

Dallas Fort Worth International Airport
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023



EST. 1974



Dallas Fort Worth International Airport, Texas

ANNUAL

COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2023

(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
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For the Fiscal Year Ended September 30, 2023**

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February 16, 2024

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, 2023. 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. The Airport was dedicated in September 1973, and opened for operations on January 13, 1974. DFW is 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 Coppell, Euless, Grapevine, and Irving.

Located in the North Texas region, the fourth largest area by population and the fastest growing region in the United States, DFW is among the world’s largest airports covering more than 17,000 acres of land. The Airport is ranked as the 2nd busiest airport in the world based on passengers and 3rd busiest airport in the world based on aircraft movements for the calendar year ended December 2022. Celebrating 50 years of operations, DFW holds the recognition of being the first carbon neutral airport in North America and the largest carbon neutral airport in the world.

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 ten-year Use Agreement with signatory airlines expired at the end of FY 2023. A new Use Agreement will become effective as of October 1, 2023. See further discussions of the Use Agreement in the MD&A section and in the Notes to the Basic Financial Statements.

Local Economy

The 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 Metroplex is home to 27% of the state's population and 29% of the labor force. Population growth, travel trends, corporate activity, and business diversity are significant drivers of the Airport's business. The region grew by one person every 3.3 minutes to an estimated 8.1 million people as of January 1, 2023.

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 8th largest export market in the United States, 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 6th largest economy by GDP in the United States. If the North Texas region was a country, it would rank 23rd in the world by GDP.

The DFW Metroplex's central location, exceptional air service, low cost of living, and diversity in industry are among the major reasons that the area has been ranked top three metropolitan areas for business expansion, relocations, and employment growth in the United States. There are 23 Fortune 500 companies headquartered in the DFW 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 The University of Texas at Arlington, University of North Texas, The University of Texas at Dallas, Southern Methodist University, and Texas Christian University. The region is home to 29% of the state's non-profit organizations (the most in the state), and 15 professional sports and e-sports teams.

FY 2023 in Review

During FY 2023, passenger traffic at DFW was at an all-time high of 79.7 million passengers driven primarily by strong domestic and international growth. With 900 average daily flights to 192 domestic and 64 international destinations, DFW's total passenger flight operations in FY 2023 increased to 637,857 compared to 621,230 in FY 2022. Landed weights increased by 7.5% from the FY 2022 levels. Parking and ground transportation revenues increased by 14.1% compared to FY 2022 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, and \$200.0 million in FY 2023. During FY 2023, FRP drawdowns totaling \$209.9 million were applied to debt service and concessionaire relief. During 2022 and 2023, DFW was awarded a total of \$70.0 million from the Bipartisan Infrastructure Law ("BIL") program, of which \$7.8 million was drawn down during FY 2023. The BIL grants funding are to be used to construct a zero-carbon electric central utility plant ("eCUP"), and replace aging heating, ventilation, and air conditioning terminal systems, and installation of dimmable smart glass in terminal windows.

DFW is committed to its environmental sustainability goals. During FY 2023, DFW diverted 57,295 tons construction waste from landfills, and recycled 3,576 tons of material and 214.7 tons of cooking oils.

DFW received several awards from third parties:

- Awarded 2022 Airport Service Quality (ASQ) Best Airport that serves over 40 million passengers in North America by Airports Council International (ACI).
- Named Texan by Nature Honoree for the fifth consecutive year.
- Recognized with a Balchen/Post Award honorable mention for Outstanding Achievement in Airport Snow and Ice Control.
- Five Project Achievement awards from the Construction Management Association of America (CMAA) North Texas. Named Owner of the Year, commending the Airport's commitment to advancing the construction management industry, supporting professionals, and fostering investment in construction programs.
- Named the Healthiest Employer in Texas of businesses with 1,499-4,999 employees. DFW has previously won this award in 2014, 2015, 2016, 2017, and 2020.
- Named among the top 100 Healthiest Employers in America by Healthiest Employers and Springbuk. Healthiest Employers has been the leading recognition program for employee wellness since 2009.

Long Term Planning

On August 9, 2023, DFW broke ground on a new electric Central Utility Plant (eCUP) that will provide sustainably powered heating and cooling capacity to support the growth of the Airport. This project is part of the Airport's commitment to achieve net-zero carbon emissions by 2030.

In FY 2023, DFW continued design and planning for the \$2.7 billion Central Terminal Area (CTA) expansion capital 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 program also includes replacement of sections of Terminal C garage and related roadways.

During FY 2023, DFW begun planning and design for the future Terminal F gate expansion. The initial phase will add 15 gates and associated improvements. The terminal F program was approved for \$1.6 billion as part of the new Use Agreement.

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 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

Plante & Moran, PLLC, performed the audit for the fiscal year ended September 30, 2023. Its report is included in this ACFR. In conjunction with the annual audit, Plante & Moran, PLLC, 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, 2022. This is the 31st 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

Christopher A. Poinsette



Chief Executive Officer

Executive Vice President, Chief Financial Officer

BOARD OF DIRECTORS

As of SEPTEMBER 30, 2023

Henry Borbolla III, Chair

Gloria M. Tarpley, Vice Chair

Vernon Evans, Secretary

Mayor Eric Johnson

Mayor Mattie Parker

Joel Burns

Vincent Hall

Ben Leal

Raj Narayanan

Mario Quintanilla

DeMetris Sampson

Mayor Linda Martin (non-voting member)

AIRPORT OFFICIALS

As of SEPTEMBER 30, 2023

Sean Donohue, Chief Executive Officer

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

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

Chris McLaughlin, Executive Vice President, Operations

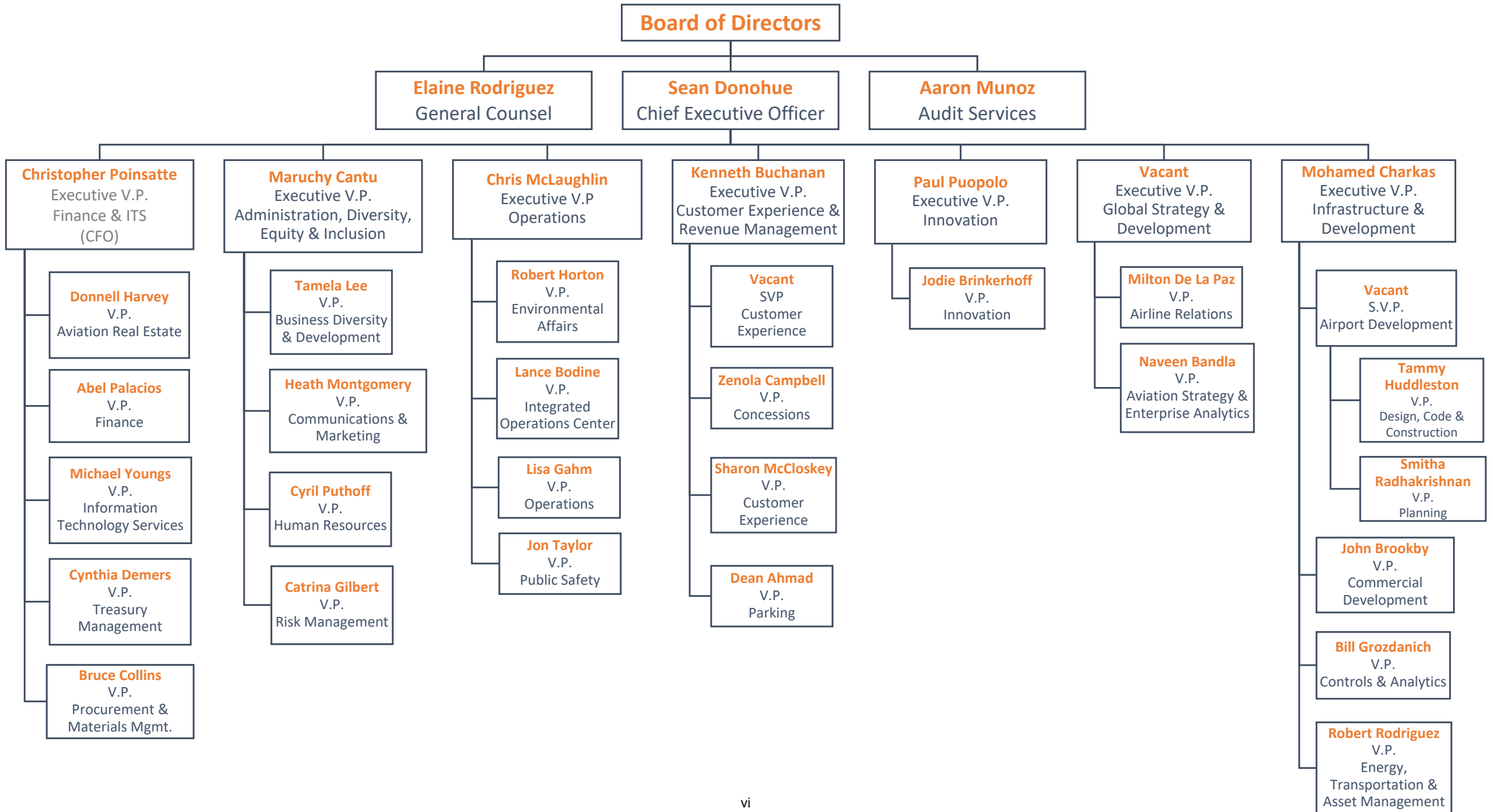
Maruchy Cantu, Executive Vice President, Administration, Diversity, Equity & Inclusion

Mohamed Charkas, 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





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, 2022

Christopher P. Morrill

Executive Director/CEO



Independent Auditor's Report

To the Board of Directors
Dallas Fort Worth International Airport Board

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Dallas Fort Worth International Airport Board (the "Airport") as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise Dallas Fort Worth International Airport Board'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 Dallas Fort Worth International Airport Board as of September 30, 2023 and the respective changes in its 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. 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 explained in Note 1 to the financial statements, the Airport implemented the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, and Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, as of and for the year ended September 30, 2023. These statements require recognition of certain assets, deferred inflows of resources, or liabilities for agreements that meet certain criteria based on the provisions of the contracts. 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
Dallas Fort Worth International Airport Board

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 the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, the schedule of contributions - pension, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Dallas Fort Worth International Airport Board

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dallas Fort Worth International Airport Board's basic financial statements. The combining statements of fiduciary net position and changes in fiduciary net position are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of fiduciary net position and changes in fiduciary net position are 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 Comprehensive Financial Report. The other information comprises the introductory and statistical sections 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 whether 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 16, 2024 on our consideration of Dallas Fort Worth International Airport Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Dallas Fort Worth International Airport Board'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 Dallas Fort Worth International Airport Board's internal control over financial reporting and compliance.



February 16, 2024

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, 2023. Also included are statements for DFW’s fiduciary funds which have a December 31, 2022, 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. On May 4, 2023, the Board approved a new ten-year Airport Use and Lease Agreement which becomes effective on October 1, 2023. The new Use Agreement replaced the prior agreement from October 1, 2010, that was effective through FY 2023. 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” (\$79.7 million in FY 2023), 75% of the excess is to be used to reduce landing fees. If the DFW cost center generates revenues below the “lower threshold” (\$52.0 million in FY 2023), 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 refunds the 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 a portion of the 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 primary 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, 351-353	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
891	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
<i>JRB - Joint Revenue Bond</i>		<i>PFIC - Public Facility Improvement Corporation</i>	
<i>FFE - Furniture, Fixtures and Equipment</i>			

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. PFIC funds may also be used to pay DFW's debt service if necessary. 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 management system 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 using Our Approach, it will be well positioned to achieve the Airport's mission and vision.



Impact of COVID-19 on DFW Airport

In March of 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 were signed into law. These federal relief packages provided DFW with a total of \$611.3 million of Federal Relief Proceeds (FRP) 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 \$299.1 million of CARES Act funds that was 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 \$52.6 million was used for debt service and operating expenses. The second grant of \$7.7 million was 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 \$221.1 million was for debt service and operating expenses. The second grant of \$30.7 million was used to provide financial relief to in-terminal concessionaires.

The following table summarizes FRP available from the three packages (excluding local shares of capital projects) and the amounts drawn down from FY 2020 through FY 2023. DFW drew down all remaining FRP funds in FY 2023.

Federal Relief Proceeds (FRP) Summary FY 2020 thru FY 2023

(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	<u>\$ 572.9</u>	<u>\$ 38.4</u>	<u>\$ 611.3</u>
FRP Drawn Down as of 9/30/23			
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 ⁽¹⁾	21.1	20.8	41.9
FY 2023 ARPA	200.0	9.9	209.9
Total FRP Drawn	<u>572.9</u>	<u>38.4</u>	<u>611.3</u>
Total FRP Available for Future Use	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

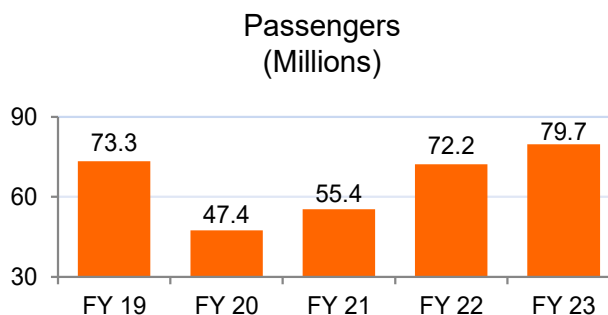
Note: Refer to Capital Contributions section for project-related grant information.

Key Performance Indicators

The following tables highlight changes in some of the Airport's operating and financial key performance indicators for FY 2023 and FY 2022. 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 2023	FY 2022
Total passengers (millions)	79.7	72.2
Total airline seats (millions)	93.6	85.9
Aircraft operations (000s)	676	663
Landed weight (millions of pounds)	48,519	45,125
International seats (millions)	13.1	11.8
Domestic destinations	192	194
International destinations	64	70
Cargo landed weight (millions of pounds)	4,092	4,361
Cargo tons (000s)	792	943

Total passengers for FY 2023 were 79.7 million, a 7.5 million (10.4%) increase from 72.2 million in FY 2022, driven primarily by strong domestic and international growth as overseas restrictions eased and strong pent-up demand returned with the resumption/addition of new services. While American Airlines' ("AA") passenger traffic grew significantly, AA's market share at DFW decreased from 84.8% in FY 2022 to 83.1% in FY 2023. DFW's next largest carriers in FY 2023 were Spirit Airlines at 4.0%, Delta Airlines at 3.3%, United Airlines at 2.9%, and Frontier Airlines at 2.4%.



The number of aircraft operations (takeoffs & landings) increased approximately 13,000 (2.0%) to 676,000 in FY 2023, up from 663,000 in FY 2022, to accommodate increased overall demand, both domestic and international. Total airline seats increased 7.7 million (9.0%) from 85.9 million in FY 2022 to 93.6 million in FY 2023 primarily driven by the up-gauging and service growth of AA and other non-hub carriers.

In FY 2023, total landed weights increased 3.4 billion (7.5%) to 48.5 billion pounds, up from 45.1 billion pounds in FY 2022, as a result of increased operations and more mainline flying. Cargo tonnage decreased approximately 151,000 tons (-16.0%) to 792,000 in FY 2023 from 943,000 in FY 2022 due to overstocked supply chains post-covid, inflationary pressure, and a weakness in global markets due to uncertainty around military conflicts.

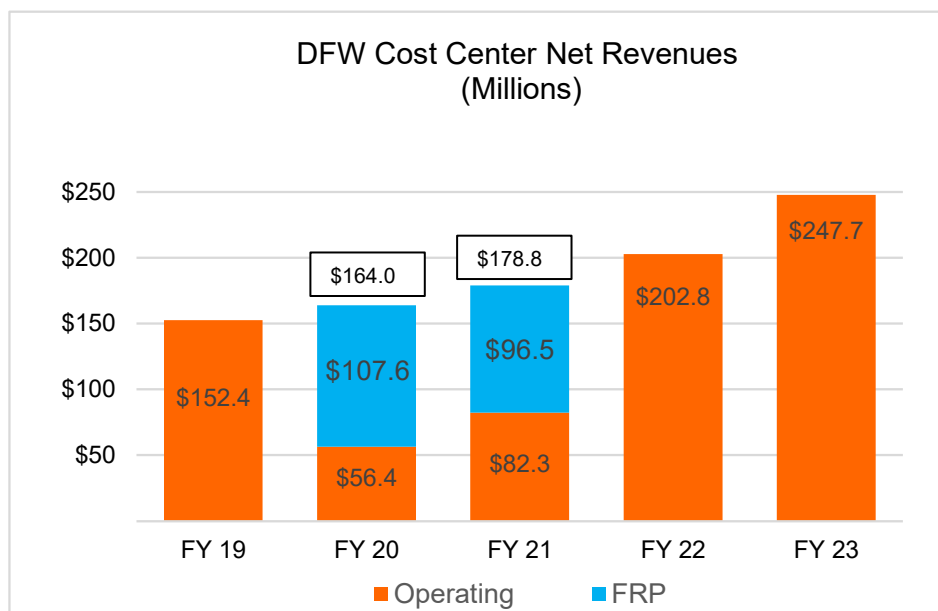
Total FY 2023 international seat capacity was 13.1 million, a 1.3 million (11.0%) increase from 11.8 million in FY 2022 due to a strong rebound in international travel, followed by foreign flag carriers launching, re-launching, and increasing service.

Key Financial Indicators	For the Year Ended	
	FY 2023	FY 2022
(in millions)		
Enplanements	39.7	36.1
Airline Cost	\$ 463.9	\$ 446.6
less: Cargo landing fees	(4.5)	(7.0)
Airline Cost for CPE	\$ 459.4	\$ 439.6
Cost per Enplanement (CPE)	\$ 11.56	\$ 12.19
DFW Cost Center Revenues	\$ 507.6	\$ 435.2
DFW Cost Center Net Revenues	\$ 247.7	\$ 202.8

Two industry metrics for cost competitiveness are airline cost and passenger airline cost per enplanement (“CPE”). CPE decreased \$0.63 from \$12.19 in FY 2022 to \$11.56 in FY 2023 (-5.2%) primarily driven by increased enplanements outpacing the increase in airline costs. Airline cost represents the fees paid by the airlines primarily for landing fees and terminal rentals. Airline cost was \$463.9 million in FY 2023, a \$17.3 million (3.9%) increase from FY 2022. Enplanements for FY 2023 were 39.7 million compared to 36.1 million in FY 2022.

DFW Cost Center Revenues result from DFW’s non-airline business units and interest income. These revenues totaled \$507.5 million in FY 2023 compared with \$435.2 million in FY 2022, a \$72.4 million increase (16.6%) due to the increase in passengers, higher commercial development and hotel revenues, and higher interest rates.

DFW Cost Center net revenues (profits) were \$247.7 million in FY 2023, \$44.9 million (22.1%) more than FY 2022 primarily driven by increased parking, concessions, and commercial development activity. Since net revenues were higher than the “Upper Threshold” as defined in the Airline Use Agreement, DFW shared \$126.0 million of its earning to reduce landing fees. The remaining \$121.7 million was transferred to the DFW Capital Account at the end of the fiscal year.



Capital Programs and Airport Development Plan Update

In FY 2023, DFW continued design for a \$2.72 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 the tear down and 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.

Also, during FY 2023, DFW began programming and preliminary design for the future Terminal F gate expansion program. This initial phase will add 15 contact gates in a double-loaded concourse just west of the Skylink people mover system. The budget also includes a new station to connect Terminal F to Skylink. Passengers will park and enter security from Terminal E and take Skylink to Terminal F. The Terminal F program was approved for \$1.63 billion as part of the new Use Agreement effective October 1, 2023.

Additionally, some of the more significant projects underway as of September 30, 2023, include the rehabilitation of runway 17R and associated hold pads (\$305.6 million); construction of a new electric central utility plant (\$286 million); replacement of International Parkway flyover bridges with new right-hand exits (\$254.8 million); construction of another end-around-taxiway at the southwest quadrant (\$238.3 million); and major upgrades to the baggage handling system (\$164.9 million).

During FY 2023, the airlines approved an incremental \$600 million of projects through the issuance of debt. As of September 30, 2023, DFW had 342 capital projects in process for a total obligation remaining of \$6.7 billion. Of this total, \$1.7 billion has been committed but not yet paid. The remaining \$5.0 billion is planned to be spent in the future and excludes the projects listed above.

Revenues, Expenses, and Change in Net Position:

The following table is a summary of Operating revenues, Operating expenses; Non-operating revenues (expenses), net; Capital contributions, and the Change in Net Position for the years ended September 30, 2023, and 2022. Detailed descriptions and variances of the components of revenues, expenses and net non-operating expenses are described in the following sections.

