

# Dallas Fort Worth International Airport Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022



**Dallas Fort Worth International Airport, Texas**

**ANNUAL**

**COMPREHENSIVE**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2022**

**(With Independent Auditor's Report Thereon)**

**Prepared by  
Department of Finance**

**Christopher A. Poinatte  
Executive Vice President and Chief Financial Officer**

**Dallas Fort Worth International Airport  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2022**

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## **INTRODUCTORY SECTION**

February 17, 2022

To the Public:

Enclosed herein is the Annual Comprehensive Financial Report (“ACFR”) of the Dallas Fort Worth International Airport Board (“DFW” or “the Airport”), for the fiscal year ended September 30, 2022. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with DFW management. To the best of management’s knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of DFW. All disclosures necessary to enable the reader to gain an understanding of DFW’s financial activities have been included.

The ACFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this Transmittal Letter, a list of Board Members and Airport Officials, DFW’s Organizational Chart, and the Government Finance Officers Association (“GFOA”) certificate of achievement. The Financial Section includes the Independent Auditor’s Report, Management’s Discussion and Analysis (“MD&A”), Basic Financial Statements, Required Supplementary Information, and Other Supplementary Information. The Statistical Section includes selected financial, revenue capacity, debt capacity, economic and operating activity data presented on a multi-year basis.

Generally Accepted Accounting Principles (“GAAP”) require that management provide a narrative overview and analysis to accompany the financial statements in the form of MD&A. The Transmittal Letter should be read in conjunction with the MD&A.

### **DFW Overview**

DFW was created by a Contract and Agreement between the Cities of Dallas and Fort Worth (“the Cities”), dated April 15, 1968, for the purpose of developing and operating an airport as a joint venture between the Cities. DFW is also governed by two other key documents, the Master Bond Ordinance and the Lease and Use Agreements (“Use Agreement”), which define DFW’s rate setting methodology and business relationships with the airlines. Collectively, these agreements and documents are called the “Controlling Documents.”

DFW’s Board of Directors (“the Board”) consists of seven members appointed by the City of Dallas and four members appointed by the City of Fort Worth. The Board also includes one non-voting member who rotates on an annual basis between the cities of Coppel, Euless, Grapevine, and Irving.

Located in the fastest growing region in the United States, DFW is one of the world’s largest airports covering more than 17,000 acres of land. Celebrating 49 years of operations, DFW is ranked as the 2<sup>nd</sup> busiest airport in the world based on passengers and 3<sup>rd</sup> busiest airport in the world based on aircraft movements for the calendar year ended December 2021.

### **Use Agreement**

The Use Agreement created three primary cost centers: “Airfield”, “Terminal”, and “DFW.” The airfield and terminal cost centers are residual in nature.

The airlines are responsible for paying the net cost to operate the Airfield and Terminal (including debt service), primarily through landing fees and terminal rents. DFW retains net revenues (or profit) from the DFW Cost Center up to a certain limit (upper threshold), after which DFW shares 75% of the excess with the Airlines to reduce landing fees. DFW's current ten-year Use Agreement with signatory airlines initially expired at the end of FY 2020 and was extended by one year through September 30, 2021. Thereafter, the Use Agreement continues on a month-to-month basis as the parties negotiate a new agreement. See a further discussion of the Use Agreement in the MD&A section.

### **Local Economy**

DFW Airport is located between the cities of Dallas and Fort Worth and is the principal air carrier facility serving the North Texas region and the Dallas/Fort Worth metropolitan area (the "Metroplex"). The 4<sup>th</sup> largest metropolitan area by population in the U.S., the Metroplex contains 26% of the state's population and 29% of the labor force. The Metroplex was rated as first among the fastest growing regions in the United States. Population growth, travel trends, corporate activity, and business diversity are significant drivers of the Airport's business.

DFW's central location, exceptional air service, low cost of living, and diversified industry are the major reasons that the Metroplex has been ranked top three for business expansion, relocations, and employment growth in the U.S. There are 23 Fortune 500 companies headquartered in the Metroplex, including Exxon Mobil, McKesson, AT&T, Energy Transfer, and American Airlines Group. Also located in the region are 33 major colleges and universities including University of Texas at Arlington, Southern Methodist University, Texas Christian University, and the University of North Texas. The region is home to 15 professional sports and e-sports teams.

DFW's advantageous location in North America is within four flying hours from either coast, making it the preeminent U.S. hub and connecting point, and home to the largest global airline. The region has the most diverse economy in Texas and is the 8<sup>th</sup> largest export market in the U.S., powering a \$535 billion economy by Gross Domestic Product ("GDP") representing 30% of the state GDP. If the North Texas region was a state, it would rank 6<sup>th</sup> largest economy by GDP in the United States. If the North Texas region was a country, it would rank 23<sup>rd</sup> in the world by GDP.

### **FY 2022 in Review**

As pandemic era travel restrictions were lifted in FY 2022, passenger traffic at DFW recovered at a higher pace than other airports, propelling DFW to the second busiest airport in the world for passengers. With 813 average daily flights to 194 domestic and 70 international destinations, a total of 72.2 million traveled through DFW in FY 2022. Landed weights increased by 12.8% from the FY 2021 levels. Parking and ground transportation revenues increased by 63.0% compared to FY 2021 revenues, primarily due to the growth in originating passengers.

Following declaration of COVID-19 pandemic in March 2020, DFW was awarded three federal relief packages described further in the MD&A that were earmarked to mitigate the disruptive impacts of the pandemic. The awards provided DFW a total of \$611.3 million Federal Relief Proceeds ("FRP"), of which \$401.4 million was drawn down as of September 30, 2022, leaving \$209.9 million available for future use. FRP drawdowns in FY 2020 through FY 2022 were applied to debt service and concessionaire relief in the amounts \$372.9 million and \$28.5 million, respectively.



DFW is committed to its environmental sustainability goals. During FY 2022, DFW diverted 57,230 tons construction waste from landfills, composted 189 tons of food waste, and recycled 3,556 tons of material and 58 tons of cooking oils.

DFW received several awards from third parties:

- DFW's Virtual Assistant Program was selected as the winner of the 2021 North American Customer Centricity Awards in the category of Best Customer-Centric Culture.
- For the fourth consecutive year, DFW was selected as one of the 2022 Texan by Nature 20 (TxN20) honorees in recognition of DFW's commitment to conservation and sustainability.
- The Women's Business Council Southwest (WBCS) recognized DFW with its highest honor, Corporation of the Year, for being a valued leader in supplier diversity and consistently demonstrating outstanding commitment to the WBCS organization and women-owned businesses.
- Recognized as a regional corporate leader in infrastructure at the North Texas Regional Commission's 51st Annual Member's Luncheon.

### **Long Term Planning**

DFW and the airlines have agreed to the development of a \$2.3 billion program, the Central Terminal Area (CTA) Expansion program to renovate Terminal C and add nine new gates on two new piers, one on Terminals A and the other on Terminal C. The renovation of Terminal C will include replacement of all interior finishes, utilities, and major building systems, reconfiguration of security screening checkpoints and renovation of baggage handling systems. Renovation also includes replacement of a section of the Terminal C parking garage and related roadways, and some airfield improvements. The program has phased openings with final completion scheduled for late 2026.

Additional budgeted projects underway as of September 30, 2022, include the rehabilitation of runway 17R and associated hold pads (\$290.3 million); replacement of International Parkway modernization (\$180.8 million); construction of another End-Around-Taxiway at the Southwest quadrant (\$226.6 million); and major upgrades to the baggage handling systems (\$164.9 million).

During FY 2022, the airlines approved \$1.2 billion of projects, including \$583.0 million of partial funding for CTA Expansion program mentioned above. As of September 30, 2022, DFW had 294 capital projects in process for a total obligation remaining of \$3.4 billion. Of this total, \$1.3 billion has been committed but not yet paid. The remaining \$2.1 billion is planned to be spent in the future.

### **Financial Information**

The DFW Board and management are responsible for establishing and maintaining internal controls designed to ensure that the assets of DFW are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the Board and management are also responsible for ensuring that adequate internal controls are in place to document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by management and the internal audit staff of DFW.

DFW maintains extensive budgetary controls to ensure that expenditures are made in compliance with the Controlling Documents. There were no significant changes to DFW's financial policies that had an impact on the financial statements during the last year.

### **Independent Audit**

Deloitte & Touche LLP performed the audit for the fiscal year ended September 30, 2022. Its report is included in this ACFR. In conjunction with the annual audit, Deloitte & Touche performs an audit consistent with the Office of Management and Budget, *Uniform Guidance*, and applicable grant award guidelines relating to grants in progress during the year. These reports have not been included in this report but are available from DFW.

### **Awards**

The GFOA of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to DFW for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This is the 30th consecutive year that DFW has achieved this award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. DFW management believes its current ACFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The completion of this report could not have been accomplished without the efficient and dedicated service of the entire Finance and Treasury Management Departments. DFW would like to express appreciation to all team members who assisted in and contributed to its preparation.

Respectfully submitted,

Sean Donohue



Chief Executive Officer

Christopher A. Poinette



Executive Vice President, Chief Financial Officer



## **BOARD OF DIRECTORS**

**As of SEPTEMBER 30, 2022**

Henry Borbolla III, Chair	Gloria M. Tarpley, Vice Chair
Vernon Evans, Secretary	Mayor Eric Johnson
Mayor Mattie Parker	Matrice Ellis-Kirk
Vincent Hall	Ben Leal
William Meadows	Raj Narayanan
Mario Quintanilla	Darlene Freed (non-voting member)

## **AIRPORT OFFICIALS**

**As of SEPTEMBER 30, 2022**

Sean Donohue, Chief Executive Officer

Christopher A. Poinsett, Executive Vice President and Chief Financial Officer

Kenneth Buchanan, Executive Vice President, Customer Experience and  
Revenue Management

Chris McLaughlin, Executive Vice President, Operations

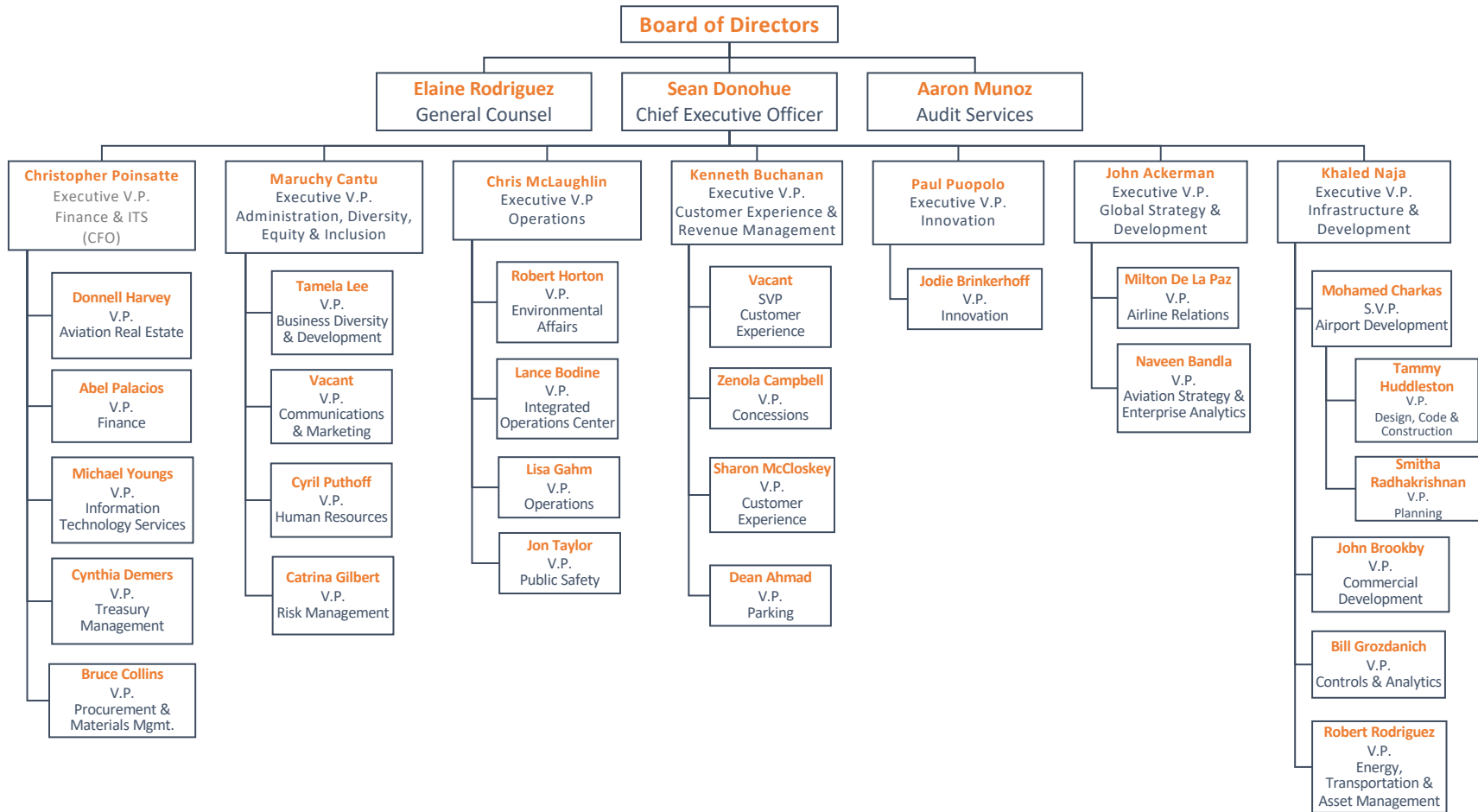
Maruchy Cantu, Executive Vice President, Administration,  
Diversity, Equity & Inclusion

Khaled Naja, Executive Vice President, Infrastructure and Development

John Ackerman, Executive Vice President, Global Strategy and Development

Paul Puopolo, Executive Vice President, Innovation

## Dallas Fort Worth International Airport Organizational Chart



Effective 01.16.2023



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Dallas Fort Worth International Airport  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Directors  
Dallas Fort Worth International Airport

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities and fiduciary activities of the Dallas Fort Worth International Airport Board ("Airport"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Airport'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 and fiduciary activities of the Airport, as of September 30, 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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Airport 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 1, the Airport presented its financial statements to reflect the effects of the adoption of Governmental Accounting Standards Board Statement No. 87, *Leases*, as of September 30, 2022. 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.

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 Airport'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 Airport'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 Airport'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 management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of contributions, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions—OPEB, and OPEB schedule of investment returns 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 GAAS, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport's basic financial statements. The other supplementary information listed in the foregoing table of contents 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 GAAS. 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 and statistical sections listed in the foregoing table of contents 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 February 17, 2023 on our consideration of the Airport'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 Airport'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 Airport's internal control over financial reporting and compliance.

**Deloitte & Touche LLP**

February 17, 2023



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance and activity of the Dallas Fort Worth International Airport ("DFW" or "the Airport") provides an introduction and understanding of DFW's Basic Financial Statements for the fiscal year ended September 30, 2022. Also included are statements for DFW's fiduciary funds which have a December 31, 2021, year-end. The Airport is a business-type activity. DFW's Basic Financial Statements consist of Management's Discussion and Analysis ("MD&A"); Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows, for business-type activities. Also included are Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Notes to the Basic Financial Statements. DFW's Required Supplementary Information (RSI) includes Schedules of Changes in the Net Pension Liability and Related Ratios; Schedule of Contributions, Schedule of Changes in the Net OPEB (Other Post-Employment Benefits) Liability and Related Ratios; Schedule of Contributions-OPEB; and OPEB Schedule of Investment Returns. The MD&A has been prepared by management and should be read in conjunction with the Basic Financial Statements and the attached notes.

### **DFW's Controlling Documents**

DFW was created by a Contract and Agreement between the Cities of Dallas and Fort Worth ("the Cities"), dated April 15, 1968, for the purpose of developing and operating an airport as a joint venture between the Cities. The 1968 Concurrent Bond Ordinance and the 30th Supplemental Bond Ordinance as periodically amended and restated. DFW issues bonds under provisions of the Master Bond Ordinance, Supplemental Bond Ordinances, as approved by the Cities, and Applicable Laws, including Chapter 22 of the Texas Transportation Code, and Chapter 1371 of the Texas Government Code, as amended. DFW is in compliance with all bond covenants. The Lease and Use Agreements ("Use Agreement") with the signatory airlines define DFW's rate setting methodology and business relationships with the airlines. DFW's current ten-year Use Agreement became effective October 1, 2010. In FY 2020, DFW and the airlines agreed to extend the current Use Agreement by one year, through FY 2021. Currently the Use Agreement is being extended on a month-to-month basis as allowed under the Agreement. Collectively, the aforementioned documents are referred to as the "Controlling Documents."

Each year, management prepares an Annual Budget (approved by the DFW Board of Directors and the Cities) of projected expenses and debt service for the Operating Revenue and Expense Fund. Management also prepares an annual Schedule of Charges which is the basis for charging the airlines, tenants, and other airport users for DFW services during the fiscal year.

The Use Agreement created three primary cost centers: "airfield", "terminal", and "DFW". The airfield and terminal cost centers are residual in nature. The airlines are responsible for paying the net cost to operate these cost centers (including debt service and coverage) primarily through landing fees and terminal rentals. The Use Agreement also allows for certain cash transfers from capital accounts to the Operating Revenue and Expense Fund each year.

DFW generates net revenues or profits in the DFW cost center which includes non-airline business units such as concessions, parking, ground transportation, rental car, and commercial development. If DFW generates net revenues in excess of an "upper threshold" (\$73.1 million in FY 2022), 75% of the excess is to be used to reduce landing fees. If the DFW cost center generates revenues below the "lower threshold" (\$47.7 million in FY 2022), landing fees are increased so that the DFW cost center will achieve the "lower threshold". If net revenues from the DFW Cost Center are budgeted above the upper threshold, airline landing rates are reduced at the beginning of the fiscal year. Conversely, if net revenues are budgeted below the lower threshold, then the airlines are assessed incremental landing fee rates to achieve the lower threshold amount in the current fiscal year by adjusting rates at the beginning of the fiscal year. The upper threshold and lower threshold amounts are adjusted annually for inflation. At the end of each fiscal year, the airport computes a "true-up" for the airfield and terminal cost centers and applies any overcharge or undercharge to the following years' landing fee rate and/or terminal rental rate, respectively.

DFW's Capital Improvement Fund has three accounts: Joint Capital, DFW Capital and Rolling Coverage. The Joint Capital account generally requires approval from both DFW and the airlines prior to any expenditure of funds, while the DFW Capital account may be used at DFW's sole discretion for any legal purpose. The Joint Capital account is funded primarily from natural gas royalties, the sale of land and other assets, and interest income. The DFW Capital account is funded primarily from DFW Cost Center net revenues, subject to upper threshold limits discussed previously, and interest income. Both accounts can be supplemented with the issuance of debt. The Rolling Coverage account was initially funded from the Capital Improvement Account when the Use Agreement was signed in 2010. The rolling coverage balance is transferred or "rolled" into the Operating Revenue and Expense Fund each year to fund debt service coverage requirements. It is then transferred back into the rolling coverage account at the end of the fiscal year. If additional coverage is required in any year, it is added to rates and charges and is collected during the fiscal year. Although DFW uses the word "fund" to designate the source and prospective use, DFW is an enterprise fund and does not utilize traditional "fund accounting" commonly used by government organizations. The following table summarizes the funds used by DFW and whether the related assets and liabilities are restricted or not restricted:

Fund Number	Fund Description	Primary Use	Restricted (R), Not Restricted (NR)
101	Net Investment in Capital Assets	Capital Assets, Bonds	R
102	Operating: Revenues, Expenses	Operations	NR
111-113	Federal Relief Proceeds	Operations Grants	NR
104, 108, 110	Inventory, Rent-A-Car, Programs	Supplies, Operations	NR
105, 157-176	Department of Public Safety	Seized Funds	R
198	Concessionaire	Marketing Programs	R
201, 202	Commercial Paper, Credit/Loan	Financing for Capital Projects	R
252	Passenger Facility Charges	Collections, Debt Service	R
320	Joint Capital (non-JRB)	Capital Projects	NR
335, 351, 352	Joint Capital (JRB)	Bond, CP Proceeds	R
330-331	Joint Capital (JRB)	Construction	R
340	DFW (non-JRB)	Capital Projects	NR
341-344	DFW (JRB)	Bond Proceeds, Construction	R
350	Rolling Coverage	Rate Covenant	NR
500s	Debt Service Sinking	Principal and Interest	R
600s	Debt Service Reserve	Reserve Requirements	R
907	PFIC - Rent-A-Car Center	Facilities	NR
		Transportation, Assets	R
910	PFIC - Grand Hyatt Hotel	Operations, Capital	NR
		Working Capital, FFE, Assets	R
914	PFIC - Hyatt Place Hotel	Operations, Capital	NR
		Working Capital, FFE, Assets	R
915	PFIC - Hyatt House	Assets	R
916	PFIC - Campus West	Commercial Development	NR
JRB - Joint Revenue Bond		PFIC - Public Facility Improvement Corporation	
FFE - Furniture, Fixtures and Equipment			

The basic financial statements include all DFW's funds. DFW manages its day-to-day airport operations primarily through the Operating Revenue and Expense Fund in accordance with the Controlling Documents. The Airport's financial statements include the transactions of the Public Facility Improvement Corporation ("PFIC"), which operates the Grand Hyatt and Hyatt Place hotels, collects customer facility charges and customer transaction charges from the Rental Car companies, and manages the Campus West property located on the west side of the airport. Although the PFIC is a legally separate entity, the financial transactions of the PFIC have been combined into the Airport's Enterprise Fund due to their nature and significance to the Airport. The PFIC is considered a blended component unit because the component unit's governing body is substantively the same as DFW's, the primary government.

### **Operational and Financial Highlights**

DFW utilizes a performance measurement process that is closely aligned with the Airport's Strategic Plan shown in the graphic below. Management believes that if it focuses on delivering the Key Results, it will be well positioned to achieve the Airport's mission and vision.



### Impact of COVID-19 on DFW Airport

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The United States government, the Federal Reserve Board, and foreign governments took regulatory actions and implemented other measures to mitigate the broad disruptive effects of the COVID-19 outbreak on the U.S. and global economies. Since the beginning of the pandemic three pieces of legislation have been signed into law. These federal relief packages, described below, have provided DFW with a total of \$611.3 million of Federal Relief Proceeds (FRP) to be used to offset the impact of COVID-19.

The Coronavirus Aid, Relief, and Economic Security Act (CARES or "CARES Act") was signed into law on March 27, 2020. The CARES Act provided \$10 billion of assistance to U.S. commercial airports. DFW received a grant for \$299,199,046 of CARES Act funds that may be used for debt service and operating expenses.

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law on December 27, 2020. CRRSAA included approximately \$2 billion of financial relief for airports. DFW received two grants under this legislation. The first grant for \$52,569,332 can be used for debt service and operating expenses. The second grant of \$7,662,838 is to be used to provide financial relief to in-terminal concessionaires, on-airport rental car companies and on-airport parking operations.

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021, totaling approximately \$8 billion for airports. DFW received two grants under this legislation. The first grant of \$221,107,842 is for debt service and operating expenses. The second grant of \$30,651,354 is to be used to provide financial relief to in-terminal concessionaires. These proceeds must be obligated by September 30, 2024.

The following table summarizes FRP available from the three packages (excluding local shares of capital projects), the amounts drawn down from FY 2020 through FY 2022, and the amounts available for the future. DFW has used FRP to pay for debt service and to provide concessionaire relief. Of the \$80.4 million used for debt service in FY 2022, \$65.7 million was applied to the Operating Revenue and Expense Fund and \$14.7 million was used to pay debt service of the DFW Capital and PFIC funds.

Federal Relief Proceeds (FRP) Summary  
FY 2020 thru FY 2022

(millions)	Debt Service	Concessions	Total
Federal Relief Available			
CARES	\$ 299.2	\$ -	\$ 299.2
CRRSA	52.6	7.7	60.3
ARPA	221.1	30.7	251.8
Total Federal Relief Available	\$ 572.9	\$ 38.4	\$ 611.3
FRP Drawn Down as of 9/30/22			
FY 2020 CARES	\$ 144.1	\$ -	\$ 144.1
FY 2021 CARES	148.4		148.4
FY 2021 CRSSA	-	7.7	7.7
FY 2022 CARES	6.7	-	6.7
FY 2022 CRSSA	52.6	-	52.6
FY 2022 ARPA <sup>(1)</sup>	21.1	20.8	41.9
Total FRP Drawn	372.9	28.5	401.4
Total FRP Available for Future Use	\$ 200.0	\$ 9.9	\$ 209.9

(1) Received from FAA whole amount of \$30.7 million; applied to Concessionaires \$20.8.

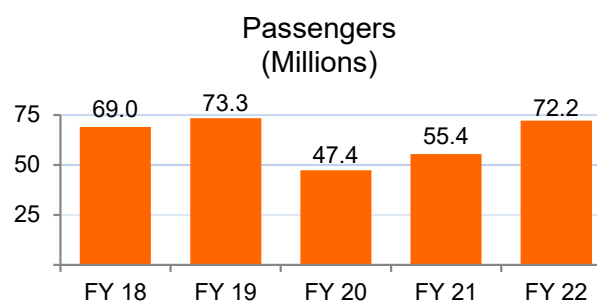
Note: Refer to Capital Contributions section for project-related grant information.

## Key Performance Indicators

The following tables highlight changes in some of the Airport's operating and financial key performance indicators for FY 2022 and FY 2021. Additional detail can be found in the Statistical section of the ACFR in the Operating Information sub-section.

Key Operational Indicators	For the Year Ended	
	FY 2022	FY 2021
Total passengers (millions)	72.2	55.4
Total airline seats (millions)	85.9	73.4
Aircraft operations (000s)	663	621
Landed weight (millions of pounds)	45,125	40,026
International seats (millions)	11.8	8.7
Domestic destinations	194	196
International destinations	70	65
Cargo landed weight (millions of pounds)	4,361	4,452
Cargo tons (000s)	943	985

Total passengers for FY 2022 were 72.2 million, a 16.8 million (30.3%) increase from 55.4 million in FY 2021, driven primarily by strong pent-up demand and an increase in international travel after lifting of COVID travel restrictions and higher vaccination rates. While American Airlines' ("AA") passenger traffic grew significantly, AA's market share at DFW decreased from 87.7% in FY 2021 to 84.8% in FY 2022 as other airlines recovered as well. DFW's next largest carriers in FY 2022 were Spirit Airlines at 3.6%, Delta Airlines at 3.6%, United Airlines at 2.6%, and Frontier Airlines at 1.7%.



The number of aircraft operations (takeoffs, landings) increased approximately 42,000 (6.8%) to 663,000 in FY 2022, up from 621,000 in FY 2021, to accommodate increased overall demand, both domestic and international. Total seats increased 12.5 million (17.0%) from 73.4 million in FY 2021 to 85.9 million in FY 2022 primarily driven by AA's up-gauge of regional service to mainline, continued recovery and growth of other airlines, and the strong return of international service.

In FY 2022, total landed weights increased 5.1 billion (12.8%) to 45.1 billion pounds, up from 40.0 billion pounds in FY 2021, the result of increased operations and more mainline flying. Cargo tonnage decreased approximately 42,000 tons (-4.3%) to 943,000 in FY 2022 from 985,000 in FY 2021 mainly due to prolonged shutdowns in China and softening demand for air cargo.

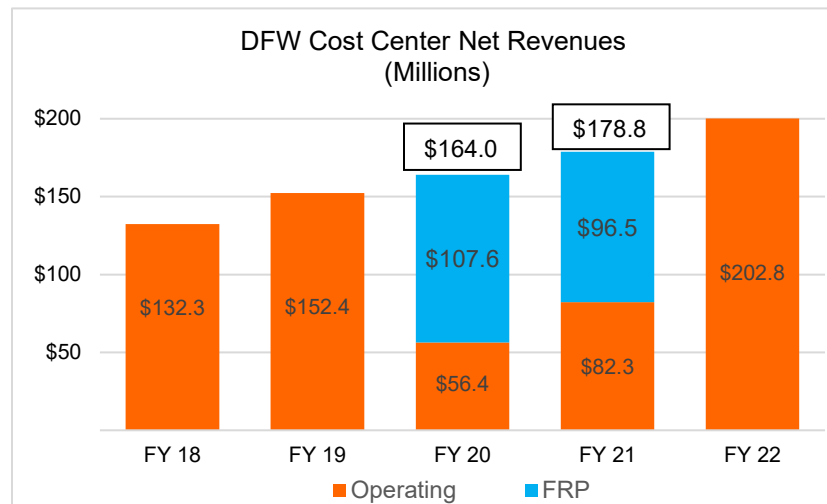
Total FY 2022 international seat capacity was 11.8 million, a 3.1 million (35.6%) increase from 8.7 million in FY 2021 with foreign flag carriers launching, ramping up or restarting service (Finnair, Iberia, Turkish, and Air France), and the overall strong rebound of international travel.

Key Financial Indicators	For the Year Ended	
	FY 2022	FY 2021
Cost per Enplanement (CPE)	\$ 12.19	\$ 15.63
(in millions)		
Airline Cost	\$ 446.6	\$ 440.9
less: Cargo landing fees	(7.0)	(9.1)
Airline Cost for CPE	\$ 439.6	\$ 431.8
DFW Cost Center Revenues	\$ 435.3	\$ 398.5
DFW Cost Center Net Revenues	\$ 202.8	\$ 178.7

Two industry metrics for cost competitiveness are airline cost and passenger airline cost per enplanement ("CPE"). Airline cost represents the fees paid by the airlines primarily for landing fees and terminal rentals. Airline cost was \$446.6 million in FY 2022, a \$5.7 million (1.3%) increase from FY 2021. DFW utilized FRP to pay for debt service and applied it to the cost centers in amounts that would keep airline cost relatively flat and to achieve slightly increasing DFW cost center net revenues (see chart below). CPE decreased from \$15.63 in FY 2021 to \$12.19 in FY 2022 primarily driven by flat airline cost and increased enplanements. Enplanements for FY 2022 were 36.1 million compared to 27.6 million in FY 2021.

DFW's non-airline business units (e.g., parking and ground transportation, concessions, rental car, and commercial development ground leases) are part of the DFW Cost Center. There were no Federal relief proceeds applied to the DFW Cost Center in FY 2022 compared with \$96.5 million applied in FY 2021.

DFW Cost Center net revenues (profits) were \$202.8 million in FY 2022, \$24.1 million (13.5%) more than FY 2021 primarily driven by increased parking and concessions revenues. Since net revenues were higher than the "Upper Threshold" as defined in the Airline Use Agreement, DFW shared \$97.3 million of its earning to reduce landing fees. The remaining \$105.5 million was transferred to the DFW Capital Account at the end of the fiscal year.





## **Capital Programs and Airport Development Plan Update**

In FY 2022, DFW began design for a \$2.3 billion Central Terminal Area (CTA) Expansion capital program to renovate Terminal C and add nine new gates on two piers, one on Terminal A and one on Terminal C. The renovation of Terminal C will include replacement of all interior finishes, utilities, and major building systems, reconfiguration of security screening checkpoint areas, renovation of the baggage handling system, and enhancements for the customer experience. The program also includes replacement of a section of the Terminal C parking garage and related roadways, and some airfield improvements. The design of this program was placed on hold until negotiations for a new use agreement are finalized.

Some of the more significant budgeted projects underway as of September 30, 2022, include the rehabilitation of runway 17R and associated hold pads (\$290.3 million); International Parkway Modernization (\$180.8 million); construction of another End-Around-Taxiway at the Southwest quadrant (\$226.6 million); and major upgrades to the baggage handling system (\$164.9 million).

During FY 2022, the airlines approved \$1.2 billion of projects, including \$583.0 million of partial funding for CTA Expansion program mentioned above. As of September 30, 2022, DFW had 294 capital projects in process for a total obligation remaining of \$3.4 billion. Of this total, \$1.3 billion has been committed but not yet paid. The remaining \$2.1 billion is planned to be spent in the future.

## **Revenues, Expenses, and Change in Net Position:**

The following table is a summary of Operating revenues, Operating expenses; Non-operating income (expenses), net; Capital contributions, and the Change in Net Position for the years ended September 30, 2022 and 2021. Detailed descriptions and variances of the components of revenues, expenses and net non-operating expenses are described in the following sections.

Change in Net Position	For the Year Ended (000s)	
	FY 2022	FY 2021
Operating revenues	\$ 977,955	\$ 791,800
Operating expenses	(947,274)	(829,165)
Operating income (expense)	30,681	(37,365)
Non-operating income (expenses), net	12,864	78,950
Income before capital contributions	43,545	41,585
Capital contributions	20,186	78,877
Change in Net Position	\$ 63,731	\$ 120,462

DFW's Controlling Documents require that DFW establish rates, fees and charges adequate to provide for the payment of operating costs (excluding depreciation and certain other expenses) and debt service (including principal, interest, and coverage). On a Use Agreement basis, the Airport's rate setting methodology resulted in DFW exceeding its debt covenants in FY 2021 (see Liquidity and Financing section pg. 18). DFW generated \$377.6 million of net cash flow from operating activities. Additionally, DFW recognized \$101.3 million in Federal Relief Proceeds which were not included in operating activities.

## **Use Agreement and Generally Accepted Accounting Principles (GAAP):**

Net income is measured differently for GAAP and Use Agreement purposes. Net income equates to the "Change in Net Position" for GAAP, but for the Use Agreement the "Net Transfer to DFW Capital Account" correlates with net income. These two measurements differ in three major categories: accounting differences related to the timing and categorization of revenues and expenses, capital fund sources and uses, and items not in the Use Agreement. The following table describes the key underlying differences between GAAP and Use Agreement accounting.



