
FY 2022 Budget Overview

DFW Board of Directors
August 5, 2021



FY22 Budget Overview*

FY22 passenger budget – 67.2 million

- 26.5% increase

FY22 expenditure budget - \$1.04 billion

- 6.0% increase – total budget
- 11.3% increase – operating budget
- 0.3% increase – debt service budget (refunding savings have offset new debt service on almost \$1 billion of debt issued in FY21/22 for capital projects)

DFW Cost Center revenues – \$370.5 million

- 25.9% increase (\$76.2 million)

Airline cost – \$469.5 million

- Flat

Cost per enplanement – \$13.70

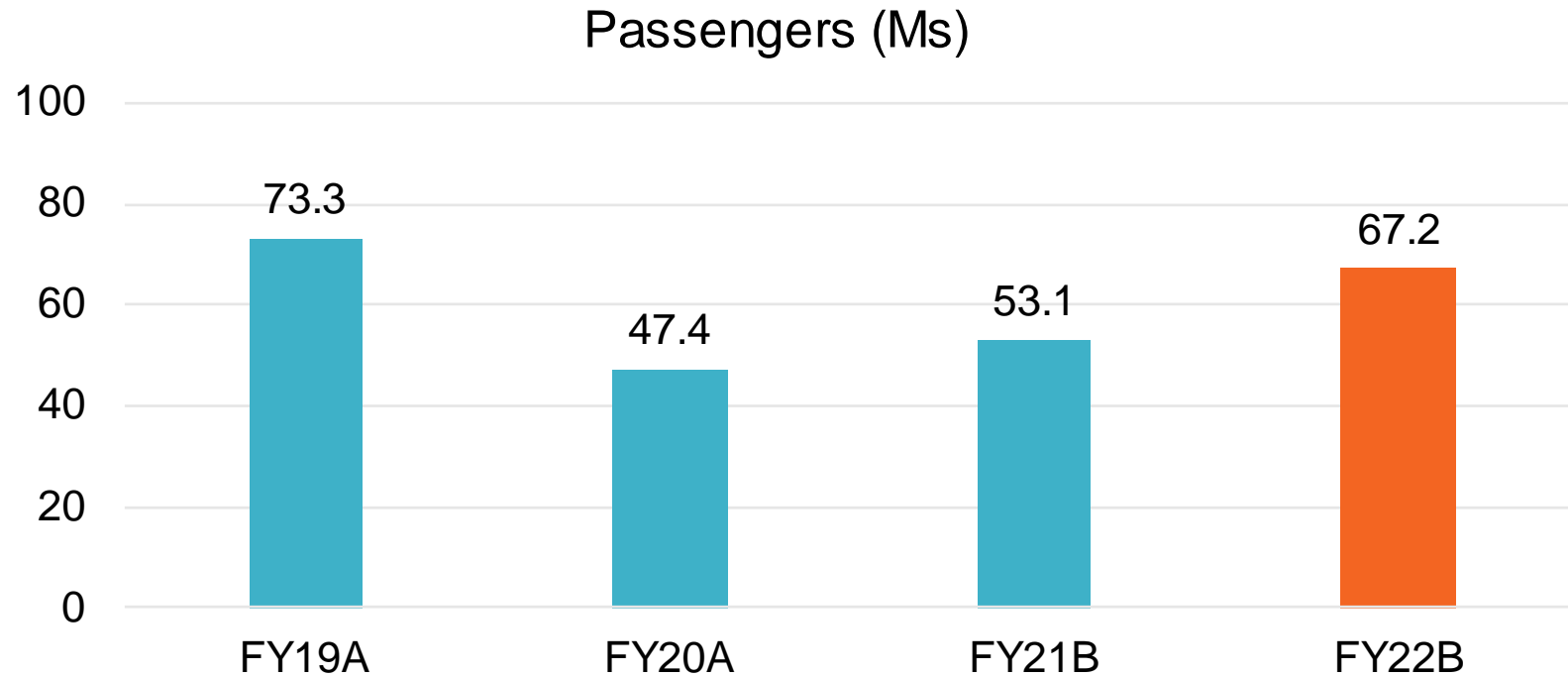
- 20.3% decrease (\$3.58)



* All comparisons in this presentation are to the FY21 Budget, unless stated otherwise

Passenger Forecasts

DFW is recovering faster than most airports. FY22 Passenger budget is 67.2 million, a 26.5% increase over the FY21 Budget and 8.3% less than FY19 actual (pre-pandemic). Full recovery expected in FY23.