	For the Year Ended (000s)	
	FY 2023	FY 2022
Change in Net Position		
Operating revenues	\$ 1,070,890	\$ 977,955
Operating expenses	(1,052,412)	(947,274)
Operating income (expense)	18,478	30,681
Non-operating income (expenses), net	213,910	12,864
Income before capital contributions	232,388	43,545
Capital contributions	68,593	20,186
Change in Net Position	\$ 300,981	\$ 63,731

DFW's Controlling Documents require that DFW establish Rates, Fees, and Charges (RFC) 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 2023 (see Liquidity and Financing section pg. 19). DFW generated \$360.7 million of net cash flow from operating activities. Additionally, DFW recognized \$209.7 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, Amortization of Subscription-based software costs	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: ARPA grants offset to rates	Non-operating revenue, recognized upon receipt and incurrence of related expenses	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, ARPA offset to debt service	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 differences reconciling the Change in Net Position to the Change in DFW capital account per the Use Agreement for the year ended September 30, 2023.

GAAP-Use Agreement	FY 2023 (millions)
Change in net position	\$ 301.0
Lease Accounting	(45.1)
Accounting, non-lease	(95.2)
Capital	69.2
Not in use agreement	(108.2)
Total adjustments	(179.3)
Transfer to DFW Capital account	121.7
Reduction in landing fees	126.0
DFW Cost Center net revenues	\$ 247.6

The Lease Accounting amount of (\$45.1) is based on revenue recognition timing. The Accounting, non-lease amount of (\$95.2) million is primarily due to depreciation/amortization greater than bond principal paid, pension cost timing, FRP, and investment book gains. The Capital amount of \$69.2 million is primarily due to expenses in capital funds and debt service offsets. The Not in use agreement of (\$108.2) million is primarily due to FRP, PFIC income, and capital grants. The FRP was included in DFW's net position 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, 2023, and 2022. Significant variances are explained below.

Operating Revenues	For the Year Ended (000s)	
	FY 2023	FY 2022
Terminal rent and use fees	\$ 389,317	\$ 359,705
Landing fees	46,338	69,026
Federal Inspection Services	36,921	25,828
Airfield and other airline	850	197
Total airline revenue	<u>473,426</u>	<u>454,756</u>
Parking and ground transportation	224,105	195,997
Concessions	116,140	94,382
Ground and facilities leases	84,268	79,604
Rent-A-Car lease and rentals	45,353	41,270
Grand Hyatt and Hyatt Place hotels	52,449	40,788
Employee transportation	22,350	16,923
Rent-A-Car customer transportation charges	13,063	11,638
Other non-airline	39,736	42,597
Total non-airline revenue	<u>597,464</u>	<u>523,199</u>
Total Operating Revenues	<u>\$ 1,070,890</u>	<u>\$ 977,955</u>

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 \$29.6 million (8.2%) from \$359.7 million in FY 2022 to \$389.3 million in FY 2023 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 certified gross landing weight for each specific aircraft as certified by the FAA. Landing fees (for passenger and cargo airlines) decreased \$22.7 million (-32.9%) from \$69.0 million in FY 2022 to \$46.3 million in FY 2023. DFW waived airline landing fees for the months of June 2023 through September 2023, primarily due to higher sharing of net revenues to the airfield cost center.

Federal Inspection Service fees per arriving international passenger in Terminal D increased \$11.1 million (43.0%), from \$25.8 million in FY 2022 to \$36.9 million in FY 2023 due to growth in international passengers.

Parking fees are charged based on the length of stay and parking product. DFW's primary parking products include (from higher priced to lower priced) terminal, express, and remote locations. Fees are charged for airport access from meeter/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 increased \$28.1 million (14.3%), from \$196.0 million in FY 2022, to \$224.1 million in FY 2023, due to longer length-of-stay by public parkers, and the growth in originating passengers which resulted in more terminal parkers.

GASB Statement No. 87, "Leases", stipulates leases are financings of the right to use the underlying asset and requires lessors to recognize a lease receivable and a deferred inflow of resources for qualifying leases at inception. Lessors should then recognize lease interest income and lease revenue in a systematic and rational manner over the term of the lease. Non- aeronautical use lease 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. Total revenue is the combination of lease and non-lease revenue. Gross billings are the total billable amounts due from tenants. Non-lease revenue includes inflows from aeronautical use and short-term leases, and variable rate leases. The following table highlights non-lease and lease components for the fiscal years ended September 30, 2023, and 2022. Significant variances are explained below.

	FY 2022				FY 2023				
	Total revenue	Gross billings	ARPA credit	Gross proceeds from GASB 87 leases	Non-lease revenue	Lease revenue	Total revenue	Lease interest income	Non-operating revenues (expenses) : Other, net
Concessions	\$ 94,382	\$ 125,163	\$ (9,786)	\$ (57,129)	\$ 58,248	\$ 57,892	\$ 116,140	\$ 7,076	\$ 454
Ground and facilities	79,604	87,881	-	(57,889)	29,992	54,276	84,268	41,156	33,471
Rent-A-Car	41,270	45,425	-	(6,250)	39,175	6,178	45,353	92	-
	<u>\$215,256</u>	<u>\$258,469</u>	<u>\$ (9,786)</u>	<u>\$ (121,268)</u>	<u>\$127,415</u>	<u>\$118,346</u>	<u>\$245,761</u>	<u>\$48,324</u>	<u>\$ 33,925</u>

Concessions consists of food and beverage, retail, passenger services, advertising and other terminal and non-terminal activities. Concession total revenue in FY 2023 exceeded FY 2022 by \$21.7 million. The increase from \$94.4 million to \$116.1 is primarily due to more passengers resulting in an increase in food and beverage, retail, passenger services, advertising, and airline catering.

Ground and facilities, also referred to as Commercial Development, consist primarily of ground and facility leases on Airport property. Ground and facilities total revenue of \$84.3 million in FY 2023 exceeded FY 2022 revenues of \$79.6 million by \$4.7 million. The increase is primarily due more acres being leased, an increase in the airport services per acre billing rate.

Rent-a-car ("RAC") revenue consists of ground leases plus a percentage of gross rental car company revenues. RAC total revenue in FY 2023 exceeded FY 2022 by \$4.1 million. The increase from \$41.3 million to \$45.4 is primarily due to more rental day transactions and higher daily rental rates.

Grand Hyatt and Hyatt Place hotel revenues include room rental, sale of food and beverage, and other hotel related activities. Revenues increased \$11.7 million (28.7%), from \$40.8 million in FY 2022 to \$52.5 million in FY 2023 primarily due to higher occupancy and increased in daily room rates.

Employee transportation revenues are derived 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 \$5.4 million (32.1%) from \$16.9 million in FY 2022 to \$22.4 million in FY 2023 due to increased operating costs to transport more employees.

RAC customer transportation charge ("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 \$1.5 million (12.2%) from \$11.6 million in FY 2022 to \$13.1 million in FY 2023 due to 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 decreased \$2.9 million (-6.8%) from \$42.6 million in FY 2022 to \$39.7 million in FY 2023, primarily because of lower natural gas royalties.

Operating Expenses:

The following table highlights the major components of operating expenses for the fiscal years ended September 30, 2023, and 2022. Significant variance explanations follow.

Operating Expenses	For the Year Ended (000s)	
	FY 2023	FY 2022
Salaries, wages, and benefits	\$ 261,011	\$ 241,792
Contract services	320,210	271,103
Utilities	32,428	30,192
Equipment and supplies	32,223	27,289
Grand Hyatt and Hyatt Place hotels	30,106	23,858
Insurance	12,526	11,413
General, administrative and other charges	7,575	7,037
Depreciation and amortization	356,333	334,590
Total Operating Expenses	<u>\$ 1,052,412</u>	<u>\$ 947,274</u>

Salaries, wages, and benefits increased \$19.2 million (7.9%) from \$241.8 million in FY 2022 to \$261.0 million in FY 2023 primarily due to more employees, higher pension and other post-employment benefits (“OPEB”) expenses, increased medical costs, and the annual wage merit, partially offset by reduced overtime. DFW employed 2,098 and 1,919 full time employees as of September 30, 2023, and 2022, 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 \$49.1 million (18.1%), from \$271.1 million in FY 2022 to \$320.2 million in FY 2023, primarily due to higher custodial, checkpoint screening, computer systems, and busing costs.

Utilities represent the cost of electricity, natural gas, potable water, sanitary sewer, solid waste removal, and telecommunications services. Utilities increased \$2.2 million (7.3%) from \$30.2 million in FY 2022 to \$32.4 in FY 2023 primarily due to higher usage and higher 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 \$7.2 million (26.4%) from \$27.3 million in FY 2022 to \$34.5 million in FY 2023 primarily due to higher usage of baggage handling, computer, and CCTV parts, and custodial supplies.

Hotel operations include room, food and beverage and other expenses. Grand Hyatt and Hyatt Place operating costs increased \$6.2 million (25.9%) from \$23.9 million in FY 2022 to \$23.9 million in FY 2023 primarily due to higher room, food and beverage, and sales and marketing costs resulting from increased occupancy.

Insurance increased \$1.1 million (9.6%) from \$11.4 million in FY 2022 to \$12.5 million in FY 2023 primarily due to higher property and casualty premiums.

General, administrative, and other charges increased \$0.3 million (4.3%), from \$7.0 million in FY 2022 to \$7.3 million in FY 2023 primarily due to a higher travel and training associated with return to the office post-COVID impacts.

Depreciation and amortization increased \$21.7 million (6.5%), from \$334.6 million in FY 2022 to \$356.3 million in FY 2023, primarily due to increased capital additions including the renovation of Runway 17R and the construction of end-around taxiways, and the first-year amortization of subscription-based software costs.

Non-Operating Revenues and Expenses:

The following table highlights non-operating revenues and expenses for the fiscal years ended September 30, 2023, and 2022.

Non-Operating Revenues (Expenses)	For the Year Ended (000s)	
	FY 2023	FY 2022
Federal relief proceeds	\$ 209,786	\$ 101,258
Passenger facility charges	156,301	141,590
Investment income (loss)	99,507	(54,980)
Lease interest income	48,322	45,341
RAC customer facility charges	21,855	18,620
Interest expense on revenue bonds	(254,047)	(232,208)
Disposal of capital projects planning costs	(33,411)	-
Other, net	(34,403)	(6,757)
Total Non-Operating income (expenses)	\$ 213,910	\$ 12,864

In FY 2023 DFW received \$200 million in ARPA funding to pay debt service. 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 in federal relief proceeds to pay debt service in an amount necessary to offset lost operating revenues. In FY 2022, DFW also received \$30.7 million in ARPA funding and applied \$20.8 million in relief for Concessionaires to offset rents and operating charges. The remaining \$9.8 million was used in FY 2023.

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 89.6% of all enplaned passengers were required to pay PFC's in FY 2023 compared to 93.1% in FY 2022. PFC collections are recorded as revenue when earned, then used to pay eligible debt service costs. PFC's increased \$14.7 million (10.4%) from \$141.6 million in FY 2022 to \$156.3 million in FY 2023 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 \$3.3 million (17.7%) from \$18.6 million in FY 2022 to \$21.9 million in FY 2023 due to higher rental days.

Investment income increased \$154.5 million from a loss of (\$55.0) million in FY 2022 to a gain of \$99.5 million in FY 2023 primarily due to realized investment gains and higher interest rates.

Lease interest income is the current year amortization of the discounted portion the lease receivable. Lease interest income increased \$3.0 million (6.6%) from \$45.3 million in FY 2022 to \$48.3 million in FY 2023. See Note 1(c).

Interest expense increased \$21.8 million (9.4%) from \$232.2 million in FY 2022 to \$254.0 million in FY 2022 primarily due to higher interest payments offset by lower issuance costs.

Disposal of capital project planning costs of \$33.4 million was recognized in FY 2023. Prior to this year, these planning costs were capitalized as part of the Terminal Renewal and Improvement Project (“TRIP”) related to renovating Terminal C. Due to the impacts of the COVID pandemic, the original renovation of Terminal C was cancelled. New plans for Terminal C have been developed rendering the old plans obsolete. This required the costs to be reclassified from capital to non-operating expense.

Other, net, non-operating revenues are comprised primarily of net book value losses on retired capital assets, sales of surplus property, insurance proceeds, sale of land, donated supplies, and other miscellaneous receipts and payments. In FY 2023, Other, net decreased \$27.7 million to (\$34.4) million primarily due to lease termination losses partially offset by the sale of land and higher surplus property sales.

Capital Contributions:

The following table highlights capital contributions for the fiscal years ended September 30, 2023, and 2022.

<u>Capital Contributions</u>	<u>For the Year Ended (000s)</u>	
	<u>FY 2023</u>	<u>FY 2022</u>
Federal grant reimbursements	\$ 68,593	\$ 20,186
Total Capital Contributions	<u>\$ 68,593</u>	<u>\$ 20,186</u>

DFW receives the 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 2023, DFW’s largest draw-down on grants were for runway rehabilitation, construction of a new electric central utility plant and the southwest end-around taxiway, and rental car electric charging stations.

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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, 2023, and 2022. A discussion of significant items follows.

Summary of Net Position	As of September 30 (000s)	
	FY 2023	FY 2022
Assets:		
Current and other assets	\$ 4,875,631	\$ 4,881,144
Capital assets	6,368,690	6,133,034
Total assets	<u>11,244,321</u>	<u>11,014,178</u>
Deferred outflows of resources	<u>68,362</u>	<u>30,195</u>
Total assets and deferred outflows of resources	<u>11,312,683</u>	<u>11,044,373</u>
Liabilities:		
Current and other liabilities, excluding debt	419,785	446,793
Non-current liabilities	52,414	31,392
Loans and credits	-	131,000
Long-term debt outstanding:		
due within one year	251,930	227,625
due in more than one year	7,575,252	7,461,413
Net pension liabilities	200,788	85,578
Total liabilities	<u>8,500,169</u>	<u>8,383,801</u>
Deferred inflows of resources for non-leases	98,112	138,830
Deferred inflows of resources for leases	1,696,926	1,805,247
Total deferred inflows of resources	<u>1,795,038</u>	<u>1,944,078</u>
Total liabilities and deferred inflows of resources	<u>10,295,207</u>	<u>10,327,878</u>
Total Net Position	<u>\$ 1,017,476</u>	<u>\$ 716,495</u>
Total revenues	\$ 1,675,254	\$ 1,304,950
Total expenses	(1,374,273)	(1,241,219)
Change in net position	<u>\$ 300,981</u>	<u>\$ 63,731</u>

Total current and other assets remained relative flat from FY 2022 to FY 2023. Total capital assets increased \$235.7 million primarily due to the first-year capitalization of subscription-based software, and 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 \$38.2 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 decreased \$27.0 million primarily due to lower unearned revenue.

Non-current liabilities increased \$21.0 million primarily due to the first-year recognition of a subscription-based software payable.

The loan and credit balance for the construction of the AA parts and flight kitchen facilities was replaced by the 2023A debt refunding. Debt due within one year increased based on the bond principal payment schedule. See Note 6. Debt due in more than one year increased \$113.8 million due to the issuance of improvement bonds and the conversion of the AA loan to debt partially offset by the payment of principal.

The net pension liability increased \$115.2 million from FY 2022 to FY 2023 primarily due to lower 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 decreased \$40.7 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 decreased \$108.3 million due to lease payments exceeding lease net present value amortization.

The following table summarizes DFW's net position as of September 30, 2023, and 2022.

Net Position	As of September 30 (000s)	
	FY 2023	FY 2022
Net investment in capital assets	\$ (31,224)	\$ (172,847)
Restricted net position:		
PFIC	22,414	20,077
Passenger facility charges	48,929	37,272
Public safety and other	5,260	9,144
Total restricted	76,603	66,493
Unrestricted net position	972,097	822,849
Total Net Position	\$ 1,017,476	\$ 716,495

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 (\$172.8) million in FY 2022 to (\$31.2) million in FY 2023 is due to the first-year write-up of subscription-based software assets, usage of federal relief proceeds for debt service, partially offset by higher depreciation charges exceeding bond principal payments and premium amortizations.

The Restricted net position for PFIC consists of cash and investments and other working capital necessary for the day-to-day operations, FF&E reserves, 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 27.6% and 28.2% of the total gross debt service in FY 2023 and FY 2022, respectively. The PFC balance increased \$11.6 million in FY 2023, primarily due to the increase in passengers.

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 \$149.3 million from \$822.8 million in FY 2022 to \$972.1 million in FY 2023 primarily due to higher operating revenues, PFCs, and investment income.

Liquidity and Financing

As of September 30, 2023, DFW had total cash and investments of \$3.0 billion, of which \$1.2 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 2023 are sufficient to cover 629 days of operating expenses as compared to 644 days in FY 2022. 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, 2023, DFW had \$385.0 million in this reserve.

As of September 30, 2023, DFW has \$7.5 billion of fixed rate joint revenue bonds outstanding (face amount). The \$7.5 billion includes \$251.9 million of bonds 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 begun to use subordinate lien commercial paper ("CP") for interim financing purposes. 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 \$797.2 million as of September 30, 2023. DFW issued and paid-off \$100.0 of commercial paper during FY 2023. DFW had no commercial paper debt outstanding as of September 30, 2023.

In May 2021, DFW's Board of Directors approved the 62nd Supplemental Bond Ordinance authorizing a credit agreement with Wells Fargo bank for an interim loan up to \$225.0 million. This loan was a Subordinate Lien Obligation, 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 assumed ownership in a lease-back arrangement. In August of 2023, DFW issued Joint Revenue Refunding Bonds, Taxable Series 2023A (\$215.3 million) to refinance the final loan amount of \$215.0 million.

In September of 2023, DFW issued Joint Revenue Refunding and Improvement Bonds, Series 2023B (\$691.3 million). A premium of \$66.9 million was received upon issuance. Series 2023B refunded Series 2013D (\$208.1 million), Series 2013F (\$154.2 million), Series 2013G (\$78.5 million), and Series 2014C (\$109.2 million) for a total refunding of \$550.0 million. The Series 2023B refunding will result in future savings of \$71.7 million and net present values savings of \$51.6 million. New money capital improvement funding totaled \$200.0 million.

Also in September of 2023, DFW issued Joint Revenue Refunding Bonds, Series 2023C (AMT), (\$241.3 million). A premium of \$13.8 million was received upon issuance. Series 2023C refunded Series 2013E for (\$43.7 million), Series 2014A (\$195.7 million), and Series 2014D (\$14.6 million) for a total refunding of \$254.0 million. The Series 2023C refunding will result in future savings of \$17.9 million and net present values savings of \$14.5 million.

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. FY 2022 was restated to include additional capital transfers in total gross revenues.

DFW's Gross Revenues coverage ratios were 1.48 and 1.51 for the fiscal years September 30, 2022, and September 30, 2023, respectively. Current Gross Revenues coverage ratios were 1.20 and 1.24, for the same periods. 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 1.37 and the Gross Revenue coverage to 1.65 in FY 2023.

The Gross Revenues and Gross Revenues with additional sources were restated for FY 2022 to include certain capital transfers. See the Debt Service Coverage Schedule in the Statistical Section for the 10-year history.

	Fiscal Year Ended September 30		
	2023	2022 (restated)	2022 (original)
1.0x Coverage Calculation - Current Gross Revenues			
Gross Revenues available for debt service	\$ 792.9	\$ 702.2	\$ 690.2
Less: Transfers and Rolling Coverage	(144.2)	(130.4)	(118.4)
Current Gross Revenues available for debt service	\$ 648.7	\$ 571.8	\$ 571.8
Debt Service	\$ 524.2	\$ 475.0	\$ 475.0
Coverage ratio - Current Gross Revenues	1.24	1.20	1.20
1.25x Coverage Calculation - Gross Revenues			
Total Gross Revenues	\$ 1,412.3	\$ 1,250.8	\$ 1,238.8
Less Operating Expenses	(619.4)	(548.6)	(548.6)
Gross Revenues available for debt service	\$ 792.9	\$ 702.2	\$ 690.2
Coverage ratio - Gross Revenues	1.51	1.48	1.45
Coverage Calculation - All Revenues Sources			
All Current Revenues available for debt service	\$ 720.4	\$ 623.2	\$ 623.3
Coverage ratios:			
All Current Revenues	1.37	1.31	1.31
All Current plus Transfers, Rolling Coverage	1.65	1.59	1.56

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+" (Positive), 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, 2023
(Amounts in Thousands)

Assets	
Current assets	
Cash and cash equivalents (notes 1, 2)	\$ 412,450
Restricted cash and cash equivalents (notes 1, 2, 8)	218,487
Investments (notes 1, 2)	786,506
Accounts receivable, net of allowance for doubtful accounts of \$3,778 (note 1)	48,914
Inventory and other current assets (note 1)	26,254
Lease receivable (notes 1,12)	94,037
Lease interest receivable (notes 1,12)	10,153
Total current assets	1,596,801
Non-current assets	
Restricted cash and cash equivalents (notes 1, 2, 8)	373,660
Restricted investments (notes 1, 2, 8)	1,159,320
Lease receivable (notes 1,12)	1,668,440
Capital assets, net (notes 1, 5)	
Non-depreciable	1,134,158
Depreciable, net	5,234,532
Total capital assets, net	6,368,690
Other restricted assets (notes 8,10)	77,410
Total non-current assets	9,647,520
Total assets	11,244,321
Deferred outflows of resources (notes 1, 9)	68,362
Total assets and deferred outflows of resources	\$ 11,312,683

See accompanying notes to the basic financial statements.