	Line Item	GAAP	Use Agreement (Operating Fund)
Lease Accounting	Lease revenue and Lease interest income	GASB recognized based on amortization of present value of scheduled proceeds over the lease term	Concessions, Ground and facility leases, and Rent-A-Car revenues based on current year fixed rent billings
Accounting, non-lease	Capital recovery	Depreciation	Bond principal paid
	Interest expense	Adjust for premium/discount, refunding and issuance costs	Accrued interest (for payment) only
	Asbestos removal	Expense immediately	Included in borrowed project costs
	Defined benefit pension costs	Expense per GASB	Contribution cost
	Passenger facility charges	Revenue recognized	Funds applied allowing for a reserve
	Operating reserve	No expense	Reserve requirement
	Investment income	GASB market adjustment	Unrealized gain/loss not recognized
	Federal Relief Proceeds: CARES, CRRSA, ARPA grants	Non-operating revenue, recognized upon receipt	Operating revenue when applied to Airfield, Terminal, DFW Cost Centers
Capital Funds	Revenue (transfer)	Intercompany elimination	Revenue received and debt service paid from other DFW sources
	Debt service	Debt service sinking fund	
	Expenses	Actual incurred	Not included
	Air service incentives	Actual incurred	
Not in Use Agreement (Operating Fund)	Public facility improvement corporation (PFIC)	Hyatt hotels, Rental car facility, and Campus West funds	Not recognized
	Grants, Capital contributions	Government reimbursements for project related costs	
	Natural gas	Special fund for royalties	
	Non-operating interest income	Non-operating income	
	Other revenues and expenses	Non-operating funds, and special purpose funds	

The schedule below is a summary of the Lease Accounting, Accounting, non-lease, Capital, and Not in Use Agreement differences reconciling the Change in Net Position to the Change in DFW capital account per the Use Agreement for the year ended September 30, 2022.

GAAP-Use Agreement (millions)	For the Year Ended FY 2022
Change in net position	\$ 63.7
Lease Accounting	(64.1)
Accounting, non-lease	168.0
Capital	29.7
Not in use agreement	(91.8)
Total adjustments	41.8
Transfer to DFW Capital account	105.5
Reduction in landing fees	97.3
DFW Cost Center net revenues	<u>\$ 202.8</u>

The Lease Accounting amount of (\$64.1) is based on revenue recognition timing. The Accounting, non-lease amount of \$168.0 million is primarily due to depreciation greater than bond principal paid, pension cost timing, and investment book losses. The Capital amount of \$29.7 million is primarily due to expenses in capital funds, debt service offsets, and non-Rates Fees and Charges ("RFC") revenues. The Not in use agreement of (\$91.8) million is primarily due to PFIC income, and capital grants. The Federal Relief Proceeds were included in DFW's net position and as a non-operating item per GAAP.

## **Operating Revenues:**

The following table highlights the major components of operating revenues for the fiscal years ended September 30, 2022 and 2021. Significant variances are explained below.

Operating Revenues	For the Year Ended (000s)	
	FY 2022	FY 2021
Terminal rent and use fees	\$ 359,705	\$ 349,862
Landing fees	69,026	72,986
Federal Inspection Services	25,828	16,235
Airfield and other airline	197	792
Total airline revenue	454,756	439,875
Parking and ground transportation	195,997	116,564
Concessions	94,382	71,709
Ground and facilities leases	79,604	58,589
Rent-A-Car lease and rentals	41,270	31,747
Grand Hyatt and Hyatt Place hotels	40,788	18,346
Employee transportation	16,923	14,175
Rent-A-Car customer transportation charges	11,638	8,739
Other non-airline	42,597	32,056
Total non-airline revenue	523,199	351,925
Total Operating Revenues	\$ 977,955	\$ 791,800

Total airline revenue consists of fees paid by the airlines for the use of the airfield and terminals at DFW based on DFW's net cost to provide these related facilities as defined in the Use Agreement.

Terminal rents and use fees ("Terminal Revenues") include terminal rent from gates leased by airlines and gate use fees from common-use gates. Terminal revenues increased \$9.8 million (2.8%) from \$349.9 million in FY 2021 to \$359.7 million in FY 2022 due to the higher net cost to operate the terminals partially offset by federal relief proceeds.

Landing fees for passenger and cargo carriers are assessed per 1,000 pounds of maximum approved landed weight for each specific aircraft as certified by the FAA. Landing fees (for passenger and cargo airlines) decreased \$4.0 million (-5.5%) from \$73.0 million in FY 2021 to \$69.0 million in FY 2022. DFW waived airline landing fees for the months of April and September 2022 primarily due to lower net cost to operate the runways and higher sharing of net revenues to the airfield cost center.

Federal Inspection Service fees per arriving international passenger in Terminal D increased \$9.6 million (59.3%), from \$16.2 million in FY 2021 to \$25.8 million in FY 2022 due to more international passengers.

Parking fees are charged based on the length of stay and parking product. DFW's primary parking products include (from higher to lower priced) terminal, express and remote locations. Fees are charged for airport access from meeters/greeters, drop-offs, and pass-throughs. Ground transportation revenues are derived primarily from airport access fees by transportation network companies (TNC) such as Uber and Lyft, taxicabs, limousines, pre-arranged ride, and courtesy vehicle companies. Parking and ground transportation fees were \$196.0 million in FY 2022, a \$79.4 million (63.0%) increase from \$116.6 million in FY 2021 due primarily to a surge in originating passengers resulting in more terminal parkers, a raise in the terminal parking daily rate, and higher TNC trip rates and traffic.

Grand Hyatt and Hyatt Place hotel revenues include room rental, sale of food and beverage, and other hotel related activities. Revenues increased \$22.5 million (123.0%), from \$18.3 million in FY 2021 to \$40.8 million in FY 2022 primarily due to higher occupancy, increased in daily room rates, and more food and beverage sales as the economy recovered from the impact of COVID.

Employee transportation revenues are derived primarily from a monthly fee paid by airlines and other tenants to recover the cost of employee transportation services between remote parking lots and the terminals. Employee transportation revenues increased \$2.7 million (19.0%) from \$14.2 million in FY 2021 to \$16.9 million in FY 2022 due to increased transportation operating costs.

RAC customer transportation (“CTC”) revenue is derived from a transaction fee of \$2.50 per rental day. The proceeds of this fee are used to fund the operation and maintenance of the bus fleet that transports passengers between the airport terminals and the RAC. CTC revenue increased \$2.9 million (33.3%) from \$8.7 million in FY 2021 to \$11.6 million in FY 2022 with the growth in rental days.

Other non-airline revenue is comprised of fuel farm operations; corporate aviation; non-airline utilities; trash removal; badging services; pass-through activities; reimbursable revenues from tenants; permit fees; natural gas royalties; and other miscellaneous revenues. Other revenue increased \$10.5 million (32.7%) from \$32.1 million in FY 2021 to \$42.6 million in FY 2022, primarily as a result of higher RAC Operations and Maintenance (O&M) billings, increased natural gas royalties, growth in corporate aviation, and higher badging activity.

Beginning in FY 2022, GASB Statement No. 87, “Leases”, requires that non-regulated billings based on fixed, contracted rates spanning greater than one year must be valued over the life of the lease. DFW as a lessor recognizes lease revenue in the Concessions, Ground and facilities, and Rent-A-Car lines of business. Revenue in FY 2021 was based solely on gross billings. Gross billings are the total billable amounts due from tenants. Lease revenues were recognized based on billings in FY 2021 and have not been restated upon adoption of GASB 87. Total revenue in FY 2022 is the combination of non-lease and lease revenue. Lease exclusions reduce the gross billings by those billable amounts classified as lease activity. Non-lease revenue includes aeronautical, short-term, and variable leases. The following table highlights the non-lease and lease components for the fiscal years ended September 30, 2022 and 2021. Significant variances are explained below comparing FY 2021 Total Revenue with FY 2022 Gross Billings.

	FY2021	FY 2022						
			Gross Proceeds					
	<b>Total Revenue</b>	<b>Gross Billings</b>	ARPA Credit	from GASB 87 Leases	Non-lease Revenue	Lease Revenue	Total Revenue	Lease Interest Income
Concessions	\$ 71,709	\$106,710	\$(20,857)	\$ (46,867)	\$ 38,986	\$ 55,396	\$ 94,382	\$ 6,519
Ground and facilities	58,589	69,266	-	(42,704)	26,562	53,042	79,604	38,690
Rent-A-Car	31,747	41,248	-	(6,083)	35,165	6,105	41,270	132
	<u>\$162,045</u>	<u>\$217,224</u>	<u>\$(20,857)</u>	<u>\$ (95,654)</u>	<u>\$100,713</u>	<u>\$114,543</u>	<u>\$215,256</u>	<u>\$45,341</u>

Concessions consists of food and beverage, retail, passenger services, advertising and other terminal and non-terminal activities. Concession gross billings in FY 2022 exceeded FY 2021 by \$35.0 million. The increase from \$71.7 million to \$106.7 is primarily due to more passengers resulting in an increase in food and beverage, retail, passenger services, advertising, and airline catering.

Ground and facility, also referred to as Commercial Development, consist primarily of ground and facility leases of Airport property. Ground and facility gross billings of \$69.3 million in FY 2022 exceeded FY 2021 of \$58.6 million by \$10.7 million. The increase is primarily due more acres being leased, an increase in the airport services per acre billing rate, greater Hyatt Regency sales, and less Campus West facility improvement rent credits.

Rent-a-car (“RAC”) revenue consists of ground leases plus a percentage of gross rental car company revenues. RAC gross billings in FY 2022 exceeded FY 2021 by \$9.5 million. The increase from \$31.7 million to \$41.2 is primarily due to more rental day transactions and higher daily rental rates.

## **Operating Expenses:**

The following table highlights the major components of operating expenses for the fiscal years ended September 30, 2022 and 2021. Significant variance explanations follow.

Operating Expenses	For the Year Ended (000s)	
	FY 2022	FY 2021
Salaries, wages, and benefits	\$ 241,792	\$ 217,223
Contract services	271,103	216,786
Utilities	30,192	27,319
Equipment and supplies	27,289	22,310
Grand Hyatt and Hyatt Place hotels	23,858	14,722
Insurance	11,413	9,161
General, administrative and other charges	7,037	4,215
Depreciation and amortization	334,590	317,429
Total Operating Expenses	<u>\$ 947,274</u>	<u>\$ 829,165</u>

Salaries, wages, and benefits increased \$24.6 million (11.3%) from \$217.2 million in FY 2021 to \$241.8 million in FY 2022 primarily due to higher pension and OPEB expenses, overtime, and annual wage merit, partially offset by less employees and lower medical costs. DFW employed 1,919 and 1,977 full time employees as of September 30, 2022 and 2021, respectively.

Contract services include grounds, facility, and Skylink (people mover) maintenance, custodial, busing, financial and legal, software and hardware maintenance, advertising, planning, and other professional services. Contract services increased \$54.3 million (25.1%), from \$216.8 million in FY 2021 to \$271.1 million in FY 2022, primarily due to higher Skylink and other facility maintenance, software maintenance and IT consulting, custodial, airport development, and bus services and busing costs.

Utilities represent the cost of electricity, natural gas, potable water, sanitary sewer, solid waste removal, and telecommunications services. Utilities increased \$2.9 million (10.6%) from \$27.3 million in FY 2021 to \$30.2 in FY 2022 primarily due to higher usage and prices for electric, gas, water, and solid waste removal costs.

Equipment and supplies primarily consists of non-capitalized equipment, materials, fuels for vehicles and fire training, personal protective equipment, and supplies used to maintain and operate the Airport. Equipment and supplies increased \$5.0 million (22.4%) from \$22.3 million in FY 2021 to \$27.3 million in FY 2022 primarily due to higher usage of clean natural gas, gas and diesel fuel, and custodial supplies.

Hotel operations include room, food and beverage and other expenses. Grand Hyatt and Hyatt Place operating costs increased \$9.2 million (61.2%) from \$14.7 million in FY 2021 to \$23.9 million in FY 2022 primarily due to higher room, food and beverage, sales and marketing costs as a result of increased occupancy and the end of COVID.

Insurance increased \$2.2 million (23.9%) from \$9.2 million in FY 2021 to \$11.4 million in FY 2022 primarily due to higher property and casualty premiums and the addition of new facilities.

General, administrative, and other charges increased \$2.8 million (66.7%), from \$4.2 million in FY 2021 to \$7.0 million in FY 2022 primarily due to a higher travel and training associated with return to the office post-COVID impacts.

Depreciation and amortization increased \$17.2 million (5.4%), from \$317.4 million in FY 2021 to \$334.6 million in FY 2022, primarily due to increased capital additions including the renovation of the Terminal high-gates and the construction of the Northeast end-around taxiway.

### **Non-Operating Revenues and Expenses:**

The following table highlights non-operating revenues and expenses for the fiscal years ended September 30, 2022 and 2021.

Non-Operating Revenues (Expenses)	For the Year Ended (000s)	
	FY 2022	FY 2021
Federal relief proceeds	\$ 101,258	\$ 156,063
Passenger facility charges	141,590	113,534
RAC customer facility charges	18,620	13,982
Investment income (loss)	(54,980)	2,269
Lease interest income	45,341	-
Interest expense on revenue bonds	(232,208)	(180,857)
Other, net	(6,757)	(26,041)
Total Non-Operating income (expenses)	<u>\$ 12,864</u>	<u>\$ 78,950</u>

In FY 2022, DFW applied for and received an additional \$6.7 million in CARES, \$52.6 million in CRSSA, and \$21.1 million in ARPA, totaling \$80.4 million federal relief proceeds to pay debt service in an amount necessary to offset lost operating revenues. DFW also applied for \$30.7 million and used \$20.8 million in ARPA relief for Concessionaires to offset rents and operating charges. The remaining \$9.8 million may be used in future years.

Congress established the PFC as part of the Aviation Safety and Capacity Expansion Act of 1990. DFW currently collects a \$4.50 PFC from enplaned revenue passengers to repay debt service issued to build projects like Terminal D and Skylink. PFC's are not paid by "non-revenue" passengers such as airline employees. PFC's are applied only on the first two legs of a connecting flight. DFW estimates that 93.1% of all enplaned passengers were required to pay PFC's in FY 2022 compared to 93.6% in FY 2021. PFC collections are recorded as revenue when earned, then used to pay eligible debt service costs. PFC's increased \$28.1 million (24.8%) from \$113.5 million in FY 2021 to \$141.6 million in FY 2022 due to higher passenger traffic.

RAC customers pay a \$4.00 facility charge for each transaction day to pay for the debt service, buses, and capital improvements to the RAC facility. The RAC customer facility charge ("CFC") revenue is derived from rental car transaction days. The CFC increased \$4.6 million (32.9%) from \$14.0 million in FY 2021 to \$18.6 million in FY 2022 due to higher rental days.

Investment income (loss) decreased \$57.3 million from \$2.3 million in FY 2021 to (\$55.0) million in FY 2022 primarily due to unrealized investment losses and lower interest rates.

Lease interest income was \$45.3 million in FY22. DFW began recognizing lease interest income in FY 2022 because of the implementation of GASB No. 87. See Note 1(c). Lease interest income is the current year amortization of the discounted portion the lease receivable.

Interest expense increased \$51.3 million (28.4%) from \$180.9 million in FY 2021 to \$232.2 million in FY2022 primarily due to higher premium amortizations, increased interest payments and issuance costs resulting from the five bond issuances.

Other, net, non-operating revenues are comprised primarily of net book value losses on retired capital assets, sales of surplus property, insurance proceeds, donated supplies, and other miscellaneous receipts and payments. In FY 2022, Other, net increased \$19.2 million to (\$6.8) million primarily due to lower net book value losses on retired capital assets and higher surplus property sales, partially offset by less insurance proceeds.

**Capital Contributions:**

The following table highlights capital contributions for the fiscal years ended September 30, 2022 and 2021.

	For the Year Ended (000s)	
	FY 2022	FY 2021
Capital Contributions		
Federal grant reimbursements	\$ 20,186	\$ 78,877
Total Capital Contributions	\$ 20,186	\$ 78,877

DFW receives Airport Improvement Program and other grants through the Federal Aviation Administration and other Federal and State agencies. The timing of Airport grant reimbursements is related to the timing of grant-funded capital projects. During FY 2022, DFW's largest draw-down on grants were for taxiway Mike rehabilitation, northeast end-around taxiway, and airfield apron bussing.

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position:**

The following table provides a condensed summary of DFW's net position and change in net position as of and for fiscal years ended September 30, 2022 and 2021. A discussion of significant items follows.

Summary of Net Position	As of September 30 (000s)	
	FY 2022	FY 2021
Assets:		
Current and other assets	\$ 4,881,144	\$ 1,875,259
Capital assets	6,133,034	5,982,210
Total assets	11,014,178	7,857,469
Deferred outflows of resources	30,195	14,047
Total assets and deferred outflows of resources	11,044,373	7,871,516
Liabilities:		
Current and other liabilities, excluding debt	446,793	370,447
Non-current liabilities	31,392	28,980
Commercial Paper	-	380,000
Loans and credits	131,000	43,560
Long-term debt outstanding:		
due within one year	227,625	228,555
due in more than one year	7,461,413	5,994,433
Net pension liabilities	85,578	110,953
Total liabilities	8,383,801	7,156,928
Deferred inflows of resources for non-leases	138,830	61,824
Deferred inflows of resources for leases	1,805,247	-
Total deferred inflows of resources	1,944,078	61,824
Total liabilities and deferred inflows of resources	10,327,878	7,218,752
Total Net Position	\$ 716,495	\$ 652,764
Total revenues	\$ 1,304,950	\$ 1,156,525
Total expenses	(1,241,219)	(1,036,063)
Change in net position	\$ 63,731	\$ 120,462

Total current and other assets increased \$3.0 billion from FY 2021 to FY 2022 primarily due to the first-year recognition of current and non-current lease receivables required by GASB No. 87 implementation and unspent bond proceeds from the 2022A issuance. Total capital assets increased \$150.8 million primarily due to the completion of additional facilities and continued construction on other capital projects, net of depreciation and retirements (See Note 5).

Deferred outflows of resources increased \$16.2 million primarily due to a greater pension and OPEB balances caused by differences in actuarial experience and assumption changes. See Note 1(q).

Current and other liabilities increased \$76.3 million primarily due to an increase in unearned revenue, signatory airline refunds, and accrued interest expense.

Commercial paper decreased by \$380.0 million with the conversion into debt as a result of bond refundings. The loan and credit balance increased \$87.4 million to pay for continued construction costs of the AA parts and flight kitchen facilities. Debt due within one year remained flat based on the bond principal payment schedule. See Note 6. Debt due in more than one year increased \$1.5 billion due to the issuance of series 2021C and conversion of commercial paper to debt partially offset by the payment of principal.

The net pension liability decreased \$25.4 million from FY 2021 to FY 2022 primarily due to higher investment returns partially offset by benefit and assumption changes and unfavorable experience compared to actuarial estimates. See Note 1(q) and the Required Supplementary Information tables.

Deferred inflows of resources for non-leases increased by \$77.0 million primarily due to a greater pension amortization balance caused by higher investment return projections and pension assumption changes, and additional bond refunding losses. See Note 1(q).

Deferred inflows of resources for leases increased by \$1.8 billion due to the implementation of GASB No. 87.

The following table summarizes DFW's net position as of September 30, 2022 and 2021.

Net Position	As of September 30 (000s)	
	FY 2022	FY 2021
Net investment in capital assets	\$ (172,847)	\$ (84,189)
Restricted net position:		
PFIC	20,077	19,338
Passenger facility charges	37,272	29,606
Public safety and other	9,144	12,465
Total restricted	66,493	61,409
Unrestricted net position	822,849	675,544
Total Net Position	\$ 716,495	\$ 652,764

DFW has a negative net investment in capital assets due to debt obligations exceeding the book value of DFW's capital assets. The change of Net Investment in Capital assets from (\$84.2) million in FY 2021 to (\$172.8) million in FY 2022 is due to higher depreciation charges exceeding bond principal payments.

The Restricted net position for PFIC consists of cash and investments and other working capital necessary for the day-to-day operations and upkeep of the hotels and rent-a-car center.



The Restricted net position for Passenger facility charges represents the cash and investments held from the collection of fees that will be used in the future to pay eligible debt service or obligated capital projects. PFCs paid approximately 28.2% and 23.1% of the total debt service in FY 2022 and FY 2021, respectively. The PFC balance increased \$7.7 million in FY 2022, primarily due to PFC collections exceeding debt service paid with PFCs.

The Restricted net position for Public Safety and other primarily represents cash obtained during seizures and arrests. These funds may only be used for public safety and security purposes as defined by Federal law. Also included in this amount are funds collected from concessionaires to operate joint marketing programs and maintain grease removal systems. See Note 8, Restricted Net Position, for more details.

Unrestricted net position increased \$147.3 million from \$675.5 million in FY 2021 to \$822.8 million in FY 2022 primarily due to higher operating revenues and lease interest income.

### **Liquidity and Financing**

As of September 30, 2022, DFW had total cash and investments of \$2.9 billion, of which \$1.1 billion was unrestricted. Unrestricted cash and investments may be used for any lawful airport purpose, including capital expenditures, the payment of operation and maintenance expenses, and the payment of debt service if the debt service fund should ever be inadequate. The unrestricted cash and investments in FY 2022 are sufficient to cover 644 days of operating expenses as compared to 670 days in FY 2021. In addition, DFW maintains a fully funded debt service reserve that is based on the average annual debt service over the life of the bonds. As of September 30, 2022, DFW had \$363.3 million in this reserve.

As of September 30, 2022, DFW has \$7.7 billion of fixed rate joint revenue bonds payable that includes \$227.6 million of payable within one year (current portion).

DFW funds major renewal projects like terminal renovations, runway improvements, and other expansion projects through the issuance of debt, net of available grants. The issuance of additional debt requires airline approval, with some exceptions for commercial development and public safety. Low dollar renewals and replacements are generally funded out of the DFW capital account. DFW constantly monitors the cash flow and contracting requirements for all approved capital projects. Additional information on long-term capital asset activity and debt activity are disclosed in Notes 5 and 6 to the financial statements.

In FY 2020, DFW transitioned to using a new subordinate lien commercial paper ("CP") program for interim financing to minimize interest expense. The DFW Board authorized an outstanding balance of up to \$750.0 million of CP Notes as Subordinate Lien Obligations of the Airport, backed by self-liquidity. DFW's debt policy places a limit on total commercial paper outstanding at 65% of unrestricted cash and investments. This effectively limits DFW to the amount outstanding of approximately \$726.5 million as of September 30, 2022. DFW had no commercial paper debt outstanding as of September 30, 2022.

In May 2021, DFW's Board of Directors approved the sixty-second supplemental bond ordinance authorizing a credit agreement with Wells Fargo bank for an interim loan up to \$225.0 million. This loan is a Subordinate Lien Obligation and will be primarily used to reimburse American Airlines costs related to the construction of a flight kitchen and parts distribution center to be operated by American Airlines on the airport. Upon completion of these facilities, DFW will take ownership in a lease-back arrangement. Similar to DFW's Commercial Paper program, the final loan amount is planned to be refinanced by long-term debt. DFW draws funds for this loan as needed and pays interest and service fees monthly. The outstanding amount of this loan was \$131.0 million on September 30, 2022. The unused portion of the loan is \$94.0 million after drawing \$87.4 million in the year.

In November of 2021, DFW issued joint revenue refunding bonds series 2021A (\$206.4 million), 2021B (\$299.3 million), and 2021C (\$706.2 million) totaling \$1.2 billion. Series 2021A refinanced \$225.0 million of commercial paper. Series 2021B fully refunded series 2012C joint refunding and improvement bonds and partially refunded series 2013D joint revenue refunding bonds resulting in a future savings of \$95.0 million and a net present value savings of \$86.3 million. Series 2021C fully refunded series 2013A joint revenue improvement bonds, and partially refunded series 2013C and 2014B joint revenue improvement bonds resulting in a future savings of \$113.1 million and a net present value savings of \$100.4 million. Series 2021C also refinanced \$225.0 million of commercial paper.

During FY 2022, series 2011A joint refunding bond for the rental car facility was fully paid. The series 2016 was also paid during FY 2022.

In April of 2022, DFW issued joint revenue improvement bonds series 2022A for \$1.2 billion. In August of 2022, DFW issued joint revenue refunding bonds series 2022B for \$553.8 million to fully refund series 2013B joint revenue improvement bonds and partially refund 2014E joint revenue refunding and improvement bonds resulting in a future savings of \$50.8 million and a net present value savings of \$48.7 million. Series 2022B also refinanced \$100.0 million of commercial paper.

The Controlling Documents require DFW to annually adopt a Schedule of Charges that is: (1) reasonably estimated to produce Gross Revenues in an amount sufficient to at least pay Operation and Maintenance Expenses plus 1.25 times Accrued Aggregate Debt Service and (2) reasonably estimated to at least produce Current Gross Revenues in an amount sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service. Gross Revenues are defined as including transfers from capital funds (primarily rolling coverage). Current gross revenues do not include these transfers. DFW's Gross Revenues coverage ratios were 1.43 and 1.45 for the fiscal years September 30, 2021, and September 30, 2022, respectively; while Current Gross Revenues coverage ratios were 1.18 and 1.20 for the same periods, respectively. These coverage ratios exclude net revenues from the PFIC, natural gas royalties, and other non-operating sources. Adding these sources increased the Current Gross Revenue coverage to 1.31 and the Gross Revenue coverage to 1.56 in FY 2022, and the Current Gross Revenue coverage to 1.21 and the Gross Revenue coverage to 1.46 in FY 2021. See the Debt Service Coverage schedule in the Statistical Section.

Fitch Ratings, Moody's Investors Service, Kroll Bond Rating Agency, and S&P Global Ratings have assigned their municipal bond ratings of "A+" (Stable), "A1" (Stable), "AA" (Stable), and "A+" (Stable), respectively to DFW Airport Joint Revenue Bonds as of September 30, 2022.

Moody's Investors Service and S&P Global Ratings have assigned ratings to DFW Airport's Subordinate Lien Commercial Paper Program of "P-1" and "A-1", respectively.

### **Request for Information**

This financial report is designed to provide a general overview of the Airport's finances for all those with an interest. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Office of the Executive Vice President and Chief Financial Officer, 2400 Aviation Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428.

**Dallas Fort Worth International Airport**  
**Statement of Net Position**  
**Business-Type Activities**  
**As of September 30, 2022**  
**(Amounts in Thousands)**

<b>Assets</b>	
Current assets	
Cash and cash equivalents (notes 1, 2)	\$ 258,912
Restricted cash and cash equivalents (notes 1, 2, 8)	188,349
Investments (notes 1, 2)	389,900
Restricted investments (notes 1, 2, 8)	38,020
Accounts receivable, net of allowance for doubtful accounts of \$3,169 (note 1)	35,303
Inventory and other current assets (note 1)	34,294
Lease receivable (notes 1, 12)	74,135
Lease interest receivable (notes 1, 12)	16,206
Total current assets	1,035,119
Non-current assets	
Restricted cash and cash equivalents (notes 1, 2, 8)	305,163
Investments (notes 1, 2)	431,684
Restricted investments (notes 1, 2, 8)	1,294,501
Lease receivable (notes 1, 12)	1,779,137
Capital assets, net (notes 1, 5)	
Non-depreciable	976,302
Depreciable, net	5,156,732
Total capital assets, net	6,133,034
Other restricted assets (notes 8, 10)	35,540
Total non-current assets	9,979,059
Total assets	11,014,178
Deferred outflows of resources (notes 1, 9)	30,195
Total assets and deferred outflows of resources	11,044,373
<b>Liabilities</b>	
Current liabilities	
Accounts payable and other current liabilities (note 4)	220,424
Current payable from restricted assets (notes 1, 8)	226,369
Current portion of joint revenue bonds payable (notes 1, 6)	227,625
Total current liabilities	674,418
Long-term liabilities	
Long-term liabilities (note 16)	31,392
Loans and credits (note 6)	131,000
Net pension liabilities (note 9)	85,578
Joint revenue bonds payable (note 6)	7,461,413
Total long-term liabilities	7,709,383
Total liabilities	8,383,801
Deferred inflows of resources for non-leases (notes 1, 9, 10)	138,830
Deferred inflows of resources for leases (notes 1, 12)	1,805,247
Total deferred inflows of resources	1,944,077
Total liabilities and deferred inflows of resources	10,327,878
<b>Net position</b>	
Net investment in capital assets (note 7)	(172,847)
Restricted for:	
PFIC (notes 6, 8, 11)	20,077
Passenger facility charges (notes 1, 6)	37,272
Public safety and other (notes 1, 6)	9,144
Total restricted	66,493
Unrestricted	822,849
Total net position	\$ 716,495

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Business-Type Activities**  
**For The Year Ended September 30, 2022**  
**(Amounts in Thousands)**

Operating revenues		
Terminal rent and use fees (note 1)	\$	359,705
Landing fees (note 1)		69,026
Federal Inspection Services (note 1)		25,828
Other airline		197
Total airline revenue		<u>454,756</u>
Parking and ground transportation		195,997
Concessions		94,382
Ground and facilities leases		79,604
Rent-A-Car (RAC)		41,270
Hotels		40,788
Employee transportation		16,923
Rent-A-Car customer transportation charges		11,638
Other non-airline		42,597
Total non-airline revenue		<u>523,199</u>
Total operating revenues		<u>977,955</u>
Operating expenses		
Salaries, wages and benefits		241,792
Contract services		271,103
Utilities		30,192
Equipment and supplies		27,289
Hotels		23,858
Insurance		11,413
General, administrative and other		7,037
Depreciation and amortization (note 5)		334,590
Total operating expenses		<u>947,274</u>
Operating income		<u>30,681</u>
Non-operating revenues (expenses)		
Federal relief proceeds		101,258
Passenger facility charges		141,590
RAC customer facility charges		18,620
Investment income (loss)		(54,980)
Lease interest income (notes 1,12)		45,341
Interest expense on joint revenue bonds		(232,208)
Other, net		(6,757)
Total non-operating revenues, net		<u>12,864</u>
Income before capital contributions		43,545
Capital contributions		
Federal grant reimbursements		20,186
Total capital contributions		<u>20,186</u>
Net Position		
Increase in net position		63,731
Net position, beginning of year		652,764
Total net position, end of year	\$	<u>716,495</u>

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport**  
**Statement of Cash Flows**  
**Business-Type Activities**  
**For The Year Ended September 30, 2022**  
**(Amounts in Thousands)**

Cash flows from operating activities:	
Cash received from operations	\$ 956,915
Cash paid to outside vendors	(351,613)
Cash paid to employees	(227,741)
Net cash provided by operating activities	<u>377,561</u>
Cash flows from non-capital and related financing activities:	
Other nonoperating revenues: Federal Relief Proceeds	111,052
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(527,509)
Proceeds from sale of commercial paper and credit/loan financing	258,000
Proceeds from sale of revenue bonds	2,953,750
Premiums from sale of bonds	133,054
Underwriter's discount and fees	(10,801)
Payment to escrow agent for bond and commercial paper refunding	(1,888,746)
Bond and commercial paper issuance costs	(6,741)
Good faith receipt for bond refunding	7,075
Principal paid on revenue bonds	(228,555)
Interest paid on revenue bonds, commercial paper, loan	(235,801)
Proceeds from capital grants	32,524
Proceeds from passenger facility charges	140,870
Proceeds from RAC customer facility charges	18,348
Interest portion of lease proceeds	29,135
Net cash provided by capital and related financing activities	<u>674,603</u>
Cash flows from investing activities:	
Interest received on investments	19,299
Purchase of investments	(1,802,928)
Sale of investments	781,752
Net cash used by investing activities	<u>(1,001,877)</u>
Net increase in cash and cash equivalents	161,339
Cash and cash equivalents, beginning of year	591,085
Cash and cash equivalents, end of the period	<u>\$ 752,424</u>
Unrestricted cash and cash equivalents	258,912
Restricted cash and cash equivalents	493,512
Cash and cash equivalents, end of the period	<u>\$ 752,424</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 30,681
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	334,590
Changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources:	
Accounts receivable	(7,003)
Lease accounts receivable	(12,302)
Lease deferred inflows	(35,723)
Materials, supplies, inventories, other assets	(11,373)
Unearned revenues	33,974
Payroll liabilities	512
Accounts payable and other liabilities	44,205
Net cash provided by operating activities	<u>\$ 377,561</u>
Supplemental disclosure of non-cash activities	
Amortization of bond premium/discount	\$ (33,228)
Amortization of bond defeasement loss	(2,073)
Bond refunding loss	(24,088)
Capital grants receivable	13,611
Unpaid purchases of capital assets in accounts payable and accrued liabilities	97,536
Unrealized loss on investments	77,380

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport**  
**Statement of Fiduciary Net Position**  
**As of December 31, 2021**  
**(Amounts in Thousands)**

	Pension (and other employee benefit) Trust Funds
<b>Assets</b>	
Investment held in Master Trust at fair value	
Limited partnerships	\$ 314,444
Commingled funds	158,159
Common stocks	273,290
Government fixed income securities	67,485
Corporate bonds	37,234
Money market funds	45,757
Mutual funds	56,265
Other	8,830
Receivables	
Due from broker for securities sold	652
Accrued interest and dividends	312
Total assets	<u>962,428</u>
<b>Liabilities</b>	
Due to broker for securities purchased	601
Accrued management fees	103
Claims/premiums payable	457
Accrued administrative fees	412
Total liabilities	<u>1,573</u>
<b>Net position</b>	
Fiduciary net position restricted for pensions	922,650
Fiduciary net position restricted for OPEB	38,205
Fiduciary net position restricted for pensions and OPEB	<u><u>\$ 960,855</u></u>

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport**  
**Statement of Changes in Fiduciary Net Position**  
**For the year ended December 31, 2021**  
**(Amounts in Thousands)**

	Pension (and other employment benefit) Trust Funds
Additions	
Contributions	
Plan members contributions	\$ 2,396
Employer contributions	37,296
Total contributions	<u>39,692</u>
Plans' interest in Master Trust investment gain	143,643
Dividends	523
Less: Investment fees	<u>(5,667)</u>
Net investment income	<u>138,499</u>
Total additions	<u>178,191</u>
Deductions	
Benefits paid to plan members and beneficiaries	57,948
Administrative fees	<u>1,599</u>
Total deductons	<u>59,547</u>
Net increase in fiduciary net position	118,644
Fiduciary net position restricted for pensions and OPEB	
At beginning of the year	<u>842,211</u>
At end of the year	<u><u>\$ 960,855</u></u>

See accompanying notes to the basic financial statements.



