DFW DALLAS FORT WORTH INTERNATIONAL AIRPORT

FY 2025 Adopted Budget

Finance Department
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DFW'S Vision Statement

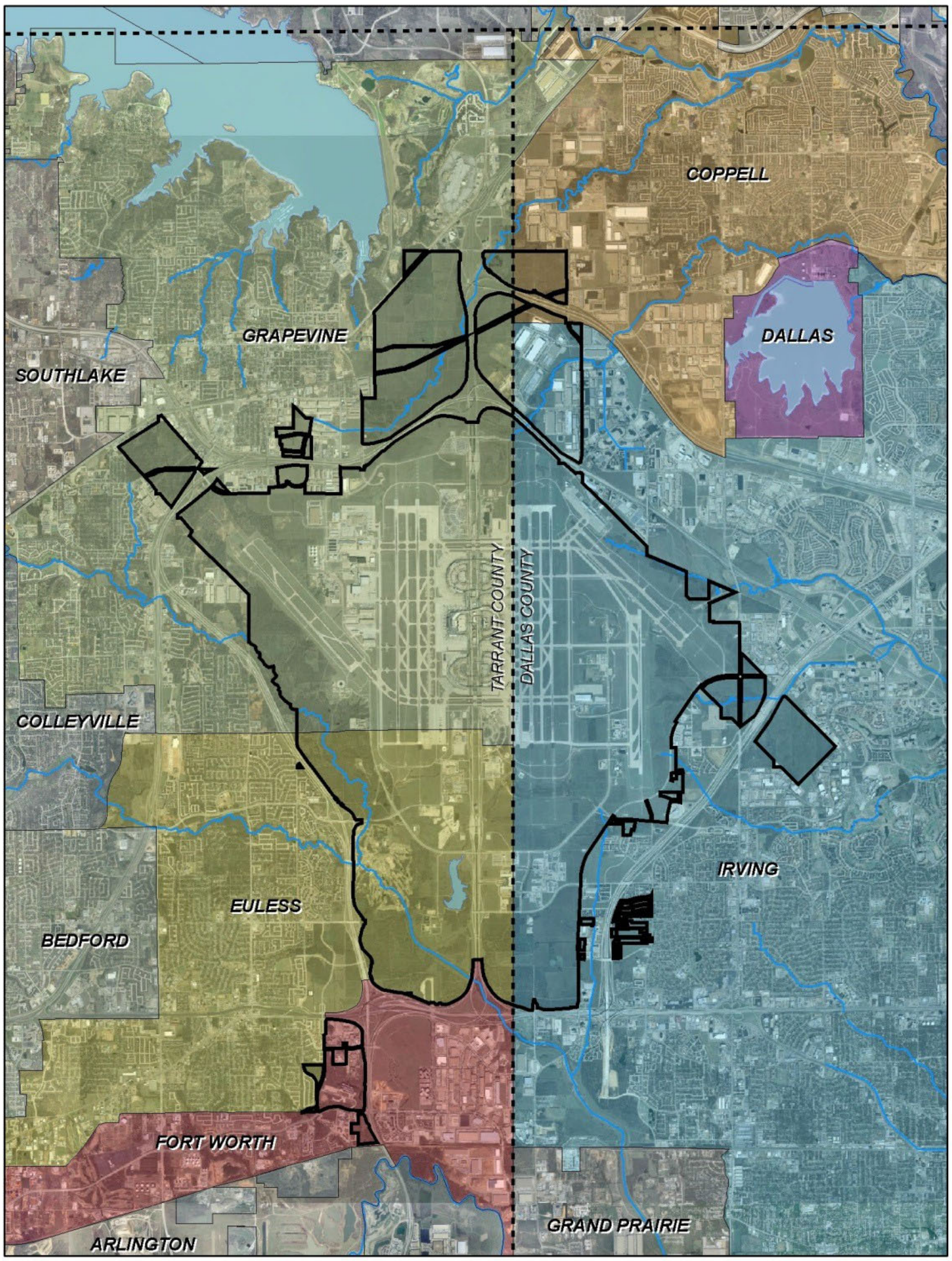
Travel. Transformed.

DFW'S Mission Statement

We discover new ways to care for our customers, inspire our employees, and strengthen our communities to create an exceptional Airport experience. Every Day.

Airport Background

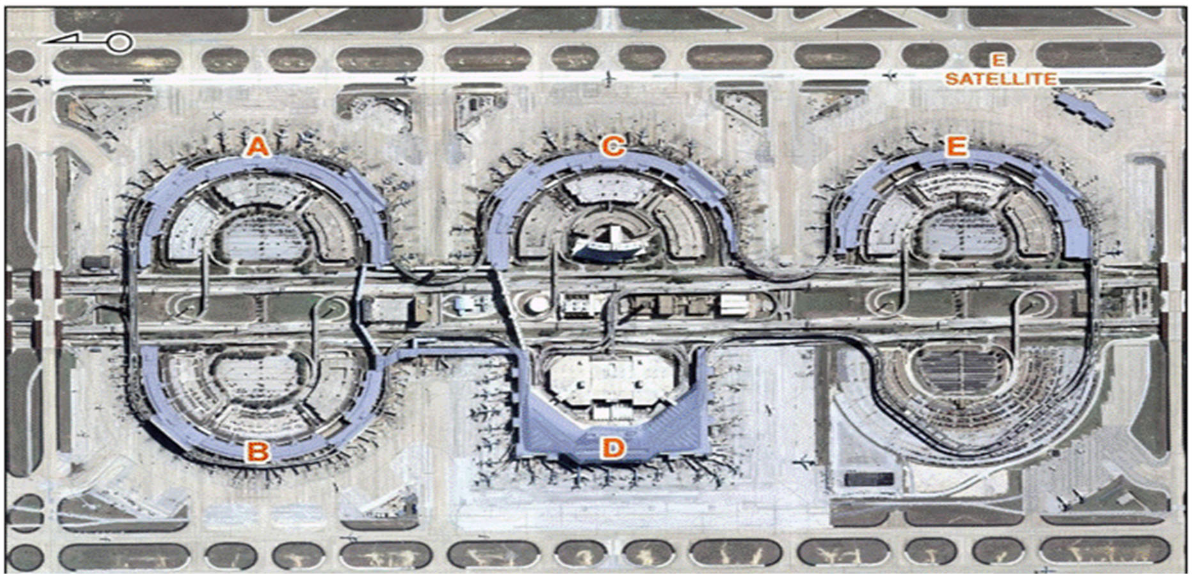
Dallas Fort Worth International Airport (the "Airport" or "DFW") is one of the world's busiest, most connected airports, and the first carbon-neutral airport in North America. It was created by a Contract and Agreement between the Cities of Dallas and Fort Worth (Cities) on April 15, 1968, for the purpose of developing and operating an airport as a joint venture between the Cities. Although owned by Dallas and Fort Worth, DFW is located within the boundaries of four other cities: Grapevine, Coppell, Irving and Euless, and within Dallas and Tarrant counties.



DFW spans across 26.9 square miles and is one of the largest land mass airports in the world and is located within a four-hour flight time of more than 98% of the U.S. population. In 2024, DFW will serve over 87 million passengers and offer service to 257 global destinations. In that same year, DFW was named the best large airport for customer satisfaction in North America by Airports Council International for the second year in a row. Celebrating 50 years of service in 2024, DFW is a major port for North America and serves as a major economic engine that generates jobs and attracts businesses to North Texas. Its central location is the focal point of one of the nation's largest intermodal hubs, connecting air, rail, and interstate highway systems.

Terminals

The Airport has five terminals (A, B, C, D and E) totaling 6.7 million square feet of building space, with approximately 170 aircraft boarding gates, 330 ticketing positions plus self-service kiosks, and 15 security checkpoints, eight of which have Transportation Security Administration (TSA) expedited screening for domestic passengers.



DFW Terminal Complex

American Airlines ("American" or "American Airlines") operates domestic service in Terminals A, B, C, D, and E. All of American's international arrivals that require U.S. Customs and immigration clearance are in International Terminal D. Their international departures are primarily in Terminal D, with some operated from Terminals A and C. American Eagle, operating as Envoy Air, the largest regional carrier for American, operates domestic service in Terminals B, D and E, with international service in Terminals B and D. All other airline domestic flights operate from Terminal E (with a few seasonal flights in Terminal D). The other airline international arrivals and most departures operate Terminal D, with several international departures in Terminal E.

Terminal D has 2.3 million square feet and 30 gates. Sixteen gates are preferentially leased to American Airlines and five gates are under a short-term permit agreement with American. The remaining nine gates are common use. The preferential gate lease is under the new 10-year Use and Lease Agreement (Use Agreement), effective October 1, 2023.

The Airport's U.S. Customs and Border Protection (CBP) facility is in Terminal D. This facility has the capacity to handle over 3,200 international passengers per hour and passengers can retrieve their luggage from any one of eight bag carousels.

The Airport is responsible for custodial services in all five terminals, and facilities maintenance in Terminals B, D and E. American is responsible for facilities maintenance in Terminals A, C, and the Terminal E Satellite. American also handles baggage maintenance in Terminals A, C and D, American's leased boarding bridges in Terminals A, C and D, and six boarding bridges in Terminal B. The costs associated with the Airport's custodial and maintenance services of these facilities are included in the Airport's operating budget. The costs of maintenance activities completed directly by American Airlines are not included in the Airport's operating budget or financial statements.

Airfield

DFW is one of the highest capacity airports in the world with seven runways: two diagonal runways and five north/south parallel runways. Four of the Airport's parallel runways are 13,400 feet in length. The Airport has the capacity to land, park and gate the A380, currently the largest passenger airliner in the world. The Airport's designated hourly capacity arrival/departure flow is approximately 170 aircraft operations per hour under reduced instrument flight conditions and approximately 226 to 264 aircraft operations per hour under optimum visual flight conditions, a condition that prevails approximately 94% of the time.

Integrated Operations Center (IOC)

The IOC is designed to address the complexity of all Airport operations, improve communication and coordination to deliver collective responses to ecosystem disruptions. The team, enabled with technology, provides DFW with 360-degrees of situational awareness. Critical and supporting decision making has been accelerated due to the co-location of required subject matter experts.

Skylink Automated People Mover

The Skylink system carries approximately 150,000 passengers and employees each day (55 million annually) between DFW's five terminals. Skylink trains are on the secure side of the terminals and travel in concentric loops in both directions. There are two Skylink stations in each terminal and trains average two-minute headways. Skylink normally operates around-the-clock with 16 two-car trains.

DFW Controlling Documents

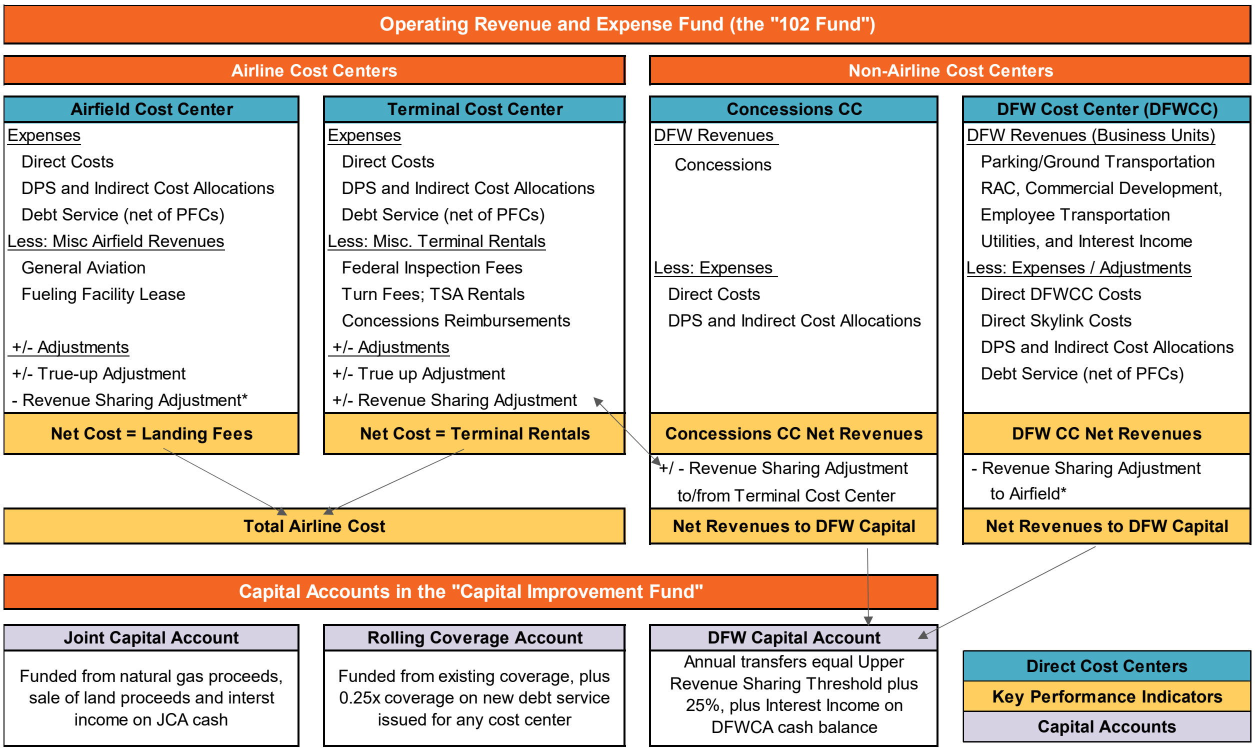
DFW is governed by several key documents, including the Contract and Agreement, signed by the Cities of Dallas and Fort Worth to own and operate the Airport, the Master Bond Ordinance and the Use and Lease Agreements with Signatory Airlines. Collectively, these agreements are called the Controlling Documents. The Controlling Documents define how DFW manages its business affairs. DFW does not collect any local tax revenue to fund its operations. The Controlling Documents require that Gross Revenues of the Airport be deposited into the Revenue and Expense Fund. Gross Revenues are defined as all Airport revenues and receipts except: bond proceeds, Passenger Facility Charge (PFC) proceeds used to fund capital projects (rather than for debt service), interest earned on unspent bonds, proceeds transferred from a Capital Account, grant proceeds used to fund capital projects, and any sale of land or mineral rights (including natural gas royalties), and revenues of the Public Facility Improvement Corporation (PFIC).

Strategic Plan

DFW Airport adopted the organization's current Strategic Plan in Fiscal Year (FY) 2022. The structure of the plan is shown below. DFW's Strategic Plan is available at: https://www.dfwairport.com/business/about/strategicplan/.

DFW's Airline Use Agreement Rate Model

The Airline Use Agreement is a hybrid model, whereby the Signatory Airlines pay landing fees and terminal rentals based on the net costs to provide those services. DFW retains a portion of the net revenues from non-airline business units (e.g., parking) in the DFW Cost Center (DFWCC). The following chart summarizes the Use Agreement rate model that became effective in FY24.



