

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2022



REAGAN NATIONAL
AIRPORT



DULLES INTERNATIONAL
AIRPORT



DULLES TOLL ROAD



DULLES CORRIDOR
METRORAIL



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Geographically Located in Virginia Serving the Metropolitan Washington, D.C. Area.

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Your Journey Begins With Us.

**METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022**

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Monica R. Hargrove, Vice President and Secretary
Marilou Parayaoan, CPA, Acting 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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2022**

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March 29, 2023

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

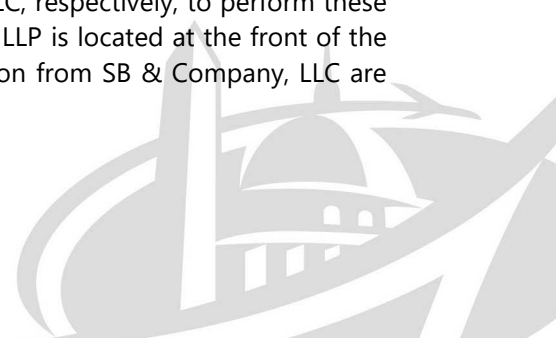
The Annual Comprehensive Financial Report (Financial Report) of the Metropolitan Washington Airports Authority (the Airports Authority) for the year ended December 31, 2022 is submitted herewith. Responsibility for the accuracy, completeness, and fairness of presentation, including all disclosures, rests with the Airports Authority. To the best of our knowledge and belief, this Financial Report 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 Financial Report 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 applicable laws and regulations.

The objectives of an internal control structure are to provide management with reasonable assurance that resources are safeguarded against waste, loss, and misuse, and reliable data is recorded, maintained, and fairly disclosed in reports. The Airports Authority's current internal controls provide a base of reliable financial records from which the financial statements are prepared. These controls ensure accounting data is reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and the evaluation of those factors requires estimates and judgment by management.

As required by the Acts of the District of Columbia and the Commonwealth of Virginia (the Commonwealth), a firm of independent certified public accountants is retained each year to conduct an audit of the financial statements of the Airports Authority in accordance with auditing standards generally accepted in the United States of America and to meet the requirements of the Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

The Airports Authority selected the firms of Crowe LLP and SB & Company, LLC, respectively, to perform these audit services for the year ended December 31, 2022. The report from Crowe LLP is located at the front of the financial section of this Annual Report. The Single Audit Report and its opinion from SB & Company, LLC are presented under separate cover.



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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 were historically 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.

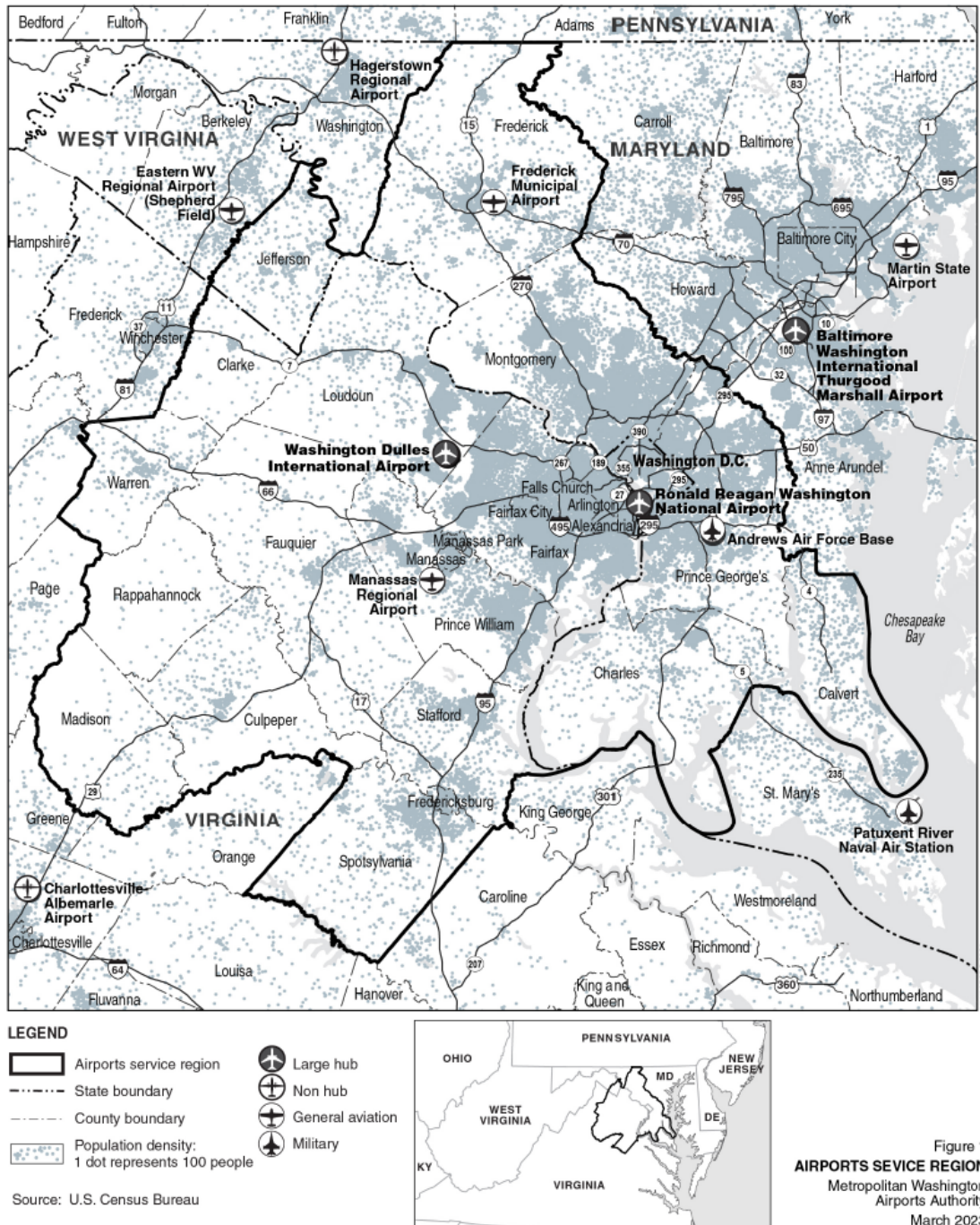
Pursuant to the Master Transfer Agreement, dated December 29, 2006 and effective November 1, 2008, the Virginia Department of Transportation (VDOT) granted a permit for the operation and maintenance of the Dulles Toll Road to the Airports Authority for a term of 50 years. As part of the agreement with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

The Airports Authority is an independent interstate agency governed by a 17-member Board of Directors (the Board). The Board is appointed as follows: seven members by the Governor of Virginia subject to confirmation by the Virginia General Assembly, four members by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, three members by the Governor of Maryland, and three members by the President of the United States with the advice and consent of the United States Senate. Members serve staggered, six-year terms without compensation and may be reappointed once. The Board establishes the Airports Authority's policy and appoints the President and Chief Executive Officer to oversee the operations of the Airports Authority. The Board annually elects a Chair, Vice Chair, and Secretary. As of December 31, 2022, two 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, twelve 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.

Airports Service Region



Reagan National which opened for service in 1941 completed its 81st year of operation in 2022. 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 20 mainline and regional airlines serving Reagan National as of December 31, 2022, providing 294 thousand operations (takeoffs and landings) during the year. There are no significant cargo operations at Reagan National.

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Dulles International opened for service in 1962 and completed its 60th year of operation in 2022. It is situated on approximately 11,184 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 began in November 2022. Dulles International provides a full range of domestic and international air service, including service to destinations in Europe, Asia, South America, and Africa. There were 57 domestic, international mainline and regional airlines serving Dulles International as of December 31, 2022, providing 233 thousand operations 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 in November 2014 and became effective January 1, 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 through 2023, 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, \$16.4 million in 2020, 17.2 million in 2021, \$18.5 million in 2022, and thereafter 75 percent to airlines and 25 percent to the Airports Authority), and
- Inclusion of 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 year 2018 airline funded debt service coverage was 30 percent continuing 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 Airline Use and Lease Agreement at Reagan National includes a \$1.3 billion ten-year CCP that provided for an additional north concourse 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 has received authorization to impose Passenger Facility Charges (PFCs) at Reagan National, a portion of the proceeds of which will be applied to reduce debt related to the CCP during the term of the current Use and Lease Agreement. The largest components of the ten-year CCP, which were collectively called Project Journey, were completed in 2021.

Equally important, but smaller in scale, the Airline Use and Lease Agreement at Dulles International included a \$154.0 million three-year CCP (Dulles CCP) that provided for various airfield, utility systems and roadway projects. Improvements to increase the operational reliability of Concourse C/D systems are also included. The Dulles CCP is primarily debt-funded, and the Airports Authority will seek grant funding where available.

The First Amendment to the Use and Lease Agreement added an additional \$492.6 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 is not required to do so and may fund the projects it elects to undertake through the issuance of debt. In April 2022 the Signatory Airlines provided Majority in Interest (MII) approval of the new Tier 2 Concourse (East) at Dulles International with an estimated cost of \$726 million added to the CCP. The Reagan National CCP and the Dulles CCP together comprise the 2015-2024 CCP.

Reagan National generated \$128.0 million in NRR in 2022, of which \$66.0 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 2023. Dulles International generated \$155.8 million in NRR in 2022, of which \$102.7 million will be credited to the airlines at Dulles International in 2023. The Airline Use and Lease Agreement continues to support 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 uses 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 has 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 toll rates in effect as of January 1, 2023 (and projected future toll rate assumptions) fulfill the Airports Authority's commitment to operate and maintain the Dulles Toll Road, and to pay debt service for the Dulles Toll Road Revenue Bonds.

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The Dulles Toll Road has 59 toll collection lanes, including 34 E-ZPass-only collection lanes. All tollbooths are equipped with E-ZPass, an electronic toll collection system accepted in 19 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 originates near the Metrorail Orange Line West Falls Church station, continues west through Dulles International and into Loudoun County. The Dulles Metrorail Project has been constructed in two phases and includes the addition of 128 rail cars to the existing Washington Metropolitan Area Transit Authority (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. Phase 2 of the Dulles Metrorail Project extends 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.

Construction activities for Phase 1 began in March 2009 and Phase 1 of the Silver Line opened for passenger service on July 6, 2014. At that time, the assets were transferred to WMATA in their entirety. The capitalized cost of the asset, \$3.34 billion, for Phase 1 has been transferred to WMATA, governmental entities and others and is reflected as a transfer to other governments.

The Design-Build contract for Phase 2 was awarded in May 2013 and the construction contract for the Phase 2 maintenance yard at Dulles International was awarded in August 2014. These contracts achieved substantial completion in October 2021 and on November 15, 2022, Phase 2 of the Silver Line opened for passenger service. The capitalized cost of the asset, \$2.64 billion for Phase 2, has been transferred to WMATA and governmental entities and others in 2022. The Airports Authority retained \$278.0 million in capitalized costs for Phase 2 for the Metrorail station and guideway located at the Dulles International Airport and some newly constructed stormwater ponds.

Upon completion of construction of each phase of the Dulles Metrorail Project and acceptance by WMATA into the Metrorail system, the Airports Authority transferred, with the exceptions noted above, without financial retribution, ownership of the completed phase of the project to WMATA. At that point, WMATA became the owner and operator of the completed phase and is solely responsible for its operation and maintenance. In addition, through an operating agreement, the Metrorail station at Dulles International Airport and associated guideway will also be operated and maintained by WMATA. None of the operating and maintenance expenses of the completed phases will constitute operating or maintenance expense of the Airports Authority. Such expenses will be payable entirely from WMATA's operating and other revenues (including revenues derived from the operating 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.

SERVING OUR PASSENGERS



Reagan National and Dulles International Airports were part of the journey of 45 million passengers in 2022. As passengers' needs continue to evolve, the Airports Authority strives to stay responsive to passenger feedback, through investment in amenities and innovation. In 2022 a huge part of this effort was focused on garnering feedback regarding the new north concourse and security checkpoints at Reagan National, concessions and facilities at both airports and continued efforts to keep travelers healthy and safe while traveling through the Airports. Our accomplishments are a result of tremendous teamwork and outstanding resilience. Customer feedback data points were collected through digital surveys, The Airports Authority's 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 concessionaires, on their interactions with airport customers.

The airport teams strive to provide an exceptional experience for passengers with a wide range of needs, including:

- Facilities that are clean, safe, and consistently maintained to comply with federal, state, and local health requirements
- Award winning facilities for nursing mothers
- 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 (Americans with Disabilities Act)-accessible taxis
- Children's play areas
- Information on airport websites available in 10 languages
- A new Lost and Found system, focused on improving customer service
- A new parking online reservation system
- Advanced Smart Display, an in-house developed central interface to a variety of airport digital display systems
- Concession mobile ordering app
- Electric Vehicle charging stations

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INDUSTRY RECOGNITION

- Dulles International ranked 2nd Among US Airports with Most Discounts on International Flights
- Family Destinations ranked Dulles International 9th in its list of US Airports with fewest delays in 2022
- JD Power ranked Dulles International #13 and Reagan National #19 in the category of Best Large Airports in America that have 10 to 32.9 million passengers per year
- JD Power ranked Dulles International #11 and Reagan National #17 alongside large airports in North America in its 2022 Airport Customer Satisfaction Survey
- 2021 GFOA Award for Excellence in Financial Reporting for the Annual Comprehensive Financial Report
- 2022 GFOA Award for Budget Excellence
- Jack Potter, Chief Executive Officer received the 2022 Virginia Aviation Person of the Year Award from the Virginia Department of Aviation
- Jack Potter, Chief Executive Officer was listed in the Virginia 500: 2022 Power List of Business Leaders by Virginia Business magazine



COMMUNITY PARTNERSHIPS AND AFFILIATIONS

The Airports Authority is affiliated with dozens of business groups, chambers of commerce, civic organizations, and trade associations to work on issues affecting the National Capital Region. Along with the business community and state, federal and local governments, these groups are key partners in accomplishing our shared goals for the future. The Airports Authority is also affiliated with business organizations representing ethnic communities across the region, including the Conference of Minority Transportation Officials, and Black, Hispanic, and Asian chambers of commerce.



FISCAL YEAR 2022 HIGHLIGHTS

More than two years since the World Health Organization (WHO) declared the COVID-19 outbreak a global pandemic, a certain normality has started to emerge thanks to a historic vaccination effort. Most of the world is transitioning to treating COVID-19 as an endemic rather than a pandemic. Many countries have followed through on their plans to return to normality, lifting almost all health measures and travel restrictions. Over the last three years, the aviation sector and its customers have demonstrated that they are highly resilient. The combination of a strong U.S. dollar, rising interest rates, inflation and oil prices have made for an uncertain and challenging future. Despite increasing vaccination rates and improving economic conditions, the emergence of the Omicron variant resulted in widescale fluctuations and cancellations in airline schedules in early 2022. The initial impact of COVID-19 on commercial aviation is beginning to lessen and, as further time passes, more air travelers have come to an understanding with the changing face of the disease and continue the process of demand recovery.

The year 2022 saw Russia's invasion of Ukraine which contributed to fuel price increases. The closure of Russian airspace led to the cancellation and rerouting of long-haul routes. With the European Union's sanctions on aircraft parts, international air travel has been hit hard in multiple ways since the invasion. The prolonged Russian invasion of Ukraine also created steeper and more sudden price increases and disruptions through diversions, tariffs, and blockages of cargo. Labor market disruptions, the great resignation and quiet quitting also led to a highly uncertain macro environment.

At the Airports Authority, 2022 was a year of adaptation, recovery, and future focus. Sustainability remains a driving force and, as the virus surged driven by the Omicron variant, the Airports Authority continued to adapt to the quickly changing business environment. 2022's successes are the result of hard work and strategic preparation to capitalize on opportunities in the recovery. The Airports Authority's most significant priority was to ensure the health, safety, and well-being of the traveling public, as well as its employees, the community, and its business partners. As part of its efforts to mitigate effects of the virus, the Airports Authority installed face covering dispensers, expanded hand sanitizer access for staff and the traveling public and established COVID-19 vaccination and testing programs for all employees. Key COVID-19 related communications were implemented, and educational vaccine campaigns were conducted as the Airports Authority adapted facilities and operations to meet evolving health and safety guidance and increased passenger traffic. The Airports Authority's most challenging issues included the ever-changing and complex international travel restrictions, supply chain shortages and backlogs, an uncertain macro-business environment, high inflation, and labor market disruptions.

Despite these challenges, the Airports Authority undertook efforts to further enhance the passenger experience, including enhanced customer response through use of advanced metrics and reporting, implementation of multi-channel customer feedback collection points, and new customer response protocols to improve communications. The process of digitalization and technological advancement have certainly enhanced the operational efficiency and improved passengers' experience at airports, while ensuring hygiene, health, and safety. The Airports Authority sought out the technology to prevent the spread of viruses and bacteria and mounted the products to the walls in passenger waiting areas and attached them to HVAC system air handlers for an 'upper-air' strategy. To combat the spread of viruses at both Reagan National and Dulles International, Lumalier has installed ultraviolet disinfection technology recommended as a ventilation strategy to prevent the spread of COVID-19 by the Center for Disease Control and Prevention (CDC).

Aviation Enterprise Fund

At the Airports Authority, collaboration is a common practice as well as a core value. We engaged closely with employees, focused on core business and development opportunities, and enhanced focus on the traveling public and community to ensure exceptional customer service and prioritize on long-term strategies, securing and strengthening our financial stability and unlocking transformational growth. We continue to embrace an agile organizational mindset, preparing for an uncertain business environment and challenges to come.

The Airports Authority was allocated approximately \$229.1 million of federal grant assistance under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), approved by the United States Congress and signed by the President on March 27, 2020. This allocation to the Airports Authority was part of the \$10 billion allocated for U.S. airports to prevent, prepare for, and respond to coronavirus impacts, including support for continuing operations. The receipt of these funds aids in strengthening the Airports Authority's financial position and mitigates the negative financial impacts of the pandemic on aircraft operations, passenger activity, non-airline revenues, passenger facility charges, and estimated net remaining revenues. The Airports Authority can draw on these funds on a reimbursement basis for any purpose for which Airports Authority revenues may be lawfully used in accordance with FAA rules and regulations. In 2020, 2021, and 2022, the Airports Authority requested and received \$74.4 million, \$98.7 million, and \$22.5 million of CARES funds, respectively. The remaining allocation of \$33.5 million is planned to be used to mitigate the negative impacts of the coronavirus in 2023 and 2024.

Additionally, on December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA Act) was signed into law. The CRRSA Act provided an additional \$2 billion to U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus pandemic. The Airports Authority was allocated a total of \$42.7 million under the CRRSA Act, \$5 million of which was for relief to concessions operating at the airports. In 2021, the Airports Authority requested the full grant allocation and received \$40.2 million and the remaining \$2.5 million was received in January 2022.

Further federal relief was provided by the American Rescue Plan Act (ARP Act) that was signed into law March 11, 2021, which includes \$8 billion in emergency relief to U.S. airports. The Airports Authority was allocated a total of \$166 million under the ARP Act, \$20.1 million of which was for relief to concessions operating at the airports. In 2021 and 2022, the Airports Authority requested and received \$29.4 million and \$54.3 million of ARP funds, respectively. The Authority also requested the full ARP concessions grant allocation of \$20.1 million and it was received in February 2023. The Authority expects to submit requests for the remaining \$62.1 funds under the ARP Act in 2023 and 2024.

In March 2022 the Airports Authority announced the beginning of its transition to all-electric buses with the purchase of five fully electric-powered buses from Proterra Operating Company Inc. for use in its fleet of parking shuttles at Washington Dulles. This purchase, which was funded by a grant from the Virginia Department of Environmental Quality, is a major step toward the Airports Authority's goal of a more sustainable fleet of low- or zero-emission ground transportation vehicles. The new zero-emission vehicles will replace diesel-powered parking shuttles. The buses are scheduled for delivery and initial use in 2023 and will replace five older diesel buses currently used throughout Dulles International Airport. This initiative is one of several to replace vehicles in the Airports Authority's fleet with greener alternatives, including the transition of airport operations and police vehicles to hybrid models. The purchase included ZX5+ buses, as well as three Proterra 150-kilowatt charging stations. Each Proterra ZX5+ transit bus features a 450 kilowatt-hour battery that will deliver between 154 and 216 miles of service per charge, enabling drivers to complete their full shift on a single charge, three 150-kW high-capacity chargers, capable of recharging of each bus in under four hours, the Airports Authority's 29-seat layout configuration, which is customized for airport service, with a spacious luggage rack for passenger convenience

and designated seats designed to fold upright to enable use of two wheelchair positions featuring four-point restraints, in compliance with the Americans with Disabilities Act.



In July 2022 a new exhibit celebrating the First Amendment rights of young people opened at Dulles International and Reagan National airports. The exhibit, titled "The First Amendment and You(th)," highlighted some of the constitutional freedoms enjoyed by young Americans, as well as some of the limitations. The exhibit focused on freedom of speech and assembly rights at school as well as off campus. The exhibit was created by the Freedom Forum, a non-profit organization dedicated to protecting First Amendment rights and allows participants to interact using QR codes that are placed throughout the exhibit's panels. The Airports Authority's arts program has a long-term agreement with the Freedom Forum to provide exhibits for both airports.



In August 2022 the Airports Authority Police Department hosted National Night Out events at Reagan National and Dulles International Airports as part of an annual campaign to promote police-community partnerships and neighborhood camaraderie. Travelers who were passing through the airports as well as aviation enthusiasts and their children visited with officers. There were displays of different police vehicles that officers drive and K9 handlers with their furry partners. For kids, there was police gear to try on, a station for temporary tattoos and a variety of educational handouts.

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Metropolitan Washington Airports Authority



DCAordernow.com

- &pizza (Gates D35-D45)
- American Tap Room (Gates D35-D45)
- Ben's Chili Bowl (Gates C23-C34)
- Big Bowl (Gates C23-C34)
- Bracket Room (Gates B10-B22)
- CAVA (Gates B10-B22)
- Chick-fil-A (National Hall near Gates C23-C34)
- Georgetown Gourmet Market (Gates D35-D45)
- Good Stuff Eatery (Gates B10-B22)
- Green Beans Coffee (Gates B10-B22)
- Kapnos Taverna (Gates D35-D45)
- Magic Pan (Gates C23-C34)
- Qdoba Mexican Grill (National Hall near Gates B10-B22)
- Say Si Bon! (Gates C23-C34 and Gates D35-D45)
- Sip, Munch & More (Gates B10-B22)
- Taylor Gourmet (Gates C23-C34)
- U Street Pub (Gates C23-C34)
- Washington Pour Bar (Gates D35-D45)
- Wow Bao (Gates D35-D45)

More locations coming soon



IADordernow.com

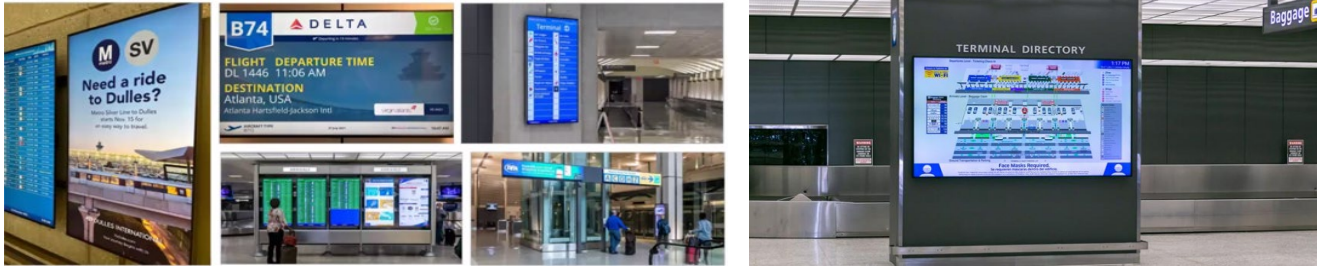
- &pizza (Concourse B)
- &pizza (Concourse C)
- Bar Symon (Concourse D)
- Be Right Burger (Concourse C)
- Bistro Atelier (Concourse D)
- Bracket Room (Concourse B)
- Café Americana (Baggage Claim)
- Capitol Grounds Coffee (Baggage Claim)
- Capitol Grounds Coffee (Concourse B)
- Chef Geoff's (Concourse C)
- DC Craft Brews (Concourse D)
- Dulles Gourmet Market (Baggage Claim)
- Jersey Mike's Subs (Concourse A)
- Smashburger (Concourse A)
- Subway (Z Gates)
- Subway (Concourse C)
- VINO Volo (Concourse B)
- Wendy's (Concourse B)

More locations coming soon

Beginning in July 2022, passengers at Reagan National and Dulles International airports had a new option to order food without standing in restaurant lines, using a new mobile ordering platform called Order Now. The Order Now digital service allows travelers to conveniently order and pay for food and beverages via their phones from locations airport-wide for quick and easy pickup. Upon arrival, Order Now users can bypass the line to pick up their prepared order. The Order Now platform, powered by airport digital e-commerce service provider Servy, was developed in partnership with MarketPlace Development, which manages concessions for Reagan National and Dulles International. Customers also have the option to get food and beverages delivered to their gate areas through the platform by an in-airport service called "AtYourGate". Travelers at Reagan National can order through DCAordernow.com and at Dulles International through IADordernow.com, or via the official Airports mobile app which allows the customer to click on the shop and dine screens and "Place Mobile Order" through Servy's Grab order function at certain designated dining locations.



A new exhibit showcasing the artwork of U.S. military veterans opened in July 2022 in two former checkpoint areas at Reagan National. The display was the latest under a long-term agreement between the Airports Authority and the non-profit organization Uniting US to put art in the airports. The exhibit was the group's first at Reagan National after several art installations at Dulles International. Uniting US is a collective created to promote art as a way of building wellness for veterans and their families. The accomplished artists who participated in the program have lived in more than 50 countries, including every U.S state and territory. Some of the artwork on display at Reagan National previously was exhibited in the Library of Congress and the Pentagon. The addition of art galleries to the former checkpoint spaces has helped give the areas an almost café-like feel. The exhibit is expected to remain on display until the first quarter of 2023.



The Airports Authority implemented “Smart Display” at Dulles International and Reagan National, a next generation unified digital display solution that centralizes the management and operation of all display systems so that airports are empowered by their digital assets across areas of airport operations, passenger experience, revenue generation and public safety. The solution sees the migration of the multi-user flight information display systems into new digital smart displays, which provide passengers with real-time information on flight arrivals/departures, gate and baggage claim locations, and access to up-to-date information on food & beverage and retail outlets at the airport. The solution is completely integrated, allowing it to easily manage, configure, update and customize the content across all screens on one platform. Since the content is now centralized, it can be disseminated consistently across all channels like mobile, websites and apps. The solution has been implemented to reduce cost, simplify operations, maximize on revenue opportunities, and improve passenger experience.

The Airports Authority published its third annual Corporate Social Responsibility report in July 2022 to provide stakeholders and the public an in-depth view of the goals, philosophies, initiatives, and accomplishments supporting its missions of service to the traveling public, regional economic development and corporate citizenship. The report provides an in-depth review of successes in 2021 in six categories: governance, community, environment, supplier diversity, people and safety and security. The report illustrates a variety of measurable ways the Airports Authority uses its organizational resources to support employees, passengers, business partners and the community. Significant achievements and contributions highlighted in the report include:

- A new 225,000 square-foot, 14-gate concourse opened at Reagan National Airport, along with two 50,000 square-foot security checkpoints under Project Journey, a \$1 billion capital improvement program.
- To facilitate multimodal transportation, Capital Bikeshare installed a bicycle rental station at Reagan National’s Terminal 2 that is connected to the Mount Vernon Trail and has recorded consistent use since installation.
- The Airports Authority’s Police and Fire & Rescue departments responded to a total of 159,000 calls for service at the airports and in surrounding communities.
- Through an in-house professional development program, The Airports Authority hired eight skilled trades apprentices in the Electrical, HVAC, Plumbing- Pipefitting, Structural Maintenance and Equipment Maintenance departments.
- To maintain strong ethical standards, the 2021 report was expanded to include ethics and compliance. This enhanced section highlights an updated Code of Ethics, which aligns with industry best practices.
- To reduce fossil fuel use and carbon emissions, the airports acquired eight new hybrid fleet vehicles for a total of 49 hybrid vehicles.

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Metropolitan Washington Airports Authority



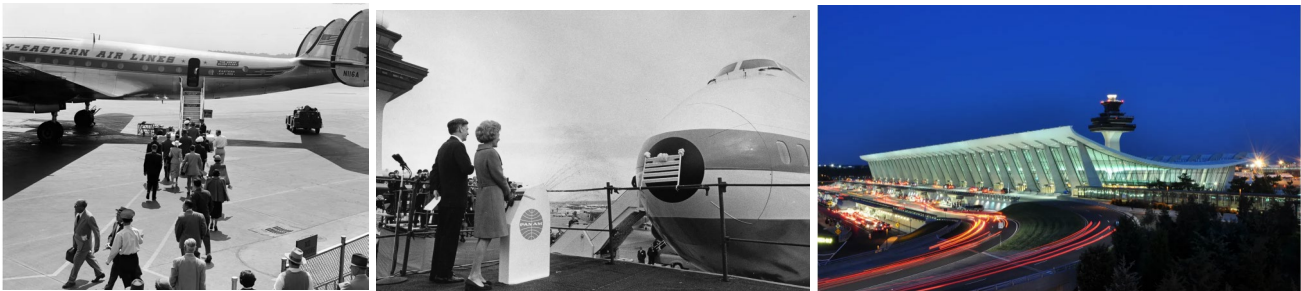
The Dulles Day Festival and Plane Pull at Dulles International in September 2022 provided an up-close view of aircraft and airport activities. The event in 2022 marked 30 years for the Plane Pull and has raised more than \$3 million and its attendance in past years has reached more than 12,000 people. The highlight of the event is a fun and energetic competition to see which group can pull an airplane 12 feet in the shortest time. The Plane Pull pits teams of 25 people against an 82-ton FedEx Boeing 757 or United Airlines Boeing 737 airplane. Participants pull a long rope attached to the aircraft while spectators cheer them on. The Chesapeake, Virginia, Sheriff's Office won the Plane Pull competition again in 2022, moving the plane 12 feet in 5.6 seconds. The day's activities raised a record \$440,000 to benefit Special Olympics Virginia and athletes with intellectual disabilities. Other activities included Plane Pull competitions with spectators cheering the teams on, vintage aircraft and cars, tours of airport facilities, kids' rides, food and beverage sales and a music performance from the Time Wrap Rock Band.



Seaplane operator Tailwind Air launched air service between New York and Washington in October 2022. Its amphibious planes depart the Washington region from a private terminal at Dulles International, splashing down in New York's East River less than 90 minutes later. The company currently serves Boston and other New England destinations. Operating under unusual aviation rules for commuter operations presented challenges in gaining access to the tightly restricted airspace around the nation's capital. The carrier's pitch is to business leaders seeking faster travel than trains while avoiding some of the hassles of regular air travel. Eight-passenger Cessna Caravans operate from Jet Aviation's private facility at Dulles, so passengers can arrive as little as 10 minutes before departure and can park free. Dulles International falls within a less tightly restricted region of airspace around Washington, making it easier for Tailwind to operate from. Passengers aren't required to go through a TSA screening before boarding since they won't enter the airport terminal. The new service aims to bring the two largest domestic economies closer for business and visitor traffic alike.



American Airlines unveiled its next-generation Admirals Club lounge at Reagan National Airport in October 2022. The 14,500-square-foot club, constructed on the top level of Concourse E, overlooks the atrium and has views of the airfield and downtown Washington. Visitors to this quiet getaway can select from 236 seats in a variety of styles with tables and charging ports. The space features programmable lighting, automatic window shades and custom details such as domes inscribed with fragments of pivotal speeches in American history.



In November 2022, the iconic Dulles International airport celebrated its 60th anniversary. On November 17, 1962, President John F. Kennedy officially opened the airport to great fanfare. Named after the late Secretary of State, John Foster Dulles, the airport stood as a symbol of America's progress into the jet age. In 1958, the Civil Aeronautics Administration (forerunner of today's Federal Aviation Administration) selected world renowned architect Eero Saarinen to design the terminal building, control tower, and service buildings. Saarinen is also known for designing the original JFK Terminal and the Gateway Arch in St. Louis, Missouri. The Main Terminal curved columns and sloped roof design dramatically reached outward toward the sky made Dulles International one of the most recognized airports in the world. Dulles continues to grow, attracting airlines from around the world and nearly every continent. Sixty years on, it continues to be a well-loved gateway into the country's capital. As the United States' first airport designed for commercial jets, Dulles Airport boasted two north-south parallel runways that were equipped with the most modern lighting systems at the time. In its first year of opening, Washington Dulles International Airport welcomed 54,800 travelers, flying on six airlines (American Airlines, Braniff, Delta, Eastern, TWA, and Northwest Orient). By 1966, annual passenger traffic reached one million. Today, the airport is a gateway for more than 21 million passengers, served by 34 airlines, a testament to its progress, development, and success spanning 60 years.

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Metropolitan Washington Airports Authority



A new permanent art exhibit that illustrates the history of Dulles International was unveiled in the tunnel that links the airport's main terminal to the Dulles Metrorail station and parking garages. Years in the making, the Metrorail project and the Airports Authority's Art and Exhibits Program partnered to complete the exhibit. They included a beautiful backlit image of the Dulles International main terminal and a bronzed table-top model of the airport. The exhibit was approved by Virginia's Historic Preservation Office and funded by the Metrorail project. Fifteen metallic panels of graphics and information line the tunnel walls with stories about the land Dulles occupies, tracing from the time when native populations lived in the area thousands of years ago to the present. The interpretive exhibit was designed by HealeyKohler Design of Washington, D.C. It was fabricated and installed by Design and Production Inc. of Lorton, Virginia, the primary art and exhibits contractor for the Airports Authority. The companies also created the artwork for the adjacent Metrorail station. Other parts of the tunnel above the hallway's moving walkways are filled with a gallery provided by NASA of spectacular celestial photos captured by the Hubble Space Telescope.

Dulles Corridor Enterprise



In November 2022, the Airports Authority officially welcomed Metrorail to Dulles International Airport, marking the completion of a major two-phase Silver Line construction project to extend rail service to Dulles and 10 other

stations in Fairfax and Loudoun counties in Northern Virginia. With the new service, airport passengers and employees now can take Metrorail directly to Dulles International from downtown Washington and other points throughout the region. Building the rail to Dulles International was part of the original vision for the airport more than 60 years ago. Bringing that vision to reality required talented teams of people working tirelessly toward a common goal and strong partnerships with WMATA, Fairfax and Loudoun Counties, the Commonwealth of Virginia and the federal government. The newly opened station at Dulles International is connected to the main terminal by an indoor pedestrian tunnel with moving sidewalks. The walkway provides convenient access to the airport's ticketing and baggage claim levels. New signs guide customers to the tunnel, which also links the terminal with Parking Garage 1. The Silver Line Extension also includes a brand-new rail maintenance and service yard, located on 90 acres of the Dulles International Airport property. The Dulles Rail Yard is the largest rail yard in the Metro system and employs nearly 700 people. There are six new stations, further extending the system's reach to suburban Loudoun County. The extension adds another 11.4 miles (18 kilometers) of track, and the airport Metro station will be a short walk from the baggage claim area via an underground tunnel that has moving walkways, according to the transit authority. Silver Line Terminal Signage was updated and digital medias strategy was launched to increase social media awareness and inform audiences of the enhanced convenience and accessibility.

THE AIRPORTS SERVICE REGION'S ECONOMY

The Airports service region's economy has grown steadily for the past decade. According to the U.S. Census Bureau, Washington-Arlington-Alexandria was among the nation's sixth largest metropolitan statistical areas for the period in 2021¹. The Airports Service Region is also home to numerous large and small private companies, including 16 *Fortune* 500® companies.² International organizations including the International Monetary Fund and World Bank are also headquartered in the region. Among the region's locally headquartered Fortune 500 companies are defense contractors Lockheed Martin, General Dynamics and Booz Allen Hamilton, financial services companies including Capital One Financial, Fannie Mae, Freddie Mac and hoteliers Marriott International.

Despite record unemployment and concerns of widespread business closures early in the coronavirus pandemic, the number of people seeking to start and develop their own businesses in the D.C. region surged. While more than 1,000 establishments in sectors including food services, construction, entertainment, and wholesale disappeared in the D.C. metro area early on in the pandemic, the number of new brick-and-mortar businesses continually increased in the next few quarters and surpassed the number that closed. That growth, much of which came in educational services, health care, construction, and finance, does not include the online shops that economists say have grown as well.³

Small businesses in the Greater Washington, D.C. area continue to have a sense of optimism about their businesses even as they experience a variety of economic headwinds. They also continue to make investments to grow their businesses, so they are competitive in the areas of talent attraction and retention, digital transformation, and marketing their offerings. Despite the ripple effects of the pandemic and rising inflation, many businesses feel positive about the direction of the local economy and want to grow their businesses. Meanwhile, with several major economic development projects afoot there's optimism about job growth in the region. More government spending also could give small firms in the nation's capital a chance to grow by winning more government contracts. The pandemic accelerated technology investments, and small business owners opened new ways for their customers to do business with them.⁴

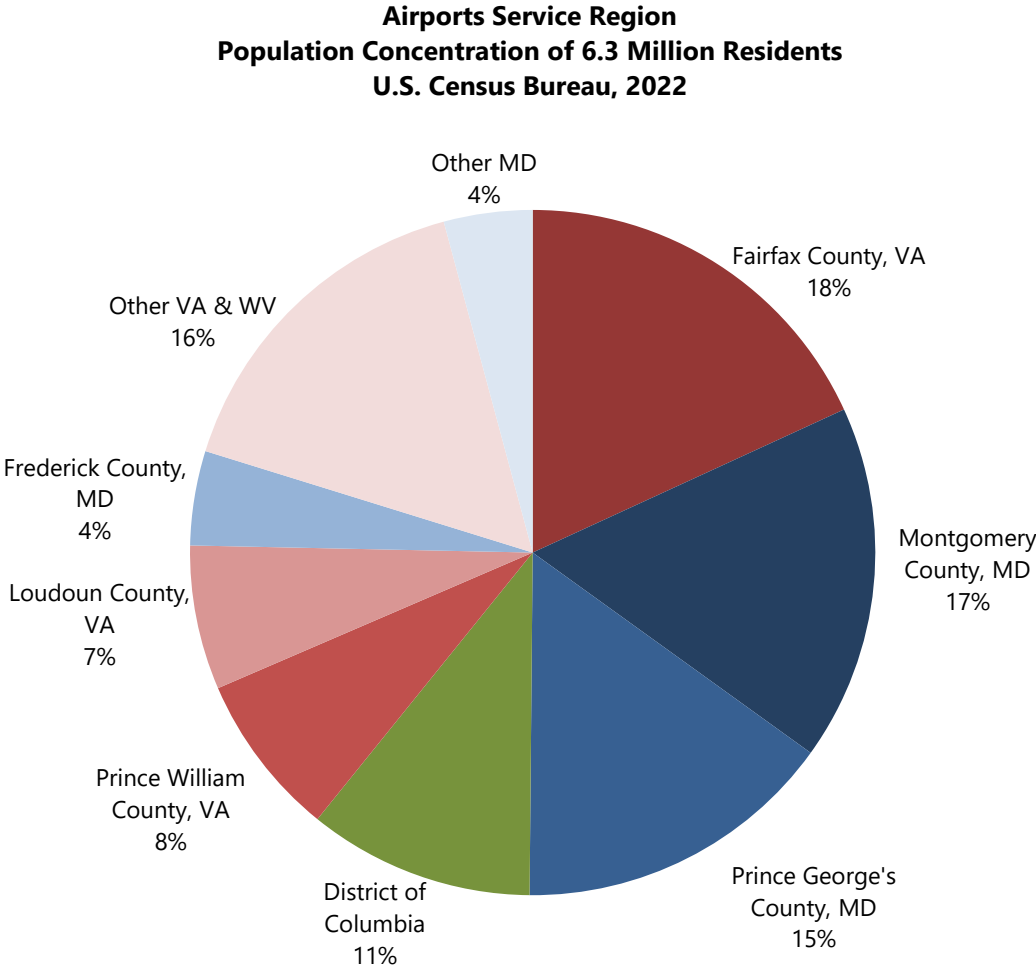
¹ <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-metro-and-micro-statistical-areas.html>

² Source: Fortune 500, 2021 <http://fortune.com/fortune500/>

³ [Great Resignation, gig economy bring a surge in new DC businesses - The Washington Post](#)

⁴ [D.C.-area small business survey reveals top concerns, priorities - Washington Business Journal \(bizjournals.com\)](#)

Federal contracting, especially in the technology space, drove the biggest revenue gains among Greater Washington private companies. Peraton surged with its acquisitions of Perspecta and a division of Northrop Grumman Corp.⁵ The region’s higher education institutions continue to produce a well-educated workforce, and the region attracts technology professionals from elsewhere to migrate to this region.

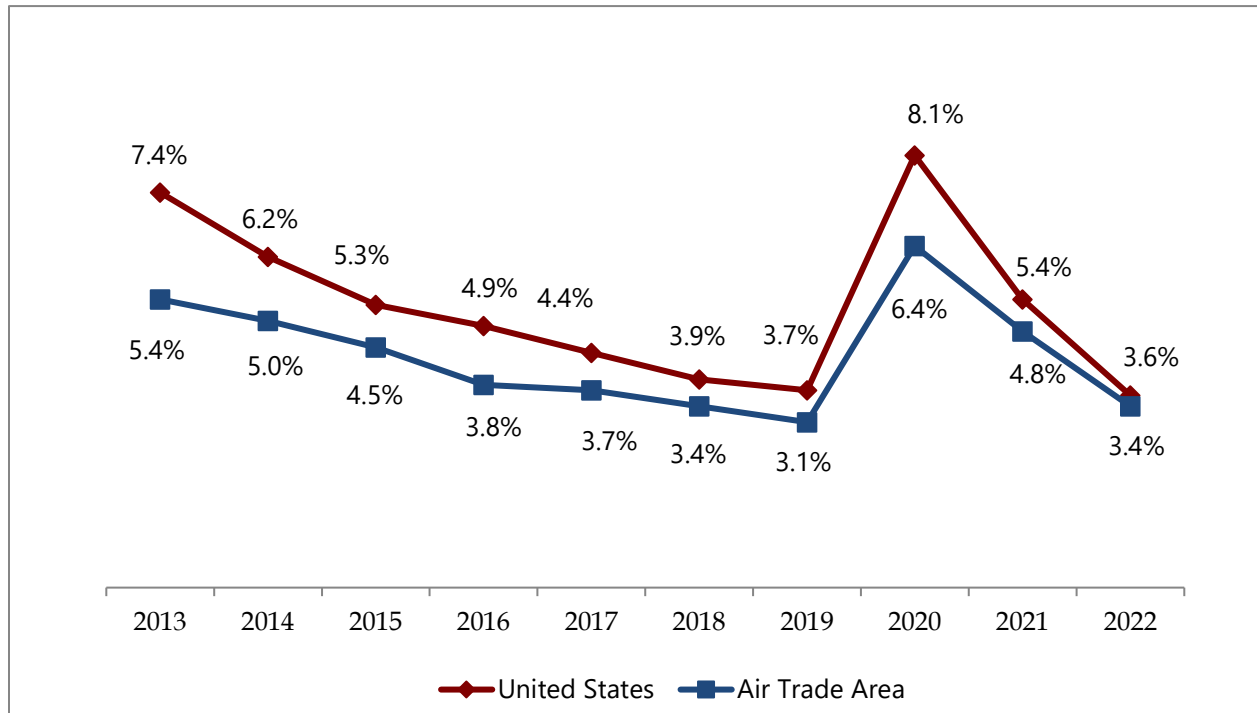


The population of the Airports Service Region has grown to over 6.3 million. The region has many inherent advantages relevant to its competitiveness in the global marketplace, most of which are rooted in Washington’s status as the seat of the U.S. government while being remarkably international with approximately 175 resident embassies and respected global economic and policy organizations such as World Bank, the International Monetary Fund, the Organization of American States, the Inter-American Development Bank, and the Carnegie Endowment for International Peace. The region has a highly 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. Among U.S. metropolitan areas, the region has the highest percentage of college graduates. More than 100 academic institutions operate programs and degrees in this region, which attract, educate, and help retain exceptional talent. The region is also home to a variety of industries from international hospitality with Hilton Worldwide and Marriott to finance with Capitol One and Fannie Mae, and engineering and

⁵ [Trends behind the D.C.-area's largest private companies in 2022 - Washington Business Journal \(bizjournals.com\)](https://bizjournals.com/washpost/news/stories/trends-behind-the-d.c.-area-s-largest-private-companies-in-2022)

defense giants with General Dynamics, Lockheed Martin, and the Computer Sciences Corporation, as well as technology firms like The Advisory Board, CoStar and Blackboard.

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

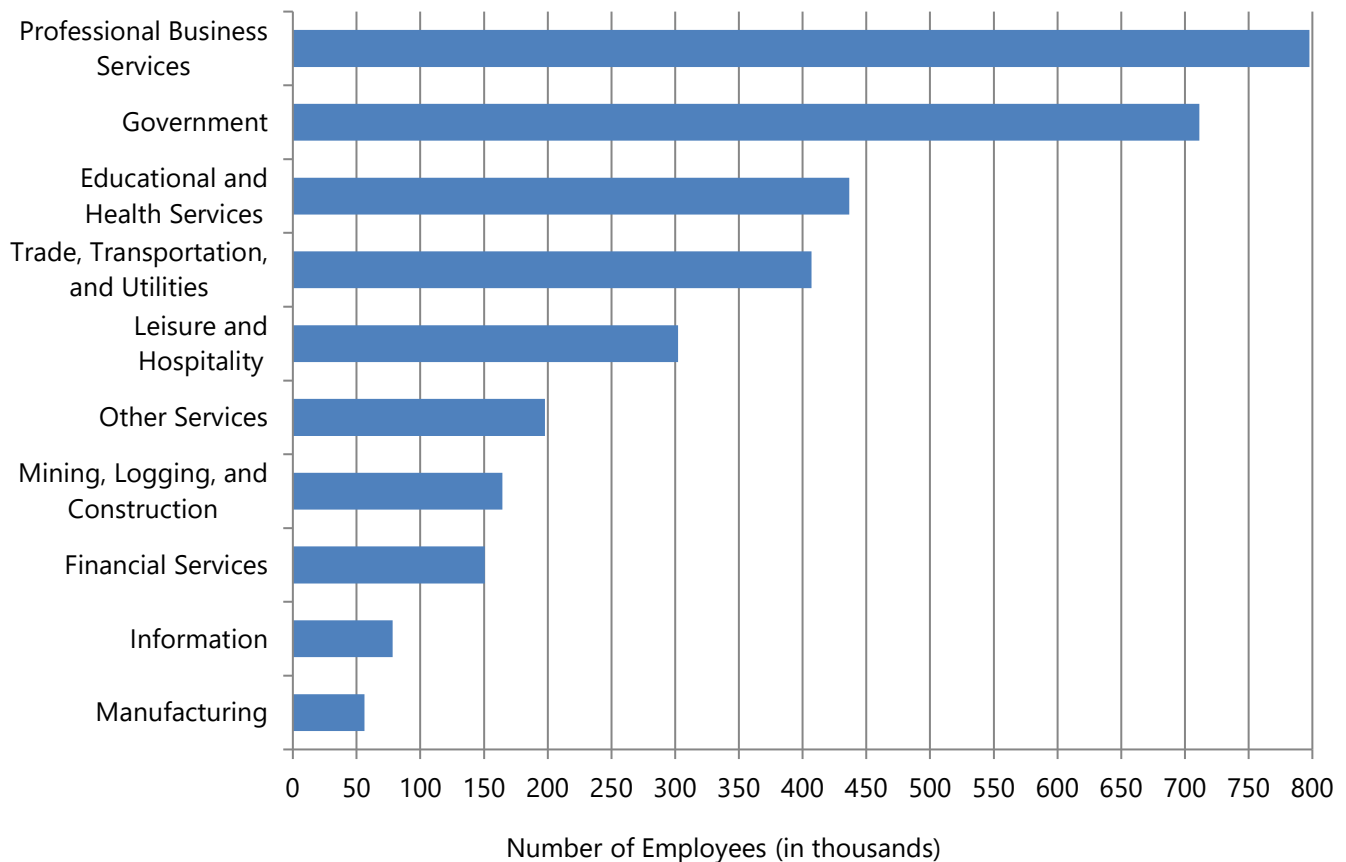


Over the years, the Airports Service Region has consistently had lower unemployment rates than the national average. As of December 2022, the region's average unemployment rate was 3.4 percent, lower than the U.S. average of 3.6 percent.⁶ The Airports Service Region boasts strong participation in professional business services, trade, transportation, and utilities, education and health services, and leisure and hospitality.⁷

⁶ Source: U.S. Bureau of Labor Statistics https://www.bls.gov/regions/mid-atlantic/news-release/areaemployment_washingtondc.htm

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

Airports Service Region Employment by Industry – 2022
Bureau of Labor Statistics



AIRPORTS AUTHORITY'S ECONOMIC ENVIRONMENT

AVIATION AND TOLL ROAD ACTIVITY

Reagan National

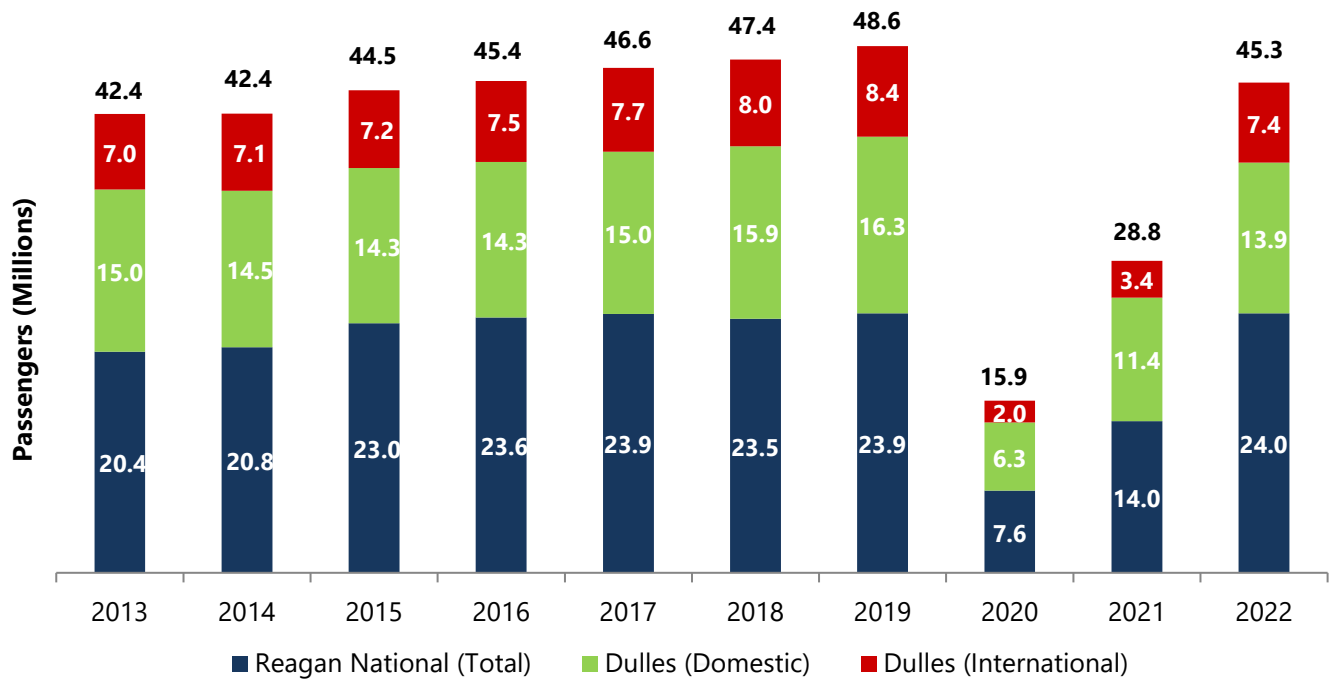
Activity at Reagan National increased significantly in 2022 due to COVID-19 pandemic recovery with total passengers of 24 million, representing a 70.6 percent increase from 2021 activity of 14 million. Total aircraft operations at the Airport increased by 70.8 percent from 172 thousand operations in 2021 to 294 thousand operations in 2022 as a result of increased air service levels caused by the COVID-19 pandemic recovery.

Dulles International

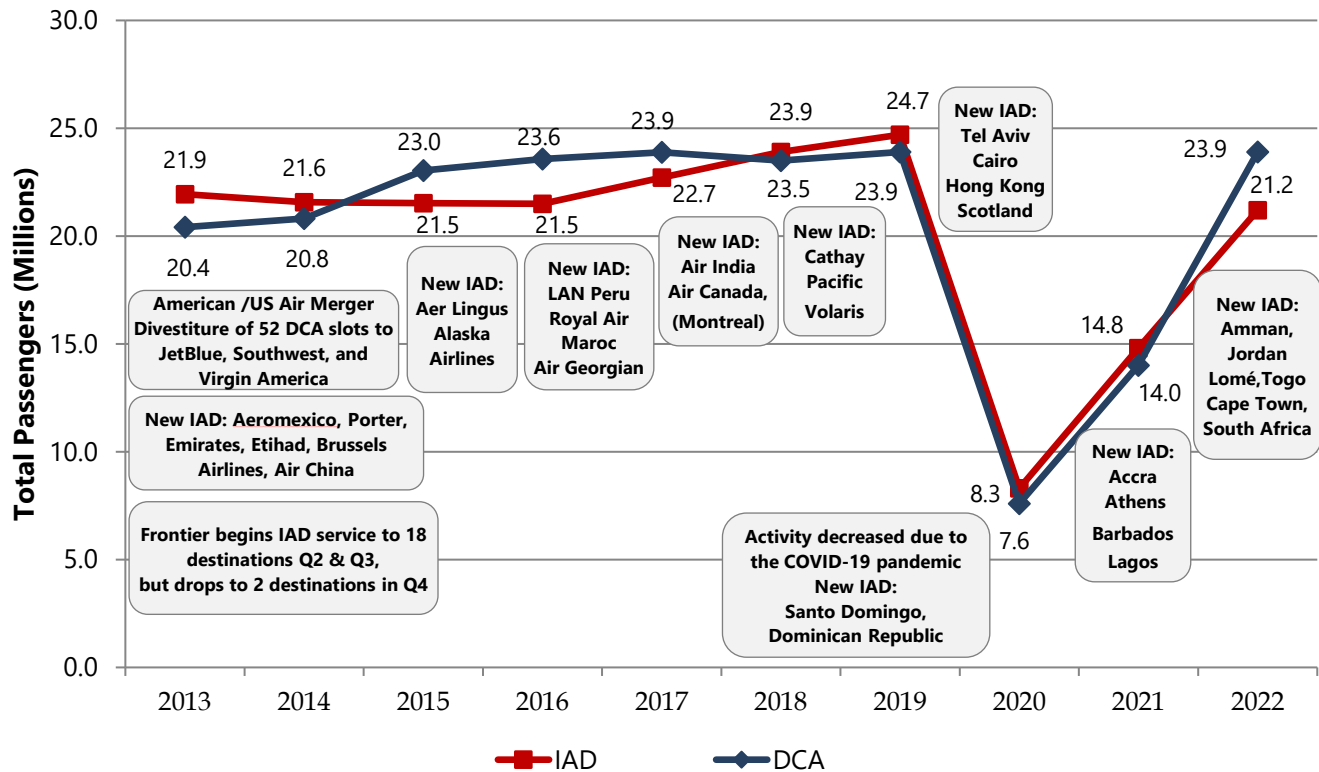
Dulles International served 21 million passengers in 2022, a 42.4 percent increase from 2021 when the Airport served 15 million passengers. Total aircraft operations at Dulles International in 2022 increased to 233 thousand operations, an 11 percent increase from 2021 when the Airport experienced 210 thousand operations. In 2022 domestic enplaned and deplaned passenger traffic at Dulles International increased 21.7 percent as a result of domestic capacity increases by all of the airlines serving Dulles International. Meanwhile, international passenger traffic increased 116.3 percent as worldwide international passenger activity began to recover despite many COVID-19 travel restrictions remaining in place.

In addition to the 2022 passenger traffic recovery, Dulles International was able to expand service to four new destinations and further solidified its position as the region's premier international airport with a strong network of domestic destinations, as well. United launched two new destinations during the year. These destinations include Amman-Jordan & Cape Town-South Africa. Ethiopian Airlines began service to Lome-Togo and Tailwind Aviation began service to New York City's Skyport Marina Seaport.

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 up 0.3 percent in 2022 over the previous year. International cargo was up 1 percent, domestic cargo declined by 0.6 percent, and total mail and express tonnage experienced a 46.1 percent decrease compared to last year. Overall, cargo volumes at Dulles International increased due to the strengthening of international demand and increased levels of domestic and international widebody capacity.

Approximately 60 percent of air cargo is flown in the belly hold of passenger air fleets under normal economic conditions. As passenger flights were cancelled due to the pandemic, the cost of sending cargo by air increased rapidly. Bloomberg Intelligence predicts belly capacity will not return to pre-pandemic levels before 2022. Slower passenger recovery means fewer aircraft available to carry cargo and higher rates or transport delays for shippers, especially on freight-heavy international routes.

Dulles Toll Road

The Dulles Toll Road processed an average of 6.1 million toll transactions per month in 2022 and 5.4 million toll transactions per month in 2021. Dulles Toll Road transactions totaled 73.2 million in 2022 compared to 65.2 million in 2021, a 12.2 percent increase in activity. Dulles Toll Road revenue was \$163.3 million in 2022, a 12.3 percent increase from 2021. Revenue collections via electronic toll collection (E-ZPass) increased from \$132.2 million in

2021 to \$148.9 million in 2022. The increase in activity and revenue was due to the easing of COVID-19 restrictions in 2021.

Industry Outlook

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 road to recovery is contingent on several factors including the speed of virus containment, new variants of the virus effectively contained, recovery of domestic passenger traffic, when international borders are reopened, and a return to normal economic and social activity, appearances of new variants of the virus resulting in governments introducing more restrictive measures, creating new lockdowns and travel restrictions. International Air Transport Association (IATA) reports that global air travel is recovering more slowly than expected and will take until 2024 to return to pre-pandemic levels. Besides renewed outbreaks, travel is also being deterred by weak consumer confidence, uneven vaccine availability and constrained travel budgets.

