I am extremely proud of the ongoing accomplishments at SFO, the international gateway to San Francisco and the innovation capital of the world.

Mayor Edwin M. Lee

Table of Contents

3 Connecting the World
5 United States of America
9 Asia/Oceania
11 Europe/Middle East
13 Canada
15 Latin America
17 Facts & Figures
19 Cargo
21 Awards & Recognition
23 Building for the Future
25 Letter from the Airport Director
27 Letter from the Commission President
29 Financial Summary
37 Airport Commission & Airport Management
For more than 85 years, San Francisco International Airport (SFO) has been connecting people with places. With 40 airlines and 112 direct destinations, SFO continues to be one of the world’s major airports, ranking 7th in North America and 22nd in the world in 2012. In Fiscal Year (FY) 2012/13 (July through June), total passenger volume reached 44.7 million, a 3.9% increase from the prior year. Both measures established a new peak for SFO.

United Airlines (UA) and Virgin America (VX) accounted for a majority of the domestic growth with over 600,000 additional domestic enplanements1, or 86% of the total domestic growth in the FY. UA introduced year-round non-stop service to Raleigh-Durham, NC and Ft. Lauderdale, FL. VX introduced year-round non-stop service to Washington D.C. Reagan National Airport; Newark, NJ and Austin, TX; and seasonal service to Palm Springs, CA and Anchorage, AK.

International traffic continued to grow as well, primarily to Asia, Europe and Latin America, with nearly 130,000 more enplanements2, accounting for 89% of international growth. New service included SAS Scandinavian Airlines (SK) to Copenhagen, DK; China Eastern (MU) to Shanghai, CN and United Airlines (UA) to Paris, FR.

1 Passengers boarding an aircraft at SFO.

The spectacular images are courtesy of the U.S. Geological Survey’s “Earth as Art” Collection. These aerial views represent some of the countries served by the airlines at SFO.
SFO has an average of 500 daily non-stop departures to destinations in the United States of America.

CARRIERS
AirTran Airways
Alaska Airlines
American Airlines
Delta Air Lines
Frontier Airlines
Hawaiian Airlines
Horizon Air
JetBlue Airways
Southwest Airlines
Sun Country Airlines
United Airlines
United Express
US Airways
Virgin America

DESTINATIONS
ABQ Albuquerque, NM
ACV Eureka, CA
ANC Anchorage, AK
ATL Atlanta, GA
AUS Austin, TX
BFL Bakersfield, CA
BOI Boise, ID
BOS Boston, MA
BUR Burbank, CA
BWI Baltimore, MD
BZN Bozeman, MT
CCE Crescent City, CA
CIC Chico, CA
CLE Cleveland, OH
CLT Charlotte, NC
COS Colorado Springs, CO
CVG Cincinnati, OH
DCA Washington-Reagan, VA
DEN Denver, CO
DFW Dallas/Fort Worth, TX
DTW Detroit, MI
EUG Eugene, OR
EWR Newark, NJ
FAT Fresno, CA
FLL Fort Lauderdale, FL
GEG Spokane, WA
Domestic passenger traffic to destinations in the United States of America increased by 4.2%.

DESTINATIONS (continued)

