

# Dallas Fort Worth International Airport Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2020



**Dallas Fort Worth International Airport, Texas**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2020**

**(With Independent Auditors' Report Thereon)**

**Prepared by  
Department of Finance**

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

**Dallas Fort Worth International Airport  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2020**

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## **INTRODUCTORY SECTION**

February 22, 2021

To the Public:

Enclosed herein is the Comprehensive Annual Financial Report (“CAFR”) of the Dallas Fort Worth International Airport Board (“DFW” or “the Airport”), for the fiscal year ended September 30, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with DFW management. To the best of management’s knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of DFW. All disclosures necessary to enable the reader to gain an understanding of DFW’s financial activities have been included.

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

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

### **DFW Overview**

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

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

Located in the fastest growing region in the United States, DFW is one of the world’s largest airports covering more than 17,000 acres of land. Celebrating 47 years of operations, DFW currently ranked as the 3rd largest airport in the world based on operations and the 10<sup>th</sup> largest based on passengers prior to the COVID-19 pandemic.

## **Use Agreement**

The Use Agreement created three primary cost centers: “Airfield”, “Terminal”, and “DFW.” The airfield and terminal cost centers are residual in nature. The airlines are responsible for paying the net cost to operate the Airfield and Terminal (including debt service), primarily through landing fees and terminal rents. DFW’s current ten-year Use Agreement with the signatory airlines was extended by one year and will expire October 1, 2021. See a further discussion of the Use Agreement in the MD&A section. DFW retains net revenues (or profit) from the DFW Cost Center up to a certain limit (upper threshold), after which DFW shares 75% of the excess with the Airlines to reduce landing fees.

## **Local Economy**

DFW Airport is located between the cities of Dallas and Fort Worth and is the principal air carrier facility serving the North Texas region and the Dallas/Fort Worth metropolitan area (the “Metroplex”). The 4<sup>th</sup> largest metropolitan area by population in the U.S., the Metroplex contains 26% of the state’s population and 29% of the labor force. Population growth, travel trends, corporate activity, and business diversity are significant drivers of the Airport’s business.

DFW’s central location, exceptional air service, low cost of living, and diversified industry are the major reasons that businesses relocate to the area and propel the Metroplex to be the fastest-growing metropolitan market in the U.S with one of the most stable economies. There are 25 Fortune 500 companies headquartered in the Metroplex, including Exxon Mobil, AT&T, Energy Transfer, McKesson, American Airlines Group and Fluor. Also located in the area are 17 major colleges and universities including Southern Methodist University, Texas Christian University and the University of North Texas.

DFW’s advantageous location in North America makes it the preeminent U.S. hub and connecting point for the entire continent. Home to 3,000 high tech firms and the Grantee/Operator of Foreign Trade Zone No. 39, DFW is known as the economic engine for the North Texas region, powering a \$472 billion economy. If the North Texas region was a state, the regional economy would rank 14<sup>th</sup> in the United States. If the North Texas region was a country, the economy would rank 29<sup>th</sup> in the world.

## **FY 2020 in Review**

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The outbreak has adversely affected domestic and international travel and travel-related industries. Airports and airlines have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdowns and continued restrictions. In response, airlines have reduced flight frequency and aircraft size to attempt to match capacity to the reduced demand for air travel.

Signed into law on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act provided \$10 billion of assistance to U.S. commercial airports, which was apportioned among such airports based on various formulas. DFW is eligible to receive \$299.2 million of CARES Act funds over a four-year period per the CARES Act. COVID-19 has had a material impact on aircraft operations, passenger volumes and revenues at DFW during Fiscal Year 2020. DFW implemented multiple actions in response to these conditions, including reductions in operating and financing costs. DFW received \$144.1 million from CARES in FY 2020 which it used to pay debt service in an amount necessary to offset lost operating revenues and Passenger Facility Charges (“PFC”), net of cost reductions. DFW’s goal, which it achieved, was to use sufficient CARES funds to keep airline rates and charges and DFW Cost Center net revenues flat with the FY 2020 budget. As of September 30, 2020, DFW had \$155.1

million of remaining CARES funds to be used in a similar manor in FY 2021 with some funds projected to be used in FY 2022.

COVID-19 had a significant impact on DFW passengers and aircraft operations and destinations in FY 2020. Total FY 2020 passengers were 47.4 million, a 25.9 million (-34.4%) decrease from 73.3 million in FY 2019. Aircraft operations decreased 143,000 (-20.4%) from 700,000 in FY 2019 to 557,000 in FY 2020. As of September 30, 2020, DFW had flights to 212 destinations (178 domestic and 34 international) with an additional 32 destinations (8 domestic and 24 international) scheduled to return by June 2021 and 14 destinations (6 domestic and 8 international) beyond June 2021. Despite the significant decreases in DFW passengers, aircraft operations and destinations, DFW has fared better than most large hub airports in the United States due American Airline's strategy to connect as many passengers as possible over DFW, its largest and most profitable hub.

DFW provided financial relief to airlines by agreeing to defer \$29.9 million of terminal rents into FY 2021 as part of a true-up adjustment. Also, DFW provided financial relief to concessionaires and rental car companies by allowing these companies to convert from a minimum annual guarantee to a percent rent and to temporarily close operations. The estimated impact of this action was between \$45.0 and \$55.0 million and was offset using CARES proceeds. DFW also delayed collection of its April and May billings to airlines, concessionaires and rental car companies until the last quarter of the fiscal year.

Despite the pandemic, DFW received several awards from third parties:

- To address cleanliness concerns in the terminals, DFW modified its cleaning processes and became the first airport to earn the GBAC STARTM cleanliness accreditation from the Global Biorisk Advisory Council.
- Earned Best Large Airport for customer satisfaction from Airports Council International for the second year in a row;
- Winner of the 2020 United Nations Global Climate Action Award for DFW's Renewable Natural Gas initiative;
- First airport to achieve the new 4+ level in Airport Council International's Global Airport Carbon Accreditation program; and
- Named one of the Top 100 Healthiest Workplaces in America.

### **Long Term Planning**

DFW is currently in discussions with American Airlines regarding future potential terminal plans for additional gate expansion, as well as major renovations of Terminal C. DFW is also in discussions with the airlines about a new Use Agreement. Management anticipates that the new Use Agreement will include provisions that formalizes DFW's future terminal program.

### **Financial Information**

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

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

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

### **Independent Audit**

Deloitte & Touche LLP performed the audit for the fiscal year ended September 30, 2020. Its report is included in this CAFR. In conjunction with the annual audit, Deloitte & Touche performs an audit consistent with the Office of Management and Budget, *Uniform Guidance*, and applicable grant award guidelines relating to grants in progress during the year. These reports have not been included in this report but are available from DFW.

### **Awards**

The GFOA of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to DFW for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This is the 28th consecutive year that DFW has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

### **Acknowledgements**

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

Respectfully submitted,

Sean Donohue

Christopher A. Poinatte



Chief Executive Officer

Executive Vice President, Chief Financial Officer



**BOARD OF DIRECTORS**

**As of SEPTEMBER 30, 2020**

Matrice Ellis-Kirk, Chair	Henry Borbolla III, Vice Chair
Gloria M. Tarpley, Secretary	Mayor Eric Johnson
Mayor Betsy Price	Vernon Evans
Ben Leal	William Meadows
Raj Narayanan	Mario Quintanilla
Eddie Reeves	Karen Hunt (non-voting member)

**AIRPORT OFFICIALS**

**As of SEPTEMBER 30, 2020**

Sean Donohue, Chief Executive Officer

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

Kenneth Buchanan, Executive Vice President, Revenue Management

Chad Makovsky, Executive Vice President, Operations

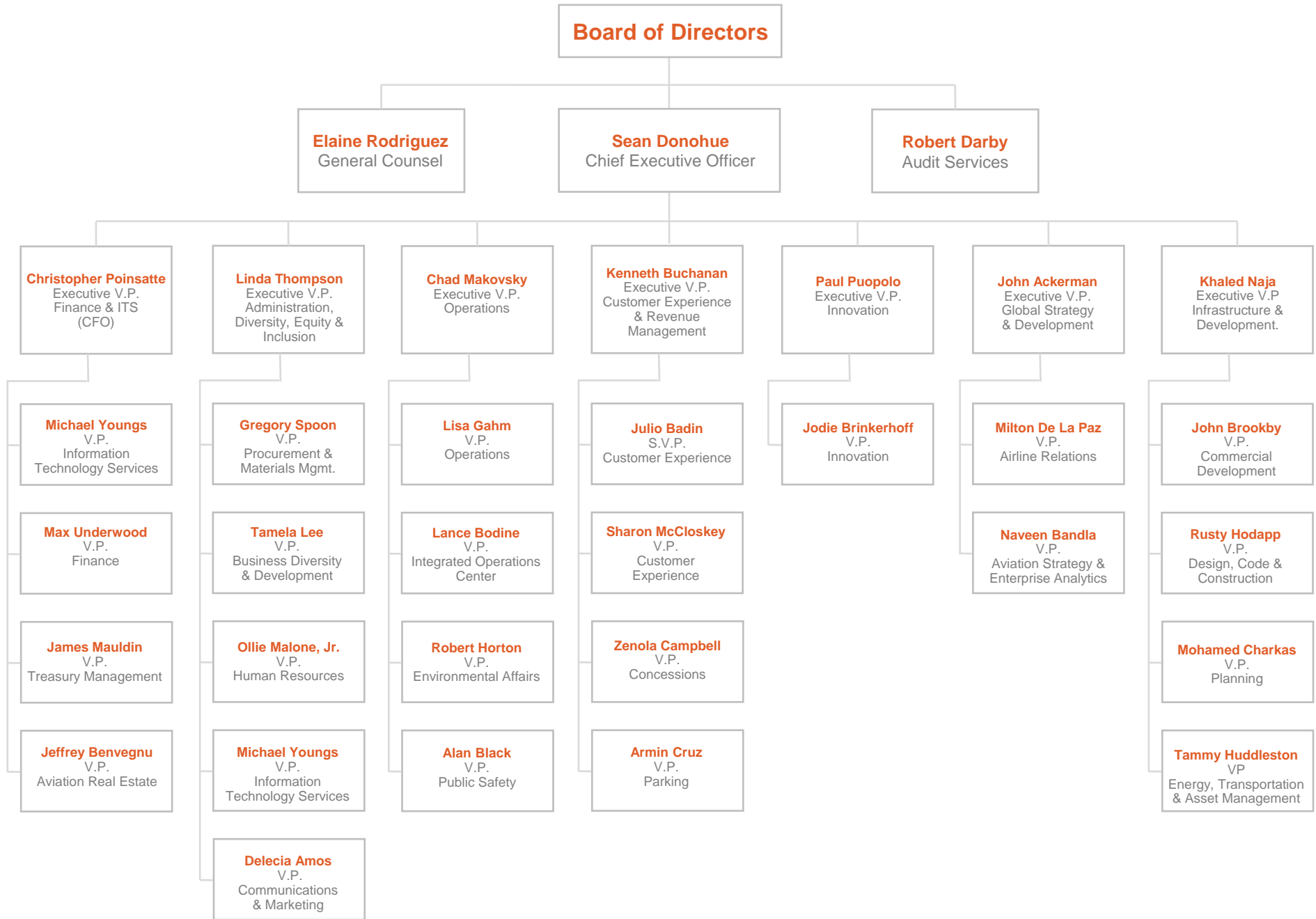
Linda Valdez Thompson, Executive Vice President, Administration,  
Diversity, Equity & Inclusion

Khaled Naja, Executive Vice President, Infrastructure and Development

John Ackerman, Executive Vice President, Global Strategy and Development

Paul Puopolo, Executive Vice President, Innovation

# Dallas Fort Worth International Airport Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Dallas Fort Worth International Airport  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

Members of the Board of Directors  
Dallas Fort Worth International Airport:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Dallas Fort Worth International Airport Board ("Airport") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Dallas Fort Worth International Airport Retirement Plans for Employees and for Public Safety Officers (collectively, the "Retirement Plans") were not audited in accordance with *Government Auditing Standards*.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Dallas Fort Worth International Airport Board as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport's basic financial statements. The other supplementary information and the introductory and statistical sections listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Deloitte & Touche LLP

February 22, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance and activity of the Dallas Fort Worth International Airport ("DFW" or "the Airport") provides an introduction and understanding of DFW's Basic Financial Statements for the fiscal year ended September 30, 2020. Also included are statements for DFW's fiduciary funds which have a December 31, 2019 year end. The Airport is a business-type activity. DFW's Basic Financial Statements consist of Management's Discussion and Analysis ("MD&A"); Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. Also included are Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Notes to the Basic Financial Statements. DFW's Required Supplementary Information (RSI) includes Schedules of Changes in the Net Pension Liability and Related Ratios; Schedule of Contributions, Schedule of Changes in the Net OPEB (Other Post-Employment Benefits) Liability and Related Ratios; Schedule of Contributions-OPEB; and OPEB Schedule of Investment Returns. The MD&A has been prepared by management and should be read in conjunction with the Basic Financial Statements and the attached notes.

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

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

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

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

DFW generates net revenues or profits in the DFW cost center which includes non-airline business units such as concessions, parking, ground transportation, rental car, and commercial development. If DFW generates net revenues in excess of an "upper threshold" (\$70.0 million in FY 2020), 75% of the excess is to be used to reduce landing fees. If the DFW cost center generates revenues below the "lower threshold" (\$45.6 million in FY 2020), landing fees are increased so that the DFW cost center will achieve the "lower threshold". If net revenues from the DFW Cost Center are budgeted above the upper threshold, airline landing rates are reduced at the beginning of the fiscal year. Conversely, if net revenues are budgeted below the lower threshold, then the airlines are assessed incremental landing fee rates to achieve the lower threshold amount in the current fiscal year by adjusting rates at the beginning of the fiscal year. The upper threshold and lower threshold amounts are adjusted annually for inflation. At the end of each fiscal year, the airport computes a "true-up" for the airfield and terminal cost centers and applies any overcharge or undercharge to the following years' landing fee rate and/or terminal rental rate, respectively.



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

Fund Number	Fund Description	Primary Use	Restricted (R), Not Restricted (NR)
101	Net Investment in Capital Assets	Capital Assets, Bonds	R
102	Operating: Revenues, Expenses	Operations	NR
111	CARES Grant	Operations	NR
104, 108, 110	Inventory, Rent-A-Car, Programs	Supplies, Operations	NR
105, 157-176	Department of Public Safety	Seized Funds	R
198	Concessionaire	Marketing Programs	R
201	Commercial Paper (CP)	Financing	R
252	Passenger Facility Charges	Collections, Debt Service	R
301-320	Joint Capital (non-JRB)	Capital Projects	NR
321-9, 332-7	Joint Capital (JRB)	Bond, CP Proceeds	R
330-331	Joint Capital (JRB)	Construction	R
340	DFW (non-JRB)	Capital Projects	NR
341-344	DFW (JRB)	Bond Proceeds, Construction	R
350	Rolling Coverage	Rate Covenant	NR
500s	Debt Service Sinking	Principal and Interest	R
600s	Debt Service Reserve	Reserve Requirements	R
907	PFIC - Rent-A-Car Center	Facilities	NR
		Transportation, Assets	R
910	PFIC - Grand Hyatt Hotel	Operations, Capital	NR
		Working Capital, FFE, Assets	R
914	PFIC - Hyatt Place Hotel	Operations, Capital	NR
		Working Capital, FFE, Assets	R
915	PFIC - Hyatt House	Assets	R
916	PFIC - Campus West	Commercial Development	NR

CARES - Coronavirus Aid, Relief and Economic Security    FFE - Furniture, Fixtures and Equipment  
JRB - Joint Revenue Bond    PFIC - Public Facility Improvement Corporation

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

### **Operational and Financial Highlights**

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



### Impact of COVID-19 on DFW Airport

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many state and local governments in the United States issued "stay at home" or "shelter in place" orders, which severely restricted movement and limited businesses and activities to essential functions. The COVID-19 outbreak and resulting restrictions have severely disrupted, and continue to disrupt, the economies of the United States and other countries. The outbreak has adversely affected domestic and international travel and travel-related industries. Airports and airlines have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdowns and continued restrictions. In response, airlines have reduced flight frequency and aircraft size to attempt to match capacity to the reduced demand for air travel.