Following the onset of the COVID-19 pandemic, Moody's, S&P Global Ratings and Fitch Ratings revised their outlooks to negative for the airport sector and international gateway airport credit ratings due to the severe impact on the aviation industry. In March 2021, the three rating agencies revised their industry outlook to stable citing generally decreasing COVID-19 cases, increasing vaccination rates, reduced government restrictions, and increased federal stimulus aid. Strong liquidity and federal aid have offset financial pressure on airport operators and in 2021, the aviation industry began to recover from the record low enplanements resulting from the pandemic. Vaccinations have been the main catalyst for air traffic recovery as travel lockdowns and restrictions were lifted as well as pent-up leisure domestic travel demand.

U.S. passenger airline traffic increased 31 percent in 2022 vs 2021 but that is still 10% below 2019 passenger totals. In 2021, there were 876 million passengers, whereas that figure was 670 million the previous year. Airlines for America indicated that the nine biggest US carriers lost \$300 million before taxes in 2022 which is significantly less than the \$5 billion lost in 2021.

Overall airport traffic is forecast to take multiple years to reach pre-pandemic levels, especially as international traffic and leading business markets, including Washington D.C., are slowly recovering. Despite the setbacks posed by the Delta and Omicron variants in the second half of 2021, enplanement estimates remain strong for 2022 and beyond and both Moody's and S&P Global Ratings revised their airport sector outlook to positive. Fitch Ratings has maintained its stable outlook but acknowledged growing revenues, improving metrics and considerably diminished financial risk to airports. The Airports Authority's aviation credit holds a stable outlook from all three rating agencies.

Similarly for toll roads, in early 2020, Moody's revised its outlook for the toll road sector to negative and S&P Global revised its outlook on nearly all long-term toll road debt ratings to negative due to the severe impacts of the COVID-19 pandemic. Unlike airports, toll road traffic started recovering sooner and more rapidly, especially due to commercial traffic in support of the movement of cargo, online commerce, and essential personnel. Due to this rapid recovery, Moody's revised its sector outlook to stable in December 2020 and further to positive in May 2021. S&P Global Ratings revised its outlook to stable in March 2021. However, the recovery has been uneven among toll roads as commuter toll roads' passenger traffic remains below 2019 levels, largely due to telework. The shift to permanent hybrid and fully remote work schedules may cause a sustained reduction in traffic. While overall traffic still remains below pre-pandemic levels for many toll roads, S&P Global Ratings expects continued resilience and stability in 2022. Moody's expects toll road revenue to return to 2019 levels by 2022 on rate hikes and strong commercial traffic growth. The Airports Authority's Dulles Toll Road credit holds a stable outlook from both Moody's and S&P Global Ratings.

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 2022, the Airports Authority budgeted for the ability to operate the Airports in an efficient, safe, and secure manner with quality customer service standards, while minimizing the impact to the airline cost structure in order to maximize the Airports' competitive position.

The Airports Authority's 2022 Budget reflected a 25.4 percent increase in revenues and a 7.0 percent increase in expenses, as compared to the 2021 Budget. Operating revenues were higher than budget estimates by 13.0 percent in 2022, compared to 3.7 percent higher than budget expectations in 2021. Operating expenses were 94.9 percent of budget authorization in 2022, while in 2021, expenses were 94.7 percent of budget authorization.

Aviation Enterprise Fund Operating Budget

	<u>Budget</u>	<u>Actual¹</u>	<u>As a Percentage of Budget</u>
2022 Revenues	\$ 679,800,812	\$ 767,987,141	113.0%
2022 Expenses ²	\$ 410,549,421	\$ 389,532,127	94.9%
2021 Revenues	\$ 542,125,233	\$ 562,057,145	103.7%
2021 Expenses ²	\$ 383,812,980	\$ 363,492,081	94.7%

¹ Actual results are stated on a budgetary basis for comparative purposes, which are not consistent with GAAP. Actuals do not include GASB 68/74/75/87.

² Does not include depreciation expense or debt service

Dulles Corridor Enterprise Fund

The 2022 operating budget for the Dulles Corridor Enterprise Fund reflected the 14th 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). The Airports Authority's 2022 Budget reflected a 12.2 percent increase in revenues and an 18.3 percent increase in expenses, as compared to the 2021 Budget. Operating revenues reached 96.8 percent of budget expectations in 2022, while in 2021, operating revenues were 96.7 percent of budget expectations. Operating expenses were 93.4 percent of budget authorization in 2022 and 108.2 percent greater than budget authorization in 2021 due to higher than anticipated Electronic Toll Collection Fees.

Dulles Corridor Enterprise Fund Operating Budget

	Budget	Actual ¹	As a Percentage of Budget
2022 Revenues	\$ 168,544,000	\$ 163,212,389	96.8%
2022 Expenses ²	\$ 31,520,597	\$ 29,447,638	93.4%
2021 Revenues	\$ 150,214,132	\$ 145,319,734	96.7%
2021 Expenses ²	\$ 26,635,792	\$ 28,810,567	108.2%

¹ Actual results are stated on a budgetary basis for comparative purposes, which are not consistent with GAAP. Actuals do not include GASB 68/74/75/87.

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 projects and the accumulation of sufficient resources required to service the debt issued to finance these projects 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 majority 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.

Due to Slot and Perimeter Rule regulations at Reagan National, it is anticipated that long-term future growth in aviation activity for the Airport Service Region will occur at Dulles International.

Dulles Corridor Enterprise Fund

The Dulles Corridor Enterprise Fund's long-term planning includes the completion of the Dulles Metrorail Project and certain approved capital expenditures on the Dulles Toll Road and in the Dulles Corridor. 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.

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 Annual Comprehensive Financial Report, Budget, Master Indenture of Trust, Official Statements, credit rating reports, airline rates and charges, and airline statistics. The Airports Authority also posts monthly unaudited financial statements which 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 link: <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 Financial Report for the year ended December 31, 2021. This was the thirty-third consecutive year the Airports Authority has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Financial Report 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 prepared the 2022 Annual Comprehensive Financial Report according to the requirements of the Certificate of Achievement Program and will submit to GFOA as a candidate for the 2022 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 an unprecedented year in the history of aviation, and in the history of the Airports Authority, the financial results and net position demonstrate the sound financial footing upon which the Airports Authority entered the global pandemic period, and the strong governance and management it has demonstrated throughout 2022. I would like to thank the Board, the President and Chief Executive Officer, and the entire executive leadership team for their leadership and support in planning and conducting the operations of the Airports Authority in a fiscally prudent manner for 2022.

Additionally, I would also like to express appreciation to all personnel within the Office of Finance for maintaining seamless continuity of financial operations in light of the challenges of COVID-19, and without whom this financial report would not be completed. Special thanks are also expressed to Christopher Wedding, Anne Field and Priya D'Souza for their leadership and for the preparation of this year's Annual Comprehensive Financial Report. Finally, appreciation is expressed to the firm of Crowe LLP for their dedication to completing a timely audit.

A handwritten signature in blue ink, appearing to read "Andrew T. Rountree", with a stylized flourish at the end.

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

2021 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

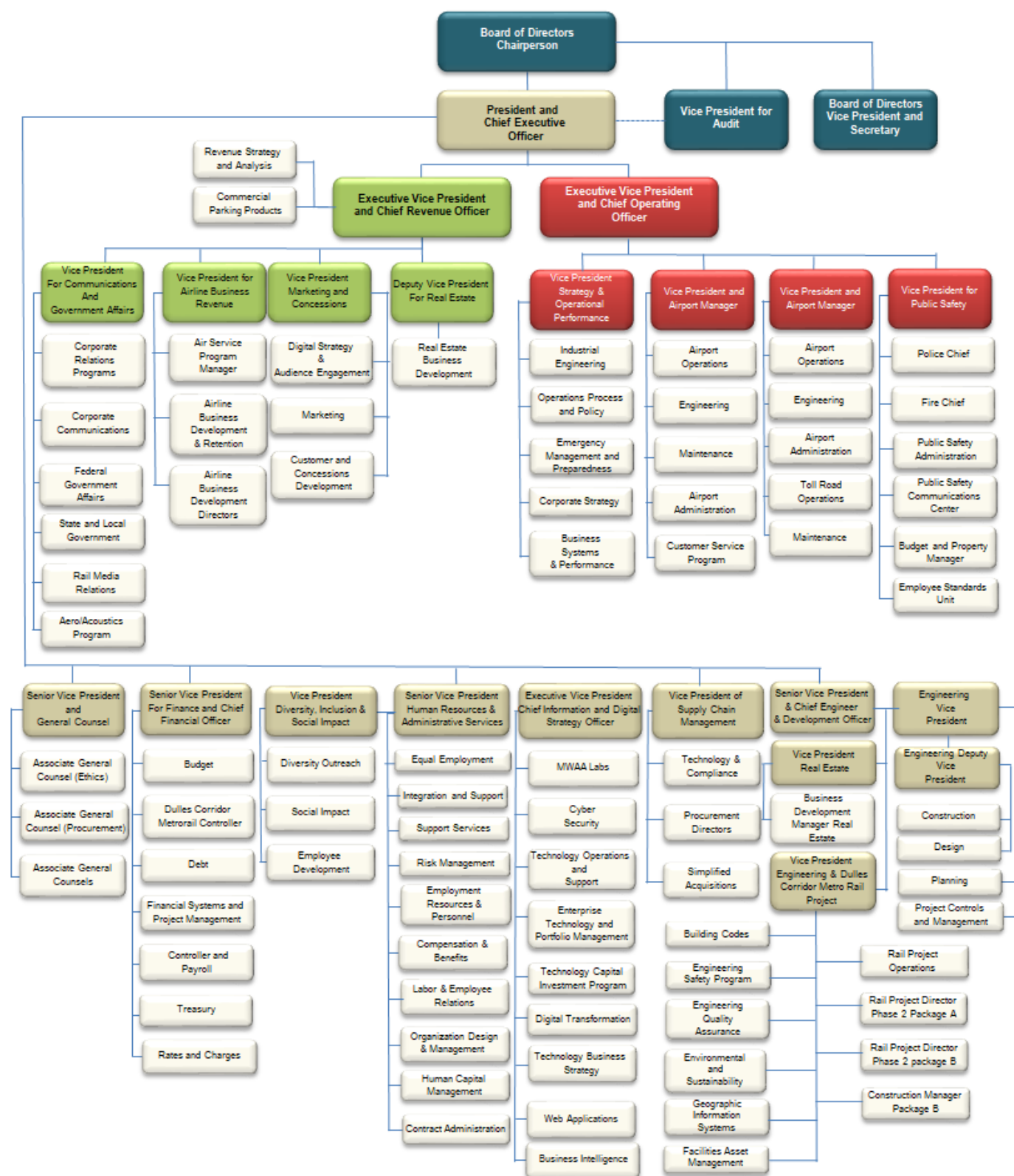
Christopher P. Morill

Executive Director/CEO

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Metropolitan Washington Airports Authority

Organizational Chart



FINANCIAL SECTION

Report of Independent Auditor



Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Metropolitan Washington Airports Authority
Arlington, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Washington Airports Authority (the "Airports Authority"), as of and for the year ended December 31, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Airports Authority, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airports Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2022, the Airports Authority adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

(Continued)

Report of Independent Auditor – (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airports Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Airports Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airports Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

(Continued)

Report of Independent Auditor – (Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The 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. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023 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.


Crowe LLP

Indianapolis, Indiana
March 29, 2023

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, 2022 with selected comparative information for the year ended December 31, 2021. 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.

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 and a separate other post-employment benefit plan.

The Airports Authority's Statement of Fiduciary Net Position depicts the financial position of the pensions and the other post-employment trust funds 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 Supplementary 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 \$(2.3) billion and \$250.0 million for the years ended December 31, 2022 and 2021, respectively. Total operating revenues for the Airports Authority increased \$221.1 million generated primarily due to the easing of COVID-19 restrictions. Operating expenses were up \$78.1 million primarily related to increases in retirement benefits, contract services and depreciation and amortization expenses. The increase in contributions from other governments of \$293.1 million was due to the transfer of Dulles Station and Guideway East of \$260.5 million to the Aviation Enterprise and contributions of \$97.9 million from the Dulles Metrorail Project funding partners to finance the Project. Contributions to other governments increased by \$2.8 billion resulting from the transfer of capitalized costs relating to the Dulles Metrorail Project Phase 2 to the Metropolitan Washington Area Transit Authority (WMATA) and the Aviation Enterprise.

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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	
	2022	2021*
Operating income (loss)		
Operating revenues	\$ 928,577,874	\$ 707,462,031
Operating expenses	733,259,339	655,149,648
Total operating income (loss)	195,318,535	52,312,383
Non-operating revenues		
Investment income	32,455,234	21,762,097
Net increase (decrease) in fair value of investments	(43,090,399)	2,094,672
Interest income - leases	2,621,690	-
Passenger facility charges	89,362,540	59,375,905
Federal, state and local grants	100,028,474	173,311,432
Fair value gains (loss) on swaps	44,898,724	29,728,416
Contributions from other governments	358,365,002	65,310,519
Other gain (loss)	-	10,000,000
Total non-operating revenues	584,641,265	361,583,041
Non-operating expenses		
Interest expense	(312,033,254)	(318,474,191)
Contributions to other governments	(2,797,361,694)	(13,576,816)
Total non-operating expenses	(3,109,394,948)	(332,051,007)
Income/(Loss) before capital contributions	(2,329,435,149)	81,844,417
Capital contributions	52,390,673	168,156,784
Change in net position	(2,277,044,476)	250,001,201
Net position, beginning of year	1,225,790,004	975,788,803
Restatement due to implementation of GASB 87	2,694,746	-
Net position, end of year	\$ (1,048,559,726)	\$ 1,225,790,004

*Prior year does not include the implementation of GASB Statement No. 87.

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

Aviation Enterprise Fund

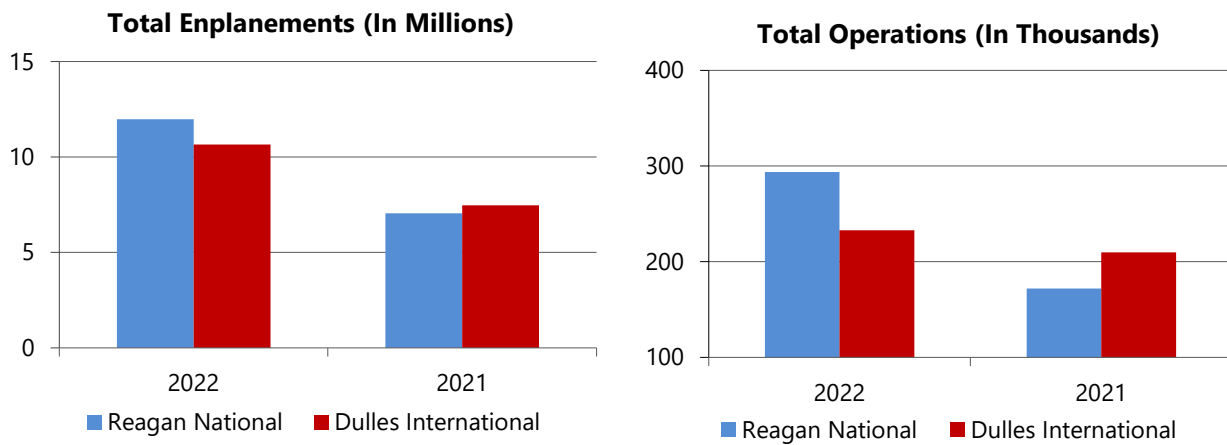
Air travel demand is directly related to key factors in regional, national and international economies, such as business activity, disposable income levels, employment, and currency rates, among others. The Great Recession of 2008 severely impacted airline finances and was a significant factor in spurring 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 capacity growth as the U.S. economy recovered resulting in increasing yields and record profits for the industry.

The U.S. economy grew by 2.2 percent in 2022, the 2022 GDP figure marks a return to pre-pandemic growth rates after two years of wild fluctuations⁸. In December 2022, national unemployment rate decreased from 3.9 percent in December 2021 to 3.5 percent with local unemployment faring better at 2.9 percent down from 3.3 percent in December 2021⁹.

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

Enplanements and Operations Activity for 2021 to 2022



⁸ <https://www.washingtonpost.com/business/2023/01/26/gdp-2022-q4-economy/>

⁹ https://www.bls.gov/eag/eag.dc_washington_md.htm

Enplanements and Operations Activity for 2021 to 2022

	Enplanements and Operations	
	2022	2021
Reagan National Enplanements		
Domestic	11,835,706	7,021,217
Transborder	133,779	27,746
Non-Commercial	12,662	6,990
Total Enplanements	11,982,147	7,055,953
Dulles International Enplanements		
Domestic	6,924,254	5,719,847
Transborder and International	3,661,757	1,665,176
Non-Commercial	73,866	86,713
Total Enplanements	10,659,877	7,471,736
Airports Authority System-wide Enplanements		
Domestic	18,759,960	12,741,064
Transborder and International	3,795,536	1,692,922
Non-Commercial	86,528	93,703
Total Enplanements	22,642,024	14,527,689
Total Operations		
Reagan National	293,674	171,896
Dulles International	232,972	209,913
Total Operations	526,646	381,809

Source: Airports Authority Records

In 2022, combined Reagan National and Dulles International system enplanements increased by 55.9 percent. As a result of the COVID-19 pandemic, enplanements at Reagan National for 2021 were 7.1 million. Since Reagan National is primarily an airport used by business travelers, airlines needed to adjust their schedules to focus more on leisure destinations when the COVID-19 pandemic hit. The FAA granted airlines slot waivers that allowed airlines to reduce service levels without the threat of losing their slots due to underutilization. The slot waivers expired in April 2021 thereby restoring scheduled service to near pre-pandemic levels.

Total enplanements at Dulles International increased to 10.7 million in 2022, as passenger demand recovered from the pandemic. Dulles International served just under 3.7 million international enplaned passengers in 2022. United Airlines, including its regional affiliates, continued to have the largest commercial passenger market share with 73.8 percent of Dulles International's 2021 enplanements.

Domestic enplanement activity increased by 21.1 percent in 2022. As the Washington area economy continues to rebound from the COVID-19 pandemic and the Silver Line Metrorail is now open, Dulles International will continue to service the expanding air travel needs for the region.

According to Domestic U.S. DOT T-100 Onboard Passenger Data for the year ended November 30th, 2022, U.S. domestic enplanements increased by 30.4 percent, while international enplanements increased 134.7 percent for the year ended August 31, 2022. The number of Reagan National enplaned passengers increased by 69.8 percent in 2022 which was above the industry domestic rate of 30.4 percent. Dulles International's domestic enplanements

increased by 21.1 percent which was also above the industry growth rate. Dulles International's international enplanements increased by 119.9 percent in 2022 which was below the industry rate of 134.7 percent that was calculated using International U.S. DOT T-100 Onboard Passenger Data for the year ended August 31, 2022.

<u>2022 Commercial Enplanements Growth</u>	<u>Airports</u>		<u>Difference</u>
	<u>Authority</u>	<u>North America</u>	
Reagan National (Domestic)	68.6%	30.4%	38.2%
Dulles International (Domestic)	21.1%	30.4%	-9.3%
Dulles International (International)	119.9%	134.7%	-14.8%

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

In 2022, the COVID-19 pandemic continued to impact airport concessions sales and revenue in the first quarter. The Airports Authority continued with a relief plan in which Minimum Annual Guarantees (MAG) were waived in the first quarter with targeted relief for a few concessionaires through the second quarter. In the relief periods Concessionaires continued to pay a percentage of sales to ensure that concessionaires continued to operate and get back to pre-pandemic hours of operation. Both airports are now back to pre-pandemic hours.

In Reagan National, Concourse E opened two newly constructed units, DC Originals a retailer specializing in local DC artists and makers who carry an assortment of brands that give back to charitable endeavors and WH Smith a travel essentials location. Two new units replaced the temporary units, Reagan National Café in the North and South security checkpoints in Terminal 2. Overall sales in Reagan National exceeded 2019 levels by 9.9%. Greater than expected enplanements, secure National Hall and the opening of E Concourse all generated this improvement in sales.

Dulles International is below 2019 sales levels due to the delayed return of the international passengers and overall enplanements falling below 2019 levels.

In Reagan National and Dulles International the XpresCheck, which offered COVID-19 tests available for travelers were both closed in 2022.

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.

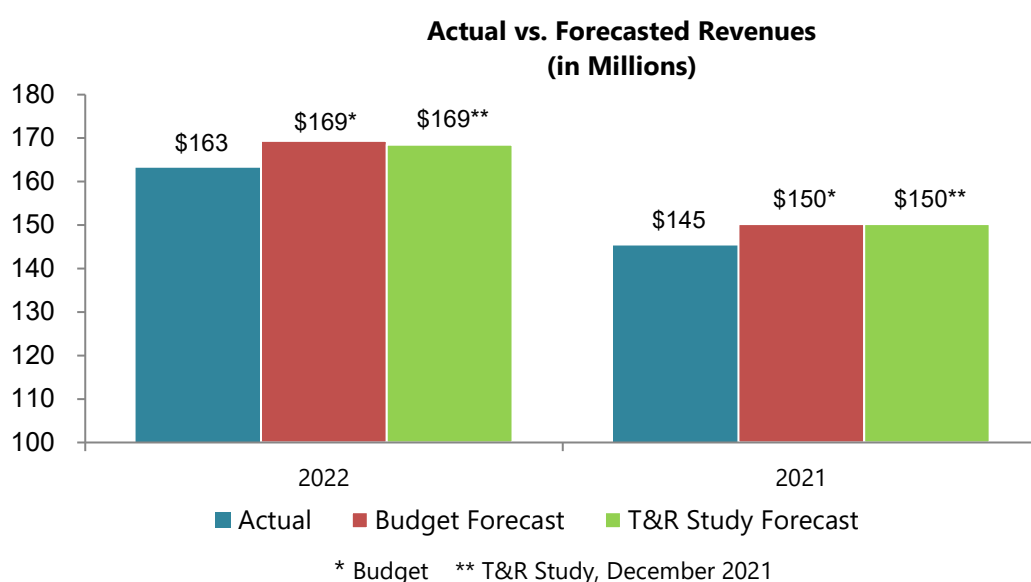
Phase 1 of the Dulles Metrorail Project extends 11.7 miles from a location near the Metrorail Orange Line West Falls Church station to Wiehle Avenue in Reston, Virginia. It includes five stations and improvements to the existing WMATA service and inspection yard at the West Falls Church station. Construction activities began in March 2009 and the Phase 1 of the Silver Line opened for passenger service on July 26, 2014.

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Metropolitan Washington Airports Authority

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 was completed in 2022 and the Phase 2 of the Silver Line opened for passenger service on November 15, 2022.

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 6.1 million and 5.4 million toll transactions per month in 2022 and 2021, respectively. A new budgeted forecast has been produced annually since 2014. Total revenues in 2022 and 2021 were approximately 96.8 and 96.7 percent of budgeted forecast revenues. Electronic (E-ZPass) transactions and violations accounted for 98.4 percent of Dulles Toll Road revenue in 2022, an increase from 97.8 percent in 2021. On December 6, 2021, the Airports Authority's independent consulting firm developed a Dulles Toll Road Traffic and Revenue Study with future forecasts for revenues and transactions.



FINANCIAL HIGHLIGHTS - AVIATION ENTERPRISE FUND

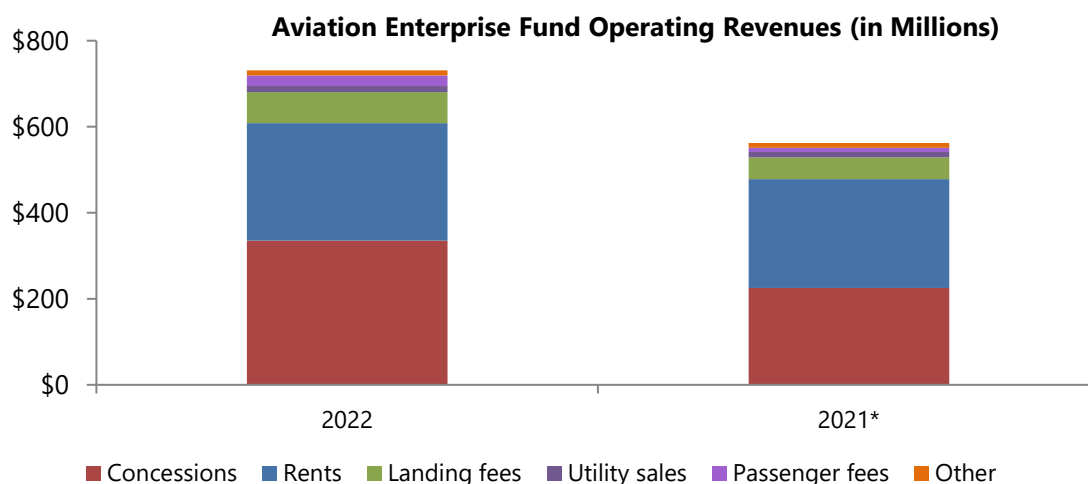
Pursuant to the Airports Authority's Airport Use Agreement and Premises Lease (Use and Lease Agreement), the Airports Authority receives airline-based revenues such as terminal rents, landing fees, international arrival fees, and passenger conveyance fees as well as non-airline, activity-based concession 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 \$765.4 million in operating revenues for 2022, resulting in an increase of \$203.2 million from 2021. Higher revenues from concessions and landing fees reflect a return to airline activity levels prior to the COVID-19 pandemic and the associated reduction in traffic passengers.

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

	Aviation Enterprise Fund	
	2022	2021*
Operating revenues		
Concessions	\$ 335,302,681	\$ 225,156,452
Rents	272,831,551	253,116,032
Leases	34,335,577	-
Landing fees	72,302,927	50,247,122
Utility sales	13,972,408	12,620,885
Passenger fees	24,943,139	9,561,426
Other	11,677,168	11,415,207
Total operating revenues	<u>\$ 765,365,451</u>	<u>\$ 562,117,124</u>

*Prior year does not include the implementation of GASB Statement No. 87.



*Prior year does not include the implementation of GASB Statement No. 87.

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 2022, airline revenue totaled \$322.3 million, which consists of landing fees of \$72.3 million, terminal rents from airlines of \$226.0 million, and other airline fees of \$24.0 million, resulting in a increase of \$65.7 million or 25.6% percent from the prior year.

In 2022, airline rent revenues totaled \$226.0 million, an increase of \$28.3 million, or 14.3 percent, from 2021. The key driver of increased terminal rents in 2022 was the increase in rent rates at Reagan National and Dulles International.

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Metropolitan Washington Airports Authority

Landing fee revenues totaled \$72.3 million in 2022, an increase of \$23.0 million from 2021 primarily due to the increase in airline activity in 2022. Signatory airline landing fee rates paid per 1,000 pounds at Reagan National decreased to \$3.03 in 2022 from \$3.86 in 2021. In 2022, signatory airline landing fee rates paid per 1,000 pounds at Dulles International increased to \$1.45 from \$1.00 in 2021.

Passenger fees, including passenger conveyance and international arrivals fees, totaled \$24.9 million in 2022, a \$15.4 million or 179.1 percent increase from 2021.

Non-Airline Revenues

The Airports Authority's concession revenues totaled \$335.3 million in 2022, which was an increase of \$110.1 million, or 48.9 percent, from 2021. Concession revenues accounted for 43.8 percent of total operating revenues in 2022 attributable to the increased passenger traffic at both airports.

The following table details concession revenues by major category for the years ended 2022, and 2021:

	Concession Revenues	
	2022	2021*
Parking	\$ 142,675,603	\$ 79,649,385
Rental cars	52,293,809	39,119,965
Food and beverage	20,004,949	14,425,803
Fixed based operator	35,633,425	33,443,022
Ground transportation	40,338,151	20,331,240
Inflight caterers	12,574,254	12,538,917
Display advertising	16,044,527	10,301,827
Newsstand and retail	5,747,113	6,208,080
Duty free	2,303,875	2,232,036
All other	7,686,975	6,906,177
Total	<u>\$ 335,302,681</u>	<u>\$ 225,156,452</u>

*Prior year does not include the implementation of GASB Statement No. 87.

Parking revenues continued to rank as the Airports Authority's largest concession in 2022, providing \$142.7 million in total revenues for the year, an increase of \$63.0 million, or 79.1 percent increase in 2021. Rental car revenues totaled \$52.3 million in 2022, reflecting a \$13.2 million increase from the prior year. Food and beverage revenue totaled \$20.0 million in 2022, representing an increase of \$5.6 million from 2021.

Fixed based operator revenues increased by \$2.2 million in 2022, totaling \$35.6 million. Inflight catering revenues were up just slightly from 2021. Ground transportation revenues of \$40.3 million in 2022 increased by \$20.0 million from 2021 due to an upturn in passenger traffic and activity. Display advertising also saw a significant increase in 2022 rising to \$16.0 million from \$10.3 million in 2022.

Other revenue, which represents revenue from employees and tenant parking permits, and other smaller concessions at the airports increased \$0.8 million in 2022 compared to 2021, primarily due to reopening of concessions that were closed due to the COVID-19 pandemic and increased passenger traffic at the airports.

Non-airline rents totaled \$46.9 million in 2022. This was a decrease from 2021 of \$8.5 million. 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, 2022 totaled \$686.6 million, an increase of \$74.1 million or 12.1 percent from 2021. Materials, equipment, supplies, contract services and other expenses increased \$11.8 million or 6.4 percent, to \$196.0 million in 2022.

Salaries and related benefits expenses increased by \$34.5 million from 2021 to \$196.6 million in 2022. Regular full time pay for Airports Authority employees increased \$5.7 million, or 4.1 percent, in 2022 over 2021. In addition, the Airports Authority continued funding its Other Post-Employment Benefits (OPEB). The contribution percentages to the Airports Authority's pension plans decreased to 3.06 percent in 2022 from 6.94 percent of eligible earnings in 2021 for the General Employee Plan and decreased to 4.48 percent in 2022 from 12.21 percent of eligible earnings in 2021 for the Police and Firefighters' plan. The funded ratio as of the actuarial valuation date of December 31, 2022 was 86.11 percent and 104.30 percent, respectively, on a market value and actuarial value basis for the General Employee Plan, and 86.21 percent and 104.50 percent, respectively, on a market value and actuarial basis for the Police and Firefighters' plan.

Depreciation and amortization expenses totaled \$256.3 million in 2022, an increase of \$18.6 million or 7.8 percent from 2021 resulting from several assets within the APM Station, runways, aprons, airfield pavement, hold-pads, baggage systems, new North concourse, and Security Hall.

In 2021, the Airports Authority completed construction of new Security Hall and new North concourse as well as Center Tier-Terminal C Bag room renovations at Reagan National. At Dulles International, Projects completed in 2021 included the Polaris Lounge and Runway 1C-19C North.

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 2022 and 2021, respectively.

	Year ended December 31,	
	2022	2021*
Dulles Toll Road	\$ 5,547,505	\$ 5,839,170
Dulles Metrorail Project	1,768,196	2,581,438
	<u>\$ 7,315,701</u>	<u>\$ 8,420,608</u>

*Prior year does not include the implementation of GASB Statement No. 87.

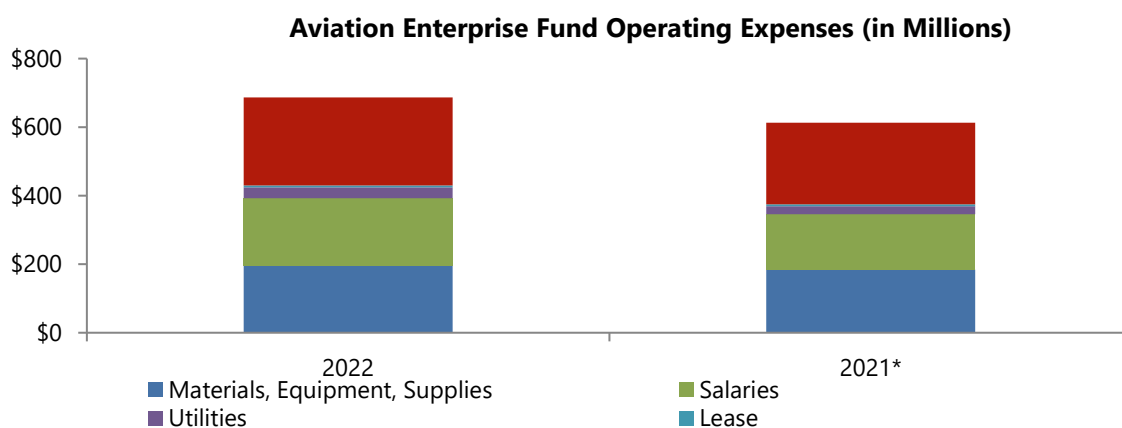
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The following presents total operating expenses for the years ended 2022 and 2021:

	Aviation Enterprise Fund	
	2022	2021*
Operating expenses		
Materials, equipment, supplies, contract services, and other	\$ 195,985,389	\$ 184,143,107
Salaries and related benefits	196,634,503	162,101,051
Utilities	31,200,236	22,451,284
Lease from U.S. Government	6,459,290	6,090,272
Depreciation and amortization	256,280,973	237,698,378
Total operating expenses	<u>\$ 686,560,391</u>	<u>\$ 612,484,092</u>

*Prior year does not include the implementation of GASB Statement No. 87.



*Prior year does not include the implementation of GASB Statement No. 87.

Changes in Net Position

Operating income was \$78.8 million in 2022, an increase of \$129.2 million compared to 2021. The operating revenues improved across the board as a result of the easing of COVID-19 restrictions.

Non-operating federal, state, and local grant revenue decreased by \$73.3 million in 2022 primarily due to the decreased recognition of the CARES Act grant. Non-operating Passenger Facility Charges (PFC) revenue for 2022 was \$89.4 million, reflecting a significant increase of \$30.0 million from 2021. Contributions from other governments increased to \$260.5 million due to the transfer of Dulles Station and Guideway East of the Metrorail Project Phase 2 to the Aviation enterprise. Investment income decreased \$37.2 million in 2022 from 2021 driven by unfavorable market conditions. Non-operating expenses, which included interest expense on the Aviation Enterprise Fund's \$4.6 billion bond debt, totaled \$161.2 million in 2022. Contributions to the Dulles Corridor Enterprise totaled \$18.9 million which reflected the Aviation Enterprise's portion of eligible expenses related to the continued construction of Phase 2 of the Dulles Metrorail Project.

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Capital contributions include federal, state, and local grants, and other capital property acquired. Net federal, state, and local grants in support of capital programs were \$9.7 million in 2022 and \$34.9 million in 2021. In 2022 and 2021, the Airports Authority received \$7.5 million and \$31.3 million, respectively, in Airport Improvement Programs (AIP) grants primarily to reimburse for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements.

The change in net position is an indicator of the overall fiscal condition of the Aviation Enterprise Fund. Net position increased by \$411.8 million and \$154.7 million in 2022 and 2021 respectively. The increase reflects the easing of COVID-19 restrictions.

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

	Aviation Enterprise Fund	
	2022	2021*
Operating income (loss)		
Operating revenues	\$ 765,365,451	\$ 562,117,124
Operating expenses	<u>686,560,391</u>	<u>612,484,092</u>
Total operating income (loss)	<u>78,805,060</u>	<u>(50,366,968)</u>
Non-operating revenues		
Investment income	23,090,649	19,273,012
Net increase (decrease) in fair value of investments	(36,017,105)	5,020,300
Interest income - leases	2,621,690	-
Passenger facility charges	89,362,540	59,375,905
Federal, state and local grants	100,028,474	173,311,432
Fair value gains (loss) on swaps	44,898,724	29,728,416
Contributions from other governments	260,452,223	27,500,000
Other gain (loss)	<u>-</u>	<u>10,000,000</u>
Total non-operating revenues	<u>484,437,195</u>	<u>324,209,065</u>
Non-operating expenses		
Interest expense	(142,262,718)	(145,422,492)
Contributions to other governments	<u>(18,924,214)</u>	<u>(8,556,945)</u>
Total non-operating expenses	<u>(161,186,932)</u>	<u>(153,979,437)</u>
Income/(loss) before capital contributions	402,055,323	119,862,660
Capital contributions	<u>9,728,372</u>	<u>34,871,511</u>
Change in net position	411,783,695	154,734,171
Net position, beginning of year	1,359,459,146	1,204,724,975
Restatement due to implementation of GASB 87	<u>2,694,746</u>	<u>-</u>
Net position, end of year	<u>\$ 1,773,937,587</u>	<u>\$ 1,359,459,146</u>

*Prior year does not include the implementation of GASB Statement No. 87.

FINANCIAL HIGHLIGHTS - DULLES CORRIDOR ENTERPRISE FUND

Operating Revenues

For the year ended December 31, 2022, the Airports Authority recorded toll revenues of \$163.2 million, which consisted of electronic toll collections (E-ZPass) of \$148.9 million, cash collections of \$2.6 million, and violations revenue of \$11.7 million. Overall toll revenue increased \$18.0 million from 2021. In 2022, E-ZPass revenue comprised 91.2 percent of toll revenues, up from 91.0 percent in 2021.

	Dulles Corridor Enterprise Fund	
	2022	2021
Operating revenues		
Electronic toll collection revenues	\$ 148,873,321	\$ 132,237,160
Cash revenues	2,610,091	3,249,867
Violation revenues	11,723,987	9,832,252
Other revenues	5,024	25,628
Total operating revenues	<u>\$ 163,212,423</u>	<u>\$ 145,344,907</u>

Operating Expenses

For the years ended December 31, 2022 and 2021, the Dulles Corridor Enterprise Fund recorded \$46.7 million and \$42.7 million in total operating expenses, respectively. Materials, supplies, equipment, contract services, and other totaled \$28.0 million in 2022, an increase of \$4.2 million from 2021. Electronic toll collection fees paid to the third-party processor of E-ZPass transactions were \$17.0 million, up \$2.0 million from 2021. Materials, supplies, equipment, contract services, and other totaled \$23.8 million in 2021, which included \$15.0 million in electronic toll collection fees paid to the third-party processor of E-ZPass transactions.

The majority of costs related to the Dulles Corridor Enterprise Fund are directly charged to the Fund. In certain instances, overhead costs for the Airports Authority are initially paid from the Aviation Enterprise Fund but are appropriately allocable to the Dulles Corridor Enterprise Fund as costs associated with operation of the Dulles Toll Road or as costs of the Dulles Metrorail Project. In 2022, \$7.3 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, \$5.5 million allocated to the Dulles Toll Road and \$1.8 million allocated to the Dulles Metrorail Project. In 2021, \$8.4 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, \$5.8 million allocated to the Dulles Toll Road and \$2.6 million allocated to the Dulles Metrorail Project.

Depreciation and amortization expenses decreased \$0.5 million to \$9.1 million in 2022. Recent decreases in depreciation and amortization expenses were due to a reduction of costs allocation due to the close-out of the Dulles Metrorail Project, assets becoming fully depreciated, and other asset adjustments.

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	Dulles Corridor Enterprise Fund	
	2022	2021*
Operating expenses		
Materials, equipment, supplies, contract services, and other	\$ 28,012,583	\$ 23,835,220
Salaries and related benefits	9,398,422	9,035,378
Utilities	163,578	154,922
Depreciation and amortization	9,124,365	9,640,036
Total operating expenses	<u>\$ 46,698,948</u>	<u>\$ 42,665,556</u>

*Prior year does not include the implementation of GASB Statement No. 87.

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	
	2022	2021*
Operating income		
Operating revenues	\$ 163,212,423	\$ 145,344,908
Operating expenses	<u>46,698,948</u>	<u>42,665,556</u>
Total operating income	<u>116,513,475</u>	<u>102,679,352</u>
Non-operating revenues (expenses)		
Investment income	9,364,585	2,489,086
Net increase (decrease) in fair value of investments	(7,073,294)	(2,925,629)
Interest expense	(169,770,536)	(173,051,699)
Contributions from other governments	97,912,779	37,810,519
Contributions to other governments	<u>(2,778,437,481)</u>	<u>(5,019,871)</u>
Total non-operating revenues (expenses)	<u>(2,848,003,947)</u>	<u>(140,697,594)</u>
Income (loss) before capital contributions	(2,731,490,472)	(38,018,242)
Capital contributions	42,662,301	133,285,273
Change in net position	(2,688,828,171)	95,267,030
Net position (deficit), beginning of year	<u>(133,669,142)</u>	<u>(228,936,172)</u>
Net position (deficit), end of year	<u>\$ (2,822,497,313)</u>	<u>\$ (133,669,142)</u>

*Prior year does not include the implementation of GASB Statement No. 87.

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The decrease in net position for the Dulles Corridor Enterprise Fund totaled \$2.7 billion for the year ended December 31, 2022. The increase in net position for the Dulles Corridor Enterprise Fund totaled \$95.3 million for the year ended December 31, 2021. Total operating income for the Dulles Corridor Enterprise Fund was \$116.5 million in 2022 and \$102.7 million in 2021.

Total non-operating revenues (expenses) increased \$2.7 billion in 2022 to \$2.8 billion. Contributions from other governments increased \$60.1 million due to the construction activity for Phase 2 of the Dulles Metrorail Project and the contributions received from the Project's funding partners to finance the Project. The increase in contributions to other governments of \$2.8 billion resulted from the transfer of capitalized costs relating to Dulles Metrorail Project Phase 2 to the Washington Metropolitan Area Transit Authority (WMATA) and the Aviation Enterprise. In 2021, the contributions from other governments were \$37.8 million and the contributions to other governments were \$5.0 million. Overall, operating revenues and operating expenses increased in 2022 as a result of the easing of COVID-19 restrictions and increase in transaction fees.

Government grants and contributions in support of capital programs for the Dulles Corridor Enterprise Fund totaled \$42.7 million for the fiscal year ended December 31, 2022 and \$133.3 million for the fiscal year ended December 31, 2021. Federal grants in 2021 included \$15.9 million related to the Dulles Metrorail Project, while the Commonwealth contributed \$26.8 million.

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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, 2022 and 2021 is as follows:

	Total Business-Type Activities	
	2022	2021*
Assets		
Current assets	\$ 2,080,013,765	\$ 2,210,451,632
Non-current assets		
Restricted	501,803,704	622,061,439
Unrestricted	301,390,806	243,311,711
Capital assets, net	<u>4,637,848,578</u>	<u>6,912,062,191</u>
Total Assets	<u>7,521,056,853</u>	<u>9,987,886,973</u>
Deferred Outflows of Resources	<u>221,745,246</u>	<u>98,158,680</u>
Liabilities		
Current liabilities	439,925,451	527,114,354
Non-current liabilities	<u>8,207,064,131</u>	<u>8,233,993,111</u>
Total Liabilities	<u>8,646,989,582</u>	<u>8,761,107,465</u>
Deferred Inflows of Resources	<u>144,372,243</u>	<u>99,148,184</u>
Net Position		
Net investment in capital assets	464,033,098	1,364,632,580
Restricted	316,753,039	355,172,821
Unrestricted (deficit)	<u>(1,829,345,863)</u>	<u>(494,015,397)</u>
Total Net Position	<u>\$ (1,048,559,726)</u>	<u>\$ 1,225,790,004</u>

*Prior year does not include the implementation of GASB Statement No. 87.

Current assets for the Airports Authority totaled \$2.1 billion on December 31, 2022, a decrease of \$130.4 million from 2021. Current assets for the Aviation Enterprise Fund increased \$110.0 million in 2022, primarily as a result of increased unrestricted investments of \$141.9 million, lease receivable of \$33.8 million and accounts receivable of \$20.8 million. Restricted cash and cash equivalents decreased by \$30.3 million and restricted investments decreased by \$62.2 million.

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Non-current assets for the Airports Authority decreased \$62.2 million from 2021 to 2022. The significant changes between 2022 and 2021 include a \$50.1 million decrease in net pension assets, a \$34.4 million decrease in net OPEB assets and a \$23.0 million decrease in restricted investments. These were offset by a \$71.0 million increase in lease receivable.

Capital assets for the Airport Authority decreased by \$2.3 billion primarily resulting from the transfer of \$2.4 billion construction in process – Dulles Metrorail Project Phase 2 to WMATA offset by an increase of \$381.7 million in building, systems and equipment for Aviation Project Journey.

The Airports Authority's current liabilities decreased by \$87.2 million from 2021, the result of a \$52.1 million decrease in advance billings and payments received in advance and a \$46.6 million decrease in accounts payable and accrued expenses in the Dulles Corridor Enterprise Fund. Current portion of bonds payable increased \$10.4 million in 2022.

In 2022, non-current liabilities decreased \$26.9 million to \$8.2 billion. There was a decrease of \$131.8 million in bonds payable and a decrease of \$44.9 million in interest rate swaps payable offset by increases of \$65 million in revolving notes payable, \$56.0 million in net pension liability, \$15.3 million in net OPEB liability and \$16.2 million in lease liability.

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, decreased \$2.3 billion in 2022 from 2021. The Aviation Enterprise Fund and Dulles Corridor Enterprise Fund provided an increase in net position of \$414.5 million and a decrease of \$2.7 billion, respectively, for 2022. In 2021, the Aviation Enterprise Fund and Dulles Corridor Enterprise Fund provided increases of \$154.7 million and 95.3 million, respectively.

Net investment in capital assets decreased by \$900.6 million in 2022 from 2021. The decrease in 2022 was attributable from the transfer of capitalized costs relating to Dulles Metrorail Project Phase 2 to the Metropolitan Washington Area Transit Authority (WMATA).

On December 31, 2022, total restricted net position of \$316.8 million consisted of funds restricted for construction, debt service, leases, pension and OPEB benefits, Dulles Metrorail Project latent defects, Dulles Toll Road repairs and public safety. This was an overall decrease from 2021 of \$38.4 million. The Aviation Enterprise Fund's restricted net position decreased by \$22.3 million, primarily due to decreases in debt service and assets restricted for pension and OPEB benefits offset by increase in assets restricted for construction. The Dulles Corridor Enterprise Fund's restricted net position decreased by \$16.1 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 \$1.8 billion in 2022, which represented an overall decrease of \$1.3 billion from 2021. Unrestricted net position increased by \$178.6 million for the Aviation Enterprise Fund and decreased by \$1.5 billion 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 debts associated with the Dulles Metrorail Project. The costs of this Project Phase 1 were effectively transferred to WMATA in 2014 and those of Phase 2 were transferred in 2022 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 has \$4.15 billion of total outstanding Airport System Revenue bonds, which includes \$3.97 billion of fixed rate bonds and \$181.9 million of variable rate bonds, which are collateralized by Letters of Credit (LOC).

On July 7, 2022, the Airports Authority issued \$205.3 million of Series 2022A Airport System Revenue Refunding Bonds resulting in net present value savings of \$15.1 million. The Series 2022A Alternative Minimum Tax (AMT) Airport System Revenue Refunding Bonds refunded Series 2012A Airport System Revenue Refunding Bonds and produced total gross savings of \$18.2 million.

The Airports Authority's Aviation Enterprise Fund's long-term uninsured bonds are rated "AA-" by Fitch, "Aa3" by Moody's, and "AA-" by Standard & Poor's Global Ratings (S&P). In May 2022, S&P upgraded the Airports Authority's credit to "AA-" from "A+", while Moody's and Fitch affirmed their ratings, each 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 2022, the Airports Authority's debt service coverage was 2.26.

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. As of December 31, 2022, the Airports Authority had \$3.5 billion of outstanding Dulles Toll Road Revenue bonds.

On February 16, 2022, the Airports Authority issued \$754.8 million of Series 2022AB Dulles Toll Road Second Senior Lien Revenue Refunding Bonds resulting in net present value savings of \$179.8 million. The tax-exempt Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2022A par amount of \$424.7 million refunded \$421.8 million of Series 2014A Second Senior Lien Revenue Refunding Bonds, resulting in \$138.4 million in present value savings. The federally taxable Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2022B par amount of \$330.1 million refunded \$249.8 million of Series 2009C Second Senior Lien Revenue Bonds (Convertible Capital Appreciation Bonds), resulting in \$41.4 million in present value savings. The DTR Series 2022AB Bonds produced total gross savings of \$252.1 million.

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. Moody's rates long-term uninsured bonds under the three liens as follows: "A2" for First Senior, "Baa1" for Second Senior, and "Baa2" for the Subordinate Lien. S&P rates long-term uninsured bonds under the three liens as follows: "A" for First Senior and "A-" for the Second Senior and Subordinate Liens. Both, Moody's and S&P maintain a "Stable" outlook on the Airports Authority's Dulles Corridor Enterprise debt.

Please refer to Note 14 – Capital Debt for additional details on the Airports Authority’s long-term debt activity and ratings.

FEDERAL, STATE, AND LOCAL GRANT ACTIVITY

Aviation Enterprise Fund

In 2022, the Aviation Enterprise Fund received \$101 million in total federal, state, and local grants in support of operations. This included \$22.5 million in Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and \$74.4 million in Airport Rescue Grant Program (ARGP) Act used in 2022. It also 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 \$285 thousand related to the collaborative effort between the Airports Authority and the Department of Justice.

The Aviation Enterprise Fund also recognized \$9.7 million in federal, state, and local grants in support of capital programs in 2022. The FAA’s Airport Improvement Program provided \$7.5 million for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements.

In 2021, the Commonwealth of Virginia, Department of Environmental Quality (DEQ) awarded the Airports Authority the total amount of \$4 million. The funding was used for the purchase of five (5) heavy duty electric shuttle buses and associated charging infrastructure.

In 2022, the U.S. Department of Homeland Security (DHS) awarded the Airports Authority \$1.4 million in support of “Operation Allies Welcome” to receive Afghan evacuees into the United States. As events rapidly unfolded, the Authority facilitated the necessary accommodations to provide a comfortable and discrete environment for evacuees without consideration of cost. Facilities were modified to ensure COVID-19 safety compliance, including establishing makeshift triage centers for medical screening and necessary vaccinations.

In 2022, the National Highway Safety Administration (NHTSA) awarded the Airports Authority \$29 thousand to reduce highway safety related injuries and to implement a traffic safety initiative.

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 the Dulles Metrorail Project. During 2022, the Dulles Corridor Enterprise Fund recognized \$2 million of the FFGA award.

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

CASH AND INVESTMENT MANAGEMENT – TOTAL BUSINESS TYPE ACTIVITIES

The Airports Authority’s cash and cash equivalents decreased \$118.2 million to \$603.9 million as of December 31, 2022 as interest rates rose and cash was invested in securities. This was driven by a decrease of \$96.9 million in the cash and cash equivalents in the Aviation Enterprise Fund and \$21.3 million decrease in cash and cash equivalents in the Dulles Corridor Enterprise Fund. Cash and cash equivalents with an original maturity of three months or less are considered highly liquid investments. Restricted and unrestricted investments decreased by

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\$114.1 million in 2022, which was attributable to a \$72.8 million increase in the Aviation Enterprise Fund and a decrease of \$186.8 million in the Dulles Corridor Enterprise Fund investments.

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

	Total Business-Type Activities	
	2022	2021
Cash received from operations	\$ 916,181,800	\$ 700,350,071
Cash expended from operations	<u>(458,391,957)</u>	<u>(439,171,791)</u>
Net cash provided by operations	457,789,843	261,178,280
Net cash provided (used) by:		
Noncapital financing activities	153,967,511	211,075,353
Capital and related financing activities	(833,356,819)	(282,337,218)
Investing activities	<u>103,429,847</u>	<u>(379,017,890)</u>
Net increase (decrease) in cash and cash equivalents	(118,169,618)	(189,101,475)
Cash and cash equivalents, beginning of year	<u>722,082,172</u>	<u>911,183,647</u>
Cash and cash equivalents, end of year	<u>\$ 603,912,554</u>	<u>\$ 722,082,172</u>

Cash temporarily idle during 2022 was invested in demand deposits, certificates of deposit, U.S. government and agency obligations, mutual funds, repurchase agreements collateralized by the U.S. government or agency obligations, and other permitted investments as listed in the Master Indentures for the Airports Authority's outstanding bonds. During 2022, the Airports Authority's Aviation Enterprise Fund operating account average portfolio balance was \$935.3 million, and the average yield on investments was 1.79 percent. The capital funds are held by an agent for the Trustee but managed by the Airports Authority. For 2022, the capital funds had an average portfolio balance of \$492.5 million and an average yield of 2.03 percent. During 2022, the Airports Authority's Dulles Corridor Enterprise Fund operating account average portfolio balance was \$212.7 million and the average yield on investments was 1.47 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 2022, the capital funds had an average portfolio balance of \$410.8 million and an average yield of 1.04 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 \$361.2 million in projects in 2022 principally for the Security Hall and North Concourse as well as TV900 Airfield Electric Vault Relocation at Reagan National, and the Airfield Pavement Panel Replacement and the Dulles Station and Guideway N10 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, Federal Transit Administration grants, and contributions from Fairfax County, Loudoun County, the Northern Virginia Transportation Authority, and the Airports Authority, include the Dulles Metrorail Project, as well as other studies and improvements. The total Capital Improvement Program budget for 2022 was \$463.6 million, of which \$62.4 million was allocated for Phase 1 of the Dulles Metrorail Project, \$305.7 million was allocated for Phase 2 of the Dulles Metrorail Project; and \$95.5 million for the Dulles Toll Road.

For more information on capital asset activity, please refer to Note 8 – 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@mwaa.com.

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2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Business-Type Activities
Basic Financial Statements

Statement of Net Position
As of December 31, 2022

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 54,374,313	\$ 203,447,529	\$ 257,821,842
Restricted cash and cash equivalents	190,412,324	-	190,412,324
Accounts receivable, net	52,739,327	1,216,611	53,955,938
Lease receivable	33,840,921	-	33,840,921
Restricted lease receivable	2,968,200	-	2,968,200
Investments	939,832,280	-	939,832,280
Restricted investments	313,640,634	267,649,686	581,290,320
Inventory	8,581,944	85,995	8,667,939
Prepaid expenses and other current assets	10,533,201	690,800	11,224,001
Total current assets	1,606,923,144	473,090,621	2,080,013,765
Non-current assets			
Restricted:			
Cash and cash equivalents	-	155,678,388	155,678,388
Accounts receivable	19,954,612	5,487,826	25,442,438
Lease receivable	6,215,021	-	6,215,021
Investments	230,968,940	83,498,917	314,467,857
Total restricted	257,138,573	244,665,131	501,803,704
Unrestricted:			
Investments	224,556,418	-	224,556,418
Lease receivable	70,956,848	-	70,956,848
Bond insurance costs	-	5,877,540	5,877,540
Total unrestricted	295,513,266	5,877,540	301,390,806
Capital assets:			
Land and other non-depreciable assets	155,540,568	15,857,853	171,398,421
Construction in progress	89,121,770	943,920	90,065,690
Construction in progress - Dulles Metrorail Project	-	8,438,628	8,438,628
Buildings, systems and equipment	8,882,694,455	165,670,753	9,048,365,208
Less: accumulated depreciation and amortization	(4,613,733,012)	(66,686,357)	(4,680,419,369)
Capital assets, net	4,513,623,781	124,224,797	4,637,848,578
Total non-current assets	5,066,275,620	374,767,468	5,441,043,088
Total assets	\$ 6,673,198,764	\$ 847,858,089	\$ 7,521,056,853
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - debt refundings	\$ 46,720,267	\$ 66,390,951	\$ 113,111,218
Deferred outflows - pension plans	68,111,628	3,268,673	71,380,301
Deferred outflows - OPEB plans	35,547,790	1,705,937	37,253,727
Total deferred outflows of resources	\$ 150,379,685	\$ 71,365,561	\$ 221,745,246

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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Net Position
As of December 31, 2022

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 91,008,150	\$ 26,496,240	\$ 117,504,390
Advance billings and payments received in advance	10,627,755	26,050,270	36,678,025
Lease liability	4,215,080	631	4,215,711
Due to (due from) other funds	18,721,780	(18,721,780)	-
Accrued interest payable	49,134,200	38,795,951	87,930,151
Current portion of bonds payable	<u>184,330,000</u>	<u>9,267,174</u>	<u>193,597,174</u>
Total current liabilities	<u>358,036,965</u>	<u>81,888,486</u>	<u>439,925,451</u>
Non-current liabilities			
Other liabilities	5,912,362	130,498	6,042,860
Lease liability	16,214,485	90	16,214,575
Interest rate swaps payable	31,326,787	-	31,326,787
Net pension liability	53,465,155	2,565,790	56,030,945
Net OPEB liability	14,634,594	702,313	15,336,907
Revolving notes payable	-	65,014,100	65,014,100
Bonds payable, net	<u>4,428,192,299</u>	<u>3,588,905,658</u>	<u>8,017,097,957</u>
Total non-current liabilities	<u>4,549,745,682</u>	<u>3,657,318,449</u>	<u>8,207,064,131</u>
Total liabilities	<u>\$ 4,907,782,647</u>	<u>\$ 3,739,206,935</u>	<u>\$ 8,646,989,582</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - debt refundings	\$ 61,684	\$ 1,216,933	\$ 1,278,617
Deferred inflows - leases	114,768,069	-	114,768,069
Deferred inflows - pension plans	7,797,376	374,196	8,171,572
Deferred inflows - OPEB plans	<u>19,231,086</u>	<u>922,899</u>	<u>20,153,985</u>
Total deferred inflows of resources	<u>\$ 141,858,215</u>	<u>\$ 2,514,028</u>	<u>\$ 144,372,243</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	\$ 409,133,262	\$ 54,899,836	\$ 464,033,098
Restricted for			
Construction	124,419,736	49,323,113	173,742,849
Debt service	55,836,977	43,863,292	99,700,269
Leases	8,598,269	-	8,598,269
Pension and OPEB benefits	8,531,207	409,412	8,940,619
Dulles Rail latent defects	-	15,719,874	15,719,874
Dulles Toll Road repairs	-	9,288,988	9,288,988
Public safety	762,171	-	762,171
Unrestricted (deficit)	<u>1,166,655,965</u>	<u>(2,996,001,828)</u>	<u>(1,829,345,863)</u>
Total net position (deficit)	<u>\$ 1,773,937,587</u>	<u>\$ (2,822,497,313)</u>	<u>\$ (1,048,559,726)</u>

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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2022

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
OPERATING REVENUES			
Concessions	\$ 335,302,681	\$ -	\$ 335,302,681
Tolls	-	163,207,399	163,207,399
Rents	272,831,551	-	272,831,551
Leases	34,335,577	-	34,335,577
Landing fees	72,302,927	-	72,302,927
Utility sales	13,972,408	-	13,972,408
Passenger fees	24,943,139	-	24,943,139
Other	11,677,168	5,024	11,682,192
Total operating revenues	765,365,451	163,212,423	928,577,874
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	195,985,389	28,012,583	223,997,972
Salaries and related benefits	196,634,503	9,398,422	206,032,925
Utilities	31,200,236	163,578	31,363,814
Lease from U.S. Government	6,459,290	-	6,459,290
Depreciation and amortization	256,280,973	9,124,365	265,405,338
Total operating expenses	686,560,391	46,698,948	733,259,339
OPERATING INCOME (LOSS)	78,805,060	116,513,475	195,318,535
NON-OPERATING REVENUES (EXPENSES)			
Investment income	23,090,649	9,364,585	32,455,234
Net increase (decrease) in fair value of investments	(36,017,105)	(7,073,294)	(43,090,399)
Interest income - leases	2,621,690	-	2,621,690
Interest expense	(142,262,718)	(169,770,536)	(312,033,254)
Passenger facility charges	89,362,540	-	89,362,540
Federal, state and local grants	100,028,474	-	100,028,474
Fair value gain on swaps	44,898,724	-	44,898,724
Contributions from other governments	260,452,223	97,912,779	358,365,002
Contributions to other governments	(18,924,214)	(2,778,437,481)	(2,797,361,695)
Total non-operating revenues (expenses)	323,250,263	(2,848,003,947)	(2,524,753,684)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	402,055,323	(2,731,490,472)	(2,329,435,149)
CAPITAL CONTRIBUTIONS			
Net federal, state and local grants	9,728,372	42,662,301	52,390,673
Total capital contributions	9,728,372	42,662,301	52,390,673
NET POSITION (DEFICIT)			
Change in net position	411,783,695	(2,688,828,171)	(2,277,044,476)
Net position (deficit), beginning of year	1,359,459,146	(133,669,142)	1,225,790,004
Restatement due to implementation of GASB 87	2,694,746	-	2,694,746
Net position (deficit), end of year	\$ 1,773,937,587	\$ (2,822,497,313)	\$ (1,048,559,726)

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

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Your Journey Begins With Us.