<table>
<thead>
<tr>
<th>IATA</th>
<th>City, State/Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNL</td>
<td>Honolulu/Oahu, HI</td>
</tr>
<tr>
<td>IAD</td>
<td>Washington-Dulles, VA</td>
</tr>
<tr>
<td>IAH</td>
<td>Houston, TX</td>
</tr>
<tr>
<td>IDA</td>
<td>Idaho Falls, ID</td>
</tr>
<tr>
<td>ITO</td>
<td>Hilo, HI</td>
</tr>
<tr>
<td>JAC</td>
<td>Jackson Hole, WY</td>
</tr>
<tr>
<td>JFK</td>
<td>New York, NY</td>
</tr>
<tr>
<td>KOA</td>
<td>Kona, HI</td>
</tr>
<tr>
<td>LAS</td>
<td>Las Vegas, NV</td>
</tr>
<tr>
<td>LAX</td>
<td>Los Angeles, CA</td>
</tr>
<tr>
<td>LGB</td>
<td>Long Beach, CA</td>
</tr>
<tr>
<td>LIH</td>
<td>Kauai/Kihei, HI</td>
</tr>
<tr>
<td>LMT</td>
<td>Klamath Falls, OR</td>
</tr>
<tr>
<td>MCI</td>
<td>Kansas City, MO</td>
</tr>
<tr>
<td>MCO</td>
<td>Orlando, FL</td>
</tr>
<tr>
<td>MDW</td>
<td>Chicago-Midway, IL</td>
</tr>
<tr>
<td>MEM</td>
<td>Memphis, TN</td>
</tr>
<tr>
<td>MFR</td>
<td>Madison, WI</td>
</tr>
<tr>
<td>MIA</td>
<td>Miami, FL</td>
</tr>
<tr>
<td>MKE</td>
<td>Milwaukee, WI</td>
</tr>
<tr>
<td>MOD</td>
<td>Modesto, CA</td>
</tr>
<tr>
<td>MRY</td>
<td>Monterey, CA</td>
</tr>
<tr>
<td>MSO</td>
<td>Missoula, MT</td>
</tr>
<tr>
<td>MSP</td>
<td>Minneapolis/St. Paul, MN</td>
</tr>
<tr>
<td>MSY</td>
<td>New Orleans, LA</td>
</tr>
<tr>
<td>OGG</td>
<td>Kauai/Maui, HI</td>
</tr>
<tr>
<td>OKC</td>
<td>Oklahoma City, OK</td>
</tr>
<tr>
<td>ONT</td>
<td>Ontario, CA</td>
</tr>
<tr>
<td>ORD</td>
<td>Chicago-O’Hare, IL</td>
</tr>
<tr>
<td>OTH</td>
<td>North Bend, OR</td>
</tr>
<tr>
<td>PDX</td>
<td>Portland, OR</td>
</tr>
<tr>
<td>PHL</td>
<td>Philadelphia, PA</td>
</tr>
<tr>
<td>PHX</td>
<td>Phoenix, AZ</td>
</tr>
<tr>
<td>PIT</td>
<td>Pittsburgh, PA</td>
</tr>
<tr>
<td>PSC</td>
<td>Pasco/Tri-Cities, WA</td>
</tr>
<tr>
<td>PSP</td>
<td>Palm Springs, CA</td>
</tr>
<tr>
<td>RDO</td>
<td>Redding, CA</td>
</tr>
<tr>
<td>RDM</td>
<td>Redmond, OR</td>
</tr>
<tr>
<td>RDU</td>
<td>Raleigh-Durham, NC</td>
</tr>
<tr>
<td>RNO</td>
<td>Reno, NV</td>
</tr>
<tr>
<td>SAN</td>
<td>San Diego, CA</td>
</tr>
<tr>
<td>SAT</td>
<td>San Antonio, TX</td>
</tr>
<tr>
<td>SBA</td>
<td>Santa Barbara, CA</td>
</tr>
<tr>
<td>SBP</td>
<td>San Luis Obispo, CA</td>
</tr>
<tr>
<td>SEA</td>
<td>Seattle/Tacoma, WA</td>
</tr>
<tr>
<td>SLC</td>
<td>Salt Lake City, UT</td>
</tr>
<tr>
<td>SMF</td>
<td>Sacramento, CA</td>
</tr>
<tr>
<td>SNA</td>
<td>Orange County, CA</td>
</tr>
<tr>
<td>STL</td>
<td>St. Louis, MO</td>
</tr>
<tr>
<td>TUS</td>
<td>Tucson, AZ</td>
</tr>
</tbody>
</table>
Transpacific origin and destination traffic to **Asia/Oceania** grew by 6.9% in 2012.