* Revenue sharing to Airfield only occurs if Concessions CC net revenues are not sufficient to meet the revenue sharing formula in Section 5.7(c)(i) of the Use Agreement.

Airline Cost Centers

The Airline Cost Centers (consisting of the Airfield Cost Center and the Terminal Cost Center) are cost recovery in nature, such that the amount charged to the airlines equals the net cost to DFW to provide those facilities and services, after certain adjustments. Landing fees and terminal rental rates are based on the net cost to operate, maintain and finance the airfield and terminals, respectively. DFW charges the direct operating and maintenance costs for the airfield and terminals, plus allocated Department of Public Safety (DPS) costs and indirect operating costs, plus debt service net of PFCs to each cost center; then DFW subtracts ancillary revenues generated in these cost centers and credits or charges certain transfers and/or adjustments (see Revenue Sharing Adjustments and True-Up Adjustments below).

The budgeted landing fee rate is determined by dividing the net cost of the Airfield Cost Center by projected landed weights. The budgeted terminal rental rate is determined by dividing the net cost of the Terminal Cost Center by total airline leased square footage. The Airport charges an equalized terminal rental rate for all five terminals.

Concessions Cost Center (CCC)

Terminal concessions revenues paid to the airport along with the associated direct expenses plus allocated DPS and indirect costs for terminal concessions are included in the CCC. A portion of the Net Revenues derived from this cost center is transferred to the Terminal Cost Center to reduce terminal rents with the remainder, if any, transferred to the DFW Capital Account.

DFW Cost Center (DFWCC)

The DFWCC includes all revenues, interest income, direct expenses, allocated DPS and indirect expenses, and debt service net of PFCs for the non-airline business units, except for terminal concessions. The DFWCC also pays for the costs associated with the Skylink people mover system. A portion of the Net Revenues from this cost center may be transferred to the Airfield Cost Center to reduce landing fees with the remainder transferred to the DFW Capital Account.

Joint Capital Account (JCA)

Funds in the JCA generally require DFW and Signatory Airline approval before money can be spent. The JCA is funded from the proceeds from natural gas royalties and the sale of land, plus interest income on the JCA. Supplemental funding for projects paid from the JCA may come from grants and/or the issuance of debt.

Rolling Coverage Account

The Rolling Coverage Account must equal 25% of aggregate debt service each fiscal year. If new debt is issued during a fiscal year or if the Rolling Coverage Account balance is otherwise reduced, rates under the Use Agreements are established to generate the incremental coverage amount that is required to fund 25% of the new debt service. Each fiscal year, the Rolling Coverage Account is transferred into the Operating Revenue and Expense Fund as a source of revenue and then transferred back into the Rolling Coverage Account as excess revenue at the end of the fiscal year.

DFW Capital Account

This is DFW's discretionary account and is funded from Net Revenues from the DFWCC and CCC (after the Revenue Sharing Adjustments), plus interest income from the DFWCA. Supplemental funding for projects paid from the DFW Capital Account may come from grants, insurance proceeds and/or the issuance of debt. Funds in this account may be used for any legal purpose without airline approval.

Revenue Sharing Threshold and Adjustments

The Use Agreement established a Lower Threshold Amount and an Upper Threshold Amount (the "Threshold Amounts"), which are increased annually by 3.5% or CPI, whichever is higher. The base Lower Threshold Amount is $58,955,917 and the base Upper Threshold Amount is $88,434,235 in FY25. **The benefit of the Lower Revenue Sharing Threshold Adjustment to DFW and investors is that it guarantees that DFW will have a minimum level of cash to pay debt service and transfer to the DFW Capital Account each FY to replace assets on a timely basis.**

If the total Net Revenues from the CCC and DFWCC are budgeted to be less than the Lower Threshold Amount, a Lower Revenue Sharing Threshold Adjustment will be budgeted to be transferred from the Terminal Cost Center to the CCC and/or from the Airfield Cost Center to the DFWCC, as determined by DFW during the fiscal year in which the deficit occurs. However, if the revenue sharing amount to the airlines (via transfer to the Terminal Cost Center and Airfield

Cost Center) is greater than the revenue sharing amount retained by DFW, the following test is applied to determine if a recalculation is required. If the fiscal year over fiscal year percent growth of DFWCC gross revenues minus the percent growth in CPI is greater than the percent growth of enplanements, then the revenue sharing amounts are recalculated so that DFW and the airlines each receive a 50% share.

DFW's Fund Structure

Although DFW uses the word "fund" to describe the designation of the source and prospective use of proceeds, DFW is an enterprise fund and does not utilize fund accounting commonly used by government organizations. The following table summarizes DFW's primary funds.

Number	Fund Description	Primary Use
101	Fixed Assets and Long-Term Debt	Capital Assets/Bonds
102	Operating Revenues and Expenses	Operations
252	Passenger Facility Charges (PFC)	Collections/Debt Service
300s	Joint Capital Account and Bond Funds	Capital/Bond Proceeds
340,341	DFW Capital Accounts and Bond Funds	Capital/Bond Proceeds
500s/891	Debt Service, Sinking Funds, and Reserves	Principal, Interest, Reserves
900s	Public Facility Improvement Corporation (PFIC)	RAC/Hotels/Campus West/19th Street Cargo

DFW's financial statements are issued in conformance with Generally Accepted Accounting Principles (GAAP) and include all DFW's funds, whereas the Annual Budget focuses on revenues and expenses included in the 102 Fund only. DFW's day-to-day operating business with the airlines is transacted in the 102 Fund in accordance with the Controlling Documents.

Passenger Facility Improvement Corporation (PFIC)

DFW has a PFIC, which owns and operates the Grand Hyatt Hotel in Terminal D and the Hyatt Place Hotel in Southgate Plaza, the Rental Car Facility (RAC) and rental car bus transportation services, as well as an office complex on the west side of the Airport (called Campus West) and is constructing a cargo facility (19th Street) that will be completed in FY26. Revenues, expenses and capital projects of the PFIC are not included in this budget document. These businesses are excluded from the airline rate base and are not part of the Use Agreement. DFW issued bonds to refinance the bonds issued by the PFIC for the construction of the Grand Hyatt Hotel and a portion of 19th Street. This debt service is recorded in the 102 Fund as gross debt service. The PFIC, however, transfers funds to the 102 Fund in an amount equal to the combined debt service so that there is no impact on the airline rate base.

Basis of Budgeting

The Operating Revenue and Expense Fund budget is commonly called the Operating Budget but contains elements that are not expenses under GAAP such as debt service, reserve requirements and certain other expenditures that may be capitalized under GAAP.

Capital expenditures are funded through Joint Revenue Bonds, grants, PFCs or cash in the DFW or Joint Capital Accounts. From a process standpoint, the Board of Directors approves the Operating Budget. The Board reviews the capital budget shown in this document as part of the Annual Budget process but does not approve the capital budget.

The Board approves a total annual budget each year that consists of operating expenditures and debt service. Management has authority to move money between budget categories. The FY25 budget included contingency fund outside the rate base that requires Board approval to utilize ($10 million).

Presentation of Amounts and Prior Years Actuals

The FY25 Budget is presented in tables and charts that are rounded to millions and thousands. Some columns and charts may not appear to add-up or foot due to rounding differences. Certain prior year amounts have been reclassified to reflect the FY25 presentation.

Budget Schedule

DFW's fiscal year begins October 1. The FY25 Expenditure Budget was compiled by the various DFW departments, reviewed and modified by executive management in June. Presentations were made to representatives of the Signatory Airlines on June 17, 2024, with follow-up information provided a few weeks later on July 22, 2024. The proposed FY25 Budget is presented to the Finance/Audit Committee and the DFW Board on July 30 and August 1, 2024, respectively. On August 1, 2024, the DFW Board approved the submission of the budget to the City Managers of Dallas and Fort Worth. The budget must be transmitted to the Cities by August 15 and the two City Councils are required to approve the budget by September 30, 2024.

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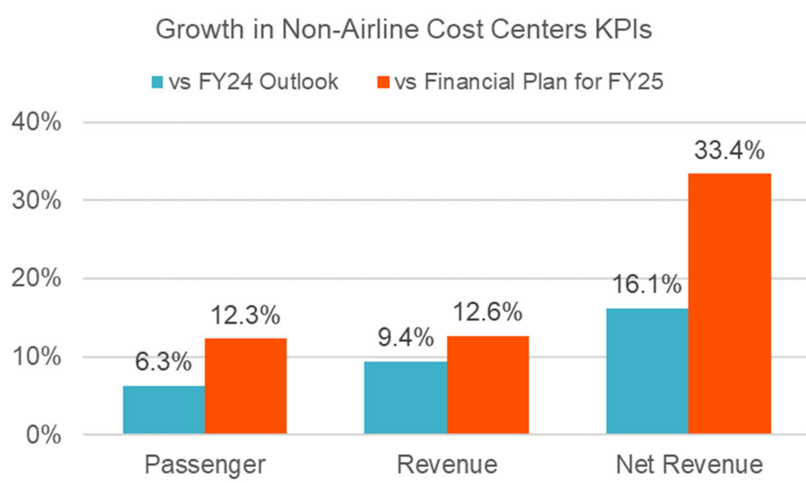
The FY25 Budget demonstrates DFW Airport's continued strong growth and includes new records for passengers, non-airline revenues and net revenues transferred to the DFW Capital Account. This budget also reflects the lowest operating expense increase since the pandemic and the second lowest "real" increase after inflation since FY16.

Since the negotiated new Use Agreement (effective in FY24) dictated a new business model and cost structure, management's focus during FY25 budget development was to ensure that total airline cost and cost per enplanement (CPE) included in the FY25 Budget was at, or lower than, the amount included in the financial plan supporting the Use Agreement negotiations for FY25. Management is pleased to report both goals were achieved as shown in the following table.

	Financial Plan	FY25 Budget	Variance	
			Amount	Percent
Airline Costs ($Ms)	$650.6	$642.0	($8.6)	(1.3%)
Cost per Enplanement (CPE)	$15.75	$13.56	($2.19)	(13.9%)

Another goal is for revenues and net revenues to grow faster than passengers each year as compared to the prior year's (FY24) Outlook and for all KPIs to exceed the targets included in the financial plan for FY25. As shown in the following chart, these goals were also achieved.

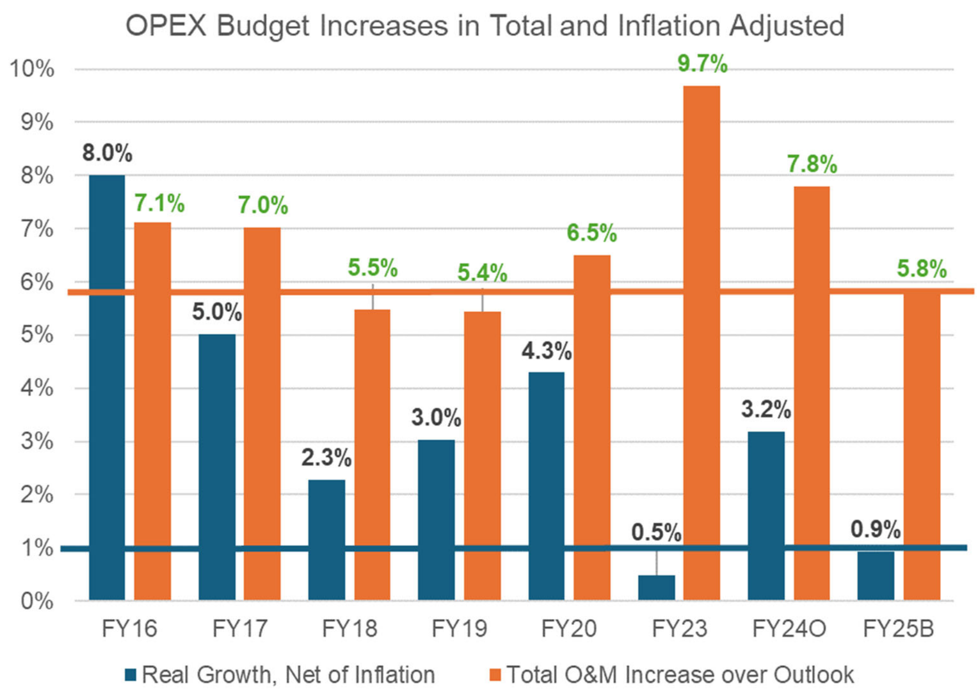


- **Passengers** are budgeted at a **record 92.7 million** in FY25, a 5.5 million (6.3%) increase over the FY24 Outlook and ***12.3% higher than the Financial Plan***.
- **Non-airline revenues** are budgeted at a **record $592.7 million** in FY25, a $50.8 million (9.4%) increase over the FY24 Outlook and ***12.6% higher than the Financial Plan***.
- **Non-airline net revenues** are budgeted at $287.9 million in FY25, a $40.0 million (16.1%) increase from the FY24 Outlook and ***33.4% higher than the Financial Plan***.
- **Net revenues transferred to the DFW capital account** are budgeted in FY25 at a **record of $144.0 million**.

The FY25 Expenditure Budget is $1.309 billion, a $74.4 million (6.0%) increase from the FY24 Outlook.

- The FY25 Operating Expense Budget is $713.9 million, a $39.4 million (5.8%) increase from the FY24 Outlook primarily due to increases in employee-related costs, fixed contract increases, inflation in service contracts and parts, continued investments in digital technology and restoration of the CEO contingency.

- The inflation rate for the DFW area is 4.9% which is the assumption used for FY25 budget as determined in the Use Agreement. Adjusted for inflation, the real operating expense budget increase is 0.9%, which is one of the lowest in recent years. See below chart for comparisons.



- The debt service budget is $594.9 million, a $35.0 million (6.2%) increase from the FY24 Outlook primarily due to the planned issuance of $750 million of new bonds in September 2024 and anticipated debt issuances of $1.6 billion in May 2025 to finance the capital program, primarily for the Central Terminal Area (CTA) Expansion and Terminal F.

- Airline costs and CPE are budgeted to increase $46.1 million (7.7%) and $0.14 (1.1%) from the FY24 Outlook, respectively, largely due to the increase in debt service and operating expenses, partially offset by higher revenue sharing from non-airline cost centers and higher passengers. The increased airline cost also results in higher landing fees and terminal rental rates.

FY25 Budget Comparisons and Walkforward

The table below compares the Expenditure Budget between the FY24 Outlook and the FY25 Budget. The FY25 Expenditure Budget (within the rate base) is $1.309 billion, a $74.4 million (6.0%) increase from the FY24 Outlook. The total expenditure budget within the rate base is used to calculate airline rates and charges (e.g., landing fees and terminal rental rates) per the terms of the Use Agreement.