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Statement of Cash Flows
For the year ended December 31, 2022

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash receipts from customers	\$ 740,972,810	\$ 163,179,953	\$ 904,152,763
Cash payments to suppliers for goods and services	(232,507,256)	(26,873,031)	(259,380,287)
Cash payments to employees for services	(185,751,441)	(1,231,192)	(186,982,633)
Cash receipts for interfund services	12,029,037	-	12,029,037
Cash payments for interfund services	-	(12,029,037)	(12,029,037)
NET CASH PROVIDED BY OPERATING ACTIVITIES	334,743,150	123,046,693	457,789,843
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash provided by other governments	-	102,595,098	102,595,098
Cash provided to other governments	(48,579,180)	-	(48,579,180)
Interest paid to vendors (refunded)	(13,971)	(35)	(14,006)
Federal, state and local grants in support of operations	99,965,599	-	99,965,599
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	51,372,448	102,595,063	153,967,511
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of bonds/notes	1,937,557	47,017,700	48,955,257
Principal payments on bonds/notes and commercial paper	(179,805,000)	(3,422,177)	(183,227,177)
Payments for capital expenditures and construction in progress	(121,150,308)	(413,927,228)	(535,077,536)
Proceeds from sale of capital assets	123,610	3,700	127,310
Refunding of bond insurance costs	-	2,465,238	2,465,238
Interest paid on bonds and commercial paper	(209,296,744)	(82,994,900)	(292,291,644)
Federal, state and local grants in aid of construction	22,420,885	14,828,441	37,249,326
Passenger facility charge receipts	88,442,407	-	88,442,407
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(397,327,593)	(436,029,226)	(833,356,819)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from short-term investment maturities	1,435,948,296	619,911,669	2,055,859,965
Purchase of short-term investments	(1,515,685,462)	(458,034,215)	(1,973,719,677)
Proceeds from long-term investment maturities	48,857,617	2,291,290	51,148,907
Purchase of long-term investments	(54,807,175)	24,947,827	(29,859,348)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(85,686,724)	189,116,571	103,429,847
NET DECREASE IN CASH AND CASH EQUIVALENTS	(96,898,719)	(21,270,899)	(118,169,618)
CASH AND CASH EQUIVALENTS, Beginning of year	341,685,356	380,396,816	722,082,172
CASH AND CASH EQUIVALENTS, End of year	\$ 244,786,637	\$ 359,125,917	\$ 603,912,554

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

Statement of Cash Flows
For the year ended December 31, 2022

	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 78,805,060	\$ 116,513,475	\$ 195,318,535
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	256,250,644	9,128,065	265,378,709
Gain on disposal of assets	30,329	(3,700)	26,629
Provision for losses on accounts receivable	344,192	-	344,192
(Increase) decrease in assets:			
Accounts receivable	(18,684,841)	(32,471)	(18,717,312)
Lease receivable	(113,980,989)	-	(113,980,989)
Inventory	(1,108,165)	92,418	(1,015,747)
Prepaid expenses and other current assets	(1,086,553)	(183,722)	(1,270,275)
Net pension assets	47,456,329	2,636,832	50,093,161
Net OPEB assets	32,619,680	1,808,714	34,428,394
Deferred outflows pension plans	(46,194,125)	(1,933,530)	(48,127,655)
Deferred outflows OPEB plans	(18,878,068)	(710,531)	(19,588,599)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	8,697,923	52,529,702	61,227,625
Advance billings and payments received in advance	(3,955,773)	(52,099,481)	(56,055,254)
Lease obligations	(295,532)	-	(295,532)
Due to (due from) other funds	4,773,002	(4,773,002)	-
Other liabilities	(6,461,623)	(169,245)	(6,630,868)
Net OPEB liability	14,634,594	702,313	15,336,907
Net Pension liability	53,465,155	2,565,790	56,030,945
Deferred inflows pension plans	(40,581,722)	(1,409,898)	(41,991,620)
Deferred inflows OPEB plans	(25,874,436)	(1,615,036)	(27,489,472)
Deferred inflows leases	114,768,069	-	114,768,069
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 334,743,150</u>	<u>\$ 123,046,693</u>	<u>\$ 457,789,843</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized gain (loss) on investments	\$ (12,926,456)	\$ 2,291,290	\$ (10,635,166)
Contributions to other entities	\$ (18,924,214)	\$(2,778,437,481)	\$(2,797,361,695)
Contributions from other entities	\$ 260,452,223	\$ 97,912,779	\$ 358,365,002
(Increase) decrease in assets in non-operating accounts receivable	\$ 7,282,535	\$ (725,753)	\$ 6,556,782
Increase (decrease) in capital assets in accounts payable and accrued expenses	\$ (4,539,617)	\$ (99,176,812)	\$ (103,716,429)
Fair value gain on swaps	\$ 44,898,724	\$ -	\$ 44,898,724
Proceeds from issuance of refunding bonds	\$ 224,472,666	\$ 787,262,768	\$ 1,011,735,434
Bond proceeds paid to escrow to refund outstanding bonds and pay interest	\$ (222,535,109)	\$ (740,245,068)	\$ (962,780,177)

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

Fiduciary Component Units
Basic Financial Statements

Statement of Fiduciary Net Position
As of December 31, 2022

	<u>As of December 31, 2022</u>
	<u>Pension and Other Post- Employment Benefit Trust Funds</u>
Assets	
Restricted	
Current investments	
Short-term investments	\$ 10,820,334
Non-current investments	
Debt securities	125,745,601
Equity securities	328,927,407
Private equity	18,971,418
Real estate	10,857,165
Total non-current investments	484,501,591
Total investments	495,321,925
Receivables	
Accrued investment income and other	1,961,666
Accrued contributions	282,501
Total receivables	2,244,167
Total assets	497,566,092
Liabilities	
Payables	
Accrued plan expenses	365,966
Total liabilities	365,966
Net Position	
Net position restricted for pensions	348,539,408
Net position restricted for other post-employment benefits	148,660,718
Total net position	\$ 497,200,126

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

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2022

	For the year ended December 31, 2022
	Pension and Other Post- Employment Benefit Trust Funds
Additions	
Employer contributions	\$ 7,954,732
Employee contributions	3,388,527
Total contributions	<u>11,343,259</u>
Net (depreciation) appreciation in fair value of investments	(103,312,100)
Interest income	2,252,703
Dividends	7,359,352
Total investment (loss) income	<u>(93,700,045)</u>
Less investment expenses	<u>(663,562)</u>
Net investment (loss) income	<u>(94,363,607)</u>
Total additions, net	<u>(83,020,348)</u>
Deductions	
Benefit payments	33,512,180
Administrative expenses	488,788
Total deductions	<u>34,000,968</u>
Change in net position	(117,021,316)
Net Position	
Beginning of year	614,221,442
End of year	<u>\$ 497,200,126</u>

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

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

On November 1, 2008, the Virginia Department of Transportation (VDOT) transferred responsibility for the operation and maintenance of the Dulles Toll Road to the Airports Authority for an initial term of 50 years. In connection with the transfer, the Airports Authority is constructing the Dulles 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 three 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; and the Retired Employees Health Care Plan. The trust funds are governed by the 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. Both Business-Type Activities are major funds. 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, leases, 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 and Other Post-Employment Benefits 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 insurance 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 Retirement Committee. The 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, and the Airports Authority Retired Employees Healthcare Plan, established in January 2005 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 does 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, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses.

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.

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 2022, 2021 and 2020 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 concession 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.

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 toll road usage occurred.

Rents/Lease– Rental and Lease 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.

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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.

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

Most costs related to the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund are directly charged to the appropriate fund as a direct cost. Administrative functions, which represent overhead costs for the entire Airports Authority, as well as other indirect costs, such as Public Safety functions, are initially paid from the Aviation Enterprise Fund, but include costs which are appropriately allocable to the Dulles Corridor Enterprise Fund as costs associated with the operation of the Dulles Toll Road or as project management and administration costs for the Dulles Metrorail Project. A cost allocation plan is used to identify and quantify all overhead and other indirect costs appropriately allocable to the Dulles Toll Road or to the Dulles Metrorail Project within the Dulles Corridor Enterprise Fund.

All allocated overhead and other indirect costs are expensed by the Dulles Corridor Enterprise Fund and recognized as a reduction of expenses by the Aviation Enterprise Fund. Costs allocated for 2022 are recognized within Operating Expenses on the Statements of Revenues, Expenses and Changes in Net Position as follows:

	<u>Year ended December 31,</u> <u>2022</u>
Materials, equipment, supplies, contract services, and other	\$ 877,778
Salaries and related benefits	6,306,164
Utilities	15,421
Depreciation and amortization	116,338
Total	<u>\$ 7,315,701</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 Fiduciary Net Position present 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 receivables 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. Lease Receivable

Lease receivables are recognized at the commencement of the lease term measured as the present value of lease payments expected to be received during the life of the lease reduced by any estimated uncollectible amounts. The lease receivable is reduced as payments are received. The lease receivable is remeasured if there is a change in the lease term, a change in the interest rate charged to the lessee or if a contingency, upon which some or all of the variable payments that will be received over the lease term are based, is resolved such that those payments now need to be included in the calculation of the lease receivable.

The future lease payments are discounted using the interest rate implicit in the lease agreement. When the interest rate is not provided in the lease agreement, the Airports Authority uses its estimated incremental borrowing rate calculated using the weighted average interest rates across the Airports Authority's bonds calculated at the beginning of each year. The weighted average interest rate is calculated for each 12-month period and the rate used in the present value calculations is that which aligns with length of the lease. The lease terms and lease payments used are those that are stated in the executed agreements. The lease term includes the noncancellable period of the lease.

L. Inventory and Prepaid Items

Inventory consists of supplies, maintenance parts, and bulk materials such as sand and salt, all of which are for use at the Airports and Dulles Toll Road. Inventories of materials and supplies are determined both by physical counts and through perpetual inventory systems. Inventories are valued at cost using the weighted average valuation method. The Airports Authority records all inventory adjustments identified by physical counts directly to expense. Obsolete inventory is either returned to the vendor for credit (if possible) or disposed of according to Airports Authority policy.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

M. 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.

N. 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 Airports Authority General and Public Safety Employee Retirement Plans (the Authority Plans) and the additions to and deductions from the Civil Service Retirement Systems (CSRS), Federal Employees' Retirement System (FERS) and the 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.

O. 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. Right-to-use lease assets are recorded at the initial measurement of the lease liability, plus any payments made to the lessor at or before commencement date of the lease term and direct ancillary costs necessary to place the asset into service.

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. Right-to-use lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Amortization expense is recognized representing the decrease in the useful life of the right-to-use lease assets over the lease term.

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	3-16 years	\$10,000
Buildings	5-50 years	\$25,000
Systems and structures	5-50 years	\$25,000
Right-to-use buildings	5-50 years	\$100
Right-to-use systems and structures	5-50 years	\$100
Right-to-use equipment	3-15 years	\$100

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.

P. 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 assets that applies to future periods 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 assets that applies to future periods and will be recognized as an inflow of resources in a future period. The Airports Authority recognizes deferred inflows for debt refundings, pension plans, leases 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 deferred inflows of resources for leases are recognized over the life of the lease term. 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.

Q. Long-Term Debt

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

R. Federal, State & Local Grants

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

Grants recognized for services provided directly to a government entity are reported as operating revenues in the Statements of Revenues, Expenses and Changes in Net Position. Grants obtained through operational activities that are not related to services provided to any governmental entity are reported as non-operating revenues. Grants for capital asset acquisition, facility development, and/or rehabilitation and long-term planning are reported as capital contributions. Capital contributions are reported in the Statements of Revenues, Expenses and Changes in Net Position after non-operating revenues and expenses.

S. Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. PFCs may be used for airport projects that meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impact resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

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

T. Lease Liabilities

The Airports Authority classifies leases as those agreements in which the Airports Authority controls the right to use a tangible asset over a period of time. At the commencement of these agreements, the Airports Authority recognizes a lease liability and an intangible right-to-use asset based on the net present value of future expected lease payments. The right-to-use assets are amortized over the lease term or the estimated useful life of the leased asset whichever is less. The Airports Authority leases certain assets from multiple third parties. They include leases for office space, technology assets and general operating equipment. For those leases that are short term

(12 months or less) or variable in nature, the payments are recognized as lease expense in the current period and no asset is recorded.

The Airports were transferred by the federal government to the Airports Authority under the terms of an agreement (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 a non-exchange transaction and records the payments as operating expenses in the current period. The Federal Lease provides for an annual base rental of \$3.0 million 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.

U. 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.

V. Compensated Absences

Airports Authority employees are granted paid vacation at rates of 13 to 30 days per year, depending on their length of employment. General employees may accumulate up to a maximum of 30 days. Firefighters who work a 56-hour week may accumulate up to a maximum of 6 weeks. Executive employees exceeding a specified pay scale are entitled to accumulate up to 60 days. The accumulated vacation is accrued when incurred, as employees will be paid for accumulated vacation either during their future service to the Airports Authority or upon their termination of service. The calculation of the liability is based on compensation rates plus related employer-paid benefits in effect as of the end of the current fiscal year. The portion of this liability expected to be paid within the next year is reflected in accrued expenses while the amount expected to be paid out after one year is included in other non-current liabilities.

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

W. Advance Billings and Payments Received in Advance

Advance billings consist of certain charges for rents, landing fees, and passenger fees to be earned at both airports and certain non-airline rental income at Dulles International. The applicable advance billing charges for rents, landing fees, and passenger fees charged to airlines are determined by the calculation of settlement (refer to Note 3 - Airport Use 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 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 payments which exceed that tenant's total outstanding obligations to the Airports Authority.

X. Self-Insurance

The Airports Authority provides employee group medical and dental insurance through a combination of self-insured and insured arrangements. Under the self-insured plans, the Airports Authority assumes the financial risk for the payment of employee medical and pharmacy claim expenses incurred by participants. Under the fully insured plans, the Airports Authority pays a fixed premium for employee health care, prescription drugs, and dental insurance, and the insurance company assumes the risk for all claims expenses.

Risk management insurance is also provided through a combination of self-insured and insured arrangements (refer to Note 19 – Risk Management). The cost of claims reported, and an estimate of claims incurred but not reported is charged to operating expenses. Liabilities for unpaid claims are accrued based on management's estimate using actual costs, historical experience, current trends, and quarterly actuarial reviews. Liabilities for unpaid claims expected to be paid out within the next year are included on the Statements of Net Position in accounts payable and accrued expenses, while liabilities for unpaid claims which are expected to be paid out in years subsequent to the next year are included in other long-term liabilities. The appropriateness of the self-insurance accrued liabilities is continually reviewed and updated by management.

Y. Taxes

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

Z. Recently Issued Accounting Pronouncements

On January 1, 2022, the Airports Authority adopted GASB Statement No. 87, *Leases*. This 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 Statement had a significant effect on the financial statements of the Airports Authority, please refer to Note 2 - Implementation of GASB Statement No. 87 and Note 11 - Lease Commitments.

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, 2021. The Airports Authority implemented this standard in fiscal year ending December 31, 2022 and incorporated any required changes to 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, 2021. The Airports Authority implemented this standard in fiscal year ending December 31, 2022 and incorporated any required changes to their financial reporting.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* addresses accounting and other financial reporting implications that will result from the replacement of an interbank offered rate (IBOR) and that LIBOR is no longer an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021. As a result of global reference rate reform, LIBOR was expected to cease to exist in its current form at the end of 2021, requiring the Airports Authority to amend or replace some financial instruments. However, LIBOR is still being phased out and should be totally phased out by June 30, 2023. The application of this statement was extended by GASB Statement No. 99, *Omnibus 2022*. GASB Statement No. 99 extended the application of GASB Statement No. 93 until such time as the IBOR used in the Authority's derivative instruments is sunset. The Airports Authority will review the statement and associated changes and will incorporate any required changes in its financial reporting.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements* improves financial reporting by addressing issues related to PPP arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Airports Authority will review the statement and incorporate any required changes in its financial reporting.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITAs) for government end users. This statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset and corresponding liability, provides the capitalization criteria for outlays other than subscription payments and requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Airports Authority will review the statement and incorporate any required changes in its financial reporting.

GASB Statement No. 99, *Omnibus 2022* enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature. The Airports Authority will review the statement and incorporate any required changes in its financial reporting.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The Airports Authority will review the statement and incorporate any required changes in its financial reporting.

GASB Statement No. 101, *Compensated Absences* updates the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The Airports Authority will review the statement and incorporate any required changes in its financial reporting.

2. IMPLEMENTATION OF GASB STATEMENT NO. 87

Effective January 1, 2022, the Airports Authority implemented Governmental Accounting Standards Board Statement No. 87, *Leases* (GASB 87) which increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources and outflows of resources based on the payment provisions of the contract. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

The provisions of GASB 87 were originally effective for reporting periods after December 31, 2019. However, due to the COVID-19 pandemic, the effective date was extended to reporting periods for fiscal years beginning after June 15, 2021.

As part of the implementation of GASB 87, the Airports Authority changed its method of accounting for leases. The Airports Authority recognized a liability and an intangible right-to-use lease asset for eligible leases with its vendors. The Airports Authority also recognized a receivable and a deferred inflow of resources for its eligible leases with customers using space within the Airports Authority's facilities. GASB 87 requires changes adopted to conform to the provisions of the statement applied retroactively by restating financial statements for all prior periods presented. The Airports Authority presents a single year financial statement; therefore, all changes required to conform to the guidance are presented as a restatement of beginning balance and net position as of January 1, 2022.

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Change in Presentation of Asset, Liabilities and Net Position

Statement of Net Position
As of January 1, 2022

	Aviation Enterprise Fund			Dulles Corridor Enterprise Fund		
	Prior to GASB 87	Post GASB 87	Effect of Change	Prior to GASB 87	Post GASB 87	Effect of Change
Total current assets	\$ 1,496,878,020	\$ 1,528,736,492	\$ 31,858,472	\$ 713,573,612	\$ 713,573,612	\$ -
Total non-current restricted assets	326,111,094	335,294,314	9,183,220	211,428,790	211,428,790	-
Net pension and OPEB Assets	80,076,009	80,076,009	-	4,445,546	4,445,546	-
Other non-current unrestricted assets	233,490,500	318,395,955	84,905,455	9,821,211	9,821,211	-
Capital assets, net	4,368,582,880	4,392,555,688	23,972,808	2,543,479,311	2,543,480,742	1,431
Total assets	\$ 6,505,138,503	\$ 6,655,058,458	\$ 149,919,955	\$ 3,482,748,470	\$ 3,482,749,901	\$ 1,431
Deferred outflows - debt refundings	\$ 52,586,205	\$ 52,586,205	\$ -	\$ 4,654,701	\$ 4,654,701	\$ -
Deferred outflows - pension plans	21,917,503	21,917,503	-	1,335,143	1,335,143	-
Deferred outflows - OPEB plans	16,669,722	16,669,722	-	995,406	995,406	-
Total deferred outflows of resources	\$ 91,173,430	\$ 91,173,430	\$ -	\$ 6,985,250	\$ 6,985,250	\$ -
Current liabilities	\$ 376,729,398	\$ 380,465,337	\$ 3,735,939	\$ 150,384,956	\$ 150,385,673	\$ 717
Net OPEB Liability	-	-	-	-	-	-
Non-current liabilities	4,766,570,118	4,783,325,161	16,755,043	3,467,422,993	3,467,423,707	714
Total liabilities	\$ 5,143,299,516	\$ 5,163,790,498	\$ 20,490,982	\$ 3,617,807,949	\$ 3,617,809,380	\$ 1,431
Deferred inflows - debt refundings	\$ 68,651	\$ 68,651	\$ -	\$ 1,272,884	\$ 1,272,884	\$ -
Deferred inflows - leases	-	126,734,227	126,734,227	-	-	-
Deferred inflows - pension plans	48,379,098	48,379,098	-	1,784,094	1,784,094	-
Deferred inflows - OPEB plans	45,105,522	45,105,522	-	2,537,935	2,537,935	-
Total deferred inflows of resources	\$ 93,553,271	\$ 220,287,498	\$ 126,734,227	\$ 5,594,913	\$ 5,594,913	\$ -
Net Position	\$ 1,359,459,146	\$ 1,362,153,892	\$ 2,694,746	\$ (133,669,142)	\$ (133,669,142)	\$ -

As of January 1, 2022, the Airports Authority recorded an increase of \$23.9 million in leased assets and \$3.9 million and \$20.0 million increase in current and non-current liabilities, respectively. These changes were the result of the recognition of the Airports Authority eligible leases with its vendors as of January 1, 2022.

As of January 1, 2022, the Airports Authority Aviation Enterprise had \$2.7 million in deferred rent revenue associated with its long-term lease for corporate office space. The \$2.7 million was removed reducing net position by \$2.7 million and current and long-term liabilities by \$0.2 million and \$2.5 million, respectively.

As of January 1, 2022, the Airports Authority recorded an increase of \$31.8 million and \$94.1 million in current and non-current lease receivables and a \$126.7 million increase in Deferred inflows – leases. These changes were the result of the recognition of the Airports Authority's eligible leases with its customers as of January 1, 2022.

As of January 1, 2022, the Airports Authority recorded a decrease of \$0.8 million in non-current liabilities and an increase in Deferred inflows – leases for prepaid rents received prior to January 1, 2022, from a customer's agreement included in the initial measurement of the lease receivables.

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

A summary of the implementation transactions by enterprise fund is detailed below.

	Aviation Enterprise Fund			
	Total Current Assets	Total non- current Restricted Assets	Other Non- current Unrestricted Assets	Capital Assets
Beginning Balance as of January 1, 2022	\$ 1,496,878,020	\$ 326,111,094	\$ 233,490,500	\$ 4,368,582,880
GASB 87 Leases with Vendors	-	-	-	23,972,808
Deferred Rent Adjustment	-	-	-	-
GASB 87 Leases with Customers	31,858,472	9,183,220	84,905,455	-
Prepaid Rent Adjustment	-	-	-	-
Net Change at January 1, 2022	<u>\$ 1,528,736,492</u>	<u>\$ 335,294,314</u>	<u>\$ 318,395,955</u>	<u>\$ 4,392,555,688</u>

	Aviation Enterprise Fund		
	Current Liabilities	Non-current Liabilities	Deferred Inflows - Leases
Beginning Balance as of January 1, 2022	\$ 376,729,398	\$ 4,766,570,118	\$ -
GASB 87 Leases with Vendors	3,937,194	20,035,614	-
Deferred Rent Adjustment	(201,255)	(2,493,491)	-
GASB 87 Leases with Customers	-	-	125,947,147
Prepaid Rent Adjustment	-	(787,080)	787,080
Net Change at January 1, 2022	<u>\$ 380,465,337</u>	<u>\$ 4,783,325,161</u>	<u>\$ 126,734,227</u>

	Dulles Corridor Enterprise Fund		
	Capital Assets	Current Liabilities	Non-current Liabilities
Beginning Balance as of January 1, 2022	\$ 2,543,479,311	\$ 150,384,956	\$ 3,467,422,993
GASB 87 Leases with Vendors	1,431	717	714
Net Change at January 1, 2022	<u>\$ 2,543,480,742</u>	<u>\$ 150,385,673</u>	<u>\$ 3,467,423,707</u>

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 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 to 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.

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, \$25 million in 2019, 2020, 2021 and 2022. 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 year ended December 31, 2022, the Signatory Airlines' Transfer amounts were \$168.6 million, and the Airports Authority's share of NRR was \$63.0 million.

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 year ended December 31, 2022, the settlement resulted in net charges to the Signatory Airlines of \$0.0 million. 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 Position 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 was 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 thereby expending the full balance of the \$150.0 million.

Dulles Metrorail Project

The Airports Authority funded and constructed the 23.1-mile Dulles Metrorail Project in two phases. Phase 1 of the Dulles Metrorail Project extends 11.7 miles from a location near the Metrorail Orange Line West Falls Church station to Wiehle Avenue in Reston, Virginia. It includes five new stations and improvements to the existing WMATA Service and Inspection Yard at the West Falls Church station. Phase 2 of the Dulles Metrorail Project extends 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 includes six new stations and a maintenance yard located on Dulles International property.

The Dulles Metrorail Project is 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, 2021, the Airports Authority has approximately \$3.5 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 transferred, without financial retribution, ownership of the completed phase of the project to WMATA. At that point, WMATA becomes the owner and operator of the completed phase and is solely responsible for its operation and maintenance. None of the operating and maintenance expenses of the completed phases 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 \$16.3 million in assets to WMATA during 2022 specifically related to Phase 1.

The transfer of these assets resulted in a reduction of \$3,331.6 million (\$3,142.3 million in 2014, \$86.7 million in 2015, \$35.0 million in 2016, \$7.5 million in 2017, \$21.6 million in 2018, \$5.6 million in 2019, \$12.5 million in 2020, \$4.1 million in 2021 and \$16.3 million in 2022) in Construction in Progress as shown on the Authority's Statement of Net Position and a \$3,331.6 million non-operating expense (contribution to other governments) on the Authority's Statement of Revenues, Expenses and Changes in Net Position in their respective years. 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 were accepted by WMATA and began operating on November 15, 2022. Prior to 2022, the Airports Authority transferred \$137.8 million to WMATA for the costs of the Metrorail cars for Phase 2 and other equipment. In 2022, the Airports Authority transferred to WMATA and others the remainder of the costs for the Phase 2 extension of \$2,501.7 million. The Airports Authority retained \$255.7 million in costs for the Dulles Metrorail Station and the guideway and related structures east of the Dulles Metrorail Station. The Airports Authority will retain ownership of these assets, but WMATA will be required to maintain them per the Operation and Maintenance Agreement between WMATA and the Airports Authority. The Airports Authority also retained \$22.3 million in costs for certain road

improvements and stormwater structures. These assets will be owned and maintained by the Airports Authority and have been transferred from Construction in Progress to the appropriate depreciable capital asset category. The transfer of the Metrorail cars, other equipment, stormwater ponds, roadway improvements and the metro system resulted in a reduction of \$2,917.5 million (\$127.0 million in 2017, \$7.2 million in 2019, \$2.6 million in 2020, \$1.0 million in 2021 and \$2,779.7 million) in Construction in Progress shown on the Authority's Statement of Net Position, a \$278.0 million increase in capital assets on the Authority's Statement of Net Position and a \$2,900.0 million non-operating expense (contribution to governments) on the Authority's Statement of Revenues, Expenses and Changes in Net Position in their respective years.

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, 2022, the Airports Authority had various certificates of deposit in the amount of \$24.0 million of which \$20.0 million 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 \$45,500 as of December 31, 2022.

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As of December 31, 2022, cash and cash equivalents and investments were classified on the Statements of Net Position as follows:

	December 31, 2022		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business- Type Activities
Cash and cash equivalents			
Current, unrestricted	\$ 54,374,313	\$ 203,447,529	\$ 257,821,842
Current, restricted	190,412,324	-	190,412,324
Non-current, restricted	-	155,678,388	155,678,388
Total cash and cash equivalents	244,786,637	359,125,917	603,912,554
Investments			
Current, unrestricted	939,832,280	-	939,832,280
Current, restricted	313,640,634	267,649,686	581,290,320
Non-current, unrestricted	224,556,418	-	224,556,418
Non-current, restricted	230,968,940	83,498,917	314,467,857
Total investments	1,708,998,272	351,148,603	2,060,146,875
Total cash, cash equivalents and investments	<u>\$ 1,953,784,909</u>	<u>\$ 710,274,520</u>	<u>\$ 2,664,059,429</u>

Cash and cash equivalents and securities as of December 31, 2022 were comprised of the following:

	2022		
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business- Type Activities
Cash deposits	\$ 124,197,174	\$ 265,275,827	\$ 389,473,001
Money market	148,132,859	95,189,491	243,322,350
Securities	1,681,454,876	349,809,202	2,031,264,078
Total cash, cash equivalents, and investments	<u>\$ 1,953,784,909</u>	<u>\$ 710,274,520</u>	<u>\$ 2,664,059,429</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 GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

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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 2022 was an decrease of \$113.4 million. At December 31, 2022, 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 2022.

Investment Type	Carrying Value as of December 31, 2022			Fair Value Measurements Using				Amortized Cost
	Aviation Enterprise	Dulles Corridor Enterprise	Total Business-Type Activities	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Debt Securities								
Treasury	\$ 741,221,961	\$ 303,902,555	\$ 1,045,124,516	\$ -	\$ 544,062,857	\$ -	\$	501,120,375
Farm Credit	24,329,945	-	24,329,945	-	-	-	-	24,329,945
Home Loan	504,913,364	45,906,647	550,820,011	-	20,028,940	-	-	530,791,071
Fannie Mae	29,740,789	-	29,740,789	-	-	-	-	29,740,789
Freddie Mac	63,466,156	-	63,466,156	-	13,998,138	-	-	49,468,018
Mutual Funds - Equity								
Vanguard Total Stock Mkt Idx	45,788,893	-	45,788,893	45,788,893	-	-	-	-
Vanguard Value Index	5,246,670	-	5,246,670	5,246,670	-	-	-	-
MFS Low Volatility Global Equ	3,939,238	-	3,939,238	3,939,238	-	-	-	-
Vanguard Total Intl Stk Idx	27,036,955	-	27,036,955	27,036,955	-	-	-	-
Hartford Schroders Intl MultiC	3,839,139	-	3,839,139	3,839,139	-	-	-	-
Cohen & Steers Global	5,293,433	-	5,293,433	5,293,433	-	-	-	-
AMG GW&K SM/MID Cap	2,600,758	-	2,600,758	2,600,758	-	-	-	-
GQG Part Emerg Markets	2,559,689	-	2,559,689	2,559,689	-	-	-	-
Mutual Funds - Real Estate Funds								
Deutsche Real Estate Fund	4,339,319	-	4,339,319	4,339,319	-	-	-	-
Mutual Funds - Bond Funds								
Fidelity US Bond Index Fund	16,420,500	-	16,420,500	16,420,500	-	-	-	-
Lord Abbett Sh Duration Income	31,031,838	-	31,031,838	31,031,838	-	-	-	-
Baird Core Plus Bond Fund	23,135,243	-	23,135,243	23,135,243	-	-	-	-
Vanguard ST Corp Bond Index	22,627,615	-	22,627,615	22,627,615	-	-	-	-
Vanguard Ultra-S/T Bond Index	1,856,566	-	1,856,566	1,856,566	-	-	-	-
Nonparticipatory Contracts								
MBIA GIC ¹	33,645,518	-	33,645,518	-	-	-	-	33,645,518
Mass Mutual 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	<u>\$ 1,681,454,876</u>	<u>\$ 349,809,202</u>	<u>\$ 2,031,264,078</u>	<u>\$ 195,715,856</u>	<u>\$ 578,089,935</u>	<u>\$ -</u>	<u>\$</u>	<u>1,257,517,003</u>

¹ Collateralized by Federal Agency Notes

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

	As of December 31, 2022	
	Cost	Carrying Value
Securities with original maturity 1 year and over	\$ 916,732,697	\$ 895,872,595
Securities with original maturity less than 1 year	1,132,087,211	1,135,391,483
	<u>\$ 2,048,819,908</u>	<u>\$ 2,031,264,078</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 U.S. Treasury securities; short-term obligations of the U.S. Government agencies; short-term obligations of the Commonwealth of Virginia, the State of Maryland, and the District of Columbia; certificates of deposit with banks that have a Kroll Rating Agency rating of "B" or better, or that are fully insured or collateralized; prime CP rated "A1" and "P1" by Standard & Poor's Global Ratings (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 Investment Policy.

The table below summarizes the investments by type and credit rating as of December 31, 2022:

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
Farm Credit	Aaa	Not Rated	AAA
Home Loan	Aaa	Not Rated	Not Rated
MBIA GIC ¹	Ba3	Not Rated	Not Rated
Mass Mutual GIC ¹	Aa3	AA+	AA
Debt Service Reserve Repurchase Agreements:			
BOA Repo ¹	A2	A-	AA-
Morgan Stanley Repo ¹	A1	A-	A+

¹ Underlying rating of the counterparties

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Airports Authority would not be able to recover the value of its deposits, investments or collateral securities that were in the possession of an

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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, 2022, 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 Permitted Investments as described in the Investment Policy and the Master Bond Indenture.

The fair value of the collateral for the guaranteed investment contracts was \$67.0 million on December 31, 2022. The fair value of the collateral for the Debt Service Reserve repurchase agreements was \$58.5 million as of December 31, 2022. 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, 2022, the Airports Authority had the following investments with the respected weighted average maturity in years:

Investment Type	2022
Treasury	0.2
Fannie Mae	0.7
Freddie Mac	0.7
Farm Credit	0.0
Home Loan	0.5
MBIA GIC	11.5
Mass Mutual GIC	12.8
Debt Service Reserve Repurchase Agreements:	
BOA Repo	0.8
Morgan Stanley Repo	13.3

Concentration of Credit Risk

The Airports Authority, as previously described, is limited to Permitted Investments allowed by the Bond Indentures and the Investment Policy. However, the Policy does not limit the aggregation of investments in any one type of security. There are providers of securities in which the Airports Authority has invested individually more than 5.0 percent of the total portfolio.

As of December 31, 2022, investments accounted for the following percentages of the total portfolio:

<u>Investment Type</u>	<u>As of December 31, 2022</u>
Treasury	51.5%
Fannie Mae	1.5%
Freddie Mac	3.1%
Farm Credit	1.2%
Home Loan	27.1%
MBIA GIC	1.7%
Mass Mutual GIC	1.5%
Mutual Funds	9.6%
Debt Service Reserve Repurchase Agreements:	
BOA Repo	0.3%
Morgan Stanley Repo	2.5%
	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 GAAP. 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.

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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 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, 2022.

Investment by fair value level	As of December 31, 2022	Fair Value Measurements Using			Percentage of Portfolio
		Level 1	Level 2	Level 3	
Debt securities					
Government obligations	\$ 7,057,532	\$ 7,029,472	\$ 28,060	\$ -	
Corporate bonds	97,954,086	37,383,978	60,570,108	-	
Asset backed securities	20,733,983	-	20,733,983	-	
Total debt securities	125,745,601	44,413,450	81,332,151	-	25.39%
Equity securities					
Consumer discretionary	3,277,371	3,277,371	-	-	
Consumer staples	1,394,994	1,394,994	-	-	
Energy	2,568,686	2,568,686	-	-	
Financials	6,733,402	6,733,402	-	-	
Health care	4,486,761	4,486,761	-	-	
Industrials	4,866,163	4,866,163	-	-	
Communication services	367,756	367,756	-	-	
Information technology	2,828,906	2,828,906	-	-	
Materials	4,619,702	4,619,702	-	-	
Real estate	1,187,809	1,187,809	-	-	
Telecommunication services	539,045	539,045	-	-	
Utilities	3,124,404	3,124,404	-	-	
Others	905,010	905,010	-	-	
Commingled equity funds	211,685,844	211,685,844	-	-	
Commingled global equity funds	80,341,554	80,341,554	-	-	
Total equity securities	328,927,407	328,927,407	-	-	66.41%
Private equity	18,971,418	-	-	18,971,418	3.83%
Real estate	10,857,165	-	-	10,857,165	2.19%
Short term investments	10,820,334	10,820,334	-	-	2.18%
Total investments by fair value level	\$ 495,321,925	\$ 384,161,191	\$ 81,332,151	\$ 29,828,583	100.00%

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 3 of the fair value hierarchy are valued using unobservable inputs.

Commingled equity funds consist of eight U.S. equity funds in 2022, 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 2022 were 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 2022. 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 2022. The fair value measures 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.

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 was \$69.4 million as of December 31, 2022. There currently is limited liquidity for Russian securities as the Russian stock market has been closed on top of limited interest in such securities due to the uncertain investment environment.

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. The Plans do not have a single exposure to a credit issuer which is greater than 5 percent of the respective portfolio.

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As of December 31, 2022, the Plans fixed income investments had the following quality ratings and sensitivity to changes in interest rates.

Investment Type	Credit Rating ¹	As of December 31, 2022 Fair Value	Weighted Average Maturity (years)	Percentage of Fixed Income Portfolio
U.S. government obligations	AA+	\$ 7,029,472	14.12	5.60%
Foreign government obligations	AA-	28,060	4.04	0.00%
Corporate bonds	AAA	26,700,072	2.46	21.20%
	AA+	146,935	0.03	0.10%
	AA	1,084,135	0.10	0.90%
	AA-	500,402	0.06	0.40%
	A+	1,037,090	0.13	0.80%
	A	8,418,059	0.96	6.70%
	A-	7,563,564	0.42	6.00%
	BBB+	6,730,904	0.49	5.40%
	BBB	17,471,086	1.33	13.90%
	BBB-	5,436,862	0.20	4.30%
	BB+	595,349	0.02	0.50%
	Unrated	22,269,628	0.95	17.70%
Asset backed securities	AAA	101,400	0.14	0.10%
	AA+	17,895,392	22.27	14.20%
	Unrated	2,737,191	3.64	2.20%
Total fixed income securities		<u>\$ 125,745,601</u>		<u>100.00%</u>

¹ Standard & Poor's

6. ACCOUNTS RECEIVABLE

As of December 31, 2022, Accounts receivable consisted of the following:

	As of December 31, 2022
Trade accounts receivable	\$ 31,163,210
Less: allowance for doubtful accounts	(3,070,224)
Trade accounts receivable, net	28,092,986
Grants receivable in support of operations	23,391,224
Other unrestricted receivables	2,471,728
Total current accounts receivable	<u>\$ 53,955,938</u>
Grants receivable in support of capital programs	\$ 12,530,668
Passenger facility charge receivables	11,571,367
Other restricted receivables	1,340,403
Total restricted accounts receivable	<u>\$ 25,442,438</u>

During 2022, the total uncollectible amount written off was \$212,381 of which \$38,877 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, 2022.

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 (\$20,500 in 2022).

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 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. 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 2 as of December 31, 2022.

Under the FERS, employees derive benefits from three different sources: a Basic Benefit Plan (BBP), Social Security, and a Thrift Savings Plan. Regular employees contribute 0.8 percent of their base pay to the BBP. The Airports Authority's contribute 10.7 percent of base pay for regular 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. The numbers of regular employees enrolled in the FERS were 6 as of December 31, 2022.

The Airports Authority's base pay for employees covered by the CSRS and the FERS for the year ended December 31, 2022 was \$0.9 million. Employee contributions to the federal pension plans for 2022 were \$23 thousand. Employer contributions to the federal pension plans for 2022 were \$87 thousand. These contributions represent 100 percent of required contributions for each of the respective years. The Airports Authority's total base pay for all employees, including employees covered by CSRS and FERS, was \$135.8 million in 2022. 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

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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, 2022, the number of employees participating in the Plans was:

	Regular	Public Safety	Total
Current Participants			
Vested	806	250	1,056
Non-vested	335	111	446
Retirees/disabled employees currently receiving benefits	769	217	986
Terminated vested participants	253	91	344
Total	2,163	669	2,832

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 55; however, the benefit is reduced by 5 percent for each year by which benefits begin prior to age 55. 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 better of the average of the employee's last 78 bi-weekly pay periods or, if a participant on December 31, 2019, the highest consecutive 78 bi-weekly pay periods in the 120 months prior to December 31, 2019, 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 3.10 percent of the applicable covered payroll to the Regular Plan and 4.47 percent of the applicable base payroll to the Police and Firefighters Plan in 2022. The Airports Authority's base payroll for employees covered by the Regular Plan and the Police and Firefighters Plan for 2022 was \$107.6 million and \$29.2 million, respectively. The Airports Authority contributed \$3.3 million to the Regular Plan and \$1.3 million to the Police and Firefighters Plan in 2022.

Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plans as of December 31, 2022 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
12/31/2022	\$ 253,546,432	\$ 218,341,444	\$ 35,204,988	86.11%

Police Officers & Firefighters Retirement Plan

Actuarial Valuation Date	Total Pension Liability (TPL) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)	Plan Fiduciary Net Position as a Percentage of the TPL
12/31/2022	\$ 151,023,921	\$ 130,197,964	\$ 20,825,957	86.21%

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The total pension liability was determined by an actuarial valuation as of December 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Dates	December 31, 2022
Valuation Dates	December 31, 2022
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	7.25%, net of expenses
(b) Projected salary increases	General Plan: 2.50% - 4.25% per year; Police & Fire: 2.75% - 6.75% per year
(a) and (b) include inflation at	2.25%
(c) Cost of living adjustments	1.13%
(d) Mortality Rates	<u>For General Employees Plan:</u> PUB-2010-G Mortality Tables, including separate tables for males and females with generational improvement based upon 50% of projection scale MP-2015 paused until 2030 <u>For Police Officers and Firefighters Plan:</u> PUB-2010-S Mortality Tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 paused until 2030

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, 2022

	<u>General Retirement Plan</u>	<u>Police Officers and Firefighters Retirement Plan</u>
Assets		
Restricted		
Investments	\$ 217,941,215	\$ 129,996,497
Receivables	533,914	274,149
Total assets	<u>218,475,129</u>	<u>130,270,646</u>
Liabilities		
Payables	<u>133,685</u>	<u>72,682</u>
Total liabilities	<u>133,685</u>	<u>72,682</u>
Net Position		
Net position restricted for pensions	<u>218,341,444</u>	<u>130,197,964</u>
Total net position	<u><u>\$ 218,341,444</u></u>	<u><u>\$ 130,197,964</u></u>

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2022

	<u>General Retirement Plan</u>	<u>Police Officers and Firefighters Retirement Plan</u>
Additions		
Employer contributions	\$ 3,332,277	\$ 1,303,469
Employee contributions		426,743
Net investment income (loss)	<u>(38,768,594)</u>	<u>(23,275,843)</u>
Total additions, net	(35,436,317)	(21,545,631)
Deductions		
Total deductions	<u>11,535,674</u>	<u>6,945,609</u>
Change in net position	(46,971,991)	(28,491,240)
Net Position		
Beginning of year	<u>265,313,435</u>	<u>158,689,204</u>
End of year	<u><u>\$ 218,341,444</u></u>	<u><u>\$ 130,197,964</u></u>

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
General Employees Retirement Plan			
Balances as of December 31, 2021	\$ 233,551,337	\$ 265,313,435	\$ (31,762,098)
Changes for the year:			
Service cost	7,423,503	-	7,423,503
Interest	17,063,267	-	17,063,267
Differences between expected and actual experience	8,586,039	-	8,586,039
Changes of assumptions	(1,838,849)	-	(1,838,849)
Contribution - employer	-	3,332,277	(3,332,277)
Net investment income	-	(38,768,594)	38,768,594
Benefit payments	(11,238,865)	(11,238,865)	-
Plan administrative expenses	-	(296,809)	296,809
Net changes	19,995,095	(46,971,991)	66,967,086
Balances as of December 31, 2022	<u>\$ 253,546,432</u>	<u>\$ 218,341,444</u>	<u>\$ 35,204,988</u>
Police Officers and Firefighters Retirement Plan			
Balances as of December 31, 2021	\$ 140,358,141	\$ 158,689,204	\$ (18,331,063)
Changes for the year:			
Service cost	3,274,790	-	3,274,790
Interest	10,166,907	-	10,166,907
Differences between expected and actual experience	4,815,509	-	4,815,509
Changes of assumptions	(791,977)	-	(791,977)
Contribution - employer	-	1,303,469	(1,303,469)
Contribution - member	-	426,743	(426,743)
Net investment income	-	(23,275,843)	23,275,843
Benefit payments	(6,799,449)	(6,799,449)	-
Plan administrative expenses	-	(146,160)	146,160
Net changes	10,665,780	(28,491,240)	39,157,020
Balances as of December 31, 2022	<u>\$ 151,023,921</u>	<u>\$ 130,197,964</u>	<u>\$ 20,825,957</u>

The long-term expected rate of return on the pension plans is 7.25 percent for 2022. 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.

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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, 2022 is summarized in the following table:

<u>For the Year Ended December 31, 2022</u>			
<u>Asset Class</u>	<u>Allocation Target</u>	<u>Long-Term Expected Real Rate of Return¹</u>	<u>Money-Weighted Rate of Return</u>
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 2.50% for 2022.

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, 2022 were (14.8 percent) for the Retirement Plan for General Employees and (14.9 percent) for the Retirement Plan for Police Officers and Firefighters.

Discount Rate

The discount rate used to measure the net pension liability (asset) was 7.25 percent for 2022. 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 (asset).

Changes in the discount rate affect the measurement of the net pension liability (asset). Lower discount rates produce a higher net pension liability (asset) and higher discount rates produce a lower net pension liability (asset). 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 (asset) to the discount rate.

For the Year Ended December 31, 2022

	<u>1% Decrease 6.25%</u>	<u>Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
<u>Net pension liability (asset)</u>			
General Employees Retirement Plan	\$ 64,981,966	\$ 35,204,988	\$ 10,032,631
Police Officers & Firefighters Retirement Plan	40,705,533	20,825,957	4,334,759

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The Net Pension Liability (Asset) 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, 2022, the Airports Authority recognized pension expenses (benefit) of \$13.7 million and \$6.9 million, respectively for the General Plan and Police and Firefighter Plan. The Airports Authority's total pension expenses for the Plans were \$20.6 million for the year ended December 31, 2022.

At December 31, 2022, the Airports Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources and will be recognized in future pension expenses as follows:

For the Year Ended December 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>General Employees Retirement Plan</u>		
Differences between expected and actual experience	\$ 10,806,866	\$ 2,730,016
Changes in assumptions	7,215,233	3,014,999
Net differences between projected and actual earnings on pension plan investments	26,495,269	-
Total	<u>\$ 44,517,368</u>	<u>\$ 5,745,015</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
2023	\$ 3,318,870
2024	8,534,832
2025	10,726,665
2026	14,158,602
2027	1,514,368
Thereafter	519,016
	<u>\$ 38,772,353</u>

For the Year Ended December 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Police Officers & Firefighters Retirement Plan</u>		
Differences between expected and actual experience	\$ 7,513,731	\$ 1,066,171
Changes in assumptions	3,674,043	1,360,386
Net differences between projected and actual earnings on pension plan investments	15,675,159	-
Total	<u>\$ 26,862,933</u>	<u>\$ 2,426,557</u>

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

Year ended December 31,	Deferred Outflows/(Inflows) of Resources
2023	\$ 2,490,864
2024	5,177,254
2025	6,304,030
2026	8,287,714
2027	1,448,495
Thereafter	728,019
	<u>\$ 24,436,376</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. As of January 1, 2020, new hires to career positions are automatically enrolled in the plan at 1 percent. 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 \$14.5 million in the year ended December 31, 2022.

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 \$3.6 million in the year ended December 31, 2022.

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 and retire with a pension. 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, 2022, 901 Participants were receiving health insurance benefits, and 861 Participants were receiving life insurance benefits. As of December 31, 2021, 847 Participants were receiving health insurance benefits, and 817 Participants were receiving life insurance benefits under the Healthcare Plan.

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

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

Contributions Required and Made

The contribution requirements of the Healthcare Plan's Participants and the Airports Authority for health and dental insurance are established and may be amended by the management of the Airports Authority. The contribution requirements are based upon projected pay-as-you-go financing requirements and funding for future benefits. The Airports Authority pays 80 percent of the health premium costs and 45 percent of the dental premium costs, with the retirees paying the remaining premium costs. For the year ended December 31, 2022, the Airports Authority's share of health and dental insurance premium costs totaled \$3.3 million. Plan participants contributed \$3.0 million of the total premiums for the year ended December 31, 2022. 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 2022

Provider Choices	Retiree Only	Retiree Plus Spouse	Retiree Plus Child(ren)	Family
United Healthcare Medicare Advantage / United Healthcare Choice	\$ 169	\$ 352	\$ 319	\$ 501
United Healthcare Medicare Advantage / United Healthcare Choice Plus	187	389	353	553
Kaiser Permanente Medicare Advantage	138	289	262	413
United Concordia Dental	18	35	46	70

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Monthly Contributions for Retirees Over 65 for 2022

Provider Choices	Retiree Only	One > Age 65	Two Party	Family
		One < Age 65	Medicare	Medicare
United Healthcare Medicare Advantage / United Healthcare Choice	\$ 149	\$ 332	\$ 311	\$ 461
United Healthcare Medicare Advantage / United Healthcare Choice Plus	N/A	351	N/A	477
Kaiser Permanente Medicare Advantage	56	208	112	239
United Concordia Dental	18	35	35	70

The Airports Authority offers two life insurance options to its Participants. Under Option 1, the Airports Authority pays 100 percent of the Participant's basic and supplemental life insurance cost. Basic life insurance cost is reduced to 25 percent of the Participant's life insurance in force at the time of retirement. Supplemental life insurance is a multiple of the basic life insurance (1 to 5 times) the Participant had selected prior to retirement. Supplemental life insurance is reduced at a rate of 2 percent each month so that at the end of 50 months, no supplemental life insurance coverage remains in force.

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 benefit. Basic life insurance benefit 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, 2022, 73 out of 861 retired employees had supplemental coverage. The total retiree premiums were approximately \$642 thousand, of which retiree contributions covered approximately \$61 thousand and the Authority paid the balance of \$581 thousand.

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

	Health and Dental	Life Insurance
	2022	2022
Inactive employees or beneficiaries		
currently receiving benefits	901	861
Active Employees	1,362	1,168
Total	2,263	2,029

Net OPEB Liability/(Asset)

The components of the net OPEB liability (asset) of the plans as of December 31, 2022 was as follows:

Health, Dental and Life Insurance Plan

Actuarial Valuation Date	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)	Plan Fiduciary Net Position as a Percentage of the TOL
12/31/2022	\$ 163,997,625	\$ 148,660,718	\$ 15,336,907	90.65%

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.

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.

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

Valuation Date	December 31, 2022
Measurement Date	December 31, 2022
Actuarial Cost Method	Entry-age, normal
Amortization Method	20-year level dollar, closed for 2022
Assets Valuation Method	5-year smooth market
Actuarial Assumptions:	
(a) Investment rate of return	7.25% in 2022, net of expenses
(b) Projected salary increases	Variable rate 2.50% to 6.75% in 2022
(a) and (b) include inflation at	2.25% for 2022
(c) Mortality Rates	<u>Active Employees</u> PUB-2010-G Employee Mortality tables, including separate tables for males and females, with generational improvement based upon 50% in 2022 of projection scale MP-2015 paused until 2030 <u>Retired, Disabled and Survivor</u> PUB-2010-G Healthy Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 50% in 2022 of projection scale MP-2015 paused until 2030 <u>Hazardous Duty Active Employees</u> PUB-2010-S Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% in 2022 of projection scale MP-2015 paused until 2030 <u>Hazardous Duty Retired, Disabled and Survivor</u> PUB-2010-S Healthy Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 50% in 2022 of projection scale MP-2015 paused until 2030
(d) Healthcare Cost Trend Rate	Pre-Medicare- 5.90% for 2022, decreasing to an ultimate rate of 3.61% by 2060 Medicare - 11.87% for 2022, decreasing to an ultimate rate of 3.27% by 2060 Dental - 4.00% for all future years

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, 2022

	As of December 31, 2022 Retired Employees Health Care Plan
Assets	
Restricted	
Investments	\$ 147,384,213
Receivables	1,436,104
Total assets	<u>148,820,317</u>
Liabilities	
Total liabilities	<u>159,599</u>
Net Position	
Net position restricted for post-employment benefits	148,660,718
Total net position	<u>\$ 148,660,718</u>

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2022

	For the year ended December 31, 2022
	Retired Employees Health Care Plan
Additions	
Contributions	\$ 3,318,986
Received from plan administrator	2,961,784
Net investment income (loss)	(32,319,170)
Total additions, net	(26,038,400)
Deductions	
Total deductions	<u>15,519,685</u>
Change in net position	(41,558,085)
Net Position	
Beginning of year	190,218,803
End of year	<u>\$ 148,660,718</u>

Changes in the Net OPEB Liability/(Asset)

The net OPEB liability (asset) 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/(Asset) (a) - (b)
Balances as of December 31, 2021	\$ 155,792,258	\$ 190,220,652	\$ (34,428,394)
Adjustment		(1,847)	1,847
Changes for the year:			
Service cost	5,482,043	-	5,482,043
Interest	10,841,376	-	10,841,376
Difference between expected and actual experience	(3,216,476)	-	(3,216,476)
Changes in assumptions or other inputs	7,610,508	-	7,610,508
Contribution - employer	-	3,318,986	(3,318,986)
Net investment income	-	(32,319,170)	32,319,170
Benefit payments*	(12,512,084)	(12,512,084)	-
Administrative expenses	-	(45,819)	45,819
Net changes	8,205,367	(41,559,934)	49,765,301
Balance as of December 31, 2022	\$ 163,997,625	\$ 148,660,718	\$ 15,336,907

* Net of retiree contributions

The long term expected rate of return on OPEB plan investments is 7.25 percent for 2022. 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, 2022 is summarized in the following table:

For year ended December 31, 2022

<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%	7.5%	4.125%
International Equity	15%	8.5%	1.275%
Domestic Bonds	30%	2.5%	0.750%
Convertible Bonds	0%	4.5%	0.00%
Real Estate	0%	4.5%	0.00%
Total	100%		6.15%

Discount Rate

The Discount rate used to measure the total OPEB liability was 7.25 percent for 2022. 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, 2022

<u>Net OPEB Liability/(Asset)</u>	<u>1% Decrease 6.25%</u>	<u>Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
Health, Dental and Life Insurance Plan	\$ 34,333,498	\$ 15,336,907	\$ (597,127)

The net OPEB liability (asset) 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 2022, the Health and Dental and the Life Insurance plans reported a net OPEB liability (asset) 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 (asset) 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, 2022

<u>Net OPEB Liability (Asset)</u>	<u>1% Decrease 4.9% (Pre-Medicare) 10.87% (Medicare)</u>	<u>Trend Rate 5.9% (Pre-Medicare) 11.87% (Medicare)</u>	<u>1% Increase 6.9% (Pre-Medicare) 12.87% (Medicare)</u>
Health, Dental and Life Insurance Plan	\$ (521,340)	\$ 15,336,907	\$ 34,572,271

OPEB Deferred Outflows of Resources and Deferred Inflow of Resources

For the year ended December 31, 2022, the Airports Authority recognized OPEB expenses of \$6.0 million for the Health, Dental and Life Insurance plans. At December 31, 2022, 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:

For the Year Ended December 31, 2022

<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	\$ 10,895,237	\$ 3,972,263
Changes in assumptions	7,360,529	16,181,722
Net Differences between projected and actual earnings on OPEB plan investments	18,997,961	-
	<u>\$ 37,253,727</u>	<u>\$ 20,153,985</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>
2023	\$ (117,016)
2024	3,471,115
2025	5,982,796
2026	8,130,384
2027	(927,686)
Thereafter	560,149
	<u>\$ 17,099,742</u>

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9. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance as of January 1, 2022	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2022
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 150,819,463	\$ 20,578,958	\$ -	\$ 171,398,421
Construction in progress- Aviation Enterprise	74,596,601	375,744,060	(361,218,891)	89,121,770
Construction in progress- Dulles Corridor Enterprise	2,437,827,985	366,826,645	(2,795,272,082)	9,382,548
Total capital assets not being depreciated	2,663,244,049	763,149,663	(3,156,490,973)	269,902,739
Other capital assets:				
Buildings	\$ 3,123,721,213	\$ 188,163,673	\$ -	\$ 3,311,884,886
Systems and structures	5,268,015,582	165,038,834	(280,065)	5,432,774,351
Equipment	196,086,573	5,117,113	(878,548)	200,325,138
Motor vehicles	78,827,601	899,722	(344,757)	79,382,566
Leased assets (GASB 87)	23,974,239	24,028	-	23,998,267
Total other capital assets	\$ 8,690,625,208	\$ 359,243,370	\$ (1,503,370)	\$ 9,048,365,208
Less accumulated depreciation and amortization				
Buildings	\$ 1,453,671,528	\$ 73,695,148	\$ -	\$ 1,527,366,676
Systems and structures	2,757,126,513	169,580,942	(145,627)	2,926,561,828
Equipment	143,282,002	11,922,586	(859,048)	154,345,540
Motor vehicles	63,752,784	4,379,522	(344,758)	67,787,548
Leased assets (GASB 87)	-	4,357,777	-	4,357,777
Total accumulated depreciation and amortization	\$ 4,417,832,827	\$ 263,935,975	\$ (1,349,433)	\$ 4,680,419,369
	\$ 6,936,036,430	\$ 858,457,058	\$ (3,156,644,910)	\$ 4,637,848,578

Depreciation and amortization expense were incurred by the Business-Type Activities of the Airports Authority during the fiscal year as follows:

	2022
Aviation Enterprise Fund	\$ 251,923,913
Dulles Corridor Enterprise Fund	7,645,215
Total Depreciation Expense	259,569,128
Amortization of Leased Assets	4,357,777
Amortization of Bond Insurance Costs	1,478,433
Total Depreciation and Amortization	\$ 265,405,338

The Airports Authority completed multiple capital asset construction and development projects during 2022. Within the Aviation Enterprise Fund, at Reagan National, projects completed in 2022 included Security Hall and North Concourse as well TV900 Airfield Electric Vault Relocation. At Dulles International, projects completed in 2022 included the Airfield Pavement Panel Replacement and the Access Highway Road Improvement Phase 2.