The United States government, the Federal Reserve Board, and foreign governments took regulatory actions and implemented other measures to mitigate the broad disruptive effects of the COVID-19 outbreak on the U.S. and global economies.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$10 billion of assistance to U.S. commercial airports, which was apportioned among such airports based on various formulas. DFW is eligible to receive \$299.2 million of CARES Act funds over a four-year period per the CARES Act. This excludes approximately \$9.6 million of additional CARES Act funding to pay the local share of capital projects that was included in DFW's Fiscal Year 2020 Airport Improvement Program grant submission. This will offset the need to issue obligations for these projects.

COVID-19 has had a material impact on aircraft operations, passenger volumes and revenues at DFW during Fiscal Year 2020. DFW implemented multiple actions in response to these conditions, including reductions in operating and financing costs. DFW received \$144.1 million from CARES in FY 2020 which it used to pay debt service in an amount necessary to offset lost operating revenues and Passenger Facility Charges ("PFC"), net of cost reductions. DFW's goal was to use sufficient CARES funds to keep airline rates and charges and DFW Cost Center revenues flat with the FY 2020 budget.

The following table shows how DFW allocated CARES proceeds to each cost center for the fiscal year ended September 30, 2020.

<u>CARES</u>	<u>FY 2020</u>
Airfield	\$ 28.9
Terminal	7.6
DFW Cost Center	107.6
Total CARES	<u>\$ 144.1</u>

DFW provided financial relief to airlines by agreeing to defer \$29.9 million of terminal rents into FY 2021 as part of a true-up adjustment. This amount is recorded as a revenue and accounts receivable in the accompanying financial statements. DFW also provided financial relief to rental car companies and concessionaires by allowing these companies to convert from a minimum annual guarantee to a percent rent and to temporarily close operations. The estimated impact of this action was between \$45.0 and \$55.0 million and was offset through the use of CARES proceeds.

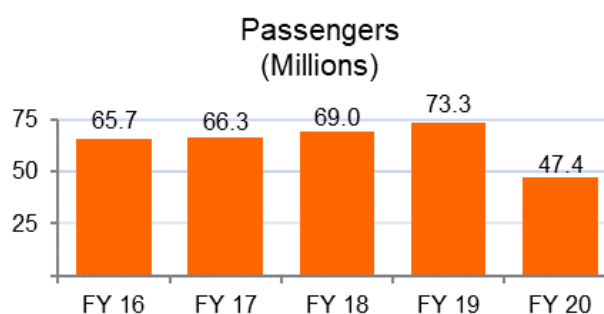
## Key Performance Indicators

The following tables highlight changes in some of the Airport's operating and financial key performance indicators for FY 2020 and FY 2019. Additional detail can be found in the Statistical section of the CAFR in the Operating Information sub-section.

Key Operational Indicators	For the Year Ended	
	FY 2020	FY 2019
Total passengers (millions)	47.4	73.3
Total airline seats (millions)	66.7	85.9
Aircraft operations (000s)	557	700
Landed weight (millions of pounds)	36,295	46,763
International seats (millions)	7.0	11.4
Domestic destinations *	192	193
International destinations *	66	67
Cargo landed weight (millions of pounds)	4,588	4,880
Cargo tons (000s)	888	972

\* See following explanation of status of destinations due to the pandemic.

As of September 30, 2020, DFW had 212 operating destinations (178 domestic and 34 international). Another 32 destinations (8 domestic and 24 international) are scheduled to return by June 2021 and 14 destinations (6 domestic and 8 international) have return/start dates beyond June 2021. Total FY 2020 international seats (capacity) were 7.0 million, a 4.4 million (5.6%) decrease from 10.8 million in FY 2019 as international service in the second half of the fiscal year was greatly reduced due to the pandemic.

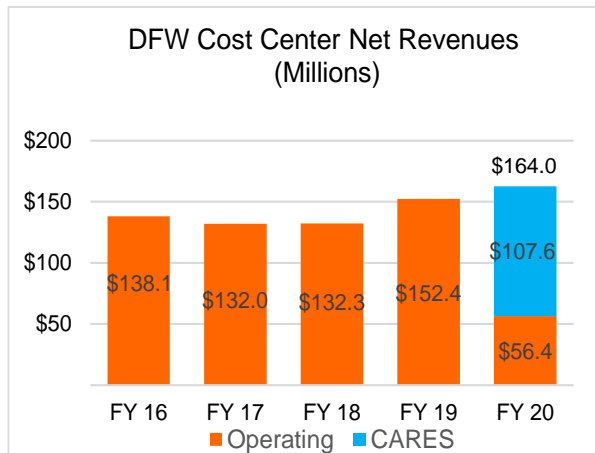


Total passengers for FY 2020 were 47.4 million, a 25.9 million (-34.4%) decrease from 73.3 million in FY 2019, driven by COVID-19 restrictions severely impacting international and domestic business travel along with a sharp general economic decline beginning in March of 2020. American Airline's ("AA") market share of passengers at DFW increased from 85.2% in FY 2019 to 87.1% in FY 2020 as AA routed more connecting traffic via DFW. DFW's next largest carriers in FY 2020 were Spirit Airlines at 3.7%, Delta Airlines at 3.4%, and United Airlines at 2.5%.

Aircraft operations decreased 143,000 (-20.4%) to 557,000 in FY 2020, down from 700,000 in FY 2019, primarily driven by a sharp decrease in AA passenger flight operations due to COVID-19 offset by a slight increase in cargo activity. Total seats decreased 19.2 million (-22.3%) from 85.9 million in FY 2019 to 66.7 million in FY 2020 primarily as a result of AA's reduction of domestic operations and transition to smaller capacity planes.

In FY 2020, total landed weights decreased 10.5 billion (-22.4%) to 36.3 billion pounds, down from 46.8 billion pounds in FY 2019, primarily due to the operation of smaller capacity aircraft and reduced domestic passenger operations due to COVID-19. Cargo tonnage decreased 84,000 (-8.6%) to 888,000 in FY 2020 from 972,000 in FY 2019 due to decreased flying by international passenger carriers, the move of Air Transport International (Amazon) to their new hub at Fort Worth Alliance (AFW), and a shift to Personal Protection Equipment commodities which are lightweight. The decrease was partially offset by growth from European freighters Lufthansa and Cargolux, as well as by American Airlines and other passenger carriers operating passenger flights with only cargo onboard.

Key Financial Indicators	For the Year Ended	
	FY 2020	FY 2019
Airline Cost (millions)	\$ 443.1	\$ 485.5
Cost per Enplanement	\$ 18.29	\$ 12.95
DFW Cost Center Revenues (millions)	\$ 389.8	\$ 399.4
DFW Cost Center Net Revenues (millions)	\$ 164.0	\$ 152.4



Two industry metrics for cost competitiveness are airline cost and passenger airline cost per enplanement (“CPE”). Airline cost represents the fees paid by the airlines primarily for landing fees and terminal rentals. Airline cost was \$443.1 million in FY 2020, a \$42.4 million (-8.7%) decrease from FY 2019. Airline costs decreased primarily due to lower expenses and debt service during the fiscal year. Expenses were reduced in response to the financial impacts of lower operations and passengers from COVID-19. CPE increased from \$12.95 in FY 2019 to \$18.29 in FY 2020. The increase was driven by decreased enplanements in FY2020, partially offset by decreased airline costs. Enplanements for FY 2020 were 23.6 million compared to 36.6 million in FY 2019.

DFW’s non-airline business units (e.g., parking and ground transportation, concessions, rental car and commercial development ground leases) are part of the DFW Cost Center. Accounting for 31.9% of total operating revenue in FY 2020, these four business units generated \$250.7 million in revenues, a \$261.4 decrease (-63.4%) from the \$412.1 million generated in FY 2019 due to a one-time lease payment of \$40.0 million in FY 2019 and the current year impacts of COVID-19. This decrease in revenues, net of cost savings, was offset by the use of CARES revenues in this cost center.

DFW Cost Center net revenues (profits) were \$164.0 million in FY 2020, \$11.6 million (7.6%) more than FY 2019 as decreased revenues were offset by CARES funding, lower operating costs, and decreased debt service requirements. CARES funding accounted for \$107.6 million and operating net revenues accounted for the other \$56.4 million of the \$164.0 million total. Since net revenues were higher than the “Upper Threshold” as defined in the Airline Use Agreement, DFW shared \$70.5 million of its earning to reduce landing fees. The remaining \$93.5 million was transferred to the DFW Capital Account at the end of the fiscal year. FY 2016 Net Revenues included a one-time \$10.0 million increase in revenues due to a lease of land.

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

After the COVID-19 pandemic, DFW took several actions with respect to its Capital Program:

1. DFW placed approximately \$100.0 million of capital projects on hold, primarily related to the renovation of the Grand Hyatt Hotel and the design and construction of a third Hyatt Hotel on DFW property. Most of the deferred projects remain on hold.
2. The planning, design and construction of the new Terminal F was placed on hold.
3. DFW had previously announced a \$2.5 billion ten-year Infrastructure Capital Plan (ICP) primarily to restore and replace aging runways, roads, bridges and utility systems. The planned timeframe of completing the ICP was increased from ten years to fifteen years beginning in Fiscal Year 2023.

During FY 2020, the airlines approved \$436.8 million of projects. As of September 30, 2020, DFW had 289 capital projects in process for a total obligation remaining of \$1.6 billion. Of this total, \$683.0 million has been committed but not yet paid. The remaining \$896.0 million is planned to be spent in the future.

Some of the more significant projects underway as of September 30, 2020 include a \$140.0 million Runway 18R reconstruction project with \$76.0 million remaining to spend. This 18R runway project is one of many infrastructure renewal projects to address aging infrastructure which condition assessments have shown are at end of useful life. Additionally, a \$207.5 million four-gate Terminal expansion located south of Terminal D is being constructed to accommodate forecasted gate demand. As of September 30, 2020, \$112.8 million remained to be spent. DFW also has a \$215.5 million Terminal C “High Gates” reconstruction for 5 gates which are currently closed due to end of life and code compliance issues. This terminal reconstruction project entails a complete demolition and re-build and had \$214.1 million remaining to be spent as of September 30, 2020. Additionally, DFW currently has a \$184.2 million Baggage Handling System (BHS) Program which represents a holistic approach for BHS improvements in all terminals. The most critical BHS projects were identified for rehabilitation, replacements, and upgrades which will ensure the maintainability and reliability of all operational BHS systems for the long term. As of September 30, 2020, \$175.8 million remains to be spent. Airline approval has been received on all the above mentioned projects.

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

The following table is a summary of Operating revenues, Operating expenses, Non-operating expenses, net, Capital contributions, and the Change in Net Position for the years ended September 30, 2020 and 2019. Detailed descriptions and variances of the components of revenues, expenses and net non-operating expenses are described in the following sections.

	<u>For the Year Ended (000s)</u>	
	<u>FY 2020</u>	<u>FY 2019</u>
<u>Change in Net Position</u>		
Operating revenues	\$ 786,181	\$ 1,023,927
Operating expenses	(847,719)	(875,115)
Operating income (expense)	(61,538)	148,812
Non-operating income (expenses), net	53,468	(43,845)
Income before capital contributions	(8,070)	104,967
Capital contributions	34,034	61,921
Change in Net Position	<u>\$ 25,964</u>	<u>\$ 166,888</u>

DFW's Controlling Documents require that DFW establish rates, fees and charges adequate to provide for the payment of operating costs (excluding depreciation and certain other expenses) and debt service (including principal, interest and coverage). On a Use Agreement basis, the Airport's rate setting methodology resulted in DFW exceeding its debt covenants in FY 2020 (see Liquidity section pg. 18). DFW generated \$217.6 million of net cash flow from operating activities. Additionally, DFW received of \$144.1 million for the CARES grant which was not included in operating activities.

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

The DFW Use Agreement varies from GAAP when measuring net income. For government entities the “Change in Net Position” is used for net income while the Use Agreement uses “Net to DFW Capital Account.” These two measurements differ in three major categories: accounting differences related to the timing and categorization of revenues and expenses, capital fund sources and uses, and items not in the Use Agreement. The following table describes the key underlying differences between GAAP and Use Agreement accounting.

	Line Item	GAAP	Use Agreement (Operating Fund)
<b>Accounting</b>	Capital recovery	Depreciation	Bond principal paid
	Interest expense	Adjust for premium/discount, refunding and issuance costs	Accrued interest (for payment) only
	Capitalized interest	Offset to interest expense, measured as project costs incurred not when borrowed	Recovered through principal after date of beneficial occupancy
	Asbestos removal	Expense immediately	Included in borrowed project costs
	Defined benefit pension costs	Expense per GASB	Contribution cost
	Passenger facility charges	Revenue recognized	Funds applied allowing for two months reserve
	Operating reserve	No expense	Reserve requirement
	Interest income	GASB market adjustment	Unrealized gain/loss not recognized
	CARES grant	Non-operating revenue, recognized upon receipt	Operating revenue when applied to Airfield, Terminal, DFW Cost Centers
<b>Capital Funds</b>	Revenue (transfer)	Intercompany elimination	Revenue received and debt service paid from other DFW sources
	Debt service	Debt service sinking fund	
	Expenses	Actual incurred	Not included
	Air service incentives	Actual incurred	
<b>Not in Use Agreement (Operating Fund)</b>	Public facility improvement corporation (PFIC)	Hyatt hotels, Rental car facility, and Campus West funds	Not recognized
	Grants, Capital contributions	Government reimbursements for project related costs	
	Natural gas	Special fund for royalties	
	Non-operating interest income	Non-operating income	
	Other revenues and expenses	Non-operating funds, and special purpose funds	

The schedule below is a summary of the Accounting, Capital, and Not in Use Agreement differences reconciling the Change in Net Position to the Change in DFW capital account per the Use Agreement for the year ended September 30, 2020.

The Accounting category amount of \$94.6 million is primarily due to depreciation greater than bond principal paid. The Capital amount of \$39.1 million is primarily due to expenses in capital funds and debt service offsets. The Not in use agreement of \$(66.2) million is primarily due to PFIC income, capital grants, and interest income. The CARES grant was included in DFW’s net position as a Non-operating item per GAAP. Refer to the CARES schedule on page 7 for the breakdown between the Airfield, Terminal and DFW Cost Center.