**Dallas Fort Worth International Airport  
Notes to the Basic Financial Statements  
September 30, 2022**

**Footnote Reference**

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**Dallas Fort Worth International Airport  
Notes to the Basic Financial Statements  
September 30, 2022**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

**(a) Reporting Entity**

The Dallas Fort Worth International Airport (“DFW” or “the Airport”) was created by the Contract and Agreement between the City of Dallas, Texas, and the City of Fort Worth, Texas, effective April 15, 1968 (“Contract and Agreement”), for the purpose of developing and operating an Airport as a joint venture of the Cities of Dallas and Fort Worth (“the Cities”) in accordance with the Contract and Agreement. The initial capital was contributed by the Cities. The Cities approve DFW’s annual budget and bond sales but have no responsibility for DFW’s debt service requirements.

The DFW Airport Board of Directors (“the Board”) is composed of twelve members, eleven of whom are voting members (seven of which are appointed by Dallas and four by Fort Worth) in accordance with each city’s ownership interest in the Airport. The 12<sup>th</sup> position rotates between the Airport’s host cities of Irving, Grapevine, Euless, or Coppell and is non-voting. The Board is a semi-autonomous body charged with governing the Airport and may enter into contracts without approval of the City Councils except for sales of land or leases in excess of 40 years.

The Board appoints the Chief Executive Officer, who is charged with the day-to-day operations of the Airport. The Chief Executive Officer hires a management team to assist in that responsibility.

DFW’s financial statements include all transactions of the Dallas Fort Worth Airport Public Facility Improvement Corporation (“PFIC”). The PFIC operates the Grand Hyatt and Hyatt Place hotels, the Rent-a-car facility (“RAC”), and manages the Campus West business park, 77 acres of property located on the west side of the airport. Grand Hyatt and Hyatt Place net proceeds are primarily derived from room rentals and the sale of related hotel goods and services. The RAC collects customer facility and customer transportation charges from rental car customers and oversees facility improvements and transportation services. Campus West collects ground and facility rents from its tenants and develops and maintains the property.

Although the PFIC is a legally separate entity, the financial transactions of PFIC have been included in the Airport’s Enterprise Fund due to their nature and significance to the Airport and to comply with Governmental Accounting Standards Board (“GASB”): Statement No. 14, *“The Financial Reporting Entity”* as amended. The PFIC is considered a blended component unit because the component unit’s governing body is substantively the same as DFW’s, the primary government. The Airport as the primary government, exercises substantial control over the PFIC. In addition, the component unit provides direct benefits exclusively or almost exclusively to the Airport, through the transfer of funds necessary to pay Airport debt.

DFW’s Facility Improvement Corporation (“FIC”) is also a legally separate entity, formed for the primary purpose of issuing conduit debt and has no assets, liabilities, or activities as of and for the year ended September 30, 2022. If there were any financial transactions for the FIC, these would have been included in the Airport’s Enterprise Fund due to their nature and significance to the Airport and to comply with GASB Statement No. 14, *“The Financial Reporting Entity”* as amended. The FIC is considered a blended component unit because the component unit’s governing body consists of members of the Airport staff, appointed by the Airport Board. The Airport as the primary government, exercises substantial control over the FIC. See footnotes 6(b) and 11 for a further discussion of the FIC and PFIC.

**Dallas Fort Worth International Airport**  
**Notes to the Basic Financial Statements**  
**September 30, 2022**

DFW fiduciary activities represent two fiduciary pension plans and an Other Post-Employment Benefit Plan ("OPEB") plan with the plans' year ended of December 31, 2021. These defined benefit plans are fiduciary component units as they are administered through trusts that meet the criteria in GASB Statements No. 67 and 74. The Board is the governing body for these plans, and the Airport has assumed the obligation to make contributions. The pension plans cover designated DFW employees in two categories: (1) the Retirement Plan for Employees ("Employee Plan") of Dallas Fort Worth International Airport, and (2) DPS ("Department of Public Safety") Covered Employees ("DPS Plan") of Dallas Fort Worth International Airport. These two plans are termed the "Retirement Plans" collectively.

DFW closed the Employee Plan for employees hired after December 31, 2009. DFW began to offer a deferred compensation plan 401(a) for employees hired on or after January 1, 2010 (excludes Department of Public Safety employees). The OPEB plan is a single-employer plan providing retiree health care for qualified retired employees ages 65 or younger.

**(b) Basis of Accounting**

The accounts of the Airport are organized into an Enterprise Fund which represents the business-type activities; and two Pension Trust Funds and one OPEB Trust Fund which represent the fiduciary activities. The Airport uses a separate set of self-balancing accounts for each fund including assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. The Airport includes its fiduciary pension and OPEB plans, as separate schedules, in the Other Supplementary Information section.

The Basic Financial Statements and Required Supplementary Information ("RSI") of the Airport consist of Management's Discussion and Analysis; Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position; Notes to the Basic Financial Statements; for the pension trust funds: Schedule of Changes in the Net Pension Liability and Related Ratios; and Schedule of Contributions; and for the OPEB trust fund: Schedule of Changes in the Net OPEB Liability and Related Ratios; Schedule of Contributions – OPEB; and OPEB Schedule of Investment Returns. The two generic fund types are categorized as follows:

Enterprise Fund – The financial statements of the Enterprise Fund use the economic resource measurement focus and are presented on the accrual basis of accounting. Revenues are recorded when earned. DFW's operating revenues are derived from fees paid by airlines, tenants, concessionaires, patrons who park at DFW, natural gas royalties, hotel transactions, and others. The fees are based on usage rates established by DFW and/or methodologies established in the Lease and Use Agreements ("Use Agreement").

Expenses are recognized when incurred. The Airport constructs facilities to provide services to others, which are financed in part by the issuance of its joint revenue bonds. Airline users generally contract to pay amounts equal to the Airport's operating and maintenance expenses (excluding depreciation), debt service and coverage requirements, and any other obligations payable from the revenues of the Airport.

Fiduciary Funds – The financial statements of the Fiduciary Funds use the economic resource measurement focus and are presented on the accrual basis of accounting. The Fiduciary Funds are maintained to account for assets held by the Airport in a trustee capacity for active and retired employees. Contributions are recognized in the period in which the contributions are due. Benefits, refunds, claims and premiums are recognized when due and payable in accordance with the terms of each plan.

**Dallas Fort Worth International Airport  
Notes to the Basic Financial Statements  
September 30, 2022**

The Fiduciary Funds' fiscal year end is December 31 of each year. The amounts presented in these financial statements are as of and for the year ended December 31, 2021.

**(c) Basis of Presentation**

Adoption of Current GASB Statements

The GASB has issued Statement No. 87, "*Leases*". Effective for reporting periods beginning after June 15, 2021, this statement increases the usefulness of financial statements by requiring 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 based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Limited exceptions to the single approach guidance are provided for short-term leases, financed purchases, leases of assets that are classified as investments, and certain regulated leases.

DFW has recognized the following assets, the deferred inflows of resources, due to the adoption of Statement No. 87:

1. Current and non-current lease receivables of approximately \$74.1 million and \$1.8 billion, respectively.
2. Deferred inflows of resources of approximately \$1.8 billion.
3. Lease interest receivable of approximately \$16.2 million that accrued from leases whose accrued interest exceeded lease payments received during the year.

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*." Effective for financial statements beginning after December 15, 2020, this statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund beginning in FY 2022 and prospectively. Following adoption of Statement No. 89 DFW has not capitalized interest costs incurred during construction periods.

The GASB has issued Statement No. 92, "*Omnibus 2020*." The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021. The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations (AROs) in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. The adoption of requirements in Statement No. 92 had no impact to DFW's financial statements.

**Dallas Fort Worth International Airport  
Notes to the Basic Financial Statements  
September 30, 2022**

The GASB has issued Statement No. 93, *“Replacement of Interbank Offered Rates.”* Paragraph 11b is effective for financial statements ending after December 31, 2021, or later depending on the availability of the LIBOR (London Interbank Offer Rate) index. Paragraphs 13 and 14 are effective for financial statements beginning after June 15, 2021. This statement will reduce the cost of accounting and financial reporting ramifications of replacing Interbank Offered Rate with other reference rates by providing exceptions to the existing provisions for hedge accounting termination and lease modifications. The adoption of requirements in Statement No. 93 had no impact to DFW's financial statements.

The GASB has issued Statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.”* Paragraph 6 to 9 are effective for financial statements beginning after June 15, 2021. The purpose of these paragraphs is to enhance the relevance, consistency, and comparability of the accounting and financial reporting of Code section 457 plans that meet the definition of a pension plan. The requirements in paragraphs 4 and 5 were effective upon issuance. The adoption of requirements in Statement No. 97 had no impact to DFW's financial statements.

The GASB has issued Statement No. 99, *“Omnibus 2022”* in April 2022. The standard provides clarification guidance on several of its recent statements that addresses different accounting and financial reporting issues identified during implementation of the new standards and during the GASB's review of recent pronouncements. Statement No. 99:

- 1) Amends guidance in Statement No. 24, *“Accounting and Financial Reporting for Certain Grants and Other Financial Assistance”*. Statement No. 99 requires that the accounting and financial reporting of Supplemental Nutrition Assistance Program (SNAP) transactions should follow the provisions of Statement 33, *“Accounting and Financial Reporting for Nonexchange Transactions”*, as amended. These provisions were effective upon issuance and had no impact to DFW's financial statements.
- 2) Requires disclosures related to nonmonetary transactions, in the notes to financial statements, of the measurement attribute(s) applied to the assets transferred rather than the basis of accounting for those assets. The provisions were effective upon issuance and had no impact to DFW's financial statements.
- 3) Provides guidance on accounting for pledges of future revenues when resources are not received by the pledging government. The guidance addresses the process of blending a component unit created to issue debt on behalf of a primary government when that component unit is required to be presented as a blended component unit. These provisions were effective upon issuance and had no impact to DFW's financial statements.
- 4) Provides clarification of provisions in Statement No. 34, *“Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments”*, as amended, related to the focus of the government-wide financial statements. This guidance was effective upon issuance and had no impact to DFW's financial statements.
- 5) Provides terminology updates related to certain provisions of Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”*, and terminology used in Statement No. 53, *“Accounting and Financial Reporting for Derivative Instruments”*. These updates were effective upon issuance of the standard and had no impact to DFW's financial statements.
- 6) GASB Statement 93 that amended Statement 53 to address transition away from the London Interbank Offered Rate (LIBOR). Statement No. 99 extends the period during which the LIBOR is considered an appropriate benchmark interest rate to when LIBOR ceases to be determined using methodology in place as of December 31, 2021. This guidance was effective upon issuance and had no impact to DFW's financial statements.

**Dallas Fort Worth International Airport**  
**Notes to the Basic Financial Statements**  
**September 30, 2022**

Future GASB Statements

The GASB has issued Statement No. 91, “*Conduit Debt Obligations*.” Effective for financial statements beginning after December 15, 2021, this statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. DFW is evaluating the effect that Statement No. 91 will have on its financial statements.

The GASB has issued Statement No. 94, “*Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*.” Effective for financial statements beginning after June 15, 2022, this statement establishes the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. DFW is evaluating the effect that Statement No. 94 will have on its financial statements.

The GASB has issued Statement No. 96, “*Subscription-Based Information Technology Arrangements*.” Effective for financial statements beginning after June 15, 2022, this statement (1) defines subscription-based information technology arrangements (SBITAs); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. DFW is evaluating the effect that Statement No. 96 will have on its financial statements.

GASB Statement No. 99 contains guidance whose effective dates are in future periods. DFW is evaluating the effect the guidance will have on its financial statements.

- 1) Modifies guidance in GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, to bring all guarantees under the same financial reporting requirements and disclosures effective for fiscal years beginning after June 15, 2023.
- 2) Provides guidance on classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, effective for fiscal years beginning after June 15, 2023.
- 3) Provides clarification of provisions in Statement No. 87 related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives effective for fiscal years beginning after June 15, 2022.
- 4) Provides clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset. Effective for fiscal years beginning after June 15, 2022.
- 5) Provides clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. Effective for fiscal years beginning after June 15, 2022.
- 6) Modifies accounting and reporting guidance in Statement No. 53 related to termination of hedge. Guidance is effective for fiscal years beginning after June 15, 2022.



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The GASB has issued Statement No. 100, *"Accounting Changes and Error Corrections"*. Effective for fiscal years beginning after June 15, 2023, this standard enhances accounting and financial reporting requirements for accounting changes and error corrections. The Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. Requirements applicable to changes in accounting principles apply to the implementation of a new pronouncement if there is no specific transition guidance in the new pronouncement. The Statement also requires that the aggregate amount of adjustments to, and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. DFW is evaluating the effect that Statement No. 100 will have on its financial statements.

The GASB has issued Statement No. 101, *"Compensated Absences"*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. DFW is evaluating the effect that Statement No. 100 will have on its financial statements.

**Operating and Non-Operating Revenues**

The Airport distinguishes between operating revenues and non-operating revenues based on the nature of revenues and expenses. In general, revenues and related expenses resulting from providing services such as aircraft landing, parking, hotel transactions, terminal rental, ground and space rental, and natural gas leases are considered operating. These revenues result from exchange transactions in which each party receives and gives up essentially equal values. Revenues are reported net of Air Service Incentive Program ("ASIP") reimbursements of \$3.1 million for Landing Fees.

Non-operating revenues, such as interest income, lease interest income, federal relief proceeds in the form of pandemic grants, passenger facility charges and customer facility charges, result from non-exchange transactions or ancillary activities. Non-operating expenses primarily consist of the interest expense on joint revenue bonds. Capital grants are recorded as capital contributions.

**(d) *Cash, Cash Equivalents, and Investments***

**Cash and cash equivalents**

For purposes of the statements of cash flows, the Airport considers cash on hand, money market funds, and investments with an original maturity of three months or less, when originally purchased, to be cash equivalents, whether unrestricted or restricted. All bank balances are moved to collateralized overnight sweep accounts.

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Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Investments with a maturity of one year or less from the date of purchase are reported at amortized cost. Per the Texas Public Fund Investment Act, the Airport may only invest in obligations of the United States or its agencies, obligations of the State of Texas or its agencies, and certificates of deposits; municipal obligations and repurchase agreements having a rating not less than A; and certain bankers' acceptances, commercial paper, Securities Exchange Commission ("SEC") regulated money market mutual funds, local government investment pools, and guaranteed investment contracts. Under the current investment policy, the fiduciary funds may invest in money market funds, domestic equities, international equities, private equity funds, real assets, real estate funds, private credit funds, and fixed income instruments.

**(e) Accounts Receivable**

Receivables are reported at their gross value when earned. The Airport's collection terms are 25 days. The allowance for uncollectible accounts is based on a weighted aging calculation. As a customer's balance is deemed uncollectible, the receivable is cleared, and the amount is written off. If the balance is subsequently collected, such payments are applied to the allowance account. The allowance for doubtful accounts was \$3.2 million as of September 30, 2022. This allowance is netted against the Accounts Receivable balance.

**(f) Materials and Supplies Inventories**

Inventories are valued at the lower of average cost or market and consist primarily of expendable parts and supplies held for consumption within the next year.

**(g) Leases**

Lease receivable is measured at the present value of lease payments expected to be received during the lease term using an estimate of the rate of interest that would be charged to the Airport for borrowing the lease payment amounts during the lease term. Variable payments that are based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease receivable. DFW monitors changes in lease terms and circumstances and remeasures the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

During each subsequent financial reporting period, DFW calculates interest due on the lease receivable and recognizes those amounts as the lease interest receivable and lease interest income. Lease payments when received are first applied the lease interest receivable then the any remaining amounts to reduce the lease receivable.

**(h) Capital Assets**

All capital assets are stated at historical cost or, if donated, at the acquisition value on the date donated. The capitalization threshold for both real and personal property is generally \$50,000, with some minor exceptions, with a useful life greater than 1 year.



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Depreciation is calculated on the straight-line method over the following estimated useful lives:

Buildings	10 - 50 years
Improvements other than buildings	10 - 50 years
Vehicles	2 - 20 years
Other machinery and equipment	3 - 30 years

Repairs and maintenance are charged to operations as incurred unless they have the effect of improving or extending the life of the asset, in which case they are capitalized as part of the cost of the asset. Construction-in-progress is composed of costs attributable to construction of taxiways, roads, terminal improvements, systems installation and conversion, and various other projects.

**(i) Grants and Federal Reimbursements**

Grants and Federal reimbursements are recorded as revenue in the accounting period in which eligibility requirements have been met to receive reimbursement of federal funds. The Coronavirus Aid, Relief, and Economic Security Act ("CARES" or "CARES Act"), approved by the United States Congress and signed by the President on March 27, 2020, is one of the actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports. DFW drew down \$144.1 million in FY 2020, and \$148.4 million in FY 2021, and \$6.7 million in FY 2022. The CARES Act allowed airports to request reimbursement of any lawful expense. For ease of administration, DFW requested reimbursement for debt service net of Passenger Facility Charges ("PFCs").

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law on December 27, 2020. DFW received two grants under this legislation. The first grant for approximately \$52.6 million was used for debt service. The second grant of approximately \$7.7 million was used to provide financial relief to in-terminal concessionaires, on-airport rental car companies and on-airport parking operations. During FY 2021, DFW applied for and received the full \$7.7 million for concessionaire, rental car, and parking operations relief. The remaining \$52.6 million was drawn down in FY 2022 and used for debt service.

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021. DFW received two grants under this legislation. The first grant of approximately \$221.1 million is for debt service and operating expenses. DFW drew down and applied to debt service \$21.1 million in FY 2022, leaving \$200 million available for future use. The second grant of approximately \$30.7 million is to be used to provide financial relief to in-terminal concessionaires. As of September 30, 2022, DFW had drawn down the entire \$30.7 million and applied \$20.8 million for concessionaire relief. The unapplied balance of \$9.9 million was recorded as unearned revenue as of September 30, 2022.

**(j) Passenger Facilities Charges ("PFC")**

The PFC program is authorized by federal legislation and allows an airport to impose a fee for use of its facilities up to \$4.50 on revenue enplaning passengers. PFC's may only be used for FAA approved projects. DFW collects PFC's at the \$4.50 level allowed by regulations. PFC's are collected by the air carriers when the ticket is purchased and remitted monthly to the airport by the airlines. As of September 30, 2022, the FAA has approved ten applications for the Airport for a total collection authority of \$5.7 billion through October 2038. The remaining collection authority is \$2.7 billion. DFW is currently collecting and expending PFC's under PFC Application 10; applications 1 – 9 are closed.

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**(k) Deferred Compensation Plans**

The Airport offers a deferred compensation plan, created in accordance with Internal Revenue Code “(IRC)” Section 457, to all Airport employees to allow them to defer a portion of their salaries up to IRC limits. The deferred compensation under these plans is not available to employees until termination, retirement, death, or an unforeseeable emergency. The amounts are held in trust for the benefit of the Airport’s employees and are not subject to claims of the Airport’s general creditors.

The 457 Deferred Compensation Plan is a defined contribution plan with assets outside the control of DFW. These assets are not included in DFW’s fiduciary activities in accordance with GASB Statement No. 84, *“Fiduciary Activities”* and Statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.”*

Beginning January 2010, DFW requires employees, excluding Public Safety Officers, hired after January 1, 2010, to participate in a deferred compensation plan, created in accordance with Internal Revenue Code Section 401(a), in which employees are required to defer 1% to 3% of their salaries, based on tenure. All new employees are also eligible to participate in the 457 Plan for employees hired after January 1, 2010. DFW will match 100% of employees’ contributions up to 7% of an employee’s salary to both the 401(a) and 457 plans. The Airport is not the trustee of the 457 and 401(a) plans.

The 401(a) Deferred Compensation Plan is a defined contribution plan with assets held in a trust outside the control of DFW. These assets are not included in DFW’s fiduciary activities in accordance with GASB Statement No. 84, *“Fiduciary Activities”* and Statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.”*

**(l) Retirement Plans**

Based on the retirement plans’ funding policy, DFW contributes an amount equal to or greater than the actuarially determined pension cost for each fiscal year. In FY 2022, DFW made actuarially determined contributions of \$26.3 million to the plans: \$16.8 million to the Employee Plan; \$9.5 million to Department of Public Safety (DPS) Plan.

The retirement plans are accounted in accordance with GASB Statement No. 67, *“Financial Reporting for Pension Plans.”* Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plans’ gains and losses on investments bought and sold as well as held during the year. Investments are valued at fair value based on quoted market values when available.

**(m) Other Post-Employment Benefits (“OPEB”) Plan**

Based on the OPEB plans’ funding policy, DFW contributes an amount equal to the actuarially determined OPEB cost for each fiscal year. In FY 2022, DFW made contributions of \$1.0 million. The OPEB plan is accounted in accordance with GASB Statement No. 74, *“Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.”* Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plans' gains and losses on investments bought and sold as well as held during the year. Investments are valued at fair value based on quoted market values when available.

**(n) Restricted Assets and Liabilities**

Restricted assets consist of cash, investments, and other resources that are legally restricted by third parties to certain uses. Capital funds are restricted to pay the costs of certain capital projects as defined in various supplemental bond ordinances. PFC program funds are restricted to pay the cost of FAA approved capital projects and any debt incurred to finance those projects.

Debt service funds are restricted to make payments for principal and interest as required by the specific bond ordinances. The use of commercial paper proceeds is restricted to DFW capital projects. Loan financing proceeds are restricted to the reimbursement of tenant projects.

The Public Safety funds obtained from seizures are restricted to specified security or public safety uses. The Concessionaires' fund pays grease system maintenance cost and joint marketing programs. PFIC working capital; operating; and furniture, fixture and equipment funds are classified as restricted.

Current liabilities payable from restricted assets are the accounts payable, accrued interest, commercial paper and the current portion of long-term debt associated with the purchase and construction of the capital projects funded by the restricted assets.

**(o) Compensated Absences**

DFW employees earn 12 days of sick leave per year with a maximum accrual of 130 days. Unused sick leave for terminated employees is not paid, and therefore, not accrued. DFW employees are granted Time Off with Pay ("TOP") at rates of 15 to 25 days per year depending on length of employment and position. Employees may accumulate up to a maximum of two times their annual accrual rate. Upon termination, employees are paid for any unused TOP. The accumulated TOP is recorded as a liability when earned and is reflected in the accounts payable.

The calculation of the liability is based on the pay or salary rates in effect as of the end of the fiscal year (in thousands):

Balance as of September 30, 2021	\$ 13,656
TOP used during the year	(13,538)
TOP earned during the year	12,897
Balance as of September 30, 2022	<u>\$ 13,015</u>

**(p) Use of Estimates**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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**(q) Deferred Outflows/Inflows of Resources**

DFW's Statement of Net Position includes a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period.

DFW has four qualifying deferred outflows of resources. The first and third are the result of economic or demographic assumption changes made to the actuarial valuations of the pension and OPEB plans. The second and fourth relate to the differences between expected and actual experience in the measurement of the net pension liability and net OPEB asset. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension and OPEB.

As of September 30, 2022, the combined balance of deferred outflows of resources is as follows (in thousands):

Deferred outflows of resources	2022
Pension:	
Change in assumptions	\$ 9,312
Differences between expected and actual experience	14,695
OPEB:	
Change in assumptions	1,134
Differences between expected and actual experience	5,054
Total deferred outflows of resources	<u>\$ 30,195</u>

The Statement of Net Position include a separate section for deferred inflows of resources applying to a future period(s) inflow of resources (revenue). DFW has seven qualifying deferred inflow of resources.

The first relates to the adoption of GASB Statement No. 87, "Leases". At adoption of the GASB standard, DFW recognized a deferred inflows of resources for leases, equal to the lease receivable amount for each qualifying lease. Thereafter, DFW recognizes a deferred inflows of resources at commencement of each new qualifying lease. The deferred inflows of resources for leases amount is adjusted by the same amount as any change resulting from a remeasurement of the lease receivable, and is amortized on a straight-line basis over the term of each lease.

The second relates to refunding of debt. When a bond is refunded, a deferred inflow of resources results when the carrying value of the original debt exceeds the reacquisition price. This amount is deferred and amortized over the term of the new bonds or refunded bonds, whichever is shorter, using the straight-line method.

The third and fifth are related to the difference between expected and actual experience in the measurement of the net pension liability and net OPEB asset. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with these benefits.

The fourth and seventh are related to the difference between projected and actual earnings on pension and OPEB plan investments. These amounts are amortized over a closed five-year period.

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The sixth relates to the change in assumptions for OPEB. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB.

As of September 30, 2022, the combined balance of deferred inflows of resources is as follows (in thousands):

<u>Deferred inflows of resources</u>	<u>2022</u>
Deferred inflows of resources for leases	\$ 1,805,247
Refunding of debt	54,554
Pension:	
Differences between expected and actual experience	10,288
Differences between projected and actual investment earnings	62,636
OPEB:	
Differences between expected and actual experience	6,250
Change in assumptions	934
Differences between projected and actual investment earnings	<u>4,168</u>
Deferred inflows of resources for non-leases	138,830
Total deferred inflows of resources	<u><u>\$ 1,944,077</u></u>

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**Dallas Fort Worth International Airport  
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**(2) DEPOSITS AND INVESTMENTS**

**(a) Deposits - DFW**

As of September 30, 2022, DFW's cash balance (including amounts under restricted assets – see Note 8) represents \$752.4 million of cash and cash equivalents. The bank balances for the cash and cash equivalents accounts were approximately \$764.1 million on September 30, 2022. The balance of cash and cash equivalents is kept in local government investment pool, money market accounts, high yield savings accounts, or in deposit accounts swept nightly.

The local government investment pool is invested in a stable value net asset value (NAV) pool but does not meet all the specific criteria outlined in GASB Statement 79, "*Certain External Investment Pools and Pool Participants*", to qualify for use of amortized cost accounting for financial reporting purposes. Therefore, DFW has reported the local government investment pool at its stated fair value using net asset value as of September 30, 2022.

The money market accounts are collateralized by the assets of the funds. The sweep accounts, deposits and high yield savings are collateralized by pledged securities. Money Market Funds are regulated by the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940. These funds are pooled monies from investors to purchase short-term investments, such as treasury bills, certificates of deposit, and commercial paper issued by large corporations, that meet certain standards set forth by the SEC for credit quality, liquidity, and diversification. The risk ratings for DFW's money market funds are AAAM by Standard and Poor's, Aaa by Moody's and AAAMmf by Fitch. Money market funds are valued at the "cost plus" accrued interest adjusted to a net asset value of \$1.00.

DFW investments in money market funds are included as cash equivalents for FY 2022 as follows (in thousands):

Description	2022
Local government investment pool	\$ 508,000
Money market funds	165,081
Cash	79,343
Total cash and cash equivalents	<u>\$ 752,424</u>

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**(b) Investments – DFW**

As of September 30, 2022, DFW's investment values and associated credit ratings from Standard and Poor's (S&P) are as follows (in thousands):

		2022			
Investments by Sector	S&P Rating	Amount	Percent of Total Investment	Maturities (in years) 1 - 5 years and Over	
Investments measured at Fair Value				< 1 year	
U.S. Agencies and Instrumentalities	Not Rated [1]	\$ 1,352,281	48.0%	\$ 107,172	\$ 1,245,109
Municipals	AAA	92,575	3.3%	34,816	57,759
	AA+	13,743	0.5%	6,279	7,464
	AA	19,440	0.7%	5,333	14,107
	AA-	16,561	0.6%	6,923	9,638
	Not Rated	7,168	0.3%	991	6,177
Total Investments measured at Fair Value		1,501,768	53.4%	161,514	1,340,254
Investments measured at Amortized Cost					
U.S. Agencies and Instrumentalities	Not Rated [1]	292,895	10.4%	292,895	-
Commercial Paper	A-1+	116,411	4.1%	116,411	-
	A-1	204,685	7.3%	204,685	-
Municipals	Not Rated	30,391	1.1%	30,391	-
Total Investments measured at Amortized Cost		644,382	22.9%	644,382	-
Total Investments					
U.S. Agencies and Instrumentalities		1,645,176	58.4%	400,067	1,245,109
Commercial Paper		321,096	11.4%	321,096	-
Municipals		179,878	6.5%	84,733	95,145
Total Investments		\$ 2,146,150	76.3%	\$ 805,896	\$ 1,340,254
Money Market Funds		165,081	5.8%	\$ 165,081	-
Local Government Investment Pool		508,000	17.9%	\$ 508,000	-
Total Investments with Money Market Funds and local investment pool		\$ 2,819,231	100.0%		
Total Investments without Money Market Funds and Local Government Investment Pool		\$ 2,146,150			
Accrued Investment Earnings		7,955			
Book value of investments		\$ 2,154,105			

[1] Per the Texas Public Funds Investment Act, no rating is required for government sponsored enterprises' bonds.

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**(c) Interest Rate Risk – DFW**

Investment portfolios are designed with the objectives of preserving capital while attaining the best possible rate of return commensurate with DFW's investment risk constraints and the cash flow characteristics of each portfolio. Return on investment, although important, is subordinate to the safety and liquidity objectives.

In accordance with DFW's investment policy, two strategies are employed when market conditions vary. In markets where time risk is rewarded, investments are for longer terms. In markets where time risk is not rewarded, investments are for shorter terms and allow for flexibility to reinvest funds when markets improve.

DFW has identified various purposes for the use of investments and has established maximum maturities for each of these purposes.

The following table summarizes by purpose the maximum investment maturities.

Purpose	Maturity
PFIC - Hotel	
Operating, Furniture, Fixture, Equipment	1 year
Interest and Sinking	1 year
Operating	1 year - \$25 million may be 2 years
Passenger Facility Charges	1 year
PFIC - CTC	1 year
PFIC - CFC	\$25 million - 5 years and remainder - 2 years
Bond	3 years
DFW Capital Account	3 years ( $\leq$ \$40 million may be up to 5yrs)
PFIC - Hotel Capital Account	3 years
Joint Capital Account	5 years
Debt Service Reserve	75%-5 yrs and 25% 10 yrs
Operating Reserve	75%-5 yrs and 25% 10 yrs
Rolling Coverage	75%-5 yrs and 25% 10 yrs

The following table summarizes the DFW total investments (excluding money market funds) as a percentage of maturities.

	2022
Maturity	% of Investment
Less than one year	38%
One to five years or more	62%



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**(d) Credit Risk – DFW**

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. DFW's investment policy provides for the following types of investments with ratings for each investment type.

<b>Investment Type</b>	<b>Minimum Ratings</b>
U.S. Treasury Notes and Bills	N/A
U.S. Agencies and Instrumentalities	N/A
Texas Agencies and Instrumentalities	N/A
Certificates of Deposit	N/A
Banker's Acceptances	Short-Term A1/P1
Municipals (Bonds, Obligations)	A or equivalent by one nationally recognized ratings agency
Repurchase Agreements	A or equivalent by one nationally recognized ratings agency
Guaranteed Investment Contract	A or equivalent by one nationally recognized ratings agency
Money Market Mutual Funds	N/A
Money Market Funds and Local Government Pools	AAA or AAAm by one recognized ratings agency
Commercial Paper	A1/P1 by two recognized ratings agencies

**(e) Concentration of Credit Risk – DFW**

DFW limits the amounts that can be invested in any individual investment unless the investment is fully collateralized or guaranteed by the federal government. Money market funds are reported as cash in the financial statements but are considered investments by DFW policy. As of September 30, 2022, DFW was in compliance with its investment policy. DFW's investments that exceed 5% of total investments are as follows:

<b>Description</b>	<b>Percent of Total Investments</b>
Federal Home Loan Bank	29.8%
Local Government Investment Pool Texas Class	18.0%
Federal Farm Credit Bank	10.3%
Federal Agricultural Mortgage Corporation	9.5%
ING Funding Commercial Paper	6.0%
	<u>73.6%</u>

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**(f) Custodial Risk – DFW**

For deposits, custodial risk is the risk that in the event of financial institution failure, DFW would not be able to recover its deposit. DFW's deposits are either federally insured and/or collateralized. For investments, custodial risk is the risk that in the event of a failure of the outside party (holder of the investment), DFW would not be able to recover the value of the investment or collateral securities. DFW's investments are held in DFW's name.

**(g) Fair Value Measurements - DFW**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity specific measurement.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. These three levels are as follows:

**Level 1** – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities in active markets that a government can access at the measurement date. An *active market* for the asset or liability is a market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Accordingly, a quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. If an asset or liability has a specified term to maturity, then to qualify for Level 2 designation, an input must be observable for substantially the full term to maturity of the asset or liability.

Level 2 inputs include the following: (a) Quoted prices for similar assets or liabilities in active markets; (b) Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to-principal market); (c) Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, prepayment speeds, loss severities, credit risks, and default rates); (d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

**Level 3** – Inputs that are unobservable for an asset or liability.

**U.S. Agencies and Instrumentalities**

U.S. Agency Securities and Instrumentalities, such as agency issued debt and mortgage pass-throughs, are categorized differently depending on the call feature of the security and trading activity.

Non-callable agency issued debt securities and to-be announced "TBA" securities are generally valued using quoted market prices. Therefore, actively traded non-callable agency issued debt securities and TBA securities can be categorized in Level 1 of the fair value hierarchy.

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DFW's non-callable agency investments were not actively traded and thus were classified as Level 2. Callable agency/instrumentality issued debt securities and mortgage pass-through pools are valued by benchmarking model-derived prices and therefore are categorized in Level 2 of the fair value hierarchy.