As of December 31, 2022, ongoing projects at Reagan National included rehabilitation of the Pump station and Force Main system and continued work on the Airfield Pavement Rehabilitation. Ongoing projects at Dulles International included replacement of the High Temperature Hot Water Generators and the Concourse C/D Enhancements Phase 1. As of December 31, 2022, the Aviation Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$195.6 million.

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In 2014, 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 2022, additional costs of \$16.3 million dollars were incurred and transferred to WMATA as additional costs to Phase 1. Phase 2 of the Dulles Metrorail Project was completed in November of 2022 which extended the Metrorail system an additional 11.4 miles from Wiehle Avenue through Dulles International and west into Loudoun County, Virginia. The completion of Phase 2 of the Dulles Metrorail included six new stations and a maintenance yard located on Dulles International property. In 2022, \$2.8 billion of Construction in Progress was transferred to WMATA. As of December 31, 2022, ongoing projects included Phase 2 of the Dulles Metrorail Project and the Intelligent Transportation Management System Infrastructure. As of December 31, 2022, the Dulles Corridor Enterprise Fund's commitments with contractors for capital asset construction and development projects were \$150.0 million.

Services for the above commitment amounts had not been provided as of December 31, 2022, 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.

Capital asset activity for leased assets for the year ended December 31, 2022, was as follows:

	Balance as of January 1, 2022	Transfers and Additions	Transfers and Retirements	Balance as of December 31, 2022
Leased assets:				
Buildings	\$ 22,695,912	\$ -	\$ -	\$ 22,695,912
Systems and structures	576,419	-	-	576,419
Equipment	701,908	24,028	-	725,936
Total leased assets	<u>23,974,239</u>	<u>24,028</u>	<u>-</u>	<u>23,998,267</u>
Less accumulated amortization:				
Buildings	-	3,989,962	-	3,989,962
Systems and structures	-	80,884	-	80,884
Equipment	-	286,931	-	286,931
Total accumulated amortization	<u>-</u>	<u>4,357,777</u>	<u>-</u>	<u>4,357,777</u>
Totals	<u>\$ 23,974,239</u>	<u>\$ (4,333,749)</u>	<u>\$ -</u>	<u>\$ 19,640,490</u>

Amortization expense for leased assets was incurred by the Business-Type Activities of the Airports Authority during the fiscal year as follows:

	2022
Aviation Enterprise Fund	\$ 4,357,060
Dulles Corridor Enterprise Fund	717
Total Amortization Expense	<u>\$ 4,357,777</u>

10. ACCOUNTS PAYABLE

A detail of accounts payable and accrued expenses as of December 31, 2022 was as follows:

	<u>As of December 31, 2022</u>
Trade accounts payable and accruals	\$ 97,467,382
Accrued compensation and benefits	16,527,719
Current portion of claims	2,282,723
Security deposits	1,226,566
Total accounts payable and accrued expenses	<u>\$ 117,504,390</u>

11. LEASE COMMITMENTS

Property Held for Lease (Lessor Agreements)

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

Leases with concession service providers located in the Airports Authority's terminals generally include minimum annual lease amounts paid monthly and variable payments based on the concession provider's monthly volume of business. Lease receivable calculations include the minimum annual lease amounts but the variable payments based on monthly volume of business are excluded. The Airports Authority also has agreements with concession service providers in which the minimum annual guaranteed provisions have been eliminated and provide for only variable payments based on the tenants' monthly volume of business. These leases are not included in the measurement of the lease receivable.

Leases with other major concession service providers not located in the Airports Authority's terminals include, but are not limited to, in-flight kitchens, a gas station, rental cars, a hotel, and taxi operations. Each of these agreements have a component within them that require payments from the concession service provider based on a future activity level such as number of trips for the taxi, airport enplanements for the rental cars and gross receipts for the hotel and gas station. All payments for these providers tied to an activity level have been excluded from the measurement of the lease receivable.

The gas station, rental car providers at Washington Dulles International Airport and the in-flight kitchen agreements contain an additional rental component which is not based on an activity level. The in-flight kitchen and gas station agreements include a minimum monthly lease amount each year. The rental car providers at Washington Dulles International Airport lease space in a consolidated rental car facility. These payments have been included in the measurement of the lease receivable.

The Airports Authority also leases space to non-concession operators in its facilities such as cargo buildings, office buildings, hangars, etc. These agreements have varied terms depending on location (i.e., which airport or type of facility) but generally provide for a flat fixed rent each month without a variable component. Many of the agreements have a cancellation clause allowing either the operator or the Airports Authority to cancel the agreement for any reason with a specified notice period. Generally, the notice periods are less than 12 months. The leases with the cancelable component have not been included in the measurement of the lease receivable but all other leases have been included.

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During the year ended December 31, 2022, the Airports Authority recognized the following related to its lessor agreements:

	<u>Year Ended December 31, 2022</u>
Lease revenue	\$ 34,335,577
Interest Income related to leases	\$ 2,621,690
Rent revenue from variable payments not included in the measurement of the lease receivable	\$ 77,078,177

Future principal and interest payment requirements related to the Airports Authority's lease receivable as of December 31, 2022, are as follows:

Year ending December 31,	Principal	Interest	Total
2023	\$ 36,809,121	\$ 2,289,458	\$ 39,098,579
2024	27,119,682	1,553,496	28,673,178
2025	18,198,915	1,049,341	19,248,256
2026	9,789,081	688,736	10,477,817
2027	4,535,705	526,958	5,062,663
2028 - 2032	14,352,433	1,201,677	15,554,110
2033 - 2037	3,176,053	110,216	3,286,269
Total minimum future rentals	<u>\$ 113,980,990</u>	<u>\$ 7,419,882</u>	<u>\$ 121,400,872</u>

The Use and Lease Agreement (refer to Note 3 – Airport Use Agreement and Premises Lease) provides for terminal and other facility and space rentals by the airlines at the Airports. Airlines that have signed the Use and Lease Agreement are responsible for full cost recovery plus debt service coverage for these facilities until the termination date of the Use and Lease Agreement. The Use and Lease Agreement is a regulated lease as defined in GASB 87. The leases with the airlines for airport space have been excluded from the calculation of the lease receivable and corresponding deferred inflow of resources. Due to the variable nature of the regulated revenues from the airlines from year to year, expected future minimum payments are indeterminable.

In addition to leases with airlines, the Airports Authority has determined that operators functioning within the airport providing services directly to the airlines for the movement of passengers, baggage, mail and cargo and others are also covered under the regulated lease exception. These other regulated leases are also excluded from the calculation of the lease receivable and the deferred inflow of resources.

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Future minimum rentals scheduled to be received on regulated leases other than airlines that have initial or remaining non-cancelable terms as of December 31, 2022, as calculated in 2022 dollars, are:

Year ending December 31,	Fixed Rate Regulated Leases
2023	\$ 18,543,376
2024	15,745,762
2025	15,265,923
2026	14,377,681
2027	13,946,999
2028 - 2032	69,816,753
2033 - 2037	35,731,089
2038 - 2042	5,261,905
Total minimum future rentals	<u>\$ 188,689,488</u>

During the period ended December 31, 2022, the Airports Authority recorded \$285.5 million in total regulated lease revenues.

The Airports Authority assets subject to preferential or exclusive use are governed by the Airport Use Agreement and Premises Lease (refer to Note 3 - Airport Use and Lease Agreement & Premises Lease). Per this agreement, premises subject to exclusive use are those premises leased exclusively to the Airlines which have executed the Airport Use Agreement and Premises Lease or signatory airlines. The exclusive use premises include ticket counters, associated offices, and may include baggage make-up area and equipment necessary for use thereof. Preferential use premises include hold rooms and all equipment reasonably necessary for the use thereof. Joint use premises include all those leased on a joint use basis to one or more signatory airline. Common use premises include areas which two or more airlines are authorized to use without a leasehold interest being acquired by the authorized user. The table below outlines the assets at each airport and their related uses.

Premises	Reagan National	Dulles International
Leased Land and Hangars	100% Exclusive	100% Exclusive
Ticket Counters	100% Exclusive	100% Exclusive
Ticket Offices, Administrative and Upper Level Offices, VIP Rooms	100% Exclusive	100% Exclusive
Holdrooms	100% Preferential	100% Preferential
Bag Claim	100% Common Use	100% Common Use
Baggage Service Offices	100% Exclusive	100% Exclusive
Bag Make-up	78% Exclusive, 11% Joint Use and 11% Common Use	75% Joint and 25% Exclusive
Operations Area	100% Exclusive	100% Exclusive
Tug Drives, Exterior Baggage Space	100% Common Use	100% Common Use
Unenclosed Areas	100% Exclusive	100% Exclusive

Property Leased from Others (Lessee Agreements)

The Airports Authority classifies leases as those agreements in which the Airports Authority controls the right to use a tangible asset over a period of time. At the commencement of these agreements, the Airports Authority recognizes a lease liability and an intangible right-to-use lease asset based on the net present value of the future expected lease payments. This right-to-use asset is amortized over the life of the lease or useful life of the asset whichever is shorter. For those leases that are less than one year the lease payments are recognized as lease expense in the current period.

The Airports Authority's leases certain assets from multiple third parties. The assets leased can be classified into three general categories: office space, technology leases and general operating equipment. Payments are generally fixed monthly with certain variable payments which are not included in the measurement of the lease liability.

The Airports Authority has a non-cancellable office space lease in Crystal City, Virginia. 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 was abated for the initial 12 months. Beginning April 2017, the lease expense was amortized on a monthly basis. In 2022, this lease was reclassified and a \$22.0 million right-to-use asset was recorded and is being amortized over the remaining life of the lease, or 75 months. In 2022, the Airports Authority recognized \$3.5 million in amortization expense related to this asset and \$0.5 million in interest expense on the lease liability.

The Airports Authority has also entered into multiple agreements for assets supporting the Airports Authority's technology infrastructure. These include leased spaces within large data centers for processing equipment, the lease of dark fiber for transmission of data between the Airports Authority's locations and an easement on land for the housing of communications equipment. In 2022, the Airports Authority recorded \$1.3 million in right-to-use assets for these leases which are being amortized over the length of the leases. The Airports Authority also recognized \$0.6 million in amortization expense and \$0.02 million in interest expense on the lease liability in 2022.

The Airports Authority has entered into multiple agreements for assets supporting the Airports Authority's general operations. These include such things as refuse dumpsters, industrial gas containers, various small equipment, and portable bathroom facilities. In 2022, the Airports Authority recorded \$0.7 million in right-to-use assets for these leases which are being amortized over the length of the leases. The Airports Authority also recognized \$0.3 million in amortization expense and \$0.01 million in interest expense on the lease liability.

Principal and interest requirements to maturity for leases in effect on December 31, 2022, are as follows:

Year ending December 31,	Office Space Lease		Technology Assets		General Operating Equipment		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,222,890	\$ 435,616	\$ 336,608	\$ 13,289	\$ 285,023	\$ 6,448	\$ 3,844,521	\$ 455,353
2024	3,397,060	352,959	83,190	9,651	115,160	1,633	3,595,410	364,243
2025	3,577,645	265,873	79,351	7,556	15,894	840	3,672,890	274,269
2026	3,765,166	174,187	75,242	5,590	7,997	575	3,848,405	180,352
2027	3,959,858	77,727	77,199	3,633	6,925	379	4,043,982	81,739
2028 - 2032	944,550	3,801	99,329	1,711	10,009	491	1,053,888	6,003
Total	<u>\$ 18,867,169</u>	<u>\$ 1,310,163</u>	<u>\$ 750,919</u>	<u>\$ 41,430</u>	<u>\$ 441,008</u>	<u>\$ 10,366</u>	<u>\$ 20,059,096</u>	<u>\$ 1,361,959</u>

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The Airports Authority also has lease payments that are expensed during the reporting period and are not included in the lease liability. These leases are for equipment or materials for which the quantity leased varies on a monthly or daily basis. The leases are for uniforms, floor mats, shop towels, etc. for Airports Authority staff, off-site storage of old Airports Authority records and documents, generally in paper form, and electronic back-up media and short-term rentals of equipment. During the year ended December 31, 2022, the Airports Authority recognized the outflows of \$0.2 million as a result of variable items that were properly excluded from the initial measurement of the lease liability.

The Airports Authority has an 80-year agreement (the Federal Lease), with negotiable extensions, with the United States Government for the Airports. This agreement is due to expire on June 6, 2067. The agreement requires an annual inflation-adjusted base amount of \$3.0 million and interest earned on funds reserved monthly in a payment reserve account to be paid on a semi-annual basis. The Airports Authority invests the monthly payments per the Airports Authority's Investment Policy. This agreement represents a non-exchange transaction between the airports and the United States Government and therefore falls outside the scope of GASB 87.

Total expense paid to the United States Government for the year ended December 31, 2022 was \$6.5 million.

12. CHANGES IN NON-DEBT LIABILITIES

The changes in long-term liabilities for the year ended December 31, 2022 was as follows. The activity for non-current liabilities identified below does not include capital debt, pension liabilities or OPEB liabilities.

	Activity during year ended December 31, 2022				As of December 31, 2022	
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	\$ 11,466,097	\$ 9,421,471	\$ 9,762,266	\$ 11,125,302	\$ 9,003,960	\$ 2,121,342
Claims ¹	5,840,990	1,486,381	1,508,172	5,819,199	2,282,723	3,536,476
Lease Obligation	23,974,239	24,028	3,939,171	20,059,096	3,844,815	16,214,281
Unearned grant revenue	78,149,752	72,585,267	124,664,870	26,070,149	26,070,149	-
	<u>\$ 119,431,078</u>	<u>\$ 83,517,147</u>	<u>\$ 139,874,479</u>	<u>\$ 63,073,746</u>	<u>\$ 41,201,647</u>	<u>\$ 21,872,099</u>

¹ See Note 19 – Risk Management

The Airports Authority implemented GASB 87, Leases in 2022. Beginning balances have been adjusted to reflect the changes as a result of this implementation. See Note 2, Implementation of GASB 87 for additional details.

13. ACCOUNTING AND FINANCIAL REPORTING FOR DERIVATIVES

In 2001, the Airports Authority implemented a risk management program to assist in managing the interest cost on outstanding and future debt. The Airports Authority entered into several interest rate swap agreements (collectively, the Swap Agreements) to hedge against potential future increases in interest rates. Each 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 exchanged with the counterparties, while the Airports Authority continues to pay interest to bondholders at the variable rate provided by the bonds associated with each 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 12/31/2022	Hedged Series	Termination Value ² as of 12/31/2022	Fixed Rate
06/15/06	10/01/09	J.P. Morgan Chase Bank	Aa2/A+/AA	\$ 190,000,000	\$ 62,012,833	2011A-3	\$ (10,746,173)	4.099%
06/15/06	10/01/09	Bank of America, N.A.	Aa2/A+/AA	110,000,000	35,902,167	2009D/2010C-2	(6,239,928)	4.099%
06/15/06	10/01/10	Wells Fargo Bank, N.A.	Aa2/A+/AA-	170,000,000	55,624,000	2010D	(10,247,007)	4.112%
09/12/07	10/01/11	Wells Fargo Bank, N.A.	Aa2/A+/AA-	125,000,000	28,318,750	2011A-1	(4,093,679)	3.862%
Total				<u>\$ 595,000,000</u>	<u>\$ 181,857,750</u>		<u>\$ (31,326,787)</u>	

¹ Long-term ratings of Moody's, S&P, and Fitch, respectively, as of December 31, 2022.

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

Each 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

On June 2, 2021, the Airports Authority issued the Airport System Revenue and Refunding Bonds, Series 2021AB. A portion of the proceeds of the Series 2021AB Bonds were used to effect partial swap terminations in the amount of \$287,681,199 for a portion of the Airports Authority's outstanding Swap Agreements.

The 2009 Swap Agreement with J.P. Morgan Chase Bank hedging the Series 2011A-3 Bonds was partially terminated in the amount of \$86,678,000.

The 2009 Swap Agreement with Bank of America, N.A. hedging the Series 2009D Bonds and Series 2010C-2 Bonds was partially terminated in the amount of \$50,181,999.

The 2010 Swap Agreement with Wells Fargo, N.A. hedging the Series 2010D Bonds was partially terminated in the amount of \$81,746,200.

The 2011 Swap Agreement with Wells Fargo, N.A. hedging the Series 2011A-1 bonds was partially terminated in the amount of 69,075,000.

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The 2002 Swap Agreement with Bank of America, N.A. hedging the Series 2011A-2 Bonds matured in October 2021 and is no longer outstanding.

For the year ended December 31, 2022, 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, 2022 and 2021 was a loss of \$31.3 million and \$76.2 million, respectively, as shown in the table below. 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 2022 was a gain of \$44.9 million. Changes in the fair value of the Airports Authority's Swaps are recorded as fair value gains or losses on the Statements of Revenue, Expenses and Changes in Net Position. In addition, net interest payments to the counterparties are recorded in the financial statements.

The fair value of the Airports Authority's Swaps as of December 31, 2022, was as follows:

Effective Date	Counterparty	Outstanding Notional Amount	Maturity	Fair Value as of 12/31/2022	Fair Value as of 12/31/2021	Change in Fair Value
2009	J.P. Morgan Chase Bank	62,012,833	2039	(10,746,173)	(25,888,443)	15,142,270
2009	Bank of America, N.A.	35,902,167	2039	(6,239,928)	(15,000,382)	8,760,454
2010	Wells Fargo Bank, N.A.	55,624,000	2040	(10,247,007)	(24,572,285)	14,325,278
2011	Wells Fargo Bank, N.A.	28,318,750	2039	(4,093,679)	(10,764,401)	6,670,722
	Total	<u>\$ 181,857,750</u>		<u>\$ (31,326,787)</u>	<u>\$ (76,225,511)</u>	<u>\$ 44,898,724</u>

Fair Value Measurements

The Airports Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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 its 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, 2022, 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, 2022, the weighted average interest rate on the Airports Authority's hedged variable-rate debt was 1.61 percent and 72 percent of LIBOR was 1.38 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 may be substantial.

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

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 0.4 million arbitrage liability as of December 31, 2022.

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 (LOCs).

AVIATION ENTERPRISE FUND DEBT

On May 2, 2001, the Airports Authority's Board adopted Resolution No. 01-6, which permits the issuance of Commercial Paper (CP) Notes for the Aviation Enterprise Fund in a not-to-exceed amount of \$500.0 million outstanding at any time. 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.

On February 16, 2022, the Airports Authority's Board adopted Resolution No. 22-4 authorizing the issuance of Airport System Revenue Revolving Loan Notes in an aggregate principal amount not to exceed \$200 million outstanding at any time. The principal purpose of the Airport System Revenue Revolving Loan Notes is to pay or provide interim financing for certain capital improvements at the Airports or to refund other forms of indebtedness.

Recent Transactions

On March 31, 2022, the Airports Authority authorized the issuance of Airport System Revenue Revolving Loan Notes, Series One, pursuant to a Credit Agreement between the Airports Authority and U.S. Bank National Association. As of December 31, 2022, there were no Airport System Revenue Revolving Loan Notes outstanding.

On July 7, 2022, the Airports Authority issued \$205.3 million of Series 2022A Airport System Revenue Refunding Bonds resulting in net present value savings of \$15.1 million. The Series 2022A Alternative Minimum Tax (AMT) Airport System Revenue Refunding Bonds refunded \$231.9 million of Series 2012A Airport System Revenue Refunding Bonds and produced total gross savings of \$18.2 million. Annual debt service savings are approximately \$1.4 million from 2023-2025.

Bonds Payable

The Aviation Enterprise Fund's long-term bonds issued and outstanding as of December 31, 2022 were as follows:

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	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Maturing on October 1</u>	<u>Outstanding as of December 31, 2022</u>
Series 2009D-1-2 Revenue Bonds Term	07/02/09	Variable (4.099%) ¹	2034-2039	\$ 44,660,000
Series 2010C-2 Revenue Refunding Bonds Term	09/22/10	Variable C-2 (4.099%) ²	2034-2039	\$ 48,655,000
Series 2010D Revenue Bonds Term	09/22/10	Variable (4.112%) ³	2035-2040	55,625,000
Series 2011A-1-3 Revenue & Refunding Bonds Term	09/21/11	Variable A-1 (3.862%) ⁴	2034-2039	\$ 28,320,000
Term		Variable A-3 (4.099%) ⁵	2034-2035	4,600,000
				<u>32,920,000</u>
Series 2013A Revenue & Refunding Bonds Serial	07/11/13	5.000%	2023-2033	\$ 128,130,000
Term		5.000%	2038	18,870,000
Term		5.000%	2043	24,090,000
				<u>171,090,000</u>
Series 2013B Revenue Refunding Bonds Serial	07/11/13	3.979%	2023	1,085,000
Series 2014A Revenue & Refunding Bonds Serial	07/03/14	3.000%-5.00%	2023-2034	\$ 313,475,000
Term		4.000%	2039	23,605,000
Term		5.000%	2044	29,290,000
				<u>366,370,000</u>
Series 2015A Revenue Refunding Bonds Term	01/29/15	5.000%	2033	\$ 96,745,000
Term		5.000%	2034	67,035,000
				<u>163,780,000</u>
Series 2015B Revenue & Refunding Bonds Serial	07/15/15	5.000%	2023-2035	\$ 147,835,000
Term		5.000%	2035	51,900,000
Term		5.000%	2040	16,955,000
Term		5.000%	2045	21,640,000
				<u>238,330,000</u>
Series 2015C Revenue Refunding Bonds Serial	07/15/15	3.125%-5.00%	2023-2035	16,445,000
Series 2016A Revenue Refunding Bonds Serial	07/07/16	4.000%-5.000%	2030-2036	362,655,000
Series 2016B Revenue Refunding Bonds Serial	07/07/16	5.000%	2023-2032	19,615,000
Series 2017A Revenue Refunding Bonds Serial	07/07/17	5.000%	2023-2037	\$ 297,390,000
Term		5.000%	2038-2042	41,415,000
Term		5.000%	2043-2047	52,855,000
				<u>391,660,000</u>

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	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Maturing on October 1</u>	<u>Outstanding as of December 31, 2022</u>
Series 2018A	07/03/18			
Revenue & Refunding Bonds				
Serial		5.000%	2023-2038	\$ 376,595,000
Term		5.000%	2039-2043	65,590,000
Term		5.000%	2044-2048	58,410,000
				<u>500,595,000</u>
Series 2019A	07/03/19			
Revenue & Refunding Bonds				
Serial		5.000%	2022-2040	\$ 159,915,000
Term		5.000%	2041-2044	43,030,000
Term		5.000%	2045-2049	67,055,000
				<u>270,000,000</u>
Series 2019B	07/03/19			
Revenue Refunding Bonds				
Serial		5.000%	2023-2029	80,640,000
Series 2020A	07/08/20			
Revenue Refunding Bonds				
Serial		4.000%-5.000%	2023-2039	242,995,000
Series 2020B	07/08/20			
Revenue Refunding Bonds				
Serial		4.000%-5.000%	2023-2039	62,755,000
Series 2021A	07/08/21			
Revenue Refunding Bonds				
Serial		4.000%-5.000%	2023-2041	\$ 675,075,000
Term		5.000%	2042-2046	87,865,000
Term		4.000%	2047-2051	109,925,000
				<u>872,865,000</u>
Series 2021B	07/08/21			
Revenue Refunding Bonds				
Serial		4.000%-5.000%	2023-2039	5,210,000
Series 2022A	7/7/2022			
Revenue Refunding Bonds				
Serial		5.000%	2023-2032	<u>205,280,000</u>
				\$ 4,153,230,000
Plus (Less) unamortized discount/premium, net				<u>459,292,299</u>
Total Aviation Enterprise Debt				\$ 4,612,522,299

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

² Interest rates Series 2010C-2 are reset weekly 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 Interest rates on Series 2010D are reset weekly by the Remarketing Agent. The Bonds are hedged with a Swap Agreement at a fixed rate of 4.112%. Refer to Note 13 for information on the Airports Authority's swaps.

^{4,5} Interest rates on Series 2011A-1-3 Bonds are reset weekly. The 2011A-1 Bonds are hedged with a Swap Agreement at a fixed rate of 3.862%. The 2011A-3 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.

Source: Airports Authority Records

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

Balance as of December 31, 2021		<u>\$ 4,861,619,805</u>
Increases		
Series 2022A Revenue Refunding	\$ 205,280,000	
Change in Unamortized Discount/Premium	<u>(55,602,506)</u>	149,677,494
Decreases		
Series 2012A Refunded	\$ (231,895,000)	
Principal Payments	<u>(166,880,000)</u>	<u>(398,775,000)</u>
Balance as of December 31, 2022		<u>\$ 4,612,522,299</u>
Balance as of December 31, 2022 - Current		\$ 184,330,000
Balance as of December 31, 2022 - Non-current		<u>4,428,192,299</u>
		<u>\$ 4,612,522,299</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,	Bonds		Notes from Direct Borrowings and Direct Placements		Total Debt Service
	Principal	Interest	Principal	Interest	
2023	\$ 184,330,000	\$ 201,344,997	-	-	\$ 385,674,997
2024	215,485,000	192,301,284	-	-	407,786,284
2025	182,190,000	181,638,354	-	-	363,828,354
2026	202,050,000	172,555,654	-	-	374,605,654
2027	215,620,000	162,453,154	-	-	378,073,154
2028 - 2032	1,253,875,000	637,298,684	-	-	1,891,173,684
2033 - 2037	1,039,890,000	327,035,967	-	-	1,366,925,967
2038 - 2042	435,455,000	153,310,926	-	-	588,765,926
2043 - 2047	293,055,000	70,432,750	-	-	363,487,750
2048 - 2051	131,280,000	11,958,400	-	-	143,238,400
	<u>\$ 4,153,230,000</u>	<u>2,110,330,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,263,560,170</u>

Insurance

The Airports Authority reviews each bond sale to determine whether municipal bond insurance may provide value to investors. As of December 31, 2022, the Airports Authority's Aviation Enterprise Fund had no insured debt.

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 does not currently have in place a LOC allowing the Airports Authority to support the issuance of CP Notes. The Airports Authority could issue CP Notes upon securing a LOC pursuant to the Amended and Restated Eleventh Supplemental Indenture or the Twenty-second Supplemental Indenture. Pursuant to the supplemental indentures, any CP Notes would be structured as short-term demand obligations and collateralized by certain pledged funds, including Net Revenues on parity with the Senior Bonds, and the LOC. The Airports Authority's obligation to repay amounts drawn under the LOC would be collateralized by a promissory note issued to the provider.

The Airports Authority previously authorized the issuance of CP Notes 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) which expired in February 2022 and thus the program is noted as suspended.

As of December 31, 2022, the Airports Authority had no CP Notes outstanding.

Revolving Loan Notes

The Airports Authority's Aviation Enterprise Fund has an authorized Revolving Loan Note program in an aggregate principal amount not to exceed \$200 million outstanding at any time. The Revolving Loan Notes are structured as Program Bonds under the Fifty-fourth Supplemental Indenture and are secured by certain pledged funds including Net Revenues on a parity with the Bonds.

The Airport System Revenue Revolving Loan Notes, Series One were issued pursuant to a Credit Agreement between the Airports Authority and U.S. Bank National Association on March 31, 2022 for a duration of 3.5 years at a cost of 17.5 basis points (bps) if unutilized. If utilized and tax-exempt Airport System Revenue Revolving Loan Notes are issued, they will carry an interest rate of SIFMA + 15bps, and taxable Revolving Loan Notes will carry an interest rate of BSBY + 19bps.

Bank Provider	Credit Facility	Associated Program/Series	Interest Rate	Expiration Date	Series Original Amount	Outstanding as of December 31, 2022
U.S. Bank N.A.	Revolving Loan	Revolving Loan Notes, Series One	17.5 bps*	9/30/2025	\$ 200,000,000	\$ -

* Commitment Fee applied to undrawn amounts

As of December 31, 2022, there were no Revolving Loan Notes outstanding.

	Revolving Loan
Balance as of December 31, 2021	\$ -
Revolving Loan Draw	300,000
Revolving Loan Repaid	(300,000)
Balance as of December 31, 2022	\$ -

Liquidity Facilities

The Airports Authority has \$181.9 million of outstanding variable rate bonds, in the form of variable rate demand bonds which are further supported by LOCs. The following table lists the variable rate bonds and certain terms of their liquidity facilities as of December 31, 2022:

Bank Provider	Credit Facility	Associated Program/Series	Interest Rate	Expiration Date	Series Original Amount	Outstanding as of December 31, 2022	Interest Draw Allowed	Maximum Draw Allowed
TD Bank	LOC	2009 D VRDO	33 bps	2/28/2024	\$ 136,825,000	\$ 44,660,000	\$ 704,772	\$ 45,364,772
TD Bank	LOC	2010 C-2 VRDO	19 bps	2/28/2024	\$ 170,000,000	\$ 48,655,000	\$ 767,816	\$ 49,422,816
TD Bank	LOC	2010 D VRDO	14-20 bps	9/29/2027	\$ 170,000,000	\$ 55,625,000	\$ 877,809	\$ 56,502,809
TD Bank	LOC	2011 A VRDO	14-20 bps	9/29/2027	\$ 233,635,000	\$ 32,920,000	\$ 519,505	\$ 33,439,505

As of December 31, 2022, the Airports Authority had no outstanding direct placements. Agreements to the above noted LOCs contain provisions related to events of default as described subsequently.

As of December 31, 2022, 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, 2022 are depicted in the table below:

Mode	Lien Position	Rating as of December 31, 2022 Moody's / S&P / Fitch
Fixed	Senior	Aa3 / AA- / AA-
Variable, CP	Senior	N/A
Variable, 2009D VRDO *	Senior	Aa1/VMIG1 AAA/A-1+ AA+/F1+
Variable, 2010C VRDO *	Senior	N/A AAA/A-1+ AA+/F1+
Variable, 2010D VRDO*	Senior	N/A AAA/A-1+ AA+/F1+
Variable, 2011A VRDO *	Senior	N/A AAA/A-1+ AA+/F1+

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

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In 2019, the Airports Authority defeased the Series 2015D Airport System Revenue Refunding Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airports Authority's financial statements. As of December 31, 2022, \$27.3 million of bonds outstanding are considered defeased.

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 2019A Bonds (First Senior Lien), however, is senior to the pledge of Toll Road Revenues securing the Series 2009B Bonds, the Series 2009D Bonds, the Series 2010A-B Bonds and the Series 2022AB Bonds (Second Senior Lien). Following the Second Senior Lien pledge are the bonds that were issued on a Subordinate Lien, the Series 2010D and Series 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. As of February 10, 2020, the CP program was suspended, and no CP Notes are outstanding.

On October 19, 2022, the Airports Authority's Board adopted Resolution No. 22-29 authorizing the issuance of Dulles Toll Road Second Senior Lien Revenue Revolving Loan Notes (the "DTR Revolving Loan Notes") in an aggregate principal amount not to exceed \$150 million outstanding at any time. The principal purpose of the DTR Revolving Loan Notes is to pay or provide interim financing for certain costs of the Dulles Corridor Metrorail Project, certain capital improvements relating to the Dulles Toll Road and for certain other purposes.

Recent Transactions

On February 16, 2022, the Airports Authority issued \$754.8 million of Series 2022AB Dulles Toll Road Second Senior Lien Revenue Refunding Bonds resulting in net present value savings of \$179.8 million. The tax-exempt Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2022A par amount of \$424.7 million refunded \$421.8 million of Series 2014A Second Senior Lien Revenue Refunding Bonds, resulting in \$138.4 million in present value savings. The federally taxable Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2022B par amount of \$330.1 million refunded \$249.8 million of Series 2009C Second Senior Lien Revenue Bonds (Convertible Capital Appreciation Bonds), resulting in \$41.4 million in present value savings. The DTR Series 2022AB Bonds produced total gross savings of \$252.1 million. Annual debt service savings range from \$6.5 - \$31.7 million annually from 2023-2025.

On November 3, 2022, the Airports Authority authorized the issuance of Dulles Toll Road Second Senior Lien Revenue Revolving Loan Notes, Series One pursuant to a Credit Agreement between the Airports Authority and City National Bank. As of December 31, 2022, there were \$65.0 million revolving loan notes outstanding.

Bonds Payable

The Dulles Corridor Enterprise Fund's bonds payable as of December 31, 2022 were as follows:

			<u>Issue Date</u>	<u>Interest Rates</u>	<u>Maturing on October 1</u>	<u>Outstanding as of December 31, 2022</u>
Series	2009B	Revenue Bonds CABs	08/12/09	3.500%-7.910%	2018-2040	\$ 363,379,355
Series	2009D	Revenue Bonds Build America Bonds	08/12/09	7.462%	2045-2046	400,000,000
Series	2010A	Revenue Bonds CABs Term	05/27/10	6.625%	2029-2037	124,579,051
Series	2010B	Revenue Bonds Convertible CABs Term	05/27/10	6.500%	2040-2044	235,000,000
Series	2010D	Revenue Bonds Build America Bonds	05/27/10	8.000%	2042-2047	150,000,000
Series	2019A	Revenue Refunding Bonds	7/10/2019	3.584%	2031-2044	163,110,000
Series	2019B	Revenue Refunding Bonds	12/19/2019	3.540%	2033-2053	1,269,365,000
Series	2022A	Revenue Refunding Bonds	2/16/2022	3.270%	2051-2053	424,725,000
Series	2022B	Revenue Refunding Bonds	2/16/2022	3.600%	2025-2041	330,105,000
						<u>\$ 3,460,263,406</u>
Plus (Less) unamortized discount/premium, net						137,909,426
Total Dulles Corridor Enterprise Bonds Payable						<u><u>\$ 3,598,172,832</u></u>

Changes to the Dulles Corridor Enterprise Fund's Bonds Payable balances during 2022 were as follows:

Balance as of December 31, 2021	<u><u>\$ 3,470,546,159</u></u>
Bonds Issued	754,830,000
Bonds Refunded	(579,994,960)
Principal Payments	(3,422,177)
Plus: Change in Accretion of Capital Appreciation Bonds	(65,186,457)
Change in unamortized (discount) or premium, net	<u>21,400,267</u>
Balance as of December 31, 2022	<u><u>\$ 3,598,172,832</u></u>
Balance as of December 31, 2022 - Current	9,267,174
Balance as of December 31, 2022 - Non-current	<u>3,588,905,658</u>
	<u><u>\$ 3,598,172,832</u></u>

Maturities and Sinking Fund Requirements

Principal payments on the Dulles Corridor Enterprise Fund's long-term bonds are due annually on October 1. 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 \$449,510,100 incurred as a result of the bond accretion on the capital appreciation bonds.

Year Ending December 31,	Principal	Interest	Total DS
2023	\$ 9,267,174	\$ 171,248,440	\$ 180,515,614
2024	10,631,131	175,149,483	185,780,614
2025	12,326,897	172,868,717	185,195,614
2026	11,791,716	173,740,597	185,532,313
2027	11,304,769	174,406,315	185,711,084
2028 - 2032	99,988,220	975,278,952	1,075,267,172
2033 - 2037	233,467,433	1,160,396,029	1,393,863,462
2038 - 2042	484,028,047	1,024,654,812	1,508,682,859
2043 - 2047	881,844,375	493,722,800	1,375,567,175
2048 - 2052	1,078,415,000	169,458,850	1,247,873,850
2053	242,875,000	8,059,450	250,934,450
	<u>\$ 3,075,939,762</u>	<u>\$ 4,698,984,445</u>	<u>\$ 7,774,924,207</u>

Insurance

As of December 31, 2022, the Airports Authority's Dulles Corridor Enterprise Fund had insured \$1.2 billion of long-term bonds with Assured Guaranty. This represented 32.9 percent of total bonds as of December 31, 2022.

Insurer	Amount Insured at December 31, 2022	Percent of Total Bonds Payable
Assured Guaranty	<u>\$ 1,182,059,640</u>	<u>32.9%</u>

Commercial Paper Notes

The Airports Authority's Dulles Corridor Enterprise Fund has an authorized commercial paper program in an aggregate principal amount not to exceed \$300.0 million outstanding at any time. The Airports Authority does not currently have in place a LOC allowing the Airports Authority to support the issuance of CP Notes. The Airports Authority could issue CP Notes upon securing a LOC pursuant to the Seventh Supplemental Indenture, whereupon CP Notes would be structured as short-term demand obligations collateralized by certain pledged funds, including Net Revenues on parity with the bonds, and the LOC. The Airports Authority's obligation to repay amounts drawn under such LOCs would be collateralized by a promissory note issued by the Airports Authority to the provider.

Series One CP Notes were collateralized by an irrevocable direct pay LOC of \$300.0 million and an additional \$20.0 million for interest (a maximum draw allowed \$320.0 million). The LOC securing the Series One CP Notes expired and thus the program is noted as suspended.

Revolving Loan Notes

The Airports Authority's Dulles Corridor Enterprise Fund has an authorized Revolving Loan Note program in an aggregate principal amount not to exceed \$150 million outstanding at any time. The Revolving Loan Notes are structured as Program Bonds under the Fourteenth Supplemental Indenture and are secured by certain pledged funds including Net Revenues on a parity with the Bonds.

The Dulles Corridor Second Senior Lien Revenue Revolving Loan Notes, Series One were issued pursuant to a Credit Agreement between the Airports Authority and City National Bank on November 3, 2022, for a duration of 3 years at a cost of 30.0 basis points (bps) if unutilized. If utilized and tax-exempt notes are issued, they will carry an interest rate of 80% Daily Simple SOFR + 60 bps, and taxable notes will carry an interest rate of Daily Simple SOFR + 80 bps.

Bank Provider	Credit Facility	Associated Program/Series	Commitment Fee	Expiration Date	Series Original Amount	Outstanding as of December 31, 2022
City National Bank	Revolving Loan	Revolving Loan Notes, Series One	30.0 bps*	11/3/2025	\$ 150,000,000	\$ 65,014,100

* Commitment Fee applied to undrawn amounts

As of December 31, 2022, there were \$65.0 million tax-exempt revolving loan notes outstanding.

	Revolving Loan
Balance as of December 31, 2021	<u>\$ -</u>
Revolving Loan Draw	65,014,100
Revolving Loan Repaid	-
Balance as of December 31, 2022	<u>\$ 65,014,100</u>

Credit Ratings

The Dulles Corridor Enterprise Fund's underlying credit ratings as of December 31, 2022 are depicted in the table below:

Mode	Lien Position	Rating as of December 31, 2022 Moody's / S&P / Fitch
Fixed	First Senior	A2 / A / NR
Fixed	Second	Baa1 / A- / NR
Fixed	Second	A1 / AA / NR
Fixed	Second	A2 / AA / NR
Fixed	Subordinate	Baa2 / A- / NR
Fixed	Subordinate ¹	A1 / AA / NR

¹ Enhanced Rating

In 2022, the Airports Authority defeased the Series 2009C Dulles Toll Road Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airports Authority's financial statements. As of December 31, 2022, \$249.8 million of bonds outstanding are considered defeased.

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15. NET POSITION

Net position consisted of the following, as of December 31, 2022:

	As of December 31, 2022				
	Net Investment in Capital Assets	Restricted for			
		Construction	Debt Service	Debt Service Reserve	Leases
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, net	-	-	-	-	-
Lease receivable	-	-	-	-	-
Restricted lease receivable	-	-	-	-	2,968,200
Investments	-	-	-	-	-
Restricted investments	-	413,593,658	160,491,361	-	-
Inventory	-	-	-	-	-
Prepaid expenses and other current assets	-	691,667	-	-	-
Non-current assets					
Restricted					
Cash and cash equivalents *	-	287,948,896	28,558,853	3,026,735	8,045,051
Accounts receivable	-	24,011,932	-	-	1,340,403
Lease receivable	-	-	-	-	6,215,021
Investments	-	-	-	314,467,857	-
Unrestricted:					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Bond insurance costs	-	-	-	-	-
Capital assets	<u>4,637,848,578</u>	-	-	-	-
Total Assets	<u>4,637,848,578</u>	<u>726,246,153</u>	<u>189,050,214</u>	<u>317,494,592</u>	<u>18,568,675</u>
Deferred outflows of resources					
Deferred outflows - debt refundings	82,286,940	-	-	-	-
Deferred outflows - pension plans	-	-	-	-	-
Deferred outflows - OPEB plans	-	-	-	-	-
Total deferred outflows of resources	<u>82,286,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities					
Accounts payable and accrued expenses	58,915,033	-	-	-	106
Advance billings and payments received in advance	-	26,050,270	-	-	-
Lease liability	-	-	-	-	-
Accrued interest payable	-	-	87,930,151	-	-
Current portion of bonds payable	184,330,000	-	-	-	-
Non-current liabilities					
Other liabilities	430,485	-	-	-	-
Lease liability	-	-	-	-	-
Interest rate swaps payable	-	-	-	-	-
Net Pension liability	-	-	-	-	-
Net OPEB liability	-	-	-	-	-
Revolving notes payable	65,014,100	-	-	-	-
Bonds payable, net	<u>3,947,351,118</u>	<u>526,453,034</u>	<u>1,419,794</u>	<u>317,494,592</u>	<u>-</u>
Total Liabilities	<u>4,256,040,736</u>	<u>552,503,304</u>	<u>89,349,945</u>	<u>317,494,592</u>	<u>106</u>
Deferred inflows of resources					
Deferred inflows - debt refundings	61,684	-	-	-	-
Deferred inflows - leases	-	-	-	-	9,970,300
Deferred inflows - pension plans	-	-	-	-	-
Deferred inflows - OPEB plans	-	-	-	-	-
Total deferred inflows of resources	<u>61,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,970,300</u>
Net position (deficit)	<u>\$ 464,033,098</u>	<u>\$ 173,742,849</u>	<u>\$ 99,700,269</u>	<u>\$ -</u>	<u>\$ 8,598,269</u>

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

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As of December 31, 2022						
Restricted for				Unrestricted	Total Business-Type Activities	
Pension and OPEB Benefits	Dulles Rail Latent Defects	Dulles Toll Road Repairs	Public Safety			
\$ -	\$ -	\$ -	\$ -	\$ 257,821,842	\$ 257,821,842	
-	-	-	-	53,955,938	53,955,938	
-	-	-	-	33,840,921	33,840,921	
-	-	-	-	-	2,968,200	
-	-	-	-	939,832,280	939,832,280	
-	-	7,205,301	-	-	581,290,320	
-	-	-	-	8,667,939	8,667,939	
-	-	-	-	10,532,334	11,224,001	
-	15,674,723	2,040,076	796,378	-	346,090,712	
-	45,151	43,611	1,341	-	25,442,438	
-	-	-	-	-	6,215,021	
-	-	-	-	-	314,467,857	
-	-	-	-	224,556,418	224,556,418	
-	-	-	-	70,956,848	70,956,848	
-	-	-	-	5,877,540	5,877,540	
-	-	-	-	-	4,637,848,578	
-	15,719,874	9,288,988	797,719	1,606,042,060	7,521,056,853	
-	-	-	-	30,824,278	113,111,218	
71,380,301	-	-	-	-	71,380,301	
37,253,727	-	-	-	-	37,253,727	
108,634,028	-	-	-	30,824,278	221,745,246	
-	-	-	35,548	58,553,703	117,504,390	
-	-	-	-	10,627,755	36,678,025	
-	-	-	-	4,215,711	4,215,711	
-	-	-	-	-	87,930,151	
-	-	-	-	9,267,174	193,597,174	
-	-	-	-	5,612,375	6,042,860	
-	-	-	-	16,214,575	16,214,575	
-	-	-	-	31,326,787	31,326,787	
56,030,945	-	-	-	-	56,030,945	
15,336,907	-	-	-	-	15,336,907	
-	-	-	-	-	65,014,100	
-	-	-	-	3,224,379,419	8,017,097,957	
71,367,852	-	-	35,548	3,360,197,499	8,646,989,582	
-	-	-	-	1,216,933	1,278,617	
-	-	-	-	104,797,769	114,768,069	
8,171,572	-	-	-	-	8,171,572	
20,153,985	-	-	-	-	20,153,985	
28,325,557	-	-	-	106,014,702	144,372,243	
\$ 8,940,619	\$ 15,719,874	\$ 9,288,988	\$ 762,171	\$ (1,829,345,863)	\$(1,048,559,726)	

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The Aviation Enterprise Fund's debt service reserve accounts were over-funded by \$3.3 million as of December 31, 2022. The Dulles Corridor Enterprise Fund's debt service reserve accounts were over-funded by \$1.5 million as of December 31, 2022. 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 year ended December 31, 2022 were as follows:

	Year ended December 31,
<u>Gross Revenues</u>	<u>2022</u>
Concessions	\$ 335,382,008
Rents	272,967,964
Landing fees	72,346,309
Lease Revenue	34,335,577
Utility sales	13,977,373
Passenger fees	24,943,139
Other	11,757,273
Total gross revenues	765,709,643
Less: Estimated uncollectible revenues	(344,192)
Total net operating revenues	<u>\$ 765,365,451</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 95.7 percent of Signatory Airline Revenues during 2022. At Dulles International, American Airlines, United Airlines, Delta, British Airways, and Lufthansa comprised approximately 66.7 percent of Signatory Airline Revenues during 2022. Combined these seven airlines represented approximately 79.2 percent of total Signatory Airline Revenues during 2022 for the Airports Authority.

17. GOVERNMENT GRANTS

The Airports Authority receives, predominately on a cost-reimbursement basis, grants from the United States government, the Commonwealth, and other local grantors for certain operating and capital construction programs. Government grants and counties' contributions recorded by the Airports Authority during the year ended December 31, 2022, totaled \$232.3 million. 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 expenditure as defined by these agencies.

The Airports Authority receives the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") grant, approved by the United States Congress and signed by President Trump on March 27, 2020, included among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The Airports Authority was allocated approximately \$229 million of grant assistance under the CARES Act. The Airports Authority can draw on these funds on a reimbursement basis for any purpose for which Airports Authority revenues may be lawfully used in accordance with FAA rules and regulations. The Airports Authority used approximately \$22.5 million of CARES funds in 2022, leaving approximately \$56 million available to be drawn within the time period permitted by the CARES Act.

On March 11, 2021, the American Rescue Plan Act was enacted providing a \$1.9 trillion coronavirus relief package that specifically designates \$8 billion for U.S. airports, including \$800 million for airport concessionaires, to help airports pay workers and service their debts and limit the spread of the COVID-19 virus. In 2022, the Airports Authority requested and received \$29.4 million of ARP funds. The Authority expects to request the reimagining funds within the time period permitted by the ARP Act. The ARP Act provided an additional \$20.1 billion to U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus pandemic. The Authority requested the full ARP concessions grant allocation of \$20.1 million and was received in February 2023.

In 2022, the Airports Authority received approximately \$545 thousand from FEMA for costs related to the ongoing COVID-19 pandemic. The reimbursement offsets costs through December 2022. Our proactive response includes providing our first responders and employees with PPE, such as face coverings and gloves, providing ample access to hand sanitizer in both public and employee areas, printing and deploying social distancing stickers and face coverings signs, implementing enhanced cleanings in employee areas and public facilities, and installing temporary physical barriers.

In 2022, the U.S. Department of Homeland Security (DHS) awarded the Airports Authority \$1.4 million in support of "Operation Allies Welcome" to receive Afghan evacuees into the United States. As events rapidly unfolded, the Authority facilitated the necessary accommodations to provide a comfortable and discrete environment for evacuees without consideration of cost. Facilities were modified to ensure COVID-19 safety compliance, including establishing makeshift triage centers for medical screening and necessary vaccinations.

In 2022, the National Highway Safety Administration (NHTSA) awarded the Airports Authority \$29 thousand to reduce highway safety related injuries and to implement a traffic safety initiative.

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	Award Recognized Year Ended Dec. 31, 2022
Grants in Support of Operations	
Operating Revenue	
TSA Security Fees	
TSA - Law enforcement officer reimbursement program	\$ 927,080
Grant recognized as operating revenues	<u>927,080</u>
Non-Operating Revenue	
Federal Grants	
FAA - Airport Rescue Grant - DCA General	25,692,259
FAA - Airport Rescue Grant - IAD General	28,598,441
FAA - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	22,538,181
FAA - Airport Rescue Grant Program - DCA Concessions Grant	9,933,777
FAA - Airport Rescue Grant Program - IAD Concessions Grant	10,181,074
TSA - National explosive detection canine team program	606,000
Department of Justice - Equitable sharing agreement ^{1, 2}	285,013
National Highway Traffic Safety Administration - Police Traffic Services	3,522
Department of Homeland Security - Operation Allies Welcome Assistance Grant	1,250,549
Federal Emergency Management Agency - CCTA Program	75,447
Federal Emergency Management Agency - SAFER Program	319,279
Total Federal Grants	<u>99,483,542</u>
State Grant	
Virginia Department Emergency Management - COVID Program	544,932
Total State Fund	<u>544,932</u>
Grants recognized as non-operating revenues	<u>100,028,474</u>
Total Federal, State, and Local grants in support of operations	<u><u>\$ 100,955,554</u></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, 2022, 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 \$75.0 million to the project from Surface Transportation Program funds. For 2022 a total of \$2 million of the New Starts funding of Phase 1 of the Dulles Metrorail Project was recognized.

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.

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	Award Recognized Year Ended Dec. 31, 2022	Award Remaining Dec. 31, 2022
Grants in Support of Capital Programs		
Federal Grants		
Federal Aviation Administration		
AIP - Hold Bay 4 Reconstruction and Reconfiguration - Phase 2	\$ 213,722	\$ -
AIP - Reconstruction of Runway - 12/30 (East) and Associated Taxiways Y11	5,250,000	-
AIP - Hold Bay 4 Reconstruction and Reconfiguration	144,790	-
AIP - VALE Infrastructure Install Electric Charging Stations	284,218	3,614,110
AIP - Reconstruction of Runway Design 01/19 & 15/33	1,652,722	-
Total Federal Aviation Administration Grants	7,545,452	3,614,110
Federal Transit Administration		
FFGA - Dulles Metrorail Project (Phase 1)	2,072,644	6,603,368
Total Federal Transit Administration Grants	2,072,644	6,603,368
Internal Revenue Service		
Build America Bonds interest subsidy	13,811,932	-
Total Federal Grants	23,430,028	10,217,478
Commonwealth of Virginia Grant		
Department of Aviation - AeroTrain	2,000,000	-
Virginia Department of Transportation - Dulles Metrorail Project (Phase 2)	26,777,725	43,481,859
Total Commonwealth of Virginia Grant	28,777,725	43,481,859
Local Grant		
Arlington County - Arlington County Police Firing Range Agreement	182,920	-
Total Local Grant	182,920	-
Total Federal, State, and Local grants in support of capital programs	52,390,673	53,699,337
Local Counties Contributions for Dulles Metrorail Project		
Fairfax County Contributions (Phase 2)	59,244,717	46,417,424
Loudoun County Contributions (Phase 2)	19,743,848	36,349,044
	78,988,565	82,766,468
Total Federal, State, and Local grants including counties contributions in support of capital programs.	\$ 131,379,238	\$ 136,465,805

18. PASSENGER FACILITY CHARGES

As of December 31, 2022, the FAA has approved twelve PFC applications for a total authority of \$4.1 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 2022 was as follows:

	Reagan National	Dulles International	Total
PFC Revenue 2022	\$ 47,340,381	\$ 42,022,159	\$ 89,362,540
Total Applications	\$ 1,677,372,967	\$ 2,442,302,508	\$ 4,119,675,475
PFC Revenue Received Through December 31, 2022	\$ 953,121,318	\$ 1,011,818,682	\$ 1,964,940,000

Estimated Final Collection Date February 1, 2036 December 31, 2038

PFC collections totaling \$39.0 million in 2022 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. Current portion of insurance reserve claims are calculated using a five-year average of claim payments.

The overall accrual for potential losses as of December 31, 2022 was \$5.8 million. Changes in the claim liability accounts in fiscal year 2022 were as follows:

Fiscal Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2022	\$5,840,990	\$1,486,381	\$1,508,172	\$5,819,199

20. OTHER COMMITMENTS AND CONTINGENCIES

Coronavirus (COVID-19) Pandemic

In 2020, the COVID-19 pandemic and related restrictions led to significant negative impacts to the economy and travel-related industries, including to the Airports Authority's operations and its business partners. The Airports Authority worked in close coordination with its federal partners at the Centers for Disease Control (CDC), U.S. Customs and Border Protection (CBP), Transportation Security Administration (TSA) and state and local health departments and emergency management agencies to provide a safe environment for traveling public. Further, the Airports Authority took various measures including cost reduction by limiting discretionary spending and hiring freezes, temporary relief of contractual payments for concessionaries, deferral of airline fees, and pursuit of federal grants, among others, to mitigate the negative impacts of the pandemic. While the Airports Authority's ample liquidity and federal grants allowed it to offset the severe reduction in revenue, operations and financial results were heavily impacted by the pandemic.

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In 2022, the Airports Authority continued to prudently manage its operations and costs, utilize federal grants, and work closely with the airlines and other partners in adding routes, recovering lost service and reopening concessions as domestic and international traffic began to gradually recover. Operations and financial results in 2022 improved; however, the Airports Authority recognizes that a multi-year recovery will be required to return to pre-pandemic activity levels.

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, 2022 were \$0.1 million. Routine pollution prevention, control, and monitoring costs are expensed as incurred. Pollution prevention, control, and monitoring expenses for the year ended December 31, 2022 were \$5.5 million.

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, 2022, the Airports Authority acquired property interests through negotiated settlement for a total of \$0.6 million.

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, 2022, the Academy had \$3.6 million in revenue bonds outstanding. Payments by the Airports Authority to the Academy for training services totaled \$0.3 million for the year ended December 31, 2022.

American Express Centurion Lounge

The Airports Authority entered into an agreement with American Express to construct and open a Centurion Lounge at Reagan National. The 11,500-square-foot facility is expected to open by summer of 2023, following the completion of the airport expansion/renovation effort for Project Journey. The Centurion Lounge, the Airport's first non-airline lounge, will be located post-security near Concourse B in Terminal 2. Access will be complimentary and exclusive for American Express Platinum Card members, Centurion members and Delta SkyMiles Reserve Card members. The lounge will feature signature Centurion Lounge amenities such as a complimentary custom menu of gourmet food and drinks, premium restrooms and shower suites, access to high-speed Wi-Fi and noise-buffering workspaces. Floor-to-ceiling windows will offer airfield views, and the design of the lounge will complement the airport's iconic architecture.

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 general counsel, the likely outcome in these matters which are not covered by insurance, 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 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.

22. SUBSEQUENT EVENTS

Dulles Toll Road Increase and Electronic Tolling Update

In July 2022 the Airports Authority conducted two public hearings, one virtual and one in-person, to inform the public and solicit comments about proposed amendments to toll rate increases that would be effective January 1, 2023, and which would be the first toll rate change since January 1, 2019. Rates for two-axle vehicles on the Dulles Toll Road went from the current \$3.25 to \$4.00 at the main toll plaza and from \$1.50 to \$2.00 on ramps.

The Dulles Toll Road switched to All Electronic Tolling (AET) on March 1, 2023. The conversion included a new "pay-by-plate" system for drivers not using E-ZPass or similar devices. Pay by Plate creates virtual accounts and accumulates tolls on a monthly invoice. Motorists who don't pay tolls electronically will be identified by their vehicle license plate and receive an invoice to their registered address. Eliminating cash toll collection is expected to speed traffic flow and benefit the environment by reducing emissions that would have been produced by vehicles waiting in toll-booth lines. The Airports Authority board of directors voted in 2022 to authorize an administrative fee to recover the costs of pay-by-plate transactions per the Code of Virginia. The fee initially will be set at \$1.60 per transaction to cover the cost of preparing and processing invoices and will be reviewed annually to ensure the fee is covering the cost for processing pay-by-plate transactions.

Federal Aviation Administration (FAA) Grant Awards

The Federal Aviation Administration (FAA) has approved the Airport Authority's request for a Letter of Intent (LOI) and announces its intention dated February 24, 2023 in accordance with the provisions in 49 United States Code (U.S.C.), § 47110(e), to obligate funds from current and future budget authority to issue grants to pay Metropolitan Washington Airports Authority (Authority) for the Federal share of allowable costs at Ronald Reagan Washington National Airport (DCA) project. This project is a multi-year, multi-project A/E Task Order Service Contract to both improve capacity and enhance safety at the north airfield at DCA. Project objectives are to improve the airfield taxiway network to mitigate potential runway incursions, enhance safety, improve airfield operations and capacity, and address pavements that are non-compliant with current design standards and best practices. North airfield improvements projects consist of utility/roadway relocation and other enabling work, pavement improvements to Taxiways J, J1, L, K extension, and K1, reconfiguring Taxiways J, K, K1, L and N at Runway 15-33, rehabilitation and expansion of Runway 15 Hold Bay, reconfiguration and expansion of Runway 19 Hold Bay, new parallel connector taxiways, and rehabilitation and relocation of Taxiway N and N1. The maximum obligation pursuant to this LOI for the project described above shall be an amount not to exceed \$98 million. The maximum federal share of project costs included in the LOI is based on a schedule of payments over eight years commencing in fiscal year 2023.

The Department of Transportation (DOT), Federal Aviation Administration (FAA) has announced grant fundings for Airport Improvement Grants (AIG) and Airport Terminal Project (ATP) grants through the Bipartisan Infrastructure Law (BIL). This funding is a 5-year, \$25 billion investment in the nation's air transportation system.

For ATP discretionary funding, the Authority has been awarded \$70.6 million grant fund towards Tier 2 Concourse (East) 14-gate project at Dulles International Airport (IAD). This project will serve aircraft via loading bridges rather than existing ground loading and increase hold room size. Also, as part of the Airport Improvement Grants (AIG) grants, \$45.5 million and \$44.1 million respectively, have been allocated to IAD and DCA for the 2022 and 2023 grant years.

Planned Transition from LIBOR Index for Airports Authority Swap Agreements

In March 2021, the United Kingdom's (UK) Financial Conduct Authority, the UK market's regulator, set a cessation date of June 30, 2023 for LIBOR, the benchmark used for the Airports Authority's Swap Agreements. In anticipation of the cessation of LIBOR, the Airports Authority plans to adhere to protocols that will replace LIBOR with the Secured Overnight Financing Rate (SOFR) published by the Federal Reserve Bank of New York, commencing on July 1, 2023.