	<b>GAAP-Use Agreement</b>	<b>For the Year Ended (millions)</b>	
			<b>FY 2020</b>
Change in net position		\$	26.0
Accounting			94.6
Capital			39.1
Not in use agreement			(66.2)
Total adjustments			67.5
Transfer to DFW Capital account			93.5
Reduction to airline rates			70.5
DFW Cost Center net revenues		\$	164.0

## Operating Revenues:

The following table highlights the major components of operating revenues for the fiscal years ended September 30, 2020 and 2019. Significant variances are explained below.

Operating Revenues	For the Year Ended (000s)	
	FY 2020	FY 2019
Terminal rent and use fees	\$ 354,379	\$ 360,478
Landing fees	82,313	107,557
Federal Inspection Services	13,906	27,952
Airfield and other airline	(273)	688
Total airline revenue	450,325	496,675
Parking and ground transportation	103,714	184,414
Concessions	67,218	101,991
Ground and facilities leases	55,972	92,220
Grand Hyatt and Hyatt Place hotels	26,015	50,376
Rent-A-Car lease and rentals	23,683	33,512
Employee transportation	17,543	17,521
Rent-A-Car customer transportation charges	8,684	13,968
Other non-airline	33,027	33,250
Total non-airline revenue	335,856	527,252
Total Operating Revenues	\$ 786,181	\$ 1,023,927

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

Terminal rents and use fees ("Terminal Revenues") include terminal rent from gates leased by airlines and gate use fees from DFW-owned gates. Terminal revenues decreased \$6.1 million (-1.7%) from \$360.5 million in FY 2019 to \$354.4 million in FY 2020, primarily due to lower utilization (terminal use fees) and a decrease in rates reflecting lower operating costs. To assist the airlines during the pandemic, DFW extended payment terms on \$29.9 million of rents earned in FY 2020 but not payable until FY 2021.

Landing fees for passenger and cargo carriers are assessed per 1,000 pounds of maximum approved landed weight for each specific aircraft as certified by the FAA. Landing fees (including passenger and cargo fees) decreased \$25.3 million (-23.5%) from \$107.6 million in FY 2019 to \$82.3 million in FY 2020 primarily due to a decrease in aircraft operations attributed to the pandemic.

Federal Inspection Service fees per departing international passenger in Terminal D decreased \$14.0 million (-50.0%), from \$28.0 million in FY 2019 to \$14.0 million in FY 2020 due to a sharp decline in international passenger in the second half of the fiscal year due to COVID-19.

Parking fees are charged based on the length of stay and parking product. DFW's primary parking products include terminal, express and remote. Fees are charged for airport access from meeter/greeters, drop-offs and pass-throughs. Ground transportation revenues are derived primarily from airport access fees by transportation network companies (TNC) such as Uber and Lyft, taxicabs, limousines, pre-arranged ride, and courtesy vehicle companies. Parking and ground transportation fees were \$103.7 million in FY 2020, an \$80.7 million (-43.8%) decrease from \$184.4 million in FY 2019 due primarily to decreased originating passengers and lower TNC traffic due to COVID-19.



Concession revenues decreased \$34.8 million (-34.1%), from \$102.0 million in FY 2019 to \$67.2 million in FY 2020 primarily due to less passengers resulting in a decrease in food and beverage, retail sales, passenger services, and catering due to COVID-19.

Ground and facility lease revenues, also referred to as Commercial Development, consist primarily of ground and facility leases of Airport property. Ground and facility lease revenue decreased \$36.2 million (-39.2%) from \$92.2 million in FY 2019 to \$56.0 million in FY 2019 primarily due to the Campus West one-time lease buyout of \$40.0 million in FY 2019. Other ground leases increased \$3.8 million primarily driven by new logistics and distribution properties.

Grand Hyatt and Hyatt Place hotel revenues include room rental, sale of food and beverage, and other hotel related activities. Revenues decreased \$24.4 million (-48.4%), from \$50.4 million in FY 2019 to \$26.0 million in FY 2020, primarily due to lower occupancy, a decrease in daily rates, and less food and beverage sales driven by COVID-19. The Grand Hyatt and Hyatt Place accounted for \$21.6 million and \$2.8 million of the decrease, respectively.

Rent-a-car (“RAC”) lease and rentals revenue consists of ground leases plus percentage rent of gross revenues. RAC revenues decreased \$9.8 million (-29.3%), from \$33.5 million in FY 2019 to \$23.7 million in FY 2020, primarily due to lower rental car transaction days attributed to COVID-19. Percentage rent accounted for 76.4% of the total RAC revenues in FY 2020 and 83.4% in FY 2019.

Employee transportation revenues are derived primarily from a monthly fee paid by airlines and other tenants to recover the cost of employee transportation services between remote parking lots and the terminals. Employee transportation revenues remained level at \$17.5 million in FY 2020.

RAC customer transportation (“CTC”) revenue is derived from a transaction fee of \$2.50 per rental day. The proceeds of this fee are used to fund the operation and maintenance of the bus fleet that transports passengers between the airport terminals and the RAC. CTC revenue decreased \$5.3 million (-37.9%) from \$14.0 million in FY 2019 million to \$8.7 million in FY 2020, primarily due to a decrease in transaction days caused by the pandemic.

Other non-airline revenue is comprised of fuel farm operations; corporate aviation; non-airline utilities; trash removal; badging services; RAC, concessionaire, airline and other operating pass-through and reimbursable revenues, government entities, and other tenants; permit fees; natural gas royalties; and other miscellaneous revenues. Other revenue decreased \$0.3 million (-0.1%) from \$33.3 million in FY 2019 to \$33.0 million in FY 2020, primarily as a result of lower badging activity and reimbursable services offset by higher permit fees.

## **Operating Expenses:**

The following table highlights the major components of operating expenses for the fiscal years ended September 30, 2020 and 2019. Significant variance explanations follow.

<u>Operating Expenses</u>	<u>For the Year Ended (000s)</u>	
	<u>FY 2020</u>	<u>FY 2019</u>
Salaries, wages, and benefits	\$ 235,098	\$ 239,202
Contract services	213,798	234,797
Grand Hyatt and Hyatt Place hotels	18,130	28,960
Equipment and supplies	30,996	28,150
Utilities	26,357	27,135
Insurance	6,768	5,571
General, administrative and other charges	6,411	8,102
Depreciation and amortization	310,161	303,198
Total Operating Expenses	<u>\$ 847,719</u>	<u>\$ 875,115</u>

Operating expenses before Depreciation and Amortization were \$537.6 million in FY 2020 and \$571.9 million in FY2019, a decrease of \$34.4 million, primarily driven by cost reduction actions taken by DFW in response to the pandemic.

Salaries, wages and benefits decreased \$4.1 million (-1.7%) from \$239.2 million in FY 2019 to \$235.1 million in FY 2020 primarily due to and lower pension and OPEB expenses. DFW employed 2,076 and 2,069 full time employees as of September 30, 2020 and 2019, respectively.

Contract services include grounds and facility maintenance, custodial, busing services, financial and legal services, software and hardware maintenance, advertising, planning, and other professional services. Contract services decreased \$21.0 million (-8.9%), from \$234.8 million in FY 2019 to \$213.8 million in FY 2020, primarily due to lower bussing and contract labor costs partially offset by higher information technology, custodial, and planning costs.

Hotel operations include room, food and beverage and other expenses. Grand Hyatt and Hyatt Place operating costs decreased \$10.9 million (-37.6%) from \$29.0 million in FY 2019 to \$18.1 million in FY 2020 primarily due to lower room, food and beverage, sales and marketing, and repair and maintenance costs implemented to offset lower revenues.

Equipment and supplies primarily consists of non-capitalized equipment, materials, fuels for vehicles and fire training, personal protective equipment (e.g. face masks), and supplies used to maintain and operate the Airport. In FY 2020, of the total \$31.0 million, DFW received donated face masks valued at \$10.8 million. Not including this donation, Equipment and supplies decreased \$8.0 million (-28.4%), from \$28.2 million in FY 2019 to \$20.2 million in FY 2020 primarily due to CNG fuel rebates and cost reductions driven by COVID-19, partially offset by increased custodial supplies.

Utilities represent the cost of electricity, natural gas, potable water, sanitary sewer, solid waste removal, and telecommunications services. Utilities decreased \$0.7 million (-2.6%) from \$27.1 million in FY 2019 to \$26.4 in FY 2020 primarily due to a decrease in trash removal costs.

General, administrative and other charges decreased \$1.7 million (-21.0%), from \$8.1 million in FY 2019 to \$6.4 million in FY 2020. Management responded to the pandemic by limiting travel and lowering other administrative costs.

Depreciation and amortization increased \$7.0 million (2.3%), from \$303.2 million in FY 2019 to \$310.2 million in FY 2019, primarily due to airfield related capital additions.

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

The following table highlights non-operating revenues and expenses for the fiscal years ended September 30, 2020 and 2019.

<u>Non-Operating Revenues (Expenses)</u>	<u>For the Year Ended (000s)</u>	
	<u>FY 2020</u>	<u>FY 2019</u>
CARES grant	\$ 144,127	\$ -
Passenger facility charges	96,213	141,856
Investment income	26,104	55,554
RAC customer facility charges	13,742	22,352
Interest expense on revenue bonds	(238,978)	(265,404)
Other, net	12,260	1,797
Total Non-Operating income (expenses)	<u>\$ 53,468</u>	<u>\$ (43,845)</u>

In FY 2020, DFW applied for and received \$144.1 million in CARES proceeds to pay debt service in an amount necessary to offset lost operating and Passenger Facility Charge (“PFC”) revenues, net of cost reductions.

Congress established the PFC as part of the Aviation Safety and Capacity Expansion Act of 1990. DFW currently collects a \$4.50 PFC from enplaned passengers to repay debt service issued to build projects like Terminal D and Skylink. PFC’s are not paid by “non-revenue” passengers. PFC’s are applied only on the first two legs of a connecting flight. DFW estimates that 92.6% of all enplaned passengers were required to pay PFC’s in FY 2020 compared to 88.2% in FY 2019. PFC collections are recorded as revenue when earned, then used to pay eligible debt service costs. PFC’s decreased \$45.7 million (-32.2%) from \$141.9 million in FY 2019 to \$96.2 million in FY 2020 due to lower passenger traffic.

Investment income decreased \$29.5 million (-53.1%) from \$55.6 million in FY 2019 to \$26.1 million in FY 2020 primarily due to lower interest rates and less unrealized gains.

RAC customers pay a \$4.00 facility charge for each transaction day to pay for the debt service, buses, and capital improvements to the RAC facility. The RAC customer facility charge (“CFC”) revenue decreased \$8.7 million (-38.8%) from \$22.4 million in FY 2019 to \$13.7 million in FY 2020, due to a decrease in the number rental car transaction days attributed to COVID-19.

Interest expense decreased \$26.5 million (-10.0%) from \$265.4 million in FY 2019 to \$239.0 million in FY2020 primarily due to DFW’s recent refinancing efforts.

Other, net, non-operating revenues are comprised primarily of net book value losses on retired capital assets, sales of surplus property, insurance proceeds, donated supplies, and other miscellaneous receipts and payments. In 2020, Other, net increased by \$10.5 million primarily due to donated face masks and lower net book value losses on retired capital assets partially offset by less insurance proceeds.

### **Capital Contributions:**

The following table highlights capital contributions for the fiscal years ended September 30, 2020 and 2019.

<u>Capital Contributions</u>	<u>For the Year Ended (000s)</u>	
	<u>FY 2020</u>	<u>FY 2019</u>
Federal grant reimbursements	\$ 34,034	\$ 61,921
Total Capital Contributions	<u>\$ 34,034</u>	<u>\$ 61,921</u>

DFW receives Airport Improvement Program and other grants through the Federal Aviation Administration and other Federal and State agencies. The timing of Airport grant reimbursements is related to the timing of grant-funded capital projects. During FY 2020, DFW's largest draw-down on grants were for taxiway Mike rehabilitation and the northeast end-around taxiway.

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

The following table provides a condensed summary of DFW's net position and change in net position as of and for fiscal years ended September 30, 2020 and 2019. A discussion of significant items follows.

Summary of Net Position	As of September 30 (000s)	
	FY 2020	FY 2019
<b>Assets:</b>		
Current and other assets	\$ 1,850,754	\$ 1,966,001
Capital assets	5,692,802	5,533,087
Total assets	7,543,556	7,499,088
Deferred outflows of resources	5,103	49,936
Total assets and deferred outflows of resources	7,548,659	7,549,024
<b>Liabilities:</b>		
Current and other liabilities, excluding debt	314,994	318,537
Non-current liabilities	21,267	22,747
Long-term debt outstanding:		
due within one year	233,845	214,405
due in more than one year	6,254,714	6,297,794
Net pension liabilities	130,062	177,729
Total liabilities	6,954,882	7,031,212
Deferred inflows of resources	61,475	11,474
Total liabilities and deferred inflows of resources	7,016,357	7,042,686
Total Net Position	\$ 532,302	\$ 506,338
Total revenues	\$ 1,112,662	\$ 1,307,407
Total expenses	(1,086,697)	(1,140,519)
Change in net position	\$ 25,964	\$ 166,888

Total current and other assets decreased \$115.2 million from FY 2019 to FY 2020 primarily due to bond proceeds being expended for capital projects. Total capital assets increased \$159.7 million primarily due to the completion of additional facilities and continued construction on other capital projects, net of depreciation and retirements (See Note 5).

Deferred outflows of resources decreased \$44.8 million from \$49.9 million in FY 2019 to \$5.1 million in FY 2020 primarily due to the refunding losses being reclassified as refunding gains as a result of the 2020A, 2020B and 2020C bond refundings. See Note 1(q).

Debt due within one year increased \$19.4 million based on the bond principal payment schedule. Debt due in more than one year decreased due to a payment of principal. The Net pension liability

decreased \$47.6 million from FY 2019 to FY 2020 primarily due to higher pension returns and favorable experience compared to actuarial estimates.

Deferred inflows of resources increased \$50.0 million primarily due to actual investment earnings on pension investments being greater than projected and refunding losses being reclassified as refunding gains in deferred outflows. See Note 1(q).

The following table summarizes DFW's net position as of September 30, 2020 and 2019.

Net Position	As of September 30 (000s)	
	FY 2020	FY 2019
Net investment in capital assets	\$ (193,928)	\$ (254,607)
Restricted net position:		
PFIC	23,347	23,636
Passenger facility charges	22,702	27,866
Public safety and other	7,740	2,441
Total restricted	53,789	53,943
Unrestricted net position	672,441	707,002
Total Net Position	\$ 532,302	\$ 506,338

DFW has a negative net investment in capital assets because of DFW's debt restructuring plan implemented ten years ago which deferred principal and debt service to save the airlines money during the global financial crisis. This caused depreciation to exceed debt principal reductions. In FY 2016 and FY 2018, DFW issued debt with five-year and seven-year maturities respectively, resulting in increasing principal payments each year. This resulted in higher airline revenues and an increase in Total Net Position over this period.

