accrual basis of accounting. Fiduciary activities are excluded from the business type activities because the resources of these funds are restricted and cannot be used to finance the Airports Authority's operations. The Airports Authority's fiduciary activities are reported in separate Statements of Plan Fiduciary Position and Changes in Fiduciary Net Position.

The Airports Authority's fiduciary activities are the Pension and Other Post-Employment Benefit Trust Funds which report the activities of two separate pension plans, a separate other post-employment benefit plan and the 401a Supplemental Savings Plan.

The Airports Authority's Statement of Fiduciary Net Position depicts the financial position of the pensions, other post-employment trust funds and the 401a supplemental savings plan as of a point in time. This statement presents the financial assets available within the plans to pay for retirees' retirement and health and life benefits. The Airports Authority's Statement of Changes in Fiduciary Net Position presents the annual activity within each of the Airports Authority's plans. It presents the employee and employer contributions, benefit payments and changes in the net investments for the year.

Individual data for all fiduciary activities is provided in the combining financial statements located in the Supplemental Information section.

THE AIRPORTS AUTHORITY'S ACTIVITY HIGHLIGHTS

CHANGES IN NET POSITION – TOTAL BUSINESS-TYPE ACTIVITIES

The Airports Authority's change in net position was \$171.8 million and \$426.1 million for the years ended December 31, 2019 and 2018, respectively. Total operating revenues for the Airports Authority increased \$46.0 million generated primarily as a result of higher toll revenues. Operating expenses were up \$25.6 million primarily related to repair and maintenance expenses and financing fees and a general increase as anticipated in the 2019 operating budget. The decrease in net contributions from (to) other governments of \$31.3 million was due to the ramp down of construction activity for Phase 2 of the Dulles Metrorail project and the contributions received from the project's funding partners to finance the project and a transfer to the Metropolitan Washington Area Transit Authority (WMATA) of \$5.6 million for ongoing capitalized costs relating to Dulles Metrorail Project Phase 1.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	Total Business-Type Activity		
	2019	2018	2017
Operating income			
Operating revenues	\$ 963,862,812	\$ 917,889,388	\$ 913,585,791
Operating expenses	<u>721,981,869</u>	<u>696,400,474</u>	<u>681,975,765</u>
Total operating income	<u>241,880,943</u>	<u>221,488,914</u>	<u>231,610,026</u>
Non-operating revenues			
Investment income	78,398,091	46,878,996	31,099,186
Federal, state and local grants	1,161,473	26,071,447	26,213,501
Fair value gains (loss) on swaps	(26,941,477)	23,083,850	13,175,314
Net contributions from (to) other governments	57,948,995	89,245,654	52,520,530
Gain from sale of real estate	<u>-</u>	<u>202,454,919</u>	<u>-</u>
Total non-operating revenues	<u>110,567,082</u>	<u>387,734,866</u>	<u>123,008,531</u>
Non-operating expenses			
Interest expense	<u>(337,022,458)</u>	<u>(338,730,173)</u>	<u>(294,305,010)</u>
Total non-operating expenses	<u>(337,022,458)</u>	<u>(338,730,173)</u>	<u>(294,305,010)</u>
Income before capital contributions	15,425,567	270,493,607	60,313,547
Capital contributions	<u>156,326,294</u>	<u>155,559,502</u>	<u>147,006,923</u>
Change in net position	<u>171,751,861</u>	<u>426,053,109</u>	<u>207,320,470</u>
Net position, beginning of year	<u>873,316,217</u>	<u>447,263,108</u>	<u>239,942,638</u>
Net position, end of year	<u>\$ 1,045,068,078</u>	<u>\$ 873,316,217</u>	<u>\$ 447,263,108</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 airline 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.

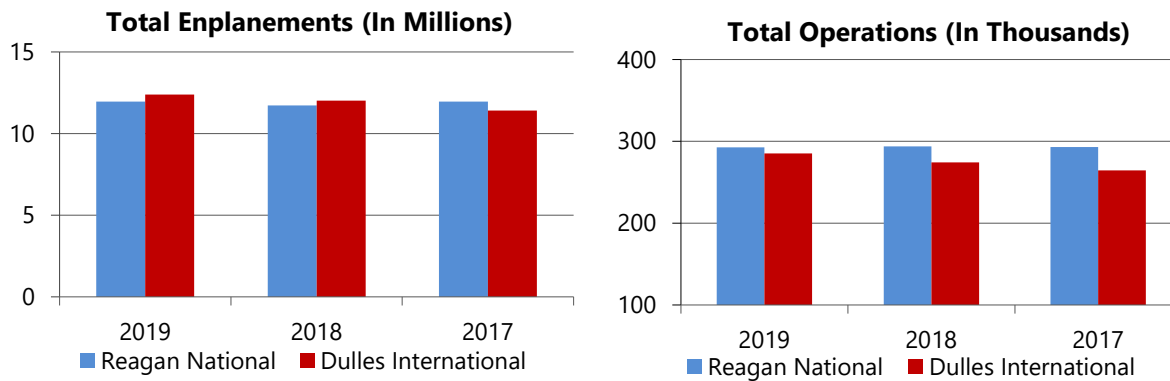
In 2019, the national economy continued to demonstrate signs of sustained growth, which portends a stronger economic climate for the airline industry. In 2019 more than two million jobs were added to the economy though job creation has slowed slightly from 2018 but remains far ahead of where it was in 2013, when the sequestration budget cuts brought the regional economy to a low point. Job growth was strongest in the professional and business services, health care, and hospitality industries.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Gross Domestic Product (GDP) increased at an annual rate of 2.3 percent in 2019 compared with an increase of 2.9 percent in 2018 according to the Bureau of Economic Analysis. According to IATA, strong financial performance was delivered by airlines in North America. In addition, worldwide economic development has experienced a significant boost from air transport. This wider economic benefit was generated by increasing connections between cities, enabling the flow of goods, people, capital, technology and ideas as well as falling air transport costs.

Airports' enplanements and operations activity for the last three years were as follows:

Enplanements and Operations Activity for 2017 to 2019



Enplanements and Operations Activity for 2017 to 2019

	Enplanements and Operations		
	2019	2018	2017
Reagan National Enplanements			
Domestic	11,765,809	11,526,279	11,763,471
Transborder	183,231	183,576	182,929
Non-Commercial	16,141	17,094	19,954
Total Enplanements	11,965,181	11,726,949	11,966,354
Dulles International Enplanements			
Domestic	8,149,890	7,956,547	7,466,031
Transborder and International	4,177,036	3,986,716	3,857,629
Non-Commercial	55,223	80,648	83,447
Total Enplanements	12,382,149	12,023,911	11,407,107
Airports Authority System-wide Enplanements			
Domestic	19,915,699	19,482,826	19,229,502
Transborder and International	4,360,267	4,170,292	4,040,558
Non-Commercial	71,364	97,742	103,401
Total Enplanements	24,347,330	23,750,860	23,373,461
Total Operations			
Reagan National	292,682	293,827	293,097
Dulles International	285,042	274,281	264,575
Total Operations	577,724	568,108	557,672

Source: Airports Authority Records

In 2019, combined Reagan National and Dulles International system enplanements grew by 2.5 percent, marking the tenth consecutive year of growth. Reagan National has undergone major changes in the last five years, due to Congressional actions and the American Airlines/US Airways merger. Enplanements at Reagan National for 2019 were 12 million, equivalent to the record high of 12 million in 2017, and 11.7 million for 2018. The growth in passenger traffic at Reagan National plateaued in 2018 compared to the slight growth in 2019 and 2017, 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 2018, 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 high volume hub markets, such as Boston, Charlotte, Hartford, Dallas/Ft. Worth, Norfolk and Orlando; while adding the following new destinations: Hilton Head, SC and Melbourne, FL. JetBlue Airways terminated service to Charleston, SC, Hartford, CT, Jacksonville, FL & Tampa, FL and used the slots to increase service to Boston, MA, which will now operate on an hourly shuttle pattern. Delta Air Lines also added service to Boston with new flights operating six times daily. Based on data from the U.S. DOT, Reagan National continues to maintain the largest share of domestic local Washington origin-and-destination (O&D) passengers.

Total enplanements at Dulles International grew to 12.4 million in 2019, due to growth in domestic and international enplanements. Dulles International served a record 4.2 million international enplaned passengers in 2019, which was the 16th consecutive year of international growth. United Airlines, including its regional affiliates, had the largest commercial passenger market share of 65.5 percent in 2019. Domestic enplanement activity increased by 2.4 percent and was driven by increased capacity by United Airlines to 56 destinations and new service to Asheville, Elmira/Corning, Ft. Myers, Hilton Head, Lexington, Manchester, Ogdensburg, Sarasota, and Traverse City. As the Washington area economy continues to improve and the Silver Line Metrorail nears completion, Dulles International will continue to service the expanding air travel needs for the region. International enplanements of 4.2 million in 2019 represented a 4.8 percent increase over 2018. In 2019 new international markets included Cairo, Egypt operated by Egypt Air and Tel Aviv, Israel, operated by United Airlines. In addition, Air France, Avianca, Brussels Airlines, Copa, Delta, and Lufthansa, all increased service levels with added flights and larger aircraft. United Airlines continued to contribute to passenger increases through additional service and larger aircraft.

According to Domestic U.S. DOT T-100 Onboard Passenger Data for the year ended November 30th, 2019, U.S. domestic enplanements grew 4.0 percent, while international enplanements grew 4.4 percent for the year ended August 31st, 2019. The number of Reagan National enplanement passengers increased by 2.1 percent in 2019 which was below the industry domestic growth rate of 4 percent. Dulles International's domestic enplanement growth rate of 2.4 percent was slightly below the industry growth rate. International enplanement growth of 4.8 percent at Dulles International was above the industry growth rate of 4.4 percent that was calculated using International U.S. DOT T-100 Onboard Passenger Data for the year ended August 31st, 2019.

<u>2019 Commercial Enplanements Growth</u>	<u>Airports</u>		
	<u>Authority</u>	<u>North America</u>	<u>Difference</u>
Reagan National (Domestic)	2.1%	4.0%	-1.9%
Dulles International (Domestic)	2.4%	4.0%	-1.6%
Dulles International (International)	4.8%	4.4%	0.4%

Source: U.S. DOT T-100 Onboard Passenger Data

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

In 2019, the Airports Authority continued to improve the passenger experience by opening seven new shops and restaurants including the Great American Bagel in Reagan National and Sunglass Hut in Dulles International. The Airports completed 20 tenant refurbishments which revitalized those existing shops and restaurants to opening day fresh standards. The Airports Authority, in collaboration with MarketPlace Development, Inc. and the DC Department of Small and Local Business opened the Made in DC kiosk, which aims to support and promote businesses that design, make, produce, and/or assemble products in the District of Columbia. These makers are residents of Washington, D.C. and draw inspiration from the city when creating their artisan, handmade products. The Airports Authority gladly supports the development, economic growth, and retention of District-based businesses as well as those in the Metropolitan Washington Region.

Dulles Corridor Enterprise Fund

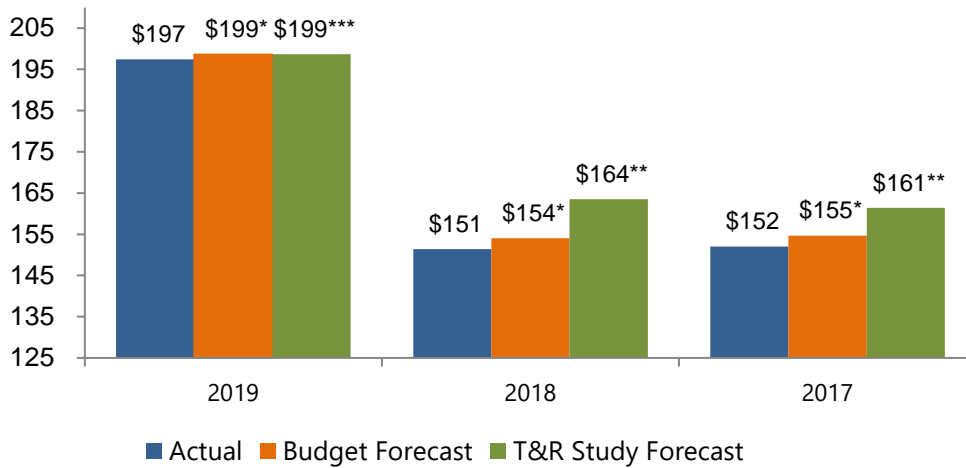
On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred operating and maintenance responsibility of the Dulles Toll Road to the Airports Authority through a Permit and Operating Agreement for a period of 50 years. As of October 1, 2009, the employees of the Dulles Toll Road 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, 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 stations and improvements to the existing WMATA service and inspection yard at the West Falls Church station. Construction activities began in March 2009 and the Phase 1 of the Silver Line opened for passenger service on July 26th, 2014.

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 six new stations and a maintenance yard on Dulles International airport property. Phase 2 Construction is underway and the project is currently scheduled to be complete for passenger service in 2021.

Toll rate increases implemented in 2010 through 2014 and in 2019 resulted in expected declines in Dulles Toll Road transactions. The Dulles Toll Road processed an average of 7.6 million, 8.0 million and 8.1 million toll transactions per month in 2019, 2018, and 2017 respectively. A new budgeted forecast has been produced annually since 2014. Total revenues in 2019 and 2018 were approximately 99.4 and 98.3 percent of budgeted forecast revenues compared to 98.3 percent in 2017. Electronic (E-ZPass) transactions and violations accounted for 92.4 percent of Dulles Toll Road revenue in 2019, an increase from 90.0 percent in 2018 and 88.2 percent in 2017. On October 14th, 2019, the Airports Authority's independent consulting firm published the most recent Dulles Toll Road Traffic and Revenue Study with future forecasts for revenues and transactions.

Actual vs. Forecasted Revenues
(in Millions)



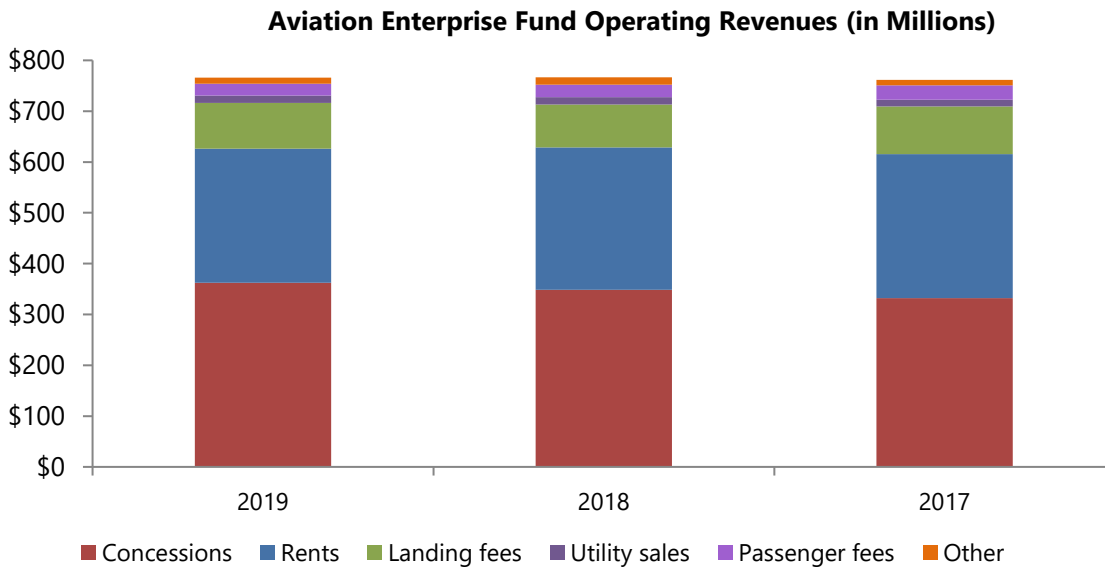
* Budget ** T&R Study, April 2014 *** T&R Study, December 2018

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 \$766.5 million in operating revenues for 2019, remaining flat from 2018. Higher revenues from concessions and landing fees combined with a reduction in rents in 2019 kept total revenues flat compared to 2018.

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

	Aviation Enterprise Fund		
	2019	2018	2017
Operating revenues			
Concessions	\$ 362,049,965	\$ 348,624,365	\$ 332,007,816
Rents	264,815,523	280,146,201	283,755,117
Landing fees	89,654,098	84,485,059	93,764,918
Utility sales	14,278,652	14,401,340	13,260,122
Passenger fees	23,511,540	24,317,733	27,872,762
Other	12,145,705	14,517,758	10,902,393
Total operating revenues	<u>\$ 766,455,483</u>	<u>\$ 766,492,456</u>	<u>\$ 761,563,128</u>



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 2019, airline revenue totaled \$326.8 million, which consists of landing fees of \$90.0 million, terminal rents from airlines of \$214.5 million, and other airline fees of \$22.6 million, resulting in a decrease of \$13.0 million or 3.8 percent from the prior year. In 2018, airline revenue was \$339.8 million, a decrease of \$20.2 million or 5.6 percent compared to 2017.

In 2019, airline rent revenues totaled \$214.5 million, a decrease of \$17.4 million, or 7.5 percent, from 2018. The key driver of decreased terminal rents in 2019 was the decrease in rent rates at Reagan National and Dulles International. In 2018, airline rent revenues totaled \$232.0 million, which was a decrease of \$7.3 million, or 3.0 percent, from 2017.

Landing fee revenues totaled \$90.0 million in 2019, an increase of \$5.2 million from 2018. Landing fee revenues decreased by \$9.3 million from \$93.8 million in 2017 to \$84.5 million in 2018. Signatory airline landing fee rates paid per 1,000 pounds at Reagan National increased to \$3.93 in 2019 from \$3.74 in 2018. In 2019, signatory airline landing fee rates paid per 1,000 pounds at Dulles International increased to \$1.75 from \$1.70 in 2018.

Passenger fees, including passenger conveyance and international arrivals fees, totaled \$22.6 million in 2019, a \$0.8 million or 3.4 percent decrease from 2018. Passenger fees, including passenger conveyance and international arrivals fees, totaled \$24.3 million in 2018, a \$3.6 million or 12.8 percent decrease from 2017.

Non-Airline Revenues

The Airports Authority's concession revenues totaled \$362.0 million in 2019, which was an increase of \$13.4 million, or 3.9 percent, from 2018. Concession revenues accounted for 47.2 percent of total operating revenues in 2019 which were attributable to increases primarily in parking, ground transportation, rental cars, fixed base operators, food and beverage and inflight caterers. Concession revenues in 2018 and 2017 were 45.5 and 43.6 percent of total operating revenues, respectively.

The following table details concession revenues by major category for the years ended 2019, 2018 and 2017:

	Concession Revenues		
	2019	2018	2017
Parking	\$ 126,319,935	\$ 124,505,333	\$ 124,625,634
Rental cars	46,154,615	43,842,314	43,639,231
Food and beverage	35,562,907	34,302,528	32,871,379
Fixed based operator	32,381,287	31,522,590	24,388,896
Ground transportation	45,428,127	41,214,261	37,198,225
Inflight caterers	19,422,751	18,070,530	16,663,967
Display advertising	14,587,203	15,884,113	15,039,275
Newsstand and retail	14,847,508	14,687,109	14,341,520
Duty free	14,898,277	14,554,163	13,671,554
All other	12,447,355	10,041,424	9,568,135
Total	<u>\$ 362,049,965</u>	<u>\$ 348,624,365</u>	<u>\$ 332,007,816</u>

Parking revenues continued to rank as the Airports Authority's largest concession in 2019, providing \$126.3 million in total revenues for the year, an increase of \$1.8 million, or 1.5 percent from \$124.5 million in 2018. Rental car revenues totaled \$46.2 million in 2019, reflecting a \$2.3 million increase over the prior year. In 2018 rental car revenues increased by \$0.2 million compared to 2017.

Food and beverage revenue totaled \$35.6 million in 2019, representing an increase of \$1.3 million from 2018. Food and beverage revenue totaled \$34.3 million in 2018, which represented an increase of \$1.4 million from 2017.

Fixed based operator revenues increased by \$0.9 million in 2019, totaling of \$32.4 million. Fixed based operator revenues of \$31.5 million in 2018 increased by \$7.1 million from 2017. Inflight catering revenues increased by \$1.4 million compared to 2018. Revenue from inflight caterers was \$18.1 million and \$16.7 million in 2018 and 2017, respectively, and increased by \$1.4 million in 2018 compared to 2017, due to a new contract that provided for a higher minimum annual guarantee. Ground transportation revenues of \$45.4 million in 2019 increased by \$4.2 million due to higher customer demand. Ground transportation revenues of \$41.2 million increased by \$4.0 million from 2017.

Other revenue, which primarily represents revenue from employees and tenant parking permits, increased by \$2.4 million in 2019 compared to 2018. In 2018, other revenues increased by \$0.4 million compared to 2017.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

Non-airline rents totaled \$50.3 million in 2019. This was an increase from 2018 of \$2.1 million and an increase of \$5.7 million from 2017 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 in support of TSA operations.

Operating Expenses

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2019 totaled \$664.4 million, an increase of \$16.2 million or 2.5 percent from 2018. Operating expenses for 2018 increased by \$11.8 million or 1.9 percent from operating expenses in 2017. Materials, equipment, supplies, contract services and other expenses increased \$20.2 million or 10.1 percent, to \$220.6 million in 2019. The Airports Authority deployed a data center and IT systems in 2019 and recorded expenses associated with that process. These increases were offset by gains on retirement of assets. The Airports Authority relocated its corporate office in 2017 to allow for new construction at Reagan National as part of the Reagan CCP program. This resulted in the disposal of the Corporate Office Building and increased lease expenses as well as other expenses associated with the new corporate office space in 2017.

Salaries and related benefits expenses increased by \$0.1 million from 2018 to \$188.3 million in 2019. Regular full time pay for Airports Authority employees increased \$3.2 million, or 2.4 percent, over 2018. In addition, the Airports Authority continued funding its Other Post-Employment Benefits (OPEB). The contribution percentages to the Airports Authority's pension plans increased to 6.49 percent in 2019 from 6.27 percent of eligible earnings in 2018 for the General Employee Plan and increased to 13.4 percent in 2019 from 12.81 percent of eligible earnings in 2018 for the Police and Firefighters' plan. The funded ratio as of the actuarial valuation date of December 31, 2019 was 106.28 percent for the General Employee Plan and 104.76 percent for the Police and Firefighters' plan.

Depreciation and amortization expenses totaled \$223.1 million in 2019, a decrease of \$4.9 million or 2.1 percent from 2018 resulting from several assets within the APM Station, multiple heating systems, and multiple roadways that became fully depreciated in 2018 or the early part of 2019. Depreciation and amortization expenses in 2018 were \$227.9 million, which was \$3.8 million higher than 2017 and resulted from the disposal of personal property items from both campuses.

In 2019, the Airports Authority completed reconstruction and expansion of Hold Bay 4 at Reagan National as well as airfield panel replacements on taxi lane B at Dulles International. Phase 1 of the North Concourse apron paving was also completed in 2019. In 2018, the Airports Authority completed taxi lanes, B, K and P at Reagan National as well as airfield panel replacements and the Parking Revenue Control System at Dulles International. In 2017, the corporate office building data center was transitioned to a primary data center in Ashburn, VA. High capacity intercampus networks between the data center and the Airports were implemented. The Airports Authority also completed the design and buildout of a public Wi-Fi infrastructure.

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 2019, 2018, and 2017, respectively.

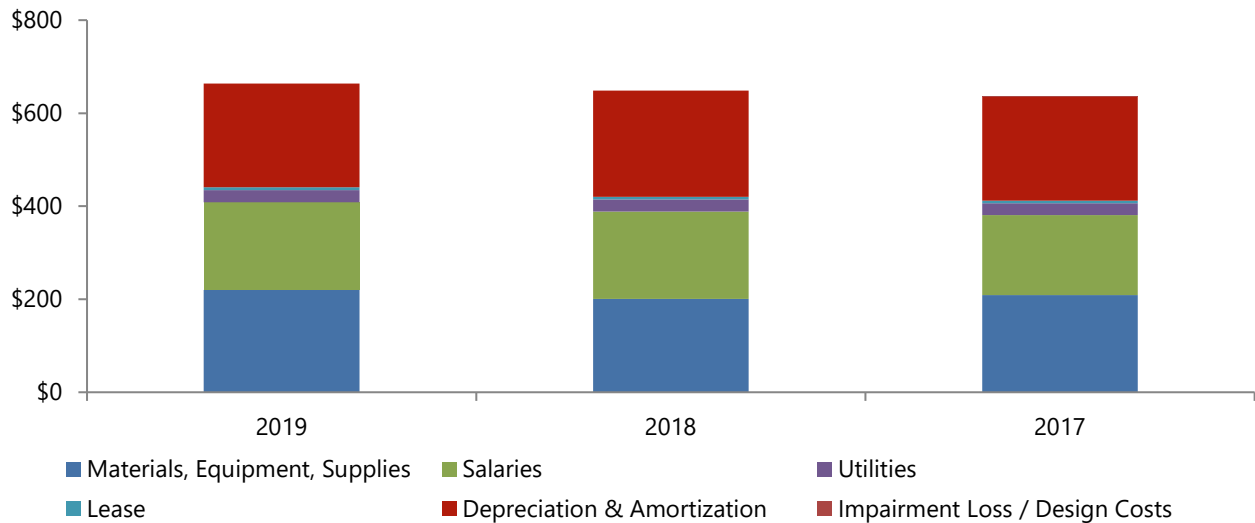
2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

	Year ended December 31,		
	2019	2018	2017
Dulles Toll Road	\$ 5,767,859	\$ 5,529,025	\$ 5,663,833
Dulles Metrorail Project	3,675,803	3,381,973	3,380,623
	\$ 9,443,662	\$ 8,910,998	\$ 9,044,456

The following presents total operating expenses for the years ended 2019, 2018 and 2017:

	Aviation Enterprise Fund		
	2019	2018	2017
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$ 220,606,629	\$ 200,396,186	\$ 209,049,602
Salaries and related benefits	188,322,576	188,258,198	172,174,965
Utilities	26,553,298	25,878,626	25,175,478
Lease from U.S. Government	5,861,237	5,774,716	5,562,099
Depreciation and amortization	223,071,619	227,928,188	224,157,392
Impairment loss / design costs	-	-	295,303
Total operating expenses	\$ 664,415,359	\$ 648,235,914	\$ 636,414,839

Aviation Enterprise Fund Operating Expenses (in Millions)



Changes in Net Position

Operating income was \$102.0 million in 2019, a decrease in income of \$16.2 million compared to 2018. The change is a combination of decreased airline revenues as a result of the impact of a \$25.0 million Commonwealth grant received in 2018 which lowered rates for the airlines, increased concession revenues of \$13.4 million and increased

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

expenses of \$16.2 million. Operating income was \$118.3 million in 2018, which decreased by \$6.9 million from 2017.

Non-operating revenues decreased \$230.7 million and non-operating expenses increased by \$3.7 million from 2018. The \$202.5 million gain from the sale of the Western Lands in 2018 provided the significant increase in non-operating revenues. Interest income increased \$19.8 million from 2018 driven by an increase in available invested funds and favorable market conditions. Non-operating expenses, which included interest expense on the Aviation Enterprise Fund's \$4.8 billion bond debt, totaled \$218.0 million. Interest expense increases were recognized in 2018 primarily due to the reclassification of capitalized interest to interest expenses per GASB Statement 89. Contributions to the Dulles Corridor Enterprise totaled \$20.9 million which reflected the Aviation Enterprise's portion of eligible expenses related to the continued construction 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 2019 was \$96.3 million, reflecting a slight increase of \$3.0 million from 2018. PFC revenue for 2018 was \$93.4 million, which reflected an increase of \$2.4 million from 2017.

Net federal, state, and local grants in support of capital programs were \$23.2 million in 2019, \$23.2 million in 2018, and \$21.2 million in 2017. In 2019 and 2018, the Airports Authority received \$20.9 million and \$21.1 million, respectively, in Airport Improvement Programs (AIP) grants primarily to reimburse for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements. In 2017, the Airports Authority received \$19.2 million in AIP grants as reimbursement for similar improvements.

The change in net position is an indicator of the overall fiscal condition of the Aviation Enterprise Fund. Net position increased by \$58.4 million in 2019 and \$298.6 million in 2018. These increases reflect the continued strength and growth of the Airports and the sound management of the Airports Authority debt and investment programs.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	Aviation Enterprise Fund		
	2019	2018	2017
Operating income			
Operating revenues	\$ 766,455,483	\$ 766,492,456	\$ 761,563,128
Operating expenses	<u>664,415,359</u>	<u>648,235,914</u>	<u>636,414,839</u>
Total operating income	<u>102,040,124</u>	<u>118,256,542</u>	<u>125,148,289</u>
Non-operating revenues			
Investment income	53,760,309	33,990,909	24,739,309
Federal, state and local grants	1,161,473	26,071,447	25,804,757
Fair value gains (loss) on swaps	(26,941,477)	23,083,850	13,175,314
Gain from sale of real estate	<u>-</u>	<u>202,454,919</u>	<u>-</u>
Total non-operating revenues	<u>27,980,305</u>	<u>285,601,125</u>	<u>63,719,380</u>
Non-operating expenses			
Interest expense	(170,152,978)	(190,690,350)	(178,913,318)
Contributions to other governments	<u>(20,935,610)</u>	<u>(31,086,446)</u>	<u>(48,879,320)</u>
Total non-operating expenses	<u>(191,088,588)</u>	<u>(221,776,796)</u>	<u>(227,792,638)</u>
Income/(loss) before capital contributions	(61,068,159)	182,080,871	(38,924,969)
Capital contributions	<u>119,489,169</u>	<u>116,522,940</u>	<u>112,105,079</u>
Change in net position	<u>\$ 58,421,010</u>	<u>\$ 298,603,811</u>	<u>\$ 73,180,110</u>

FINANCIAL HIGHLIGHTS - DULLES CORRIDOR ENTERPRISE FUND

Operating Revenues

For the year ended December 31, 2019, the Airports Authority recorded toll revenues of \$197.4 million, which consisted of electronic toll collections (E-ZPass) of \$174.3 million, cash collections of \$15.1 million, and violations revenue of \$8.0 million. Overall toll revenue increased \$46.0 million from 2018. In 2019, E-ZPass revenue comprised 88.3 percent of toll revenues, up from 86.9 percent in 2018 and 85.6 percent in 2017.

	Dulles Corridor Enterprise Fund		
	2019	2018	2017
Operating revenues			
Electronic toll collection revenues	\$ 174,343,696	\$131,515,100	\$130,080,380
Cash revenues	15,078,704	15,212,108	17,914,250
Violation revenues	<u>7,984,929</u>	<u>4,669,724</u>	<u>4,028,033</u>
Total operating revenues	<u>\$ 197,407,329</u>	<u>\$151,396,932</u>	<u>\$152,022,663</u>

Operating Expenses

For the years ended December 31, 2019 and 2018, the Dulles Corridor Enterprise Fund recorded \$57.6 million and \$48.2 million in total operating expenses, respectively. Materials, supplies, equipment, contract services, and other totaled \$37.3 million in 2019, an increase of \$8.5 million from 2018. Electronic toll collection fees paid to the third-party processor of E-ZPass transactions were \$15.1 million, up \$3.2 million from 2018. Materials, supplies, equipment, contract services, and other totaled \$28.8 million in 2018, which included \$11.9 million in electronic toll collection fees paid to the third-party processor of E-ZPass transactions.

In 2019, many Dulles Toll Road lanes were converted from cash to E-ZPass and a new Toll Road Revenue Collection system was placed into service.

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 2019, \$9.4 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, \$5.8 million allocated to the Dulles Toll Road and \$3.6 million allocated to the Dulles Metrorail Project. In 2018, \$8.9 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, \$5.5 million allocated to the Dulles Toll Road and \$3.4 million allocated to the Dulles Metrorail Project. In 2017, \$9.0 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, \$5.7 million allocated to the Dulles Toll Road and \$3.3 million allocated to the Dulles Metrorail Project.

Depreciation and amortization expenses increased \$1.4 million to \$9.7 million in 2019 and increased \$0.2 million from 2017 to \$8.2 million in 2018. Recent increases in depreciation and amortization expenses were due to the conversion of lanes from cash to E-ZPass which were capitalized. A new Toll Road Revenue Collection system was also placed in service in 2019.

	Dulles Corridor Enterprise Fund		
	2019	2018	2017
Operating expenses			
Materials, equipment, supplies, contract services, and other	\$ 37,300,297	\$ 28,757,695	\$ 26,841,386
Salaries and related benefits	10,383,690	10,973,208	10,457,972
Utilities	202,636	199,827	206,313
Depreciation and amortization	<u>9,679,887</u>	<u>8,233,830</u>	<u>8,055,255</u>
Total operating expenses	<u>\$ 57,566,510</u>	<u>\$ 48,164,560</u>	<u>\$ 45,560,926</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		
	2019	2018	2017
Operating income			
Operating revenues	\$ 197,407,329	\$ 151,396,932	\$ 152,022,663
Operating expenses	<u>57,566,510</u>	<u>48,164,560</u>	<u>45,560,926</u>
Total operating income	<u>139,840,819</u>	<u>103,232,372</u>	<u>106,461,737</u>
Non-operating revenues (expenses)			
Investment income	24,637,782	12,888,087	6,359,877
Interest expense	(166,869,480)	(148,039,823)	(115,391,692)
Federal, state and local grants	-	-	408,744
Contributions from other governments	<u>78,884,605</u>	<u>120,332,100</u>	<u>101,399,850</u>
Total non-operating revenues (expenses)	<u>(63,347,093)</u>	<u>(14,819,636)</u>	<u>(7,223,221)</u>
Income before capital contributions	76,493,726	88,412,736	99,238,516
Capital contributions	<u>36,837,125</u>	<u>39,036,562</u>	<u>34,901,844</u>
Change in net position	<u>\$ 113,330,851</u>	<u>\$ 127,449,298</u>	<u>\$ 134,140,360</u>

The increase in net position for the Dulles Corridor Enterprise Fund totaled \$113.3 million for the year ended December 31, 2019. The increase in net position for the Dulles Corridor Enterprise Fund totaled \$127.4 million for the year ended December 31, 2018, and \$134.1 million for the year ended December 31, 2017. Total operating income for the Dulles Corridor Enterprise Fund was \$139.8 million in 2019, \$103.2 million in 2018 and \$106.5 million in 2017.

Total non-operating revenues (expenses) increased \$48.5 million in 2019 to \$63.3 million in non-operating expenses. Contributions from other governments decreased \$41.4 million. The decrease in net contributions from (to) other governments of \$41.4 million was due to the ramp down of construction activity for Phase 2 of the Dulles Metrorail Project and the contributions received from the project's funding partners to finance the project, and a transfer to WMATA of \$5.6 million for continuing costs associated with the Dulles Metrorail Project Phase 1. In 2018, the increase in net contributions from other governments of \$18.9 million was due to increased construction activity for Phase 2 of the Dulles Metrorail project and the contributions received from the Airports Authority's funding partners to finance the project, offset by a transfer to WMATA of \$21.6 million for continuing costs associated with the Dulles Metrorail Project Phase 1. Interest expense totaled \$166.9 million, which was a \$18.8 million increase from 2018 primarily due to the issuance of a new bond to fund the construction of Dulles Metrorail Project Phase 2. Investment income totaled \$24.6 million in 2019, \$12.9 million in 2018 and \$6.4 million in 2017. Overall, operating revenues and operating expenses increased in 2019 as a result of a toll rate increase and higher transaction fees.

Government grants and contributions in support of capital programs for the Dulles Corridor Enterprise Fund totaled \$36.8 million for the fiscal year ended December 31, 2019 and \$39.0 million for the fiscal year ended

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

December 31, 2018. Federal grants in 2019 included \$13.2 million related to the Dulles Metrorail Project, while the Commonwealth contributed \$23.6 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, 2019, 2018, and 2017, is as follows:

	Total Business-Type Activities		
	2019	2018	2017
Assets			
Current assets	\$ 2,053,331,882	\$ 2,115,966,840	\$ 1,981,736,194
Non-current assets			
Restricted	937,918,498	1,054,726,683	860,238,619
Unrestricted	399,241,174	12,501,308	23,121,378
Capital assets, net	<u>6,547,304,915</u>	<u>6,309,221,028</u>	<u>6,060,225,198</u>
Total Assets	<u>9,937,796,469</u>	<u>9,492,415,859</u>	<u>8,925,321,389</u>
Deferred Outflows of Resources	<u>95,752,048</u>	<u>118,613,823</u>	<u>91,778,093</u>
Liabilities			
Current liabilities	738,678,255	535,560,579	565,007,275
Non-current liabilities	<u>8,199,383,136</u>	<u>8,188,930,504</u>	<u>7,974,057,736</u>
Total Liabilities	<u>8,938,061,391</u>	<u>8,724,491,083</u>	<u>8,539,065,011</u>
Deferred Inflows of Resources	<u>50,419,048</u>	<u>13,222,382</u>	<u>30,771,363</u>
Net Position			
Net investment in capital assets	1,051,486,950	915,486,458	770,701,198
Restricted	234,615,478	232,628,421	264,078,390
Unrestricted (deficit)	<u>(241,034,350)</u>	<u>(274,798,662)</u>	<u>(587,516,480)</u>
Total Net Position	<u>\$ 1,045,068,078</u>	<u>\$ 873,316,217</u>	<u>\$ 447,263,108</u>

Current assets for the Airports Authority totaled \$2.1 billion on December 31, 2019, a decrease of \$62.6 million from 2018. Current assets in 2018 increased \$134.2 million to \$2.1 billion as of December 31, 2018. Current assets for the Aviation Enterprise Fund decreased \$166.0 million in 2019, primarily as a result of decreased unrestricted investments of \$228.2 million, unrestricted cash of \$2.5 million and accounts receivable of \$4.9 million. There were increases of \$28.3 million in restricted cash and cash equivalents and a \$36.9 million increase in restricted investments. Between 2017 and 2018, current assets for the Aviation Enterprise Fund increased \$297.5 million, primarily as a result of a \$213.3 million increase in investments and a \$104.1 million increase in cash and cash equivalents offset by decreases of \$14.5 million in restricted cash and cash equivalents and \$8.5 million in restricted investments. Current assets for the Dulles Corridor Enterprise Fund increased 25.5 percent or \$103.4 million in

2019 primarily due to a \$106.9 million increase in restricted investments. In 2018, the Dulles Corridor Enterprise Fund's current assets decreased \$163.3 million, or 28.7 percent from 2017.

Non-current assets for the Airports Authority increased \$508.0 million from 2018 to 2019 and increased \$432.9 million from 2017 to 2018. The significant changes between 2018 and 2019 include a \$368.4 million increase in unrestricted investments, a \$238.7 million increase in construction in progress – Dulles Metrorail Project for spending on Phase 2 of the project, a \$128.5 million increase in buildings, systems and equipment including a \$124.1 million increase in construction in progress for construction at Reagan National. These were offset by decreases in restricted investments of \$146.9 million and accounts receivable of \$46.4 million.

The Airports Authority's current liabilities increased \$203.1 million from 2018, the result of a \$196.5 million increase in advance billings and payments received in advance in the Dulles Corridor Enterprise Fund. Current portion of bonds and notes payable increased \$10.3 million offset by decreases in accrued interest payable of \$9.2 million and accounts payable and accrued expenses of \$5.8 million. In 2018, current liabilities decreased \$29.4 million from 2017, the result of a \$21.2 million decrease in the current portion of bonds and notes payable in the Aviation Enterprise Fund.

In 2019, non-current liabilities increased \$10.5 million to \$8.2 billion. Net pension liability and net OPEB liability decreased \$22.3 million and \$20.6 million respectively due to appreciation of pension plan investments in 2019. New bonds were issued in 2019 to refund the TIFIA Loan resulting in a net increase of \$357.6 million offset by decreases of \$201.3 million in other liabilities and \$130.0 million in commercial paper notes. In 2018, non-current liabilities increased \$214.9 million to \$8.2 billion. This increase was largely due to the draws and accretion on the TIFIA Loan in 2018 totaling \$200.5 million. Net pension liability and net OPEB liability increased \$21.1 million and \$21.7 million respectively due to actuarial valuations. Bonds payable, net, increased by \$46.7 million. These were offset by decreases of \$14.4 million in other liabilities, \$60.0 million in commercial paper notes and \$23.1 million in interest rate swaps payable. The Dulles Corridor Enterprise Fund recorded \$34.2 million in accretion on capital appreciation bonds. Other liabilities include \$200.0 million in unearned grant revenues from the Commonwealth.

Total net position, which represents the residual interest in the Airports Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, increased \$171.8 million from 2018 and increased \$597.8 million from 2017. The Aviation Enterprise Fund and Dulles Corridor Enterprise Fund provided increases of \$58.4 million and \$113.3 million, respectively, for 2019. In 2018, the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund provided increases of \$298.6 million and \$127.4 million, respectively.

Net investment in capital assets increased \$136.0 million from 2018. The increase in 2019 was attributable to the on-going construction at the Airports and the Dulles Metrorail Project.

On December 31, 2019, total restricted net position of \$234.6 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 increase from 2018 of \$2.0 million. The Aviation Enterprise Fund's restricted net position decreased \$27.3 million, primarily due to a decrease in assets restricted for construction. The Dulles Corridor Enterprise Fund's restricted net position increased \$29.3 million largely in assets restricted for construction.

Total unrestricted net position at the end of the reporting period for the Airports Authority was a deficit of \$241.0 million, which represented an overall increase of \$33.8 million from 2018. Unrestricted net position increased \$147.4 million for the Aviation Enterprise Fund and decreased \$113.7 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 CCP through a combination of revenues, entitlements, and discretionary grants received from the FAA, state grants, PFCs, and revenue bonds. Long-term debt is the principal source of funding for the CCP.

The Airports Authority priced two Airport System Revenue bond transactions in 2019 and has \$3.7 billion of outstanding fixed rate bonds. The Airports Authority also has \$700.2 million of outstanding variable rate bonds, which are collateralized by Letters of Credit (LOC) and Direct Purchase Indexed Loans (Index Floaters).

On July 3rd, 2019, the Airports Authority priced \$388.0 million of Series 2019AB Airport System Revenue and Refunding Bonds to refund \$183.3 million of Series 2009B Airport System Revenue Bonds on a current refunding basis, resulting in net present value savings of \$32.3 million. The bond proceeds also provided \$251.0 million for CCP needs and cost of issuance.

Further, on December 12th, 2019, the Airports Authority priced \$355.6 million of Series 2020AB Airport System Revenue Refunding Bonds to refund \$416.8 of Series 2010A, 2010B and 2010F-1 Bonds on a forward delivery basis, resulting in net present value savings of \$73.5 million. Bond proceeds from the Series 2020AB transaction are scheduled for delivery on July 8, 2020.

The Airports Authority Aviation Enterprise Fund's long-term uninsured bonds are rated "AA-" by Fitch, "Aa3" by Moody's, and "AA"- by Standard & Poor's Global Rating Services (S&P). In May 2019, Moody's, Fitch, and S&P affirmed the ratings with a "Stable" outlook.

The Airports Authority, through its Master Indenture of Trust, has agreed to maintain debt service coverage of not less than 1.25. 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 2019, 2018 and 2017 the Airports Authority's debt service coverage was 2.05, 1.82, and 1.77, 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 provided 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 \$170.7 million in 2019, \$200.5 million in 2018, and \$319.2 million in 2017. In addition, in 2018, the TIFIA Loan incurred \$22.2 million in accreted interest costs all of which have been capitalized to the TIFIA Loan draws. The total accreted interest costs that have been capitalized to the TIFIA Loan draws through December 31, 2019 are \$61.4 million. As of December 31, 2019, the Airports Authority paid off the TIFIA loan in full with bond proceeds from the Series 2019B Subordinate Lien Revenue and Refunding Bonds.

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

Please refer to Note 14 – Capital Debt for additional details on the Airports Authority long-term debt activity and 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 2019, the Aviation Enterprise Fund received \$2.1 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 in a support role to the 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 \$0.4 million related to the collaborative effort between the Airports Authority and the Department of Justice and Department of Treasury.

In 2016, the Commonwealth, appropriated \$25.0 million from its fiscal years 2017 and 2018 for the purpose of reducing airline cost per enplanement at Dulles International, thereby improving the competitiveness of the airport. The Airports Authority received \$25.0 million of Commonwealth funding in each of 2017 and 2018.

The Aviation Enterprise Fund also recognized \$23.2 million in federal, state, and local grants in support of capital programs in 2018. The FAA's Airport Improvement Program provided \$21.1 million for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements.

The Airports Authority's Aviation Enterprise Fund received FAA funding of a total of \$500 thousand to each Airport for the purchase and installation of seventy-five Vehicle Movement Area Transponder (VMAT) units at each airport. The VMAT units provide common situational awareness to Air Traffic Control (ATC), vehicle operators and airfield personnel to improve coordination and safety.

In 2019, the Airports Authority received a \$1.5 million grant from the Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) for the implementation and administration of the Staffing for Adequate Fire and Emergency Response (SAFER) grant program. The purpose of the SAFER Grant Program is to provide funding directly to fire departments and volunteer firefighter interest organizations to assist in increasing the number of firefighters to help communities meet industry minimum standards and attain 24-hour staffing to provide adequate protection from fire and fire-related hazards, and to fulfill traditional missions of fire departments.

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 federal grants for

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

the Dulles Metrorail Project. During 2019, the Dulles Corridor Enterprise Fund recognized \$5.7 million of the FFGA award.

During 2019, the Dulles Corridor Enterprise Fund recognized \$15.0 million of state grants 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, an additional \$30.0 million was recognized in each year for 2014, 2015, and 2016, an additional \$20.0 million was recognized in 2017, an additional \$15.0 million was recognized in each year for 2018 and 2019.

The Airports Authority was also awarded a total of \$60.0 million in project funding from the Northern Virginia Transportation Authority (NVTVA), of which \$33.0 million was awarded in 2015 and \$27.0 million in 2016. These funds were used for the construction of Innovation Station, a Metrorail station included in Phase 2 of the Dulles Metrorail Project.

In 2019 and 2018, the Airports Authority received funding from the FTA for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) in the amount of \$1.4 million and \$7.4 million respectively. The CMAQ funding is also used to fund a portion of the construction costs of Innovation Station.

Please refer to Note 17 – Government Grants for more information on grant activity.

CASH AND INVESTMENT MANAGEMENT – TOTAL BUSINESS-TYPE ACTIVITIES

The Airports Authority's cash and cash equivalents increased \$98.3 million to \$1.2 billion as of December 31, 2019. This was driven by an increase of \$130.4 million in the Dulles Corridor Enterprise Fund and a decrease in available cash and cash equivalents, both restricted and unrestricted, of \$32.1 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 \$137.2 million in 2019, which was attributable to a \$163.1 million increase in the Aviation Enterprise Fund and a decrease of \$25.9 million in the Dulles Corridor Enterprise Fund investments.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	Total Business-Type Activities		
	2019	2018	2017
Cash received from operations	\$ 990,083,546	\$ 921,470,753	\$ 938,243,936
Cash expended from operations	<u>(498,956,904)</u>	<u>(467,686,944)</u>	<u>(449,088,961)</u>
Net cash provided by operations	491,126,642	453,783,809	489,154,975
Net cash provided (used) by:			
Noncapital financing activities	127,814,278	195,770,739	242,904,396
Capital and related financing activities	(461,875,530)	(310,297,210)	(515,404,999)
Investing activities	<u>(58,807,070)</u>	<u>(9,251,218)</u>	<u>(264,168,569)</u>
Net increase (decrease) in cash and cash equivalents	98,258,320	330,006,120	(47,514,197)
Cash and cash equivalents, beginning of year	<u>1,066,457,228</u>	<u>736,451,108</u>	<u>783,965,305</u>
Cash and cash equivalents, end of year	<u>\$ 1,164,715,548</u>	<u>\$ 1,066,457,228</u>	<u>\$ 736,451,108</u>

Cash temporarily idle during 2019 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 2019, the Airports Authority's Aviation Enterprise Fund operating account average portfolio balance was \$1,204.8 million, and the average yield on investments was 2.32 percent. The capital funds are held by an agent for the Trustee but managed by the Airports Authority. For 2019, the capital funds had an average portfolio balance of \$515.0 million and an average yield of 2.65 percent. During 2019, the Airports Authority's Dulles Corridor Enterprise Fund operating account average portfolio balance was \$262.4 million and the average yield on investments was 1.44 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 2019, the capital funds had an average portfolio balance of \$719.6 million and an average yield of 1.92 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 in adherence with the Investment Policy that was adopted by the Airports Authority's Board.

CAPITAL CONSTRUCTION

Aviation Enterprise Fund

The Aviation Enterprise Fund capitalized \$101.2 million in projects in 2019, principally for the Glycol Collection Hold Pad B and Taxi lane B Reconstructing and Widening Project at Reagan National, and the fire suppressant doors and South and West Baggage Handling System at Dulles International.

Dulles Corridor Enterprise Fund

The Dulles Corridor Enterprise Fund's Renewal and Replacement Program provided funds to address major maintenance requirements including overlays, sound wall repairs, 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, but not limited to: the Toll System Ramp Improvements, programmable toll information signage, Intelligent Transportation Management Systems, and additional costs relating to the Dulles Metrorail Project. These projects, which are funded from bond proceeds, FTA grants, and contributions from Fairfax County, Loudoun County, the NVTa and the Commonwealth, include the Dulles Metrorail Project, as well as other studies and improvements. The total Capital Improvement Program budget for 2019 was \$516.5 million, of which \$74.4 million was allocated for Phase 1 of the Dulles Metrorail Project; \$409.8 million was allocated for Phase 2 of the Dulles Metrorail Project; and \$32.3 million for the 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

This 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, Senior Vice President for Finance and Chief Financial Officer, at the following address: 1 Aviation Circle, Washington, DC, 20001-6000 or e-mail bondholders.information@mwa.com.