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REQUIRED SUPPLEMENTARY INFORMATION (unaudited)
SCHEDULE 1 – CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

General Employees Retirement Plan

Fiscal year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Changes for the year:										
Service cost	\$ 7,423,503	\$ 7,773,061	\$ 6,780,442	\$ 6,766,595	\$ 6,128,140	\$ 5,548,643	\$ 5,294,135	\$ 4,917,894	\$ 4,596,269	\$ 4,285,977
Interest	17,063,267	15,995,592	14,752,885	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	8,586,039	1,750,745	(1,672,157)	(3,881,367)	3,137,174	4,571,544	1,128,023	901	(1,122,634)	377,551
Changes in assumptions	(1,838,849)	(27,777)	12,339,920	169,968	(2,247,367)	68,595	(5,963,403)	5,375,564	-	-
Contribution - member	-	-	-	265,545	-	-	-	-	-	-
Benefit payments	(11,238,865)	(9,592,144)	(8,947,848)	(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	19,995,095	15,899,477	23,253,242	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	233,551,337	217,651,860	194,398,618	185,282,911	172,227,642	155,598,670	148,423,232	131,985,841	122,671,342	112,310,988
Total Pension Liability - Ending (a)	253,546,432	233,551,337	217,651,860	194,398,618	185,282,911	172,160,605	155,598,670	148,423,232	131,985,841	122,671,342
Plan Fiduciary Net Position										
Changes for the year:										
Contribution - employer	\$ 3,332,277	\$ 7,157,158	\$ 8,447,698	\$ 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	(38,768,594)	32,508,834	29,751,484	36,043,133	(7,610,336)	24,963,769	11,755,443	2,102,247	6,366,579	20,759,598
Benefit payments	(11,238,865)	(9,592,144)	(8,947,848)	(8,309,874)	(7,069,237)	(5,510,006)	(4,641,220)	(3,978,260)	(3,572,655)	(2,939,701)
Plan administrative expenses	(296,809)	(329,341)	(286,273)	(326,796)	(406,212)	(226,788)	(175,504)	(186,879)	(225,762)	(59,919)
Net changes in Plan Fiduciary Net Position	(46,971,991)	29,744,507	28,965,061	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	265,313,435	235,568,928	206,603,867	172,264,556	181,020,054	155,360,766	143,868,107	144,499,092	137,117,987	113,454,942
Plan Fiduciary Net Position - Ending (b)	218,341,444	265,313,435	235,568,928	206,603,867	172,264,556	180,953,017	155,360,766	143,868,107	144,499,092	137,117,987
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 35,204,988	\$ (31,762,098)	\$ (17,917,068)	\$ (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	86.11%	113.60%	108.23%	106.28%	92.97%	105.11%	99.85%	96.93%	109.48%	111.78%
Covered Payroll	\$ 107,565,902	\$ 103,296,024	\$ 108,638,634	\$ 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	32.73%	-30.75%	-16.49%	-11.77%	12.91%	-8.85%	0.26%	5.31%	-15.15%	-18.07%

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

Significant methods and assumptions used in calculating the actuarially determined contributions are shown in Schedule 2.

Schedule is intended to show information for 10 years.

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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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Changes for the year:										
Service cost	\$ 3,274,790	\$ 3,312,322	\$ 3,034,381	\$ 2,655,642	\$ 2,808,136	\$ 3,261,511	\$ 2,342,298	\$ 2,318,795	\$ 2,187,801	\$ 2,252,676
Interest	10,166,907	9,595,858	8,955,813	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	4,815,509	1,504,175	1,220,259	(174,022)	(2,545,963)	1,988,277	2,606,881	1,998,229	643,950	1,716,317
Changes of assumptions	(791,977)	(178,501)	4,988,830	80,453	(1,421,818)	-	2,455,053	(86,408)	-	-
Benefit payments	(6,799,449)	(5,840,100)	(5,222,716)	(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	10,665,780	8,393,754	12,976,567	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	140,358,141	131,964,387	118,987,820	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)	151,023,921	140,358,141	131,964,387	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	\$ 1,303,469	\$ 3,457,111	\$ 3,518,575	\$ 3,757,110	\$ 3,538,872	\$ 2,680,653	\$ 2,174,817	\$ 592,481	\$ 2,408,703	\$ 3,224,322
Contribution - member	426,743	431,226	454,108	420,640	420,710	395,786	381,736	379,419	368,102	357,463
Net investment income	(23,275,843)	19,741,385	17,810,932	21,921,191	(4,705,552)	15,201,677	7,478,417	1,082,654	3,979,334	12,634,140
Benefit payments	(6,799,449)	(5,840,100)	(5,222,716)	(4,730,722)	(4,149,200)	(3,472,449)	(2,894,779)	(2,233,670)	(1,492,134)	(981,032)
Plan administrative expenses	(146,160)	(177,231)	(126,645)	(143,063)	(230,013)	(126,152)	(82,287)	(98,471)	(89,888)	(42,023)
Net changes in Plan Fiduciary Net Position	(28,491,240)	17,612,391	16,434,254	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	158,689,204	141,076,813	124,642,559	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)	130,197,964	158,689,204	141,076,813	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)	\$ 20,825,957	\$ (18,331,063)	\$ (9,112,426)	\$ (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	86.21%	113.06%	106.91%	104.75%	91.78%	98.94%	93.58%	97.48%	107.65%	110.83%
Covered Payroll	\$ 29,186,104	\$ 29,260,448	\$ 30,033,185	\$ 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	71.36%	-62.65%	-30.34%	-20.18%	33.11%	4.33%	23.22%	8.84%	-24.15%	-32.02%

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

Significant methods and assumptions used in calculating the actuarially determined contributions are shown in Schedule 2.

Schedule is intended to show information for 10 years.

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
2022	\$ 3,426,030	\$ 3,332,277	\$ 93,753	\$ 107,565,902	3.10%
2021	7,409,023	7,157,158	251,865	103,296,024	6.93%
2020	8,447,698	8,447,698	-	108,638,634	7.78%
2019	6,667,303	6,667,303	-	103,706,543	6.43%
2018	6,330,287	6,330,287	-	100,814,342	6.28%
2017	6,365,276	6,365,276	-	99,305,842	6.41%
2016	4,553,940	4,553,940	-	90,852,722	5.01%
2015	1,431,907	1,431,907	-	85,760,198	1.67%
2014	4,812,943	4,812,943	-	82,620,662	5.83%
2013	5,903,067	5,903,067	-	79,926,284	7.39%

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
2022	\$ 1,386,260	\$ 1,303,469	\$ 82,791	\$ 29,186,104	4.47%
2021	3,524,718	3,457,111	67,607	29,260,448	11.81%
2020	3,518,575	3,518,575	-	30,033,185	11.72%
2019	3,757,110	3,757,110	-	28,026,365	13.41%
2018	3,538,872	3,538,872	-	27,969,406	12.65%
2017	2,680,653	2,680,653	-	26,937,796	9.95%
2016	2,174,817	2,174,817	-	27,708,013	7.85%
2015	592,481	592,481	-	25,360,689	2.34%
2014	2,408,703	2,408,703	-	25,617,129	9.40%
2013	3,224,322	3,224,322	-	24,978,683	12.91%

Notes to Schedule of Employer Contributions

The total pension liability was determined by an actuarial valuation as of December 31, two years prior to the end of the fiscal year in which contributions are reported. The Airports Authority's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered-employee payroll, are designed to accumulate sufficient assets to pay benefits when due. Employer contributions are determined in accordance with the Plan provisions and are approved by the Airports Authority's Retirement Committee.

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

Methods and assumptions used to determine contribution rates:

General Employees Retirement Plan

Fiscal Year Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement Dates	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Valuation Dates	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method
Amortization Method	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed
Assets Valuation Method	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market
(a) Discount rate / Investment return	7.25%, net of expenses	7.25%, net of expenses	7.25%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses
(b) Projected salary increases	2.50% - 4.25% per year	2.50% - 4.25% per year	2.50% - 4.25% per year	3.0% - 4.20% per year	3.0% - 4.20% per year	3.0% - 4.20% per year	3.0% - 4.20% per year	3.0% - 4.00% per year	3.0% - 4.00% per year	3.0% - 4.00% per year
(a) and (b) include inflation at	2.25%	2.25%	2.25%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
(c) Cost of living adjustments	1.13%	1.13%	1.13%	1.25%	1.25%	1.38%	1.38%	1.38%	1.38%	1.38%
(d) Mortality Rates	PUB-2010-G Mortality Tables, including separate tables for males and females with generational improvement based upon 50% of projection scale MP-2015 paused until 2030	PUB-2010-G Mortality Tables, including separate tables for males and females with generational improvement based upon 50% of projection scale MP-2015	PUB-2010-G Mortality Tables, including separate tables for males and females with generational improvement based upon 50% of projection scale MP-2015	RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2014 Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2000 Combined Healthy Mortality Tables projected to 2020 to include future improvement	RP-2000 Combined Healthy Mortality Tables projected to 2020 to include future improvement

Police Officers & Firefighters Retirement Plan

Fiscal Year Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement Dates	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Valuation Dates	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method	Entry-age actuarial cost method
Amortization Method	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed
Assets Valuation Method	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market
(a) Discount rate / Investment return	7.25%, net of expenses	7.25%, net of expenses	7.25%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses	7.50%, net of expenses
(b) Projected salary increases	2.75% - 6.75% per year	2.75% - 6.75% per year	2.75% - 6.75% per year	3.0% - 6.0% per year	3.0% - 6.0% per year	3.0% - 6.0% per year	3.0% - 5.50% per year	3.0% - 4.5% per year	3.0% - 4.5% per year	3.25% - 4.5% per year
(a) and (b) include inflation at	2.25%	2.25%	2.25%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
(c) Cost of living adjustments	1.13%	1.13%	1.13%	1.25%	1.25%	1.38%	1.38%	1.38%	1.38%	1.38%
(d) Mortality Rates	PUB-2010-S Mortality Tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 paused until 2030	PUB-2010-S Mortality Tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015	PUB-2010-S Mortality Tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015	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	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	RP-2014 Blue Collar Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2014 Blue Collar Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2014 Blue Collar Mortality Tables, with generational improvement based upon 75% of projection scale MP-2015	RP-2000 Combined Healthy Mortality Tables projected to 2020 to include future improvement	RP-2000 Combined Healthy Mortality Tables projected to 2020 to include future improvement

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 ACTUAL RATES OF RETURN FOR DEFINED BENEFIT PENSION PLANS

General Employees Retirement Plan

Fiscal Year Ended December 31, <u>Asset Class</u>	Money-Weighted Rate of Return									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Large Cap Equity	-6.49%	10.59%	6.17%	10.02%	-1.87%	6.52%	5.85%	-0.75%	4.77%	14.29%
Small Cap Equity	-2.46%	1.91%	3.07%	3.92%	-0.33%	1.62%	2.74%	-0.34%	1.10%	5.74%
International Equity	-3.44%	0.96%	2.75%	4.29%	-2.55%	5.10%	0.00%	0.00%	0.00%	0.00%
Domestic Bonds	-1.96%	-0.26%	1.37%	1.59%	-0.03%	0.72%	0.71%	0.12%	1.27%	-0.35%
Convertible Bonds	-1.38%	1.14%	1.97%	2.54%	0.01%	2.13%	0.72%	0.13%	1.31%	1.85%
Real Estate	1.01%	1.31%	-0.26%	-0.06%	0.79%	0.53%	0.73%	1.07%	0.85%	0.72%
Total	-14.72%	15.65%	15.07%	22.30%	-3.98%	16.62%	10.75%	0.23%	9.30%	22.25%

Police Officers & Firefighters Retirement Plan

Fiscal Year Ended December 31, <u>Asset Class</u>	Money-Weighted Rate of Return									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Large Cap Equity	-6.47%	10.73%	6.27%	10.46%	-1.91%	6.71%	6.80%	-0.83%	5.25%	16.06%
Small Cap Equity	-2.50%	1.93%	2.98%	3.69%	-0.31%	1.56%	2.53%	-0.32%	0.88%	4.63%
International Equity	-3.58%	0.99%	2.84%	4.40%	-2.62%	5.24%	0.00%	0.00%	0.00%	0.00%
Domestic Bonds	-1.86%	-0.25%	1.30%	1.49%	-0.03%	0.66%	0.66%	0.11%	1.25%	-0.34%
Convertible Bonds	-1.36%	1.12%	1.95%	2.50%	0.00%	2.10%	0.71%	0.12%	1.30%	1.77%
Real Estate	1.00%	1.29%	-0.26%	-0.05%	0.78%	0.52%	0.71%	0.94%	0.76%	0.64%
Total	-14.77%	15.81%	15.08%	22.49%	-4.09%	16.79%	11.41%	0.02%	9.44%	22.76%

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
2022	\$ 17,350	\$ 69,191	\$ 86,541
2021	31,495	78,067	109,562
2020	32,771	100,476	133,247
2019	40,499	142,597	183,096
2018	62,064	210,598	272,662
2017	63,698	276,429	340,127
2016	69,078	377,289	446,367
2015	78,597	489,635	568,232
2014	94,739	571,974	666,713
2013	134,062	631,912	765,974

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

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

Fiscal year ending December 31,	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Changes for the year:						
Service cost	\$ 5,482,043	\$ 5,678,778	\$ 5,989,365	\$ 6,423,173	\$ 4,580,683	\$ 4,449,648
Interest	10,841,376	10,139,821	11,292,152	10,937,695	9,784,520	9,318,503
Differences between expected and actual experience	(3,216,476)	4,667,414	(1,772,743)	4,650,944	13,411,076	-
Changes in assumptions or other inputs	7,610,508	939,969	(15,409,255)	(8,268,441)	(4,665,877)	-
Benefit payments*	(12,512,084)	(10,986,533)	(10,617,217)	(7,417,333)	(8,052,134)	(7,057,067)
Net changes in Total OPEB Liability	8,205,367	10,439,449	(10,517,698)	6,326,038	15,058,268	6,711,084
Total OPEB Liability - Beginning	155,792,258	145,352,937	155,870,635	149,544,597	134,486,329	127,775,245
Total OPEB Liability - Ending (a)	<u>\$ 163,997,625</u>	<u>\$ 155,792,386</u>	<u>\$ 145,352,937</u>	<u>\$ 155,870,635</u>	<u>\$ 149,544,597</u>	<u>\$ 134,486,329</u>
Plan Fiduciary Net Position						
Changes for the year:						
Contribution - employer	\$ 3,318,986	\$ 4,470,940	\$ 10,793,765	\$ 7,694,780	\$ 8,052,134	\$ 7,257,258
Contribution - employee	2,961,784	2,716,841	-	-	-	-
Net investment income	(32,319,170)	26,850,465	23,947,497	26,892,330	(6,603,062)	17,825,309
Benefit payments*	(15,473,866)	(13,703,375)	(10,617,217)	(7,417,333)	(8,052,134)	(7,057,067)
Administrative expenses	(45,819)	(255,420)	(176,548)	(164,783)	(53,105)	(40,341)
Other changes	-	-	-	(112,664)	-	(814,389)
Net changes in Plan Fiduciary Net Position	(41,558,085)	20,079,451	23,947,497	26,892,330	(6,656,167)	17,170,770
Plan Fiduciary Net Position - Beginning	190,218,803	170,139,352	146,191,855	119,299,525	125,955,692 ¹	108,784,919
Plan Fiduciary Net Position - Ending (b)	<u>148,660,718</u>	<u>190,218,803</u>	<u>170,139,352</u>	<u>146,191,855</u>	<u>119,299,525</u>	<u>125,955,689</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 15,336,907</u>	<u>\$ (34,426,417)</u>	<u>\$ (24,786,415)</u>	<u>\$ 9,678,780</u>	<u>\$ 30,245,072</u>	<u>\$ 8,530,640</u>
Plan Fiduciary Net Position as Percentage of the Total OPEB Liability	90.65%	122.10%	117.05%	93.79%	79.78%	93.66%
Covered Payroll	\$ 124,193,436	\$ 121,539,482	\$ 127,010,530	\$ 130,417,951	\$ 119,088,291	\$ 124,394,132
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	12.35%	-28.33%	-19.52%	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.

Significant methods and assumptions used in calculating the actuarially determined contributions are shown in Schedule 6.

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
2022	\$ 3,318,986	\$ 3,318,986	\$ -	\$ 124,193,436	2.67%
2021	4,470,940	4,470,940	-	121,539,482	3.68%
2020	10,793,765	10,793,765	-	127,010,530	8.50%
2019	7,694,780	7,694,780	-	130,417,951	5.90%
2018	8,052,134	8,052,134	-	119,088,291	6.76%
2017	7,257,258	7,257,258	-	124,394,132	5.83%

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

Methods and assumptions used to determine contribution rates:

Fiscal Year Ended December 31	2022	2022	2021	2020	2019	2018
Measurement Dates	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Valuation Dates	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method	Entry-age, normal	Entry-age, normal	Entry-age, normal	Entry-age, normal	Entry-age, normal	Entry-age, normal
Amortization Method	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed	20-year level dollar, closed
Assets Valuation Method	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market	5-year smooth market
(a) Investment rate of return	7.25%, net of expenses	7.25%, net of expenses	7.25%, net of expenses	7.25%, net of expenses	7.50%, net of expenses	7.50%, net of expenses
(b) Projected salary increases	Variable rate 2.50% - 6.75%	Variable rate 2.50% - 6.75%	Variable rate 2.50% - 6.75%	Variable rate 2.50% - 6.75%	Variable rate 3.0% - 6.0%	Variable rate 3.0% - 6.0%
(a) and (b) include inflation at	2.25%	2.25%	2.25%	2.25%	2.50%	2.50%
(c) Mortality Rates	Active Employees PUB-2010-G Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Active Employees PUB-2010-S Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015	Active Employees PUB-2010-G Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Active Employees PUB-2010-S Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015	Active Employees PUB-2010-G Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Active Employees PUB-2010-S Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015	Active Employees PUB-2010-G Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Active Employees PUB-2010-S Employee mortality tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015 Hazardous Duty Retired, Disabled and Survivor PUB-2010-G Healthy Annuitant mortality tables and Disabled Annuitant tables, including separate tables for males and females, with generational improvement based upon 50% of projection scale MP-2015	Active Employees RP-2014 Employee Mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 Retired, Disabled and Survivor RP2014 Healthy Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 Hazardous Duty Active Employees 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 Hazardous Duty Retired, Disabled and Survivor 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	Active Employees RP-2014 Employee Mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 Retired, Disabled and Survivor RP2014 Healthy Annuitant mortality tables, including separate tables for males and females, with generational improvement based upon 75% of projection scale MP-2015 Hazardous Duty Active Employees 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 Hazardous Duty Retired, Disabled and Survivor 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
(c) Healthcare Cost Trend Rate	5.9%	5.9%	5.9%	5.2%	4.7%	5.4%

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

Fiscal Year Ended December 31, <u>Asset Class</u>	Money-Weighted Rate of Return									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Large Cap Equity	-8.69%	14.55%	8.16%	13.72%	-1.78%	9.73%	5.13%	0.57%	5.67%	13.34%
Mid Cap Equity	-3.11%	1.63%	5.50%	4.21%	-1.35%	2.87%	2.50%	-0.48%	1.16%	6.42%
International Equity	-2.20%	1.50%	1.32%	3.00%	-1.98%	3.55%	0.29%	-0.04%	-0.77%	3.46%
Domestic Bonds	-3.42%	-0.38%	1.99%	2.43%	-0.01%	0.93%	0.76%	0.12%	1.74%	-0.54%
Total	-17.42%	17.30%	16.97%	23.36%	-5.12%	17.08%	8.68%	0.17%	7.80%	22.68%

OTHER SUPPLEMENTARY INFORMATION

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

As of December 31, 2022

		Pension and Other Post-Employment Benefit Trust Funds			
		General Retirement Plan	Police Officers and Firefighters Retirement Plan	Retired Employees Health Care Plan	Total
Assets					
	Restricted				
	Current investments				
	Short-term investments	\$ 4,431,052	\$ 2,749,549	\$ 3,639,733	\$ 10,820,334
	Non-current investments				
	Debt securities	56,068,781	32,292,842	37,383,978	125,745,601
	Equity securities	138,692,032	83,874,873	106,360,502	328,927,407
	Private equity	11,960,644	7,010,774	-	18,971,418
	Real estate	6,788,706	4,068,459	-	10,857,165
	Total non-current investments	213,510,163	127,246,948	143,744,480	484,501,591
	Total investments	217,941,215	129,996,497	147,384,213	495,321,925
	Receivables				
	Accrued investment income and other	333,763	191,799	1,436,104	1,961,666
	Accrued contributions	200,151	82,350	-	282,501
	Total receivables	533,914	274,149	1,436,104	2,244,167
	Total assets	218,475,129	130,270,646	148,820,317	497,566,092
Liabilities					
	Payables				
	Accrued plan expenses	133,685	72,682	159,599	365,966
	Total liabilities	133,685	72,682	159,599	365,966
Net Position					
	Net position restricted for pensions	218,341,444	130,197,964	-	348,539,408
	Net position restricted for other post-employment benefits	-	-	148,660,718	148,660,718
	Total net position	\$ 218,341,444	\$ 130,197,964	\$ 148,660,718	\$ 497,200,126

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

For the year ended December 31, 2022

Pension and Other Post-Employment Benefit Trust Funds				
	General Retirement Plan	Police Officers and Firefighters Retirement Plan	Retired Employees Health Care Plan	Total
Additions				
Employer contributions	\$ 3,332,277	\$ 1,303,469	\$ 3,318,986	\$ 7,954,732
Employee contributions	-	426,743	2,961,784	3,388,527
Total contributions	3,332,277	1,730,212	6,280,770	11,343,259
Net appreciation(depreciation) in fair value of investments	(42,520,682)	(25,515,124)	(35,276,294)	(103,312,100)
Interest income	1,416,392	804,295	32,016	2,252,703
Dividends	2,753,235	1,676,438	2,929,679	7,359,352
Total investment (loss) income	(38,351,055)	(23,034,391)	(32,314,599)	(93,700,045)
Less investment expenses	(417,539)	(241,452)	(4,571)	(663,562)
Net investment (loss) income	(38,768,594)	(23,275,843)	(32,319,170)	(94,363,607)
Total additions, net	(35,436,317)	(21,545,631)	(26,038,400)	(83,020,348)
Deductions				
Benefit payments	11,238,865	6,799,449	15,473,866	33,512,180
Administrative expenses	296,809	146,160	45,819	488,788
Total deductions	11,535,674	6,945,609	15,519,685	34,000,968
Change in net position	(46,971,991)	(28,491,240)	(41,558,085)	(117,021,316)
Net Position				
Beginning of year	265,313,435	158,689,204	190,218,803	614,221,442
End of year	\$ 218,341,444	\$ 130,197,964	\$ 148,660,718	\$ 497,200,126

STATISTICAL SECTION

This part of the Airports Authority's annual comprehensive 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.

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Exhibit S-1 – COMPONENTS OF NET POSITION

(Expressed in Thousands)

(Expressed in Thousands)

	2022	2021	2020	2019 ³	2018	2017 ²	2016	2015	2014 ¹	2013
NET POSITION AT YEAR END COMPOSED OF:										
Net investment in capital assets	\$ 464,033.1	\$ 1,353,230.4	\$ 1,262,817.7	\$ 1,051,487.0	\$ 915,486.5	\$ 770,701.2	\$ 730,742.3	\$ 429,894.0	\$ (1,206,194.3)	\$ 1,925,134.4
Restricted	316,753.0	366,575.0	303,781.8	234,615.5	232,628.4	264,078.4	161,524.0	307,505.8	513,195.1	363,436.8
Unrestricted	(1,829,345.9)	(494,015.4)	(590,810.7)	(241,034.4)	(274,798.7)	(570,771.2)	(635,252.2)	(803,778.0)	432,220.8	334,459.3
Cumulative prior period adjustment ^{1,2,3}	-	-	-	-	-	(16,745.30)	-	-	18,295.20	-
TOTAL NET POSITION	\$ (1,048,559.7)	\$ 1,225,790.0	\$ 975,788.8	\$ 1,045,068.1	\$ 873,316.2	\$ 447,263.1	\$ 257,014.1	\$ (66,378.2)	\$ (242,483.2)	\$ 2,623,030.5

¹ Cumulative adjustment for 2014 relates to change in accounting principles with the implementation of GASB Statement No. 68.

² Cumulative adjustment for 2017 relates to change in accounting principles with the implementation of GASB Statement No. 75.

³ Restated to classify net pension assets as restricted

Source: Airports Authority Records

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

(Expressed in Thousands)

	2022 ³	2021	2020	2019	2018	2017 ²	2016	2015	2014 ¹	2013
OPERATING REVENUES										
Concessions	\$ 335,302.7	\$ 225,156.5	\$ 143,748.6	\$ 362,050.0	\$ 348,624.4	\$ 332,007.8	\$ 316,453.5	\$ 286,049.6	\$ 253,486.1	\$ 236,254.0
Tolls	163,207.4	145,319.3	122,086.6	197,407.2	151,396.9	152,022.7	151,731.0	151,431.8	148,652.7	127,059.3
Rents	272,831.6	253,116.0	256,782.9	264,815.5	280,146.2	283,755.1	307,981.0	316,082.5	293,951.1	305,301.8
Leases	34,335.6	-	-	-	-	-	-	-	-	-
Landing fees	72,302.9	50,247.1	51,932.3	89,654.1	84,485.1	93,764.9	93,422.1	105,741.3	118,863.5	128,386.8
Utility sales	13,972.4	12,620.9	11,954.4	14,278.7	14,401.3	13,260.1	13,019.3	12,920.0	12,524.3	12,143.7
Passenger fees	24,943.1	9,561.4	8,227.7	23,511.5	24,317.7	27,872.8	32,544.3	30,500.9	34,247.9	32,829.0
Other	11,682.2	11,440.8	11,111.6	12,145.9	14,517.8	10,902.4	10,639.8	10,546.0	9,103.9	8,108.5
TOTAL OPERATING REVENUES	928,577.9	707,462.0	605,844.1	963,862.9	917,889.4	913,585.8	925,791.0	913,272.1	870,829.5	850,083.1
OPERATING EXPENSES										
Materials, equipment, supplies, contract services and other	223,998.0	207,978.3	198,331.1	257,906.9	229,153.9	235,891.0	213,153.0	220,678.1	225,612.6	228,982.4
Impairment loss/design costs	-	-	-	-	-	295.3	2,045.6	-	8,000.4	-
Salaries and related benefits	206,032.9	171,136.4	182,386.6	198,706.3	199,231.4	182,959.1	182,595.5	178,040.3	170,379.5	166,384.6
Utilities	31,363.8	22,606.2	22,516.2	26,755.9	26,078.5	25,381.8	25,927.2	25,917.7	26,444.5	26,342.1
Lease from U.S. Government	6,459.3	6,090.3	5,936.2	5,861.2	5,774.7	5,562.1	5,502.2	5,392.4	5,297.5	5,335.3
Depreciation and amortization	265,405.3	247,338.4	235,362.9	232,751.5	236,162.0	232,212.6	241,138.3	245,070.0	242,367.3	243,653.2
TOTAL OPERATING EXPENSES	733,259.3	655,149.6	644,533.0	721,981.8	696,400.5	682,301.9	670,361.8	675,098.5	678,101.8	670,697.6
OPERATING INCOME (LOSS)	195,318.6	52,312.4	(38,688.9)	241,881.1	221,488.9	231,283.9	255,429.2	238,173.6	192,727.7	179,385.5
NON-OPERATING REVENUES (EXPENSES)										
Investment income (loss)	32,455.2	21,762.1	43,313.0	68,335.5	41,971.8	31,171.7	28,082.8	15,957.0	16,677.9	10,138.4
Net increase (decrease) in fair value of investments	(43,090.4)	2,094.7	15,234.8	10,062.6	4,907.2	(72.5)	(8,240.7)	-	-	-
Interest income - leases	2,621.7	-	-	-	-	-	-	-	-	-
Interest expense	(312,033.3)	(318,474.2)	(334,681.0)	(337,022.5)	(338,730.2)	(294,305.0)	(318,726.5)	(312,014.9)	(266,110.4)	(238,369.6)
Passenger facility charges	89,362.5	59,375.9	30,546.6	96,303.6	93,353.0	90,946.9	89,811.1	88,552.4	82,278.8	79,056.9
Federal, state and local grants	100,028.5	173,311.4	76,475.7	1,161.5	26,071.4	26,213.5	703.7	798.4	1,056.7	736.7
Fair value gain (loss) on swaps	44,898.7	29,728.4	(28,717.5)	(26,941.5)	23,083.9	13,175.3	16,447.9	1,196.5	(54,156.5)	81,963.0
Other income	-	-	-	-	-	-	-	5,877.3	-	-
Contributions from other governments	358,365.0	65,310.5	47,255.6	91,792.8	141,912.1	101,399.9	168,508.6	(29,529.3)	-	-
Contributions to other governments	(2,797,361.7)	(13,576.8)	(25,831.3)	(33,843.8)	(52,666.4)	(48,879.3)	(37,647.2)	26,104.5	(3,045,602.6)	-
Gain from sale of real estate	-	10,000.0	-	-	202,454.9	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,524,753.8)	29,532.0	(176,404.1)	(130,151.8)	142,357.7	(80,349.5)	(61,060.3)	(203,058.1)	(3,265,856.1)	(66,474.6)
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(2,329,435.2)	81,844.4	(215,093.0)	111,729.3	363,846.6	150,934.4	194,368.9	35,115.5	(3,073,128.4)	112,910.9
CAPITAL CONTRIBUTIONS										
Federal, state and local grants	52,390.7	168,156.8	145,813.6	60,022.7	62,206.5	56,060.0	129,023.1	134,140.1	189,319.5	209,436.4
Other capital property acquired	-	-	-	-	-	-	-	-	-	8,500.0
TOTAL CAPITAL CONTRIBUTIONS	52,390.7	168,156.8	145,813.6	60,022.7	62,206.5	56,060.0	129,023.1	134,140.1	189,319.5	217,936.4
Cumulative change in net position due to restatements ^{1,2,3}	2,694.7	-	-	-	-	326.1	-	-	18,295.2	-
CHANGE IN NET POSITION^{1,2,3}	\$ (2,274,349.8)	\$ 250,001.2	\$ (69,279.4)	\$ 171,752.0	\$ 426,053.1	\$ 207,320.5	\$ 323,392.0	\$ 169,255.6	\$ (2,865,513.7)	\$ 330,847.3

¹ Cumulative adjustment for 2014 relates to the implementation of GASB Statement No. 68.

² Cumulative adjustment for 2017 relates to the implementation of GASB Statement No. 75.

³ Cumulative adjustment for 2022 relates to the implementation of GASB Statement No. 87. See Note 2 for more information.

Source: Airports Authority Records

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Metropolitan Washington Airports Authority

Exhibit S-3 – OPERATING EXPENSES BY BUSINESS UNIT

(Expressed in Thousands)

	2022	2021	2020	2019	2018	2017 ²	2016	2015	2014	2013
REAGAN NATIONAL										
Materials, equipment, supplies, contract services, and other	69,145.0	\$ 62,142.6	\$ 58,465.3	\$ 70,652.3	\$ 67,519.7	\$ 64,678.0	\$ 59,895.3	\$ 61,986.4	\$ 61,248.8	\$ 64,364.3
Salaries and related benefits	95,283.4	73,726.5	79,697.7	88,788.5	88,507.8	79,148.9	78,626.6	76,410.9	61,218.3	64,001.4
Utilities	10,614.1	7,904.4	7,473.5	9,157.0	8,946.8	8,979.1	8,893.8	8,818.0	9,009.0	8,678.7
Travel	178.2	59.1	82.8	486.2	461.2	412.0	319.3	377.0	349.8	339.1
Insurance	4,254.8	3,455.3	4,658.8	4,763.5	4,028.8	4,104.4	4,779.8	4,979.0	4,266.1	4,163.7
Loss (proceeds) from disposal of capital assets	-	-	-	-	0.6	186.2	18.0	6.1	(0.1)	29.5
Non-capitalized facility projects	(44.9)	319.6	(16.7)	207.5	1,670.7	906.1	708.0	1,524.3	914.9	934.6
Lease from U.S. Government	3,229.6	3,045.1	2,968.1	2,930.6	2,887.4	2,781.1	2,751.1	2,696.2	2,648.8	2,667.6
Depreciation and amortization	13,080.2	9,437.0	9,371.1	9,345.4	9,459.1	8,725.2	8,596.8	7,979.5	7,784.4	8,088.0
TELECOMMUNICATIONS EXPENSES - DCA	1,073.8	2,398.0	1,664.1	1,656.1	1,656.1	1,514.3	1,340.6	1,689.0	2,040.8	1,979.7
FAA AIR TRAFFIC CONTROL TOWER EXPENSES - DCA	24.6	-	136.5	67.7	67.7	77.8	109.3	81.0	74.8	61.8
45025 AVIATION DRIVE EXPENSES - DCA ¹	138.4	-	246.1	423.3	423.3	503.4	563.7	579.1	589.5	481.3
Total Construction Programs Expenses - DCA ²	95,840.6	65,219.5	86,935.3	91,914.3	88,837.1	95,537.0	92,103.5	94,139.6	95,517.1	94,498.2
Total Reagan National Expenses	292,817.8	227,707.1	251,682.6	280,392.4	274,466.3	267,553.5	258,705.8	261,266.1	245,662.2	250,287.9
DULLES INTERNATIONAL										
Materials, equipment, supplies, contract services, and other	102,745.0	92,093.5	88,908.1	106,369.4	102,512.4	102,054.6	101,570.8	100,124.3	105,791.0	108,144.2
Salaries and related benefits	101,203.6	88,051.1	92,921.1	99,494.5	99,893.9	92,866.7	93,123.6	90,859.7	85,390.7	91,552.7
Utilities	20,384.5	14,344.1	14,665.4	17,158.9	16,627.5	15,950.2	16,545.6	16,480.4	16,949.2	17,216.1
Travel	139.4	42.7	64.3	359.9	348.1	328.0	269.9	305.3	285.1	376.5
Insurance	2,836.6	2,303.6	3,068.4	3,175.6	2,685.8	2,736.2	3,186.6	3,322.6	2,813.0	4,498.3
Loss (proceeds) from disposal of capital assets	-	-	-	-	(25.8)	186.7	36.5	33.3	(18.9)	41.4
Non-capitalized facility projects	(6.7)	102.4	(38.2)	175.2	1,621.0	881.9	699.1	1,508.6	855.2	785.0
Lease from U.S. Government	3,229.6	3,045.1	2,968.1	2,930.6	2,887.4	2,781.1	2,751.1	2,696.2	2,648.8	2,667.6
Depreciation and amortization	11,710.6	12,062.6	11,341.4	10,362.9	10,082.6	9,541.0	9,322.9	9,142.5	9,274.0	9,670.6
TELECOMMUNICATIONS EXPENSES - IAD	1,610.6	1,636.0	2,496.1	2,484.2	2,033.2	2,271.5	2,010.9	2,533.6	3,061.3	2,969.5
FAA AIR TRAFFIC CONTROL TOWER EXPENSES - IAD	36.9	176.0	204.8	101.6	70.0	116.6	163.9	121.6	112.2	92.7
45025 AVIATION DRIVE EXPENSES - IAD ¹	207.7	410.2	369.2	634.9	687.9	755.0	845.5	868.7	884.2	721.9
Total Construction Programs Expenses - IAD ²	149,644.8	170,509.7	134,100.4	140,775.2	134,345.7	138,391.8	136,415.1	141,209.3	143,275.6	141,747.3
Total Dulles International Expenses	393,742.6	384,777.0	351,069.1	384,022.9	373,769.6	368,861.4	366,941.5	369,206.0	371,321.4	380,483.8
DULLES TOLL ROAD										
Materials, equipment, supplies, contract services, and other	25,463.5	20,963.1	17,056.6	25,309.3	22,557.6	20,696.3	21,156.1	20,498.7	19,262.9	19,162.4
Salaries and related benefits	8,025.3	6,865.6	7,151.4	7,898.0	7,949.7	7,785.3	7,806.1	7,490.9	6,722.6	7,219.0
Utilities	158.7	148.9	169.0	197.2	194.7	195.8	212.9	200.3	216.7	203.3
Travel	15.0	3.6	5.7	34.0	27.0	25.0	26.7	24.1	25.9	25.8
Insurance	347.9	1,000.4	645.6	407.2	365.6	417.2	609.5	515.8	483.8	357.3
Loss (proceeds) from disposal of capital assets	-	-	-	-	6.5	0.4	-	(15.3)	0.1	0.2
Non-capitalized facility projects	63.1	-	135.8	252.0	1,376.0	1,490.6	140.3	820.5	1,558.2	797.0
Depreciation and amortization	2,961.0	3,000.8	3,088.0	3,005.3	2,192.7	347.8	327.4	310.5	308.2	1,194.1
Total Dulles Toll Road Expenses	37,034.5	31,982.4	28,252.1	37,103.0	34,669.8	30,958.4	30,279.0	29,845.5	28,578.4	28,959.1
DULLES METRORAIL PROJECT										
Materials, equipment, supplies, contract services, and other	865.5	474.0	1,377.6	3,918.4	3,246.0	3,411.5	3,716.2	4,347.8	9,718.2	1,509.5
Salaries and related benefits	1,373.2	2,169.8	2,403.9	2,485.7	3,023.5	2,672.7	2,857.8	3,124.0	3,383.4	3,478.0
Utilities	4.9	6.0	3.9	5.4	5.1	10.5	30.3	149.3	30.8	21.8
Travel	2.2	0.3	4.5	44.3	19.7	13.8	18.6	17.0	19.9	21.9
Insurance	-	-	1.1	2.3	-	-	-	-	-	0.4
Loss (proceeds) from disposal of capital assets	-	-	-	-	-	0.4	(0.1)	(0.1)	0.1	-
Non-capitalized facility projects	-	-	-	-	-	0.3	0.1	-	-	-
Depreciation and amortization	5,451.8	6,363.8	6,878.4	6,188.7	6,037.8	7,707.5	6,660.1	6,201.3	5,768.0	4,427.7
Total Dulles Metrorail Project Expenses	7,697.6	9,013.9	10,669.4	12,644.8	12,332.1	13,816.7	13,283.0	13,839.3	18,920.4	9,459.3
Total Construction Programs Expenses - DCE ²	1,966.8	1,669.3	2,859.8	7,818.8	1,162.7	785.8	1,152.4	941.5	104.5	1,507.5
TOTAL EXPENSES	\$ 733,259.3	\$ 655,149.7	\$ 644,533.0	\$ 721,981.9	\$ 696,400.5	\$ 681,975.9	\$ 670,361.7	\$ 675,098.4	\$ 664,586.9	\$ 670,697.6

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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-4 – OPERATING REVENUES BY BUSINESS UNIT
(Expressed in Thousands)

	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013
REAGAN NATIONAL										
Airline:										
Rents	\$ 88,443.2	\$ 92,975.5	\$ 79,978.3	\$ 86,818.2	\$ 88,578.1	\$ 105,043.9	\$ 104,827.3	\$ 100,824.8	\$ 75,410.7	\$ 87,000.4
Landing fees	45,039.2	34,044.6	29,533.6	52,331.5	48,910.3	57,233.9	55,292.3	54,378.1	44,292.4	51,570.6
Total Airline Revenues	133,482.4	127,020.1	109,511.9	139,149.7	137,488.4	162,277.8	160,119.6	155,202.9	119,703.1	138,571.0
Non-Airline:										
Concessions:										
Parking	68,547.6	38,055.0	18,913.7	54,569.1	54,827.5	57,419.8	62,375.5	62,366.9	53,404.4	49,704.7
Rental cars	27,831.5	21,971.0	10,996.9	26,444.7	26,576.2	25,503.2	21,444.7	21,413.9	19,073.3	18,544.4
Terminal concessions:										
Food and beverage	10,618.6	7,352.1	5,646.9	18,393.2	18,021.1	17,844.9	15,874.9	13,020.8	10,089.3	9,411.2
News stands	1,952.9	2,474.1	1,551.2	4,125.8	4,220.8	4,117.8	4,143.3	4,502.9	3,411.9	3,477.4
Retail	1,291.1	209.7	381.1	1,343.3	1,245.3	1,328.8	1,379.4	1,418.8	1,821.6	2,479.8
Display advertising	8,627.5	5,419.1	3,944.0	7,645.0	7,963.1	8,621.9	7,977.0	7,112.3	5,381.2	5,546.4
Ground transportation	27,075.8	14,260.1	9,834.3	28,305.0	25,389.2	23,171.0	19,038.4	8,526.7	6,058.8	5,230.7
Services	272.2	112.6	68.3	140.8	143.1	141.9	154.9	119.4	82.8	70.6
Inflight catering	1,317.1	1,567.7	1,168.6	2,337.3	2,241.5	1,806.3	1,707.8	1,715.0	1,612.5	1,108.8
Fixed base operator	2,259.9	1,611.7	1,264.7	2,148.2	2,063.3	2,010.8	1,738.2	1,626.9	1,569.0	1,025.8
Duty free	0.0	0.0	111.3	547.4	554.5	241.1	207.9	182.1	123.0	83.7
All other	2,006.7	2,102.2	1,742.0	2,195.7	1,867.7	1,582.2	1,581.9	1,363.7	1,189.8	1,019.9
Total Concessions	151,800.9	95,135.3	55,623.0	148,195.5	145,113.3	143,789.7	137,623.9	123,369.4	103,817.6	97,703.4
Rents	9,183.5	10,248.0	7,774.6	7,685.2	7,666.1	7,608.2	7,653.4	7,809.4	7,857.9	8,149.9
Leases	8,994.8									
Security	576.7	584.0	585.6	584.0	584.0	505.9	586.4	549.6	916.4	284.7
Utility sales	2,931.2	2,549.4	2,249.1	2,602.5	2,707.0	2,595.8	2,790.5	2,825.0	2,547.6	2,337.1
Telecommunications	1,943.3	1,842.0	2,026.2	2,192.3	2,033.5	1,845.9	1,524.3	1,547.6	1,497.1	1,551.9
FAA Air Traffic Control Tower	0.0	0.0	1,513.5	1,503.2	1,504.8	1,495.9	1,500.2	1,491.9	1,484.7	1,483.7
45025 Aviation Drive ¹	0.0	0.0	435.4	392.1	387.5	362.4	334.5	301.0	259.9	326.4
Other	3,020.4	2,240.8	4,196.5	3,793.6	3,765.3	3,422.5	3,024.5	2,711.0	2,770.2	2,481.9
Total Non-Airline Revenue	178,450.8	112,599.5	74,403.9	166,948.4	163,761.6	161,626.3	155,037.8	140,604.8	121,151.4	114,319.0
Total Reagan National Revenues	311,933.2	239,619.6	183,915.8	306,098.1	301,249.9	323,904.1	315,157.4	295,807.7	240,854.5	252,890.0
DULLES INTERNATIONAL										
Airline:										
Rents	120,983.3	104,756.2	130,903.1	133,364.2	147,277.9	138,116.1	165,923.1	179,386.5	183,216.7	185,723.7
Landing fees	27,263.7	16,205.2	22,398.7	37,322.6	35,574.8	36,531.0	38,129.8	51,363.2	74,571.1	76,816.2
International Arrival Building fees	18,961.7	7,072.1	4,577.9	16,285.6	17,546.4	20,237.3	23,708.7	23,424.2	25,621.8	26,363.2
Passenger Fees	5,054.4	1,555.0	2,712.9	6,291.5	5,837.2	6,784.0	7,887.1	6,198.3	7,260.7	6,005.8
Total Airline Revenues	172,263.1	129,585.8	160,592.6	193,263.9	206,236.3	201,668.4	235,648.7	260,372.2	290,670.3	294,908.9
Non-Airline:										
Concessions:										
Parking	74,128.0	41,594.4	20,157.0	71,750.9	69,677.9	67,205.8	65,324.0	64,802.8	63,089.9	60,409.1
Rental cars	24,462.3	17,149.0	10,841.1	19,709.9	17,266.1	18,136.1	17,858.9	17,551.8	17,224.8	17,871.7
Terminal concessions:										
Food and beverage	9,386.4	7,073.7	5,025.1	17,169.8	16,281.5	15,026.5	14,502.4	13,255.6	10,423.8	9,581.3
News stands	1,337.6	3,374.5	2,115.4	6,230.7	5,861.4	5,678.4	5,931.6	5,250.8	3,867.1	3,657.1
Retail	1,165.6	149.8	796.1	3,147.8	3,359.6	3,216.4	3,036.5	2,460.2	2,521.4	3,200.3
Display advertising	7,417.0	4,882.7	4,300.9	6,942.2	7,921.0	6,417.3	6,986.3	4,208.6	3,914.3	4,694.5
Ground transportation	13,262.3	6,071.1	5,007.4	18,111.3	15,825.0	14,027.2	11,418.5	7,450.6	6,584.2	4,540.1
Services	2,505.2	1,863.2	1,465.9	3,485.7	2,980.1	3,037.1	3,447.6	3,439.1	3,442.8	3,341.7
Inflight catering	11,257.1	10,971.2	8,513.1	17,085.5	15,829.0	14,857.7	13,498.9	10,711.4	10,475.1	8,896.5
Fixed base operator	33,373.5	31,831.3	23,803.1	30,233.1	29,459.2	22,378.1	18,490.8	15,888.9	15,706.8	14,516.7
Duty free	2,303.9	2,232.0	2,963.7	14,350.9	13,999.7	13,430.4	13,358.7	12,961.9	8,066.3	4,583.1
All other	2,902.9	2,828.3	3,136.8	5,636.7	5,050.6	4,807.0	4,975.6	4,698.4	4,352.0	3,258.6
Total Concessions	183,501.8	130,021.2	88,125.6	213,854.5	203,511.1	188,218.0	178,829.8	162,680.1	149,668.5	138,550.7
Rents	49,395.6	40,932.2	33,314.7	32,390.0	32,087.1	28,522.9	25,192.6	23,770.6	23,286.5	20,091.3
Leases	25,340.8									
Security	350.4	350.4	351.4	350.4	350.1	345.6	362.2	328.8	448.9	175.2
Utility sales	5,337.7	4,523.7	4,410.9	6,015.0	6,416.8	5,868.0	6,215.5	6,035.2	6,051.7	5,738.2
Telecommunications	3,760.3	3,523.1	3,039.3	3,288.4	3,050.3	2,768.9	2,286.5	2,321.3	2,245.7	2,327.9
FAA Air Traffic Control Tower	3,775.2	3,782.8	2,270.3	2,254.8	2,257.2	2,243.8	2,250.4	2,237.8	2,227.0	2,225.5
45025 Aviation Drive ¹	1,050.7	604.0	653.1	588.2	581.3	543.5	501.8	451.4	389.8	489.5
Other	8,656.7	9,174.4	7,083.9	8,352.2	10,752.4	7,479.9	7,615.2	7,835.1	6,333.6	5,626.1
Total Non-Airline Revenues	281,169.2	192,911.8	139,249.2	267,093.5	259,006.3	235,990.6	223,253.9	205,660.4	190,651.7	175,224.4
Total Dulles International Revenues	453,432.3	322,497.6	299,841.8	460,357.4	465,242.6	437,659.0	458,902.6	466,032.6	481,322.0	470,133.3
DULLES TOLL ROAD										
Tolls	163,207.4	145,319.3	122,086.6	197,407.2	151,396.9	152,022.7	151,731.0	151,431.8	148,652.7	127,059.3
Other	5.0	25.6	-	0.1	-	-	-	-	0.0	0.5
Total Dulles Toll Road	163,212.4	145,344.9	122,086.6	197,407.3	151,396.9	152,022.7	151,731.0	151,431.8	148,652.7	127,059.8
TOTAL REVENUES	\$ 928,577.9	\$ 707,462.1	\$ 605,844.2	\$ 963,862.8	\$ 917,889.4	\$ 913,585.8	\$ 925,791.0	\$ 913,272.1	\$ 870,829.2	\$ 850,083.1

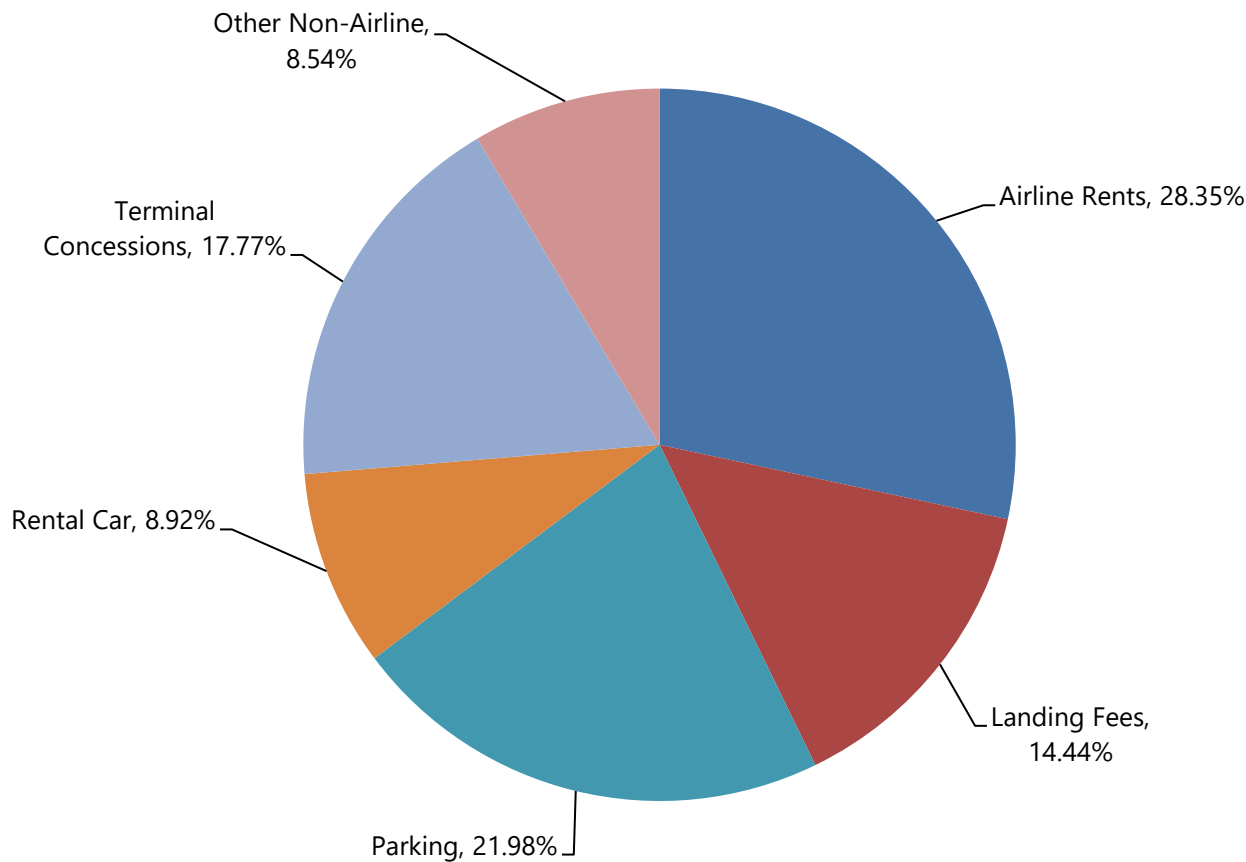
¹ 45025 Aviation Drive revenues include rents and utilities.

* Revenues include the implementation of GASB Statement No. 87.

Source: Airports Authority Records

Exhibit S-5 – OPERATING REVENUES – REAGAN NATIONAL

2022

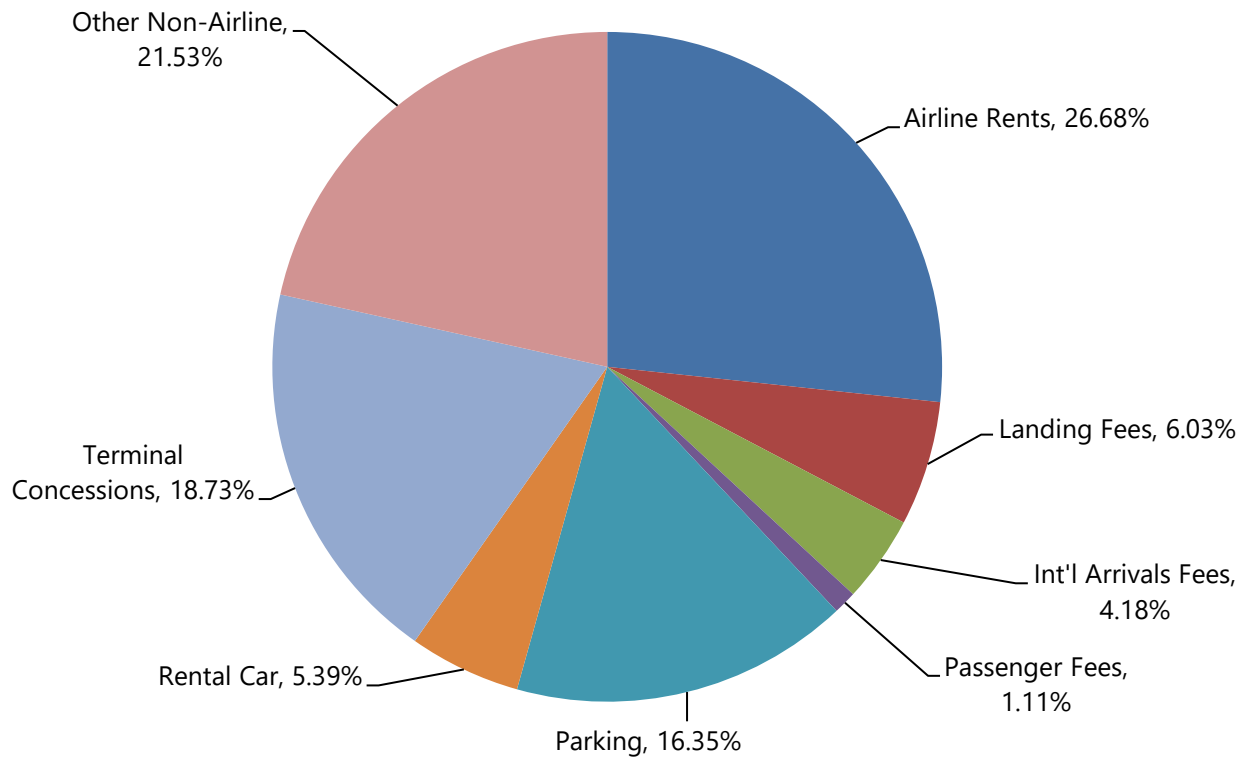


Revenues include the implementation of GASB Statement No. 87.

Source: Airports Authority Records

Exhibit S-6 – OPERATING REVENUES – DULLES INTERNATIONAL

2022



Revenues include the implementation of GASB Statement No. 87.