Dallas Fort Worth International Airport
Statement of Net Position
Business-Type Activities
As of September 30, 2023
(Amounts in Thousands)

Liabilities	
Current liabilities	
Accounts payable and other current liabilities (note 4)	\$ 201,298
Current payable from restricted assets (notes 1, 8)	218,487
Current portion of joint revenue bonds payable (notes 1, 6)	<u>251,930</u>
Total current liabilities	671,715
Long-term liabilities	
Long-term liabilities (note 16)	52,414
Net pension liabilities (note 9)	200,788
Joint revenue bonds payable (note 6)	<u>7,575,252</u>
Total long-term liabilities	7,828,453
Total liabilities	<u>8,500,169</u>
Deferred inflows of resources for non-leases (notes 1, 9, 10)	98,112
Deferred inflows of resources for leases (notes 1,12)	<u>1,696,926</u>
Total deferred inflows of resources	1,795,038
Total liabilities and deferred inflows of resources	<u>10,295,207</u>
Net position	
Net investment in capital assets (note 7)	(31,224)
Restricted for:	
PFIC (notes 6, 8, 11)	22,414
Passenger facility charges (notes 1, 6)	48,929
Public safety and other (notes 1, 6)	<u>5,260</u>
Total restricted	76,603
Unrestricted	972,097
Total net position	<u><u>\$ 1,017,476</u></u>

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, 2023
(Amounts in Thousands)

Operating revenues		
Terminal rent and use fees (note 1)	\$	389,317
Landing fees (note 1)		46,338
Federal Inspection Services (note 1)		36,921
Other airline		850
Total airline revenue		<u>473,426</u>
Parking and ground transportation		224,105
Concessions		116,140
Ground and facilities leases		84,268
Rent-A-Car (RAC)		45,353
Hotels		52,449
Employee transportation		22,350
Rent-A-Car customer transportation charges		13,063
Other non-airline		39,736
Total non-airline revenue		<u>597,464</u>
Total operating revenues		<u><u>1,070,890</u></u>
Operating expenses		
Salaries, wages and benefits		261,011
Contract services		320,210
Utilities		32,428
Equipment and supplies		32,223
Hotels		30,106
Insurance		12,526
General, administrative and other		7,575
Depreciation and amortization (note 5)		356,333
Total operating expenses		<u>1,052,412</u>
Operating income	\$	<u><u>18,478</u></u>

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, 2023
(Amounts in Thousands)

Non-operating revenues (expenses)		
Federal relief proceeds	\$	209,786
Passenger facility charges		156,301
Investment income (loss)		99,507
Lease interest income (notes 1,12)		48,322
RAC customer facility charges		21,855
Interest expense on joint revenue bonds		(254,047)
Disposal of capital projects planning costs (note 5)		(33,411)
Other, net		<u>(34,403)</u>
Total non-operating revenues, net		213,910
		<u>232,388</u>
Income before capital contributions		<u>232,388</u>
Capital contributions		
Federal grant reimbursements		<u>68,593</u>
Total capital contributions		<u>68,593</u>
Net Position		
Increase in net position		300,981
Net position, beginning of year		716,495
Total net position, end of period	\$	<u>1,017,476</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, 2023
(Amounts in Thousands)**

Cash flows from operating activities:	
Cash received from operations	\$ 1,008,751
Cash paid to outside vendors	(408,846)
Cash paid to employees	(239,241)
Net cash provided by operating activities	<u>360,664</u>
Cash flows from non-capital and related financing activities:	
Other nonoperating revenues: Federal Relief Proceeds	200,000
Proceeds from sale of commercial paper	100,000
Commercial paper payments and interest costs	(101,501)
Net cash provided by non-capital and related financing activities	<u>198,499</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(601,365)
Proceeds from sale of land	3,311
Proceeds from credit/loan financing	84,000
Proceeds from sale of revenue bonds	1,147,850
Premiums from sale of bonds	80,689
Underwriter's discount and fees	(4,192)
Payment to escrow agent for bond and commercial paper refunding	(1,033,414)
Bond and commercial paper issuance costs	(2,254)
Principal paid on revenue bonds	(227,625)
Interest paid on revenue bonds, commercial paper, loan	(290,191)
Proceeds from capital grants	23,323
Proceeds from passenger facility charges	155,007
Proceeds from RAC customer facility charges	21,531
Interest portion of lease proceeds	54,374
Net cash used in capital and related financing activities	<u>(588,956)</u>
Cash flows from investing activities:	
Interest received on investments	81,247
Purchase of investments	(252,520)
Sale of investments	453,238
Net cash provided by investing activities	<u>281,965</u>
Net increase in cash and cash equivalents	252,173
Cash and cash equivalents, beginning of year	<u>752,424</u>
Cash and cash equivalents, end of the period	<u><u>1,004,597</u></u>
Unrestricted cash and cash equivalents	412,450
Restricted cash and cash equivalents	592,147
Cash and cash equivalents, end of the period	<u>\$ 1,004,597</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, 2023
(Amounts in Thousands)**

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 18,478
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	356,333
Changes in assets, deferred outflows of resources, liabilities, deferred inflows of resources:	
Accounts receivable	(1,560)
Lease accounts receivable	90,795
Lease deferred inflows	(91,384)
Materials, supplies, inventories, other assets	4,860
Unearned revenues	(3,282)
Payroll liabilities	4,034
Accounts payable and other liabilities	(17,612)
Net cash provided by operating activities	<u>\$ 360,664</u>
Supplemental disclosure of non-cash activities	
Assets acquired under capital lease	\$ 56,341
Amortization of bond premium/discount	(33,741)
Amortization of bond defeasement loss	(2,683)
Bond refunding loss	(25,560)
Capital grants receivable	57,381
Unpaid purchases of capital assets in accounts payable and accrued liabilities	119,301
Unrealized gain on investments	14,853

See accompanying notes to the basic financial statements.

Dallas Fort Worth International Airport
Statement of Fiduciary Net Position
As of December 31, 2022
(Amounts in Thousands)

		Pension (and other employee benefit) Trust Funds
Assets		
Cash and cash equivalents	\$	39
Investments held in Master Trust at fair value		
Domestic equity		181,423
International equity		140,471
Private equity		127,917
Non-core fixed income		119,348
Core fixed income		96,522
Infrastructure		85,864
Real estate		63,938
Mutual funds		27,184
Total investments at fair value		842,667
Investments held in Master Trust at amortized cost		
Money market funds		28,037
Receivables		
Accrued interest and dividends		907
Due from broker for securities sold		338
		1,245
		871,988
Liabilities		
Due to broker for securities purchased		553
Accrued administrative fees		413
Accrued management fees		137
Claims/premiums payable		1,142
Total liabilities		2,245
Fiduciary net position restricted for pensions and OPEB	\$	869,743

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, 2022
(Amounts in Thousands)

	Pension (and other employment benefit) Trust Funds
Additions	
Contributions	
Plan members contributions	\$ 2,401
Employer contributions	29,604
Total contributions	32,005
Plans' interest in Master Trust investment gain	(57,892)
Dividends	555
Interest	25
Less: Investment fees	(5,532)
Net investment income	(62,844)
Total additions	(30,839)
Deductions	
Benefits paid to plan members and beneficiaries	58,710
Administrative fees	1,563
Total deductons	60,273
Net increase in fiduciary net position	(91,112)
Fiduciary net position restricted for pensions and OPEB	
At beginning of the year	960,855
At end of the year	\$ 869,743

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023**

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Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023

(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 12th 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 14, “*The Financial Reporting Entity*” as amended (“GASB 14”). 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, 2023. 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 14. 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, 2023

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, 2022. These defined benefit plans are fiduciary component units as they are administered through trusts that meet the criteria in GASB Statements No. 67 “*Financial Reporting for Pension Plans*” (“GASB 67”), and No. 74 “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*” (“GASB 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.

Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023

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. 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, 2022.

(c) Basis of Presentation

Adoption of Current GASB Statements

The GASB has issued Statement No. 91, “*Conduit Debt Obligations*” (“GASB 91”). Effective for financial statements beginning after December 15, 2021, GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. DFW adopted GASB 91 as of October 1, 2022, and there was no impact on its financial statements.

The GASB has issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements (APAs)*” (“GASB 94”), with the objective to improve financial reporting by addressing issues related to public-private and public-public partnerships (PPPs). GASB 94 defines a PPP as an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period in an exchange or exchange-like transaction. The requirements of GASB 94 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. DFW adopted GASB 94 as of October 1, 2022, and there was no impact on its financial statements.

The GASB has issued Statement No. 96, “*Subscription-Based Information Technology Arrangements*” (“GASB 96”), effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. GASB 96’s objective is to improve financial reporting by providing definitions and uniform guidance that will result in greater consistency in practice. GASB 96 (1) defines a subscription-based information technology arrangement, or “SBITA”; (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. It also establishes the capitalization criteria for implementation costs which will reduce diversity and improve comparability in financial reporting by governments.

Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023

GASB 96 will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

DFW adopted Statement No. 96 effective October 1, 2022. The following amounts are reporting the financial statements as of September 30, 2023:

1. Right-to-use subscription asset, an intangible asset, of approximately \$38.1 million, net of amortization.
2. Subscriptions payable of approximately \$28.8 million, of which \$22.5 is included in Long-term liabilities and \$6.3 million in Current liabilities.
3. Interest expense of approximately \$1.3 million is included in Non-operating revenues (expenses): Other, net.
4. Amortization of approximately \$6.3 million is included in Depreciation and amortization expense.

The GASB has issued Statement No. 99, "Omnibus 2022" ("GASB 99"), with the objectives to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature. The Statement addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The following practice issues addressed in GASB 99 were effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter:

- 1) Clarification of provisions in GASB Statement No. 87, "Leases" as amended ("GASB 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.
- 2) Clarification of provisions in GASB 94 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.
- 3) Clarification of provisions in GASB 96 related SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

DFW adopted the clarified guidance as of October 1, 2022.

Future GASB Statements

GASB 99 contains the following guidance will be effective on future dates:

- 1) Modification to guidance in GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" ("GASB 70"), to bring all guarantees under the same financial reporting requirements and disclosures.
- 2) Guidance on classification and reporting of derivative instruments within the scope of Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" ("GASB 53").

These provisions are effective for fiscal years beginning after June 15, 2023. DFW is evaluating the effect GASB 99 will have on its financial statements.

The GASB has issued Statement No. 100, "Accounting Changes and Error Corrections, an amendment to GASB Statement No. 62" ("GASB 100"). Effective for fiscal years beginning after June 15, 2023, GASB 100 enhances accounting and financial reporting requirements for accounting changes and error corrections. GASB 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity, and describes the transactions or other events that constitute those changes.

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As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting: understandability, reliability, relevance, timeliness, consistency, and comparability.

GASB 100 addresses corrections of errors in previously issued financial statements. GASB 100 prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. 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 pronouncements if there is no specific transition guidance in the new pronouncement. GASB 100 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 GASB 100 will have on its financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences*" ("GASB 101"). GASB 101 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 GASB 101 are effective for fiscal years beginning after December 15, 2023. DFW is evaluating the effect that GASB 101 will have on its financial statements.

The GASB has issued Statement No. 102, "*Certain Risk Disclosures*" ("GASB 102"). GASB 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If those criteria for disclosure have been met, GASB 102 requires disclosure in the notes to the financial statements to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024. DFW is evaluating the effect that GASB 102 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 \$0.9 million for Landing Fees, \$1.6 million for Terminal Rents and Use Fees, and \$1.0 million for Federal Inspection Services.

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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, amortization of debt issuance or refunding costs, and interest on subscriptions payable. 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.

Investments

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 \$3.8 million as of September 30, 2023. This allowance is netted against the Accounts receivable balance.

(f) Materials and Supplies Inventories

Inventories are valued at the lower of cost or net realizable value 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.

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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. 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) Subscription Assets

The right-to-use subscription assets, intangible assets, are measured as the sum of initial subscription liability amount, payments made to the subscription vendors before commencement of the subscription term, and capitalizable implementation costs. Amortization of the subscription assets is calculated on the straight-line method over the subscription term and is included in Depreciation and amortization expense. The initial subscription liability is the value of future subscription payments (expected to be made during the subscription term) discounted using DFW's estimated incremental borrowing rate. A discount on subscriptions liability is reported as subscriptions interest expense during each reporting period. Subscription payments made are allocated first to accrued interest liability then to reduce the subscription liability.

(j) 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 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 was for debt service and operating expenses. DFW drew down \$21.1 million during FY 2022 and the remaining \$200 million during FY 2023. The second grant of approximately \$30.7 million was used to provide financial relief to in-terminal concessionaires. DFW drew down the entire \$30.7 million in FY 2022 and applied for concessionaire relief \$20.6 million and \$9.9 million during FY 2022 and 2023, respectively.

The Bipartisan Infrastructure Law ("BIL") was signed into law on November 15, 2021. DFW has been awarded three BIL grants totaling approximately \$70.0 million. The grant funding will be used to construct a zero-carbon electric central utility plant ("eCUP"), replace aging heating, ventilation, and air conditioning terminal systems, and install dimmable smart glass in terminal windows. DFW drew down approximately \$7.8 million during FY 2023.

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(k) 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, 2023, 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 \$2.6 billion. DFW is currently collecting and expending PFC’s under PFC Application 10; applications 1 – 9 are closed.

(l) 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 Statements No. 84, “*Fiduciary Activities*” (“GASB 84”), and No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*” (“GASB 97”).

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 84 and GASB 97.

(m) Retirement Plans

Based on the retirement plans’ funding policy, DFW contributes an amount equal to or greater than the actuarially determined pension contribution for each fiscal year. In fiscal year 2023, DFW made actuarially determined contributions of \$28.2 million to the plans: \$18.7 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.

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(n) 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 fiscal year 2023, DFW made contributions of \$1.4 million. The OPEB plan is accounted in accordance with GASB 74.

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.

(o) 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.

(p) 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 earned but unused TOP. TOP is recorded as a liability when earned and is reflected in the Accounts Payable and Other Accrued Liabilities.

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, 2022	\$ 13,015
TOP used during the year	(12,822)
TOP earned during the year	<u>13,064</u>
Balance as of September 30, 2023	<u><u>\$ 13,257</u></u>

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(q) 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.

(r) 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. DFW has six qualifying deferred outflows of resources.

The first and fourth are the result of economic or demographic assumption changes made to the actuarial valuations of the pension and OPEB plans.

The second and fifth relate to the differences between projected and actual earnings on pension and OPEB plan investments. These amounts are amortized over a closed five-year period.

The third and sixth 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, 2023, the combined balance of deferred outflows of resources is as follows (in thousands):

<u>Deferred outflows of resources</u>	<u>2023</u>
Pension:	
Change in assumptions	\$ 3,297
Differences between projected and actual earnings on investments	44,985
Differences between expected and actual experience	6,183
OPEB:	
Change in assumptions	975
Differences between projected and actual earnings on investments	3,418
Differences between expected and actual experience	4,524
Total Deferred outflows of resources	<u>\$ 63,382</u>

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The Statement of Net Position includes a separate section for deferred inflows of resources applying to a future periods' inflows of resources (revenue). Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period. DFW has five qualifying deferred inflows of resources.

The first relates to lease inflows. DFW recognizes a deferred inflow of resources and an equal lease receivable for each qualifying lease. The deferred inflows of resources for leases are 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 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 these benefits.

The fifth 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, 2023, the combined balance of deferred inflows of resources is as follows (in thousands):

Deferred inflows of resources	2023
Deferred inflows of resources for leases	\$ 1,696,926
Refunding of debt	77,431
Pension:	
Differences between expected and actual experience	6,553
OPEB:	
Differences between expected and actual experience	8,361
Change in assumptions	787
Deferred inflows of resources for non-leases	93,132
 Total deferred inflows of resources	 \$ 1,790,058

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(2) DEPOSITS AND INVESTMENTS

(a) Deposits - DFW

As of September 30, 2023, DFW's cash balance (including amounts under restricted assets – see Note 8) represents \$1,004.6 million of cash and cash equivalents. The bank balances for the cash and cash equivalents accounts were approximately \$1,000.6 million on September 30, 2023. The balance of cash and cash equivalents are held in a local government investment pool, money market accounts, savings accounts, or in deposit accounts swept nightly.

The local government investment pool is managed as a stable value net asset value (NAV) pool but does not meet all the specific criteria outlined in paragraph 4 of GASB Statement No. 79, “*Certain External Investment Pools and Pool Participants*” (“GASB 79”), to qualify for use of amortized cost accounting for financial reporting purposes. Therefore, DFW has reported the local government investment pool at fair value using its stated net asset value as of September 30, 2023.

The money market funds are valued at amortized cost. DFW utilizes a short-term sweep vehicle that automatically sweeps uninvested cash into a money market fund, with the primary goal to preserve capital while maintaining a high degree of liquidity. The fund transacts with participants at a stable net asset value per share and meets other criteria under GASB 79 permitting it to measure its investments at amortized cost. Money market funds are regulated by the Securities Exchange Commission under the Investment Company Act of 1940. DFW's shares are valued at the issuer's value per share. The risk ratings for DFW's money market funds are AAAm by Standard and Poor's, Aaa-mf by Moody's, and AAAMmf by Fitch.

Cash balances are held in bank deposits and savings accounts that are federally insured or collateralized with letters of credit or authorized securities. DFW's cash and cash equivalents as of September 30, 2023, are as follows (in thousands):

Description	2023
Local government investment pool	\$ 664,000
Money market funds	289,184
Cash	51,413
Total cash and equivalents	\$ 1,004,597

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(b) Investments – DFW

As of September 30, 2023, DFW's investment values and associated credit ratings from Standard and Poor's (S&P) are as follows (in thousands):

Investments by Sector	S&P Rating	Amount	2023		
			Percent of Total Investment	Maturities (in years)	
				< 1 year	1 - 5 years and Over
Investments measured at Fair Value					
Municipals	AAA	\$ 68,340	5.2%	\$ 17,916	\$ 50,424
	AA+	7,538	0.6%	-	7,538
	AA	6,967	0.5%	-	6,967
	AA-	14,715	1.1%	7,908	6,807
Total Investments measured at Fair Value		97,560	7.4%	25,824	71,736
Investments measured at Amortized Cost					
Commercial Paper	A-1+	125,521	9.5%	-	125,521
	A-1	117,051	8.9%	117,051	-
	A1+	14,897	1.1%	14,897	-
Municipals	AA	7,580	0.6%	7,580	-
Total Investments measured at Amortized Cost		265,049	20.1%	139,528	125,521
Total Investments					
Commercial Paper		257,469	19.6%	131,948	125,521
Municipals		105,140	8.0%	33,404	71,736
Total Investments		\$ 362,609	27.6%	\$ 165,352	\$ 197,257
Money Market Funds		289,268	22.0%	\$ 289,268	-
Local Government Investment Pool		664,000	50.4%	\$ 664,000	-
Total Investments with Money Market Funds and local investment pool		\$ 1,315,877	100.0%		
U.S. Agencies and Instrumentalities		\$ 1,572,777			
Total Investments without Money Market Funds and Local Government Investment Pool		362,609			
Accrued Investment Earnings		10,436			
Book value of investments		\$ 1,945,822			

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

(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.

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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.

<u>Purpose</u>	<u>Maturity</u>
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.

<u>Maturity</u>	<u>2023</u> <u>% of Investment</u>
Less than one year	34%
One to five years or more	66%

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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.