### CARRIERS

- Air China
- Air New Zealand
- All Nippon Airways
- Asiana Airlines
- Cathay Pacific Airways
- China Airlines
- China Eastern
- Delta Air Lines
- EVA Airways
- Japan Airlines
- Korean Airlines
- Philippine Airlines
- Singapore Airlines
- United Airlines

### DESTINATIONS

<table>
<thead>
<tr>
<th>CARRIERS</th>
<th>DESTINATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air China</td>
<td>Auckland, NZ</td>
</tr>
<tr>
<td>Air New Zealand</td>
<td>Tokyo-Haneda, JP</td>
</tr>
<tr>
<td>All Nippon Airways</td>
<td>Hong Kong, HK</td>
</tr>
<tr>
<td>Asiana Airlines</td>
<td>Seoul-Incheon, KR</td>
</tr>
<tr>
<td>Cathay Pacific Airways</td>
<td>Osaka-Kansai, JP</td>
</tr>
<tr>
<td>China Airlines</td>
<td>Manila, PH</td>
</tr>
<tr>
<td>China Eastern</td>
<td>Tokyo-Narita, JP</td>
</tr>
<tr>
<td>Delta Air Lines</td>
<td>Beijing, CN</td>
</tr>
<tr>
<td>EVA Airways</td>
<td>Shanghai, CN</td>
</tr>
<tr>
<td>Japan Airlines</td>
<td>Singapore via Hong Kong, HK or Seoul, KR</td>
</tr>
<tr>
<td>Korean Airlines</td>
<td>Sydney, AU</td>
</tr>
<tr>
<td>Philippine Airlines</td>
<td>Taipei, TW</td>
</tr>
<tr>
<td>Singapore Airlines</td>
<td>Wuhan, CN via Shanghai, CN</td>
</tr>
<tr>
<td>United Airlines</td>
<td></td>
</tr>
</tbody>
</table>
Airlines at SFO offer an average of 5,000 daily non-stop seats to destinations in **Europe** and the **Middle East**.

**CARRIERS**
- Air Berlin
- Air France
- British Airways
- Emirates
- KLM Royal Dutch Airlines
- Lufthansa German Airlines
- SAS Scandinavian Airlines
- Swiss International Air Lines
- United Airlines
- Virgin Atlantic Airways
- XL Airways France

**DESTINATIONS**
- AMS Amsterdam, NL
- CDG Paris-De Gaulle, FR
- CPH Copenhagen, DK
- DUS Dusseldorf, DE
- DXB Dubai, AE
- FRA Frankfurts, DE
- LHR London-Heathrow, UK
- MUC Munich, DE
- ZRH Zurich, CH

Lake District, England 11
More than 1.2 million passengers flew to/from **Canada**.

**CARRIERS**

Air Canada  
United Airlines  
WestJet

**DESTINATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>City, Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEG</td>
<td>Edmonton, CA</td>
</tr>
<tr>
<td>YUL</td>
<td>Montreal, CA</td>
</tr>
<tr>
<td>YVR</td>
<td>Vancouver, CA</td>
</tr>
<tr>
<td>YYJ</td>
<td>Victoria, CA</td>
</tr>
<tr>
<td>YYC</td>
<td>Calgary, CA</td>
</tr>
<tr>
<td>YYZ</td>
<td>Toronto, CA</td>
</tr>
</tbody>
</table>
Passenger traffic to destinations in **Latin America** grew by 8.2%.