Source: Airports Authority Records

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-7 – RATES AND CHARGES

Reagan National Rates

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Signatory Airline Rates										
Signatory Airline Cost Per Enplanement (CPE)	\$ 11.14	\$ 18.00	\$ 28.66	\$ 11.49	\$ 11.60	\$ 13.44	\$ 13.44	\$ 13.32	\$ 11.26	\$ 13.39
Signatory Airline CPE (including prior year Settlement)	\$ 11.14	\$ 18.00	\$ 25.51	\$ 10.98	\$ 11.66	\$ 13.44	\$ 13.15	\$ 13.65	\$ 10.90	\$ 14.19
Landing Fee	\$ 3.03	\$ 3.86	\$ 3.38	\$ 3.50	\$ 3.55	\$ 4.14	\$ 3.90	\$ 4.03	\$ 3.72	\$ 4.19
Terminal A - Average Rate	\$ 127.81	\$ 140.23	\$ 121.90	\$ 131.72	\$ 128.28	\$ 167.08	\$ 173.23	\$ 167.24	\$ 122.88	\$ 157.51
Terminal B & C - Average Rate	\$ 174.69	\$ 193.23	\$ 177.59	\$ 194.54	\$ 208.96	\$ 245.83	\$ 250.05	\$ 228.27	\$ 154.72	\$ 207.32
Type 6 - Covered/Unenclosed	\$ 6.16	\$ 5.73	\$ 5.47	\$ 5.42	\$ 5.32	\$ 5.54	\$ 5.37	\$ 5.29	\$ 5.30	\$ 5.13
Type 7 - Uncovered/Unenclosed	\$ 1.54	\$ 1.43	\$ 1.37	\$ 1.35	\$ 1.33	\$ 1.39	\$ 1.34	\$ 1.32	\$ 1.32	\$ 1.28
Non-Signatory Airline Rates										
General Aviation Landing Fees	\$ 3.45	\$ 4.25	\$ 6.35	\$ 4.54	\$ 4.40	\$ 4.20	\$ 3.94	\$ 3.91	\$ 4.01	\$ 4.30
Landing Fee	\$ 4.32	\$ 5.31	\$ 7.94	\$ 5.67	\$ 5.50	\$ 5.25	\$ 4.93	\$ 4.89	\$ 5.01	\$ 5.37
Terminal A	\$ 173.94	\$ 166.22	\$ 201.35	\$ 190.95	\$ 173.67	\$ 170.22	\$ 142.56	\$ 156.57	\$ 143.48	\$ 165.83
Terminal B & C	\$ 217.08	\$ 214.68	\$ 259.12	\$ 255.88	\$ 265.39	\$ 242.98	\$ 247.21	\$ 233.31	\$ 217.16	\$ 236.82
Rental Car Customer Facility Charge										
Customer Facility Charge (Per Rental Day)	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50

Dulles International Rates

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Signatory Airline Rates										
Signatory Airline CPE	\$ 17.69	\$ 17.01	\$ 37.59	\$ 14.82	\$ 16.53	\$ 17.00	\$ 21.00	\$ 23.67	\$ 26.55	\$ 26.47
Signatory Airline CPE (including prior year Settlement)	\$ 17.69	\$ 17.01	\$ 35.45	\$ 14.52	\$ 15.72	\$ 16.26	\$ 22.15	\$ 23.46	\$ 26.39	\$ 27.29
Landing Fee	\$ 1.39	\$ 0.93	\$ 1.46	\$ 1.48	\$ 1.46	\$ 1.34	\$ 2.35	\$ 3.41	\$ 4.59	\$ 4.23
Concourse C & D	\$ 57.26	\$ 41.79	\$ 60.87	\$ 53.71	\$ 59.49	\$ 56.54	\$ 65.61	\$ 79.23	\$ 81.65	\$ 87.07
Concourse B	\$ 126.45	\$ 97.23	\$ 105.97	\$ 92.72	\$ 92.47	\$ 90.28	\$ 120.65	\$ 141.65	\$ 158.30	\$ 167.33
Main Terminal	\$ 289.93	\$ 220.34	\$ 251.02	\$ 274.88	\$ 273.99	\$ 273.93	\$ 358.77	\$ 321.17	\$ 314.51	\$ 349.40
Concourse A	\$ 144.14	\$ 91.16	\$ 129.29	\$ 136.84	\$ 178.18	\$ 146.62	\$ 211.99	\$ 250.65	\$ 257.05	\$ 290.57
Z-Gates	\$ 83.70	\$ 74.22	\$ 12.57	\$ 113.12	\$ 44.29	\$ 48.75	\$ 60.13	\$ 91.23	\$ 147.46	\$ 139.17
Type 6 - Covered/Unenclosed	\$ 6.16	\$ 5.73	\$ 5.47	\$ 5.42	\$ 5.32	\$ 5.54	\$ 5.37	\$ 5.57	\$ 5.42	\$ 5.47
Type 7 - Uncovered/Unenclosed	\$ 1.54	\$ 1.43	\$ 1.37	\$ 1.35	\$ 1.33	\$ 1.39	\$ 1.34	\$ 1.39	\$ 1.35	\$ 1.37
Airside Operations Building	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 46.97	\$ 40.44
International Arrivals Building	\$ 5.82	\$ 4.53	\$ 4.40	\$ 4.80	\$ 5.20	\$ 5.42	\$ 7.11	\$ 7.68	\$ 8.64	\$ 8.76
Concourse C International Arrival Building	\$ 5.87	\$ 4.42	\$ 5.05	\$ 4.52	\$ 8.60	\$ 10.02	\$ 10.91	\$ 10.23	\$ 9.46	\$ 9.60
Passenger Conveyance	\$ 1.44	\$ 0.84	\$ 3.38	\$ 1.60	\$ 1.55	\$ 1.73	\$ 1.82	\$ 1.65	\$ 1.85	\$ 1.83
Non-Signatory Airline Rates										
General Aviation Landing Fee	\$ 3.61	\$ 3.49	\$ 8.48	\$ 4.97	\$ 5.89	\$ 5.96	\$ 5.81	\$ 6.14	\$ 4.96	\$ 4.75
Landing Fee	\$ 4.70	\$ 4.54	\$ 11.04	\$ 6.47	\$ 7.67	\$ 7.76	\$ 7.57	\$ 8.07	\$ 6.53	\$ 6.26
Concourse C & D	\$ 69.28	\$ 49.75	\$ 100.98	\$ 87.59	\$ 94.53	\$ 90.46	\$ 90.34	\$ 94.88	\$ 96.32	\$ 92.04
Concourse B	\$ 166.65	\$ 115.26	\$ 195.72	\$ 168.51	\$ 166.87	\$ 159.73	\$ 166.01	\$ 177.61	\$ 186.01	\$ 167.32
Main Terminal	\$ 372.02	\$ 267.32	\$ 413.43	\$ 418.93	\$ 433.82	\$ 422.81	\$ 432.16	\$ 420.15	\$ 386.24	\$ 401.15
International Arrivals Building	\$ 6.40	\$ 5.29	\$ 13.36	\$ 6.47	\$ 7.09	\$ 7.81	\$ 8.37	\$ 8.43	\$ 9.15	\$ 9.27
Concourse C International Arrival Building	\$ 6.39	\$ 5.13	\$ 16.75	\$ 6.80	\$ 10.67	\$ 10.98	\$ 11.39	\$ 9.77	\$ 9.55	\$ 9.03
Concourse A	\$ 168.20	\$ 92.76	\$ 195.20	\$ 174.79	\$ 218.42	\$ 234.54	\$ 311.55	\$ 315.58	\$ 292.12	\$ 297.90
Z-Gates	\$ 100.95	\$ 74.56	\$ 5.95	\$ 144.84	\$ 128.69	\$ 107.18	\$ 82.12	\$ 93.99	\$ 158.82	\$ 97.06
Passenger Conveyance	\$ 3.92	\$ 15.68	\$ 107.05	\$ 2.45	\$ 2.76	\$ 2.69	\$ 2.51	\$ -	\$ -	\$ -
Rental Car Customer Facility Charge										
Customer Facility Charge (Per Rental Day)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	N/A	N/A	N/A	N/A	N/A	N/A

Passenger Facility Charges

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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

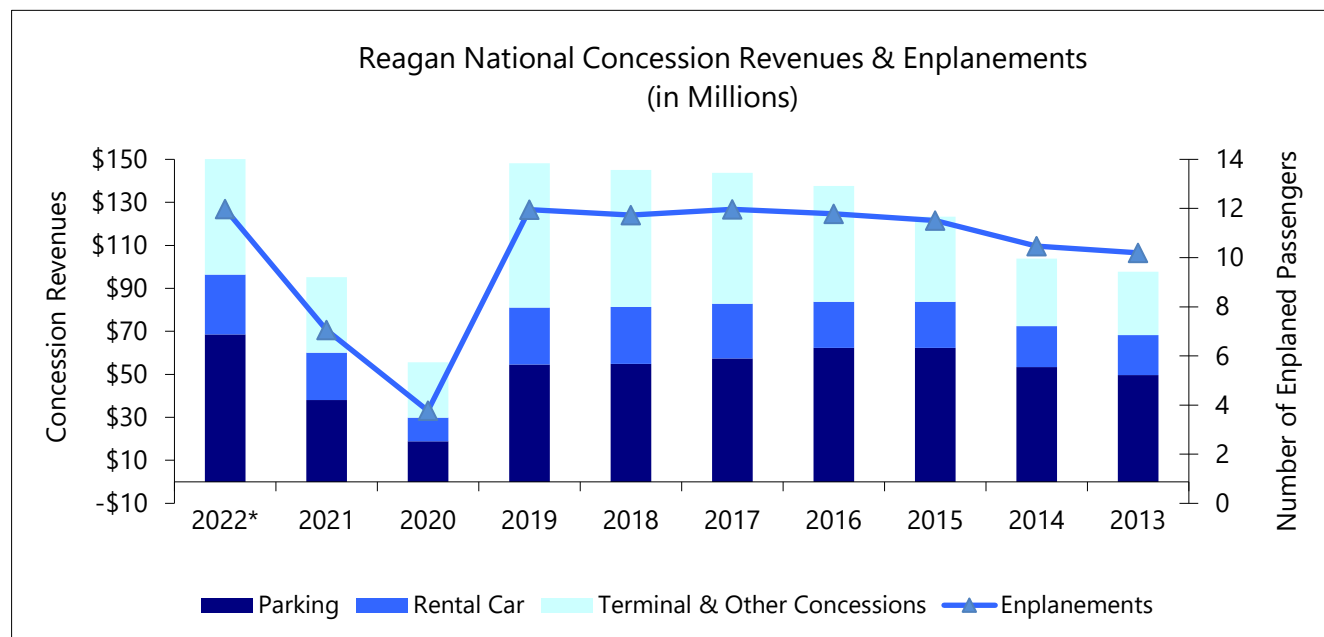
Dulles Toll Road Toll Rates

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Two-Axle Vehicles										
Main Plaza	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.75
Ramp Plaza	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00

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



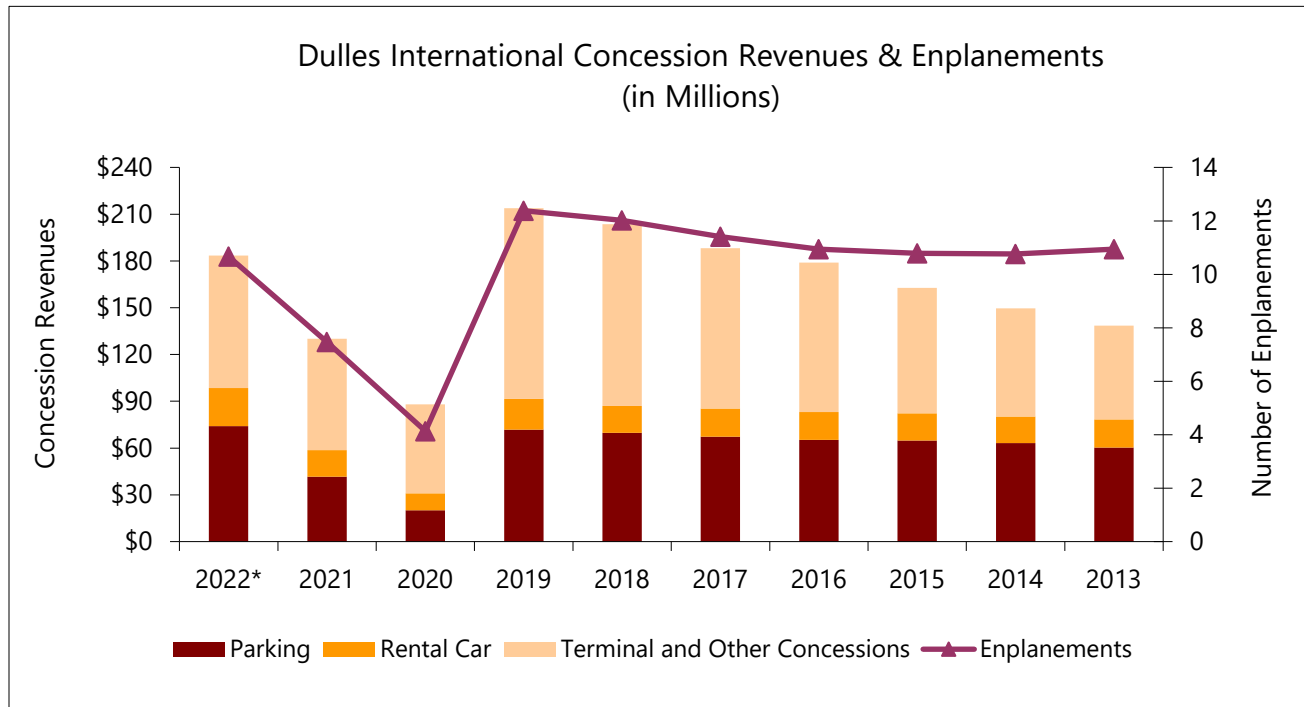
Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic factors. Enplanements at Reagan National set a new record in 2017 and remained flat through 2019. In 2020 and 2021 the enplanements reduced from 12.0 million in 2019 to 3.8 million in 2020 and 7.1 million in 2021 as a result of the slowdown in air travel related to the COVID-19 pandemic. In 2022, the airport saw a 59 percent increase in enplanements from 7.1 million in 2021 to 11.98 million in 2022, setting a new record at the airport.

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 decreased abruptly in 2020, so too did concession revenue. In 2021, as air travel returned concession revenue increased. In 2022, air travel reached or exceeded pre-pandemic levels. Parking revenue in 2022 was \$68.5 million, increasing 80.0 percent from 2021. Rental car revenue increased 26.7 percent and food and beverage, retail and services revenue all increased by more than 100%.

* Revenues include the implementation of GASB Statement No. 87.

Source: Airports Authority Records

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



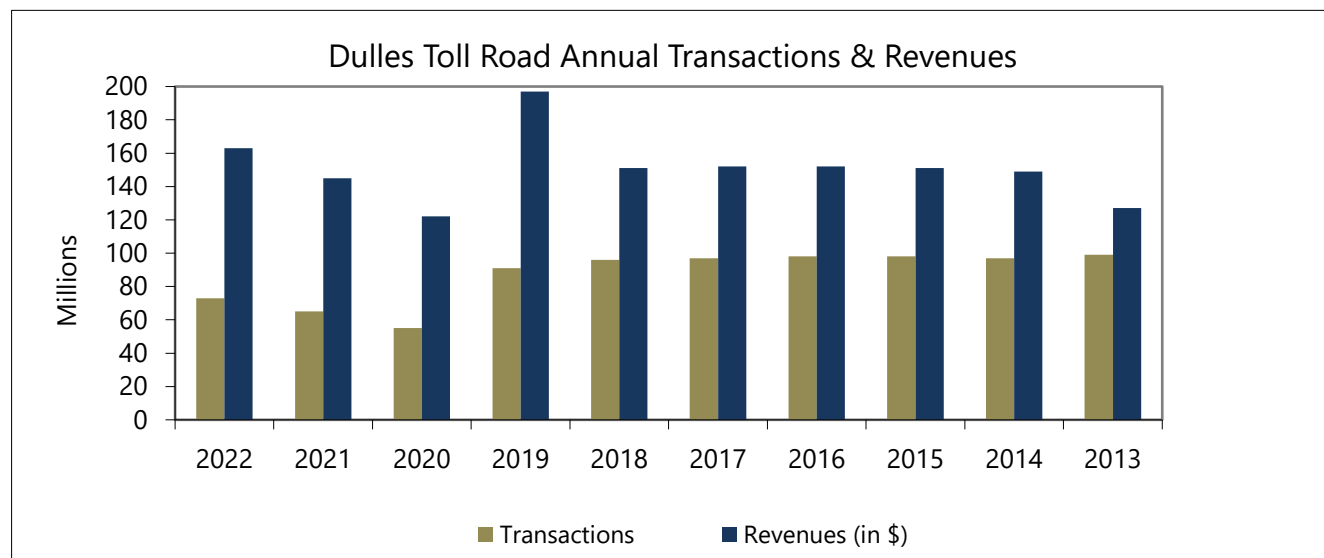
Annual enplanements include domestic and transborder passengers for both commercial and non-commercial (including military, general aviation, and charter) flights. Enplanements are a measurement of an airport's usage and are influenced by many factors including availability of air service, price of airfare, location of the airport, and macroeconomic variables. Enplanements at Dulles International have been increasing from 2015 until 2020 when enplanements decreased 66.6 percent as a result of the slowdown in air travel related to the COVID-19 pandemic. In 2021, as air travel returned, the airport saw a significant increase in enplanements in 2021 and this growth continues into 2022 with a 42.7 percent increase.

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. The Airports Authority experienced a significant decrease in parking revenue in 2020. In 2021 as air travel returned, the Airports Authority experienced a rebound in parking revenue with parking revenue increasing \$21.4 million or 106.4 percent. This increase continued into 2022 with a 78.2 percent increase in parking revenues over 2021. 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 had been steadily growing from 2011 to 2019. As passenger enplanements decreased abruptly in 2020, so too did concession revenue. In 2020, concession revenue dropped \$125.7 million or 58.8 percent. In 2021, concession revenue began to return with an increase of \$41.9 million. In 2022, concession revenues continued to increase reaching \$183.5 million. While this is a 41.1 percent increase over 2021, concession revenues have not yet returned to 2019 levels.

* Revenues include the implementation of GASB Statement No. 87.

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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

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

DULLES TOLL ROAD TRANSACTIONS - MONTHLY

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
January	4,626,876	4,038,582	7,237,663	7,144,353	7,721,766	7,720,943	6,801,818	7,421,306	7,533,849	7,919,077
February	5,207,293	3,694,488	6,978,219	6,711,659	7,220,350	7,397,887	7,597,218	6,949,373	6,897,287	7,409,382
March	6,237,258	4,934,146	4,889,939	7,867,055	7,881,365	8,402,723	8,546,164	8,067,467	7,813,556	7,979,292
April	6,131,282	5,166,538	2,139,828	7,784,296	8,240,851	7,991,692	8,376,903	8,531,503	8,366,358	8,596,720
May	6,500,017	5,523,587	2,782,419	8,187,345	8,554,042	8,614,230	8,486,112	8,630,483	8,677,032	8,773,942
June	6,506,381	5,827,120	3,816,576	7,749,606	8,333,660	8,608,525	8,761,470	8,763,974	8,475,065	8,388,250
July	6,196,673	6,018,562	4,359,409	7,764,267	8,042,336	7,930,833	8,156,218	8,622,889	8,425,436	8,437,968
August	6,634,584	5,974,012	4,494,911	7,737,501	8,469,333	8,427,385	8,502,760	8,348,215	8,074,295	8,550,839
September	6,410,798	6,009,605	4,663,477	7,583,554	7,815,932	8,063,784	8,153,590	8,316,546	8,175,388	8,293,200
October	6,702,959	6,328,759	5,033,153	8,124,594	8,752,423	8,564,148	8,584,122	8,660,062	8,670,164	8,713,861
November	6,180,908	5,920,836	4,372,510	7,062,355	7,747,540	7,888,215	7,889,319	7,806,575	7,504,223	7,944,233
December	5,854,728	5,790,365	4,311,293	7,255,313	7,553,116	7,479,547	7,862,834	8,122,250	7,894,372	7,669,453
Total	73,189,757	65,226,600	55,079,397	90,971,898	96,332,714	97,089,912	97,718,528	98,240,643	96,507,025	98,676,217

DULLES TOLL ROAD REVENUES - MONTHLY

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
January	\$ 10,552,529	\$ 9,269,807	\$ 15,645,973	\$ 15,304,619	\$ 12,186,157	\$ 12,029,155	\$ 10,543,515	\$ 11,389,551	\$ 11,628,573	\$ 10,053,324
February	11,785,058	8,419,543	15,545,289	14,416,763	11,348,785	11,530,241	11,704,668	10,642,237	10,649,396	9,443,886
March	13,990,428	11,093,435	11,284,790	16,716,570	11,679,743	12,738,684	13,167,526	12,344,215	12,024,127	10,204,385
April	13,739,380	11,500,556	5,224,023	16,622,211	13,601,677	12,741,647	12,896,331	13,092,256	12,881,743	10,830,020
May	13,857,154	12,149,067	6,126,169	17,557,114	13,351,664	13,351,053	13,116,779	13,324,202	13,288,581	11,411,164
June	14,160,652	12,664,690	8,450,974	16,708,351	12,986,914	13,420,335	13,454,426	13,442,996	13,173,845	10,787,616
July	14,549,240	13,248,533	9,466,658	16,889,013	12,344,931	12,500,196	12,716,315	13,284,638	12,991,259	10,820,010
August	14,666,920	13,349,239	9,700,914	16,884,497	13,633,094	13,249,423	13,221,979	12,991,819	12,548,064	11,114,413
September	14,317,493	13,322,606	9,967,194	16,888,256	12,323,123	12,713,052	12,794,683	12,918,314	12,777,532	10,778,250
October	14,829,266	14,157,494	10,987,180	17,896,898	13,717,697	13,481,517	13,558,343	13,374,739	13,127,022	11,503,339
November	13,808,471	13,261,046	10,061,746	15,643,702	12,173,457	12,456,183	12,336,830	12,114,303	11,523,551	10,339,310
December	12,950,806	12,883,263	9,625,736	15,879,335	12,049,690	11,811,177	12,219,638	12,512,489	12,039,048	9,774,124
Total	\$ 163,207,399	\$ 145,319,279	\$ 122,086,646	\$ 197,407,329	\$ 151,396,932	\$ 152,022,663	\$ 151,731,033	\$ 151,431,759	\$ 148,652,741	\$ 127,059,841

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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

Exhibit S-12 – TOP 10 PAYORS

PAYOR ¹	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
United Airlines	119,649,051	83,933,332	116,141,932	136,937,454	109,802,261	133,947,096	128,975,358	163,582,680	161,331,091	200,836,207
American Airlines	90,436,213	79,978,754	67,091,072	81,946,066	104,368,260	76,146,046	74,721,175	65,649,533	20,480,216	28,574,259
Signature Flight Support	26,700,113	24,881,284	19,174,644	25,032,473	26,922,051	17,474,253	12,765,027	12,932,607	13,595,464	12,233,542
Delta Airlines	25,052,966	27,836,480	28,519,531	27,652,199	20,256,169	31,405,402	30,456,819	33,489,855	31,051,104	35,998,400
Rasier, LLC	22,921,730	10,831,409	9,952,755	25,058,649	18,951,471	17,728,518	12,162,144	*	*	*
Avis Budget Car rental	20,307,670	13,651,279	8,473,278	*	*	*	*	*	*	*
Jet Aviation Dulles, LLC	17,048,550	16,573,727	12,946,226	*	*	*	*	*	*	*
Southwest	16,142,594	15,204,303	15,009,835	20,857,877	18,856,395	19,415,900	20,897,539	20,455,778	12,506,395	12,571,064
In-Ter-Space Services, Inc.	15,458,298	*	*	16,327,886	16,445,659	16,598,211	11,049,855	*	*	*
Enterprise Leasing	15,233,956	13,164,695	8,407,457	11,964,825	*	*	*	*	*	*
Hertz Rent-A-Car	*	10,173,112	*	*	13,551,344	*	*	11,493,331	10,086,569	10,441,012
IAD Fuels, LLC	*	*	9,014,978	*	*	*	*	*	*	*
IAD DC Holdings, LLC	*	*	*	16,122,886	17,505,729	15,664,239	15,259,065	11,440,879	*	*
Dulles Duty Free, LLC	*	*	*	15,501,870	15,182,787	14,307,223	14,287,142	14,909,516	*	*
JetBlue Airways	*	*	*	*	*	15,908,662	15,687,679	17,104,209	11,283,876	11,108,347
US Airways	*	*	*	*	*	*	*	12,031,385	39,492,497	56,417,666
Lufthansa German Airline	*	*	*	*	*	*	*	*	9,841,438	*
JC Decaux/AK Media	*	*	*	*	*	*	*	*	9,430,087	10,262,622
British Airways	*	*	*	*	*	*	*	*	*	10,259,009
TOTAL ²	\$ 368,951,141	\$ 296,228,375	\$ 294,731,707	\$ 377,402,185	\$ 361,842,126	\$ 358,595,550	\$ 336,261,803	\$ 363,089,773	\$ 319,098,737	\$ 388,702,128

* 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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Metropolitan Washington Airports Authority

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

	2022	2021	2020	2019	2018
NET REVENUE:					
Operating Revenue	\$ 765,365,453	\$ 562,117,124	\$ 486,398,377	\$ 766,455,483	\$ 766,492,456
Revenue Adjustments ¹	35,292,924	22,700,423	21,687,030	1,537,469	(9,721,135)
Prior Year Transfers ²	105,878,493	66,372,825	217,348,455	201,029,412	192,723,884
Adjusted Revenue	906,536,870	651,190,372	725,433,862	969,022,364	949,495,205
Operating Expenses	686,560,391	612,484,092	602,751,711	664,415,360	648,235,914
Operating Expenses Adjustments ³	(310,688,251)	(264,142,976)	(251,135,343)	(311,306,736)	(301,687,629)
Direct Operating Expenses	375,872,140	348,341,116	351,616,368	353,108,624	346,548,285
Net Revenue Available for Debt Service	530,664,730	302,849,256	373,817,494	615,913,740	602,946,920
DEBT SERVICE					
2003A Airport System Revenue Refunding Bonds	-	-	-	-	-
2003B Airport System Revenue Refunding Bonds	-	-	-	-	-
2003C Taxable Airport System Revenue Refunding Bonds	-	-	-	-	-
2003D Airport System Revenue Variable Rate Bonds	-	1,451,843	2,659,981	2,963,916	3,130,309
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	-	-	-	-	-
2005B Airport System Revenue Bonds	-	-	-	-	-
2005C Taxable Airport System Revenue Bonds	-	-	-	-	-
2005D Airport System Revenue Bonds	-	-	-	-	-
2006A Airport System Revenue Bonds	-	-	-	-	-
2006B Airport System Revenue Bonds	-	-	-	-	-
2006C Airport System Revenue Refunding Bonds	-	-	-	-	-
2007A Airport System Revenue Bonds	-	-	-	-	-
2007B Airport System Revenue Bonds	-	-	-	-	-
2008A Airport System Revenue Bonds	-	-	-	-	10,612,641
2009A Airport System Revenue Bonds	-	-	-	-	-
2009B Airport System Revenue Bonds	-	-	-	12,522,770	18,826,808
2009C Airport System Revenue Bonds	-	-	-	-	890,000
2009D Airport System Revenue Bonds	858,762	708,412	3,882,136	-	-
2010A Airport System Revenue Bonds	-	-	13,319,817	19,253,877	22,823,602
2010B Airport System Revenue Refunding Bonds	-	-	9,899,861	14,097,363	20,858,363
2010C Airport System Revenue Variable Rate Refunding Bonds	1,171,536	5,285,958	8,056,888	6,372,424	7,675,046
2010D Airport System Revenue Variable Rate Bonds	2,213,244	6,400,014	10,263,118	10,517,625	10,545,670
2010F-1 Airport System Revenue Refunding Bonds	-	11,269,110	17,443,398	6,954,405	3,057,874
2011A Airport System Revenue and Refunding Bonds	1,189,428	11,443,631	17,177,404	16,692,366	17,886,883
2011B Airport System Revenue and Refunding Bonds	-	10,040,724	17,034,075	17,634,222	16,952,197
2011C Airport System Revenue Refunding Bonds	-	8,908,169	15,276,767	14,946,388	15,315,677
2011D Airport System Revenue Refunding Bonds	-	454,880	777,654	776,552	774,842
2012A Airport System Revenue Refunding Bonds	11,718,606	21,399,088	22,379,930	19,235,411	22,008,307
2012B Airport System Revenue Refunding Bonds	-	-	-	2,948,643	3,898,830
2013A Airport System Revenue Refunding Bonds	8,141,541	12,233,190	12,463,587	9,624,060	11,129,282
2013B Airport System Revenue Refunding Bonds	3,626,538	4,480,932	4,459,100	4,417,016	4,455,741
2013C Airport System Revenue Refunding Bonds	2,779,872	4,011,671	4,201,373	1,456,874	526,873
2014A Airport System Revenue Refunding Bonds	44,564,147	34,991,650	34,230,628	38,742,289	44,492,480
2015A Airport System Revenue Refunding Bonds	8,105,044	8,171,828	8,152,496	8,109,221	8,136,296
2015B Airport System Revenue and Refunding Bonds	11,615,481	9,470,986	14,960,985	15,141,031	17,588,956
2015C Airport System Revenue Refunding Bonds	3,882,719	3,891,430	4,008,419	4,021,882	4,050,827
2015D Airport System Revenue Refunding Bonds	-	-	-	109,931	1,314,765
2016A Airport System Revenue Refunding Bonds	12,067,392	13,529,029	15,319,348	10,471,355	14,514,119
2016B Airport System Revenue Refunding Bonds	2,899,445	2,914,134	1,715,432	1,199,929	1,163,790
2017A Airport System Revenue Refunding Bonds	28,257,268	39,113,692	32,170,902	26,596,310	41,413,999
2018A Airport System Revenue Refunding Bonds	43,530,552	31,551,901	32,744,930	25,974,433	5,002,632
2019A Airport System Revenue and Refunding Bonds	18,022,856	14,349,694	8,432,893	3,354,336	-
2019B Airport System Revenue Refunding Bonds	12,650,213	10,674,136	10,100,420	3,561,150	-
2020A Airport System Revenue and Refunding Bonds	36,444,924	30,522,464	8,690,956	-	-
2020B Airport System Revenue and Refunding Bonds	4,101,468	6,349,973	1,622,514	-	-
2021A Airport System Revenue and Refunding Bonds	41,114,017	5,288,883	-	-	-
2021B Airport System Revenue Refunding Bonds	2,518,957	1,354,354	-	-	-
2022A Airport System Revenue Refunding Bonds	6,438,349	-	-	-	-
Series One Airport System Revenue Commercial Paper Notes	-	-	-	-	-
Series Two Airport System Revenue Commercial Paper Notes	-	-	-	-	-
Airport System Revenue Revolving Loan Notes, Series One	684	-	-	-	-
Variable rate fees	1,208,579	4,607,692	3,206,356	3,113,999	2,749,015
Less: CARES Act Funds Applied to Debt Service	(74,696,657)	(162,221,938)	(66,769,988)	-	-
Net Debt Service¹	\$ 234,424,966	\$ 152,647,530	\$ 267,881,380	\$ 300,809,778	\$ 331,795,824
DEBT SERVICE COVERAGE	2.26	1.98	1.40	2.05	1.82

¹ Net Debt Service is gross debt service reduced by IAD PFCs, DCA PFCs, Virginia Department of Aviation funds, capitalized interest, interest earnings and COVID Relief grants where applicable.

² 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.

³ 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.

⁴ 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, pension valuation, and CARES Act funds applied to O&M expenses.

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

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 Lien basis and Lien 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 funding required deposits in 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 for more recent coverage levels, reflect the completion of major projects in Dulles International's CCP. It is important to note that net revenue, revenue, and expenses are presented in this Exhibit in accordance with definitions found in the Master Indenture of Trust. Additionally, debt service does not include debt paid from bond funds for capitalized interest or debt service paid from interest earnings.

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

	2022	2021	2020	2019	2018
NET REVENUE					
Total Dulles Corridor Enterprise Fund Revenue	\$ 163,212,423	\$ 145,344,907	\$ 122,086,646	\$ 197,407,329	\$ 151,396,932
Less: Non Operating & Maintenance Program Revenue	(34)	(25,172)	-	-	-
Total Dulles Toll Road Gross Revenue	163,212,389	145,319,735	122,086,646	197,407,329	151,396,932
Add: Total Investment Income	2,291,290	(436,543)	10,340,887	24,637,782	12,888,087
Less: Non Operating & Maintenance Program Investment Income	627,197	554,099	(9,376,868)	(20,159,778)	(9,759,093)
Revenue	166,130,876	145,437,291	123,050,665	201,885,333	154,525,926
Total Dulles Corridor Enterprise Fund Operating Expenses	46,698,948	42,665,556	41,781,316	57,566,511	48,164,560
Less: Non Operating & Maintenance Program Operating Expenses	(16,269,323)	(14,802,248)	(18,073,812)	(24,891,651)	(18,673,475)
Total Dulles Toll Road Operating Expenses	30,429,625	27,863,308	23,707,504	32,674,860	29,491,085
Less: Operating & Maintenance Program Depreciation and Amortization and GASB 67, 68, 74, 75, and 87	(981,987)	(947,259)	883,575	(171,308)	(430,334)
Operating Expenses	29,447,638	26,916,049	24,591,079	32,503,552	29,060,751
Total Dulles Corridor Enterprise Fund Interest Expense	169,770,536	173,051,699	173,388,034	166,869,480	148,039,823
Less: Non Operating & Maintenance Program Interest Expense and GASB 87	(169,770,309)	(173,049,982)	(173,387,777)	(166,773,623)	(148,006,148)
Interest Expense	227	1,717	257	95,857	33,675
Net Revenue Available for Debt Service	\$ 136,683,011	\$ 118,519,525	\$ 98,459,329	\$ 169,285,924	\$ 125,431,500
DEBT SERVICE					
	LIEN				
2019A Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	First Senior	8,155,500	8,155,500	8,155,499	3,873,862
2009A Dulles Toll Road Revenue Bonds (Current Interest Bonds)	First Senior	-	-	-	5,916,743
2009B Dulles Toll Road Revenue Bonds (Capital Appreciation Bonds)	Second Senior	7,440,000	7,000,000	6,692,500	11,131,250
2009C Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	-	16,235,375	16,235,375	16,235,375
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	(9,851,332)	(9,851,332)	(9,877,763)	(9,806,934)
2010B Dulles Toll Road Revenue Bonds (Convertible Capital Appreciation Bonds)	Second Senior	15,275,000	15,275,000	15,275,000	3,818,750
Commercial Paper Series One and DTR Revolving Loan Notes	Second Senior	13,861	-	9,878	1,169,788
2014A Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	Second Senior	-	21,088,000	21,088,000	21,088,000
2022A Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	Second Senior	9,583,406	-	-	-
2022B Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	Second Senior	7,028,149	-	-	-
2022A and 2022B Capitalized Interest	Second Senior	(16,611,556)	-	-	-
Transfer from reserves for debt service	Second Senior	-	-	(14,646,125)	-
2010D Dulles Toll Road Revenue Bonds (Current Interest Bonds, Build America Bonds)	Subordinate	12,000,000	12,000,000	12,000,000	12,000,000
2010D Dulles Toll Road Revenue Bonds (35% Subsidy)	Subordinate	(3,960,600)	(3,960,600)	(3,980,574)	(3,942,750)
2019B Dulles Toll Road Revenue Refunding Bonds (Current Interest Bonds)	Subordinate	50,303,250	50,303,250	51,980,025	-
Transfer from reserves for debt service	Subordinate	-	(47,327,000)	(50,881,644)	-
TIFIA Notes	Junior	-	-	-	36,655,039
Net Debt Service¹		\$ 109,223,679	\$ 98,766,193	\$ 81,898,171	\$ 139,443,373
	LIEN				
DEBT SERVICE COVERAGE BY LIEN REQUIREMENT					
First Senior Lien	2.00	16.76	14.53	12.07	12.37
Second Senior Lien	1.35	2.69	1.35	1.35	1.79
Subordinate Lien	1.20	1.25	1.20	1.20	1.65
Junior Lien	1.20	-	-	-	1.29

¹ Net Debt Service is gross debt service reduced by Build America Bonds subsidy, reserve transfers and capitalized interest.

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 Metrolink 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.

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

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

³ Operating 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

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2017 ³	2016	2015	2014 ²	2013
\$ 152,022,663	\$ 151,731,033	\$ 157,309,065	\$ 148,652,741	\$ 127,059,841
-	-	(5,891,537)	-	-
152,022,663	151,731,033	151,417,528	148,652,741	127,059,841
6,359,877	1,901,118	1,895,715	3,142,751	(1,854,080)
(5,309,244)	(1,640,774)	(2,141,025)	(2,852,609)	1,993,621
153,073,296	151,991,377	151,172,218	148,942,883	127,199,382
45,560,926	44,714,514	44,626,297	48,441,763	39,925,946
(16,710,659)	(15,036,058)	(15,712,624)	(21,689,595)	(12,950,640)
28,850,267	29,678,456	28,913,673	26,752,168	26,975,306
(173,922)	(590,117)	(684,793)	(417,498)	(473,942)
28,723,500	29,088,339	28,228,880	26,334,670	26,501,364
115,391,692	129,524,735	122,617,710	63,532,479	21,467,437
(115,391,619)	(129,524,730)	(122,616,508)	(63,531,144)	(19,923,877)
73	5	1,202	1,335	1,543,560
\$ 124,349,723	\$ 122,903,033	\$ 122,942,136	\$ 122,606,878	\$ 99,154,458
-	-	-	-	-
10,142,988	10,142,988	10,142,988	10,142,988	10,142,988
6,211,394	9,502,644	11,222,500	6,765,000	9,227,500
16,235,375	4,058,844	-	-	-
29,848,000	29,848,000	29,848,000	29,847,129	29,848,000
(9,737,922)	(9,732,710)	(9,684,184)	(9,694,630)	(9,992,364)
-	-	-	-	-
1,783,211	443,288	134,360	190,383	271,115
21,088,000	21,088,000	21,088,000	12,828,533	-
-	-	-	-	-
12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
(3,913,350)	(3,914,400)	(3,893,836)	(3,897,600)	(4,017,300)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 83,657,695	\$ 73,436,654	\$ 70,857,828	\$ 58,181,803	\$ 47,479,938
12.26	12.12	12.12	12.09	9.78
1.65	1.88	1.96	2.45	2.51
1.49	1.67	1.74	2.11	2.09

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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
2022	\$ 906,537	\$ 375,872	\$ 530,665	\$ 150,090	\$ 84,335	\$ 234,425	2.26
2021	651,190	348,341	302,849	152,541	106	152,648	1.98
2020	725,434	351,616	373,817	190,250	77,632	267,881	1.40
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

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
2022	\$ 166,131	29,448	\$ 136,683	First Senior Second Senior Subordinate	\$ - 3,422 -	\$ 8,156 35,286 58,343	\$ - 4,018 -	\$ 8,156 42,726 58,343	16.76 2.69 1.25
2021	\$ 145,437	\$ 26,916	\$ 118,521	First Senior Second Senior Subordinate	\$ - 3,467 -	\$ 8,156 72,595 11,016	\$ - 3,533 -	\$ 8,156 79,595 11,016	14.53 1.35 1.20
2020	\$ 123,050	\$ 24,591	\$ 98,459	First Senior Second Senior Subordinate	\$ - 3,505 -	\$ 8,156 57,932 9,118	\$ - 3,187 -	\$ 8,156 64,624 9,118	12.07 1.35 1.20
2019	\$ 201,885	\$ 32,599	\$ 169,286	First Senior Second Senior Subordinate Junior	\$ - 7,260 -	\$ 9,791 73,809 8,057 36,655	\$ - 3,871 -	\$ 9,791 84,940 8,057 36,655	17.29 1.79 1.65 1.21
2018	\$ 154,526	\$ 29,094	\$ 125,432	First Senior Second Senior Subordinate Junior	\$ - 4,087 -	\$ 10,143 62,328 8,073 8,785	\$ - 4,041 -	\$ 10,143 70,456 8,073 8,785	12.37 1.56 1.41 1.29
2017	\$ 153,073	\$ 28,723	\$ 124,350	First Senior Second Senior Subordinate	\$ - 4,045 -	\$ 10,143 59,217 8,087	\$ - 2,166 -	\$ 10,143 65,428 8,087	12.26 1.65 1.49
2016	\$ 151,991	\$ 29,088	\$ 122,903	First Senior Second Senior Subordinate	\$ - 7,588 -	\$ 10,143 45,705 8,086	\$ - 1,914 -	\$ 10,143 55,207 8,086	12.12 1.88 1.67
2015	\$ 151,172	\$ 28,230	\$ 122,942	First Senior Second Senior Subordinate	\$ - 8,687 -	\$ 10,143 41,387 8,106	\$ - 2,535 -	\$ 10,143 52,609 8,106	12.12 1.96 1.74
2014	\$ 148,943	\$ 26,336	\$ 122,607	First Senior Second Senior Subordinate	\$ - 4,202 -	\$ 10,143 33,172 8,102	\$ - 2,563 -	\$ 10,143 39,937 8,102	12.09 2.45 2.11
2013	\$ 127,199	\$ 28,045	\$ 99,154	First Senior Second Senior Subordinate	\$ - 9,042 -	\$ 10,143 20,127 7,983	\$ - 185 -	\$ 10,143 29,354 7,983	9.78 2.51 2.09

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

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Exhibit S-16 – RATIOS OF OUTSTANDING DEBT

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

Outstanding Debt by Type	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
First Senior Lien Revenue Bonds	\$ 4,153,230	\$ 4,346,725	\$ 4,181,625	\$ 4,427,830	\$ 4,424,530	\$ 4,472,075	\$ 4,546,600	\$ 4,780,260	\$ 4,870,030	\$ 4,950,835
Unamortized Premiums and (Discounts)	459,293	514,895	358,089	347,065	313,066	264,870	208,795	170,520	139,997	92,387
Commercial Paper Notes	-	-	-	-	-	-	-	-	21,000	21,000
Total Long-Term/Short-Term Debt, Net	\$ 4,612,523	\$ 4,861,620	\$ 4,539,714	\$ 4,774,895	\$ 4,737,596	\$ 4,736,945	\$ 4,755,395	\$ 4,950,780	\$ 5,031,027	\$ 5,064,222
Total Enplaned Passengers	22,642	14,528	7,970	24,347	23,751	23,373	22,718	22,299	21,229	21,145
Debt Per Enplanement	\$ 203.72	\$ 334.64	\$ 569.60	\$ 196.12	\$ 199.47	\$ 202.67	\$ 209.32	\$ 222.02	\$ 236.99	\$ 239.50

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

Outstanding Debt by Type	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
First Senior Lien Revenue Bonds	\$ 163,110	\$ 163,110	\$ 163,110	\$ 163,110	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000
Second Senior Lien Revenue Bonds	1,877,788	1,771,562	1,747,844	1,725,365	1,709,567	1,679,447	1,646,705	1,608,640	1,570,333	1,107,277
Subordinate Lien	1,419,365	1,419,365	1,419,365	1,419,365	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
TIFIA Loan	-	-	-	-	1,054,441	831,657	491,484	256,599	-	-
Full Funding Grant Agreement Note	-	-	-	-	-	-	-	100,000	156,317	350,000
Revolving note	65,000	-	-	-	-	-	-	-	-	-
Unamortized Premium (Discount)	137,909	116,509	127,352	137,886	3,101	5,124	7,062	8,918	10,696	(4,922)
Total Long-Term/Short-Term Debt, Net	\$ 3,663,172	\$ 3,470,546	\$ 3,457,671	\$ 3,455,726	\$ 3,255,109	\$ 3,064,228	\$ 2,674,251	\$ 2,532,157	\$ 2,249,801	\$ 2,100,355
Total Road Transactions	73,190	65,227	55,136	90,972	96,333	97,090	97,719	98,241	96,507	98,676
Debt Per Transaction	\$ 50.05	\$ 53.21	\$ 62.71	\$ 37.99	\$ 33.79	\$ 31.56	\$ 27.37	\$ 25.77	\$ 23.31	\$ 21.29

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 Terminal One	249,224 square feet
	Terminal Terminal Two	1,306,166 square feet
	Total Terminal Space	1,555,390 square feet
	Number of Passenger Gates	58
	Number of Hardstand Positions	-
	Total Aircraft Positions	58
Parking:	Garage Parking	6,380 spaces
	Electric Car Charging Stations	103 spaces
	Surface Parking	2,757 spaces
	Cell Phone Waiting Area Parking	- spaces
	Total Public Parking	9,137 spaces
	Tenant Employee Parking	3,203 spaces
Cargo:	Total Parking	12,340 spaces
	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, 2022

Source: Airports Authority Records

Exhibit S-17 – AIRPORT INFORMATION (*continued*)

Washington Dulles International Airport		
Location:	Twenty-six miles west from downtown Washington, D.C., located in Fairfax and Loudoun Counties, VA	
Acres:	11,184 +/- 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	923,064 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	3,719,277 square feet
	Number of Passenger Gates	97
	Maximum Aircraft Positions	139
Parking:	Garage Parking	8,149 spaces
	Electric Car Charging Stations	28 spaces
	Surface Parking	14,642 spaces
	Cell Phone Waiting Area Parking	525 spaces
	Total Public Parking	23,316 spaces
	Tenant Employee Parking	7,247 spaces
Cargo:	Total Parking	30,563 spaces
International:	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	
	IAD Metrorail Station (Opened on November 15th 2022)	
	Metro Bus 5A - DC - Dulles Line (Until November 15th 2022)	

Data as of December 31, 2022

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:	Exact Change and Electronic Toll Collection (E-Zpass, Mobile Toll Applications)
Total of Toll Collection Lanes:	59 (24 Lanes Coins/Electronic Tolls, 34 Lanes Dedicated Electronic Toll Payment Only, 1 Lane Permanently Closed)
Intersecting Roadways:	Chain Bridge Road (SR 123) Wiehle Ave. (SR 828) Capital Beltway (I-495) Reston Parkway (SR 602) Spring Hill Road (SR 684) Fairfax County Parkway (SR 7100) Leesburg Pike (SR 7) Monroe Street Trap Road Centreville Road (SR 657) Hunter Mill Road (SR 674) Sully Road (SR 28)
Parallel Roadways:	Interstate 66 Leesburg Pike (SR 7) US Route 29 State Route 236 US Route 50

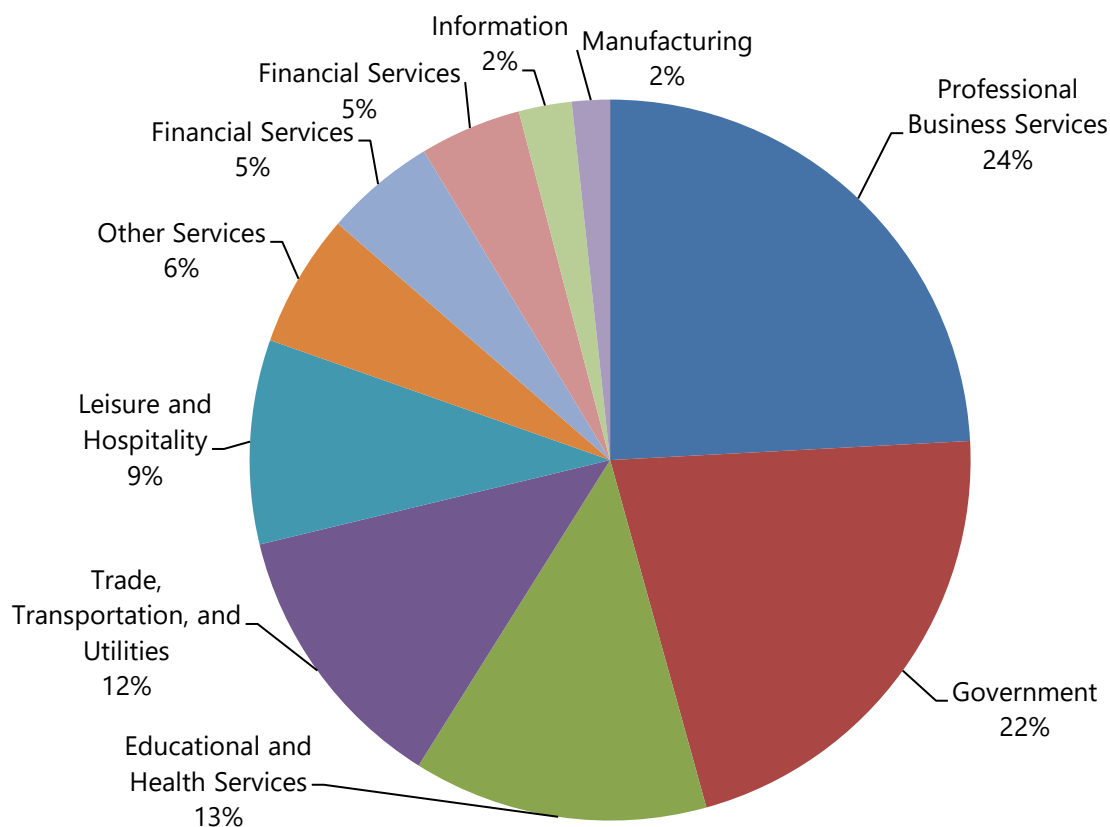


Data as of December 31, 2022
Source: Airports Authority Records

Exhibit S-19 – EMPLOYMENT BY INDUSTRY

Industry	Annual Average Numbers of Employees (in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Professional Business Services	797.6	782.5	771.1	775.9	762.8	754.2	741.6	722.7	748.1	708.4
Government	711.2	706.9	700.6	703.6	702.9	700.9	701.8	694.8	685.6	696.9
Educational and Health Services	436.5	432.4	420.3	449.1	446.1	447.6	424.8	418.7	397.1	390.6
Trade, Transportation, and Utilities	407.0	394.7	389.5	403.8	412.7	411.0	413.9	403.0	395.5	405.8
Leisure and Hospitality	302.3	258.5	255.9	349.5	337.1	333.7	321.5	305.1	298.9	293.6
Other Services	197.7	191.7	204.4	209.6	209.9	197.0	200.6	195.8	235.6	185.8
Mining, Logging, and Construction	164.5	161.6	163.9	161.6	165.0	158.7	157.2	152.0	147.9	140.1
Financial Services	150.6	152.9	159.4	156.6	159.6	157.7	154.4	150.5	154.6	157.0
Information	78.4	73.0	74.7	73.6	74.6	71.4	74.6	76.1	73.7	75.6
Manufacturing	56.2	55.7	55.2	55.5	55.6	53.8	53.5	49.3	45.4	47.3
DC-VA-MD-WV - Metropolitan Statistical Area	3,302.0	3,209.9	3,195.0	3,338.8	3,326.3	3,286.0	3,243.9	3,168.0	3,182.3	3,101.1

Air Trade Area Employment by Sector - 2022



Source: U.S Department of Labor, Bureau of Labor Statistics (Preliminary December 2022 data)

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Exhibit S-20 – MAJOR PRIVATE EMPLOYERS

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

Employer	Fortune 500 Rank		2022 Revenue (in \$ Billions)	State	Industry
	2022	2021			
Fannie Mae	33	25	\$ 101.5	DC	Financial Services
Lockheed Martin Corp.	55	49	67.0	MD	Aerospace & Defense
Freddie Mac	56	47	65.9	VA	Financial Services
General Dynamics Corp.	94	84	38.5	VA	Aerospace & Defense
Northrop Grumman	101	86	35.7	VA	Aerospace & Defense
Capital One Financial Corp.	108	99	32.0	VA	Financial Services
Danaher Corp.	118	130	29.5	DC	Technology
DXC Technology	207	152	17.7	VA	Information Technology
Marriott International Inc.	270	293	13.9	MD	Hospitality & Travel
Leidos Holdings	274	248	13.7	VA	Information Technology
AES Corp.	333	313	11.1	VA	Energy
NVR	389	383	9.0	VA	Homebuilders
Carlyle Group	398	*	8.8	DC	Securities
Booz Allen Hamilton	436	391	7.9	VA	Professional Services
Science Applications International Corp.	456	412	7.4	VA	Information Technology
Beacon Roofing Supply	478	420	6.8	VA	Wholesalers
			<u>\$ 466</u>		

Sixteen Washington-area companies were on the Fortune 500 list of the country's largest companies by revenue in 2022.

* Did not make the list in 2021

Major Private-Sector Employers of Metro-Area Employees

Employer	Number of Metro-Area Employees	Industry
Inova Health System	20,000	Health Care
Giant Food LLC	19,172	Grocery chain
MedStar Health	17,236	Health Care
Deloitte	16,041	Professional Services
Leidos Holdings Inc	16,011	Technology
Marriott International	15,763	Hospitality & Travel
Booz Allen Hamilton Inc.	13,487	Professional Services
Verizon	11,587	Telecommunications
Safeway	11,568	Grocery chain
General Dynamics Corp.	11,500	Aerospace & Defense
Amazon.com	11,400	E-commerce
Capital One Financial Corp.	10,520	Financial Services
Accenture	9,600	Federal Contracting
Children's National Health System	7,653	Health Care
CACI International	7,111	Professional Services
Science Applications International Corp.	6,584	Technology
Kaiser Permanente of the Mid-Atlantic States	6,158	Health Care
Adventist HealthCare	6,145	Health Care
Peraton	5,670	Government contracting
Northrop Grumman Corp.	5,100	Defense and Technology
Securitas Security Services USA	4,964	Security
MITRE	4,211	Government contracting
Holy Cross Health	4,060	Hospital

Source: Washington Business Journal 2022 Book of Lists

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Exhibit S-21 – POPULATION TRENDS

Annual Estimates of the Resident Population (in Thousands)

JURISDICTION	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District of Columbia	670.1	712.8	705.7	702.5	694.0	681.2	672.2	658.9	646.4	632.3
Arlington County, VA	233.0	240.1	236.8	237.5	235.0	230.1	229.2	226.9	224.9	221.1
City of Alexandria, VA	154.7	158.7	159.4	160.5	160.0	155.8	153.5	150.6	148.9	146.3
Central Jurisdictions	1,057.8	1,111.6	1,101.9	1,100.5	1,089.0	1,067.1	1,054.9	1,036.4	1,020.2	999.7
Fairfax County, VA	1139.7	1150.8	1147.5	1150.8	1148.4	1138.7	1142.2	1,137.5	1,130.9	1,118.6
Montgomery County, MD	1054.8	1051.8	1050.7	1052.6	1058.8	1043.9	1040.1	1,030.4	1,016.7	1,004.7
Prince George's County, MD	955.3	909.6	909.3	909.3	912.8	908.0	909.5	904.4	890.1	881.1
City of Fairfax, VA	24.3	23.4	24.0	24.6	24.1	24.2	24.0	24.5	24.0	23.5
City of Falls Church, VA	14.5	14.6	14.6	14.8	14.6	14.0	13.9	13.6	13.5	13.2
Inner Suburbs	3188.6	3150.2	3146.1	3152.1	3158.7	3128.8	3,129.7	3,110.4	3,075.2	3,041.1
Prince William County, VA	484.5	475.5	470.3	468.0	463.0	455.2	451.7	446.1	438.6	430.3
Loudoun County, VA	427.6	422.8	413.5	406.9	398.1	385.9	375.6	363.1	349.7	336.9
Frederick County, MD	279.8	265.2	259.5	255.6	252.0	247.6	245.3	243.7	241.4	239.6
Charles County, MD	168.7	164.4	163.3	161.5	159.7	157.7	156.1	154.7	152.9	150.6
Stafford County, VA	160.9	156.7	152.9	150.0	146.6	144.4	142.0	140.0	136.8	134.4
Spotsylvania County, VA	143.7	138.4	136.2	134.2	133.0	132.0	130.5	129.2	127.3	125.7
Calvert County, MD	93.9	93.1	92.5	92.0	91.5	91.3	90.6	90.6	90.5	89.6
Fauquier County, VA	73.8	71.4	71.2	70.7	69.5	69.1	68.8	68.2	67.2	66.5
Jefferson County, WV	58.4	57.5	57.1	56.8	56.3	56.4	56.5	55.7	55.1	54.5
Warren County, VA	40.9	40.5	40.2	40.0	39.6	39.2	39.1	39.0	38.7	38.1
Manassas City, VA	42.7	40.9	41.1	41.6	41.5	41.5	41.8	42.1	41.7	40.6
Fredericksburg City, VA	28.4	29.5	29.0	29.1	28.4	28.3	28.1	28.4	28.1	27.3
Clarke County, VA	14.9	14.6	14.6	14.5	14.5	14.4	14.4	14.4	14.3	14.3
Manassas Park City, VA	17.0	18.0	17.5	17.3	16.6	15.9	15.7	15.2	16.1	15.8
Outer Suburbs	2,035.2	1,988.5	1,958.9	1,938.2	1,910.3	1,878.9	1,856.2	1,830.4	1,798.4	1,764.2
DC-MD-VA-WV Metropolitan Statistical Area	6,281.6	6,250.3	6,206.9	6,190.8	6,158.0	6,074.8	6,040.8	5,977.2	5,893.8	5,805.0
Personal Income (Millions)	\$ 507,691	\$ 479,842	\$ 461,700	\$ 448,728	\$ 428,480	\$ 405,390	\$ 391,938	\$ 376,413	\$ 362,511	\$ 358,420
Per Capital Income	\$ 80,822	\$ 76,771	\$ 74,385	\$ 72,483	\$ 69,581	\$ 66,733	\$ 64,882	\$ 62,975	\$ 61,507	\$ 61,743

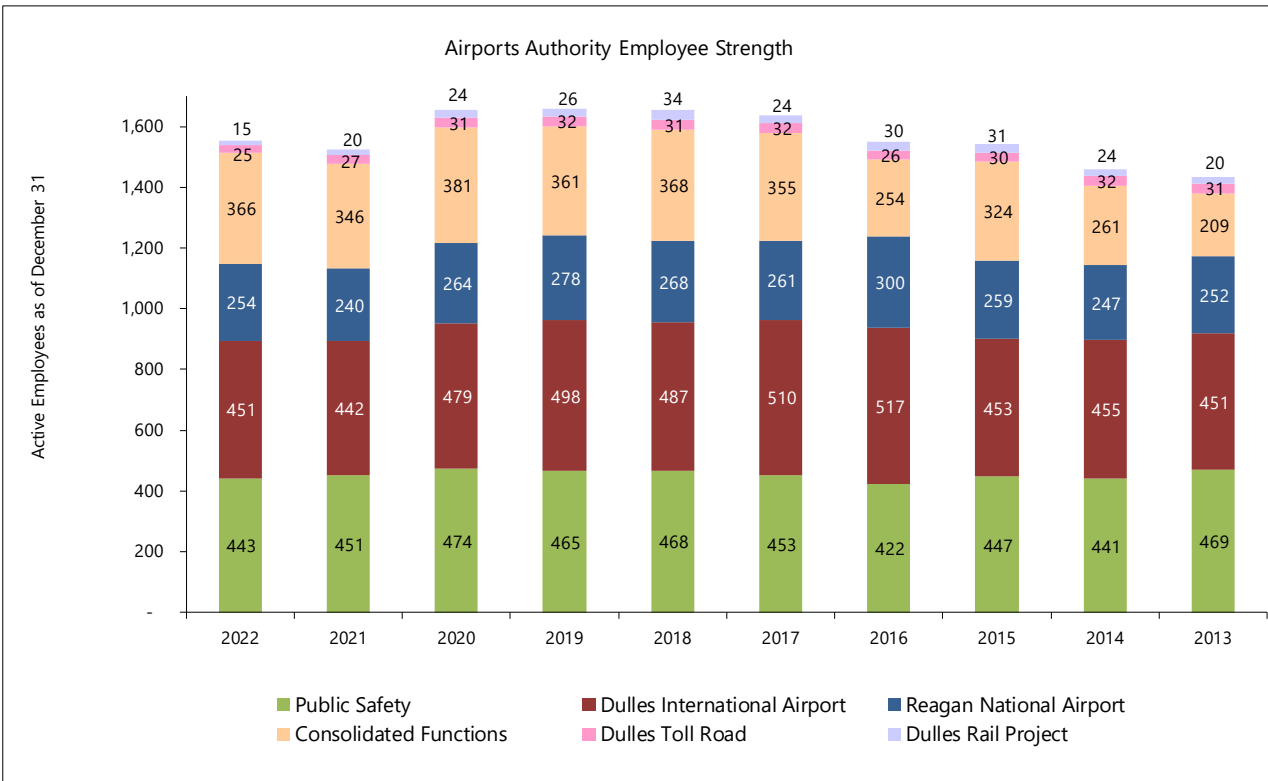
The DC-MD-VA-WVA Metropolitan Statistical Area is the Air Trade Area for the Airports Authority. Ronald Reagan Washington National Airport is located in Arlington County, VA and Washington Dulles International Airport is located in Fairfax and Loudoun Counties, VA. The Dulles Toll Road is located in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

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

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

Source: U.S. Census Bureau, Population Division, Release Date: December 2021; U.S. Bureau of Economic Analysis, Release Date: November 2022

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.