Municipal Securities

Other illiquid or less actively traded investments such as municipal securities (bonds, obligations) that do not have actively quoted prices are categorized as Level 2 in the fair value hierarchy.

As of September 30, 2022, DFW investments, measured at fair value, are categorized in the three levels as follows (in thousands):

<u>Investments</u>	Level 2:	
	Significant	Other
	<u>Observable Inputs</u>	
U.S Agencies and instrumentalities	\$	1,352,281
Municipal bonds		<u>149,487</u>
Total	\$	<u>1,501,768</u>

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**(h) Investments – DFW’s Fiduciary Pension Plans**

DFW has contracted with JP Morgan Chase Bank (“Trustee”) for custody and safekeeping of investments, accounting for transactions based on the instructions of investment managers, and payment of benefits to participants, subject to the policies and guidelines established by DFW. The funds of the Pension Plans are invested in accordance with Texas Public Investment Act.

The Retirement Plans’ assets are carried at fair value and net asset value. As of December 31, 2021, the Plans’ investments are as follows (in thousands):

Investments	Total
<hr/>	
Investments measured at fair value using level 1 and 2 inputs	
Common stocks	\$ 273,290
ADR/Foreign stocks	1,474
Government fixed income securities	67,485
Corporate bonds	37,234
Asset/Commercial mortgage-backed bonds	4,467
Mutual funds	17,599
Total Investments measured at fair value using level 1 and 2 inputs	<hr/> \$ 401,549
 Investments measured at Net Asset Value	
Money market funds	\$ 45,757
Commingled funds	158,159
Limited partnerships	314,444
Total Investments measured at fair value using net asset value	<hr/> \$ 518,360
<hr/>	
Total Investments	<hr/> \$ 919,909 <hr/>

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As of December 31, 2021, Retirement Plan's investments, measured at fair value, are categorized in the two levels as follows (in thousands):

Investments measured at Fair Value	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Total
Common stocks	\$ 273,290	\$ -	\$ 273,290
ADR/Foreign stocks	1,474	-	1,474
Government fixed income securities	-	67,485	67,485
Corporate bonds	-	37,234	37,234
Asset/Commercial mortgage-backed bonds	-	4,467	4,467
Mutual funds	17,599	-	17,599
<b>Total Investments</b>	<b>\$ 292,363</b>	<b>\$ 109,186</b>	<b>\$ 401,549</b>

**(i) Interest Rate Risk – DFW's Fiduciary Pension Plans**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The investment strategy of the Plans is to emphasize total return in the form of aggregate return from capital appreciation, dividend, and interest income. The primary objectives over a five-year period for the plan assets are to maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on the plan assets, meet or exceed the actuarially assumed rate of return, and provide an acceptable level of volatility in both the long and short-term periods.

As of December 31, 2021, the maturity values are as follows (in thousands):

	2021 Maturity (in years)				
Fixed Income Securities	0-5	6-10	11-15	16+	Total
U.S. Treasury and agency	\$ 18,431	\$ 4,668	\$ -	\$13,826	\$36,925
Mortgage backed	-	184	-	-	184
CMO/REMIC	-	91	8,440	21,845	30,376
<b>Total government</b>	<b>\$ 18,431</b>	<b>\$ 4,943</b>	<b>\$ 8,440</b>	<b>\$35,671</b>	<b>\$67,485</b>
Asset backed bonds	\$ 1,414	\$ 582	\$ 1,464	\$ 475	\$ 3,935
Commercial mortgage-backed bonds	-	-	376	156	532
Corporate bonds	9,298	21,431	1,753	4,752	37,234
<b>Total non-government</b>	<b>\$ 10,712</b>	<b>\$22,013</b>	<b>\$ 3,593</b>	<b>\$ 5,383</b>	<b>\$41,701</b>

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**(h) Credit Risk – DFW's Fiduciary Pension Plans**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is measured by the assignment of a rating by nationally recognized rating agencies such as the S&P and Moody's. The following tables show the rating of the Plans' investments as of December 31, 2021 (in thousands):

Investment Types	Rating						Total
	AAA	AA+ AA AA-	A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	No Rating	
Fixed Income Securities							
U.S. Treasury and agency	\$25,583	\$ -	\$ -	\$ 214	\$ -	\$ 11,128	\$ 36,925
Mortgage backed	-	-	-	-	-	184	184
CMO/REMIC	-	-	-	-	-	30,376	30,376
Total government	\$25,583	\$ -	\$ -	\$ 214	\$ -	\$ 41,688	\$ 67,485
Asset backed bonds	\$ 2,006	\$ 503	\$ 886	\$ 540	\$ -	\$ -	\$ 3,935
Commercial mortgage backed bonds	532	-	-	-	-	-	532
Corporate bonds	389	1,126	24,862	10,471	386	-	37,234
Total non-government	\$ 2,927	\$1,629	\$25,748	\$11,011	\$386	\$ -	\$ 41,701
Other Investments							
Common stocks	\$ -	\$ -	\$ -	\$ -	\$ -	\$273,290	\$273,290
Money market funds	45,757	-	-	-	-	-	45,757
ADR/Foreign stocks	-	-	-	-	-	1,474	1,474
Commingled funds	-	-	-	-	-	158,159	158,159
Mutual funds	-	-	-	-	-	17,599	17,599
Limited partnerships	-	-	-	-	-	314,444	314,444
Total other investments	\$45,757	\$ -	\$ -	\$ -	\$ -	\$764,966	\$810,723
Total Investments	\$74,267	\$1,629	\$25,748	\$11,225	\$386	\$806,654	\$919,909

**(i) Concentration of Credit Risk – DFW's Fiduciary Pension Plans**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investments in a single user. DFW has approved the following guidelines for assets allocation for the Plans:

Asset Class	Minimum	Maximum	Target	Actual
Core Fixed Income	7.5%	17.5%	12.5%	12.0%
Domestic Equity	15.0%	25.0%	20.0%	24.1%
International / Global Equity	12.5%	27.5%	17.5%	18.2%
Non-Core Fixed Income	10.0%	20.0%	15.0%	12.6%
Private Equity	7.5%	17.5%	12.5%	13.1%
Real Assets, ETF/ETN (MLP)	5.0%	15.0%	10.0%	7.3%
Real Estate	5.0%	15.0%	10.0%	8.0%
Cash/Cash Equivalents	0.0%	5.0%	2.5%	4.7%

As of December 31, 2021, there were no investments exceeding the category parameters of the investment guidelines.

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**(j) Custodial Risk – DFW's Fiduciary Pension Plans**

All investments are held in DFW's Retirement Plans name.

**(k) Investments – DFW's Fiduciary OPEB Plan**

DFW has contracted with JP Morgan Chase Bank ("Trustee") for custody and safekeeping of investments, accounting for transactions based on the instructions of investment managers, and payment of benefits to participants, subject to the policies and guidelines established by DFW. The OPEB Plan trust fund is invested in accordance with Texas Public Investment Act.

Based on the short-term liquidity requirement of the OPEB funds and the small amount held in the trust fund, DFW has determined that the use of an indexed equity mutual fund and an indexed intermediate bond mutual fund are appropriate investments.

The OPEB Plan assets maintained in two mutual funds are valued at the daily closing price as reported by the fund. These mutual funds are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily fair value, transact at that price, and are redeemable by DFW upon request.

The following investments are valued as of December 31, 2021 (in thousands):

Investments	2021
<u>Investments measured at Fair Market Value (Level 1)</u>	
Institutional Index - Mutual Fund	\$24,107
Total Bond Index - Mutual Fund	11,910
Total Investments measured at fair market value	36,017
<u>Investments measured at Net Asset Value</u>	
Money Market Fund	2,648
Total Investments measured at net asset value	2,648
<u>Total investments</u>	<u>\$38,666</u>

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**(l) Interest Rate Risk – DFW's Fiduciary OPEB Plan**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The investment strategy of the OPEB Plan is to emphasize total return in the form of aggregate return from capital appreciation, dividend, and interest income. The primary objectives over a five-year period for the plan assets are to maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on the plan assets, meet or exceed the actuarially assumed rate of return, and provide an acceptable level of volatility in both the long and short-term periods. As of December 31, 2021, the OPEB Plan had no investments that are exposed to interest rate risk.

**(m) Credit Risk – DFW's Fiduciary OPEB Plan**

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is measured by the assignment of rating by nationally recognized rating agencies such as S&P and Moody's. As of December 31, 2021, the OPEB Plan had no investments that are exposed to credit risk.

**(n) Concentration of Credit Risk – DFW's Fiduciary OPEB Plan**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investments in a single user. DFW has approved the following asset allocation guidelines for the OPEB Plan excluding assets held in cash or cash equivalents:

<u>Investment</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>	<u>Actual</u>
Indexed Equity Mutual Fund	40%	60%	50%	67%
Intermediate Bond Fund	40%	60%	50%	33%

The Indexed Equity Mutual Fund actual allocation of 67% exceeded the maximum due to stronger than expected equity markets.

**(o) Custodial Risk – DFW's Fiduciary OPEB Plan**

All investments are held in the OPEB Plan's name.



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**(3) RELATED-PARTY TRANSACTIONS**

DFW makes certain payments routinely to the Cities. Payments to the City of Fort Worth, primarily for legal services and water purchases for the year ended September 30, 2022, were approximately \$1.8 million. Payments to the City of Dallas, primarily for legal services and water purchases for the year ended September 30, 2022, were approximately \$1.9 million.

**(4) ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES (unrestricted)**

A detail of the unrestricted accounts payable and other current liabilities as of September 30, 2022, are as follows (in thousands):

	FY 2022
Unearned revenue	\$ 79,848
Accrued expenditures	74,149
Signatory airline refunds	18,690
Time off with pay	13,016
Payroll and employee benefits	11,198
Accounts payable	10,762
Insurance	6,656
Deposits	3,153
Other current and accrued liabilities	2,952
Total	<u>\$ 220,424</u>

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**(5) CAPITAL ASSETS**

Capital assets activity during the year ended September 30, 2022, is as follows (in thousands):

Description	Balance October 1, 2021	Additions to Existing Assets	Completed Projects and Additions	Less Retirements	Balance September 30, 2022
Capital assets not being depreciated					
Land	\$ 294,294	\$ -	\$ -	\$ -	\$ 294,294
Construction in progress	615,829	426,087	(359,908)	-	682,008
Total capital assets not depreciated	910,123	426,087	(359,908)	-	976,302
Depreciable capital assets					
Buildings improvements	4,098,024	-	145,593	(12,934)	4,230,683
Improvements other than buildings	3,638,058	-	214,315	(11,406)	3,840,967
Machinery and equipment	1,269,384	66,836	-	(19,076)	1,317,144
Vehicles	240,994	3,960	-	(374)	244,580
Total depreciable capital assets	9,246,460	70,796	359,908	(43,790)	9,633,374
Accumulated depreciation					
Buildings improvements	1,471,899	141,004	-	(4,376)	1,608,527
Improvements other than buildings	1,642,729	110,539	-	(9,108)	1,744,160
Machinery and equipment	894,889	62,355	-	(18,463)	938,781
Vehicles	164,856	20,692	-	(374)	185,174
Total accumulated depreciation	4,174,373	334,590	-	(32,321)	4,476,642
Total, net capital assets	\$5,982,210	\$ 162,293	\$ -	\$ (11,469)	\$ 6,133,034

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**(6) DEBT**

A summary of bond indebtedness changes during the year ended September 30, 2022, is as follows (in thousands):

Series: Maturity (Due) : Interest Rate	Original Issue Amount	Beginning Balance	Additions	Reduction	Ending Balance	Amounts Due Within One Year
<b>Gross DFW Debt Payable</b>						
<b>DFW - General Obligation Bonds</b>						
2011A: Due 11/11-11/21: 0.350 - 4.442%	\$ 111,355	\$ 13,665	\$ -	\$ (13,665)	\$ -	\$ -
2012C: Due 11/12-11/45: 3.250 - 5.250%	274,925	262,360	-	(262,360)	-	-
2013A: Due 11/26-11/45: 5.000 - 5.000%	372,240	57,705	-	(57,705)	-	-
2013B: Due 11/26-11/50: 4.000 - 5.000%	450,000	450,000	-	(450,000)	-	-
2013C: Due 11/34-11/45: 4.750 - 5.000%	242,000	242,000	-	(185,400)	56,600	-
2013D: Due 11/14-11/33: 2.000 - 5.250%	416,315	311,015	-	(102,870)	208,145	-
2013E: Due 11/14-11/33: 4.000 - 5.500%	225,310	105,970	-	(14,835)	91,135	25,720
2013F: Due 11/14-11/33: 3.000 - 5.250%	251,960	209,155	-	(16,345)	192,810	16,700
2013G: Due 11/14-11/43: 4.125 - 5.250%	109,060	94,905	-	(5,200)	89,705	5,460
2014A: Due 11/14-11/32: 1.000 - 5.250%	201,515	196,350	-	(210)	196,140	220
2014B: Due 11/14-11/45: 4.650 - 5.000%	222,910	222,910	-	(215,025)	7,885	7,885
2014C: Due 11/14-11/45: 4.125 - 5.000%	124,285	117,280	-	(2,570)	114,710	2,700
2014D: Due 11/14-11/27: 1.000 - 5.000%	78,430	42,790	-	(9,805)	32,985	10,800
2014E: Due 11/14-11/27: 4.000 - 5.000%	97,315	60,350	-	(54,675)	5,675	5,675
2019A: Due 11/19-11/45: 1.837 - 3.195%	1,167,060	1,157,130	-	(33,220)	1,123,910	24,140
2020A: Due 11/21-11/35: 4.000 - 5.000%	391,755	391,755	-	-	391,755	-
2020B: Due 11/21-11/45: 4.000 - 5.000%	459,520	459,520	-	(19,955)	439,565	19,250
2020C: Due 11/21-11/50: 1.041 - 3.089%	1,193,985	1,193,985	-	-	1,193,985	-
2021A: Due 11/22-11/46: 3.000 - 5.000%	206,350	-	206,350	-	206,350	-
2021B: Due 11/22-11/45: 5.000 - 5.000%	299,305	-	299,305	-	299,305	16,505
2021C: Due 11/22-11/46: 0.532 - 2.843%	706,230	-	706,230	-	706,230	4,475
2022A: Due 11/22-11/51: 4.087 - 4.507%	1,188,105	-	1,188,105	-	1,188,105	-
2022B: Due 11/22-11/50: 4.000 - 5.000%	553,760	-	553,760	-	553,760	-
<b>DFW - Bonds under Direct Placement</b>						
2016 : Due 11/17-11/21: 0.870 - 1.600%	280,430	50,740	-	(50,740)	-	-
2017A: Due 11/18-11/24: 1.910 - 2.230%	302,370	302,370	-	(40,630)	261,740	88,095
<b>Total Gross DFW Debt Payable</b>		5,941,955	2,953,750	(1,535,210)	7,360,495	227,625
Unamortized Premium (Discount), net		281,033	133,054	(85,544)	328,543	-
<b>DFW Net Debt Payable</b>		<b>\$ 6,222,988</b>	<b>\$ 3,086,804</b>	<b>\$ (1,620,754)</b>	<b>\$ 7,689,038</b>	<b>\$ 227,625</b>

**Arbitrage**

The Airport frequently issues tax-exempt bonds for capital construction projects. These bonds are subject to the arbitrage regulations. As of September 30, 2022, there was no liability for rebate of arbitrage.

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**(a) Joint Revenue Bonds**

DFW was created by a Contract and Agreement between the Cities, dated April 15, 1968, for the purpose of developing and operating an airport as a joint venture between the Cities. The 1968 Concurrent Bond Ordinance and the 30th Supplemental Bond Ordinance were amended and restated by the Master Bond Ordinance and approved by the Cities of Fort Worth and Dallas on September 21, 2010, and September 22, 2010, respectively. The Master Bond Ordinance became effective on July 5, 2013, after the required approval of bondholders was obtained. The Cities of Dallas and Fort Worth passed the 53<sup>rd</sup> supplemental ordinance to the Master Bond Ordinance on May 22, 2019, and May 21, 2019, respectively. The 53<sup>rd</sup> Supplemental Bond Ordinance amends the Master Bond Ordinance making administrative changes to the Additional Obligations Test. These changes became effective through a springing covenant beginning with the issuance of the Taxable Series 2019A Refunding Bonds. Bonds are issued under provisions of the Master Bond Ordinance, Supplemental Bond Ordinances, as approved by the Cities of Fort Worth and Dallas, and Applicable Laws, including Chapter 22 of the Texas Transportation Code, and Chapter 1371 of the Texas Government Code, as amended. DFW is in compliance with all bond covenants. The Lease and Use Agreements ("Use Agreement") with the signatory airlines (the "Airlines") define DFW's rate setting methodology and business relationships. DFW's current ten-year Use Agreement expired September 30, 2020, was extended to September 30, 2021, and remains in effect on a month-to-month basis. Collectively, the abovementioned documents are referred to as the "Controlling Documents."

Revenues derived from the ownership and operations of the Airport are pledged to meet debt service requirements of the bonds issued pursuant to the Controlling Documents. There are no unique default provisions, payment provisions, or collateral pledged. The Controlling Documents require DFW to annually adopt a Schedule of Charges that is: (1) reasonably estimated to produce Gross Revenues in an amount at least sufficient to pay Operation and Maintenance Expenses plus 1.25 times Accrued Aggregate Debt Service, and (2) reasonably estimated to at least produce Current Gross Revenues in an amount at least sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service. The Use Agreement provides for certain transfers of cash from the DFW Capital Account and Rolling Coverage Account to the Operating Revenue and Expense Fund. These annual transfers are considered part of Gross Revenues, but not Current Gross Revenues.

At the end of each fiscal year, any excess funds in the Operating Revenue and Expense Fund are transferred to the DFW Capital Account and Rolling Coverage Account in the Capital Improvement Fund, as provided in the Use and Lease Agreement. The DFW Capital Account may be used at the discretion of the Airport. The Rolling Coverage Account is funded by excess revenues from the Rolling Coverage sub-cost center, which, unless used during the fiscal year, is equal to the amount transferred at the beginning of the fiscal year, plus any incremental coverage collected during the fiscal year to ensure that rolling coverage is equal to 0.25 times Accrued Aggregate Debt Service.

Effective July 1, 2011, PFC Application 11-10-C-00-DFW authorized the collection and use of \$4.2 billion for the purpose of paying debt service on 14 approved PFC projects. PFC collections are approved at the \$4.50 level. PFC's remitted to the Airport by the airlines are deposited into a separate fund, and to the extent available, transferred monthly to the Operating Fund in an amount sufficient to pay eligible debt service. These transferred funds are considered Gross Revenues of the Airport for the purpose of meeting its rate covenants. However, PFC's may only be used for the purpose of paying eligible debt service on approved PFC projects. All outstanding DFW Joint Revenue bonds are senior lien parity bonds. As such, they are supported by a pledge of Gross Revenues, which includes PFC's. Failure to collect

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PFC revenues in an amount sufficient to pay eligible debt service on PFC approved projects would increase net debt service costs recovered through DFW's rate base (i.e., higher landing fees and terminal rents). In addition, PFC revenue is pledged to pay debt service to the extent that debt service is eligible, and funds are available. Total principal and interest remaining to be paid on the bonds is \$11.6 billion, with annual requirements over the next five years ranging from \$461.8 million to \$532.9 million. Revenue bond principal is due annually on November 1st, while interest is due semi-annually on November 1st and May 1st.

Net revenues of the PFIC are not considered current revenues of the Airport per DFW's bond ordinance but are available to pay debt service if ever necessary. See PFIC Note 11.

**(b) Facility Improvement Corporation Revenue Bonds – conduit financing**

The Facility Improvement Corporation ("FIC") is a duly incorporated nonprofit public instrumentality of the State of Texas, created by the Airport's owner cities, pursuant to Chapter 22 of the Texas Transportation Code for the purpose of providing tax exempt conduit financing for airlines and other qualified tenants within the boundaries of the Airport. Bonds are issued by the FIC on behalf of the beneficial party, and pursuant to a facility agreement are payable solely by the beneficial party. Neither DFW nor the FIC has any obligation for the repayment of these bonds. As of September 30, 2022, the outstanding balance of conduit bonds was \$60.2 million.

**(c) Fiscal Year 2022 Subordinate Commercial Paper Note Issuance**

In FY 2020, the DFW Board authorized the issuance of Subordinate Lien Obligations in the form of Commercial Paper Notes up to the amount of \$750.0 million. Commercial Paper refers to a short-term, unsecured debt obligation that is issued as an alternative to bond funding. It is a money market instrument that generally comes with a maturity of up to 270 days. Interest on the Commercial Paper Note is paid at the maturity date. DFW Commercial Paper Notes will be used to interim finance capital projects on the Airport. Tranches will be taken as funds are needed. In FY 2022, the Airport issued in total four Commercial Paper Notes. Two Commercial Paper Notes were rolled over during the fiscal year. The remaining seven Commercial Paper Notes were paid off with the issuance of Joint Revenue Bonds. The Commercial Paper Notes were recorded as current liabilities and the related interest costs were paid from the airport revenues. As of September 2022, there were no Commercial Paper Notes outstanding. The following is the schedule of all the Notes that were issued then rolled over or still outstanding (in thousands):

Commercial Paper Note	Issued Date	Maturity Date	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance
CP #12	07/07/21	11/15/21	0.13%	\$ 80,000	\$ -	\$ (80,000)	\$ -
CP #13	08/25/21	11/22/21	0.15%	100,000	-	(100,000)	-
CP #14	08/25/21	11/22/21	0.12%	50,000	-	(50,000)	-
CP #15	09/02/21	11/29/21	0.13%	80,000	-	(80,000)	-
CP #16	09/14/21	11/15/21	0.10%	70,000	-	(70,000)	-
CP #17	10/06/21	11/29/21	0.11%	-	70,000	(70,000)	-
CP #18	01/10/22	05/05/22	0.23%	-	100,000	(100,000)	-
CP #19	05/05/22	08/02/22	1.15%	-	100,000	(100,000)	-
CP #20	08/02/22	08/10/22	2.40%	-	100,000	(100,000)	-
Total Commercial Paper				<u>\$ 380,000</u>	<u>\$ 370,000</u>	<u>\$ (750,000)</u>	<u>\$ -</u>

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**(d) Fiscal Year 2022 Debt Issuance**

On November 10, 2021, the Airport issued joint revenue refunding bonds, Combined Series 2021ABC totaling \$1.2 billion.

- i. The Series 2021A joint revenue refunding bonds were for a principal amount of \$206.4 million at a premium of \$31.7 million. Proceeds from Series 2021A were applied to refund and defease \$225.0 million of subordinate lien obligations in the form of commercial paper notes.
- ii. The Series 2021B joint revenue refunding bonds were for a principal amount of \$299.3 million at a premium of \$50.0 million. Proceeds from Series 2021B fully refunded joint refunding and improvement bonds Series 2012C and partially refunded joint revenue refunding bonds Series 2013D, resulting in future savings of \$95.0 million and a net present value savings of \$86.3 million.
- iii. The Series 2021C joint revenue refunding bonds were for a principal amount of \$706.2 million. Proceeds from Series 2021C fully refunded joint refunding and improvement bonds Series 2013A, and partially refunded joint revenue improvement bonds Series 2013C and Series 2014B, resulting in future savings of \$113.1 million and a net present value savings of \$100.4 million. Series 2021C also refunded and defeased \$225.0 million subordinate lien obligations in the form of commercial paper notes.

On April 21, 2022, the Airport issued joint revenue improvement bonds, Series 2022A for a principal amount of \$1.2 billion. Proceeds from this issuance have been earmarked for terminal projects.

On August 9, 2022, the Airport issued joint revenue refunding bonds, Series 2022B for a principal amount of \$553.8 million at a premium of \$51.3 million. Proceeds from Series 2022B fully refunded and defeased Series 2013B joint improvement bonds and Series 2014E joint refunding and improvement bonds, resulting in future savings of \$50.8 million and a net present value savings of \$48.7 million. Series 2022B also refunded and defeased \$100.0 million subordinate lien obligations in the form of commercial paper notes.

**(e) Subordinated Credit Agreement Loan**

In May 2021, DFW's board approved the sixty-second supplemental bond ordinance authorizing a subordinated credit agreement with a major bank for an interim loan up to \$225.0 million. The terms of this loan are authorized through December 2023 at which time DFW intends to pay the loan balance using long-term debt. This loan will be primarily used to reimburse tenant costs related to the construction of a flight kitchen and parts distribution center at the airport. Upon completion of these facilities, DFW will take ownership in a lease-back arrangement. The loan is uncollateralized and DFW draws funds as needed. The interest rate is recalculated monthly using the LIBOR index plus 43 basis points. In addition to the interest on the outstanding balance, DFW pays a monthly service fee of 10 basis points on the unused portion of the loan.

As of September 30, 2021, the outstanding amount of this loan was \$43.0 million. Drawdowns during FY 2022 were \$88.0 million, and the outstanding amount of the loan was \$131.0 million on September 30, 2022. The unused portion of the loan was \$94.0 million.

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**(f) Debt Service Requirement**

Annual debt service requirements to maturity for bonds are as follows (in thousands):

Year ending September 30, 2022	Joint Revenue Bonds (JRB)		
	Principal	Interest	Total
2023	\$ 227,625	\$ 267,772	\$ 495,397
2024	251,930	265,413	517,343
2025	276,150	256,746	532,896
2026	213,420	248,417	461,837
2027	231,810	240,316	472,126
2028 - 2032	1,189,445	1,066,933	2,256,378
2033 - 2037	1,407,140	793,040	2,200,180
2038 - 2042	1,141,260	577,436	1,718,696
2043 - 2047	1,227,430	369,469	1,596,899
2048 - 2052	1,194,285	127,532	1,321,817
Total	\$ 7,360,495	\$ 4,213,073	\$ 11,573,568

**(g) Debt Service Reserve and Sinking Funds**

As of September 30, 2022, the Airport held approximately \$681.9 million in reserve funds, consisting of \$363.3 million in the debt service reserve fund and \$318.6 million in the interest and sinking funds, for use in payment of the above debt service requirements. An additional \$2.0 million was held for debt issuance costs. Certain amounts of the joint revenue bonds may be redeemed at par or a premium at various dates at the option of the Cities.

**(h) Direct Placement Debt**

As of September 30, 2022, DFW had outstanding one direct placement debt issuance for \$261.7 million: Series 2017A. The Series 2016 was paid off during FY 2022. The bonds were issued under the exemption provided under Rule 144A of the Securities Act of 1933 as amended and may only be resold to accredited investors as defined in the Act. There are no unique default provisions, payment provisions, or collateral pledged to either of these issuances other than an indentured Gross Revenue pledge of the Airport on parity with all other Joint Revenue Bonds.

**(i) Advanced Refunding**

DFW issued two fixed rate joint revenue refunding revenue bonds as advanced refundings. All refunding proceeds were placed in an escrow account pending the call date.

On November 10, 2021, the Airport issued (Series 2021C) \$706.2 million of taxable refunding bonds. A portion of the proceeds were used to refund and defease: \$57.7 million of principal outstanding for JRB Series 2013A; \$185.4 million of principal outstanding for JRB Series 2013C; and \$213.2 million of principal outstanding for JRB Series 2014B. The three refunded and defeased Series bonds were callable on November 1, 2022.

On August 9, 2022, the Airport issued (Series 2022B) \$553.8 million of taxable refunding bonds. A portion of the proceeds were used to refund and defease: \$450.0 million of principal outstanding for JRB Series 2013B; and \$44.5 million of principal outstanding for JRB Series 2014E. The two refunded and defeased Series bonds were callable on November 1, 2022.

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**(7) NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets is comprised of the following amounts at September 30, 2022 (in thousands):

	<u>2022</u>
Capital assets	\$ 6,133,034
Less: long-term debt payable, portion used for capital activities, and capital related payables	(6,181,080)
Less: other Financing used for capital activities	<u>(124,801)</u>
Total net investment in capital assets	<u><u>\$ (172,847)</u></u>

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**(8) RESTRICTED NET POSITION**

The following table details assets and liabilities payable from restricted assets and the calculation of restricted net position reported in the financial statements as at September 30, 2022 (in thousands):

Description	Public Safety and Other	PFIC	Capital	Debt Service	Passenger Facility Charges	Total
<b>Assets:</b>						
Current						
Cash and cash equivalents	\$ -	\$ 7,009	\$ 108,195	\$ 73,145	\$ -	\$ 188,349
Investments	-	-	-	38,020	-	38,020
Total current assets	-	7,009	108,195	111,165	-	226,369
Non-current						
Cash and cash equivalents	4,260	3,184	289,546	-	8,173	305,163
Investments	-	9,000	695,609	572,812	17,080	1,294,501
Other restricted assets	4,884	7,893	10,744	-	12,019	35,540
Total non-current assets	9,144	20,077	995,899	572,812	37,272	1,635,204
Total current and non-current assets	9,144	27,086	1,104,094	683,977	37,272	1,861,573
<b>Payable from restricted assets:</b>						
Current						
Accounts payable, current liabilities	-	7,009	108,195	1,244	-	116,448
Accrued interest on revenue bonds	-	-	-	109,921	-	109,921
Total current payable from restricted assets	-	7,009	108,195	111,165	-	226,369
Total liabilities	-	7,009	108,195	111,165	-	226,369
Restricted assets less liabilities	9,144	20,077	995,899	572,812	37,272	1,635,204
Reclass to net investment in capital assets						
Less: Long-term debt associated with reserves and financing charges	-	-	(1,104,094)	(572,812)	-	(1,676,906)
Add: Accounts payable, retainage for capital projects	-	-	108,195	-	-	108,195
Net position, restricted	\$ 9,144	\$ 20,077	\$ -	\$ -	\$ 37,272	\$ 66,493
<b>Summary</b>						
Restricted cash and cash equivalents	\$ 4,260	\$ 10,193	\$ 397,741	\$ 73,145	\$ 8,173	\$ 493,512
Restricted investments	-	9,000	695,609	610,832	17,080	1,332,521
Restricted cash and cash equivalents and Investments	4,260	19,193	1,093,350	683,977	25,253	1,826,033
Accounts payable and accrued interest from restricted assets	-	7,009	108,195	111,165	-	226,369

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**(9) RETIREMENT PLANS**

**(a) *Plan Descriptions***

DFW has two fiduciary defined-benefit pension plans covering substantially all DFW employees: the employees of Dallas Fort Worth International Airport Retirement Plan ("Employee Plan") and the Department of Public Safety Retirement Plan ("DPS Plan") that were established by Board resolution. Both plans ("Retirement Plans", collectively) are single-employer public employee retirement system plans in which the assets are held in an investment trust. Employees vest after five years of service and are eligible for early retirement at ages 55-61 and full retirement benefits at age 62 and after. Pension benefits increase by a cost-of-living adjustment each January 1.

The Board has the authority to establish and amend the Retirement Plans' benefit terms and contribution requirements. The Executive Vice President of Administration and Diversity and the Vice President of Human Resources serve as the "Plan Administrators". The management of the assets of the Retirement Plans is the responsibility of the DFW Board's Retirement/Investment Committee, the Executive Vice President/CFO, and the Vice President of Treasury Management.

The fiscal year-end for the Retirement Plans is December 31. Copies of the Retirement Plans' annual report may be obtained on DFW's web site at [www.dfwairport.com/investors](http://www.dfwairport.com/investors).

Employee Plan - All regular employees who commenced employment prior to January 1, 2010, other than DPS officers, are covered by the Employee Plan. Benefits vest after five years of service. DFW employees who retire are entitled to an annual retirement benefit, payable monthly for life in an amount equal to a percentage of final average monthly compensation times credited service (number of years) plus an annual cost of living adjustment (as defined by the Employee Plan). Employees can also elect a limited lump-sum distribution. The Employee Plan also provides early retirement, death, and disability benefits. As of January 1, 2010, the Employee Plan was closed to new employees.

DPS Plan - The DPS Plan was established effective October 1, 1999, when the assets and liabilities accrued by public safety officers eligible for the DPS Plan prior to October 1, 1999, were transferred from the Employee Plan to the DPS Plan in compliance with the requirements of IRS Code Section 414(1). The public safety officers who retired or terminated employment prior to October 1, 1999, were not eligible for the DPS Plan and will continue to receive their benefits, if any, from the Employee Plan.

The DPS Plan permits early retirement at ages 55 to 61, or upon satisfaction of the "Rule of 80" or the "25 and out" rule. The "Rule of 80" is the attainment of age 50 and the completion of the number of years of benefit service that when added to the participant's age equals the sum of 80. The "25 and out" rule is the attainment of twenty-five (25) years of benefit service in a DPS covered position.

DPS covered employees receive pension benefits in the form of a qualified joint and survivor annuity; however, an employee may request optional forms of pension benefit payments upon written request to the Plan Administrator. Other forms of payment of accumulated plan benefits include lump-sum distribution upon retirement or termination or equal monthly payments for life.

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Membership - The number of participants covered by the Plans according to current membership classification on January 1, 2022, was as follows:

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
Inactive plan members or beneficiaries currently receiving benefits	1,594	228	1,822
Inactive plan members entitled to but not yet receiving benefits	360	42	402
Active plan members	<u>376</u>	<u>370</u>	<u>746</u>
Total plan members	<u><u>2,330</u></u>	<u><u>640</u></u>	<u><u>2,970</u></u>

**(b) Funding Policies**

DFW determines each Retirement Plans' funding policy. In general, DFW contributes an amount greater than or equal to the actuarially determined contribution for the year. In some years, however, DFW funds additional contributions to help retire the unfunded pension obligation sooner. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability.

Both pension plans provide employees with five or more years of service are entitled to annual pension benefits, beginning at normal retirement age of 62, equal to a certain percentage of their final average monthly compensation for each year of credited service. The final average monthly compensation is determined by utilizing the average monthly rate of compensation of the last 36 completed months immediately prior to the date of service determination.