Expenditure Budget

FY22 Budget is \$1.04 billion, a \$58.8 million (6.0%) increase from FY21 budget.

FY22 operating expense budget reflects cost increases primarily related to:

- Increased passengers
- Return to more normal pre-COVID conditions
- Fixed contract increases
- Technology/digital investments

Total FY22 budget is up \$28.7 million from pre-pandemic levels in FY 2019; a 0.9% CAGR* increase



Annual Expenditure (in Millions)	FY21 Budget	FY22 Budget	FY21 vs FY22	
			Increase (Decrease) \$	%
Operating expenses	\$509.4	\$566.9	\$57.5	11.3%
Gross debt service	468.2	469.5	1.3	0.3%
Total expenditures budget within rate base	\$977.5	\$1,036.4	\$58.8	6.0%

* CAGR – comprehensive annual growth rate

Operating Expense Budget Walkforward



2021 Budget to 2022 Budget Walkforward

	<u>Millions</u>
FY 2021 Budget	\$509.4
Employee related increases	6.0
Customer related increases	21.8
Contract increases	19.2
ITS / Digital	12.0
Restore budgets to prepandemic levels	10.6
Operating reserve	7.1
Cost savings/budget reductions	<u>(19.0)</u>
Total Increase	<u>57.5</u>
FY 2022 Budget	<u><u>\$566.9</u></u>

DFW Cost Center Net Revenues

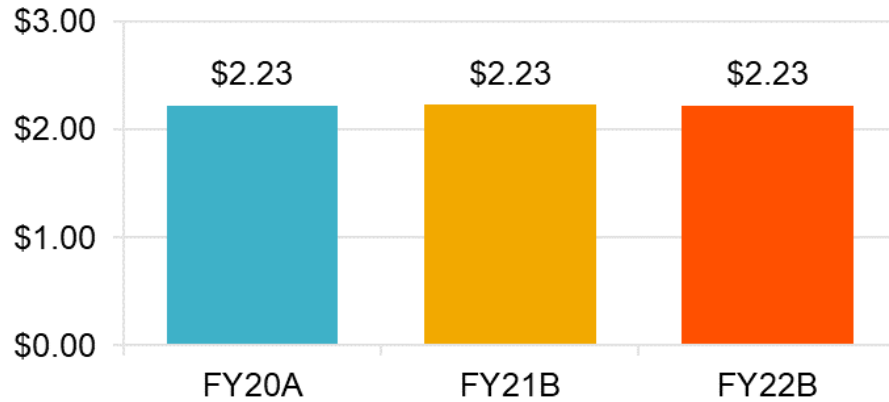
Federal Relief Proceeds utilized to keep net revenues and the transfer to the DFW Capital Account relatively flat. Total revenues 7.2% less than FY19.

DFW Cost Center (in Millions)	FY19 Actual	FY21 Budget	FY22 Budget	FY21 vs FY22	
				Increase (Decrease) Amount	Percent
Revenues					
Parking	\$178.7	\$107.6	\$145.1	\$37.6	34.9%
Concessions	94.2	69.8	95.1	25.3	36.3%
Rental Car (RAC)	33.5	25.1	33.4	8.3	33.0%
Commercial Development	49.7	57.4	64.4	7.0	12.3%
Miscellaneous Revenue	43.3	34.5	32.5	(2.1)	(0.0%)
Subtotal	399.4	294.4	370.5	76.1	25.9%
Federal Relief Proceeds	0.0	97.4	41.1	(56.3)	(57.8%)
Total Revenues	399.4	391.7	411.6	19.9	5.1%
Less Expenses and Net Debt Service	247.0	227.8	248.6	20.8	9.1%
Total Net Revenues	\$152.4	\$164.0	\$163.1	(0.9)	(0.5%)
Allocation of Net Revenues					
Transfer to Airfield Cost Center	\$70.5	\$70.0	\$67.5	(2.5)	(3.5%)
DFW Capital Account	81.9	94.0	95.6	1.6	1.7%
Total Net Revenues	\$152.4	\$164.0	\$163.1	(0.9)	(0.5%)