Annual Expenditures (in Millions)	FY24 Outlook	FY25 Budget	FY25 vs FY24 Increase (Decrease) Amount	Percent
Operating expenses	$674.5	$713.9	$39.4	5.8%
Gross debt service	560.0	594.9	35.0	6.2%
Total expenditures budget within rate base	$1,234.4	$1,308.8	$74.4	6.0%
Board contingency outside rate base	10.0	10.0		
Total budget with contingency	$1,244.4	$1,318.8		

Consistent with past practice, the FY25 budget includes $10 million of Board. This contingency can only be used with approval of the DFW Board of Directors, which includes the mayors of Dallas and Fort Worth. This contingency has been used in the past when non-airline revenues are significantly higher than budget and/or when large and unexpected expenses are required, such as a new security requirement or when the Airport desires to make an incremental contribution to its pension plans.

Operating Expense Budget Walkforward

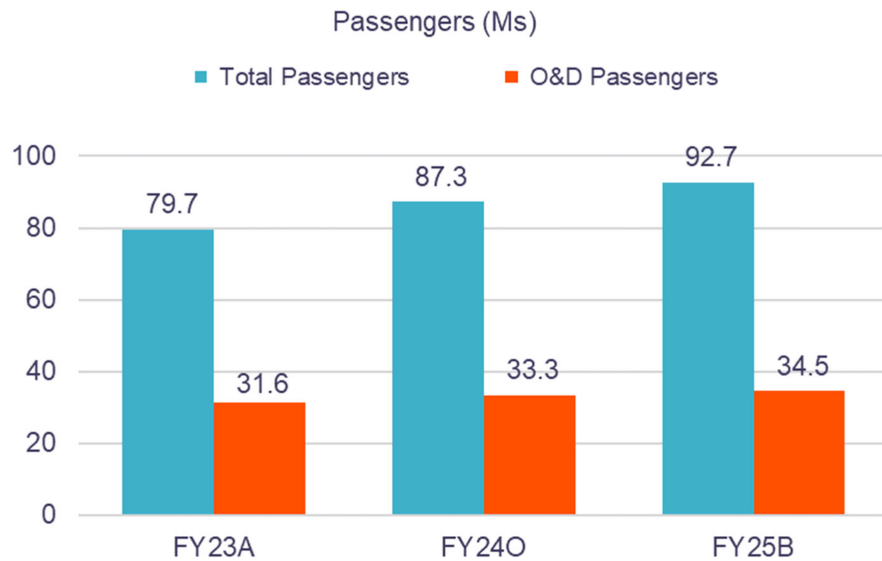
The following table summarizes the major changes in operating expenses between the FY24 Outlook and the FY25 Budget. The major driver of the FY25 Budget increase is employee-related costs and fixed contract increases. See the Expenditure Section for more detailed discussion of this Walkforward.

FY24 Outlook to FY25 Budget

Operating Expenses (in Millions)	Total
FY24 Outlook	$674.5
Budget reductions	(14.1)
Employee related increases	20.9
Fixed contract increases	14.9
Digital and technology investments	5.8
Customer related increases	4.6
Other increases	9.8
Operating reserve adjustments	(2.4)
Net increase	39.4
FY25 Budget	$ 713.9

Passengers, Operations, and Landed Weights

The following chart compares total passengers and originating and destination (O&D) passengers for FY23 Actuals, FY24 Outlook and FY25 Budget. The FY25 passenger budget is 92.7 million, a 5.5 million (6.3%) increase over the FY24 Outlook due primarily to increased service by American Airlines.



Originating passengers begin their trips at DFW. Destination passengers live elsewhere and fly to DFW for business or leisure. Passengers who travel through DFW to get to their final destinations are connecting passengers. Enplanements represent all passengers boarding a plane. Changes in these passenger metrics are important because they are the key revenue drivers for the parking (originating passengers), concessions (enplanements) and rental car (destination passengers) businesses. Given American's strategy to utilize DFW's hub heavily, connecting passengers are budgeted to grow faster than originating or destination passengers in FY25.

	FY23 Actuals	FY24 Outlook	FY25 Budget	FY25 vs FY24 Amount	FY25 vs FY24 Percent
Passengers (Millions)					
Origination	17.8	18.8	19.5	0.7	3.6%
Destination	13.8	14.5	15.1	0.5	3.7%
Connecting	48.1	54.0	58.2	4.2	7.9%
Total Passengers	79.7	87.3	92.7	5.5	6.3%
Enplanements	39.8	43.6	46.4	2.7	6.3%
FIS Deplaned	5.0	5.5	5.8	0.3	4.9%
Landed Weights (Billions)	48.5	52.6	55.1	2.5	4.7%
Operations (Thousands)	672	733	774	41	5.6%

FY25 landed weights are projected to be 4.7% higher and operations are projected to be 5.6% higher than the FY24 Outlook primarily due to the continued growth in American Airlines at DFW. Operations are projected to grow faster than landed weights because American plans to add more regional flights as the pilot shortage has eased.

Revenues Overview

The following table summarizes revenues by cost center for the FY23 Actuals, FY24 Outlook and the FY25 Budget. The FY25 increase in airfield and terminal revenues is due to the increase in net airfield and terminal costs. The FY25 increase in non-airline revenues is due to an increase in passengers, interest income, and parking rate increase that became effective in May 2024.

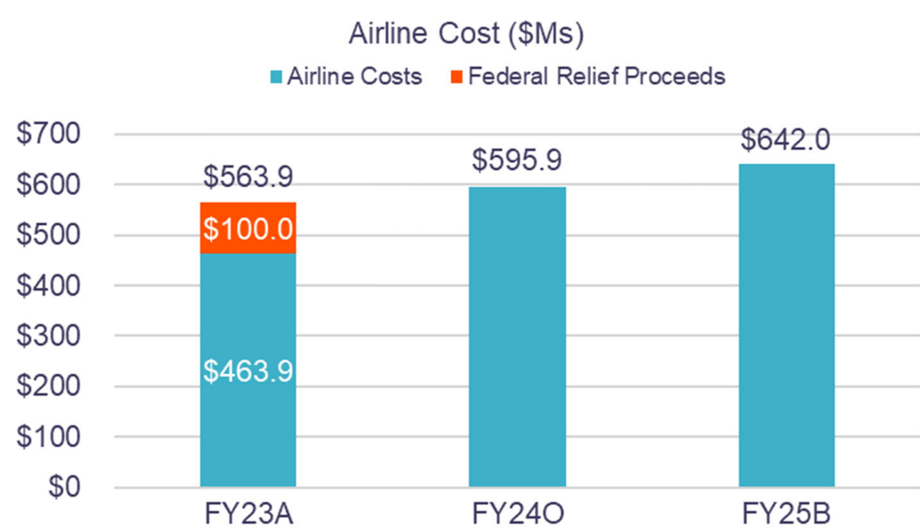
	FY23	FY24	FY25	FY25 vs FY24	
Millions	Actuals	Outlook	Budget	Amount	Percent
Revenues					
Airfield Cost Center	$188.2	$190.1	$224.3	$34.2	18.0%
Terminal Cost Center	446.3	570.1	602.8	32.7	5.7%
Non-Airline Cost Centers*	377.4	419.2	448.7	29.5	7.0%
PFCs and Other	165.6	180.2	176.9	(3.4)	(1.9%)
Federal Relief Proceeds	100.0	0.0	0.0	0.0	n/a
Total Revenues	$1,277.5	$1,359.6	$1,452.8	$93.1	6.8%

*Excludes revenue sharing to Airline Cost Centers

DFW collects a $4.50 PFC from most enplaned revenue passengers to pay for eligible debt service. PFCs are decreasing 1.9% due to a reduction in eligible debt services. Other revenues relate to payments from the PFIC to fund debt service on its projects and from American Airlines to pay for debt service on two of the airline's facilities that were financed by DFW revenue bonds. These revenues are used as offsets to debt service to calculate net debt service for the rate base.

Airline Cost

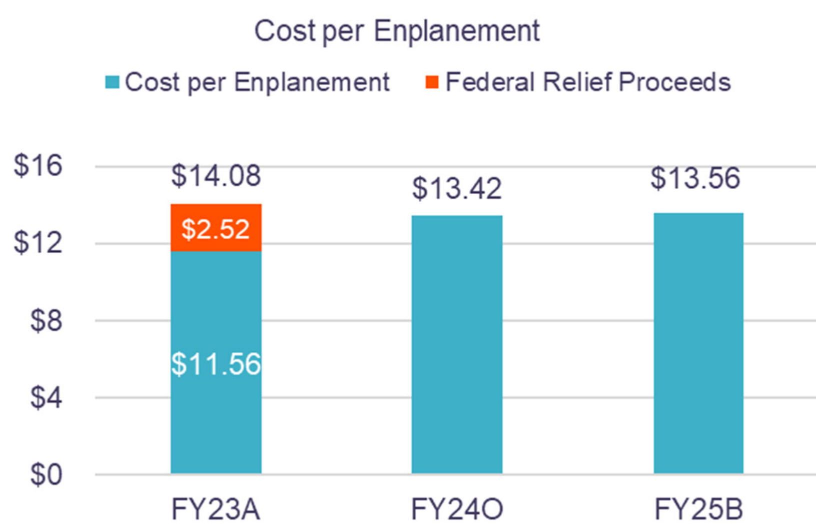
Airline cost represents the fees paid to DFW by the passenger and air cargo carriers, primarily for landing fees and terminal rents. The FY25 Airline Cost Budget is $642.0 million, $46.1 million (7.7%) higher than the FY24 Outlook due to the net impact of higher debt service and operating costs, less revenue sharing from non-airline cost centers. The following chart compares airline cost for FY23 Actuals, FY24 Outlook and FY25 Budget.



Passenger Airline Cost Per Enplanement

CPE represents total passenger airline revenue (cost to the airlines) paid to DFW divided by the number of enplaned passengers. It excludes cargo landing fees. CPE is a standard airline industry metric. Enplaned passengers (the denominator) are a key revenue/cost driver for the airlines; however, not for airports. Airport costs are primarily fixed and are directly related to the operation and maintenance of airport's terminals, facilities, and runways. Debt service is highly fixed unless the Airport has refundings available in the fiscal year which could allow for some debt restructuring. Notwithstanding, the industry uses this indicator as a cost performance metric.

The following chart shows CPE for FY23 Actuals, FY24 Outlook and the FY25 Budget. CPE is budgeted to increase 1.1% in FY25 because airline costs are projected to grow faster (7.7%) than the increase in passenger traffic (6.3%).



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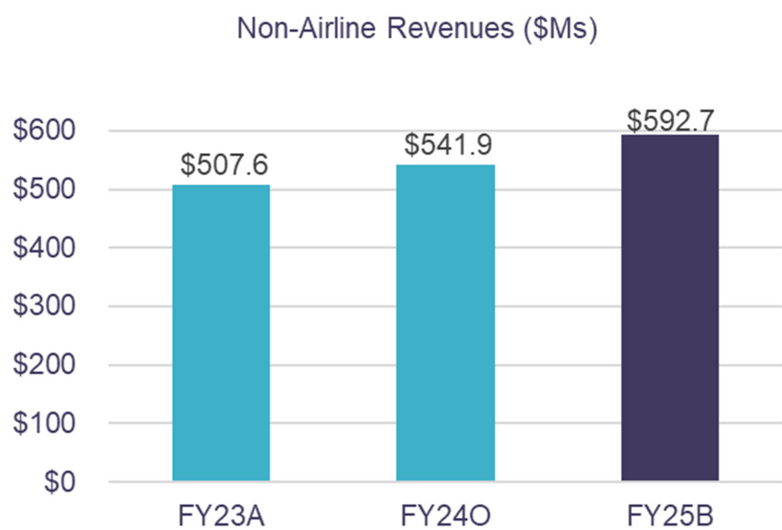
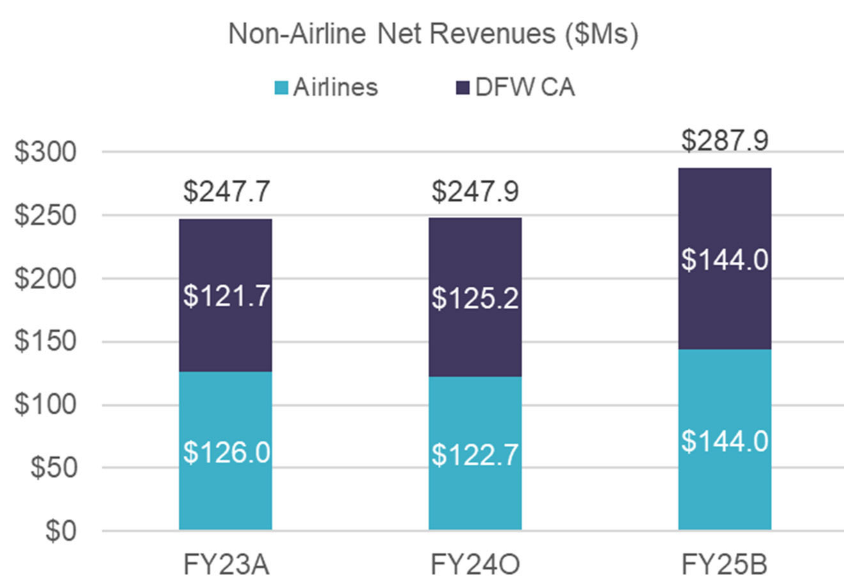
Non-Airline Revenues and Net Revenues

The following chart compares non-airline cost centers revenues for the periods FY23 Actuals, FY24 Outlook and FY25 Budget. Non-airline revenues achieved record levels in FY25, $50.8 million (9.4%) higher than the FY24 Outlook due to increased passenger-related revenues, ground and facility rental rates and higher interest income due to higher rates. See more detail in the Non-Airline Cost Centers section.



The following chart highlights the sharing of non-airline revenue sharing between the airlines and the DFW Capital Account for FY23 Actuals, FY24 Outlook and FY25 Budget. The Use Agreement requires DFW to share 75% of net revenues over the Upper Threshold ($88.4 million in FY25) with the airlines, or 50% of total net revenue if the revenues growth minus inflation exceeds passenger growth. Non-airline net revenues are budgeted at $287.9 million in FY25, $40.0 million higher than FY24 mainly due to an increase in non-airline revenues, partially offset by higher net operating costs.



Revenue and Expense Budget Exposures

The FY25 revenue budget includes an estimated $2 million of exposure from rental car revenues that could result in DFW not attaining its revenue budget targets. The rental car companies reduced their fleet inventories during the pandemic and then experienced increased demand during post pandemic recovery. This resulted in significantly higher daily rates. As the industry recovered, the average daily rental rate started to decline due to replenishment in fleet inventories and new competition from low-cost budget rental car companies. If rental car companies are unable to maintain pricing at FY24 level, their percentage rent paid to DFW will decrease.

The FY25 expense budget includes incremental increases based on passenger growth projections and inflation. However, there are cost exposures such as higher contract bids during Energy, Transportation and Asset Management (ETAM) contract solicitations. Consistent with past years, the FY25 budget does not include any funds for winter weather.

DFW has $8 million of CEO Contingency to utilize first should line-item budgets be inadequate to cover these exposures. The budget also includes $10 million of Board-controlled contingency (outside of the rate base) to mitigate additional operating expense exposures or to fund new strategic priorities that arise during the fiscal year, especially if non-airline revenues are higher than projected.