Employer contributions are generally made annually, in the fiscal year following the Retirement Plans' calendar year and recognized as additions in the period in which employee services are performed. Employee contributions are required for the DPS Plan, but not permitted for the Employee Plan.

DFW's actuarially determined contribution and contributions for fiscal year 2022 are as follows (in thousands):

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
Actuarially determined contribution	\$ 16,820	\$ 9,476	\$ 26,295
Contributions in relation to the actuarially determined contribution	16,820	9,476	26,295
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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**Dallas Fort Worth International Airport  
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**(c) Actuarial Assumptions: Contributions, Net Pension Liability**

The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of the Plans, and to analyze changes in the Plans' condition. The actuarially determined contribution requirements for the DFW's fiscal years are computed through an actuarial valuation performed as of January 1, of each year for payment in the following fiscal year. DFW's net pension liability was measured as of January 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Significant actuarial assumptions for valuations performed January 1, 2022, are as follows:

Significant Actuarial Assumptions	Employee Plan	DPS Plan
Valuation date	For the year beginning January 1, 2022.	For the year beginning January 1, 2022.
Actuarially assumed investment return	7.00% per annum compounded annually, net of investment expenses. Administrative expenses are added to the annual Actuarially Determined Contribution.	7.00% per annum compounded annually, net of investment expenses. Administrative expenses are added to the annual Actuarially Determined Contribution.
Experience Study	Experience-based table of rates that are specific to the class of employee. Last updated for the 2022 valuation pursuant to an experience study for the period ending December 31, 2020.	Experience-based table of rates that are specific to the class of employee. Last updated for the 2022 valuation pursuant to an experience study for the period ending December 31, 2020.
Mortality rates for males and females		
a. Retirees: Non-Disabled (Healthy)	Retirement Plans gender-distinct Pub-2010, Amount-Weighted, General, Healthy Retiree tables. Rates are projected by the long-term rates of Scale MP 2020 to account for future mortality improvements.	Retirement Plans gender-distinct Pub-2010, Amount-Weighted, Public Safety, Healthy Retiree tables for Public Safety. Rates are projected by the long-term rates of Scale MP 2020 to account for future mortality improvements.
b. Retirees: Disabled	Retirement Plans gender-distinct Pub-2010, General, Healthy Retiree tables with a 3-year set-forward. The rates are projected on a fully generational basis by the long-term rates of scale MP 2020 to account for future mortality improvements. A minimum rate of 0.03 is applied to male and 0.03 to female.	Retirement Plans gender-distinct Pub-2010, Public Safety, Healthy Retiree tables with a 3-year set-forward. The rates are projected on a fully generational basis by the long-term rates of scale MP 2020 to account for future mortality improvements. A minimum rate of 0.03 is applied to male and 0.03 to female.
c. Pre-retirement (Active)	Retirement Plans gender-distinct Pub-2010, Amount-Weighted, General, Healthy Retiree tables. Rates are projected by the long-term rates of Scale MP 2020 to account for future mortality improvements.	Retirement Plans gender-distinct Pub-2010, Amount-Weighted, Public Safety, Healthy Retiree tables for Public Safety. Rates are projected by the long-term rates of Scale MP 2020 to account for future mortality improvements.
Retirement, disablement, and separation rate	Graduated rates based on age or years of employment (detailed in actuary's report).	Graduated rates based on age or years of employment (detailed in actuary's report).
Actuarial cost method	Entry Age Normal Level Percentage of Pay.	Entry Age Normal Level Percentage of Pay.
Cost of living adjustment (at core inflation rate)	2.50% per annum.	2.50% per annum.
Projected salary increase	Variable Rate (3.50% to 6.00%) of increase based on years of services which includes inflation rate (2.50%).	Variable Rate (3.50% to 11.25%) of increase based on years of services which includes inflation rate (2.50%).
Asset valuation method: Net pension liability	Fair value.	Fair value.
Asset valuation method: Actuarially determined contribution	Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.	Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.
Employee contribution rate	Not applicable.	7.0% of compensation.

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**(d) Real Rate of Return for the Asset Portfolio**

The table below provides real rates of return and expected rates of return by asset class. The long-term expected rate of return on pension plan assets was determined using a building block method in which best-estimate range of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are 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 by the target asset allocation percentage and by adding the expected inflation. The target allocation and the best estimates of the arithmetic real rates of return for each major asset class, net of investment expenses, are summarized in the following table:

	Target	Arithmetic	Asset Class
	Allocation	Real Return	Return
Domestic Equity	20.0%	5.40%	1.08%
International / Global Equity	17.5%	7.42%	1.30%
Non-Core Fixed Income	15.0%	1.67%	0.25%
Core Fixed Income	12.5%	0.52%	0.07%
Private Equity	12.5%	10.52%	1.32%
Real Estate	10.0%	4.81%	0.48%
Real Assets and MLP's	10.0%	4.09%	0.41%
Cash	2.5%	(0.31%)	(0.01%)
Total	100.0%		4.90%
Inflation			2.50%
Arithmetic nominal return before adverse experience			7.40%
Margin for adverse experience			(0.40%)
Expected arithmetic nominal return			7.00%

**(e) Sensitivity of Net Pension Liability**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that DFW contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Retirement Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the 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. The following table presents the net pension liability of DFW, calculated using the discount rate of 7.00%, as well as what the DFW's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Plan	1% Decrease from 7.00% to 6.00%	Current Discount Rate 7.00%	1% Increase from 7.00% to 8.00%
Employee	\$ 157,139	\$ 66,551	\$ (8,778)
DPS	61,198	19,028	(15,426)
Total DFW plans	\$ 218,337	\$ 85,579	\$ (24,204)

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**(f) Changes in Net Pension Liability**

Changes in DFW's net pension liability for its Employee and DPS plans for DFW's fiscal year 2022 are as follows (in thousands):

<b>Employee Plan</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances at September 30, 2021	\$ 645,997	\$ 576,079	\$ 69,918
Changes for the year:			
Service cost	7,506	-	7,506
Interest	43,868	-	43,868
Benefit changes	29,420	-	29,420
Difference between expected and actual experience	25,513	-	25,513
Contributions - employer	-	26,820	(26,820)
Net investment income	-	94,723	(94,723)
Assumption changes	10,787	-	10,787
Benefit payments, including refunds of employee contributions	(45,459)	(45,459)	-
Administrative expense	-	(1,083)	1,083
Net changes	71,635	75,001	(3,366)
Balances at September 30, 2022	\$ 717,632	\$ 651,080	\$ 66,552

<b>DPS Plan</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances at September 30, 2021	\$ 272,994	\$ 231,959	\$ 41,035
Changes for the year:			
Service cost	7,371	-	7,371
Interest	19,684	-	19,684
Difference between expected and actual experience	(1,318)	-	(1,318)
Contributions - employer	-	9,476	(9,476)
Contributions - employee	-	2,396	(2,396)
Net investment income	-	38,605	(38,605)
Assumption changes	2,291	-	2,291
Benefit payments, including refunds of employee contributions	(10,425)	(10,425)	-
Administrative expense	-	(441)	441
Net changes	17,603	39,611	(22,008)
Balances at September 30, 2022	\$ 290,597	\$ 271,570	\$ 19,027

<b>Total</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances at September 30, 2021	\$ 918,991	\$ 808,038	\$ 110,953
Changes for the year:			
Service cost	14,877	-	14,877
Interest	63,552	-	63,552
Benefit changes	29,420	-	29,420
Difference between expected and actual experience	24,195	-	24,195
Contributions - employer	-	36,296	(36,296)
Contributions - employee	-	2,396	(2,396)
Net investment income	-	133,328	(133,328)
Assumption changes	13,078	-	13,078
Benefit payments, including refunds of employee contributions	(55,884)	(55,884)	-
Administrative expense	-	(1,524)	1,524
Net changes	89,238	114,612	(25,374)
Balances at September 30, 2022	\$ 1,008,229	\$ 922,650	\$ 85,579

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**(g) Pension Expense**

For the year ended September 30, 2022, DFW recognized pension expense as follows (in thousands):

	Employee	DPS	Total
Pension Expenses	\$ 38,268	\$ 2,942	\$ 41,210

**(h) Deferred Inflows and Outflows of Resources**

At September 30, 2022, DFW reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Employee		DPS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$13,701	\$ 2,273	\$ 994	\$ 8,015	\$14,695	\$10,288
Net difference between projected and actual earnings on pension plan investments	-	44,481	-	18,155	-	62,636
Assumption Changes	5,793	-	3,519	-	9,312	-
Total	<u>\$19,494</u>	<u>\$46,754</u>	<u>\$ 4,513</u>	<u>\$26,170</u>	<u>\$24,007</u>	<u>\$72,924</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases and decreases to pension expense in future years as follows (in thousands):

Year ending September 30:	Employee	DPS	Total
2023	\$ 6,317	\$ (3,696)	\$ 2,621
2024	(12,586)	(6,315)	(18,901)
2025	(10,128)	(4,762)	(14,890)
2026	(10,864)	(5,037)	(15,901)
2027	-	(637)	(637)
Thereafter	-	(1,209)	(1,209)
Total	<u>\$ (27,261)</u>	<u>\$ (21,656)</u>	<u>\$ (48,917)</u>

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**(10) OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**(a) *Plan Descriptions***

General

The DFW OPEB Plan is a single employer defined benefit other than pension plan covering qualified retirees of DFW. The OPEB Plan was established and derives its authority from a DFW resolution effective September 2007. The OPEB Plan is administered by the DFW Board with the Executive Vice President of Administration and Diversity and the Vice President of Human Resources serving as the "Plan Administrators." The management of the assets and any amendments of the OPEB Plan are the responsibility of the DFW Board's Retirement Committee, the Executive Vice President - CFO and the Vice President of Treasury Management.

The fiscal year-end for the OPEB Plan is December 31.

OPEB Plan Eligibility

The OPEB Plan provides retiree health care for qualified retired employees ages 65 or younger and their eligible dependents when required criteria are met. To be eligible to enroll as a retiree in available DFW medical plans, the following three conditions must be met by the employee at the time of retirement: (1) Be currently enrolled in one of the DFW medical plans, (2) Be eligible for retirement under one of the DFW retirement plans, and (3) Begin drawing payments immediately upon retirement. Failure to immediately draw retirement benefits will result in loss of eligibility for medical coverage.

To be eligible as a retiree's dependent, dependent(s) must be either a legal spouse/domestic partner; child under the age of 26 and enrolled in one of DFW's medical plans.

Health Care Benefit

The health care coverage offered to active employees is available to retirees (under age 65) and their eligible dependents. The benefit includes medical, prescription drug, and vision coverage.

Insurance Premiums

OPEB plan participants pay the full DFW employee insurance premium. As of January 1, 2003, DFW provides a subsidy to eligible employees. The subsidy offers a monthly credit of \$20 multiplied by the employee's completed years of service, up to a maximum benefit of \$400 per month (20 years of service). These credits have no cash value and can only be used toward reducing the insurance premium. Retirees pay the total amount charged to DFW, less the retiree's subsidy.

To be eligible for the subsidy, retirees must have retired after January 1, 2003, have 10 or more years of service, have been enrolled continuously in a DFW medical plan, and immediately draw retirement benefits.

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Medicare Supplement Plan

DFW offers a PPO Medicare Supplement Plan for retirees and/or their spouses aged 65 or older. The retiree and/or spouse must transfer to the Medicare Supplement Plan by the first of the month following their 65<sup>th</sup> birthday if they choose to remain on the DFW Plan. Retirees pay the total amount charged to DFW. Dental coverage is not available under the retiree benefits program.

Effective January 1, 2010, Medicare eligible retirees are no longer eligible for prescription drug coverage under the DFW Retiree Medical Plan. To be eligible for the Medicare Supplement Plan, a retiree or spouse must be 65 years of age and currently enrolled in a DFW medical plan, have applied for the Medicare Supplement Plan two months prior to turning age 65, and transition to a Medicare Supplement Plan the first of the month following their 65<sup>th</sup> birthday.

Membership

The number of participants covered by the Plans according to current membership classification on January 1, 2022, was as follows:

	<u>FY 2022</u>
Inactive plan members or beneficiaries currently receiving benefits	288
Active plan members	<u>1,838</u>
Total plan members	<u><u>2,126</u></u>

**(b) *Funding Policies***

DFW determines the OPEB Plan funding policy. In general, DFW contributes an amount approximately equal to the OPEB Actuarially Determined Contribution (“ADC”) for the year. In some years, however, DFW has funded additional contributions to help retire the unfunded liability sooner. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability.

Employer contributions are generally made annually and recognized as additions in the period in which employee services are performed. Employee contributions are not permitted.

The actuarially determined contribution requirements for the DFW’s fiscal years are computed through an annual actuarial valuation performed as of January 1. The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of OPEB Plan, and to analyze changes in condition.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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Projections of benefits are based on the plan and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between DFW and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

DFW's actuarially determined contribution and contributions for fiscal year 2022 are as follows (in thousands):

	FY 2022
Actuarially determined contribution	\$ 1,000
Actual contribution	1,000
Contribution deficiency (excess)	\$ -

**(c) Actuarial Assumptions: Contributions, Net OPEB liability (asset)**

The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of the Plan, and to analyze changes in the Plan's condition. The actuarially determined contribution requirements for the DFW's fiscal years are computed through an actuarial valuation performed as of January 1, of each year for payment in the following fiscal year. DFW's net OPEB liability (asset) was measured as of January 1, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date.

Significant actuarial assumptions for valuations performed January 1, 2022, are as follows:

OPEB Plan	
Valuation date	January 1, 2022.
Actuarially assumed investment return	6.50% per annum compounded annually.
Mortality rates for males and females	Healthy Retirees and beneficiaries: Gender-distinct Pub-2010, Amount-Weighted, General, Healthy Retiree tables for General Employees and Gender-distinct Pub-2010, Amount-Weighted, Public Safety, Healthy Retiree tables for Public Safety. The rates are projected on a fully generational basis by the long-term rates of scale MP 2020 to account for future mortality improvements.
Retirement, disablement, and separation rate	Graduated rates based on age (detailed in actuary's report).
Actuarial cost method	Individual Entry Age Normal (Actuarial Cost Method).
General inflation	2.50% per annum.
Payroll growth rate	3.50% per annum.
Salary increase rate	3.50% to 6.00% for Employees and 3.50% to 11.25% for DPS employees, including inflation rate (2.50%).
Health cost trend rates	Initial rates of 6.8%, declining to a rate of 4.25% after 14 years.
Participation rate	Rates vary based on years of service: 20% for less than 10 years, 30% for 10-14 years, 40% for 15-19 years, and 80% for those with 20 or more years.
Method used for determining actuarial value of assets	Market value of assets.
Unfunded Actuarial Accrued Liabilities (UAAL) Amortization method	Level percent-of-payroll contributions, closed.
Remaining UAAL amortization	15 years.

**Dallas Fort Worth International Airport**  
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**(d) Real Rate of Return for the Asset Portfolio**

The table below provides real rates of return and expected rates of return by asset class. The long-term expected rate of return on pension plan assets was determined using a building block method in which best-estimate range of expected future real rates of return (expected returns, net of inflation) are 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 by the target asset allocation percentage and by adding the expected inflation. The target allocation and the best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

	<b>Target Allocation</b>	<b>Arithmetic Real Return</b>	<b>Asset Class Return</b>
Domestic Equity	50.0%	6.00%	3.00%
Core Fixed Income	50.0%	0.90%	0.45%
Total	100.0%		3.45%
Inflation			2.50%
Arithmetic nominal return before favorable/(adverse) experience			5.95%
Margin for favorable experience			0.55%
Expected arithmetic nominal return			6.50%

**(e) Sensitivity of Net OPEB Liability (Asset) – Discount Rate**

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that DFW contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the net OPEB liability (asset) of DFW, calculated using the discount rate of 6.50%, as well as what the DFW's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	<b>1% Decrease from 6.50% to 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase from 6.50% to 7.50%</b>
Net OPEB Liability(Asset)	\$ (2,792)	\$ (4,804)	\$ (6,674)

**Dallas Fort Worth International Airport**  
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**(f) Sensitivity of Net OPEB Liability (Asset) – Healthcare Cost Trend Rate**

Regarding the sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability (asset), calculated using the assumed trend rates as well as what the plan's net OPEB liability (asset) would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB (Asset)	\$ (6,843)	\$ (4,804)	\$ (2,448)

**(g) Annual Money-Weighted Rate of Return**

The annual money-weighted rate of return on OPEB plan investments is calculated as the internal rate of return on OPEB plan assets, net of OPEB plan investment expense. The money-weighted rate of return expresses investment performance adjusted for the changing amounts invested. OPEB plan investment expense is measured on an accrual basis of accounting. Inputs to the internal rate of return are determined monthly. For the year ended December 31, 2021, the money-weighted rate of return for the Plan's investments was 15.5%.

**(h) Changes in Net OPEB Liability (Asset)**

Changes in DFW's net OPEB liability (asset) for fiscal year 2022 as follows (in thousands):

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at September 30, 2021	\$ 25,133	\$ 34,173	\$ (9,040)
Changes for the year:			
Service cost	1,383	-	1,383
Interest	1,673	-	1,673
Changes of benefit terms	998	-	998
Differences between expected and actual experience	5,583	-	5,583
Employer contributions	-	1,000	(1,000)
Net investment income	-	5,171	(5,171)
Assumption changes	695	-	695
Benefit payments	(2,064)	(2,064)	-
Administrative expense	-	(75)	75
Net changes	8,268	4,032	4,235
Balances at September 30, 2022	\$ 33,401	\$ 38,205	\$ (4,804)

OPEB plan's fiduciary net position as a percentage of the total OPEB liability for fiscal year 2022 was 114.4%.

**Dallas Fort Worth International Airport**  
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**(i) OPEB Expense**

For the year ended September 30, 2022, DFW recognized OPEB Expenses in the amount of \$5,410.

**(j) Deferred Inflows and Outflows of Resources**

At September 30, 2022, DFW reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,054	\$ 6,250
Difference between projected and actual earnings on OPEB plan investments	-	4,168
Assumption Changes	1,134	934
Total	<u>\$ 6,188</u>	<u>\$ 11,352</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as decreases to OPEB expense in future years as follows (in thousands):

Year ending, September 30:

	FY 2022
2023	\$ (1,499)
2024	(1,995)
2025	(1,344)
2026	(998)
2027	(417)
Thereafter	1,089
Total	<u>\$ (5,164)</u>

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**Dallas Fort Worth International Airport**  
**Notes to the Basic Financial Statements**  
**September 30, 2022**

**(k) OPEB financial reports**

Separate GAAP financial statements have not been issued for DFW's OPEB plan. Condensed DFW OPEB financial statements are as follows (in thousands):

**Dallas Fort Worth International Airport**  
**Statement of Fiduciary Net Position - OPEB Plan**  
**As of December 31, 2021**  
**(Amounts in Thousands)**

Assets		
Investments	\$	38,666
Total assets		<u>38,666</u>
Liabilities		
Premiums/ Claims Payable		457
Trustee Fees Payable		<u>4</u>
Total liabilities		461
Fiduciary Net Position Restricted for OPEB	\$	<u><u>38,205</u></u>

**Dallas Fort Worth International Airport**  
**Statement of Changes in Fiduciary Net Position - OPEB Plan**  
**For the Year December 31, 2021**  
**(Amounts in Thousands)**

Additions		
Contributions		
Employer contributions	\$	1,000
Total contributions		<u>1,000</u>
Plans' interest-in Master Trust Investment gain		4,648
Dividends		523
Interest		<u>-</u>
Total investment income		5,171
Total additions		<u>6,171</u>
Deductions		
Benefits paid to plan members and beneficiaries		2,064
Administrative fees		<u>75</u>
Total deductions		2,139
Net increase in fiduciary net position		4,032
Fiduciary net position restricted for OPEB		
At beginning of the year		34,173
At end of the year	\$	<u><u>38,205</u></u>

**Dallas Fort Worth International Airport  
Notes to the Basic Financial Statements  
September 30, 2022**

**(11) PFIC BACKGROUND AND FINANCIAL INFORMATION**

The Public Facility Improvement Corporation (“PFIC”) is a duly incorporated public instrumentality of the State of Texas, created on December 14, 2000, by the Airport’s owner cities. The PFIC was created pursuant to Chapter 22 of the Texas Transportation Code for the purpose of financing, equipping, and operating one or more public facilities within the boundaries of the Airport. PFIC projects require approval of the Owner Cities, Dallas, and Fort Worth. Active PFIC projects are described below.

Grand Hyatt Hotel

In 2001, the PFIC issued approximately \$75 million of Hotel Revenue Bonds (Series 2001) for the construction of a 298-room Grand Hyatt Hotel which opened in 2005 (located in Terminal D). The hotel was constructed by the Airport under the terms of a Hotel Development Agreement, entered between the Airport and the PFIC. The hotel is owned by DFW and leased to the PFIC which operates the hotel on behalf of the Airport. The PFIC entered into a fixed fee management agreement with Hyatt Corporation. All hotel revenues are remitted to the PFIC which then reimburses Hyatt for all operating expenses of the hotel. In 2012, DFW issued joint revenue bonds for the purpose of refunding the outstanding Hotel Revenue Bonds. DFW and the PFIC also entered into a facility agreement whereby the PFIC transfers the amount of accrued debt service and coverage to the Airport each month. The PFIC also makes monthly contributions to a furniture, fixtures, and equipment account and a capital account for the continual renewal and improvement of the hotel. Any excess funds are held by the PFIC and may be used for improvements to the hotel, granted to the Airport, or for other PFIC projects approved by the Owner Cities.

Hyatt Place Hotel

In early 2016, DFW opened a 137-room limited-service Hyatt Place Hotel in the Southgate Development area near the Rent-A-Car (“RAC”) facility. The hotel was constructed with PFIC cash. The hotel is owned by the Airport and leased to the PFIC which operates the hotel on behalf of the Airport. The PFIC entered into a fixed fee management agreement with Hyatt Corporation. All hotel revenues are remitted to the PFIC which then reimburses the Hyatt for all operating expenses of the hotel. The PFIC also makes monthly contributions to a furniture, fixtures and equipment account and a capital account for the continual renewal and improvement of the hotel. Any excess funds are held by the PFIC and may be used for improvements to the Hyatt Place Hotel, granted to the Airport, or for other PFIC projects approved by the Owner Cities.

Consolidated Rent-A-Car Facility

In 1998 and 1999, the Facility Improvement Corporation (FIC) issued approximately \$160 million of bonds for construction of a consolidated rental car facility (“RAC”). These bonds were secured by a facility agreement between the FIC and the Rent-A-Car companies, which provided that the RAC companies would collect and remit to a trustee a Customer Facility Charge (“CFC”) for each rent-a-car transaction day. In FY 2011, DFW issued the 2011A Joint Revenue Bonds for the purpose of refunding all the outstanding Rent-A-Car bonds and eliminating the trust requirement. In 2012, the Owner Cities approved the RAC Facility as an authorized PFIC Project and approved the transfer of all RAC assets, liabilities, and responsibilities from the FIC to the PFIC. DFW and the PFIC also entered into a Facility Agreement whereby the PFIC transfers the amount of accrued debt service and coverage relating to the 2011A bonds to the Airport each month. The 2011A bonds were paid in FY 2022.



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The CFC is currently \$4.00 per transaction day and the PFIC Board has the authority to change the CFC rate at any time. The RAC companies also collect a Customer Transportation Charge ("CTC"), currently \$2.50, which is remitted directly to the PFIC to pay for the costs of operating and maintaining the RAC bus fleet. Any excess funds are held by the PFIC and may be used for improvements to the RAC Facility, to purchase buses, granted to the Airport, or for other PFIC projects approved by the Owner Cities.

Campus West

In February of 2019, the previous Campus West tenant made a one-time lease buyout payment of \$40 million to the PFIC assigning its property lease of 77 acres in exchange. The prior lease term had run through February of 2083 (vacated by Braniff Airlines as part of its bankruptcy). The PFIC manages the property, collects ground and facility rents, and continues to remit the ground lease proceeds vacated by the previous tenant, to the Operating Revenue and Expense Fund. The PFIC currently leases a portion of this land and facilities. Any excess funds are held by the PFIC and may be used for improvements to Campus West, granted to the Airport, or for other PFIC projects approved by the Owner Cities.

Hyatt House

In February of 2019, the Cities approved a third hotel, the Hyatt House, to be built next to the Hyatt Place in Southgate. This hotel is planned to have 125 rooms. Construction of this hotel was postponed due to COVID.

DFW Debt Service

In 2019, the Cities approved DFW debt service as an approved project. The Airport requested this to assure investors and rating agencies that the PFIC's unencumbered cash would be used to pay DFW's debt service in the unlikely event that DFW could not pay debt service from the other funds. PFIC net revenues are not considered as gross revenues of the Airport.

19<sup>th</sup> Street Cargo

In 2022, the Cities approved 19<sup>th</sup> Street Cargo for the development of new cargo facilities for DFW. This project is currently in the planning phase.

Select PFIC Results by Approved Project

The following table highlights the current assets and liabilities as of September 30, 2022, and operating revenues and expenses for the same year ended. For the purposes of this table current assets includes current and other assets. Management fees are reported separate from other operating expenses. The results are presented by PFIC project (in thousands):

	<b>Rental Car Center</b>	<b>Grand Hyatt</b>	<b>Hyatt Place</b>	<b>Campus West</b>	<b>PFIC</b>
Current Assets	\$ 78,923	\$ 86,136	\$ 14,107	\$ 63,688	\$ 242,853
Current Liabilities	824	5,630	555	574	7,583
Operating Revenues	11,638	34,230	6,558	6,315	58,741
Operating Expenses	12,494	18,353	4,050	779	35,676
Management Fees	-	1,449	207	-	1,656
Operating Income (loss)	<u>\$ (856)</u>	<u>\$ 14,428</u>	<u>\$ 2,301</u>	<u>\$ 5,536</u>	<u>\$ 21,409</u>

**Dallas Fort Worth International Airport**  
**Notes to the Basic Financial Statements**  
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Condensed PFIC financial statements are as follows (in thousands):

	PFIC	Airport	DFW
Current assets	\$ 222,776	\$ 812,343	\$1,035,119
Capital assets	-	6,133,034	6,133,034
Other assets	20,077	3,825,948	3,846,025
Total assets	242,853	10,771,325	11,014,178
Deferred outflows of resources	-	30,195	30,195
Total assets and deferred outflows of resources	242,853	10,801,520	11,044,373
Current liabilities	7,583	666,835	674,418
Long-term liabilities	-	7,709,383	7,709,383
Total liabilities	7,583	8,376,218	8,383,801
Deferred inflow of resources	-	138,830	138,830
Deferred inflow of resources - Leases	19,833	1,785,414	1,805,247
Total liabilities and deferred inflows of resources	27,416	10,300,462	10,327,878
Net Investment in capital assets	-	(172,847)	(172,847)
Restricted net position	20,077	46,416	66,493
Unrestricted net position	215,193	607,656	822,849
Net position	\$ 235,270	\$ 481,225	\$ 716,495
PFIC	\$ 58,741	\$ -	\$ 58,741
Airport	-	919,214	919,214
Total operating revenues	58,741	919,214	977,955
PFIC	37,332	-	37,332
Airport	-	575,352	575,352
Depreciation and amortization	-	334,590	334,590
Total operating expenses	37,332	909,942	947,274
Operating income (loss)	21,409	9,272	30,681
Non-operating revenues (expenses)	9,772	3,092	12,864
Transfers for debt service	(6,139)	6,139	-
Transfers for capital assets	24,751	(24,751)	-
Capital contributions	147	20,039	20,186
Increase in net position	49,940	13,791	63,731
Net position - October 1	185,330	467,434	652,764
Total net position, end of year	\$ 235,270	\$ 481,225	\$ 716,495
Net cash provided by operating activities	\$ 15,058	\$ 362,503	\$ 377,561
Net cash provided by non-capital and related financing activities	6,263	104,789	111,052
Net cash used for capital and related financing activities	6,563	668,040	674,603
Net cash used for investing activities	(122,388)	(879,489)	(1,001,877)
Net increase in cash and cash equivalents	(94,504)	255,843	161,339
Cash and cash equivalents, beginning of year	149,393	441,692	591,085
Cash and cash equivalents, end of year	\$ 54,889	\$ 697,535	\$ 752,424

**Dallas Fort Worth International Airport  
Notes to the Basic Financial Statements  
September 30, 2022**

**(12) LEASES**

DFW is a lessor for non-cancelable leases of land, buildings, and other capital assets. In accordance with GASB Statement No. 87, "*Leases*", DFW recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term, with exceptions for certain regulated leases, and short-term leases.

**a) *Regulated Leases***

Regulated leases comprise certain agreements with airline tenants that govern the use of airport gates, aprons, airline ticket counters, ticketing and check-in stations, baggage claim facilities, and other aeronautical uses. These agreements are subject to the U.S. Department of Transportation and the Federal Aviation Administration regulations and oversight that set limits on lease rates and require consistent terms to tenants. The regulations require leasing opportunities are made available to any potential lessee should a facility become vacant. In accordance with Statement No. 87, DFW recognizes lease payments related to regulated leases as inflows of resources (revenues) based on payment provisions of those agreements.

DFW operates under signatory airlines use and lease agreements and non-signatory airlines lease agreements. These agreements define the responsibilities of the Airport, and the airlines, and establish a cost structure to operate airfield and terminal facilities primarily through charges to airlines in the forms of landing fees, terminal rents, gate and hardstand rental fees, and federal inspection service fees. Landing fees are charged for each landing at DFW based on the weight of the aircraft. Terminal rents are set at the beginning of each fiscal year and adjusted during the year to estimate the annual cost to operate terminal buildings. They are allocated to airlines based on square footage occupied. Gate and hardstand rental fees are based on usage of those facilities. Federal inspection service fees are charged for each arriving international passenger.

DFW considers all airline fees as variable because they are based on future usage of airfield and terminal facilities. DFW recorded revenues related to these agreements of approximately \$472.5 million during the year ended September 30, 2022.

**b) *Non-regulated Leases***

These contracts convey control of the right to use DFW's assets and facilities to lessees for non-aeronautical uses. They are not subject to external laws, regulations, or legal rulings. Lease inflows for non-regulated leases with maximum possible term greater 12 months at commencement of the leases are recognized in accordance with the provisions of GASB Statement No. 87. Lease inflows for non-regulated leases with maximum possible term of 12 months or less at commencement of the leases are recognized in accordance with the payment provisions of those leases. DFW's non-regulated leases are grouped into the following categories:

**i. Ground and facilities**

The Airport is a lessor for agreements with tenants that develop DFW's real estate for airport related uses, and concurrent commercial development. The agreements require periodic payments based on ground and facilities rental rates or other amounts as specified in each lease agreement. In addition, these agreements may require payment of reimbursable costs and other variable payments. These variable inflows were not included in the measurement of the lease receivable.

**Dallas Fort Worth International Airport**  
**Notes to the Basic Financial Statements**  
**September 30, 2022**

*ii. Concessions*

DFW is a lessor on contracts that provide Concessionaires the right to operate at the Airport. These agreements typically require an operator to pay DFW a minimum guaranteed annual rent amount plus a percentage of the operator's gross receipts above a certain threshold. The agreements may also require the operator to reimburse the Airport costs it incurs to maintain areas and facilities used for operations. Performance based and other variable inflows are not included in the measurement of the lease receivable.

*iii. Rent-A-Car*

DFW leases space to car rental companies at the on-site car rental facility. These agreements require payment of ground rents based on the Airport's ground rental rate and acreage leased. Inflows for ground rents were included in the measurements of the lease receivable. Additionally, these agreements require certain payments based on the lessees' gross receipts in the form of minimum annual guaranteed rents and percent rents, and reimbursement to DFW of certain costs it incurs to maintain the car rental facility and transportation to and from the terminal areas. Lessees that conduct rental operations from other facilities outside of the Airport's boundaries are required to pay a percent rent based on their gross receipts and certain reimbursable costs to the Airport. The performance based and variable inflows are not included in the measurement of the lease receivable.

The expected future lease payments that are included in measurement of the lease receivable as of September 30, 2022, are as follows (in thousands):

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 74,135	\$ 45,518	\$ 119,653
2024	82,490	50,913	133,403
2025	84,323	43,976	128,300
2026	75,744	42,128	117,872
2027	70,363	40,718	111,080
2028-2032	253,011	185,227	438,238
2033-2037	233,559	152,963	386,523
2038-2042	256,504	118,195	374,700
2043-2047	256,007	82,881	338,888
2048-2052	181,190	52,793	233,983
2053-2057	169,100	28,135	197,234
2058-2062	93,601	8,476	102,076
2063-2067	11,830	2,313	14,143
2068-2072	6,028	1,300	7,328
2073-2077	5,387	334	5,721
Totals	<u>\$ 1,853,272</u>	<u>\$ 855,869</u>	<u>\$ 2,709,142</u>

**Dallas Fort Worth International Airport**  
**Notes to the Basic Financial Statements**  
**September 30, 2022**

The inflows recognized in the year ended September 30, 2022, are as follows (in thousands):

	Amortization of leases' deferred inflows	Inflows for regulated leases	Inflows related to short-term leases, and variable lease payments	Total
Concessions	\$ 55,396	\$ -	\$ 38,986	\$ 94,382
Ground and facilities	53,042	17,749	8,813	79,604
Rent-A-Car	6,105	-	35,165	41,270
Totals	<u>\$ 114,543</u>	<u>\$ 17,749</u>	<u>\$ 82,964</u>	<u>\$215,256</u>

**(13) COMMITMENTS AND CONTINGENCIES**

**a) Contingencies**

In the ordinary course of its business, the Airport is involved in various minor legal proceedings involving general contractual and employment relationships, personal injury claims, and a variety of other matters. The Airport does not believe there are any pending legal proceedings that will have a material impact on the Airport's financial position.