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2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Business-Type Activities
Basic Financial Statements

Statement of Net Position
As of December 31, 2019

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 109,662,095	\$ 272,176,307	\$ 381,838,402
Restricted cash and cash equivalents	198,255,857	53,961,169	252,217,026
Accounts receivable, net	27,813,971	1,305,618	29,119,589
Investments	858,501,262	-	858,501,262
Restricted investments	333,752,899	180,067,186	513,820,085
Inventory	7,180,944	370,347	7,551,291
Prepaid expenses and other current assets	<u>9,972,684</u>	<u>311,543</u>	<u>10,284,227</u>
Total current assets	<u>1,545,139,712</u>	<u>508,192,170</u>	<u>2,053,331,882</u>
Non-current assets			
Restricted:			
Cash and cash equivalents	78,202,793	452,457,327	530,660,120
Accounts receivable	27,975,955	5,333,917	33,309,872
Investments	<u>217,747,977</u>	<u>156,200,529</u>	<u>373,948,506</u>
Total restricted	<u>323,926,725</u>	<u>613,991,773</u>	<u>937,918,498</u>
Unrestricted:			
Investments	368,433,084	-	368,433,084
Net pension assets	16,926,244	933,744	17,859,988
Bond insurance costs	<u>495,419</u>	<u>12,452,683</u>	<u>12,948,102</u>
Total unrestricted	<u>385,854,747</u>	<u>13,386,427</u>	<u>399,241,174</u>
Capital assets:			
Land and other non-depreciable assets	150,819,463	-	150,819,463
Construction in progress	402,144,671	2,126,940	404,271,611
Construction in progress - Dulles Metrorail Project	-	2,218,127,570	2,218,127,570
Buildings, systems and equipment	7,561,333,121	155,962,276	7,717,295,397
Less: accumulated depreciation	<u>(3,900,825,813)</u>	<u>(42,383,313)</u>	<u>(3,943,209,126)</u>
Capital assets, net	<u>4,213,471,442</u>	<u>2,333,833,473</u>	<u>6,547,304,915</u>
Total non-current assets	<u>4,923,252,914</u>	<u>2,961,211,673</u>	<u>7,884,464,587</u>
Total assets	<u>\$ 6,468,392,626</u>	<u>\$ 3,469,403,843</u>	<u>\$ 9,937,796,469</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - debt refundings	\$ 64,118,475	\$ 5,063,906	\$ 69,182,381
Deferred outflows - pension plans	11,913,044	784,462	12,697,506
Deferred outflows - OPEB plans	<u>13,079,418</u>	<u>792,743</u>	<u>13,872,161</u>
Total deferred outflows of resources	<u>\$ 89,110,937</u>	<u>\$ 6,641,111</u>	<u>\$ 95,752,048</u>

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Net Position
As of December 31, 2019

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 92,455,532	\$ 66,381,057	\$ 158,836,589
Advance billings and payments received in advance	39,063,099	277,604,620	316,667,719
Accrued lease obligations	419,241	-	419,241
Due to (due from) other funds	40,860,429	(40,860,429)	-
Accrued interest payable	47,795,137	26,464,348	74,259,485
Current portion of bonds payable	<u>184,990,000</u>	<u>3,505,221</u>	<u>188,495,221</u>
Total current liabilities	<u>405,583,438</u>	<u>333,094,817</u>	<u>738,678,255</u>
Non-current liabilities			
Other liabilities	8,358,211	68,329	8,426,540
Commercial paper notes	-	10,000,000	10,000,000
Interest rate swaps payable	139,151,878	-	139,151,878
Net OPEB liability	9,073,751	605,029	9,678,780
Bonds payable, net	<u>4,589,905,277</u>	<u>3,442,220,661</u>	<u>8,032,125,938</u>
Total non-current liabilities	<u>4,746,489,117</u>	<u>3,452,894,019</u>	<u>8,199,383,136</u>
Total liabilities	<u>\$ 5,152,072,555</u>	<u>\$ 3,785,988,836</u>	<u>\$ 8,938,061,391</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - debt refundings	\$ 90,914	\$ 1,384,786	\$ 1,475,700
Deferred inflows - pension plans	28,855,816	699,587	29,555,403
Deferred inflows - OPEB plans	<u>18,333,484</u>	<u>1,054,461</u>	<u>19,387,945</u>
Total deferred inflows of resources	<u>\$ 47,280,214</u>	<u>\$ 3,138,834</u>	<u>\$ 50,419,048</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	\$ 111,165,748	\$ 940,321,202	\$ 1,051,486,950
Restricted for			
Construction	60,578,405	73,007,012	133,585,417
Debt service	49,880,749	18,768,968	68,649,717
Leases	7,059,123	-	7,059,123
Dulles Rail latent defects	-	15,476,366	15,476,366
Dulles Toll Road repairs	-	8,990,968	8,990,968
Public safety	853,887	-	853,887
Unrestricted (deficit)	<u>1,128,612,882</u>	<u>(1,369,647,232)</u>	<u>(241,034,350)</u>
Total net position (deficit)	<u>\$ 1,358,150,794</u>	<u>\$ (313,082,716)</u>	<u>\$ 1,045,068,078</u>

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Net Position
As of December 31, 2018

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 112,135,060	\$ 240,567,365	\$ 352,702,425
Restricted cash and cash equivalents	169,986,662	89,571,401	259,558,063
Accounts receivable, net	32,692,099	744,645	33,436,744
Investments	1,086,705,966	-	1,086,705,966
Restricted investments	296,822,320	73,155,142	369,977,462
Inventory	6,558,368	491,404	7,049,772
Prepaid expenses and other current assets	<u>6,244,323</u>	<u>292,085</u>	<u>6,536,408</u>
Total current assets	<u>1,711,144,798</u>	<u>404,822,042</u>	<u>2,115,966,840</u>
Non-current assets			
Restricted:			
Cash and cash equivalents	136,085,791	318,110,949	454,196,740
Accounts receivable	28,693,021	51,022,573	79,715,594
Investments	<u>231,845,133</u>	<u>288,969,216</u>	<u>520,814,349</u>
Total restricted	<u>396,623,945</u>	<u>658,102,738</u>	<u>1,054,726,683</u>
Unrestricted:			
Bond insurance costs	561,673	11,804,623	12,366,296
Other assets	<u>135,012</u>	<u>-</u>	<u>135,012</u>
Total unrestricted	<u>696,685</u>	<u>11,804,623</u>	<u>12,501,308</u>
Capital assets:			
Land and other non-depreciable assets	150,819,463	-	150,819,463
Construction in progress	278,040,322	27,364,516	305,404,838
Construction in progress - Dulles Metrorail Project	-	1,979,450,478	1,979,450,478
Buildings, systems and equipment	7,463,392,198	125,383,636	7,588,775,834
Less: accumulated depreciation	<u>(3,681,152,862)</u>	<u>(34,076,723)</u>	<u>(3,715,229,585)</u>
Capital assets, net	<u>4,211,099,121</u>	<u>2,098,121,907</u>	<u>6,309,221,028</u>
Total non-current assets	<u>4,608,419,751</u>	<u>2,768,029,268</u>	<u>7,376,449,019</u>
Total assets	<u>\$ 6,319,564,549</u>	<u>\$ 3,172,851,310</u>	<u>\$ 9,492,415,859</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - debt refundings	\$ 68,264,913	\$ -	\$ 68,264,913
Deferred outflows - pension plans	29,724,860	2,304,835	32,029,695
Deferred outflows - OPEB plans	<u>17,310,234</u>	<u>1,008,981</u>	<u>18,319,215</u>
Total deferred outflows of resources	<u>\$ 115,300,007</u>	<u>\$ 3,313,816</u>	<u>\$ 118,613,823</u>

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Net Position
As of December 31, 2018

	<u>Aviation Enterprise</u>	<u>Dulles Corridor Enterprise</u>	<u>Total Business-Type Activities</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 78,682,315	\$ 85,990,619	\$ 164,672,934
Advance billings and payments received in advance	27,732,018	81,122,979	108,854,997
Accrued lease obligations	363,875	-	363,875
Due to (due from) other funds	59,285,955	(59,285,955)	-
Accrued interest payable	47,199,628	36,274,271	83,473,899
Current portion of bonds payable	<u>170,935,000</u>	<u>7,259,874</u>	<u>178,194,874</u>
Total current liabilities	<u>384,198,791</u>	<u>151,361,788</u>	<u>535,560,579</u>
Non-current liabilities			
Other liabilities	9,613,793	200,072,212	209,686,005
Commercial paper notes	-	140,000,000	140,000,000
Interest rate swaps payable	112,210,401	-	112,210,401
Net pension liability	21,037,619	1,241,160	22,278,779
Net OPEB liability	28,564,810	1,680,262	30,245,072
TIFIA payable	-	1,054,440,699	1,054,440,699
Bonds payable, net	<u>4,566,661,187</u>	<u>2,053,408,361</u>	<u>6,620,069,548</u>
Total non-current liabilities	<u>4,738,087,810</u>	<u>3,450,842,694</u>	<u>8,188,930,504</u>
Total liabilities	<u>\$ 5,122,286,601</u>	<u>\$ 3,602,204,482</u>	<u>\$ 8,724,491,083</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - debt refundings	\$ 108,988	\$ -	\$ 108,988
Deferred inflows - pension plans	8,881,079	135,447	9,016,526
Deferred inflows - OPEB plans	<u>3,858,104</u>	<u>238,764</u>	<u>4,096,868</u>
Total deferred inflows of resources	<u>\$ 12,848,171</u>	<u>\$ 374,211</u>	<u>\$ 13,222,382</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	\$ 172,839,042	\$ 742,647,416	\$ 915,486,458
Restricted for			
Construction	90,108,575	41,604,672	131,713,247
Debt service	47,913,572	21,521,847	69,435,419
Leases	7,425,415	-	7,425,415
Dulles Rail latent defects	-	15,220,999	15,220,999
Dulles Toll Road repairs	-	8,570,841	8,570,841
Public safety	262,500	-	262,500
Unrestricted (deficit)	<u>981,180,680</u>	<u>(1,255,979,342)</u>	<u>(274,798,662)</u>
Total net position (deficit)	<u>\$ 1,299,729,784</u>	<u>\$ (426,413,567)</u>	<u>\$ 873,316,217</u>

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2019

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 362,049,965	\$ -	\$ 362,049,965
Tolls	-	197,407,329	197,407,329
Rents	264,815,523	-	264,815,523
Landing fees	89,654,098	-	89,654,098
Utility sales	14,278,652	-	14,278,652
Passenger fees	23,511,540	-	23,511,540
Other	12,145,705	-	12,145,705
Total operating revenues	<u>766,455,483</u>	<u>197,407,329</u>	<u>963,862,812</u>
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	220,606,629	37,300,297	257,906,926
Salaries and related benefits	188,322,576	10,383,690	198,706,266
Utilities	26,553,298	202,636	26,755,934
Lease from U.S. Government	5,861,237	-	5,861,237
Depreciation and amortization	223,071,619	9,679,887	232,751,506
Total operating expenses	<u>664,415,359</u>	<u>57,566,510</u>	<u>721,981,869</u>
OPERATING INCOME	<u>102,040,124</u>	<u>139,840,819</u>	<u>241,880,943</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	53,760,309	24,637,782	78,398,091
Interest expense	(170,152,978)	(166,869,480)	(337,022,458)
Federal, state and local grants	1,161,473	-	1,161,473
Fair value loss on swaps	(26,941,477)	-	(26,941,477)
Net contributions from (to) other governments	(20,935,610)	78,884,605	57,948,995
Total non-operating revenues (expenses)	<u>(163,108,283)</u>	<u>(63,347,093)</u>	<u>(226,455,376)</u>
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(61,068,159)</u>	<u>76,493,726</u>	<u>15,425,567</u>
CAPITAL CONTRIBUTIONS			
Passenger facility charges	96,303,603	-	96,303,603
Net federal, state and local grants	23,185,566	36,837,125	60,022,691
Total capital contributions	<u>119,489,169</u>	<u>36,837,125</u>	<u>156,326,294</u>
NET POSITION (DEFICIT)			
Change in net position	58,421,010	113,330,851	171,751,861
Net position (deficit), beginning of year	<u>1,299,729,784</u>	<u>(426,413,567)</u>	<u>873,316,217</u>
Net position (deficit), end of year	<u>\$ 1,358,150,794</u>	<u>\$ (313,082,716)</u>	<u>\$ 1,045,068,078</u>

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2018

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 348,624,365	\$ -	\$ 348,624,365
Tolls	-	151,396,932	151,396,932
Rents	280,146,201	-	280,146,201
Landing fees	84,485,059	-	84,485,059
Utility sales	14,401,340	-	14,401,340
Passenger fees	24,317,733	-	24,317,733
Other	14,517,758	-	14,517,758
Total operating revenues	<u>766,492,456</u>	<u>151,396,932</u>	<u>917,889,388</u>
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	200,396,186	28,757,695	229,153,881
Salaries and related benefits	188,258,198	10,973,208	199,231,406
Utilities	25,878,626	199,827	26,078,453
Lease from U.S. Government	5,774,716	-	5,774,716
Depreciation and amortization	227,928,188	8,233,830	236,162,018
Total operating expenses	<u>648,235,914</u>	<u>48,164,560</u>	<u>696,400,474</u>
OPERATING INCOME	<u>118,256,542</u>	<u>103,232,372</u>	<u>221,488,914</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	33,990,909	12,888,087	46,878,996
Interest expense	(190,690,350)	(148,039,823)	(338,730,173)
Federal, state and local grants	26,071,447	-	26,071,447
Fair value gain on swaps	23,083,850	-	23,083,850
Net contributions from (to) other governments	(31,086,446)	120,332,100	89,245,654
Gain from sale of real estate	202,454,919	-	202,454,919
Total non-operating revenues (expenses)	<u>63,824,329</u>	<u>(14,819,636)</u>	<u>49,004,693</u>
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>182,080,871</u>	<u>88,412,736</u>	<u>270,493,607</u>
CAPITAL CONTRIBUTIONS			
Passenger facility charges	93,352,976	-	93,352,976
Net federal, state and local grants	23,169,964	39,036,562	62,206,526
Total capital contributions	<u>116,522,940</u>	<u>39,036,562</u>	<u>155,559,502</u>
NET POSITION (DEFICIT)			
Change in net position	298,603,811	127,449,298	426,053,109
Net position (deficit), beginning of year	<u>1,001,125,973</u>	<u>(553,862,865)</u>	<u>447,263,108</u>
Net position (deficit), end of year	<u>\$ 1,299,729,784</u>	<u>\$ (426,413,567)</u>	<u>\$ 873,316,217</u>

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Cash Flows
For the year ended December 31, 2019

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 782,615,850	\$ 196,846,357	\$ 979,462,207
Cash payments to suppliers for goods and services	(261,475,637)	(26,826,786)	(288,302,423)
Cash payments to employees for services	(197,153,521)	(2,879,621)	(200,033,142)
Cash receipts for interfund services	10,621,339	-	10,621,339
Cash payments for interfund services	-	(10,621,339)	(10,621,339)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>334,608,031</u>	<u>156,518,611</u>	<u>491,126,642</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash provided by other governments	-	158,835,435	158,835,435
Cash provided to other governments	(32,158,544)	-	(32,158,544)
Interest paid to vendors (refunded)	(23,547)	(539)	(24,086)
Federal, state and local grants in support of operations	1,161,473	-	1,161,473
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(31,020,618)</u>	<u>158,834,896</u>	<u>127,814,278</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	388,020,000	1,737,084,913	2,125,104,913
Proceeds from issuance of commercial paper	-	200,000,000	200,000,000
Payments for refunding of bond/notes	(213,785,000)	(330,000,000)	(543,785,000)
Principal payments on bonds/notes	(170,935,000)	(1,426,053,426)	(1,596,988,426)
Payments for capital expenditures and construction in progress	(218,688,882)	(276,853,331)	(495,542,213)
Proceeds from sale of capital assets	258,522	13,240	271,762
Refunding of bond insurance costs	(42,092)	(1,945,468)	(1,987,560)
Interest paid on bonds and commercial paper	(131,406,467)	(160,772,522)	(292,178,989)
Federal, state and local grants in aid of construction	21,105,104	23,023,749	44,128,853
Passenger facility charge receipts	99,101,130	-	99,101,130
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(226,372,685)</u>	<u>(235,502,845)</u>	<u>(461,875,530)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from short-term investment maturities	2,714,210,636	539,428,075	3,253,638,711
Purchase of short-term investments	(2,509,523,607)	(645,823,382)	(3,155,346,989)
Proceeds from long-term investment maturities	54,444,559	156,889,733	211,334,292
Purchase of long-term investments	(368,433,084)	-	(368,433,084)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(109,301,496)</u>	<u>50,494,426</u>	<u>(58,807,070)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,086,768)	130,345,088	98,258,320
CASH AND CASH EQUIVALENTS, Beginning of year	<u>418,207,513</u>	<u>648,249,715</u>	<u>1,066,457,228</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 386,120,745</u>	<u>\$ 778,594,803</u>	<u>\$ 1,164,715,548</u>

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Cash Flows
For the year ended December 31, 2019

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 102,040,124	\$ 139,840,819	\$ 241,880,943
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	222,824,353	9,678,203	232,502,556
Gain on disposal of assets	247,266	1,684	248,950
Provision for losses on accounts receivable	350,394	-	350,394
(Increase) decrease in assets:			
Accounts receivable	4,527,734	(560,973)	3,966,761
Inventory	(622,576)	121,057	(501,519)
Prepaid expenses and other current assets	(3,728,361)	(19,458)	(3,747,819)
Total long term assets	22,042,634	1,736,611	23,779,245
Total net pension assets	(16,926,244)	(933,743)	(17,859,987)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	7,058,359	3,910,618	10,968,977
Advance billings and payments received in advance	11,331,082	196,481,641	207,812,723
Due to (due from) other funds	(7,202,591)	7,202,591	-
Total OPEB liability	(19,491,059)	(1,075,233)	(20,566,292)
Total pension liability	(21,037,619)	(1,241,160)	(22,278,779)
Total long-term liabilities	33,194,535	(198,624,046)	(165,429,511)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 334,608,031	\$ 156,518,611	\$ 491,126,642
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain on investments	\$ 53,760,309	\$ 24,637,782	\$ 78,398,091
Contributions to other entities	\$ (11,222,935)	\$ (12,908,200)	\$ (24,131,135)
Increase in assets in non operating accounts receivable	\$ 1,067,460	\$ 45,688,656	\$ 46,756,116
Increase (decrease) in capital assets in accounts payable and accrued expenses	\$ 6,714,858	\$ (23,520,180)	\$ (16,805,322)
Fair value loss on swaps	\$ (26,941,477)	\$ -	\$ (26,941,477)

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Cash Flows
For the year ended December 31, 2018

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 760,987,122	\$ 151,373,865	\$ 912,360,987
Cash payments to suppliers for goods and services	(236,311,508)	(27,207,578)	(263,519,086)
Cash payments to employees for services	(191,936,983)	(3,121,109)	(195,058,092)
Cash receipts for interfund services	9,109,766	-	9,109,766
Cash payments for interfund services	-	(9,109,766)	(9,109,766)
NET CASH PROVIDED BY OPERATING ACTIVITIES	341,848,397	111,935,412	453,783,809
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash provided by other governments	-	191,100,907	191,100,907
Cash provided to other governments	(21,377,529)	-	(21,377,529)
Interest paid to vendors (refunded)	(23,547)	(539)	(24,086)
Federal, state and local grants in support of operations	26,071,447	-	26,071,447
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	4,670,371	191,100,368	195,770,739
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	558,430,000	200,540,003	758,970,003
Proceeds from issuance of commercial paper	-	400,000,000	400,000,000
Payments for refunding of bonds/notes	(413,875,000)	-	(413,875,000)
Principal payments on bonds/notes	(192,100,000)	(464,086,658)	(656,186,658)
Payments for capital expenditures and construction in progress	(144,165,150)	(411,649,012)	(555,814,162)
Proceeds from sale of capital assets	234,035,109	-	234,035,109
Interest paid on bonds and commercial paper	(140,178,870)	(80,546,393)	(220,725,263)
Federal, state and local grants in aid of construction	16,298,488	35,883,136	52,181,624
Passenger facility charge receipts	91,117,137	-	91,117,137
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	9,561,714	(319,858,924)	(310,297,210)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from short-term investment maturities	1,963,888,732	383,717,507	2,347,606,239
Purchase of short-term investments	(2,172,918,323)	(230,522,340)	(2,403,440,663)
Proceeds from long-term investment maturities	60,306,512	37,994,957	98,301,469
Purchase of long-term investments	(5,743,919)	(45,974,344)	(51,718,263)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(154,466,998)	145,215,780	(9,251,218)
NET INCREASE IN CASH AND CASH EQUIVALENTS	201,613,484	128,392,636	330,006,120
CASH AND CASH EQUIVALENTS, Beginning of year	216,594,029	519,857,079	736,451,108
CASH AND CASH EQUIVALENTS, End of year	\$ 418,207,513	\$ 648,249,715	\$ 1,066,457,228

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

Statement of Cash Flows
For the year ended December 31, 2018

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 118,256,542	\$ 103,232,372	\$ 221,488,914
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	227,675,540	8,233,830	235,909,370
Gain on disposal of assets	252,648	-	252,648
Provision for losses on accounts receivable	371,866	-	371,866
(Increase) decrease in assets:			
Accounts receivable	(3,726,634)	(23,066)	(3,749,700)
Inventory	259,321	(429,307)	(169,986)
Prepaid expenses and other current assets	4,467	(1,490)	2,977
Total long term assets	(27,381,761)	(2,175,854)	(29,557,615)
Total net pension assets	8,293,270	499,142	8,792,412
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(2,898,288)	15,282,456	12,384,168
Advance billings and payments received in advance	(2,843,116)	-	(2,843,116)
Due to (due from) other funds	(481,674)	481,674	-
Total OPEB liability	20,518,451	1,195,980	21,714,431
Total pension liability	19,964,518	1,147,950	21,112,468
Total long-term liabilities	(16,416,753)	(15,508,275)	(31,925,028)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 341,848,397	\$ 111,935,412	\$ 453,783,809
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain and (loss) on investments	\$ 33,990,909	\$ -	\$ 33,990,909
Contributions to other entities	\$ (9,708,917)	\$ (21,580,000)	\$ (31,288,917)
(Increase) decrease in assets in non operating accounts receivable	\$ -	\$ (48,575,306)	\$ (48,575,306)
Increase (decrease) in capital assets in accounts payable and accrued expenses	\$ (2,712,607)	\$ (30,936,660)	\$ (33,649,267)
Fair value gain on swaps	\$ 23,083,850	\$ -	\$ 23,083,850

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Fiduciary Component Units
Basic Financial Statements

Statement of Fiduciary Net Position

	As of December 31	
	2019	2018
	Pension and Other Post-Employment Benefit Trust Funds	Pension and Other Post-Employment Benefit Trust Funds
Assets		
Restricted		
Current investments		
Short-term investments	\$ 4,542,582	\$ 4,715,144
Non-current investments		
Debt securities	128,932,444	115,615,024
Equity securities	331,853,810	256,660,563
Private equity	23,996,540	24,726,340
Real estate	7,904,191	7,347,454
Total non-current investments	492,686,985	404,349,381
Total investments	497,229,567	409,064,525
Receivables		
Accrued investment income and other	987,577	519,734
Accrued contributions	594,483	544,047
Total receivables	1,582,060	1,063,781
Total assets	498,811,627	410,128,306
Liabilities		
Payables		
Accrued plan expenses	225,527	250,420
Total liabilities	225,527	250,420
Net Position		
Net position restricted for pensions	331,246,426	275,681,959
Net position restricted for other post-employment benefits	146,191,855	119,299,525
Net position restricted for other purposes	21,147,819	14,896,402
Total net position	\$ 498,586,100	\$ 409,877,886

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

Statement of Changes in Fiduciary Net Position

	For the year ended December 31,	
	<u>2019</u>	<u>2018</u>
	Pension and Other Post-Employment Benefit Trust Funds	Pension and Other Post-Employment Benefit Trust Funds
Additions		
Employer contributions	\$ 21,581,200	\$ 21,400,689
Employee contributions	686,185	420,710
Total contributions	<u>22,267,385</u>	<u>21,821,399</u>
Net (depreciation) appreciation in fair value of investments	78,080,336	(29,801,410)
Interest income	2,434,615	3,062,765
Dividends	8,485,652	7,366,855
Total investment (loss) income	<u>89,000,603</u>	<u>(19,371,790)</u>
Less investment expenses	<u>(595,259)</u>	<u>(482,550)</u>
Net investment (loss) income	<u>88,405,344</u>	<u>(19,854,340)</u>
Total additions, net	<u>110,672,729</u>	<u>1,967,059</u>
Deductions		
Benefit payments	21,209,037	19,872,393
Administrative expenses	755,478	689,985
Total deductions	<u>21,964,515</u>	<u>20,562,378</u>
Change in net position	88,708,214	(18,595,319)
Net Position		
Beginning of year	409,877,886	428,473,205
End of year	<u>\$ 498,586,100</u>	<u>\$ 409,877,886</u>

The accompanying notes are an integral part of the 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.

In evaluating the Airports Authority as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Airports Authority may be financially accountable and, as such, should be included within the Airports Authority's financial statements. The Airports Authority (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Airports Authority. Potential organizations for which the Airports Authority is not financially accountable but would be misleading if not disclosed within the Airports Authority's financial statements were considered, and the Pension and Other Post-Employment Benefit Trust Funds were identified as a blended component unit.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its blended component unit.

Blended Component Unit

The Pension and Other Post-Employment Benefits Trust Funds – The blended component units consist of the following four trust funds established as fiduciary activities to provide retirement benefits to qualified Airports Authority employees: the General Retirement Plan; the Police Officers and Firefighters Retirement Plan; the 401a Supplemental Savings Plan; and the Retired Employees Health Care Plan. The trust funds are governed by the

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

Airports Authority Retirement Committee (Retirement Committee), and the Retirement Committee is appointed by the Board. The Airports Authority assumes a financial burden of making contributions to the trust funds.

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. In addition, the Airports Authority Pension and Other Post-Employment Benefits Trust funds are reported as component units in the Fiduciary Fund Financial Statements.

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.

Fiduciary Activities

As defined by GASB, the Airports Authority reports the operations of the Pension, Other Post-Employment Benefits and 401a Savings Plan trust funds as blended component units in the Fiduciary Fund Financial Statements. These Pension and Other Post-Employment Benefits Trust Funds provide retirement benefits in the form of pensions and health to qualified Airports Authority employees. These Pension and Other Post-Employment Benefits Trust Funds are legally separate entities and the resources of the Pension and Other Post-Employment Benefits Trust Funds are restricted and cannot be used to finance the Airports Authority's operations. The assets of the trusts are held and administered in trust arrangements which are governed by the Airports Authority Retirement Committee. The Airports Authority Retirement Committee is staffed by Airports Authority employees and receives its authority by delegation from the Airports Authority Board of Directors. The Airports Authority has committed to making contributions into each of the plans thereby assuming a financial burden for the plan and thus having financial accountability, so the activity of the fiduciary funds is presented as a blended component unit. The assets in each trust are held for only Airports Authority employees' benefits.

The Airports Authority Retirement Plan and the Airports Authority Retirement Plan for Police Officers and Firefighters, established in January 1989, the Airports Authority Retired Employees Healthcare Plan, established in January 2005, and the Airports Authority 401A Supplemental Savings Plan are governed by the Retirement Committee established by the Airports Authority's Board of Directors in March 1989. The Retirement Committee consists of senior management staff appointed by the President and Chief Executive Officer and a member of the Board of Directors, designated by the Board Chairman. The Senior Vice President for Human Resources and

Administrative Services serves as the Chair of the Retirement Committee and the Manager of Benefits and Retirement serves as the Committee Secretary.

The Airports Authority's Retirement Plan and the Airports Authority's Plan for Police Officers and Firefighters issue separate publicly available financial statements. These reports and financial information for the Airports Authority's Retired Employees Healthcare Plan can be obtained by request to William Caldwell, Manager, Compensation and Benefits, 1 Aviation Circle, Washington, DC, 20001-6000 or email William.Caldwell@mwaa.com.

The Airports Authority Retired Employees Healthcare Plan and 401A Supplemental Savings Plan do not issue separate financial statements. The relevant financial information can be found within the preceding financial statements and subsequent footnote disclosures.

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, pension obligations, other post-employment benefits obligations, the actuarial present value of accumulated plan benefits 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.

Employer contributions to the Pension and Other Post-Employment Benefits Trust Funds are recognized when the employer has made formal commitments to provide the contribution. The contribution rates for any given year for the plans are calculated based on the actuarial valuation done for the year two years prior to the current year. The contribution rate for any given year incorporates (1) the current and projected funded status of the funds; (2) recent investment performance, and the advice of the investment consultant; and (3) anticipated changes to the Plans' demographics to the extent reflected in the actuarial assumptions used by the actuary in their most recent actuarial valuation or projections. The Airports Authority's funding policy is to provide for periodic employer contributions rates expressed as percentages of annual covered payroll. Employer contributions are determined in accordance with Pension and Other Post-Employment Benefits Trust Funds plan provisions and approved by the Airports Authority's Retirement Committee.

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, the Dulles Corridor Enterprise Fund and the Pension and Other Post-employment Benefit Trust Funds. 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

Business-Type Activities

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 3 – Airport Use Agreement and Premises Lease. Other leases are for terms of one or more years and include contractually established rental rates and provisions for annual rent adjustments. Rental revenues include common area maintenance charges as well as cost recovery for normal utility usage in most cases. Terminal and concourse rental rates at Dulles International include cost recovery and debt service coverage for the Automated People Mover system (the AeroTrain). Rental revenue is recognized over the life of the respective leases.

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

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, 44 percent of the cost of the south parking structure, 44 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. For 2019 and 2018 the CFC at Reagan National was \$3.50 per rental day and is collected by the car rental companies from each of their customers and subsequently remitted to the Airports Authority. On July 1, 2019, the Airports Authority began requiring the on-airport car rental companies at Dulles International to charge a CFC of \$3.00 per rental day 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' facilities and other costs, fees and expenses that may be paid from CFC proceeds. 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.

Fiduciary Activities

The Pension and Other Post-Employment Benefit Trust Funds recognize employer and employee contributions to the plans. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date and the trust funds present the net appreciation in the fair value of its investments, which consists of the realized and unrealized gains and losses on those investments.

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.

2019 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 2019 and 2018 are recognized within Operating Expenses on the Statements of Revenues, Expenses and Changes in Net Position as follows:

	Year ended December 31,	
	2019	2018
Materials, equipment, supplies, contract services, and other	\$ 1,263,031	\$ 1,379,079
Salaries and related benefits	7,963,039	7,418,287
Utilities	17,446	17,454
Depreciation and amortization	200,146	96,178
Total	<u>\$ 9,443,662</u>	<u>\$ 8,910,998</u>

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

Business-Type Activities

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.

Fiduciary Activities

The Pension and Other Post-Employment Benefits Trust Funds’ investment policy is determined by the Board. The Statement of Investment Policy was adopted at the Board of Directors’ meeting on October 2, 1996 with the latest

amendment on January 21, 2015. The Retirement Committee is authorized to administer the investment policies, develop investment manager guidelines and objectives and approve the retention of qualified advisors and investment managers.

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, equity securities, private equity funds, real estate trust funds and short-term investments. 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 the highest priority given to unadjusted quoted prices in active markets (level 1), the second priority given to other observable inputs (level 2) and the lowest priority to unobservable inputs (level 3).

Investments consist of debt and equity securities, private equity funds, real estate trust funds and short-term investments.

Purchases and sales of securities are reflected on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Statements of Plan Net Position presents the net appreciation in the fair value of investments, which consists of the realized and unrealized gains and losses on those investments.

J. Accounts Receivable

Accounts receivable are reported net of estimated uncollectible amounts when earned. The Airports Authority's payment terms range from zero to 30 days (60 days for government agencies), depending on the type of service provided. An allowance for doubtful accounts 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. Receivables in the Pension and Other Post-Employment Benefits Trust Funds are primarily the accrual of security transactions and contributions due but not yet paid. The receivables in the Pension and Other Post-Employment Benefits Trust Funds are primarily due from the investment managers and the Airports Authority so no allowance for doubtful accounts is 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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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 and Statements of Fiduciary 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 construction of the Dulles Metrorail Project as well as the operation of the Dulles Toll Road (refer to Note 4 – The Dulles Toll Road and Construction of the Dulles Metrorail Project). Assets restricted for the benefit of the Airports Authority's Public Safety department represent cash funds obtained through cooperative seizure activities with federal and state justice agencies (refer to Note 17 – Government Grants).

Assets restricted for the Pension and Other Post-Employment Benefits Trust Funds are available for payment of benefits to eligible retirees and administrative expenses associated with the trust funds in accordance with the trust funds' provisions.

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.

The Airports Authority recognizes pension expense and deferred outflows of resources and deferred inflows of resources related to pension benefits 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.

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
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. Deferred Outflows/Inflows of Resources

In addition to assets, the Statements 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 and will be recognized as an outflow of resources in a future period. The Airports Authority recognizes deferred outflows for debt refundings, pension plans, and other post-employment benefits (OPEB) plans.

In addition to liabilities, the Statements 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 and will be recognized as an inflow of resources in a future period. The Airports Authority recognizes deferred inflows for debt refundings, pension plans, and OPEB plans. Deferred outflows and inflows of resources for debt refundings are amortized over the shorter maturity of the refunded or refunding debt. The pension and OPEB deferred inflows and outflows related to the difference between expected and actual experience, changes in assumptions and the difference between projected and actual earnings on pension plan investments are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB through the plans. Deferred inflows and outflows of resources related to the difference between actual and projected earnings on investments are presented as net outflows and net inflows. The pension and OPEB deferred inflows and outflows related to the difference between projected and actual earnings are recognized in pension expense using a systematic and rational method over a closed five-year period.

P. 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.

Q. 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.

R. 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.

S. 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 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 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.

T. Post-Employment Benefits

The Airports Authority provides OPEB of healthcare and life insurance. The Airports Authority in the business-type activities recognizes expense and deferred outflows of resources and deferred inflows of resources related to OPEB that result in changes in the components of the net OPEB liability. 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, 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 – Other Post-Employment Benefits.

U. 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. 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.

V. Advance Billings and Payments Received in Advance

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

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

W. 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.

X. Taxes

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

Y. Recently Issued Accounting Pronouncements

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. The Airports Authority implemented the standard and incorporated any required changes to their financial reporting as described in Note 2 – Implementation of GASB 83, GASB 84, GASB 88 and GASB 90.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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. The Airports Authority implemented the Statement and incorporated the changes in the financial reporting as described in Note 2 – Implementation of GASB 83, GASB 84, GASB 88 and GASB 90

GASB Statement No. 87, *Leases* improves the accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Airports Authority will review the Statement and incorporate any required changes in its financial reporting.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* improves the accounting and financial reporting for liability that arises from a contractual obligation. The Statement requires additional information related to debt be disclosed for unused lines of credit, assets pledged as collateral. It also requires disclosure for the debt direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Airports Authority implemented the Statement and incorporated the changes in the financial reporting as described in Note 2 – Implementation of GASB 83, GASB 84, GASB 88 and GASB 90.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. The Statement requires a disclosure on a majority equity interest in a legally separate organization as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Airports Authority reviewed the Statement and incorporated any required changes in the financial reporting as described in Note 2 – Implementation of GASB 83, GASB 84, GASB 88 and GASB 90.

GASB Statement No. 91, *Conduit Debt Obligations* defines conduit debt obligations for accounting and financial reporting purposes and establishes related standards for recognition, measurement and disclosure for issuers. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The Airports Authority will review the statement and incorporate any required changes in its financial reporting.

GASB Statement No. 92, *Omnibus 2020* provided updates to some previous GASB standards, such as GASB 87, GASB 84, GASB 73 and 74. The requirements of this statement are effective for GASB 87 upon issuance, and all other standards for fiscal years beginning after June 15, 2020. The Airports Authority will review the statement and incorporate any required changes in their financial reporting.

Z. Prior Year Changes

The Airports Authority has reclassified certain items with its deferred outflows of resources and deferred inflows of resources related to the General Retirement Plan, the Police Officer's and Firefighters Retirement Plan and the Retired Employees Health Care Plan for the year ended December 31, 2018. The differences between expected and actual earnings on pension plan investments are presented as net differences in Note 7, Pension Plans and Deferred Compensation Plan and Note 8, Other Post-Employment Benefits. The Airports Authority has reclassified certain items with its total pension liability, total OPEB liability and the Plan(s) fiduciary Net position with no change to the net pension and net OPEB liability/asset related to the General Retirement Plan, the Police Officer's and Firefighters Retirement Plan and the Retired Employees Health Care Plan for the year ended December 31, 2018.

2. IMPLEMENTATION OF GASB 83, GASB 84, GASB 88 and GASB 90

Effective on January 1, 2018, the Airports Authority implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*. The statement establishes standard of accounting and financial report for certain asset retirement obligations. The Airports Authority did not have any asset retirement obligations as outlined in the statement as of the effective date and none as of December 31, 2019 or as of December 31, 2018.

Effective on January 1, 2018, the Airports Authority implemented GASB Statement No. 84, *Fiduciary Activities* which enhanced consistency and comparability in financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. As part of the implementation of GASB 84, the Airports Authority has included in its financial reporting entity the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for fiduciary activities. These fiduciary activities include the Airports Authority's two pension plans, one supplemental savings plan and one post-employment healthcare plan. The financial statements and required disclosures have been added to the Basic Financial Statements and accompanying notes of the financial report with combining Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position added as Supplemental Information.

The implementation of GASB 84 requires the addition of the fiduciary fund financial statements for current and prior year, so the 2018 statements have been added to the financial report.

Effective on January 1, 2018, the Airports Authority implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The statement was established to improve consistency in the information that is disclosed in notes government financial statements related to debt, including direct borrowings and direct placements. The additional required disclosures have been added to the accompanying notes of the financial statements.

Effective on January 1, 2018, the Airports Authority implemented GASB Statement No. 90, *Majority Equity Interests- an Amendment of GASB Statements No. 14 and No. 61*. This statement improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. The Airports Authority did not have any majority equity interests in legally separate organizations as of the effective date and none as of December 31, 2019 or as of December 31, 2018.

3. 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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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.

The Authority and the Signatory airlines amended the 2015 Agreement as it relates to the operations of the airlines and other airlines at Dulles by amending the 2015 Agreement's definition of "Revenues" to exclude proceeds from the Authority's sale of certain Authority-owned land at Dulles and adding new provisions which, among other things, provide for the Authority's use of the proceeds it obtains from the sale of such land.

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 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 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 \$445.6 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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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, 2016, \$35 million in 2017, \$30 million in 2018 and \$25 million in 2019. 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, 2019 and 2018, the Signatory Airlines' Transfer amounts were \$187.4 million and \$145.9 million, and the Airports Authority's share of NRR was \$120.9 million and \$116.5 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, 2019 and 2018, the settlement resulted in net charges to the Signatory Airlines of \$26.1 million and \$9.3 million, respectively. Each year's net charge adjusts the amount of revenue recognized during that year, with either a corresponding receivable due from the Signatory Airlines (refer to Note 6 – Accounts Receivable) or advance billings.

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

Dulles Toll Road

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred operational and financial control of the Dulles Toll Road (Omer L. Hirst – Adelard L. Brault Expressway) (DTR) 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. The Airports Authority took control and responsibility for all the assets associated with the transfer of the DTR and accordingly recorded the capital assets on its Statement of Net Position.

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 2019 is also augmented by a contribution of \$150.0 million from the Commonwealth. The Commonwealth augmented the Airport Authority's debt service on the Dulles Toll Road Revenue Bonds by \$15.0 million for the year ended December 31, 2019 and by \$15.0 million for the year ended December 31, 2018.

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

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 3 – Airport Use Agreement and Premises Lease, limits to \$10.0 million the amount of airport capital costs that can be incurred for construction of the Dulles Metrorail Project at Dulles International, unless otherwise agreed upon. As of December 31, 2019, the Airports Authority has approximately \$3.4 billion of Dulles Toll Road revenue bonds payable (refer to Note 14 – Capital Debt).

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

The Airports Authority reports the Construction in progress amounts related to both phases of the Dulles Metrorail Project in its Statement of Net Position. These are disclosed in Note 9 – Changes in Capital Assets. Assets transferred to WMATA for Phase 1 and Phase 2 are removed from the Airports Authority's Statement of Net Position and reported in the financial reports of WMATA.

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. The Airports Authority transferred \$5.6 million in assets to WMATA during 2019.

The transfer of these assets resulted in a reduction of \$3.31 billion (\$3.14 billion in 2014, \$0.09 billion in 2015, \$0.04 billion in 2016, \$0.01 billion in 2017, \$0.02 billion in 2018, and \$0.01 billion in 2019) in construction in progress as shown on the Authority's Statement of Net Position and a \$3.31 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.

Phase 2 of the Dulles Metrorail Project consisting of the 11.4 miles extension and related assets is still under construction. The Metrorail cars for Phase 2 are substantially complete and were transferred to WMATA in 2017. In 2019, the Airports Authority transferred to WMATA additional costs associated with the on-going testing and commissioning of the cars. WMATA obtains all ownership and title to these assets. The transfer of these Metrorail cars resulted in a reduction of \$134.2 million (\$127.0 million in 2017 and \$7.2 million in 2019) in Construction in progress shown on the Authority's Statement of Net Position and a \$134.2 million non-operating expense

(contribution to governments) on the Authority's Statement of Revenues, Expenses and Changes in Net Position in 2017 and 2019.

5. DEPOSITS AND INVESTMENTS

Business-Type Activities

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, 2019 and 2018, the Airports Authority had various certificates of deposit in the amount of \$23.8 million and \$18.8 million, respectively, of which \$17.5 million and \$12.3 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 \$0.16 million and \$0.16 million as of December 31, 2019 and 2018, respectively.

As of December 31, 2019 and 2018, cash and cash equivalents and investments were classified on the Statements of Net Position as follows:

	December 31, 2019			December 31, 2018		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
Cash and cash equivalents						
Current, unrestricted	\$ 109,662,095	\$ 272,176,307	\$ 381,838,402	\$ 112,135,060	\$ 240,567,365	\$ 352,702,425
Current, restricted	198,255,857	53,961,169	252,217,026	169,986,662	89,571,401	259,558,063
Non-current, restricted	<u>78,202,793</u>	<u>452,457,327</u>	<u>530,660,120</u>	<u>136,085,791</u>	<u>318,110,949</u>	<u>454,196,740</u>
Total cash and cash equivalents	386,120,745	778,594,803	1,164,715,548	418,207,513	648,249,715	1,066,457,228
Investments						
Current, unrestricted	858,501,262	-	858,501,262	1,086,705,966	-	1,086,705,966
Current, restricted	333,752,899	180,067,186	513,820,085	296,822,320	73,155,142	369,977,462
Non-current, unrestricted	368,433,084	-	368,433,084	-	-	-
Non-current, restricted	<u>217,747,977</u>	<u>156,200,529</u>	<u>373,948,506</u>	<u>231,845,133</u>	<u>288,969,216</u>	<u>520,814,349</u>
Total investments	<u>1,778,435,222</u>	<u>336,267,715</u>	<u>2,114,702,937</u>	<u>1,615,373,419</u>	<u>362,124,358</u>	<u>1,977,497,777</u>
Total cash, cash equivalents and investments	<u>\$ 2,164,555,967</u>	<u>\$ 1,114,862,518</u>	<u>\$ 3,279,418,485</u>	<u>\$ 2,033,580,932</u>	<u>\$ 1,010,374,073</u>	<u>\$ 3,043,955,005</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Cash and cash equivalents and securities as of December 31, 2019 and 2018 were comprised of the following:

	2019			2018		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
Cash deposits	\$ 29,894,902	\$ 307,990,265	\$ 337,885,167	\$ 118,598,369	\$ 1,762,158	\$ 120,360,527
Money market	385,033,770	472,031,502	857,065,272	321,856,281	648,174,045	970,030,326
Securities	<u>1,749,627,295</u>	<u>334,840,751</u>	<u>2,084,468,046</u>	<u>1,593,126,282</u>	<u>360,437,870</u>	<u>1,953,564,152</u>
Total cash, cash equivalents, and investments	<u>\$ 2,164,555,967</u>	<u>\$ 1,114,862,518</u>	<u>\$ 3,279,418,485</u>	<u>\$ 2,033,580,932</u>	<u>\$ 1,010,374,073</u>	<u>\$ 3,043,955,005</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, non-participatory 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 2019 was \$130.9 million and during 2018 was \$54.8 million. At December 31, 2019 and 2018, 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. There were no changes in valuation techniques or nonrecurring fair value measurements in 2019 or in 2018.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Investment Type	Carrying Value as of December 31, 2019			Fair Value Measures Using			
	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)	Amortized Cost
Debt Securities							
Treasury	\$ 986,123,339	\$ 297,667,367	\$ 1,283,790,706	\$ -	\$ 772,444,038	\$ -	\$ 511,346,668
Fannie Mae	35,063,328	-	35,063,328	-	-	-	35,063,328
Freddie Mac	43,019,126	711,798	43,730,924	-	-	-	43,730,924
Farmer Mac	120,545,518	860,030	121,405,548	-	24,971,750	-	96,433,798
Farm Credit	45,006,750	-	45,006,750	-	45,006,750	-	-
Home Loan	121,942,421	35,601,556	157,543,977	-	30,001,200	-	127,542,777
Tennessee Valley Authority	35,984,795	-	35,984,795	-	-	-	35,984,795
U.S. AID	20,127,600	-	20,127,600	-	20,127,600	-	-
Commercial Paper	219,747,614	-	219,747,614	-	-	-	219,747,614
Nonparticipatory Contracts							
MBIA GIC ¹	33,645,518	-	33,645,518	-	-	-	33,645,518
Dexia (FSA) GIC ¹	30,215,597	-	30,215,597	-	-	-	30,215,597
Repurchase Agreements:							
BOA Repo ¹	6,580,609	-	6,580,609	-	-	-	6,580,609
Morgan Stanley Repo ¹	51,625,080	-	51,625,080	-	-	-	51,625,080
Total securities	\$ 1,749,627,295	\$ 334,840,751	\$ 2,084,468,046	\$ -	\$ 892,551,338	\$ -	\$ 1,191,916,708

¹ Collateralized by Federal Agency Notes

Investment Type	Carrying Value as of December 31, 2018			Fair Value Measures Using			
	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)	Amortized Cost
Debt Securities							
Treasury	\$ 535,813,680	\$ 346,962,554	\$ 882,776,234	\$ -	\$ 465,330,506	\$ -	\$ 417,445,728
Fannie Mae	113,873,609	-	113,873,609	-	19,972,200	-	93,901,409
Freddie Mac	216,325,881	11,729,406	228,055,287	-	30,479,285	-	197,576,002
Farmer Mac	64,457,678	-	64,457,678	-	-	-	64,457,678
Farm Credit	9,801,828	-	9,801,828	-	-	-	9,801,828
Home Loan	372,176,089	1,745,910	373,921,999	-	9,849,300	-	364,072,699
Commercial Paper	158,610,712	-	158,610,712	-	-	-	158,610,712
Nonparticipatory Contracts							
MBIA GIC ¹	33,645,518	-	33,645,518	-	-	-	33,645,518
Dexia (FSA) GIC ¹	30,215,597	-	30,215,597	-	-	-	30,215,597
Repurchase Agreements:							
BOA Repo ¹	6,580,610	-	6,580,610	-	-	-	6,580,610
Morgan Stanley Repo ¹	51,625,080	-	51,625,080	-	-	-	51,625,080
Total securities	\$ 1,593,126,282	\$ 360,437,870	\$ 1,953,564,152	\$ -	\$ 525,631,291	\$ -	\$ 1,427,932,861

¹ Collateralized by Federal Agency Notes

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	As of December 31, 2019	
	Cost	Carrying Value
Securities with original maturity 1 year and over	\$1,011,002,773	\$1,014,618,143
Securities with original maturity less than 1 year	1,065,054,432	1,069,849,903
	<u>\$2,076,057,205</u>	<u>\$2,084,468,046</u>

	As of December 31, 2018	
	Cost	Carrying Value
Securities with original maturity 1 year and over	\$ 654,596,941	\$ 647,698,095
Securities with original maturity less than 1 year	1,300,618,987	1,305,866,057
	<u>\$1,955,215,928</u>	<u>\$1,953,564,152</u>

Credit Risk

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

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

The table below summarizes the investments by type and credit rating as of December 31, 2019:

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	Not Rated	AAA
Home Loan	Aaa	Not Rated	Not Rated
Tennessee Valley Authority	Aaa	AA+	Not Rated
U.S. AID (Guaranteed by United States of America)	Aaa	AA+	AAA
Commercial Paper	P1	A1	F1
MBIA GIC ¹	Ba3	Not Rated	Not Rated
Dexia (FSA) GIC ¹	Baa3	BBB	Not Rated
Debt Service Reserve Repurchase Agreements:			
BOA Repo ¹	Baa2	A-	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, 2019 and 2018, 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 \$67.9 million and \$68.1 million on December 31, 2019 and 2018 respectively. The fair value of the collateral for the Debt Service Reserve repurchase agreements was \$59.7 million and \$60.0 million as of December 31, 2019 and 2018 respectively. 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, 2019 and 2018, the Airports Authority had the following investments with the respected weighted average maturity in years:

Investment Type	2019	2018
Treasury	1.1	1.6
Fannie Mae	0.4	0.6
Freddie Mac	0.4	0.4
Farmer Mac	0.3	0.3
Farm Credit	1.0	0.7
Home Loan	0.4	0.5
Tennessee Valley Authority	0.2	0.0
U.S. AID	0.8	0.0
Commercial Paper	0.1	0.3
MBIA GIC	14.5	15.5
Dexia (FSA) GIC	15.8	16.8
Debt Service Reserve Repurchase Agreements:		
BOA Repo	3.8	4.8
Morgan Stanley Repo	16.4	17.4

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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

As of December 31, 2019 and 2018, investments accounted for the following percentages of the total portfolio:

<u>Investment Type</u>	As of December 31,	
	2019	2018
Treasury	61.6%	45.2%
Fannie Mae	1.7%	5.8%
Freddie Mac	2.1%	11.7%
Farmer Mac	5.8%	3.3%
Farm Credit	2.2%	0.5%
Home Loan	7.6%	19.1%
Tennessee Valley Authority	1.7%	0.0%
U.S. AID	1.0%	0.0%
Commercial Paper	10.5%	8.1%
MBIA GIC	1.6%	1.7%
Dexia (FSA) GIC	1.4%	1.6%
Debt Service Reserve Repurchase Agreements:		
BOA Repo	0.3%	0.3%
Morgan Stanley Repo	2.5%	2.7%
	100.0%	100.0%

Fiduciary Activities

The investments of the fiduciary activities are governed by the Statement of Investment Policy adopted by the Board on October 2, 1996 with the last amendment on January 21, 2015. 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, equity securities, private equity funds, real estate trust funds and short-term investments. 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 the highest priority given to unadjusted quoted prices in active markets (level 1), the second priority given to other observable inputs (level 2) 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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

The fiduciary activities assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset and liability. The tables below show the fair value leveling of the activities investments as of December 31, 2019 and 2018.

	As of December 31, 2019	Fair Value Measures Using			Percentage of Portfolio
		Level 1	Level 2	Level 3	
Investment by fair value level					
Debt securities					
Government obligations	\$ 7,049,811	\$ 6,591,797	\$ 458,014	\$ -	
Corporate bonds	102,087,921	41,204,369	60,883,552	-	
Asset backed securities	19,794,712	-	19,794,712	-	
Total debt securities	<u>128,932,444</u>	<u>47,796,166</u>	<u>81,136,278</u>	<u>-</u>	25.93%
Equity securities					
Consumer discretionary	2,120,036	2,120,036	-	-	
Consumer staples	3,524,372	3,524,372	-	-	
Energy	3,709,425	3,709,425	-	-	
Financials	5,823,021	5,649,021	174,000	-	
Health care	1,905,284	1,905,284	-	-	
Industrials	2,388,904	2,388,904	-	-	
Communication services	333,906	333,906	-	-	
Information technology	3,251,110	3,251,110	-	-	
Materials	3,801,929	3,801,929	-	-	
Real estate	733,148	733,148	-	-	
Telecommunication services	802,027	802,027	-	-	
Utilities	1,359,280	1,359,280	-	-	
Others	550,124	550,124	-	-	
Commingled equity funds	219,163,417	219,163,417	-	-	
Commingled global equity funds	82,387,827	82,387,827	-	-	
Total equity securities	<u>331,853,810</u>	<u>331,679,810</u>	<u>174,000</u>	<u>-</u>	66.74%
Private equity	23,996,540	-	-	23,996,540	4.83%
Real estate	7,904,191	-	-	7,904,191	1.59%
Short term investments	4,542,582	4,542,582	-	-	0.91%
Total investments by fair value level	<u>\$ 497,229,567</u>	<u>\$ 384,018,558</u>	<u>\$ 81,310,278</u>	<u>\$ 31,900,731</u>	<u>100.00%</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

	As of December 31, 2018	Fair Value Measures Using			Percentage of Portfolio
		Level 1	Level 2	Level 3	
Investment by fair value level					
Debt securities					
Government obligations	\$ 4,417,770	\$ 3,683,334	\$ 734,436	\$ -	
Corporate bonds	92,631,967	37,770,098	54,861,869	-	
Asset backed securities	18,565,287	-	18,565,287	-	
Total debt securities	<u>115,615,024</u>	<u>41,453,432</u>	<u>74,161,592</u>	<u>-</u>	28.26%
Equity securities					
Consumer discretionary	1,591,541	1,591,541	-	-	
Consumer staples	2,060,821	1,971,751	89,070	-	
Energy	2,928,180	2,928,180	-	-	
Financials	5,440,702	4,875,761	564,941	-	
Health care	2,045,475	2,045,475	-	-	
Industrials	2,111,683	2,111,683	-	-	
Communication services	71,687	71,687	-	-	
Information technology	2,505,006	2,505,006	-	-	
Materials	2,937,207	2,937,207	-	-	
Real estate	623,563	623,563	-	-	
Telecommunication services	277,124	277,124	-	-	
Utilities	822,879	822,879	-	-	
Others	265,714	265,714	-	-	
Commingled equity funds	165,958,717	165,958,717	-	-	
Commingled global equity funds	67,020,264	67,020,264	-	-	
Total equity securities	<u>256,660,563</u>	<u>256,006,552</u>	<u>654,011</u>	<u>-</u>	62.74%
Private equity	24,726,340	-	-	24,726,340	6.05%
Real estate	7,347,454	-	-	7,347,454	1.80%
Short term investments	4,715,144	4,715,144	-	-	1.15%
Total investments by fair value level	<u>\$ 409,064,525</u>	<u>\$ 302,175,128</u>	<u>\$ 74,815,603</u>	<u>\$ 32,073,794</u>	<u>100.00%</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a combination of prevailing market prices and interest payments that are discounted at prevailing interest rates for similar instruments. Equity securities classified in Level 2 of the fair value hierarchy are valued using quoted prices for similar instruments in active markets. The Plans held no securities classified in Level 3.

Commingled equity funds consist of 35 and 38 U.S. equity funds in 2019 and 2018, respectively. The fair value of the investments in these types of funds has been determined using the prevailing market value per share of the investments. All funds in 2019 and in 2018 are publicly traded mutual funds and can be redeemed daily.

Private equity fund consists of one U.S. core real estate private equity limited partnership in 2019 and 2018. The fair value of investments in this type of fund has been determined using the prevailing market value per share of the investments. The private equity partnership is fully funded, and the Plan has no unfunded commitment. Redemption requests are subject to certain restrictions and the availability of cash.

Real estate trust fund consists of one U.S. real estate trust in 2019 and 2018. The fair value measurements in this type of fund have been determined using the prevailing market value per share of the investments. The real estate trust is fully funded, and the Plans have no unfunded commitment. Redemption requests are subject to certain restrictions and the availability of cash.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

Short term investments are comprised of cash and cash equivalents held in custodial investment accounts. These funds are held in money market accounts in the name of the financial institutions, they are not collateralized, and they are not insured.

The Plans invest in several instruments that may be exposed to various risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the Statements of Fiduciary Net Position.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. All of the Plans' direct investments are held in U.S. currency or U.S. dollar-denominated securities. The market value of non-U.S. equity exposures were \$71.4 million as of December 31, 2019 and \$59.5 million as of December 31, 2018.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. The fiduciary trust funds allow the investment managers to invest up to 25 percent of their portfolio in long-duration bonds up to 25 percent in long-duration fixed income securities to the existing "Core" bond portfolios. This allows for an alignment of the trust funds' investment assets with the trust funds' liabilities.

Credit risk is the risk that the Plans will lose money because of the default of the security of the issuer or investment counterparty. The fiduciary trust fund investment managers may not hold more than 5 percent of the portfolio in any one issuer's securities other than direct obligations of the U.S. Government or its agencies based on market value.

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plans 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 Plans and are held by either the counterparty or the counterparty's trust department or agent, but not in the Plans' name.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plans' investments in a single issuer. The Plans' investment policies and guidelines limit the percentage of the total fund and individual manager's account which can be invested in fixed income securities rated below investment grade. In addition, the Plans' investment policies and guidelines limit the percentage of each investment manager's account that may be allocated to any one issuer's securities to less than 5 percent of the portfolio.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

As of December 31, 2019 and 2018, the Plans fixed income investments had the following quality ratings and sensitivity to changes in interest rates.

<u>Investment Type</u>	<u>Credit Rating¹</u>	<u>As of December 31, 2019 Fair Value</u>	<u>Weighted Average Maturity (years)</u>	<u>Percentage of Fixed Income Portfolio</u>
U.S. government obligations	AA+	\$ 1,608,342	4.73	1.25%
	Unrated	4,983,455	14.19	3.86%
Foreign government obligations	AA-	34,330	0.53	0.03%
	A+	423,684	2.70	0.33%
Corporate bonds	AAA	28,331,838	2.33	21.97%
	AA+	207,805	0.05	0.16%
	AA-	517,701	0.07	0.40%
	AA	1,412,070	0.12	1.10%
	A+	953,579	0.09	0.74%
	A	10,501,858	1.27	8.15%
	A-	8,886,513	0.43	6.89%
	A-	1,359,928	N/A	1.05%
	BBB+	10,458,811	0.95	8.11%
	BBB	19,656,916	1.56	15.25%
	BBB-	3,527,216	0.12	2.74%
	BB	9,959	0.01	0.01%
	B+	272,995	0.01	0.21%
	B	5,959	0.01	0.00%
	Unrated	15,984,773	0.78	12.40%
Asset backed securities	AA+	17,459,688	22.02	13.54%
	Unrated	2,335,024	3.17	1.81%
Total fixed income securities		<u>\$ 128,932,444</u>		<u>100.00%</u>

¹ Standard & Poor's

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Investment Type	Credit Rating ¹	As of December 31, 2018		Weighted	Percentage of
		Fair Value		Average Maturity	Fixed Income
				(years)	Portfolio
U.S. government obligations	AA+	\$ 3,683,334		19.04	3.19%
Foreign government obligations	AA-	479,550		3.54	0.42%
	A+	254,886		0.43	0.22%
Corporate bonds	AAA	25,917,033		2.35	22.42%
	AA+	70,328		0.01	0.06%
	AA	1,502,770		0.12	1.30%
	AA-	980,229		0.11	0.85%
	A+	736,751		0.06	0.64%
	A	10,500,165		1.40	9.08%
	A-	7,163,758		0.35	6.20%
	A-	1,103,547		N/A	0.95%
	BBB+	12,680,776		1.10	10.97%
	BBB	15,170,849		1.01	13.12%
	BBB-	4,320,627		0.22	3.74%
	BB	6,853		0.01	0.01%
	BB-	373,179		0.01	0.32%
	B+	523,613		0.03	0.45%
	B	4,052		0.01	0.00%
	Unrated	11,577,437		0.59	10.01%
Asset backed securities	AA+	16,710,589		22.17	14.45%
	Unrated	1,854,698		2.82	1.60%
Total fixed income securities		\$ 115,615,024			100.00%

¹ Standard & Poor's

6. ACCOUNTS RECEIVABLE

As of December 31, 2019 and 2018, Accounts receivable consisted of the following:

	As of December 31,	
	2019	2018
Trade accounts receivable	\$ 25,583,293	\$ 29,165,663
Less: allowance for doubtful accounts	(2,622,735)	(2,330,782)
Trade accounts receivable, net	22,960,558	26,834,881
Settlement due from airline tenants	2,912,850	3,959,206
Grants receivable in support of operations	762,120	693,235
Other unrestricted receivables	2,484,061	1,949,422
Total current accounts receivable	\$ 29,119,589	\$ 33,436,744
Grants receivable in support of capital programs	\$ 17,426,705	\$ 66,721,052
Passenger facility charge receivables	11,969,954	11,885,152
Other restricted receivables	3,913,213	1,109,390
Total restricted accounts receivable	\$ 33,309,872	\$ 79,715,594

During 2019, the total uncollectible amount written off was \$57,060 of which \$22,915 is related to customers bankruptcy filings. The Airports Authority's existing reserves are sufficient to cover any potentially uncollectible receivables owed as of December 31, 2019 and December 31, 2018.