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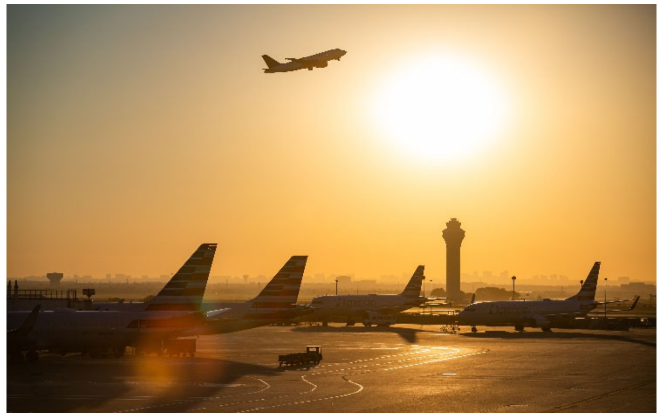
Airline Cost Centers and Airline Cost Walkforward



There are two airline cost centers, the Airfield and the Terminal. The airlines pay landing fees to cover the net cost of the airfield and terminal rents to cover the net cost of the terminals. At the end of each fiscal year, DFW performs a reconciliation, or true-up, of actual costs paid and revenues received. For airfield variances (i.e., if revenues collected exceed or are lower than the actual costs), then the Airport provides a credit or adds an incremental charge to the following fiscal year's landing fee to settle the difference (called a true-up adjustment). For a terminal variance, DFW or the airlines make a one-time payment to the other party to settle the difference.

Airline Cost Walkforward

The following table is a walkforward of airline cost from the FY24 Outlook to the FY25 Budget. To explain the table, an increase in transfer from non-airline cost centers is shown as a negative number because airlines will pay lower fees due to the increase of revenue share (i.e., decrease airline cost). Similarly, an increase in expenditure, like debt service, will increase airline costs.

Airline Cost Walkforward (in Millions)	Total
FY24 Outlook	$595.9
Debt & use agreement items	
Increase in debt service	35.8
Increase in revenue sharing threshold	4.1
Decrease in passenger facility charges	3.3
Total Debt and Use Agreement	43.1
Net operating expenses changes	
Increase in operating expenses	27.9
Increase in transfer from non-airline cost centers	(25.4)
Decrease in other non-airline revenues	0.5
Total net operating expenses	3.0
Total increases	46.1
FY25 Budget	$642.0

Summary of Airline Cost

The following table summarizes airline cost for FY23 Actuals, FY24 Outlook and FY25 Budget. Airline cost increases in FY25 mainly due to higher debt services and operating expenses.

	FY23	FY24	FY25	25 vs 24 Inc (Dec)	
Airline Revenue/Costs (in Millions)	Actuals	Outlook	Budget	Amount	Percent
Landing Fees*	47.2	163.8	185.2	$21.4	13.1%
Terminal Leases*	338.9	342.8	358.4	15.7	4.6%
FIS Fees	37.9	45.0	49.4	4.4	9.8%
Turn Fees & Terminal Office Rents	39.0	43.7	48.6	4.9	11.2%
Aircraft Parking	0.9	0.7	0.4	(0.3)	(43.2%)
Total Airline Revenue/Cost	$463.9	$595.9	$642.0	$46.1	7.7%

*The FY23 and FY24 landing fees and terminal leases are net of settlement.

DFW signed a new Use Agreement with Signatory Airlines, effective October 1, 2023. The new Use Agreement changed how net revenues from non-airlines cost centers are shared. This change is the predominant reason for the airfield costs going up by $117 million from FY23 to FY24.

Airfield Cost Center

The table below compares the FY23 Actuals, FY24 Outlook and FY25 Budget for the Airfield Cost Center. This is a residual cost center, so revenues equal expenses with landing fees as the balancer. The remaining balance of net airfield revenue in FY23 and FY24 of $13.4 million and $15.0 million, respectively, was before settlement and would be applied as a reduction in the landing fees the following year.

	FY23	FY24	FY25	25 vs 24 Inc (Dec)	
Airfield CC (in Millions)	Actuals	Outlook	Budget	Amount	Percent
Revenues					
Landing Fees	$60.6	$178.7	$185.2	$6.5	3.6%
Transfer from Non-Airline CC	126.0	10.6	23.9	13.3	125.1%
Other	15.0	15.7	15.2	(0.6)	(3.6%)
Total Revenues	201.5	205.1	224.3	19.2	9.4%
Expenditures					
Operating Expenses	112.9	132.2	140.2	8.0	6.1%
Net Debt Service	75.3	57.9	84.1	26.2	45.2%
Total Expenditures	188.2	190.1	224.3	34.2	18.0%
Net Airfield Revenue	$13.4	$15.0	$0.0	($15.0)	(100.0%)

Landing Fee Revenue

The FY25 landing fees budget is $185.2 million, $6.5 million (3.6%) higher than the FY24 Outlook, due to increased net debt service and operating expense, partially offset by higher revenue sharing. The increase in net debt service is due to the issuance of debt to finance capital projects related to the airfield.

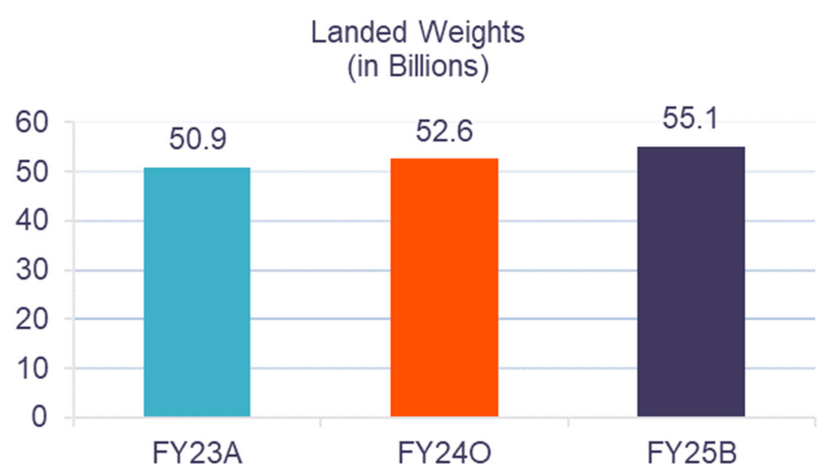
Calculation of Landing Fees

The following table shows the calculation of landing fees for the three periods.

	FY23	FY24	FY25	25 vs 24 Inc (Dec)	
Airfield CC (in Millions)	Actuals	Outlook	Budget	Amount	Percent
Expenditures					
Operating Expenses	$112.9	$132.2	$140.2	$8.0	6.1%
Net Debt Service	75.3	57.9	84.1	26.2	45.2%
Total Expenditures	188.2	190.1	224.3	34.2	18.0%
Revenues					
Transfer from Non-Airline CC	126.0	10.6	23.9	13.3	125.1%
Aircraft Parking	0.9	0.7	0.4	(0.3)	(43.2%)
Corporate Aviation	3.8	4.4	4.3	(0.1)	(1.2%)
Fuel Facility Ground Lease	7.1	7.4	7.7	0.3	3.7%
DPS	3.3	3.3	2.8	(0.5)	(15.0%)
Trueup activity	(13.4)	(15.0)	0.0	15.0	(100.0%)
Revenues before Landing Fees	127.6	11.4	39.1	27.7	243.4%
Landing Fees	$60.6	$178.7	$185.2	$6.5	3.6%

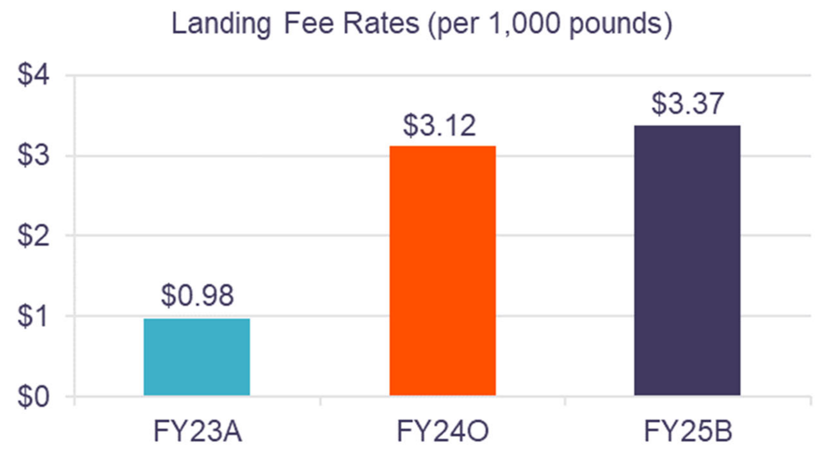
Landed Weights

Landed weights are budgeted at 55.1 billion pounds in FY25, a 2.5 billion (4.7%) increase from the FY24 Outlook. The increase is primarily driven by increases in operations.



Landing Fee Rates

The landing fee rate is assessed per 1,000 pounds of maximum approved landed weight for each specific aircraft, as certified by the FAA. Changes in landed weights will not affect total landing fee revenues because DFW charges the airlines collectively for the cost to operate the airfield. Thus, an increase in landed weights will lower the average landing fee rate and a decrease in landed weights will cause the landing fee rate to increase. The landing fee increases in FY25 mainly due to higher net debt service.



Cargo

DFW Airport's cargo strategy and cross border e-commerce initiatives continue to drive growth for the region and position the Airport as a key port of entry for Type 86 shipments, as consumer demand for e-retailing continues to rise. The region's fast-growing population driven by corporate relocations to North Texas, along with the Airport's prime U.S. central location, is generating diverse cargo to reach millions of customers by road and drawing new freighter operators to the DFW cargo community. This economic activity is accelerating DFW's growth as the Sunbelt region's preeminent point of entry for international and domestic freight. The Airport's air freighter network serves 20 of the world's top cargo hubs reaching several continents by plane in a matter of hours. Cargo represents 7.1% of DFW's budgeted landing fees in FY25.

Terminal Cost Center

The table below compares the FY23 Actuals, FY24 Outlook and FY25 Budget for the Terminal Cost Center. Since this is a residual cost center, revenues equal expenses. The $5.8 million and $12.9 million net terminal revenue for FY23 Actuals and FY24 Outlook, respectively, would result in a refund to the airlines. Revenue variances between the FY25 Budget and the FY24 Outlook are explained below.

	FY23	FY24	FY25	25 vs 24 Inc (Dec)	
Terminal CC (in Millions)	Actuals	Outlook	Budget	Amount	Percent
Revenues					
Operating Revenue					
Terminal Leases	$344.0	$354.8	$358.4	3.7	1.0%
FIS Fees	37.9	45.0	49.4	4.4	9.8%
Turn Fees	36.4	27.8	29.5	1.7	6.3%
Other Terminal Rents	3.3	16.9	19.1	2.2	13.0%
Other	26.2	26.6	26.4	(0.2)	(0.7%)
Federal Relief Proceeds	100.0	0.0	0.0	0.0	n/a
Total Operating Revenue	547.8	470.9	482.8	11.8	2.5%
Transfer from Non-Airline CC	0.0	112.1	120.1	8.0	7.1%
Total Revenues	552.1	583.0	602.8	19.8	3.4%
Expenditures					
Operating Expenses	305.8	321.3	341.2	19.9	6.2%
Net Debt Service	240.5	248.8	261.6	12.8	5.2%
Total Expenditures	546.3	570.1	602.8	32.7	5.7%
Net Terminal Revenue	$5.8	$12.9	$0.0	($12.9)	(100.0%)

Terminal Leases

The FY25 terminal lease budget is $358.4 million, $3.7 million (1.0%) higher than the FY24 Outlook, due to higher operating expenses and net debt service, partially offset by the revenue sharing. The increase in net debt service is due to the issuance of additional bonds for capital projects related to terminals.

Federal Inspection Services (FIS) Fees

Under the new Use Agreement, the FIS Facility Fee Rate is adjusted by the percentage increase in CPI. The rate for FIS per international passenger clearing customs at DFW is budgeted at $8.55 for FY25. The FY25 FIS revenue budget is $49.4 million, $4.4 million (9.8%) higher than the FY24 Outlook due to the combination of rate increase and increase in FIS passengers. FIS passengers do not include arriving passengers from countries where passengers clear U.S. Customs in that country (e.g., Canada).

Turn Fees and Other Terminal Rents

Turn fees are paid by airlines for common use gates in Terminals D and E in lieu of permanently renting space. Per the terms of the new Use Agreement, revenues are cost recovery. Turn fee rates are calculated by determining the common-use square footage multiplied by the terminal rental rate, before credits, and then dividing that amount by the weighted turns by aircraft type forecast for that year. The turn fee budget for FY25 is $29.5M, a $1.7 million (6.3%) increase from FY24 Outlook, as the result of higher terminal rental rate. The FY25 other terminal rent budget is $19.1 million, an increase of $2.2 million from the FY24 Outlook due to increases in rates and square footage.

Other Terminal Revenues

Other terminal revenues include TSA rents, concessions operations and maintenance (O&M) reimbursements, catering fees and allocable miscellaneous DPS revenues. Concessionaires are required to reimburse the Airport (for Terminals B, D and E) and American Airlines (for Terminals A and C) for the allocated maintenance cost per square foot. Other terminal revenues are flat to FY24 Outlook, the increases in concessions reimbursement and catering fees are offset by decreases in TSA rent and allocated DPS revenues.

Transfers

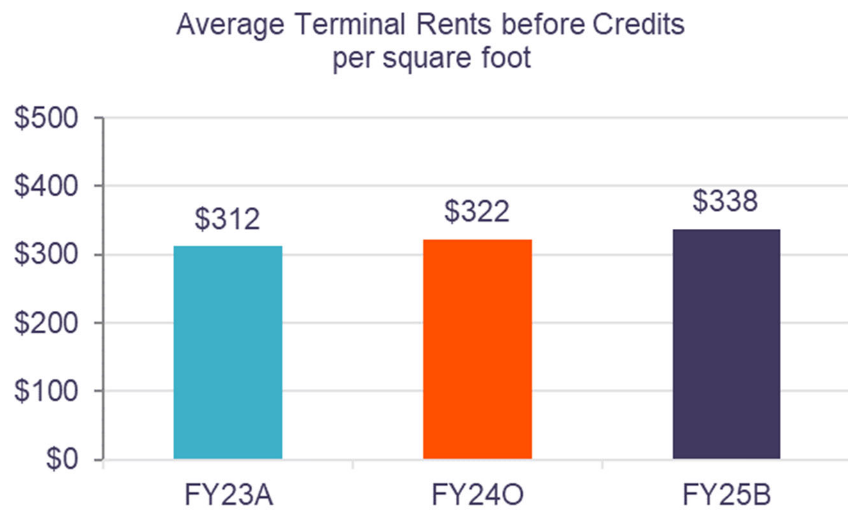
Per the terms of the new Use Agreement, DFW transfers a portion of net revenues generated from the Concessions Cost Center to the Terminal Cost Center. From a cost center standpoint, this transfer is shown as a source of cash in the Terminal Cost Center and a use of cash for non-airline cost centers. This is new in FY24 and replaces the DFW Terminal Contribution, which was part of the previous Use Agreement.