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

The Restricted net position for Passenger facility charges represents the cash and investments held from the collection of fees that will be used in the future to pay eligible debt service. PFCs paid approximately 21.2% and 29.2% of the total debt service in FY 2020 and FY 2019, respectively. The PFC balance decreased \$5.2 million in FY 2020, primarily due to debt service paid with PFCs exceeding collections.

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

See Note 8, Restricted Net Position, for more details.

Unrestricted net position decreased \$35.6 million from \$707.0 million in FY 2019 to \$672.4 million in FY 2020 primarily due to lower operating revenues partially offset by the CARES grant and lower operating and pension costs.

## **Liquidity and Financing**

As of September 30, 2020, DFW had total cash and investments of \$1.7 billion, of which \$903.0 million was unrestricted. Unrestricted cash and investments may be used for any lawful airport purpose, including capital expenditures, the payment of operation and maintenance expenses, and the payment of debt service if the debt service fund should ever be inadequate. The unrestricted cash and investments in FY 2020 are sufficient to cover 632 days of operating expenses (based on FY 2020 actual) as compared to 629 days in FY 2019. In addition, DFW maintains a fully funded debt service reserve that is based on the average annual debt service over the life of the bonds. As of September 30, 2020, DFW had \$306.0 million in this reserve.

As of September 30, 2020, DFW has \$6.5 billion of fixed rate joint revenue bonds payable that includes \$233.8 million of payable within one year (current portion). DFW has no swaps or variable rate debt as of September 30, 2020.

In FY 2020, DFW transitioned to using a new commercial paper (“CP”) program for interim financing in an effort to minimize interest expense. The DFW Board authorized the issuance of up to \$750.0 million of Commercial Paper Notes as Subordinate Lien Obligations of the Airport, backed by self-liquidity. DFW’s debt policy places a limit on total commercial paper outstanding at 65% of unrestricted cash and investments. This effectively limits DFW to the amount outstanding of approximately \$587.0 million as of September 30, 2020. Through a network of four commercial paper dealers, the Airport issued a total of \$250.0 million before refunding the entire amount through its 2020 bond issues. DFW has no outstanding commercial paper debt as of September 30, 2020.

DFW funds major renewal projects like terminal renovations, runway improvements, and other expansion projects through the issuance of debt, net of available FAA discretionary funding. The issuance of additional debt requires airline approval, with some exceptions for commercial development and public safety. Minor renewals and replacements are generally funded out of the DFW capital account. DFW constantly monitors the cash flow and contracting requirements for all approved capital projects.

In FY 2020, DFW issued three Joint Revenue Refunding Bonds totaling \$2.1 billion. The Tax-Exempt Series 2020A was issued for \$391.8 million for the purpose of fully refunding the Series 2012B and 2012G. The 2020A refunding resulted in \$132.4 million in net present value savings and \$168.8 million in actual savings over the life of the bonds.

The Tax-Exempt Series 2020B was issued for \$459.5 million for the purpose of partially refunding Series 2011C, 2011D, 2012G and completely refunding Commercial Paper Notes #3 and #5. The 2020B refunding resulted in \$130.0 million in net present value savings and \$154.7 million in actual savings over the life of the bonds.

The Taxable Series 2020C was issued for \$1.2 billion for the purpose of partially refunding Series 2012D and 2012H and completely refunding Commercial Paper Notes #4, #6, #7 and #8. The 2020C refunding resulted in \$208.7 million in net present value savings and \$289.6 million in actual savings over the life of the bonds.

The three refundings combined resulted in net present value savings of \$471.1 million and \$613.1 million in actual savings over the life of the bonds.

Additional information on long-term capital asset activity and debt activity are disclosed in Notes 5 and 6 to the financial statements.

The Controlling Documents require DFW to annually adopt a Schedule of Charges that is: (1) reasonably estimated to produce Gross Revenues in an amount sufficient to at least pay Operation and Maintenance Expenses plus 1.25 times Accrued Aggregate Debt Service and (2) reasonably estimated to at least produce Current Gross Revenues in an amount sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service. Gross revenues are defined as including transfers from capital funds and PFC funds. Current gross revenues do not include these transfers. DFW's Gross Revenues coverage ratios were 1.42 and 1.41 for the fiscal years September 30, 2019 and September 30, 2020, respectively; while Current Gross Revenues coverage ratios were 1.17 and 1.16 for the same periods, respectively. See Debt Service Coverage schedule in the Statistical Tables section.

Fitch Ratings, Moody's Investors Service, S&P Global Ratings and Kroll Bond Rating Agency have assigned their municipal bond ratings of "A+" (Negative), "A1" (Stable), "A" (Negative), and "AA" (Negative) respectively to DFW Airport Joint Revenue Bonds. The S&P rating listed is the result of a one step downgrade from A+, which was consistent with their rating actions of most airports during the pandemic. S&P Global Ratings and Moody's Investors Service have assigned ratings to DFW Airport's Subordinate Lien Commercial Paper Program of "A-1" and "P-1" respectively.

### **Request for Information**

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

**Dallas Fort Worth International Airport**  
**Statement of Net Position**  
**As of September 30, 2020**  
**(Amounts in Thousands)**

Assets	
Current assets	
Cash and cash equivalents (notes 1, 2)	\$ 136,061
Restricted cash and cash equivalents (notes 1, 2, 8)	172,771
Investments (notes 1, 2)	328,978
Restricted investments (notes 1, 2, 8)	234,498
Accounts receivable, net of allowance for doubtful accounts of \$2,054 (note 1)	68,609
Inventory and other current assets (note 1)	<u>19,371</u>
Total current assets	960,288
Non-current assets	
Restricted cash and cash equivalents (notes 1, 2, 8)	17,158
Investments (notes 1, 2)	437,917
Restricted investments (notes 1, 2, 8)	407,445
Capital assets, net (notes 1, 5)	
Non-depreciable	852,342
Depreciable, net	<u>4,840,460</u>
Total capital assets, net	5,692,802
Other restricted assets (notes 8,10)	<u>27,946</u>
Total non-current assets	<u>6,583,268</u>
Total assets	<u>7,543,556</u>
Deferred outflow s of resources (notes 1, 9)	<u>5,103</u>
Total assets and deferred outflow s of resources	<u>7,548,659</u>
Liabilities	
Current liabilities	
Accounts payable and other current liabilities (note 4)	141,570
Current payable from restricted assets (notes 1, 8)	173,424
Current portion of joint revenue bonds payable (notes 1, 6)	<u>233,845</u>
Total current liabilities	548,839
Long-term liabilities	
Long-term liabilities (note 15)	21,267
Net pension liabilities (note 9)	130,062
Joint revenue bonds payable (note 6)	<u>6,254,714</u>
Total long-term liabilities	<u>6,406,043</u>
Total liabilities	<u>6,954,882</u>
Deferred inflow s of resources (notes 1, 9, 10)	<u>61,475</u>
Total liabilities and deferred inflow s of resources	<u>7,016,357</u>
Net Position	
Net investment in capital assets (note 7)	(193,928)
Restricted for:	
PFIC (notes 6, 8, 11)	23,347
Passenger facility charges (notes 1, 6)	22,702
Public safety and other (notes 1, 6)	<u>7,740</u>
Total restricted	53,789
Unrestricted	672,441
Total Net Position	<u>\$ 532,302</u>

See accompanying notes to the basic financial statements.



**Dallas Fort Worth International Airport**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended September 30, 2020**  
**(Amounts in Thousands)**

Operating revenues	
Terminal rent and use fees (note 1)	\$ 354,379
Landing fees (note 1)	82,313
Federal Inspection Services (note 1)	13,906
Other airline	(273)
Total airline revenue	450,325
Parking and ground transportation	103,714
Concessions	67,218
Ground and facilities leases	55,972
Hotels	26,015
Rent-A-Car (RAC)	23,683
Employee transportation	17,543
Rent-A-Car customer transportation charges	8,684
Other non-airline	33,027
Total non-airline revenue	335,856
Total operating revenues	786,181
Operating expenses	
Salaries, wages and benefits	235,098
Contract services	213,798
Hotels	18,130
Equipment and supplies	30,996
Utilities	26,357
Insurance	6,768
General, administrative and other	6,411
Depreciation and amortization (note 5)	310,161
Total operating expenses	847,719
Operating loss	(61,538)
Non-operating revenues (expenses)	
CARES grant	144,127
Passenger facility charges	96,213
Investment income	26,104
RAC customer facility charges	13,742
Interest expense on joint revenue bonds	(238,978)
Other, net	12,260
Total non-operating revenues, net	53,468
Loss before capital contributions	(8,070)
Capital contributions	
Federal grant reimbursements	34,034
Total capital contributions	34,034
Net Position	
Increase in net position	25,964
Net position - beginning of year	506,338
Total net position, end of year	\$ 532,302

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport  
Statement of Cash Flows  
For The Year Ended September 30, 2020  
(Amounts in Thousands)**

Cash flows from operating activities:	
Cash received from operations	\$ 752,637
Cash paid to outside vendors	(299,598)
Cash paid to employees	(235,413)
Net cash provided by operating activities	<u>217,626</u>
Cash flows from non-capital and related financing activities:	
Other nonoperating revenues: Cares grant	144,127
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(431,884)
Proceeds from sale of commercial paper	250,000
Proceeds from sale of revenue bonds	2,045,260
Premiums from sale of bonds	213,470
Payment to escrow agent for bond and commercial paper refunding	(2,270,903)
Payment for underwriter's discount and fees, and bond issuance costs	(13,511)
Principal paid on revenue bonds	(214,405)
Interest paid on revenue bonds and commercial paper	(257,022)
Proceeds from capital grants	41,241
Proceeds from passenger facility charges	101,378
Proceeds from RAC customer facility charges	14,798
Net cash used in capital and related financing activities	<u>(521,578)</u>
Cash flows from investing activities:	
Interest received on investments	22,530
Purchase of investments	(2,471,241)
Sale of investments	2,570,494
Net cash provided by investing activities	<u>121,783</u>
Net decrease in cash and cash equivalents	(38,042)
Cash and cash equivalents, beginning of year	<u>364,032</u>
Cash and cash equivalents, end of the period	<u>\$ 325,990</u>
Unrestricted cash and cash equivalents	
	136,061
Restricted cash and cash equivalents	
	<u>189,929</u>
Cash and cash equivalents, end of the period	<u>\$ 325,990</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (61,538)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	310,161
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	(22,804)
Materials, supplies, inventories, other assets	(4,131)
Unearned revenues	(10,741)
Payroll liabilities	6,620
Accounts payable and other liabilities	59
Net cash provided by operating activities	<u>\$ 217,626</u>
Supplemental disclosure of non-cash activities	
Amortization of bond premium/discount	\$ (25,369)
Amortization of bond defeasement loss	524
Bond refunding loss	(12,947)
Capitalized interest expense	(10,076)
Capital grants receivable	11,335
Donated personal protective equipment	10,771
Unpaid purchases of capital assets in accounts payable and accrued liabilities	102,041
Unrealized gain on investments	(4,486)

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport  
Statement of Fiduciary Net Position  
As of December 31, 2019  
(Amounts in Thousands)**

	Pension (and other employee benefit) Trust Funds
<b>Assets</b>	
Investment held in Master Trust at fair value	
Limited partnerships	\$ 295,547
Commingled funds	142,757
Common stocks	175,163
U.S Treasury and Agency securities	39,399
Corporate bonds	49,250
Mutual funds	83,175
Other	11,489
Receivables	
Due from broker for securities sold	402
Accrued interest and dividends	701
Total assets	797,883
<b>Liabilities</b>	
Due to broker for securities purchased	1,302
Accrued management fees	211
Claims/premiums payable	265
Accrued administrative fees	164
Total liabilities	1,942
Fiduciary net position restricted for pensions and OPEB	\$ 795,941

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport**  
**Statement of Changes in Fiduciary Net Position**  
**For the year ended December 31, 2019**  
**(Amounts in Thousands)**

	Pension (and other employment benefit) Trust Funds
<b>Additions</b>	
Contributions	
Plan members contributions	\$ 2,289
Employer contributions	34,119
Total contributions	36,408
Plans' interest in Master Trust investment gain	91,146
Dividends	590
Interest	62
Less: Investment fees	(2,606)
Net investment income	89,192
Total additions	125,600
<b>Deductions</b>	
Benefits paid to plan members and beneficiaries	35,407
Administrative fees	1,199
Total deductons	36,606
Net increase in fiduciary net position	88,994
<b>Fiduciary net position restricted for pensions and OPEB</b>	
At beginning of the year	706,947
At end of the year	\$ 795,941

See accompanying notes to the basic financial statements.

**Dallas Fort Worth International Airport  
Notes To The Basic Financial Statements  
September 30, 2020**

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**Dallas Fort Worth International Airport**  
**Notes To The Basic Financial Statements**  
**September 30, 2020**

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

**(a) Reporting Entity**

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

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

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

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

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

DFW’s Facility Improvement Corporation (“FIC”) is also a legally separate entity, formed for the primary purpose of issuing conduit debt and has no assets, liabilities, or activities as of and for the year ended September 30, 2020. If there were any financial transactions for the FIC, these would have been included in the Airport’s Enterprise Fund due to their nature and significance to the Airport and to comply with GASB Statement No. 14, “*The Financial Reporting Entity*” as amended. The FIC is considered a blended component unit because the component unit’s governing body consists of members of the Airport staff, appointed by the Airport Board. The Airport as the primary government, exercises substantial control over the FIC. See footnotes 6(b) and 11 for a further discussion of the FIC and PFIC.

**Dallas Fort Worth International Airport**  
**Notes To The Basic Financial Statements**  
**September 30, 2020**

The Fiduciary activities represent two fiduciary pension plans covering substantially all DFW employees with the plans' year ended December 31, 2019: the Retirement Plans for Employees ("Employee Plan") and for DPS ("Department of Public Safety") Covered Employees ("DPS Plan") of the Dallas Fort Worth International Airport ("Retirement Plans", collectively). DFW closed the Employee Plan for employees hired after December 31, 2009. DFW began to offer a deferred compensation plan 401(a) for employees hired on or after January 1, 2010 (excludes Department of Public Safety employees).

The Fiduciary activities also include a single-employer defined Other Post-Employment Benefit Plan ("OPEB") providing retiree health care for qualified retired employees ages 65 or younger with the plan year ended December 31, 2019.

**(b) Basis of Accounting**

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

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

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

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

Fiduciary Funds – The financial statements of the Fiduciary Funds use the economic resource measurement focus and are presented on the accrual basis of accounting. The Fiduciary Funds are maintained to account for assets held by the Airport in a trustee capacity for active and retired employees. Contributions are recognized in the period in which the contributions are due.

Benefits, refunds, claims and premiums are recognized when due and payable in accordance with the terms of each plan. The Fiduciary Funds' fiscal year end is December 31 of each year. The amounts presented in these financial statements are as of and for the year ended December 31, 2019.

**Dallas Fort Worth International Airport**  
**Notes To The Basic Financial Statements**  
**September 30, 2020**

**(c) Basis of Presentation**

Adoption of Current GASB Statements

The GASB has issued Statement No. 92, *“Omnibus 2020.”* This Statement addressed a variety of topics. The requirements in paragraphs 4, 5, 11, and 13 are effective upon issuance and adoption of these had no impact on DFW’s financial statements.