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 (\$19,000 in 2019 and \$18,500 in 2018).

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. The numbers of regular employees enrolled in the CSRS were 5 and 9 as of December 31, 2019 and 2018, respectively.

Under the FERS, employees derive benefits from three different sources: a Basic Benefit Plan (BBP), Social Security, and a Thrift Savings Plan. Employee contributions to the BBP range from 0.8 percent of base pay for regular employees to 1.3 percent for public safety employees. The Airports Authority's contribution ranges from 10.7 percent of base pay for regular employees to 23.3 percent of base pay for public safety employees. Employees are eligible to retire when they have 10 years of service and have reached a minimum retirement age based on date of birth and ranging from 55 to 57 years of age. Retirement annuities range from 1.0 percent (less than 20 years of service) to 1.1 percent (20 or more years of service) of the average of the employee's three highest years of base pay for each year of service. Public safety employees can retire at age 50 with 20 years of service or at any age with 25 years of service. These employees receive retirement benefits equal to 1.7 percent of the average of the employee's three highest years of base pay for every year of service up to 20 years plus 1.0 percent of the same average three-year high for every year of service over 20 years. The numbers of regular employees enrolled in the FERS were 11 and 16 as of December 31, 2019 and 2018, respectively.

The Airports Authority's base pay for employees covered by the CSRS and the FERS for the years ended December 31, 2019 and 2018 was \$1.9 million and \$2.7 million, respectively. Employee contributions to the federal pension plans for 2019 and 2018 were \$51 thousand and \$77 thousand, respectively. Employer contributions to the federal pension plans for 2019 and 2018 were \$183 thousand and \$273 thousand, respectively. These contributions represent 100 percent of required contributions for each of the respective years. The Airports Authority's total

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

base pay for all employees, including employees covered by CSRS and FERS, was \$132.7 million and \$134.6 million in 2019 and 2018, 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 – U.S. Government Pension Plans.

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, 2019 and 2018, the number of employees participating in the Plans was:

	Regular		Public Safety		Total	
	2019	2018	2019	2018	2019	2018
Current Participants						
Vested	739	720	235	249	974	969
Non-vested	468	425	119	113	587	538
Retirees/disabled employees currently receiving benefits	590	519	155	128	745	647
Terminated vested participants	241	252	75	76	316	328
Total	2,038	1,916	584	566	2,622	2,482

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 each year of service up to 25 years and 1.0 percent of the final-average base pay for each year of 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 the total pension 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. The total pension liability is being amortized over a period of 20 years on a closed basis.

The Airports Authority contributed 6.43 percent of the applicable covered payroll to the Regular Plan and 13.41 percent of the applicable base payroll to the Police and Firefighters Plan in 2019. The employer contribution rates in 2018 were 6.28 percent for the Regular Plan and 12.65 percent for the Police and Firefighters Plan. The Airports Authority's base payroll for employees covered by the Regular Plan was \$103.7 million and \$100.8 million for 2019 and 2018, respectively. The base payroll for employees covered by the Police and Firefighters Plan was \$28.0 million and \$28.0 million for 2019 and 2018, respectively. The Airports Authority contributed \$6.7 million and \$6.3 million to the Regular Plan and \$3.8 million and \$3.5 million to the Police and Firefighters Plan in 2019 and 2018, respectively.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Net Pension Liability

The components of the net pension liability of the Plans as of December 31, 2019 and 2018 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
12/31/2019	\$ 194,398,618	\$ 206,603,867	\$ (12,205,249)	106.28%
12/31/2018	185,282,911	172,264,556	13,018,355	92.97%

Police Officers & Firefighters Retirement Plan

Actuarial Valuation Date	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)	Plan Fiduciary Net Position as a Percentage of the TPL
12/31/2019	\$ 118,987,820	\$ 124,642,559	\$ (5,654,739)	104.75%
12/31/2018	112,677,827	103,417,403	9,260,424	91.78%

The total pension liability was determined by an actuarial valuation as of December 31, 2019 and 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Dates	December 31, 2019 and December 31, 2018
Valuation Dates	December 31, 2019 and December 31, 2018
Actuarial Cost Method	Entry-age actuarial cost method
Amortization Method	20-year level dollar, closed
Assets Valuation Method	5-year smooth market
Actuarial Assumptions:	
(a) Discount rate / Investment return	7.5%, net of expenses
(b) Projected salary increases	General Plan: 3.0% to 4.2% per year; Police & Fire: 3.0% - 6.0% per year
(a) and (b) include inflation at	2.50%
(c) Cost of living adjustments	1.25%
(d) Mortality Rates	<u>For General Employees Plan:</u> RP-2014 Mortality Tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015
	<u>For Police Officers and Firefighters Plan:</u> RP-2014 Blue Collar Employee Mortality Tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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 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: Compensation and Benefits Department, 1 Aviation Circle, Washington, DC 20001-6000.

Summary financial results of the Airports Authority pension plans are presented below. These financial results are included in the Fiduciary Financial statements presented in this document with detailed results in the Supplementary Information.

Statement of Fiduciary Net Position

	As of December 31,		As of December 31,	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	General Retirement Plan	General Retirement Plan	Police Officers and Firefighters Retirement Plan	Police Officers and Firefighters Retirement Plan
Assets				
Restricted				
Investments	\$ 205,881,844	\$ 171,864,097	\$ 124,188,042	\$ 103,159,935
Receivables	876,341	570,426	525,726	337,921
Total assets	<u>206,758,185</u>	<u>172,434,523</u>	<u>124,713,768</u>	<u>103,497,856</u>
Liabilities				
Payables	154,318	169,967	71,209	80,453
Total liabilities	<u>154,318</u>	<u>169,967</u>	<u>71,209</u>	<u>80,453</u>
Net Position				
Net position restricted for pensions	<u>206,603,867</u>	<u>172,264,556</u>	<u>124,642,559</u>	<u>103,417,403</u>
Total net position	<u>\$ 206,603,867</u>	<u>\$ 172,264,556</u>	<u>\$ 124,642,559</u>	<u>\$ 103,417,403</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Changes in Fiduciary Net Position

	For the year ended December 31,		For the year ended December 31,	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	General Retirement Plan	General Retirement Plan	Police Officers and Firefighters Retirement Plan	Police Officers and Firefighters Retirement Plan
Additions				
Contributions	\$ 6,932,848	\$ 6,330,287	\$ 4,177,750	\$ 3,959,582
Net investment income (loss)	36,043,133	(7,610,336)	21,921,191	(4,705,552)
Total additions, net	42,975,981	(1,280,049)	26,098,941	(745,970)
Deductions				
Total deductions	8,636,670	7,475,449	4,873,785	4,379,213
Change in net position	34,339,311	(8,755,498)	21,225,156	(5,125,183)
Net Position				
Beginning of year	172,264,556	181,020,054	103,417,403	108,542,586
End of year	<u>\$ 206,603,867</u>	<u>\$ 172,264,556</u>	<u>\$ 124,642,559</u>	<u>\$ 103,417,403</u>

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<u>General Employees Retirement Plan</u>			
Balances as of December 31, 2018	\$ 185,282,911	\$ 172,264,556	\$ 13,018,355
Changes for the year:			
Service cost	\$6,766,595	-	6,766,595
Interest	14,104,840	-	14,104,840
Differences between expected and actual experience	(3,881,367)	-	(3,881,367)
Changes of assumptions	169,968	-	169,968
Contribution - employer	-	6,667,303	(6,667,303)
Contribution - member	265,545	265,545	-
Net investment income	-	36,043,133	(36,043,133)
Benefit payments	(8,309,874)	(8,309,874)	-
Plan administrative expenses	-	(326,796)	326,796
Net changes	9,115,707	34,339,311	(25,223,604)
Balances as of December 31, 2019	<u>\$ 194,398,618</u>	<u>\$ 206,603,867</u>	<u>\$ (12,205,249)</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

General Employees Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2017	\$ 172,227,642	\$ 181,020,054	\$ (8,792,412)
Changes for the year:			
Service cost	6,128,140	-	6,128,140
Interest	13,106,559	-	13,106,559
Differences between expected and actual experience	3,137,174	-	3,137,174
Changes of assumptions	(2,247,367)	-	(2,247,367)
Contribution - employer	-	6,330,287	(6,330,287)
Net investment income	-	(7,610,336)	7,610,336
Benefit payments	(7,069,237)	(7,069,237)	-
Plan administrative expenses	-	(406,212)	406,212
Net changes	<u>13,055,269</u>	<u>(8,755,498)</u>	<u>21,810,767</u>
Balances as of December 31, 2018	<u>\$ 185,282,911</u>	<u>\$ 172,264,556</u>	<u>\$ 13,018,355</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, 2018	\$ 112,677,827	\$ 103,417,403	\$ 9,260,424
Changes for the year:			
Service cost	2,655,642	-	2,655,642
Interest	8,478,642	-	8,478,642
Differences between expected and actual experience	(174,022)	-	(174,022)
Changes of assumptions	80,453	-	80,453
Contribution - employer	-	3,757,110	(3,757,110)
Contribution - member	-	420,640	(420,640)
Net investment income	-	21,921,191	(21,921,191)
Benefit payments	(4,730,722)	(4,730,722)	-
Plan administrative expenses	-	(143,063)	143,063
Net changes	<u>6,309,993</u>	<u>21,225,156</u>	<u>(14,915,163)</u>
Balances as of December 31, 2019	<u>\$ 118,987,820</u>	<u>\$ 124,642,559</u>	<u>\$ (5,654,739)</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Police Officers and Firefighters Retirement Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2017	\$ 109,708,897	\$ 108,542,586	\$ 1,166,311
Changes for the year:			
Service cost	2,808,136	-	2,808,136
Interest	8,277,775	-	8,277,775
Differences between expected and actual experience	(2,545,963)	-	(2,545,963)
Changes of assumptions	(1,421,818)	-	(1,421,818)
Contribution - employer	-	3,538,872	(3,538,872)
Contribution - member	-	420,710	(420,710)
Net investment income	-	(4,705,552)	4,705,552
Benefit payments	(4,149,200)	(4,149,200)	-
Plan administrative expenses	-	(230,013)	230,013
Net changes	<u>2,968,930</u>	<u>(5,125,183)</u>	<u>8,094,113</u>
Balances as of December 31, 2018	<u>\$ 112,677,827</u>	<u>\$ 103,417,403</u>	<u>\$ 9,260,424</u>

The long-term expected rate of return on the pension plans is 7.5 percent for 2018 and 2019. 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, 2019 and 2018 is summarized in the following table:

For year ended December 31, 2019 and 2018

Asset Class	Allocation Target	Long-Term Expected Real Rate of Return ¹	Money-Weighted Rate of Return
Domestic Equity	40.0%	7.50%	3.00%
International Equity	20.0%	8.50%	1.70%
Domestic Bonds	20.0%	2.50%	0.50%
Convertible Bonds ²	10.0%	4.50%	0.45%
Real Estate	10.0%	4.50%	0.45%
Total	100.0%		6.10%

¹ 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%.

² 50% of the nominal return on Domestic Equity plus 2% yield.

The annual money-weighted rates of return, net of investment expenses, for the year ended December 31, 2019 and 2018, were 21.0 percent and -4.23 percent, respectively, for the Retirement Plan for General Employees and 21.2 percent and -4.38 percent, respectively, for the Retirement Plan for Police Officers and Firefighters.

Discount Rate

The discount rate used to measure the NPL was 7.5 percent for 2018 and 2019. 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 NPL. Lower discount rates produce a higher NPL and higher discount rates produce a lower NPL. 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.

For the year ended December 31, 2019

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
<u>Net pension liability (asset)</u>			
General Employees Retirement Plan	\$ 10,722,651	\$ (12,205,249)	\$ (31,881,887)
Police Officers & Firefighters Retirement Plan	9,953,357	(5,654,739)	(18,816,425)

For the year ended December 31, 2018

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
<u>Net pension liability (asset)</u>			
General Employees Retirement Plan	\$ 35,848,452	\$ 13,018,355	\$ (6,250,881)
Police Officers & Firefighters Retirement Plan	24,315,802	9,260,424	(3,237,708)

The Net Pension Asset, Net Pension Liability and related deferred outflows and inflows were allocated between the Aviation Enterprise and the Dulles Corridor Enterprise based on wages and benefits of each Enterprise.

Pension Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2019, the Airports Authority recognized pension expenses of \$7.4 million and \$2.8 million respectively for the General Plan and Police and Firefighter Plan. For the year ended December 31, 2018, the Airports Authority recognized pension expenses of \$10.0 million and \$5.0 million, respectively for the Regular Plan and Police and Firefighter Plan.

At December 31, 2019 and 2018, 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:

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

For the year ended December 31, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees Retirement Plan		
Differences between expected and actual experience	\$ 5,816,573	\$ 3,469,093
Changes in assumptions	1,803,115	4,568,787
Net differences between projected and actual earnings on pension plan investments	-	11,301,335
Total	<u>\$ 7,619,688</u>	<u>\$ 19,339,215</u>

For the year ended December 31, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees Retirement Plan		
Differences between expected and actual experience	\$ 6,984,246	\$ -
Changes in assumptions	2,534,767	5,611,861
Net differences between projected and actual earnings on pension plan investments	10,322,448	-
Total	<u>\$ 19,841,461</u>	<u>\$ 5,611,861</u>

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

<u>Year ended December 31,</u>	Deferred Outflows/(Inflows) of Resources
2020	\$ (2,934,924)
2021	(2,739,920)
2022	(491,063)
2023	(5,045,044)
2024	160,961
Thereafter	(669,537)
	<u>\$ (11,719,527)</u>

For the year ended December 31, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Police Officers & Firefighters Retirement Plan		
Differences between expected and actual experience	\$ 3,694,393	\$ 2,119,399
Changes in assumptions	1,383,425	1,064,260
Net differences between projected and actual earnings on pension plan investments	-	7,032,529
Total	<u>\$ 5,077,818</u>	<u>\$ 10,216,188</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

For the year ended December 31, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Police Officers & Firefighters Retirement Plan</u>		
Differences between expected and actual experience	\$ 4,422,106	\$ 2,168,461
Changes in assumptions	1,651,332	1,236,204
Net differences between projected and actual earnings on pension plan investments	<u>6,114,796</u>	<u>-</u>
Total	<u>\$ 12,188,234</u>	<u>\$ 3,404,665</u>

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

<u>Year ended December 31,</u>	Deferred Outflows/(Inflows) of Resources
2020	\$ (1,587,959)
2021	(1,390,179)
2022	247,140
2023	(2,338,787)
2024	338,877
Thereafter	<u>(407,462)</u>
	<u>\$ (5,138,370)</u>

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

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 \$13.1 million and \$12.8 million in the years ended December 31, 2019 and 2018, respectively.

Governmental Profit-Sharing Plan

The Airports Authority established a 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 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 \$3.5 million for both years ended December 31, 2019 and 2018, respectively.

Summary financial results of the Airports Authority 401a Supplemental Savings Plan are presented below. These financial results are included in the Fiduciary Financial statements presented in this document with detailed results in the Supplementary Information.

Statement of Fiduciary Net Position

		As of December 31,	
		<u>2019</u>	<u>2018</u>
		401a	401a
		Supplemental	Supplemental
		Savings Plan	Savings Plan
		<u> </u>	<u> </u>
Assets			
	Restricted		
	Investments	\$ 20,967,997	\$ 14,741,238
	Receivables	179,822	155,164
	Total assets	<u>21,147,819</u>	<u>14,896,402</u>
Liabilities			
	Total liabilities	<u>-</u>	<u>-</u>
Net Position			
	Net position restricted for other purposes	<u>21,147,819</u>	<u>14,896,402</u>
	Total net position	<u>\$ 21,147,819</u>	<u>\$ 14,896,402</u>

Statement of Changes in Fiduciary Net Position

	For the year ended December 31,	
	2019	2018
	401a	401a
	Supplemental Savings Plan	Supplemental Savings Plan
Additions		
Contributions	\$ 3,462,007	\$ 3,479,396
Net investment income (loss)	3,548,690	(935,390)
Total additions, net	7,010,697	2,544,006
Deductions		
Total deductions	759,280	602,477
Change in net position	6,251,417	1,941,529
Net Position		
Beginning of year	14,896,402	12,954,873
End of year	\$ 21,147,819	\$ 14,896,402

8. OTHER 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, their spouses, 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. Participants hired on or after January 1, 2016 are eligible for the Healthcare Plan if they have attained 10 years of eligible service. As of December 31, 2019, 766 Participants were receiving health insurance benefits, and 722 Participants were receiving life insurance benefits. As of December 31, 2018, 707 Participants were receiving health insurance benefits, and 667 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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

future benefits. The Airports Authority pays 80 percent of the health premium costs and 45 percent of the dental premium costs, with the retirees paying the remaining premium costs. For the years ended December 31, 2019 and 2018, the Airports Authority's share of health and dental insurance premium costs totaled \$7.1 million and \$7.6 million, respectively. Plan participants contributed \$2.2 million and \$1.5 million of the total premiums for the years ended December 31, 2019 and 2018, 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 2019

Provider Choices	Retiree Only	Retiree Plus	Retiree Plus	Family
		Spouse	Child(ren)	
United Healthcare Choice	\$ 152	\$ 318	\$ 288	\$ 452
United Healthcare Choice Plus	169	351	318	499
Kaiser Permanente HMO	113	236	214	338
MetLife Dental	18	36	47	73

Monthly Contributions for Retirees Over 65 for 2019

Provider Choices	Retiree Only	One > Age 65	Two Party	Family
		One < Age 65	Medicare	Medicare
United Healthcare Choice	\$ 135	\$ 300	\$ 281	\$ 417
United Healthcare Choice Plus	N/A	318	N/A	431
Kaiser Permanente HMO	60	184	120	222
MetLife Dental	18	36	36	73

Monthly Contributions for Retirees Under 65 for 2018

Provider Choices	Retiree Only	Retiree Plus	Retiree Plus	Family
		Spouse	Child(ren)	
United Healthcare Choice	\$ 147	\$ 307	\$ 278	\$ 437
United Healthcare Choice Plus	163	340	308	483
Kaiser Permanente HMO	110	230	208	329
MetLife Dental	16	32	42	65

Monthly Contributions for Retirees Over 65 for 2018

Provider Choices	Retiree Only	One > Age 65	Two Party	Family
		One < Age 65	Medicare	Medicare
United Healthcare Choice	\$ 130	\$ 290	\$ 272	\$ 403
United Healthcare Choice Plus	N/A	307	N/A	417
Kaiser Permanente HMO	56	176	113	210
MetLife Dental	16	32	32	65

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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.

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, 2019, 97 out of 716 retired employees had supplemental coverage. The total retiree premiums were approximately \$560 thousand, of which retiree contributions covered approximately \$46 thousand and the Authority paid the balance of \$514 thousand. As of December 31, 2018, 101 out of 667 retired employees had supplemental coverage. The total retiree premiums were approximately \$575 thousand, of which retiree contributions covered approximately \$33 thousand and the Authority paid the balance of \$542 thousand.

The number of employees covered by the benefit terms for the Healthcare Plan is as follows:

	Health and Dental		Life Insurance		Total	
	2019	2018	2019	2018	2019	2018
Inactive employees or beneficiaries						
currently receiving benefits	766	707	722	667	1,488	1,374
Active Employees	1,439	1,409	1,280	1,261	2,719	2,670
Total	<u>2,205</u>	<u>2,116</u>	<u>2,002</u>	<u>1,928</u>	<u>4,207</u>	<u>4,044</u>

Net OPEB Liability

The components of the net OPEB liability of the plans as of December 31, 2019 and 2018 were as follows:

Health, Dental and Life Insurance Plan

Actuarial Valuation Date	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)	Plan Fiduciary Net Position as a Percentage of the TOL
12/31/2019	\$ 155,870,635	\$ 146,191,855	\$ 9,678,780	93.79%
12/31/2018	\$ 149,544,597	\$ 119,299,525	\$ 30,245,072	79.78%

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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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. Significant actuarial assumptions used in determining the total OPEB liability are as follows:

Valuation Date	December 31, 2019 and December 31, 2018
Measurement Date	December 31, 2019 and December 31, 2018
Actuarial Cost Method	Entry-age, normal
Amortization Method	20-year level dollar, closed for 2019 and 2018
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	2.50% for 2019 and 2.50% for 2018
(c) Mortality Rates	<u>Active Employees</u> RP-2014 Employee Mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 <u>Retired, Disabled and Survivor</u> RP2014 Healthy Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 <u>Hazardous Duty Active Employees</u> RP-2014 Blue Collar Employee mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 <u>Hazardous Duty Retired, Disabled and Survivor</u> RP-2014 Blue Collar Health Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015
(d) Healthcare Cost Trend Rate	4.7% for 2019 and 5.4% for 2018

Summary financial results of the Airports Authority Retired Employees Healthcare Plan are presented below. These financial results are included in the Fiduciary Financial statements presented in this document with detailed results in the Required Supplementary Information.

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

Statement of Fiduciary Net Position

		As of December 31,	
		2019	2018
		Retired Employees Health Care Plan	Retired Employees Health Care Plan
Assets			
	Restricted		
	Investments	\$ 146,191,684	\$ 119,299,255
	Receivables	171	270
	Total assets	146,191,855	119,299,525
Liabilities			
	Total liabilities	-	-
Net Position			
	Net position restricted for post-employment benefits	146,191,855	119,299,525
	Total net position	\$ 146,191,855	\$ 119,299,525

Statement of Changes in Fiduciary Net Position

		For the year ended December 31,	
		2019	2018
		Retired Employees Health Care Plan	Retired Employees Health Care Plan
Additions			
	Contributions	\$ 7,694,780	\$ 8,052,134
	Net investment income (loss)	26,892,330	(6,603,062)
	Total additions, net	34,587,110	1,449,072
Deductions			
	Total deductions	7,694,780	8,105,239
	Change in net position	26,892,330	(6,656,167)
Net Position			
	Beginning of year	119,299,525	125,955,692
	End of year	\$ 146,191,855	\$ 119,299,525

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Changes in the Net OPEB Liability

The net OPEB liability 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.

<u>Health, Dental and Life Insurance Plan</u>	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of December 31, 2018	\$ 149,544,597	\$ 119,299,525	\$ 30,245,072
Changes for the year:			
Service cost	6,423,173	-	6,423,173
Interest	10,937,695	-	10,937,695
Difference between expected and actual experience	4,650,944	-	4,650,944
Changes in assumptions or other inputs	(8,268,441)	-	(8,268,441)
Contribution - employer	-	7,694,780	(7,694,780)
Net investment income	-	26,892,330	(26,892,330)
Benefit payments*	(7,417,333)	(7,417,333)	-
Administrative expenses	-	(164,783)	164,783
Other changes	-	(112,664)	112,664
Net changes	<u>6,326,038</u>	<u>26,892,330</u>	<u>(20,566,292)</u>
Balance as of December 31, 2019	<u>\$ 155,870,635</u>	<u>\$ 146,191,855</u>	<u>\$ 9,678,780</u>

<u>Health, Dental and Life Insurance Plan</u>	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of December 31, 2017	\$ 134,486,329	\$ 125,955,692	\$ 8,530,637
Changes for the year:			
Service cost	4,580,683	-	4,580,683
Interest	9,784,520	-	9,784,520
Difference between expected and actual experience	13,411,076	-	13,411,076
Changes in assumptions or other inputs	(4,665,877)	-	(4,665,877)
Contribution - employer	-	8,052,134	(8,052,134)
Net investment income	-	(6,603,062)	6,603,062
Benefit payments*	(8,052,134)	(8,052,134)	-
Administrative expenses	-	(53,105)	53,105
Other changes	-	-	-
Net changes	<u>15,058,268</u>	<u>(6,656,167)</u>	<u>21,714,435</u>
Balance as of December 31, 2018	<u>\$ 149,544,597</u>	<u>\$ 119,299,525</u>	<u>\$ 30,245,072</u>

* Net of retiree contributions

The long term expected rate of return on OPEB plan investments is 7.5 percent for 2018 and 2019. The long-term expected rate of return for the OPEB plans was determined using the best-estimate ranges of expected future real

rates of return (expected returns, net of plan investment expenses 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 Healthcare Plan's target asset allocation as of December 31, 2019 and 2018 are summarized in the following table:

For year ended December 31, 2019 and 2018

<u>Asset Class</u>	<u>Allocation Target</u>	<u>Long Term Expected Real Rate of Return</u>	<u>Money -Weighted Rate of Return</u>
Domestic Equity	55.0%	7.50%	4.125%
International Equity	15.0%	8.50%	1.275%
Domestic Bonds	30.0%	2.50%	0.50%
Convertible Bonds	0.0%	4.50%	0.00%
Real Estate	0.0%	4.50%	0.00%
Total	100.0%		6.15%

Discount Rate

The Discount rate used to measure the total OPEB liability was 7.5 percent for 2018 and 2019. The Airports Authority is advance funding the postemployment medical and life insurance benefits; the Authority is using the same rate that is used for funding the retirement plan benefits.

Changes in the discount rate affect the measurement of the net OPEB liability. Lower discount rates produce a higher net OPEB liability and higher discount rates produce a lower net OPEB liability. Because the discount rate does not affect the measurement of assets, the percentage change in the net OPEB liability can be very significant for a relatively small change in the discount rate. The following presents the net OPEB liability of the Airports Authority, as well as what the Airports Authority's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

For the Year Ended December 31, 2019

<u>Net OPEB Liability (Asset)</u>	<u>1% Decrease 6.5%</u>	<u>Discount Rate 7.5%</u>	<u>1% Increase 8.5%</u>
Health, Dental and Life Insurance Plan	\$ 29,194,442	\$ 9,678,780	\$ (6,527,098)

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

For the Year Ended December 31, 2018

	1% Decrease	Discount Rate	1% Increase
<u>Net OPEB Liability</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Health, Dental and Life Insurance Plan	\$ 47,694,649	\$ 30,245,072	\$ 15,645,909

The net OPEB liability and related deferred outflows and inflows were allocated between the Aviation Enterprise and the Dulles Corridor Enterprise based on the current active employee's payroll cost by enterprise. In 2019 and 2018, the Health and Dental and the Life Insurance plans reported a net OPEB liability which were separately allocated to the Aviation Enterprise and Dulles Corridor Enterprise funds.

Health Care Cost Trend Rates

The following presents the net OPEB liability of the Airports Authority, as well as what the Airports Authority's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that a 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

For the Year Ended December 31, 2019

	1% Decrease	Trend Rate	1% Increase
<u>Net OPEB Liability (Asset)</u>	<u>3.7%</u>	<u>4.7%</u>	<u>5.7%</u>
Health, Dental and Life Insurance Plan	\$ (6,973,741)	\$ 9,678,780	\$ 30,079,908

For the Year Ended December 31, 2018

	1% Decrease	Trend Rate	1% Increase
<u>Net OPEB Liability</u>	<u>4.4%</u>	<u>5.4%</u>	<u>6.4%</u>
Health, Dental and Life Insurance Plan	\$ 11,746,282	\$ 30,245,072	\$ 52,753,392

OPEB Deferred Outflows of Resources and Deferred Inflow of Resources

For the year ended December 31, 2019, the Airports Authority recognized OPEB expenses of \$6.9 million for the Health, Dental and Life Insurance plans. For the year ended December 31, 2018, the Airports Authority recognized OPEB expenses of \$7.3 million for the Health, Dental and Life Insurance plans. At December 31, 2019 and 2018, the Airports Authority reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources and will be recognized in future OPEB expenses as follows:

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

For the Year Ended December 31, 2019

<u>Health, Dental and Life Insurance Plan</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 13,872,161	\$ -
Changes in assumptions	-	10,785,487
Net differences between projected and actual earnings on OPEB plan investments	-	8,602,458
	<u>\$ 13,872,161</u>	<u>\$ 19,387,945</u>

For the Year Ended December 31, 2018

<u>Health, Dental and Life Insurance Plan</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 11,294,017	\$ -
Changes in assumptions	-	4,096,868
Net differences between projected and actual earnings on OPEB plan investments	7,025,198	-
	<u>\$ 18,319,215</u>	<u>\$ 4,096,868</u>

Amount reported as deferred outflows and deferred inflows of resources related to Health, Dental, and Life Insurance OPEB will be recognized in future OPEB expenses as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2020	\$ (1,710,883)
2021	(1,710,883)
2022	227,314
2023	(2,982,633)
2024	605,495
Thereafter	55,806
	<u>\$ (5,515,784)</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

9. CHANGES IN CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2019 and 2018 was as follows:

	Balance as of January 1, 2019	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2019
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 150,819,463	\$ -	\$ -	\$ 150,819,463
Construction in progress - Aviation Enterprise	278,040,322	224,620,800	(100,516,451)	402,144,671
Construction in progress - Dulles Corridor Enterprise	2,006,814,994	256,862,366	(43,422,850)	2,220,254,510
Total capital assets not being depreciated	<u>2,435,674,779</u>	<u>481,483,166</u>	<u>(143,939,301)</u>	<u>2,773,218,644</u>
Other capital assets:				
Buildings	2,548,347,200	14,756,529	-	2,563,103,729
Systems and structures	4,819,822,598	94,446,846	-	4,914,269,444
Equipment	144,437,213	17,432,814	(1,038,795)	160,831,232
Motor vehicles	76,168,823	5,272,400	(2,350,231)	79,090,992
Total other capital assets	<u>7,588,775,834</u>	<u>131,908,589</u>	<u>(3,389,026)</u>	<u>7,717,295,397</u>
Less accumulated depreciation:				
Buildings	1,265,804,653	60,930,065	-	1,326,734,718
Systems and structures	2,273,445,066	159,519,307	-	2,432,964,373
Equipment	121,006,360	5,795,101	(1,034,985)	125,766,476
Motor vehicles	54,973,506	5,101,281	(2,331,228)	57,743,559
Total accumulated depreciation	<u>3,715,229,585</u>	<u>231,345,754</u>	<u>(3,366,213)</u>	<u>3,943,209,126</u>
Totals	<u>\$ 6,309,221,028</u>	<u>\$ 382,046,001</u>	<u>\$ (143,962,114)</u>	<u>\$ 6,547,304,915</u>

	Balance as of January 1, 2018	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2018
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 182,300,690	\$ 39,730	\$ (31,520,957)	\$ 150,819,463
Construction in progress - Aviation Enterprise	256,316,979	140,907,421	(119,184,078)	278,040,322
Construction in progress - Dulles Corridor Enterprise	1,635,387,549	394,980,065	(23,552,620)	2,006,814,994
Total capital assets not being depreciated	<u>2,074,005,218</u>	<u>535,927,216</u>	<u>(174,257,655)</u>	<u>2,435,674,779</u>
Other capital assets:				
Buildings	2,546,420,883	1,926,317	-	2,548,347,200
Systems and structures	4,705,228,921	114,649,044	(55,367)	4,819,822,598
Equipment	141,568,136	5,123,388	(2,254,311)	144,437,213
Motor vehicles	77,170,752	1,474,915	(2,476,844)	76,168,823
Total other capital assets	<u>7,470,388,692</u>	<u>123,173,664</u>	<u>(4,786,522)</u>	<u>7,588,775,834</u>
Less accumulated depreciation:				
Buildings	1,205,081,603	60,723,050	-	1,265,804,653
Systems and structures	2,109,400,104	164,100,329	(55,367)	2,273,445,066
Equipment	117,296,320	4,656,405	(946,365)	121,006,360
Motor vehicles	52,390,685	4,955,991	(2,373,170)	54,973,506
Total accumulated depreciation	<u>3,484,168,712</u>	<u>234,435,775</u>	<u>(3,374,902)</u>	<u>3,715,229,585</u>
Totals	<u>\$ 6,060,225,198</u>	<u>\$ 424,665,105</u>	<u>\$ (175,669,275)</u>	<u>\$ 6,309,221,028</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	2019	2018
Aviation Enterprise Fund	\$ 222,963,274	\$ 227,529,831
Dulles Corridor Enterprise Fund	8,382,480	6,905,944
Total Depreciation Expense	231,345,754	234,435,775
Amortization of Bond Insurance Costs	1,405,752	1,726,243
Total Depreciation and Amortization	\$ 232,751,506	\$ 236,162,018

The Airports Authority completed multiple capital asset construction and development projects during 2019 and 2018. Within the Aviation Enterprise Fund, at Reagan National, projects completed in 2018 included Taxiways B, K, and P, and Runway 4-22 Overlay Phase 1. Within the Aviation Enterprise Fund, at Reagan National, projects completed in 2019 included Glycol Collection Hold Pad B, Taxi lane B Reconstruction and Widening. At Dulles International, projects completed in 2019 included the Fire suppressant doors, and South and West Baggage Handling System. At Dulles International, projects completed in 2018 included Taxilanes B and J Reconstruction and the Parking Revenue Control System.

As of December 31, 2019, ongoing projects at Reagan National included continued construction of Secure National Hall and New North Concourse and South Campus Airfield Facilities. Ongoing projects at Dulles International included additional Airfield Pavement Panel replacements and Concourse C/D Enhancement Phase 2. As of December 31, 2019, the Aviation Enterprise Fund’s commitments with contractors for capital asset construction and development projects were \$402.9 million.

Within the Dulles Corridor Enterprise Fund, projects completed in 2019 included a combination of Toll Plaza E-ZPass Lanes and Slip Ramp Gates. Within the Dulles Corridor Enterprise Fund, projects completed in 2018 included Sound Wall 113, 108, and 101 and the Westbound Fairfax County Parkway Waterline. 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 2019, additional costs of \$5.6 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. In 2019, additional costs of \$7.2 million dollars were incurred and transferred to WMATA as additional costs to Phase 2. As of December 31, 2019, ongoing projects included Phase 2 of the Dulles Metrorail Project and the Toll System Ramp Improvements. As of December 31, 2019, the Dulles Corridor Enterprise Fund’s commitments with contractors for capital asset construction and development projects were \$303.8 million.

Services for the above commitment amounts had not been provided as of December 31, 2019, 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.

10. ACCOUNTS PAYABLE

A detail of accounts payable and accrued expenses as of December 31, 2019 and 2018 was as follows:

	As of December 31,	
	2019	2018
Trade accounts payable and accruals	\$ 142,609,396	\$ 147,593,088
Accrued compensation and benefits	12,679,228	12,778,139
Current portion of claims	2,603,262	2,609,600
Security deposits	944,703	1,692,107
Total accounts payable and accrued expenses	<u>\$ 158,836,589</u>	<u>\$ 164,672,934</u>

11. LEASE COMMITMENTS

Property Held for Lease

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

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

The Use and Lease Agreement (refer to Note 3 – Airport Use Agreement and Premises Lease) provides for terminal and other facility and space rentals by the airlines at the Airports. Airlines that have signed the Use and Lease Agreement are responsible for full cost recovery plus debt service coverage for these facilities until the termination date of the Use and Lease Agreement.

The 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 of December 31, 2019, as calculated in 2019 dollars, are:

Year ending December 31,	Minimum Annual Guaranteed Leases	Airline Terminal Leases	Fixed Rate Leases	Total
2020	\$ 148,583,350	\$ 234,914	\$ 29,847,346	\$ 178,665,610
2021	104,958,951	240,790	24,967,148	130,166,889
2022	63,758,909	251,146	16,894,181	80,904,236
2023	36,473,180	265,363	13,242,951	49,981,494
2024	12,012,122	258,806	13,317,884	25,588,812
2025 and thereafter	68,755,651	-	102,056,319	170,811,970
Total minimum future rentals	<u>\$ 434,542,163</u>	<u>\$ 1,251,019</u>	<u>\$ 200,325,829</u>	<u>\$ 636,119,011</u>

The above amounts do not include contingent rentals and fees in excess of minimums, which amounted to \$80.0 million for 2019 and \$56.7 million for 2018. Total income from leases, including minimum annual guarantees and contingent rentals and fees, totaled \$487.7 million for the year ended December 31, 2019 and \$495.3 million for the year ended December 31, 2018.

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 84,992 square feet which includes additional rentable space of 10,744 square feet entered into during 2019. The Crystal City lease commenced on March 23, 2017 and includes parking and rent which is abated for the initial 12 months. Beginning April 2017, the lease expense is amortized on a monthly basis.

Beginning April, 2018 the Airports Authority entered into a lease of two land/parking parcels on Jefferson Davis Highway, to relocate the Transportation Network Company and Limousine activity of airport grounds during the Project Journey construction.

Minimum future rentals scheduled to be paid on the operating leases in effect on December 31, 2019 as calculated in 2019 dollars, are as follows:

Year ending December 31,	Federal Lease	Office Space Lease	Land/Parking Parcels	Total
2020	\$ 5,886,155	\$ 5,215,372	\$ 993,888	\$ 12,095,415
2021	5,886,155	4,126,916	1,013,760	11,026,831
2022	5,886,155	3,759,648	1,034,034	10,679,837
2023	5,886,155	3,848,641	259,782	9,994,578
2024	5,886,155	3,939,859	-	9,826,014
2025 and thereafter	252,033,203	13,386,552	-	265,419,755
Total minimum future rentals	<u>\$ 281,463,978</u>	<u>\$ 34,276,988</u>	<u>\$ 3,301,464</u>	<u>\$ 319,042,430</u>

Total rental expense paid to the United States Government for the years ended December 31, 2019 and 2018 was \$5.9 million and \$5.8 million respectively. The 2019 and 2018 expenses related to the office space lease and parking parcels totaled \$5.8 million and \$4.8 million, respectively.

12. CHANGES IN LONG-TERM NON-DEBT LIABILITIES

The changes in long-term liabilities for the years ended December 31, 2019 and 2018 was as follows. The activity for non-current liabilities identified below does not include capital debt, pension liabilities or OPEB liabilities.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

	Activity during year ended December 31, 2019				As of December 31, 2019	
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	\$ 9,396,655	\$ 10,603,244	\$ 11,016,729	\$ 8,983,170	\$ 7,888,712	\$ 1,094,458
Claims ¹	6,006,899	3,148,660	2,816,474	6,339,085	2,603,262	3,735,823
Arbitrage	1,411,326	-	1,411,326	-	-	-
Deferred rent revenue	3,645,102	-	48,843	3,596,259	-	3,596,259
Deferred grant revenue	281,122,979	18,296,673	21,815,032	277,604,620	277,604,620	-
	<u>\$ 301,582,961</u>	<u>\$ 32,048,577</u>	<u>\$ 37,108,404</u>	<u>\$ 296,523,134</u>	<u>\$ 288,096,594</u>	<u>\$ 8,426,540</u>

¹ See Note 19 – Risk Management

	Activity during year ended December 31, 2018				As of December 31, 2018	
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	\$ 10,414,391	\$ 9,731,325	\$ 10,749,061	\$ 9,396,655	\$ 8,164,377	\$ 1,232,278
Claims ¹	5,957,817	1,713,309	1,664,227	6,006,899	2,609,600	3,397,299
Arbitrage	915,225	496,101	-	1,411,326	-	1,411,326
Deferred rent revenue	2,952,552	692,550	-	3,645,102	-	3,645,102
Deferred grant revenue	296,122,979	-	15,000,000	281,122,979	81,122,979	200,000,000
	<u>\$ 316,362,964</u>	<u>\$ 12,633,285</u>	<u>\$ 27,413,288</u>	<u>\$ 301,582,961</u>	<u>\$ 91,896,956</u>	<u>\$ 209,686,005</u>

¹ See Note 19 – Risk Management

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 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 due to 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 12/31/2019	Hedged Series	Termination Value ² as of 12/31/2019	Fixed Rate
07/31/01	08/29/02	Bank of America, N.A.	A2 / A- / A+	\$ 80,590,000	\$ 12,480,000	2011A-2	\$ (515,541)	4.445%
06/15/06	10/01/09	J.P. Morgan Chase Bank	A2 / A- / AA-	190,000,000	153,399,667	2011A-3	(44,789,847)	4.099%
06/15/06	10/01/09	Bank of America, N.A.	A2 / A- / A+	110,000,000	88,810,333	2009D/2010C-2	(25,950,674)	4.099%
06/15/06	10/01/10	Wells Fargo Bank, N.A.	A2 / A- / A+	170,000,000	141,378,800	2010D	(43,356,564)	4.112%
09/12/07	10/01/11	Wells Fargo Bank, N.A.	A2 / A- / A+	125,000,000	101,281,250	2011A-1	(24,539,252)	3.862%
Total				<u>\$ 675,590,000</u>	<u>\$ 497,350,050</u>		<u>\$ (139,151,878)</u>	

¹ Long-term ratings of Moody's, S&P, and Fitch, respectively, as of December 31, 2019.

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, 2019 and 2018, 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, 2019 and 2018 was a loss of \$139.2 million and \$112.2 million, respectively. This represents the maximum loss that would be recognized if all counterparties failed to perform as contracted. The change in fair value of Swaps for 2019 was a loss of \$26.9 million. The change in fair value of Swaps for 2018 was a gain of \$23.1 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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

The fair value of the Airports Authority's Swaps as of December 31, 2019, and 2018 was as follows:

Effective Date	Counterparty	Outstanding Notional Amount	Maturity	Fair Value as of 12/31/2019	Fair Value as of 12/31/2018	Change in Fair Value
2002	Bank of America, N.A.	\$ 12,480,000	2021	\$ (515,541)	\$ (845,281)	\$ 329,740
2009	J.P. Morgan Chase Bank	153,399,667	2039	(44,789,847)	(36,073,346)	(8,716,501)
2009	Bank of America, N.A.	88,810,333	2039	(25,950,674)	(20,867,432)	(5,083,242)
2010	Wells Fargo Bank, N.A.	141,378,800	2040	(43,356,564)	(34,839,772)	(8,516,792)
2011	Wells Fargo Bank, N.A.	101,281,250	2039	(24,539,252)	(19,584,570)	(4,954,682)
	Total	<u>\$ 497,350,050</u>		<u>\$ (139,151,878)</u>	<u>\$ (112,210,401)</u>	<u>\$ (26,941,477)</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, 2019 and 2018, all outstanding swap fair values were negative, or in the counterparty's favor, so no collateral has been posted.

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

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

Basis Risk – The Airports Authority may be exposed to basis risk when the payments received from the counterparties are not sufficient to completely offset the debt service payments on the underlying variable rate bonds. As of December 31, 2019, the weighted average interest rate on the Airports Authority's hedged variable-rate debt was 1.94 percent and 72 percent of LIBOR was 1.27 percent. As of December 31, 2018, the weighted average interest rate on the Airports Authority's hedged variable-rate debt was 1.85 percent and 72 percent of LIBOR was 1.80 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 a 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, the Aviation and Dulles Corridor Enterprise Funds. The Internal Revenue Service (IRS) has established rules for the investment of bond proceeds of tax-exempt debt, limiting the interest income that may be earned. All of the Airports Authority's tax-exempt debt complies with the IRS rules for calculation and rebate of arbitrage. The Airports Authority had a \$0.3 million arbitrage receivable (\$1.8 million arbitrage refund offset by a \$1.5 million arbitrage liability) as of December 31, 2019 and a \$1.4 million arbitrage liability as of December 31, 2018.

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. In addition, certain variable interest rate bonds are further collateralized by irrevocable direct pay Letters of Credit.

AVIATION ENTERPRISE FUND DEBT

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 January 29, 2019, the Airports Authority defeased the outstanding Series 2015D Bonds in the amount of \$30.5 million. This defeasance was associated with the Western Lands sale. The Series 2015D Bonds refunded the Series 2005C Bonds, of which proceeds were used to fund the purchase of the Western Lands. The cost to defease the Series 2015D Bonds was \$34.0 million and was funded by the release of the Series 2015D Bonds debt service funds and debt service reserve fund in the amount of \$3.4 million, as well as \$30.6 million from the proceeds of the sale of the Western Lands.

The Airports Authority executed two Airport System Revenue bond transactions in 2019.

On July 3rd, 2019, the Airports Authority issued \$388.0 million of Series 2019AB Airport System Revenue and Refunding Bonds resulting in net present value savings of \$32.3 million. The Series 2019A Alternative Minimum Tax (AMT) Airport System Revenue and Refunding Bonds par amount of \$287.9 million refunded \$64.2 million of Series 2009B Airport System Revenue Bonds which provided net present value savings of \$10.8 million and funded \$233.3 million in new money for the Airports Authority's Capital Construction Program needs. The Series 2019B Non-AMT Airport System Refunding Bonds par amount of \$100.1 million refunded \$119.1 million of Series 2009B Airport System Revenue Bonds, resulting in net present value savings of \$21.5 million. The Series 2019AB issuance also included funds to pay for associated interest and cost of issuance.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Further, on December 12th, 2019, the Airports Authority agreed to issue \$355.6 million of Series 2020AB Airport System Revenue Refunding Bonds to refund \$416.8 million of Series 2010A, 2010B and 2010F-1 Bonds and pay the associated cost of issuance on a forward delivery basis, resulting in net present value savings of \$73.5 million. Bond proceeds from the Series 2020AB transaction are scheduled for delivery on July 8, 2020.

The combined refundings produced total gross savings of \$127.5 million. Annual debt service savings in the near term range from \$4.8 to \$5.7 million from 2020 through 2022.

Bonds Payable

The Aviation Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2019 and 2018 were as follows:

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2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

	Issue Date	Interest Rates	Maturing on 1-Oct	Outstanding as of December 31,	
				2019	2018
Series 2003D-1 Revenue Bonds Term	10/01/03	Variable (1.650%) ¹	2020-2033	\$ 49,300,000	\$ 51,625,000
Series 2009B Revenue Bonds	04/01/09			-	194,835,000
Series 2009C Revenue Bonds	07/02/09			-	7,305,000
Series 2009D-1-2 Revenue Bonds Term	07/02/09	Variable (4.099%) ²	2020-2039	110,465,000	113,700,000
Series 2010A Revenue Bonds Serial	07/28/10	4.000%-5.000%	2020-2030	\$152,245,000	
Term		4.625%	2035	5,100,000	
Term		5.000%	2035	87,305,000	
Term		5.000%	2039	<u>49,505,000</u>	
				294,155,000	299,405,000
Series 2010B Revenue Refunding Bonds Serial	07/28/10	4.000%-5.000%	2020-2027	106,785,000	115,380,000
Series 2010C-1-2 Revenue Refunding Bonds Term	09/22/10	Variable C-1 (1.710%) ³	2033	\$49,350,000	
Term		Variable C-2 (4.099%) ⁴	2039	<u>87,905,000</u>	
				137,255,000	141,505,000
Series 2010D Revenue Bonds Term	09/22/10	Variable (4.112%) ⁵	2040	141,380,000	145,200,000
Series 2010F-1 Revenue Refunding Bonds Serial	11/17/10	4.375%-5.000%	2020-2031	61,820,000	61,820,000
Series 2011A-1-2-3 Revenue & Refunding Bonds	09/21/11	Variable A-1 (3.862%) ⁶	2020-2039	\$101,280,000	
		Variable A-2 (4.445%) ⁷	2020-2021	12,480,000	
		Variable A-3 (4.099%) ⁸	2020-2035	<u>43,840,000</u>	
				157,600,000	169,065,000
Series 2011B Revenue & Refunding Bonds	09/21/11	Variable (1.728%) ⁹	2020-2041	104,245,000	119,315,000
Series 2011C Revenue Refunding Bonds Serial	09/29/11	5.000%	2020-2028	121,390,000	130,575,000
Series 2011D Revenue Refunding Bonds Serial	09/29/11	3.250%-5.000%	2020-2031	7,130,000	7,585,000
Series 2012A Revenue Refunding Bonds Serial	07/03/12	3.000%-5.000%	2020-2032	255,950,000	267,130,000
Series 2012B Revenue Refunding Bonds	07/03/12			-	3,745,000
Series 2013A Revenue & Refunding Bonds Serial	07/11/13	4.000%-5.000%	2020-2033	\$152,700,000	
Term		5.000%	2038	18,870,000	
Term		5.000%	2043	<u>24,090,000</u>	
				195,660,000	203,095,000
Series 2013B Revenue Refunding Bonds Serial	07/11/13	3.297%-3.979%	2020-2023	13,485,000	17,360,000
Series 2013C Revenue Refunding Bonds Serial	07/11/13	3.000%-5.000%	2020-2022	11,005,000	11,005,000
Series 2014A Revenue & Refunding Bonds Serial	07/03/14	3.000%-5.000%	2020-2034	\$376,845,000	
Term		4.000%	2039	23,605,000	
Term		5.000%	2044	<u>29,290,000</u>	
				429,740,000	456,705,000

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Maturing on 1-Oct</u>		<u>Outstanding as of December 31,</u>	
					<u>2019</u>	<u>2018</u>
Series 2015A	01/29/15					
Revenue Refunding Bonds						
Serial						
Term		5.000%	2033	\$96,745,000		
Term		5.000%	2034	<u>67,035,000</u>	163,780,000	163,780,000
Series 2015B	07/15/15					
Revenue & Refunding Bonds						
Serial		5.000%	2020-2035	\$159,430,000		
Term		5.000%	2035	51,900,000		
Term		5.000%	2040	16,955,000		
Term		5.000%	2045	<u>21,640,000</u>	249,925,000	258,145,000
Series 2015C	07/15/15					
Revenue Refunding Bonds						
Serial		3.125%-5.00%	2020-2035		25,205,000	27,975,000
Series 2015D	07/15/15					
Revenue Refunding Bonds					-	30,490,000
Series 2016A	07/07/16					
Revenue Refunding Bonds						
Serial		4.000%-5.000%	2030-2036		362,655,000	362,655,000
Series 2016B	07/07/16					
Revenue Refunding Bonds						
Serial		5.000%	2020-2032		23,370,000	23,370,000
Series 2017A	07/07/17					
Revenue Refunding Bonds						
Serial		5.000%	2020-2037	\$370,330,000		
Term		5.000%	2038-2042	41,415,000		
Term		5.000%	2043-2047	<u>52,855,000</u>	464,600,000	483,330,000
Series 2018A	07/03/18					
Revenue & Refunding Bonds						
Serial		5.000%	2020-2038	\$428,910,000		
Term		5.000%	2039-2043	65,590,000		
Term		5.000%	2044-2048	<u>58,410,000</u>	552,910,000	558,430,000
Series 2019A	07/03/19					
Revenue & Refunding Bonds						
Serial		5.000%	2020-2040	\$177,845,000		
Term		5.000%	2041-2044	43,030,000		
Term		5.000%	2045-2049	<u>67,055,000</u>	287,930,000	-
Series 2019B	07/03/19					
Revenue Refunding Bonds						
Serial		5.000%	2020-2029		<u>100,090,000</u>	<u>-</u>
					\$ 4,427,830,000	\$ 4,424,530,000
Plus (Less) unamortized discount/premium, net					<u>347,065,277</u>	<u>313,066,187</u>
Total Aviation Enterprise Debt					<u>\$ 4,774,895,277</u>	<u>\$ 4,737,596,187</u>

- 1 Interest rates on Series 2003D-1 Bonds are reset weekly by the Remarketing Agent. As of 12/31/19, the rate was 1.650%.
- 2 Interest rates on Series 2009D-1 Bonds are reset weekly, and interest rates on Series 2009D-2 Bonds 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 Bonds are reset weekly, and rates on Series 2010C-2 Bonds are reset weekly by the Remarketing Agent. As of 12/31/19, the rate on Series 2010C-1 Bonds was 1.710%. The 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 Bonds are calculated weekly using 80% of the 1-month LIBOR Index Rate plus a spread of 0.37% multiplied by a margin factor of 1%. 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 12/31/19, the rate was 1.630%. The 2011A-1 Bonds are hedged with a Swap Agreement at a fixed rate of 3.862%. The 2011A-2 Bonds are hedged with a Swap Agreement at a fixed rate of 4.445%. The 2011A-3 Bonds are hedged with a Swap Agreement at a rate of 4.099%. Refer to Note 13 for information on the Airports Authority's Swaps.
- 9 Interest rates on Series 2011B Bonds are calculated monthly using 80% of the 1-month LIBOR Index Rate plus a spread of 0.36%. As of 12/31/19, the rate was 1.728%.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	<u>Revenue Bonds</u>	<u>Notes from Direct Placements</u>	<u>Total</u>
Balance as of December 31, 2017	\$ 4,454,389,759	\$ 282,555,000	\$ 4,736,944,759
Increases			
Series 2018A Issuance	\$ 558,430,000	\$ -	
Change in Unamortized Discount/Premium	<u>48,196,428</u>	<u>606,626,428</u>	606,626,428
Decreases			
Series 2008A Refunding	\$ (159,630,000)		
Series 2009C Refunding	(254,245,000)		
Principal Payments	<u>(174,060,000)</u>	<u>(18,040,000)</u>	<u>(18,040,000)</u>
	(605,975,000)		
Balance as of December 31, 2018	<u>\$ 4,473,081,187</u>	<u>\$ 264,515,000</u>	\$ 4,737,596,187
Increases			
Series 2019A Issuance	\$ 287,930,000	\$ -	
Series 2019B Issuance	100,090,000	-	
Change in Unamortized Discount/Premium	<u>33,999,090</u>	<u>422,019,090</u>	-
			422,019,090
Decreases			
Series 2009B Refunding	\$ (183,295,000)		
Series 2015D Defeasance	(30,490,000)		
Principal Payments	<u>(152,045,000)</u>	<u>(365,830,000)</u>	<u>(18,890,000)</u>
			(384,720,000)
Balance as of December 31, 2019	<u>\$ 4,529,270,277</u>	<u>\$ 245,625,000</u>	\$ 4,774,895,277
Balance as of December 31, 2019 - Short Term			\$ 184,990,000
Balance as of December 31, 2019 - Long Term			4,589,905,277
			<u>\$ 4,774,895,277</u>

Maturities and Sinking Fund Requirements

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

Year Ending December 31,	<u>Bonds</u>		<u>Notes from Direct Borrowings and Direct Placements</u>		Total Debt Service
	Principal	Interest	Principal	Interest	
2020	\$ 165,210,000	\$ 201,440,772	\$ 19,780,000	\$ 9,983,346	\$ 396,414,118
2021	169,225,000	193,671,861	20,705,000	9,187,654	392,789,515
2022	189,485,000	185,478,906	6,690,000	8,354,745	390,008,651
2023	194,665,000	176,879,108	7,010,000	8,082,206	386,636,314
2024	204,880,000	167,391,740	7,345,000	7,796,626	387,413,366
2025-2029	1,053,105,000	690,541,049	42,325,000	34,199,154	1,820,170,203
2030-2034	1,188,615,000	411,637,671	53,455,000	24,711,746	1,678,419,417
2035-2039	648,245,000	167,256,799	67,505,000	12,729,651	895,736,450
2040-2044	215,875,000	71,129,500	20,810,000	1,056,659	308,871,159
Thereafter	152,900,000	20,127,500	-	-	173,027,500
	<u>\$ 4,182,205,000</u>	<u>\$ 2,285,554,906</u>	<u>\$ 245,625,000</u>	<u>\$ 116,101,787</u>	<u>\$ 6,829,486,693</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Metropolitan Washington Airports Authority

The Airports Authority reviews each bond sale to determine whether municipal bond insurance may provide value to investors. As of December 31, 2019, the Airports Authority's Aviation Enterprise Fund had no insured debt. In 2018, the Airports Authority's Aviation Enterprise Fund had \$96.7 million of long-term bonds insured by Berkshire Hathaway Assurance Corporation and represented 2.0 percent of total bonds as of December 31, 2018.