**CARRIERS**
- AeroMexico
- Alaska Airlines
- LAN Peru
- Taca International Airlines
- United Airlines
- Virgin America

**DESTINATIONS**
- **CUN** Cancun, MX
- **GDL** Guadalajara, MX
- **GRU** Sao Paulo, BR via Lima, PE
- **LIM** Lima, PE
- **MEX** Mexico City, MX
- **PVR** Puerto Vallarta, MX
- **SAL** San Salvador, SV
- **SJD** San Jose del Cabo, MX
Facts & Figures

Passengers

Total Passengers 44,741,921
Total Bay Area Market Share 71%
(7th in North America, 22nd in the world in 2012)
Domestic Enplaned and Deplaned Passengers (78%) 35,024,595
Domestic Bay Area Market Share 66%
International Enplaned and Deplaned Passengers (22%) 9,594,782
International Bay Area Market Share 96%
Through (In-transit) 122,544

Top 5 Airlines by Market Share

United Airlines 46%
Virgin America 9%
Delta Air Lines 8%
Southwest/AirTran Airlines 8%
American Airlines 7%

Top 5 Domestic Destinations

Greater Los Angeles Area, CA (BUR, LAX, LGB, ONT & SNA)
Greater New York Area, NY (EWR & JFK)
Greater Chicago Area, IL (MDW & ORD)
Las Vegas, NV (LAS)
San Diego, CA (SAN)

Top 5 International Destinations

London/Heathrow, UK (LHR)
Tokyo/Haneda & Narita, JP (HND & NRT)
Hong Kong, HK (HKG)
Seoul/Incheon, KR (ICN)
Vancouver, BC, CA (YVR)

1 Source: Airports Council International
2 By average flights per week
3 By average seat capacity per week
### Cargo

<table>
<thead>
<tr>
<th>Category</th>
<th>Cargo (metric tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cargo</td>
<td>329,571</td>
</tr>
<tr>
<td>Domestic</td>
<td>117,514</td>
</tr>
<tr>
<td>International</td>
<td>212,057</td>
</tr>
</tbody>
</table>

#### Carriers

- ABX Air
- Air Cargo Carriers
- Ameriflight
- Asiana Airlines
- Atlas Air
- Cathay Pacific Airways
- China Airlines
- EVA Airways
- FedEx
- Kalitta Air
- Korean Air
- Nippon Cargo Airlines
- Singapore Airlines Cargo
- Southern Air
- World Airways

1. Excludes mail
2. Includes freighters
Awards & Recognition

Best Airport in the Americas
Frequent Business Traveler

Gold Magellan Award
Travel Weekly
Sustainability Leader in the Overall - Eco-Friendly 'Green' Airport Category

Silver Magellan Award
Travel Weekly
Overall Social Media Program

Airports Going Green Award
Chicago Department of Aviation
Employee Wellness Program

Concession Program
Airports Council International - North America
Outstanding Concession Program - First Place
Best Food & Beverage Program in the Large Airport Category - First Place
Best New Food & Beverage (Self-Service Concept) for Napa Farms Market in Terminal 2
Best Innovative Consumer Experience Concept or Practice - Third Place
Best Green Concessions Practice or Concept - Third Place

Concession Program
Airport Revenue News
Airport with the Best Concessions Management Team
Airport with the Best Overall Concession Program - Tied
In the Single Terminal Division:
Airport with the Most Unique Services (Terminal 2)
Airport with the Best Overall Concession Program

Best Single Social Media Promotion by a U.S. Airport
Travel + Leisure
#SFOHolidays Postagram Campaign

Excellence in Marketing
Airports Council International - North America
Annual Report - Third Place
SFO is redefining what tomorrow’s air travel will be with a $4.1 billion, 10-year Capital Improvement Plan which includes:

- Terminal 3 East
- Terminal 1 Boarding Area B Redevelopment
- On-Airport Hotel
- Terminal 3 West and Boarding Area F Redevelopment

Projects currently underway:

- Runway Safety Area (RSA) Program
- Air Traffic Control Tower
- Terminal 3 Boarding Area E Renovation
- Terminal 3 East Connector
- West Field Cargo

Projects completed in FY 2012/2013:

- Marine Emergency Rescue Facility (MERF)
I am pleased to report that San Francisco International Airport (SFO) had another successful year. During this period, nearly 45 million passengers traveled through SFO, eclipsing the prior year’s passenger traffic and establishing a new record.