The GASB has issued Statement No. 95, *“Postponement of the Effective Dates of Certain Authoritative Guidance.”* Effective immediately, this statement postpones the effective dates of certain provisions in Statements and implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later in light of the COVID-19 pandemic. The adoption of Statement No. 95 resulted in postponing effective dates of following announcements by one year.

- Statement No. 84, Fiduciary Activities
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020 – excluding paragraphs 4, 5, 11, and 13
- Statement No. 93, Replacement of Interbank Offered Rates

The GASB has issued Statement No. 97, *“Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.”* This statement (1) clarifies rules related to reporting of fiduciary activities under Statements No. 14 and No. 84.; (2) mitigate costs for defined contribution plans; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting of Code section 457 plans that meet the definition of a pension plan. The requirements in paragraphs 4 and 5 are effective upon issuance and adoption of these had no impact on DFW’s financial statements.

Future GASB Statements

The GASB has issued Statement No. 84, *“Fiduciary Activities.”* Effective for financial statements beginning after December 15, 2019, this statement improves guidance regarding the identification of fiduciary activities. DFW is evaluating the effect that Statement No. 84 will have on its financial statements.

The GASB has issued Statement No. 87, *“Leases.”* Effective for financial statements for fiscal periods beginning after June 15, 2021, this statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. DFW is evaluating the effect that Statement No. 87 will have on its financial statements.

The GASB has issued Statement No. 89, *“Accounting for Interest Cost Incurred before the End of a Construction Period.”* Effective for financial statements for fiscal periods beginning after December 15, 2020, this statement establishes accounting requirements for interest cost



**Dallas Fort Worth International Airport**  
**Notes To The Basic Financial Statements**  
**September 30, 2020**

incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *“Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. DFW is evaluating the effect that Statement No. 89 will have on its financial statements.

The GASB has issued Statement No. 90, *“Majority Equity Interests.”* Effective for financial statements for fiscal periods beginning after December 15, 2019, this statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. DFW is evaluating the effect that Statement No. 90 will have on its financial statements.

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

The GASB has issued Statement No. 92, *“Omnibus 2020.”* The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021. The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations (AROs) in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. The requirements in paragraphs 4, 5, 11, and 13 are effective upon issuance.

The GASB has issued Statement No. 93, *“Replacement of Interbank Offered Rates.”* Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021, and the rest are effective for reporting periods beginning after June 15, 2020. This statement will reduce the cost of accounting and financial reporting ramifications of replacing Interbank Offered Rate with other reference rates by providing exceptions to the existing provisions for hedge accounting termination and lease modifications. DFW is evaluating the effect that Statement No. 93 will have on its financial statements.

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

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

The GASB has issued Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*” Paragraph 4 and 5 are effective immediately and paragraphs 6 to 9 are effective for fiscal years beginning after June 15, 2021. All other requirements of this statement are effective for financial statements for reporting periods beginning after June 15, 2021. This statement (1) clarifies rules related to reporting of fiduciary activities under Statements No. 14 and No. 84.; (2) mitigate costs for defined contribution plans; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting of Code section 457 plans that meet the definition of a pension plan. The requirements in paragraphs 4 and 5 are effective upon issuance. DFW is evaluating the effect that Statement No. 97 will have on its financial statements.

#### Operating and Non-Operating Revenues

The Airport distinguishes between operating revenues and non-operating revenues based on the nature of revenues and expenses. In general, revenues and related expenses resulting from providing services such as aircraft landing, parking, hotel transactions, terminal rental, ground rental and natural gas leases are considered operating. These revenues result from exchange transactions in which each party receives and gives up essentially equal values. Revenues are reported net of Air Service Incentive Program (“ASIP”) reimbursements of \$3.0 million for Landing Fees.

Non-operating revenues, such as interest income, passenger facility charges, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act grant, and customer facility charges, result from non-exchange transactions or ancillary activities. Non-operating expenses primarily consist of the interest expense on joint revenue bonds. Capital grants are recorded as capital contributions.

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

##### Cash and cash equivalents

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

**Dallas Fort Worth International Airport**  
**Notes To The Basic Financial Statements**  
**September 30, 2020**

Investments

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

**(e) Accounts Receivable**

Receivables are reported at their gross value when earned. The Airport's collection terms are 25 days. The allowance for uncollectible accounts is based on a weighted aging calculation. As a customer's balance is deemed uncollectible, the receivable is cleared and the amount is written off. If the balance is subsequently collected, such payments are applied to the allowance account. The allowance for doubtful accounts was \$2.1 million as of September 30, 2020. This allowance is netted against the Accounts Receivable balance.

**(f) Materials and Supplies Inventories**

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

**(g) Capital Assets**

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

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

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

**(h) Capitalized Interest**

Interest is capitalized on assets during construction. The total capitalized interest was \$10.1 million in FY 2020.

**Dallas Fort Worth International Airport**  
**Notes To The Basic Financial Statements**  
**September 30, 2020**

**(i) Grants and Federal Reimbursements**

Grants and Federal reimbursements are recorded as revenue in the accounting period in which eligibility requirements have been met to receive reimbursement of federal funds.

The Coronavirus Aid, Relief, and Economic Security Act ("CARES" or "CARES Act"), approved by the United States Congress and signed by the President on March 27, 2020, is one of the actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports. DFW is eligible to receive \$299.2 million of CARES Act funds and drew down \$144.1 million of cash in FY2020. The CARES Act allows airports to request reimbursement of any lawful expense. For ease of administration, DFW requested reimbursement for debt service net of Passenger Facility Charges ("PFCs) in May and anticipates doing so in the future.

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

The PFC program is authorized by federal legislation and allows an airport to impose a fee for use of its facilities up to \$4.50 on revenue enplaning passengers. PFC's may only be used for FAA approved projects. DFW collects PFC's at the \$4.50 level allowed by regulations. PFC's are collected by the air carriers when the ticket is purchased and remitted to the airport on a monthly basis by the airlines. As of September 30, 2020, the FAA has approved ten applications for the Airport for a total collection authority of \$5.7 billion through October 2038. The remaining collection authority is \$3.0 billion. DFW is currently collecting and expending PFC's under PFC Application 10; applications 1 – 9 are closed.

**(k) Deferred Compensation Plans**

The Airport offers a deferred compensation plan, created in accordance with Internal Revenue Code "(IRC)" Section 457, to all Airport employees to allow them to defer a portion of their salaries up to IRC limits.

The 457 Deferred Compensation Plan (the "457 Plan") balances totaling \$111.5 million for 2020 are not reported in the assets or liabilities of the Airport in accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

Beginning January 2010, DFW requires employees, excluding Public Safety Officers, hired after January 1, 2010 to participate in a deferred compensation plan, created in accordance with Internal Revenue Code Section 401(a), in which employees are required to defer 1% to 3% of their salaries, based on tenure. All new employees are also eligible to participate in the 457 Plan for employees hired after January 1, 2010. DFW will match 100% of employees' contributions up to 7% of an employee's salary to both the 401(a) and 457 plans.

The 401(a) Deferred Compensation Plan balances totaling \$29.1 million for 2020 are not reported in the assets or liabilities of the Airport in accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans".

The deferred compensation under these plans are not available to employees until termination, retirement, death, or an unforeseeable emergency. Amounts are held in trust for the benefit of the Airport's employees and are not subject to claims of the Airport's general creditors. The Airport is not the trustee of the 401(a) and 457 plans.

**Dallas Fort Worth International Airport**  
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**(l) Retirement Plans**

Based on the retirement plans' funding policy, DFW contributes an amount equal to or greater than the actuarially determined pension cost for each fiscal year. In FY 2020, DFW made contributions of \$32.7 million: \$21.9 million to the Employee plan; \$10.8 million to Department of Public Safety (DPS) plan.

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

**(m) Other Post-Employment Benefits ("OPEB") Plan**

Based on the OPEB plans' funding policy, DFW contributes an amount equal to the actuarially determined OPEB cost for each fiscal year. In FY 2020, DFW made contributions of \$1.4 million.

The OPEB plan is accounted in accordance with GASB Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans."*

Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plans' gains and losses on investments bought and sold as well as held during the year. Investments are valued at fair value based on quoted market values when available.

**(n) Restricted Assets and Liabilities**

Restricted assets consist of cash, investments, and other resources that are legally restricted by third parties to certain uses. Capital funds are restricted to pay the costs of certain capital projects as defined in various supplemental bond ordinances. PFC program funds are restricted to pay the cost of FAA approved capital projects and any debt incurred to finance those projects. Debt service funds are restricted to make payments for principal and interest as required by the specific bond ordinances. Public safety funds obtained from seizures are restricted to specified security or public safety uses. Concessionaires' fund pay grease system maintenance cost and joint marketing programs. PFIC working capital; operating; and furniture, fixture and equipment funds are classified as restricted.

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

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**(o) Compensated Absences**

DFW employees earn 12 days of sick leave per year with a maximum accrual of 130 days. Unused sick leave for terminated employees is not paid and, therefore, not accrued. DFW employees are granted Time Off with Pay ("TOP") at rates of 15 to 30 days per year depending on length of employment and position. Employees may accumulate up to a maximum of two times their annual accrual rate. Upon termination, employees are paid for any unused TOP. The accumulated TOP is recorded as a liability when earned and is reflected in the accounts payable.

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

Balance as of September 30, 2019	\$11,235
TOP used during the year	(10,701)
TOP earned during the year	13,082
Balance as of September 30, 2020	\$13,616

**(p) Use of Estimates**

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

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

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

DFW has three qualifying deferred outflows of resources. The first and third are the result of economic or demographic assumption changes made to the actuarial valuations of the pension and OPEB plans. The second relates to the difference between expected and actual experience in the measurement of the net pension liability. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions.

As of September 30, 2020, the combined balance of deferred outflows of resources is as follows (in thousands):

Deferred outflows of resources	2020
Pension:	
Change in assumptions	\$ 3,006
Differences between expected and actual experience	1,406
OPEB:	
Change in assumptions	691
Total deferred outflows of resources	\$ 5,103

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The Statement of Net Position include a separate section for deferred inflows of resources applying to a future period(s) inflow of resources (revenue). DFW has six qualifying deferred inflow of resources. The first relates to refunding of debt. When a bond is refunded, a deferred inflow of resources results when the net carrying value of original debt exceeds the reacquisition price. This amount is deferred and amortized over the term of the new bonds or refunded bonds, whichever is shorter, using the straight-line method. The second and fifth are related to the difference between expected and actual experience in the measurement of the net pension liability and net OPEB asset. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with these benefits. The third and fourth are related to the difference between projected and actual earnings on pension and OPEB plan investments. These amounts are amortized over a closed five-year period. The sixth relates to the change in assumptions for OPEB. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB.

As of September 30, 2020, the combined balance of deferred inflows of resources is as follows (in thousands):

Deferred inflows of resources	2020
Refunding of debt	\$ 30,775
Pension:	
Differences between expected and actual experience	6,807
Differences between projected and actual investment earnings	14,327
OPEB:	
Differences between projected and actual investment earnings	1,831
Differences between expected and actual experience	6,507
Change in assumptions	1,228
Total deferred inflows of resources	\$ 61,475

**(r) Leases**

DFW leases property to a variety of Airport tenants. These leases are classified as “operating” and, in general, are cancelable by DFW at any time.

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**(2) DEPOSITS AND INVESTMENTS**

**(a) Deposits - DFW**

As of September 30, 2020, DFW's cash balance (including amounts under restricted assets – see Note 8) represents \$326.0 million of cash and cash equivalents. The bank balances for the cash and cash equivalents accounts were approximately \$340.9 million on September 30, 2020. The balance of cash and cash equivalents is kept in money market accounts, high yield savings accounts, or in deposit accounts swept nightly. The money market accounts are collateralized by the assets of the funds. The sweep accounts, deposits and high yield savings are collateralized by pledged securities.

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

DFW investments in money market funds are included as cash equivalents for FY 2020 as follows (in thousands):

Description	2020
Cash	\$ 172,277
Money market funds	153,713
Total cash and cash equivalents	\$ 325,990

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**(b) Investments – DFW**

As of September 30, 2020, DFW's investment values and associated credit ratings from Standard and Poor's (S&P) are as follows (in thousands):

Investments by Sector	S&P Rating	Amount	Percent of Total Investment	Maturities (in years)	
				< 1 year	1 - 5 years
<u>Investments measured at Fair Value</u>					
U.S. Agencies and Instrumentalities	AA+	\$ 538,364	34.5%	\$ 45,053	\$ 493,311
	Not Rated [1]	198,625	12.7%	57,501	141,124
Municipals	AAA	73,496	4.7%	-	73,496
	AA+	30,020	1.9%	-	30,020
	AA	14,938	1.0%	251	14,687
	AA-	22,293	1.4%	5,032	17,261
	A	1,412	0.1%	1,412	-
Total Investments measured at Fair Value		879,148	56.3%	109,249	769,899
<u>Investments measured at Amortized Cost</u>					
U.S. Agencies and Instrumentalities	AA+	132,991	8.5%	132,991	-
	Not Rated [1]	74,971	4.8%	74,971	-
Commercial Paper	A-1+	184,062	11.8%	184,062	-
	A-1	120,459	7.7%	120,459	-
Municipals	A	15,000	1.0%	15,000	-
Total Investments measured at Amortized Cost		527,483	33.8%	527,483	-
<u>Total Investments</u>					
U.S. Agencies and Instrumentalities		944,951	60.5%	310,517	634,434
Commercial Paper		304,520	19.5%	304,520	-
Municipals		157,160	10.1%	21,695	135,465
Total Investments		\$ 1,406,631	90.1%	\$ 636,732	\$ 769,899
Money Market Funds		153,713	9.9%	\$ 153,713	-
Total Investments with Money Market Funds		\$ 1,560,344	100.0%		
Total Investments without Money Market Funds		\$ 1,406,631			
Accrued Investment Earnings		2,207			
Book value of investments		\$ 1,408,838			

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

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**(c) Interest Rate Risk – DFW**

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

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

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

The following table summarizes by purpose the maximum investment maturities.

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

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

Maturity	2020
	% of Investment
Less than one year	45%
One to five years	55%

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**(d) Credit Risk – DFW**

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

Investment Type	Minimum Ratings	Maximum Sector Percentage	Maximum Issuer Percentage
U.S. Treasury Notes and Bills	N/A	100%	100%
U.S. Agencies and Instrumentalities	N/A	100%	40%
Texas Agencies and Instrumentalities	N/A	100%	100%
Certificates of Deposit	N/A	100%	20%
Banker's Acceptances	Short-Term A1/P1	20%	5%
Municipals (Bonds, Obligations)	A or equivalent by one nationally recognized ratings agency	30%	10%
Repurchase Agreements	A or equivalent by one nationally recognized ratings agency	100%	25%
Guaranteed Investment Contract	A or equivalent by one nationally recognized ratings agency	100%	25%
Money Market Mutual Funds	AAA by one recognized ratings agency	20%	20%
Money Market Funds & Local Government Pools	AAA or AAAM by one recognized ratings agency	55%	100%
Commercial Paper	A1/P1 by two recognized ratings agencies	25%	10%

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

DFW limits the amounts that can be invested in any individual investment unless the investment is fully collateralized or guaranteed by the federal government. Money market funds are reported as cash in the financial statements but are considered investments by DFW policy. As of September 30, 2020, DFW was in compliance with its investment policy. DFW's investments that exceed 5% of total investments are as follows:

Description	Percent of Total Investments
Federal Home Loan Mortgage Corporation	15.8%
Federal Agricultural Mortgage Corporation	13.7%
Federal National Mortgage Association	9.6%
Federal Farm Credit Bank	8.8%
Federal Home Loan Bank	8.8%
	56.7%

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**(f) Custodial Risk – DFW**

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

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

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

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

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

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

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

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

U.S. Agencies and Instrumentalities

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

Non-callable agency issued debt securities and to-be announced "TBA" securities are generally valued using quoted market prices. Therefore, actively traded non-callable agency issued debt securities and TBA securities can be categorized in Level 1 of the fair value hierarchy. DFW's non-callable agency investments were not actively traded and thus were classified as Level 2.