**b) Federal Grants**

The Airport has received Federal grants for specific purposes including Department of Homeland Security (DHS) and Airport Improvement Program (AIP), and COVID-19 pandemic related federal relief proceeds that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the Airport, disallowed costs, if any, would not be material.

**c) Personal Injury liability**

Various suits have been filed against the Airport related to accidents on Airport property. The Board is fully insured to the extent of the statutory limit under the tort claims act.

**d) Construction and Other Projects**

As of September 30, 2022, the Airport had remaining project obligations totaling \$3.4 billion, of which \$1.3 billion has been committed but not yet incurred, with the remaining \$2.1 billion expected to be committed and incurred in the future, to complete current approved capital projects.

**(14) SELF-INSURANCE/RISK MANAGEMENT**

DFW maintains self-insured liability for employee medical and workers' compensation claims. DFW utilizes a third-party company to provide stop loss coverage on individual health claims and a third-party administrator to manage workers compensation claims in accordance with Texas state statutes and limits. DFW accrues the estimated cost of self-insurance liabilities based on annual actuarial reviews.

**Dallas Fort Worth International Airport**  
**Notes to the Basic Financial Statements**  
**September 30, 2022**

Changes in liabilities in FY 2022 and FY 2021 for Airport self-insured programs are detailed below (in thousands):

Description	FY 2022	FY 2021
Beginning balance	\$ 6,044	\$ 6,231
Plus: Current year claims and changes in estimates	31,395	32,191
Less: Payments	(30,783)	(32,378)
Ending balance	<u>\$ 6,656</u>	<u>\$ 6,044</u>

DFW is exposed to various risks of loss related to torts, injuries to employees, theft, damage to and destruction of assets, and natural disasters for which DFW carries commercial insurance. Specific details regarding deductibles and coverage can be found in the statistical section. Any settlement payments covered by commercial insurance did not exceed coverage for the last three years.

**(15) CONCENTRATION OF CREDIT RISK**

DFW's customers are principally concentrated within the airline industry. DFW periodically evaluates the financial condition of its customers and typically does not require collateral. DFW received approximately \$408.5 million (41.8%) of its revenues during FY 2022 from American Airlines Group (including American and American Eagle). In FY 2022, American Airlines Group comprised 84.8% of all passengers and 75.1% of total landed weights at DFW.

**(16) LONG-TERM LIABILITIES**

***a) Pollution Remediation***

DFW's Northwest Cargo Voluntary Cleanup Program ("VCP") is an area encompassing approximately 418.485 acres including multiple AOCs representing chlorinated solvent groundwater and soil as well as jet fuel contamination. To date, approximately 230.61 acres have been granted a Conditional Certificate of Completion by TCEQ. The RAP outlining the remediation strategies for the remaining 187.875 acres dated December 5, 2011, was approved by TCEQ. The Response Action strategies included in the approved RAP are currently being re-evaluated in conjunction with future development plans within the Northwest Cargo areas to identify the most cost-effective and efficient approaches to achieve regulatory closure. As of September 30, 2022, the total liability of \$10.0 million remains a reasonable estimate but will be reviewed and updated as new information becomes available. There is no change from the previous year's estimate.

***b) Unearned Revenue***

As of September 30, 2022, DFW had unearned revenue of \$10.0 million from American Airlines and \$11.4 million from other tenants.

"END OF NOTES"

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**December 31, 2021**  
**(Amounts in Thousands)**

<b>Employee and DPS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>								
Service cost	\$ 14,877	\$ 15,688	\$ 15,675	\$ 15,505	\$ 15,297	\$ 15,778	\$ 15,567	\$ 15,569
Interest on the Total Pension Liability	63,552	64,158	61,628	58,588	55,765	53,476	48,992	46,638
Benefit changes <sup>(2)</sup>	29,420	-	-	-	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	24,195	(19,310)	(6,943)	523	(1,710)	(8,560)	(10,748)	(4,672)
Assumption changes <sup>(1)</sup>	13,078	-	-	-	-	-	34,635	-
Benefit payments and refunds	(55,884)	(36,899)	(34,095)	(31,488)	(30,101)	(27,636)	(25,798)	(24,052)
<b>Net change in Total Pension Liability</b>	<b>89,238</b>	<b>23,637</b>	<b>36,265</b>	<b>43,128</b>	<b>39,251</b>	<b>33,058</b>	<b>62,648</b>	<b>33,483</b>
<b>Total Pension Liability - beginning</b>	<b>918,991</b>	<b>895,354</b>	<b>859,089</b>	<b>815,961</b>	<b>776,710</b>	<b>743,652</b>	<b>681,004</b>	<b>647,521</b>
<b>Total Pension Liability - ending</b>	<b>\$ 1,008,229</b>	<b>\$ 918,991</b>	<b>\$ 895,354</b>	<b>\$ 859,089</b>	<b>\$ 815,961</b>	<b>\$ 776,710</b>	<b>\$ 743,652</b>	<b>\$ 681,004</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 36,296	\$ 29,034	\$ 32,717	\$ 32,546	\$ 29,883	\$ 30,548	\$ 26,349	\$ 31,460
Contributions - member	2,396	2,416	2,289	2,173	2,041	1,926	1,872	1,870
Net investment income (loss)	133,328	49,424	84,206	(333)	78,112	44,105	(5,119)	23,614
Benefit payments, including member refunds	(55,884)	(36,899)	(34,095)	(31,489)	(30,101)	(27,636)	(25,798)	(24,052)
Administrative expense	(1,524)	(1,229)	(1,184)	(1,124)	(1,031)	(1,062)	(692)	(372)
<b>Net change in Plan Fiduciary Net Position</b>	<b>114,612</b>	<b>42,746</b>	<b>83,932</b>	<b>1,773</b>	<b>78,904</b>	<b>47,881</b>	<b>(3,388)</b>	<b>32,520</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>808,038</b>	<b>765,292</b>	<b>681,360</b>	<b>679,587</b>	<b>600,683</b>	<b>552,802</b>	<b>556,190</b>	<b>523,670</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 922,650</b>	<b>\$ 808,038</b>	<b>\$ 765,292</b>	<b>\$ 681,360</b>	<b>\$ 679,587</b>	<b>\$ 600,683</b>	<b>\$ 552,802</b>	<b>\$ 556,190</b>
<b>Net Pension Liability - ending</b>	<b>\$ 85,579</b>	<b>\$ 110,953</b>	<b>\$ 130,062</b>	<b>\$ 177,729</b>	<b>\$ 136,374</b>	<b>\$ 176,027</b>	<b>\$ 190,850</b>	<b>\$ 124,814</b>
<b>Plan Fiduciary Net Position as a percentage of the total pension liability</b>	<b>91.5%</b>	<b>87.9%</b>	<b>85.5%</b>	<b>79.3%</b>	<b>83.3%</b>	<b>77.3%</b>	<b>74.3%</b>	<b>81.7%</b>
<b>Covered payroll</b>	<b>\$ 80,693</b>	<b>\$ 85,387</b>	<b>\$ 85,076</b>	<b>\$ 84,101</b>	<b>\$ 83,689</b>	<b>\$ 86,350</b>	<b>\$ 89,486</b>	<b>\$ 89,476</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>106.1%</b>	<b>129.9%</b>	<b>152.9%</b>	<b>211.3%</b>	<b>163.0%</b>	<b>203.9%</b>	<b>213.3%</b>	<b>139.5%</b>

**Notes to Schedule:**

Eight year history based on data availability.

<sup>(1)</sup> Experience study completed in 2021. See Schedule of Contributions for assumption details.

<sup>(2)</sup> 2021 Retirement Incentive Program for the Employee Plan.



**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**December 31, 2021**  
**(Amounts in Thousands)**

Employee	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 7,506	\$ 8,149	\$ 8,544	\$ 8,784	\$ 9,097	\$ 9,813	\$ 10,030	\$ 10,231
Interest on the Total Pension Liability	43,868	45,232	43,698	41,861	40,063	38,764	35,483	33,944
Benefit changes <sup>(2)</sup>	29,420			-	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	25,513	(13,360)	(4,625)	(1,087)	(1,710)	(8,823)	(7,991)	(3,967)
Assumption changes <sup>(1)</sup>	10,787	-	-	-	-	-	27,843	-
Benefit payments and refunds	(45,459)	(27,348)	(25,212)	(23,035)	(22,353)	(20,625)	(19,367)	(18,225)
<b>Net change in Total Pension Liability</b>	<b>71,635</b>	<b>12,673</b>	<b>22,405</b>	<b>26,523</b>	<b>(25,097)</b>	<b>19,129</b>	<b>45,998</b>	<b>21,983</b>
<b>Total Pension Liability - beginning</b>	<b>645,997</b>	<b>633,324</b>	<b>610,919</b>	<b>584,398</b>	<b>559,299</b>	<b>540,170</b>	<b>494,172</b>	<b>472,189</b>
<b>Total Pension Liability - ending</b>	<b>\$ 717,632</b>	<b>\$ 645,997</b>	<b>\$ 633,324</b>	<b>\$ 610,919</b>	<b>\$ 584,396</b>	<b>\$ 559,299</b>	<b>\$ 540,170</b>	<b>\$ 494,172</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 26,820	\$ 19,064	\$ 21,916	\$ 22,491	\$ 21,153	\$ 22,292	\$ 19,294	\$ 23,510
Net investment income (loss)	94,723	35,289	60,805	(172)	57,051	32,346	(3,756)	17,484
Benefit payments, including member refunds	(45,459)	(27,348)	(25,212)	(23,036)	(22,353)	(20,625)	(19,367)	(18,225)
Administrative expense	(1,083)	(881)	(855)	(818)	(753)	(779)	(509)	(275)
<b>Net change in Plan Fiduciary Net Position</b>	<b>75,001</b>	<b>26,124</b>	<b>56,654</b>	<b>(1,535)</b>	<b>55,099</b>	<b>33,234</b>	<b>(4,338)</b>	<b>22,494</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>576,079</b>	<b>549,955</b>	<b>493,301</b>	<b>494,836</b>	<b>439,738</b>	<b>406,504</b>	<b>410,842</b>	<b>388,348</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 651,080</b>	<b>\$ 576,079</b>	<b>\$ 549,955</b>	<b>\$ 493,301</b>	<b>\$ 494,836</b>	<b>\$ 439,738</b>	<b>\$ 406,504</b>	<b>\$ 410,842</b>
<b>Net Pension Liability - ending</b>	<b>\$ 66,552</b>	<b>\$ 69,918</b>	<b>\$ 83,369</b>	<b>\$ 117,618</b>	<b>\$ 89,560</b>	<b>\$ 119,561</b>	<b>\$ 133,666</b>	<b>\$ 83,330</b>
<b>Plan Fiduciary Net Position as a percentage of the total pension liability</b>	<b>90.7%</b>	<b>89.2%</b>	<b>86.8%</b>	<b>80.7%</b>	<b>84.7%</b>	<b>78.6%</b>	<b>75.3%</b>	<b>83.1%</b>
<b>Covered payroll</b>	<b>\$ 47,902</b>	<b>\$ 51,748</b>	<b>\$ 53,256</b>	<b>\$ 54,095</b>	<b>\$ 55,850</b>	<b>\$ 59,467</b>	<b>\$ 63,294</b>	<b>\$ 64,184</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>138.9%</b>	<b>135.1%</b>	<b>156.5%</b>	<b>217.4%</b>	<b>160.4%</b>	<b>201.0%</b>	<b>211.2%</b>	<b>129.8%</b>

**Notes to Schedule:**

Eight year history based on data availability.

<sup>(1)</sup> Experience study completed in 2021. See Schedule of Contributions for assumption details.

<sup>(2)</sup> 2021 Retirement Incentive Program.

**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**December 31, 2021**  
**(Amounts in Thousands)**

<b>DPS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>								
Service cost	\$ 7,371	\$ 7,539	\$ 7,131	\$ 6,721	\$ 6,200	\$ 5,965	\$ 5,537	\$ 5,338
Interest on the Total Pension Liability	19,684	18,926	17,930	16,727	15,702	14,712	13,509	12,694
Difference between expected and actual experience of the Total Pension Liability	(1,318)	(5,950)	(2,318)	1,610	-	263	(2,757)	(705)
Assumption changes <sup>(1)</sup>	2,291	-	-	-	-	-	6,792	-
Benefit payments and refunds	(10,425)	(9,551)	(8,883)	(8,453)	(7,748)	(7,011)	(6,431)	(5,827)
<b>Net change in Total Pension Liability</b>	<b>17,603</b>	<b>10,964</b>	<b>13,860</b>	<b>16,605</b>	<b>14,154</b>	<b>13,929</b>	<b>16,650</b>	<b>11,500</b>
<b>Total Pension Liability - beginning</b>	<b>272,994</b>	<b>262,030</b>	<b>248,170</b>	<b>231,565</b>	<b>217,411</b>	<b>203,482</b>	<b>186,832</b>	<b>175,332</b>
<b>Total Pension Liability - ending</b>	<b>\$ 290,597</b>	<b>\$ 272,994</b>	<b>\$ 262,030</b>	<b>\$ 248,170</b>	<b>\$ 231,565</b>	<b>\$ 217,411</b>	<b>\$ 203,482</b>	<b>\$ 186,832</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 9,476	\$ 9,970	\$ 10,801	\$ 10,055	\$ 8,730	\$ 8,256	\$ 7,055	\$ 7,950
Contributions - member	2,396	2,416	2,289	2,173	2,041	1,926	1,872	1,870
Net investment income (loss)	38,605	14,135	23,401	(161)	21,061	11,759	(1,363)	6,130
Benefit payments, including member refunds	(10,425)	(9,551)	(8,884)	(8,453)	(7,748)	(7,011)	(6,431)	(5,827)
Administrative expense	(441)	(348)	(329)	(306)	(278)	(283)	(183)	(97)
<b>Net change in Plan Fiduciary Net Position</b>	<b>39,611</b>	<b>16,622</b>	<b>27,278</b>	<b>3,308</b>	<b>23,806</b>	<b>14,647</b>	<b>950</b>	<b>10,026</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>231,959</b>	<b>215,337</b>	<b>188,059</b>	<b>184,751</b>	<b>160,945</b>	<b>146,298</b>	<b>145,348</b>	<b>135,322</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 271,570</b>	<b>\$ 231,959</b>	<b>\$ 215,337</b>	<b>\$ 188,059</b>	<b>\$ 184,751</b>	<b>\$ 160,945</b>	<b>\$ 146,298</b>	<b>\$ 145,348</b>
<b>Net Pension Liability - ending</b>	<b>\$ 19,027</b>	<b>\$ 41,035</b>	<b>\$ 46,693</b>	<b>\$ 60,111</b>	<b>\$ 46,814</b>	<b>\$ 56,466</b>	<b>\$ 57,184</b>	<b>\$ 41,484</b>
<b>Plan Fiduciary Net Position as a percentage of the total pension liability</b>	<b>93.5%</b>	<b>85.0%</b>	<b>82.2%</b>	<b>75.8%</b>	<b>79.8%</b>	<b>74.0%</b>	<b>71.9%</b>	<b>77.8%</b>
<b>Covered payroll</b>	<b>\$ 32,791</b>	<b>\$ 33,639</b>	<b>\$ 31,820</b>	<b>\$ 30,006</b>	<b>\$ 27,840</b>	<b>\$ 26,883</b>	<b>\$ 26,192</b>	<b>\$ 25,292</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>58.0%</b>	<b>122.0%</b>	<b>146.7%</b>	<b>200.3%</b>	<b>168.2%</b>	<b>210.0%</b>	<b>218.3%</b>	<b>164.0%</b>

**Notes to Schedule:**

Eight year history based on data availability.

<sup>(1)</sup> Experience study completed in 2021. See Schedule of Contributions for assumption details.

**Dallas Fort Worth International Airport  
Schedule of Contributions  
September 30, 2022  
(Amounts in Thousands)**

<b>Employee</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 16,820	\$ 19,064	\$ 20,194	\$ 20,378	\$ 21,153	\$ 22,292	\$ 19,294	\$ 20,784
Contributions in relation to the actuarially determined contribution	\$ 16,820	29,064	21,915	22,491	21,153	22,292	19,294	23,510
Contribution deficiency (excess)	-	\$ (10,000)	\$ (1,721)	\$ (2,113)	-	-	-	\$ (2,726)
Covered payroll	\$ 48,141	\$ 52,007	\$ 54,002	\$ 54,095	\$ 51,414	\$ 59,467	\$ 63,294	\$ 64,184
Contributions as a percentage of covered payroll	34.9%	55.9%	40.6%	41.6%	41.1%	37.5%	30.5%	36.6%

**Notes to Schedule:**

Eight year history based on data availability. The Retirement Incentive Program was accepted by 212 employees in 2021.

Valuation date: Actuarially determined contribution amounts are calculated as of January 1st.

Methods and assumptions used to determine contribution rates:

Remaining amortization period Weighted average of 13 years from December 31, 2021  
Actuarial cost method Entry age normal  
Amortization method Level dollar, closed 15-year layers  
Retirement age Experience-based table of rates that are specific to the class of employee. Last updated for the 2022 valuation pursuant to an experience study for the period ending December 31, 2020.

**2021**

Investment rate of return 7.00%, net of investment expenses. Administrative expenses are added to the actuarial determined contribution.

Asset valuation method

Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.

Wage inflation (Core 2.50%, Wage 1.00%) 3.50%

Salary increases 3.50% to 6.00%

Mortality Experience-based table of rates that are specific to the class of employee. Last updated for the 2022 valuation pursuant to an experience study for the period ending December 31, 2021.

Retirement Plans gender-distinct Pub-2010, Amount-Weighted, General, Healthy Retiree tables. Rates are projected by the long-term rates of Scale MP 2020 to account for future mortality improvements.

**2016-2020**

Investment rate of return 7.25%, net of investment expenses. Administrative expenses are added to the actuarial determined contribution.

Asset valuation method

Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.

Wage inflation (Core 2.75%, Wage 1.00%) 3.75%

Salary increases 3.75% to 6.25%

Mortality Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015. Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.

**2014-2015**

Investment rate of return 7.25%, net of investment and administrative expenses

Asset valuation method 5-year moving average

Wage inflation (Core 3.0%, Wage 0.75%) 3.75%

Salary increases 3.75% to 6.25%

Mortality RP 2000 Combined Healthy Mortality with no setback for males or females, projected to 2011 using Mortality Improvement Scale AA.

**Dallas Fort Worth International Airport**  
**Schedule of Contributions**  
**September 30, 2022**  
**(Amounts in Thousands)**

<b>DPS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 9,476	\$ 9,970	\$ 9,815	\$ 9,183	\$ 8,731	\$ 8,256	\$ 7,055	\$ 7,076
Contributions in relation to the actuarially determined contribution	9,476	9,970	10,801	10,055	8,731	8,256	7,055	7,950
Contribution deficiency (excess)	-	-	\$ (986)	\$ (872)	-	-	-	\$ (874)
Covered payroll	\$ 32,955	\$ 33,807	\$ 32,265	\$ 30,006	\$ 29,949	\$ 26,883	\$ 26,192	\$ 25,292
Contributions as a percentage of covered payroll	28.8%	29.5%	33.5%	33.5%	29.2%	30.7%	26.9%	31.4%

**Notes to Schedule:**

Eight year history based on data availability. There were no benefit changes during the year.

Valuation date: Actuarially determined contribution amounts are calculated as of January 1st.

Methods and assumptions used to determine contribution rates:

Remaining amortization period Weighted average of 13 years from December 31, 2021  
Actuarial cost method Entry age normal  
Amortization method Level dollar, closed 15-year layers  
Retirement age Experience-based table of rates that are specific to the class of employee. Last updated for the 2022 valuation pursuant to an experience study for the period ending December 31, 2020.

**2021**

Investment rate of return 7.00%, net of investment expenses. Administrative expenses are added to the actuarial determined contribution.

Asset valuation method Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.

Wage inflation (Core 2.50%, Wage 1.00%) 3.50%  
Salary increases 3.50% to 11.25%  
Mortality Experience-based table of rates that are specific to the class of employee. Last updated for the 2022 valuation pursuant to an experience study for the period ending December 31, 2021.

Retirement Plans gender-distinct Pub-2010, Amount-Weighted, Public Safety, Healthy Retiree tables for Public Safety. Rates are projected by the long-term rates of Scale MP 2020 to account for future mortality improvements.

**2016-2020**

Investment rate of return 7.25%, net of investment expenses. Administrative expenses are added to the actuarial determined contribution

Asset valuation method Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.

Wage inflation (Core 2.75%, Wage 1.00%) 3.75%  
Salary increases 3.75% to 13.25%  
Mortality Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015. Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.

**2014-2015**

Investment rate of return 7.25%, net of investment and administrative expenses  
Asset valuation method 5-year moving average  
Wage inflation (Core 3.0%, Wage 0.75%) 3.75%  
Salary increases 3.75% to 11.50%  
Mortality RP 2000 Combined Healthy Mortality with no setback for males or females, projected to 2011 using Mortality Improvement Scale AA.

**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**December 31, 2021**  
**(Amounts in Thousands)**

OPEB	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 1,383	\$ 1,388	\$ 1,384	\$ 1,567	\$ 1,501
Interest on the Total OPEB Liability	1,673	1,695	1,691	1,847	1,905
Benefit changes	998			-	-
Difference between expected and actual experience of the Total OPEB Liability	5,583	(1,660)	(1,671)	(2,722)	(3,932)
Assumption changes	695			(1,521)	971
Benefit payments and refunds	(2,064)	(1,400)	(1,312)	(1,457)	(1,223)
<b>Net change in Total OPEB Liability</b>	<b>8,268</b>	<b>23</b>	<b>92</b>	<b>(2,286)</b>	<b>(778)</b>
<b>Total OPEB Liability - beginning</b>	<b>25,133</b>	<b>25,110</b>	<b>25,018</b>	<b>27,304</b>	<b>28,082</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 33,401</b>	<b>\$ 25,133</b>	<b>\$ 25,110</b>	<b>\$ 25,018</b>	<b>\$ 27,304</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 1,000	\$ 1,172	\$ 1,404	\$ 1,913	\$ 1,943
Net investment income (loss)	5,171	3,792	4,985	(722)	3,291
Benefit payments, including member refunds	(2,064)	(1,401)	(1,312)	(1,457)	(1,223)
Administrative expense	(75)	(39)	(15)	(23)	(29)
<b>Net change in Plan Fiduciary Net Position</b>	<b>4,032</b>	<b>3,524</b>	<b>5,062</b>	<b>(288)</b>	<b>3,982</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>34,173</b>	<b>30,649</b>	<b>25,587</b>	<b>25,875</b>	<b>21,893</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 38,205</b>	<b>\$ 34,173</b>	<b>\$ 30,649</b>	<b>\$ 25,587</b>	<b>\$ 25,875</b>
<b>Net OPEB Liability (Asset) - ending</b>	<b>\$ (4,804)</b>	<b>\$ (9,040)</b>	<b>\$ (5,539)</b>	<b>\$ (569)</b>	<b>\$ 1,429</b>
<b>Plan Fiduciary Net Position as a percentage of the total OPEB liability</b>	<b>114.4%</b>	<b>136.0%</b>	<b>122.1%</b>	<b>102.3%</b>	<b>94.8%</b>
<b>Covered payroll</b>	<b>\$ 164,655</b>	<b>\$ 166,651</b>	<b>\$ 164,498</b>	<b>\$ 154,805</b>	<b>\$ 145,204</b>
<b>Net OPEB liability (asset) as a percentage of covered payroll</b>	<b>(2.9%)</b>	<b>(5.4%)</b>	<b>(3.4%)</b>	<b>(0.4%)</b>	<b>1.0%</b>

**Notes to Schedule:**

Five year history based on data availability.

2021: New Assumptions were adopted to better reflect future plan experience. Changes of benefit terms includes General Employees who were part of the Early Retirement Incentive Program who elected Retiree Health Care Coverage and pay active premium rates for one year and are then treated as standard retirees thereafter.

2018: The participation assumption was updated to better reflect future plan experience.

2017: The healthcare trend assumption was updated to better reflect future plan experience.

**Dallas Fort Worth International Airport**  
**Schedule of Contributions - OPEB**  
**September 30, 2022**  
**(Amounts in Thousands)**

<b>OPEB</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution	\$ 1,000	\$ 1,172	\$ 1,404	\$ 1,913	\$ 1,943
Contributions in relation to the actuarially determined contribution	1,000	1,172	1,404	1,913	1,943
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	\$ 164,655	\$ 167,464	\$ 166,801	\$ 154,805	\$ 145,204
Contributions as a percentage of covered payroll	0.61%	0.70%	0.84%	1.24%	1.34%

**Notes to Schedule:**

Five year history based on data availability.

Valuation date: The Actuarially determined contribution for DFW's fiscal year ending September 30, 2022 was developed in the January 1, 2021 valuation. The ADC for the employer's fiscal year ending September 30, 2022 was contributed during the plan's fiscal year ending December 31, 2021.

Methods and assumptions used to determine contribution rates:

**2021**

Actuarial Cost Method	Entry Age Normal
Discount Rate	6.50%
Inflation	2.50%
Salary Increases	3.50 to 6.00% for General Employees and 3.50% to 11.25% for Public Safety, including inflation
Demographic Assumptions	Based on the January 2022 experience study
Mortality	Healthy Retirees and beneficiaries: Gender-distinct Pub-2010, Amount-Weighted, General, Healthy Retiree tables for General Employees and Gender-distinct Pub-2010, Amount-Weighted, Public Safety, Healthy Retiree tables for Public Safety. The rates are projected on a fully generational basis by the long-term rates of scale MP 2020 to account for future mortality improvements.
Participation Rates	Participation rates vary based on years of service: 20% for less than 10 years, 30% for 10-14 years, 40% for 15-19 years, and 80% for those with 20 or more years.
Healthcare cost trend rates	Initial rate of 7.40%, declining to a rate of 4.50% after 13 years.

**2017-2020**

Actuarial Cost Method	Entry Age Normal
Discount Rate	6.75%
Inflation	2.75%
Salary Increases	3.75 to 6.25% for General Employees and 3.75% to 13.25% for Public Safety, including inflation
Demographic Assumptions	Based on the December 31, 2015 experience study
Mortality	RP-2014 Combined Healthy Mortality tables with Blue Collar Adjustments, with no set back for males or females. Generational mortality improvements in accordance with Scale BB from the table's base year of 2014.
Participation Rates	Participation rates vary based on years of service: 30% for less than 10 years, 40% for 10-14 years, 50% for 15-19 years, and 85% for those with 20 or more years.
Healthcare cost trend rates	Initial rate of 7.40%, declining to a rate of 4.50% after 13 years.

**Dallas Fort Worth International Airport  
OPEB Schedule of Investment Returns  
For the Year December 31, 2021  
(Amounts in Thousands)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expenses	15.5%	12.9%	19.8%	(2.8%)	15.1%

**Notes to Schedule:**

Five year history based on data availability.

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## **SUPPLEMENTARY INFORMATION**



**Dallas Fort Worth International Airport**  
**Combining Statements of Fiduciary Net Position**  
**For the Year December 31, 2021**  
**(Amounts in Thousands)**

	Fiduciary Activities			
	Employee Plan	DPS Plan	OPEB Plan	Total
<b>Assets</b>				
Investment held in Master Trust at fair value				
Limited partnerships	\$ 221,893	\$ 92,551	\$ -	\$ 314,444
Commingled funds	111,607	46,552	-	158,159
Common stocks	192,851	80,439	-	273,290
Government fixed income securities	47,622	19,863	-	67,485
Corporate bonds	26,275	10,959	-	37,234
Money market funds	32,289	13,468	-	45,757
Mutual funds	12,419	5,180	38,666	56,265
Other	6,231	2,599	-	8,830
Receivables				
Accrued interest and dividends	460	192	-	652
Due from broker for securities sold	220	92	-	312
Total assets	<u>651,867</u>	<u>271,895</u>	<u>38,666</u>	<u>962,428</u>
<b>Liabilities</b>				
Due to broker for securities purchased	424	177	-	601
Accrued management fees	73	30	-	103
Claims/premiums payable	-	-	457	457
Accrued administrative fees	290	118	4	412
Total liabilities	<u>787</u>	<u>325</u>	<u>461</u>	<u>1,573</u>
 Fiduciary net position restricted for pensions and OPEB	 <u>\$ 651,080</u>	 <u>\$ 271,570</u>	 <u>\$ 38,205</u>	 <u>\$ 960,855</u>

**Dallas Fort Worth International Airport**  
**Combining Statements of Changes in Fiduciary Net Position**  
**For the Year December 31, 2021**  
**(Amounts in Thousands)**

	Fiduciary Activities			
	Employee Plan	DPS Plan	OPEB Plan	Total
<b>Additions</b>				
Contributions				
Plan members contributions	\$ -	\$ 2,396	\$ -	\$ 2,396
Employer contributions	26,820	9,476	1,000	37,296
Total contributions	26,820	11,872	1,000	39,692
Plans' interest in Master Trust Investment gain (loss)	98,742	40,253	4,648	143,643
Dividends	-	-	523	523
Less: Investment fees	(4,019)	(1,648)	-	(5,667)
Total investment income	94,723	38,605	5,171	138,499
Total additions	121,543	50,477	6,171	178,191
<b>Deductions</b>				
Benefits paid to plan members and beneficiaries	45,459	10,425	2,064	57,948
Administrative fees	1,083	441	75	1,599
Total deductons	46,542	10,866	2,139	59,547
Net (decrease) increase in Fiduciary net position	75,001	39,611	4,032	118,644
<b>Fiduciary net position restricted for pensions and OPEB</b>				
At beginning of the year	576,079	231,959	34,173	842,211
At end of the year	\$ 651,080	\$ 271,570	\$ 38,205	\$ 960,855

## **STATISTICAL SECTION**

## **STATISTICAL SECTION**

This section of DFW's annual comprehensive financial report presents detailed information for the purpose of supporting the reader's understanding of DFW's financial statements and note disclosures. All tables span up to a maximum of 10 years. Certain tables span less years depending on data availability.

**Dallas Fort Worth International Airport  
Annual Comprehensive Financial Report  
Statistical Table of Contents  
For the Fiscal Year Ended September 30, 2022**

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## **FINANCIAL TRENDS INFORMATION**

The following tables are designed to assist the reader in gaining a greater understanding of how DFW's financial performance has changed over time. There are three tables in this section. Net position by component breaks down DFW's financial position into the three components of net investment in capital assets, restricted assets, and unrestricted assets. Changes in Net Position displays performance by airline and non-airline revenues, costs by type, non-operating revenues and expenses, and capital grants. The DFW Cost Center Net Revenues table further details DFW financial performance in its main operation.