Investment Type	Minimum Ratings
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, 2023, DFW was in compliance with its investment policy. DFW's investments that exceed 5% of total investments are as follows:

Description	Percent of Total Investments
Federal Home Loan Bank	28.3%
Local Government Investment Pool Texas Class	23.0%
Federal Farm Credit Bank	11.9%
Federal Agricultural Mortgage Corporation	8.7%
	71.8%

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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, 2023, DFW investments, measured at fair value, are categorized in the three levels as follows (in thousands):

Investments	Level 2: Significant Other Observable Inputs
U.S Agencies and instrumentalities	\$ 1,557,777
Municipal bonds	<u>97,560</u>
Total	<u><u>\$ 1,655,337</u></u>

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**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
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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, net asset value, and amortized cost. As of December 31, 2022, the Plans’ investments were as follows (in thousands):

Investments measured at fair value	Total
Investments measured at fair value using Level 1 and 2 inputs	
Common stock	\$ 140,071
Government fixed income securities	63,817
Corporate bonds	27,559
Exchange traded funds	24,901
Mutual funds	18,472
Asset backed bonds	4,415
American depository receipts	988
Commercial mortgage backed securities	731
Total investments measured at fair value using Level 1 and Level 2 inputs	280,954
Investments measured at net asset value	
Limited partnerships	366,809
Commingled funds	166,672
Real estate investment trusts	1,048
Total investments measured at fair value using net asset value	534,529
Total investments measured at fair value	\$ 815,482
Investments measured at amortized cost	
Money market funds	\$ 25,521
Total investments	\$ 841,004

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**Dallas Fort Worth International Airport
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Retirement Plans' investments measured at fair value were categorized in the two levels below as of December 31, 2022 (in thousands):

Investments measured at Fair Value	Level 1:	Level 2:	Total
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	
Common stock	\$ 140,071	\$ -	\$ 140,071
Government fixed income securities	-	63,817	63,817
Corporate bonds	-	27,559	27,559
Exchange traded funds	24,901	-	24,901
Mutual funds	18,472	-	18,472
Asset backed bonds	-	4,415	4,415
American depository receipts	988	-	988
Commercial mortgage backed securities	-	731	731
Total	<u>\$ 184,431</u>	<u>\$ 96,522</u>	<u>\$ 280,954</u>

(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, 2022, the maturity values were as follows (in thousands):

Fixed Income Securities	Maturity (in years)				Total
	0-5	6-10	11-15	16+	
Mortgage backed securities	\$ -	\$ 123	\$ 2,665	\$ 36,489	\$ 39,277
U.S. Treasury and agency	5,874	5,783	-	12,755	24,412
Commercial mortgage backed bonds	-	237	-	-	237
Collateralized mortgage obligations	-	128	-	-	128
Total government	<u>\$ 5,874</u>	<u>\$ 6,143</u>	<u>\$ 2,665</u>	<u>\$ 49,243</u>	<u>\$ 64,054</u>
Corporate bonds	\$ 5,174	\$ 17,589	\$ 847	\$ 3,949	\$ 27,559
Money market fund	25,521	-	-	-	25,521
Asset backed bonds	2,702	152	1,166	395	4,415
Commercial mortgage backed securities	-	-	365	130	494
Total non-government	<u>\$ 33,397</u>	<u>\$ 17,741</u>	<u>\$ 2,378</u>	<u>\$ 4,474</u>	<u>\$ 57,990</u>

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(j) 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, 2022 (in thousands):

Investment Types	Ratings						Total
	AAA	AA+ AA AA-	A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	No Rating	
Fixed Income Investments							
Government fixed income securities	\$ -	\$ 24,412	\$ -	\$ -	\$ -	\$ 39,405	\$ 63,817
Commercial mortgage backed securities	-	-	-	-	-	237	237
Total government	-	24,412	-	-	-	39,642	64,054
Corporate bonds	309	713	12,178	13,841	96	422	27,559
Money market	-	-	-	-	-	25,521	25,521
Asset backed bonds	-	253	190	-	-	3,972	4,415
Commercial mortgage backed securities	-	-	-	-	-	494	494
Total non-government	309	966	12,368	13,841	96	30,409	57,989
Total fixed income investments	\$ 309	\$ 25,378	\$ 12,368	\$ 13,841	\$ 96	\$ 70,051	122,043
Other Investments							
Limited Partnerships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 366,809	\$ 366,809
Commingled funds	-	-	-	-	-	166,672	166,672
Common stock	-	-	-	-	-	140,071	140,071
Exchange traded funds	-	-	-	-	-	24,901	24,901
Mutual funds	-	-	-	-	-	18,472	18,472
Real estate investment trusts	-	-	-	-	-	1,048	1,048
American depository receipts	-	-	-	-	-	988	988
Total other investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 718,961	718,961
Total investments	\$ 309	\$ 25,378	\$ 12,368	\$ 13,841	\$ 96	\$ 789,012	\$ 841,004

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(k) 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 Allocation Guidelines			
Asset Class	Target	Range	Actual
<u>Equity</u>			
Domestic equity	20.0%	15.0% - 25.0%	21.9%
International equity	17.5%	12.5% - 27.5%	16.7%
<u>Fixed income</u>			
Core fixed income	10.0%	5.0% - 15.0%	12.6%
Non-core fixed income	15.0%	10.0% - 20.0%	14.2%
Cash and cash equivalents	2.5%	0.0% - 5.0%	0.0%
<u>Alternatives</u>			
Real estate	12.5%	7.5% - 17.5%	7.7%
Private equity	12.5%	7.5% - 17.5%	15.5%
Infrastructure (Real assets, MLPs)	10.0%	5.0% -15.0%	11.4%
Total fund	<u>100.0%</u>		<u>100.0%</u>

As of December 31, 2022, there were no investments exceeding the category parameters of the investment guidelines.

(l) Custodial Risk – DFW’s Fiduciary Pension Plans

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

(m) 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 requirements of the OPEB Plan and the value of investments 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. Both funds are open-ended funds that are registered with the Securities and Exchange Commission. The funds are required to publish their daily net asset value calculated based on the market value of the individual fund holdings, transact publicly at their net asset value per share, and are redeemable by DFW upon request.

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DFW has designated a short-term sweep vehicle that automatically sweeps uninvested cash into a money market fund, with the primary goal to preserve capital while maintaining a high degree of liquidity. The fund is regulated by the Securities and Exchange Commission and transacts with participants at a stable net asset value per share and meets criteria in GASB Statement No. 79 permitting it to measure its investments at amortized cost.

OPEB Plan's investments as of December 31, 2022, were as follows (in thousands):

Investments	2022
<u>Investments measured at fair market value (Level 1)</u>	
Institutional index - Mutual fund	\$ 16,840
Total Bond index - Mutual fund	\$ 10,344
Total Investments measured at fair market value	\$ 27,184
 <u>Investments measured at amortized cost</u>	
Money market fund	\$ 2,516
Total Investments measured at amortized cost	\$ 2,516
Total investments	\$ 29,700

(n) 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, 2022, the OPEB Plan had no investments that are exposed to interest rate risk.

(o) 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, 2022, the OPEB Plan had no investments that are exposed to credit risk.

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(p) 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%	62%
Intermediate Bond Fund	40%	60%	50%	38%

The Indexed Equity Mutual Fund actual allocation of 62% exceeded the maximum due to stronger than expected equity markets.

(q) 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, 2023, were approximately \$1.9 million. Payments to the City of Dallas, primarily for legal services and water purchases for the year ended September 30, 2023, were approximately \$1.6 million.

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

A detail of the unrestricted accounts payable and other current liabilities as of September 30, 2023, are as follows (in thousands):

	FY 2023
Unearned revenue	\$ 64,684
Accrued expenditures	39,731
Accounts payable	28,752
Signatory airline refunds	19,165
Payroll and employee benefits	15,279
Time off with pay	13,258
Subscription-based software payable	6,626
Insurance	6,203
Deposits	3,987
Other current and accrued liabilities	3,613
Total	\$ 201,298

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**Dallas Fort Worth International Airport
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(5) CAPITAL ASSETS

Capital assets activity during the year ended September 30, 2023, is as follows (in thousands):

Description	Balance October 1, 2022	Additions to Existing Assets	Completed Projects and Additions	Less Retirements	Balance September 30, 2023
Capital assets not being depreciated					
Land	\$ 294,294	\$ -	\$ -	\$ (45)	\$ 294,249
Construction in progress	682,008	517,648	(326,336)	(33,411)	839,909
Total capital assets not depreciated	976,302	517,648	(326,336)	(33,456)	1,134,158
Depreciable capital assets					
Buildings improvements	4,230,683	-	209,663	(11,942)	4,428,404
Improvements other than buildings	3,840,967	-	116,673	(24,182)	3,933,458
Machinery and equipment	1,317,144	59,532	-	(22,455)	1,354,221
Vehicles	244,580	16,347	-	(2,311)	258,616
Subscription-based software	21,941	22,445	-	-	44,386
Total depreciable capital assets	9,655,315	98,324	326,336	(60,890)	10,019,085
Accumulated depreciation					
Buildings improvements	1,608,527	148,054	-	(6,515)	1,750,066
Improvements other than buildings	1,744,160	116,188	-	(20,527)	1,839,821
Machinery and equipment	938,781	63,321	-	(19,069)	983,033
Vehicles	185,174	22,469	-	(2,311)	205,332
Subscription-based software	-	6,301	-	-	6,301
Total accumulated depreciation	4,476,642	356,333	-	(48,422)	4,784,553
Total, net capital assets	<u>\$ 6,154,975</u>	<u>\$ 259,639</u>	<u>\$ -</u>	<u>\$ (45,924)</u>	<u>\$ 6,368,690</u>

During FY 2023, DFW recognized approximately \$33.4 million non-operating expense related to disposal of previously capitalized planning and design costs for incurred under the Terminal Renewal and Improvement Project (“TRIP”) for Terminal C. Due to impacts of the COVID 19 pandemic, Terminal C renovation under TRIP was cancelled. New plans for Terminal C renovation were developed and approved during FY 2023, rendering the old plans obsolete.

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**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
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(6) DEBT

A summary of bond indebtedness changes during the year ended September 30, 2023, is as follows (in thousands):

Series: Maturity (Due) : Interest Rate	Original Issue Amount	Beginning Balance	Additions	Reduction	Ending Balance	Amounts Due Within One Year
<u>DFW - Indirect General Obligation Bonds</u>						
2013C: Due 11/34-11/45: 4.750 - 5.000%	\$ 242,000	\$ 56,600	\$ -	\$ -	\$ 56,600	\$ -
2013D: Due 11/14-11/33: 2.000 - 4.750%	416,315	208,145	-	(208,145)	-	-
2013E: Due 11/14-11/33: 4.000 - 5.250%	225,310	91,135	-	(69,395)	21,740	21,740
2013F: Due 11/14-11/33: 3.000 - 5.500%	251,960	192,810	-	(170,910)	21,900	21,900
2013G: Due 11/14-11/43: 4.125 - 5.250%	109,060	89,705	-	(83,965)	5,740	5,740
2014A: Due 11/14-11/32: 1.000 - 5.250%	201,515	196,140	-	(195,915)	225	225
2014B: Due 11/14-11/45: 4.650 - 5.250%	222,910	7,885	-	(7,885)	-	-
2014C: Due 11/14-11/45: 4.125 - 5.000%	124,285	114,710	-	(111,895)	2,815	2,815
2014D: Due 11/14-11/27: 1.000 - 5.000%	78,430	32,985	-	(25,420)	7,565	7,565
2014E: Due 11/14-11/27: 4.000 - 5.000%	97,315	5,675	-	(5,675)	-	-
2019A: Due 11/19-11/45: 1.837 - 3.195%	1,167,060	1,123,910	-	(24,140)	1,099,770	33,900
2020A: Due 11/21-11/35: 4.000 - 5.000%	391,755	391,755	-	-	391,755	15,135
2020B: Due 11/21-11/45: 4.000 - 5.000%	459,520	439,565	-	(19,250)	420,315	10,005
2020C: Due 11/21-11/50: 1.041 - 3.089%	1,193,985	1,193,985	-	-	1,193,985	8,560
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	-	(16,505)	282,800	16,915
2021C: Due 11/22-11/46: 0.532 - 2.843%	706,230	706,230	-	(4,475)	701,755	13,060
2022A: Due 11/46-11/51: 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	7,135
2023A: Due 11/24-11/47: 0.041 - 4.507%	215,275	-	215,275	-	215,275	-
2023B: Due 11/24-11/47: 5.000 - 5.000%	691,305	-	691,305	-	691,305	-
2023C: Due 11/24-11/33: 5.000 - 5.353%	241,270	-	241,270	-	241,270	-
<u>DFW - Bonds under Direct Placement</u>						
2017A: Due 11/18-11/24: 1.910 - 2.230%	302,370	261,740	-	(88,095)	173,645	87,235
Total DFW Debt Outstanding		7,360,495	1,147,850	(1,031,670)	7,476,675	251,930
Unamortized Premium (Discount), net		328,543	80,688	(58,724)	350,507	
DFW Debt Payable		<u>\$ 7,689,038</u>	<u>\$ 1,228,538</u>	<u>\$ (1,090,394)</u>	<u>\$ 7,827,182</u>	<u>\$ 251,930</u>

Arbitrage

The Airport frequently issues tax-exempt bonds for capital construction projects. These bonds are subject to the arbitrage regulations. As of September 30, 2023, there was no liability for rebate of arbitrage.

(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 53rd Supplemental Bond Ordinance to the Master Bond Ordinance on May 22, 2019, and May 21, 2019, respectively.

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The 53rd 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 financial 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 ten-year Use Agreement expired on September 30, 2023. A new Use Agreement will become effective as of October 1, 2023. Collectively, the aforementioned documents are referred to as the “Controlling Documents”.

Joint Revenue Bonds are issued to pay for the costs of capital improvements at the Airport. The total principal and interest outstanding as of September 30, 2023, is \$11.8 billion with a final maturity of November 1, 2051. 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.

	2023
1.0x Coverage Calculation - Current Gross Revenues	
Gross Revenues available for debt service	\$ 792.9
Less: Transfers and Rolling Coverage	(144.2)
Current Gross Revenues available for debt service	\$ 648.7
Debt Service	\$ 524.2
Coverage ratio - Current Gross Revenues	1.24
 1.25x Coverage Calculation - Gross Revenues	
Total Gross Revenues	\$ 1,412.3
Less Operating Expenses	(619.4)
Gross Revenues available for debt service	\$ 792.9
Coverage ratio - Gross Revenues	1.51

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.

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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 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 as of September 30, 2023, is \$11.8 billion with annual requirements over the next five years ranging from \$466.4 million to \$550.8 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, 2023, the outstanding balance of conduit bonds was \$60.2 million.

(c) 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 were authorized through December 2023 at which time DFW intended to pay the loan balance using long-term debt. This loan was 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, ownership of these facilities would transfer to DFW in a lease-back arrangement.

The loan was uncollateralized and DFW drew funds as needed. The interest rate was recalculated monthly using the LIBOR index plus 43 basis points. In addition to the interest on the outstanding balance, DFW paid a monthly service fee of 10 basis points on the unused portion of the loan. The outstanding balance on this loan as of September 30, 2022, was \$131.0 million. Drawdowns during fiscal year 2023 amounted to \$84.0 million resulting in total drawdowns of \$215.0 million, and an unused portion of the loan facility of \$10.0 million. DFW's obligation under the subordinate credit agreement loan was defeased in full using proceeds from joint revenue refunding bonds, taxable Series 2023A.

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(d) Fiscal Year 2023 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 were used to interim finance capital projects on the Airport.

Tranches were taken as funds were needed. In fiscal year 2023, the Airport issued and paid off six Commercial Paper Notes. CP#21 was issued for cash of \$75.0 million then rolled into CP #22, CP #23, CP #24, and CP #25, consecutively. CP #25 and CP #26 were paid by \$100.0 million of internal funds.

As of September 30, 2023, there were no Commercial Paper Notes outstanding. The following is the schedule of all the Notes that were issued and paid as they matured during fiscal year 2023 (in thousands):

Commerical Paper Notes	Issued Date	Maturity Date	Interest Rate	Beginning Balance	Increase	Decrease	Ending Balance
CP #21	12/8/2022	1/11/2023	4.450%	\$ -	\$ 75,000	\$ (75,000)	\$ -
CP #22	1/11/2023	2/9/2023	4.530%	-	75,000	(75,000)	-
CP #23	2/9/2023	3/9/2023	4.690%	-	75,000	(75,000)	-
CP #24	3/9/2023	4/6/2023	4.820%	-	75,000	(75,000)	-
CP #25	4/6/2023	5/4/2023	4.950%	-	75,000	(75,000)	-
CP #26	5/3/2023	5/10/2023	5.150%	-	25,000	(25,000)	-
Total Commercial Paper				\$ -	\$ 400,000	\$(400,000)	\$ -

(e) Direct Placement Debt

As of September 30, 2023, DFW had one outstanding direct placement debt issuance for \$173.6 million: Series 2017A. The bonds were issued under the exemption provided in 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.

(f) Advanced Refunding

DFW has 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 September 12, 2023, the Airport issued Joint Revenue Refunding and Improvement Bonds, Series 2023B for a principal amount of \$691.3 million at a premium of \$66.9 million.

On September 13, 2023, the Airport issued Joint Revenue Refunding Bonds, Series 2023C (AMT) for a principal amount of \$241.3 million at a premium of \$13.8 million.

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(g) Fiscal Year 2023 Debt Issuance

On August 3, 2023, the Airport issued Joint Revenue Refunding Bonds, Taxable Series 2023A for a principal amount of \$215.3 million. Proceeds from Series 2023A fully refunded obligations under a subordinate lien loan agreement that was authorized through December 2023. Additionally, the Series 2023 bonds provided for the funding of their Debt Service Reserve Requirement and paid associated issuance costs.

On September 12, 2023, the Airport issued Joint Revenue Refunding and Improvement Bonds, Series 2023B for a principal amount of \$691.3 million at a premium of \$66.9 million. Proceeds from Series 2023B were allocated as follows: (1). to refund obligations under joint revenue refunding bonds, Series 2013D in full, (2). to partially refund obligations under joint revenue refunding bonds, Series 2013F, (3). to partially refund obligations under joint revenue improvement bonds, Series 2013G and Series 2014C, and (4). \$200.0 million to DFW's terminal projects fund. The refunded obligations yielded net present value savings of \$51.6 million.

On September 13, 2023, the Airport issued Joint Revenue Refunding Bonds, Series 2023C (AMT) for a principal amount of \$241.3 million at a premium of \$13.8 million. Proceeds from Series 2023C partially refunded obligations under joint revenue refunding bonds, Series 2013E, Series 2014A, and Series 2014D. These refunding resulted in net present value savings of \$14.5 million.

(h) Debt Service Requirement

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

Year Ending September 30,	Principal		Interest		Total
	Indirect Placement	Direct Placement	Indirect Placement	Direct Placement	
2024	\$ 164,695	\$ 87,235	\$ 270,000	\$ 2,860	\$ 524,790
2025	186,735	86,410	276,658	963	550,766
2026	227,855	-	268,662	-	496,517
2027	246,955	-	260,503	-	507,458
2028	221,165	-	251,111	-	472,276
2029 - 2033	224,220	-	242,231	-	466,451
2034 - 2038	1,404,570	-	1,058,466	-	2,463,036
2039 - 2043	1,319,825	-	771,531	-	2,091,356
2044 - 2048	1,303,845	-	551,271	-	1,855,116
2049 - 2052	2,003,165	-	371,911	-	2,375,076
Total	\$ 7,303,030	\$ 173,645	\$ 4,322,344	\$ 3,823	\$ 11,802,842

(i) Debt Service Reserve and Sinking Funds

As of September 30, 2023, the Airport held approximately \$701.3 million in reserve funds, consisting of \$316.3 million in the debt service reserve fund and \$385.0 million in the interest and sinking funds, for use in payment of the above debt service requirements. An additional \$5.3 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.

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(7) NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets is comprised of the following amounts at September 30, 2023 (in thousands):

	<u>2023</u>
Capital assets	\$ 6,368,690
Less: long-term debt payable, portion used for capital activities, and capital related payables	(6,399,914)
Total net investment in capital assets	<u>\$ (31,224)</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, 2023 (in thousands):

Description	Public Safety and Other	PFIC	Capital	Debt Service	Passenger Facility Charges	Total
Assets:						
Current						
Cash and cash equivalents	155	7,760	100,457	110,115	-	218,487
Investments	-	-	-	-	-	-
Total current assets	155	7,760	100,457	110,115	-	218,487
Non-current						
Cash and cash equivalents	4,804	11,026	229,640	103,463	24,727	373,660
Investments	-	5,000	650,299	493,132	10,889	1,159,320
Other restricted assets	456	6,388	57,253	-	13,313	77,410
Total non-current assets	5,260	22,414	937,192	596,595	48,929	1,610,390
Total current and non-current assets	5,415	30,174	1,037,649	706,710	48,929	1,828,877
Payable from restricted assets:						
Current						
Accounts payable	155	7,760	100,457	10,760	-	119,132
Accrued interest on revenue bonds	-	-	-	99,355	-	99,355
Total current payable from restricted assets	155	7,760	100,457	110,115	-	218,487
Restricted assets less liabilities	5,260	22,414	937,192	596,595	48,929	1,610,390
Net investment in capital assets:						
Less: Long-term debt associated with reserves and financing	-	-	(1,037,649)	(596,595)	-	(1,634,244)
Add: Accounts payable, retainage for capital projects	-	-	100,457	-	-	100,457
Net position, restricted	5,260	22,414	-	-	48,929	76,603
Summary						
Restricted cash	4,959	18,786	330,097	213,578	24,727	592,147
Restricted investments	-	5,000	650,299	493,132	10,889	1,159,320
Total restricted cash and investments	4,959	23,786	980,396	706,710	35,616	1,751,467

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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.