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Callable agency/instrumentality issued debt securities and mortgage pass-through pools are valued by benchmarking model-derived prices and therefore are categorized in Level 2 of the fair value hierarchy.

Municipal Securities

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

As of September 30, 2020, DFW investments, measured at fair value, are categorized in the three levels as follows (in thousands):

Investments	Level 2: Significant Other Observable Inputs
U.S. Agencies and instrumentalities	\$ 736,989
Municipal bonds	142,159
Total	\$ 879,148

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

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

The Retirement Plans’ assets are carried at fair value and net asset value. As of December 31, 2019, the Plans’ investments are as follows (in thousands):

Investments by Value	
Investments measured at Fair Value	
Common stocks	\$ 175,163
ADR/Foreign stocks	3,316
U.S. Treasury and Agency securities	39,399
Corporate bonds	49,250
Asset/Commercial mortgage backed bonds	4,326
Mutual funds	29,473
Total Investments measured at Fair Value using level 1 and 2 inputs	\$ 300,927
Investments measured at Net Asset Value	
Money market funds	\$ 26,636
Commingled funds	142,757
Limited partnerships	295,547
Total Investments measured at fair value using net asset value	\$ 464,940
Total Investments	\$ 765,867

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As of December 31, 2019, Retirement Plan's investments, measured at fair value, are categorized in the two levels as follows (in thousands):

Investments	Level 1:	Level 2:	Total
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	
Common stocks	\$ 175,163	\$ -	\$ 175,163
ADR/Foreign stocks	3,316	-	3,316
U.S. Treasury and Agency securities	-	39,399	39,399
Corporate bonds	-	49,250	49,250
Asset/Commerical mortgage backed bonds	-	4,326	4,326
Mutual funds	29,473	-	29,473
Total investments at fair value	\$ 207,952	\$ 92,975	\$ 300,927

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The investment strategy of the Plans is to emphasize total return in the form of aggregate return from capital appreciation, dividend, and interest income. The primary objectives over a five year period for the plan assets are to maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on the plan assets, meet or exceed the actuarially assumed rate of return, and provide an acceptable level of volatility in both the long and short-term periods. As of December 31, 2019, the maturity values are as follows (in thousands):

Investment	Maturity (in years)				Total
	0-5	6-10	11-15	16+	
U.S. government securities	\$ 14,613	\$ 11,919	\$ 2,618	\$ 2,866	\$ 32,016
Mortgage backed securities	172	196	531	5,882	6,781
CMO/REMIC	-	-	-	121	121
Municipal Bonds	159	322	-	-	481
Total governmental	\$ 14,944	\$ 12,437	\$ 3,149	\$ 8,869	\$ 39,399
Asset backed bonds	\$ 1,420	\$ -	\$ 1,441	\$ 208	\$ 3,069
Commercial mortgage backed bonds	-	-	-	1,257	1,257
Corporate bonds	32,279	15,423	1,548	-	49,250
Total non-governmental	\$ 33,699	\$ 15,423	\$ 2,989	\$ 1,465	\$ 53,576

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**(j) Credit Risk – DFW’s Fiduciary Pension Plans**

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is measured by the assignment of rating by nationally recognized rating agencies such as S&P and Moody’s. The following tables show the rating of the Plans’ investments as of December 31, 2019 (in thousands):

Investment Types	Rating						Total
	AAA	AA+ AA AA-	A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	No Rating	
<b>Debt Securities</b>							
U.S. government securities	\$ 15,422	\$ 2,353	\$ -	\$ -	\$ -	\$ 14,241	\$ 32,016
Mortgage backed securities	-	-	-	-	-	6,781	6,781
CMO/REMIC	31	-	-	-	-	90	121
Municipal Bonds	481	-	-	-	-	-	481
Total governmental	<u>\$ 15,934</u>	<u>\$ 2,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,112</u>	<u>\$ 39,399</u>
Asset backed bonds	\$ 1,273	\$ 288	\$ 272	\$ -	\$ -	\$ 1,236	\$ 3,069
Commercial mortgage backed bonds	928	-	-	-	-	329	1,257
Corporate bonds	500	4,011	24,595	18,214	868	1,062	49,250
Total non-governmental	<u>\$ 2,701</u>	<u>\$ 4,299</u>	<u>\$ 24,867</u>	<u>\$ 18,214</u>	<u>\$ 868</u>	<u>\$ 2,627</u>	<u>\$ 53,576</u>
<b>Other Investments</b>							
Common stocks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,163	\$ 175,163
Money market funds	-	-	-	-	-	26,636	26,636
ADR/Foreign stocks	-	-	-	-	-	3,316	3,316
Commingled funds	-	-	-	-	-	142,757	142,757
Mutual funds	-	-	-	-	-	29,473	29,473
Limited partnerships	-	-	-	-	-	295,547	295,547
Total Other Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 672,892</u>	<u>\$ 672,892</u>
Total Investments	<u>\$ 18,635</u>	<u>\$ 6,652</u>	<u>\$ 24,867</u>	<u>\$ 18,214</u>	<u>\$ 868</u>	<u>\$ 696,631</u>	<u>\$ 765,867</u>

**(k) Concentration of Credit Risk – DFW’s Fiduciary Pension Plans**

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

Asset Class	Minimum	Maximum	Target	Actual
Core fixed income	7.5%	17.5%	12.5%	12.3%
Domestic equity	15.0%	25.0%	20.0%	21.7%
International / Global equity	12.5%	27.5%	17.5%	18.2%
Non-core fixed income	10.0%	20.0%	15.0%	14.3%
Private equity	7.5%	17.5%	12.5%	14.3%
Real assets, ETF/ETN (MLP)	5.0%	15.0%	10.0%	7.8%
Real estate	5.0%	15.0%	10.0%	8.8%
Cash / Cash equivalents	0.0%	5.0%	2.5%	2.6%

As of December 31, 2019, there were no investments exceeding the category parameters of the investment guidelines.



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

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

**(m) Investments – DFW’s Fiduciary OPEB Plan**

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

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

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

The following investments are valued as of December 31, 2019 (in thousands):

Investments measured at Fair Value	2019
Indexed Equity Mutual Fund	\$ 15,825
Indexed Intermediate Bond Mutual Fund	11,241
Total Investments measured at Fair Value	\$ 27,066
Money Market Fund	3,847
Total Investments	\$ 30,913

**(n) Interest Rate Risk – DFW’s Fiduciary OPEB Plan**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The investment strategy of the OPEB Plan is to emphasize total return in the form of aggregate return from capital appreciation, dividend, and interest income. The primary objectives over a five year period for the plan assets are to maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on the plan assets, meet or exceed the actuarially assumed rate of return, and provide an acceptable level of volatility in both the long and short-term periods. As of December 31, 2019, the OPEB Plan had no investments that are exposed to interest rate risk.

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**(o) Credit Risk – DFW’s Fiduciary OPEB Plan**

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is measured by the assignment of rating by nationally recognized rating agencies such as S&P and Moody’s. As of December 31, 2019, the OPEB Plan had no investments that are exposed to credit risk.

**(p) Concentration of Credit Risk – DFW’s Fiduciary OPEB Plan**

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

Investment	Minimum	Maximum	Target	Actual
Indexed Equity Mutual Fund	40.0%	60.0%	50.0%	58.5%
Intermediate Bond Fund	40.0%	60.0%	50.0%	41.5%

**(q) Custodial Risk – DFW’s Fiduciary OPEB Plan**

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

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**(3) RELATED-PARTY TRANSACTIONS**

DFW makes certain payments routinely to the Cities. Payments to the City of Fort Worth, primarily for legal services and water purchases for the year ended September 30, 2020 were approximately \$1.8 million. Payments to the City of Dallas, primarily for legal services and water purchases for the year ended September 30, 2020 were approximately \$1.5 million.

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

A detail of the unrestricted accounts payable and other current liabilities as of September 30, 2020 are as follows (in thousands):

	<u>FY 2020</u>
Accrued expenditures	\$ 29,508
Unearned revenue	49,089
Payroll and employee benefits	15,579
Signatory airline refunds	7,788
Time off with pay	13,616
Accounts payable	7,831
Insurance	6,231
Deposits	3,005
Other current and accrued liabilities	8,923
Total	<u>\$ 141,570</u>

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

Capital assets activity during the year ended September 30, 2020 follows (in thousands):

Description	2020				Balance September 30, 2020
	Balance October 1, 2019	Additions to Existing Assets	Completed Projects and Additions	Less Retirements	
Capital assets not being depreciated					
Land	\$ 294,313	\$ -	\$ -	\$ -	\$ 294,313
Construction in progress	279,466	446,649	(168,086)	-	558,029
Total capital assets not depreciated	573,779	446,649	(168,086)	-	852,342
Depreciable capital assets					
Buildings improvements	\$ 3,920,229	-	42,397	(17,071)	3,945,555
Improvements other than buildings	3,311,061	-	125,689	(14,095)	3,422,655
Machinery and equipment	1,187,230	30,468	-	(3,969)	1,213,729
Vehicles	223,666	7,464	-	(569)	230,561
Total depreciable capital assets	8,642,186	37,932	168,086	(35,704)	8,812,500
Accumulated depreciation					
Buildings improvements	\$ 1,231,402	130,056	-	(7,920)	1,353,538
Improvements other than buildings	1,518,812	98,887	-	(9,114)	1,608,585
Machinery and equipment	794,893	61,129	-	(3,563)	852,459
Vehicles	137,771	20,087	-	(400)	157,458
Total accumulated depreciation	3,682,878	310,159	-	(20,997)	3,972,040
Total, net capital assets	\$ 5,533,087	\$ 174,422	\$ -	\$ (14,707)	\$ 5,692,802

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**(6) DEBT**

A summary of bond indebtedness changes during the year ended September 30, 2020 follows (in thousands):

Series: Maturity (Due) : Interest Rate	Original Issue Amount	Beginning Balance	Additions	Reduction	Ending Balance	Amounts Due Within One Year
<b>Gross DFW Debt Payable</b>						
<b>DFW - General Obligation Bonds</b>						
2009A: Due 11/10-11/24: 3.000 - 5.000%	281,005	4,480	-	(4,480)	-	-
2011A: Due 11/11-11/21: 0.350 - 4.442%	111,355	39,385	-	(12,610)	26,775	13,110
2011C: Due 11/11-11/35: 1.000 - 5.000%	151,840	146,205	-	(141,035)	5,170	5,170
2011D: Due 11/12-11/24: 2.000 - 5.000%	221,750	208,885	-	(194,250)	14,635	14,635
2012B: Due 11/12-11/35: 5.000 - 5.000%	433,770	396,445	-	(383,265)	13,180	13,180
2012C: Due 11/12-11/45: 3.250 - 5.250%	274,925	267,475	-	(2,410)	265,065	2,705
2012D: Due 11/12-11/42: 5.000 - 5.000%	475,000	475,000	-	(475,000)	-	-
2012E: Due 11/13-11/35: 1.000 - 5.000%	300,495	10,460	-	(7,075)	3,385	3,385
2012F: Due 11/13-11/35: 3.000 - 5.000%	270,535	17,450	-	(8,525)	8,925	8,925
2012G: Due 11/13-11/35: 2.000 - 5.000%	294,080	282,550	-	(280,780)	1,770	1,770
2012H: Due 11/25-11/45: 4.156 - 5.000%	480,000	480,000	-	(480,000)	-	-
2013A: Due 11/26-11/45: 5.000 - 5.000%	372,240	57,705	-	-	57,705	-
2013B: Due 11/26-11/50: 4.000 - 5.000%	450,000	450,000	-	-	450,000	-
2013C: Due 11/34-11/45: 4.750 - 5.000%	242,000	242,000	-	-	242,000	-
2013D: Due 11/14-11/33: 2.000 - 5.250%	416,315	348,065	-	(18,055)	330,010	18,995
2013E: Due 11/14-11/33: 4.000 - 5.500%	225,310	148,255	-	(17,875)	130,380	24,410
2013F: Due 11/14-11/33: 3.000 - 5.250%	251,960	236,575	-	(16,095)	220,480	11,325
2013G: Due 11/14-11/43: 4.125 - 5.250%	109,060	104,570	-	(4,715)	99,855	4,950
2014A: Due 11/14-11/32: 1.000 - 5.250%	201,515	196,750	-	(195)	196,555	205
2014B: Due 11/14-11/45: 4.650 - 5.000%	222,910	222,910	-	-	222,910	-
2014C: Due 11/14-11/45: 4.125 - 5.000%	124,285	122,065	-	(2,340)	119,725	2,445
2014D: Due 11/14-11/27: 1.000 - 5.000%	78,430	60,995	-	(8,860)	52,135	9,345
2014E: Due 11/14-11/27: 4.000 - 5.000%	97,315	79,195	-	(9,175)	70,020	9,670
2019A: Due 11/19-11/45: 1.837 - 3.195%	1,167,060	1,167,060	-	-	1,167,060	9,930
2020A: Due 11/20-11/35: 4.000 - 5.000%	391,755	-	391,755	-	391,755	-
2020B: Due 11/20-11/45: 4.000 - 5.000%	459,520	-	459,520	-	459,520	-
2020C: Due 11/20-11/50: 1.041 - 3.089%	1,193,985	-	1,193,985	-	1,193,985	-
<b>DFW - Bonds under Direct Placement</b>						
2016 : Due 11/17-11/21: 0.870 - 1.600%	280,430	205,430	-	(75,000)	130,430	79,690
2017A: Due 11/18-11/24: 1.910 - 2.230%	302,370	302,370	-	-	302,370	-
<b>Total Gross DFW Debt Payable</b>	<b>\$ 9,881,215</b>	<b>\$ 6,272,280</b>	<b>\$ 2,045,260</b>	<b>\$ (2,141,740)</b>	<b>\$ 6,175,800</b>	<b>\$ 233,845</b>
Unamortized Premium (Discount), net		239,919	213,470	(140,630)	312,759	-
<b>DFW Net Debt Payable</b>		<b>\$ 6,512,199</b>	<b>\$ 2,258,730</b>	<b>\$ (2,282,370)</b>	<b>\$ 6,488,559</b>	<b>\$ 233,845</b>

The Airport frequently issues tax-exempt bonds for capital construction projects. These bonds are subject to the arbitrage regulations. As of September 30, 2020, there was no liability for rebate of arbitrage.