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 Senior Bonds. They are further collateralized by an 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 Industrial and Commercial Bank of China (ICBC) expiring in February 2022 in the amount of \$200.0 million in principal and \$13.3 million in interest. As of December 31, 2019, and 2018, the Airports Authority had no outstanding Series Two CP Notes.

Liquidity Facilities

The Airports Authority has \$700.2 million of outstanding variable rate bonds, in the form of variable rate demand bonds which are further supported by LOCs and Direct Purchase Indexed Loans (Index Floaters). The following table lists the variable rate bonds and certain terms of their liquidity facilities as of December 31, 2019:

Bank Provider	Credit Facility	Associated Program/Series	Interest Rate	Expiration Date	Series Original Amount	Outstanding as of December 31, 2019	Interest Draw Allowed	Maximum Draw Allowed
ICBC	LOC	CP: Series Two	17 bps	2/25/2022	\$ 200,000,000	\$ -	\$ 9,000,000	\$ 209,000,000
SMBC	LOC	2011 A VRDO	30 bps	10/4/2022	233,635,000	157,600,000	2,487,058	160,087,058
SMBC	LOC	2010 C VRDO	34 bps	9/21/2020	170,000,000	137,255,000	2,165,997	139,420,997
TD Bank	LOC	2009 D VRDO	35 bps	2/28/2021	136,825,000	110,465,000	1,743,228	112,208,228
TD Bank	LOC	2003 D1	26 bps	10/4/2022	150,000,000	49,300,000	777,995	50,077,995
U.S. Bank	Index Floater	2011 B	80% LIBOR + 36 bps	9/23/2020	207,640,000	104,245,000	-	-
Wells Fargo	Index Floater	2010 D	80% LIBOR + 37 bps	9/22/2020	170,000,000	141,380,000	-	-

As noted in the table above, the Airports Authority's outstanding direct placements (Index Floaters) were \$245,625,000 and \$264,515,000 as of December 31, 2019 and December 31, 2018, respectively. Agreements to the above noted direct placements and Letters of Credits contain provisions related to events of default as described subsequently.

As of December 31, 2019 and 2018, there were no LOC balances outstanding.

Events of default under the liquidity facilities agreements include, but are not limited to, failure to pay amounts to the facility providers or any parity debt, failure to perform certain terms, conditions and covenants under the agreements including the Master Indenture, occurrence of bankruptcy and insolvency events, dissolution of the Airports Authority, and ratings downgrade to a certain level.

Upon an event of default, all liquidity facility obligations shall bear interest at the default rate, which varies per agreement, and liquidity providers may cause a mandatory tender and/or redemption, as well as accelerated amortization of principal pursuant to terms set forth in the agreements, which also varies per agreement, of the supported bonds and expiration of the associated liquidity facility.

Under the liquidity facilities agreements, no party has a right to declare the principal of the variable rate bonds to be immediately due and payable; however, certain debt obligations that are not principal of the variable rate bonds are immediately due and payable under certain circumstances.

Credit Ratings

The Aviation Enterprise Fund's underlying credit ratings as of December 31, 2019 and 2018 are depicted in the table below:

Mode	Lien Position	Rating as of December 31, 2019			Rating as of December 31, 2018		
		Moody's / S&P / Fitch			Moody's / S&P / Fitch		
Fixed	Senior	Aa3 / AA- / AA-			Aa3 / AA- / AA-		
Variable, CP	Senior	P-1 / A-1 / F1			P-1 / A-1 / F1		
Variable, 2003D-1 VRDO *	Senior	Aa1/VMIG1	AAA/A-1+	AA+/F1+	Aa1/VMIG1	AAA/A-1+	AA+/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	AAA/A-1	AA-/F1	Aa2/VMIG1	AAA/A-1	AA-/F1
Variable, 2011A VRDO *	Senior	Aa1/VMIG1	AA+/A-1	AA+/F1	Aa1/VMIG1	AA+/A-1	AA+/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 Airports Authority's Dulles Corridor Enterprise Fund. Under this Master Indenture, all bonds are secured by a pledge of Toll Road Revenues derived by the Airports Authority from the operation of the Dulles Toll Road. The pledge of Toll Road Revenues securing the Series 2009A Bonds (First Senior Lien), however, is senior to the pledge of 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 and 2019B 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 the principal amount of \$1.278 billion. Subsequently, on July 16, 2014, the Airports Authority Board adopted Resolution No. 14-23 authorizing execution

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

of the TIFIA Loan Agreement and issuance of Dulles Toll Road Junior Lien Revenue Bonds, TIFIA Series 2014. As of December 31, 2019, the Airports Authority has paid off the TIFIA loan in full with bond proceeds.

Recent Transactions

The Airports Authority executed two Dulles Toll Road Revenue bond transactions in 2019.

On June 6, 2019, the Airports Authority issued \$163.1 million of Series 2019A Dulles Toll Road First Senior Lien Revenue Refunding Bonds, resulting in net present value savings of \$48.0 million. The Series 2019A Bonds refunded \$198.0 million of Series 2009A Dulles Toll Road First Senior Lien Revenue Bonds on a current refunding basis. The refunding produced gross total savings of \$76.5 million. Annual debt service savings in the near term range from \$1.8 to \$1.9 million from 2020 through 2022.

Further, on December 4, 2019, to take advantage of favorable market conditions, the Airports Authority issued \$1.3 billion of Series 2019B Dulles Toll Road Subordinate Lien Revenue and Refunding Bonds to repay the TIFIA loan in full, redeem the outstanding Junior Lien Bonds securing the TIFIA loan, and fund \$115.3 million for the Dulles Metrorail Project. Gross debt service savings resulting from the transaction total approximately \$619.3 million from 2020-2043.

Bonds Payable

The Dulles Corridor Enterprise Fund's bonds payable as of December 31, 2019 and 2018 were as follows:

	Issue Date	Interest Rates	Maturing on October 1	Amount	Outstanding at December 31 2019	2018
Series 2009A Revenue Bonds	08/12/09				\$ -	\$ 198,000,000
Series 2009B Revenue Bonds CABs	08/12/09	3.500%-7.910%	2020-2040		316,375,463	307,042,212
Series 2009C Revenue Bonds Convertible CABs	08/12/09	6.500%	2038-2041		249,775,000	249,775,000
Series 2009D Revenue Bonds Build America Bonds	08/12/09	7.462%	2045-2046		400,000,000	400,000,000
Series 2010A Revenue Bonds CABs Term	05/27/10	6.625%	2029-2037		102,454,721	95,989,915
Series 2010B Revenue Bonds Convertible CABs Term	05/27/10	6.500%	2040-2044		235,000,000	235,000,000
Series 2010D Revenue Bonds Build America Bonds	05/27/10	8.000%	2042-2047		150,000,000	150,000,000
Series 2014A Revenue Refunding Bonds	5/22/2014	5.000%	2051-2053		421,760,000	421,760,000
Series 2019A Revenue Refunding Bonds	7/10/2019	5.000%	2031-2044		163,110,000	-
Series 2019B Revenue Refunding Bonds	12/19/2019	3.000%-5.000%	2033-2053		1,269,365,000	-
					<u>\$ 3,307,840,184</u>	<u>\$ 2,057,567,127</u>
					137,885,698	3,101,108
Plus (Less) unamortized discount/premium, net					<u>\$ 3,445,725,882</u>	<u>\$ 2,060,668,235</u>
Total Dulles Corridor Enterprise Bonds Payable						

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Changes to the Dulles Corridor Enterprise Fund's Bonds Payable balances during 2019 and 2018 were as follows:

Balance as of December 31, 2017	\$ 2,032,571,457
Principal Payments	(4,086,658)
Plus: Change in Accretion of Capital Appreciation Bonds	34,206,668
Change in unamortized (discount) or premium, net	<u>(2,023,233)</u>
Balance as of December 31, 2018	<u>2,060,668,235</u>
Bonds Issued	1,432,475,000
Bonds Refunded: Series 2009A	(198,000,000)
Principal Payments	(7,259,874)
Plus: Change in Accretion of Capital Appreciation Bonds	23,057,931
Change in unamortized (discount) or premium, net	<u>134,784,590</u>
Balance as of December 31, 2019	<u>\$ 3,445,725,882</u>
Balance as of December 31, 2019 - ST	3,505,221
Balance as of December 31, 2019 - LT	<u>3,442,220,661</u>
	<u>\$ 3,445,725,882</u>

Maturities and Sinking Fund Requirements

Principal payments on the Dulles Corridor Enterprise Fund's long-term bonds are due annually on October 1. Summarized in the following table are the maturities and sinking fund requirements for the Dulles Corridor Enterprise Fund Senior Debt, excluding any unamortized discounts or premiums and the outstanding balance of \$396,341,453 incurred as a result of the bond accretion on the capital appreciation bonds.

Year Ending December 31,	Principal	Interest	Total Debt Service
2020	\$ 3,505,221	\$ 145,090,866	\$ 148,596,087
2021	3,466,610	156,438,515	159,905,125
2022	3,422,177	156,922,948	160,345,125
2023	9,267,174	165,757,951	175,025,125
2024	10,631,131	169,658,994	180,290,125
2025-2029	39,417,123	855,447,760	894,864,883
2030-2034	142,055,808	1,055,241,772	1,197,297,580
2035-2039	226,121,989	1,119,203,784	1,345,325,773
2040-2044	565,211,498	962,875,326	1,528,086,824
Thereafter	1,908,400,000	428,683,150	2,337,083,150
	<u>\$ 2,911,498,731</u>	<u>\$ 5,215,321,066</u>	<u>\$ 8,126,819,797</u>

Insurance

As of December 31, 2019 and 2018, the Airports Authority's Dulles Corridor Enterprise Fund had insured \$595.9 million and \$303.1 million of long-term bonds, respectively with Assured Guaranty. This represented 17.3 percent of total bonds as of December 31, 2019 and 14.7 percent of total bonds as of December 31, 2018. The increase in

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2019 was due to the insurance of three maturities of bonds totaling \$300 million as part of the Series 2019B transaction.

Insurer	Amount Insured at December 31, 2019	Percent of Total Bonds Payable	Amount Insured at December 31, 2018	Percent of Total Bonds Payable
Assured Guaranty	\$ 595,858,638	17.3%	\$ 303,118,482	14.7%

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 supported 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 (a maximum draw allowed \$320.0 million) issued by J.P. Morgan Chase Bank, National Association. The LOC bears an interest rate of 58 basis points and expires on April 13, 2020.

The outstanding balance was \$10.0 million as of December 31, 2019 and \$140.0 million as of December 31, 2018.

Changes to the Dulles Corridor Enterprise Fund's Commercial Paper Notes balances during 2019 and 2018 were as follows:

	CP Notes
Balance as of December 31, 2017	\$ 200,000,000
Commercial Paper Notes Refunded	(460,000,000)
Commercial Paper Notes Issued	400,000,000
Balance as of December 31, 2018	\$ 140,000,000
Commercial Paper Notes Refunded	(330,000,000)
Commercial Paper Notes Issued	200,000,000
Balance as of December 31, 2019	\$ 10,000,000

Under the LOC agreement, no party has a right to accelerate the principal of or interest on any debt.

Events of default under the LOC agreement include, but are not limited to failure to pay amounts to the facility provider or any parity debt, failure to perform certain terms, conditions and covenants under the agreements including the Master Indenture, termination of the DTR Operating and Permit Agreement and other program related agreements, occurrence of bankruptcy and insolvency events, issuance of any CP Notes or Bank Note, and ratings downgrade to a certain level.

Upon an event of default, all outstanding obligations under the LOC will bear interest at the default rate and the LOC will be reduced and/or terminated.

Notes Payable

The Dulles Corridor Enterprise TIFIA loan with the USDOT consists of monthly draws. Interest was accreted monthly and capitalized semi-annually on April 1 and October 1. The total accreted interest amount in 2019 was \$61.4 million. As of December 20, 2019, the Airports Authority has paid off the TIFIA loan in full. The total TIFIA loan balance was \$0 as of December 31, 2019, and \$1.1 billion as of December 31, 2018.

Changes to the Dulles Corridor Enterprise Fund's TIFIA Notes Payable during 2019 and 2018 were as follows:

	TIFIA Notes Outstanding
Total TIFIA Balance as of December 31, 2017	\$ 792,540,602
Total Draws in 2018	200,540,003
Total Draws as of December 31, 2018	993,080,605
Total Draws in 2019	170,737,289
TIFIA Note Repayment in 2019	(1,163,817,894)
Total TIFIA Balance as of December 31, 2019	\$ -
Accreted Interest in 2015	\$ 5,759,192
Accreted Interest in 2016	12,424,295
Accreted Interest in 2017	20,932,763
Accreted Interest in 2018	22,243,844
Accreted Interest Payment in 2019	(61,360,094)
Total Accreted Interest as of December 31, 2019	\$ -
Total TIFIA Balance as of December 31, 2019	\$ -

The TIFIA Loan Agreement included provisions regarding events of default and associated remedies, acceleration and mandatory prepayment terms that may change the timing of repayment of outstanding amounts.

Under the TIFIA Loan Agreement, no party had a right to accelerate the principal of or interest on the TIFIA loan.

Events of default under the TIFIA Loan Agreement included, but were not limited to (i) failure to pay principal and interest on the TIFIA Loan or other material indebtedness when due, (ii) failure to perform certain terms, conditions and covenants under the agreements including failure to complete the Project or operate the Dulles Toll Road, (iii) termination of the DTR Operating and Permit Agreement and (iv) the occurrence of certain bankruptcy and insolvency events.

Upon the occurrence of certain bankruptcy and insolvency events with respect to the Airports Authority, the TIFIA Loan was secured by a first priority security interest under the Indenture in the Trust Estate on a parity with the First Senior Lien Bonds. In addition, upon the occurrence of an Event of Default, all obligations of the TIFIA Lender under the TIFIA Loan Agreement may be suspended or the lender may terminate all of its obligations under the TIFIA Loan Agreement with respect to the disbursement of any undisbursed amounts of the TIFIA loan and have all rights and remedies of a secured creditor under the Uniform Commercial Code.

The Airports Authority was required to prepay the TIFIA loan in whole or in part, without penalty or premium, (i) from certain excess funds after substantial completion of the Project, (ii) if the Airports Authority failed to comply with the Rate Coverage Test for at least 12 consecutive months, (iii) upon termination of the DTR Operating and Permit Agreement and (iv) from certain net loss proceeds.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

The TIFIA Loan Agreement is available in its entirety on the Airports Authority's website at <https://www.mwaa.com/about/controlling-documents>. As of December 20, 2019, the Airports Authority has paid off the TIFIA loan in full with bond proceeds and is no longer subject to the provisions described herein.

Credit Ratings

The Dulles Corridor Enterprise Fund's underlying credit ratings as of December 31, 2019 and 2018 are depicted in the table below:

Mode	Lien Position	Rating as of Decemeber 31, 2019	Rating as of Decemeber 31, 2018
		Moody's / S&P / Fitch	Moody's / S&P / Fitch
Fixed	First Senior	A2 / A / NR	A2 / A- / NR
Fixed	Second Senior	Baa1 / A- / NR	Baa1 / BBB+ / NR
Fixed	Second Senior ¹	A2 / AA / NR	A2 / AA / NR
Fixed	Subordinate	Baa2 / A- / NR	Baa2 / BBB+ / NR
Fixed	Junior	Baa2 / A / NR	Baa2 / A- / NR
Variable, CP	Second Senior	P-1 / A-1 / NR	P-1 / A-1 / NR

¹ Enhanced Rating

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2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

15. NET POSITION

Net position consisted of the following, as of December 31, 2019:

	As of December 31, 2019				
	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	-	403,521,805	110,298,280	-	-
Inventory	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-
Non-current assets					
Restricted					
Cash and cash equivalents *	-	701,453,956	32,610,922	23,288,467	7,454,090
Accounts receivable	-	32,906,961	-	-	402,911
Investments	-	-	-	366,696,996	-
Unrestricted:					
Investments	-	-	-	-	-
Net pension assets	-	-	-	-	-
Bond insurance costs	-	-	-	-	-
Capital assets	6,547,304,915	-	-	-	-
Total Assets	6,547,304,915	1,137,882,722	142,909,202	389,985,463	7,857,001
Deferred outflows of resources					
Deferred outflows - debt refundings	69,182,381	-	-	-	-
Deferred outflows - pension plans	-	-	-	-	-
Deferred outflows - OPEB plans	-	-	-	-	-
Total deferred outflows of resources	69,182,381	-	-	-	-
Current liabilities					
Accounts payable and accrued expenses	101,208,254	-	-	-	10,798
Advance billings and payments received in advance	-	277,604,620	-	-	-
Accrued lease obligations	-	-	-	-	-
Accrued interest payable	-	-	74,259,485	-	-
Current portion of bonds payable	184,990,000	-	-	-	-
Non-current liabilities					
Other liabilities	35,949	-	-	-	787,080
Commercial paper notes	10,000,000	-	-	-	-
Interest rate swaps payable	-	-	-	-	-
Net OPEB liability	-	-	-	-	-
Bonds payable, net	5,267,290,443	726,692,685	-	389,985,463	-
Total Liabilities	5,563,524,646	1,004,297,305	74,259,485	389,985,463	797,878
Deferred inflows of resources					
Deferred inflows - debt refundings	1,475,700	-	-	-	-
Deferred inflows - pension plans	-	-	-	-	-
Deferred inflows - OPEB plans	-	-	-	-	-
Total deferred inflows of resources	1,475,700	-	-	-	-
Net position (deficit)	\$ 1,051,486,950	\$ 133,585,417	\$ 68,649,717	\$ -	\$ 7,059,123

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

As of December 31, 2019

Restricted for			Unrestricted	Total Business- Type Activities
Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety		
\$ -	\$ -	\$ -	\$ 381,838,402	\$ 381,838,402
-	-	-	29,119,589	29,119,589
-	-	-	858,501,262	858,501,262
-	-	-	-	513,820,085
-	-	-	7,551,291	7,551,291
-	-	-	10,284,227	10,284,227
15,476,366	1,739,458	853,887	-	782,877,146
-	-	-	-	33,309,872
-	7,251,510	-	-	373,948,506
-	-	-	368,433,084	368,433,084
-	-	-	17,859,988	17,859,988
-	-	-	12,948,102	12,948,102
-	-	-	-	6,547,304,915
<u>15,476,366</u>	<u>8,990,968</u>	<u>853,887</u>	<u>1,686,535,945</u>	<u>9,937,796,469</u>
-	-	-	-	69,182,381
-	-	-	12,697,506	12,697,506
-	-	-	<u>13,872,161</u>	<u>13,872,161</u>
-	-	-	<u>26,569,667</u>	<u>95,752,048</u>
-	-	-	57,617,537	158,836,589
-	-	-	39,063,099	316,667,719
-	-	-	419,241	419,241
-	-	-	-	74,259,485
-	-	-	3,505,221	188,495,221
-	-	-	7,603,511	8,426,540
-	-	-	-	10,000,000
-	-	-	139,151,878	139,151,878
-	-	-	9,678,780	9,678,780
-	-	-	1,648,157,347	8,032,125,938
-	-	-	<u>1,905,196,614</u>	<u>8,938,061,391</u>
-	-	-	-	1,475,700
-	-	-	29,555,403	29,555,403
-	-	-	<u>19,387,945</u>	<u>19,387,945</u>
-	-	-	<u>48,943,348</u>	<u>50,419,048</u>
<u>\$ 15,476,366</u>	<u>\$ 8,990,968</u>	<u>\$ 853,887</u>	<u>\$ (241,034,350)</u>	<u>\$ 1,045,068,078</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Net position consisted of the following, as of December 31, 2018:

	As of December 31, 2018				
	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	-	254,188,182	115,789,280	-	-
Inventory	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-
Non-current assets					
Restricted					
Cash and cash equivalents *	-	632,667,536	52,120,038	4,846,715	7,017,363
Accounts receivable	-	78,509,842	-	-	1,205,752
Investments	-	-	-	513,863,160	-
Unrestricted:					
Bond insurance costs	-	-	-	-	-
Other assets	-	-	-	-	-
Capital assets	6,309,221,028	-	-	-	-
Total Assets	6,309,221,028	965,365,560	167,909,318	518,709,875	8,223,115
Deferred outflows of resources					
Deferred outflows - debt refundings	68,264,913	-	-	-	-
Deferred outflows - pension plans	-	-	-	-	-
Deferred outflows - OPEB plans	-	-	-	-	-
Total deferred outflows of resources	68,264,913	-	-	-	-
Current liabilities					
Accounts payable and accrued expenses	113,667,951	-	-	-	10,620
Advance billings and payments received in advance	-	66,122,979	15,000,000	-	-
Accrued lease obligations	-	-	-	-	-
Accrued interest payable	-	-	83,473,899	-	-
Current portion of bonds payable	170,935,000	-	-	-	-
Non-current liabilities					
Other liabilities	1,454,395	200,000,000	-	-	787,080
Commercial paper notes	140,000,000	-	-	-	-
Interest rate swaps payable	-	-	-	-	-
Net Pension liability	-	-	-	-	-
Net OPEB liability	-	-	-	-	-
TIFIA payable	914,671,610	16,078,644	-	123,690,445	-
Bonds payable, net	4,121,161,539	551,450,690	-	395,019,430	-
Total Liabilities	5,461,890,495	833,652,313	98,473,899	518,709,875	797,700
Deferred inflows of resources					
Deferred inflows - debt refundings	108,988	-	-	-	-
Deferred inflows - pension plans	-	-	-	-	-
Deferred inflows - OPEB plans	-	-	-	-	-
Total deferred inflows of resources	108,988	-	-	-	-
Net position (deficit)	\$ 915,486,458	\$ 131,713,247	\$ 69,435,419	\$ -	\$ 7,425,415

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

As of December 31, 2018						
Restricted for			Unrestricted	Total Business- Type Activities		
Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety				
\$ -	\$ -	\$ -	\$ 352,702,425	\$ 352,702,425		
-	-	-	33,436,744	33,436,744		
-	-	-	1,086,705,966	1,086,705,966		
-	-	-	-	369,977,462		
-	-	-	7,049,772	7,049,772		
-	-	-	6,536,408	6,536,408		
15,220,999	1,619,652	262,500	-	713,754,803		
-	-	-	-	79,715,594		
-	6,951,189	-	-	520,814,349		
-	-	-	12,366,296	12,366,296		
-	-	-	135,012	135,012		
-	-	-	-	6,309,221,028		
<u>15,220,999</u>	<u>8,570,841</u>	<u>262,500</u>	<u>1,498,932,623</u>	<u>9,492,415,859</u>		
-	-	-	-	68,264,913		
-	-	-	45,700,361	45,700,361		
-	-	-	24,133,806	24,133,806		
-	-	-	<u>69,834,167</u>	<u>138,099,080</u>		
-	-	-	50,994,363	164,672,934		
-	-	-	27,732,018	108,854,997		
-	-	-	363,875	363,875		
-	-	-	-	83,473,899		
-	-	-	7,259,874	178,194,874		
-	-	-	7,444,530	209,686,005		
-	-	-	-	140,000,000		
-	-	-	112,210,401	112,210,401		
-	-	-	22,278,779	22,278,779		
-	-	-	30,245,072	30,245,072		
-	-	-	-	1,054,440,699		
-	-	-	1,552,437,889	6,620,069,548		
-	-	-	<u>1,810,966,801</u>	<u>8,724,491,083</u>		
-	-	-	-	108,988		
-	-	-	22,687,192	22,687,192		
-	-	-	9,911,459	9,911,459		
-	-	-	<u>32,598,651</u>	<u>32,707,639</u>		
<u>\$ 15,220,999</u>	<u>\$ 8,570,841</u>	<u>\$ 262,500</u>	<u>\$ (274,798,662)</u>	<u>\$ 873,316,217</u>		

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

The Aviation Enterprise Fund's debt service reserve accounts were over-funded by \$0.2 million as of December 31, 2019 and \$13.0 million as of December 31, 2018. The Dulles Corridor Enterprise Fund's debt service reserve accounts were over-funded by \$1.6 million as of December 31, 2019 and by \$2.9 million as of December 31, 2018. 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

Aviation Enterprise Fund revenues, net of estimated uncollectible revenues, for the years ended December 31, 2019 and December 31, 2018, were as follows:

<u>Gross Revenues</u>	Year ended December 31,	
	<u>2019</u>	<u>2018</u>
Concessions	\$ 362,147,294	\$ 348,716,330
Rents	264,947,686	280,286,094
Landing fees	89,708,076	84,540,563
Utility sales	14,283,928	14,406,946
Passenger fees	23,511,540	24,317,733
Other	<u>12,207,353</u>	<u>14,596,656</u>
Total gross revenues	766,805,877	766,864,322
Less: Estimated uncollectible revenues	<u>(350,394)</u>	<u>(371,866)</u>
Total net operating revenues	<u>\$ 766,455,483</u>	<u>\$ 766,492,456</u>

Concentrations of Revenues

Several airlines, and their affiliates, represent concentrations of revenues for the Airports Authority. At Reagan National, American Airlines, Delta, Southwest, United Airlines and JetBlue comprised approximately 95.0 percent of Signatory Airline Revenues during 2019. At Dulles International, American Airlines, United Airlines, Delta, British Airways, Southwest, Lufthansa comprised approximately 70.0 percent of Signatory Airline Revenues during 2019.

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, 2019 and 2018 totaled \$133.0 million and \$200.2 million, respectively. 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 million of Commonwealth funding in the Commonwealth's Fiscal Year 2017 and \$25 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.

In 2017, U.S Department of Homeland Security, Federal Emergency Management Agency, Protection and National Preparedness awarded the Airports Authority \$595 thousand. The purpose of this grant is to enhance the capacity of the Airports Authority, as well as the surrounding city and county jurisdictions in the National Capital Region to be better prepared to respond and recover from a Complex Coordinated Terrorist Attacks (CCTA).

In 2019, the Airports Authority awarded \$1.5 million grant from the Department of Homeland Security (DHS), Federal Emergency Management Agency's (FEMA) for the implementation and administration of the Staffing for Adequate Fire and Emergency Response (SAFER) grant program. The purpose of the SAFER Grant Program is to provide funding directly to fire departments and volunteer firefighter interest organizations to assist in increasing the number of firefighters to help communities meet industry minimum standards and attain 24-hour staffing to provide adequate protection from fire and fire-related hazards, and to fulfill traditional missions of fire departments.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

	Award Recognized	
	Year Ended Dec. 31,	
	2019	2018
<u>Grants in Support of Operations</u>		
Operating Revenue		
TSA Security Fees		
TSA - Law enforcement officer reimbursement program	\$ 934,400	\$ 934,130
Grant recognized as operating revenues	<u>934,400</u>	<u>934,130</u>
Non-Operating Revenue		
Federal Grants		
TSA - National explosive detection canine team program	606,000	606,000
Department of Justice - Equitable sharing agreement ^{1,2}	403,534	345,909
Department of Treasury - Equitable sharing agreement ^{1,2}	-	9,921
Federal Emergency Management Agency - CCTA Program	147,431	101,068
Urban Areas Security Initiative - NCR IMT Program	-	5,140
Total Federal Grants	<u>1,156,965</u>	<u>1,068,038</u>
State Grant		
Commonwealth of Virginia Funding to IAD	-	25,000,000
Commonwealth of Virginia Funding - Equitable sharing agreement ^{1,2}	-	3,409
Virginia Department Emergency Management - NCR-IMT Program	4,508	-
Total State Fund	<u>4,508</u>	<u>25,003,409</u>
Grants recognized as non-operating revenues	<u>1,161,473</u>	<u>26,071,447</u>
Total Federal, State, and Local grants in support of operations	<u>\$ 2,095,873</u>	<u>\$ 27,005,577</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, 2019, 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 2019 and 2018, a total of \$5.7 million and \$7.4 million, respectively 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 FAA's Airport Improvement Program (AIP), including annual entitlement grants, provide funding for airport development, airport planning, and noise compatibility programs from the Airports and Airways Trust Funds in the form of entitlement and discretionary grants for eligible projects. The Commonwealth also provides discretionary funds for capital programs.

In 2018, the Airports Authority received a \$4 million Voluntarily Low Emissions (VALE) grant. The VALE grant is used to provide funding for the design and installation of 112 Electrical Recharging Stations for Electric Ground Support Equipment (VALE Project) at Dulles International Airport. The electric charging stations and necessary electrical infrastructure improvements would be permanently located at the Airport within and surrounding the Main Terminal baggage basement, and GSE maintenance facility.

In 2019, the Airports Authority awarded Voluntarily Low Emissions (VALE) grant from FAA in the amount of \$0.9 million. The VALE grant is used to provide funding for purchase and installation of Ground Power and Preconditioned Air Units at IAD. (VALE Project) at Dulles International Airport.

The Airports Authority's Aviation Enterprise Fund awarded FAA funding a total of \$500 thousand to each airport for purchase and installation of seventy five (75) Vehicle Movement Area Transponder (VMAT) units for Dulles International Airport (IAD), and Seventy Five (75) units for Reagan National Airport (DCA). The VMATs provides common situational awareness to Air Traffic Control (ATC), vehicle operators and airfield personnel to improve coordination and safety.

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 six new stations and a maintenance yard on Dulles International property. Construction is currently underway and the project is currently scheduled to be complete for passenger service in 2021.

The Airports 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 2018, a total of \$6.3 million of the remaining NVTA funds was received.

In 2019 and 2018, the Airports Authority receives funding from the Federal Transit Administration (FTA) for Congestion Mitigation and Air Quality Improvement Program (CMAQ) in the amount of \$1.4 million and \$7.4 million respectively. In addition, the Airports Authority receives CMAQ funding from the Commonwealth of Virginia in the amount of \$2.2 million. The CMAQ funding is used to cover a portion of the costs of the new innovation Station in Fairfax County, Virginia on the Dulles Corridor Metrorail Project (Silver Line).

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Grants in Support of Capital Programs	Award Recognized Year Ended Dec. 31,		Award Remaining
	2019	2018	Dec. 31, 2019
Federal Grants			
Federal Aviation Administration			
AIP - Improve Runway 4/22 and 15/33 Safety Area - Phase I	\$ 993,582	\$ 2,000,000	\$ -
AIP - Hold Bay 4 Reconstruction and Reconfiguration, Phase 2	4,921,500	-	-
AIP - Taxilane B Reconstruction and Widening, West Section	14,370	5,985,184	-
AIP - Taxilane B Reconstruction and Widening, Middle Section	6,628,989	-	83,023
AIP - Hold Bay 4 Reconstruction and Reconfiguration	8,255,679	858,750	2,385,571
AIP - Taxiway J 9 Middle Section Reconstruction	44,207	4,248,565	-
AIP - Taxilane C and Taxiway Z Reconstruction	38,561	-	-
AIP - Improve runway 15/33 and 4/22 safety area (Phase 2)	-	715,373	-
AIP - Rehabilitation of Taxiway K and P	-	564,112	-
AIP - Rehabilitation of Runway 4/22	-	4,416,800	-
AIP - Taxiways Rehabilitation of P, B and Z Project.	-	2,221,117	-
AIP - Taxilane B Reconstruction and Widening, East Section	-	57,909	-
Total Federal Aviation Administration Grants	20,896,888	21,067,810	2,468,594
Federal Transit Administration			
FFGA - Dulles Metrorail Project (Phase 1)	5,662,039	2,955,378	14,624,327
FFGA - Congestion Mitigation & Air Quality Improvement Program (CMAQ) Phase 2	1,418,195	7,401,073	-
FFGA - Revenue Adjustment	(7,626,774)	-	-
Internal Revenue Service			
Build America Bonds interest subsidy	13,764,330	13,680,111	-
Total Federal Grants	34,114,678	45,104,372	17,092,921
Commonwealth of Virginia Grant			
Department of Aviation - AeroTrain	2,000,000	2,000,000	-
Virginia Department of Transportation - Dulles Toll Road Subsidy	15,000,000	15,000,000	-
Virginia- Congestion Mitigation & Air Quality Improvement Program (CMAQ) Phase 2	2,204,817	-	-
Virginia Department of Transportation - Dulles Metrorail Project (Phase 2)	6,414,517	-	293,585,483
Total Commonwealth of Virginia Grant	25,619,334	17,000,000	293,585,483
Local Grant			
Northern Virginia Transportation Authority (NVTA) - Phase 2	-	6,293,823	-
Loudoun County - Betterments	40,000	-	-
Arlington County - Arlington County Police Firing Range Agreement	288,679	102,154	-
Total Local Grant	328,679	6,395,977	-
Total Federal, State, and Local grants in support of capital programs	60,062,691	68,500,349	310,678,404
Local Counties Contributions for Dulles Metrorail Project			
Fairfax County Contributions (Phase 2)	46,307,212	68,269,046	78,603,339
Loudoun County Contributions (Phase 2)	24,509,982	36,393,886	41,600,597
	70,817,194	104,662,932	120,203,936
Total Federal, State, and Local grants including counties contributions in support of capital programs.	\$ 130,879,885	\$ 173,163,281	\$ 430,882,340

18. PASSENGER FACILITY CHARGES

As of December 31, 2019, 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 for the individual airport. However, PFC fees may be imposed at one airport and used for approved projects at either airport.

PFC revenue for 2018 and 2019 was as follows:

	Reagan National	Dulles International	Total
PFC Revenue 2018	\$ 46,656,493	\$ 46,696,483	\$ 93,352,976
PFC Revenue 2019	\$ 47,668,810	\$ 48,634,793	\$ 96,303,603
Total Applications	\$ 1,019,820,277	\$ 2,442,302,508	\$ 3,462,122,785
PFC Revenue Received Through December 31, 2019	\$ 856,316,634	\$ 921,524,533	\$ 1,777,841,167
Estimated Final Collection Date	February 1, 2023	December 31, 2038	

PFC collections totaling \$47.4 million and \$43.6 million in 2019 and 2018, 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 manages a deductible for the first \$500 thousand of each workers’ compensation loss and maintains a deductible or self-insured retention from \$0 to \$1.0 million (depending on type) on 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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

The overall accrual for potential losses as of December 31, 2019 and 2018 were \$6.3 million and \$6.0 million, respectively. Changes in the claim liability accounts in fiscal years 2019, 2018 and 2017 were as follows:

Fiscal Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2017	\$6,371,480	\$2,490,822	\$2,904,485	\$5,957,817
2018	\$5,957,817	\$1,713,309	\$1,664,227	\$6,006,899
2019	\$6,006,899	\$3,148,660	\$2,816,474	\$6,339,085

20. OTHER COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies, principally the U.S. government, the Commonwealth and local Counties, 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, 2019 and 2018 were \$0.9 million and \$0.4 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, 2019 and 2018 were \$6.9 million and \$6.1 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, 2019 and 2018, the Airports Authority had acquired multiple property interests through negotiated settlement and the power of eminent domain for a total of \$1.0 million and \$13.1 million respectively; several of the parcels acquired by eminent domain were not settled in 2019, and therefore the final compensation and damages were not determined. No estimate of the final compensation and damages for these acquired properties was recorded as of December 31, 2019.

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 seventeen 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, 2019, the Academy had \$6.2 million in revenue bonds outstanding. Payments by the Airports Authority to the Academy for training services totaled \$0.3 million for both years ended December 31, 2019 and 2018, respectively.

United Airlines Polaris VIP Lounge

The Airports Authority entered into an agreement in 2019 with United Airlines to reimburse United Airlines up to \$20.0 million for eligible costs for reimbursable improvements associated with work related to the construction and fit-out of United Airline's first class VIP lounge for its Polaris customers at Dulles International airport. The Airports Authority expects the construction to be completed in 2020 and to reimburse United Airlines for its share of reimbursable construction and fit-outs costs (up to \$20.0 million) in 2020.

21. LITIGATION

The Airports Authority is involved in various claims and lawsuits arising in the ordinary course of business that are covered by insurance or that the Airports Authority does not believe to be material. Although the outcome of these claims and lawsuits is not presently determinable, in the opinion of the Airports Authority's acting general counsel, the likely outcome in these matters which are not covered by insurance, including the lawsuit described below will not have a material adverse effect on the financial condition of the Airports Authority. Moreover, to the knowledge of the Airports Authority, there is, except as described below, no litigation pending or threatened against the Airports Authority that contests the creation, existence, powers or jurisdiction of the Airports Authority, or the validity or effect of the Federal Act, the Federal Lease, the Virginia Act or the District Act.

1. Kerpen v. Metropolitan Washington Airports Authority.

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 the lawsuit as originally filed, among other claims, the plaintiffs claimed that the payment of tolls on the Dulles Toll Road may not be used to subsidize the construction of the Dulles Metrorail Project and questioned the constitutionality of the Airports Authority and certain of its activities as operator of the Dulles Toll Road that are related to the Dulles Metrorail Project and to the Airports Authority's Dulles Corridor Enterprise. The lawsuit was transferred to the federal district court for the Eastern District of Virginia in November 2016. Soon thereafter, the plaintiffs amended their complaint to add certain allegations and claims regarding the operation of the Aviation Enterprise by the Airports Authority and requesting, among other things, that the Secretary of Transportation retake possession of the Airports from the Airports Authority. Many of the claims raised in the amended complaint were substantially similar to claims made in previous litigation challenging the tolls the Airports Authority has set for the Dulles Toll Road and/or the constitutionality of the Airports Authority, all of which have been concluded in favor of the Airports Authority.

In May 2017, the federal district court in Virginia granted the motions to dismiss filed by Airports Authority and the federal defendants, rejected all claims asserted by plaintiffs in the amended complaint, and dismissed the amended complaint with prejudice.

Following the district court's ruling, plaintiffs filed an appeal of the ruling in the U.S. Court of Appeals for the Fourth Circuit. In October 2018, a decision was issued by the court of appeals in which it rejected all arguments presented by the plaintiffs in their appeal and affirmed the district court's decision.

Plaintiffs then filed a petition with the U.S. Supreme Court in which they requested that the Court review the court of appeals' decision. In October 2019, the Court denied the plaintiffs' petition.

2. Schneider v. Metropolitan Washington Airports Authority

In May 2018, a lawsuit was filed against the Airports Authority in the federal district court in Alexandria, Virginia, which challenged the toll rates that the Airports Authority has established for the Dulles Toll Road. The suit was filed as a class action, on behalf of all users of the toll road since 2008, by a single individual who was a resident of Arlington County, Virginia. The suit sought damages, to be distributed to class members, in an amount no less than the toll road revenues the Airports Authority has over the years “paid . . . or earmarked” for the Dulles Corridor Metrorail project.

The lawsuit presented a single claim that was premised upon the same undisputed fact which formed the basis for legal claims asserted in earlier lawsuits challenging Dulles Toll Road toll rates – i.e., that the toll rates the Airports Authority has established are at levels that produce revenues in excess of the revenues required simply to operate and maintain the toll road itself. The claim asserted in this lawsuit was that the toll rates were “excessive” and thereby unfairly and impermissibly burden the plaintiff’s use of the toll road and, as a result, violate his federal constitutional “right to travel intrastate.”

In March 2019, the district court granted the Airports Authority’s motion to dismiss and dismissed the case with prejudice. Thereafter, the plaintiff elected not to appeal the court’s decision.

22. SUBSEQUENT EVENTS

During the 1st quarter of 2020, the world has been faced with the Coronavirus (COVID-19) pandemic which has spread to the United States, including the National Capital Region. The Airports Authority has been working in close coordination with its federal partners at the Centers for Disease Control (CDC), U.S. Customs and Border Protection (CBP), TSA and state and local health departments and emergency management agencies related to COVID-19 activities. With numerous flight cancellations and lower passenger counts, the long-term financial implications to the aviation industry are difficult to assess.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 totaling \$2 trillion was signed into law in March 2020 which provided relief for the economy including \$61 billion specifically for the airline industry and \$10 billion for U.S. airports. The \$61 billion for airlines and their contractors consists of \$29 billion in loans and \$32 billion in grants. The \$10 billion in grants for U.S. airports is for the prevention, preparation, and response to coronavirus. In addition, the funds provided must be used for purposes directly related to airports. A portion, \$9.4 billion, of the \$10.0 billion, will be allocated to individual U.S. airports based on a specific formula contained within the Act. Based on current FAA allocations, the Airports Authority is scheduled to receive approximately \$229 million from the CARES Airport Program.

The Airports Authority is working closely with its airline and non-airline partners, financial advisors, bond counsel, and rating agencies regarding the economic impact to the transportation industry. The Airports Authority’s financial ratings remain the same, however the outlook for the transportation industry, including airports and toll roads, has been lowered from “Stable” to “Negative” for the foreseeable future. In response, the Airports Authority has reduced operating costs where possible and will continue to work with its partners to assess the situation as it evolves. While the economic impact to the transportation industry may be significant in the short-term, the Airports Authority’s liquidity and CARES Act Grant will provide a strong financial position during this difficult time.

Bond proceeds from the Series 2020AB transaction in the Aviation Enterprise, which occurred on December 12, 2019, are scheduled for delivery on July 8, 2020. The Series 2020AB transaction contains the issuance of \$355.6 million of Series 2020AB Airport System Revenue Refunding Bonds to refund \$416.8 million of Series 2010A, 2010B

and 2010F-1 Bonds and pays the associated cost of issuance on a forward delivery basis, resulting in net present value savings of \$73.5 million.

The letter of credit from JP Morgan that supported the DTR Second Senior Lien Commercial Paper (CP) Program had a stated expiration date of April 13, 2020. Given the robust liquidity position of the DCE Fund, the Airports Authority elected to terminate the DTR CP Program. The outstanding CP notes were repaid on February 6, 2020 and the letter of credit was terminated on February 10, 2020.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

REQUIRED SUPPLEMENTAL INFORMATION (unaudited)

SCHEDULE 1 – CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

General Employees Retirement Plan

Fiscal year ending December 31,	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability							
Changes for the year:							
Service cost	\$ 6,766,595	\$ 6,128,140	\$ 5,548,643	\$ 5,294,135	\$ 4,917,894	\$ 4,596,269	\$ 4,285,977
Interest	14,104,840	13,106,559	11,883,159	11,357,903	10,121,292	9,413,518	8,636,527
Differences between expected and actual experience	(3,881,367)	3,137,174	4,571,544	1,128,023	901	(1,122,634)	377,551
Changes in assumptions	169,968	(2,247,367)	68,595	(5,963,403)	5,375,564	-	-
Contribution - member	265,545	-	-	-	-	-	-
Benefit payments	(8,309,874)	(7,069,237)	(5,510,006)	(4,641,220)	(3,978,260)	(3,572,654)	(2,939,701)
Net changes in Total Pension Liability	9,115,707	13,055,269	16,561,935	7,175,438	16,437,391	9,314,499	10,360,354
Total Pension Liability - Beginning	185,282,911	172,227,642 ¹	155,598,670	148,423,232	131,985,841	122,671,342	112,310,988
Total Pension Liability - Ending (a)	<u>\$ 194,398,618</u>	<u>\$ 185,282,911</u>	<u>\$ 172,160,605</u>	<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	\$ 6,667,303	\$ 6,330,287	\$ 6,365,276	\$ 4,553,940	\$ 1,431,907	\$ 4,812,943	\$ 5,903,067
Contribution - member	265,545	-	-	-	-	-	-
Net investment income	36,043,133	(7,610,336)	24,963,769	11,755,443	2,102,247	6,366,579	20,759,598
Benefit payments	(8,309,874)	(7,069,237)	(5,510,006)	(4,641,220)	(3,978,260)	(3,572,655)	(2,939,701)
Plan administrative expenses	(326,796)	(406,212)	(226,788)	(175,504)	(186,879)	(225,762)	(59,919)
Net changes in Plan Fiduciary Net Position	34,339,311	(8,755,498)	25,592,251	11,492,659	(630,985)	7,381,105	23,663,045
Plan Fiduciary Net Position - Beginning	172,264,556	181,020,054 ¹	155,360,766	143,868,107	144,499,092	137,117,987	113,454,942
Plan Fiduciary Net Position - Ending (b)	<u>\$ 206,603,867</u>	<u>\$ 172,264,556</u>	<u>\$ 180,953,017</u>	<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)	\$ (12,205,249)	\$ 13,018,355	\$ (8,792,412)	\$ 237,904	\$ 4,555,125	\$ (12,513,251)	\$ (14,446,645)
Plan Fiduciary Net Position as Percentage of the TPL	106.28%	92.97%	105.11%	99.85%	96.93%	109.48%	111.78%
Covered Payroll	\$ 103,706,543	\$ 100,814,342	\$ 99,305,842	\$ 90,852,722	\$ 85,760,198	\$ 82,620,662	\$ 79,926,284
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-11.77%	12.91%	-8.85%	0.26%	5.31%	-15.15%	-18.07%

¹ Includes cumulative adjustment for changes in assumptions related to accruals for net investment income and plan administrative expenses.

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

SCHEDULE 1 – CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (continued)

Police Officers and Firefighters Retirement Plan

Fiscal year ending December 31,	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability							
Changes for the year:							
Service cost	\$ 2,655,642	\$ 2,808,136	\$ 3,261,511	\$ 2,342,298	\$ 2,318,795	\$ 2,187,801	\$ 2,252,676
Interest	8,478,642	8,277,775	7,633,684	6,742,144	6,153,445	5,646,934	5,066,533
Differences between expected and actual experience	(174,022)	(2,545,963)	1,988,277	2,606,881	1,998,229	643,950	1,716,317
Changes of assumptions	80,453	(1,421,818)	-	2,455,053	(86,408)	-	-
Benefit payments	(4,730,722)	(4,149,200)	(3,472,449)	(2,894,779)	(2,233,670)	(1,492,134)	(981,032)
Net changes in Total Pension Liability	6,309,993	2,968,930	9,411,023	11,251,597	8,150,391	6,986,551	8,054,494
Total Pension Liability - Beginning	112,677,827	109,708,897 ¹	100,225,777	88,974,180	80,823,789	73,837,238	65,782,744
Total Pension Liability - Ending (a)	\$ 118,987,820	\$ 112,677,827	\$ 109,636,800	\$ 100,225,777	\$ 88,974,180	\$ 80,823,789	\$ 73,837,238
Plan Fiduciary Net Position							
Changes for the year:							
Contribution - employer	\$ 3,757,110	\$ 3,538,872	\$ 2,680,653	\$ 2,174,817	\$ 592,481	\$ 2,408,703	\$ 3,224,322
Contribution - member	420,640	420,710	395,786	381,736	379,419	368,102	357,463
Net investment income	21,921,191	(4,705,552)	15,201,677	7,478,417	1,082,654	3,979,334	12,634,140
Benefit payments	(4,730,722)	(4,149,200)	(3,472,449)	(2,894,779)	(2,233,670)	(1,492,134)	(981,032)
Plan administrative expenses	(143,063)	(230,013)	(126,152)	(82,287)	(98,471)	(89,888)	(42,023)
Net changes in Plan Fiduciary Net Position	21,225,156	(5,125,183)	14,679,515	7,057,904	(277,587)	5,174,117	15,192,870
Plan Fiduciary Net Position - Beginning	103,417,403	108,542,586 ¹	93,790,974	86,733,070	87,010,657	81,836,540	66,643,670
Plan Fiduciary Net Position - Ending (b)	\$ 124,642,559	\$ 103,417,403	\$ 108,470,489	\$ 93,790,974	\$ 86,733,070	\$ 87,010,657	\$ 81,836,540
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (5,654,739)	\$ 9,260,424	\$ 1,166,311	\$ 6,434,803	\$ 2,241,110	\$ (6,186,868)	\$ (7,999,302)
Plan Fiduciary Net Position as Percentage of the TPL	104.75%	91.78%	98.94%	93.58%	97.48%	107.65%	110.83%
Covered Payroll	\$ 28,026,365	\$ 27,969,406	\$ 26,937,796	\$ 27,708,013	\$ 25,360,689	\$ 25,617,129	\$ 24,978,683
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-20.18%	33.11%	4.33%	23.22%	8.84%	-24.15%	-32.02%

¹ Includes cumulative adjustment for changes in assumptions related to accruals for net investment income and plan administrative expenses.

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

SCHEDULE 2 – SCHEDULE OF CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS

Schedule of Contributions - 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%
2017	6,365,276	6,365,276	-	99,305,842	6.41%
2018	6,330,287	6,330,287	-	100,814,342	6.28%
2019	6,667,303	6,667,303	-	103,706,543	6.43%

Schedule of Contributions - 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%
2017	2,680,653	2,680,653	-	26,937,796	9.95%
2018	3,538,872	3,538,872	-	27,969,406	12.65%
2019	3,757,110	3,757,110	-	28,026,365	13.41%

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.

SCHEDULE 2- SCHEDULE OF CONTRIBUTIONS FOR DEFINED BENEFIT PENSION PLANS (continued)

Methods and assumptions used to determine contribution rates:

Valuation Dates	December 31, 2019
Measurement Date	December 31, 2019
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) Discount rate / Investment return	7.5%, net of expenses
(b) Projected salary increases	General Plan: 3.0% to 4.2% per year; Police & Fire: 3.0% - 6.0% per year
(a) and (b) include inflation at	2.50%
(c) Cost of living adjustments	1.25% for 2019
(d) Mortality Rates	<u>For General Employees Plan:</u> RP-2014 Mortality Tables, including separate tables for males and females 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, including separate tables for males and females 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: Compensation Benefits Department, 1 Aviation Circle, Washington, DC 20001-6000.

SCHEDULE 3 – SCHEDULE OF EXPECTED RATES OF RETURN FOR DEFINED BENEFIT PENSION PLANS

For year ended December 31, 2019 and 2018

<u>Asset Class</u>	<u>Money-Weighted Rate of Return</u>
Domestic Equity	3.00%
International Equity	1.70%
Domestic Bonds	0.50%
Convertible Bonds ¹	0.45%
Real Estate	0.45%
<u>Total</u>	<u>6.10%</u>

¹ 50% of the nominal return on Domestic Equity plus 2% yield.

SCHEDULE 4 – SCHEDULE OF EMPLOYER CONTRIBUTIONS – U.S. GOVERNMENT PENSION PLANS

For the Year Ended December 31,	Civil Service Retirement System	Federal Employees Retirement System	Total
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
2017	63,698	276,429	340,127
2018	62,064	210,598	272,662
2019	40,499	142,597	183,096

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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

SCHEDULE 5 – CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS

Health, Dental And Life Insurance Plan

Fiscal year ending December 31,	2019	2018	2017
Total OPEB Liability			
Changes for the year:			
Service cost	\$ 6,423,173	\$ 4,580,683	\$ 4,449,648
Interest	10,937,695	9,784,520	9,318,503
Differences between expected and actual experience	4,650,944	13,411,076	-
Changes in assumptions or other inputs	(8,268,441)	(4,665,877)	-
Benefit payments*	(7,417,333)	(8,052,134)	(7,057,067)
Net changes in Total OPEB Liability	6,326,038	15,058,268	6,711,084
Total OPEB Liability - Beginning	\$149,544,597	134,486,329	127,775,245
Total OPEB Liability - Ending (a)	\$ 155,870,635	\$ 149,544,597	\$ 134,486,329
Plan Fiduciary Net Position			
Changes for the year:			
Contribution - employer	\$ 7,694,780	\$ 8,052,134	\$ 7,257,258
Net investment income	26,892,330	(6,603,062)	17,825,309
Benefit payments*	(7,417,333)	(8,052,134)	(7,057,067)
Administrative expenses	(164,783)	(53,105)	(40,341)
Other changes	(112,664)	-	(814,389)
Net changes in Plan Fiduciary Net Position	26,892,330	(6,656,167)	17,170,770
Plan Fiduciary Net Position - Beginning	\$119,299,525	125,955,692 ¹	108,784,919
Plan Fiduciary Net Position - Ending (b)	\$ 146,191,855	\$ 119,299,525	\$ 125,955,689
Net OPEB Liability - Ending (a) - (b)	\$ 9,678,780	\$ 30,245,072	\$ 8,530,640
Plan Fiduciary Net Position as Percentage of the Total OPEB Liability	93.79%	79.78%	93.66%
Covered Payroll	\$ 130,417,951	\$ 119,088,291	\$ 124,394,132
Net OPEB Liability as a Percentage of Covered Payroll	7.42%	25.40%	6.86%

¹ Includes adjustment for rounding.