Average Terminal Rents Before Credits

Total terminal operations, maintenance, and debt service costs, including utilities for the five terminals, are divided by total airline leased square feet to calculate an average lease rate per square foot. American Airlines pays directly for the maintenance costs of Terminals A, C, E Satellite and D south expansion area. Additionally, American Airlines handles Terminal D baggage maintenance, the airline's leased boarding bridges in Terminal D and six jet bridges in Terminal B. These costs are added into the numerator of this formula to derive the fully loaded average rate. American Airlines receives a rent credit for the costs they incur. The credit in FY25 is $44.4 million.

The chart on the following page compares average terminal rents before credits for FY23 Actuals, FY24 Outlook and FY25 Budget. Terminal rental rate is budgeted at $338 per square foot for FY25, an increase of $16 (5.0%) from FY24 Outlook. The increase in the FY25 Budget is the net result of increases in operating costs and net debt service, partially offset by higher revenue sharing with the terminal.

Total terminal leased square footage in FY25 is budgeted at 1.192 million square feet, 1.4% decrease from FY24, mainly due to the partial closure of Terminal A and C due to construction.



CPE Calculation

The following table shows the cost per enplanement calculation and compares CPE for FY23 Actuals, FY24 Outlook and FY25 Budget. CPE only includes passenger-related airline revenues (i.e., costs). It excludes cargo and general aviation revenues. CPE increases since budgeted costs are rising faster than enplanements.

Cost Per Enplanement (in Millions)	FY23 Actuals	FY24 Outlook	FY25 Budget	25 vs 24 Inc (Dec) Amount	Percent
Enplanements [1]	39.7	43.6	46.4	2.8	6.3%
Passenger Airline CPE					
Airline Cost/Revenue	$463.9	$595.9	$642.0	$46.1	7.7%
Less: Cargo	(4.5)	(11.1)	(13.2)	(2.0)	18.4%
Total PAX Airline Revenue	459.4	584.8	628.9	44.1	7.5%
Cost per Enplanement (CPE) [2]	$11.56	$13.42	$13.56	$0.14	1.1%

[1] Corporate Aviation enplanements are excluded from CPE calculation

[2] Actual rates, not in millions

As discussed in the Executive Summary, the financial plan model used to negotiate the Use Agreement included a forecast of CPE of $15.75 in FY25. The FY25 Budget is $2.19 less than this CPE forecast.

There are two non-airline cost centers, the DFW Cost Center (DFWCC) and the Concessions Cost Center (CCC). The table below compares the FY23 Actuals, FY24 Outlook and FY25 Budget for the non-airline cost centers. DFW transfers 75% of net revenues in excess of the Upper Threshold ($88.4 million in FY25) to airline cost centers to reduce terminal rents and landing fees. This is called the threshold adjustment.

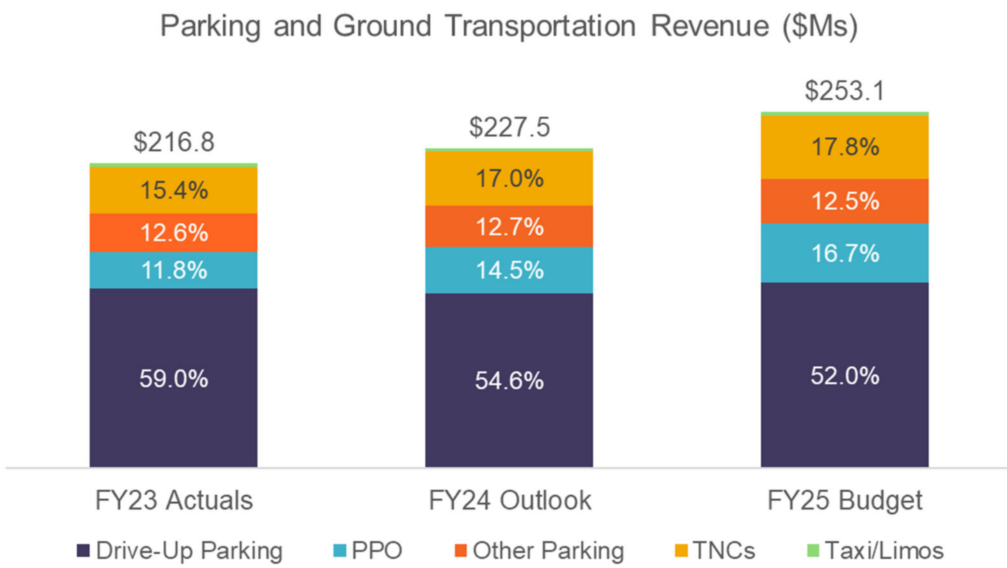
Under the previous Use Agreement, the threshold adjustment is transferred to the Airfield Cost Center as a reduction in landing fees. Under the new Use Agreement, a major portion of the threshold adjustment is transferred to the Terminal Cost Center and reduce terminal rents.

Non-Airline Cost Centers (in Millions)	FY23 Actuals	FY24 Outlook	FY25 Budget	25 vs 24 Inc (Dec) Amount	Percent
Revenues					
Parking	$216.8	$227.5	$253.1	$25.6	11.3%
Concessions	116.0	129.9	139.6	9.7	7.5%
Rental Car (RAC)	45.5	45.9	49.3	3.4	7.3%
Commercial Development	73.6	76.9	81.9	5.0	6.5%
Subtotal	452.0	480.2	523.9	43.7	9.1%
Employee Transportation	22.3	23.6	25.9	2.3	9.8%
Utilities & Miscellaneous	10.4	10.2	10.9	0.7	6.5%
DPS	1.5	1.6	1.3	(0.2)	(15.0%)
Interest Income	21.5	26.4	30.7	4.4	16.7%
Total Revenues	507.6	541.9	592.7	50.8	9.4%
Expenditures					
Operating Expenses	151.6	171.2	180.5	9.3	5.4%
Net Debt Service	48.7	65.0	61.9	(3.1)	(4.8%)
Total Expenditures and Debt Service	200.3	236.3	242.4	6.1	2.6%
Gross Margin	307.3	305.6	350.3	44.7	14.6%
Less: Skylink	55.4	57.7	62.3	4.6	8.0%
Non-Airline Net Revenues	$247.7	$247.9	$287.9	$40.0	16.1%
Transfer to Airfield Cost Center	126.0	10.6	23.9	13.3	125.1%
Transfer to Terminal Cost Center	0.0	112.1	120.1	8.0	7.1%
Amount to DFW Capital Account	121.7	125.2	144.0	18.8	15.0%
Allocation of Non-Airline Net Revenues	$247.7	$247.9	$287.9	$40.0	16.1%

Non-airline cost centers have four business units that focus on increasing net revenues (parking, concessions, rental car, and commercial development). The other business units generally use pricing that is cost-based, except interest income.

Parking

The following chart shows the composition of parking revenues by parking product including prepaid parking online (PPO), taxis/limos, transportation network company (TNC) and other (valet and off-airport parking) for FY23 Actuals, FY24 Outlook and FY25 Budget.



Background

Parking is DFW's largest source of non-airline revenue. Customers are charged parking fees based on the length of stay and the parking product used. On-airport parking rates increased on May 1, 2024. The following table highlights parking products and rates for FY25.

DFW Parking Rate Summary

Parking Product	Rate	Description
Terminal	$32	daily garage
Express	$18 / $21	daily uncovered / covered
Remote	$14	daily uncovered
Terminal Intraday	$10-12	2-6 hours
Express Intraday	$3-5	up to 6 hours
Remote Intraday	$2-4	up to 6 hours
Drop-Off	$2	8-30 minutes
Meeter-Greeter	$3	30 minutes-2 hours
Pass-Throughs	$9	0-8 minutes
TNC	$6	up to 2 hours
Taxi, Limos	$4	up to 2 hours

PPO pricing varies by length of stay, advance purchase, trip purpose (business vs. leisure) and level of inventory sold. Fees are paid by taxis, limos, TNCs and other shared-ride transportation companies that require Airport access to drop-off and pick-up passengers. DFW also collects 35% of gross sales from the on-airport DFW branded valet and 12% from off-airport parking and valet providers. The Airport contracts directly with a third party to provide a DFW branded valet service. Valet daily parking rates increased from $40 to $45 on May 1, 2024.

DFW has five terminal parking garages, two Express lots and two Remote lots. The Remote North lot, which was closed during COVID, reopened in March 2024. Express South and the "C" section of the Terminal C garage are budgeted to be closed in the fourth quarter of FY24 and remain closed through FY25 due to the construction of Terminal F and Terminal C renovation.

FY25 Budget

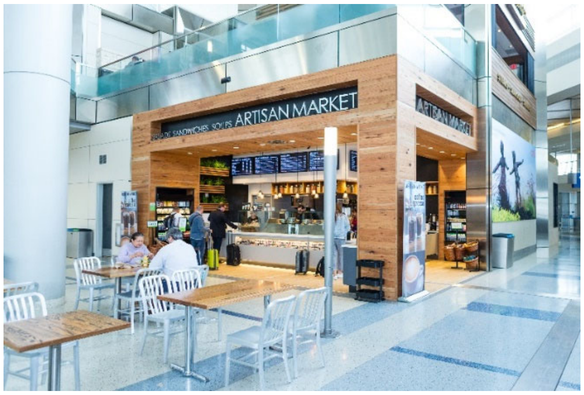
The FY25 parking revenue budget is $253.1 million, an increase of $25.6 million (11.3%) from the FY24 Outlook. Revenue increases are mainly due to passenger growth, annualization of parking rate increase and reopening of Remote North, and PPO yield growth. These increases are partially offset by the loss of revenue from lot closures.

PPO will continue to be marketed as a low-cost, safe, and convenient parking option in FY25; however, given the closure of one of the Terminal C parking garages and the heavy utilization of Terminal D, PPO sales will be limited during certain peak travel periods in 2025. PPO will focus on stimulating parking demand during off-peak periods, and balance occupancy across garages during peak periods via sales of terminal-specific products. The new yield management system will be a tool for dynamic pricing and real-time forecast optimization. DFW plans for PPO to include some new products in the future such as premium nested lots for elite customers, loyalty programs, bundling and cross-selling opportunities.

Concessions

Background

Terminal concessions consist of food and beverage, retail and duty free, advertising, and various customer services and amenities. Concessions agreements normally consist of leases or contracts that generally range from 5 to 10 years and are based on percentage rent subject to a minimum annual guarantee. DFW also issues short-term permits for kiosks and storage locations. As of June 30, 2024, the Airport had 230 total locations. Concessions revenues include sponsorships, advertising and communications services. DFW's goal is to optimize retail, services, and food and beverage options for customers to increase revenue per enplanement and to grow new revenue streams from sponsorships, communications, and advertising not tied directly to enplanements.



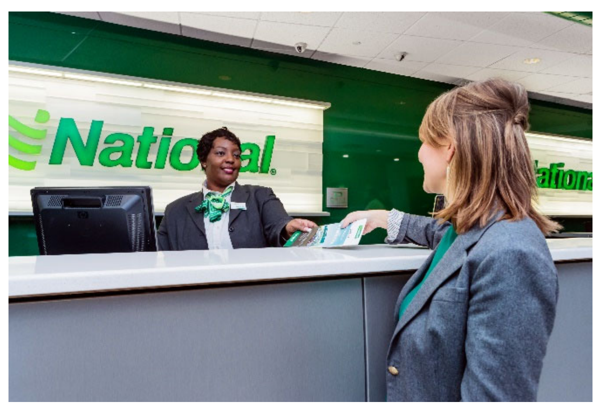
FY25 Budget

The FY25 concessions and advertising budgets total $139.6 million, a $9.7 million (7.5%) increase from the FY24 Outlook due primarily to a 6.3% increase in passenger enplanements and the planned re-concepting of about 22 locations, partially offset by closed locations in Terminal C due to CTA renovations.

Rental Car Center (RAC)

Background

The RAC covers 155 acres and includes a common building with individual counters and back office space for each rental car company. The facility includes a parking garage for ready and return car spaces, a bus maintenance facility, overflow surface parking areas and individual rental company service sites that feature car wash racks, maintenance bays and fueling systems. The Airport collects ground leases and percentage rents (10% of sales) from rental car companies. The ground lease rate increases 3% each year. The Airport has agreements with six rental car companies representing 12 brands, providing a total inventory of approximately 25,000 cars.



DFW management has very little control over rental car company activities. RAC sales and DFW revenues tend to follow the economy. RAC revenues can rise or fall based on the number of DFW destination passengers, the percentage of destination passengers renting cars, the average stay per renter and the average daily price charged for the cars.

The rental car companies reduced their fleet inventories during the pandemic and then experienced increased demand during post pandemic recovery. This resulted in significantly higher daily rates. As industry recovered, the average daily rental rate started to decline due to replenishment in fleet inventories and new competitions from low-cost budget rental car companies. If rental car companies are unable to maintain pricing at FY24 level, their percentage rent paid to DFW will decrease.

FY25 Budget

The FY25 rental car revenue budget is $49.3 million, a $3.4 million (7.3%) increase from the FY24 Outlook due to expected increases in destination passenger growth, daily rates, and average length of stay. DFW estimates a $2 million revenue exposure for rental cars if average daily rental rates do not rise as expected or possibly decline.

Commercial Development

Background

The Airport has a total land mass of 17,183 acres. As of June 30, 2024, DFW has 2,704 revenue generating acres, with approximately 2,562 acres of additional land available for future development. DFW focuses primarily on developing land that has airport synergy, such as logistics and warehousing.

Commercial Development revenues include ground leases, foreign trade zone tariff and facility rents generated from non-terminal Airport facilities and property and surface use fees primarily from natural gas drilling. Multiyear lease agreements are negotiated with tenants on a square-foot or acre basis. Some facilities, such as the Hyatt Regency Hotel and Bear Creek Golf Course, also have percentage rent components.

The key drivers for Commercial Development revenues are acres developed and the average ground rental rate. Approximately 78% of the ground lease revenue is based on negotiated rates and 22% is based on the airport services ground rental rate, which are primarily older leases that have airfield access. The airport services ground rental rate per acre changes annually with inflation and will be $36,849 in FY25.

FY25 Budget

The FY25 Commercial Development revenue budget is $81.9 million, a $5 million (6.5%) increase from the FY24 Outlook. FY25 reflects an increase of $2.3 million due to annualization of new ground leases started in FY24 and an increase of $3 million due to higher lease rates. There are no new ground leases budgeted in FY25.

Other DFW Revenues and Expenses

The fees charged in this category are generally established to recover costs, except interest income.