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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Death and Disability Benefits - If an active employee participating in either of the Plans dies, a death benefit is provided to the employee's beneficiary calculated under the provisions of both the Employee Plan and DPS Plan. Active employees who become disabled receive disability compensation in accordance with DFW's Long Term Disability Income Plan. Upon returning to employment after the disability period, the employee's years of service are determined without regard to the disability period. Employees on long-term disability will continue to accrue pension service credits while on disability.

Membership - The number of participants covered by the Plans according to current membership classification on December 31, 2022, was as follows:

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
Inactive plan members or beneficiaries currently receiving benefits	1,605	241	1,846
Inactive plan members entitled to but not yet receiving benefits	342	48	390
Active plan members	<u>361</u>	<u>369</u>	<u>730</u>
Total plan members	<u><u>2,308</u></u>	<u><u>658</u></u>	<u><u>2,966</u></u>

(b) Funding Policies

DFW determines each Retirement Plan's 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.

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 during fiscal year 2023, for the Plans' year ended December 31, 2022, were as follows (in thousands):

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
Actuarially determined contribution	\$ 18,733	\$ 9,475	\$ 28,208
Contributions in relation to the actuarially determined contribution	18,733	9,475	28,208
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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, 2023, 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, 2023, are as follows:

Significant Actuarial Assumptions	Employee Plan	DPS Plan
Valuation date	For the year beginning January 1, 2023.	For the year beginning January 1, 2023.
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.
Mortality rates for males and females:	Experience-based table of rates that are specific to the class of employee. Last updated for the 2023 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 2023 valuation pursuant to an experience study for the period ending December 31, 2020.
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 increases	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 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 geometric real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Geometric Real Return</u>	<u>Asset Class Return</u>
Domestic Equity	20.0%	4.2%	0.8%
International / Global Equity	17.5%	5.3%	0.9%
Core Fixed Income	10.0%	0.3%	0.0%
Non-Core Fixed Income	15.0%	1.2%	0.2%
Real Estate	12.5%	3.9%	0.4%
Private Equity	12.5%	7.8%	1.0%
Infrastructure (Real Assets, MLPs)	10.0%	3.8%	0.4%
Cash	2.5%	0.0%	0.0%
Total	<u>100.0%</u>		<u>3.7%</u>
Inflation			<u>2.5%</u>
Geometric return before impact of asset correlation			6.2%
Expected impact from diversified portfolio			<u>0.7%</u>
Expected geometric mean return (50th percentile)			<u><u>6.9%</u></u>

The average expected geometric return on the portfolio was 6.9%, which was within 10 basis points of the 7.00% long-term expected rate of return assumption. The expected impact from a diversified portfolio is the balancing item based on the difference between the multiplicative returns by asset class and the expected return based on the expected correlations between asset classes.

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(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	\$ 236,882	\$ 145,681	\$ 69,664
DPS	99,703	55,107	18,670
Total DFW plans	<u>\$ 336,585</u>	<u>\$ 200,788</u>	<u>\$ 88,334</u>

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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 2023 are as follows (in thousands):

Employee Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of September 30, 2022	\$ 717,632	\$ 651,080	\$ 66,552
Changes for the year:			
Service cost	4,617	-	4,617
Interest	48,958	-	48,958
Difference between expected and actual experience	3,052	-	3,052
Contributions - employer	-	18,733	(18,733)
Net investment income (loss)	-	(40,170)	40,170
Benefit payments, including refunds of employee contributions	(41,707)	(41,707)	-
Administrative expense	-	(1,065)	1,065
Net changes	14,920	(64,209)	79,129
Balances at September 30, 2023	\$ 732,552	586,871	145,681
DPS Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2022	\$ 290,597	\$ 271,570	\$ 19,027
Changes for the year:			
Service cost	7,769	-	7,769
Interest	20,202	-	20,202
Difference between expected and actual experience	2,667	-	2,667
Contributions - employer	-	9,475	(9,475)
Contributions - employee	-	2,401	(2,401)
Net investment income (loss)	-	(16,866)	16,866
Benefit payments, including refunds of employee contributions	(11,816)	(11,816)	-
Administrative expense	-	(452)	452
Net changes	18,822	(17,258)	36,080
Balances at September 30, 2023	\$ 309,419	\$ 254,312	\$ 55,107
Retirement Plans	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2022	\$ 1,008,229	\$ 922,650	\$ 85,579
Changes for the year:			
Service cost	12,386	-	12,386
Interest	69,160	-	69,160
Difference between expected and actual experience	5,719	-	5,719
Contributions - employer	-	28,208	(28,208)
Contributions - employee	-	2,401	(2,401)
Net investment income (loss)	-	(57,036)	57,036
Benefit payments, including refunds of employee contributions	(53,523)	(53,523)	-
Administrative expense	-	(1,517)	1,517
Net changes	33,744	(81,467)	115,211
Balances at September 30, 2023	\$ 1,041,971	\$ 841,183	\$ 200,788

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(g) Pension Expense

For the year ended September 30, 2023, DFW recognized pension expense as follows (in thousands):

	Employee	DPS	Total
Pension Expenses	\$ 35,528	\$ 11,060	\$ 46,588

(h) Deferred Inflows and Outflows of Resources

At September 30, 2023, DFW reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Employee Plan		DPS Plan		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	\$ 3,058	\$ -	\$ 3,125	\$ 6,553	\$ 6,183	\$ 6,553
Net difference between projected and actual earnings on pension plan investments	31,218	-	13,767	-	44,985	-
Assumption Changes	799	-	2,498	-	3,297	-
Total	\$ 35,075	\$ -	\$ 19,390	\$ 6,553	\$ 54,465	\$ 6,553

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 Plan	DPS Plan	Total
2024	\$ 5,454	\$ 1,129	\$ 6,583
2025	6,743	2,683	9,426
2026	6,007	2,409	8,416
2027	16,871	6,809	23,680
2028	-	(455)	(455)
Thereafter	-	262	262
Total	\$ 35,075	\$ 12,837	\$ 47,912

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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 under age 65 and their eligible dependents and beneficiaries when required criteria are met. To be eligible to enroll as a retiree in available DFW medical plans, the following criteria must be met: (1) Was covered by one of the DFW medical plans immediately prior to termination of employment, (2) Either: (a) Had attained at least age 55 and had at least 5 consecutive years of service, or (b) Participated in the DPS Retirement Plan and had attained Early Retirement Age under the DPS Plan at the time of termination, (3) Was not receiving any long term disability benefits under a DFW plan at the time of termination, and (4) Elects to participate within the designated timeframe.

To be eligible as a retiree's dependent or beneficiary, the dependent/beneficiary must be either: a legal spouse/domestic partner under age 65 or a 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 65th 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 65th birthday.

Membership

The number of participants covered by the Plans according to current membership classification on January 1, 2023, was as follows:

	<u>FY 2023</u>
Inactive plan members or beneficiaries currently receiving benefits	218
Active plan members	<u>1,966</u>
Total plan members	<u><u>2,184</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 2023 are as follows (in thousands):

	FY 2023
Actuarially determined contribution	\$ 1,396
Actual contribution	1,396
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, 2023, 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, 2023, are as follows:

OPEB Plan	
Valuation date	January 1, 2023.
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 6.6%, declining to a rate of 4.25% after 12 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
Notes to the Basic Financial Statements
September 30, 2023**

(d) Real Rate of Return for the Asset Portfolio

The table below provides expected real rates of return by asset class. The long-term expected rate of return on OPEB 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 geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Geometric Real Return	Asset Class Return
Domestic Equity	50.0%	4.16%	2.08%
Fixed Income	50.0%	0.77%	0.38%
Total	100.0%		2.46%
Inflation			2.50%
Geometric return before impact of asset correlation	6.19%		4.96%
Expected impact from diversified portfolio			0.58%
Expected geometric mean return (50th percentile)			5.54%

(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:

	1% Decrease from 6.50% to 5.50%	Current Discount Rate 6.50%	1% Increase from 6.50% to 7.50%
Net OPEB Liability (Asset)	\$ 1,470	\$ (427)	\$ (2,187)

**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023**

(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)	\$ (2,430)	\$ (427)	\$ 1,900

(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, 2022, the money-weighted rate of return for the Plan's investments was (16.1%).

(h) Changes in Net OPEB Liability (Asset)

Changes in DFW's net OPEB liability (asset) for fiscal year 2023 as follows (in thousands):

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at September 30, 2022	\$ 33,401	\$ 38,205	\$ (4,804)
Changes for the year:			
Service cost	1,286	-	1,286
Interest	2,044	-	2,044
Differences between expected and actual experience	(3,410)	-	(3,410)
Employer contributions	-	1,396	(1,396)
Net investment income	-	(5,808)	5,808
Benefit payments	(5,187)	(5,187)	-
Administrative expense	-	(45)	45
Net changes	(5,267)	(9,644)	4,377
Balances at September 30, 2023	\$ 28,134	\$ 28,561	\$ (427)

OPEB plan's fiduciary net position as a percentage of the total OPEB liability for fiscal year 2023 was 101.5%.

(i) OPEB Expense

For the year ended September 30, 2023, DFW recognized OPEB Expenses in the amount of (in thousands) \$841.

**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023**

(j) Deferred Inflows and Outflows of Resources

At September 30, 2023, DFW reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,525	\$ 8,361
Difference between projected and actual earnings on OPEB plan investments	3,418	-
Assumption Changes	975	787
Total	<u>\$ 8,918</u>	<u>\$ 9,148</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):

Years ending, September 30:

	<u>FY 2023</u>
2024	\$ (710)
2025	(59)
2026	288
2027	868
2028	(595)
Thereafter	<u>(23)</u>
Total	<u>\$ (231)</u>

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**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023**

(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, 2022
(Amounts in Thousands)**

Assets	
Investments	\$ 29,706
Total assets	29,706
Liabilities	
Premiums/ Claims Payable	1,142
Trustee Fees Payable	4
Total liabilities	1,146
Fiduciary Net Position Restricted for OPEB	\$ 28,560

**Dallas Fort Worth International Airport
Statement of Changes in Fiduciary Net Position - OPEB Plan
For the Year December 31, 2022
(Amounts in Thousands)**

Additions	
Contributions	
Employer contributions	\$ 1,396
Total contributions	1,395
Plan's interest-in Master Trust investment gain (loss)	(6,388)
Dividends	555
Interest	25
Total investment income (loss)	(5,808)
Total additions	(4,413)
Deductions	
Benefits paid to plan members and beneficiaries	5,187
Administrative fees	45
Total deductions	5,232
Net increase in fiduciary net position	(9,645)
Fiduciary net position restricted for OPEB	
At beginning of the year	38,205
At end of the year	\$ 28,560

Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023

(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. These 2012 bonds were again refunded in 2021. 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.

**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
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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. Construction of this hotel has been postponed indefinitely.

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.

19th Street Cargo

In 2022, the Cities approved 19th 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, 2023, 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):

	Rental Car Center	Grand Hyatt	Hyatt Place	Campus West	PFIC
Current Assets	\$ 103,044	\$ 102,412	\$ 17,638	\$ 60,880	\$ 283,974
Current Liabilities	1,686	4,958	1,115	520	8,279
Operating Revenues	13,062	45,070	7,378	5,787	71,297
Operating Expenses	14,263	23,609	4,458	562	42,892
Management Fees	-	1,998	363	-	2,361
Operating Income (loss)	\$ (1,201)	\$ 19,463	\$ 2,557	\$ 5,225	\$ 26,044

Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023

Condensed PFIC financial statements are as follows (in thousands):

	PFIC	Airport	DFW
Current assets	\$ 264,387	1,332,414	\$ 1,596,801
Capital assets	-	6,368,690	6,368,690
Other assets	19,587	3,259,243	3,278,830
Total assets	<u>283,974</u>	<u>10,960,347</u>	<u>11,244,321</u>
Deferred outflows of resources	-	68,362	68,362
Total assets and deferred outflows of resources	<u>283,974</u>	<u>11,028,709</u>	<u>11,312,683</u>
Current liabilities	8,279	663,436	671,715
Long-term liabilities	-	7,828,454	7,828,454
Total liabilities	<u>8,279</u>	<u>8,491,890</u>	<u>8,500,169</u>
Deferred inflow of resources	-	98,112	98,112
Deferred inflow of resources - Leases	-	1,696,926	1,696,926
Total liabilities and deferred inflows of resources	<u>8,279</u>	<u>10,286,928</u>	<u>10,295,207</u>
Net Investment in capital assets	-	(31,224)	(31,224)
Restricted net position	22,414	54,189	76,603
Unrestricted net position	253,281	718,816	972,097
Net position	<u>\$ 275,695</u>	<u>\$ 741,781</u>	<u>\$ 1,017,476</u>
PFIC	\$ 71,297	\$ -	\$ 71,297
Airport	-	999,593	999,593
Total operating revenues	<u>71,297</u>	<u>999,593</u>	<u>1,070,890</u>
PFIC	45,253	-	45,253
Airport	-	650,826	650,826
Depreciation and amortization	-	356,333	356,333
Total operating expenses	<u>45,253</u>	<u>1,007,159</u>	<u>1,052,412</u>
Operating income (loss)	26,044	(7,566)	18,478
Non-operating revenues (expenses)	31,509	182,401	213,910
Transfers for debt service	(5,108)	5,108	-
Transfers for capital assets	(60,561)	60,561	-
Capital contributions	3,288	65,305	68,593
Increase in net position	40,425	260,556	300,981
Net position - October 1	235,270	481,225	716,495
Total net position, end of year	<u>\$ 275,695</u>	<u>\$ 741,781</u>	<u>\$ 1,017,476</u>
Net cash provided by:			
Operating activities	\$ 29,018	\$ 331,646	\$ 360,664
Non-capital and related financing activities	-	198,499	198,499
Capital and related financing activities	12,067	(601,023)	(588,956)
Investing activities	50,041	231,924	281,965
Net increase in cash and cash equivalents	91,126	161,046	252,172
Cash and cash equivalents, beginning of year	54,889	697,535	752,424
Cash and cash equivalents, end of year	<u>\$ 146,015</u>	<u>\$ 858,581</u>	<u>\$ 1,004,597</u>

Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023

(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 lease receivable and deferred inflows 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 and 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 \$473.4 million during the year ended September 30, 2023.

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
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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, 2023, are as follows (in thousands):

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 80,724	\$ 40,765	\$ 121,489
2025	82,290	50,402	132,692
2026	75,022	48,613	123,635
2027	70,945	46,836	117,781
2028	62,340	45,078	107,418
2029 - 2033	230,316	202,416	432,732
2034 - 2038	221,891	165,790	387,681
2039 - 2043	245,851	125,316	371,167
2044 - 2048	241,428	82,637	324,065
2049 - 2053	182,245	51,135	233,380
2054 - 2058	166,783	25,783	192,566
2059 - 2063	75,555	7,128	82,683
2064 - 2068	8,979	2,045	11,024
2069 - 2073	6,215	1,114	7,329
2074 - 2078	4,067	188	4,255
	<u>\$ 1,754,651</u>	<u>\$ 895,246</u>	<u>\$ 2,649,897</u>

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**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023**

The inflows recognized in the year ended September 30, 2023, are as follows (in thousands):

	Lease revenue	Other inflows	Total revenue
Concessions	\$ 57,902	\$ 58,238	\$ 116,140
Ground and facilities	54,276	29,992	84,268
Rent-A-Car	6,178	39,175	45,353
	<u>\$ 118,356</u>	<u>\$ 127,405</u>	<u>\$ 245,761</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, 2023, the Airport had remaining project obligations totaling \$4.1 billion, of which \$0.3 billion has been committed but not yet incurred, with the remaining \$3.8 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, 2023**

Changes in liabilities in FY 2023 and FY 2022 for Airport self-insured programs are detailed below (in thousands):

Description	FY 2023	FY 2022
Beginning balance	\$ 6,656	\$ 6,044
Plus: Current year claims and changes in estimates	37,946	31,395
Less: Payments	(38,399)	(30,783)
Ending balance	<u>\$ 6,203</u>	<u>\$ 6,656</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) CUSTOMER CONCENTRATIONS

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 \$423.8 million (39.6%) of its revenues during FY 2023 from American Airlines Group (including American and American Eagle). In FY 2023, American Airlines Group comprised 82.9% of all passengers and 74.8% 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 Response Action Plan ("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, 2023, the total liability of \$10.0 million remains a reasonable estimate (\$9.5 million classified as long-term) of the actual costs expected to be incurred. The estimate is reviewed and updated as new information becomes available. There is no change in FY 2023 from the previous year's estimate.

b) Unearned Revenue

As of September 30, 2023, DFW had unearned revenue of \$10.0 million from American Airlines and \$10.4 million from other tenants.

**Dallas Fort Worth International Airport
Notes to the Basic Financial Statements
September 30, 2023**

c) Subscriptions Payable

As of September 30, 2023, DFW had subscriptions payable of \$28.8 million (\$22.5 million is classified as long-term) stated at the present value of subscription payments expected to be made on subscription-based information technology arrangements. The expected future contract payments that are included in measurement of the subscription-based software liabilities as of September 30, 2023, are as follows (in thousands):

Year ending September 30,	Principal	Interest	Total
2024	\$ 6,316	\$ 1,190	\$ 7,506
2025	6,645	888	7,533
2026	6,991	570	7,561
2027	4,012	383	4,395
2028	1,806	194	2,000
2029-2033	3,009	412	3,421
Total	<u>\$ 28,779</u>	<u>\$ 3,637</u>	<u>\$ 32,416</u>

“END OF NOTES”

Dallas Fort Worth International Airport
Schedule of Changes in the Net Pension Liability and Related Ratios
December 31, 2022
(Amounts in Thousands)

Employee and DPS	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 12,386	\$ 14,877	\$ 15,688	\$ 15,675	\$ 15,505	\$ 15,297	\$ 15,778	\$ 15,567	\$ 15,569
Interest on the Total Pension Liability	69,160	63,552	64,158	61,628	58,588	55,765	53,476	48,992	46,638
Benefit changes ⁽¹⁾	-	29,420	-	-	-	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	5,719	24,195	(19,310)	(6,943)	523	(1,710)	(8,560)	(10,748)	(4,672)
Assumption changes ⁽²⁾	-	13,078	-	-	-	-	-	34,635	-
Benefit payments and refunds	(53,523)	(55,884)	(36,899)	(34,095)	(31,488)	(30,101)	(27,636)	(25,798)	(24,052)
Net change in Total Pension Liability	33,742	89,238	23,637	36,265	43,128	39,251	33,058	62,648	33,483
Total Pension Liability - beginning	1,008,229	918,991	895,354	859,089	815,961	776,710	743,652	681,004	647,521
Total Pension Liability - ending	<u>\$ 1,041,972</u>	<u>\$ 1,008,229</u>	<u>\$ 918,991</u>	<u>\$ 895,354</u>	<u>\$ 859,089</u>	<u>\$ 815,961</u>	<u>\$ 776,710</u>	<u>\$ 743,652</u>	<u>\$ 681,004</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 28,208	\$ 36,296	\$ 29,034	\$ 32,717	\$ 32,546	\$ 29,883	\$ 30,548	\$ 26,349	\$ 31,460
Contributions - member	2,401	2,396	2,416	2,289	2,173	2,041	1,926	1,872	1,870
Net investment income (loss)	(57,036)	133,328	49,424	84,206	(333)	78,112	44,105	(5,119)	23,614
Benefit payments, including member refunds	(53,523)	(55,884)	(36,899)	(34,095)	(31,489)	(30,101)	(27,636)	(25,798)	(24,052)
Administrative expense	(1,517)	(1,524)	(1,229)	(1,184)	(1,124)	(1,031)	(1,062)	(692)	(372)
Net change in Plan Fiduciary Net Position	(81,467)	114,612	42,746	83,932	1,773	78,904	47,881	(3,388)	32,520
Plan Fiduciary Net Position - beginning	922,650	808,038	765,292	681,360	679,587	600,683	552,802	556,190	523,670
Plan Fiduciary Net Position - ending	<u>\$ 841,183</u>	<u>\$ 922,650</u>	<u>\$ 808,038</u>	<u>\$ 765,292</u>	<u>\$ 681,360</u>	<u>\$ 679,587</u>	<u>\$ 600,683</u>	<u>\$ 552,802</u>	<u>\$ 556,190</u>
Net Pension Liability - ending	<u>\$ 200,788</u>	<u>\$ 85,579</u>	<u>\$ 110,953</u>	<u>\$ 130,062</u>	<u>\$ 177,729</u>	<u>\$ 136,374</u>	<u>\$ 176,027</u>	<u>\$ 190,850</u>	<u>\$ 124,814</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	80.7%	91.5%	87.9%	85.5%	79.3%	83.3%	77.3%	74.3%	81.7%
Covered payroll	\$ 64,862	\$ 80,693	\$ 85,387	\$ 85,076	\$ 84,101	\$ 83,689	\$ 86,350	\$ 89,486	\$ 89,476
Net pension liability as a percentage of covered payroll	309.6%	106.1%	129.9%	152.9%	211.3%	163.0%	203.9%	213.3%	139.5%

Notes to Schedule:

Nine year history based on data availability.