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

SCHEDULE 6 – SCHEDULE OF CONTRIBUTIONS FOR OPEB PLANS

Schedule of Contributions - Health, Dental and Life Insurance 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
2017	\$ 7,257,258	\$ 7,257,258	\$ -	\$ 124,394,132	5.83%
2018	8,052,134	8,052,134	-	119,088,291	6.76%
2019	7,694,780	7,694,780	-	130,417,951	5.90%

SCHEDULE 6 – SCHEDULE OF CONTRIBUTIONS FOR OPEB PLANS (continued)

Valuation Date	December 31, 2019
Measurement Date	December 31, 2019
Actuarial Cost Method	Entry-age, normal
Amortization Method	20-year level dollar, closed for 2019
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	2.50% for 2019
(c) Mortality Rates	<u>Active Employees</u> RP-2014 Employee Mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 <u>Retired, Disabled and Survivor</u> RP2014 Healthy Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 <u>Hazardous Duty Active Employees</u> RP-2014 Blue Collar Employee mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 <u>Hazardous Duty Retired, Disabled and Survivor</u> RP-2014 Blue Collar Health Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015
(d) Healthcare Cost Trend Rate	4.7% for 2019

SCHEDULE 7 – SCHEDULE OF EXPECTED RATES OF RETURN FOR OPEB PLANS

For year ended December 31, 2019 and 2018

<u>Asset Class</u>	<u>Money -Weighted Rate of Return</u>
Domestic Equity	4.125%
International Equity	1.275%
Domestic Bonds	0.50%
Convertible Bonds	0.00%
Real Estate	0.00%
<u>Total</u>	<u>6.15%</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

SUPPLEMENTAL INFORMATION (unaudited)

**SCHEDULE 8 – PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS COMBINING
STATEMENT OF PLAN NET POSITION**

As of December 31, 2019

	Pension and Other Post-Employment Benefit Trust Funds				Total
	General Retirement Plan	Police Officers and Firefighters Retirement Plan	401a Supplemental Savings Plan	Retired Employees Health Care Plan	
Assets					
Restricted					
Current investments					
Short-term investments	\$ 2,749,497	\$ 1,676,140	\$ -	\$ 116,945	\$ 4,542,582
Non-current investments					
Debt securities	54,773,691	31,594,456	1,939,905	40,624,392	128,932,444
Equity securities	128,287,607	79,087,764	19,028,092	105,450,347	331,853,810
Private equity	15,128,762	8,867,778	-	-	23,996,540
Real estate	4,942,287	2,961,904	-	-	7,904,191
Total non-current investments	203,132,347	122,511,902	20,967,997	146,074,739	492,686,985
Total investments	205,881,844	124,188,042	20,967,997	146,191,684	497,229,567
Receivables					
Accrued investment income and other	620,630	366,776	-	171	987,577
Accrued contributions	255,711	158,950	179,822	-	594,483
Total receivables	876,341	525,726	179,822	171	1,582,060
Total assets	206,758,185	124,713,768	21,147,819	146,191,855	498,811,627
Liabilities					
Payables					
Accrued plan expenses	154,318	71,209	-	-	225,527
Total liabilities	154,318	71,209	-	-	225,527
Net Position					
Net position restricted for pensions	206,603,867	124,642,559	-	-	331,246,426
Net position restricted for other post-employment benefits	-	-	-	146,191,855	146,191,855
Net position restricted for other purposes	-	-	21,147,819	-	21,147,819
Total net position	\$ 206,603,867	\$ 124,642,559	\$ 21,147,819	\$ 146,191,855	\$ 498,586,100

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

**SCHEDULE 8 – PENSION AND OTHER POST- EMPLOYMENT BENEFIT TRUST FUNDS COMBINING
STATEMENT OF PLAN NET POSITION (continued)**

As of December 31, 2018

		Pension and Other Post-Employment Benefit Trust Funds				
		General Retirement Plan	Police Officers and Firefighters Retirement Plan	401a Supplemental Savings Plan	Retired Employees Health Care Plan	Total
Assets						
Restricted						
Current investments						
	Short-term investments	\$ 3,043,945	\$ 1,540,681	\$ -	\$ 130,518	\$ 4,715,144
Non-current investments						
	Debt securities	48,594,578	28,146,800	1,511,079	37,362,567	115,615,024
	Equity securities	100,042,531	61,581,703	13,230,159	81,806,170	256,660,563
	Private equity	15,588,869	9,137,471	-	-	24,726,340
	Real estate	4,594,174	2,753,280	-	-	7,347,454
	Total non-current investments	<u>168,820,152</u>	<u>101,619,254</u>	<u>14,741,238</u>	<u>119,168,737</u>	<u>404,349,381</u>
	Total investments	<u>171,864,097</u>	<u>103,159,935</u>	<u>14,741,238</u>	<u>119,299,255</u>	<u>409,064,525</u>
Receivables						
	Accrued investment income and other	331,582	187,882	-	270	519,734
	Accrued contributions	238,844	150,039	155,164	-	544,047
	Total receivables	<u>570,426</u>	<u>337,921</u>	<u>155,164</u>	<u>270</u>	<u>1,063,781</u>
	Total assets	<u>172,434,523</u>	<u>103,497,856</u>	<u>14,896,402</u>	<u>119,299,525</u>	<u>410,128,306</u>
Liabilities						
Payables						
	Accrued plan expenses	169,967	80,453	-	-	250,420
	Total liabilities	<u>169,967</u>	<u>80,453</u>	<u>-</u>	<u>-</u>	<u>250,420</u>
Net Position						
	Net position restricted for pensions	172,264,556	103,417,403	-	-	275,681,959
	Net position restricted for other post-employment benefits	-	-	-	119,299,525	119,299,525
	Net position restricted for other purposes	-	-	14,896,402	-	14,896,402
	Total net position	<u>\$ 172,264,556</u>	<u>\$ 103,417,403</u>	<u>\$ 14,896,402</u>	<u>\$ 119,299,525</u>	<u>\$ 409,877,886</u>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

**SCHEDULE 9 – PENSION AND OTHER POST- EMPLOYMENT BENEFIT TRUST FUNDS COMBINING
STATEMENT OF CHANGES IN PLAN NET POSITION**

For the year ended December 31, 2019

	Pension and Other Post-Employment Benefit Trust Funds				
	General	Police Officers	401a	Retired	Total
	Retirement Plan	and Firefighters Retirement Plan	Supplemental Savings Plan	Employees Health Care Plan	
Additions					
Employer contributions	\$ 6,667,303	\$ 3,757,110	\$ 3,462,007	\$ 7,694,780	\$ 21,581,200
Employee contributions	265,545	420,640	-	-	686,185
Total contributions	6,932,848	4,177,750	3,462,007	7,694,780	22,267,385
Net appreciation in fair value of investments	32,033,255	19,493,747	2,817,521	23,735,813	78,080,336
Interest income	1,545,121	884,667	2,060	2,767	2,434,615
Dividends	2,833,623	1,752,705	729,109	3,170,215	8,485,652
Total investment income	36,411,999	22,131,119	3,548,690	26,908,795	89,000,603
Less investment expenses	(368,866)	(209,928)	-	(16,465)	(595,259)
Net investment income	36,043,133	21,921,191	3,548,690	26,892,330	88,405,344
Total additions, net	42,975,981	26,098,941	7,010,697	34,587,110	110,672,729
Deductions					
Benefit payments	8,309,874	4,730,722	751,108	7,417,333	21,209,037
Administrative expenses	326,796	143,063	8,172	277,447	755,478
Total deductions	8,636,670	4,873,785	759,280	7,694,780	21,964,515
Change in net position	34,339,311	21,225,156	6,251,417	26,892,330	88,708,214
Net Position					
Beginning of year	172,264,556	103,417,403	14,896,402	119,299,525	409,877,886
End of year	\$ 206,603,867	\$ 124,642,559	\$ 21,147,819	\$ 146,191,855	\$ 498,586,100

**SCHEDULE 9 – PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS COMBINING
STATEMENT OF CHANGES IN PLAN NET POSITION (continued)**

For the year ended December 31, 2018

	Pension and Other Post-Employment Benefit Trust Funds				
	General Retirement Plan	Police Officers and Firefighters Retirement Plan	401a Supplemental Savings Plan	Retired Employees Health Care Plan	Total
Additions					
Employer contributions	\$ 6,330,287	\$ 3,538,872	\$ 3,479,396	\$ 8,052,134	\$ 21,400,689
Employee contributions	-	420,710	-	-	420,710
Total contributions	<u>6,330,287</u>	<u>3,959,582</u>	<u>3,479,396</u>	<u>8,052,134</u>	<u>21,821,399</u>
Net (depreciation) in fair value of investments	(11,610,480)	(7,101,983)	(1,637,572)	(9,451,375)	(29,801,410)
Interest income	1,939,141	1,117,995	1,311	4,318	3,062,765
Dividends	2,362,902	1,459,087	700,871	2,843,995	7,366,855
Total investment (loss)	<u>(7,308,437)</u>	<u>(4,524,901)</u>	<u>(935,390)</u>	<u>(6,603,062)</u>	<u>(19,371,790)</u>
Less investment expenses	<u>(301,899)</u>	<u>(180,651)</u>	<u>-</u>	<u>-</u>	<u>(482,550)</u>
Net investment (loss)	<u>(7,610,336)</u>	<u>(4,705,552)</u>	<u>(935,390)</u>	<u>(6,603,062)</u>	<u>(19,854,340)</u>
Total additions, net	<u>(1,280,049)</u>	<u>(745,970)</u>	<u>2,544,006</u>	<u>1,449,072</u>	<u>1,967,059</u>
Deductions					
Benefit payments	7,069,237	4,149,200	601,822	8,052,134	19,872,393
Administrative expenses	406,212	230,013	655	53,105	689,985
Total deductions	<u>7,475,449</u>	<u>4,379,213</u>	<u>602,477</u>	<u>8,105,239</u>	<u>20,562,378</u>
Change in net position	(8,755,498)	(5,125,183)	1,941,529	(6,656,167)	(18,595,319)
Net position					
Beginning of year	181,020,054	108,542,586	12,954,873	125,955,692	428,473,205
End of year	<u>\$ 172,264,556</u>	<u>\$ 103,417,403</u>	<u>\$ 14,896,402</u>	<u>\$ 119,299,525</u>	<u>\$ 409,877,886</u>

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Your Journey Begins With Us.

STATISTICAL SECTION

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-16): 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-17 through S-22): 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-23 through S-40): 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.

Table of Contents

Page

Exhibit S-1 – Components of Net Position	166
Exhibit S-2 – Revenues, Expenses and Changes in Net Position	167
Exhibit S-3 – Operating Expenses by Business Unit	168
Exhibit S-4 – Operating Revenues by Business Unit	169
Exhibit S-5 – Operating Revenues – Reagan National	170
Exhibit S-6 – Operating Revenues – Dulles International	171
Exhibit S-7 – Rates and Charges	172
Exhibit S-8 – Concession Revenues and Enplanements – Reagan National	173
Exhibit S-9 – Concession Revenues and Enplanements – Dulles International	174
Exhibit S-10 – Dulles Toll Road Transactions and Revenues	175
Exhibit S-11 – Dulles Toll Road Monthly Transactions and Revenues	176

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-12 – Top 10 Payors.....	177
Exhibit S-13 – Debt Service Coverage – Aviation Enterprise Fund.....	178
Exhibit S-14 – Debt Service Coverage – Dulles Corridor Enterprise Fund.....	180
Exhibit S-15 – Debt Service Requirements by Enterprise Fund	182
Exhibit S-16 – Ratios of Outstanding Debt.....	183
Exhibit S-17 – Airport Information	184
Exhibit S-18 – Dulles Toll Road Information.....	186
Exhibit S-19 – Employment by Industry.....	187
Exhibit S-20 – Major Private Employers	188
Exhibit S-21 – Population Trends.....	189
Exhibit S-22 – Airports Authority Employee Strength	190
Exhibit S-23 – Aircraft Operations by Airport – Reagan National.....	191
Exhibit S-24 – Aircraft Operations by Airport – Dulles International.....	192
Exhibit S-25 – Commercial Passenger Enplanements.....	194
Exhibit S-26 – Market Share by Landed Weight – Reagan National	196
Exhibit S-27 – Market Share by Landed Weight – Dulles International.....	198
Exhibit S-28 – Market Share by Passenger Enplanements – Reagan National.....	200
Exhibit S-29 – Market Share by Passenger Enplanements – Dulles International	202
Exhibit S-30 – Market Share by Passenger Enplanements – Both Airports.....	204
Exhibit S-31 – Market Share by Enplaned Cargo Weight – Reagan National	206
Exhibit S-32 – Market Share by Enplaned Cargo Weight – Dulles International	208
Exhibit S-33 – Passenger Facility Charges by Airport	210
Exhibit S-34 – Top 30 Passenger Origination and Destination Markets in 2019 – Reagan National	211
Exhibit S-35 – Top 30 Passenger Origination and Destination Markets in 2019 – Dulles International	212
Exhibit S-36 – Top 10 Passenger Origination and Destination Markets – Reagan National.....	213
Exhibit S-37 – Top 10 Passenger Origination and Destination Markets – Dulles International.....	214

Exhibit S-38 – Airline Tenants – Both Airports..... 215

Exhibit S-39 – Non-Airline Tenants – Reagan National 216

Exhibit S-40 – Non-Airline Tenants – Dulles International 217

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	2019	2018	2017 ³	2016	2015	2014 ²	2013	2012	2011 ¹	2010
NET POSITION AT YEAR END COMPOSED OF:										
Net investment in capital assets	\$ 1,051,487.0	\$ 915,486.5	\$ 770,701.2	\$ 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
Restricted	234,615.5	232,628.4	264,078.4	161,524.0	307,505.8	513,195.1	363,436.8	179,513.0	165,379.4	107,411.4
Unrestricted	(241,034.4)	(274,798.7)	(570,771.2)	(635,252.2)	(803,778.0)	432,220.8	334,459.3	181,940.0	190,318.7	294,997.1
Cumulative prior period adjustment ^{1,2,3}	-	-	(16,745.30)	-	-	18,295.20	-	-	(50,718.9)	-
TOTAL NET POSITION	\$ 1,045,068.1	\$ 873,316.2	\$ 447,263.1	\$ 257,014.1	\$ (66,378.2)	\$ (242,483.2)	\$ 2,623,030.5	\$ 1,822,588.8	\$ 1,536,809.7	\$ 1,059,796.5

¹ Cumulative adjustment for 2011 relates to change in accounting principle with the implementation of GASB Statement No. 65.

² Cumulative adjustment for 2014 relates to change in accounting principles with the implementation of GASB Statement No. 68.

³ Cumulative adjustment for 2017 relates to change in accounting principles with the implementation of GASB Statement No. 75.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-2 – REVENUES, EXPENSES AND CHANGES IN NET POSITION

(Expressed in Thousands)

	2019	2018	2017 ²	2016	2015	2014 ²	2013	2012	2011 ¹	2010
OPERATING REVENUES										
Concessions	\$ 362,050.0	\$ 348,624.4	\$ 332,007.8	\$ 316,453.5	\$ 286,049.6	\$ 253,486.1	\$ 236,254.0	\$ 227,719.9	\$ 227,600.0	\$ 230,973.6
Tolls	197,407.2	151,396.9	152,022.7	151,731.0	151,431.8	148,652.7	127,059.3	101,596.1	94,659.5	88,038.2
Rents	264,815.5	280,146.2	283,755.1	307,981.0	316,082.5	293,951.1	305,301.8	301,637.0	275,428.2	226,375.7
Landing fees	89,654.1	84,485.1	93,764.9	93,422.1	105,741.3	118,863.5	128,386.8	112,282.6	110,255.7	101,637.9
Utility sales	14,278.7	14,401.3	13,260.1	13,019.3	12,920.0	12,524.3	12,143.7	11,704.7	11,979.6	12,464.9
Passenger fees	23,511.5	24,317.7	27,872.8	32,544.3	30,500.9	34,247.9	32,820.0	33,442.8	30,331.2	25,913.5
Other	12,145.9	14,517.8	10,902.4	10,639.8	10,546.0	9,103.9	8,108.5	8,169.3	8,381.2	6,509.1
TOTAL OPERATING REVENUES	963,862.9	917,889.4	913,585.8	925,791.0	913,272.1	870,829.5	850,083.1	796,551.4	758,635.4	691,912.9
OPERATING EXPENSES										
Materials, equipment, supplies, contract services and other	257,906.9	229,153.9	235,891.0	213,153.0	220,678.1	225,612.6	228,982.4	215,571.2	209,352.0	203,460.1
Impairment loss/design costs	-	-	295.3	2,045.6	-	8,000.4	-	40,239.0	-	-
Salaries and related benefits	198,706.3	199,231.4	182,959.1	182,595.5	178,040.3	170,379.5	166,384.6	161,294.8	157,370.4	156,535.4
Utilities	26,755.9	26,078.5	25,381.8	25,927.2	25,917.7	26,444.5	26,342.1	27,445.5	26,779.2	24,565.1
Lease from U.S. Government	5,861.2	5,774.7	5,562.1	5,502.2	5,392.4	5,297.5	5,335.3	5,303.9	5,180.6	5,101.1
Depreciation and amortization	232,751.5	236,162.0	232,212.6	241,138.3	245,070.0	242,367.3	243,653.2	257,296.1	215,291.9	219,060.3
TOTAL OPERATING EXPENSES	721,981.8	696,400.5	682,301.9	670,361.8	675,098.5	678,101.8	670,697.6	707,150.5	613,974.1	608,722.0
OPERATING INCOME (LOSS)	241,881.1	221,488.9	231,283.9	255,429.2	238,173.6	192,727.7	179,385.5	89,400.9	144,661.3	83,190.9
NON-OPERATING REVENUES (EXPENSES)										
Investment income	78,398.1	46,879.0	31,099.2	19,842.1	15,957.0	16,677.9	10,138.4	14,539.6	35,615.8	27,787.0
Interest expense	(337,022.5)	(338,730.2)	(294,305.0)	(318,726.5)	(312,014.9)	(266,110.4)	(238,369.6)	(229,471.5)	(240,011.8)	(240,220.4)
Federal, state and local grants	1,161.5	26,071.4	26,213.5	703.7	798.4	1,056.7	736.7	1,229.0	982.4	1,865.0
Fair value gain (loss) on swaps	(26,941.5)	23,083.9	13,175.3	16,447.9	1,196.5	(54,156.5)	81,963.0	6,422.5	(96,249.9)	(34,978.4)
Other Income	-	-	-	-	5,877.3	-	-	-	-	-
Contributions to other governments	57,949.0	89,245.7	52,520.5	130,861.6	3,424.7	(3,045,602.6)	-	(313.8)	(1,297.9)	(10,086.1)
Gain from sale of real estate	-	202,454.9	-	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(226,455.4)	49,004.7	(171,296.5)	(150,871.2)	(284,761.0)	(3,348,134.9)	(145,531.5)	(207,594.2)	(300,961.4)	(255,632.9)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	15,425.7	270,493.6	59,987.5	104,558.0	(46,587.4)	(3,155,407.2)	33,854.0	(118,193.3)	(156,300.1)	(172,442.0)
CAPITAL CONTRIBUTIONS										
Passenger facility charges	96,303.6	93,353.0	90,946.9	89,811.1	88,552.4	82,278.8	79,056.9	83,263.6	78,626.9	80,088.4
Federal, state and local grants	60,022.7	62,206.5	56,060.0	129,023.1	134,140.1	189,319.5	209,436.4	336,552.4	287,116.1	377,482.7
Other capital property acquired	-	-	-	-	-	-	8,500.0	4,067.7	5,180.0	650.0
TOTAL CAPITAL CONTRIBUTIONS	156,326.3	155,559.5	147,006.9	218,834.2	222,692.5	271,598.3	296,993.3	423,883.7	370,923.0	458,221.1
Cumulative change in net position due to restatements ^{1,2,3}	-	-	326.1	-	-	18,295.2	-	-	(50,718.9)	-
CHANGE IN NET POSITION^{1,2}	\$ 171,752.0	\$ 426,053.1	\$ 207,320.5	\$ 323,392.2	\$ 176,105.1	\$(2,865,513.7)	\$ 330,847.3	\$ 305,690.4	\$ 163,904.0	\$ 285,779.1

¹ Cumulative adjustment for 2011 relates to change in accounting principle with the implementation of GASB Statement No. 65.

² Cumulative adjustment for 2014 relates to change in accounting principle with the implementation of GASB Statement No. 68.

³ Cumulative adjustment for 2017 relates to change in accounting principle with the implementation of GASB Statement No. 75. See Note 2 for more information.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	2019	2018	2017 ⁵	2016	2015	2014	2013	2012 ^{3,4}	2011 ⁴	2010 ⁴
REAGAN NATIONAL										
Materials, equipment, supplies, contract services, and other	\$ 70,652.3	\$ 67,519.7	\$ 64,678.0	\$ 59,895.3	\$ 61,986.4	\$ 61,248.8	\$ 64,364.3	\$ 58,069.0	\$ 56,509.9	\$ 55,813.2
Salaries and related benefits	88,788.5	88,507.8	79,148.9	78,626.6	76,410.9	61,218.3	64,001.4	61,879.4	59,716.2	59,799.5
Utilities	9,157.0	8,946.8	8,979.1	8,893.8	8,818.0	9,009.0	8,678.7	8,933.9	8,345.5	8,060.0
Travel	486.2	461.2	412.0	319.3	377.0	349.8	339.1	357.3	539.1	397.7
Insurance	4,763.5	4,028.8	4,104.4	4,779.8	4,979.0	4,266.1	4,163.7	4,246.1	3,657.8	3,654.2
Loss (proceeds) from disposal of capital assets	-	0.6	186.2	18.0	6.1	(0.1)	29.5	0.6	(46.8)	(116.7)
Non-capitalized facility projects	207.5	1,670.7	906.1	708.0	1,524.3	914.9	934.6	2,499.3	1,788.7	1,982.1
Lease from U.S. Government	2,930.6	2,887.4	2,781.1	2,751.1	2,696.2	2,648.8	2,667.6	2,652.0	2,590.3	2,550.5
Depreciation and amortization	9,345.4	9,459.1	8,725.2	8,596.8	7,979.5	7,784.4	8,088.0	6,466.8	6,714.6	8,923.1
Total Reagan National Expenses	186,331.0	183,482.1	169,921.0	164,588.7	164,777.4	147,440.0	153,266.9	145,104.4	139,815.3	141,063.6
DULLES INTERNATIONAL										
Materials, equipment, supplies, contract services, and other	106,369.4	102,512.4	102,054.6	101,570.8	100,124.3	105,791.0	108,144.2	104,034.2	101,754.1	103,955.9
Salaries and related benefits	99,494.5	99,893.9	92,866.7	93,123.6	90,859.7	85,390.7	91,552.7	89,528.5	88,176.1	88,302.8
Utilities	17,158.9	16,627.5	15,950.2	16,545.6	16,480.4	16,949.2	17,216.1	18,166.7	17,993.1	16,078.9
Travel	359.9	348.1	328.0	269.9	305.3	285.1	376.5	410.5	541.0	458.4
Insurance	3,175.6	2,685.8	2,736.2	3,186.6	3,322.6	2,813.0	4,498.3	4,246.1	3,656.6	3,654.2
Loss (proceeds) from disposal of capital assets	-	(25.8)	186.7	36.5	33.3	(18.9)	41.4	72.3	(67.8)	(111.2)
Non-capitalized facility projects	175.2	1,621.0	881.9	699.1	1,508.6	855.2	785.0	2,383.2	819.3	1,205.6
Lease from U.S. Government	2,930.6	2,887.4	2,781.1	2,751.1	2,696.2	2,648.8	2,667.6	2,652.0	2,590.3	2,550.6
Depreciation and amortization	10,362.9	10,082.6	9,541.0	9,322.9	9,142.5	9,274.0	9,670.6	9,155.5	9,320.7	10,963.5
Total Dulles International Expenses	240,027.0	236,632.9	227,326.4	227,506.1	224,472.9	223,988.1	234,952.4	230,649.0	224,783.4	227,058.7
DULLES TOLL ROAD										
Materials, equipment, supplies, contract services, and other	25,309.3	22,557.6	20,696.3	21,156.1	20,498.7	19,262.9	19,162.4	16,766.6	18,188.7	19,415.6
Salaries and related benefits	7,898.0	7,949.7	7,785.3	7,806.1	7,490.9	6,722.6	7,219.0	6,985.1	6,900.1	6,421.3
Utilities	197.2	194.7	195.8	212.9	200.3	216.7	203.3	172.3	217.1	171.6
Travel	34.0	27.0	25.0	26.7	24.1	25.9	25.8	31.2	36.7	18.5
Insurance	407.2	365.6	417.2	609.5	515.8	483.8	357.3	587.2	597.4	551.5
Loss (proceeds) from disposal of capital assets	-	6.5	0.4	-	(15.3)	0.1	0.2	-	(2.7)	(6.2)
Non-capitalized facility projects	252.0	1,376.0	1,490.6	140.3	820.5	1,558.2	797.0	147.5	398.5	66.2
Depreciation and amortization	3,005.3	2,192.7	347.8	327.4	310.5	308.2	1,194.1	154.4	164.8	77.7
Total Dulles Toll Road Expenses	37,103.0	34,669.8	30,958.4	30,279.0	29,845.5	28,578.4	28,959.1	24,844.3	26,500.6	26,716.2
DULLES METRO RAIL PROJECT										
Materials, equipment, supplies, contract services, and other	3,918.4	3,246.0	3,411.5	3,716.2	4,347.8	9,718.2	1,509.5	1,957.0	1,790.4	1,238.9
Salaries and related benefits	2,485.7	3,023.5	2,672.7	2,857.8	3,124.0	3,383.4	3,478.0	2,778.1	2,398.0	1,839.6
Utilities	5.4	5.1	10.5	30.3	149.3	30.8	21.8	19.6	20.0	18.4
Travel	44.3	19.7	13.8	18.6	17.0	19.9	21.9	18.8	17.3	13.3
Insurance	2.3	-	-	-	-	-	0.4	(9.0)	1.6	5.2
Loss (proceeds) from disposal of capital assets	-	-	0.4	(0.1)	(0.1)	0.1	-	-	(1.4)	(2.9)
Non-capitalized facility projects	-	-	0.3	0.1	-	-	-	-	(4.4)	24.3
Depreciation and amortization	6,188.7	6,037.8	7,707.5	6,660.1	6,201.3	5,768.0	4,427.7	5,092.0	3,761.8	3,446.0
Total Dulles Metrorail Project Expenses	12,644.8	12,332.1	13,816.7	13,283.0	13,839.3	18,920.4	9,459.3	9,856.5	7,983.3	6,582.8
TELECOMMUNICATIONS EXPENSES										
	4,140.3	3,388.6	3,785.8	3,351.5	4,222.6	5,102.1	4,949.2	5,193.9	4,613.6	4,243.3
FAA AIR TRAFFIC CONTROL TOWER EXPENSES										
	169.3	116.7	194.4	273.2	202.6	187.0	154.5	172.7	183.3	241.9
45025 AVIATION DRIVE EXPENSES ¹										
	1,058.2	1,146.5	1,258.4	1,409.2	1,447.8	1,473.7	1,203.2	1,197.2	1,331.9	1,430.0
CONSTRUCTION PROGRAMS ²										
Materials, equipment, supplies, contract services, and other	36,584.0	16,191.8	23,386.9	9,034.9	10,768.4	8,515.0	2,994.8	5,712.2	6,307.6	2,500.6
Loss (proceeds) from disposal of capital assets	-	-	-	2,045.6	-	8,000.4	-	42,013.0	82.0	5.9
Non-capitalized facility projects	3,300.2	1,737.7	6,067.5	2,990.4	4,716.7	3,780.0	15,116.3	6,610.8	7,676.2	3,866.7
Depreciation and amortization	200,624.1	206,702.4	205,260.3	215,600.2	220,805.3	218,601.8	219,641.9	235,796.5	194,697.0	195,012.2
Total Construction Programs Expenses	240,508.3	224,631.9	234,714.7	229,671.1	236,290.4	238,897.2	237,753.0	290,132.5	208,762.8	201,385.4
TOTAL EXPENSES	\$ 721,981.9	\$ 696,400.5	\$ 681,975.8	\$ 670,361.8	\$ 675,098.4	\$ 664,586.9	\$ 670,697.6	\$ 707,150.5	\$ 613,974.2	\$ 608,721.9

¹ 45025 Aviation Drive is inclusive of all expense classifications.

² Construction programs consists of the Aviation Enterprise Capital Construction Program and the Dulles Corridor Capital Improvement Program.

³ Expenses for 2012 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 65.

⁴ Certain amounts for 2010 through 2014 have been reclassified to be consistent with current year reporting.

⁵ Expenses for 2017 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 75.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-4 – OPERATING REVENUES BY BUSINESS UNIT

(Expressed in Thousands)

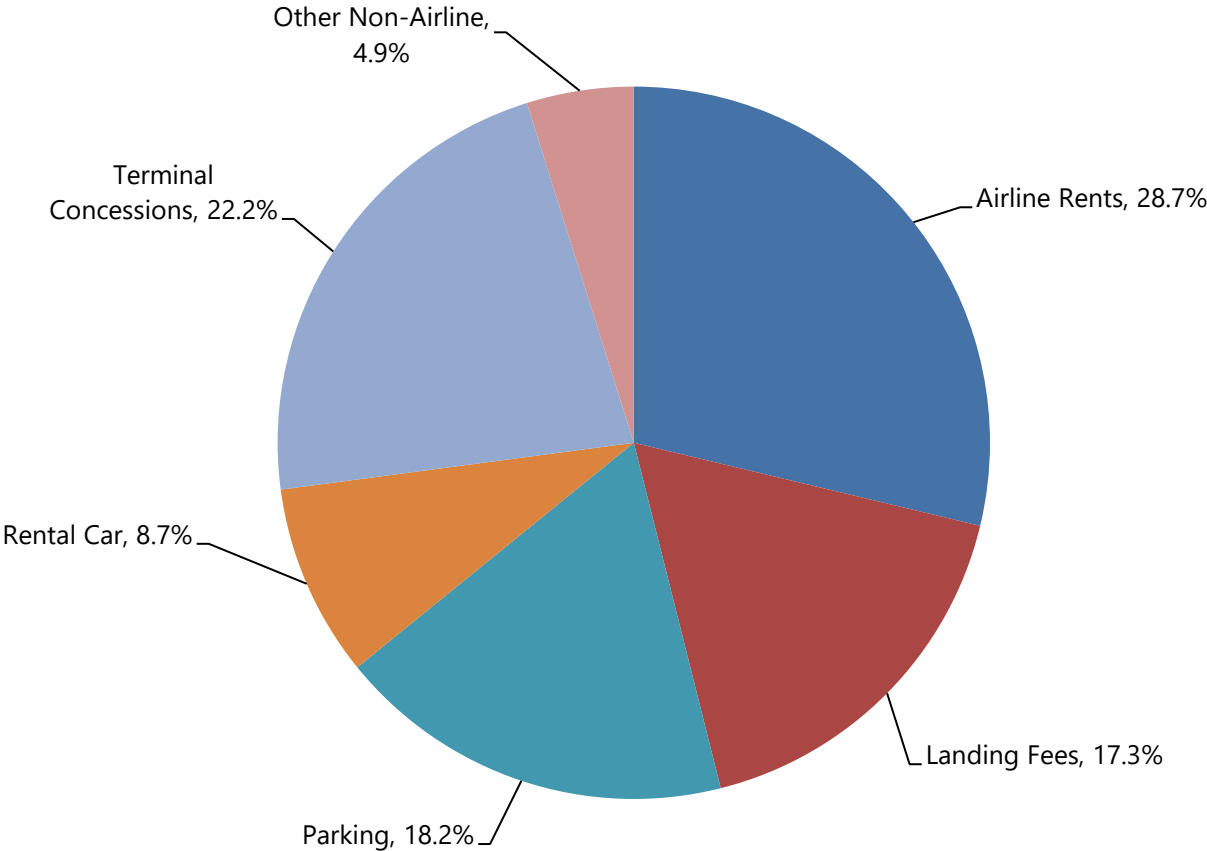
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REAGAN NATIONAL										
Airline:										
Rents	\$ 86,818.2	\$ 88,578.1	\$ 105,043.9	\$ 104,827.3	\$ 100,824.8	\$ 75,410.7	\$ 87,000.4	\$ 82,203.8	\$ 85,704.4	\$ 81,175.2
Landing fees	52,331.5	48,910.3	57,233.9	55,292.3	54,378.1	44,292.4	51,570.6	45,345.2	41,756.2	40,143.3
Total Airline Revenues	139,149.7	137,488.4	162,277.8	160,119.6	155,202.9	119,703.1	138,571.0	127,549.0	127,460.6	121,318.5
Non-Airline:										
Concessions:										
Parking	54,569.1	54,827.5	57,419.8	62,375.5	62,366.9	53,404.4	49,704.7	48,167.8	44,853.2	43,684.4
Rental cars	26,444.7	26,576.2	25,503.2	21,444.7	21,413.9	19,073.3	18,544.4	18,562.1	21,667.9	28,169.9
Terminal concessions:										
Food and beverage	18,393.2	18,021.1	17,844.9	15,874.9	13,020.8	10,089.3	9,411.2	8,567.9	7,927.0	7,563.4
News stands	4,125.8	4,220.8	4,117.8	4,143.3	4,502.9	3,411.9	3,477.4	3,119.1	3,044.2	2,932.1
Retail	1,343.3	1,245.3	1,328.8	1,379.4	1,418.8	1,821.6	2,479.8	2,427.6	2,432.4	2,362.3
Display advertising	7,645.0	7,963.1	8,621.9	7,977.0	7,112.3	5,381.2	5,546.4	4,786.8	5,083.1	5,835.3
Ground transportation	28,305.0	25,389.2	23,171.0	19,038.4	8,526.7	6,058.8	5,230.7	4,955.9	4,807.7	4,621.0
Services	140.8	143.1	141.9	154.9	119.4	82.8	70.6	69.8	76.5	84.6
Inflight catering	2,337.3	2,241.5	1,806.3	1,707.8	1,715.0	1,612.5	1,108.8	855.1	779.3	701.1
Fixed base operator	2,148.2	2,063.3	2,010.8	1,738.2	1,626.9	1,569.0	1,025.8	1,217.7	1,039.3	780.3
Duty free	547.4	554.5	241.1	207.9	182.1	123.0	83.7	83.4	74.8	42.2
All other	2,195.7	1,867.7	1,582.2	1,581.9	1,363.7	1,189.8	1,019.9	678.0	570.6	549.2
Total Concessions	148,195.5	145,113.3	143,789.7	137,623.9	123,369.4	103,817.6	97,703.4	93,491.2	92,356.1	97,325.7
Rents	7,685.2	7,666.1	7,608.2	7,653.4	7,809.4	7,857.9	8,149.9	7,946.5	7,769.3	9,259.1
Security	584.0	584.0	505.9	586.4	549.6	716.3	284.7	719.3	853.1	854.7
Utility sales	2,602.5	2,707.0	2,595.8	2,790.5	2,825.0	2,547.6	2,337.1	2,187.4	2,218.6	2,271.8
Other	3,793.6	3,765.3	3,422.5	3,024.5	2,711.0	2,770.2	2,481.9	2,188.8	2,530.0	1,681.0
Total Non-Airline Revenue	162,860.8	159,835.7	157,922.1	151,678.7	137,264.4	117,909.7	110,957.0	106,528.2	105,727.0	111,392.2
Total Reagan National Revenues	302,010.5	297,324.1	320,199.9	311,798.3	292,467.3	237,612.8	249,528.0	234,077.2	233,187.6	232,710.7
DULLES INTERNATIONAL										
Airline:										
Rents	133,364.2	147,277.9	138,116.1	165,923.1	179,386.5	183,216.7	185,723.7	187,250.7	159,425.8	112,189.2
Landing fees	37,322.6	35,574.8	36,531.0	38,129.8	51,363.2	74,571.1	76,816.2	66,937.5	68,499.5	61,494.6
International Arrival Building fees	16,285.6	17,546.4	20,237.3	23,708.7	23,424.2	25,621.8	26,363.2	25,702.1	21,407.8	18,012.6
Passenger Fees	6,291.5	5,837.2	6,784.0	7,887.1	6,198.3	7,260.7	6,005.8	6,721.2	7,676.6	6,652.5
Total Airline Revenues	193,263.9	206,236.3	201,668.4	235,648.7	260,372.2	290,670.3	294,908.9	286,611.5	257,009.8	198,348.9
Non-Airline:										
Concessions:										
Parking	71,750.9	69,677.9	67,205.8	65,324.0	64,802.8	63,089.9	60,409.1	60,775.6	64,083.1	66,466.6
Rental cars	19,709.9	17,266.1	18,136.1	17,858.9	17,551.8	17,224.8	17,871.7	16,870.9	17,038.7	16,135.2
Terminal concessions:										
Food and beverage	17,169.8	16,281.5	15,026.5	14,502.4	13,255.6	10,423.8	9,581.3	9,443.2	9,347.9	8,911.2
News stands	6,230.7	5,861.4	5,678.4	5,931.6	5,250.8	3,867.1	3,657.1	4,007.9	3,957.5	4,026.3
Retail	3,147.8	3,359.6	3,216.4	3,036.5	2,460.2	2,521.4	3,200.3	2,683.5	2,569.8	2,517.2
Display advertising	6,942.2	7,921.0	6,417.3	6,986.3	4,208.6	3,914.3	4,694.5	5,878.5	6,978.7	5,817.4
Ground transportation	18,111.3	15,825.0	14,027.2	11,418.5	7,450.6	6,584.2	4,540.1	3,891.9	2,980.1	3,804.2
Services	3,485.7	2,980.1	3,037.1	3,447.6	3,439.1	3,442.8	3,341.7	3,263.3	3,162.0	3,260.6
Inflight catering	17,085.5	15,829.0	14,857.7	13,498.9	10,711.4	10,475.1	8,896.5	7,070.0	6,393.2	6,067.5
Fixed base operator	30,233.1	29,459.2	22,378.1	18,490.8	15,888.9	15,706.8	14,516.7	14,249.5	13,070.1	11,779.8
Duty free	14,350.9	13,999.7	13,430.4	13,358.7	12,961.9	8,066.3	4,583.1	4,372.3	3,934.4	3,158.1
All other	5,636.7	5,050.6	4,807.0	4,975.6	4,698.4	4,352.0	3,258.6	1,722.1	1,728.5	1,703.6
Total Concessions	213,854.5	203,511.1	188,218.0	178,829.8	162,680.1	149,668.5	138,550.7	134,228.7	135,244.0	133,647.5
Rents	32,390.0	32,087.1	28,522.9	25,192.6	23,770.6	23,286.5	20,091.3	19,852.7	18,085.8	19,259.4
Security	350.4	350.1	345.6	362.2	328.8	448.9	175.2	300.2	393.7	393.7
Utility sales	6,015.0	6,416.8	5,868.0	6,215.5	6,035.2	6,051.7	5,738.2	5,456.5	5,624.9	5,832.8
Other	8,352.2	10,752.4	7,479.9	7,615.2	7,835.1	6,333.6	5,626.1	5,976.6	5,851.2	4,828.2
Total Non-Airline Revenues	260,962.1	253,117.5	230,434.4	218,215.3	200,649.8	185,789.2	170,181.5	165,814.7	165,199.6	163,961.6
Total Dulles International Revenues	454,226.0	459,353.8	432,102.8	453,864.0	461,022.0	476,459.5	465,090.4	452,426.2	422,209.4	362,310.5
DULLES TOLL ROAD										
Tolls	197,407.2	151,396.9	152,022.7	151,731.0	151,431.8	148,652.7	127,059.8	101,596.1	94,659.5	88,038.2
Other	0.1	-	0.0	-	-	0.0	0.5	7.7	-	-
Total Dulles Toll Road	197,407.3	151,396.9	152,022.7	151,731.0	151,431.8	148,652.7	127,059.8	101,603.8	94,659.5	88,038.2
TELECOMMUNICATIONS										
	5,480.7	5,083.8	4,614.8	3,810.8	3,868.9	3,742.8	3,879.8	3,866.7	3,931.5	4,157.2
FAA AIR TRAFFIC CONTROL TOWER										
	3,758.0	3,762.0	3,739.7	3,750.6	3,729.7	3,711.7	3,709.2	3,701.0	3,696.0	3,686.0
45025 AVIATION DRIVE¹										
	980.3	968.8	905.9	836.3	752.4	649.7	815.9	876.5	951.4	1,009.9
TOTAL REVENUES	\$ 963,862.8	\$ 917,889.4	\$ 913,585.8	\$ 925,791.0	\$ 913,272.1	\$ 870,829.2	\$ 850,083.1	\$ 796,551.4	\$ 758,635.5	\$ 691,912.5

¹ 45025 Aviation Drive revenues include rents and utilities.

Source: Airports Authority Records

Exhibit S-5 – OPERATING REVENUES – REAGAN NATIONAL

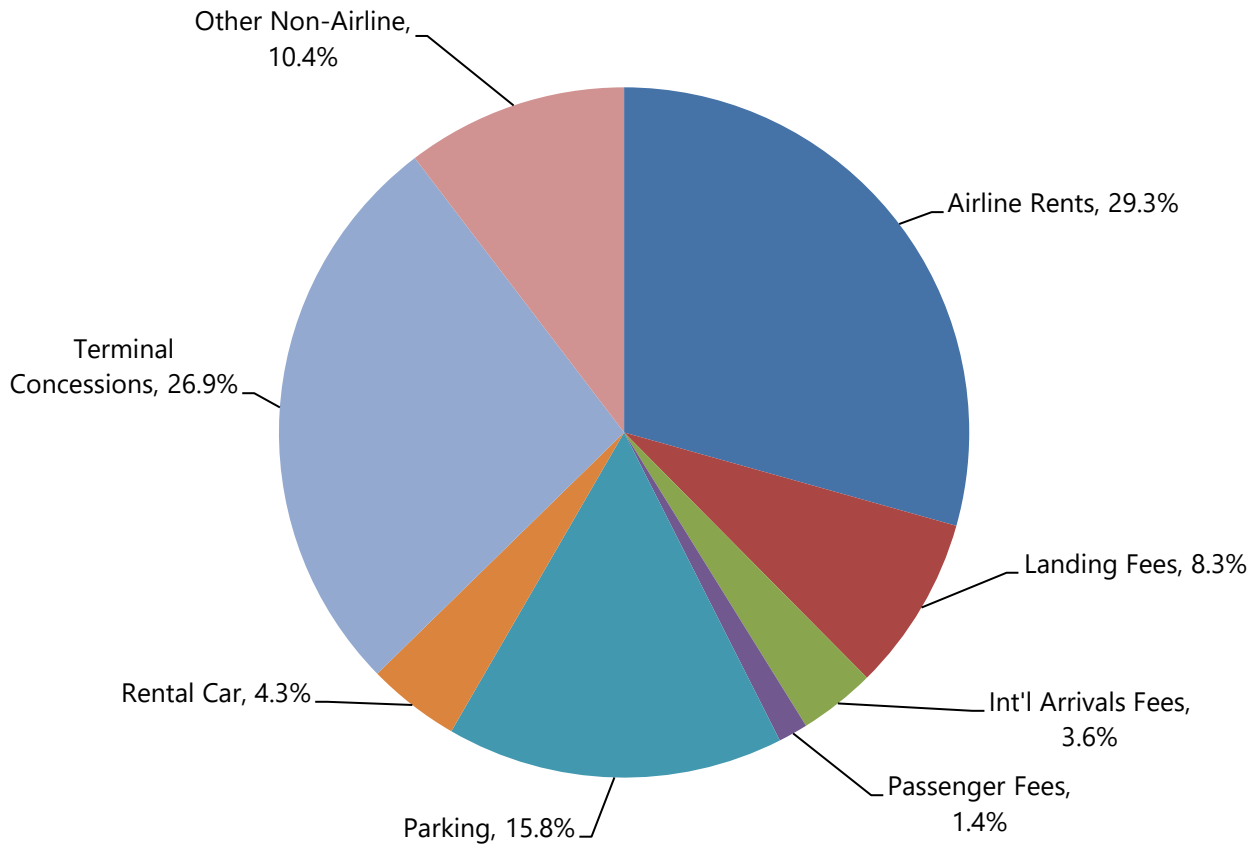
2019



Source: Airports Authority Records

Exhibit S-6 – OPERATING REVENUES – DULLES INTERNATIONAL

2019



Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-7 – RATES AND CHARGES

Reagan National Rates

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Signatory Airline Rates										
Signatory Airline Cost Per Enplanement (CPE)	\$ 11.49	\$ 11.60	\$ 13.44	\$ 13.44	\$ 13.32	\$ 11.26	\$ 13.39	\$ 12.79	\$ 13.37	\$ 13.52
Signatory Airline CPE (including prior year Settlement)	\$ 10.98	\$ 11.66	\$ 13.44	\$ 13.15	\$ 13.65	\$ 10.90	\$ 14.19	\$ 12.28	\$ 13.94	\$ 12.84
Landing Fee	\$ 3.50	\$ 3.55	\$ 4.14	\$ 3.90	\$ 4.03	\$ 3.72	\$ 4.19	\$ 3.55	\$ 3.42	\$ 3.16
Terminal A - Average Rate	\$ 131.72	\$ 128.28	\$ 167.08	\$ 173.23	\$ 167.24	\$ 122.88	\$ 157.51	\$ 145.23	\$ 160.22	\$ 174.48
Terminal B & C - Average Rate	\$ 194.54	\$ 208.96	\$ 245.83	\$ 250.05	\$ 228.27	\$ 154.72	\$ 207.32	\$ 191.82	\$ 208.51	\$ 194.94
Type 6 - Covered/Unenclosed	\$ 5.42	\$ 5.32	\$ 5.54	\$ 5.37	\$ 5.29	\$ 5.30	\$ 5.13	\$ 5.57	\$ 5.55	\$ 5.42
Type 7 - Uncovered/Unenclosed	\$ 1.35	\$ 1.33	\$ 1.39	\$ 1.34	\$ 1.32	\$ 1.32	\$ 1.28	\$ 1.39	\$ 1.39	\$ 1.35
Non-Signatory Airline Rates										
General Aviation Landing Fees	\$ 4.54	\$ 4.40	\$ 4.20	\$ 3.94	\$ 3.91	\$ 4.01	\$ 4.30	\$ 3.86	\$ 3.59	\$ 3.52
Landing Fee	\$ 5.67	\$ 5.50	\$ 5.25	\$ 4.93	\$ 4.89	\$ 5.01	\$ 5.37	\$ 4.83	\$ 4.48	\$ 4.40
Terminal A	\$ 190.95	\$ 173.67	\$ 170.22	\$ 142.56	\$ 156.57	\$ 143.48	\$ 165.83	\$ 154.95	\$ 148.47	\$ 175.85
Terminal B & C	\$ 255.88	\$ 265.39	\$ 242.98	\$ 247.21	\$ 233.31	\$ 217.16	\$ 236.82	\$ 223.82	\$ 229.12	\$ 213.51
Rental Car Customer Facility Charge										
Customer Facility Charge (Per Rental Day)	\$ 3.50	\$ 3.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50

Dulles International Rates

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Signatory Airline Rates										
Signatory Airline CPE	\$ 14.82	\$ 16.53	\$ 17.00	\$ 21.00	\$ 23.67	\$ 26.55	\$ 26.47	\$ 25.01	\$ 21.70	\$ 16.40
Signatory Airline CPE (including prior year Settlement)	\$ 14.52	\$ 15.72	\$ 16.26	\$ 22.15	\$ 23.46	\$ 26.39	\$ 27.29	\$ 25.84	\$ 20.25	\$ 17.16
Landing Fee	\$ 1.48	\$ 1.46	\$ 1.34	\$ 2.35	\$ 3.41	\$ 4.59	\$ 4.23	\$ 3.72	\$ 3.50	\$ 3.44
Concourse C & D	\$ 53.71	\$ 59.49	\$ 56.54	\$ 65.61	\$ 79.23	\$ 81.65	\$ 87.07	\$ 91.69	\$ 74.24	\$ 57.12
Concourse B	\$ 92.72	\$ 92.47	\$ 90.28	\$ 120.65	\$ 141.65	\$ 158.30	\$ 167.33	\$ 178.71	\$ 140.80	\$ 78.53
Main Terminal	\$ 274.88	\$ 273.99	\$ 273.93	\$ 358.77	\$ 321.17	\$ 314.51	\$ 349.40	\$ 362.73	\$ 277.55	\$ 198.18
Concourse A	\$ 136.84	\$ 178.18	\$ 146.62	\$ 211.99	\$ 250.65	\$ 257.05	\$ 290.57	\$ 317.42	\$ 226.91	\$ 188.48
Z-Gates	\$ 113.12	\$ 44.29	\$ 48.75	\$ 60.13	\$ 91.23	\$ 147.46	\$ 139.17	\$ 149.29	\$ 153.12	\$ 172.95
Type 6 - Covered/Unenclosed	\$ 5.42	\$ 5.32	\$ 5.54	\$ 5.37	\$ 5.57	\$ 5.42	\$ 5.47	\$ 5.35	\$ 5.42	\$ 5.42
Type 7 - Uncovered/Unenclosed	\$ 1.35	\$ 1.33	\$ 1.39	\$ 1.34	\$ 1.39	\$ 1.35	\$ 1.37	\$ 1.34	\$ 1.36	\$ 1.35
Airside Operations Building	N/A	N/A	N/A	N/A	N/A	\$ 46.97	\$ 40.44	\$ 48.94	\$ 38.38	\$ 33.77
International Arrivals Building	\$ 4.80	\$ 5.20	\$ 5.42	\$ 7.11	\$ 7.68	\$ 8.64	\$ 8.76	\$ 8.31	\$ 6.59	\$ 6.55
Concourse C International Arrival Building	\$ 4.52	\$ 8.60	\$ 10.02	\$ 10.91	\$ 10.23	\$ 9.46	\$ 9.60	\$ 9.16	\$ 6.52	\$ 4.72
Passenger Conveyance	\$ 1.60	\$ 1.55	\$ 1.73	\$ 1.82	\$ 1.65	\$ 1.85	\$ 1.83	\$ 2.08	\$ 2.40	\$ 2.20
Non-Signatory Airline Rates										
General Aviation Landing Fee	\$ 4.97	\$ 5.89	\$ 5.96	\$ 5.81	\$ 6.14	\$ 4.96	\$ 4.75	\$ 4.15	\$ 4.23	\$ 4.09
Landing Fee	\$ 6.47	\$ 7.67	\$ 7.76	\$ 7.57	\$ 8.07	\$ 6.53	\$ 6.26	\$ 5.46	\$ 5.56	\$ 5.38
Concourse C & D	\$ 87.59	\$ 94.53	\$ 90.46	\$ 90.34	\$ 94.88	\$ 96.32	\$ 92.04	\$ 88.29	\$ 83.93	\$ 65.96
Concourse B	\$ 168.51	\$ 166.87	\$ 159.73	\$ 166.01	\$ 177.61	\$ 186.01	\$ 167.32	\$ 169.92	\$ 155.86	\$ 95.20
Main Terminal	\$ 418.93	\$ 433.82	\$ 422.81	\$ 432.16	\$ 420.15	\$ 386.24	\$ 401.15	\$ 405.23	\$ 333.25	\$ 253.13
International Arrivals Building	\$ 6.47	\$ 7.09	\$ 7.81	\$ 8.37	\$ 8.43	\$ 9.15	\$ 9.27	\$ 9.41	\$ 7.61	\$ 7.18
Concourse C International Arrival Building	\$ 6.80	\$ 10.67	\$ 10.98	\$ 11.39	\$ 9.77	\$ 9.55	\$ 9.03	\$ 9.89	\$ 8.40	\$ 7.71
Concourse A	\$ 174.79	\$ 218.42	\$ 234.54	\$ 311.55	\$ 315.58	\$ 292.12	\$ 297.90	\$ 336.02	\$ 270.24	\$ 226.58
Z-Gates	\$ 144.84	\$ 128.69	\$ 107.18	\$ 82.12	\$ 93.99	\$ 158.82	\$ 97.06	\$ 158.08	\$ 141.76	\$ 194.60
Passenger Conveyance	\$ 2.45	\$ 2.76	\$ 2.69	\$ 2.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rental Car Customer Facility Charge										
Customer Facility Charge (Per Rental Day)	\$ 3.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Passenger Facility Charges

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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

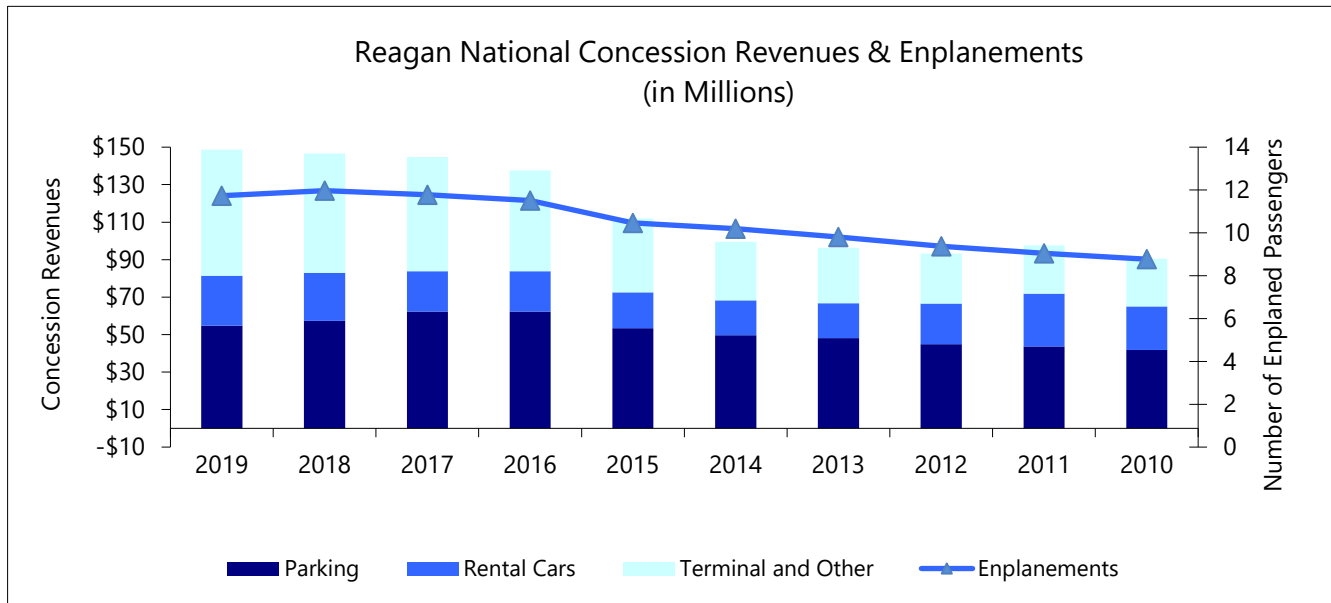
Dulles Toll Road Toll Rates

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Two-Axle Vehicles										
Main Plaza	\$ 3.25	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.75	\$ 1.50	\$ 1.25	\$ 1.00
Ramp Plaza	\$ 1.50	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.75	\$ 0.75	\$ 0.75

As discussed in Note 3 - Airport Use Agreement and Premises Lease (Use and Lease Agreement), airline rates and charges are calculated pursuant to the formulas set forth in the Use and Lease Agreement. The Use and Lease Agreement provides for the calculation of annual rates and charges, with rate adjustments at midyear, or any time revenues fall 5% or more below projections. The rates presented in the above tables are average rates, as calculated at the time of settlement.

Source: Airports Authority Records

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

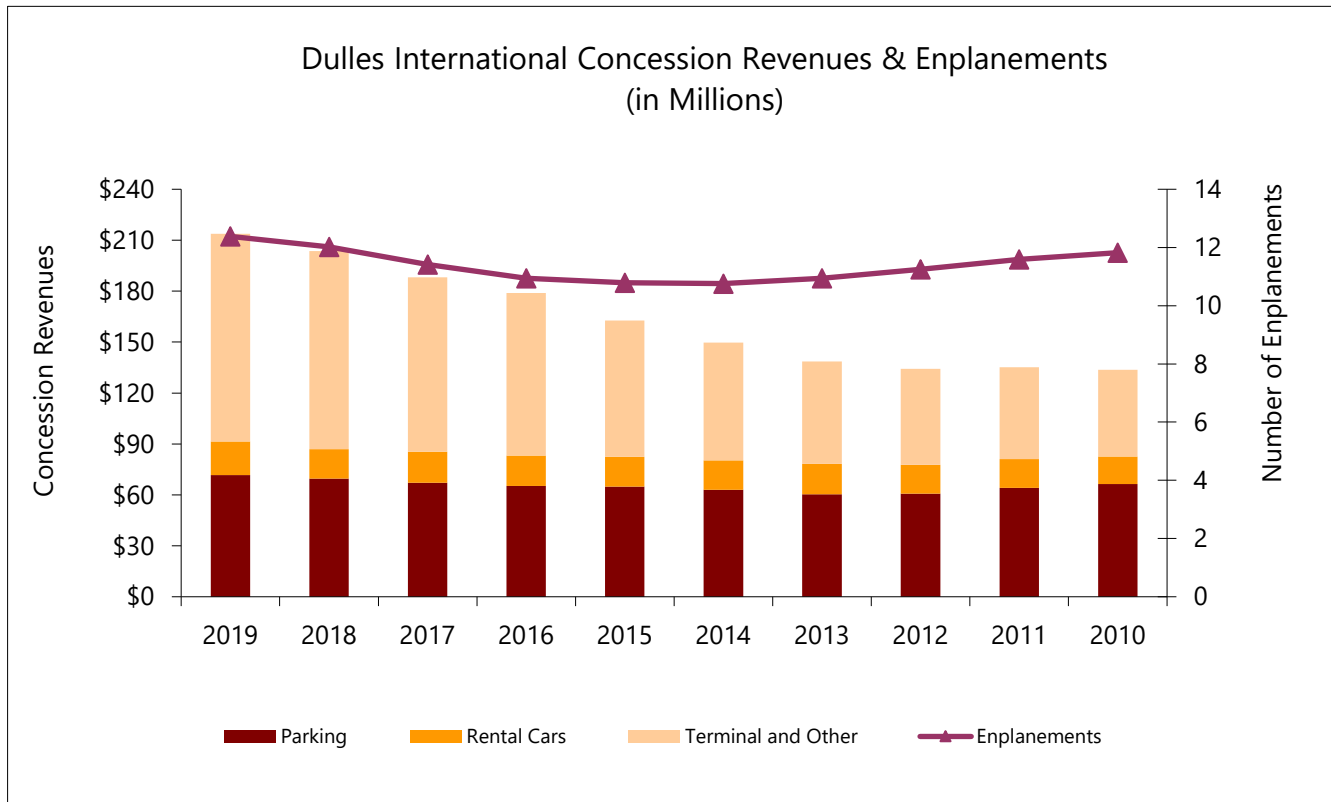


Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic factors. Enplanements at Reagan National remained flat in 2019.