Employee Transportation

DFW charges fees for employees to access the transportation system that takes employees from employee parking lots to the terminals. For most employees, the employer (i.e., airlines and concessionaires) pays these fees. The FY25 Budget is $25.9 million, a $2.3 million (9.8%) increase from the FY24 Outlook, mainly due to a $6 rate increase to cover incremental net debt service costs to rehab the employee lots.

Utilities & Miscellaneous

This revenue category represents fees charged to non-airline users of utilities, heating ventilation and air conditioning, trash removal, water and certain permit and accounting fees. Utility charges to users are based on the cost to provide the services. The FY25 Budget is $10.9 million, a $0.7 million (6.5%) increase from the FY24 Outlook mainly due to passenger increase.

DPS Revenues

DPS receives federal reimbursements from the TSA for Law Enforcement Officers (LEO), plus fees for badging, fire training and other services. The FY25 DPS revenue budget is $6.6 million, a $1.2 million (15.0%) decrease from the FY24 Outlook, mainly due to the uncertainty of available federal funding for LEO.

Interest Income

Interest income includes interest earned on investments from the Operating Revenue and Expense Fund, three-month Operating Reserve, Debt Service Reserve Fund and Rolling Coverage Account. The FY25 interest income budget is $30.7 million, a $4.4 million (16.7%) increase from the FY24 Outlook due primarily to higher projected interest rates.

Net Debt Service

The FY25 net debt service budget is $61.9 million, a 3.1 million (4.8%) decrease from the FY24 Outlook primarily as the results of savings from past refundings, partially offset by an increase in new debt service to fund capital projects, such as the rehabilitation of parking garages and employ lots.

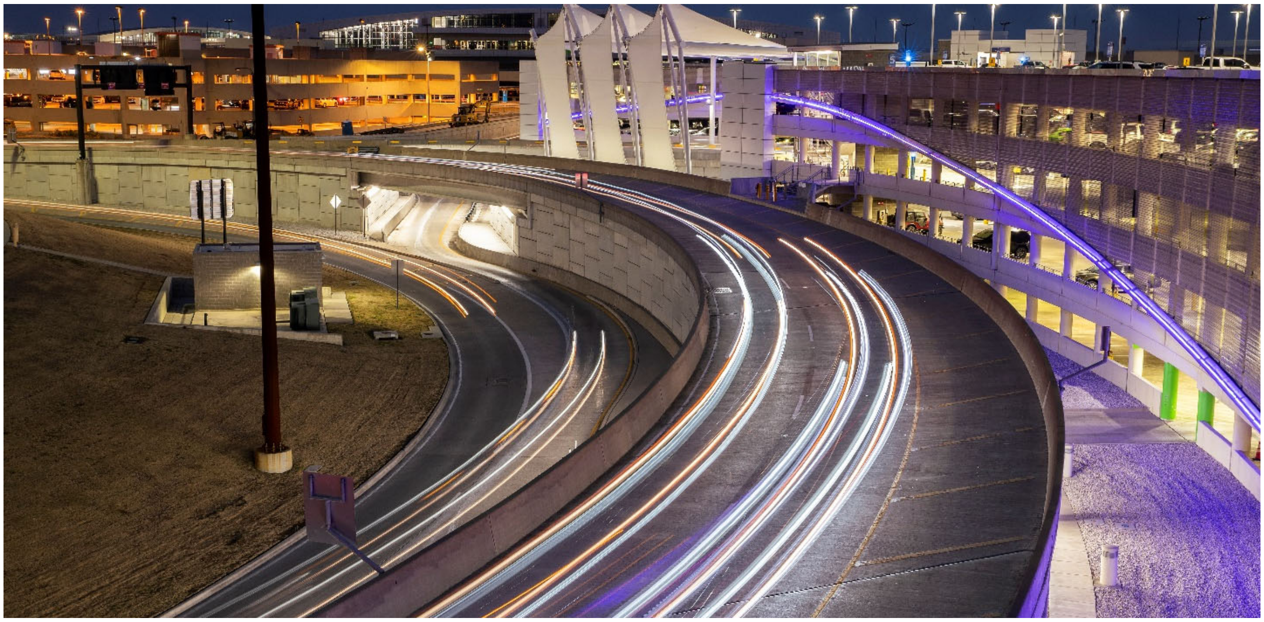
Skylink

Expenses and debt service related to Skylink are recovered in the DFW Cost Center per the Use Agreement. The FY25 Budget is $62.3 million, a $4.6 million (8.0%) increase from the FY24 Outlook primarily due to higher debt service cost related to the issuance of new debt to fund Terminal F Skylink station construction and annual contract escalation in the maintenance contract due to the age of the system.

FY25 Expenditure Budget and Walkforward

The FY25 Budget is $1.309 billion, an increase of $74.4 million (6.0%) from the FY24 Outlook.

Annual Expenditure (in Millions)	FY23 Actuals	FY24 Outlook	FY25 Budget	25 vs 24 Inc (Dec) Amount	Percent
Operating Expenses	$619.4	$674.5	$713.9	$39.4	5.8%
Gross Debt Service	536.4	560.0	594.9	35.0	6.2%
Total Expenditures Budget within rate base	$1,155.8	$1,234.4	$1,308.8	$74.4	6.0%



The following table is a walkforward between the FY24 Outlook and the FY25 Budget. The reference letters in the table are cross-referenced to the variance explanations that follow.

Budget Walkforward (millions)

		Total	Non-Airline	Airline
	FY24 Outlook	$674.5	$221.0	$453.5
A.	Budget reductions	(14.1)	(6.4)	(7.7)
B.	Employee related increases	20.9	5.9	14.9
C.	Fixed contract increases	14.9	3.6	11.3
D.	Digital and technology investments	5.8	1.9	3.9
E.	Customer related increase	4.6	3.6	0.9
F.	Other increases	9.8	2.3	7.4
G.	Operating reserve adjustments	(2.4)	0.5	(2.9)
	Net Increase	39.4	11.5	27.9
	FY25 Budget	$713.9	$232.5	$481.4

A. Budget reductions ***($14.1) million***

The FY25 Budget reflects a $1.7 million reduction for non-recurring winter weather related expenditures in FY24 and are included in the FY24 Outlook. Consistent with past years, DFW has removed all costs related to winter weather from the budget. If costs are incurred for winter weather, it will be handled with contingency. Other reductions include a $2.9 million reduction in Oracle software; a $2.2 million reduction in Express busing due to the closure of the south lot beginning in the fourth quarter of FY24; one-time consulting services in FY24 for strategic planning, Data 360, and digital transformation ($1.7 million); promotion and media expenses related to the 50th Anniversary Celebration ($1.2 million); reduced custodial services during Terminal C closure ($1.0 million); infrastructure related assessments and studies ($1.0 million); contract labor ($1.5 million) from various departments and other one-time FY24 items ($0.9 million).

B. Employee related increases ***$20.9 million***

The FY25 Budget includes a 4% merit pool for general employees, annualization of FY24 merit increases, DPS step increases and merit increases ($8.2 million). The budget includes a reduction in the vacancy rate from 10% in FY24 to 8.5% in FY25 which increases costs $1.3 million plus associated pension and health care costs. Other increases include actuarially required pension/other postemployment benefit contributions and an updated defined contribution plan ($6.5 million), health care costs ($4.2 million), overtime ($0.4 million), and new headcount ($0.1 million – offset by contract labor savings above).

C. Fixed Contract increases ***$14.9 million***

This category relates primarily to annualized fixed contract increases in operational contracts. These increases are related to inflation compared to when the original contracts were awarded. They are not related to higher service levels.

- New facility maintenance contracts increase of $4.4 million including terminal facilities maintenance/MEPS ($2.8 million), baggage handling systems ($1.0 million), and passenger boarding bridges ($0.6 million).
- Custodial services increase of $2.7 million due to contract escalation and increased staffing level at terminals to accommodate passenger growth.
- Expected increases to property casualty insurance premiums based on higher asset replacement values ($1.8 million). This estimated cost increase was provided by DFW's insurance broker.
- Utilities increase of $1.8 million includes the annualization of electricity rate increase effective January 2024 ($1.0 million) and natural gas regulatory and commercial rate increases beginning March 2025 ($0.5 million), waste hauling and internet services ($0.3 million).
- Equipment and supplies increase of $1.7 million includes maintenance and repairable parts ($1.1 million), computer spares and expandable supplies ($0.2 million), TSA screening equipment ($0.2 million), and uniforms/badging/credentialing ($0.2 million).
- A fixed Skylink maintenance contract escalation contributed to a $1.4 million budget increase in FY25.

- Other maintenance contracts increase of $1.0 million includes grounds maintenance contract increase ($0.5 million), runway rubber removal ($0.3 million), roofing maintenance ($0.2 million).

D. Digital/Technology ***$5.8 million***

This category relates to cost increases associated with DFW's commitment to implementing its Digital Strategy and five-year ITS Strategic Plan. Most of these increases relate to previously approved contracts coming online in FY24 and FY25 and contracts that have fixed annual cost increases. Since most new technology investments are cloud-based, they are charged to the operating budget. In the past, these costs were not cloud-based and were capitalized.

- Technology contract increases and upgrades of ($5.8 million) for cloud services including Workday ($0.8 million), portal screening technology ($0.3 million), business intelligence software ($0.3 million), and the new comprehensive wireless platform system ($0.2 million). Also included in this section are investments in digital signages for terminal gate areas ($1.5 million), the enhanced call center ($0.3 million), automated taxi queue ($0.2 million), and improving passenger wait time ($0.2 million), plus other new programs ($2.0 million).

E. Customer related increases ***$4.6 million***

Passenger levels are projected to increase 6.3% compared to FY24 Outlook. Accordingly, certain service levels need to be increased accordingly.

- Busing costs are increasing $2.5 million from the FY24 Outlook due to the annualization of reopening of remote north lot in March 2024 ($1.5 million), and increased service level for employee busing ($0.7 million), and Terminal Link ($0.3 million).

- Contract labor is increasing $1.5 million mainly due to additional staff needed to direct traffic and help customers find parking spaces during Terminal C construction.

- Wheelchair assistance services costs are increasing $0.6 million compared to the FY24 Outlook due to increased service level and contract cost escalation.

F. Other increases ***$9.8 million***

- Restore CEO Contingency inside the rate base ($8.0 million increase) – CEO Contingency is included in the rate base and may be used by the CEO at his discretion.

- Professional services ($1.4 million), including reverting property studies for Commercial Development, master planning assessments, legal services, and other projects.

- Other net ($0.4 million) includes sponsorships, painting, signage and other various items.

G. Operating Reserve ***($2.4) million***

DFW's Bond Ordinances and Use Agreement require the Airport to maintain a 90-day operating reserve and the FY25 budget of $11.0 million, a $2.4 million decrease from the FY24 Outlook of $13.4 million, is the amount necessary to achieve that requirement for FY25.

Operating Budget by Category

The table below compares the FY24 Outlook with the FY25 Budget by expense category. Variance explanations by major cost driver follow in the walkforward.

Operating Expense (in Millions)	FY23 Actuals	FY24 Outlook	FY25 Budget	25 vs 24 Inc (Dec) Amount	Percent
Salaries & Wages	$173.0	$187.1	$195.7	$8.6	4.6%
Benefits	76.2	82.0	93.8	11.7	14.3%
Contract Services	274.7	294.4	302.8	8.4	2.9%
Utilities	31.8	38.8	40.1	1.3	3.3%
Equipment and Other Supplies	27.3	28.7	30.4	1.8	6.1%
Insurance	12.5	15.4	17.2	1.8	11.6%
Fuels	3.9	4.6	4.7	0.1	2.1%
General, Administrative and Other	7.2	10.0	10.1	0.1	0.8%
CEO Contingency	-	-	8.0	8.0	n/a
Subtotal	606.6	661.1	702.9	41.8	6.3%
Change in Operating Reserve	12.8	13.4	11.0	(2.4)	(17.9%)
Total Expense	$619.4	$674.5	$713.9	$39.4	5.8%

Salaries and Wages

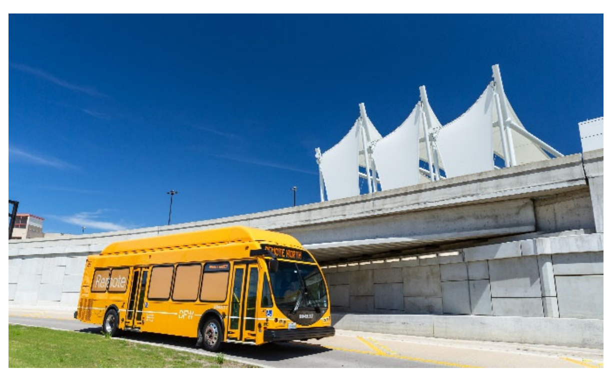
The FY25 salaries and wages budget is $195.7 million, a $8.6 million (4.6%) increase from the FY24 Outlook of $187.1 million due to lower vacancy rate ($0.9 million); a 4% merit pool for general employees; DPS step and merit increases, and annualization of the FY24 merit increase ($7.5 million), and other miscellaneous changes ($0.2 million).

Benefits

The FY25 benefits budget is $93.8 million, a $11.7 million (14.3%) increase from the FY24 Outlook of $82.0 million. The change is primarily due to an increase in actuarially determined defined benefit plan (OPEB) contributions and additional contributions to a revised defined contribution plan ($6.5 million), an 8.6% rate increase in health care costs as determined by DFW's health care consultant ($4.2 million), and other benefits associated with the additional positions assumed to be filled due to lower vacancy rates ($1.0 million).

Contract Services

The FY25 contract services budget is $302.8 million, a $8.4 million (2.9%) increase from the FY24 Outlook of $294.4 million due to increases in digital/technology ($3.3 million), facilities maintenance ($2.8 million), Skylink ($1.4 million), custodial ($1.4 million), baggage handling system ($1.0 million), grounds maintenance ($0.5 million), passenger boarding bridges ($0.6 million), busing ($0.4 million), offset by reduction of one-time costs in FY24, such as 50th Anniversary Celebration ($1.2 million) and other consulting projects ($1.8 million).



Utilities

The FY25 utilities budget is $40.1 million, a $1.3 million (3.3%) increase from the FY24 Outlook of $38.8 million. The increase is due to the annualization of electricity rate increase effective January 2024 ($1.0 million) and natural gas rate increase effective March 2025 ($0.5 million) partially offset by cellular service (-$0.2 million).

Equipment and Supplies

The FY25 equipment and supplies budget is $30.4 million, a $1.8 million (6.1%) increase from the FY24 Outlook of $28.7 million primarily driven by inflation and passenger increases.

Insurance

The FY25 insurance budget is $17.2 million, a $1.8 million (11.6%) increase from the FY24 Outlook of $15.4 million primarily due to a rate increase in property insurance premiums.

Fuels

The FY25 fuels budget is $4.7 million, a $0.1 million (2.1%) increase from the FY24 Outlook of $4.6 million due to 10 new CNG buses. The increase in CNG is expected to be offset by savings in diesel and fuel usage.