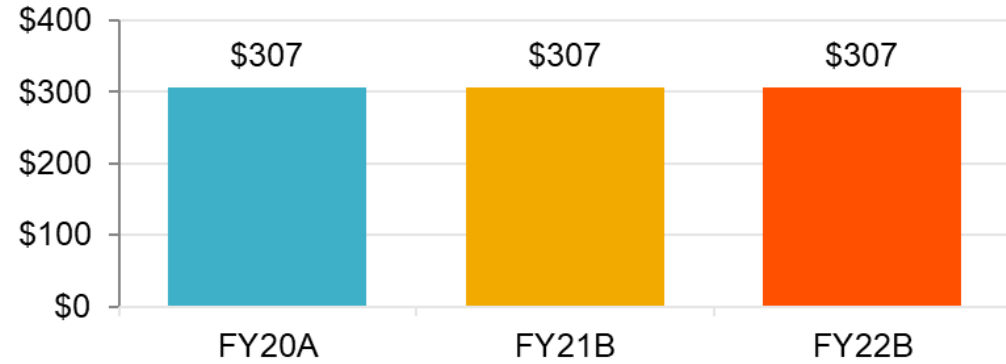
Airline Metrics

Airline rates remain flat; CPE decreases due to passengers growing faster (26.5%) than airline costs (0.1%).

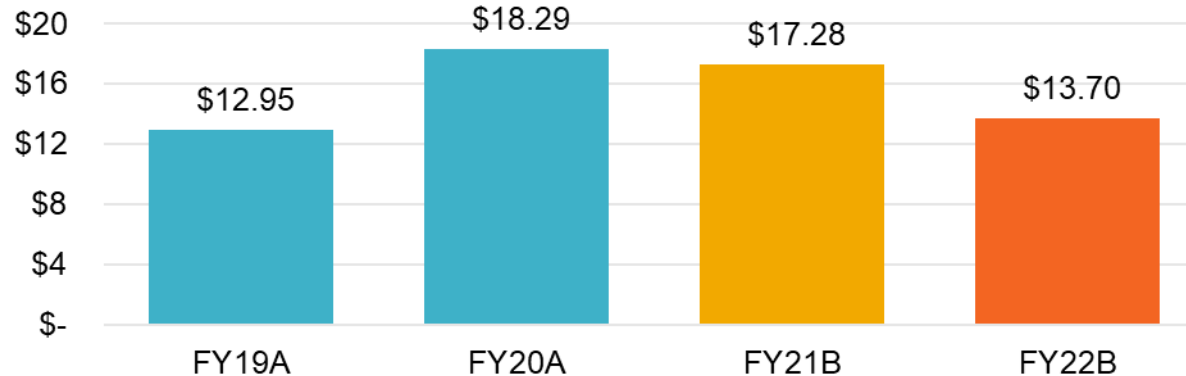
Landing Fee Rates (per 1,000 pounds)



Average Terminal Rents before Credits per square foot



Cost per Enplanment



OBA – Proposed Budget to be Sent to the Cities

Final budget approval by the DFW Board will be requested in September to allow 45 days for airline comment period.

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			Increase (Decrease) \$	%
Operating expenses	\$509.4	\$566.9	\$57.5	11.3%
Gross debt service	468.2	469.5	1.3	0.3%
Total expenditures budget within rate base	\$977.5	\$1,036.4	\$58.8	6.0%
Board contingency outside rate base	10.0	10.0		
Passenger driven contingency outside rate base	8.0	-		
Total Budget with Contingency	\$995.5	\$1,046.4		