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**(a) Joint Revenue Bonds**

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

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

At the end of each fiscal year, any excess funds in the Operating Revenue and Expense Fund are transferred to the Capital Improvement Fund. Funds transferred to the Capital Improvement Fund are allocated among three accounts, as provided in the Use and Lease Agreement. The Joint Capital Account generally requires approval from both DFW and the Airlines prior to any expenditure of funds. The DFW Capital Account may be used at the discretion of the Airport. The Rolling Coverage Account is funded by excess revenues from the Rolling Coverage sub-cost center, which, unless used during the fiscal year, is equal to the amount transferred at the beginning of the fiscal year, plus any incremental coverage collected during the fiscal year to ensure that rolling coverage is equal to 1.25 times Accrued Aggregate Debt Service.

Effective July 1, 2011, PFC Application 11-10-C-00-DFW authorized the collection and use of \$4.2 billion for the purpose of paying debt service on 14 approved PFC projects. PFC collections are approved at the \$4.50 level. PFC’s remitted to the Airport by the airlines are deposited into a separate fund, and to the extent available, transferred monthly to the Operating Fund in an amount sufficient to pay eligible debt service. These transferred funds are considered Gross Revenues of the Airport for the purpose of meeting its rate covenants. However, PFC’s may only be used for the purpose of paying eligible debt service on approved

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PFC projects. All outstanding DFW bonds are senior lien parity bonds. As such, they are supported by a pledge of Gross Revenues, which includes PFC's. Failure to collect PFC revenues in an amount sufficient to pay eligible debt service on PFC approved projects would increase net debt service costs recovered through DFW's rate base (i.e., higher landing fees and terminal rents). In addition, PFC revenue is pledged to pay debt service to the extent that debt service is eligible and funds are available. Total principal and interest remaining to be paid on the bonds is \$9.4 billion, with annual requirements over the next five years ranging from \$449.2 million to \$466.1 million. Revenue bond principal is due annually on November 1st, while interest is due semi-annually on November 1st and May 1st.

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

The Facility Improvement Corporation ("FIC") is a duly incorporated nonprofit public instrumentality of the State of Texas, created by the Airport's owner cities, pursuant to Chapter 22 of the Texas Transportation Code for the purpose of providing tax exempt conduit financing for airlines and other qualified tenants within the boundaries of the Airport. Bonds are issued by the FIC on behalf of the beneficial party, and pursuant to a facility agreement are payable solely by the beneficial party. Neither DFW nor the FIC has any obligation for the repayment of these bonds. As of September 30, 2020, the outstanding balance of conduit bonds was \$60.2 million.

**(c) Fiscal Year 2020 Commercial Paper Note Issuance**

In FY 2020, the DFW Board authorized the issuance of Subordinate Lien Obligations in the form of Commercial Paper Notes up to the amount of \$750.0 million. Commercial Paper refers to a short-term, unsecured debt obligation that is issued as an alternative to bond funding. It is a money market instrument that generally comes with a maturity of up to 270 days. Interest on the Commercial Paper Note is paid at the maturity date. DFW Commercial Paper Notes will be used to interim finance capital projects on the Airport. Tranches will be taken as funds are needed. In FY 2020, the Airport issued eight Commercial Paper Notes. The Notes were recorded as current liabilities and the related interest costs were paid from the airport revenues. DFW intends to roll over these Notes until they were refinanced with long-term revenue bonds. All of these Notes were either rolled over or refinanced with a revenue bond in FY 2020. As of September 2020, there were no Notes outstanding. The following is the schedule of all the Notes that were issued then either rolled over or refinanced with a bond:

Commerical Paper Note	Issued Date	Amount	Rolled Over to / Refinanced by Bond	Rolled Over / Refinance Date
CP #1	11/06/19	\$25,000,000	CP #7	07/23/20
CP #2	11/06/19	25,000,000	CP #8	07/23/20
CP #3	07/08/20	37,500,000	2020B	08/12/20
CP #4	07/08/20	62,500,000	2020C	08/12/20
CP #5	07/08/20	37,500,000	2020B	08/12/20
CP #6	07/08/20	62,500,000	2020C	08/12/20
CP #7	07/23/20	25,000,000	2020C	08/12/20
CP #8	07/23/20	25,000,000	2020C	08/12/20

**(d) Fiscal Year 2020 Debt Issuance**

On August 4, 2020, the Airport issued (Series 2020A) \$391.8 million of fixed rate joint revenue refunding bonds at a premium of \$101.7 million. As an advanced refunding, the proceeds were used to partially refund and defease: \$370.7 million of principal outstanding for JRB Series 2012B and \$115.5 million of principal outstanding for JRB Series 2012G. A refunding gain of

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\$26.1 million was recognized in this refunding transaction. The two refunded and defeased Series bonds are callable on November 1, 2020. Refunding proceeds were placed in an escrow account pending the call date. The refunding resulted in future debt service savings of \$168.8 million and net present value economic gain of \$132.4 million.

On August 12, 2020, the Airport issued (Series 2020B) \$459.5 million of fixed rate joint revenue refunding bonds at a premium of \$111.7 million. As an advanced refunding, the proceeds were used to partially refund and defease: \$136.1 million of principal outstanding for JRB Series 2011C, \$186.5 million of principal outstanding for JRB Series 2012D, and \$160.2 million of principal outstanding for JRB Series 2012G; and fully refund \$37.5 million of principal outstanding for Commercial Paper Note #3, and \$37.5 million of principal outstanding for Commercial Paper Note #5. A refunding gain of \$13.4 million was recognized in this refunding transaction. The three refunded and defeased Series bonds are callable on November 1, 2020. Refunding proceeds were placed in an escrow account pending the call date. The refunding resulted in future debt service savings of \$154.7 million and net present value economic gain of \$130.0 million.

On August 12, 2020, the Airport issued (Series 2020C) \$1.2 billion of fixed rate joint revenue refunding bonds. As an advanced refunding, the proceeds were used to fully refund and defease: \$475.0 million of principal outstanding for JRB Series 2012D, and \$480.0 million of principal outstanding for JRB Series 2012H; and fully refund \$62.5 million of principal outstanding for Commercial Paper Note #4, \$62.5 million of principal outstanding for Commercial Paper Note #6, \$25.0 million of principal outstanding for Commercial Paper Note #7, and \$25.0 million of principal outstanding for Commercial Paper Note #8. A refunding gain of \$1.4 million was recognized in this refunding transaction. The two refunded and defeased Series bonds were callable on November 1, 2020. Refunding proceeds were placed in an escrow account pending the call date. The refunding resulted in future debt service savings of \$289.6 million and net present value economic gain of \$208.7 million.

**(e) Debt Service Requirement**

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

Year ending September 30	Joint Revenue Bonds (JRB)		
	Principal	Interest	Total
2021	\$ 233,845	\$ 215,403	\$ 449,248
2022	228,555	227,513	456,068
2023	235,330	219,638	454,968
2024	255,145	210,967	466,112
2025	264,050	201,727	465,777
2026 - 2030	1,023,320	883,670	1,906,990
2031 - 2035	1,287,720	636,695	1,924,415
2036 - 2040	1,057,315	397,569	1,454,884
2041 - 2045	1,146,645	199,443	1,346,088
2046 - 2050	401,375	26,334	427,709
2051	42,500	650	43,150
<b>TOTAL</b>	<b>\$ 6,175,800</b>	<b>\$ 3,219,607</b>	<b>\$ 9,395,407</b>



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

As of September 30, 2020, the Airport held approximately \$600.4 million in reserve funds, consisting of \$306.0 million in the debt service reserve fund and \$294.4 million in the interest and sinking funds, for use in payment of the above debt service requirements. Certain amounts of the joint revenue bonds may be redeemed at par or a premium at various dates at the option of the Cities.

**(g) Direct Placement Debt**

As of September 30, 2020, DFW had outstanding two direct placement debt issuances: Series 2016 and Series 2017A. The bonds were issued under the exemption provided under Rule 144A of the Securities Act of 1933 as amended and may only be resold to accredited investors as defined in the Act. There are no unique default provisions, payment provisions, or collateral pledged to either of these issuances other than an indentured Gross Revenue pledge of the Airport on parity with all other Joint Revenue Bonds.

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

Net investment in capital assets is comprised of the following amounts at September 30, 2020 (in thousands):

	2020
Capital assets	\$5,692,802
Less: long-term debt payable, portion used for capital activities, and capital related payables	(5,886,730)
Total net investment in capital assets	\$ (193,928)

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**(8) RESTRICTED NET POSITION**

The following table details assets and liabilities payable from restricted assets and the calculation of restricted net position reported in the financial statements at September 30, 2020 (in thousands):

Description	Public Safety and Other	PFIC	Capital	Debt Service	Passenger Facility Charges	Total
<b>Assets:</b>						
<b>Current</b>						
Cash and cash equivalents	\$ -	\$ 2,592	\$ 74,832	\$ 95,347	\$ -	\$ 172,771
Investments	-	-	15,422	219,076	-	234,498
<b>Total current assets</b>	<b>-</b>	<b>2,592</b>	<b>90,254</b>	<b>314,423</b>	<b>-</b>	<b>407,269</b>
<b>Non-current</b>						
Cash and cash equivalents	2,056	15,102	-	-	-	17,158
Investments	-	4,401	100,645	287,405	14,994	407,445
Other restricted assets	5,684	3,844	10,710	-	7,708	27,946
<b>Total non-current assets</b>	<b>7,740</b>	<b>23,347</b>	<b>111,355</b>	<b>287,405</b>	<b>22,701</b>	<b>452,549</b>
<b>Total current and non-current assets</b>	<b>7,740</b>	<b>25,939</b>	<b>201,609</b>	<b>601,828</b>	<b>22,702</b>	<b>859,818</b>
<b>Payable from restricted assets:</b>						
<b>Current</b>						
Accounts payable	-	2,592	90,254	724	-	93,570
Accrued interest on revenue bonds	-	-	-	79,854	-	79,854
Long-term liabilities due within one year	-	-	-	233,845	-	233,845
<b>Total current payable from restricted assets</b>	<b>-</b>	<b>2,592</b>	<b>90,254</b>	<b>314,423</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>-</b>	<b>2,592</b>	<b>90,254</b>	<b>314,423</b>	<b>-</b>	<b>407,269</b>
<b>Restricted assets less liabilities</b>	<b>7,740</b>	<b>23,347</b>	<b>111,355</b>	<b>287,405</b>	<b>22,702</b>	<b>452,549</b>
<b>Reclass to net investment in capital assets</b>						
Less: Long-term debt associated with reserves and financing charges	-	-	(201,609)	(287,405)	-	(489,014)
Add: Accounts payable, retainage for capital projects	-	-	90,254	-	-	90,254
<b>Net position, restricted</b>	<b>\$ 7,740</b>	<b>\$ 23,347</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,702</b>	<b>\$ 53,789</b>
<b>Summary</b>						
Restricted cash and cash equivalents	\$ 2,056	\$ 17,694	\$ 74,832	\$ 95,347	\$ -	\$ 189,929
Restricted investments	-	4,401	116,067	506,481	14,994	641,943
<b>Restricted cash and cash equivalents and Investments</b>	<b>2,056</b>	<b>22,095</b>	<b>190,899</b>	<b>601,828</b>	<b>14,994</b>	<b>831,872</b>
Accounts payable and accrued interest from restricted assets	-	2,592	90,254	80,578	-	173,424

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**(9) RETIREMENT PLANS**

**(a) *Plan Descriptions***

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

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

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

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

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

The DPS Plan permits early retirement at ages 55 to 61, or upon satisfaction of the “Rule of 80” or the “25 and out” rule. The “Rule of 80” is the attainment of age 50 and the completion of the number of years of benefit service that when added to the participant’s age equals the sum of 80. The “25 and out” rule is the attainment of twenty-five (25) years of benefit service in a DPS covered position. DPS covered employees receive pension benefits in the form of a qualified joint and survivor annuity; however, an employee may request optional forms of pension benefit payments upon written request to the Plan Administrator. Other forms of payment of accumulated plan benefits include lump-sum distribution upon retirement or termination or equal monthly payments for life.

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Membership - The number of participants covered by the Plans according to current membership classification at January 1, 2020 was as follows:

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
Inactive plan members or beneficiaries currently receiving benefits	1,329	199	1,528
Inactive plan members entitled to but not yet receiving benefits	400	37	437
Active plan members	654	388	1,042
Total plan members	<u>2,383</u>	<u>624</u>	<u>3,007</u>

**(b) Funding Policies**

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

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

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

DFW's actuarially determined contribution and contributions for fiscal year 2020 are as follows (in thousands):

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
Actuarially determined contribution	\$ 20,194	\$ 9,815	\$ 30,009
Contributions in relation to the actuarially determined contribution	21,915	10,801	32,716
Contribution deficiency (excess)	<u>\$ (1,721)</u>	<u>\$ (986)</u>	<u>\$ (2,707)</u>

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**(c) Actuarial Assumptions: Contributions, Net Pension Liability**

The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of the Plans, and to analyze changes in the Plans' condition.

The actuarially determined contribution requirements for the DFW's fiscal years are computed through an actuarial valuation performed as of January 1, of each year for payment in the following fiscal year. DFW's net pension liability was measured as of January 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Significant actuarial assumptions for valuations performed January 1, 2020, are as follows:

Significant Actuarial Assumptions :	Employee Plan	DPS Plan
Valuation date	For the year beginning January 1, 2020.	For the year beginning January 1, 2020.
Actuarially assumed investment return	7.25% per annum compounded annually, net of investment expenses. Administrative expenses are added to the annual Actuarially Determined Contribution.	7.25% per annum compounded annually, net of investment expenses. Administrative expenses are added to the annual Actuarially Determined Contribution.
Experience Study	Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015.	Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015.
Mortality rates for males and females		
a. Retirees: Non-Disabled (Healthy)	Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.	Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.
b. Retirees: Disabled	Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014, set forward 3 years with a minimum 3.00% rate.	Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014, set forward 3 years with a minimum 3.00% rate.
c. Pre-retirement (Active)	Retirement Plans RP-2014 Combined Healthy Mortality Tables. Projected with Scale BB from 2014.	Retirement Plans RP-2014 Combined Healthy Mortality Tables. Projected with Scale BB from 2014.
Retirement, disablement and separation rate	Graduated rates based on age or years of employment (detailed in actuary's report).	Graduated rates based on age or years of employment (detailed in actuary's report).
Actuarial cost method	Entry Age Normal Level Percentage of Pay.	Entry Age Normal Level Percentage of Pay.
Cost of living adjustment (at core inflation rate)	2.75% per annum.	2.75% per annum.
Projected salary increase	Variable Rate (3.75% to 6.25%) of increase based on years of services which includes inflation rate (2.75%).	Variable Rate (3.75% to 13.25%) of increase based on years of services which includes inflation rate (2.75%).
Asset valuation method: Net pension liability	Fair value.	Fair value.
Asset valuation method: Actuarially determined contribution	Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.	Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.
Employee contribution rate	Not applicable.	7.0% of compensation.