General and Administrative

The FY25 general and administrative expenses budget is $10.1 million, a $0.1 million (0.8%) increase from the FY24 Outlook of $10.0 million due to increases in airline sponsorships.

CEO Contingency

The FY25 Budget includes $8.0 million of CEO contingency inside the rate base to be spent at the CEO's discretion for projects and unforeseen events during the fiscal year such as winter weather.

Operating Reserve

DFW is required to have a 90-day cash reserve for operating expenses. The FY25 change in the operating reserve budget of $11.0 million is the amount necessary to fund the reserve. This is a $2.4 million decrease from the FY24 Outlook.

Department Overview

DFW is organized into divisions, which are comprised of departments. The table below is a comparison of FY23 Actuals, FY24 Outlook and FY25 Budget by department and division.

(in Millions)	FY23 Actuals	FY24 Outlook	FY 25 Budget	25 vs 24 Inc (Dec) Amount	25 vs 24 Inc (Dec) Percent
Public Safety	$98.6	$106.0	$113.4	$7.4	7.0%
Airport Operations	10.2	10.9	11.3	0.4	3.7%
Integrated Operations Center	8.8	8.9	9.2	0.3	2.8%
Environmental Affairs	11.2	14.1	14.6	0.5	3.7%
Airline Relations and Cargo	2.3	2.6	2.7	0.1	5.4%
Operations	131.1	142.5	151.2	8.7	6.1%
Parking	60.8	67.5	69.9	2.4	3.6%
Concessions	3.4	3.8	4.4	0.6	17.0%
Customer Experience	75.9	79.6	83.2	3.7	4.6%
Revenue Management and CX	140.0	150.8	157.5	6.7	4.5%
Business Diversity & Development	1.8	2.1	2.2	0.1	5.9%
Communications and Marketing	10.2	14.1	12.9	(1.2)	(8.3%)
Human Resources	8.7	11.3	11.8	0.6	4.9%
Risk Management	14.9	18.8	20.5	1.7	9.0%
Government Relations	0.8	1.0	1.0	0.0	0.8%
Administration and Diversity	36.4	47.3	48.5	1.2	2.6%
Information Technology Services	76.4	83.6	89.1	5.5	6.5%
Aviation Real Estate	1.5	1.2	1.2	0.0	2.2%
Treasury Management	1.4	1.7	1.7	(0.1)	(3.4%)
Finance	8.5	8.1	8.3	0.2	2.3%
Procurement & Materials Mgmt	5.3	5.8	6.7	0.9	15.9%
Finance and ITS	93.2	100.5	107.0	6.6	6.5%
Innovation	3.1	4.0	4.4	0.4	10.6%
Research & Analytics	2.2	2.9	3.4	0.6	19.9%
Innovation	5.3	6.8	7.8	1.0	14.5%
Commercial Development	1.8	2.8	2.9	0.1	5.0%
Energy, Transport., and Asset Mgmt	165.9	175.9	184.6	8.8	5.0%
Planning	6.7	7.8	8.4	0.6	7.8%
Controls and Analytics	0.5	0.9	0.9	0.0	2.1%
Design, Code & Construction	3.1	3.7	3.9	0.2	5.0%
Infrastucture and Development	178.1	191.0	200.7	9.7	5.1%
Legal	3.4	2.1	3.1	0.9	43.2%
Audit Services	2.7	2.8	3.1	0.3	9.1%
Executive Office	6.7	8.8	6.5	(2.2)	(25.2%)
Non-Departmental	9.7	8.5	9.4	0.9	10.5%
Contingency	-	-	8.0	8.0	n/a
Operating Reserve	12.8	13.4	11.0	(2.4)	(17.8%)
Total Operating Expenses	$619.4	$674.5	$713.9	$39.4	5.8%

Net Debt Service Budget

The FY25 Net Debt Service Budget is $418.1 million, a $38.3 million (10.1%) increase from the FY24 Outlook as shown in the table below:

Debt Service (in Millions)	FY24 Outlook	FY25 Budget	25 vs 24 Inc (Dec) Amount	25 vs 24 Inc (Dec) Percent
Gross Debt Service and Coverage				
Bond Debt Service	$522.6	$555.1	$32.5	6.2%
Commercial Paper	9.0	8.9	(0.1)	(1.2%)
PFIC Related Bond Debt Service	5.2	9.9	4.7	90.2%
AA Facility Debt Service	23.1	20.9	(2.2)	(9.3%)
Gross Debt Service and Coverage	$560.0	$594.9	$35.0	6.2%
Offsets to Debt Service				
PFCs for Existing Debt Service	(151.9)	(146.0)	(5.9)	(3.9%)
PFIC Transfers	(5.2)	(9.9)	4.7	90.2%
AA Facility Debt Service	(23.1)	(20.9)	(2.2)	(9.3%)
Total Offsets	$(180.2)	$(176.9)	$(3.4)	(1.9%)
Net Debt Service Paid by Rate Base	$379.7	$418.1	$38.3	10.1%

Debt Service has increased for FY25, attributable to the issuance of approximately $750 million of debt in September 2024 and anticipated FY25 financings for DFW's capital programs. Net debt service is higher in FY25, a result of higher gross debt service and lower PFCs.

PFCs are currently being collected by the airlines under the authority of Application 11-10-C-00-DFW from revenue enplaned passengers (about 91% of all passengers). These funds are used by the Airport to pay debt service on FAA-approved projects primarily for eligible debt service for Terminal D and Skylink. PFCs credited to the 102 Fund are declining due to less eligible debt service. PFIC debt service relates to debt associated with PFIC projects including the Grand Hyatt Hotel and 19th Street Cargo, which is new. This debt service is transferred into the Interest and Sinking Funds from the PFIC and run through the 102 Fund.

The following table shows the breakout of the $38.3 million Net Debt Service increase by cost center.

	Cost Centers			
		Airline		
Net Debt Service Variance (in Millions)	Non-Airline	Airfield	Terminal	Total
Bond Debt Service and Commercial Paper	$(3.3)	$26.1	$9.7	$32.4
PFCs	(2.6)	(0.1)	(3.1)	(5.9)
Total Debt Service Variance	$(0.7)	$26.2	$12.8	$38.3

Positions

The following table shows positions by division from the FY24 Outlook plus an addition of two new positions to support the growth of the Airport. The total FY25 budgeted salary and benefit increase for these positions is approximately $0.1 million.

Division	FY24 Outlook	Changes	FY 25 Budget
Operations	951	2	953
Revenue Management	470		470
Infrastructure and Development	407		407
CFO, Airline Business and Technology	346		346
Administration & Diversity	115		115
Innovation	28		28
Audit Services	14		14
Executive Office	13		13
Legal	3		3
Total DFW	2,347	2	2,349

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FY25 Capital Budget

DFW has two primary capital accounts to fund capital projects: DFW Capital Account (DFWCA) and Joint Capital Account (JCA).

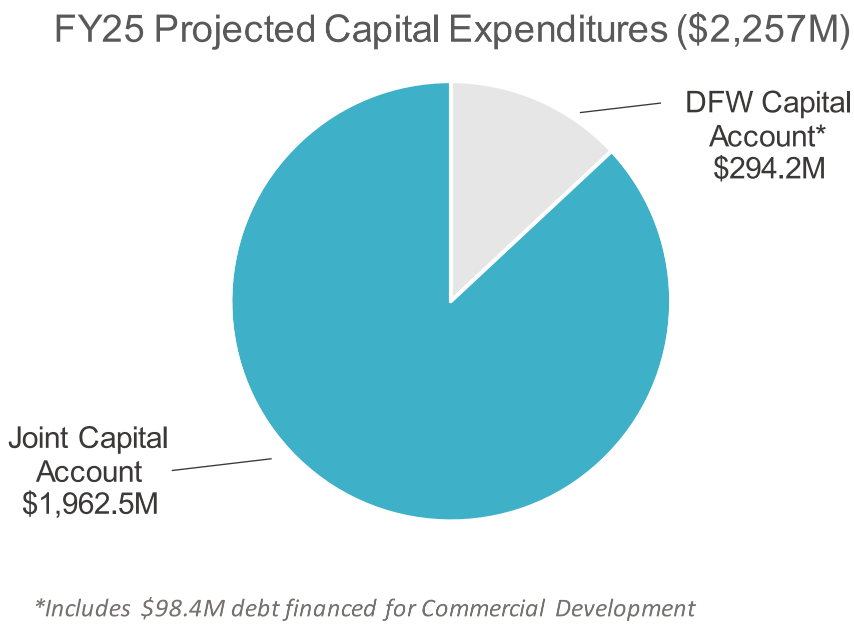
The DFWCA is the Airport's discretionary account. It may be used for any legal purpose and does not require airline approval. DFW uses this fund for renewals and replacements and other discretionary projects. Funding for the DFWCA comes from the DFW Cost Center net revenues and interest income and is supplemented with grants and debt proceeds. DFW has numerous capital projects underway and funded from the DFWCA (see detailed pages that follow).

The JCA generally requires airline approval for capital projects, which are typically funded through natural gas royalties, sale of land proceeds and interest income and supplemented with grants and debt proceeds.

DFW is engaged in a large capital plan including the first phase of Terminal F (adds 15 new gates) and the Central Terminal Area Expansion program which includes the renovation of Terminal C and the addition of nine new gates on two piers on Terminals A and C. These programs are discussed in more detail in the Major Capital Project Descriptions section. In addition to these two expansion programs the remainder of the Infrastructure Capital Program involves the renewal of aging critical airside and landside infrastructure. DFW Airport is the third largest airport in the world in terms of land mass with over 17,000 acres, which includes a significant amount of infrastructure to maintain. Much of the airfield, landside, utilities, and other infrastructure were constructed in the1970s.

Projected Capital – Uses of Cash by Capital Account

DFW projects to spend approximately $2.26 billion on capital expenditures in FY25 as summarized in the following chart.



The following table summarizes projected capital expenditures for projects to be in progress during FY25. Note that cash flow will lag the projected $2.26 billion which based on work performed. Also, the total capital project budget below ($12.09 billion) does not tie to the FY 2024A Official Statement (OS) total of $8.62 billion because the projects in the two documents cover different timeframes, primarily due to expenditures in prior years.

	Active Projects in FY 2025			
Capital Budget (Millions)	Prior Years	Projected FY 2025	Future Years	Total Budget*
DFW Capital Account	$421.7	$294.2	$698.5	$1,414.4
Joint Capital Account	$1,849.3	$1,962.5	$6,867.6	$10,679.5
Total Capital	$2,271.0	$2,256.7	$7,566.1	$12,093.8

**The total budget does not tie to the FY 2024A Official Statement because the projects in the two documents cover different timeframes.*

Capital Project Approval Process

DFW has a financial plan that includes the long-term capital plan.

There are new projects originating from this Capital Plan, which are officially in a planning status. When a project manager is ready to initiate one of the projects from the capital plan, a detailed capital worksheet is prepared, including alternatives, and presented to the capital council for review and approval. CEO and Executive Capital Council approval are required for projects equal to or greater than $1 million. Projects on this list may be modified or eliminated if planning assumptions on costs and benefits do not materialize upon more detailed analysis. New projects may arise during the fiscal year due to the dynamic nature of the Airport. From a process standpoint, the Board of Directors does not approve the annual capital budget. Instead, the Board approves the contracts for those projects and are informed of major projects being funded through the issuance of debt when they approve bond issuances and the Official Statements.

Funding for most capital projects in the JCA requires the issuance of debt. In addition, DFW must obtain airline approval of the projects that require debt financing before initiating the project. The new Use Agreement includes $4.9 billion of preapproved capital projects including the CTA Expansion Program, the first phase of Terminal F and 19 Infrastructure Capital Program projects. Additionally, DFW has received airline approval for $1.8 billion of other projects under the current Use Agreement for a total of $6.7 billion of projects.

Capital Project – Major Projects and Programs

The Airport has approximately 300 approved capital projects currently underway with a total budget of $7.89 billion. Of this amount, $1.39 billion has been spent, $2.34 billion is committed, and $4.17 billion is unspent and uncommitted.

Some of the more significant projects are summarized below:

- *Central Terminal Area (CTA) Expansion Program ($2.98 billion)* – This program includes 9 incremental gates in Terminals A and C on two new double-loaded piers, a tear-down and reconstruction of concourse level of Terminal C, reconstruction of the south Terminal C parking garage, the rehabilitation of center and north parking facilities, a new utilities corridor, and airfield ramp improvements. The renovations will include increased gate lounges and passenger flow space to enhance the customer experience. DFW will use modular construction to replace concourse sections of the terminal while the current terminal is demoed. The program will be opened in phases with final date of beneficial occupancy in April 2030. The schedule has been adjusted by about one year due to delays in gaining Federal environmental approvals, longer than anticipated contract negotiations, and coordination of work with American Airlines who is handing construction of certain elements of the program.

  DFW has currently contracted for 55% of the total program budget with an additional 30% of the program budget planned to be under contract at the end of FY25 (for a total of 85%). DFW plans for 98% of the program to be bid out by the end of FY26. Budget exposure remains for future contracts not yet bid. This program was pre-approved by the Signatory Airlines as part of the Use Agreements for a total budget of $2.72 billion plus allowances for inflationary impacts. The current budget is within the inflationary allowances established in the Use Agreements.

- *Terminal F Program ($1.70 billion)* – The first phase of DFW's sixth terminal, Terminal F, includes 15 contact gates and 7 operational hardstands to meet increased airline gate demand. Passenger parking and processing, bag processing, and TSA clearance will be handled from Terminal E. The program budget includes the terminal concourse, a baggage sortation and transfer facility, a cut and cover tunnel between Terminals E and F, utilities, a new Skylink station, new aircraft parking positions, operational hardstands, and an expanded busing facility in Terminal D to accommodate international hardstands. The budget excludes the capital cost of the baggage system that will be provided by a third party under a separate service contract which will include the operating cost of the system plus a charge for the capital component of the baggage system once Terminal F opens. DFW plans for Terminal F to be operational in May 2027.

  The revised budget of $1.70 billion reflects approximately a $71 million inflationary increase based on construction bids received to date. DFW has currently contracted for 60% of the total program budget with an additional 11% planned to be under contract by the end of FY24 and for 100% to be under contract by the end of FY25. Budget exposure remains for future increases based on work not yet bid. This program was pre-approved by the Signatory Airlines as part of the Use Agreements for a total budget of $1.63 billion plus allowances for inflationary impacts. The current budget is within the inflationary allowances established in the Use Agreements.

  DFW plans to submit a new PFC application to the FAA in FY25 for Terminal F. After approval, eligible PFCs may be used to fund pay as you go capital and/or to fund future eligible debt service on the terminal. DFW plans to begin using PFCs for eligible debt service for Terminal F beginning in FY28 after Terminal F opens. Management estimates that DFW will have approximately $150 million of available PFCs through FY27 to use for pay as you go funding.