As a result of continued traffic growth, we are investing in the airport’s future, with a 10-Year Capital Improvement Plan (CIP). This $4.1 billion investment will allow us to elevate the quality of all passenger facilities to meet or exceed the high standard established in Terminal 2. Scheduled to open in January 2014, Terminal 3, Boarding Area E will provide a vastly improved passenger experience. The dramatic renovation of Terminal 1, Boarding Area B is in its early planning stage and will feature 24 gates at the conclusion of this multi-phase project. We are even developing a plan to further improve the services and amenities in the International Terminal, which opened in 2000.

Creating an exceptional airport also requires making travel seamless. Towards that end, the CIP will include the development of a luxury 400-room four-star on-airport hotel accessible by SFO’s light rail AirTrain system. While a hotel operator will manage the facility, SFO will assume the construction cost and retain oversight to ensure that quality and service levels remain consistent with its terminal facilities.

These projects will also demonstrate our commitment to environmental leadership by meeting or exceeding sustainability guidelines. A new Airfield Operations facility will incorporate a net-zero energy design that will utilize solar panels to produce 100% of its energy requirements. This facility is expected to achieve the Airport’s first LEED® Platinum certification.

SFO also completed and received FAA certification for the construction of new Runway Safety Areas on our two major runways. Work is on-schedule for the project to be completed in 2014, one year ahead of federal requirements. We will continue our unwavering commitment to safety.

I am grateful to San Francisco Mayor Edwin M. Lee and the members of the Airport Commission for their continued guidance and support which is integral to SFO achieving its vision as a world-class airport. I am also extremely proud of our dedicated airport staff for the way in which they responded to the Asiana Flight 214 incident on July 6, 2013. Hundreds of employees rushed to the airport immediately without being asked. I’ve never seen so many people pull together so quickly and so unselfishly. They truly exemplified the airport’s core value: “we are one team.”

John L. Martin
Airport Director
San Francisco International Airport (SFO) continues to serve as an economic engine for the region, fueling local economies through the jobs it creates and the revenue it generates. In 2012, SFO accounted for $5.4 billion in business activity and supported 33,580 direct airport jobs. When off-site business activities directly dependent on airport services are included, SFO contributed $31.2 billion in business sales with 153,000 jobs in the area. The approval of the Capital Improvement Plan will continue this trend by creating more than 36,000 jobs over the next ten years.

SFO also continues to be on the forefront with its outreach program to small and disadvantaged businesses, having first created a Small Business Affairs Office in 1982. For the past three years, SFO has awarded over 30% of contract dollars to Local Business Enterprises (LBEs) and Disadvantaged Business Enterprises (DBEs) and airport DBEs now account for over 50% of concession leases, generating over $73 million in revenues annually.

The airport clearly recognizes the value of quality concessions and local business involvement and revenue reflects the customer demand for such options. Terminal 2, with its locally-sourced concessions, reflects the diversity of the Bay Area and boasts the highest spend rate per passenger of any terminal in the United States. As a result, SFO was honored by both Airports Council America-North America and Airport Revenue News with multiple awards for its concession program.

SFO will continue to provide such opportunities, as evidenced by the innovative “pop-up” concession concept which will launch in the renovated Terminal 3 Boarding Area E. This program provides move-in ready concession space to small businesses unable to incur the traditional startup costs of an airport environment. In return, customers at SFO will gain even greater access to unique shopping and dining offerings to ensure their exceptional airport experience.

On behalf of the Airport Commission, I extend my sincere congratulations to SFO on the accolades it has earned over the past year. These awards and recognition showcase the high standards of operation set by Airport Director John L. Martin and serve as a testament to commitment and capability of the employees at SFO.

Larry Mazzola
President, Airport Commission
Financial Summary

Highlights of Airline Operations at the Airport

Fiscal Year 2013 passenger traffic at SFO concluded with 22.3 million enplanements, an increase of 4.0% compared to the prior fiscal year that established a new peak for the Airport. Service additions from SFO’s largest carriers, United Airlines, and second largest and hometown airline, Virgin America, led to most of the increase. Two new international carriers, Scandinavian Airlines and China Eastern, introduced service in April 2013. Total cargo and U.S. mail tonnage declined by 3.9% with reduced domestic and Asia shipments.