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 24.9 percent from 2010. Food and beverage revenue has increased 143.2 percent and advertising revenue has increased 31.0 percent during the same period. The food and beverage tenants in the terminal have undergone major redevelopment in recent years.

Source: Airports Authority Records

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

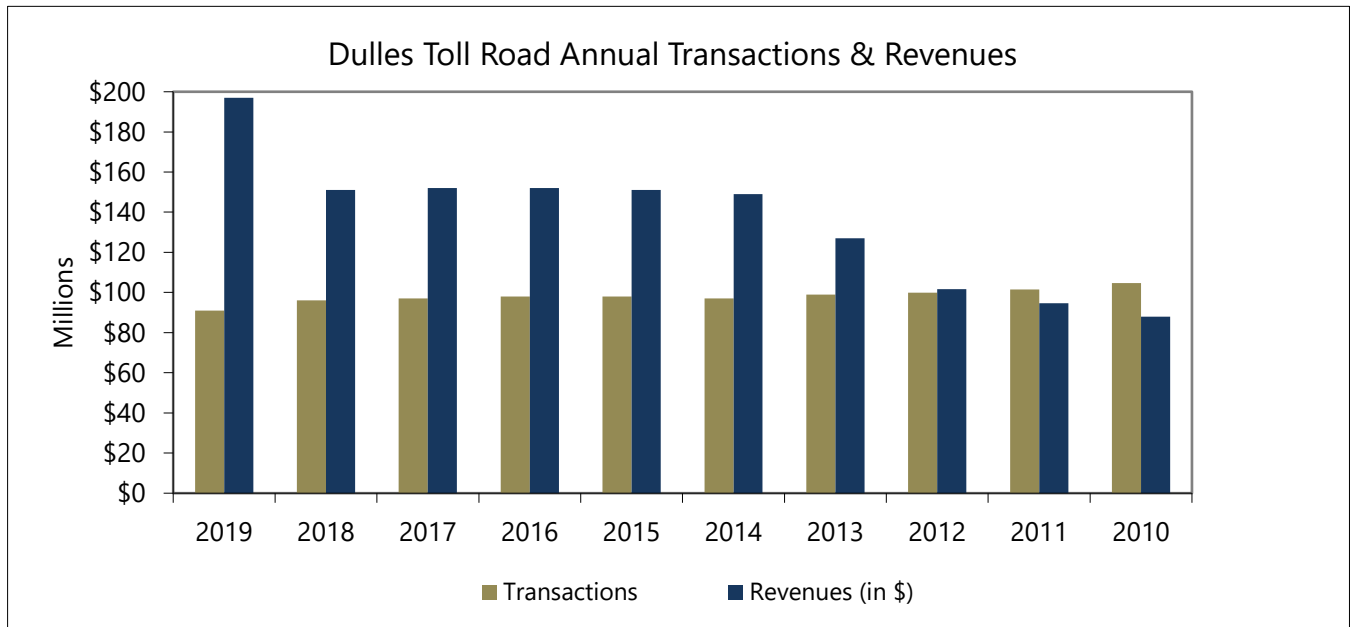


Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic variables. Enplanements at Dulles International have been increasing since in 2015.

Concession revenues, which are directly correlated with passenger enplanements, 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. Parking revenue has increased 18.8 percent from 2013. 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 \$11.3 in 2010 to \$17.3 in 2019 a 52.8 percent increase. Since 2010, rental car revenue increased 22.1 percent, food and beverage increased 92.7 percent, display advertising increased 19.3 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 Dulles Toll Road was transferred to the Airports Authority on November 1, 2008. Since assuming responsibility in 2008, the Airports Authority Board of Directors approved Toll Rate increases effective January 1 for the years 2010 to 2014, and 2019.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

DULLES TOLL ROAD TRANSACTIONS - MONTHLY

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
January	7,144,353	7,721,766	7,720,943	6,801,818	7,421,306	7,533,849	7,919,077	8,022,521	7,824,547	8,299,024
February	6,711,659	7,220,350	7,397,887	7,597,218	6,949,373	6,897,287	7,409,382	7,889,749	7,764,687	6,657,821
March	7,867,055	7,881,365	8,402,723	8,546,164	8,067,467	7,813,556	7,979,292	8,687,041	9,018,150	9,349,797
April	7,784,296	8,240,851	7,991,692	8,376,903	8,531,503	8,366,358	8,596,720	8,181,616	8,483,334	9,199,462
May	8,187,345	8,554,042	8,614,230	8,486,112	8,630,483	8,677,032	8,773,942	8,717,049	8,835,657	9,115,093
June	7,749,606	8,333,660	8,608,525	8,761,470	8,763,974	8,475,065	8,388,250	8,726,637	8,949,690	9,389,948
July	7,764,267	8,042,336	7,930,833	8,156,218	8,622,889	8,425,436	8,437,968	8,418,491	8,375,850	9,011,255
August	7,737,501	8,469,333	8,427,385	8,502,760	8,348,215	8,074,295	8,550,839	8,700,231	8,681,495	9,016,174
September	7,583,554	7,815,932	8,063,784	8,153,590	8,316,546	8,175,388	8,293,200	8,113,485	8,476,912	8,748,923
October	8,124,594	8,752,423	8,564,148	8,584,122	8,660,062	8,670,164	8,713,861	8,428,482	8,724,624	9,140,399
November	7,062,355	7,747,540	7,888,215	7,889,319	7,806,575	7,504,223	7,944,233	8,161,592	8,169,587	8,420,491
December	7,255,313	7,553,116	7,479,547	7,862,834	8,122,250	7,894,372	7,669,453	7,844,178	8,230,422	8,337,797
Total	90,971,898	96,332,714	97,089,912	97,718,528	98,240,643	96,507,025	98,676,217	99,891,072	101,534,955	104,686,184

DULLES TOLL ROAD REVENUES - MONTHLY

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
January	\$ 15,304,619	\$ 12,186,157	\$ 12,029,155	\$ 10,543,515	\$ 11,389,551	\$ 11,628,573	\$ 10,053,324	\$ 8,178,917	\$ 7,252,137	\$ 6,943,140
February	14,416,763	11,348,785	11,530,241	11,704,668	10,642,237	10,649,396	9,443,886	8,054,220	7,207,088	5,527,103
March	16,716,570	11,679,743	12,738,684	13,167,526	12,344,215	12,024,127	10,204,385	8,819,788	8,357,690	7,926,739
April	16,622,211	13,601,677	12,741,647	12,896,331	13,092,256	12,881,743	10,830,020	8,398,229	7,899,087	7,758,412
May	17,557,114	13,351,664	13,351,053	13,116,779	13,324,202	13,288,581	11,411,164	8,900,082	8,222,220	7,682,533
June	16,708,351	12,986,914	13,420,335	13,454,426	13,442,996	13,173,845	10,787,616	8,884,182	8,395,804	7,881,709
July	16,889,013	12,344,931	12,500,196	12,716,315	13,284,638	12,991,259	10,820,010	8,579,991	7,897,235	7,576,203
August	16,884,497	13,633,094	13,249,423	13,221,979	12,991,819	12,548,064	11,114,413	8,824,605	8,107,776	7,615,869
September	16,888,256	12,323,123	12,713,052	12,794,683	12,918,314	12,777,532	10,778,250	8,255,318	7,918,571	7,374,258
October	17,896,898	13,717,697	13,481,517	13,558,343	13,374,739	13,127,022	11,503,339	8,549,445	8,145,202	7,673,235
November	15,643,702	12,173,457	12,456,183	12,336,830	12,114,303	11,523,551	10,339,310	8,235,967	7,665,907	7,191,951
December	15,879,335	12,049,690	11,811,177	12,219,638	12,512,489	12,039,048	9,774,124	7,915,344	7,590,822	6,887,014
Total	\$ 197,407,329	\$ 151,396,932	\$ 152,022,663	\$ 151,731,033	\$ 151,431,759	\$ 148,652,741	\$ 127,059,841	\$ 101,596,088	\$ 94,659,539	\$ 88,038,167

Notes:

- 1) Toll Rate increases effective January 1 for the years 2010 to 2014, and 2019.
- 2) Transactions include cash and electronic transactions, violations, and non-revenue transactions (i.e., police, emergency vehicles, school and public transit buses, etc.).

Sources: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-12 – TOP 10 PAYORS

PAYOR ¹	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
United Airlines	\$ 136,937,454	\$ 109,802,261	\$ 133,947,096	\$ 128,975,358	\$ 163,582,680	\$ 161,331,091	\$ 200,836,207	\$ 195,607,915	\$ 132,761,970	\$ 117,389,911
American Airlines	81,946,066	104,368,260	76,146,046	74,721,175	65,649,533	20,480,216	28,574,259	26,924,185	25,628,008	22,380,542
Signature Flight Support	25,032,473	26,922,051	17,474,253	12,765,027	12,932,607	13,595,464	12,233,542	9,961,070	9,654,269	8,282,227
Delta Airlines	27,652,199	20,256,169	31,405,402	30,456,819	33,489,855	31,051,104	35,998,400	37,438,965	31,832,207	24,763,314
Rasier, LLC	25,058,649	18,951,471	17,728,518	12,162,144	*	*	*	*	*	*
Southwest	20,857,877	18,856,395	19,415,900	20,897,539	20,455,778	12,506,395	12,571,064	*	*	*
IAD DC Holdings, LLC	16,122,886	17,505,729	15,664,239	15,259,065	11,440,879	*	*	9,890,712	10,093,319	*
In-Ter-Space Services, Inc.	16,327,886	16,445,659	16,598,211	11,049,855	*	*	*	*	*	*
Dulles Duty Free, LLC	15,501,870	15,182,787	14,307,223	14,287,142	14,909,516	*	*	*	*	*
Enterprise Leasing	11,964,825	*	*	*	*	*	*	*	*	*
Hertz Rent-A-Car	*	13,551,344	*	*	11,493,331	10,086,569	10,441,012	11,262,291	11,749,340	12,397,487
JetBlue Airways	*	*	15,908,662	15,687,679	17,104,209	11,283,876	11,108,347	11,318,923	10,399,704	*
US Airways	*	*	*	*	12,031,385	39,492,497	56,417,666	42,523,675	43,538,638	39,941,628
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
British Airways	*	*	*	*	*	*	10,259,009	9,973,602	*	*
Continental Airlines	*	*	*	*	*	*	*	*	9,984,056	8,267,352
Vanguard Car Rental USA	*	*	*	*	*	*	*	*	*	9,737,445
Avis Rent-A-Car	*	*	*	*	*	*	*	*	*	8,658,845
TOTAL²	\$ 377,402,185	\$361,842,126	\$358,595,550	\$336,261,803	\$363,089,773	\$319,098,737	\$388,702,128	\$365,705,765	\$ 297,611,305	\$ 263,570,028

* 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 Passenger facility charges and grants are excluded from amounts.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	2019	2018	2017 ⁶	2016	2015
NET REVENUE:					
Operating Revenue	\$ 766,455,483	\$ 766,492,456	\$ 761,563,128	\$ 774,060,008	\$ 761,840,377
Revenue Adjustments ¹	1,537,469	(9,721,135)	(15,202,568)	(18,998,524)	(25,302,779)
Prior Year Transfers ²	201,029,412	192,723,884	150,429,830	141,117,166	103,644,629
Adjusted Revenue	969,022,364	949,495,205	896,790,390	896,178,650	840,182,227
Operating Expenses	664,415,360	648,235,914	636,693,799	625,647,298	630,472,211
Operating Expenses Adjustments ³	(311,306,736)	(301,687,629)	(309,795,617)	(301,882,075)	(309,049,646)
Direct Operating Expenses	353,108,624	346,548,285	326,898,182	323,765,223	321,422,565
Net Revenue Available for Debt Service	615,913,740	602,946,920	569,892,208	572,413,427	518,759,662
DEBT SERVICE					
1998B Airport System Revenue & Refunding Bonds	-	-	-	-	-
1999A Airport System Revenue & Refunding Bonds	-	-	-	-	-
2001A Airport System Revenue Bonds	-	-	-	-	-
2001B Airport System Revenue Bonds	-	-	-	-	-
2002A Airport System Revenue Bonds	-	-	-	-	-
2002B Airport System Revenue Bonds	-	-	-	-	-
2002C Airport System Revenue Variable Rate Refunding Bonds	-	-	-	-	-
2002D Airport System Revenue Refunding Bonds	-	-	-	-	-
2003A Airport System Revenue Refunding Bonds	-	-	-	-	2,329,969
2003B Airport System Revenue Refunding Bonds	2,963,916	3,130,309	2,636,700	2,319,489	-
2003C Taxable Airport System Revenue Refunding Bonds	-	-	-	-	-
2003D Airport System Revenue Variable Rate Bonds	-	-	-	-	-
2004A Airport System Revenue Refunding Bonds	-	-	-	-	-
2004B Airport System Revenue Bonds	-	-	-	-	-
2004C-1 Airport System Revenue Refunding Bonds	-	-	-	-	-
2004C-2 Airport System Revenue Refunding Bonds	-	-	-	-	-
2004D Airport System Revenue Refunding Bonds	-	-	-	-	-
2005A Airport System Revenue Bonds	-	-	-	-	10,645,260
2005B Airport System Revenue Bonds	-	-	-	-	1,467,322
2005C Taxable Airport System Revenue Bonds	-	-	-	-	993,753
2005D Airport System Revenue Bonds	-	-	-	-	223,120
2006A Airport System Revenue Bonds	-	-	-	4,163,865	7,346,516
2006B Airport System Revenue Bonds	-	-	-	7,433,464	12,760,704
2006C Airport System Revenue Refunding Bonds	-	-	-	1,687,918	2,893,066
2007A Airport System Revenue Bonds	-	-	8,813,330	15,092,539	15,096,013
2007B Airport System Revenue Bonds	-	-	17,045,577	30,262,154	29,367,074
2008A Airport System Revenue Bonds	-	10,612,641	19,701,855	21,030,075	17,694,731
2009A Airport System Revenue Bonds	-	-	-	-	-
2009B Airport System Revenue Bonds	12,522,770	18,826,808	16,879,438	15,178,598	14,928,697
2009C Airport System Revenue Bonds	-	890,000	-	-	-
2009D Airport System Revenue Bonds	-	-	-	-	-
2010A Airport System Revenue Bonds	19,253,877	22,823,602	19,517,127	19,642,731	24,873,804
2010B Airport System Revenue Refunding Bonds	14,097,363	20,858,363	23,273,795	23,281,173	23,289,781
2010C Airport System Revenue Variable Rate Refunding Bonds	6,372,424	7,675,046	7,021,921	6,712,280	6,656,416
2010D Airport System Revenue Variable Rate Bonds	10,517,625	10,545,670	10,228,410	10,226,351	9,957,615
2010F-1 Airport System Revenue Refunding Bonds	6,954,405	3,057,874	3,062,843	3,071,721	3,064,830
2011A Airport System Revenue and Refunding Bonds	16,692,366	17,886,883	17,679,965	17,561,705	17,292,635
2011B Airport System Revenue and Refunding Bonds	17,634,222	16,952,197	15,211,048	14,075,471	12,719,610
2011C Airport System Revenue Refunding Bonds	14,946,388	15,315,677	15,421,908	15,441,560	15,468,007
2011D Airport System Revenue Refunding Bonds	776,552	774,842	777,116	775,846	780,470
2012A Airport System Revenue Refunding Bonds	19,235,411	22,008,307	22,123,765	17,497,635	13,775,073
2012B Airport System Revenue Refunding Bonds	2,948,643	3,898,830	3,926,221	3,937,013	3,976,897
2013A Airport System Revenue Refunding Bonds	9,624,060	11,129,282	4,636,247	7,041,412	6,141,396
2013B Airport System Revenue Refunding Bonds	4,417,016	4,455,741	4,469,410	3,645,642	1,318,238
2013C Airport System Revenue Refunding Bonds	1,456,874	526,873	528,040	528,188	528,235
2014A Airport System Revenue Refunding Bonds	38,742,289	44,492,480	41,583,307	39,578,905	36,226,596
2015A Airport System Revenue Refunding Bonds	8,109,221	8,136,296	8,140,299	8,170,115	6,688,075
2015B Airport System Revenue and Refunding Bonds	15,141,031	17,588,956	16,384,738	15,600,408	6,862,621
2015C Airport System Revenue Refunding Bonds	4,021,882	4,050,827	4,072,778	4,067,218	1,704,252
2015D Airport System Revenue Refunding Bonds	109,931	1,314,765	1,317,667	1,318,680	608,287
2016A Airport System Revenue Refunding Bonds	10,471,355	14,514,119	14,482,108	7,152,271	-
2016B Airport System Revenue Refunding Bonds	1,199,929	1,163,790	1,167,278	561,044	-
2017A Airport System Revenue Refunding Bonds	26,596,310	41,413,999	19,340,466	-	-
2018A Airport System Revenue Refunding Bonds	25,974,433	5,002,632	-	-	-
2019A Airport System Revenue and Refunding Bonds	3,354,336	-	-	-	-
2019B Airport System Revenue Refunding Bonds	3,561,150	-	-	-	-
Series A Bond Anticipation Commercial Paper Notes	-	-	-	-	-
Series One Airport System Revenue Commercial Paper Notes	-	-	-	-	-
Series Two Airport System Revenue Commercial Paper Notes	-	-	-	-	32,689
Variable rate fees	3,113,999	2,749,015	2,658,068	3,568,135	-
Net Debt Service	\$ 300,809,778	\$ 331,795,824	\$ 322,101,425	\$ 320,623,606	\$ 307,711,751
DEBT SERVICE COVERAGE	2.05	1.82	1.77	1.79	1.69

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 2017 Debt Service Coverage includes Financing Fees

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2014 ^a	2013	2012 ^a	2011	2010
\$ 722,176,805 (32,095,870) 78,096,697 768,177,632 616,983,636 (296,707,434) 320,276,202 447,901,430	\$ 723,023,251 (26,773,503) 61,907,217 758,156,965 630,771,681 (307,615,823) 323,155,858 435,001,107	\$ 694,947,564 (28,946,572) 61,560,812 727,561,804 673,038,768 (365,677,287) 307,361,481 420,200,323	\$ 663,975,831 (22,231,153) 61,613,810 703,358,488 578,768,172 (274,239,044) 304,529,128 398,829,360	\$ 603,874,716 (28,660,133) 65,848,672 641,063,255 573,920,149 (281,071,560) 292,848,589 348,214,666
-	-	-	1,131,638	12,232,774
-	-	-	-	3,498,470
-	-	1,977,993	13,958,418	17,088,664
-	-	-	664,264	877,895
-	-	7,032,131	10,176,763	8,959,111
-	-	508,463	678,816	678,794
-	-	-	12,988,294	15,543,684
-	-	4,036,507	6,539,153	5,735,734
-	6,187,091	11,868,132	10,759,464	9,127,960
-	2,277,598	3,650,225	4,090,647	4,093,404
-	1,956,023	3,348,217	3,351,651	3,355,828
1,735,804	1,844,695	1,399,066	1,047,095	1,329,203
7,782	445,207	662,965	663,340	663,704
7,002,346	12,008,736	11,895,492	11,074,530	10,932,881
912,895	1,564,952	1,564,952	1,564,943	2,670,647
2,832,309	4,818,603	4,815,468	4,814,541	5,042,973
18,643,472	26,075,389	26,084,526	26,087,988	26,108,986
19,838,515	20,963,081	18,197,721	19,311,222	17,455,181
2,516,115	2,513,890	2,514,469	2,517,176	1,276,671
1,703,571	1,703,568	1,703,566	1,703,567	1,703,547
382,489	382,489	382,488	382,489	1,427,855
11,201,123	11,114,293	11,366,225	9,012,953	5,311,454
16,567,503	17,898,654	15,874,849	14,347,548	10,644,288
2,778,070	2,947,158	2,440,111	2,259,501	2,244,344
15,085,864	15,060,629	15,108,005	15,102,592	15,072,933
30,196,961	31,674,272	28,308,735	26,508,630	19,948,918
19,765,600	20,404,277	21,072,490	12,508,425	9,151,564
-	-	-	926,568	1,777,662
14,294,086	12,979,995	13,007,178	11,812,024	5,874,908
-	-	-	747,333	-
-	-	-	-	-
20,453,504	17,350,621	15,766,681	13,840,460	5,703,441
23,301,847	23,294,136	23,327,344	22,718,966	7,594,350
6,208,429	2,946,520	2,686,266	3,646,635	1,077,058
9,223,171	10,443,465	10,593,189	10,159,919	1,765,403
3,062,716	2,513,706	2,845,154	3,166,627	286,326
17,396,150	16,247,272	13,551,233	2,628,205	-
12,208,206	11,943,904	11,751,722	3,417,931	-
14,909,398	15,339,560	15,374,273	3,851,186	-
780,593	778,241	775,697	196,019	-
10,565,206	9,107,325	5,860,900	-	-
4,065,535	1,733,107	469,023	-	-
6,760,835	2,672,871	-	-	-
713,237	288,218	-	-	-
507,819	249,451	-	-	-
14,205,003	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
56,513	99,345	72,679	197,813	764,555
-	-	132,223	107,862	46,916
-	-	-	-	-
\$ 309,882,667	\$ 309,828,342	\$ 312,026,358	\$ 290,663,196	\$ 237,068,086
1.45	1.40	1.12	1.37	1.47

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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

	2019	2018	2017 ³	2016	2015
NET REVENUE					
Total Dulles Corridor Enterprise Fund Revenue	\$ 197,407,329	\$ 151,396,932	\$ 152,022,663	\$ 151,731,033	\$ 157,309,065
Less: Non Operating & Maintenance Program Revenue	-	-	-	-	(5,891,537)
Total Dulles Toll Road Gross Revenue	197,407,329	151,396,932	152,022,663	151,731,033	151,417,528
Add: Total Investment Income	24,637,782	12,888,087	6,359,877	1,901,118	1,895,715
Less: Non Operating & Maintenance Program Investment Income	(20,159,778)	(9,759,093)	(5,309,244)	(1,640,774)	(2,141,025)
Revenue	201,885,333	154,525,926	153,073,296	151,991,377	151,172,218
Total Dulles Corridor Enterprise Fund Operating Expenses	57,566,511	48,164,560	45,560,926	44,714,514	44,626,297
Less: Non Operating & Maintenance Program Operating Expenses	(24,891,651)	(18,673,475)	(16,710,659)	(15,036,058)	(15,712,624)
Total Dulles Toll Road Operating Expenses	32,674,860	29,491,085	28,850,267	29,678,456	28,913,673
Less: Operating & Maintenance Program Depreciation and Amortization and GASB 68, 74 and 75	(171,308)	(430,334)	(173,922)	(590,117)	(684,793)
Operating Expenses	32,503,552	29,060,751	28,723,500	29,088,339	28,228,880
Total Dulles Corridor Enterprise Fund Interest Expense	166,869,480	148,039,823	115,391,692	129,524,735	122,617,710
Less: Non Operating & Maintenance Program Interest Expense	(166,773,623)	(148,006,148)	(115,391,619)	(129,524,730)	(122,616,508)
Interest Expense	95,857	33,675	73	5	1,202
Net Revenue Available for Debt Service	\$ 169,285,924	\$ 125,431,500	\$ 124,349,723	\$ 122,903,033	\$ 122,942,136
DEBT SERVICE					
	LIEN				
2019A Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	First Senior	3,873,862	-	-	-
2009A Dulles Toll Road Revenue Bonds (Current Interest Bonds)	First Senior	5,916,743	10,142,988	10,142,988	10,142,988
2009B Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	11,131,250	8,127,194	6,211,394	9,502,644
2009C Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	16,235,375	16,235,375	16,235,375	4,058,844
2009D Dulles Toll Road Revenue Bonds (Current Interest Bonds, Build America Bonds)	Second Senior	29,848,000	29,848,000	29,848,000	29,848,000
2009D Dulles Toll Road Revenue Bonds (35% Subsidy)	Second Senior	(9,806,934)	(9,767,758)	(9,737,922)	(9,684,184)
2010B Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	15,275,000	3,818,750	-	-
Commercial Paper Series One	Second Senior	1,169,788	1,105,723	1,783,211	443,288
2014A Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	Second Senior	21,088,000	21,088,000	21,088,000	21,088,000
2010D Dulles Toll Road Revenue Bonds (Current Interest Bonds)	Subordinate	12,000,000	12,000,000	12,000,000	12,000,000
2010D Dulles Toll Road Revenue Bonds (35% Subsidy)	Subordinate	(3,942,750)	(3,927,000)	(3,913,350)	(3,893,836)
Net Debt Service		\$ 102,788,334	\$ 88,671,272	\$ 83,657,695	\$ 73,436,654
	LIEN REQUIREMENT				
DEBT SERVICE COVERAGE BY LIEN					
First Senior Lien	2.00	17.29	12.37	12.26	12.12
Second Senior Lien	1.35	1.79	1.56	1.65	1.96
Subordinate Lien	1.20	1.65	1.41	1.49	1.74

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.

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.

³Operating expenses for 2017 have been adjusted as a result of the change in accounting principle with the implementation of GASB Statement No. 75.

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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2014 ²	2013	2012 ¹	2011	2010
\$ 148,652,741	\$ 127,059,841	\$ 101,603,839	\$ 94,659,538	\$ 88,038,168
-	-	(7,750)	-	-
148,652,741	127,059,841	101,596,089	94,659,538	88,038,168
3,142,751	(1,854,080)	1,182,797	10,932,190	7,419,127
(2,852,609)	1,993,621	(985,573)	(10,731,882)	(7,287,582)
148,942,883	127,199,382	101,793,313	94,859,846	88,169,713
48,441,763	39,925,946	34,111,704	35,205,986	34,801,734
(21,689,595)	(12,950,640)	(9,463,606)	(9,877,753)	(8,476,815)
26,752,168	26,975,306	24,648,098	25,328,233	26,324,919
(417,498)	(473,942)	(273,686)	(319,822)	(178,113)
26,334,670	26,501,364	24,374,412	25,008,411	26,146,806
63,532,479	21,467,437	19,322,104	18,060,020	31,072,729
(63,531,144)	(19,923,877)	(14,338,842)	(18,050,020)	(31,072,113)
1,335	1,543,560	4,983,262	10,000	616
\$ 122,606,878	\$ 99,154,458	\$ 72,435,639	\$ 69,841,435	\$ 62,022,291
-	-	-	-	-
10,142,988	10,142,988	10,142,988	10,142,988	10,372,412
6,765,000	9,227,500	7,445,000	1,601,250	-
-	-	-	-	-
29,847,129	29,848,000	29,848,000	29,848,000	30,523,133
(9,694,630)	(9,992,364)	(10,446,800)	(10,446,800)	(10,683,097)
-	-	-	-	-
190,383	271,115	90,536	4,808	-
12,828,533	-	-	-	-
12,000,000	12,000,000	12,000,000	12,000,000	7,133,333
(3,897,600)	(4,017,300)	(4,200,000)	(4,200,000)	(2,496,667)
\$ 58,181,803	\$ 47,479,938	\$ 44,879,724	\$ 38,950,246	\$ 34,849,114
12.09	9.78	7.14	6.89	5.98
2.45	2.51	1.95	2.24	2.05
2.11	2.09	1.61	1.79	1.78

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-15 – DEBT SERVICE REQUIREMENTS BY ENTERPRISE FUND

Aviation Enterprise Fund (\$ in thousands)

YEAR	TOTAL REVENUES ¹	DIRECT OPERATING EXPENSES ²	NET REVENUES AVAILABLE FOR DEBT SERVICE	Principal	Interest	Total	Coverage
2019	\$ 969,022	\$ 353,109	\$ 615,914	\$ 150,359	\$ 150,451	\$ 300,810	2.05
2018	949,495	346,548	602,947	166,854	164,942	331,796	1.82
2017	896,790	326,898	569,892	155,285	166,816	322,101	1.77
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

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	Principal	Interest	Capital Appreciation	Total	Coverage
2019	\$ 201,885	\$ 32,599	\$ 169,286	First Senior		\$ 9,791		\$ 9,791	17.29
				Second Senior	7,260	73,809	3,871	84,940	1.79
				Subordinate		8,057		8,057	1.65
2018	\$ 154,526	\$ 29,094	\$ 125,432	First Senior		\$ 10,143		\$ 10,143	12.37
				Second Senior	4,087	62,328	4,041	70,456	1.56
				Subordinate		8,073		8,073	1.41
2017	\$ 153,073	\$ 28,723	\$ 124,350	First Senior	\$ -	\$ 10,143	\$ -	\$ 10,143	12.26
				Second Senior	4,045	59,217	2,166	65,428	1.65
				Subordinate	-	8,087	-	8,087	1.49
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

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

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

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-16 – RATIOS OF OUTSTANDING DEBT

Long-Term Debt - Aviation Enterprise Fund
(\$ in Thousands)

Outstanding Debt by Type	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
First Senior Lien Revenue Bonds	\$ 4,427,830	\$ 4,424,530	\$ 4,472,075	\$ 4,546,600	\$ 4,780,260	\$ 4,870,030	\$ 4,950,835	\$ 5,036,470	\$ 5,217,005	\$ 5,132,360
Unamortized Premiums and (Discounts)	347,065	313,066	264,870	208,795	170,520	139,997	92,387	95,234	13,352	14,776
Commercial Paper Notes	-	-	-	-	-	21,000	21,000	21,000	38,500	58,500
Total Long-Term/Short-Term Debt, Net	\$ 4,774,895	\$ 4,736,945	\$ 4,736,945	\$ 4,755,395	\$ 4,950,780	\$ 5,031,027	\$ 5,064,222	\$ 5,152,704	\$ 5,268,857	\$ 5,205,636
Total Enplaned Passengers	24,347	23,751	23,373	22,718	22,299	21,229	21,145	21,050	20,964	20,857
Debt Per Enplanement	\$ 196.12	\$ 202.67	\$ 202.67	\$ 209.32	\$ 222.02	\$ 236.99	\$ 239.50	\$ 244.78	\$ 251.33	\$ 249.59

Long-Term Debt - Dulles Corridor Enterprise Fund
(\$ in Thousands)

Outstanding Debt by Type	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
First Senior Lien Revenue Bonds	\$ -	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000
Second Senior Lien Revenue Bonds	3,157,840	1,709,567	1,679,447	1,646,705	1,608,640	1,570,333	1,107,277	1,073,337	1,038,110	998,868
Subordinate Lien	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Commercial Paper Notes	10,000	140,000	200,000	181,000	210,000	164,455	300,000	149,550	550	-
TIFIA Loan	-	1,054,441	831,657	491,484	256,599	-	-	-	-	-
Full Funding Grant Agreement Note	-	-	-	-	100,000	156,317	350,000	200,000	-	-
Unamortized Premium (Discount)	137,886	3,101	5,124	7,062	8,918	10,696	(4,922)	(5,002)	(5,079)	(5,151)
Total Long-Term/Short-Term Debt, Net	\$ 3,455,726	\$ 3,064,228	\$ 3,064,228	\$ 2,674,251	\$ 2,532,157	\$ 2,249,801	\$ 2,100,355	\$ 1,765,885	\$ 1,381,581	\$ 1,341,717
Total Road Transactions	90,972	96,333	97,090	97,719	98,241	96,507	98,676	99,891	101,535	104,686
Debt Per Transaction	\$ 37.99	\$ 31.56	\$ 27.37	\$ 25.77	\$ 23.31	\$ 21.29	\$ 17.68	\$ 13.61	\$ 12.82	\$ 8.85

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-17 – AIRPORT INFORMATION

Ronald Reagan Washington National Airport

Location:	Three miles south from downtown Washington, D.C. along the Potomac River in Arlington County, VA		
Acres:	860 +/- acres		
Airport Code:	DCA		
Runways:	1/19		7,169 feet
	15/33		5,204 feet
	4/22		5,000 feet
Aircraft Capability:	Group IV - Boeing 767-300		
Terminal:	Terminal A		249,224 square feet
	Terminal B/C		994,030 square feet
	Total Terminal Space		1,243,254 square feet
	Number of Passenger Gates		44
	Number of Hardstand Positions		12
	Total Aircraft Positions		56
Parking:	Garage Parking		6,292 spaces
	Electric Car Charging Stations		29 spaces
	Surface Parking		2,613 spaces
	Cell Phone Waiting Area Parking		- spaces
	Total Public Parking		8,905 spaces
	Tenant Employee Parking		3,312 spaces
	Total Parking		12,217 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, 2019
Source: Airports Authority Records

Exhibit S-17 – AIRPORT INFORMATION (continued)

Washington Dulles International Airport
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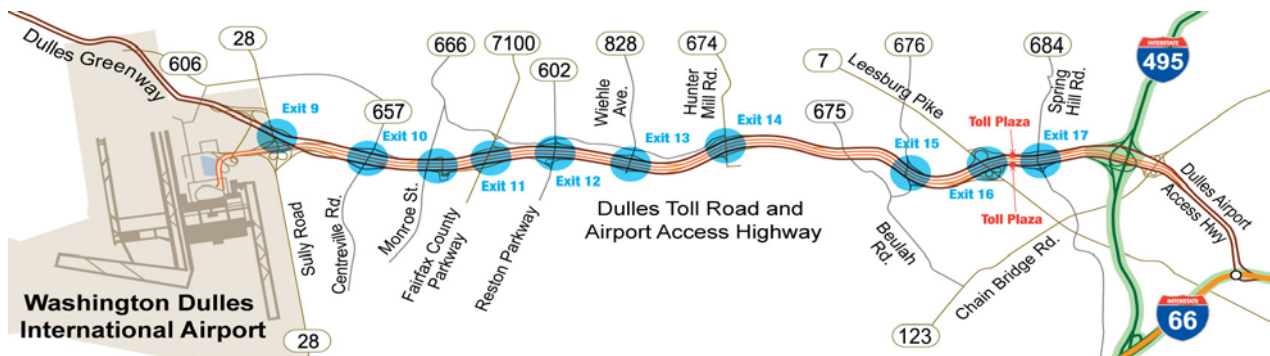
Location:	Twenty-six miles west from downtown Washington, D.C., located in Fairfax and Loudoun Counties, VA		
Acres:	11,184 +/- acres		
Airport Code:	IAD		
Runways:	1C/19C	11,500 feet	
	1R/19L	11,500 feet	
	12/30	10,500 feet	
	1L/19R	9,400 feet	
Aircraft Capability:	Group VI - Aircraft Daily: A-380 and B747-8		
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	97
		Maximum Aircraft Positions	137
Parking:	Garage Parking	8,325 spaces	
	Electric Car Charging Stations	28 spaces	
	Surface Parking	14,646 spaces	
	Cell Phone Waiting Area Parking	525 spaces	
	Total Public Parking	23,496 spaces	
	Tenant Employee Parking	7,099 spaces	
	Total Parking	30,595 spaces	
Cargo:	Number of Cargo Buildings	6	
	Cargo Space	551,716 square feet	
International:	Customs/Immigration Federal Inspection Facility		
Tower:	TRACON - Vint Hill, VA - Operating 24 Hours/Day 7 Days/Week		
Fixed Base Operators:	Jet Aviation		
	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, 2019
Source: Airports Authority Records

Exhibit S-18 – 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)	
Total of Toll Collection Lanes:	59 (19 Lanes Coins/EZ Pass- 32 Lanes Dedicated EZ Pass Only)	
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

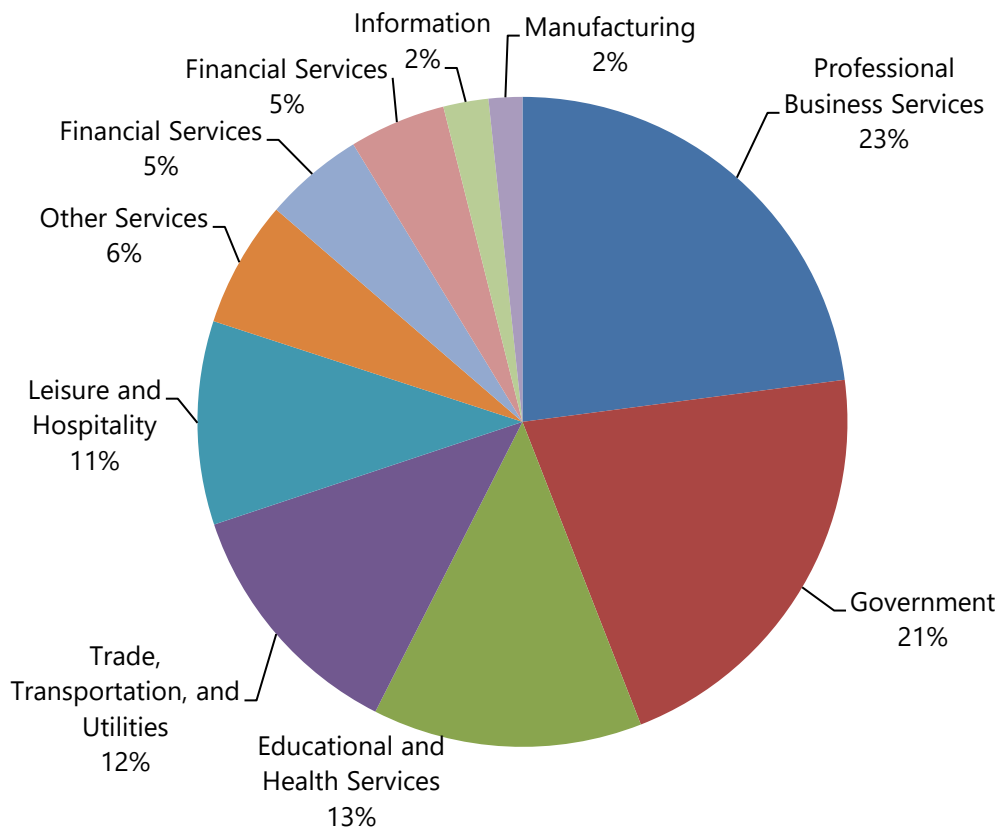


Data as of January 14, 2019
 Source: Airports Authority Records

Exhibit S-19 – EMPLOYMENT BY INDUSTRY

Industry	Annual Average Numbers of Employees (in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Professional Business Services	775.9	762.8	754.2	741.6	722.7	748.1	708.4	694.9	688.7	680.3
Government	703.6	702.9	700.9	701.8	694.8	685.6	696.9	695.7	691.2	687.6
Educational and Health Services	449.1	446.1	447.6	424.8	418.7	397.1	390.6	381.9	368.7	357.1
Trade, Transportation, and Utilities	403.8	412.7	411.0	413.9	403.0	395.5	405.8	376.4	378.8	377.2
Leisure and Hospitality	349.5	337.1	333.7	321.5	305.1	298.9	293.6	275.3	267.6	259.9
Other Services	209.6	209.9	197.0	200.6	195.8	235.6	185.8	183.1	182.6	182.0
Mining, Logging, and Construction	161.6	165.0	158.7	157.2	152.0	147.9	140.1	145.5	141.5	139.9
Financial Services	156.6	159.6	157.7	154.4	150.5	154.6	157.0	149.9	145.7	146.5
Information	73.6	74.6	71.4	74.6	76.1	73.7	75.6	79.7	80.5	80.3
Manufacturing	55.5	55.6	53.8	53.5	49.3	45.4	47.3	49.6	50.3	52.1
DC-VA-MD-WV - Metropolitan Statistical Area	3,338.8	3,326.3	3,286.0	3,243.9	3,168.0	3,182.3	3,101.1	3,032.0	2,995.6	2,962.9

Airports Service Region Employment by Sector - 2019



Source: U.S Department of Labor, Bureau of Labor Statistics (Preliminary December 2019 data)

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-20 – MAJOR PRIVATE EMPLOYERS

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

Employer	Fortune 500 Rank		2019 Revenue (in \$ Millions)	State	Industry
	2019	2018			
Fannie Mae	22	21	\$ 120,101	DC	Financial Services
Freddie Mac	40	38	73,598	VA	Financial Services
Lockheed Martin Corp.	60	59	53,762	MD	Aerospace & Defense
General Dynamics Corp.	92	99	36,193	VA	Aerospace & Defense
Capital One Financial Corp.	98	101	32,377	VA	Financial Services
Northrop Grumman	108	118	30,095	VA	Aerospace & Defense
DXC Technology	122	374	24,556	VA	Information Technology
Marriott International Inc.	151	127	20,758	MD	Hospitality & Travel
Danaher Corp.	160	162	19,893	DC	Technology
AES Corp.	296	214	10,736	VA	Energy
Discovery Communications Inc.	300	409	10,553	MD	Mass Media & Entertainment
Leidos Holdings	311	292	10,194	VA	Information Technology
Hilton Worldwide Holdings Inc.	345	324	8,906	VA	Hospitality
NVR	424	444	7,190	VA	Homebuilders
Beacon Roofing Supply	464	*	6,418	VA	Wholesalers
Booz Allen Hamilton	475	482	6,172	VA	Professional Services
			<u>\$ 471,502</u>		

Sixteen Washington-area companies were on the Fortune 500 list of the country's largest companies by revenue in 2019.

* Did not make the list in 2018.

Major Private-Sector Employers of Metro-Area Employees

Employer	Number of Metro-Area Employees	Industry
Inova Health System	18,000	Health Care
MedStar Health	16,754	Health Care
Marriott International Inc.	14,772	Hospitality & Travel
General Dynamics Corp.	13,750	Aerospace & Defense
Deloitte LLP	12,792	Professional Services
Booz Allen Hamilton Inc.	12,780	Professional Services
Giant Food LLC	10,500	Food & Drug Stores
Amazon.com	10,000	Online retailer
Hilton Worldwide Holdings Inc.	9,888	Hospitality & Travel
Leidos Holdings Inc.	9,031	Technology
Kaiser Permanente of the Mid-Atlantic States	8,200	Health Care
Capital One Financial Corp.	8,018	Financial Services
Verizon Communications Inc.	7,443	Telecommunications
Children's National Health System	7,421	Health Care
Northrop Grumman Corp.	5,800	Aerospace & Defense
Accenture Federal Services	5,629	Federal Contracting
Adventist HealthCare	5,550	Health Care
Science Applications International Corp.	5,422	Technology
Securitas Security Services USA	5,250	Security
The Long & Foster Cos. Inc.	4,342	Real Estate
Holy Cross Health	4,100	Hospital

Source: Fortune 500, Washington Business Journal 2019 Book of Lists

Exhibit S-21 – POPULATION TRENDS

Annual Estimates of the Resident Population (in Thousands)

JURISDICTION	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District of Columbia	702.5	694.0	681.2	672.2	658.9	646.4	632.3	619.0	605.0	592.2
Arlington County, VA	237.5	235.0	230.1	229.2	226.9	224.9	221.1	216.1	209.3	217.2
City of Alexandria, VA	160.5	160.0	155.8	153.5	150.6	148.9	146.3	144.1	140.8	149.8
Central Jurisdictions	1,100.5	1,089.0	1,067.1	1,054.9	1,036.4	1,020.2	999.7	979.2	955.1	959.2
Fairfax County, VA	1150.8	1148.4	1138.7	1142.2	1,137.5	1,130.9	1,118.6	1,104.3	1,086.6	1,036.4
Montgomery County, MD	1052.6	1058.8	1043.9	1040.1	1,030.4	1,016.7	1,004.7	991.6	976.0	970.6
Prince George's County, MD	909.3	912.8	908.0	909.5	904.4	890.1	881.1	874.0	865.7	832.2
City of Fairfax, VA	24.6	24.1	24.2	24.0	24.5	24.0	23.5	22.9	22.6	24.6
City of Falls Church, VA	14.8	14.6	14.0	13.9	13.6	13.5	13.2	12.8	12.5	12.0
Inner Suburbs	3152.1	3158.7	3128.8	3,129.7	3,110.4	3,075.2	3,041.1	3,005.6	2,963.4	2,875.8
Prince William County, VA	468.0	463.0	455.2	451.7	446.1	438.6	430.3	419.5	406.6	376.8
Loudoun County, VA	406.9	398.1	385.9	375.6	363.1	349.7	336.9	326.3	315.5	300.5
Frederick County, MD	255.6	252.0	247.6	245.3	243.7	241.4	239.6	237.3	234.2	227.4
Charles County, MD	161.5	159.7	157.7	156.1	154.7	152.9	150.6	149.2	147.1	142.0
Stafford County, VA	150.0	146.6	144.4	142.0	140.0	136.8	134.4	132.2	129.9	123.3
Spotsylvania County, VA	134.2	133.0	132.0	130.5	129.2	127.3	125.7	124.5	122.9	120.7
Calvert County, MD	92.0	91.5	91.3	90.6	90.6	90.5	89.6	89.3	88.9	89.2
Fauquier County, VA	70.7	69.5	69.1	68.8	68.2	67.2	66.5	66.1	65.4	67.9
Jefferson County, WV	56.8	56.3	56.4	56.5	55.7	55.1	54.5	54.3	53.7	53.0
Warren County, VA	40.0	39.6	39.2	39.1	39.0	38.7	38.1	37.7	37.5	36.8
Manassas City, VA	41.6	41.5	41.5	41.8	42.1	41.7	40.6	39.3	38.3	36.5
Fredericksburg City, VA	29.1	28.4	28.3	28.1	28.4	28.1	27.3	25.9	24.4	23.3
Clarke County, VA	14.5	14.5	14.4	14.4	14.4	14.3	14.3	14.2	14.1	14.5
Manassas Park City, VA	17.3	16.6	15.9	15.7	15.2	16.1	15.8	15.5	14.4	12.1
Outer Suburbs	1,938.2	1,910.3	1,878.9	1,856.2	1,830.4	1,798.4	1,764.2	1,731.3	1,692.8	1,624.0
DC-MD-VA-WV Metropolitan Statistical Area	6,190.8	6,158.0	6,074.8	6,040.8	5,977.2	5,893.8	5,805.0	5,716.1	5,611.3	5,459.0
Personal Income (Millions)	\$ 448,728	\$ 428,480	\$ 405,390	\$ 391,938	\$ 376,413	\$ 362,511	\$ 358,420	\$ 347,744	\$ 326,709	\$ 312,522
Per Capital Income	\$ 72,483	\$ 69,581	\$ 66,733	\$ 64,882	\$ 62,975	\$ 61,507	\$ 61,743	\$ 60,836	\$ 58,223	\$ 57,249

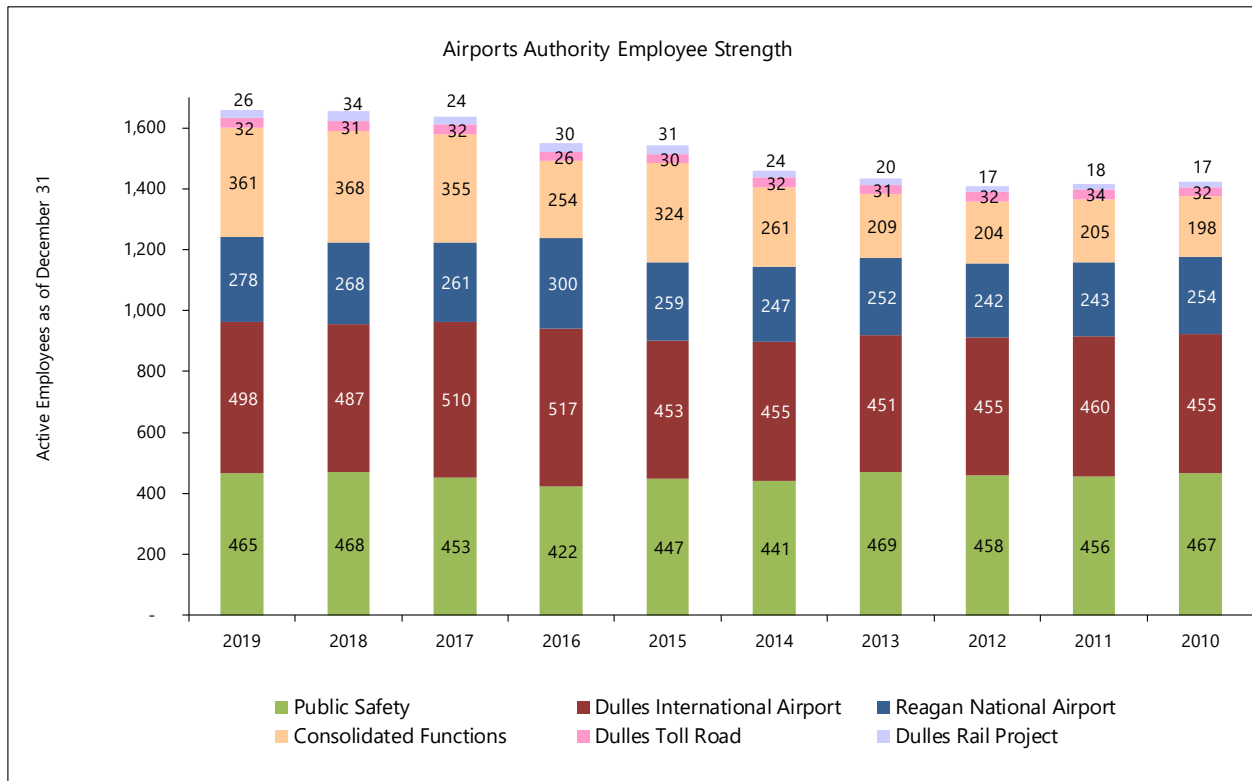
The DC-MD-VA-WVA Metropolitan Statistical Area is the Air Trade Area for the Airports Authority. Reagan National is located in Arlington County, VA and Dulles International is located in Fairfax and Loudoun Counties, VA. The Dulles Toll Road is located in Fairfax County, VA.

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: December 2018; U.S. Bureau of Economic Analysis, Release Date: November 2019

Exhibit S-22 – 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.

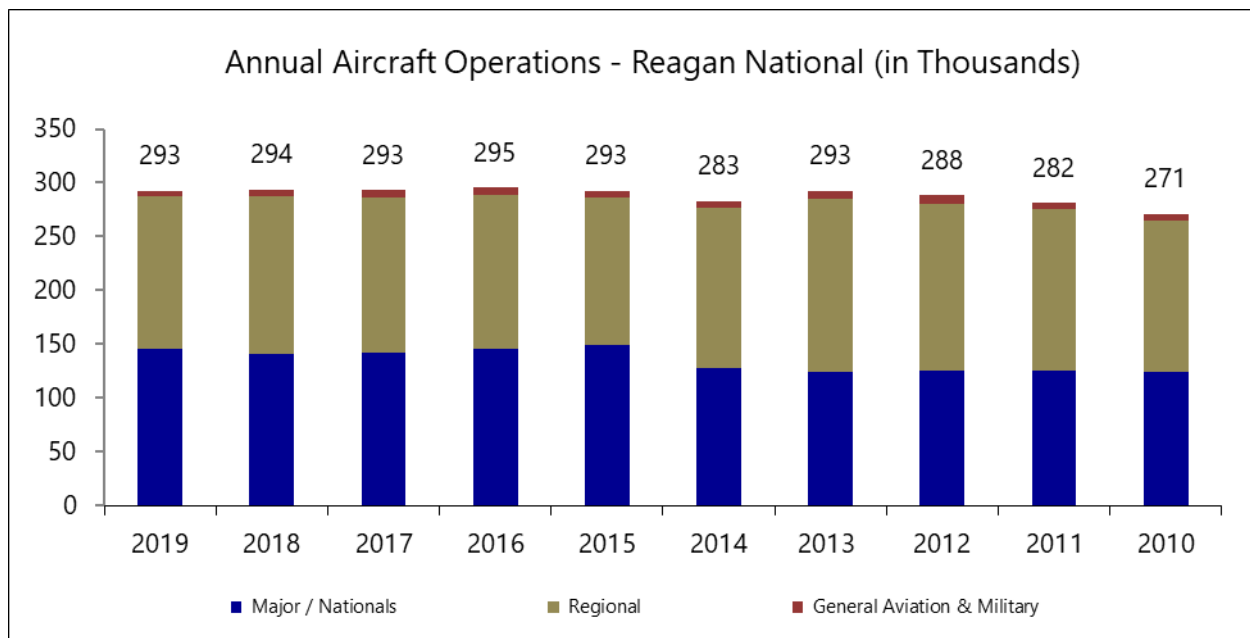
Consolidated Functions includes the Board Office, Executive Office, Office of Communications, Office of Finance, Office of Engineering, Office of Airline Business Development, General Counsel, Office of Audit, Office of Supply Chain Management, Office of Real Estate, Office of Marketing and Consumer 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.

Source: Airports Authority Records

Exhibit S-23 – AIRCRAFT OPERATIONS BY AIRPORT – REAGAN NATIONAL

Year	Major / Nationals	Regional	General Aviation	Military	Total
2019	146,084	140,936	2,807	2,855	292,682
2018	140,458	147,516	3,114	2,739	293,827
2017	141,466	144,471	3,916	3,244	293,097
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

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.