- *Southwest End Around Taxiway Program ($370 million)* – This program will construct a new end around taxiway on the southwest side of the Airport to complement the end around taxiways on the northeast and southeast ends of the airfield. End arounds enhance the safety of the airfield and support the optimization of aircraft operations and throughput. This program budget was previously estimated at $231 million for phases 1a and1b to construct the inner and middle segments of the taxiway. The current budget of $370 million includes an inflation adjustment based on preliminary pricing for a construction contract that will be resolicited. Phases 1a and 1b are scheduled for completion in 2026. To date, the Airport has received $180 million in grant funding for this program. DFW continues to work with the FAA and the Department of Transportation on other grant opportunities.

- *Runway 17R/35L Reconstruction ($313 million)* – This program includes reconstruction of the Airport's primary departure runway, 17R/35L, and its associated hold pads. The program budget included in the 2023 Official Statement was $306 million with the increase reflecting adjustments based on construction bids received. The first phase included a shortened runway that was opened in May 2024. The program is currently 100% under contract with substantial completion planned in March 2025. The program was approved by the Signatory Airlines. DFW has received $17 million of FAA grants for this program.

- *Runway 18L/36R Rehabilitation ($275 million)* – This project is necessary to rehabilitate Runway 18L/36R and other adjacent infrastructure. Runway assessments from FY17/18 indicated the runway was in fair condition, with some deterioration. With this information it was programmed for rehabilitation after the other three original runways based on their greater need. Subsequent assessments in FY21 and FY24 showed increased deterioration and the need to rehabilitate to begin in FY26. The project will rehabilitate the runway to restore its condition with a projected design life of approximately 30 years. This includes structural replacement of concrete as well as upgrading the electrical systems and drainage. DFW has received Signatory Airline approval for planning and design of this program and will submit a request to the airlines for approval to fund construction in FY25. No grants have yet been requested for this program, but DFW plans to submit for grants in the future.

- *Electric Central Utility Plant ("eCUP") ($266 million)* – The eCUP replaces the Airport's aging gas boilers and steam piping distribution system in its current Central Utility Plant with an efficient all-electric hot water system to address current and future cooling and heating demands. The eCUP provides incremental cooling, improves resiliency and efficiency, and transitions the Airport to electricity as the primary fuel source in support of DFW's Net Zero Carbon 2030 objective. The program budget in the 2023 Official Statement was $206 million. The current budget of $266 million reflects an inflationary increase of $60 million based on construction bids received. This project was approved by the Signatory Airlines and is currently 100% under contract with substantial completion planned in April 2026. DFW has received $116.1 million of FAA grants for this project.

- *International Parkway Modernization Program ($255 million)* – This program includes the construction of three new bridges with right exit lanes on International Parkway into Terminals A, B, and C and the demolition of the aging bridges that exit from the left and "flyover" International Parkway for these terminals. The program budget also includes replacement of existing end of life high mast light poles along International Parkway, as well as replace the aging bridge that traverses International Parkway in the north. The program budget in the 2023 Official Statement was $181 million. The current budget of $255 million reflects an inflationary increase of $74 million based on the construction contract awarded. The project is 100% under contract and includes and early completion incentive clause if complete by May 2026. Substantial completion is currently scheduled for October 2026. The Signatory Airlines have approved the portion of the program that required their approval; the remainder was exempt from their approval.

- *Fire Station Consolidation ($137 million)* – This program includes the consolidation of four fire stations into two stations, the demolition of the old stations, and the construction of a fumigation building. The current program budget of $137 million is based on the award of a design build construction contract with substantial completion scheduled for February

2026. This project has been approved by the Signatory Airlines. DFW has received $75 million of FAA grants for this project.

- *Access Control Door Replacement ($136 million)* – This program includes the replacement of the access control system for approximately 1,153 doors throughout DFW's five terminals and many other facilities. This program includes purchasing the technology and the design and construction for the installation of the system on each of these doors. The current program budget of $136 million is based on the award of a design build construction contract. The program is allowable under the safety and security exemption in the Use Agreements and did not require airline approval. This program is expected to take approximately four years to complete.

In addition to the projects mentioned above, the Airport has also developed a long-term Infrastructure Capital Program (ICP) to improve and maintain all of DFW's runways, bridges, roads and utilities through 2035. The phasing and implementation of the remaining ICP will be based on asset evaluations that are completed by the Airport on a regular basis.

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DFW Capital Account

The following projects will be funded from the DFW Capital Account during FY25. Capital spending amounts are gross of grant reimbursements.

DFW CAPITAL ACCOUNT (in Millions) Project Name	Prior Years	FY25	Future Years
Bear Creek Business Park Stds & Advance Planning (Construction)	$2.0	$24.9	$41.7
Passport Business Park West 1-7	1.4	22.7	18.6
Replace Employee Buses (32 in fleet replace 22 @ ~$534K ea every 6 yrs) FY24	0.0	19.2	0.0
ARFF Station Consolidation East & West Locations - Eligible Costs	3.1	15.6	14.3
Contingency (Planning Reserve) FY25	0.0	15.0	0.0
FY23 DFW Airport Bus Replacement	17.1	13.3	0.0
North Destination District (Mixed Use) Ph 1 DD#7 (previously N.Entertainment)	1.7	12.7	0.0
121 Mustang Business Park (Industrial) (150 acres) Ph II DD#11	0.7	12.0	1.6
North Destination District (Mixed Use) Ph II DD#7 (previously N.Entertainment)	0.0	7.6	7.6
DFW Park 161 - Phase III	1.6	7.2	0.0
FY24 Fleet Vehicle - Replacement Buses	6.4	6.1	0.0
Replacement IDMS Project	0.8	5.5	0.3
Replace Express Vans (42 total fleet @ ~$133.73K ea every 2 yrs) FY25	0.0	5.3	0.0
Cellular DAS Headend Move to 5E	1.1	4.5	0.2
EVIDS Display Refresh	0.9	4.1	0.0
Human Capital Mgt (HCM)	0.9	3.6	0.4
FY24 Fleet Vehicle Replacement Heavy Equip/Special Purpose	15.2	3.5	0.0
FY24 Fleet Vehicle - Replacement General Vehicles	3.4	3.3	0.0
Integrated Ops Ctr (IOC) - Backup Site	1.6	3.2	0.8
Enterprise Sensor Platform	0.1	2.8	1.0
Business Relationship Management (BRM) FY22-23	0.3	2.8	0.0
West Cargo Comm Dev	0.1	2.6	1.2
FTRC Rehabilitation	0.5	2.4	0.5
BriefCam Video Content Analytics	0.5	2.3	0.0
Rehabilitate Existing MS10.0B Inverted Siphon	0.5	2.2	0.3
Data Center and Terminal D UPS Replacement	1.7	2.2	0.0
ARFF Fleet Replacement FY23	27.5	2.2	0.0
CTX Recapitalization-Terminal D Non-Allocable	2.3	2.1	0.7
Modernize Conveyance Monitoring System	0.1	2.0	0.9
PSIM Integrations	0.1	2.0	1.1
CBP Corridors + Vestibules Carpet Replacement & Terminal D Millwork	0.1	1.8	0.6
Facility and Campus Information Standardization (Digital Twin)	0.1	1.8	4.7
EDL Program FY 22	0.2	1.8	0.0
Trigg Lake Pump Station	0.2	1.6	0.6
Comprehensive Parking Control System Upgrades	1.3	1.4	0.0
Integrated Ops Ctr (IOC) - ITS General Systems	3.1	1.4	0.4
Terminal D Systems Rehabilitation	5.2	1.4	0.0
Replace Special Ops Buses (5 @ ~$427K ea) FY25	0.0	1.4	0.0
The Catalyst Center (Term B)	0.0	1.3	2.0
Skylink Structural Rehabilitation Ph. 1	11.6	1.3	0.0
Hyatt Regency Garage Driveway Ramp Rehabilitation	1.5	1.3	0.0
VoIP Standards Development & Infrastructure Expansion	0.2	1.2	0.0
SD-WAN Evaluation & Implementation	0.2	1.2	0.0
INFOR/SEAMS (Sustainability Enterprise Asset Mgt Sys)	0.1	1.1	0.0
Third Party Risk Mgt	0.1	1.1	0.5
Ter D Lvl 0 Slab Repair and HVAC Access	0.4	1.1	0.1
Parking System Improvements	0.1	1.1	0.0
Terminal Millwork & Phenolic Panel Replacement	1.8	1.0	0.0
Projects <$1M	303.7	34.3	488.7
escalation	0.0	21.0	109.7
TOTAL DFW CAPITAL ACCOUNT	$421.7	$294.2	$698.5

Joint Capital Account

The following major projects will be funded from the Joint Capital Account during FY25. Capital spending amounts are gross of grant reimbursements.

Project Name	FY24 and Prior	FY25	FY26	FY27	FY28	FY29	FY30	Total Budget
CTA Expansion Program	$618	$461	$538	$231	$386	$153	$589	$2,977
Terminal F Program	66	641	643	264	86	-	-	1,700
Runway 17R/35L Reconstruction	235	78	-	-	-	-	-	313
SW End Around Taxiway	130	25	85	99	30	-	-	370
Runway 18L/36R Rehabilitation	1	20	115	119	21	-	-	275
Electric Central Utility Plant	120	135	12	-	-	-	-	266
International Pkwy Modernization	64	122	59	11	-	-	-	255
Fire Station Consolidation	16	169	8	-	-	-	-	192
Access Control Doors Replacement	8	8	52	47	20	2		136
Totals	$1,258	$1,657	$1,512	$770	$543	$155	$589	$6,484

The following table highlights the percent of project budgets that are currently under contract and the estimated percent that will be under contract at the end of FY25 and FY26 for the major capital projects/programs shown in the table above. DFW currently has 64% of its major projects/ programs under contract with an estimated 93% under contract by the end of CY 2025.

Percent Complete of Capital Projects/Programs over $100 Million
(Dollars in Millions)

	Percent Under Contract				Amount Under Contract		
Project/Program Name	Current	End of CY25	End of CY26	Total Budget	Current	End of CY25	End of CY26
CTA Expansion Program	55%	85%	98%	$ 2,977	$ 1,637	$ 2,530	$ 2,917
Terminal F Program	60%	100%	100%	1,700	1,020	1,700	1,700
Runway 17R/35L Reconstruction	100%	100%	100%	313	313	313	313
SW End Around Taxiway	25%	100%	100%	370	93	370	370
Runway 18L/36R Rehabilitation	5%	100%	100%	275	14	275	275
Electric Central Utility Plant	100%	100%	100%	266	266	266	266
International Pkwy Modernization	100%	100%	100%	255	255	255	255
Fire Station Consolidation	100%	100%	100%	192	192	192	192
Access Control Doors Replacement	100%	100%	100%	136	136	136	136
Total				$ 6,484	$ 3,926	$ 6,037	$ 6,424
Estimated Percent of All Projects Under Contract				n/a	61%	93%	99%

JOINT CAPITAL ACCOUNT (in Millions) Project Name	Prior Years	FY25	Future Years
CTA Expansion Program*	618.5	460.5	1898.0
Terminal F Program*	66.1	641.4	992.9
Supplemental Central Utility Plant (CUP)	119.7	134.7	12.0
International Parkway Flyover Bridges Replacement	63.6	121.6	69.5
ARFF Station Consolidation – East & West Locations	27.5	95.1	14.4
Runway 17R/35L Rehabilitation	234.9	77.9	0.0
Arterial Roads Rehab and Reconstruct Phase 1	0.0	24.0	5.6
East & West Potable Water Pump Stations	4.7	20.8	6.5
CTX Replacement Project Terminal D	28.4	20.4	41.2
East West Connector Roadway	14.3	19.9	11.1
Runway 18L/36R Rehabilitation	1.0	19.6	254.4
Southwest End Around Taxiway Construction (Package 1B)	23.7	17.5	155.9
Rehabilitation and Improvements of Employee Lot 5E	1.7	16.9	32.4
High Pole Lighting Replacement (Phase II)	7.2	16.4	4.0
Spent Aircraft Deicing Fluid (SADF) Storage and Treatment	2.6	14.7	17.3
Holistic Airside Restrooms Program (HARP) Phase 1	3.3	14.2	1.5
Terminal D Dry Sprinkler Systems Replacement	5.5	11.8	29.0
High C Gates Demo and Rebuild (DFW)	106.4	10.5	1.3
CTA C -E Connector	2.8	10.4	76.9
Terminal D Plumbing & HVAC End of Life	7.2	8.2	1.7
Skylink Renewal Program Auto Train Control (ATC) & Communication	34.1	8.1	0.6
Collapsed Soil Sites Mitigation and Prevention	20.2	7.7	0.0
Term A Roofing Project	17.1	7.3	0.0
Terminal D Parking Garage Lighting	0.0	6.7	1.6
Fire Training Research Center Rehabilitation	2.3	6.1	4.6
Soil Slope Remediation Phase 3	1.0	5.3	24.5
Employee Inspection Portal Redesign	14.3	5.3	0.0
Skylink Stations A, B, C and E HVAC Control System Replacement	0.8	5.3	4.9
Projects <$5M	420.3	134.9	2743.7
escalation	0.0	19.3	462.1
TOTAL JOINT CAPITAL ACCOUNT	$1,849.3	$1,962.5	$6,867.6
TOTAL DFW CAPITAL ACCOUNT	$421.7	$294.2	$698.5
TOTAL USES OF JOINT + DFW CAPITAL ACCOUNT	$2,271.0	$2,256.7	$7,566.1

**The total budget does not tie to the FY 2024A Official Statement because the projects in the two documents cover different timeframes.*

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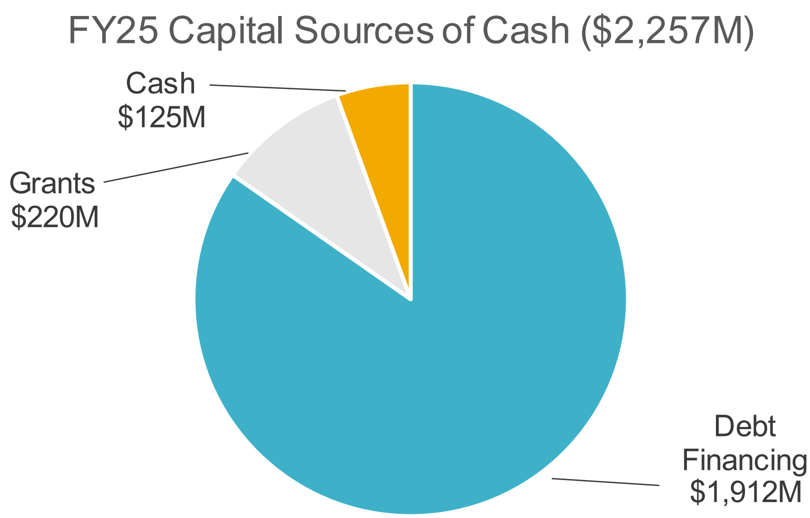
Capital Projects - Sources of Cash

DFW's capital programs are funded from a variety of sources as shown in the following chart.



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