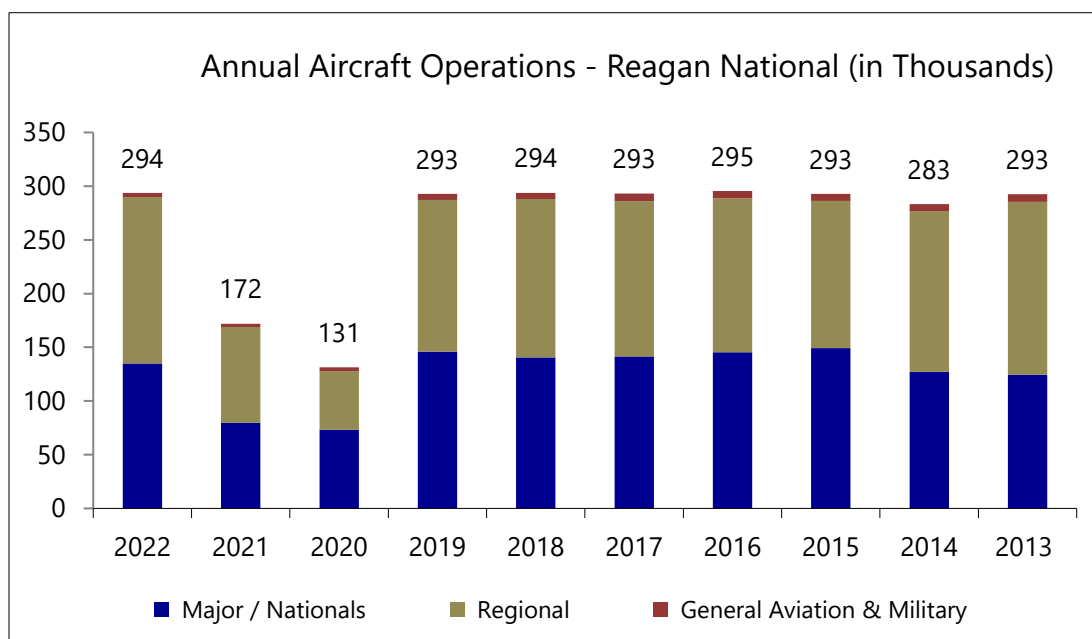
Consolidated Functions includes the Board Office, Executive Office, Office of Communications, Office of Finance, Office of Engineering, Office of Airline Business Development, General Counsel, Office of Audit, Office of Supply Chain Management, Office of Real Estate, Office of Marketing and Consumer Strategy, Office of Customer and Concessions Development, Office of Human Resources, and Office of Technology. 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
2022	134,955	154,985	2,198	1,536	293,674
2021	79,841	88,950	1,607	1,498	171,896
2020	73,133	54,524	1,778	1,864	292,682
2019	146,084	140,936	2,807	2,855	293,827
2018	140,458	147,516	3,114	2,739	293,097
2017	141,466	144,471	3,916	3,244	295,420
2016	145,227	143,358	3,363	3,472	292,781
2015	149,140	137,197	3,112	3,332	283,180
2014	127,250	149,343	3,740	2,847	292,656
2013	124,643	160,603	5,057	2,353	288,176

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



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

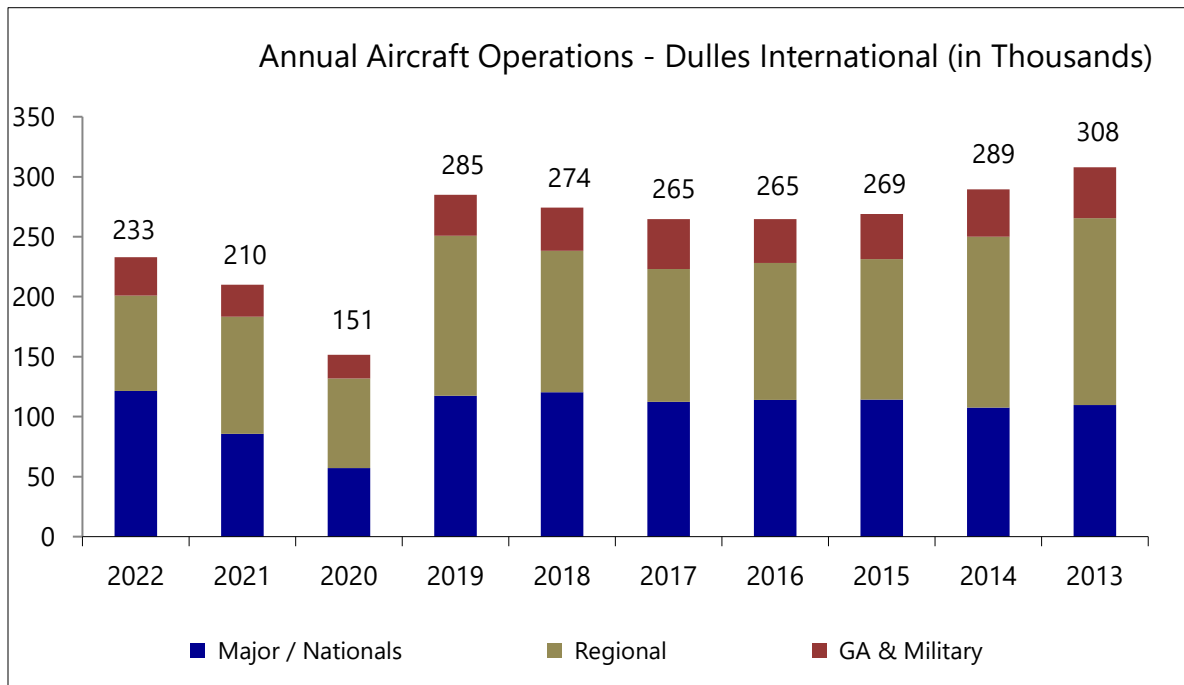
In 2022, there were 293,674 operations, a 70.8% increase compared to 171,896 operations in 2021. This was driven by increased demand for air travel related to the market recovery from the COVID-19 pandemic.

Source: Airports Authority Records

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

Year	Major / Nationals	Regional	General Aviation	Military	Total
2022	121,481	79,422	31,535	534	232,972
2021	85,711	97,606	26,017	579	209,913
2020	57,155	74,707	19,229	381	151,472
2019	117,497	133,224	33,939	382	274,281
2018	120,302	117,907	35,528	544	264,575
2017	112,425	110,556	40,820	774	264,766
2016	113,846	114,203	36,256	461	269,070
2015	114,199	117,263	37,126	482	289,382
2014	107,477	142,400	38,965	540	307,816
2013	109,825	155,789	41,218	984	312,078

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.



In 2022, there were 232,972 total aircraft operations, a 11 percent increase from 2021 levels of 209,913. This was driven by increased demand for air travel related to the market recovery from the COVID-19 pandemic.

Source: Airports Authority Records

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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
2022	11,835,706	68.6%	6,924,254	21.1%	409,359,966 ¹	25.8%
2021	7,021,217	88.0%	5,719,847	84.8%	325,462,132	50.7%
2020	3,733,911	-68.3%	3,095,434	-62.0%	216,016,652	-53.0%
2019	11,765,809	2.1%	8,149,890	2.4%	459,824,918	4.0%
2018	11,526,279	-2.0%	7,956,547	6.6%	442,138,660	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%

Year	Reagan National: International/ Transborder Passenger Enplanements	Annual Growth	Dulles International: International/ Transborder Passenger Enplanements	Annual Growth	Industry: International/ Transborder Passenger Enplanements	Annual Growth
2022	133,779	382.2%	3,661,757	119.9%	68,626,617 ²	94.3%
2021	27,746	-17.5%	1,665,176	68.5%	35,320,720	-17.2%
2020	33,626	-81.6%	988,003	-76.3%	42,662,002	-43.3%
2019	183,231	0.4%	4,177,036	3.3%	75,284,476	4.4%
2018	183,576	9.6%	3,986,716	3.7%	72,111,567	4.4%
2017	182,929	-15.6%	3,857,629	4.0%	69,072,382	6.7%
2016	166,929	-1.7%	3,719,341	0.2%	64,701,399	2.7%
2015	197,719	-1.4%	3,574,810	3.0%	63,013,932	-24.4%
2014	201,127	12.5%	3,566,920	4.4%	83,372,386	2.9%
2013	204,020	43.9%	3,463,983	1.9%	81,009,988	4.9%

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

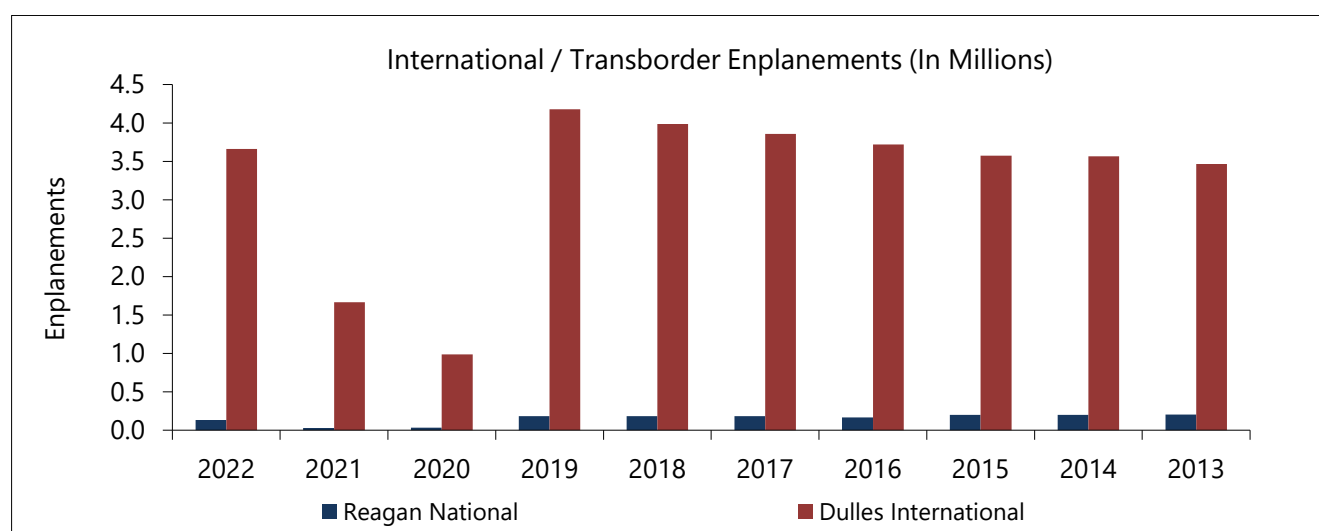
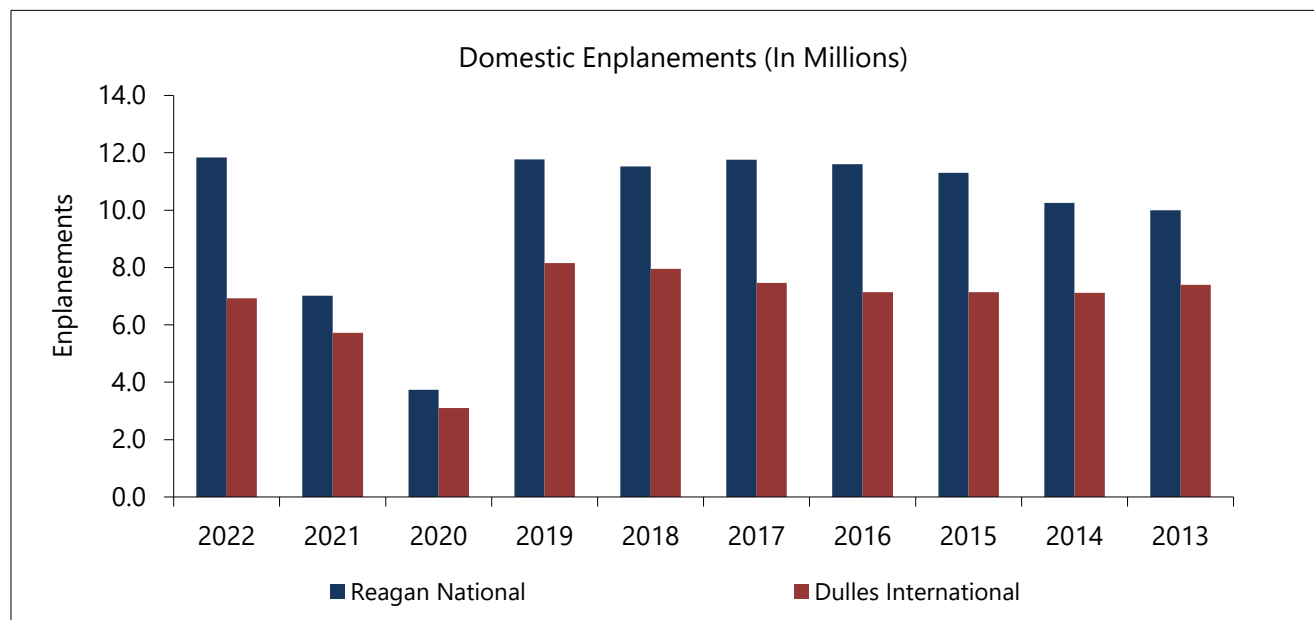
Excludes general aviation and military enplanements.

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, 2022.

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, 2022.

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 68.6 percent in 2022 to 11.8 million as a result of increase demand for air travel related to the market recovery from the COVID-19 pandemic. The percentage of passenger increases at Reagan National were significantly higher than the U.S. average due to the expiration of Reagan National's slot waiver in April 2021 requiring all domestic airlines to operate their slots at the same 80% utilization they did prior to the pandemic.

Total enplanements at Dulles International increased 43.5 percent in 2022 to 10.6 million as a result of increase demand for air travel related to the market recovery from the COVID-19 pandemic. The percentage of passenger increases at Dulles International were significantly higher than the U.S. average due to United Airlines' increased focus on shifting connecting passengers via Dulles International.

Source: Airports Authority Records

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

Airlines ¹	2022		2021		2020		2019	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
American	4,009,792	27.01%	2,477,120	28.06%	1,998,630	29.65%	3,456,966	25.02%
PSA	2,335,980	15.74%	1,146,216	12.99%	646,894	9.60%	1,700,340	12.31%
Southwest	1,958,440	13.19%	1,128,930	12.79%	1,126,016	16.70%	2,061,693	14.92%
Republic (American Eagle)	1,558,689	10.50%	1,206,485	13.67%	670,278	9.94%	1,800,540	13.03%
Delta	1,204,985	8.12%	954,393	10.81%	788,357	11.70%	1,355,994	9.82%
JetBlue	1,083,832	7.30%	458,325	5.19%	400,135	5.94%	1,044,485	7.56%
Republic Airline (Delta)	591,737	3.99%	243,848	2.76%	153,038	2.27%	362,918	2.63%
United	558,248	3.76%	228,576	2.59%	187,167	2.78%	663,905	4.80%
GoJet Airlines (United Express)	307,928	2.07%	88,511	1.00%	5,856	0.09%	-	0.00%
Envoy Air (American Eagle)	279,145	1.88%	198,987	2.25%	33,803	0.50%	100,583	0.73%
Alaska	275,133	1.85%	240,706	2.73%	169,368	2.51%	257,910	1.87%
Frontier	158,495	1.07%	120,730	1.37%	105,700	1.57%	151,371	1.09%
Endeavor (Delta Connection)	135,732	0.91%	42,135	0.48%	51,068	0.76%	117,535	0.85%
Air Canada Jazz	111,721	0.75%	21,671	0.25%	21,962	0.33%	66,748	0.48%
SkyWest (United Express)	85,151	0.57%	34,922	0.40%	36,129	0.54%	51,909	0.38%
Republic (United Express)	78,065	0.53%	69,329	0.79%	106,239	1.58%	115,002	0.83%
Mesa (United Express)	65,025	0.44%	75,450	0.85%	45,150	0.67%	71,475	0.52%
Signature	38,159	0.26%	29,181	0.33%	25,007	0.36%	48,347	0.35%
MN Airlines (Sun Country)	6,437	0.04%	2,780	0.03%	1,463	0.02%	7,032	0.05%
SkyWest (Delta Connection)	75	0.00%	12,244	0.14%	-	0.00%	12,478	0.09%
MN Airlines	75	0.00%	439	0.00%	-	0.00%	1,395	0.01%
Other ²	-	0.00%	45,833	0.52%	168,381	2.49%	366,678.00	2.66%
GRAND TOTAL	14,842,844	100.00%	8,826,811	100.00%	6,740,641	100.00%	13,815,304	100.00%

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

² Includes airlines no longer serving Reagan National or carriers with insignificant activity.

Source: Airports Authority Records

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2018		2017		2016		2015		2014		2013	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
3,226,093	23.52%	3,463,276	25.35%	3,788,628	27.00%	1,427,907	10.27%	1,337,039	10.34%	1,413,537	10.74%
1,313,691	9.58%	1,244,806	9.11%	990,714	7.06%	408,290	2.94%	325,395	2.52%	511,885	3.89%
1,959,795	14.29%	1,748,496	12.80%	1,975,312	14.08%	1,945,206	13.99%	799,870	6.19%	181,298	1.38%
1,847,354	13.47%	1,466,389	10.74%	1,039,282	7.41%	226,520	1.63%	63,039	0.49%	4,722	0.04%
1,406,846	10.26%	1,370,801	10.04%	1,377,218	9.82%	1,337,791	9.61%	1,347,547	10.42%	1,398,371	10.63%
1,045,994	7.63%	1,004,733	7.36%	1,120,843	7.99%	1,123,683	8.08%	831,771	6.43%	733,485	5.58%
331,388	2.42%	296,739	2.17%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
727,170	5.30%	653,505	4.78%	635,272	4.53%	700,245	5.04%	799,485	6.18%	938,342	7.14%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
89,162	0.65%	43,368	0.32%	1,483	0.01%	36,935	0.27%	129,558	1.00%	-	0.00%
261,619	1.91%	208,706	1.53%	208,971	1.49%	208,669	1.50%	207,389	1.60%	209,664	1.59%
150,551	1.10%	149,999	1.10%	151,142	1.08%	152,231	1.10%	150,181	1.16%	193,827	1.47%
146,506	1.07%	114,050	0.83%	107,929	0.77%	167,775	1.21%	186,956	1.45%	95,464	0.73%
67,965	0.50%	73,701	0.54%	64,158	0.46%	67,026	0.48%	64,145	0.50%	66,988	0.51%
64,660	0.46%	140,745	1.03%	77,267	0.55%	121,280	0.87%	61,192	0.47%	6,162	0.05%
27,071	0.20%	87,092	0.64%	109,620	0.78%	41,827	0.30%	49,724	0.38%	45,756	0.35%
57,150	0.42%	72,442	0.53%	63,300	0.45%	19,950	0.14%	-	0.00%	-	0.00%
120,652	0.88%	79,138	0.58%	60,097	0.43%	58,401	0.42%	58,613	0.45%	46,858	0.36%
146	0.00%	3,606	0.03%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3,953	0.03%	197	0.00%	94	0.00%	47	0.00%	47	0.00%	-	0.00%
7,385	0.05%	44,575	0.33%	86,550	0.62%	90,358	0.65%	88,602	0.69%	61,158	0.47%
857,813	6.26%	1,392,544	10.19%	2,172,266	15.47%	5,768,106	41.50%	6,426,024	49.73%	7,239,666	55.07%
13,712,964	100.00%	13,658,908	100.00%	14,030,146	100.00%	13,902,247	100.00%	12,926,577	100.00%	13,147,183	100.00%

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

Airlines ¹	2022		2021		2020		2019	
	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
United	7,409,699	44.61%	4,773,554	37.23%	3,331,084	35.87%	7,091,345	38.12%
Signature	738,529	4.45%	547,697	4.27%	334,579	3.60%	562,564	3.02%
Mesa (United Express)	663,525	3.99%	687,449	5.36%	827,484	8.91%	1,894,636	10.19%
Jet Aviation Dulles, LLC	415,507	2.50%	372,169	2.90%	201,811	2.17%	474,282	2.55%
Republic (United Express)	394,571	2.38%	566,814	4.42%	305,762	3.29%	60,385	0.32%
Delta	374,685	2.26%	412,421	3.22%	264,390	2.85%	463,142	2.49%
Federal Express	369,518	2.22%	419,810	3.27%	421,248	4.54%	367,952	1.98%
British Airways	363,216	2.19%	214,060	1.67%	229,838	2.48%	418,915	2.25%
Air Wisconsin (United Express)	354,004	2.13%	834,109	6.51%	382,157	4.12%	667,917	3.59%
Lufthansa	346,156	2.08%	164,553	1.28%	106,052	1.14%	464,392	2.50%
Commair	316,550	1.91%	224,205	1.74%	324,532	3.50%	438,310	2.36%
Air France	289,035	1.74%	165,364	1.29%	99,178	1.07%	332,900	1.79%
Emirates	272,465	1.64%	211,259	1.65%	173,538	1.87%	316,897	1.70%
Southwest	267,431	1.61%	249,509	1.95%	174,608	1.88%	246,237	1.32%
Qatar Airways	261,034	1.57%	265,682	2.07%	143,891	1.55%	201,907	1.09%
Turkish Airlines	258,786	1.56%	172,122	1.34%	98,770	1.06%	141,152	0.76%
Ethiopian Airlines	234,946	1.41%	180,678	1.41%	152,948	1.65%	185,696	1.00%
GoJet (United Express)	224,724	1.35%	110,471	0.86%	2,867	0.03%	-	0.00%
American	218,941	1.32%	133,351	1.04%	138,764	1.49%	284,601	1.53%
Saudi Arabian	201,694	1.21%	141,824	1.11%	107,476	1.16%	185,036	0.99%
Alaska	181,061	1.09%	115,959	0.90%	111,146	1.20%	272,622	1.47%
TACA International	176,477	1.06%	136,766	1.07%	51,564	0.56%	129,655	0.70%
All Nippon	163,072	0.98%	188,720	1.47%	92,451	1.00%	200,548	1.08%
Etihad	159,374	0.96%	96,475	0.75%	46,158	0.50%	155,124	0.83%
SkyWest (Delta Connection)	155,520	0.94%	141,658	1.10%	76,185	0.82%	152,559	0.82%
Korean Air	140,564	0.85%	89,212	0.70%	97,954	1.06%	202,210	1.09%
KLM Royal Dutch	121,548	0.73%	103,589	0.81%	66,089	0.70%	146,389	0.79%
United Parcel Service	119,755	0.72%	119,673	0.93%	97,580	1.05%	92,649	0.50%
COPA	113,529	0.68%	90,413	0.71%	38,503	0.41%	119,164	0.64%
Virgin Atlantic	94,585	0.57%	-	0.00%	26,224	0.28%	139,430	0.75%
Austrian	94,300	0.57%	78,974	0.62%	40,525	0.43%	102,186	0.55%
Aer Lingus	91,176	0.55%	15,440	0.12%	20,891	0.23%	121,945	0.65%
SAS	75,277	0.45%	65,355	0.51%	44,628	0.48%	143,147	0.77%
Icelandair	72,234	0.43%	40,824	0.32%	13,965	0.15%	113,347	0.61%
Egyptair	72,110	0.43%	63,250	0.49%	45,669	0.49%	38,675	0.20%
Jazz Aviation(Air Canada Jazz)	70,348	0.42%	51,210	0.40%	2,999	0.03%	24,469	0.13%
PSA	67,185	0.40%	95,786	0.75%	82,202	0.89%	168,836	0.91%
Royal Air Maroc	63,597	0.38%	57,893	0.45%	16,070	0.17%	73,909	0.40%
SkyWest (United Express)	59,718	0.36%	112,489	0.88%	86,621	0.93%	110,519	0.59%
Air India	58,900	0.35%	44,460	0.35%	47,606	0.51%	85,870	0.46%
Trans. Aereos Portugueses (TAP)	56,180	0.34%	34,550	0.27%	15,870	0.17%	40,208	0.22%
Republic Airlines (Delta)	54,376	0.33%	17,229	0.13%	369	0.00%	72	0.00%
Avianca	50,726	0.31%	21,516	0.17%	40,226	0.43%	74,690	0.40%
Allegiant Air	47,501	0.29%	2,270	0.02%	-	0.00%	-	0.00%
Vuela Aviacion, S.A.	42,741	0.26%	16,948	0.13%	8,681	0.09%	28,660	0.15%
Brussels	42,436	0.26%	25,132	0.20%	6,861	0.07%	70,977	0.38%
Porter	38,347	0.23%	8,645	0.07%	5,002	0.05%	64,405	0.36%
Iberia Airlines	34,887	0.21%	-	0.00%	-	0.00%	-	0.00%
Endeavor (Delta Connection)	33,110	0.20%	34,161	0.27%	89,765	0.97%	79,155	0.43%
Air Canada	26,006	0.16%	142	0.00%	-	0.00%	-	0.00%
Southern Airways Express, LLC	25,965	0.16%	15,116	0.12%	-	0.00%	-	0.00%
Omni Air International	16,924	0.10%	40,235	0.31%	50,135	0.54%	53,009	0.28%
Other ²	16,446	0.10%	50,830	0.39%	144,004	1.56%	798,204	4.29%
GRAND TOTAL	16,610,991	100.00%	12,822,020	100.00%	9,286,920	100.00%	18,600,899	100.00%

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

² Includes airlines no longer serving Dulles International or carriers with insignificant activity.

Source: Airports Authority Records

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2018		2017		2016		2015		2014		2013	
Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share	Landed Weights	Market Share
6,640,796	37.20%	6,313,309	37.59%	6,061,065	36.20%	5,850,223	35.43%	6,027,022	36.06%	6,526,204	37.81%
653,277	3.66%	376,851	2.24%	625,638	3.74%	573,319	3.47%	569,271	3.41%	487,886	2.83%
1,746,287	9.78%	1,889,093	11.25%	1,832,724	10.95%	1,558,933	9.44%	577,406	3.46%	532,382	3.09%
243,960	1.37%	222,739	1.36%	353,888	2.11%	400,148	2.42%	368,178	2.20%	400,398	2.32%
72	0.00%	27,724	0.17%	375	0.00%	20,594	0.13%	284,828	1.70%	233,430	1.35%
462,882	2.59%	421,357	2.51%	382,964	2.29%	377,066	2.28%	336,728	2.02%	289,323	1.68%
373,431	2.09%	346,403	2.06%	364,015	2.17%	385,843	2.34%	384,891	2.30%	386,618	2.24%
424,962	2.38%	451,336	2.69%	464,889	2.78%	472,437	2.86%	480,525	2.88%	444,618	2.57%
579,510	3.25%	103,354	0.62%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
477,694	2.68%	479,590	2.86%	482,661	2.88%	458,813	2.78%	434,196	2.60%	430,518	2.49%
367,705	2.06%	442,384	2.63%	449,365	2.68%	324,419	1.97%	313,298	1.87%	271,850	1.58%
311,505	1.75%	323,252	1.93%	308,314	1.84%	301,451	1.83%	329,899	1.97%	347,847	2.02%
318,565	1.79%	297,003	1.77%	309,339	1.85%	201,786	1.22%	202,339	1.21%	283,181	1.64%
329,316	1.85%	306,525	1.83%	284,330	1.70%	310,896	1.88%	308,878	1.85%	330,986	1.92%
203,116	1.13%	206,514	1.23%	201,963	1.21%	203,018	1.23%	201,786	1.21%	201,291	1.17%
140,603	0.79%	138,612	0.83%	159,915	0.96%	139,246	0.84%	138,418	0.83%	141,376	0.82%
179,678	1.01%	185,341	1.10%	171,609	1.03%	164,575	1.00%	163,800	0.98%	158,347	0.92%
-	0.00%	-	0.00%	-	0.00%	603	0.00%	137,752	0.82%	205,824	1.19%
391,354	2.18%	352,409	2.10%	357,513	2.13%	314,182	1.90%	402,712	2.41%	455,130	2.64%
181,158	1.02%	197,224	1.17%	201,080	1.20%	201,643	1.22%	202,020	1.21%	171,892	0.99%
208,345	1.17%	56,143	0.33%	55,196	0.33%	43,856	0.27%	-	0.00%	-	0.00%
125,192	0.70%	115,370	0.69%	113,314	0.68%	120,116	0.73%	148,980	0.89%	127,440	0.74%
202,764	1.14%	203,318	1.21%	202,764	1.21%	202,764	1.23%	202,210	1.21%	202,116	1.17%
155,124	0.87%	155,993	0.93%	155,568	0.93%	167,326	1.01%	201,052	1.20%	153,451	0.89%
47,514	0.27%	52,588	0.31%	24,903	0.15%	12,356	0.08%	8,648	0.05%	8,712	0.05%
202,507	1.13%	198,210	1.18%	201,102	1.20%	193,562	1.17%	191,212	1.14%	172,036	0.99%
159,312	0.89%	161,907	0.96%	149,604	0.89%	147,229	0.89%	150,448	0.90%	163,523	0.95%
96,359	0.54%	102,855	0.61%	96,090	0.57%	89,541	0.54%	90,665	0.54%	87,538	0.51%
122,845	0.69%	113,236	0.67%	107,601	0.64%	102,756	0.62%	96,725	0.58%	94,542	0.55%
135,255	0.76%	134,620	0.80%	140,395	0.84%	152,272	0.92%	138,570	0.83%	139,203	0.80%
102,216	0.57%	98,254	0.58%	101,547	0.61%	132,213	0.80%	131,564	0.79%	106,353	0.62%
115,363	0.65%	69,090	0.41%	56,268	0.34%	47,240	0.29%	-	0.00%	-	0.00%
138,123	0.77%	139,504	0.83%	139,011	0.83%	135,879	0.82%	136,369	0.82%	132,108	0.76%
103,869	0.58%	116,667	0.69%	91,560	0.55%	73,710	0.45%	46,620	0.28%	48,510	0.28%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20,009	0.11%	9,072	0.05%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
169,877	0.95%	188,648	1.12%	206,370	1.23%	126,459	0.77%	51,453	0.31%	50,409	0.29%
69,520	0.39%	62,302	0.37%	15,196	0.09%	-	0.00%	-	0.00%	-	0.00%
59,219	0.33%	2,716	0.02%	-	0.00%	1,297	0.01%	103,062	0.62%	143,715	0.83%
86,362	0.48%	40,178	0.24%	-	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%
50,722	0.28%	50,606	0.30%	50,236	0.30%	50,236	0.30%	49,574	0.30%	49,736	0.29%
-	0.00%	-	0.00%	-	0.00%	140	0.00%	140	0.00%	279	0.00%
10,637	0.06%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
79,370	0.45%	73,031	0.43%	67,944	0.41%	58,573	0.36%	98,811	0.59%	52,278	0.30%
66,690	0.37%	66,196	0.39%	61,009	0.36%	58,169	0.35%	54,896	0.33%	57,119	0.33%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
73,681	0.41%	71,964	0.43%	73,227	0.44%	43,980	0.27%	50,550	0.30%	48,739	0.28%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	172	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
49,177	0.28%	33,530	0.20%	34,807	0.21%	34,168	0.21%	22,353	0.13%	-	0.00%
1,174,135	6.58%	1,396,222	8.31%	1,585,918	9.47%	2,259,346	13.66%	2,874,365	17.20%	3,122,257	18.10%
17,850,058	100.00%	16,793,240	100.00%	16,741,277	100.00%	16,512,383	100.00%	16,712,214	100.00%	17,259,337	100.00%

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Metropolitan Washington Airports Authority

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

Airlines ¹	2022		2021		2020		2019	
	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
Domestic								
American	3,343,295	27.90%	2,129,755	30.18%	1,178,314	31.20%	3,094,721	25.86%
Southwest	1,665,737	13.90%	905,647	12.84%	551,066	14.59%	1,800,257	15.05%
Delta	1,045,652	8.73%	744,271	10.55%	447,925	11.86%	1,343,903	11.23%
JetBlue	899,953	7.51%	362,199	5.13%	228,805	6.06%	910,453	7.61%
United	486,826	4.06%	190,814	2.70%	109,164	2.89%	544,819	4.56%
Alaska	257,612	2.15%	208,709	2.96%	106,213	2.81%	266,815	2.23%
Frontier	166,804	1.39%	116,527	1.65%	90,803	2.40%	165,685	1.38%
Other ²	-	0.00%	145	0.00%	-	0.00%	1,258	0.01%
Regionals								
PSA	1,739,005	14.51%	829,052	11.75%	352,260	9.33%	1,322,027	11.05%
Republic (American Eagle)	1,212,241	10.12%	975,965	13.83%	362,759	9.61%	1,394,726	11.66%
Republic Airline (Delta)	385,290	3.22%	159,471	2.26%	63,129	1.67%	248,231	2.07%
Envoy Air (American Eagle)	215,809	1.80%	151,778	2.15%	16,675	0.44%	78,082	0.65%
GoJet Airlines (United Express)	147,538	1.23%	46,770	0.66%	2,271	0.06%	-	0.00%
Endeavor (Delta Connection)	97,124	0.81%	25,344	0.36%	25,998	0.69%	95,491	0.80%
SkyWest (United Express)	71,678	0.60%	26,620	0.38%	21,302	0.56%	44,909	0.38%
Mesa (United Express)	54,709	0.46%	62,686	0.89%	30,197	0.80%	61,723	0.52%
Republic (United Express)	41,104	0.34%	49,119	0.70%	55,802	1.48%	167,840	1.40%
Other ²	22	0.01%	34,070	0.49%	90,608	2.40%	217,599	1.82%
Charters	5,307	0.04%	2,275	0.03%	620	0.02%	7,270	0.06%
General Aviation	9,936	0.08%	4,197	0.06%	4,140	0.11%	11,197	0.09%
Military	2,726	0.02%	2,793	0.04%	4,670	0.12%	4,944	0.04%
TOTAL DOMESTIC	11,848,368	98.88%	7,028,207	99.61%	3,742,721	99.10%	11,781,950	98.47%
Transborder / International								
American Airlines	15,074	0.13%	-	0.00%	-	0.00%	10,109	0.08%
Other ²	-	0.00%	-	0.00%	735	0.02%	2,318	0.02%
Regionals								
Air Canada Jazz	85,860	0.72%	15,173	0.22%	11,910	0.31%	49,408	0.41%
PSA Airlines, Inc.	26,397	0.22%	3,138	0.04%	5,941	0.16%	28,275	0.24%
Republic (American Eagle)	6,394	0.05%	9,435	0.13%	1,704	0.05%	7,052	0.06%
Other ²	54	0.00%	-	0.00%	13,336	0.36%	86,069	0.72%
TOTAL TRANSBORDER/INTERNATIONAL	133,779	1.12%	27,746	0.39%	33,626	0.90%	183,231	1.53%
GRAND TOTAL	11,982,147	100.00%	7,055,953	100.00%	3,776,347	100.00%	11,965,181	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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
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2018		2017		2016		2015		2014		2013	
Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
2,916,086	24.87%	3,104,991	25.95%	3,265,412	27.72%	1,434,409	12.46%	1,326,519	12.67%	1,222,743	11.98%
1,734,092	14.79%	1,742,858	14.56%	1,720,193	14.60%	1,526,755	13.26%	602,534	5.75%	163,459	1.60%
1,280,746	10.92%	1,315,781	11.00%	1,291,474	10.96%	1,227,598	10.67%	1,218,088	11.63%	1,161,463	11.38%
888,149	7.57%	915,987	7.66%	953,568	8.09%	936,319	8.13%	698,337	6.67%	611,949	5.99%
581,317	4.95%	545,789	4.56%	536,397	4.55%	565,748	4.92%	621,019	5.93%	676,651	6.63%
269,147	2.30%	211,964	1.77%	217,186	1.85%	216,726	1.88%	211,710	2.02%	205,297	2.01%
163,743	1.40%	172,533	1.44%	175,806	1.49%	165,349	1.44%	159,684	1.52%	190,024	1.86%
21,610	0.18%	171,379	1.43%	178,039	1.52%	2,146,292	18.65%	2,165,538	20.69%	2,479,626	24.29%
990,891	8.45%	968,959	8.10%	756,932	6.43%	330,904	2.87%	267,293	2.55%	404,206	3.96%
1,389,814	11.85%	1,138,484	9.51%	824,685	7.00%	173,457	1.51%	50,020	0.48%	3,675	0.04%
223,361	1.90%	187,809	1.57%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
70,749	0.60%	31,794	0.27%	1,379	0.01%	28,401	0.24%	102,619	0.98%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
116,880	1.00%	91,954	0.77%	87,021	0.74%	135,580	1.18%	144,621	1.38%	65,165	0.64%
54,181	0.46%	135,614	1.13%	68,882	0.58%	107,115	0.93%	53,543	0.51%	4,355	0.04%
53,517	0.46%	64,116	0.54%	56,342	0.48%	17,430	0.15%	-	0.00%	-	0.00%
176,907	1.51%	69,006	0.58%	94,728	0.80%	38,665	0.33%	38,742	0.37%	30,446	0.30%
594,924	5.08%	894,453	7.47%	1,372,232	11.65%	2,247,365	19.54%	2,596,959	24.81%	2,774,617	27.18%
165	0.00%	-	0.00%	-	0.00%	145	0.00%	-	0.00%	-	0.00%
11,904	0.10%	14,573	0.12%	9,831	0.08%	10,361	0.09%	9,555	0.09%	7,586	0.07%
5,190	0.04%	5,381	0.04%	3,517	0.03%	3,456	0.03%	3,572	0.03%	3,749	0.03%
11,543,373	98.43%	11,783,425	98.47%	11,613,624	98.58%	11,312,075	98.28%	10,270,353	98.08%	10,005,011	98.00%
8,130	0.07%	7,613	0.06%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3,069	0.03%	2,443	0.02%	9,680	0.08%	23,140	0.20%	13,781	0.13%	25,495	0.25%
49,718	0.42%	58,337	0.49%	47,387	0.40%	47,188	0.41%	41,755	0.40%	38,501	0.38%
257	0.00%	944	0.01%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3,673	0.03%	1,657	0.01%	259	0.00%	-	0.00%	-	0.00%	-	0.00%
118,729	1.02%	111,935	0.94%	109,603	0.94%	127,391	1.11%	145,591	1.39%	140,024	1.37%
183,576	1.57%	182,929	1.53%	166,929	1.42%	197,719	1.72%	201,127	1.92%	204,020	2.00%
11,726,949	100.00%	11,966,354	100.00%	11,780,553	100.00%	11,509,794	100.00%	10,471,480	100.00%	10,209,031	100.00%

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

Airlines ¹	2022		2021		2020		2019	
	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
Domestic								
United	4,206,070	39.46%	2,829,832	37.87%	1,384,428	33.44%	3,967,801	32.04%
Delta	290,331	2.72%	249,240	3.34%	136,562	3.30%	390,230	3.15%
Southwest	203,861	1.91%	187,681	2.51%	85,013	2.05%	219,571	1.77%
American	183,610	1.72%	94,659	1.27%	85,215	2.06%	248,158	2.00%
Alaska	171,133	1.61%	102,551	1.37%	63,659	1.54%	240,778	1.94%
Southern Airways Express	13,146	0.11%	4,553	0.06%	-	0.00%	-	0.00%
Envoy	3,211	0.03%	11,070	0.15%	-	0.00%	-	0.00%
Other ²	1,047	0.01%	20,447	0.27%	8,188	0.20%	155,330	1.26%
Regionals								
Mesa (United Express)	574,343	5.39%	550,931	7.37%	533,072	12.87%	1,450,800	11.72%
Commutair	312,172	2.93%	204,458	2.73%	210,417	5.08%	413,824	3.34%
Republic (United Express)	289,271	2.71%	452,590	6.06%	186,138	4.50%	43,210	0.35%
Air Wisconsin (United Express)	244,617	2.29%	673,990	9.02%	243,084	5.87%	567,511	4.58%
GoJet (United Express)	127,157	1.19%	72,097	0.96%	417	0.01%	-	0.00%
SkyWest (Delta Connection)	123,475	1.16%	101,128	1.35%	37,491	0.91%	121,952	0.98%
PSA	54,491	0.51%	77,851	1.04%	57,167	1.38%	142,567	1.15%
Republic Airline (Delta)	34,690	0.33%	9,499	0.13%	21	0.00%	-	0.00%
SkyWest (United Express)	23,691	0.22%	49,041	0.65%	23,811	0.58%	63,844	0.52%
Endeavor (Delta Connection)	20,705	0.19%	22,609	0.30%	37,607	0.91%	65,321	0.53%
Other ²	535	0.01%	3,581	0.05%	2,190	0.05%	54,857	0.44%
Charters	46,698	0.44%	2,039	0.03%	954	0.02%	4,136	0.03%
General Aviation	71,640	0.67%	83,112	1.11%	54,542	1.32%	54,599	0.44%
Military	50	0.00%	129	0.00%	537	0.01%	10	0.00%
TOTAL DOMESTIC	6,995,944	65.61%	5,803,088	77.64%	3,150,513	76.10%	8,204,499	66.24%
Transborder/International								
United	1,438,787	13.50%	629,131	8.42%	318,499	7.69%	1,399,217	11.30%
Lufthansa	167,525	1.57%	56,831	0.76%	35,167	0.85%	220,563	1.78%
TACA International	156,323	1.47%	115,311	1.54%	43,672	1.05%	133,490	1.08%
Turkish Airlines	145,387	1.36%	86,371	1.16%	49,808	1.20%	102,072	0.82%
British Airways	143,348	1.34%	49,686	0.66%	41,751	1.01%	167,894	1.36%
Air France	139,167	1.31%	52,905	0.71%	27,756	0.67%	173,978	1.41%
Qatar Amiri Air	131,587	1.23%	90,279	1.21%	37,400	0.90%	99,956	0.81%
Ethiopian Airlines	111,873	1.05%	81,167	1.09%	50,332	1.22%	106,158	0.86%
COPA	108,502	1.02%	73,087	0.98%	32,353	0.78%	111,784	0.90%
Emirates	107,697	1.01%	45,671	0.61%	35,451	0.86%	142,983	1.15%
Aer Lingus	77,253	0.72%	8,296	0.11%	9,606	0.23%	73,059	0.59%
Etihad	70,105	0.66%	28,183	0.38%	14,446	0.35%	72,658	0.59%
KLM Royal Dutch	65,133	0.61%	27,830	0.37%	20,563	0.50%	92,634	0.75%
Saudi Arabian	63,517	0.60%	36,352	0.49%	32,382	0.78%	62,730	0.51%
Austrian	55,498	0.52%	34,524	0.46%	14,351	0.35%	59,424	0.47%
Icelandair	52,086	0.49%	23,905	0.32%	8,475	0.20%	79,260	0.64%
Korean Air	51,294	0.48%	14,587	0.20%	24,389	0.59%	86,110	0.70%
Trans Aereos Portugueses (TAP)	47,651	0.45%	21,304	0.29%	10,303	0.25%	25,506	0.21%
Avianca	45,436	0.43%	13,905	0.19%	18,978	0.46%	59,480	0.48%
Scandinavian Airlines System (SAS)	40,064	0.38%	10,723	0.14%	10,260	0.25%	67,075	0.54%
Vuela Aviacion, S.A.	40,003	0.38%	11,221	0.15%	6,272	0.15%	23,657	0.19%
Virgin Atlantic	38,171	0.36%	-	0.00%	7,797	0.19%	69,066	0.56%
Air India	35,434	0.33%	21,589	0.29%	20,295	0.49%	37,671	0.30%
Egyptair	35,035	0.33%	25,873	0.35%	17,872	0.43%	14,805	0.12%
Royal Air Maroc	33,017	0.31%	17,591	0.24%	4,939	0.12%	33,909	0.27%
All Nippon	30,094	0.28%	6,557	0.09%	14,155	0.34%	72,881	0.59%
Brussels	21,522	0.20%	8,015	0.11%	2,278	0.06%	39,367	0.32%
Iberia Airlines	20,186	0.19%	-	0.00%	-	0.00%	-	0.00%
Air Canada	20,083	0.19%	129	0.00%	-	0.00%	-	0.00%
Other ²	1,171	0.01%	5,148	0.07%	30,433	0.73%	238,506	1.94%
Regionals								
Air Canada Jazz	62,685	0.59%	23,751	0.32%	5,524	0.13%	-	0.00%
Porter	50,050	0.47%	33,542	0.45%	1,848	0.04%	20,131	0.16%
Air Wisconsin (United Express)	29,148	0.27%	4,936	0.07%	3,847	0.09%	57,189	0.46%
Republic (United Express)	21,313	0.20%	-	0.00%	476	0.01%	5,195	0.04%
Other ²	2,682	0.03%	1,699	0.02%	30,296	0.74%	215,593	1.75%
Charters	2,930	0.03%	5,077	0.07%	6,029	0.15%	13,035	0.11%
General Aviation	1,932	0.02%	3,325	0.04%	1,116	0.03%	409	0.00%
Military	244	0.00%	147	0.00%	164	0.01%	205	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	3,663,933	34.39%	1,668,648	22.36%	989,283	23.90%	4,177,650	33.76%
GRAND TOTAL	10,659,877	100.00%	7,471,736	100.00%	4,139,796	100.00%	12,382,149	100.00%

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

² Includes airlines no longer serving Dulles International or carriers with insignificant activity.

Source: Airports Authority Records

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2018		2017		2016		2015		2014		2013	
Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanements	Market Share	Passenger Enplanements	Market Share
3,708,401	30.84%	3,438,477	30.14%	3,142,765	28.73%	2,890,987	26.80%	2,866,519	26.65%	3,132,389	28.64%
369,155	3.07%	349,361	3.06%	312,695	2.86%	314,335	2.91%	277,699	2.58%	231,202	2.11%
303,489	2.52%	283,949	2.49%	258,813	2.37%	265,206	2.46%	269,534	2.51%	289,823	2.65%
347,151	2.89%	317,866	2.79%	327,164	2.99%	294,901	2.73%	353,899	3.29%	356,889	3.26%
188,801	1.57%	53,894	0.47%	50,405	0.46%	38,941	0.36%	-	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%
368,083	3.07%	481,326	4.22%	469,775	4.29%	722,317	6.69%	539,615	5.01%	417,097	3.82%
1,403,717	11.67%	1,525,927	13.38%	1,448,244	13.24%	1,249,649	11.58%	449,283	4.18%	445,756	4.08%
342,047	2.84%	383,100	3.36%	409,860	3.75%	285,392	2.65%	266,623	2.48%	211,757	1.94%
775	0.01%	14,411	0.13%	7,577	0.07%	19,760	0.18%	244,988	2.28%	206,860	1.89%
476,060	3.96%	89,233	0.78%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	563	0.01%	106,350	0.99%	134,874	1.23%
40,329	0.34%	45,673	0.40%	22,875	0.21%	11,346	0.11%	7,621	0.07%	7,122	0.07%
142,679	1.19%	150,525	1.32%	169,881	1.55%	113,341	1.05%	45,716	0.42%	44,931	0.41%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
29,351	0.24%	834	0.01%	-	0.00%	971	0.01%	73,950	0.69%	98,604	0.90%
57,851	0.48%	60,618	0.53%	60,807	0.56%	39,285	0.36%	43,532	0.40%	41,178	0.38%
175,150	1.46%	268,488	2.35%	458,908	4.20%	885,961	8.20%	1,560,256	14.49%	1,768,893	16.18%
3,508	0.03%	2,349	0.02%	4,884	0.05%	6,087	0.06%	6,869	0.06%	9,258	0.08%
78,561	0.65%	81,714	0.72%	71,832	0.66%	73,237	0.68%	76,012	0.71%	73,340	0.67%
538	0.00%	57	0.00%	29	0.00%	215	0.00%	29	0.00%	114	0.00%
8,035,646	66.83%	7,547,802	66.17%	7,216,514	65.99%	7,212,494	66.84%	7,188,495	66.81%	7,470,087	68.31%
1,353,368	11.26%	1,325,462	11.62%	1,304,012	11.91%	1,323,186	12.26%	1,372,404	12.76%	1,401,491	12.82%
221,283	1.84%	222,010	1.95%	212,300	1.94%	208,539	1.93%	199,170	1.85%	203,071	1.86%
129,419	1.08%	114,313	1.00%	106,961	0.98%	106,156	0.99%	124,034	1.15%	103,621	0.95%
99,256	0.83%	88,559	0.78%	95,575	0.87%	90,738	0.84%	90,259	0.84%	82,057	0.75%
173,618	1.44%	183,932	1.61%	192,065	1.76%	198,664	1.84%	193,323	1.80%	186,795	1.71%
159,953	1.33%	164,513	1.44%	152,569	1.39%	153,051	1.42%	158,830	1.48%	172,083	1.57%
87,348	0.73%	93,697	0.82%	104,658	0.96%	99,589	0.92%	95,529	0.89%	90,845	0.83%
102,486	0.85%	98,174	0.86%	80,790	0.74%	85,329	0.79%	88,607	0.82%	81,661	0.75%
107,002	0.89%	106,158	0.93%	94,416	0.86%	77,731	0.72%	71,150	0.66%	66,069	0.60%
140,976	1.17%	125,065	1.10%	129,540	1.18%	101,449	0.94%	97,732	0.91%	88,361	0.81%
68,763	0.57%	50,075	0.44%	37,386	0.34%	27,279	0.25%	-	0.00%	-	0.00%
67,836	0.56%	70,127	0.61%	71,546	0.65%	70,513	0.66%	76,432	0.71%	53,774	0.49%
93,722	0.78%	92,398	0.81%	85,625	0.78%	84,236	0.78%	82,057	0.76%	85,959	0.79%
64,976	0.54%	60,668	0.53%	65,843	0.60%	69,839	0.65%	72,016	0.67%	61,076	0.56%
56,854	0.47%	54,215	0.48%	59,563	0.55%	75,971	0.71%	75,777	0.71%	64,764	0.59%
74,679	0.62%	85,076	0.75%	68,387	0.63%	55,057	0.51%	39,379	0.37%	35,472	0.32%
82,946	0.69%	80,560	0.71%	79,897	0.73%	77,863	0.72%	78,109	0.73%	77,363	0.71%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
43,186	0.36%	41,140	0.36%	36,643	0.34%	36,936	0.34%	38,543	0.36%	37,327	0.34%
66,294	0.55%	66,510	0.58%	66,538	0.61%	64,359	0.60%	69,814	0.65%	68,163	0.62%
8,410	0.07%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
70,304	0.58%	66,576	0.58%	65,807	0.60%	65,159	0.60%	66,775	0.62%	69,543	0.64%
37,459	0.31%	17,359	0.15%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
31,448	0.26%	26,428	0.23%	7,528	0.07%	-	0.00%	-	0.00%	-	0.00%
72,850	0.61%	72,666	0.64%	70,419	0.64%	68,765	0.64%	64,128	0.60%	62,315	0.57%
40,568	0.34%	35,798	0.31%	28,884	0.26%	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%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
213,782	1.78%	221,265	1.94%	192,443	1.77%	165,673	1.54%	147,598	1.38%	126,766	1.16%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20,736	0.17%	7,783	0.07%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
56,070	0.47%	55,952	0.49%	52,405	0.48%	41,440	0.38%	38,152	0.35%	33,025	0.30%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	11,093	0.10%	2,321	0.02%
233,099	1.94%	224,336	1.96%	251,378	2.28%	194,697	1.80%	176,612	1.64%	185,107	1.69%
8,025	0.07%	6,814	0.06%	6,163	0.06%	6,730	0.06%	5,325	0.05%	5,923	0.05%
1,070	0.01%	1,210	0.01%	1,335	0.02%	1,081	0.02%	1,361	0.01%	1,530	0.02%
479	0.00%	466	0.01%	487	0.01%	497	0.01%	258	0.00%	464	0.00%
3,988,265	33.17%	3,859,305	33.83%	3,721,163	34.01%	3,576,388	33.16%	3,568,539	33.19%	3,465,977	31.69%
12,023,911	100.00%	11,407,107	100.00%	10,937,677	100.00%	10,788,882	100.00%	10,757,034	100.00%	10,936,064	100.00%

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

Airlines ¹	2022		2021		2020		2019	
	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
Domestic								
United	4,692,896	20.73%	3,020,646	20.79%	1,493,592	18.87%	4,512,620	18.53%
American	3,526,905	15.58%	2,224,414	15.31%	1,263,529	15.96%	3,342,879	13.73%
Southwest	1,869,598	8.26%	1,093,328	7.53%	636,079	8.04%	2,019,828	8.30%
Delta	1,335,983	5.90%	993,511	6.84%	584,487	7.38%	1,734,133	7.12%
JetBlue	899,953	3.97%	362,199	2.49%	228,805	2.89%	912,991	3.75%
Alaska	428,745	1.89%	311,260	2.14%	169,872	2.15%	507,593	2.08%
Frontier	167,099	0.74%	136,974	0.94%	98,991	1.25%	301,571	1.24%
Other ²	17,109	0.08%	15,768	0.11%	-	0.00%	18,117	0.07%
Regionals								
PSA	1,793,496	7.92%	906,903	6.24%	409,427	5.17%	1,464,594	6.02%
Republic (American Eagle)	1,212,776	5.36%	979,537	6.74%	364,426	4.60%	1,394,787	5.73%
Mesa (United Express)	629,052	2.78%	613,617	4.23%	563,269	7.12%	1,512,523	6.21%
Republic (Delta)	419,980	1.85%	168,970	1.16%	63,150	0.81%	248,278	1.02%
Republic (United Express)	330,375	1.46%	501,709	3.45%	241,940	3.05%	211,050	0.87%
Commutair	312,172	1.38%	204,458	1.41%	212,609	2.69%	413,824	1.70%
GoJet (United Express)	274,695	1.21%	118,867	0.82%	2,688	0.03%	-	0.00%
Air Wisconsin (United Express)	244,617	1.08%	673,990	4.64%	243,084	3.07%	567,511	2.33%
Envoy Air (American Eagle)	215,809	0.95%	151,778	1.05%	16,675	0.21%	78,082	0.32%
SkyWest (Delta Connection)	123,475	0.55%	109,138	0.75%	37,491	0.47%	131,580	0.54%
Endeavor (Delta Connection)	117,829	0.52%	47,953	0.33%	63,605	0.80%	160,812	0.66%
SkyWest (United Express)	95,369	0.42%	75,661	0.52%	45,113	0.57%	108,753	0.45%
Other ²	22	0.00%	26,069	0.18%	88,939	1.12%	262,767	1.08%
Chartered	52,005	0.23%	4,314	0.03%	1,574	0.02%	11,406	0.05%
General Aviation	81,576	0.36%	87,309	0.60%	58,682	0.74%	65,796	0.27%
Military	2,776	0.01%	2,922	0.02%	5,207	0.07%	4,954	0.02%
TOTAL DOMESTIC	18,844,312	83.23%	12,831,295	88.32%	6,893,234	87.08%	19,986,449	82.09%
Transborder / International								
United	1,438,787	6.35%	629,131	4.33%	318,499	4.02%	1,399,217	5.75%
Lufthansa	167,525	0.74%	56,831	0.39%	35,167	0.44%	220,563	0.91%
TACA International	156,323	0.69%	115,311	0.79%	43,672	0.55%	133,490	0.55%
Turkish Airlines	145,387	0.64%	86,371	0.60%	49,808	0.63%	102,072	0.42%
British Airways	143,348	0.63%	49,686	0.34%	41,751	0.53%	167,894	0.69%
Air France	139,167	0.61%	52,905	0.36%	27,756	0.35%	173,978	0.71%
Qatar Amiri Air	131,587	0.58%	90,279	0.62%	37,400	0.47%	99,956	0.41%
Ethiopian Airlines	111,873	0.49%	81,167	0.56%	50,332	0.64%	106,158	0.44%
COPA	108,502	0.48%	73,087	0.50%	32,353	0.41%	111,784	0.46%
Emirates	107,697	0.48%	45,671	0.31%	35,451	0.45%	142,983	0.59%
Aer Lingus	77,253	0.34%	8,296	0.06%	9,606	0.12%	73,059	0.30%
Etihad	70,105	0.31%	28,183	0.19%	14,446	0.18%	72,658	0.30%
KLM Royal Dutch	65,133	0.29%	27,830	0.19%	20,563	0.25%	92,634	0.37%
Saudi Arabian	63,517	0.28%	36,352	0.25%	32,382	0.41%	62,730	0.26%
Austrian	55,498	0.25%	34,524	0.24%	14,351	0.18%	59,424	0.24%
Icelandair	52,086	0.23%	23,905	0.17%	8,475	0.11%	79,260	0.33%
Korean Air	51,294	0.23%	14,587	0.10%	24,389	0.31%	86,110	0.35%
Other ²	422,941	1.87%	142,055	0.97%	144,317	1.83%	694,350	2.85%
Regionals								
Air Canada Jazz	135,910	0.60%	48,715	0.35%	13,758	0.17%	69,539	0.29%
Air Wisconsin (United Express)	62,685	0.28%	23,751	0.16%	5,524	0.07%	0	0.00%
Other ²	85,988	0.38%	19,208	0.14%	55,600	0.71%	399,373	1.64%
Chartered	2,930	0.01%	5,077	0.04%	6,029	0.08%	13,035	0.05%
General Aviation	1,932	0.01%	3,325	0.02%	1,116	0.01%	409	0.00%
Military	244	0.00%	147	0.00%	164	0.00%	205	0.00%
TOTAL TRANSBORDER INTERNATIONAL	3,797,712	16.77%	1,696,394	11.68%	1,022,909	12.92%	4,360,881	17.91%
GRAND TOTAL	22,642,024	100.00%	14,527,689	100.00%	7,916,143	100.00%	24,347,330	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