⁽¹⁾ 2021 Retirement Incentive Program for the Employee Plan.

⁽²⁾ Change in assumptions used to determine contribution rates for the experience study:

(a) 2021 - reduced investment rate of return from 7.25% to 7.00%, and changed to 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.

(b) 2015 - changed to Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.

Dallas Fort Worth International Airport
Schedule of Changes in the Net Pension Liability and Related Ratios
December 31, 2022
(Amounts in Thousands)

Employee	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 4,617	\$ 7,506	\$ 8,149	\$ 8,544	\$ 8,784	\$ 9,097	\$ 9,813	\$ 10,030	\$ 10,231
Interest on the Total Pension Liability	48,958	43,868	45,232	43,698	41,861	40,063	38,764	35,483	33,944
Benefit changes ⁽¹⁾	-	29,420			-	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	3,052	25,513	(13,360)	(4,625)	(1,087)	(1,710)	(8,823)	(7,991)	(3,967)
Assumption changes ⁽²⁾	-	10,787	-	-	-	-	-	27,843	-
Benefit payments and refunds	(41,707)	(45,459)	(27,348)	(25,212)	(23,035)	(22,353)	(20,625)	(19,367)	(18,225)
Net change in Total Pension Liability	14,920	71,635	12,673	22,405	26,523	(25,097)	19,129	45,998	21,983
Total Pension Liability - beginning	717,632	645,997	633,324	610,919	584,398	559,299	540,170	494,172	472,189
Total Pension Liability - ending	\$ 732,552	\$ 717,632	\$ 645,997	\$ 633,324	\$ 610,919	\$ 584,396	\$ 559,299	\$ 540,170	\$ 494,172
Plan Fiduciary Net Position									
Contributions - employer	\$ 18,733	\$ 26,820	\$ 19,064	\$ 21,916	\$ 22,491	\$ 21,153	\$ 22,292	\$ 19,294	\$ 23,510
Net investment income (loss)	(40,170)	94,723	35,289	60,805	(172)	57,051	32,346	(3,756)	17,484
Benefit payments, including member refunds	(41,707)	(45,459)	(27,348)	(25,212)	(23,036)	(22,353)	(20,625)	(19,367)	(18,225)
Administrative expense	(1,065)	(1,083)	(881)	(855)	(818)	(753)	(779)	(509)	(275)
Net change in Plan Fiduciary Net Position	(64,209)	75,001	26,124	56,654	(1,535)	55,099	33,234	(4,338)	22,494
Plan Fiduciary Net Position - beginning	651,080	576,079	549,955	493,301	494,836	439,738	406,504	410,842	388,348
Plan Fiduciary Net Position - ending	\$ 586,871	\$ 651,080	\$ 576,079	\$ 549,955	\$ 493,301	\$ 494,836	\$ 439,738	\$ 406,504	\$ 410,842
Net Pension Liability - ending	\$ 145,681	\$ 66,552	\$ 69,918	\$ 83,369	\$ 117,618	\$ 89,560	\$ 119,561	\$ 133,666	\$ 83,330
Plan Fiduciary Net Position as a percentage of the total pension liability	80.1%	90.7%	89.2%	86.8%	80.7%	84.7%	78.6%	75.3%	83.1%
Covered payroll	\$ 30,501	\$ 47,902	\$ 51,748	\$ 53,256	\$ 54,095	\$ 55,850	\$ 59,467	\$ 63,294	\$ 64,184
Net pension liability as a percentage of covered payroll	477.6%	138.9%	135.1%	156.5%	217.4%	160.4%	201.0%	211.2%	129.8%

Notes to Schedule:

Nine year history based on data availability.

⁽¹⁾ 2021 Retirement Incentive Program.

⁽²⁾ Change in assumptions used to determine contribution rates for the experience study:

(a) 2021 - reduced investment rate of return from 7.25% to 7.00%, and changed to 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.

(b) 2015 - changed to Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.

Dallas Fort Worth International Airport
Schedule of Changes in the Net Pension Liability and Related Ratios
December 31, 2022
(Amounts in Thousands)

DPS	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 7,769	\$ 7,371	\$ 7,539	\$ 7,131	\$ 6,721	\$ 6,200	\$ 5,965	\$ 5,537	\$ 5,338
Interest on the Total Pension Liability	20,202	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	2,667	(1,318)	(5,950)	(2,318)	1,610	-	263	(2,757)	(705)
Assumption changes ⁽¹⁾	-	2,291	-	-	-	-	-	6,792	-
Benefit payments and refunds	(11,816)	(10,425)	(9,551)	(8,883)	(8,453)	(7,748)	(7,011)	(6,431)	(5,827)
Net change in Total Pension Liability	18,822	17,603	10,964	13,860	16,605	14,154	13,929	16,650	11,500
Total Pension Liability - beginning	290,597	272,994	262,030	248,170	231,565	217,411	203,482	186,832	175,332
Total Pension Liability - ending	<u>\$309,419</u>	<u>\$290,597</u>	<u>\$272,994</u>	<u>\$262,030</u>	<u>\$248,170</u>	<u>\$231,565</u>	<u>\$217,411</u>	<u>\$203,482</u>	<u>\$186,832</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 9,475	\$ 9,476	\$ 9,970	\$ 10,801	\$ 10,055	\$ 8,730	\$ 8,256	\$ 7,055	\$ 7,950
Contributions - member	2,401	2,396	2,416	2,289	2,173	2,041	1,926	1,872	1,870
Net investment income (loss)	(16,866)	38,605	14,135	23,401	(161)	21,061	11,759	(1,363)	6,130
Benefit payments, including member refunds	(11,816)	(10,425)	(9,551)	(8,884)	(8,453)	(7,748)	(7,011)	(6,431)	(5,827)
Administrative expense	(452)	(441)	(348)	(329)	(306)	(278)	(283)	(183)	(97)
Net change in Plan Fiduciary Net Position	(17,258)	39,611	16,622	27,278	3,308	23,806	14,647	950	10,026
Plan Fiduciary Net Position - beginning	271,570	231,959	215,337	188,059	184,751	160,945	146,298	145,348	135,322
Plan Fiduciary Net Position - ending	<u>\$254,312</u>	<u>\$271,570</u>	<u>\$231,959</u>	<u>\$215,337</u>	<u>\$188,059</u>	<u>\$184,751</u>	<u>\$160,945</u>	<u>\$146,298</u>	<u>\$145,348</u>
Net Pension Liability - ending	<u>\$ 55,107</u>	<u>\$ 19,027</u>	<u>\$ 41,035</u>	<u>\$ 46,693</u>	<u>\$ 60,111</u>	<u>\$ 46,814</u>	<u>\$ 56,466</u>	<u>\$ 57,184</u>	<u>\$ 41,484</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	82.2%	93.5%	85.0%	82.2%	75.8%	79.8%	74.0%	71.9%	77.8%
Covered payroll	\$ 34,361	\$ 32,791	\$ 33,639	\$ 31,820	\$ 30,006	\$ 27,840	\$ 26,883	\$ 26,192	\$ 25,292
Net pension liability as a percentage of covered payroll	160.4%	58.0%	122.0%	146.7%	200.3%	168.2%	210.0%	218.3%	164.0%

Notes to Schedule:

Nine year history based on data availability.

⁽¹⁾ Change in assumptions used to determine contribution rates for the experience study:

(a) 2021 - reduced investment rate of return from 7.25% to 7.00%, and changed to 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.

(b) 2015 - changed to Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.

**Dallas Fort Worth International Airport
Schedule of Contributions
September 30, 2023
(Amounts in Thousands)**

Employee	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 18,733	\$ 16,820	\$ 19,064	\$ 20,194	\$ 20,378	\$ 21,153	\$ 22,292	\$ 19,294	\$ 20,784
Contributions in relation to the actuarially determined contribution	18,733	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	\$ 30,654	\$ 48,141	\$ 52,007	\$ 54,002	\$ 54,095	\$ 51,414	\$ 59,467	\$ 63,294	\$ 64,184
Contributions as a percentage of covered payroll	61.1%	34.9%	55.9%	40.6%	41.6%	41.1%	37.5%	30.5%	36.6%

Notes to Schedule:

Nine 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 12 years from December 31, 2022
 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.

2021-2022

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, 2023
(Amounts in Thousands)**

DPS	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 9,475	\$ 9,476	\$ 9,970	\$ 9,815	\$ 9,183	\$ 8,731	\$ 8,256	\$ 7,055	\$ 7,076
Contributions in relation to the actuarially determined contribution	9,475	9,476	9,970	10,801	10,055	8,731	8,256	7,055	7,950
Contribution deficiency (excess)	-	-	-	\$ (986)	\$ (872)	-	-	-	\$ (874)
Covered payroll	\$ 34,533	\$ 32,955	\$ 33,807	\$ 32,265	\$ 30,006	\$ 29,949	\$ 26,883	\$ 26,192	\$ 25,292
Contributions as a percentage of covered payroll	27.4%	28.8%	29.5%	33.5%	33.5%	29.2%	30.7%	26.9%	31.4%

Notes to Schedule:

Nine 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 12 years from December 31, 2022
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.

2021-2022

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
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, 2022
(Amounts in Thousands)

OPEB	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 1,286	\$ 1,383	\$ 1,388	\$ 1,384	\$ 1,567	\$ 1,501
Interest on the Total OPEB Liability	2,044	1,673	1,695	1,691	1,847	1,905
Benefit changes	-	998			-	-
Difference between expected and actual experience of the Total OPEB Liability	(3,410)	5,583	(1,660)	(1,671)	(2,722)	(3,932)
Assumption changes	\$ -	695			(1,521)	971
Benefit payments and refunds	(5,187)	(2,064)	(1,400)	(1,312)	(1,457)	(1,223)
Net change in Total OPEB Liability	(5,267)	8,268	23	92	(2,286)	(778)
Total OPEB Liability - beginning	33,401	25,133	25,110	25,018	27,304	28,082
Total OPEB Liability - ending	<u>\$ 28,134</u>	<u>\$ 33,401</u>	<u>\$ 25,133</u>	<u>\$ 25,110</u>	<u>\$ 25,018</u>	<u>\$ 27,304</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 1,396	\$ 1,000	\$ 1,172	\$ 1,404	\$ 1,913	\$ 1,943
Net investment income (loss)	(5,808)	5,171	3,792	4,985	(722)	3,291
Benefit payments, including member refunds	(5,187)	(2,064)	(1,401)	(1,312)	(1,457)	(1,223)
Administrative expense	(45)	(75)	(39)	(15)	(23)	(29)
Net change in Plan Fiduciary Net Position	(9,644)	4,032	3,524	5,062	(288)	3,982
Plan Fiduciary Net Position - beginning	38,205	34,173	30,649	25,587	25,875	21,893
Plan Fiduciary Net Position - ending	<u>\$ 28,561</u>	<u>\$ 38,205</u>	<u>\$ 34,173</u>	<u>\$ 30,649</u>	<u>\$ 25,587</u>	<u>\$ 25,875</u>
Net OPEB Liability (Asset) - ending	<u>(427)</u>	<u>\$ (4,804)</u>	<u>\$ (9,040)</u>	<u>\$ (5,539)</u>	<u>\$ (569)</u>	<u>\$ 1,429</u>
Plan Fiduciary Net Position as a percentage of the total OPEB liability	101.5%	114.4%	136.0%	122.1%	102.3%	94.8%
Covered employee payroll	\$ 165,875	\$ 164,655	\$ 166,651	\$ 164,498	\$ 154,805	\$ 145,204
Net OPEB liability (asset) as a percentage of covered payroll	(0.3%)	(2.9%)	(5.4%)	(3.4%)	(0.4%)	1.0%

Notes to Schedule:

Six 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, 2023
(Amounts in Thousands)**

OPEB	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,396	\$ 1,000	\$ 1,172	\$ 1,404	\$ 1,913	\$ 1,943
Contributions in relation to the actuarially determined contribution	1,396	1,000	1,172	1,404	1,913	1,943
Contribution deficiency (excess)	-	-	-	-	-	-
Covered employee payroll	\$ 165,875	\$ 164,655	\$ 167,464	\$ 166,801	\$ 154,805	\$ 145,204
Contributions as a percentage of covered payroll	0.84%	0.61%	0.70%	0.84%	1.24%	1.34%

Notes to Schedule:

Six year history based on data availability.

Valuation date: The Actuarially determined contribution for DFW's fiscal year ending September 30, 2023, was developed in the January 1, 2022

Methods and assumptions used to determine contribution rates:

2021-2022

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 year 2034.

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, 2022
(Amounts in Thousands)**

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses	(16.1%)	15.5%	12.9%	19.8%	(2.8%)	15.1%

Notes to Schedule:

Six year history based on data availability.

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Dallas Fort Worth International Airport
Combining Statements of Fiduciary Net Position
For the Year December 31, 2022
(Amounts in Thousands)

	Employee Plan	DPS Plan	OPEB Plan	Total
Assets				
Cash and cash equivalents	\$ 27	\$ 12	\$ -	\$ 39
Investments held in Master Trust at fair value				
Domestic equity	126,574	54,849	-	181,423
International equity	98,003	42,468	-	140,471
Private equity	89,245	38,672	-	127,917
Non-core fixed income	83,266	36,082	-	119,348
Core fixed income	67,341	29,181	-	96,522
Infrastructure	59,905	25,959	-	85,864
Real estate	44,608	19,330	-	63,938
Mutual funds	-	-	27,184	27,184
Total investments at fair value	<u>568,942</u>	<u>246,541</u>	<u>27,184</u>	<u>842,667</u>
Investments held in Master Trust at amortized cost				
Money market funds	17,805	7,716	2,516	28,037
Receivables				
Accrued interest and dividends	629	272	6	907
Due from broker for securities sold	236	102	-	338
	<u>865</u>	<u>374</u>	<u>6</u>	<u>1,245</u>
Total assets	<u>587,639</u>	<u>254,643</u>	<u>29,706</u>	<u>871,988</u>
Liabilities				
Due to broker for securities purchased	386	167	-	553
Accrued administrative fees	287	122	4	413
Accrued management fees	96	41	-	137
Claims/premiums payable	-	-	1,142	1,142
Total liabilities	<u>769</u>	<u>330</u>	<u>1,146</u>	<u>2,245</u>
Fiduciary net position restricted for pensions and OPEB	<u>\$ 586,870</u>	<u>\$ 254,313</u>	<u>\$ 28,560</u>	<u>\$ 869,743</u>

Dallas Fort Worth International Airport
Combining Statements of Changes in Fiduciary Net Position
For the Year December 31, 2022
(Amounts in Thousands)

	Fiduciary Activities			Total
	Employee Plan	DPS Plan	OPEB Plan	
Additions				
Contributions				
Plan members contributions	\$ -	\$ 2,401	\$ -	\$ 2,401
Employer contributions	18,733	9,475	1,396	29,604
Total contributions	<u>18,733</u>	<u>11,876</u>	<u>1,396</u>	<u>32,005</u>
Plans' interest in Master Trust Investment gain (loss)	(36,289)	(15,215)	(6,388)	(57,892)
Dividends	-	-	555	555
Interest	-	-	25	25
Less: Investment fees	(3,881)	(1,651)	-	(5,532)
Total investment income	<u>(40,170)</u>	<u>(16,866)</u>	<u>(5,808)</u>	<u>(62,844)</u>
Total additions	<u>(21,437)</u>	<u>(4,990)</u>	<u>(4,412)</u>	<u>(30,839)</u>
Deductions				
Benefits paid to plan members and beneficiaries	41,707	11,816	5,187	58,710
Administrative fees	1,065	452	46	1,563
Total deductons	<u>42,772</u>	<u>12,268</u>	<u>5,233</u>	<u>60,273</u>
Net (decrease) in Fiduciary net position	(64,209)	(17,258)	(9,645)	(91,112)
Fiduciary net position restricted for pensions and OPEB				
At beginning of the year	651,080	271,570	38,205	960,855
At end of the year	<u>\$ 586,871</u>	<u>\$ 254,312</u>	<u>\$ 28,560</u>	<u>\$ 869,743</u>

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
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For the Fiscal Year Ended September 30, 2023**

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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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Investment in Capital Assets	\$ (31,224)	\$ (172,847)	\$ (84,189)	\$ (193,928)	\$ (254,607)	\$ (310,719)	\$ (361,739)	\$ (345,889)	\$ (235,706)	\$ (53,890)
Restricted net position:										
PFIC	22,414	20,077	19,338	23,347	23,636	21,858	18,837	16,208	14,641	12,576
Passenger facility charges	48,929	37,272	29,606	22,702	27,866	31,480	28,455	41,448	45,094	39,912
Public safety and other	5,260	9,144	12,465	7,740	2,441	1,777	1,585	1,801	2,129	2,380
Total restricted	<u>76,603</u>	<u>66,493</u>	<u>61,409</u>	<u>53,789</u>	<u>53,943</u>	<u>55,115</u>	<u>48,877</u>	<u>59,457</u>	<u>61,864</u>	<u>54,868</u>
Unrestricted	<u>972,097</u>	<u>822,849</u>	<u>675,544</u>	<u>672,441</u>	<u>707,002</u>	<u>595,054</u>	<u>606,512</u>	<u>573,120</u>	<u>549,263</u>	<u>699,974</u>
Total Net Position	<u>\$ 1,017,476</u>	<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>

Source: Dallas Fort Worth International Airport Finance Department

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating revenues										
Terminal rent and use fees ⁽¹⁾	\$ 389,317	\$ 359,705	\$ 349,862	\$ 354,379	\$ 360,478	\$ 307,211	\$ 265,614	\$ 227,166	\$ 180,667	\$ 132,835
Landing fees ⁽¹⁾	46,338	69,026	72,986	82,313	107,557	132,922	103,383	82,677	96,010	104,330
Federal Inspection Services (FIS)	36,921	25,828	16,235	13,906	27,952	26,147	24,097	20,327	18,499	18,707
Other airline	850	197	792	(273)	688	192	263	159	260	142
Total airline revenue	473,426	454,756	439,875	450,325	496,675	466,472	393,357	330,329	295,436	256,014
Parking and ground transportation	224,105	195,997	116,564	103,714	184,414	175,998	163,622	156,634	144,584	134,150
Concessions	116,140	94,382	71,709	67,218	101,991	93,539	88,299	79,124	73,963	73,288
Ground and facilities leases	84,268	79,604	58,589	55,972	92,220	45,772	44,121	39,816	37,643	37,266
Hotels	52,449	40,788	18,346	26,015	50,376	49,407	47,831	44,259	37,735	35,028
Rent-A-Car rental	45,353	41,270	31,747	23,683	33,512	33,095	32,604	33,590	31,781	32,419
Employee transportation	22,350	16,923	14,175	17,543	17,521	17,545	17,822	19,322	16,619	13,970
Rent-A-Car customer transportation charges	13,063	11,638	8,739	8,684	13,968	13,839	13,456	13,424	11,406	11,507
Natural gas	3,881	6,429	1,964	1,054	1,816	2,403	10,307	2,051	3,710	6,287
Other non-airline	35,854	36,168	30,092	31,974	31,434	31,367	29,483	27,014	26,362	24,733
Total non-airline revenue	597,464	523,199	351,925	335,856	527,252	462,965	447,542	415,233	383,804	368,648
Total operating revenues	1,070,890	977,955	791,800	786,181	1,023,927	929,437	840,899	745,562	679,240	624,662
Operating Expenses										
Salaries, wages, and benefits	261,011	241,792	217,223	235,098	239,202	222,892	217,441	204,971	184,662	182,441
Contract services	320,210	271,103	216,786	213,798	234,797	207,935	187,200	193,316	162,500	149,765
Equipment and supplies	32,223	27,289	22,310	30,996	28,150	25,873	25,534	23,956	23,654	26,172
Hotels	30,106	23,858	14,722	18,130	28,960	30,079	29,074	27,719	24,702	23,173
Utilities	32,428	30,192	27,319	26,357	27,135	26,721	25,524	25,115	27,722	25,903
Insurance	12,526	11,413	9,161	6,768	5,571	5,024	5,092	5,164	5,329	5,381
General, administrative and other	7,575	7,037	4,215	6,411	8,102	7,910	9,613	8,921	10,353	10,574
Depreciation and amortization	356,333	334,590	317,429	310,161	303,198	289,488	272,293	261,036	263,218	244,251
Total operating expenses	1,052,412	947,274	829,165	847,719	875,115	815,922	771,771	750,198	702,140	667,660
Operating income (loss)	18,478	30,681	(37,365)	(61,538)	148,812	113,515	69,128	(4,636)	(22,900)	(42,998)
Non-Operating revenues (expenses)										
Passenger facility charges	156,301	141,590	113,534	96,213	141,856	131,763	126,774	126,642	128,810	122,309
RAC customer facility charge	21,855	18,620	13,982	13,742	22,352	22,213	21,602	22,239	20,759	20,922
Investment income	99,507	(54,980)	2,269	26,104	55,554	14,291	13,710	14,920	16,979	8,000
Lease interest income	48,322	45,341	-	-	-	-	-	-	-	-
Federal relief proceeds	209,786	101,258	156,063	144,127	-	-	-	-	-	-
Interest expense on revenue bonds	(254,047)	(232,208)	(180,857)	(238,978)	(265,404)	(265,697)	(257,417)	(255,929)	(257,348)	(252,026)
Disposal of obsolete planning costs	(33,411)	-	-	-	-	-	-	-	-	-
Other, net	(34,403)	(6,757)	(26,041)	12,260	1,797	(2,060)	3,203	2,809	(7,295)	8,888
Total non-operating revenues (expenses), net	213,910	12,864	78,950	53,468	(43,845)	(99,490)	(92,128)	(89,319)	(98,095)	(91,907)
Income (Loss) before capital contributions and special item	232,388	43,545	41,585	(8,070)	104,967	14,025	(23,000)	(93,955)	(120,995)	(134,905)
Capital contributions										
Federal and State grant reimbursements	68,593	20,186	78,877	34,034	61,921	40,631	29,962	5,222	13,773	15,984
Total capital contributions	68,593	20,186	78,877	34,034	61,921	40,631	29,962	5,222	13,773	15,984
Special items⁽²⁾	-	-	-	-	-	-	-	-	(41,761)	(12,281)
Net Position										
Increase (decrease) in net position	300,981	63,731	120,462	25,964	166,888	54,656	6,962	(88,733)	(148,983)	(131,202)
Total net position, beginning of year	716,495	652,764	532,302	506,338	339,450	293,650	286,688	375,421	700,952	949,710
Change in accounting principle	-	-	-	-	-	(8,856)	-	-	(176,548)	(117,556)
Total net position, end of year	\$ 1,017,476	\$ 716,495	\$ 652,764	\$ 532,302	\$ 506,338	\$ 339,450	\$ 293,650	\$ 286,688	\$ 375,421	\$ 700,952

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

⁽¹⁾ Per the current use agreement.