The 4.0% fiscal year-over-year enplanement increase at SFO compares to an increase of 3.1% at Oakland International Airport and an increase of 2.7% at Mineta San Jose International Airport, resulting in a Bay Area passenger market share increase of 0.3 percentage point for SFO to 70.8%. As compared to Department of Transportation (DOT) data through June 2013, SFO’s enplanement increase of 4.0% fared better than a national average increase of 0.2%.

1 Source: Oakland International Airport Traffic Report.
2 Source: Mineta San Jose International Airport Traffic Report.
3 Source: U.S. Department of Transportation, Bureau of Transportation Statistics.
### Net Position Summary (in thousands)

<table>
<thead>
<tr>
<th>Assets:</th>
<th>FY 2013</th>
<th>FY 2012</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted current assets</td>
<td>$399,085</td>
<td>$387,781</td>
<td>$11,304</td>
</tr>
<tr>
<td>Restricted assets available for current outlay</td>
<td>159,004</td>
<td>114,727</td>
<td>44,277</td>
</tr>
<tr>
<td>Restricted assets</td>
<td>424,055</td>
<td>390,371</td>
<td>33,684</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>3,720,791</td>
<td>3,734,426</td>
<td>(13,635)</td>
</tr>
<tr>
<td>Unamortized bond issuance costs</td>
<td>25,269</td>
<td>28,753</td>
<td>(3,484)</td>
</tr>
<tr>
<td>Total assets</td>
<td>4,728,204</td>
<td>4,656,058</td>
<td>72,146</td>
</tr>
<tr>
<td>Deferred outflows on derivative instruments</td>
<td>64,743</td>
<td>98,979</td>
<td>(34,236)</td>
</tr>
<tr>
<td>Total assets and deferred outflows</td>
<td>4,792,947</td>
<td>4,755,037</td>
<td>37,910</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities payable from unrestricted assets</td>
<td>500,511</td>
<td>424,916</td>
<td>75,595</td>
</tr>
<tr>
<td>Current liabilities payable from restricted assets</td>
<td>295,698</td>
<td>91,139</td>
<td>204,559</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>3,620,981</td>
<td>3,831,511</td>
<td>(210,530)</td>
</tr>
<tr>
<td>Derivative instruments</td>
<td>81,338</td>
<td>116,859</td>
<td>(35,521)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,498,528</td>
<td>4,464,425</td>
<td>34,103</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net position:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>(52,581)</td>
<td>4,190</td>
<td>(56,771)</td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>19,757</td>
<td>25,711</td>
<td>(5,954)</td>
</tr>
<tr>
<td>Restricted for capital projects</td>
<td>139,981</td>
<td>71,109</td>
<td>68,872</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>187,262</td>
<td>189,602</td>
<td>(2,340)</td>
</tr>
<tr>
<td>Total net position</td>
<td>$294,419</td>
<td>290,612</td>
<td>3,807</td>
</tr>
</tbody>
</table>

### Highlights of Changes in Net Position (in thousands)

<table>
<thead>
<tr>
<th>Operating revenues</th>
<th>FY 2013</th>
<th>FY 2012</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>$726,358</td>
<td>668,672</td>
<td>57,686</td>
</tr>
<tr>
<td>Operating income</td>
<td>561,458</td>
<td>543,863</td>
<td>17,595</td>
</tr>
<tr>
<td>Other non-operating expenses, net</td>
<td>164,900</td>
<td>125,609</td>
<td>39,291</td>
</tr>
<tr>
<td>Income (loss) before capital contributions and transfers</td>
<td>(190,587)</td>
<td>(106,512)</td>
<td>(84,075)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>65,958</td>
<td>14,538</td>
<td>51,420</td>
</tr>
<tr>
<td>Transfers to City and County of San Francisco</td>
<td>(36,464)</td>
<td>(33,993)</td>
<td>(2,471)</td>
</tr>
<tr>
<td>Changes in net position</td>
<td>3,807</td>
<td>(358)</td>
<td>4,165</td>
</tr>
<tr>
<td>Total net position at beginning of year</td>
<td>290,612</td>
<td>290,970</td>
<td>(358)</td>
</tr>
<tr>
<td>Total net position at end of year</td>
<td>$294,419</td>
<td>290,612</td>
<td>3,807</td>
</tr>
</tbody>
</table>
Operating Revenues (in millions)