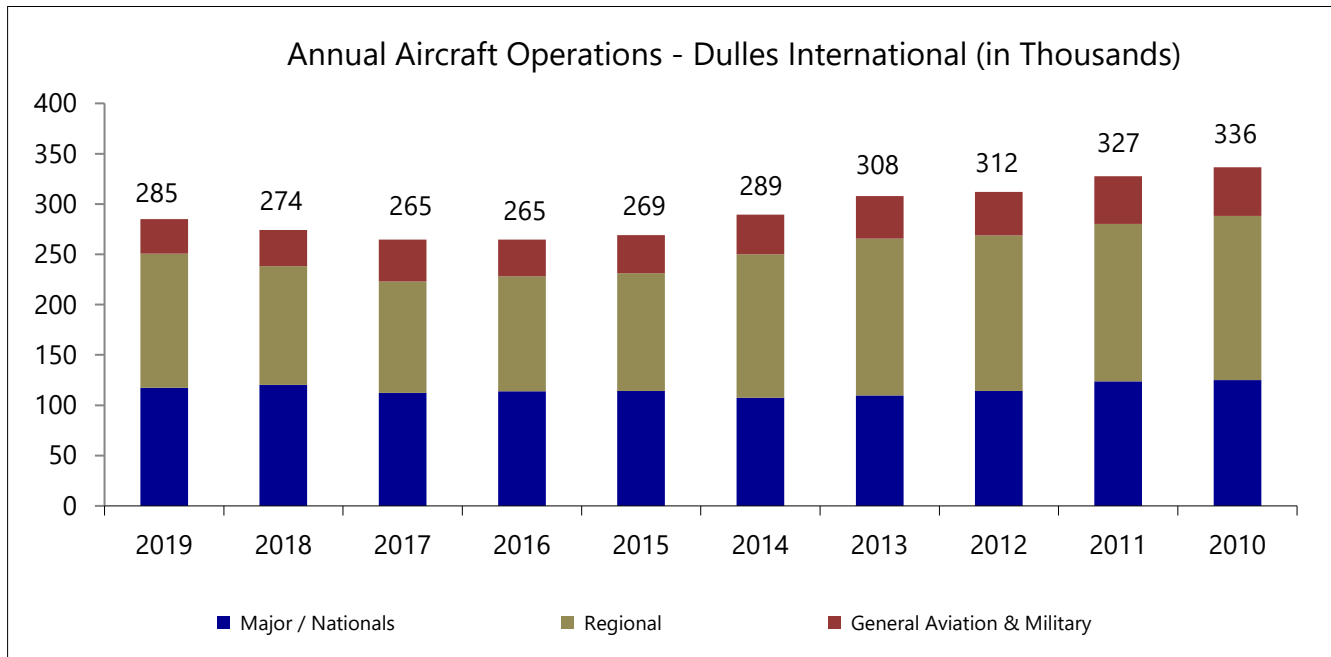
Several factors affect the activity levels at Reagan National, including its proximity to downtown Washington D.C., the FAA’s High-Density Rule, which imposes limits on the number of flights, and the Perimeter Rule, which generally limits non-stop flights to a radius of 1,250 statute miles. In addition, the Airports Authority’s noise abatement program includes limitations on certain aircraft operations after 9:59pm and before 7:00am.

In 2019, there were 292,682 operations which is driven by increased utilization of DCA slots by the airlines that hold them. In the past many airlines would not operate full schedules during weekends, despite having the slots to do so. In recent years, airlines have added weekend flights to leisure destinations in order to maximize their slot utilization.

Exhibit S-24 – AIRCRAFT OPERATIONS BY AIRPORT – DULLES INTERNATIONAL

Year	Major / Nationals	Regional	General Aviation	Military	Total
2019	117,497	133,224	33,939	382	285,042
2018	120,302	117,907	35,528	544	274,281
2017	112,425	110,556	40,820	774	264,575
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

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 2010, flight operations have declined 15.27 percent due to a decrease in domestic traffic as a result of airline industry consolidations, replacement of frequent turbo prop and regional jet flights with less frequent mainline service, and the shifting of beyond perimeter passenger demand to Reagan National as slots were opened up. In 2019, total aircraft operations increased by 3.92 percent from 2018 levels to 285,042 marking the third year that Dulles International has experienced an increase in operations since 2005. This increase was driven mainly by United Airlines planned growth of Dulles International as its hub.

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Metropolitan Washington Airports Authority

Exhibit S-25 – COMMERCIAL PASSENGER ENPLANEMENTS

Year	Reagan National: Domestic Passenger Enplanements	Annual Growth	Dulles International: Domestic Passenger Enplanements	Annual Growth	Industry: Domestic Passenger Enplanements	Annual Growth
2019	11,765,809	2.1%	8,149,890	2.4%	459,824,918 ¹	4.0%
2018	11,526,279	-2.0%	7,956,547	6.6%	442,138,660 ¹	4.7%
2017	11,763,471	1.4%	7,466,031	4.5%	422,290,984	4.2%
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%

Year	Reagan National: International/ Transborder Passenger Enplanements	Annual Growth	Dulles International: International/ Transborder Passenger Enplanements	Annual Growth	Industry: International/ Transborder Passenger Enplanements	Annual Growth
2019	183,231	-0.2%	4,177,036	4.8%	75,284,476 ²	4.4%
2018	183,576	0.4%	3,986,716	3.3%	72,111,567 ²	4.4%
2017	182,929	9.6%	3,857,629	3.7%	69,072,382	6.7%
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%

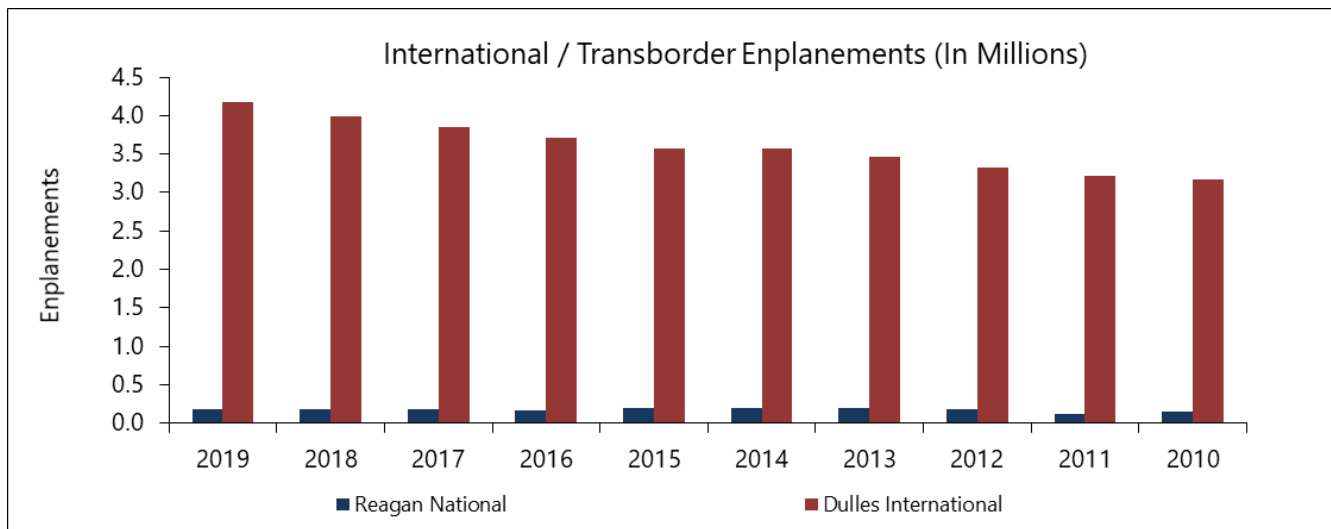
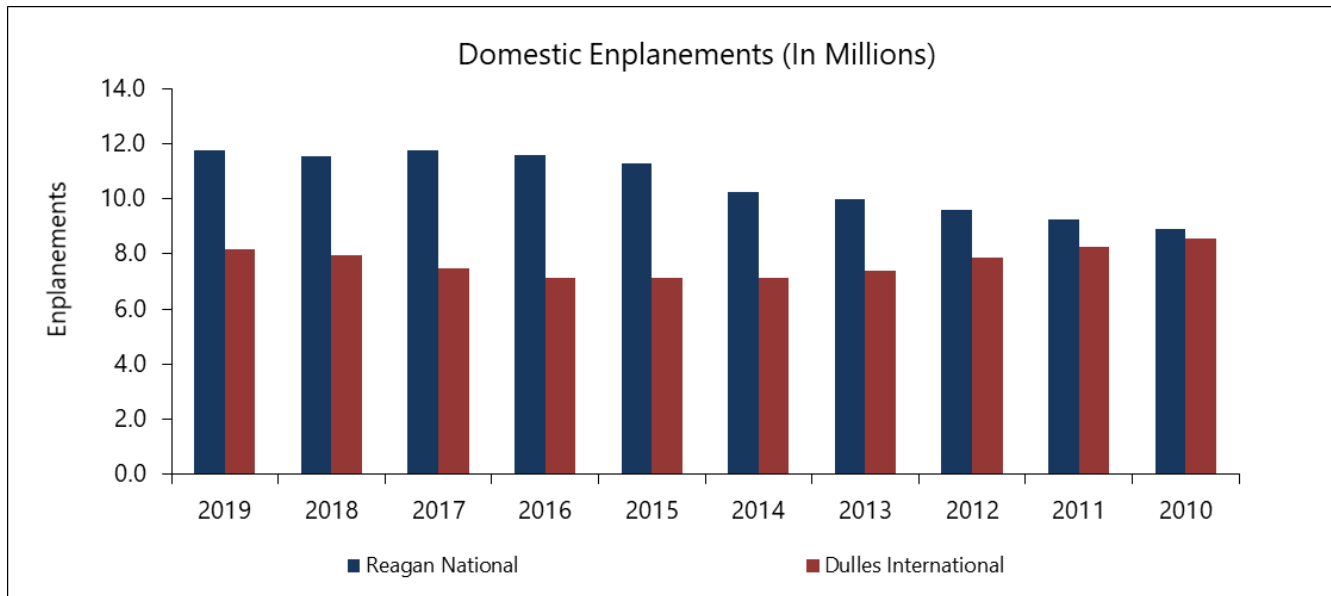
Prior years' comparative information may be adjusted for additional information or to conform with current year presentation. Excludes general aviation and military enplanements.

¹Data is based on Domestic U.S. DOT T-100 Onboard Passenger Data for the following airlines: Alaska (AS), American (AA), Hawaiian (HA), JetBlue (B6), Southwest (WN), and United (UA) to emulate past Airlines for America(A4A) data that only included these airlines. All data is for the year ended November 30, 2019.

²Data is based on Domestic U.S. DOT T-100 Onboard Passenger Data for the following airlines: Alaska (AS), American (AA), Hawaiian (HA), JetBlue (B6), Southwest (WN), and United (UA) to emulate past A4A data that only included these airlines. All data is for the year ended August 31, 2019.

Source: Airports Authority Records, A4A Monthly Traffic Report, U.S. DOT T-100 Onboard Passenger Data

Exhibit S-25 – COMMERCIAL PASSENGER ENPLANEMENTS (continued)



Domestic commercial enplanements at Reagan National increased 2.1 percent in 2019. The growth in passenger traffic at Reagan National passenger slowed notably in 2018 compared to 2017, 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 one percent of Reagan National's total enplanements in 2019.

Total enplanements at Dulles International grew to 12.3 million in 2019, due to growth in domestic and international enplanements. Dulles International served a record 4.2 million international enplaned passengers in 2019, which was the 16th consecutive year of international growth.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-26 – MARKET SHARE BY LANDED WEIGHT – REAGAN NATIONAL

(Expressed in Thousands of Pounds)

Airlines ¹	2019		2018		2017		2016	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
American	3,456,966	25.02%	3,226,093	23.52%	3,463,276	25.35%	3,788,628	27.00%
Southwest	2,061,693	14.92%	1,959,795	14.29%	1,748,496	12.80%	1,975,312	14.08%
Republic (American Eagle)	1,800,540	13.03%	1,847,354	13.47%	1,466,389	10.74%	1,039,282	7.41%
PSA	1,700,340	12.31%	1,313,691	9.58%	1,244,806	9.11%	990,714	7.06%
Delta	1,355,994	9.82%	1,406,846	10.26%	1,370,801	10.04%	1,377,218	9.82%
JetBlue	1,044,485	7.56%	1,045,994	7.63%	1,004,733	7.36%	1,120,843	7.99%
United	663,905	4.80%	727,170	5.30%	653,505	4.78%	635,272	4.53%
Republic Airline (Delta)	362,918	2.63%	331,388	2.42%	296,739	2.17%	-	0.00%
Alaska	257,910	1.87%	261,619	1.91%	208,706	1.53%	208,971	1.49%
Frontier	151,371	1.09%	150,551	1.10%	149,999	1.10%	151,142	1.08%
Endeavor (Delta Connection)	117,535	0.85%	146,506	1.07%	114,050	0.83%	107,929	0.77%
Republic (United Express)	115,002	0.83%	27,071	0.20%	87,092	0.64%	109,620	0.78%
Sky Regional (Air Canada)	103,289	0.75%	104,789	0.76%	106,662	0.78%	107,862	0.77%
Envoy Air (American Eagle)	100,583	0.73%	89,162	0.65%	43,368	0.32%	1,483	0.01%
ExpressJet (United Express)	100,440	0.73%	133,726	0.98%	161,800	1.18%	150,712	1.08%
GoJet (Delta Connection)	92,934	0.67%	101,633	0.74%	133,936	0.98%	66,049	0.47%
Mesa (United Express)	71,475	0.52%	57,150	0.42%	72,442	0.53%	63,300	0.45%
Air Canada Jazz	66,748	0.48%	67,965	0.50%	73,701	0.54%	64,158	0.46%
SkyWest (United Express)	51,909	0.38%	64,660	0.46%	140,745	1.03%	77,267	0.55%
Signature	48,347	0.35%	120,652	0.88%	79,138	0.58%	60,097	0.43%
SkyWest (Delta Connection)	12,478	0.09%	3,953	0.03%	197	0.00%	94	0.00%
MN Airlines (Sun Country)	7,032	0.05%	146	0.00%	3,606	0.03%	-	0.00%
MN Airlines	1,395	0.01%	7,385	0.05%	44,575	0.33%	86,550	0.62%
Piedmont	70,015	0.51%	-	0.00%	9,967	0.07%	23,204	0.16%
Other ²	-	0.00%	517,665	3.78%	980,179	7.18%	1,824,439	12.99%
GRAND TOTAL	13,815,304	100.00%	13,712,964	100.00%	13,658,908	100.00%	14,030,146	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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2015		2014		2013		2012		2011		2010	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
1,427,907	10.27%	1,337,039	10.34%	1,413,537	10.74%	1,241,473	9.69%	1,338,976	10.58%	1,328,912	10.99%
1,945,206	13.99%	799,870	6.19%	181,298	1.38%	46,242	0.36%	-	0.00%	-	0.00%
226,520	1.63%	63,039	0.49%	4,722	0.04%	-	0.00%	-	0.00%	-	0.00%
408,290	2.94%	325,395	2.52%	511,885	3.89%	390,287	3.05%	287,884	2.28%	298,624	2.47%
1,337,791	9.61%	1,347,547	10.42%	1,398,371	10.63%	1,567,782	12.23%	1,639,911	12.96%	1,594,441	13.19%
1,123,683	8.08%	831,771	6.43%	733,485	5.58%	532,902	4.16%	301,954	2.39%	48,306	0.40%
700,245	5.04%	799,485	6.18%	938,342	7.14%	647,716	5.06%	593,033	4.69%	688,696	5.69%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
208,669	1.50%	207,389	1.60%	209,664	1.59%	174,242	1.36%	156,081	1.23%	154,756	1.28%
152,231	1.10%	150,181	1.16%	193,827	1.47%	356,844	2.79%	412,373	3.26%	211,315	1.75%
167,775	1.21%	186,956	1.45%	95,464	0.73%	-	0.00%	-	0.00%	-	0.00%
41,827	0.30%	49,724	0.38%	45,756	0.35%	-	0.00%	-	0.00%	-	0.00%
108,236	0.78%	107,112	0.83%	61,689	0.47%	-	0.00%	-	0.00%	-	0.00%
36,935	0.27%	129,558	1.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
132,967	0.96%	115,361	0.89%	77,454	0.59%	93,609	0.73%	44	0.00%	-	0.00%
20,744	0.15%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
19,950	0.14%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
67,026	0.48%	64,145	0.50%	66,988	0.51%	88,639	0.69%	83,063	0.66%	80,913	0.67%
121,280	0.87%	61,192	0.47%	6,162	0.05%	7,285	0.06%	-	0.00%	-	0.00%
58,401	0.42%	58,613	0.45%	46,858	0.36%	47,838	0.37%	34,392	0.27%	20,669	0.17%
47	0.00%	47	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
90,358	0.65%	88,602	0.69%	61,158	0.47%	46,324	0.36%	37,719	0.30%	-	0.00%
29,324	0.21%	56,545	0.44%	67,902	0.52%	47,869	0.37%	19,882	0.16%	19,216	0.16%
5,476,835	39.40%	6,147,006	47.55%	7,032,621	53.49%	7,522,642	58.72%	7,743,335	61.22%	7,649,617	63.23%
13,902,247	100.00%	12,926,577	100.00%	13,147,183	100.00%	12,811,694	100.00%	12,648,647	100.00%	12,095,465	100.00%

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-27 – MARKET SHARE BY LANDED WEIGHT – DULLES INTERNATIONAL
(Expressed in Thousands of Pounds)

Airlines ¹	2019		2018		2017		2016	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
United	7,091,345	38.12%	6,640,796	37.20%	6,313,309	37.59%	6,061,065	36.20%
Mesa (United Express)	1,894,636	10.19%	1,746,287	9.78%	1,889,093	11.25%	1,832,724	10.95%
Air Wisconsin (United Express)	667,917	3.59%	579,510	3.25%	103,354	0.62%	-	0.00%
Signature	562,564	3.02%	653,277	3.66%	376,851	2.24%	625,638	3.74%
Jet Aviation Dulles, LLC	474,282	2.55%	243,960	1.37%	222,739	1.33%	353,888	2.11%
Lufthansa	464,392	2.50%	477,694	2.68%	479,590	2.86%	482,661	2.88%
Delta	463,142	2.49%	462,882	2.59%	421,357	2.51%	382,964	2.29%
Commutair	438,310	2.36%	367,705	2.06%	442,384	2.63%	449,365	2.68%
British Airways	418,915	2.25%	424,962	2.38%	451,336	2.69%	464,889	2.78%
Federal Express	367,952	1.98%	373,431	2.09%	346,403	2.06%	364,015	2.17%
Air France	332,900	1.79%	311,505	1.75%	323,252	1.93%	308,314	1.84%
Emirates	316,897	1.70%	318,565	1.79%	297,003	1.77%	309,339	1.85%
American	284,601	1.53%	391,354	2.19%	352,409	2.10%	357,513	2.13%
Alaska	272,622	1.47%	208,345	1.17%	56,143	0.33%	55,196	0.33%
Southwest	246,237	1.32%	329,316	1.85%	306,525	1.83%	284,330	1.70%
Korean Air	202,210	1.09%	202,507	1.13%	198,210	1.18%	201,102	1.20%
Qatar Airways	201,907	1.09%	203,116	1.14%	206,514	1.23%	201,963	1.21%
All Nippon	200,548	1.08%	202,764	1.14%	203,318	1.21%	202,764	1.21%
Ethiopian Airlines	185,696	1.00%	179,678	1.01%	185,341	1.10%	171,609	1.03%
Saudi Arabian	185,036	0.99%	181,158	1.02%	197,224	1.17%	201,080	1.20%
PSA	168,836	0.91%	169,877	0.95%	188,648	1.12%	206,370	1.23%
Air China	167,225	0.90%	166,257	0.93%	154,614	0.92%	108,933	0.65%
Etihad	155,124	0.83%	155,124	0.87%	155,993	0.93%	155,568	0.93%
SkyWest (Delta Connection)	152,559	0.82%	47,514	0.27%	52,588	0.31%	24,903	0.15%
South African	148,022	0.80%	146,193	0.82%	159,855	0.95%	171,666	1.03%
KLM Royal Dutch	146,389	0.79%	159,312	0.89%	161,907	0.96%	149,604	0.89%
SAS	143,147	0.77%	138,123	0.77%	139,504	0.83%	139,011	0.83%
Turkish Airlines	141,152	0.76%	140,603	0.79%	138,612	0.83%	159,915	0.96%
Virgin Atlantic	139,430	0.75%	135,255	0.76%	134,620	0.80%	140,395	1%
TACA International	129,655	0.70%	125,192	0.70%	115,370	0.69%	113,314	0.68%
Frontier	129,149	0.69%	163,153	0.91%	140,923	0.84%	86,161	0.51%
Aer Lingus	121,945	0.65%	115,363	0.65%	69,090	0.41%	56,268	0.34%
COPA	119,164	0.64%	122,845	0.69%	113,236	0.67%	107,601	0.64%
Icelandair	113,347	0.61%	103,869	0.58%	116,667	0.69%	91,560	0.55%
SkyWest (United Express)	110,519	0.59%	59,219	0.33%	2,716	0.00%	-	0.00%
Austrian	102,186	0.55%	102,216	0.57%	98,254	0.59%	101,547	0.61%
Cathay Pacific	96,082	0.52%	29,899	0.17%	-	0.00%	-	0.00%
United Parcel Service	92,649	0.50%	96,359	0.54%	102,855	0.61%	96,090	0.57%
Air India	85,870	0.46%	86,362	0.48%	40,178	0.24%	-	0.00%
Endeavor (Delta Connection)	79,155	0.43%	73,681	0.41%	71,964	0.43%	73,227	0.44%
Avianca	74,690	0.40%	50,722	0.28%	50,606	0.30%	50,236	0.30%
Royal Air Maroc	73,909	0.40%	69,520	0.39%	62,302	0.37%	15,196	0.09%
Brussels	70,977	0.38%	79,370	0.45%	73,031	0.43%	67,944	0.41%
Porter	64,405	0.35%	66,690	0.37%	66,196	0.39%	61,009	0.36%
Alitalia	61,979	0.33%	-	0.00%	-	0.00%	-	0.00%
Republic (United Express)	60,385	0.32%	72	0.00%	27,724	0.17%	375	0.00%
Omni Air International	53,009	0.28%	49,177	0.28%	33,530	0.20%	34,807	0.21%
ExpressJet (United Express)	50,346	0.27%	13,481	0.08%	12,925	0.08%	1,052	0.01%
Trans. Aereos Portugueses (TAP)	40,208	0.22%	-	0.00%	-	0.00%	-	0.00%
Egyptair	38,675	0.20%	-	0.00%	-	0.00%	-	0.00%
Air Georgian	34,733	0.19%	50,662	0.28%	51,089	0.30%	33,981	0.20%
Aeroflot	33,211	0.18%	50,000	0.28%	34,400	0.21%	37,182	0.22%
Vuela Aviacion, S.A.	28,660	0.15%	10,637	0.06%	-	0.00%	-	0.00%
Air Canada Jazz	24,469	0.13%	20,009	0.11%	9,072	0.01%	-	0.00%
Sky Regional Airline	20,013	0.11%	-	0.00%	-	0.00%	-	0.00%
GoJet Airlines (Delta Connection)	19,210	0.10%	73,597	0.41%	38,928	0.23%	12,464	0.07%
Sun Country Airlines	16,558	0.09%	-	0.00%	-	0.00%	-	0.00%
Kalitta Air	11,084	0.06%	3,912	0.02%	3,260	0.02%	6,403	0.04%
Other ²	10,664	0.06%	476,981	2.67%	800,228	4.86%	1,128,076	6.74%
GRAND TOTAL	18,600,899	100.00%	17,850,058	100.00%	16,793,240	100.00%	16,741,277	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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2015		2014		2013		2012		2011		2010	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
5,850,223	35.44%	6,027,022	36.06%	6,526,204	37.81%	6,839,902	38.38%	7,337,040	39.39%	7,651,068	40.38%
1,558,933	9.44%	577,406	3.45%	532,382	3.08%	569,902	3.20%	552,268	2.96%	682,887	3.60%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
573,319	3.47%	569,271	3.41%	487,886	2.82%	515,984	2.90%	536,921	2.88%	541,417	2.86%
400,148	2.43%	368,178	2.20%	400,398	2.32%	458,406	2.57%	492,519	2.64%	470,478	2.48%
458,813	2.79%	434,196	2.60%	430,518	2.49%	426,173	2.39%	413,765	2.22%	398,763	2.10%
377,066	2.28%	336,728	2.01%	289,323	1.68%	333,098	1.87%	416,675	2.24%	394,850	2.08%
324,419	1.96%	313,298	1.87%	271,850	1.58%	124,773	0.70%	552	0.00%	76,797	0.41%
472,437	2.86%	480,525	2.88%	444,618	2.57%	462,992	2.60%	466,634	2.51%	421,788	2.23%
385,843	2.34%	384,891	2.30%	386,618	2.24%	374,069	2.10%	358,709	1.92%	364,829	1.93%
301,451	1.83%	329,899	1.97%	347,847	2.02%	370,643	2.08%	375,826	2.02%	371,939	1.96%
201,786	1.22%	202,339	1.21%	283,181	1.64%	84,621	0.47%	-	0.00%	-	0.00%
314,182	1.90%	402,712	2.41%	455,130	2.64%	448,902	2.52%	496,227	2.66%	551,836	2.91%
43,856	0.27%	-	0.00%	-	0.00%	144	0.00%	-	0.00%	-	0.00%
310,896	1.88%	308,878	1.85%	330,986	1.92%	343,746	1.93%	353,714	1.90%	412,040	2.17%
193,562	1.17%	191,212	1.14%	172,036	1.00%	194,428	1.09%	185,572	1.00%	168,652	0.89%
203,018	1.23%	201,786	1.21%	201,291	1.20%	201,724	1.13%	201,233	1.08%	201,786	1.07%
202,764	1.23%	202,210	1.21%	202,116	1.17%	202,764	1.14%	202,210	1.09%	196,664	1.04%
164,575	1.00%	163,800	0.98%	158,347	0.91%	151,159	0.85%	157,814	0.85%	93,882	0.50%
201,643	1.22%	202,020	1.21%	171,892	1.00%	139,024	0.78%	99,610	0.53%	78,036	0.41%
126,459	0.77%	51,453	0.31%	50,409	0.29%	44,719	0.25%	36,781	0.20%	33,381	0.18%
109,545	0.66%	61,765	0.37%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
167,326	1.01%	201,052	1.20%	153,451	0.89%	-	0.00%	-	0.00%	-	0.00%
12,356	0.07%	8,648	0.05%	8,712	0.05%	-	0.00%	585	0.00%	1,276	0.01%
155,980	0.94%	149,598	0.91%	159,308	0.92%	154,659	0.87%	163,975	0.88%	172,680	0.91%
147,229	0.89%	150,448	0.90%	163,523	0.95%	164,600	0.92%	146,405	0.79%	149,875	0.79%
135,879	0.82%	136,369	0.82%	132,108	0.76%	137,725	0.77%	135,797	0.73%	129,120	0.68%
139,246	0.84%	138,418	0.83%	141,376	0.82%	140,315	0.79%	98,474	0.53%	12,207	0.06%
152,272	0.92%	138,570	0.83%	139,203	0.80%	175,518	0.99%	174,018	0.93%	161,212	0.85%
120,116	0.73%	148,980	0.89%	127,440	0.74%	116,560	0.65%	116,870	0.63%	102,634	0.54%
300,613	1.82%	168,686	1.01%	-	0.00%	371	0.00%	277	0.00%	-	0.00%
47,240	0.29%	-	0.00%	-	0.00%	102,183	0.57%	126,487	0.68%	110,979	0.59%
102,756	0.62%	96,725	0.58%	94,542	0.55%	51,771	0.29%	48,878	0.26%	42,839	0.23%
73,710	0.45%	46,620	0.28%	48,510	0.28%	40,320	0.23%	28,350	0.15%	-	0.00%
1,297	0.00%	103,062	0.62%	143,715	0.83%	116,781	0.66%	98,088	0.50%	44,220	0.23%
132,213	0.80%	131,564	0.79%	106,353	0.62%	107,200	0.60%	108,354	0.58%	107,575	0.57%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
89,541	0.54%	90,665	0.54%	87,538	0.51%	84,212	0.47%	86,071	0.46%	83,869	0.44%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	49,097	0.26%
43,980	0.27%	50,550	0.30%	48,739	0.28%	-	0.00%	-	0.00%	-	0.00%
50,236	0.30%	49,574	0.30%	49,736	0.29%	49,452	0.28%	35,108	0.19%	35,635	0.19%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
58,573	0.35%	98,811	0.59%	52,278	0.30%	-	0.00%	-	0.00%	-	0.00%
58,169	0.35%	54,896	0.33%	57,119	0.33%	49,771	0.28%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20,594	0.12%	284,828	1.70%	233,430	1.35%	5,704	0.03%	-	0.00%	-	0.00%
34,168	0.21%	22,353	0.13%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
127,408	0.77%	1,116,466	6.69%	1,207,473	7.00%	1,230,184	6.90%	627,505	3.37%	310,706	1.64%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
42,588	0.26%	53,972	0.32%	38,102	0.22%	19,277	0.11%	16,574	0.09%	16,121	0.09%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
812	0.01%	22,512	0.13%	18,961	0.11%	2,420	0.01%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
5,172	0.03%	4,498	0.03%	1,305	0.01%	2,932	0.02%	1,260	0.01%	-	0.00%
1,516,219	9.20%	1,434,760	8.58%	1,903,383	11.01%	2,783,352	15.61%	3,928,676	21.13%	4,304,439	22.72%
16,510,631	100.00%	16,712,214	100.00%	17,259,337	100.00%	17,822,480	100.00%	18,625,822	100.00%	18,945,577	100.00%

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-28 – MARKET SHARE BY PASSENGER ENPLANEMENTS – REAGAN NATIONAL

Airlines ¹	2019		2018		2017		2016	
	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
Domestic								
American	3,094,721	25.86%	2,916,086	24.87%	3,104,991	25.95%	3,265,412	27.72%
Southwest	1,800,257	15.05%	1,734,092	14.79%	1,742,858	14.56%	1,720,193	14.60%
Delta	1,343,903	11.23%	1,280,746	10.92%	1,315,781	11.00%	1,291,474	10.96%
JetBlue	910,453	7.61%	888,149	7.57%	915,987	7.66%	953,568	8.09%
United	544,819	4.56%	581,317	4.95%	545,789	4.56%	536,397	4.55%
Alaska	266,815	2.23%	269,147	2.30%	211,964	1.77%	217,186	1.85%
Frontier	165,685	1.38%	163,743	1.40%	172,533	1.44%	175,806	1.49%
Other ²	1,258	0.01%	21,610	0.18%	171,379	1.43%	178,039	1.52%
Regionals								
Republic (American Eagle)	1,394,726	11.66%	1,389,814	11.85%	1,138,484	9.51%	824,685	7.00%
PSA	1,322,027	11.05%	990,891	8.45%	968,959	8.10%	756,932	6.43%
Republic (Delta)	248,231	2.07%	223,361	1.90%	187,809	1.57%	-	0.00%
Republic (United Express)	167,840	1.40%	176,907	1.51%	69,006	0.58%	94,728	0.80%
Endeavor (Delta Connection)	95,491	0.80%	116,880	1.00%	91,954	0.77%	87,021	0.74%
ExpressJet (United Express)	78,417	0.66%	117,283	1.00%	127,089	1.06%	126,680	1.08%
Envoy Air (American Eagle)	78,082	0.65%	70,749	0.60%	31,794	0.27%	1,379	0.01%
GoJet (Delta Connection)	66,117	0.55%	73,481	0.63%	98,270	0.82%	42,944	0.36%
Piedmont	63,437	0.53%	-	0.00%	6,090	0.05%	15,037	0.13%
Mesa (United Express)	61,723	0.52%	53,517	0.46%	64,116	0.54%	56,342	0.48%
SkyWest (United Express)	44,909	0.38%	54,181	0.46%	135,614	1.13%	68,882	0.58%
SkyWest (Delta Connection)	9,628	0.08%	3,105	0.03%	186	0.00%	50	0.00%
Other ²	-	0.00%	401,055	3.42%	662,818	5.54%	1,187,578	10.08%
Charters	7,270	0.06%	165	0.00%	-	0.00%	-	0.00%
General Aviation	11,197	0.09%	11,904	0.10%	14,573	0.12%	9,831	0.08%
Military	4,944	0.04%	5,190	0.04%	5,381	0.04%	3,517	0.03%
TOTAL DOMESTIC	11,781,950	98.47%	11,543,373	98.43%	11,783,425	98.47%	11,613,681	98.58%
Transborder / International								
American Airlines	10,109	0.08%	8,130	0.07%	7,613	0.06%	-	0.00%
JetBlue	2,318	0.02%	3,069	0.03%	2,443	0.02%	9,654	0.08%
Other ²	-	0.00%	-	0.00%	-	0.00%	26	0.00%
Regionals								
Sky Regional (Air Canada)	86,069	0.72%	86,437	0.74%	84,544	0.71%	81,921	0.70%
Air Canada Jazz	49,408	0.41%	49,718	0.42%	58,337	0.49%	47,387	0.40%
PSA Airlines, Inc.	28,275	0.24%	257	0.00%	944	0.01%	-	0.00%
Republic (American Eagle)	7,052	0.06%	3,673	0.03%	1,657	0.01%	259	0.00%
Other ²	-	0.00%	32,292	0.28%	27,391	0.23%	27,682	0.24%
TOTAL TRANSBORDER/INTERNATIONAL	183,231	1.53%	183,576	1.57%	182,929	1.53%	166,929	1.42%
GRAND TOTAL	11,965,181	100.00%	11,726,949	100.00%	11,966,354	100.00%	11,780,610	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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2015		2014		2013		2012		2011		2010	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
1,434,409	12.46%	1,326,519	12.67%	1,222,743	11.98%	1,139,174	11.62%	1,194,779	12.75%	1,188,767	13.15%
1,526,755	13.26%	602,534	5.75%	163,459	1.60%	42,037	-	-	0.00%	-	0.00%
1,227,598	10.67%	1,218,088	11.63%	1,161,463	11.38%	1,269,557	12.95%	1,251,093	13.35%	1,253,421	13.86%
936,319	8.13%	698,337	6.67%	611,949	5.99%	447,570	4.57%	240,077	2.56%	37,103	0.41%
565,748	4.92%	621,019	5.93%	676,651	6.63%	486,460	4.96%	468,066	4.99%	532,294	5.89%
216,726	1.88%	211,710	2.02%	205,297	2.01%	171,582	1.75%	155,454	1.66%	149,368	1.65%
165,349	1.44%	159,684	1.52%	190,024	1.86%	323,292	3.30%	357,605	3.82%	204,339	2.26%
2,146,292	18.65%	2,165,538	20.69%	2,479,626	24.29%	2,729,670	27.85%	2,682,305	28.62%	2,870,145	31.73%
173,457	1.51%	50,020	0.48%	3,675	0.04%	-	0.00%	-	0.00%	-	0.00%
330,904	2.87%	267,293	2.55%	404,206	3.96%	291,601	2.98%	203,834	2.17%	215,400	2.38%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
38,665	0.33%	38,742	0.37%	30,446	0.30%	-	0.00%	-	0.00%	-	0.00%
135,580	1.18%	144,621	1.38%	65,165	0.64%	-	0.00%	-	0.00%	-	0.00%
106,741	0.93%	97,213	0.93%	59,002	0.58%	77,371	0.79%	-	0.00%	-	0.00%
28,401	0.24%	102,619	0.98%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
14,954	0.13%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
21,342	0.19%	39,852	0.38%	50,815	0.50%	32,433	0.33%	10,183	0.11%	12,223	0.14%
17,430	0.15%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
107,115	0.93%	53,543	0.51%	4,355	0.04%	5,850	0.06%	-	0.00%	-	0.00%
45	0.00%	49	0.00%	-	0.00%	33	0.00%	-	0.00%	-	0.00%
2,104,283	18.29%	2,459,845	23.50%	2,664,800	26.10%	2,590,175	26.43%	2,673,229	28.51%	2,427,925	26.86%
145	0.00%	-	0.00%	-	0.00%	-	0.00%	123	0.00%	219	0.00%
10,361	0.09%	9,555	0.09%	7,586	0.07%	6,693	0.06%	5,235	0.06%	3,062	0.03%
3,456	0.03%	3,572	0.03%	3,749	0.03%	5,917	0.06%	5,163	0.06%	3,449	0.04%
11,312,075	98.28%	10,270,353	98.08%	10,005,011	98.00%	9,619,415	97.71%	9,247,146	98.66%	8,897,715	98.40%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
23,140	0.20%	13,598	0.13%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	183	0.00%	25,495	0.25%	58,479	0.60%	58,417	0.62%	63,165	0.70%
82,735	0.72%	77,706	0.74%	44,481	0.44%	-	0.00%	-	0.00%	-	0.00%
47,188	0.41%	41,755	0.40%	38,501	0.38%	45,577	0.47%	46,566	0.50%	45,512	0.51%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
44,656	0.39%	67,885	0.65%	95,543	0.93%	77,294	0.79%	21,081	0.22%	35,663	0.39%
197,719	1.72%	201,127	1.92%	204,020	2.00%	181,350	1.86%	126,064	1.34%	144,340	1.60%
11,509,794	100.00%	10,471,480	100.00%	10,209,031	100.00%	9,800,765	100.00%	9,373,210	100.00%	9,042,055	100.00%

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-29 – MARKET SHARE BY PASSENGER ENPLANEMENTS – DULLES INTERNATIONAL

Airlines ¹	2019		2018		2017		2016	
	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
Domestic								
United	3,967,801	32.04%	3,708,401	30.84%	3,438,477	30.14%	3,142,765	28.73%
Delta	390,230	3.15%	369,155	3.07%	349,361	3.06%	312,695	2.86%
American	248,158	2.00%	347,151	2.89%	317,866	2.79%	327,164	2.99%
Alaska	240,778	1.94%	188,801	1.57%	53,894	0.47%	50,405	0.46%
Southwest	219,571	1.77%	303,489	2.52%	283,949	2.49%	258,813	2.37%
Frontier	135,886	1.10%	172,773	1.44%	143,404	1.26%	89,789	0.82%
Sun Country Airlines	16,859	0.14%	-	0.00%	-	0.00%	-	0.00%
Other ²	2,585	0.02%	195,310	1.63%	337,922	2.95%	379,986	3.47%
Regionals								
Mesa (United Express)	1,450,800	11.72%	1,403,717	11.67%	1,525,927	13.38%	1,448,244	13.24%
Air Wisconsin (United Express)	567,511	4.58%	476,060	3.96%	89,233	0.78%	-	0.00%
Commutair	413,824	3.34%	342,047	2.84%	383,100	3.36%	409,860	3.75%
PSA	142,567	1.15%	142,679	1.19%	150,525	1.32%	169,881	1.55%
SkyWest (Delta Connection)	121,952	0.98%	40,329	0.34%	45,673	0.40%	22,875	0.21%
Endeavor (Delta Connection)	65,321	0.53%	57,851	0.48%	60,618	0.53%	60,807	0.56%
SkyWest (United Express)	63,844	0.52%	29,351	0.24%	834	0.00%	-	0.00%
Republic (United Express)	43,210	0.35%	775	0.01%	14,411	0.13%	7,577	0.07%
ExpressJet (United Express)	40,574	0.33%	11,629	0.10%	11,049	0.10%	316	0.00%
GoJet (Delta Connection)	14,222	0.11%	56,753	0.47%	30,808	0.27%	9,900	0.09%
Other ²	61	0.00%	106,768	0.89%	226,631	1.99%	448,692	4.11%
Charters	4,136	0.03%	3,508	0.03%	2,349	0.02%	4,884	0.05%
General Aviation	54,599	0.44%	78,561	0.65%	81,714	0.72%	71,832	0.66%
Military	10	0.00%	538	0.00%	57	0.00%	29	0.00%
TOTAL DOMESTIC	8,204,499	66.24%	8,035,646	66.83%	7,547,802	66.17%	7,216,514	65.99%
Transborder/International								
United	1,399,217	11.30%	1,353,368	11.26%	1,325,462	11.62%	1,304,012	11.92%
Lufthansa	220,563	1.78%	221,283	1.84%	222,010	1.95%	212,300	1.94%
Air France	173,978	1.41%	159,953	1.33%	164,513	1.44%	152,569	1.39%
British Airways	167,894	1.36%	173,618	1.44%	183,932	1.61%	192,065	1.76%
Emirates	142,983	1.15%	140,976	1.17%	125,065	1.10%	129,540	1.18%
TACA International	133,490	1.08%	129,419	1.08%	114,313	1.00%	106,961	0.98%
COPA	111,784	0.90%	107,002	0.89%	106,158	0.93%	94,416	0.86%
Ethiopian Airlines	106,158	0.86%	102,486	0.85%	98,174	0.86%	80,790	0.74%
Turkish Airlines	102,072	0.82%	99,256	0.83%	88,559	0.78%	95,575	0.87%
Qatar Amiri Air	99,956	0.81%	87,348	0.73%	93,697	0.82%	104,658	0.96%
KLM Royal Dutch	92,634	0.75%	93,722	0.78%	92,398	0.81%	85,625	0.78%
Korean Air	86,110	0.70%	82,946	0.69%	80,560	0.71%	79,897	0.73%
Icelandair	79,260	0.64%	74,679	0.62%	85,076	0.75%	68,387	0.63%
Aer Lingus	73,059	0.59%	68,763	0.57%	50,075	0.44%	37,386	0.34%
All Nippon	72,881	0.59%	72,850	0.61%	72,666	0.64%	70,419	0.64%
Ethad	72,658	0.59%	67,836	0.56%	70,127	0.61%	71,546	0.65%
Air China	71,218	0.58%	67,291	0.56%	61,218	0.54%	44,032	0.40%
South African	70,795	0.57%	72,046	0.60%	75,138	0.66%	74,745	0.68%
Virgin Atlantic	69,066	0.56%	70,304	0.58%	66,576	0.58%	65,807	0.60%
SAS	67,075	0.54%	66,294	0.55%	66,510	0.58%	66,538	0.61%
Saudi Arabian	62,730	0.51%	64,976	0.54%	60,668	0.53%	65,843	0.60%
Avianca	59,480	0.48%	43,186	0.36%	41,140	0.36%	36,643	0.34%
Austrian	59,424	0.47%	56,854	0.47%	54,215	0.48%	59,563	0.55%
Cathay Pacific	44,097	0.36%	14,633	0.12%	-	0.00%	-	0.00%
Brussels	39,367	0.32%	40,568	0.34%	35,798	0.31%	28,884	0.26%
Air India	37,671	0.30%	37,459	0.31%	17,359	0.15%	-	0.00%
Royal Air Maroc	33,909	0.27%	31,448	0.26%	26,428	0.23%	7,528	0.07%
Alitalia	29,187	0.24%	-	0.00%	-	0.00%	-	0.00%
Trans Aereos Portugueses (TAP)	25,506	0.21%	-	0.00%	-	0.00%	-	0.00%
Vuela Aviacion, S.A.	23,657	0.19%	8,410	0.07%	-	0.00%	-	0.00%
Aeroflot	19,727	0.16%	21,234	0.18%	19,931	0.17%	20,574	0.19%
Egyptair	14,805	0.12%	-	0.00%	-	0.00%	-	0.00%
Other ²	3,482	0.03%	38,578	0.32%	64,978	0.57%	53,092	0.50%
Regionals								
Mesa (United Express)	168,130	1.36%	150,261	1.25%	152,106	1.33%	194,773	1.78%
Porter	57,189	0.46%	56,070	0.47%	55,952	0.49%	52,405	0.48%
Air Georgian	31,721	0.26%	44,551	0.37%	43,509	0.38%	27,859	0.25%
Air Canada Jazz	20,131	0.16%	20,736	0.17%	7,783	0.07%	-	0.00%
Sky Regional Airline	15,693	0.13%	-	0.00%	-	0.00%	-	0.00%
Other ²	5,244	0.04%	38,287	0.32%	28,721	0.25%	28,746	0.26%
Charters	13,035	0.11%	8,025	0.07%	6,814	0.06%	6,163	0.06%
General Aviation	409	0.00%	1,070	0.01%	1,210	0.01%	1,335	0.01%
Military	205	0.00%	479	0.00%	466	0.01%	487	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	4,177,650	33.76%	3,988,265	33.17%	3,859,305	33.83%	3,721,163	34.01%
GRAND TOTAL	12,382,149	100.00%	12,023,911	100.00%	11,407,107	100.00%	10,937,677	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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2015		2014		2013		2012		2011		2010	
Passenger Enplanement	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
2,890,987	26.80%	2,866,519	26.65%	3,132,389	28.64%	3,112,021	27.67%	3,264,591	28.17%	3,430,680	29.04%
314,335	2.91%	277,699	2.58%	231,202	2.11%	271,077	2.41%	324,660	2.80%	317,266	2.69%
294,901	2.73%	353,899	3.29%	356,889	3.26%	388,322	3.46%	427,886	3.69%	464,266	3.93%
38,941	0.36%	-	0.00%	-	0.00%	-	0.00%	0	0.00%	0	0.00%
265,206	2.46%	269,534	2.51%	289,823	2.65%	308,414	2.74%	321,205	2.77%	374,282	3.17%
306,584	2.84%	159,044	1.48%	-	0.00%	-	0.00%	0	0.00%	0	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	0	0.00%	0	0.00%
415,733	3.85%	380,571	3.53%	417,097	3.82%	693,204	6.17%	928,777	8.02%	966,078	8.18%
1,249,649	11.58%	449,283	4.18%	445,756	4.08%	471,395	4.19%	440,505	3.80%	549,219	4.65%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	0	0.00%	0	0.00%
285,392	2.65%	266,623	2.48%	211,757	1.94%	100,300	0.89%	360	0.00%	46,013	0.39%
113,341	1.05%	45,716	0.42%	44,931	0.41%	40,353	0.36%	33,959	0.29%	31,284	0.26%
11,346	0.11%	7,621	0.07%	7,122	0.07%	-	0.00%	464	0.00%	1,132	0.01%
39,285	0.36%	43,532	0.40%	41,178	0.38%	-	0.00%	0	0.00%	0	0.00%
971	0.01%	73,950	0.69%	98,604	0.90%	81,255	0.72%	67,254	0.58%	33,166	0.28%
19,760	0.18%	244,988	2.28%	206,860	1.89%	4,933	0.04%	0	0.00%	0	0.00%
112,531	1.04%	916,552	8.52%	940,398	8.60%	1,000,835	8.90%	523,817	4.52%	277,075	2.35%
507	0.00%	16,512	0.15%	9,330	0.09%	1,185	0.01%	0	0.00%	0	0.00%
773,486	7.17%	733,542	6.81%	954,039	8.72%	1,371,578	12.19%	1,914,996	16.53%	2,063,683	13.26%
6,087	0.06%	6,869	0.06%	9,258	0.08%	10,201	0.09%	12,678	0.11%	10,681	0.09%
73,237	0.68%	76,012	0.71%	73,340	0.67%	73,610	0.65%	70,590	0.61%	72,164	0.61%
215	0.00%	29	0.00%	114	0.00%	121	0.00%	447	0.00%	133	0.00%
7,212,494	66.84%	7,188,495	66.81%	7,470,087	68.31%	7,928,804	70.49%	8,332,189	71.89%	8,637,122	68.91%
1,323,186	12.26%	1,372,404	12.76%	1,401,491	12.82%	1,372,383	12.20%	1,439,487	12.42%	1,451,292	12.28%
208,539	1.93%	199,170	1.85%	203,071	1.86%	186,521	1.66%	174,947	1.51%	176,179	1.49%
153,051	1.42%	158,830	1.48%	172,083	1.57%	173,360	1.54%	173,618	1.50%	161,910	1.37%
198,664	1.84%	193,323	1.80%	186,795	1.71%	192,722	1.71%	190,445	1.64%	173,211	1.47%
101,449	0.94%	97,732	0.91%	88,361	0.81%	23,829	0.21%	-	0.00%	-	0.00%
106,156	0.99%	124,034	1.15%	103,621	0.95%	99,160	0.88%	103,804	0.90%	98,844	0.84%
77,731	0.72%	71,150	0.66%	66,069	0.60%	41,608	0.37%	35,917	0.31%	31,200	0.26%
85,329	0.79%	88,607	0.82%	81,661	0.75%	74,103	0.66%	80,752	0.70%	56,373	0.48%
90,738	0.84%	90,259	0.84%	82,057	0.75%	74,594	0.66%	47,988	0.41%	5,370	0.05%
99,589	0.92%	95,529	0.89%	90,845	0.83%	99,028	0.88%	101,139	0.87%	103,078	0.87%
84,236	0.78%	82,057	0.76%	85,959	0.79%	89,613	0.80%	77,930	0.67%	74,878	0.63%
77,863	0.72%	78,109	0.73%	77,363	0.71%	83,288	0.74%	83,112	0.72%	78,117	0.66%
55,057	0.51%	39,379	0.37%	35,472	0.32%	30,028	0.27%	20,193	0.17%	-	0.00%
27,279	0.25%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
68,765	0.64%	64,128	0.60%	62,315	0.57%	65,839	0.59%	62,994	0.54%	66,573	0.56%
70,513	0.66%	76,432	0.71%	53,774	0.49%	-	0.00%	-	0.00%	-	0.00%
42,064	0.39%	22,240	0.21%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
65,021	0.60%	67,721	0.63%	74,339	0.68%	71,239	0.63%	78,859	0.68%	80,797	0.68%
65,159	0.60%	66,775	0.62%	69,543	0.64%	75,165	0.67%	75,256	0.65%	76,417	0.65%
64,359	0.60%	69,814	0.65%	68,163	0.62%	68,620	0.61%	65,797	0.57%	71,042	0.60%
69,839	0.65%	72,016	0.67%	61,076	0.56%	48,579	0.43%	35,634	0.31%	28,874	0.24%
36,936	0.34%	38,543	0.36%	37,327	0.34%	35,557	0.32%	24,383	0.21%	24,536	0.21%
75,971	0.71%	75,777	0.71%	64,764	0.59%	65,325	0.58%	60,793	0.53%	60,401	0.51%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
25,861	0.24%	34,072	0.32%	19,031	0.17%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	3,002	0.03%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
19,206	0.18%	21,515	0.20%	19,902	0.18%	10,390	0.09%	8,490	0.07%	8,838	0.07%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
39,382	0.37%	36,122	0.34%	32,525	0.30%	129,638	1.15%	63,284	0.55%	32,014	0.27%
142,721	1.32%	39,884	0.37%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
41,440	0.38%	38,152	0.35%	33,025	0.30%	24,985	0.22%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	10,623	0.09%	41,010	0.35%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
51,976	0.48%	147,821	1.37%	187,428	1.71%	175,234	1.56%	231,537	2.00%	262,931	2.23%
6,730	0.06%	5,325	0.05%	5,923	0.05%	7,011	0.06%	9,822	0.08%	10,348	0.09%
1,081	0.01%	1,361	0.01%	1,530	0.02%	2,009	0.02%	1,047	0.01%	377	0.00%
497	0.00%	258	0.00%	464	0.00%	186	0.00%	513	0.00%	444	0.00%
3,576,388	33.14%	3,568,539	33.19%	3,465,977	31.69%	3,320,014	29.51%	3,258,364	28.11%	3,178,056	26.88%
10,788,882	100.00%	10,757,034	100.00%	10,936,064	100.00%	11,248,818	100.00%	11,590,553	100.00%	11,815,178	95.79%

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-30 – MARKET SHARE BY PASSENGER ENPLANEMENTS – BOTH AIRPORTS

Airlines ¹	2019		2018		2017		2016	
	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
Domestic								
United	4,512,620	18.53%	4,289,718	18.06%	3,984,266	17.05%	3,679,162	16.19%
American	3,342,879	13.73%	3,263,237	13.74%	3,422,857	14.64%	3,592,576	15.81%
Southwest	2,019,828	8.30%	2,037,581	8.58%	2,026,807	8.67%	1,979,006	8.71%
Delta	1,734,133	7.12%	1,649,901	6.94%	1,665,142	7.12%	1,604,169	7.06%
JetBlue	912,991	3.75%	1,037,947	4.37%	1,069,515	4.58%	1,113,719	4.90%
Alaska	507,593	2.08%	457,948	1.93%	265,858	1.14%	267,591	1.18%
Frontier	301,571	1.24%	336,516	1.42%	315,937	1.35%	265,595	1.17%
Other ²	18,117	0.07%	67,122	0.29%	355,773	1.52%	397,874	1.75%
Regionals								
Mesa (United Express)	1,512,523	6.21%	1,457,234	6.13%	1,590,043	6.80%	1,504,586	6.62%
PSA	1,464,594	6.02%	1,133,570	4.77%	1,119,484	4.79%	926,813	4.08%
Republic (Delta)	248,278	1.02%	223,361	0.94%	187,809	0.80%	-	0.00%
Republic (American Eagle)	1,394,787	5.73%	1,407,295	5.93%	1,161,052	4.97%	825,096	3.64%
Air Wisconsin (United Express)	567,511	2.33%	476,060	2.00%	89,233	0.38%	-	0.00%
Commutair	413,824	1.70%	342,047	1.44%	383,100	1.64%	409,860	1.80%
Republic (United Express)	211,050	0.87%	177,682	0.75%	83,417	0.36%	102,305	0.45%
Endeavor (Delta Connection)	160,812	0.66%	174,731	0.74%	152,572	0.66%	147,828	0.65%
SkyWest (Delta Connection)	131,580	0.54%	43,434	0.18%	45,859	0.20%	22,925	0.10%
ExpressJet (United Express)	118,991	0.49%	128,912	0.54%	138,138	0.59%	126,996	0.56%
SkyWest (United Express)	108,753	0.45%	83,532	0.35%	136,448	0.59%	68,882	0.30%
GoJet (Delta Connection)	80,339	0.33%	130,234	0.55%	129,078	0.55%	-	0.00%
Envoy Air (American Eagle)	78,082	0.32%	70,749	1.70%	31,794	0.14%	1,379	0.01%
Piedmont	63,437	0.26%	-	0.00%	6,090	0.03%	15,037	0.07%
Other ²	-	0.00%	490,342	2.06%	866,881	3.72%	1,688,703	7.43%
Chartered	11,406	0.05%	3,673	0.02%	2,349	0.01%	4,884	0.02%
General Aviation	65,796	0.27%	90,465	0.38%	96,287	0.41%	81,663	0.36%
Military	4,954	0.02%	5,728	0.02%	5,438	0.02%	3,546	0.02%
TOTAL DOMESTIC	19,986,449	82.09%	19,579,019	83.83%	19,331,227	82.72%	18,830,195	82.88%
Transborder / International								
United	1,399,217	5.75%	1,353,368	5.70%	1,325,462	5.67%	1,304,012	5.74%
Lufthansa	220,563	0.91%	221,283	0.93%	222,010	0.95%	212,300	0.93%
Air France	173,978	0.71%	159,953	0.67%	164,513	0.70%	152,569	0.67%
British Airways	167,894	0.69%	173,618	0.73%	183,932	0.79%	192,065	0.85%
Emirates	142,983	0.59%	140,976	0.59%	125,065	0.54%	129,540	0.57%
TACA International	133,490	0.55%	129,419	0.54%	114,313	0.49%	106,961	0.47%
COPA	111,784	0.46%	107,002	0.45%	106,158	0.45%	94,416	0.42%
Ethiopian Airlines	106,158	0.44%	102,486	0.43%	98,174	0.42%	80,790	0.36%
Turkish Airlines	102,072	0.42%	99,256	0.42%	88,559	0.38%	95,575	0.42%
Qatar Amiri Air	99,956	0.41%	87,348	0.37%	93,697	0.40%	104,658	0.46%
KLM Royal Dutch	92,634	0.38%	93,722	0.39%	92,398	0.40%	85,625	0.38%
Korean Air	86,110	0.35%	82,946	0.35%	80,560	0.34%	79,897	0.35%
Icelandair	79,260	0.33%	74,679	0.31%	85,076	0.36%	68,387	0.30%
Aer Lingus	73,059	0.30%	68,763	0.29%	50,075	0.21%	37,386	0.16%
All Nippon	72,881	0.30%	72,850	0.31%	72,666	0.31%	70,419	0.31%
Etihad	72,658	0.30%	67,836	0.29%	70,127	0.30%	71,546	0.31%
Air China	71,218	0.29%	67,291	0.28%	61,218	0.26%	44,032	0.20%
South African	70,795	0.29%	72,046	0.30%	75,138	0.32%	74,745	0.33%
Virgin Atlantic	69,066	0.28%	70,304	0.30%	66,576	0.29%	65,807	0.29%
SAS	67,075	0.28%	66,294	0.28%	66,510	0.28%	66,538	0.29%
Saudi Arabian	62,730	0.26%	64,976	0.27%	60,668	0.26%	65,843	0.29%
Austrian	59,424	0.24%	56,854	0.24%	54,215	0.23%	59,563	0.26%
Other ²	343,315	1.40%	246,715	1.04%	215,690	0.93%	156,401	0.69%
Regionals								
Mesa (United Express)	168,130	0.69%	150,261	0.63%	152,106	0.65%	194,773	0.86%
Sky Regional (Air Canada)	101,762	0.42%	86,437	0.37%	84,544	0.36%	81,921	0.36%
Air Canada Jazz	69,539	0.29%	70,454	0.30%	66,120	0.28%	47,387	0.21%
Porter	57,189	0.23%	56,070	0.24%	55,952	0.24%	52,405	0.23%
Other ²	72,292	0.30%	119,060	0.50%	102,222	0.44%	84,546	0.37%
Chartered	13,035	0.05%	8,025	0.04%	6,814	0.03%	6,163	0.03%
General Aviation	409	0.00%	1,070	0.01%	1,210	0.01%	1,335	0.01%
Military	205	0.00%	479	0.00%	466	0.00%	487	0.00%
TOTAL TRANSBORDER INTERNATIONAL	4,360,881	17.91%	4,171,841	17.57%	4,042,234	17.29%	3,888,092	17.12%
GRAND TOTAL	24,347,330	100.00%	23,750,860	101.40%	23,373,461	100.01%	22,718,287	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