**Dallas Fort Worth International Airport  
Net Position by Component  
Last Ten Fiscal Years  
(Amounts in Thousands)**

Net Position	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Investment in Capital Assets	\$ (172,847)	\$ (84,189)	\$ (193,928)	\$ (254,607)	\$ (310,719)	\$ (361,739)	\$ (345,889)	\$ (235,706)	\$ (53,890)	\$ 229,838
Restricted net position:										
PFIC	20,077	19,338	23,347	23,636	21,858	18,837	16,208	14,641	12,576	11,395
Passenger facility charges	37,272	29,606	22,702	27,866	31,480	28,455	41,448	45,094	39,912	28,588
Public safety and other	9,144	12,465	7,740	2,441	1,777	1,585	1,801	2,129	2,380	2,888
Total restricted	66,493	61,409	53,789	53,943	55,115	48,877	59,457	61,864	54,868	42,871
Unrestricted	822,849	675,544	672,441	707,002	595,054	606,512	573,120	549,263	699,974	677,001
Total Net Position	<u>\$ 716,495</u>	<u>\$ 652,764</u>	<u>\$ 532,302</u>	<u>\$ 506,338</u>	<u>\$ 339,450</u>	<u>\$ 293,650</u>	<u>\$ 286,688</u>	<u>\$ 375,421</u>	<u>\$ 700,952</u>	<u>\$ 949,710</u>

Source: Dallas Fort Worth International Airport Finance Department

**Dallas Fort Worth International Airport**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Operating revenues</b>										
Terminal rent and use fees <sup>(1)</sup>	\$ 359,705	\$ 349,862	\$ 354,379	\$ 360,478	\$ 307,211	\$ 265,614	\$ 227,166	\$ 180,667	\$ 132,835	\$ 109,722
Landing fees <sup>(1)</sup>	69,026	72,986	82,313	107,557	132,922	103,383	82,677	96,010	104,330	100,610
Federal Inspection Services (FIS)	25,828	16,235	13,906	27,952	26,147	24,097	20,327	18,499	18,707	21,805
Other airline	197	792	(273)	688	192	263	159	260	142	320
Total airline revenue	454,756	439,875	450,325	496,675	466,472	393,357	330,329	295,436	256,014	232,457
Parking and ground transportation	195,997	116,564	103,714	184,414	175,998	163,622	156,634	144,584	134,150	124,225
Concessions	94,382	71,709	67,218	101,991	93,539	88,299	79,124	73,963	73,288	68,229
Ground and facilities leases	79,604	58,589	55,972	92,220	45,772	44,121	39,816	37,643	37,266	34,297
Hotels	40,788	18,346	26,015	50,376	49,407	47,831	44,259	37,735	35,028	31,032
Rent-A-Car rental	41,270	31,747	23,683	33,512	33,095	32,604	33,590	31,781	32,419	31,425
Employee transportation	16,923	14,175	17,543	17,521	17,545	17,822	19,322	16,619	13,970	12,345
Rent-A-Car customer transportation charges	11,638	8,739	8,684	13,968	13,839	13,456	13,424	11,406	11,507	11,106
Natural gas	6,429	1,964	1,054	1,816	2,403	10,307	2,051	3,710	6,287	8,498
Other non-airline	36,168	30,092	31,974	31,434	31,367	29,483	27,014	26,362	24,733	23,867
Total non-airline revenue	523,199	351,925	335,856	527,252	462,965	447,542	415,233	383,804	368,648	345,024
<b>Total operating revenues</b>	<b>977,955</b>	<b>791,800</b>	<b>786,181</b>	<b>1,023,927</b>	<b>929,437</b>	<b>840,899</b>	<b>745,562</b>	<b>679,240</b>	<b>624,662</b>	<b>577,481</b>
<b>Operating Expenses</b>										
Salaries, wages, and benefits	241,792	217,223	235,098	239,202	222,892	217,441	204,971	184,662	182,441	169,635
Contract services	271,103	216,786	213,798	234,797	207,935	187,200	193,316	162,500	149,765	147,854
Equipment and supplies	27,289	22,310	30,996	28,150	25,873	25,534	23,956	23,654	26,172	21,918
Hotels	23,858	14,722	18,130	28,960	30,079	29,074	27,719	24,702	23,173	21,914
Utilities	30,192	27,319	26,357	27,135	26,721	25,524	25,115	27,722	25,903	26,103
Insurance	11,413	9,161	6,768	5,571	5,024	5,092	5,164	5,329	5,381	5,177
General, administrative and other	7,037	4,215	6,411	8,102	7,910	9,613	8,921	10,353	10,574	7,177
Depreciation and amortization	334,590	317,429	310,161	303,198	289,488	272,293	261,036	263,218	244,251	237,768
Total operating expenses	947,274	829,165	847,719	875,115	815,922	771,771	750,198	702,140	667,660	637,545
<b>Operating income (loss)</b>	<b>30,681</b>	<b>(37,365)</b>	<b>(61,538)</b>	<b>148,812</b>	<b>113,515</b>	<b>69,128</b>	<b>(4,636)</b>	<b>(22,900)</b>	<b>(42,998)</b>	<b>(60,065)</b>
<b>Non-Operating revenues (expenses)</b>										
Passenger facility charges	141,590	113,534	96,213	141,856	131,763	126,774	126,642	128,810	122,309	115,565
RAC customer facility charge	18,620	13,982	13,742	22,352	22,213	21,602	22,239	20,759	20,922	20,191
Investment income	(54,980)	2,269	26,104	55,554	14,291	13,710	14,920	16,979	8,000	4,804
Lease interest income	45,341	-	-	-	-	-	-	-	-	-
Federal relief proceeds	101,258	156,063	144,127	-	-	-	-	-	-	-
Interest expense on revenue bonds	(232,208)	(180,857)	(238,978)	(265,404)	(265,697)	(257,417)	(255,929)	(257,348)	(252,026)	(225,445)
Other, net	(6,757)	(26,041)	12,260	1,797	(2,060)	3,203	2,809	(7,295)	8,888	5,238
Total non-operating revenues (expenses), net	12,864	78,950	53,468	(43,845)	(99,490)	(92,128)	(89,319)	(98,095)	(91,907)	(79,647)
<b>Income (Loss) before capital contributions and special item</b>	<b>43,545</b>	<b>41,585</b>	<b>(8,070)</b>	<b>104,967</b>	<b>14,025</b>	<b>(23,000)</b>	<b>(93,955)</b>	<b>(120,995)</b>	<b>(134,905)</b>	<b>(139,712)</b>
<b>Capital contributions</b>										
Federal and State grant reimbursements	20,186	78,877	34,034	61,921	40,631	29,962	5,222	13,773	15,984	20,960
Total capital contributions	20,186	78,877	34,034	61,921	40,631	29,962	5,222	13,773	15,984	20,960
<b>Special items<sup>(2)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,761)</b>	<b>(12,281)</b>	<b>(32,283)</b>
<b>Net Position</b>										
Increase (decrease) in net position	63,731	120,462	25,964	166,888	54,656	6,962	(88,733)	(148,983)	(131,202)	(151,035)
Total net position, beginning of year	652,764	532,302	506,338	339,450	293,650	286,688	375,421	700,952	949,710	1,100,745
Change in accounting principle	-	-	-	-	(8,856)	-	-	(176,548)	(117,556)	-
Total net position, end of year	\$ 716,495	\$ 652,764	\$ 532,302	\$ 506,338	\$ 339,450	\$ 293,650	\$ 286,688	\$ 375,421	\$ 700,952	\$ 949,710

Source: Statement of Revenues, Expenses and Change in Net Position

<sup>(1)</sup> Per the current use agreement.

<sup>(2)</sup> Special items in the amount of \$15M was included in Contract Services for FY 2016 and FY 2017.



**Dallas Fort Worth International Airport**  
**DFW Cost Center Net Revenues**  
**Last Ten Fiscal Years**  
**(Amounts in Millions)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues <sup>(1)</sup>										
Parking and Ground Transportation	\$ 189.6	\$ 112.7	\$ 100.6	\$ 179.3	\$ 170.6 <sup>(3)</sup>	\$ 163.7	\$ 156.7	\$ 144.7	\$ 134.1	\$ 124.2
Concessions	100.0	66.7	62.0	94.2	86.5	81.8	73.4	68.5	68.6	63.8
Rental Car	41.2	31.8	23.7	33.5	33.1	32.6	33.6	31.8	32.4	31.4
Commercial Development	65.7	60.1	54.3	49.7	45.7	44.2	49.9	37.7	37.3	36.6
Other Revenues	38.7	30.8	41.6	42.7	40.0	36.2	35.1	29.2	24.6	21.9
Federal Relief Proceeds	-	96.4	107.6	-	-	-	-	-	-	-
Total Revenues	<u>435.2</u>	<u>398.5</u>	<u>389.8</u>	<u>399.4</u>	<u>375.9</u>	<u>358.5</u>	<u>348.7</u>	<u>311.9</u>	<u>297.0</u>	<u>277.8</u>
DFW Cost Center Expenditures										
Operating Expenses	(146.2)	(129.8)	(129.2)	(150.4)	(141.4)	(137.3)	(133.3)	(124.6)	(122.8)	(116.6)
Debt Service, net of PFCs	(50.7)	(60.2)	(70.6)	(66.3)	(72.9)	(60.8)	(51.5)	(46.5)	(42.6)	(36.2)
Total Expenditures	<u>(196.9)</u>	<u>(190.0)</u>	<u>(199.8)</u>	<u>(216.7)</u>	<u>(214.3)</u>	<u>(198.1)</u>	<u>(184.8)</u>	<u>(171.1)</u>	<u>(165.4)</u>	<u>(152.8)</u>
Gross Margin - DFW Cost Center	238.3	208.5	190.0	182.7	161.6	160.4	163.9	140.8	131.6	125.0
Less Transfers and Skylink										
DFW Terminal Contribution	(2.8)	(2.8)	(2.8)	(3.3)	(4.0)	(1.9)	(4.2)	(3.5)	(6.3)	(5.9)
Skylink Costs	(32.7)	(26.9)	(23.2)	(27.0)	(25.3)	(26.5)	(21.6)	(21.4)	(22.6)	(22.4)
Net Revenues from DFW Cost Center	<u>\$ 202.8</u>	<u>\$ 178.7</u>	<u>\$ 164.0</u>	<u>\$ 152.4</u>	<u>\$ 132.3</u>	<u>\$ 132.0</u>	<u>\$ 138.1</u>	<u>\$ 115.9</u>	<u>\$ 102.7</u>	<u>\$ 96.7</u>
Threshold adjustment to Airfield Cost Center	97.3	81.0	70.5	63.2	49.4	50.3	55.2	38.3	28.8	25.2
Net to DFW Capital Account <sup>(2)</sup>	<u>\$ 105.5</u>	<u>\$ 97.7</u>	<u>\$ 93.5</u>	<u>\$ 89.2</u>	<u>\$ 82.9</u>	<u>\$ 81.7</u>	<u>\$ 82.9</u>	<u>\$ 77.6</u>	<u>\$ 73.9</u>	<u>\$ 71.5</u>

Source: Dallas Fort Worth International Airport, Rates, Fees and Charges

<sup>(1)</sup> Revenue classifications based on Use Agreement

<sup>(2)</sup> Reporting additional information for RFC to GAAP reconciliation beginning in FY 2018

<sup>(3)</sup> Reclassification of parking fees to contract expenses, increased revenues by \$5.3 million.

## **REVENUE CAPACITY INFORMATION**

The following tables are designed to assist the reader in gaining a greater understanding of the underlying factors affecting key DFW revenue trends. Seven tables are included in this section. Operating Revenues by Source provides additional detail not included in the Changes in Net Position table. Landing Fees, Terminal Rents, Airline costs, and Cost per Enplanements are key airport metrics. Parking Revenues and Operational Information provides specifics on the type of parkers, volumes, length of stay, and revenues generated. The number, gross sales, and revenue by type of Concessionaire is broken out in the Key Terminal Concessions table. Rental Car company sales and transactions and DFW revenues are listed next. The number of leased acres and the revenue derived by DFW from these tenants is in the table. Natural gas wells, production, royalties remitted, and surface damages paid to DFW are found in the last table in this section.

**Dallas Fort Worth International Airport**  
**Operating Revenues by Source**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**

	2022	2021	2020 *	2019	2018	2017	2016	2015	2014	2013
Operating revenues										
Terminal rent and use fees <sup>(1)</sup>	\$ 359,705	\$ 349,862	\$ 354,379	\$360,478	\$307,211	\$265,614	\$227,166	\$180,667	\$132,835	\$ 109,722
Passenger landing fees <sup>(1)</sup>	51,433	54,754	72,942	89,595	112,992	88,758	68,947	84,656	93,138	90,089
Federal Inspection Services (FIS)	25,828	16,235	13,906	27,952	26,147	24,097	20,327	18,499	18,707	21,805
Cargo landing fees	17,593	18,232	9,371	17,962	19,930	14,625	13,730	11,354	11,192	10,521
Other airline	197	792	(273)	688	192	263	159	260	142	320
Total airline revenue	454,756	439,875	450,325	496,675	466,472	393,357	330,329	295,436	256,014	232,457
Parking and ground transportation	195,997	116,564	103,714	184,414	175,998 <sup>(2)</sup>	163,622	156,634	144,584	134,150	124,225
Concessions	94,382	71,709	67,218	101,991	93,539	88,299	79,124	73,963	73,288	68,229
Ground and facilities leases	79,604	58,589	55,972	92,220	45,772	44,121	39,816	37,643	37,266	34,297
Hotels	40,788	18,346	26,015	50,376	49,407	47,831	44,259	37,735	35,028	31,032
Rent-A-Car rental	41,270	31,747	23,683	33,512	33,095	32,604	33,590	31,781	32,419	31,425
Employee transportation	16,923	14,175	17,543	17,521	17,545	17,822	19,322	16,619	13,970	12,345
Rent-A-Car customer transportation charge	11,638	8,739	8,684	13,968	13,839	13,456	13,424	11,406	11,507	11,106
Natural gas	6,429	1,964	1,054	1,816	2,403	10,307	2,051	3,710	6,287	8,498
Fuel Facility	6,471	6,150	6,118	5,959	5,680	5,641	5,608	5,613	5,603	5,504
General aviation	4,114	2,686	1,814	2,477	2,597	2,150	1,893	1,900	2,013	1,722
Utilities	7,672	6,360	6,311	6,025	6,178	5,645	5,611	5,316	4,804	4,938
Other non-airline	17,911	14,896	17,731	16,975	16,912	16,046	13,903	13,533	12,313	11,703
Total non-airline revenue	523,199	351,925	335,856	527,252	462,965	447,542	415,233	383,804	368,648	345,024
Total operating revenues	<u>\$ 977,955</u>	<u>\$ 791,800</u>	<u>\$ 786,181</u>	<u>\$ 1,023,927</u>	<u>\$ 929,437</u>	<u>\$ 840,899</u>	<u>\$ 745,562</u>	<u>\$ 679,240</u>	<u>\$ 624,662</u>	<u>\$ 577,481</u>

Source: General Ledger Source lines and Statement of Revenues, Expenses and Changes in Net Position

<sup>(1)</sup> Per the current use agreement

<sup>(2)</sup> Reclassification of parking fees to contract expenses, increased revenues by \$5.3 million.

\* Results impacted by COVID-19 pandemic.

**Dallas Fort Worth International Airport**  
**Landing Fee, Terminal Rental, Airline Cost and Cost per Enplanement**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Average Landing Fee Rates <sup>(1)</sup>										
Final Rates at the True-up	\$ 1.60	\$ 2.02	\$ 2.35	\$ 2.31	\$ 3.09	\$ 2.44	\$ 2.05	\$ 2.47	\$ 2.71	\$ 2.72
Average Terminal Rental Rates <sup>(2)</sup>										
Final Rates at the True-up	\$ 301.05	\$ 305.82	\$ 302.20	\$ 308.79	\$ 271.62	\$ 229.01	\$ 204.69	\$ 164.02	\$ 135.77	\$ 115.73

Source: DFW Finance Department

<sup>(1)</sup> Per 1,000 pounds

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Airline Cost (millions) <sup>(1)</sup>										
Final Rates at the True-up	\$ 446.6	\$ 440.9	\$ 443.1	\$ 485.5	\$ 458.7	\$ 383.2 <sup>(2)</sup>	\$ 319.6	\$ 286.0	\$ 245.3	\$ 225.3
Cost per Enplanement										
Final Rates at the True-up	\$ 12.19	\$ 15.63	\$ 18.29	\$ 12.95	\$ 12.90	\$ 11.28 <sup>(2)</sup>	\$ 9.50	\$ 8.75	\$ 7.53	\$ 7.20

Source: DFW Finance Department

<sup>(1)</sup> Includes Air Service Incentive rebates from DFW Capital Account.

<sup>(2)</sup> ASIP included in FY 2018, restated FY 2017 as \$385.6 and \$11.35.

**Dallas Fort Worth International Airport**  
**Key Parking Financial and Operational Information**  
**Last Ten Fiscal Years**

	2022	2021	2020 *	2019	2018	2017	2016	2015	2014	2013
<b>Parking Revenues (millions)</b>										
Terminal/Infield	\$ 122.1	\$ 73.3	\$ 55.4	\$ 95.4	\$ 89.1	\$ 85.3	\$ 82.7	\$ 78.8	\$ 73.2	\$ 71.7
Express/Remote	17.0	8.5	11.4	25.5	29.8	31.3	30.8	29.2	29.3	26.0
Drop Off/Meeter-Greeter	18.3	13.7	11.1	17.9	18.2	18.4	18.9	17.1	12.7	8.6
Pass-Through	2.1	2.0	2.3	3.1	4.0	4.2	3.3	3.1	2.4	2.3
Other	9.6	5.0	5.9	11.0	10.7	5.8	6.6	7.0	7.6	7.5
Sub total	<u>\$ 169.1</u>	<u>\$ 102.5</u>	<u>\$ 86.1</u>	<u>\$ 152.9</u>	<u>\$ 151.8</u>	<u>\$ 145.0</u>	<u>\$ 142.3</u>	<u>\$ 135.2</u>	<u>\$ 125.2</u>	<u>\$ 116.1</u>
TNCs	24.0	12.4	15.3	26.6	18.3	12.3	6.5	0.3	-	\$ -
Other Ground Transportation	2.9	1.7	2.3	4.9	5.8	6.4	7.9	9.2	9.0	\$ 8.1
Total	<u>\$ 196.0</u>	<u>\$ 116.6</u>	<u>\$ 103.7</u>	<u>\$ 184.4</u>	<u>\$ 175.9</u>	<u>\$ 163.6</u>	<u>\$ 156.7</u>	<u>\$ 144.6</u>	<u>\$ 134.1</u>	<u>\$ 124.2</u>
<b>Parking Transactions (millions) **</b>										
Terminal/Infield	2.26	1.44	1.23	2.13	1.91	1.85	1.92	1.85	1.91	2.04
Express/Remote	0.33	0.21	0.26	0.56	0.65	0.67	0.73	0.71	0.69	0.64
Drop Off/Meeter-Greeter	8.40	6.34	4.92	7.84	8.06	8.20	8.74	8.85	8.55	6.69
Pass-Through	0.37	0.35	0.44	0.85	1.09	1.14	1.69	2.06	1.95	1.68
Sub total	<u>11.36</u>	<u>8.34</u>	<u>6.85</u>	<u>11.38</u>	<u>11.71</u>	<u>11.86</u>	<u>13.08</u>	<u>13.47</u>	<u>13.10</u>	<u>11.05</u>
TNCs	4.44	2.47	3.06	5.32	4.28	3.07	1.62	0.07	-	-
Other Ground Transportation	0.74	0.43	0.56	1.23	1.41	1.61	1.94	2.16	2.12	2.12
Total	<u>16.54</u>	<u>11.24</u>	<u>10.47</u>	<u>17.93</u>	<u>17.40</u>	<u>16.54</u>	<u>16.64</u>	<u>15.70</u>	<u>15.22</u>	<u>13.17</u>
<b>Average Length of Stay (Days) **</b>										
Terminal	2.38	2.65	2.22	2.07	1.87	1.82	1.85	2.03	2.05	1.83
Express	4.54	4.34	3.96	3.76	3.72	3.74	3.83	3.67	3.95	4.19
Remote	4.79	2.21	4.09	4.14	4.12	4.15	4.16	4.22	4.33	4.07
Weighted Average	<u>2.66</u>	<u>2.86</u>	<u>2.53</u>	<u>2.45</u>	<u>2.38</u>	<u>2.38</u>	<u>2.44</u>	<u>2.55</u>	<u>2.60</u>	<u>2.38</u>
<b>Parking Revenue per</b>										
<b>Originating Passenger</b>	\$ 10.91	\$ 9.01	\$ 8.09	\$ 8.13	\$ 8.49	\$ 8.86	\$ 8.75	\$ 8.89	\$ 8.24	\$ 7.98

Source: DFW Finance and Parking Departments

\* Results impacted by COVID-19 epidemic.

\*\* Parking Transactions and Average Length of Stay were updated from 2019 to 2021 due to corrected calculations.

**Dallas Fort Worth International Airport**  
**Key Terminal Concessions, Financial and Operational Information**  
**Last Ten Fiscal Years**

	2022 <sup>(2)</sup>	2021	2020 **	2019	2018	2017	2016	2015 *	2014	2013
Number of concessions locations	223	222	244	252	237	224	230	233	225	226
Leased sq. ft. EOY (000s)	343	333	316	300	275	249	240	232	224	254
Concessions Sales-Terminal (millions):										
Food and beverage	\$ 302.3	\$ 211.0	\$ 180.2	\$ 277.4	\$ 240.0	\$ 223.0	\$ 220.1	\$ 211.5	\$ 202.9	\$ 184.6
Retail and duty free	122.2	82.5	76.1	129.4	123.9	113.9	113.8	112.3	110.9	111.0
Other In Terminal	57.7	32.0	33.0	40.8	30.7	22.6	16.5	19.6	23.5	23.3
Total concessions sales	\$ 482.2	\$ 325.5	\$ 289.3	\$ 447.6	\$ 394.6	\$ 359.5	\$ 350.4	\$ 343.4	\$ 337.4	\$ 318.9
Concessions sales per enplanement	\$ 13.38	\$ 11.78	\$ 12.22	\$ 12.22	\$ 11.44	\$ 10.86	\$ 10.67	\$ 10.58	\$ 10.74	\$ 10.59
Concession sales per sq. ft.	\$ 1,406	\$ 978	\$ 916	\$ 1,492	\$ 1,433	\$ 1,445	\$ 1,463	\$ 1,480	\$ 1,503	\$ 1,254
Concessions gross proceeds to DFW-Terminal (millions):										
Food and beverage	\$ 45.3	\$ 31.0	\$ 25.7	\$ 40.1	\$ 35.6	\$ 32.9	\$ 30.9	\$ 27.8	\$ 26.0	\$ 24.0
Retail and duty free	19.7	12.9	12.1	24.8	23.9	22.6	21.1	19.4	18.3	17.8
Other In Terminal	32.6	20.9	22.2	26.9	24.8	24.1	19.1	19.1	22.6	20.4
Income-Terminal Subtotal	\$ 97.6	\$ 64.8	\$ 60.0	\$ 91.8	\$ 84.3	\$ 79.6	\$ 71.1	\$ 66.3	\$ 66.9	\$ 62.2
Concessions income per enplanement	\$ 2.70	\$ 2.21	\$ 2.52	\$ 2.51	\$ 2.44	\$ 2.40	\$ 2.17	\$ 2.09	\$ 2.13	\$ 2.07
Concessions income per sq. ft.	\$ 284	\$ 195	\$ 190	\$ 306	\$ 306	\$ 320	\$ 297	\$ 286	\$ 298	\$ 245
Concessions - Not In Terminal <sup>(1)</sup>	\$ 9.1	\$ 6.9	\$ 7.2	\$ 10.2	\$ 9.2	\$ 8.7	\$ 8.0	\$ 7.7	\$ 6.4	\$ 6.0
Reimbursable Services	-	-	-	-	-	-	-	-	-	-
Total Concessions gross billings by DFW	\$ 106.7	\$ 71.7	\$ 67.2	\$ 102.0	\$ 93.5	\$ 88.3	\$ 79.1	\$ 74.0	\$ 73.3	\$ 68.2
Lease revenue	55.4									
Lease exclusions	(46.9)									
ARPA credit	(20.8)									
Total Concessions Revenue	\$ 94.4									

Source: DFW Finance and Concessions Departments, from concessionaire on-line reporting

<sup>(1)</sup> Non-passenger/non-terminal income. Not included in ratios.

\* In FY 2015 Concessions for enplanement was adjusted from \$10.81 to \$10.58 due to change in airline reporting practices.

\*\* Results impacted by COVID-19 epidemic.

<sup>(2)</sup> GASB 87 recognizes the lease revenue based on the future discounted lease payments. Prior to FY 2022, revenue was recognized when billed as gross proceeds. Starting in FY 2022, proceeds are adjusted for lease-related activities.

**Dallas Fort Worth International Airport**  
**Summary of Key Rental Cars and Operational Information**  
**Last Ten Fiscal Years**

	2022 <sup>(1)</sup>	2021	2020 *	2019	2018	2017	2016	2015	2014	2013
Transaction days (thousands)	4,650	3,495	3,454	5,572	5,500	5,396	5,552	5,195	5,231	5,048
Rental car sales (millions)	\$ 349.5	\$ 257.1	\$ 177.3	\$ 280.9	\$ 273.5	\$ 269.3	\$ 279.9	\$ 265.6	\$ 267.2	\$ 256.9
Proceeds to DFW (millions)	\$ 41.2	\$ 31.7	\$ 23.7	\$ 33.5	\$ 33.1	\$ 32.6	\$ 33.6	\$ 31.8	\$ 32.4	\$ 31.4
Proceeds/destination passenger	\$ 3.44	\$ 3.87	\$ 3.02	\$ 2.54	\$ 2.58	\$ 2.67	\$ 2.76	\$ 2.46	\$ 2.50	\$ 2.56
Proceeds to DFW (millions)	\$ 41.2									
Lease revenue	6.1									
Lease exclusion	(6.1)									
RAC revenue	<u>\$ 41.2</u>									

Source: DFW Finance and Concessions Departments, most current data available, from rental car companies self-reporting.

\* Results impacted by COVID-19 epidemic.

<sup>(1)</sup> GASB 87 recognizes the lease revenue based on the future discounted lease payments. Prior to FY 2022, revenue was recognized when billed as gross proceeds. Starting in FY 2022, proceeds are adjusted for lease-related activities.

**Dallas Fort Worth International Airport**  
**Summary of Key Commercial Development Financial and Operational Information**  
**Last Ten Fiscal Years**

	2022 <sup>(2)</sup>	2021	2020	2019	2018	2017	2016	2015	2014	2013
Ground Lease Billings (millions)	\$ 69.3	\$ 58.6	\$ 56.0	\$ 92.2 <sup>(1)</sup>	\$ 45.8	\$ 44.1	\$ 39.8	\$ 37.6	\$ 37.3	\$ 34.3
Acres Leased (end of period)	2,438	2,323	2,105	1,863	1,597	1,592	1,455	1,415	1,284	1,247
Average Billable Rate per Acre (thousands)	\$ 28.4	\$ 25.2	\$ 26.6	\$ 49.5	\$ 28.7	\$ 27.7	\$ 27.4	\$ 26.6	\$ 29.0	\$ 27.5
Ground Lease Billings (millions)	\$ 69.3									
Lease revenue	53.0									
Lease exclusions	(42.7)									
Ground Lease Revenues	<u>\$ 79.6</u>									

Source: DFW Finance and Commercial Development Departments, most current data available

<sup>(1)</sup> One-time Campus West lease payment for \$40.0 million.

<sup>(2)</sup> GASB 87 recognizes the lease revenue based on the future discounted lease payments. Prior to FY 2022, revenue was recognized when billed as gross proceeds. Starting in FY 2022, proceeds are adjusted for lease-related activities.



**Dallas Fort Worth International Airport**  
**Summary of Key Natural Gas Financial and Operational Information**  
**Last Ten Fiscal Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues (millions)										
Royalties <sup>(1)</sup>	\$ 6.4	\$ 1.7	\$ 1.1	\$ 1.8	\$ 2.3	\$ 10.2 *	\$ 2.0	\$ 3.6	\$ 6.2	\$ 6.2
Surface use and other revenues	0.0	0.3	0.0	0.0	0.1	0.1	0.1	0.1	0.1	2.3
Total Natural Gas Revenues	<u>\$ 6.4</u>	<u>\$ 2.0</u>	<u>\$ 1.1</u>	<u>\$ 1.8</u>	<u>\$ 2.4</u>	<u>\$ 10.3</u>	<u>\$ 2.1</u>	<u>\$ 3.7</u>	<u>\$ 6.3</u>	<u>\$ 8.5</u>
Operational Information										
Wells in production	56	56	53	53	58	59	70	74	98	98
Total Production (MMcf)	4.1	2.0	2.4	3.7	3.4	3.4	4.4	5.6	6.8	7.8
Average price paid to DFW <sup>(2)</sup>	<u>\$ 5.03</u>	<u>\$ 2.49</u>	<u>\$ 1.53</u>	<u>\$ 2.23</u>	<u>\$ 2.66</u>	<u>\$ 2.46</u>	<u>\$ 1.81</u>	<u>\$ 2.74</u>	<u>\$ 3.71</u>	<u>\$ 3.19</u>

Source: DFW Finance and Commercial Development Departments, most current data available, production data from Total Barnett USA.

\* DFW received a one-time adjusting payment of \$8.2 Million in FY 2017.

<sup>(1)</sup> DFW Royalties share is 25% of the Natural gas output.

<sup>(2)</sup> Price is net of transportation costs.

### **DEBT CAPACITY INFORMATION**

The following tables are designed to assist the reader in gaining a greater understanding of DFW's current outstanding debt, debt history and DFW's ability to issue additional debt in the future. The first of two tables compares the ratios of debt service and debt outstanding to the number of enplaned passengers. The second table demonstrates DFW's ability to meet its bond covenant coverage requirements based on Gross Revenues and Current Gross Revenues as explained in Note 6 (a) – Debt.

**Dallas Fort Worth International Airport  
Debt and Debt Service Ratios  
Last Ten Fiscal Years  
(Amounts in Thousands)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total revenue bond payable	\$7,689,038	\$6,222,988	\$6,488,559	\$6,512,199	\$6,730,912	\$6,595,816	\$6,727,734	\$6,626,250	\$6,739,330	\$6,258,654
Net Debt service	474,967	461,278	479,002	499,905	467,348	415,056	359,940	314,030	274,482	280,855
Less: PFCs, PFIC	(136,790)	(126,384)	(121,050)	(165,185)	(148,244)	(158,534)	(148,783)	(141,886)	(129,232)	(156,688)
Debt service, net of PFC's, PFIC	\$ 338,177	\$ 334,894	\$ 357,952	\$ 334,720	\$ 319,104	\$ 256,522	\$ 211,157	\$ 172,144	\$ 113,346	\$ 105,601
Total enplaned passengers	36,068	27,646	23,671	36,635	34,512	33,131	32,837	32,455	31,419	30,128
Debt outstanding per enplaned passenger	\$ 213.18	\$ 225.09	\$ 274.12	\$ 177.76	\$ 195.03	\$ 199.09	\$ 207.30	\$ 204.17	\$ 214.50	\$ 207.74
Debt service per enplaned passenger	\$ 13.17	\$ 16.69	\$ 20.24	\$ 13.65	\$ 13.54	\$ 12.53	\$ 10.96	\$ 9.68	\$ 8.74	\$ 9.32

Source: Dallas Fort Worth International Airport Finance Department

**Dallas Fort Worth International Airport  
Debt Service Coverage  
Last Ten Fiscal Years  
(Amounts in Millions)**

	Fiscal Year Ended September 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Coverage Calculation - Gross Revenues										
Operating Revenues										
Airfield cost center	\$ 184.5	\$ 174.9	\$ 167.5	\$ 184.1	\$ 196.9	\$ 166.2	\$ 151.5	\$ 149.4	\$ 146.2	\$ 140.1
Terminal cost center	398.2	376.8	378.4	402.8	347.5	306.4	272.1	225.4	180.0	164.3
DFW cost center (non-airline revenues)	335.1	218.3	208.9	332.9	322.4	306.3	289.3	273.6 <sup>(1)</sup>	268.3	252.7
Total Operating Revenues	\$ 917.8	\$ 770.0	\$ 754.8	\$ 919.8	\$ 866.8	\$ 778.9	\$ 712.9	\$ 648.4	\$ 594.5	\$ 557.1
Non-operating Revenues *	136.8	126.4	121.1	165.1	148.1	158.4	148.7	141.8	129.2	156.7
Federal Relief Proceeds <sup>(3)</sup>	65.7	138.3	144.1	-	-	-	-	-	-	-
Rolling coverage	118.4	115.2	119.6	125.0	116.8	103.8	90.0	78.5	68.6	70.2
Total Gross Revenues	\$ 1,238.8	\$ 1,149.9	\$ 1,139.6	\$ 1,209.9	\$ 1,131.7	\$ 1,041.1	\$ 951.6	\$ 868.7	\$ 792.3	\$ 784.0
Less Operating Expenses	(548.6)	(492.0)	(464.9)	(499.6)	(464.1)	(438.2)	(416.7)	(392.1)	(376.9)	(352.9)
Gross Revenues available for debt service	\$ 690.2	\$ 657.9	\$ 674.7	\$ 710.3	\$ 667.6	\$ 602.9	\$ 534.9	\$ 476.6	\$ 415.4	\$ 431.1
Debt Service	\$ 475.0	\$ 461.3	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5	\$ 280.9
Coverage ratio - Gross Revenues	1.45	1.43	1.41	1.42	1.42	1.45	1.49	1.52	1.51	1.53
Coverage Calculation - Current Gross Revenues										
Gross Revenues available for debt service	\$ 690.2	\$ 657.9	\$ 674.7	\$ 710.3	\$ 667.6	\$ 602.9	\$ 534.9	\$ 476.6	\$ 415.4	\$ 431.1
Less: Transfers and Rolling Coverage	(118.4)	(115.2)	(119.6)	(125.0)	(116.8)	(107.8)	(98.0)	(90.5)	(84.6)	(90.2)
Current Gross Revenues available for debt service	\$ 571.8	\$ 542.7	\$ 555.1	\$ 585.3	\$ 550.8	\$ 495.1	\$ 437.0	\$ 386.1	\$ 330.8	\$ 340.9
Debt Service	\$ 475.0	\$ 461.3	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5	\$ 280.9
Coverage ratio - Current Gross Revenues	1.20	1.18	1.16	1.17	1.17	1.19	1.21	1.23	1.21	1.21
Coverage Calculation - All Revenues Sources										
Current Gross Revenues available for debt service	\$ 571.8	\$ 542.7	\$ 555.1	\$ 585.3	\$ 550.8	\$ 495.1	\$ 437.0	\$ 386.1	\$ 330.8	\$ 340.9
Natural Gas Royalties, Investment Income, Other PFIC <sup>(2)</sup>	12.6	6.0	12.7	30.4	11.4	17.9	14.6	19.0	21.6	13.7
	38.8	9.5	4.0	73.3	26.2	25.8	23.8	15.5	24.7	20.8
All Current Revenues available for debt service	\$ 623.3	\$ 558.2	\$ 571.9	\$ 689.0	\$ 588.3	\$ 538.8	\$ 475.4	\$ 420.6	\$ 377.1	\$ 375.4
Debt Service	\$ 475.0	\$ 461.3	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5	\$ 280.9
Coverage ratio - All Current Revenues	1.31	1.21	1.19	1.38	1.26	1.30	1.32	1.34	1.37	1.34
Coverage ratio - All Current Revenues plus Capital Transfers and Rolling Coverage	1.56	1.46	1.44	1.63	1.51	1.56	1.59	1.63	1.68	1.66

\* Non-operating revenues include PFC revenues from the current year plus amounts transferred from the PFC amount to pay eligible debt service.

<sup>(1)</sup> Coverage adjustment for \$3.4 changed FY 2015 baseline to \$270.2

<sup>(2)</sup> PFIC coverage calculation added in FY 2019.

<sup>(3)</sup> Federal Relief Proceeds were deducted from the Airline, Terminal and DFW Cost Centers.

## **DEMOGRAPHIC and ECONOMIC INFORMATION**

The following tables represent demographic and economic information for the purpose of increasing the reader's understanding of the business environment in which DFW operates. The Top Customers by Revenue report lists DFW's main passenger and cargo airlines, rental car companies, concessionaires, and other tenants. The Dallas-Fort Worth metroplex population, income, and unemployment trends are shown on the next table.