⁽²⁾ 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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues⁽¹⁾										
Parking and Ground Transportation	\$ 216.8	\$ 189.6	\$ 112.7	\$ 100.6	\$ 179.3	\$ 170.6 ⁽³⁾	\$ 163.7	\$ 156.7	\$ 144.7	\$ 134.1
Concessions	116.0	100.0	66.7	62.0	94.2	86.5	81.8	73.4	68.5	68.6
Rental Car	45.5	41.2	31.8	23.7	33.5	33.1	32.6	33.6	31.8	32.4
Commercial Development	73.6	65.7	60.1	54.3	49.7	45.7	44.2	49.9	37.7	37.3
Other Revenues	55.6	38.7	30.8	41.6	42.7	40.0	36.2	35.1	29.2	24.6
Federal Relief Proceeds	-	-	96.4	107.6	-	-	-	-	-	-
Total Revenues	507.5	435.2	398.5	389.8	399.4	375.9	358.5	348.7	311.9	297.0
DFW Cost Center Expenditures										
Operating Expenses	(167.7)	(146.2)	(129.8)	(129.2)	(150.4)	(141.4)	(137.3)	(133.3)	(124.6)	(122.8)
Debt Service, net of PFCs	(55.0)	(50.7)	(60.2)	(70.6)	(66.3)	(72.9)	(60.8)	(51.5)	(46.5)	(42.6)
Total Expenditures	(222.7)	(196.9)	(190.0)	(199.8)	(216.7)	(214.3)	(198.1)	(184.8)	(171.1)	(165.4)
Gross Margin - DFW Cost Center	284.8	238.3	208.5	190.0	182.7	161.6	160.4	163.9	140.8	131.6
Less Transfers and Skylink										
DFW Terminal Contribution	(4.2)	(2.8)	(2.8)	(2.8)	(3.3)	(4.0)	(1.9)	(4.2)	(3.5)	(6.3)
Skylink Costs	(33.0)	(32.7)	(26.9)	(23.2)	(27.0)	(25.3)	(26.5)	(21.6)	(21.4)	(22.6)
Net Revenues from DFW Cost Center	\$ 247.6	\$ 202.8	\$ 178.7	\$ 164.0	\$ 152.4	\$ 132.3	\$ 132.0	\$ 138.1	\$ 115.9	\$ 102.7
Threshold adjustment to Airfield Cost Center	126.0	97.3	81.0	70.5	63.2	49.4	50.3	55.2	38.3	28.8
Net to DFW Capital Account⁽²⁾	\$ 121.6	\$ 105.5	\$ 97.7	\$ 93.5	\$ 89.2	\$ 82.9	\$ 81.7	\$ 82.9	\$ 77.6	\$ 73.9

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

⁽¹⁾ Revenue classifications based on Use Agreement

⁽²⁾ Reporting additional information for RFC to GAAP reconciliation beginning in FY 2018

⁽³⁾ 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)**

	2023	2022	2021	2020 *	2019	2018	2017	2016	2015	2014
Operating revenues										
Terminal rent and use fees ⁽¹⁾	\$ 389,317	\$ 359,705	\$ 349,862	\$ 354,379	\$360,478	\$307,211	\$265,614	\$227,166	\$180,667	\$132,835
Passenger landing fees ⁽¹⁾	29,560	51,433	54,754	72,942	89,595	112,992	88,758	68,947	84,656	93,138
Federal Inspection Services (FIS)	36,921	25,828	16,235	13,906	27,952	26,147	24,097	20,327	18,499	18,707
Cargo landing fees	17,535	17,593	18,232	9,371	17,962	19,930	14,625	13,730	11,354	11,192
Other airline	850	197	792	(273)	688	192	263	159	260	142
Total airline revenue	<u>473,426</u>	<u>454,756</u>	<u>439,875</u>	<u>450,325</u>	<u>496,675</u>	<u>466,472</u>	<u>393,357</u>	<u>330,329</u>	<u>295,436</u>	<u>256,014</u>
Parking and ground transportation	224,105	195,997	116,564	103,714	184,414	175,998 ⁽²⁾	163,622	156,634	144,584	134,150
Concessions	116,140	94,382	71,709	67,218	101,991	93,539	88,299	79,124	73,963	73,288
Ground and facilities leases	84,268	79,604	58,589	55,972	92,220	45,772	44,121	39,816	37,643	37,266
Hotels	52,449	40,788	18,346	26,015	50,376	49,407	47,831	44,259	37,735	35,028
Rent-A-Car rental	45,353	41,270	31,747	23,683	33,512	33,095	32,604	33,590	31,781	32,419
Employee transportation	22,350	16,923	14,175	17,543	17,521	17,545	17,822	19,322	16,619	13,970
Rent-A-Car customer transportation charge	13,063	11,638	8,739	8,684	13,968	13,839	13,456	13,424	11,406	11,507
Natural gas	3,881	6,429	1,964	1,054	1,816	2,403	10,307	2,051	3,710	6,287
Fuel Facility	7,073	6,471	6,150	6,118	5,959	5,680	5,641	5,608	5,613	5,603
General aviation	3,830	4,114	2,686	1,814	2,477	2,597	2,150	1,893	1,900	2,013
Utilities	8,113	7,672	6,360	6,311	6,025	6,178	5,645	5,611	5,316	4,804
Other non-airline	16,839	17,911	14,896	17,731	16,975	16,912	16,046	13,903	13,533	12,313
Total non-airline revenue	<u>597,464</u>	<u>523,199</u>	<u>351,925</u>	<u>335,856</u>	<u>527,252</u>	<u>462,965</u>	<u>447,542</u>	<u>415,233</u>	<u>383,804</u>	<u>368,648</u>
Total operating revenues	<u>\$ 1,070,890</u>	<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>

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

⁽¹⁾ Per the current use agreement

⁽²⁾ 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Average Landing Fee Rates ⁽¹⁾										
Final Rates at the True-up	\$ 0.98	\$ 1.60	\$ 2.02	\$ 2.35	\$ 2.31	\$ 3.09	\$ 2.44	\$ 2.05	\$ 2.47	\$ 2.71
Average Terminal Rental Rates ⁽²⁾										
Final Rates at the True-up	\$ 311.79	\$ 301.05	\$ 305.82	\$ 302.20	\$ 308.79	\$ 271.62	\$ 229.01	\$ 204.69	\$ 164.02	\$ 135.77

Source: DFW Finance Department

⁽¹⁾ Per 1,000 pounds

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Airline Cost (millions) ⁽¹⁾										
Final Rates at the True-up	\$ 463.9	\$ 446.6	\$ 440.9	\$ 443.1	\$ 485.5	\$ 458.7	\$ 383.2 ⁽²⁾	\$ 319.6	\$ 286.0	\$ 245.3
Cost per Enplanement										
Final Rates at the True-up	\$ 11.56	\$ 12.19	\$ 15.63	\$ 18.29	\$ 12.95	\$ 12.90	\$ 11.28 ⁽²⁾	\$ 9.50	\$ 8.75	\$ 7.53

Source: DFW Finance Department

⁽¹⁾ Includes Air Service Incentive rebates from DFW Capital Account.

⁽²⁾ 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**

	2023	2022	2021	2020 *	2019	2018	2017	2016	2015	2014
Parking Revenues (millions)										
Terminal/Infield	\$ 129.9	\$ 122.1	\$ 73.3	\$ 55.4	\$ 95.4	\$ 89.1	\$ 85.3	\$ 82.7	\$ 78.8	\$ 73.2
Express/Remote	23.5	17.0	8.5	11.4	25.5	29.8	31.3	30.8	29.2	29.3
Drop Off/Meeter-Greeter	19.7	18.3	13.7	11.1	17.9	18.2	18.4	18.9	17.1	12.7
Pass-Through	2.3	2.1	2.0	2.3	3.1	4.0	4.2	3.3	3.1	2.4
Other	12.1	9.6	5.0	5.9	11.0	10.7	5.8	6.6	7.0	7.6
Sub total	<u>\$ 187.5</u>	<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>
TNCs	33.4	24.0	12.4	15.3	26.6	18.3	12.3	6.5	0.3	-
Other Ground Transportation	3.2	2.9	1.7	2.3	4.9	5.8	6.4	7.9	9.2	9.0
Total	<u>\$ 224.1</u>	<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>
Parking Transactions (millions) **										
Terminal/Infield	2.34	2.26	1.44	1.23	2.13	1.91	1.85	1.92	1.85	1.91
Express/Remote	0.45	0.33	0.21	0.26	0.56	0.65	0.67	0.73	0.71	0.69
Drop Off/Meeter-Greeter	8.92	8.40	6.34	4.92	7.84	8.06	8.20	8.74	8.85	8.55
Pass-Through	0.42	0.37	0.35	0.44	0.85	1.09	1.14	1.69	2.06	1.95
Sub total	<u>12.13</u>	<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>
TNCs	5.57	4.44	2.47	3.06	5.32	4.28	3.07	1.62	0.07	-
Other Ground Transportation	0.80	0.74	0.43	0.56	1.23	1.41	1.61	1.94	2.16	2.12
Total	<u>18.50</u>	<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>
Average Length of Stay (Days) **										
Terminal	2.23	2.38	2.65	2.22	2.07	1.87	1.82	1.85	2.03	2.05
Express	4.51	4.54	4.34	3.96	3.76	3.72	3.74	3.83	3.67	3.95
Remote	4.36	4.79	2.21	4.09	4.14	4.12	4.15	4.16	4.22	4.33
Weighted Average	<u>2.60</u>	<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>
Parking Revenue per Originating Passenger	\$ 10.54	\$ 10.91	\$ 9.01	\$ 8.09	\$ 8.13	\$ 8.49	\$ 8.86	\$ 8.75	\$ 8.89	\$ 8.24

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

	2023	2022 ⁽²⁾	2021	2020 **	2019	2018	2017	2016	2015 *	2014
Number of concessions locations	228	223	222	244	252	237	224	230	233	225
Leased sq. ft. EOY (000s)	348	343	333	316	300	275	249	240	232	224
Concessions Sales-Terminal (millions):										
Food and beverage	\$ 364.5	\$ 302.3	\$ 211.0	\$ 180.2	\$ 277.4	\$ 240.0	\$ 223.0	\$ 220.1	\$ 211.5	\$ 202.9
Retail and duty free	145.5	122.2	82.5	76.1	129.4	123.9	113.9	113.8	112.3	110.9
Other In Terminal	72.2	57.7	32.0	33.0	40.8	30.7	22.6	16.5	19.6	23.5
Total concessions sales	<u>582.2</u>	<u>\$ 482.2</u>	<u>\$ 325.5</u>	<u>\$ 289.3</u>	<u>\$ 447.6</u>	<u>\$ 394.6</u>	<u>\$ 359.5</u>	<u>\$ 350.4</u>	<u>\$ 343.4</u>	<u>\$ 337.4</u>
Concessions sales per enplanement	<u>\$ 14.6</u>	<u>\$ 13.38</u>	<u>\$ 11.78</u>	<u>\$ 12.22</u>	<u>\$ 12.22</u>	<u>\$ 11.44</u>	<u>\$ 10.86</u>	<u>\$ 10.67</u>	<u>\$ 10.58</u>	<u>\$ 10.74</u>
Concession sales per sq. ft.	<u>\$ 1,672</u>	<u>\$ 1,406</u>	<u>\$ 978</u>	<u>\$ 916</u>	<u>\$ 1,492</u>	<u>\$ 1,433</u>	<u>\$ 1,445</u>	<u>\$ 1,463</u>	<u>\$ 1,480</u>	<u>\$ 1,503</u>
Concessions gross proceeds to DFW-Terminal (millions):										
Food and beverage	\$ 54.1	\$ 45.3	\$ 31.0	\$ 25.7	\$ 40.1	\$ 35.6	\$ 32.9	\$ 30.9	\$ 27.8	\$ 26.0
Retail and duty free	23.1	19.7	12.9	12.1	24.8	23.9	22.6	21.1	19.4	18.3
Other In Terminal	36.4	32.6	20.9	22.2	26.9	24.8	24.1	19.1	19.1	22.6
Income-Terminal Subtotal	<u>\$ 113.6</u>	<u>\$ 97.6</u>	<u>\$ 64.8</u>	<u>\$ 60.0</u>	<u>\$ 91.8</u>	<u>\$ 84.3</u>	<u>\$ 79.6</u>	<u>\$ 71.1</u>	<u>\$ 66.3</u>	<u>\$ 66.9</u>
Concessions income per enplanement	<u>\$ 2.86</u>	<u>\$ 2.70</u>	<u>\$ 2.21</u>	<u>\$ 2.52</u>	<u>\$ 2.51</u>	<u>\$ 2.44</u>	<u>\$ 2.40</u>	<u>\$ 2.17</u>	<u>\$ 2.09</u>	<u>\$ 2.13</u>
Concessions income per sq. ft.	<u>\$ 326</u>	<u>\$ 284</u>	<u>\$ 195</u>	<u>\$ 190</u>	<u>\$ 306</u>	<u>\$ 306</u>	<u>\$ 320</u>	<u>\$ 297</u>	<u>\$ 286</u>	<u>\$ 298</u>
Concessions - Not In Terminal ⁽¹⁾										
Reimbursable Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Concessions gross billings by DFW	<u>\$ 125.1</u>	<u>\$ 106.7</u>	<u>\$ 71.7</u>	<u>\$ 67.2</u>	<u>\$ 102.0</u>	<u>\$ 93.5</u>	<u>\$ 88.3</u>	<u>\$ 79.1</u>	<u>\$ 74.0</u>	<u>\$ 73.3</u>
Lease revenue	57.9	55.4								
Lease exclusions	(57.1)	(46.9)								
ARPA credit	(9.8)	(20.8)								
Total Concessions Revenue	<u>\$ 116.1</u>	<u>\$ 94.4</u>								

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

⁽¹⁾ 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.

⁽²⁾ 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**

	2023	2022 ⁽¹⁾	2021	2020 *	2019	2018	2017	2016	2015	2014
Transaction days (thousands)	5,492	4,650	3,495	3,454	5,572	5,500	5,396	5,552	5,195	5,231
Rental car sales (millions)	\$ 382.7	\$ 349.5	\$ 257.1	\$ 177.3	\$ 280.9	\$ 273.5	\$ 269.3	\$ 279.9	\$ 265.6	\$ 267.2
Proceeds to DFW (millions)	\$ 45.4	\$ 41.2	\$ 31.7	\$ 23.7	\$ 33.5	\$ 33.1	\$ 32.6	\$ 33.6	\$ 31.8	\$ 32.4
Proceeds/destination passenger	\$ 3.30	\$ 3.44	\$ 3.87	\$ 3.02	\$ 2.54	\$ 2.58	\$ 2.67	\$ 2.76	\$ 2.46	\$ 2.50
Proceeds to DFW (millions)	\$ 45.4	\$ 41.2								
Lease revenue	6.2	6.1								
Lease exclusion	(6.3)	(6.1)								
RAC revenue	<u>\$ 45.3</u>	<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.

⁽¹⁾ 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

	2023	2022 ⁽²⁾	2021	2020	2019	2018	2017	2016	2015	2014
Ground Lease Billings (millions)	\$ 87.9	\$ 69.3	\$ 58.6	\$ 56.0	\$ 92.2 ⁽¹⁾	\$ 45.8	\$ 44.1	\$ 39.8	\$ 37.6	\$ 37.3
Acres Leased (end of period)	2,584	2,438	2,323	2,105	1,863	1,597	1,592	1,455	1,415	1,284
Average Billable Rate per Acre (thousands)	\$ 34.0	\$ 28.4	\$ 25.2	\$ 26.6	\$ 49.5	\$ 28.7	\$ 27.7	\$ 27.4	\$ 26.6	\$ 29.0
Ground Lease Billings (millions)	\$ 87.9	\$ 69.3								
Lease revenue	54.3	53.0								
Lease exclusions	(57.9)	(42.7)								
Ground Lease Revenues	\$ 84.3	\$ 79.6								

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

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

⁽²⁾ 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**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues (millions)										
Royalties ⁽¹⁾	\$ 3.8	\$ 6.4	\$ 1.7	\$ 1.1	\$ 1.8	\$ 2.3	\$ 10.2 *	\$ 2.0	\$ 3.6	\$ 6.2
Surface use and other revenues	0.0	0.0	0.3	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Total Natural Gas Revenues	<u>\$ 3.8</u>	<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>
Operational Information										
Wells in production	64	56	56	53	53	58	59	70	74	98
Total Production (MMcf)	4.5	4.1	2.0	2.4	3.7	3.4	3.4	4.4	5.6	6.8
Average price paid to DFW ⁽²⁾	<u>\$ 3.37</u>	<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>

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.

⁽¹⁾ DFW Royalties share is 25% of the Natural gas output.

⁽²⁾ 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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total revenue bond payable *	\$7,827,182	\$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
Net Debt service	524,155	474,967	461,278	479,002	499,905	467,348	415,056	359,940	314,030	274,482
Less: PFCs, PFIC	(151,069)	(136,790)	(126,384)	(121,050)	(165,185)	(148,244)	(158,534)	(148,783)	(141,886)	(129,232)
Debt service, net of PFC's, PFIC	\$ 373,086	\$ 338,177	\$ 334,894	\$ 357,952	\$ 334,720	\$ 319,104	\$ 256,522	\$ 211,157	\$ 172,144	\$ 113,346
Total enplaned passengers	39,755	36,068	27,646	23,671	36,635	34,512	33,131	32,837	32,455	31,419
Debt outstanding per enplaned passenger	\$ 196.89	\$ 213.18	\$ 225.09	\$ 274.12	\$ 177.76	\$ 195.03	\$ 199.09	\$ 207.30	\$ 204.17	\$ 214.50
Debt service per enplaned passenger	\$ 13.18	\$ 13.17	\$ 16.69	\$ 20.24	\$ 13.65	\$ 13.54	\$ 12.53	\$ 10.96	\$ 9.68	\$ 8.74

* Includes unamortized premium.