Washington Dulles International and Regan National Airports

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2015		2014		2013		2012		2011		2010	
Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
3,456,735	15.50%	3,487,538	16.43%	3,809,040	18.02%	3,598,481	17.10%	3,732,657	17.81%	3,962,974	19.00%
1,729,310	7.76%	1,680,418	7.91%	1,579,632	7.47%	1,527,496	7.26%	1,622,665	7.74%	1,653,033	7.94%
1,791,961	8.04%	872,068	4.11%	453,282	2.15%	350,451	1.66%	321,205	1.53%	374,282	1.79%
1,541,933	6.91%	1,495,787	7.04%	1,392,665	6.59%	1,540,634	7.32%	1,575,753	7.52%	1,570,687	7.53%
1,092,213	4.90%	881,317	4.15%	837,036	3.96%	768,708	3.65%	735,921	3.51%	613,142	2.94%
255,667	1.15%	211,710	1.00%	205,297	0.97%	171,582	0.82%	155,454	0.74%	149,368	0.72%
471,933	2.12%	318,728	1.50%	190,024	0.90%	323,292	1.54%	357,605	1.71%	204,339	0.98%
2,406,131	10.79%	2,363,129	11.12%	2,671,636	12.63%	3,101,736	14.71%	3,115,238	14.86%	3,028,295	14.52%
1,267,079	5.68%	489,167	2.30%	445,756	2.11%	471,395	2.24%	440,505	2.10%	549,219	2.63%
444,245	1.99%	313,009	1.47%	449,137	2.13%	331,954	1.57%	237,793	1.13%	246,684	1.18%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
175,368	0.79%	50,020	0.24%	3,675	0.02%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
285,392	1.28%	266,623	1.26%	211,757	1.00%	100,300	0.48%	360	0.00%	46,013	0.22%
58,425	0.26%	283,730	1.34%	237,306	1.12%	4,933	0.02%	-	0.00%	-	0.00%
174,865	0.78%	188,153	0.89%	106,343	0.50%	-	0.00%	-	0.00%	-	0.00%
11,391	0.05%	7,670	0.04%	7,122	0.03%	33	0.00%	464	0.00%	1,132	0.01%
219,272	0.98%	1,013,765	4.78%	999,400	4.73%	1,078,206	5.12%	523,817	2.50%	277,075	1.33%
108,086	0.48%	127,493	0.60%	102,959	0.49%	87,105	0.41%	67,254	0.32%	33,166	0.16%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
28,401	0.13%	102,619	0.48%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
21,342	0.10%	39,852	0.19%	50,815	0.24%	34,951	0.17%	12,784	0.06%	15,714	0.08%
2,891,319	12.96%	3,211,305	15.14%	3,628,169	17.14%	3,960,420	18.79%	4,585,624	21.88%	4,488,117	21.50%
6,232	0.03%	6,869	0.03%	9,258	0.04%	10,201	0.05%	12,801	0.06%	10,900	0.05%
83,598	0.37%	85,567	0.40%	80,926	0.38%	80,303	0.38%	75,825	0.36%	75,226	0.36%
3,671	0.02%	3,601	0.02%	3,863	0.02%	6,038	0.03%	5,610	0.03%	3,582	0.02%
18,524,569	83.07%	17,500,138	82.44%	17,475,098	82.64%	17,548,219	83.37%	17,579,335	83.86%	17,534,837	82.96%
1,323,186	5.93%	1,372,404	6.46%	1,401,491	6.63%	1,372,383	6.52%	1,439,487	6.87%	1,451,292	6.96%
208,539	0.94%	199,170	0.94%	203,071	0.96%	186,521	0.89%	174,947	0.82%	176,179	0.84%
153,051	0.69%	158,830	0.75%	172,083	0.81%	173,360	0.82%	173,618	0.83%	161,910	0.78%
198,664	0.89%	193,323	0.91%	186,795	0.88%	192,722	0.92%	190,445	0.91%	173,211	0.83%
101,449	0.45%	97,732	0.46%	88,361	0.42%	23,829	0.11%	-	0.00%	-	0.00%
106,156	0.48%	124,034	0.58%	103,621	0.49%	99,160	0.47%	103,804	0.50%	98,844	0.47%
77,731	0.35%	71,150	0.34%	66,069	0.31%	41,608	0.20%	35,917	0.17%	31,200	0.15%
85,329	0.38%	88,607	0.42%	81,661	0.39%	74,103	0.35%	80,752	0.39%	56,373	0.27%
90,738	0.41%	90,259	0.42%	82,057	0.39%	74,594	0.35%	47,988	0.23%	5,370	0.03%
99,589	0.45%	95,529	0.45%	90,845	0.43%	99,028	0.47%	101,139	0.48%	103,078	0.49%
84,236	0.38%	82,057	0.38%	85,959	0.41%	89,613	0.43%	77,930	0.37%	74,878	0.36%
77,863	0.35%	78,109	0.37%	77,363	0.37%	83,288	0.40%	83,112	0.40%	78,117	0.38%
55,057	0.25%	39,379	0.19%	35,472	0.17%	30,028	0.14%	20,193	0.10%	-	0.00%
27,279	0.12%	-	0.00%	-	0.00%	49,023	0.23%	60,364	0.29%	54,628	0.26%
68,765	0.31%	64,128	0.30%	62,315	0.29%	65,839	0.31%	62,994	0.30%	66,573	0.32%
70,513	0.32%	76,432	0.36%	53,774	0.25%	-	0.00%	-	0.00%	-	0.00%
42,064	0.19%	22,240	0.10%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
65,021	0.29%	67,721	0.32%	74,339	0.35%	71,239	0.34%	78,859	0.38%	80,797	0.39%
65,159	0.29%	66,775	0.31%	69,543	0.33%	75,165	0.36%	75,256	0.36%	76,417	0.37%
64,359	0.29%	69,814	0.33%	68,163	0.32%	68,620	0.33%	65,797	0.31%	71,042	0.34%
69,839	0.31%	72,016	0.34%	61,076	0.29%	48,579	0.23%	35,634	0.17%	28,874	0.14%
75,971	0.34%	75,777	0.36%	64,764	0.31%	65,325	0.31%	60,793	0.29%	60,401	0.29%
144,525	0.65%	159,119	0.75%	150,527	0.71%	200,555	0.95%	169,656	0.82%	191,481	0.92%
142,721	0.64%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
82,735	0.37%	77,706	0.37%	44,481	0.21%	-	0.00%	-	0.00%	-	0.00%
47,188	0.21%	41,755	0.20%	38,501	0.18%	45,577	0.22%	57,189	0.26%	86,522	0.41%
41,440	0.19%	38,152	0.18%	33,025	0.16%	24,985	0.12%	-	0.00%	-	0.00%
96,632	0.43%	199,214	0.93%	266,724	1.26%	237,014	1.12%	177,172	0.84%	184,040	0.88%
6,730	0.03%	5,325	0.03%	5,923	0.03%	7,011	0.03%	9,822	0.05%	10,348	0.05%
1,081	0.00%	1,361	0.01%	1,530	0.01%	2,009	0.01%	1,047	0.00%	377	0.00%
497	0.00%	258	0.00%	464	0.00%	186	0.00%	513	0.00%	444	0.00%
3,774,107	16.93%	3,728,376	17.56%	3,669,997	17.36%	3,501,364	16.63%	3,384,428	16.14%	3,322,396	15.93%
22,298,676	100.00%	21,228,514	100.00%	21,145,095	100.00%	21,049,583	100.00%	20,963,763	100.00%	20,857,233	98.89%

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-31 – MARKET SHARE BY ENPLANED CARGO WEIGHT – REAGAN NATIONAL

(Expressed in Pounds)

Airlines ¹	2019		2018		2017		2016	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic								
American	782,779	34.70%	957,177	34.51%	2,441,247	60.57%	1,112,583	43.13%
Southwest	427,809	18.90%	462,864	16.69%	372,865	9.25%	344,327	13.35%
Delta	187,140	8.30%	285,714	10.30%	299,941	7.44%	369,456	14.32%
Alaska	112,857	5.00%	213,174	7.68%	91,464	2.27%	46,045	1.79%
United	13,596	0.60%	119,407	4.31%	92,568	2.30%	128,209	4.97%
Other ²	-	0.00%	1,199	0.04%	79,058	1.96%	64,803	2.51%
Regional								
PSA	663,072	29.40%	606,335	21.85%	450,078	11.17%	282,662	10.96%
Piedmont	37,624	1.60%	-	0.00%	1,655	0.04%	1,545	0.06%
American Eagle	33,053	1.49%	-	0.00%	19,263	0.48%	109	0.00%
Envoy Air (American Eagle)	729	0.01%	164	0.01%	1,167	0.03%	0	0.00%
Other ²	-	0.00%	127,977	4.61%	180,980	4.49%	229,181	8.88%
TOTAL DOMESTIC	2,258,659	100.00%	2,774,011	100.00%	4,030,286	100.00%	2,578,920	99.97%
Transborder/International								
Air Carrier	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Regional	-	0.00%	-	0.00%	-	0.00%	655	0.03%
TOTAL TRANSBORDER/INTERNATIONAL	-	0.00%	-	0.00%	-	0.00%	655	0.03%
GRAND TOTAL	2,258,659	100.00%	2,774,011	100.00%	4,030,286	100.00%	2,579,575	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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2015		2014		2013		2012		2011		2010	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
1,224,376	30.00%	741,760	24.80%	613,811	24.68%	987,384	24.47%	1,115,895	30.74%	347,170	9.83%
209,111	5.12%	57,682	1.93%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
445,186	10.92%	340,027	11.36%	360,095	14.48%	429,637	10.64%	344,901	9.51%	286,798	8.11%
33,986	0.83%	36,729	1.23%	79,491	3.20%	47,177	1.17%	50,987	1.41%	113,101	3.20%
150,478	3.69%	93,875	3.13%	78,564	3.16%	3,468	0.09%	10,406	0.29%	18,691	0.53%
1,598,468	39.17%	1,316,120	44.01%	910,455	36.61%	2,347,520	58.19%	1,847,085	50.87%	2,600,686	73.62%
196,229	4.81%	196,549	6.57%	272,804	10.97%	96,824	2.40%	135,206	3.72%	82,369	2.33%
2,071	0.05%	7,492	0.25%	3,442	0.14%	1,543	0.04%	139	0.00%	348	0.01%
-	0.00%	1,773	0.06%	6,005	0.24%	7,862	0.19%	-	0.00%	-	0.00%
2,947	0.07%	1,766	0.06%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
209,924	5.14%	196,073	6.56%	159,049	6.40%	112,647	2.79%	125,619	3.46%	83,036	2.35%
4,072,776	99.80%	2,989,846	99.96%	2,483,716	99.88%	4,034,062	99.98%	3,630,238	100.00%	3,532,199	99.98%
6,567	0.16%	-	0.00%	240	0.01%	25	0.01%	66	0.00%	592	0.02%
1,668	0.04%	1,117	0.04%	2,651	0.11%	601	0.01%	-	0.00%	-	0.00%
8,235	0.20%	1,117	0.04%	2,891	0.12%	626	0.02%	66	0.00%	592	0.02%
4,081,011	100.00%	2,990,963	100.00%	2,486,607	100.00%	4,034,688	100.00%	3,630,304	100.00%	3,532,791	100.00%

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-32 – MARKET SHARE BY ENPLANED CARGO WEIGHT – DULLES INTERNATIONAL

(Expressed in Pounds)

Airlines ¹	2019		2018		2017		2016	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic								
Federal Express	70,956,254	30.30%	71,217,399	27.56%	68,954,953	27.13%	68,205,408	28.93%
United	17,858,903	7.60%	20,394,285	7.89%	21,320,229	8.39%	19,714,724	8.36%
United Parcel Service	12,162,037	5.20%	10,971,811	4.25%	15,214,182	5.99%	15,163,816	6.43%
Delta	1,083,060	0.50%	1,131,348	0.44%	968,645	0.38%	877,693	0.37%
American	457,833	0.20%	533,213	0.21%	593,679	0.23%	414,267	0.18%
Southwest	387,219	0.20%	345,923	0.13%	346,852	0.14%	283,598	0.12%
Alaska Airlines	180,282	0.10%	60,863	0.02%	15,203	0.01%	14,409	0.01%
Other ²	286	0.00%	-	0.00%	89,676	0.03%	-	0.00%
Regionals								
PSA	47,352	0.00%	25,792	0.01%	2,585	0.00%	353,298	0.15%
Other ²	-	0.00%	1,413	0.00%	-	0.00%	-	0.00%
Air Carrier -- Chartered								
Kalitta Air	752,401	0.30%	-	0.00%	122,898	0.05%	218,161	0.09%
Other ²	-	0.00%	25,618	0.01%	90,229	0.03%	261,294	0.11%
Military								
	-	0.00%	210,388	0.08%	13,086	0.01%	-	0.00%
TOTAL DOMESTIC	103,885,627	44.40%	104,918,053	40.60%	107,732,217	42.39%	105,506,668	44.75%
Transborder/International								
United	40,558,515	17.30%	47,190,189	18.26%	44,897,698	17.67%	38,195,727	16.20%
Lufthansa	11,114,647	4.80%	13,563,443	5.25%	12,156,964	4.78%	12,353,226	5.24%
All Nippon	9,362,035	4.00%	10,915,753	4.22%	11,798,469	4.64%	11,090,517	4.70%
Qatar Airways	8,202,083	3.50%	9,601,023	3.72%	12,156,157	4.78%	9,847,619	4.18%
Air France	6,161,567	2.60%	6,110,026	2.36%	5,680,633	2.24%	3,538,026	1.50%
British Airways	5,888,452	2.50%	9,309,908	3.60%	7,670,321	3.02%	7,131,781	3.02%
Etihad	5,462,384	2.30%	5,341,356	2.07%	5,038,308	1.98%	4,345,426	1.84%
Korean Air	5,328,467	2.30%	6,941,540	2.69%	6,990,362	2.75%	4,752,249	2.02%
Saudi Arabian	4,654,185	2.00%	4,077,051	1.58%	4,055,123	1.60%	3,708,011	1.57%
KLM Royal Dutch	3,862,910	1.70%	4,057,257	1.57%	2,267,992	0.89%	3,428,298	1.45%
South African	3,575,456	1.50%	3,595,628	1.39%	3,748,331	1.48%	3,361,334	1.43%
Turkish Airlines	3,124,478	1.30%	2,959,898	1.15%	3,253,327	1.28%	3,246,615	1.38%
Air China	2,872,846	1.20%	3,687,713	1.43%	2,498,270	0.98%	1,272,747	0.54%
SAS	2,764,837	1.20%	3,687,870	1.43%	4,734,514	1.86%	4,301,157	1.82%
Virgin Atlantic	2,340,042	1.00%	5,051,421	1.95%	6,034,147	2.38%	6,281,859	2.67%
Brussels	2,316,646	1.00%	569,339	0.22%	805,400	0.32%	738,374	0.31%
Emirates	2,236,099	1.00%	3,640,692	1.41%	4,072,154	1.60%	6,408,122	2.72%
Ethiopian Airlines	1,838,505	0.80%	4,229,923	1.64%	1,818,176	0.72%	1,477,215	0.63%
Austrian	1,675,892	0.70%	2,343,269	0.91%	1,791,073	0.70%	1,894,490	0.80%
United Parcel Service	873,594	0.40%	1,135,810	0.44%	866,737	0.34%	839,831	0.36%
Royal Air Maroc	844,305	0.40%	998,703	0.39%	527,576	0.21%	-	0.00%
Federal Express	803,249	0.30%	917,816	0.34%	1,007,658	0.40%	418,957	0.18%
Egyptair	712,735	0.30%	-	0.00%	-	0.00%	-	0.00%
Air India	625,426	0.30%	700,254	0.27%	149,053	0.06%	-	0.00%
Aer Lingus	591,894	0.30%	1,383,218	0.53%	15,132	0.01%	24,265	0.01%
Trans. Aereos Portugueses (TAP)	501,100	0.20%	-	0.00%	-	0.00%	-	0.00%
Cathay Pacific	335,710	0.10%	17,168	0.01%	-	0.00%	-	0.00%
Avianca	146,018	0.10%	13,690	0.01%	9,225	0.00%	22,140	0.01%
TACA International	117,078	0.10%	83,480	0.03%	163,095	0.06%	118,376	0.05%
Alitalia	102,009	0.10%	-	0.00%	-	0.00%	-	0.00%
COPA	89,121	0.00%	119,605	0.05%	215,413	0.08%	129,936	0.06%
Icelandair	32,598	0.00%	26,427	0.01%	31,704	0.01%	33,817	0.01%
Aeroflot	10,557	0.00%	4,754	0.00%	-	0.00%	3,724	0.00%
Other ²	-	0.00%	104,812	0.04%	789,094	0.31%	392,515	0.17%
All Cargo Charters								
Kalitta Air	518,389	0.20%	540,778	0.21%	251,121	0.10%	101,364	0.04%
Antonov	100,000	0.00%	77,315	0.03%	-	0.00%	-	0.00%
Egyptair	74,236	0.00%	-	0.00%	-	0.00%	-	0.00%
Volga-Dnepr	20,000	0.00%	-	0.00%	-	0.00%	-	0.00%
Other ²	-	0.00%	254,458	0.10%	11,532	0.01%	164,734	0.07%
Military								
	171,757	0.10%	220,302	0.09%	881,225	0.35%	644,487	0.27%
TOTAL TRANSBORDER/INTERNATIONAL	130,009,822	55.60%	153,471,889	59.40%	146,385,984	57.61%	130,266,939	55.25%
GRAND TOTAL	233,895,449	100.00%	258,389,942	100.00%	254,118,201	100.00%	235,773,607	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

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

2015		2014		2013		2012		2011		2010	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
70,422,839	28.42%	72,447,956	28.27%	73,530,300	30.84%	73,713,462	28.54%	74,823,743	24.94%	76,889,656	23.12%
22,698,194	9.16%	16,255,607	6.34%	16,431,907	6.89%	27,840,466	10.78%	34,373,835	11.46%	45,511,042	13.68%
15,077,236	6.09%	14,099,929	5.50%	11,766,223	4.94%	14,242,032	5.51%	12,291,618	4.10%	10,519,509	3.17%
849,347	0.34%	387,046	0.15%	498,208	0.20%	482,352	0.19%	556,270	0.19%	539,498	0.16%
402,774	0.16%	428,054	0.17%	637,883	0.27%	686,611	0.27%	793,807	0.26%	1,091,210	0.33%
270,115	0.11%	250,770	0.10%	402,705	0.17%	417,056	0.16%	423,510	0.14%	316,218	0.10%
6,354	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
1,626	0.00%	2,884	0.00%	67,202	0.03%	389,379	0.15%	2,096,235	0.70%	3,296,105	0.99%
74,749	0.03%	29,492	0.01%	36,011	0.02%	43,336	0.02%	27,339	0.01%	47,596	0.01%
-	0.00%	586	0.00%	2,020	0.00%	5,886	0.00%	7,979	0.00%	11,887	0.00%
-	0.00%	-	0.00%	100,797	0.04%	-	0.00%	-	0.00%	-	0.00%
23,634	0.01%	170,716	0.07%	497,615	0.21%	427,670	0.16%	106,560	0.04%	121,943	0.04%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	4,914	0.00%	-	0.00%
109,826,868	44.32%	104,073,040	40.61%	103,970,871	43.61%	118,065,390	45.71%	125,505,810	41.84%	138,345,445	41.60%
42,725,437	17.24%	46,312,782	18.07%	39,792,569	16.69%	54,935,397	21.27%	82,974,260	27.66%	99,578,299	29.94%
10,395,682	4.20%	9,170,198	3.58%	9,340,958	3.92%	10,004,312	3.87%	8,568,118	2.86%	10,568,050	3.18%
10,506,051	4.24%	10,681,518	4.17%	9,298,822	3.90%	9,405,747	3.64%	9,915,876	3.31%	8,964,621	2.70%
10,110,588	4.08%	12,337,711	4.80%	11,323,975	4.75%	11,776,045	4.56%	12,548,060	4.20%	13,088,631	3.90%
2,687,616	1.08%	2,974,938	1.16%	3,168,263	1.33%	4,945,166	1.91%	10,212,850	3.40%	11,019,582	3.31%
7,100,962	2.87%	11,437,529	4.46%	11,043,749	4.63%	11,882,801	4.60%	12,424,127	4.14%	13,277,122	3.99%
6,056,897	2.44%	6,942,708	2.71%	5,177,633	2.17%	-	0.00%	-	0.00%	-	0.00%
4,776,097	1.93%	2,875,631	1.12%	2,361,651	0.99%	2,013,681	0.78%	1,037,363	0.35%	681,332	0.20%
5,260,345	2.12%	5,565,253	2.17%	4,529,444	1.90%	3,170,035	1.23%	906,596	0.30%	1,423,270	0.43%
3,339,690	1.35%	5,211,000	2.03%	3,789,649	1.59%	3,794,531	1.47%	4,721,047	1.57%	3,388,973	1.02%
3,506,214	1.42%	4,877,420	1.90%	5,693,550	2.39%	6,395,193	2.48%	6,367,193	2.12%	6,655,220	2.00%
3,637,634	1.47%	4,545,279	1.77%	3,526,170	1.48%	2,945,046	1.14%	1,095,562	0.37%	6,036	0.00%
2,171,700	0.88%	1,745,056	0.68%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3,505,860	1.41%	3,480,356	1.36%	3,087,444	1.30%	3,612,476	1.40%	5,458,393	1.82%	7,756,339	2.33%
5,916,764	2.39%	5,724,746	2.23%	6,344,117	2.66%	6,523,720	2.53%	7,601,676	2.53%	8,028,698	2.41%
1,639,086	0.66%	1,808,041	0.71%	836,244	0.35%	-	0.00%	-	0.00%	-	0.00%
6,888,972	2.78%	10,480,296	4.09%	8,872,668	3.72%	1,580,157	0.61%	-	0.00%	-	0.00%
1,568,294	0.63%	1,437,085	0.56%	842,637	0.35%	970,498	0.38%	964,461	0.32%	763,721	0.23%
2,473,462	1.00%	2,849,635	1.11%	2,460,646	1.03%	2,728,674	1.06%	4,210,682	1.40%	5,083,851	1.53%
643,206	0.26%	354,267	0.14%	17,255	0.01%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	45,298	0.01%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
592,755	0.24%	-	0.00%	-	0.00%	914,466	0.35%	3,242,232	1.07%	2,253,950	0.73%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
38,599	0.02%	83,401	0.03%	26,663	0.01%	8,537	0.00%	943	0.00%	3,346	0.00%
220,649	0.09%	118,846	0.05%	169,785	0.07%	235,572	0.09%	391,626	0.13%	387,763	0.12%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
229,256	0.09%	329,706	0.13%	330,540	0.14%	46,626	0.02%	67,203	0.02%	44,164	0.01%
50,972	0.02%	39,063	0.02%	24,881	0.01%	12,059	0.00%	12,399	0.00%	-	0.00%
20,752	0.01%	46,948	0.02%	46,005	0.02%	80,482	0.03%	26,752	0.01%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	5,461	0.00%	-	0.00%	156,049	0.05%
510,739	0.21%	176,819	0.07%	-	0.00%	243,033	0.09%	126,706	0.04%	-	0.00%
-	0.00%	-	0.00%	283,514	0.12%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	78,000	0.03%	421,672	0.18%	91,424	0.04%	-	0.00%	-	0.00%
300,733	0.12%	16,707	0.01%	582,584	0.25%	937,226	0.36%	788,240	0.27%	14,698	0.00%
1,068,086	0.43%	526,543	0.21%	1,027,722	0.43%	969,170	0.38%	802,239	0.27%	1,031,532	0.31%
137,943,098	55.68%	152,227,482	59.39%	134,420,810	56.39%	140,227,535	54.29%	174,464,604	58.16%	194,220,545	58.40%
247,769,966	100.00%	256,300,522	100.00%	238,391,681	100.00%	258,292,925	100.00%	299,970,414	100.00%	332,565,990	100.00%

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-33 – PASSENGER FACILITY CHARGES BY AIRPORT

Reagan National

Airlines ¹	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
American Airlines ⁴	\$ 23,738,211	\$ 23,220,092	\$ 23,835,526	\$ 23,720,880	\$ 12,620,573	\$ 6,607,691	\$ 5,294,318	\$ 5,226,296	\$ 5,215,581	\$ 5,558,325
US Airways	-	-	-	-	10,971,171	16,699,046	18,492,628	16,878,970	14,199,404	14,582,062
Southwest Airlines	6,706,192	6,645,493	6,623,054	6,732,944	6,128,934	3,212,031	1,942,504	184,328	-	-
Delta Airlines	6,737,010	6,537,352	6,557,470	6,265,275	6,068,136	5,906,588	5,478,172	6,344,119	7,567,947	7,079,513
JetBlue Airways	3,761,273	3,769,776	3,730,716	4,040,767	4,036,800	3,029,943	2,567,433	1,931,568	1,062,230	206,786
United Airlines	3,720,850	3,837,461	3,789,541	3,997,233	3,900,631	3,735,844	3,819,294	3,699,333	2,527,462	2,557,228
Alaska Airlines	1,054,127	1,127,028	980,832	812,374	807,208	743,296	686,373	607,491	547,900	480,340
Frontier Airlines	711,503	700,402	728,968	757,596	713,263	711,404	1,040,644	1,404,603	1,579,634	809,107
Air Canada	502,673	504,392	492,057	466,802	464,959	477,086	445,550	423,968	365,562	345,315
Virgin America ⁵	-	55,556	483,921	563,436	-	-	164,828	51,681	-	-
MN Airlines ⁶	1,782	28,232	137,192	251,854	251,121	232,969	179,845	155,292	124,509	-
AirTran Airlines	-	-	-	-	-	-	78,338	1,650,696	1,638,033	1,632,888
Spirit Airlines	-	-	-	-	-	-	(803)	428,264	641,203	553,306
Continental Airlines	-	-	-	-	-	-	-	260,462	1,270,792	1,622,627
Midwest Airlines	-	-	-	-	-	-	-	-	-	551,920
Northwest Airlines	-	-	-	-	-	-	-	-	-	59,807
Other Airlines ²	318,983	225,825	198,780	182,536	700,510	400,249	118,143	121,122	149,341	202,841
Adjustments ³	394,122	4,884	(87,173)	(118,077)	222,203	213,285	190,319	255,702	104,376	(87,424)
TOTAL	\$ 47,646,726	\$ 46,656,493	\$ 47,470,884	\$ 47,673,620	\$ 46,885,509	\$ 41,969,433	\$ 40,497,586	\$ 39,623,895	\$ 36,993,974	\$ 36,154,641

Dulles International

Airlines ¹	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
United Airlines	\$ 30,201,665	\$ 28,257,091	\$ 26,112,104	\$ 25,657,007	\$ 24,298,549	\$ 24,402,180	\$ 24,604,350	\$ 24,700,284	\$ 21,972,484	\$ 24,381,322
Delta Airlines	2,734,596	2,495,990	2,476,885	2,308,384	2,180,717	2,040,765	2,153,258	2,439,923	2,304,143	2,450,430
American Airlines ⁴	1,685,295	2,169,075	2,176,073	2,180,496	1,600,336	1,559,167	1,481,683	1,593,514	1,642,789	1,720,637
Southwest Airlines	812,784	1,124,753	1,106,199	1,010,730	1,042,577	1,035,401	1,104,271	1,199,309	1,239,318	1,482,116
Lufthansa German Airline	1,123,402	1,133,216	1,081,832	999,892	1,199,891	1,229,411	1,236,194	1,201,882	1,124,200	1,139,039
Virgin America ⁵	-	105,539	568,717	778,362	768,290	770,746	812,956	963,648	1,041,615	989,353
British Airways	543,267	605,541	647,100	643,337	699,176	699,874	713,751	700,319	724,845	742,379
JetBlue Airways	2,968	589,373	554,657	616,995	593,514	736,431	908,827	1,305,838	2,089,605	2,525,215
Emirates Airlines	605,661	602,242	551,037	547,828	445,976	419,587	373,409	104,192	20,907	17,064
Air France	532,557	520,667	514,276	483,104	484,801	525,386	503,992	500,175	599,476	585,248
Qatar Amiri Air	404,560	385,223	375,367	445,515	422,897	441,928	395,144	184,973	150,770	252,403
Frontier Airlines	586,486	783,679	629,083	417,707	1,392,663	790,824	-	-	-	-
Turkish Airlines	453,393	446,762	426,226	430,192	399,715	358,358	392,329	354,787	260,776	40,923
C.O.P.A. Airlines	409,307	548,539	497,693	412,996	339,602	277,810	261,791	176,825	145,920	118,640
South African Airways	328,253	329,873	299,036	359,629	315,632	305,219	346,621	340,190	409,934	648,930
Scandinavian Airlines	495,902	445,218	427,966	358,033	366,365	376,385	362,772	323,696	344,725	236,732
Scandinavian Airlines	350,073	295,355	285,625	317,303	313,229	337,647	341,059	316,627	316,801	315,402
Korean Air Lines	293,946	306,909	306,046	316,583	301,440	314,216	309,673	324,763	327,978	354,164
Air Canada	450,586	422,389	348,560	299,252	247,670	257,116	284,267	288,612	273,518	326,640
Icelandair	333,833	288,357	374,919	298,375	240,410	172,804	141,165	129,839	90,368	-
All Nippon Airways	329,019	307,633	319,303	289,635	265,869	265,740	270,708	286,997	252,669	280,246
Porter Airlines	249,883	247,517	246,894	233,763	187,254	160,581	82,694	108,854	-	-
Virgin Atlantic Airways	210,199	239,718	208,921	225,259	220,445	238,967	290,313	301,247	269,760	295,854
Alaska Airlines	946,840	820,566	367,319	189,726	149,224	9,906	13,568	11,998	11,284	30,905
Air China	308,064	296,500	262,557	188,687	164,577	79,696	-	-	-	-
Austrian Airlines	149,463	166,259	122,341	168,377	253,094	256,538	230,402	257,879	251,019	268,722
KLM Royal Dutch Airlines	271,919	191,289	176,764	165,505	164,723	176,034	175,920	191,619	172,065	159,763
Taca International Airlines	224,648	188,343	168,480	157,350	169,694	205,893	452,372	428,416	449,430	436,273
Saudi Arabian Airlines	72,782	79,599	76,750	86,373	113,393	106,036	125,313	84,628	67,387	54,985
Royal Air Maroc	144,541	152,135	130,010	-	-	-	-	-	-	-
Air India	115,404	156,670	44,396	-	-	-	-	-	-	-
Aer Lingus	336,375	303,274	246,398	-	-	-	-	-	-	-
Avianca	546,642	480,730	-	-	-	-	-	-	-	-
US Airways	-	-	-	-	603,218	843,164	1,078,679	1,104,201	1,093,620	1,300,499
Continental Airlines	-	-	-	-	-	-	-	962,291	3,098,744	1,260,003
AirTran Airlines	-	-	-	-	-	-	-	133,723	413,359	530,408
Northwest Airlines	-	-	-	-	-	-	-	-	-	31,630
Other Airlines ²	1,722,273	895,840	1,345,879	1,510,851	1,370,965	1,239,765	869,251	633,181	723,154	620,257
Adjustments ³	629,733	314,619	560	40,258	350,923	(324,232)	(1,757,404)	1,985,253	(249,711)	337,707
TOTAL	\$ 48,606,319	\$ 46,696,483	\$ 43,475,973	\$ 42,137,504	\$ 41,666,829	\$ 40,309,344	\$ 38,559,328	\$ 43,639,683	\$ 41,632,952	\$ 43,933,709

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.

⁵ Virgin America merged with Alaska Airlines

Source: Airports Authority Records

Exhibit S-34 – TOP 30 PASSENGER ORINATION AND DESTINATION MARKETS IN 2019 – REAGAN NATIONAL

Domestic				International		
Destination Airport	State	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
Boston Logan	MA	SH	1,247,614	Toronto Pearson	Canada	152,719
Atlanta	GA	SH	877,289	Montreal Dorval	Canada	48,745
Orlando	FL	MH	806,104	Lima	Peru	48,512
Chicago O'Hare	IL	MH	799,855	Nassau	Bahamas	45,423
Los Angeles	CA	LH	540,597	Cancun	Mexico	39,397
Miami	FL	MH	533,241	Vancouver	Canada	33,724
Tampa	FL	MH	468,938	Ottawa	Canada	30,151
Ft. Lauderdale	FL	MH	460,014	Buenos Aires	Argentina	24,546
Dallas/Fort Worth	TX	MH	453,246	Guatemala City	Guatemala	24,254
Denver	CO	MH	431,351	Bermuda	Bermuda	23,915
New York La Guardia	NY	SH	371,210	Santo Domingo	Dominican Republic	21,833
Minneapolis/ St. Paul	MN	MH	363,737	San Jose	Costa Rica	21,167
Detroit	MI	SH	335,984	Montego Bay	Jamaica	20,399
New Orleans	LA	MH	323,023	Calgary	Canada	19,797
Nashville	TN	SH	322,620	Bogota	Colombia	19,395
St. Louis	MO	MH	322,159	San Salvador	El Salvador	19,100
San Francisco	CA	LH	304,495	Mexico City	Mexico	18,811
Phoenix	AZ	LH	290,322	Santiago	Chile	18,133
Chicago Midway	IL	MH	283,410	London Heathrow	United Kingdom	16,683
Dallas Love Field	TX	MH	273,486	Shanghai	China	15,946
Houston Intercontinental	TX	MH	245,840	Punta Cana	Dominican Republic	15,526
Providence	RI	SH	243,310	Puerto Vallarta	Mexico	15,280
Kansas City	MO	MH	242,340	Port of Spain	Trinidad & Tobago	15,268
Jacksonville	FL	MH	239,671	Tegucigalpa	Honduras	14,912
Charleston	SC	SH	226,340	Guadalajara	Mexico	14,751
Seattle	WA	LH	213,729	Kingston	Jamaica	13,679
Raleigh/Durham	NC	SH	213,442	Tel Aviv Yafo Ben Gurion	Israel	13,568
Columbus	OH	SH	210,066	San Jose Del Cabo	Mexico	13,551
Charlotte	NC	SH	205,718	Madrid	Spain	13,448
Hartford	CT	SH	202,081	Quito	Ecuador	13,286

***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 2019, via Diio online portal.
 International Source: Diio FMDI International Data, Year Ending 3Q 2019, via Diio online portal.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-35 – TOP 30 PASSENGER ORIGINATION AND DESTINATION MARKETS IN 2019 – DULLES INTERNATIONAL

Domestic				International		
Destination Airport	State	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
Los Angeles	CA	LH	774,640	London Heathrow	United Kingdom	501,272
San Francisco	CA	LH	672,999	San Salvador	El Salvador	250,847
Denver	CO	MH	558,089	Paris De Gaulle	France	233,128
Orlando	FL	MH	428,348	Cancun	Mexico	153,717
Seattle/Tacoma	WA	LH	368,126	Beijing	China	118,762
Atlanta	GA	SH	321,173	Amsterdam	Netherlands	117,473
Las Vegas	NV	LH	270,955	Rome	Italy	114,951
San Diego	CA	LH	253,743	Frankfurt	Germany	103,962
Dallas/Fort Worth	TX	MH	246,921	Delhi	India	100,601
Boston	MA	SH	232,147	Dublin	Ireland	99,454
Austin	TX	MH	208,119	Dubai	United Arab Emirates	95,681
Tampa	FL	MH	201,036	Toronto Pearson	Canada	94,722
Chicago O'Hare	IL	SH	195,144	Seoul	South Korea	92,462
Ft. Lauderdale	FL	MH	177,609	Mexico City	Mexico	87,532
Houston Intercontinental	TX	MH	155,727	Tokyo	Japan	84,092
Minneapolis/ St. Paul	MN	MH	131,339	Tel Aviv Yafo Ben Gurion	Israel	76,373
Detroit	MI	SH	129,893	Hyderabad	India	75,507
San Antonio	TX	MH	128,138	Addis Abbaba	Ethiopia	74,382
Charlotte	NC	SH	120,385	Montreal	Canada	73,296
Phoenix	AZ	LH	119,617	Lima	Peru	68,638
Salt Lake City	UT	LH	106,571	Toronto Bishop	Canada	68,389
Sacramento	CA	LH	95,661	Manila	Philippines	68,229
Honolulu	HI	LH	90,371	Cairo	Egypt	66,297
Portland	OR	LH	89,760	Ho Chi Minh City	Vietnam	65,541
New Orleans	LA	MH	88,214	Munich	Germany	63,966
Charleston	SC	SH	80,677	Accra	Ghana	61,968
Nashville	TN	SH	80,631	Brussels	Belgium	60,891
Hartford	CT	SH	77,960	Punta Cana	Dominican Republic	59,110
Jacksonville	FL	MH	72,678	Copenhagen	Denmark	58,985
Newark	NJ	SH	72,611	Reykjavik	Iceland	58,635

***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 2019, via Diio online portal.

International Source: Diio FMDI International Data, Year Ending 3Q 2019, via Diio online portal.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-36 – TOP 10 PASSENGER ORIENTATION 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.

2019		2018		2017		2016	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,247,614	Boston, MA	1,181,897	Boston, MA	1,183,531	Boston, MA	1,184,229
Atlanta, GA	877,289	Atlanta, GA	882,099	Chicago, O'Hare	959,558	Atlanta, GA	885,741
Orlando, FL	806,104	Chicago, O'Hare	865,028	Atlanta, GA	933,206	Chicago, O'Hare	826,250
Chicago, O'Hare	799,855	Orlando, FL	806,687	Orlando, FL	748,209	Orlando, FL	771,552
Los Angeles, CA	540,597	Los Angeles, CA	544,086	Fort Lauderdale, FL	564,816	Fort Lauderdale, FL	531,709
Miami, FL	533,241	Tampa, FL	499,834	Miami, FL	491,625	Tampa, FL	512,559
Tampa, FL	468,938	Miami, FL	497,385	Los Angeles, CA	488,587	Miami, FL	490,522
Fort Lauderdale, FL	460,014	Fort Lauderdale, FL	459,629	Tampa, FL	487,825	Los Angeles, CA	475,373
Dallas/Ft. Worth, TX	453,246	Dallas/Ft. Worth, TX	438,976	Dallas/Ft. Worth, TX	435,003	New York, LaGuardia	441,559
Denver, CO	431,351	New York, LaGuardia	422,071	New York, LaGuardia	418,588	Dallas/Ft. Worth, TX	425,316

2015		2014		2013		2012	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,117,410	Boston, MA	1,130,313	Boston, MA	1,051,126	Boston, MA	1,093,141
Atlanta, GA	811,460	Chicago, O'Hare	806,970	Chicago, O'Hare	949,322	Chicago, O'Hare	898,683
Chicago, O'Hare	787,175	Atlanta, GA	732,631	Orlando, FL	728,413	Atlanta, GA	733,234
Orlando, FL	676,587	Orlando, FL	628,918	Atlanta, GA	687,700	Orlando, FL	631,807
Tampa, FL	528,561	Tampa, FL	437,091	Fort Lauderdale, FL	451,421	Fort Lauderdale, FL	606,297
Fort Lauderdale, FL	467,864	New York, LaGuardia	429,451	New York, LaGuardia	438,792	New York, LaGuardia	421,656
Denver, CO	465,287	Fort Lauderdale, FL	426,535	Miami, FL	423,460	Miami, FL	416,144
New York, LaGuardia	451,477	Miami, FL	414,004	Dallas/Fort Worth, TX	397,727	Dallas/Fort Worth, TX	393,561
Miami, FL	444,096	Denver, CO	404,842	Tampa, FL	373,635	Denver, CO	377,543
Los Angeles, CA	440,020	Dallas/Fort Worth, TX	379,532	Denver, CO	360,098	Minneapolis/St. Paul, MN	341,466

2011		2010	
Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,062,242	Chicago, O'Hare	822,763
Chicago, O'Hare	823,013	Atlanta, GA	767,081
Atlanta, GA	720,482	Boston, MA	646,227
Orlando, FL	629,355	New York, LaGuardia	524,133
Ft. Lauderdale, FL	525,329	Orlando, FL	502,996
Dallas/Ft. Worth, TX	449,662	Dallas/Ft. Worth, TX	486,589
Miami, FL	443,104	Ft. Lauderdale, FL	465,358
New York, LaGuardia	439,741	Miami, FL	343,872
Minneapolis/St. Paul, MN	347,184	Minneapolis/St. Paul, MN	319,561
Denver, CO	320,124	Denver, CO	315,126

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.

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-37 – TOP 10 PASSENGER ORIGIN 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.

2019		2018		2017		2016	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	774,640	Los Angeles, CA	797,244	Los Angeles, CA	814,551	Los Angeles, CA	815,488
San Francisco, CA	672,999	San Francisco, CA	703,512	San Francisco, CA	752,577	San Francisco, CA	774,931
Denver, CO	558,089	Denver, CO	604,711	Denver, CO	511,521	London, Heathrow	445,207
London, Heathrow	501,272	London, Heathrow	485,566	London, Heathrow	472,618	Denver, CO	442,756
Orlando, FL	428,348	Orlando, FL	445,111	Orlando, FL	352,138	Orlando, FL	352,138
Seattle, WA	368,126	Atlanta, GA	329,693	Atlanta, GA	398,149	Atlanta, GA	341,711
Atlanta, GA	321,173	Las Vegas, NV	311,374	Dallas/Ft. Worth, TX	273,807	Seattle, WA	250,301
Las Vegas, NV	270,955	Seattle, WA	296,686	Seattle, WA	272,590	Boston, MA	248,884
San Diego, CA	253,743	Dallas/Ft. Worth, TX	280,740	Boston, MA	263,454	Las Vegas, NV	241,729
San Salvador, El Salvador	250,847	Boston, MA	279,542	Las Vegas, NV	235,060	San Diego, CA	230,623

2015		2014		2013		2012	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	803,235	Los Angeles, CA	822,948	Los Angeles, CA	835,895	San Francisco, CA	808,779
San Francisco, CA	787,614	San Francisco, CA	812,980	San Francisco, CA	809,625	Los Angeles, CA	783,603
London, Heathrow	448,828	London, Heathrow	455,181	London, Heathrow	481,089	London, Heathrow	522,592
Denver, CO	392,909	Denver, CO	374,384	Denver, CO	350,647	Denver, CO	320,527
Orlando, FL	344,595	Boston, MA	267,014	Boston, MA	291,033	Orlando, FL	294,831
Atlanta, GA	318,188	Atlanta, GA	266,181	Atlanta, GA	243,826	Boston, MA	286,600
Las Vegas, NV	282,630	Orlando, FL	259,000	Chicago, O'Hare	236,008	Atlanta, GA	280,040
Boston, MA	246,783	Chicago O'Hare, IL	236,643	Dallas/Fort Worth, TX	217,767	Paris, De Gaulle	268,740
Chicago O'Hare, IL	245,335	Dallas/Fort Worth, TX	196,885	Orlando, FL	212,326	Chicago, O'Hare	221,285
San Diego, CA	241,795	Paris, De Gaulle	194,293	Paris, De Gaulle	211,338	Chicago, Midway	199,097

2011		2010	
Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	847,686	Los Angeles, CA	848,814
San Francisco, CA	815,813	San Francisco, CA	806,058
London, Heathrow	483,574	Boston, MA	506,669
Orlando, FL	380,384	Orlando, FL	449,486
Boston, MA	357,564	London, Heathrow	396,859
Denver, CO	343,145	Denver, CO	338,793
Atlanta, GA	302,228	Atlanta, GA	311,385
Paris, De Gaulle	232,914	Las Vegas, NV	260,038
Las Vegas, NV	232,451	Dallas/Ft. Worth, TX	225,741
San Diego, CA	221,778	San Diego, CA	225,159

Domestic traffic data

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 2005-2017, preliminary data. No international data currently available before January 2005

* International passenger

Exhibit S-38 – AIRLINE TENANTS – BOTH AIRPORTS

As of December 31, 2019

Reagan National
Signatory Airlines

Air Canada
 Alaska Airlines
 American Airlines
 Delta Airlines
 Endeavor Air
 Envoy Air
 ExpressJet Airlines
 Frontier Airlines
 GoJet Airlines
 Jazz Aviation LP
 MN Airlines, LLC
 Jet Blue Airways Corp
 Mesa Airlines
 Piedmont Airlines
 PSA Airlines
 Republic Airlines
 Sky Regional Airlines
 SkyWest Airlines
 Southwest Airlines
 Trans States Airlines
 United Airlines

Dulles International		
Signatory Airlines	Affiliate Airlines	Non-Signatory Airlines

<p>Aer Lingus Air Canada Air China Air France Air India Alaska Airlines Alitalia All Nippon Airways American Airlines Austrian Airlines Avianca Airlines British Airways Brussels Airlines Cathay Pacific Copa Airlines Delta Air Lines EgyptAir Emirates Ethiopian Airlines Etihad Airways Federal Express Frontier Airlines Icelandair KLM Royal Dutch Airlines Korean Air Lufthansa German Airlines Porter Airlines Qatar Airways Royal Air Maroc Saudi Arabian Airlines Scandinavian Airlines System (SAS) South African Airways Southwest Airlines Taca International Airlines TAP Air Portugal Turkish Airlines United Airlines United Parcel Service Virgin Atlantic Airways Ltd. VAA US Volaris</p>	<p>Air Canada - Jazz Air Canada - Sky Regional Air Wisconsin American Eagle Chataugua Colgan CommutAir Endeavor Air, Inc. Envoy ExpressJet Airlines, Inc. GoJet Airlines Mesa Airlines, Inc. Piedmont Airlines Pinnacle Airlines PSA Airlines, Inc. Republic Airlines Shuttle America SkyWest Trans States Airlines Virgin America</p>	<p>AeroFlot Cabo Verde</p>
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Note: Signatory airlines as of December 31, 2019. Includes Affiliate Airlines.

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 3 - Airport Use Agreement and Premises Lease.

Source: Airports Authority Records

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-39 – NON-AIRLINE TENANTS – REAGAN NATIONAL

As of December 31, 2019

Reagan National		
<p><u>Retail</u> Americal Brighton Brooks Brothers Capital Image InMotion Entertainment I Relax and Massage iTravel2 Johnston & Murphy Pen & Prose Boutique Smithsonian Institution Spanx Tumi Uniquely DC Vineyard Vines XpresSpa <u>Newsstands</u> CNBC News Forbes Hudson News NBC4 Washingtonian <u>Duty Free</u> Dulles Duty Free LLC <u>Foreign Currency</u> ICE Currency Services <u>Fixed Based Operators</u> Signature Flight Support <u>Parking Managed by:</u> Five Star U Street Metropolitan Washington Airport Parking <u>Parking Shuttle Managed by:</u> Five Star U Street Metropolitan Washington Airport Parking <u>Inflight Kitchens</u> Sky Chefs, Inc. <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 <u>Wireless Communication Providers</u> APC Realty Cellco Verizon New Cingular Wireless T-Mobile</p>	<p><u>Food and Beverage</u> &Pizza American Tap Room Ben's Chili Bowl Big Bowl BMG Consulting Services Boar's Head Delicatessen Bracket Room/Green Beans Coffee Cava Mezze Cibo Express Gourmet 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 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 <u>Advertising</u> In-Ter-Space Services, Inc. <u>Services</u> AC Holdings, Inc.(CNN) Alclear, LLC C&P Shoeshine Kiko's Shoeshine Smarte Carte Inc. VIP Shoeshine VIP Shoeshine <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 Aviation, Inc. Aircraft Service Int'l. Dba Menzies Aviation Airport Butler Air General Airline Tech Reps (STS Line Maintenance) Airport Terminal Services Airway Cleaners, LLC Allied Aviation Fueling of National Airport American Sales & Management Avdyne AeroServices, LLC BagHop Baggage Airline Guest Services Compass Group Corman Kokosing Constr. Comp DAL Global Services, LLC Eastern Industrial Maintenance, Inc. Elite Line Services, LLC ERMIC IV, LLC. Express Catering, Inc First Transit, Inc. Flightcheck Comm. Aviaito Serv. G2 Secure Staff, LLC Host Int'l Huntleigh USA Corporation Inland Technologies ISS Facility Services IW Group d/b/a Perq Soleil Menzies Aviation (USA), Inc. Oxford Airport Technical Services PrimeFlight Aviatn Ser dba Ultimate Aircraft Professional Services Management <u>Other Airport Tenants</u> SCIS Air Sec. Corporation SkySquad Sodexo Operations, LLC Swissport USA, Inc. Worldwide Flight Services, Inc. Aeronautical Radio, Inc. Air General Airport Terminal Services Aircraft Serv Intl dba Menzies Aviation Airline Tech Reps dba STS Line Maintenance Allied Aviation Fueling of National Airport American Airlines Federal Credit Union American Sales & Management Clear (Alclear) DC Provisions, LLC Drug Enforcement Administration Eastern Industrial Maintenance, Inc. Federal Aviation Administration Federal Bureau of Investigation First Transit, Inc. G2 Secure Staff, LLC General Services Administration Inland Technologies ISS Facility Services Marketplace Development Mays Corporation Idemia (MorphoTrust USA) Pleasant News at DCA, LLC PrimeFlight Aviatn Ser dba Ultimate Aircraft Riva Networks, Inc. Transportation Security Administration University of District of Columbia US Coast Guard Air Station Worldwide Flight Services, Inc.</p>

2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-40 – NON-AIRLINE TENANTS – DULLES INTERNATIONAL

As of December 31, 2019

Dulles International			
<p><u>Retail</u> America! Bluewire DC, LLC Burberry Coach Erwin Pearl Estee Lauder 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 Tumi Uniquely DC Vera Bradley Vineyard Vines</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 Marriott Hotel at Dulles 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 DC-3 Hot Dog Joint DC Craft & Brews District Chop House Dulles Gourmet Market Dunkin Donuts Firkin and the Fox Five Guys Luv'nBerry 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> Jet Aviation, Inc. 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> Abe's Transportation ABM Aviation, Inc. ACTS Aviation Security, Inc. AECOM National Security Programs Air General Inc. Air General Inc. Concierge Airway Cleaners, LLC Arabian Travel Transportation Corporation Avdyne Aeroservices, LLC Better Business Connection Choice Aviation Services Covenant Aviation Services, LLC. Crigger Contracting, Inc. Delta Airlines Global Services Departures, LLC Eagle Aviation Group ERMC Aviation Eulen America FlightCheck Commercial Aviation Services FLIK International Corporation Flying Food Group, LLC G2 Secure Staff Global Airport Concierge Global Aviation Services, Inc Global Security Associates Ground Services International, Inc. (GSI) Huntleigh USA Corporation Huntleigh USA Corporation Concierge I and L Laundry I.K. Hoffman USA, Inc. Integrated Deicing Services IQ Group LLC Madison Limousine Service Matrix Aviation Services Maximus Global Services Menzies Aviation (USA) ,Inc. National Aviation Services PrimeFlight Aviation Services, Inc Professional Services Management, LLC Quantum Aviation Solutions Inc. SCIS Air Security Corporation SkySquad, LLC Sodexo Operations, LLC Swissport Fueling, Inc Swissport USA, Inc. TAV Washington Operation Services, LLC TD Snow Removal (Top Dog) Textron Ground Support Equipment, Inc. The Act 1 Group, Inc. U.S. Security Associates (Allied Universal) WFS Express, LLC Worldwide Flight Services, Inc.</p> <p><u>Swissport Fueling, Inc</u> Swissport USA, Inc. TAV Washington Operation Services, LLC TD Snow Removal (Top Dog) Textron Ground Support Equipment, Inc. The Act 1 Group, Inc. U.S. Security Associates (Allied Universal) WFS Express, LLC Worldwide Flight Services, Inc.</p> <p><u>Wireless Communication Providers</u> APC Realty Cellco Verizon New Cingular Wireless T-Mobile</p>	<p><u>Other Airport Tenants</u> ACT Cargo (USA), Inc. AECOM National Security Programs Air France Air General Inc. Airlines Logistics, Inc. Airschott, Inc. Alclear, LLC All Nippon Airways (ANA) ARINC Atlantic Contracting & Material Company Inc. Avdyne Aeroservices, LLC Balfour Beatty Construction British Airways Capital Pet Movers Choice Aviation Services Concessions International, LLC Customs and Border Patrol Delta Air Lines, Inc. Delta Airlines Global Services Dulles Duty Free, LLC Eastern Industrial Maintenance, Inc. Falcon UHP, Inc. Federal Aviation Administration Federal Express Corp. Gate Gourmet International General Services Administration (DEA) General Services Administration (TSA) Global Aviation Services, Inc Globe Air Cargo Ground Services International, Inc. (GSI) Harris Corporation Hermes Aviation Hojeij Branded Foods, Inc. IAD Fuels, LLC IAD Fuels, LLC Idemia Identity & Security USA, LLC Inland Technologies International Limited In-Ter-Space Services, Inc. (Clear Channel) IOM International Organization for Migration JDR Towing John S. Connor, Inc. Lufthansa Cargo AG Maximus Global Services Mesa Air Group Metro. Wash. Airports Interfaith Chapel MorphoTrust USA, Inc. Netcom Technologies, Inc. Network Cargo Management Corp. Plantation Pipe Line Co. RAS Unlimited LLC Swissport Fueling, Inc Swissport USA, Inc. Textron Ground Support Equipment, Inc. The Smithsonian Institution The Smithsonian Institution U.S. Fish and Wildlife Service U.S. Postal Service United Airlines United Parcel Service Airlines USO of Metropolitan Washington-Baltimore W. M. Schlosser Washington Airports Task Force Worldwide Flight Services, Inc.</p>

Source: Airports Authority Records

2019 Comprehensive Annual Financial Report



 METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
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