- Aviation $ 413.9 57%
- Concession 129.5 18%
- Parking & Transportation 113.6 16%
- Net Sales & Services 69.3 9%

Total $ 726.3 100%

Operating Expenses (in millions)

- Personnel $ 239.2 43%
- Depreciation 176.5 31%
- Contractual Services 62.9 11%
- Repairs & Maintenance 27.6 5%
- Light, Heat & Power 19.3 3%
- Services Provided by Other City Departments 14.6 3%
- Materials & Supplies 14.0 3%
- Amortization of Bond Issuance Costs 4.4 <1%
- General & Administrative 2.8 <1%
- Environmental Remediation 0.1 <1%

Total $ 561.4 100%

Independent Auditor’s Report

The Honorable Mayor and Board of Supervisors
City and County of San Francisco:

Report on Financial Statements
We have audited the accompanying financial statements of the Airport Commission, City and County of San Francisco, San Francisco International Airport (the Airport), an enterprise fund of the City and County of San Francisco, California (the City), which comprise the statements of net position as of June 30, 2013 and 2012, and the related statements of changes in net position and statements of cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

**Opinion**
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Airport Commission, City and County of San Francisco, San Francisco International Airport, as of June 30, 2013 and 2012, and changes in its net position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

**Emphasis of Matter**
As discussed in note 1, the financial statements of the Airport are intended to present the net position and the changes in net position and cash flows of only that portion of the City that is attributable to the transactions of the Airport. They do not purport to, and do not, present fairly the net position of the City as of June 30, 2013 and 2012, the changes in its net position, or, where applicable, the cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

**Other Matters**

**Required Supplementary Information**
U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis on pages 4 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting. 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary and Other Information**
Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Airport Commission, City and County of San Francisco, San Francisco International Airport. The accompanying Schedule of Passenger Facility Charge Revenues and Expenditures is presented for purposes of additional analysis as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and is not a 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 Schedule of Passenger Facility Charge Revenues and Expenditures 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 Schedule of Passenger Facility Charge Revenues and Expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**
In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2013, on our consideration of the Airport’s internal control over financial reporting and our report dated October 25, 2013 on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Airport’s internal control over financial reporting and compliance.

San Francisco, California
October 25, 2013

To view the entire fiscal year 2012-2013 audited financial statements visit: www.flysfo.com/fy1213afs
Airport Commission

Larry Mazzola, President
Linda S. Crayton, Vice President
Eleanor Johns
Richard J. Guggenhime
Peter A. Stern

Airport Management

John L. Martin, Airport Director
Shauna Marie Rose, Executive Assistant to the Airport Director
Tryg McCoy, Chief Operating Officer
Julian Potter, Chief of Staff
Theresa Lee, Deputy Airport Director, Administration
Leo Fermin, Deputy Airport Director, Business & Finance
Kandace Bender, Deputy Airport Director, Communications & Marketing
Jeff Littlefield, Deputy Airport Director, Operations & Security
Ian Saito, Deputy Airport Director, Design, Construction & Technology
Blake Summers, Director & Chief Curator, SFO Museum
Peter Acton, Director, Facilities Maintenance
John Bergener, Manager, Airport Planning
Jean Caramatti, Commissioner, Secretary
Sheryl Bergman, Airport General Counsel