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Coverage Calculation - Gross Revenues										
Operating Revenues										
Airfield cost center	\$ 188.2	\$ 184.5	\$ 174.9	\$ 167.5	\$ 184.1	\$ 196.9	\$ 166.2	\$ 151.5	\$ 149.4	\$ 146.2
Terminal cost center	446.3	398.2	376.8	378.4	402.8	347.5	306.4	272.1	225.4	180.0
DFW cost center (non-airline revenues)	377.4	335.1	218.3	208.9	332.9	322.4	306.3	289.3	273.6 ⁽¹⁾	268.3
Total Operating Revenues	\$ 1,011.8	\$ 917.8	\$ 770.0	\$ 754.8	\$ 919.8	\$ 866.8	\$ 778.9	\$ 712.9	\$ 648.4	\$ 594.5
Non-operating Revenues *	156.2	136.8	126.4	121.1	165.1	148.1	158.4	148.7	141.8	129.2
Federal Relief Proceeds ⁽³⁾	100.0	65.7	138.3	144.1	-	-	-	-	-	-
Rolling coverage	144.2	130.4	127.3	131.8	136.9	129.1	103.8	90.0	78.5	68.6
Total Gross Revenues	\$ 1,412.3	\$ 1,250.8	\$ 1,162.0	\$ 1,151.8	\$ 1,221.8	\$ 1,144.1	\$ 1,041.1	\$ 951.6	\$ 868.7	\$ 792.3
Less Operating Expenses	(619.4)	(548.6)	(492.0)	(464.9)	(499.6)	(464.1)	(438.2)	(416.7)	(392.1)	(376.9)
Gross Revenues available for debt service	\$ 792.9	\$ 702.2	\$ 670.0	\$ 686.9	\$ 722.2	\$ 680.0	\$ 602.9	\$ 534.9	\$ 476.6	\$ 415.4
Debt Service	\$ 524.2	\$ 475.0	\$ 461.3	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5
Coverage ratio - Gross Revenues	1.51	1.48	1.45	1.43	1.44	1.45	1.45	1.49	1.52	1.51
Coverage Calculation - Current Gross Revenues										
Gross Revenues available for debt service	\$ 792.9	\$ 702.2	\$ 670.0	\$ 686.9	\$ 722.2	\$ 680.0	\$ 602.9	\$ 534.9	\$ 476.6	\$ 415.4
Less: Transfers and Rolling Coverage	(144.2)	(130.4)	(127.3)	(131.8)	(136.9)	(129.1)	(107.8)	(98.0)	(90.5)	(84.6)
Current Gross Revenues available for debt service	\$ 648.7	\$ 571.8	\$ 542.7	\$ 555.1	\$ 585.3	\$ 550.9	\$ 495.1	\$ 437.0	\$ 386.1	\$ 330.8
Debt Service	\$ 524.2	\$ 475.0	\$ 461.3	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5
Coverage ratio - Current Gross Revenues	1.24	1.20	1.18	1.16	1.17	1.18	1.19	1.21	1.23	1.21
Coverage Calculation - All Revenues Sources										
Current Gross Revenues available for debt service	\$ 648.7	\$ 571.8	\$ 542.7	\$ 555.1	\$ 585.3	\$ 550.9	\$ 495.1	\$ 437.0	\$ 386.1	\$ 330.8
Natural Gas Royalties, Investment Income, Other PFIC ⁽²⁾	26.2	12.6	6.0	12.7	30.4	11.4	17.9	14.6	19.0	21.6
PFIC ⁽²⁾	45.5	38.8	9.5	4.0	73.3	26.2	25.8	23.8	15.5	24.7
All Current Revenues available for debt service	\$ 720.4	\$ 623.2	\$ 558.2	\$ 571.9	\$ 689.0	\$ 588.4	\$ 538.8	\$ 475.4	\$ 420.6	\$ 377.1
Debt Service	\$ 524.2	\$ 475.0	\$ 461.3	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5
Coverage ratio - All Current Revenues	1.37	1.31	1.21	1.19	1.38	1.26	1.30	1.32	1.34	1.37
Coverage ratio - All Current Revenues plus Capital Transfers and Rolling Coverage	1.65	1.59	1.49	1.47	1.65	1.54	1.56	1.59	1.63	1.68

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

⁽¹⁾ Coverage adjustment for \$3.4 changed FY 2015 baseline to \$270.2

⁽²⁾ PFIC coverage calculation added in FY 2019.

⁽³⁾ 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 2023	FY 2022	FY 2021	FY 2020 *	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
American Airlines	\$ 423,788	\$ 408,588	\$ 420,461	\$ 366,262	\$ 408,409	\$ 375,564	\$ 318,574	\$ 282,676	\$ 263,574	\$ 200,127
US Airw ays ⁽²⁾	-	-	-	-	-	-	-	-	7,698	6,407
American Airlines Group ⁽¹⁾	\$ 423,788	\$ 408,588	\$ 420,461	\$ 366,262	\$ 408,409	\$ 375,564	\$ 318,574	\$ 282,676	\$ 271,272	\$ 206,534
Delta Air Lines	16,730	17,600	18,104	15,553	17,496	15,429	13,023	11,039	12,633	8,477
Rasier, LLC (Uber)	16,303	10,477	4,836	7,590	11,271	7,215	5,099	2,909	130	-
United Air Lines	12,875	12,370	12,155	10,836	12,417	12,340	10,596	8,854	9,899	5,863
Hertz Corporation	10,672	9,363	6,219	5,915	8,220	7,606	7,169	8,527	8,784	9,021
Sky Chefs	10,216	8,012	6,035	6,865	8,428	7,628	6,799	6,269	6,148	5,463
Vanguard Car Rental USA	9,895	8,470	6,555	4,380	8,740	8,442	7,870	8,375	8,090	7,392
Spirit Airlines	9,733	9,521	8,830	7,677	9,501	9,959	7,516	7,629	7,566	6,385
Avis Rent-A-Car System	9,238	8,199	4,979	4,613	6,186	5,684	5,685	6,732	6,715	7,020
Qatar Airw ays Company Q.C.S.C.	7,394	6,523	4,283	3,194	3,832	3,667	3,310	2,942	2,681	616
Budget Rent-A-Car Systems	6,424	6,408	4,334	3,369	4,046	3,515	3,678	4,206	3,559	3,587
EAN Holdings (Enterprise rental cars)	5,790	5,584	4,718	3,790	4,633	4,261	3,686	3,882	3,666	3,365
United Parcel Service	5,251	7,131	6,898	6,339	6,240	6,065	4,702	4,467	4,561	4,349
TGIF/DFW Restaurant Joint Venture	5,153	5,236	1,031	2,871	3,626	997	1,769	3,330	3,718	4,780
Hyatt Regency Hotel DFW	4,952	4,246	2,529	3,154	4,538	4,125	3,867	4,463	4,190	3,867
Qantas Airw ays	4,299	1,452	81	3,113	5,871	5,899	5,269	4,624	4,044	2,884
Coca-Cola Southw est Beverages LLC	1,914	5,840	5,377	4,741	4,509	-	-	-	-	-
GTE Realty Corporation	-	-	-	-	730	2,131	2,085	2,074	2,086	2,065
Clear Channel Airports	-	-	-	-	-	-	1,508	4,884	9,081	10,176
Buckaroo Joint Venture	-	-	-	-	-	-	187	3,213	3,344	3,430
Total	\$ 560,627	\$ 535,018	\$ 517,424	\$ 460,264	\$ 528,693	\$ 480,527	\$ 412,392	\$ 381,094	\$ 372,167	\$ 295,274

Source: Accounts Receivable Billing History

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

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

* 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 (%)
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	7,943,685	559,970	70,493	3.5
2023	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 - 2023 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 ⁽¹⁾</u>	<u>Cargo volume ⁽²⁾</u>
2023	79,663	676	792
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 *

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)**

	2023		2022		2021		2020 *		2019		2018		2017		2016		2015		2014	
	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%
Domestic Passenger	567	84%	554	84%	524	84%	470	84%	582	83%	550	83%	543	83%	571	84%	585	86%	579	86%
International Passenger	71	10%	67	10%	51	8%	44	8%	72	10%	68	10%	71	11%	68	10%	66	10%	64	10%
Total Passenger	<u>638</u>	<u>94%</u>	<u>621</u>	<u>94%</u>	<u>575</u>	<u>92%</u>	<u>514</u>	<u>92%</u>	<u>654</u>	<u>93%</u>	<u>618</u>	<u>93%</u>	<u>614</u>	<u>94%</u>	<u>639</u>	<u>94%</u>	<u>651</u>	<u>96%</u>	<u>643</u>	<u>96%</u>
Cargo Aircraft	25	4%	27	4%	28	5%	29	5%	29	5%	26 **	4%	25	4%	23	4%	21	3%	19	3%
General Aviation Aircraft	13	2%	15	2%	18	3%	14	3%	17	2%	18 **	3%	15	2%	13	2%	11	1%	9	1%
Total Annual Operations	<u>676</u>		<u>663</u>		<u>621</u>		<u>557</u>		<u>700</u>		<u>662</u>		<u>654</u>		<u>675</u>		<u>683</u>		<u>671</u>	

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.

** In FY2018 there was a transposition of numbers between Cargo Aircraft and General Aviation Aircraft.

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 2023	% of total	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
Alaska Airlines	329	0.9%	266	0.8%	180	0.8%	128	0.6%	234	0.7%	226	0.7%	242	0.7%	231	0.7%	227	0.7%	190	0.6%
American Airlines	27,774	69.9%	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	68.0%	21,721	66.9%	22,136	70.5%
AMR Eagle (Envoy Air)	5,189	13.2%	5,925	16.5%	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%
British Airways	129	0.3%	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%
Continental Airlines	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	53	0.2%
Delta Air Lines	1,324	3.3%	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%
Emirates	91	0.2%	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%
Ethiopian Airways	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	35	0.1%	63	0.2%	33	0.1%	23	0.1%	-	0.0%
Express Jet	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	55	0.2%	108	0.3%
Finnair	38	0.1%	20	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	-	0.0%
Frontier Airlines	947	2.4%	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%
Iberia	63	0.2%	17	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	-	0.0%
Korean Air Lines	47	0.1%	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%
Lufthansa German Airlines	64	0.2%	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%
Qantas Airways	88	0.2%	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%
Qatar Airways	205	0.5%	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%
Republic Airlines	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	83	0.3%	7	0.0%	4	0.0%
Spirit Airlines	1,587	4.0%	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%
Sun Country Airlines	108	0.3%	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%
United Airlines	1,164	2.9%	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%
US Airways ⁽²⁾	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	938	2.9%	950	3.0%
Virgin America	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	7	0.0%	212	0.7%
Other	608	1.5%	542	1.5%	238	0.7%	242	0.8%	519	1.2%	474	1.1%	416	1.3%	330	0.9%	271	0.7%	170	0.3%
Total	39,755		36,068		27,646		23,671		36,635		34,512		33,131		32,822		32,455		31,419	

Source: Dallas Fort Worth International Airport Finance Department

⁽²⁾ 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)**

Passengers	2023		2022		2021		2020 **		2019		2018		2017		2016		2015 *		2014	
	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%
<u>Domestic/International</u>																				
Domestic	34.3	86	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
International	5.5	14	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
Total Enplanements	<u>39.8</u>	<u>100</u>	<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>O&D/Connecting</u>																				
Origination (O)	8.9	22	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
Destination (D)	6.9	18	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
O&D Subtotal	15.8	40	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
Connecting	24.1	60	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
Total Enplanements	<u>39.8</u>	<u>100</u>	<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>By Airline</u>																				
American	27.8	70	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
American Eagle (Envoy Air)	5.2	13	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
US Airways ⁽¹⁾	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.9	3	1.0	3
Delta	1.3	3	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
United	1.2	3	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
Spirit Airlines	1.6	4	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
Emirates	0.1	0	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
Qantas Airways	0.1	0	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
Qatar Airways	0.2	1	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
Sun Country Airlines	0.1	0	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
AirTran	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0
Other	2.2	6	1.6	4	0.7	2	0.7	3	1.1	3	1.1	4	1.1	4	1.0	4	1.0	4	1.1	4
Total Enplanements	<u>39.8</u>	<u>100</u>	<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>

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

⁽¹⁾ 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)**

	2023		2022		2021		2020 **		2019 ⁽²⁾		2018		2017		2016		2015		2014	
	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%
By Airline Type																				
Domestic Passenger	38.3	79	31.8	71	34.5	86	30.6	84	39.8	86	37.6	86	37.1	87	36.5	88	36.3	89	35.2	89
International Passenger	6.1	13	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
Cargo/Integrator	4.1	8	4.4	10	4.5	11	4.6	13	4.9	10	4.3	10	4.0	9	3.8	9	3.3	8	3.2	8
Total Landed Weights	48.5	100	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
By Major Airline																				
American	29.9	62	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
American Eagle (Envoy Air)	6.4	13	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
US Airways ⁽¹⁾	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	1.1	3	1.1	3
UPS	1.9	4	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
Delta	1.5	3	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
Frontier	0.9	2	0.6	1	0.3	1	0.1	0	0.1	0	0.1	0	0.1	0	0.2	0	0.2	1	0.2	1
Spirit Airlines	1.5	3	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
Federal Express	0.6	1	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
United	1.3	3	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
Alaska Airlines	0.3	1	0.3	1	0.2	1	0.2	0	0.2	0	0.2	1	0.2	1	0.2	1	0.2	1	0.2	0
British Airways	0.3	1	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
Qatar Airways	0.4	1	0.3	1	0.2	1	0.2	0	0.2	0	0.2	0	0.2	0	0.1	0	0.2	0	0.0	0
Korean Air Lines	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	0.2	0
Lufthansa German 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
Emirates	0.2	0	0.2	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
Japan Airlines	0.2	0	0.2	1	0.2	0	0.1	0	0.2	0	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0
Etihad Airways	-	0	-	0	-	0	-	0	-	0	0.1	0	0.1	0	0.1	0	0.1	0	0.0	0
Qantas	0.2	0	0.1	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
Sun Country 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
AirTran	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0
Other	2.6	5	3.3	7	1.9	5	2.2	6	3.1	7	3.1	7	3.0	7	2.7	6	2.4	6	2.5	6
Total Landed Weights	48.5	100	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
Cargo Tonnage (Thousands)	792		943		985		888		972		911		886		795		733		687	*

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

⁽¹⁾ US Airways integrated with American Airlines in October 2015 (FY 2016)

⁽²⁾ 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)**

	2023	2022	2021	2020 **	2019	2018	2017	2016	2015 *	2014
October	3,305	2,964	1,905	3,185	2,868	2,917	2,794	2,808	2,707	2,593
November	3,040	2,922	1,701	3,007	2,808	2,714	2,593	2,603	2,432	2,353
December	3,172	3,014	1,774	3,219	2,842	2,825	2,671	2,684	2,685	2,417
January	2,833	2,374	1,517	2,871	2,718	2,601	2,528	2,530	2,489	2,445
February	2,753	2,141	1,261	2,770	2,566	2,466	2,366	2,417	2,176	2,214
March	3,282	2,981	2,244	1,649	3,048	2,896	2,814	2,780	2,700	2,643
April	3,217	3,045	2,369	242	2,999	2,788	2,635	2,625	2,655	2,566
May	3,567	3,357	2,737	676	3,318	3,015	2,909	2,835	2,769	2,760
June	3,796	3,453	3,192	1,115	3,444	3,275	3,051	2,969	3,023	2,939
July	3,858	3,473	3,427	1,625	3,557	3,281	3,116	3,056	3,170	3,021
August	3,579	3,198	2,831	1,620	3,400	3,087	2,956	2,802	2,962	2,856
September	3,353	3,145	2,688	1,693	3,067	2,647	2,696	2,728	2,687	2,612
Total	<u>39,755</u>	<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>

Increase (Decrease) over Prior Period	10.2%	30.5%	16.8%	(35.4%)	6.2%	4.2%	0.9%	1.2%	3.3%	4.3%
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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	2023	% of total	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
AirTran	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
American Airlines	29,906	61.6%	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%
American Eagle	6,386	13.2%	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%
British Airways	297	0.6%	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%
Cathay Pacific Airways	169	0.3%	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%
Delta	1,453	3.0%	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%
Eva Airways	100	0.2%	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%
Emirates	180	0.4%	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%
Ethad Airways	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	87	0.2%	146	0.3%	77	0.2%	-	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	603	1.2%	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%
Frontier	912	1.9%	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%
Korean Air	92	0.2%	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%
Lufthansa	118	0.2%	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%
Qantas Airways	195	0.4%	76.93	0.2%	-	0.0%	128	0.4%	280	0.6%	299	0.7%	301	0.7%	290	0.7%	-	0.0%	-	0.0%
Qatar Airways	373	0.8%	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%
Spirit Airlines	1,530	3.2%	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%
Sun Country Airlines	112	0.2%	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%
United	1,314	2.7%	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%
UPS	1,905	3.9%	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%
US Airways*	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,059	2.6%	1,072	2.7%
Other	2,875	5.9%	2,656	5.9%	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%
Total	48,519		45,125		40,027		36,295		46,763		43,839		42,802		41,742		40,696		39,348	

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>
2023	2,098
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

Source: Dallas Fort Worth International Airport, Employee records

**Dallas/Fort Worth International Airport
Capital Assets as a Function of Operations
September 30, 2023**

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, 2022	Additions to Existing Assets	Completed Projects and Additions	Less Retirements	Balance September 30, 2023
Capital assets not being depreciated					
Land	\$ 294,294	\$ -	\$ -	\$ (45)	\$ 294,249
Construction in progress	682,008	517,648	(326,336)	(33,411)	839,909
Total capital assets not depreciated	976,302	517,648	(326,336)	(33,456)	1,134,158
Depreciable capital assets					
Buildings improvements	4,230,683	-	209,663	(11,942)	4,428,404
Improvements other than buildings	3,840,967	-	116,673	(24,182)	3,933,458
Machinery and equipment	1,317,144	59,532	-	(22,455)	1,354,221
Vehicles	244,580	16,347	-	(2,311)	258,616
Subscription-based software	21,941	22,445	-	-	44,386
Total depreciable capital assets	9,655,315	98,324	326,336	(60,890)	10,019,085
Accumulated depreciation					
Buildings improvements	1,608,527	148,054	-	(6,515)	1,750,066
Improvements other than buildings	1,744,160	116,188	-	(20,527)	1,839,821
Machinery and equipment	938,781	63,321	-	(19,069)	983,033
Vehicles	185,174	22,469	-	(2,311)	205,332
Subscription-based software	-	6,301	-	-	6,301
Total accumulated depreciation	4,476,642	356,333	-	(48,422)	4,784,553
Total, net capital assets	<u>\$ 6,154,975</u>	<u>\$ 259,639</u>	<u>\$ -</u>	<u>\$ (45,924)</u>	<u>\$ 6,368,690</u>

Source: Dallas Fort Worth International Airport Finance Department

**Dallas Fort Worth International Airport
Schedule Of Insurance in Force
September 30, 2023**

Coverage Type	Carrier	Policy #	Start/End Dates	Limits	Deductible/Retention	Premium Amount	Renewal Amt.
Auto Liability (Off Premises)	TML Intergovernmental Risk Pool	4575	10/1/22 10/1/23	\$1M Ea. Occurrence	\$25K Each Occurrence (Deductible)	\$41,772	\$48,037
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	AAP-N10692210-001	10/1/22 10/1/24	\$20M Premise B/VPD 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 018	10/1/22 10/1/23	\$5M Ea. Claim, \$10M Aggregate, \$50K Crisis Mgmt Fund	Deductibles: \$0 Public Officials Liability - Damages & Claim Expenses - Ea. Claim, \$100k Public Entity Reimbursement - Damages & Claim Expenses - Ea. Claim, \$100k Public Entity Liability Damages and Claim Expenses - Ea. Claim, \$200K Employment Practices Liability - Damages and Claim Expenses - Each Claim	\$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 04	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	\$87,993
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	\$23,836
Medical Stop Loss	Blue Cross Blue Shield of Texas (BCBSTX)	3339042	1/1/23 1/1/24	Unlimited Annual Max Aggregate	\$225k Individual Stop Loss (ISL) per claim	\$3,427,876	\$3,721,667
Airport Ambassador Program	Berkley Life and Health Insurance Company	PAI L19720093702	2/1/23 2/1/24	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	3/1/23 3/1/24	\$2B, per occurrence	\$250K Deductible \$500K Hail Deductible	\$8,717,041	\$9,899,449
Excess Workers' Compensation/Employers Liability	Midwest Employers Casualty Company	EWC009671	3/1/23 3/1/24	Texas Statutory Work Comp Limits	\$900K, Specific Retention	\$297,843	\$326,764
Aviation - Unmanned Aircraft Systems (UAS)	Global Aerospace Inc	9026758	4/16/23 4/16/24	\$1M Liability Ea. Occurrence Physical Damage - Insured Value	Liability - NIL Physical Damage - 10% of Insured Value	\$7,317	\$15,297
Cyber Liability - Comprehensive (incl Tech E&O Liability)	Munich Re		6/3/23 6/3/24			\$318,150	\$314,775
Excess Cyber Liability - Comprehensive (incl Tech E&O Liability)	Coalition		6/3/23 6/3/24			NA	\$283,298
FTRC International Student "Accident Coverage-Firefighters Training"	National Union Fire Insurance Company of Pittsburgh, PA	SRG 0009143096-A	6/1/23 6/1/24	\$50,000 - Accidental Death or Dismemberment Benefit; Aggregate Limit: \$250K	NIL	\$19,864	\$19,864
International Travel Accident	Chubb (dba ACE American Insurance Company)	PHFD38340980 008	6/15/23 6/15/24	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	6/15/23 6/15/24	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	\$400



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