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2018		2017		2016		2015		2014		2013	
Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share	Passenger Enplanement	Market Share
4,289,718	18.06%	3,984,266	17.05%	3,679,162	16.19%	3,456,735	15.50%	3,487,538	16.43%	3,809,040	18.02%
3,263,237	13.74%	3,422,857	14.64%	3,592,576	15.81%	1,729,310	7.76%	1,680,418	7.91%	1,579,632	7.47%
2,037,581	8.58%	2,026,807	8.67%	1,979,006	8.71%	1,791,961	8.04%	872,068	4.11%	453,282	2.15%
1,649,901	6.95%	1,665,142	7.12%	1,604,169	7.06%	1,541,933	6.91%	1,495,787	7.04%	1,392,665	6.59%
1,037,947	4.37%	1,069,515	4.58%	1,113,719	4.90%	1,092,213	4.90%	881,317	4.15%	837,036	3.96%
457,948	1.93%	265,858	1.14%	267,591	1.18%	255,667	1.15%	211,710	1.00%	205,297	0.97%
336,516	1.42%	315,937	1.35%	265,595	1.17%	471,933	2.12%	318,728	1.50%	190,024	0.90%
67,122	0.28%	355,773	1.52%	397,874	1.75%	2,406,131	10.79%	2,363,129	11.12%	2,671,636	12.63%
1,133,570	4.77%	1,119,484	4.79%	926,813	4.08%	444,245	1.99%	313,009	1.47%	449,137	2.13%
1,407,295	5.93%	1,161,052	4.97%	825,096	3.63%	175,368	0.79%	50,020	0.24%	3,675	0.02%
1,457,234	6.14%	1,590,043	6.80%	1,504,586	6.63%	1,267,079	5.68%	489,167	2.30%	445,756	2.11%
223,361	0.94%	187,809	0.80%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
177,682	0.75%	83,417	0.36%	102,305	0.45%	58,425	0.26%	283,730	1.34%	237,306	1.12%
342,047	1.44%	383,100	1.64%	409,860	1.80%	285,392	1.28%	266,623	1.26%	211,757	1.00%
-	0.00%	-	0.00%	-	0.00%	563	0.00%	106,350	0.50%	134,874	0.64%
476,060	2.00%	89,233	0.38%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
70,749	0.30%	31,794	0.14%	1,379	0.01%	28,401	0.13%	102,619	0.48%	-	0.00%
43,434	0.18%	45,859	0.20%	22,925	0.10%	11,391	0.05%	7,670	0.04%	7,122	0.03%
174,731	0.74%	152,572	0.66%	147,828	0.65%	174,865	0.78%	188,153	0.89%	106,343	0.50%
83,532	0.35%	136,448	0.59%	68,882	0.30%	108,086	0.48%	127,493	0.60%	102,959	0.49%
749,488	3.15%	1,140,187	4.89%	1,830,736	8.06%	3,131,370	14.04%	4,158,572	19.61%	4,543,510	21.47%
3,673	0.02%	2,349	0.01%	4,884	0.02%	6,232	0.03%	6,869	0.03%	9,258	0.04%
90,465	0.38%	96,287	0.41%	81,663	0.36%	83,598	0.37%	85,567	0.40%	80,926	0.38%
5,728	0.02%	5,438	0.02%	3,546	0.02%	3,671	0.02%	3,601	0.02%	3,863	0.02%
19,579,019	82.44%	19,331,227	82.73%	18,830,195	82.88%	18,524,569	83.07%	17,500,138	82.44%	17,475,098	82.64%
1,353,368	5.70%	1,325,462	5.67%	1,304,012	5.74%	1,323,186	5.93%	1,372,404	6.46%	1,401,491	6.63%
221,283	0.93%	222,010	0.95%	212,300	0.93%	208,539	0.94%	199,170	0.94%	203,071	0.96%
129,419	0.55%	114,313	0.49%	106,961	0.47%	106,156	0.48%	124,034	0.58%	103,621	0.49%
99,256	0.42%	88,559	0.38%	95,575	0.42%	90,738	0.41%	90,259	0.42%	82,057	0.39%
173,618	0.73%	183,932	0.79%	192,065	0.85%	198,664	0.89%	193,323	0.91%	186,795	0.88%
159,953	0.67%	164,513	0.70%	152,569	0.67%	153,051	0.69%	158,830	0.75%	172,083	0.81%
87,348	0.37%	93,697	0.40%	104,658	0.46%	99,589	0.45%	95,529	0.45%	90,845	0.43%
102,486	0.43%	98,174	0.42%	80,790	0.36%	85,329	0.38%	88,607	0.42%	81,661	0.39%
107,002	0.45%	106,158	0.45%	94,416	0.42%	77,731	0.35%	71,150	0.34%	66,069	0.31%
140,976	0.59%	125,065	0.54%	129,540	0.57%	101,449	0.45%	97,732	0.46%	88,361	0.42%
68,763	0.29%	50,075	0.21%	37,386	0.16%	27,279	0.12%	-	0.00%	-	0.00%
67,836	0.29%	70,127	0.30%	71,546	0.31%	70,513	0.32%	76,432	0.36%	53,774	0.25%
93,722	0.39%	92,398	0.40%	85,625	0.38%	84,236	0.37%	82,057	0.39%	85,959	0.41%
64,976	0.27%	60,668	0.26%	65,843	0.29%	69,839	0.31%	72,016	0.34%	61,076	0.29%
56,854	0.24%	54,215	0.23%	59,563	0.26%	75,971	0.34%	75,777	0.36%	64,764	0.31%
74,679	0.31%	85,076	0.36%	68,387	0.30%	55,057	0.25%	39,379	0.19%	35,472	0.17%
82,946	0.35%	80,560	0.34%	79,897	0.35%	77,863	0.35%	78,109	0.37%	77,363	0.37%
595,500	2.51%	557,798	2.37%	477,942	2.11%	449,893	2.03%	449,797	2.10%	424,887	2.00%
70,454	0.30%	66,120	0.28%	47,387	0.21%	47,188	0.21%	41,755	0.20%	38,501	0.18%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
411,828	1.73%	394,824	1.69%	413,645	1.82%	363,528	1.63%	315,072	1.48%	344,230	1.63%
8,025	0.03%	6,814	0.03%	6,163	0.03%	6,730	0.03%	5,325	0.03%	5,923	0.03%
1,070	0.01%	1,210	0.01%	1,335	0.01%	1,081	0.00%	1,361	0.01%	1,530	0.01%
479	0.00%	466	0.00%	487	0.00%	497	0.00%	258	0.00%	464	0.00%
4,171,841	17.56%	4,042,234	17.27%	3,888,092	17.12%	3,774,107	16.93%	3,728,376	17.56%	3,669,997	17.36%
23,750,860	100.00%	23,373,461	100.00%	22,718,287	100.00%	22,298,676	100.00%	21,228,514	100.00%	21,145,095	100.00%

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

(Expressed in Pounds)

Airlines ¹	2022		2021		2020		2019	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic								
American	401,161	25.00%	532,597	42.98%	818,522	52.80%	782,779	34.70%
Southwest	745,271	46.44%	432,919	34.94%	403,564	26.03%	427,809	18.90%
Delta	230,876	14.39%	163,054	13.16%	148,964	9.61%	187,140	8.30%
Alaska	163,066	10.16%	53,452	4.31%	71,963	4.65%	112,857	5.00%
Other ²	-	0.00%	-	0.00%	864	0.06%	13,596	0.60%
Regional								
Republic Airlines (American Eagle)	23,373	1.46%	26,727	2.16%	18,051	1.16%	33,053	1.49%
PSA	38,344	2.39%	21,652	1.75%	72,580	4.68%	663,072	29.40%
Envoy Air (American Eagle)	2,567	0.16%	2,196	0.18%	1,250	0.08%	729	0.01%
Other ²	1	0.00%	6,419	0.52%	14,490	0.93%	37,624	1.60%
Chartered	-	0.00%	-	0.00%	50	0.00%	-	0.00%
TOTAL DOMESTIC	1,604,659	100.00%	1,239,016	100.00%	1,550,298	100.00%	2,258,659	100.00%
Transborder/International								
Air Carrier	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Regional	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TOTAL TRANSBORDER/INTERNATIONAL	-	0.00%	-	0.00%	-	0.00%	-	0.00%
GRAND TOTAL	1,604,659	100.00%	1,239,016	100.00%	1,550,298	100.00%	2,258,659	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

2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
Metropolitan Washington Airports Authority

2018		2017		2016		2015		2014		2013	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
957,177	34.51%	2,441,247	60.57%	1,112,583	43.13%	1,224,376	30.00%	741,760	24.80%	613,811	24.68%
462,864	16.69%	372,865	9.25%	344,327	13.35%	209,111	5.12%	57,682	1.93%	-	0.00%
285,714	10.30%	299,941	7.44%	369,456	14.32%	445,186	10.92%	340,027	11.36%	360,095	14.48%
213,174	7.68%	91,464	2.27%	46,045	1.79%	33,986	0.83%	36,729	1.23%	79,491	3.20%
120,606	4.35%	171,626	4.26%	193,012	7.48%	1,748,946	42.86%	1,409,995	47.14%	989,019	39.77%
-	0.00%	19,263	0.48%	109	0.00%	-	0.00%	1,773	0.06%	6,005	0.24%
606,335	21.85%	450,078	11.17%	282,662	10.96%	196,229	4.81%	196,549	6.57%	272,804	10.97%
164	0.01%	1,167	0.03%	-	0.00%	2,947	0.07%	1,766	0.06%	-	0.00%
127,977	4.61%	182,635	4.53%	230,726	8.94%	211,995	5.19%	203,565	6.81%	162,491	6.54%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
2,774,011	100.00%	4,030,286	100.00%	2,578,920	99.97%	4,072,776	99.80%	2,989,846	99.96%	2,483,716	99.88%
-	0.00%	-	0.00%	-	0.00%	6,567	0.16%	-	0.00%	240	0.01%
-	0.00%	-	0.00%	655	0.03%	1,668	0.04%	1,117	0.04%	2,651	0.11%
-	0.00%	-	0.00%	655	0.03%	8,235	0.20%	1,117	0.04%	2,891	0.12%
2,774,011	100.00%	4,030,286	100.00%	2,579,575	100.00%	4,081,011	100.00%	2,990,963	100.00%	2,486,607	100.00%

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Metropolitan Washington Airports Authority

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

(Expressed in Pounds)

Airlines ¹	2022		2021		2020		2019	
	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
Domestic								
Federal Express	66,126,175	28.50%	68,010,285	31.77%	72,776,787	41.90%	70,956,254	30.34%
United	15,822,278	6.82%	11,706,097	5.47%	10,991,615	6.33%	17,858,903	7.64%
United Parcel Service	10,206,610	4.40%	9,801,997	4.58%	10,401,054	5.99%	12,162,037	5.20%
Delta	2,022,438	0.87%	2,012,315	0.94%	1,168,077	0.67%	1,083,060	0.46%
Alaska Airlines	395,634	0.17%	193,862	0.09%	250,334	0.14%	180,282	0.08%
American	125,307	0.06%	94,582	0.04%	134,400	0.08%	457,833	0.20%
Southwest	100,924	0.04%	123,270	0.06%	204,427	0.12%	387,219	0.18%
Airborne Express GB	53,231	0.02%	-	0.00%	-	0.00%	-	0.00%
Other ²	-	0.00%	8,789	0.01%	-	0.00%	286	0.00%
Regionals								
PSA	27,397	0.01%	48,228	0.02%	61,257	0.04%	47,352	0.02%
Other ²	7	0.00%	1,358	0.00%	-	0.00%	-	0.00%
Air Carrier -- Chartered	615	0.00%	3,256	0.00%	127,909	0.07%	752,401	0.32%
Military	-	0.00%	-	0.00%	180	0.00%	-	0.00%
TOTAL DOMESTIC	94,880,616	40.89%	92,004,039	42.98%	96,116,040	55.34%	103,885,627	44.44%
Transborder/International								
United	45,079,961	19.43%	31,442,980	14.69%	25,630,404	14.76%	40,558,515	17.34%
All Nippon	11,853,623	5.11%	14,115,644	6.59%	3,653,966	2.10%	9,362,035	4.00%
Qatar Airways	8,645,156	3.72%	10,328,012	4.82%	6,787,789	3.91%	8,202,083	3.51%
Lufthansa	8,579,793	3.70%	5,645,044	2.64%	2,578,631	1.48%	11,114,647	4.75%
Etihad	8,406,802	3.62%	4,966,603	2.32%	1,528,905	0.88%	5,462,384	2.34%
Turkish Airlines	7,305,925	3.15%	5,063,928	2.36%	3,168,603	1.82%	3,124,478	1.34%
British Airways	6,887,947	2.97%	7,871,269	3.68%	5,167,270	2.98%	5,888,452	2.52%
Air France	6,547,060	2.82%	6,137,817	2.87%	2,239,904	1.29%	6,161,567	2.63%
Emirates	6,546,140	2.82%	8,554,842	4.00%	4,631,560	2.67%	2,236,099	0.96%
Saudi Arabian	6,272,486	2.70%	4,938,803	2.31%	3,548,775	2.04%	4,654,185	1.99%
Korean Air	4,144,339	1.78%	5,058,741	2.36%	3,850,214	2.22%	5,328,467	2.28%
KLM Royal Dutch	3,423,340	1.48%	4,177,925	1.95%	2,029,079	1.17%	3,862,910	1.65%
Austrian	2,493,874	1.07%	1,770,998	0.83%	874,780	0.50%	1,675,892	0.72%
Egyptair	2,348,582	1.01%	1,002,978	0.47%	752,314	0.43%	712,735	0.30%
SAS	1,837,330	0.79%	3,834,591	1.79%	1,604,169	0.92%	2,764,837	1.18%
Ethiopian Airlines	1,617,297	0.70%	2,859,828	1.33%	2,738,468	1.58%	1,838,505	0.79%
Federal Express	1,057,593	0.46%	1,091,457	0.51%	2,576,151	1.48%	803,249	0.34%
Virgin Atlantic	1,002,492	0.43%	-	0.00%	288,209	0.17%	2,340,042	1.00%
United Parcel Service	855,373	0.37%	1,175,054	0.55%	1,040,496	0.60%	873,594	0.37%
Brussels	698,499	0.30%	638,417	0.30%	242,187	0.14%	2,316,646	0.99%
Royal Air Maroc	643,957	0.28%	238,922	0.11%	101,593	0.06%	844,305	0.36%
Iberia Airlines	243,107	0.10%	-	0.00%	-	0.00%	-	0.00%
Avianca	168,045	0.07%	65,236	0.03%	99,821	0.06%	146,018	0.06%
Trans. Aereos Portugueses (TAP)	122,102	0.05%	107,529	0.05%	95,985	0.05%	501,100	0.21%
COPA	43,707	0.02%	13,158	0.01%	28,187	0.02%	89,121	0.04%
Aer Lingus	42,450	0.02%	14,318	0.01%	90,993	0.05%	591,894	0.25%
TACA International	39,110	0.02%	97,468	0.04%	13,707	0.01%	117,078	0.05%
Icelandair	19,661	0.01%	42,333	0.02%	3,733	0.00%	32,598	0.01%
Delta Air Lines, Inc.	15,226	0.01%	95,083	0.04%	12,246	0.01%	-	0.00%
Airborne Express GB	15,000	0.01%	-	0.00%	-	0.00%	-	0.00%
Other ²	-	0.00%	325,464	0.15%	1,380,903	0.79%	7,522,004	3.21%
All Cargo Charters								
Kalitta Air	17,650	0.01%	144,418	0.07%	501,173	0.29%	518,389	0.22%
Other ²	-	0.00%	-	0.00%	158,000	0.09%	194,236	0.08%
Military	187,743	0.08%	260,146	0.12%	155,278	0.09%	171,757	0.07%
TOTAL TRANSBORDER/INTERNATIONAL	137,161,371	59.11%	122,079,006	57.02%	77,573,494	44.66%	130,009,822	55.56%
GRAND TOTAL	232,041,987	100.00%	214,083,045	100.00%	173,689,534	100.00%	233,895,449	100.00%

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

² Includes airlines no longer serving Dulles International or carriers with insignificant activity.

Source: Airports Authority Records

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2018		2017		2016		2015		2014		2013	
Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share	Cargo Weight	Market Share
71,217,399	27.56%	68,954,953	27.13%	68,205,408	28.93%	70,422,839	28.42%	72,447,956	28.27%	73,530,300	30.84%
20,394,285	7.89%	21,320,229	8.39%	19,714,724	8.36%	22,698,194	9.16%	16,255,607	6.34%	16,431,907	6.89%
10,971,811	4.25%	15,214,182	5.99%	15,163,816	6.43%	15,077,236	6.09%	14,099,929	5.50%	11,766,223	4.94%
1,131,348	0.44%	968,645	0.38%	877,693	0.37%	849,347	0.34%	387,046	0.15%	498,208	0.20%
60,863	0.02%	15,203	0.01%	14,409	0.01%	6,354	0.00%	-	0.00%	-	0.00%
533,213	0.21%	593,679	0.23%	414,267	0.18%	402,774	0.16%	428,054	0.17%	637,883	0.27%
345,923	0.13%	346,852	0.14%	283,598	0.12%	270,115	0.11%	250,770	0.10%	402,705	0.17%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	89,676	0.03%	-	0.00%	1,626	0.00%	2,884	0.00%	67,202	0.03%
25,792	0.01%	2,585	0.00%	353,298	0.15%	74,749	0.03%	29,492	0.01%	36,011	0.02%
1,413	0.00%	-	0.00%	-	0.00%	-	0.00%	586	0.00%	2,020	0.00%
25,618	0.01%	213,127	0.08%	479,455	0.20%	23,634	0.01%	170,716	0.07%	598,412	0.25%
210,388	0.08%	13,086	0.01%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	.60%	107,732,217	42.39%	105,506,668	44.75%	109,826,868	44.32%	104,073,040	40.61%	103,970,871	43.61%
47,190,189	18.26%	44,897,698	17.67%	38,195,727	16.20%	42,725,437	17.24%	46,312,782	18.07%	39,792,569	16.69%
10,915,753	4.22%	11,798,469	4.64%	11,090,517	4.70%	10,506,051	4.24%	10,681,518	4.17%	9,298,822	3.90%
9,601,023	3.72%	12,156,157	4.78%	9,847,619	4.18%	10,110,588	4.08%	12,337,711	4.80%	11,323,975	4.75%
13,563,443	5.25%	12,156,964	4.78%	12,353,226	5.24%	10,395,682	4.20%	9,170,198	3.58%	9,340,958	3.92%
5,341,356	2.07%	5,038,308	1.98%	4,345,426	1.84%	6,056,897	2.44%	6,942,708	2.71%	5,177,633	2.17%
2,959,898	1.15%	3,253,327	1.28%	3,246,615	1.38%	3,637,634	1.47%	4,545,279	1.77%	3,526,170	1.48%
9,309,908	3.60%	7,670,321	3.02%	7,131,781	3.02%	7,100,962	2.87%	11,437,529	4.46%	11,043,749	4.63%
6,110,026	2.36%	5,680,633	2.24%	3,538,026	1.50%	2,687,616	1.08%	2,974,938	1.16%	3,168,263	1.33%
3,640,692	1.41%	4,072,154	1.60%	6,408,122	2.72%	6,888,972	2.78%	10,480,296	4.09%	8,872,668	3.72%
4,077,051	1.58%	4,055,123	1.60%	3,708,011	1.57%	5,260,345	2.12%	5,565,253	2.17%	4,529,444	1.90%
6,941,540	2.69%	6,990,362	2.75%	4,752,249	2.02%	4,776,097	1.93%	2,875,631	1.12%	2,361,651	0.99%
4,057,257	1.57%	2,267,992	0.89%	3,428,298	1.45%	3,339,690	1.35%	5,211,000	2.03%	3,789,649	1.59%
2,343,269	0.91%	1,791,073	0.70%	1,894,490	0.80%	2,473,462	1.00%	2,849,635	1.11%	2,460,646	1.03%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3,687,870	1.43%	4,734,514	1.86%	4,301,157	1.82%	3,505,860	1.41%	3,480,356	1.36%	3,087,444	1.30%
4,229,923	1.64%	1,818,176	0.72%	1,477,215	0.63%	1,568,294	0.63%	1,437,085	0.56%	842,637	0.35%
917,816	0.34%	1,007,658	0.40%	418,957	0.18%	-	0.00%	-	0.00%	-	0.00%
5,051,421	1.95%	6,034,147	2.38%	6,281,859	2.67%	5,916,764	2.39%	5,724,746	2.23%	6,344,117	2.66%
1,135,810	0.44%	866,737	0.34%	839,831	0.36%	643,206	0.26%	354,267	0.14%	17,255	0.01%
569,339	0.22%	805,400	0.32%	738,374	0.31%	1,639,086	0.66%	1,808,041	0.71%	836,244	0.35%
998,703	0.39%	527,576	0.21%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
13,690	0.01%	9,225	0.00%	22,140	0.01%	38,599	0.02%	83,401	0.03%	26,663	0.01%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
119,605	0.05%	215,413	0.08%	129,936	0.06%	229,256	0.09%	329,706	0.13%	330,540	0.14%
1,383,218	0.53%	15,132	0.01%	24,265	0.01%	592,755	0.24%	-	0.00%	-	0.00%
83,480	0.03%	163,095	0.06%	118,376	0.05%	220,649	0.09%	118,846	0.05%	169,785	0.07%
26,427	0.01%	31,704	0.01%	33,817	0.01%	50,972	0.02%	39,063	0.02%	24,881	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%
8,110,329	3.14%	7,184,748	2.83%	5,030,320	2.14%	5,698,666	2.31%	6,669,424	2.60%	5,739,555	2.41%
540,778	0.21%	251,121	0.10%	101,364	0.04%	510,739	0.21%	176,819	0.07%	-	0.00%
331,773	0.13%	11,532	0.01%	164,734	0.07%	300,733	0.12%	94,707	0.04%	1,287,770	0.55%
220,302	0.09%	881,225	0.35%	644,487	0.27%	1,068,086	0.43%	526,543	0.21%	1,027,722	0.43%
	.40%	146,385,984	57.61%	130,266,939	55.25%	137,943,098	55.68%	152,227,482	59.39%	134,420,810	56.39%
	.00%	254,118,201	100.00%	235,773,607	100.00%	247,769,966	100.00%	256,300,522	100.00%	238,391,681	100.00%

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Exhibit S-33 – PASSENGER FACILITY CHARGES BY AIRPORT

Reagan National

Airlines ¹	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
American Airlines ⁴	26,178,987	16,094,575	7,811,183	23,738,211	23,220,092	23,835,526	23,720,880	12,620,573	6,607,691	5,294,318
US Airways	-	-	-	-	-	-	-	10,971,171	16,699,046	18,492,628
Southwest Airlines	6,411,065	3,754,223	1,446,556	6,706,192	6,645,493	6,623,054	6,732,944	6,128,934	3,212,031	1,942,504
Delta Airlines	5,804,959	3,611,992	2,052,607	6,737,010	6,537,352	6,557,470	6,265,275	6,068,136	5,906,588	5,478,172
JetBlue Airways	3,707,782	1,710,342	682,535	3,761,273	3,769,776	3,730,716	4,040,767	4,036,800	3,029,943	2,567,433
United Airlines	3,241,876	1,488,959	905,903	3,720,850	3,837,461	3,789,541	3,997,233	3,900,631	3,735,844	3,819,294
Alaska Airlines	1,040,687	862,014	322,298	1,054,127	1,127,028	980,832	812,374	807,208	743,296	686,373
Frontier Airlines	694,767	555,714	291,265	711,503	700,402	728,968	757,596	713,263	711,404	1,040,644
Air Canada	316,783	57,656	107,765	502,673	504,392	492,057	466,802	464,959	477,086	445,550
Virgin America ⁵	-	-	-	-	55,556	483,921	563,436	-	-	164,828
MN Airlines	29,400	12,250	-	1,782	28,232	137,192	251,854	251,121	232,969	179,845
AirTran Airlines	-	-	-	-	-	-	-	-	-	78,338
Spirit Airlines	-	-	-	-	-	-	-	-	-	(803)
Continental Airlines	-	-	-	-	-	-	-	-	-	-
Other Airlines ²	(540,987)	921,968	135,285	318,983	225,825	198,780	182,536	700,510	400,249	118,143
Adjustments ³	455,062	1,048,906	1,120,145	394,122	4,884	(87,173)	(118,077)	222,203	213,285	190,319
TOTAL	\$ 47,340,381	\$ 30,118,599	\$ 14,875,543	\$ 47,646,726	\$ 46,656,493	\$ 47,470,884	\$ 47,673,620	\$ 46,885,509	\$ 41,969,433	\$ 40,497,586

Dulles International

Airlines ¹	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
United Airlines	27,097,197	22,061,832	8,592,805	30,201,665	28,257,091	26,112,104	25,657,007	24,298,549	24,402,180	24,604,350
Delta Airlines	2,189,657	1,656,412	825,955	2,734,596	2,495,990	2,476,885	2,308,384	2,180,717	2,040,765	2,153,258
American Airlines ⁴	1,153,990	834,415	573,128	1,685,295	2,169,075	2,176,073	2,180,496	1,600,336	1,559,167	1,481,683
Southwest Airlines	779,922	663,950	247,568	812,784	1,124,753	1,106,199	1,010,730	1,042,577	1,035,401	1,104,271
Lufthansa German Airline	1,029,637	328,214	222,764	1,123,402	1,133,216	1,081,832	999,892	1,199,891	1,229,411	1,236,194
Virgin America ⁵	-	-	-	-	105,539	568,717	778,362	768,290	770,746	812,956
British Airways	563,812	103,392	127,764	543,267	605,541	647,100	643,337	699,176	699,874	713,751
JetBlue Airways	19,620	10,741	-	2,968	589,373	554,657	616,995	593,514	736,431	908,827
Emirates Airlines	443,092	183,585	143,399	605,661	602,242	551,037	547,828	445,976	419,587	373,409
Air France	427,688	129,546	101,197	532,557	520,667	514,276	483,104	484,801	525,386	503,992
Qatar Amiri Air	529,487	414,224	131,542	404,560	385,223	375,367	445,515	422,897	441,928	395,144
Frontier Airlines	-	79,169	-	586,486	783,679	629,083	417,707	1,392,663	790,824	-
Turkish Airlines	718,295	334,895	201,811	453,393	446,762	426,226	430,192	399,715	358,358	392,329
C.O.P.A. Airlines	484,769	264,212	113,968	409,307	548,539	497,693	412,996	339,602	277,810	261,791
South African Airways	-	-	-	328,253	329,873	299,036	359,629	315,632	305,219	346,621
Ethiopian Airlines	495,734	342,488	195,793	495,902	445,218	427,966	358,033	366,365	376,385	362,772
Scandinavian Airlines	217,359	-	79,678	350,073	295,355	285,625	317,303	313,229	337,647	341,059
Korean Air Lines	227,780	22,574	-	293,946	306,909	306,046	316,583	301,440	314,216	309,673
Air Canada	491,042	58,049	107,261	450,586	422,389	348,560	299,252	247,670	257,116	284,267
Icelandair	221,576	62,610	-	333,833	288,357	374,919	298,375	240,410	172,804	141,165
All Nippon Airways	91,675	10,867	-	329,019	307,633	319,303	289,635	265,869	265,740	270,708
Porter Airlines	130,264	10,049	-	249,883	247,517	246,894	233,763	187,254	160,581	82,694
Virgin Atlantic Airways	128,511	4,621	-	210,199	239,718	208,921	225,259	220,445	238,967	290,313
Alaska Airlines	688,433	424,449	191,634	946,840	820,566	367,319	189,726	149,224	9,906	13,568
Air China	2,041	22	-	308,064	296,500	262,557	188,687	164,577	79,696	-
Austrian Airlines	144,134	80,809	-	149,463	166,259	122,341	168,377	253,094	256,538	230,402
KLM Royal Dutch Airlines	230,730	28,408	-	271,919	191,289	176,764	165,505	164,723	176,034	175,920
Taca International Airlines	429,974	248,348	-	224,648	188,343	168,480	157,350	169,694	205,893	452,372
Saudi Arabian Airlines	115,832	34,504	-	72,782	79,599	76,750	86,373	113,393	106,036	125,313
Royal Air Maroc	119,809	96,997	-	144,541	152,135	130,010	-	-	-	-
Air India	149,734	103,731	-	115,404	156,670	44,396	-	-	-	-
Aer Lingus	416,686	23,593	-	336,375	303,274	246,398	-	-	-	-
Avianca	352,066	335,439	177,579	546,642	480,730	-	-	-	-	-
US Airways	-	-	-	-	-	-	-	603,218	843,164	1,078,679
Other Signatory Airlines	1,261,683	-	-	-	-	-	-	-	-	-
Other Airlines ²	187,611	529,463	1,221,093	1,722,273	895,840	1,345,879	1,510,851	1,370,965	1,239,765	869,251
Adjustments ³	482,319	(224,302)	2,416,131	629,733	314,619	560	40,258	350,923	(324,232)	(1,757,404)
TOTAL	\$ 42,022,159	\$ 29,257,306	\$ 15,671,072	\$ 48,606,319	\$ 46,696,483	\$ 43,475,973	\$ 42,137,504	\$ 41,666,829	\$ 40,309,344	\$ 38,559,328

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 ORIGATION AND DESTINATION MARKETS IN 2022 – REAGAN NATIONAL

Domestic				International		
Destination Airport	State	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
Boston Logan	MA	SH	1,086,368	Toronto Pearson	Canada	72,710
Orlando	FL	MH	787,320	Cancun	Mexico	50,630
Atlanta	GA	SH	770,798	Lima	Peru	38,448
Chicago O'Hare	IL	MH	685,763	Nassau	Bahamas	37,703
Miami	FL	MH	537,089	Montreal	Canada	32,574
Los Angeles	CA	LH	506,338	San Jose Del Cabo	Mexico	28,151
Ft. Lauderdale	FL	MH	445,566	Montego Bay	Jamacia	24,793
Tampa	FL	MH	385,914	Santo Domingo	Dominican Republic	20,189
Dallas/Fort Worth	TX	MH	383,159	San Jose	Costa Rica	19,835
Denver	CO	MH	356,224	Punta Cana	Dominican Republic	19,176
Nashville	TN	SH	324,747	Bogota	Colombia	18,545
New York La Guardia	NY	SH	312,339	Puerto Vallarta	Mexico	18,287
Minneapolis/ St. Paul	MN	MH	298,622	Liberia	Costa Rica	15,924
Phoenix	AZ	LH	288,023	London Heathrow	United Kingdom	15,400
Detroit	MI	SH	280,083	Vancouver	Canada	15,255
St. Louis	MO	MH	273,757	Mexico City	Mexico	14,626
San Francisco	CA	LH	272,863	San Salvador	El Salvador	13,981
New Orleans	LA	MH	263,267	Guatemala City	Guatemala	13,762
Houston Intercontinental	TX	MH	262,018	Buenos Aires	Argentina	13,598
West Palm Beach	FL	MH	251,862	Ottawa	Canada	12,944
Dallas Love Field	TX	MH	246,795	Tel Aviv	Israel	12,466
Chicago Midway	IL	MH	235,577	Aruba	Aruba	12,154
Las Vegas	NV	LH	214,771	Guadalajara	Mexico	11,834
Charlotte	NC	SH	212,054	Quito	Ecuador	11,801
Kansas City	MO	MH	206,912	Comayagua	Honduras	11,496
Seattle	WA	LH	204,900	Santiago	Chile	11,410
Austin	TX	MH	179,448	Belize City	Belize	10,830
Jacksonville	FL	MH	170,358	Calgary	Canada	10,693
Ft. Myers	FL	MH	165,608	San Pedro Sula	Honduras	10,530
Houston Hobby	TX	MH	165,319	Kingston	Jamaica	10,082

***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 2022, via Diio online portal.

International Source: Diio FMDI International Data, Year Ending 3Q 2022, via Diio online portal.

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Exhibit S-35 – TOP 30 PASSENGER ORIGINATION AND DESTINATION MARKETS IN 2022 – DULLES INTERNATIONAL

Domestic				International		
Destination Airport	State	Trip Length*	Total O&D	Destination Airport	Country	Total O&D
Los Angeles	CA	LH	575,482	San Salvador	El Salvador	318,765
San Francisco	CA	LH	532,466	London Heathrow	United Kingdom	316,793
Denver	CO	MH	445,210	Paris De Gaulle	France	194,583
Orlando	FL	MH	325,232	Cancun	Mexico	138,121
Seattle/Tacoma	WA	LH	299,823	Addis Abbaba	Ethiopia	111,861
Atlanta	GA	SH	280,136	Frankfurt	Germany	110,573
San Diego	CA	LH	224,489	Istanbul	Turkey	91,436
Austin	TX	MH	202,875	Dubai	United Arab Emirates	86,530
Las Vegas	NV	LH	186,783	Amsterdam	Netherlands	83,015
Chicago O'Hare	IL	SH	184,415	Dublin	Ireland	80,252
Boston	MA	SH	183,384	Doha	Qatar	75,720
Dallas/Fort Worth	TX	MH	181,878	Rome	Italy	75,687
Houston Intercontinental	TX	MH	173,065	Lisbon	Portugal	73,790
Ft. Lauderdale	FL	MH	154,806	Guatemala City	Guatemala	73,494
Tampa	FL	MH	149,970	Brussels	Belgium	69,475
Phoenix	AZ	LH	132,900	Toronto Pearson	Canada	66,424
Detroit	MI	SH	119,352	Cairo	Egypt	65,426
Charlotte	NC	SH	116,231	Athens	Greece	62,787
Jacksonville	FL	MH	111,029	Seoul	South Korea	62,030
Nashville	TN	SH	106,082	Madrid	Spain	59,563
San Antonio	TX	MH	101,525	Hydrabad	India	58,117
Salt Lake City	UT	LH	99,501	Delhi	India	55,120
Ft. Myers	FL	MH	98,488	Punta Cana	Dominican Republic	52,577
Minneapolis/St. Paul	MN	MH	92,666	Reykjavik	Iceland	51,297
Miami	FL	MH	87,785	Mexico City	Mexico	50,330
Honolulu	HI	LH	84,473	Accra	Ghana	50,314
New York LaGuardia	NY	SH	81,274	Munich	Germany	49,066
Sacramento	CA	LH	77,114	Toronto Billy Bishop	Canada	48,106
Charleston	SC	SH	76,201	Barcelona	Spain	45,722
Portland	OR	LH	72,156	Bogota	Colombia	45,710

***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 2022, via Diio online portal.

International Source: Diio FMDI International Data, Year Ending 3Q 2022, via Diio online portal.

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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, OR; Salt Lake City; San Francisco; San Juan, PR and Seattle.

2022		2021		2020		2019	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,086,368	Boston, MA	398,262	Boston, MA	603,203	Boston, MA	1,296,993
Orlando, FL	787,320	Orlando, FL	383,992	Atlanta, GA	469,139	Atlanta, GA	878,332
Atlanta, GA	770,798	Atlanta, GA	375,388	Orlando, FL	432,677	Orlando, FL	835,336
Chicago, O'Hare	685,763	Los Angeles, CA	361,428	Chicago, O'Hare	380,936	Chicago, O'Hare	802,319
Miami, FL	537,089	Miami, FL	315,037	Los Angeles, CA	324,489	Miami, FL	556,200
Los Angeles, CA	506,338	Chicago, O'Hare	266,736	Miami, FL	305,656	Los Angeles, CA	534,117
Fort Lauderdale, FL	445,566	Tampa, FL	208,051	Fort Lauderdale, FL	243,104	Fort Lauderdale, FL	470,159
Tampa, FL	385,914	Denver, CO	205,982	Dallas/Ft. Worth, TX	237,522	Tampa, FL	460,108
Dallas/Ft. Worth, TX	383,159	Dallas/Ft. Worth, TX	196,368	Denver, CO	230,516	Dallas/Ft. Worth, TX	455,097
Denver, CO	356,224	Nashville, TN	154,920	Tampa, FL	227,206	Denver, CO	428,184

2018		2017		2016		2015	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,181,897	Boston, MA	1,183,531	Boston, MA	1,184,229	Boston, MA	1,117,410
Atlanta, GA	882,099	Chicago, O'Hare	959,558	Atlanta, GA	885,741	Atlanta, GA	811,460
Chicago, O'Hare	865,028	Atlanta, GA	933,206	Chicago, O'Hare	826,250	Chicago, O'Hare	787,175
Orlando, FL	806,687	Orlando, FL	748,209	Orlando, FL	771,552	Orlando, FL	676,587
Los Angeles, CA	544,086	Fort Lauderdale, FL	564,816	Fort Lauderdale, FL	531,709	Tampa, FL	528,561
Tampa, FL	499,834	Miami, FL	491,625	Tampa, FL	512,559	Fort Lauderdale, FL	467,864
Miami, FL	497,385	Los Angeles, CA	488,587	Miami, FL	490,522	Denver, CO	465,287
Fort Lauderdale, FL	459,629	Tampa, FL	487,825	Los Angeles, CA	475,373	New York, LaGuardia	451,477
Dallas/Ft. Worth, TX	438,976	Dallas/Ft. Worth, TX	435,003	New York, LaGuardia	441,559	Miami, FL	444,096
New York, LaGuardia	422,071	New York, LaGuardia	418,588	Dallas/Ft. Worth, TX	425,316	Los Angeles, CA	440,020

2014		2013	
Destination Airport	Passengers	Destination Airport	Passengers
Boston, MA	1,130,313	Boston, MA	1,051,126
Chicago, O'Hare	806,970	Chicago, O'Hare	949,322
Atlanta, GA	732,631	Orlando, FL	728,413
Orlando, FL	628,918	Atlanta, GA	687,700
Tampa, FL	437,091	Fort Lauderdale, FL	451,421
New York, LaGuardia	429,451	New York, LaGuardia	438,792
Fort Lauderdale, FL	426,535	Miami, FL	423,460
Miami, FL	414,004	Dallas/Fort Worth, TX	397,727
Denver, CO	404,842	Tampa, FL	373,635
Dallas/Fort Worth, TX	379,532	Denver, CO	360,098

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

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Exhibit S-37 – TOP 10 PASSENGER ORIGINATION AND DESTINATION MARKETS – DULLES INTERNATIONAL

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

2022		2021		2020		2019	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	575,482	Los Angeles, CA	295,943	Los Angeles, CA	368,899	Los Angeles, CA	778,691
San Francisco, CA	532,466	Denver, CO	277,844	San Francisco, CA	328,371	San Francisco, CA	681,218
Denver, CO	445,210	Orlando, FL	226,113	Denver, CO	304,758	Denver, CO	572,210
Orlando, FL	325,232	San Francisco, CA	221,774	Orlando, FL	209,555	London, Heathrow	502,542
San Salvador, El Salvador	318,765	San Salvador, El Salvador	193,182	London, Heathrow	205,194	Orlando, FL	413,498
London, Heathrow	316,793	Atlanta, GA	180,873	Atlanta, GA	185,974	Seattle, WA	380,722
Seattle, WA	299,823	Seattle, WA	159,792	Seattle, WA	181,786	Atlanta, GA	321,856
Atlanta, GA	280,136	San Diego, CA	131,712	San Diego, CA	124,774	Las Vegas, NV	270,886
San Diego, CA	224,489	Houston Intercontinental, TX	115,486	Dallas/Ft. Worth, TX	123,489	San Diego, CA	254,791
Austin, TX	202,875	Ft. Lauderdale, FL	113,809	San Salvador, El Salvador	118,740	San Salvador, El Salvador	248,263

2018		2017		2016		2015	
Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	797,244	Los Angeles, CA	814,551	Los Angeles, CA	815,488	Los Angeles, CA	803,235
San Francisco, CA	703,512	San Francisco, CA	752,577	San Francisco, CA	774,931	San Francisco, CA	787,614
Denver, CO	604,711	Denver, CO	511,521	London, Heathrow	445,207	London, Heathrow	448,828
London, Heathrow	485,566	London, Heathrow	472,618	Denver, CO	442,756	Denver, CO	392,909
Orlando, FL	445,111	Orlando, FL	352,138	Orlando, FL	352,138	Orlando, FL	344,595
Atlanta, GA	329,693	Atlanta, GA	398,149	Atlanta, GA	341,711	Atlanta, GA	318,188
Las Vegas, NV	311,374	Dallas/Ft. Worth, TX	273,807	Seattle, WA	250,301	Las Vegas, NV	282,630
Seattle, WA	296,686	Seattle, WA	272,590	Boston, MA	248,884	Boston, MA	246,783
Dallas/Ft. Worth, TX	280,740	Boston, MA	263,454	Las Vegas, NV	241,729	Chicago O'Hare, IL	245,335
Boston, MA	279,542	Las Vegas, NV	235,060	San Diego, CA	230,623	San Diego, CA	241,795

2014		2013	
Destination Airport	Passengers	Destination Airport	Passengers
Los Angeles, CA	822,948	Los Angeles, CA	835,895
San Francisco, CA	812,980	San Francisco, CA	809,625
London, Heathrow	455,181	London, Heathrow	481,089
Denver, CO	374,384	Denver, CO	350,647
Boston, MA	267,014	Boston, MA	291,033
Atlanta, GA	266,181	Atlanta, GA	243,826
Orlando, FL	259,000	Chicago, O'Hare	236,008
Chicago O'Hare, IL	236,643	Dallas/Fort Worth, TX	217,767
Dallas/Fort Worth, TX	196,885	Orlando, FL	212,326
Paris, De Gaulle	194,293	Paris, De Gaulle	211,338

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

International Source: (2005-2017) MIDT via Sabre Global Demand Data (GDD), preliminary data. No international data currently available before January 2005

* International passenger

Exhibit S-38 – AIRLINE TENANTS – BOTH AIRPORTS

As of December 31, 2022

Reagan National		
Signatory Airlines	Affiliate Airlines	Non-Signatory Airlines
Air Canada	Air Wisconsin	MN Airlines, LLC
Alaska Airlines	Commutair	
American Airlines	Endeavor Air	
Delta Airlines	Envoy Air	
Frontier Airlines	GoJet Airlines	
Jet Blue Airways Corp	Jazz Aviation LP	
Southwest Airlines	Mesa Airlines	
United Airlines	Piedmont Airlines	
	PSA Airlines	
	Republic Airlines	
	SkyWest Airlines	

Dulles International		
Signatory Airlines	Affiliate Airlines	Non-Signatory Airlines
Aer Lingus	Air Wisconsin	MN Sun Country
Air Canada	Commutair	Omni Air International
Air China	Endeavor Air, Inc.	
Air France	Envoy	
Air India	GoJet Airlines	
Alaska Airlines	Mesa Airlines, Inc.	
Alitalia	Piedmont Airlines	
All Nippon Airways	PSA Airlines, Inc.	
Allegiant Air, LLC	Republic Airlines	
American Airlines	SkyWest	
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		
Iberia		
Icelandair		
JetBlue Airways		
KLM Royal Dutch Airlines		
Korean Air		
Lufthansa German Airlines		
Mountain Air Cargo		
Porter Airlines		
Qatar Airways		
Royal Air Maroc		
Saudi Arabian Airlines		
Scandinavian Airlines System (SAS)		
South African Airways		
Southern Airways Express, LLC		
Southwest Airlines		
Taca International Airlines		
TAP Air Portugal		
Turkish Airlines		
United Airlines		
United Parcel Service		
Virgin Atlantic Airways Ltd. VAA US		
Vuela Aviacion, S.A.		

Note: Signatory airlines as of December 31, 2022. 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

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Metropolitan Washington Airports Authority

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

As of December 31, 2022

Reagan National		
Retail America! Brighton Brooks Brothers Capital Image DC Originals DCA Sports Elsen Oils Fantasia Accessories GenX Wireless INK InMotion Entertainment iTravel2 Johnston & Murphy MAC Cosmetics Pen & Prose Boutique Scoreboard Smithsonian Institution Spanx Swarovski Tresors Boutique Tumi Uniquely DC Vineyard Vines Newsstands Capital File News CNBC News Forbes Hudson News NBC4 Washingtonian Fixed Based Operators Signature Flight Support Parking Managed by: SP Plus Corporation Parking Shuttle Managed by: SP Plus Corporation Inflight Kitchens Sky Chefs, Inc. Rental Cars Avis Budget Car Rental, LLC Enterprise Leasing Hertz Rent-A-Car Vanguard Car Rental Wireless Communication Providers APC Realty Cellco Verizon New Cingular Wireless T-Mobile Ground Transportation Hotel Shuttles Limousine Operators Lyft, Inc. Rasier LLC (Uber) Technical and Professional Services	Food and Beverage &Pizza American Tap Room Ben's Chili Bowl Big Bowl Boar's Head Delicatessen Bracket Room/Green Beans Coffee Cava Mezza Cibo Express Gourmet Chick Fil A CTY Custom Burger District Bar Dunkin Donuts El Centro D.F. Elevation Burger Five Guys Georgetown Gourmet Market Good Stuff Eatery Great American Bagel Grille District Kapnos Taverna Lebanese Taverna Legal Sea Foods Lickety Split Magic Pan Matsutaki Sushi May Vending Company Mezeh Page Peet's Coffee Qdoba Mexican Grill Reservoir Say Si Bon Gourmet Sip Munch & More Smashburger Starbucks Tagliare Taylor Gourmet Timber Pizza U Street Pub Washington Pour Bar WH Smith Café Wolfgang Puck Bar & Bites Wow Bau Hot Asian Buns Advertising In-Ter-Space Services, Inc. Services EuroNet USA, LLC Alclear, LLC XpresCheck Kiko's Shoeshine Smarte Carte Inc.	Commercial Aviation Services 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 Armed Security DbA Butler Security, Inc. Avdyne AeroServices, LLC Baggage Airline Guest Services Corman Kokosing Constr. Comp DC Provisions, LLC DCA Fuel Facilities, LLC Eastern Industrial Maintenance, Inc. Elite Line Services, LLC ERMC Aviation, LLC Express Catering, Inc G2 Secure Staff, LLC Global Aviation DbA PrimeFlight GSE Host Int'l Huntleigh USA Corporation Integrated Deicing Services IW Group, LLC DbA Perq Soleil Keystone Management, LLC Menzies Aviation (USA), Inc. Oxford Airport Technical Services Professional Services Management SCIS Air Sec. Corporation SkySquad Sodexo Operations, LLC Swissport USA, Inc. Unifi Aviation, LLC Worldwide Flight Services, Inc. Other Airport Tenants 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) DCA Fuel Facilities, LLC DC Provisions, LLC Drug Enforcement Administration Eastern Industrial Maintenance, Inc. Federal Aviation Administration Federal Bureau of Investigation G2 Secure Staff, LLC General Services Administration Integrated Deicing Services Marketplace Development Mays Corporation Idemia (MorphoTrust USA) Pleasant News at DCA, LLC PrimeFlight Aviation Services Rawking Holdings, dba Couriers United LLC Smith's Detection, Inc. Swissport USA, Inc. Transportation Security Administration University of District of Columbia US Coast Guard Air Station

Source: Airports Authority Records

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Metropolitan Washington Airports Authority

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

As of December 31, 2022

Dulles International			
Retail Brookstone Christian Dior Coach DC Marketplace Estee Lauder Flag World GenX Wireless InMotion Entertainment I Relax-n-Massage iTravel 2 Kieh'l's L'Occitane Michael Kors Mosaic Montblanc Polo-Ralph Lauren See's Candies Souvenir Library Sunglass Hut Swarovski Travel Tech Tumi Uniquely DC Vera Bradley Vineyard Vines Newsstands Capitol City Ink Forbes Hudson News NBC4 Stellar News Washington Informer Washingtonian Duty Free Dulles Duty Free, LLC Services Alclear, LLC EuroNet USA, LLC iRelax-N-Massage FuelRod Marriott Hotel at Dulles Sandy Hector Shoeshine Smarte Carte, Inc. Sunoco Gas Station XpresCheck Foreign Currency ICE Currency Services Parking Managed by: SP Plus Corporation Parking Shuttle Managed by: SP Plus Corporation Advertising In-Ter-Space Services, Inc. (Clear Channel) Fixed Based Operators Jet Aviation, Inc. Signature Flight Support	Food & Beverage &Pizza American Tap Room Au Bon Pain Auntie Anne's Pretzels Bar Symon Be Right Burger Bistro Atelier Bracket Room Café Americana Capitol Grounds Coffee Carrabba's Chef Geoff's Chick-Fil-A DC-3 Hot Dog Joint DC Craft & Brews Devils Backbone District Chop House Dulles Gourmet Market Dunkin Donuts Firkin and the Fox Five Guys Jersey Mike's Peet's Coffee Pizza Hut Potbelly Sandwich Works Smashburger Starbucks Subway The Kitchen by Wolfgang Puck Vino Volo Washington Redskins Burgandy & Gold Club Wendy's Wow Bao Rental Cars Sixt Rent A Car Enterprise RAC Company of Maryland, LLC Avis Budget Car Rental LLC The Hertz Corporation In-flight Kitchens Executive Inflight Catering Flying Food Group, LLC Gate Gourmet International Sky Chefs, Inc. Ground Transportation WHC VA, LLC Dulles Airport Taxi Hotel Shuttles Limousine Operators Lyft Inc. Raiser, LLC (Uber) Technical and Professional Services, Inc. American Limousines, Inc. (Multi-Party) Alto Operations Wireless Communication Providers APC Realty Cellco Verizon New Cingular Wireless T-Mobile	Commercial Aviation Services ABC Express, Inc. Abe's Transportation ABM Aviation, Inc. ACTS Aviation Security, Inc. Air General Inc. Air General Inc. Concierge Allied Universal Security Services Argo Group Associated Building Maintenance Co. Inc. Avdyne Aeroservices, LLC Better Business Connection Choice Aviation Services CIMA Enterprise Crigger Contracting, Inc. Departures, LLC Dulles Services LLC Eagle Aviation Group ERMC Aviation F & E Aircraft Maintenance FlightCheck Commercial Aviation Services FLIK International Corporation G2 Secure Staff Global Airport Concierge Global Security Associates Ground Services International, Inc. (GSI) Huntleigh USA Corporation Huntleigh USA Corporation Concierge I and L Laundry Integrated Deicing Services Interesse International, Inc. IW Group, LLC Dbq Perq Soleil Madison Limousine Service Manpower Group Matrix Aviation Services Maximus Global Services Menzies Aviation (USA) ,Inc. National Aviation Services Piedmont Ground Handling PrimeFlight Aviation Services, Inc Professional Services Management, LLC Prosecur Services Group SCIS Air Security Corporation Securemedy Incorporated Simpson Unlimited, Inc. 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) Unifi Aviation, LLC WFS Express, LLC Worldwide Flight Services, Inc. Other Airport Tenants A&A Transfer Air General Inc. Airschott, Inc. Alclear, LLC All Nippon Airways (ANA) Amazon Amentum AM-Liner East, Inc. ARINC Atlantic Contracting & Material Company Inc. Airline Tariff Publishing Company American Moving and Storage Inc. Avdyne Aeroservices, LLC	Other Airport Tenants (Cont) Aviation Facilities Company, Inc. Azza Trucking, LLC Balfour Beatty Equipment, LLC British Airways Capital Pet Movers Capital Rail Constructors Choice Aviation Services Crigger Contracting, Inc. Customs and Border Patrol Delta Air Lines, Inc. Delta Airlines Global Services Dufoda Vending Services Dulles Duty Free, LLC Dynalectric Construction Eastern Industrial Maintenance, Inc. Executive Inflight Catering Falcon UHP, Inc. Federal Aviation Administration Federal Bureau of Investigation Federal Express Corp. Federal Republic of Germany Fishel Company Gate Gourmet International General Services Administration (DEA) General Services Administration (TSA) General Tech Services Global Security Consulting Group, Inc. Globe Air Cargo Ground Services International, Inc. (GSI) Hampton Aggregates Hermes Aviation Hojjei Branded Foods, Inc. Holder Construction Group, LLC IAD Fuels, LLC Idemia Identity & Security USA, LLC Inland Technologies International Limited InTerra Innovation, Inc. IOM International Organization for Migration JDR Towing John S. Connor, Inc. Lea + Elliott, Inc. Loudoun County Lufthansa Cargo AG Maverick Construction Corp. Maximus Global Services Mesa Air Group Metro. Wash. Airports Interfaith Chapel Netcom Technologies, Inc. Nexgen Communications LLC Nicoya Trucking Products (SE) Pipeline Corporation Quantum Consulting Group, Inc. RAS Unlimited LLC Roller and Bauer, PLLC. Ruppert Landscape Inc. LLC Santee Inc. Sphinx Contracting, Inc. Star Teams Swissport Fueling, Inc Swissport USA, Inc. Textron Ground Support Equipment, Inc. The Smithsonian Institution United States Army U.S. Fish and Wildlife Service U.S. Postal Service United Airlines United Parcel Service Airlines Verizon South Inc. W. M. Schlosser Washington Airports Task Force Worldwide Flight Services, Inc.

Source: Airports Authority Records



2022 Annual Comprehensive Financial Report



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

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METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Single Audit Together with
Reports of Independent Public Accountants**

For the Year Ended December 31, 2022



SB & COMPANY, LLC
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DECEMBER 31, 2022

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors of the
Metropolitan Washington Airports Authority

Opinion

We have audited the Schedule of Expenditures of Federal Awards (the Schedule) of the Metropolitan Washington Airports Authority (the Airports Authority) for the year ended December 31, 2022, and the related notes to the Schedule.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the expenditures of Federal awards of the Airports Authority for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Schedule* section of our report.

We are required to be independent of the Airports Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

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



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Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal controls relevant to the audit 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 Airports Authority's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Washington D.C.
May 19, 2023

SB & Company, LLC



**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROLS
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors and Officers of
Metropolitan Washington Airports Authority

Opinion on Each Major Federal Program

We have audited Metropolitan Washington Airports Authority's (the Airports Authority) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Airports Authority's major Federal programs for the year ended December 31, 2022. The Airports Authority's major Federal programs are identified in the summary of independent public accountants' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Airports Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Airports Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the Airports Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Airports Authority's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Airports Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Airports Authority's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Airports Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Airports Authority's internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Airports Authority's internal controls over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal controls over compliance that we identified during the audit.



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Report on Internal Controls Over Compliance

A *deficiency in internal controls over compliance* exists when the design or operation of controls over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Washington D.C.
May 19, 2023

SB & Company, LLC

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Drug Enforcement Administration Drug Seizure Program				
Drug Enforcement Administration	16 922	N/A	\$ 84,765	\$ -
U.S. Department of Treasury				
Drug Enforcement Administration Drug Seizure Program				
Drug Enforcement Administration	21 016	N/A	72,190	-
U.S. Department of Transportation				
Airport Improvement Program				
3-51-0082-033-2018 DCA - Hold Bay 4 Reconstruction and Reconfiguration	20 106	N/A	144,790	-
3-51-0082-035-2019 DCA - Hold Bay 4 Reconstruction and Reconfiguration Phase 2	20 106	N/A	213,722	-
3-51-0083-058-2018 IAD - VALE Infrastructure Install Electric Charging Stations	20 106	N/A	284,218	-
3-51-0083-068-2021 IAD - Reconstruct Runway -12/30 (East) and Associated Taxiway	20 106	N/A	5,250,000	-
3-51-0082-039-2021 DCA - Reconstruction of Runway Design 01/19 & 15/33	20 106	N/A	1,652,722	-
Total Airport Improvement Program			7,545,452	-
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)				
3-51-0083-061-2020 IAD/DCA - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	20 106	N/A	22,538,181	-
Airport Rescue Grant				
3-51-0082-041-2021 DCA - Airport Rescue Grant - General	20 106	N/A	25,692,259	-
3-51-0083-071-2021 IAD - Airport Rescue Grant - General	20 106	N/A	28,598,441	-
3-51-0082-042-2022 DCA - Airport Rescue Grant (ARP) - Concessions Grant	20 106	N/A	9,933,777	-
3-51-0083-072-2022 IAD - Airport Rescue Grant (ARP) - Concessions Grant	20 106	N/A	10,181,074	-
Total Airport Rescue Grant			74,405,551	-
Federal Transit Administration				
A-03-0113-08 Dulles Corridor Metrorail Project - DCE	20 500	N/A	2,072,644	-
Pass-through Commonwealth of Virginia				
National Highway Traffic Safety Administration				
Selective Enforcement - Police Traffic Services	20 614	Unknown	3,522	-
Total U.S. Department of Transportation			106,565,350	-
U.S. Department of Homeland Security				
Staffing for Adequate Fire and Emergency Response (SAFER)				
EMW-2018-FH-00344 -SAFER Grant Agreement	97 083	N/A	319,279	-
Preparing for Emerging Threats and Hazards				
EMW-2016-GR-00149 - CCTA Grant Agreement	97 133	N/A	75,447	-
National Explosives Detection Canine Team				
HSTS02-16-H-NCP455 - Other Transactional Agreement	97 072	N/A	606,000	-
Operation Allies Welcome Airport Assistance Grant				
DHS-22-OS-009-00 - Cooperative Agreement	97 009	N/A	1,250,549	-
Law Enforcement Officer Reimbursement Agreement				
HSTS02-16-H-SLR725 - DCA - Other Transactional Agreement	97 090	N/A	576,680	-
HSTS02-16-H-SLR744 - IAD - Other Transactional Agreement	97 090	N/A	350,400	-
Total Law Enforcement Officer Reimbursement Agreement			927,080	-
Pass-through Commonwealth of Virginia				
Disaster Grant - Public Assistance (Presidentially Declared Disasters) Program				
FEMA-4512 -DR-VA Sub-recipient Disaster Assistance Agreement	97 036	FEMA-4512-DR-VA	544,932	-
Total U.S. Department of Homeland Security			3,723,287	-
Total Expenditures of Federal Awards			\$ 110,445,592	\$ -

The accompanying notes are an integral part of this Schedule.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

1. 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 the Deed of Lease, both 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 were 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 of Virginia and the State of Maryland, the Mayor of the District of Columbia, and the President of the United States. Only the accounts of the Airports Authority are included in the reporting entity. There are no Federal or state government agency finances that should be considered for inclusion in the Airports Authority's financial reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of the Airports Authority are included in the scope 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 Single Audit or Uniform Guidance). The Single Audit was performed in accordance with the provisions of the Office of Management and Budget (OMB) Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, that are defined and documented, was performed for the major Federal grant programs identified below. The programs on the accompanying schedule of expenditures of Federal awards (the Schedule) include 2022 cash and non-cash expenditures. The major Federal programs tested in 2022 covered programs to ensure coverage of at least 20% of Federally granted funds. The Airports Authority's actual coverage was 95%.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Airports Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

<u>Major Federal Programs</u>	<u>Assistance Listing</u>	<u>Federal Expenditures</u>
Airport Improvement Program	20.106	\$ 7,545,452
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	20.106	22,538,181
Airport Rescue Grant	20.106	74,405,551
		<u>\$ 104,489,184</u>

3. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal award activity of the Airports Authority and is presented on the accrual basis of accounting.

The Schedule presents only a selected portion of the operations of the Airports Authority. Consequently, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Airports Authority.

4. RECONCILIATION OF SCHEDULE TO AUDITED FINANCIAL STATEMENTS

Federal, State, and Local Revenue and Contributions per	
Audited Financial Statements	\$ 232,334,792
Equitable Sharing Fund	(128,058)
Virginia Department of Aviation-VDOA	(2,000,000)
Arlington County- Firing Range Funding	(182,920)
BAB Interest Subsidy	(13,811,932)
Phase 2 Contributions - Commonwealth Funding	(26,777,725)
Phase 2 Contributions - Fairfax	(59,244,717)
Phase 2 Contributions - Loudoun	(19,743,848)
Schedule of Expenditures of Federal Awards	<u>\$ 110,445,592</u>

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

5. CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT

The U.S. Federal government, the Federal Reserve Board and foreign governments have taken legislative and regulatory action and have implemented measures to mitigate the broad disruptive effects of the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), approved by the United States Congress and signed by the President of the United States on March 27, 2020, included among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The Airports Authority was allocated approximately \$22 million of grant assistance under the CARES Act. The Airports Authority could draw on these funds on a reimbursement basis for any purpose for which Airports Authority revenues may be lawfully used in accordance with Federal Aviation Administration rules and regulations.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA Act) was enacted, providing nearly \$2 billion to U.S. airports to prevent, prepare for, and respond to the COVID-19 pandemic. On February 22, 2021, the Airports Authority submitted grant applications for its allocations under the CRRSA Act totaling \$42.7 million, which were to be available for use in 2021. On February 12, 2021, additional funding under the Airports Coronavirus Recovery Grants Program, approved under the CRRSA Act, was announced with Reagan National and the Dulles International to receive approximately \$21 million each. For the year ended December 31, 2022, \$9.9 million and \$10.1 million, were spent for Reagan National and Dulles International respectively.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2022

Section I - Summary of Independent Public Accountants' Results

Schedule of Expenditures of Federal Awards

Type of independent public accountants' report issued on the Schedule of Federal Expenditures was prepared in accordance with GAAP Unmodified

Internal controls over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Noted

Noncompliance material to the financial statements noted? No

Federal Awards

Type of independent public accountants report issued on compliance for major Federal program Unmodified

Internal controls over major Federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Noted

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of Major Federal Program:

Major Federal Programs	Federal Assistance Listing	Federal Expenditures
Airport Improvement Program	20.106	\$ 7,545,452
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	20.106	22,538,181
Airport Rescue Grant	20.106	74,405,551
		<u>\$ 104,489,184</u>

Threshold for distinguishing between Type A and B programs \$ 3,000,000

Does Metropolitan Washington Airports Authority qualify as a low risk auditee? Yes

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022**

Section II – Schedule of Expenditures of Federal Awards Findings

None noted.

Section III – Federal Award Findings

None noted.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Schedule of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2022**

There were no Federal award findings for the year ended December 31, 2021.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Metropolitan Washington Airports Authority
Arlington, Virginia

We have audited, in accordance with the 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, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Washington Airports Authority (the "Airports Authority") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Airports Authority's basic financial statements, and have issued our report thereon dated March 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Airports Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Airports Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Airports Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Airports Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
March 29, 2023