**Dallas Fort Worth International Airport**  
**Top Customers - Revenues**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**

Company Name	FY 2022	FY 2021	FY 2020 *	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
American Airlines	\$ 408,588	\$ 420,461	\$ 366,262	\$ 408,409	\$ 375,564	\$ 318,574	\$ 282,676	\$ 263,574	\$ 200,127	\$ 200,626
US Airw ays <sup>(2)</sup>	-	-	-	-	-	-	-	7,698	6,407	2,967
American Airlines Group <sup>(1)</sup>	\$ 408,588	\$ 420,461	\$ 366,262	\$ 408,409	\$ 375,564	\$ 318,574	\$ 282,676	\$ 271,272	\$ 206,534	\$ 203,593
Delta Air Lines	17,600	18,104	15,553	17,496	15,429	13,023	11,039	12,633	8,477	3,800
United Air Lines	12,370	12,155	10,836	12,417	12,340	10,596	8,854	9,899	5,863	2,427
Rasier, LLC (Uber)	10,477	4,836	7,590	11,271	7,215	5,099	2,909	130	-	-
Spirit Airlines	9,521	8,830	7,677	9,501	9,959	7,516	7,629	7,566	6,385	4,460
Hertz Corporation	9,363	6,219	5,915	8,220	7,606	7,169	8,527	8,784	9,021	8,436
Vanguard Car Rental USA	8,470	6,555	4,380	8,740	8,442	7,870	8,375	8,090	7,392	6,072
Avis Rent-A-Car System	8,199	4,979	4,613	6,186	5,684	5,685	6,732	6,715	7,020	6,235
Sky Chefs <sup>(3)</sup>	8,012	6,035	6,865	8,428	7,628	6,799	6,269	6,148	5,463	5,483
United Parcel Service	7,131	6,898	6,339	6,240	6,065	4,702	4,467	4,561	4,349	2,531
Budget Rent-A-Car Systems	6,408	4,334	3,369	4,046	3,515	3,678	4,206	3,559	3,587	2,741
Coca-Cola Southw est Beverages LLC	5,840	5,377	4,741	4,509	-	-	-	-	-	-
EAN Holdings (Enterprise rental cars)	5,584	4,718	3,790	4,633	4,261	3,686	3,882	3,666	3,365	3,154
TGIF/DFW Restaurant Joint Venture	5,236	1,031	2,871	3,626	997	1,769	3,330	3,718	4,780	3,210
Hyatt Regency Hotel DFW	4,246	2,529	3,154	4,538	4,125	3,867	4,463	4,190	3,867	2,420
Qantas Airw ays	1,452	81	3,113	5,871	5,899	5,269	4,624	4,044	2,884	2,822
GTE Realty Corporation	-	-	-	730	2,131	2,085	2,074	2,086	2,065	2,028
Clear Channel Airports	-	-	-	-	-	1,508	4,884	9,081	10,176	11,047
Buckaroo Joint Venture	-	-	-	-	-	187	3,213	3,344	3,430	3,204
<b>Total</b>	<b>\$ 528,495</b>	<b>\$ 513,142</b>	<b>\$ 457,070</b>	<b>\$ 524,861</b>	<b>\$ 476,860</b>	<b>\$ 409,082</b>	<b>\$ 378,153</b>	<b>\$ 369,486</b>	<b>\$ 294,658</b>	<b>\$ 273,663</b>

Source: Accounts Receivable Billing History

<sup>(1)</sup> American Eagle (Envoy Air) and US Airw ays are included w ith American Airlines.

<sup>(2)</sup> US Airw ays integrated w ith American Airlines in October 2015 (FY 2016)

<sup>(3)</sup> Sky Chefs Inc. is updated to reflect percentage rent revenues excluded in 2013 w hich w as previously reported as \$408.

\* Results impacted by COVID-19 epidemic.

**Dallas Fort Worth International Airport  
Dallas-Fort Worth-Arlington Metropolitan Statistical Area  
Demographic and Economic Information  
Ten Calendar Years**

Year	Population	Personal Income (in millions)	Per Capita Personal Income	Unemployment Rate (%)
2012	6,700,991	309,155	46,136	5.8
2013	6,810,913	320,035	46,989	4.8
2014	6,954,330	344,280	49,506	4.0
2015	7,102,796	362,948	51,099	4.1
2016	7,233,323	369,615	51,099	3.8
2017	7,399,662	392,146	52,995	3.6
2018	7,470,158	417,481	55,886	3.5
2019	7,573,136	444,730	58,725	3.3
2020	7,694,138	473,604	61,554	7.1
2021	7,759,615	517,779	66,727	5.1
2022	N/A	N/A	N/A	N/A

Sources:

Dallas-Fort Worth-Arlington, TX (MSA)

Bureau of Economic Analysis: Regional Economic Accounts - (<http://bea.gov>)

Unemployment Rate: U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>)

N/A - 2022 information unavailable at this time

## **OPERATING INFORMATION**

The following tables are designed to assist the reader in gaining a greater understanding of underlying factors affecting DFW's ability to generate revenue, highlighting trends in operations, activities, and resources. Operating information consists of Passengers broken down by domestic and international, and originating and destination, and by airline. Also included are monthly passenger volumes. Landed Weights are also detailed by airline and separated by domestic and international and cargo. Cargo Volumes are provided as well. Aircraft Operations are shown by airline. The DFW employee force shows trends in the total workforce. Capital Assets such as runways, terminals, hotels, facilities, and other assets currently used at the airport are listed. A comprehensive listing of insurance policies will be found on the final page.



**Dallas Fort Worth International Airport**  
**Activity Statistics**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**

<u>Fiscal year</u>	<u>Total passengers</u>	<u>Aircraft operations <sup>(1)</sup></u>	<u>Cargo volume <sup>(2)</sup></u>
2022	72,200	663	943
2021	55,400	621	985
2020 **	47,388	557	888
2019	73,265	700	972
2018	69,022	662	911
2017	66,346	654	886
2016	65,726	675	795
2015	65,002	682	733
2014	62,947	671	687 *
2013	60,283	675	647

Source: Dallas Fort Worth International Airport Activity Reports

(1) Aircraft operations represents the total number of take-offs and landings at the Airport

(2) U. S. Tons

\*Final FY 2014 Cargo Tons adjusted from 682 to 687.

\*\* Results impacted by COVID-19 epidemic.

**Dallas Fort Worth International Airport  
Aircraft Operations  
Last Ten Fiscal Years  
(Amounts in Thousands)**

	2022		2021		2020 *		2019		2018		2017		2016		2015		2014		2013	
	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%
Domestic Passenger	554	84%	524	84%	470	84%	582	83%	550	83%	543	83%	571	84%	585	86%	579	86%	589	87%
International Passenger	67	10%	51	8%	44	8%	72	10%	68	10%	71	11%	68	10%	66	10%	64	10%	59	9%
Total Passenger	621	94%	575	92%	514	92%	654	93%	618	93%	614	94%	639	94%	651	96%	643	96%	648	96%
Cargo Aircraft	27	4%	28	5%	29	5%	29	5%	26	4%	25	4%	23	4%	21	3%	19	3%	19	3%
General Aviation Aircraft	15	2%	18	3%	14	3%	17	2%	18	3%	15	2%	13	2%	11	1%	9	1%	8	1%
Total Annual Operations	663		621		557		700		662		654		675		683		671		675	

Source: DFW Airport Finance Department and Aviation Analytics Department, most current data available, based on flight activity reports provided by airlines.

\* Results impacted by COVID-19 epidemic.

Ops represents the number of takeoffs and landings at the Airport.

**Dallas Fort Worth International Airport  
Enplaned Passengers by Airline  
Last Ten Fiscal Years  
(Amounts in Thousands)**

Passenger Airlines	FY 2022	% of total	FY 2021	% of total	FY 2020 **	% of total	FY 2019	% of total	FY 2018	% of total	FY 2017	% of total	FY 2016	% of total	FY 2015 *	% of total	FY 2014	% of total	FY 2013	% of total
Alaska Airlines	266	0.7%	180	0.8%	128	0.6%	234	0.7%	226	0.7%	242	0.7%	231	0.7%	227	0.7%	190	0.6%	130	0.4%
American Airlines	24,671	68.4%	17,945	64.9%	15,846	66.9%	25,139	68.6%	23,597	68.4%	22,638	68.3%	22,309	67.9%	21,721	66.9%	22,136	70.5%	21,448	71.2%
AMR Eagle (Envoy Air)	5,925	16.4%	6,297	22.9%	4,766	20.2%	6,056	16.6%	5,509	16.1%	5,536	16.7%	5,525	16.9%	4,857	15.1%	3,700	12.0%	3,445	11.5%
British Airways	79	0.2%	31	0.1%	40	0.2%	62	0.2%	94	0.3%	91	0.3%	98	0.3%	96	0.3%	101	0.3%	103	0.3%
Continental Airlines	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	53	0.2%	134	0.4%
Delta Air Lines	1,301	3.6%	888	3.2%	796	3.4%	1,416	3.9%	1,303	3.8%	1,234	3.7%	1,258	3.8%	1,285	4.0%	1,214	3.9%	989	3.3%
Emirates	79	0.2%	18	0.1%	47	0.2%	103	0.3%	101	0.3%	95	0.3%	110	0.3%	112	0.3%	82	0.3%	84	0.3%
Etihad Airways	-	0.0%	-	0.0%	-	0.0%	-	0.0%	35	0.1%	63	0.2%	33	0.1%	23	0.1%	-	0.0%	-	0.0%
Express Jet	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	15	0.0%	55	0.2%	108	0.3%	173	0.6%
Finnair	20	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Frontier Airlines	598	1.7%	265	1.0%	134	0.6%	138	0.4%	102	0.3%	91	0.3%	179	0.5%	195	0.6%	234	0.7%	200	0.7%
Iberia	17	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Korean Air Lines	24	0.1%	9	0.0%	23	0.1%	53	0.1%	53	0.2%	47	0.1%	48	0.1%	42	0.1%	59	0.2%	65	0.2%
Lufthansa German Airlines	6	0.0%	15	0.1%	34	0.1%	81	0.2%	77	0.2%	69	0.2%	63	0.2%	73	0.2%	67	0.2%	67	0.2%
Qantas Airways	36	0.1%	-	0.0%	49	0.2%	107	0.3%	111	0.3%	113	0.3%	108	0.3%	101	0.3%	94	0.3%	94	0.3%
Qatar Airways	170	0.5%	80	0.3%	64	0.3%	98	0.3%	95	0.3%	96	0.3%	99	0.3%	83	0.3%	19	0.1%	-	0.0%
Republic Airlines	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	83	0.3%	7	0.0%	4	0.0%	7	0.0%
Spirit Airlines	1,294	3.6%	1,021	3.7%	870	3.7%	1,421	3.9%	1,425	4.1%	1,198	3.6%	1,284	3.9%	1,300	4.0%	1,152	3.7%	1,065	3.5%
Sun Country Airlines	105	0.3%	100	0.4%	49	0.2%	134	0.4%	89	0.3%	91	0.3%	87	0.3%	93	0.3%	92	0.3%	85	0.3%
United Airlines	933	2.6%	559	2.0%	583	2.5%	1,073	2.9%	1,222	3.5%	1,111	3.4%	977	3.0%	969	3.0%	782	2.5%	246	0.8%
US Airways <sup>(2)</sup>	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	938	2.9%	950	3.0%	879	2.9%
Virgin America	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	7	0.0%	212	0.7%	205	0.7%
Other	544	1.6%	238	0.7%	242	0.8%	519	1.2%	474	1.1%	416	1.3%	330	0.9%	271	0.7%	170	0.3%	710	2.3%
<b>Total</b>	<b>36,068</b>		<b>27,646</b>		<b>23,671</b>		<b>36,635</b>		<b>34,512</b>		<b>33,131</b>		<b>32,837</b>		<b>32,455</b>		<b>31,419</b>		<b>30,128</b>	

Source: Dallas Fort Worth International Airport Finance Department

<sup>(2)</sup> US Airways integrated with American Airlines in October 2015 (FY 2016)

\* Final FY 2015 Enplaned Passengers adjusted from 31,759 to 32,455 due to change in airline reporting practices.

\*\* Results impacted by COVID-19 epidemic.

**Dallas Fort Worth International Airport  
Enplanement Statistics  
Last Ten Fiscal Years  
(Passengers in Millions)**

<u>Passengers</u>	<u>2022</u>		<u>2021</u>		<u>2020 **</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015 *</u>		<u>2014</u>		<u>2013</u>	
	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>
<u>Domestic/International</u>																				
Domestic	31.6	88	25.1	91	21.3	90	32.0	87	30.2	88	28.8	87	28.7	88	28.5	88	27.9	89	26.8	89
International	4.5	12	2.5	9	2.4	10	4.6	13	4.3	12	4.3	13	4.1	12	4.0	12	3.5	11	3.3	11
Total Enplanements	<u>36.1</u>	<u>100</u>	<u>27.6</u>	<u>100</u>	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>	<u>32.5</u>	<u>100</u>	<u>31.4</u>	<u>100</u>	<u>30.1</u>	<u>100</u>
<u>O&amp;D/Connecting</u>																				
Origination (O)	7.7	21	5.2	19	4.8	20	8.5	23	8.1	23	7.6	23	7.5	22	7.2	22	7.0	22	6.7	22
Destination (D)	6.0	17	4.1	15	3.9	17	6.6	18	6.4	19	6.1	18	6.1	19	6.6	20	6.5	21	6.1	20
O&D Subtotal	13.7	38	9.3	34	8.7	37	15.1	41	14.5	42	13.7	41	13.6	41	13.8	42	13.5	43	12.8	42
Connecting	22.4	62	18.3	66	15.0	63	21.5	59	20.0	58	19.4	59	19.2	59	18.7	58	17.9	57	17.3	58
Total Enplanements	<u>36.1</u>	<u>100</u>	<u>27.6</u>	<u>100</u>	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>	<u>32.5</u>	<u>100</u>	<u>31.4</u>	<u>100</u>	<u>30.1</u>	<u>100</u>
<u>By Airline</u>																				
American	24.7	68	17.9	65	15.8	67	25.1	69	23.6	68	22.6	68	22.3	68	21.7	67	22.1	70	21.4	71
American Eagle (Envoy Air)	5.9	16	6.3	23	4.8	20	6.1	17	5.5	16	5.5	17	5.5	17	4.9	15	3.7	12	3.4	11
US Airways <sup>(1)</sup>	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.9	3	1.0	3	0.9	3
Delta	1.3	4	0.8	3	0.8	3	1.4	4	1.3	4	1.2	4	1.3	4	1.3	4	1.2	4	1.4	5
United	0.9	3	0.5	2	0.6	3	1.1	3	1.2	4	1.1	3	1.0	3	1.0	3	0.8	3	0.8	3
Spirit Airlines	1.3	4	1.0	4	0.9	4	1.4	4	1.4	4	1.2	4	1.3	4	1.3	4	1.2	4	1.1	4
Emirates	0.1	0	0.2	1	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
Qantas Airways	0.0	0	-	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
Qatar Airways	0.2	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	-	0	-	0
Sun Country Airlines	0.1	0	0.1	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
AirTran	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0
Other	1.6	5	0.7	2	0.7	3	1.1	3	1.1	4	1.1	4	1.0	4	1.0	4	1.1	4	0.8	3
Total Enplanements	<u>36.1</u>	<u>100</u>	<u>27.6</u>	<u>100</u>	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>	<u>32.5</u>	<u>100</u>	<u>31.4</u>	<u>100</u>	<u>30.1</u>	<u>100</u>

Source: DFW Airport Finance Department, most current data available, based on flight activity reports provided by airlines

<sup>(1)</sup> US Airways integrated with American Airlines in October 2015 (FY 2016).

\* Final FY 2015 Enplaned Passengers adjusted from 31.8 to 32.5 due to change in airline reporting practices.

\*\* Results impacted by COVID-19 epidemic.

**Dallas Fort Worth International Airport  
Landed Weights and Cargo Tonnage  
Last Ten Fiscal Years  
(Weights in Billions of Pounds)**

	2022		2021		2020 **		2019 <sup>(2)</sup>		2018		2017		2016		2015		2014		2013	
	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%
<b>By Airline Type</b>																				
Domestic Passenger	31.8	70	34.5	86	30.6	86	39.8	86	37.6	86	37.1	87	36.5	88	36.3	89	35.2	89	35.0	91
International Passenger	8.9	20	1.0	3	1.1	3	2.1	4	1.9	4	1.7	4	1.4	3	1.1	3	1.0	3	0.6	2
Cargo/Integrator	4.4	10	4.5	11	4.6	11	4.9	10	4.3	10	4.0	9	3.8	9	3.3	8	3.2	8	2.7	7
Total Landed Weights	45.1	100	40.0	100	36.3	100	46.8	100	43.8	100	42.8	100	41.7	100	40.7	100	39.4	100	38.3	100
<b>By Major Airline</b>																				
American	26.9	60	22.6	56	20.7	57	27.9	60	26.1	60	25.6	60	25.0	60	24.5	60	25.0	64	24.5	64
American Eagle (Envoy Air)	7.0	15	8.2	20	6.6	18	7.4	16	6.7	15	6.7	16	6.6	16	5.3	13	4.2	11	4.0	10
US Airways <sup>(1)</sup>	-	0	-	0	-	0	-	0	-	0	-	0	-	0	1.1	3	1.1	3	1.0	3
UPS	2.1	5	2.1	5	2.1	6	1.9	4	1.3	3	1.2	3	1.1	3	1.0	2	0.9	2	0.9	2
Delta	1.5	3	1.3	3	1.1	3	1.6	3	1.4	3	1.4	3	1.4	3	1.5	4	1.4	3	1.4	4
Frontier	0.6	1	0.3	1	0.1	1	0.1	0	0.1	0	0.1	0	0.2	0	0.2	1	0.2	1	0.2	0
Spirit Airlines	1.2	3	1.0	3	0.9	3	1.4	3	1.4	3	1.2	3	1.4	3	1.4	3	1.2	3	1.2	3
Federal Express	0.7	2	0.8	2	0.7	2	0.6	1	0.6	1	0.6	1	0.6	1	0.6	1	0.6	1	0.5	1
United	0.1	0	0.7	2	0.8	2	1.2	3	1.4	3	1.3	3	1.2	3	1.1	3	1.0	2	1.1	3
Alaska Airlines	0.3	1	0.2	1	0.2	0	0.2	1	0.2	1	0.2	1	0.2	1	0.2	1	0.2	0	0.1	0
British Airways	0.3	1	0.2	0	0.2	0	0.2	0	0.2	1	0.2	1	0.2	0	0.2	1	0.2	1	0.2	1
Korean Air Lines	0.3	1	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.2	0	0.1	0
Lufthansa German Airlines	0.1	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
Emirates	0.1	0	0.1	0	0.1	0	0.2	0	0.2	0	0.2	0	0.2	1	0.3	1	0.2	0	0.2	0
Japan Airlines	0.2	0	0.2	0	0.1	1	0.2	0	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0
Etihad Airways	0.2	1	-	0	-	0	-	0	0.1	0	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0
Qantas	0.0	0	0.0	0	0.1	0	0.3	1	0.3	1	0.3	1	0.2	1	0.3	1	0.2	1	0.2	1
Qatar Airways	0.1	0	0.2	1	0.2	0	0.2	0	0.2	0	0.2	0	0.1	0	0.2	0	0.0	0	0.0	0
Sun Country Airlines	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
AirTran	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0
Other	3.3	7	2.0	6	2.1	7	3.1	8	3.2	9	3.1	9	2.8	8	2.4	6	2.6	8	2.5	8
Total Landed Weights	45.1	100	40.0	100	36.3	100	46.8	100	43.8	100	42.8	100	41.7	100	40.7	100	39.4	100	38.3	100
Cargo Tonnage (Thousands)	943		985		888		972		911		886		795		733		687 *		647	

Source: DFW Finance Department, most current data available, based on flight activity reports provided by airlines

\* Final FY 2014 Cargo Tons adjusted from 682 to 687

<sup>(1)</sup> US Airways integrated with American Airlines in October 2015 (FY 2016)

<sup>(2)</sup> 2019 Domestic Passenger weight adjusted down by 0.4 to 39.8 and Cargo/Integrator adjusted up by 0.4 to 4.9. Total Landed Weights for the year unaffected.

\*\* Results impacted by COVID-19 epidemic.

**Dallas Fort Worth International Airport  
Enplaned Passengers by Month  
Last Ten Fiscal Years  
(Amounts in Thousands)**

	2022	2021	2020 **	2019	2018	2017	2016	2015 *	2014	2013
October	2,964	1,905	3,185	2,868	2,917	2,794	2,808	2,707	2,593	2,485
November	2,922	1,701	3,007	2,808	2,714	2,593	2,603	2,432	2,353	2,385
December	3,014	1,774	3,219	2,842	2,825	2,671	2,684	2,685	2,417	2,435
January	2,374	1,517	2,871	2,718	2,601	2,528	2,530	2,489	2,445	2,314
February	2,141	1,261	2,770	2,566	2,466	2,366	2,417	2,176	2,214	2,187
March	2,981	2,244	1,649	3,048	2,896	2,814	2,780	2,700	2,643	2,555
April	3,045	2,369	242	2,999	2,788	2,635	2,625	2,655	2,566	2,457
May	3,357	2,737	676	3,318	3,015	2,909	2,835	2,769	2,760	2,636
June	3,453	3,192	1,115	3,444	3,275	3,051	2,969	3,023	2,939	2,766
July	3,473	3,427	1,625	3,557	3,281	3,116	3,056	3,170	3,021	2,838
August	3,198	2,831	1,620	3,400	3,087	2,956	2,802	2,962	2,856	2,695
September	3,145	2,688	1,693	3,067	2,647	2,696	2,728	2,687	2,612	2,375
Total	<u>36,067</u>	<u>27,646</u>	<u>23,671</u>	<u>36,635</u>	<u>34,512</u>	<u>33,131</u>	<u>32,837</u>	<u>32,455</u>	<u>31,419</u>	<u>30,128</u>

Increase  
(Decrease) over  
Prior Period

30.5%	16.8%	(35.4%)	6.2%	4.2%	0.9%	1.2%	3.3%	4.3%	3.4%
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Source: Dallas Fort Worth International Airport Finance Department

\* Final FY 2015 Enplaned Passengers adjusted from 31,759 to 32,455 due to change in airline reporting practices.

\*\* Results impacted by COVID-19 epidemic.

**Dallas Fort Worth International Airport  
Landed Weights by Airline  
Last Ten Fiscal Years  
(Amounts in Millions of Pounds)**

Carrier	2022	% of total	2021	% of total	2020 **	% of total	2019	% of total	2018	% of total	2017	% of total	2016	% of total	2015	% of total	2014	% of total	2013	% of total
AirTran	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
American Airlines	26,904	59.6%	22,576	56.4%	20,671	57.0%	27,884	59.6%	26,098	59.5%	25,571	59.7%	25,014	59.9%	24,524	60.3%	25,036	63.6%	24,517	64.0%
American Eagle	6,991	15.5%	8,185	20.4%	6,648	18.3%	7,387	15.8%	6,665	15.2%	6,712	15.7%	6,572	15.6%	5,316	13.1%	4,213	10.7%	3,999	10.4%
British Airways	205	0.5%	158	0.4%	178	0.5%	151	0.3%	220	0.5%	220	0.5%	200	0.5%	215	0.5%	229	0.6%	228	0.6%
Cathay Pacific Airways	94	0.2%	136	0.3%	197	0.5%	223	0.5%	224	0.5%	224	0.5%	227	0.5%	225	0.6%	231	0.6%	242	0.6%
Delta	1,496	3.3%	1,251	3.1%	1,104	3.0%	1,578	3.4%	1,440	3.3%	1,358	3.2%	1,410	3.4%	1,466	3.6%	1,377	3.5%	798	2.1%
Eva Airways	126	0.3%	101	0.3%	93	0.3%	89	0.2%	116	0.3%	129	0.3%	168	0.4%	166	0.4%	175	0.4%	203	0.5%
Emirates	176	0.4%	99	0.2%	104	0.3%	203	0.4%	203	0.5%	202	0.5%	243	0.6%	-	0.0%	-	0.0%	-	0.0%
Etihad Airways	-	0.0%	-	0.0%	-	0.0%	-	0.0%	87	0.2%	146	0.3%	77	0.2%	-	0.0%	-	0.0%	-	0.0%
Executive	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Federal Express	712	1.6%	760	1.9%	654	1.8%	627	1.3%	609	1.4%	623	1.5%	630	1.5%	582	1.4%	584	1.5%	508	1.3%
Frontier	581	1.3%	277	0.7%	136	0.4%	127	0.3%	92	0.2%	88	0.2%	176	0.4%	214	0.5%	238	0.6%	221	0.6%
Korean Air	97	0.2%	82	0.2%	74	0.2%	132	0.3%	131	0.3%	119	0.3%	118	0.3%	111	0.3%	160	0.4%	142	0.4%
Lufthansa	103	0.2%	42	0.1%	63	0.2%	147	0.3%	145	0.3%	144	0.3%	135	0.3%	141	0.3%	143	0.4%	144	0.4%
Qantas Airways	77	0.2%	-	0.0%	128	0.4%	280	0.6%	299	0.7%	301	0.7%	290	0.7%	-	0.0%	-	0.0%	-	0.0%
Qatar Airways	346	0.8%	247	0.6%	165	0.5%	198	0.4%	196	0.4%	202	0.5%	194	0.5%	-	0.0%	-	0.0%	-	0.0%
Spirit Airlines	1,241	2.8%	1,018	2.5%	916	2.5%	1,369	2.9%	1,420	3.2%	1,228	2.9%	1,400	3.4%	1,370	3.4%	1,200	3.0%	1,199	3.1%
Sun Country Airlines	105	0.2%	106	0.3%	68	0.2%	137	0.3%	100	0.2%	109	0.3%	112	0.3%	116	0.3%	127	0.3%	125	0.3%
United	1,078	2.4%	697	1.7%	775	2.1%	1,217	2.6%	1,376	3.1%	1,272	3.0%	1,182	2.8%	1,133	2.8%	955	2.4%	1,054	2.8%
UPS	2,139	4.7%	2,149	5.4%	2,078	5.7%	1,851	4.0%	1,251	2.9%	1,152	2.7%	1,098	2.6%	992	2.4%	896	2.3%	850	2.2%
US Airways*	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,059	2.6%	1,072	2.7%	999	2.6%
Other	2,654	6.0%	2,143	5.5%	2,243	6.2%	3,163	6.8%	3,166	7.1%	3,002	6.9%	2,496	6.0%	3,066	7.5%	2,712	7.0%	3,102	8.1%
Total	<u>45,125</u>		<u>40,027</u>		<u>36,295</u>		<u>46,763</u>		<u>43,839</u>		<u>42,802</u>		<u>41,742</u>		<u>40,696</u>		<u>39,348</u>		<u>38,331</u>	

Source: Dallas Fort Worth International Airport Finance Department

\* US Airways integrated with American Airlines in October 2015 (FY2016)

\*\* Results impacted by COVID-19 epidemic.

**Dallas Fort Worth International Airport  
Employee Force – End of Year  
Last Ten Fiscal Years**

<u>Year</u>	<u>Employees</u>
2022	1,919
2021	1,977
2020	2,069
2019	2,076
2018	1,985
2017	1,943
2016	1,848
2015	1,794
2014	1,806
2013	1,755

Source: Dallas Fort Worth International Airport, Employee records



**Dallas/Fort Worth International Airport  
Capital Assets as a Function of Operations  
September 30, 2022**

**Asset Type:**

Terminals  
Grand Hyatt / Hyatt Place  
Ground and facilities buildings  
Utility operations  
Runways, taxiways  
Parking infrastructure and control  
Machinery and equipment  
Vehicles  
Rental Car Center

**Nature of Capital Asset:**

Enplanements and Concessions  
Hotel associated revenues  
Tenant usage for various businesses especially warehousing and distribution  
Electrical, water, sewer and gas usage  
Aircraft Operations; landings / take-offs  
Parking and ground transportation for airport passengers  
System infrastructure and other equipment for maintaining and controlling the airport  
Transportation for police, fire, and maintenance activities  
Car rental operations; parking, maintenance

Description	Balance October 1, 2021	Additions to Existing Assets	Completed Projects and Additions	Less Retirements	Balance September 30, 2022
Capital assets not being depreciated					
Land	\$ 294,294	\$ -	\$ -	\$ -	\$ 294,294
Construction in progress	615,829	426,087	(359,908)	-	682,008
Total capital assets not depreciated	910,123	426,087	(359,908)	-	976,302
Depreciable capital assets					
Buildings improvements	4,098,024	-	145,593	(12,934)	4,230,683
Improvements other than building	3,638,058	-	214,315	(11,406)	3,840,967
Machinery and equipment	1,269,384	66,836	-	(19,076)	1,317,144
Vehicles	240,994	3,960	-	(374)	244,580
Total depreciable capital assets	9,246,460	70,796	359,908	(43,790)	9,633,374
Accumulated depreciation					
Buildings improvements	1,471,899	141,004	-	(4,376)	1,608,527
Improvements other than building	1,642,729	110,539	-	(9,108)	1,744,160
Machinery and equipment	894,889	62,355	-	(18,463)	938,781
Vehicles	164,856	20,692	-	(374)	185,174
Total accumulated depreciation	4,174,373	334,590	-	(32,321)	4,476,642
Total, net capital assets	\$ 5,982,210	\$ 162,293	\$ -	\$ (11,469)	\$ 6,133,034

Source: Dallas Fort Worth International Airport Finance Department

**Dallas Fort Worth International Airport  
Schedule Of Insurance in Force  
September 30, 2022**

Coverage Type	Carrier	Policy Number	Start Date End Date	Limits	Deductible/Retention	Premium Amount	Renewal Amount
Medical Stop Loss	Blue Cross Blue Shield of Texas (BCBSTX)	3339042	1/1/23 1/1/24	Unlimited Annual Max Aggregate	\$200k Individual Stop Loss (ISL) per claim	\$3,427,876	\$3,721,667
Airport Ambassador Program	Berkley Life and Health Insurance Company	PAI L19720093702	2/1/22 2/1/23	Accidental Death & Dismemberment \$10K Agg Per Accident \$500K Accidental Medical & Dental \$50K	NIL	\$2,710	\$1,743
All Risk & Extended Property	AIG - Primary Layer All Other - Additional Layers	AIG - 011144150 All Other - Various	3/1/22 3/1/23	\$2B, per occurrence	\$250K Deductible \$500K Hail Deductible	\$8,717,041	\$9,899,449
Excess Workers' Compensation/Employers Liability	Midwest Employers Casualty Company	EWCO09671	3/1/22 3/1/23	Texas Statutory Work Comp Limits	\$900K, Specific Retention	\$297,843	\$326,764
Aviation - Unmanned Aircraft Systems (UAS)	Global Aerospace Inc	9026758	4/16/22 4/16/23	\$1M Liability Ea. Occurrence Physical Damage - Insured Value	Liability - NIL Physical Damage - 5% of Insured Value	\$7,317	\$15,297
Cyber Liability - Comprehensive (incl Tech E&O Liability)	Munich Re		6/3/22 6/3/23			\$318,150	\$314,775
Excess Cyber Liability - Comprehensive (incl Tech E&O Liability)	Coalition		6/3/22 6/3/23			NA	\$283,298
FTRC International Student "Accident Coverage-Firefighters Training"	National Union Fire Insurance Company of Pittsburgh, PA	SRG 0009143096-A	6/1/22 6/1/23	\$50,000 - Accidental Death or Dismemberment Benefit; Aggregate Limit: \$250K	NIL	\$19,864	
International Travel Accident	Chubb (dba ACE American Insurance Company)	PHFD38340980 006	6/15/22 6/15/23	GL - \$1M/Occ \$2M Agg Emp Ben Liab - \$1M Contingent Auto - \$1M AD&D (non-occ) \$100K	NIL	\$2,500	\$2,500
Kidnap & Extortion	Chubb (dba Federal Insurance Company)	8251-5809	6/15/22 6/15/23	See policy for specific Limits	NIL	\$1,650	\$1,650
Importer Bond	Westchester Fire Insurance Company	040716007/K05510338	8/19/22 8/19/23	\$50k Bond Amt.	NIL	\$400	
Auto Liability (Off Premises)	TML Intergovernmental Risk Pool	4575	10/1/22 10/1/23	\$1M Ea. Occurrence	\$25K Each Occurrence (Deductible)	\$41,772	
Commercial Crime	The Hanover Insurance Group - Massachusetts Bay Insurance Company	BDD-1848561	10/1/21 10/1/24	\$5M Employee Theft, Per Loss	\$50K per Occurrence (Deductible)	\$17,303	\$17,303
Commercial General Liability	National Union Fire Insurance Company of Pittsburgh, PA	AP-028176649-07	10/1/22 10/1/23	\$20M Premise B/PPD CSL - (Ea. Occurrence)	\$25K Ea. Occ or Offense, not to exceed \$250,000 Annual Agg	\$245,920	\$279,500
Public Officials Liability (E&O)	Chubb (dba ACE American Insurance Company)	G2167333A 016	10/1/22 10/1/23	\$5M Ea. Claim, \$10M Aggregate, \$50K Crisis Mgmt Fund	Deductibles: \$0 Public Officials Liability, \$100k Public Entity Reimbursement, \$100k Public Entity Liability, \$200K Employment Practices Liability	\$119,991	\$134,485
Directors and Officers Liability PFIC	Chubb (dba ACE American Insurance Company)	M00612790 008	10/1/22 10/1/23	\$5M (Ea. Claim); \$5M Aggregate for all Claims including Claims Expenses; \$50K Crisis Mgmt Fund	Retentions: \$0 Public Officials Liability (Ea. Claim); \$50K Public Entity Reimbursement & Public Entity Liability - (Ea. Claim)	\$21,693	\$24,172
Environmental Pollution and Remediation Legal Liability	Great American E&S Insurance Group	PRE E379433 03	10/15/22 10/15/23	Limits of Liability: Claims Made \$15M Ea. Pollution Event Limit, \$15M Aggregate Policy Limit	Self-Insured Retention: \$500K Ea. Pollution Event	\$89,816	\$87,122
Fiduciary Liability Policy	Hudson Insurance Company	SVP31210004-01	12/16/22 12/16/23	\$5M Aggregate, per claims made basis	\$25K/per claim (Retention)	\$22,063	\$22,362

Source: Dallas Fort Worth International Airport, Risk Management.