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

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

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The target allocation and the best estimates of the arithmetic real rates of return for each major asset class, net of investment expenses, are summarized in the following table:

	Target Allocation	Arithmetic Real Return	Asset Class Return
Domestic Equity	20.0%	5.12%	1.02%
International / Global Equity	17.5%	7.19%	1.26%
Non-Core Fixed Income	15.0%	1.87%	0.28%
Core Fixed Income	12.5%	0.79%	0.10%
Private Equity	12.5%	9.14%	1.14%
Real Estate	10.0%	4.76%	0.48%
Real Assets and MLP's	10.0%	3.59%	0.36%
Cash	2.5%	0.07%	0.00%
Total	100.0%		4.64%
Inflation			2.75%
Arithmetic nominal return before adverse experience			7.39%
Margin for adverse experience			(0.14%)
Expected arithmetic nominal return			7.25%

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

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that DFW contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Retirement Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability of DFW, calculated using the discount rate of 7.25%, as well as what the DFW's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Plan	1% Decrease from 7.25% to 6.25%	Current Discount Rate 7.25%	1% Increase from 7.25% to 8.25%
Employee	\$ 168,491	\$ 83,369	\$ 12,755
DPS	85,882	46,693	14,789
Total DFW plans	\$ 254,373	\$ 130,062	\$ 27,544

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

Changes in DFW's net pension liability for its Employee and DPS plans for DFW's fiscal year 2020 are as follows (in thousands):

<u>Employee Plan</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2019	\$ 610,919	\$ 493,301	\$ 117,618
Changes for the year:			
Service cost	8,544		8,544
Interest	43,698		43,698
Differences between expected and actual experience	(4,625)		(4,625)
Contributions - employer		21,916	(21,916)
Net investment income		60,805	(60,805)
Benefit payments, including refunds of employee contributions	(25,212)	(25,212)	-
Administrative expense		(855)	855
Net changes	<u>22,405</u>	<u>56,654</u>	<u>(34,249)</u>
Balances at September 30, 2020	<u>\$ 633,324</u>	<u>\$ 549,955</u>	<u>\$ 83,369</u>
<u>DPS Plan</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2019	\$ 248,170	\$ 188,059	\$ 60,111
Changes for the year:			
Service cost	7,131		7,131
Interest	17,930		17,930
Differences between expected and actual experience	(2,318)		(2,318)
Contributions - employer		10,800	(10,800)
Contributions - employee		2,289	(2,289)
Net investment income		23,401	(23,401)
Benefit payments, including refunds of employee contributions	(8,883)	(8,883)	-
Administrative expense		(329)	329
Net changes	<u>13,860</u>	<u>27,278</u>	<u>(13,418)</u>
Balances at September 30, 2020	<u>\$ 262,030</u>	<u>\$ 215,337</u>	<u>\$ 46,693</u>
<u>Total</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2019	\$ 859,089	\$ 681,360	\$ 177,729
Changes for the year:			
Service cost	15,675		15,675
Interest	61,628		61,628
Differences between expected and actual experience	(6,943)		(6,943)
Contributions - employer	-	32,716	(32,716)
Contributions - employee	-	2,289	(2,289)
Net investment income	-	84,206	(84,206)
Benefit payments, including refunds of employee contributions	(34,095)	(34,095)	-
Administrative expense		(1,184)	1,184
Net changes	<u>36,265</u>	<u>83,932</u>	<u>(47,667)</u>
Balances at September 30, 2020	<u>\$ 895,354</u>	<u>\$ 765,292</u>	<u>\$ 130,062</u>

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**(g) Pension Expense**

For the year ended September 30, 2020, DFW recognized pension expense as follows (in thousands):

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
Pension Expenses	\$ 16,825	\$ 10,845	\$ 27,670

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

At September 30, 2020, DFW reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,286	\$ 1,406	\$ 3,521	\$ 1,406	\$ 6,807
Net difference between projected and actual earnings on pension plan investments	-	10,382	-	3,945	-	14,327
Assumption Changes	-	-	3,006	-	3,006	-
Total	<u>\$ -</u>	<u>\$ 13,668</u>	<u>\$ 4,412</u>	<u>\$ 7,466</u>	<u>\$ 4,412</u>	<u>\$ 21,134</u>

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

Year ending, September 30:

	<u>Employee</u>	<u>DPS</u>	<u>Total</u>
2021	\$ (6,096)	\$ (1,142)	\$ (7,238)
2022	(4,337)	(879)	(5,216)
2023	1,912	1,013	2,925
2024	(5,147)	(1,606)	(6,753)
2025	-	(53)	(53)
Thereafter	-	(387)	(387)
Total	<u>\$ (13,668)</u>	<u>\$ (3,054)</u>	<u>\$ (16,722)</u>



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

**(a) *Plan Descriptions***

General

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

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

OPEB Plan Eligibility

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

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

Health Care Benefit

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

Insurance Premiums

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

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

Medicare Supplement Plan

DFW offers a PPO Medicare Supplement Plan for retirees and/or their spouses age 65 or older. The retiree and/or spouse must transfer to the Medicare Supplement Plan by the first of the month following their 65<sup>th</sup> birthday if they choose to remain on the DFW Plan. Retirees pay the

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total amount charged to DFW. Dental coverage is not available under the retiree benefits program.

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

Membership

The number of participants covered by the Plans according to current membership classification at January 1, 2020 was as follows:

	<u>FY 2020</u>
Inactive plan members or beneficiaries currently receiving benefits	142
Active plan members	<u>2,079</u>
Total plan members	<u><u>2,221</u></u>

**(b) Funding Policies**

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

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

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

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

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

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DFW's actuarially determined contribution and contributions for fiscal year 2019 are as follows (in thousands):

	FY 2020
Actuarially determined contribution	\$ 1,403
Actual contribution	1,403
Contribution deficiency (excess)	-

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

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

Significant actuarial assumptions for valuations performed January 1, 2020, are as follows:

OPEB Plan	
Valuation date	January 1, 2020.
Actuarially assumed investment return	6.75% per annum compounded annually.
Mortality rates for males and females	RP-2014 Combined Healthy Mortality tables with Blue Collar Adjustments, with no set back for males or females. Generational mortality improvements in accordance with Scale BB from the table's base year of 2014.
Retirement, disablement and separation rate	Graduated rates based on age (detailed in actuary's report).
Actuarial cost method	Individual Entry Age Actuarial Cost Method.
General inflation	2.75% per annum.
Payroll growth rate	3.75% per annum.
Salary increase rate	3.75% to 6.25% for Employees and 3.75% to 13.25% for DPS employees, including inflation rate(2.75%).
Health cost trend rates	Initial rates of 7.30%, declining to a rate of 4.50% after 13 years.
Method used for determining actuarial value of assets	Fair value of assets.
Unfunded Actuarial Accrued Liabilities (UAAL) Amortization method	Level percent-of-payroll contributions, closed.
Remaining UAAL amortization	17 years.

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

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

	Target Allocation	Arithmetic Real Return	Asset Class Return
Domestic Equity	50.0%	5.12%	2.56%
Core Fixed Income	50.0%	0.79%	0.40%
Total	100.0%		2.96%
Inflation			2.75%
Arithmetic nominal return before favorable/(adverse) experience			5.71%
Margin for favorable experience			1.04%
Expected arithmetic nominal return			6.75%

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

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that DFW contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the net OPEB liability (asset) of DFW, calculated using the discount rate of 6.75%, as well as what the DFW's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease from 6.75% to 5.75%	Current Discount Rate 6.75%	1% Increase from 6.75% to 7.75%
Net OPEB Liability(Asset)	\$ (3,835)	\$ (5,539)	\$ (7,131)

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**(f) Sensitivity of Net OPEB Liability (Asset) – Healthcare Cost Trend Rate**

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

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB Liability(Asset)	\$ (7,417)	\$ (5,539)	\$ (3,361)

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

The annual money-weighted rate of return on OPEB plan investments is calculated as the internal rate of return on OPEB plan assets, net of OPEB plan investment expense. The money-weighted rate of return expresses investment performance adjusted for the changing amounts actually invested. OPEB plan investment expense is measured on an accrual basis of accounting. Inputs to the internal rate of return are determined monthly. For the year ended December 31, 2019, the money-weighted rate of return for the Plan's investments was 19.5%.

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

Changes in DFW's net OPEB liability (asset) for fiscal year 2020 as follows (in thousands):

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at September 30, 2019	\$ 25,018	\$ 25,587	\$ (569)
Changes for the year:			
Service cost	1,384		1,384
Interest	1,691		1,691
Differences between expected and actual experience	(1,671)		(1,671)
Employer contributions		1,404	(1,404)
Net investment income		4,985	(4,985)
Assumption changes			-
Benefit payments	(1,312)	(1,312)	-
Administrative expense		(15)	15
Net changes	92	5,062	(4,970)
Balances at September 30, 2020	\$ 25,110	\$ 30,649	\$ (5,539)

OPEB plan's fiduciary net position as a percentage of the total OPEB liability for fiscal year 2020 was 122.1%.

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**(i) OPEB Expense**

For the year ended September 30, 2020, DFW recognized OPEB Expenses (Revenues) as follows (in thousands):

OPEB Expenses (Revenues) \$ (6)

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

At September 30, 2020, DFW reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,507
Difference between projected and actual earnings on OPEB plan investments	-	1,831
Assumption Changes	691	1,228
Total	\$ 691	\$ 9,566

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

Year ending, September 30:

	FY 2020
2021	\$ (1,366)
2022	(1,367)
2023	(1,009)
2024	(1,505)
2025	(854)
Thereafter	(2,774)
Total	\$ (8,875)

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**(k) OPEB financial reports**

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

**Dallas Fort Worth International Airport  
Statement of Fiduciary Net Position- OPEB Plan  
As of December 31, 2019  
(Amounts in Thousands)**

Assets	
Cash and Cash Equivalents	\$ 3,847
Receivables	5
Investments	27,066
Total assets	<u>30,918</u>
Liabilities	
Premiums/ Claims Payable	265
Trustee Fees Payable	4
Total liabilities	<u>269</u>
Fiduciary Net Position Restricted for OPEB	<u>\$ 30,649</u>

**Dallas Fort Worth International Airport  
Statement of Changes in Fiduciary Net Position- OPEB Plan  
For the Year December 31, 2019  
(Amounts in Thousands)**

Additions	
Contributions	
Employer contributions	\$ 1,403
Total contributions	<u>1,403</u>
Plans' interest-in Master Trust Investment gain	4,334
Dividends	590
Interest	62
Total investment income	<u>4,986</u>
Total additions	<u>6,389</u>
Deductions	
Benefits paid to plan members and beneficiaries	1,312
Administrative fees	15
Total deductions	<u>1,327</u>
Net increase in fiduciary net position	5,062
Fiduciary net position restricted for OPEB	
At beginning of the year	25,587
At end of the year	<u>\$ 30,649</u>

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

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

Grand Hyatt Hotel

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

Hyatt Place Hotel

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

Consolidated Rent-A-Car Facility

In 1998 and 1999, the Facility Improvement Corporation (FIC) issued approximately \$160 million of bonds for construction of a consolidated rental car facility (“RAC”). These bonds were secured by a facility agreement between the FIC and the Rent-A-Car companies, which provided that the RAC companies would collect and remit to a trustee a Customer Facility Charge (“CFC”) for each rent-a-car transaction day.

In FY 2011, DFW issued the 2011A Joint Revenue Bonds for the purpose of refunding all of the outstanding Rent-A-Car bonds. In 2012, the Owner Cities approved the RAC Facility as an authorized PFIC Project and approved the transfer of all RAC assets, liabilities, and responsibilities from the FIC to the PFIC. DFW and the PFIC also entered into a Facility Agreement whereby the PFIC transfers the amount of accrued debt service and coverage relating to the 2011A Bonds to the Airport each month.



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The CFC is currently \$4.00 per transaction day and the PFIC Board has the authority to change the CFC rate at any time. The RAC companies also collect a Customer Transportation Charge (“CTC”), currently \$2.50, which is remitted directly to the PFIC to pay for the costs of operating and maintaining the RAC bus fleet.

Any excess funds are held by the PFIC and may be used for improvements to the RAC Facility, to purchase buses, granted to the Airport, or for other projects approved by the Owner Cities.

Campus West

In February of 2019, the previous Campus West tenant made a one-time lease buyout payment of \$40 million to the PFIC assigning its property lease of 77 acres in exchange. The prior lease term had run through February of 2083 (vacated by Braniff Airlines as part of its bankruptcy). The PFIC manages the property, collects ground and facility rents, and continues to remit the ground lease proceeds vacated by the previous tenant, to the Operating Revenue and Expense Fund. The PFIC currently leases a portion of this land and facilities.

Hyatt House

In February of 2019, the Cities approved a third hotel, the Hyatt House, to be built next to the Hyatt Place in Southgate. This hotel is planned to have 125 rooms. A construction start date has not been determined.

DFW Debt Service

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

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**September 30, 2020**

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

	PFIC	Airport	DFW
Current assets	\$ 181,348	\$ 778,940	\$ 960,288
Capital assets	-	5,692,802	5,692,802
Other assets	23,347	867,119	890,466
Total assets	204,695	7,338,861	7,543,556
Deferred outflows of resources	-	5,103	5,103
Total assets and deferred outflows of resources	204,695	7,343,964	7,548,659
Current liabilities	8,602	540,237	548,839
Long-term liabilities	-	6,406,043	6,406,043
Total liabilities	8,602	6,946,280	6,954,882
Deferred inflow of resources	-	61,475	61,475
Total liabilities and deferred inflows of resources	8,602	7,007,755	7,016,357
Net Investment in capital assets	-	(193,928)	(193,928)
Restricted net position	23,347	30,442	53,789
Unrestricted net position	172,746	499,695	672,441
Net position	\$ 196,093	\$ 336,209	\$ 532,302
PFIC	\$ 38,958	\$ -	\$ 38,958
Airport	-	747,223	747,223
Total operating revenues	38,958	747,223	786,181
PFIC	29,558	-	29,558
Airport	-	508,000	508,000
Depreciation and amortization	-	310,161	310,161
Total operating expenses	29,558	818,161	847,719
Operating income (loss)	9,400	(70,938)	(61,538)
Non-operating revenues (expenses)	21,947	31,521	53,468
Transfers for debt service	(19,414)	19,414	-
Transfers for capital assets	(14,990)	14,990	-
Capital contributions	-	34,034	34,034
Increase in net position	(3,057)	29,021	25,964
Net position - October 1	199,150	307,188	506,338
Total net position, end of year	196,093	336,209	532,302
Net cash provided by operating activities	\$ 6,646	\$ 210,980	\$ 217,626
Net cash provided by non-capital and related financing activities	-	144,127	144,127
Net cash used for capital and related financing activities	(5,930)	(515,648)	(521,578)
Net cash used for investing activities	36,637	85,146	121,783
Net increase in cash and cash equivalents	37,353	(75,395)	(38,042)
Cash and cash equivalents, beginning of year	85,857	278,175	364,032
Cash and cash equivalents, end of year	\$ 123,210	\$ 202,780	\$ 325,990

**Dallas Fort Worth International Airport  
Notes To The Basic Financial Statements  
September 30, 2020**

**(12) COMMITMENTS AND CONTINGENCIES**

**a) Contingencies**

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

**b) Federal Grants**

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

**c) Personal Injury liability**

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

**d) Construction and Other Projects**

As of September 30, 2020, the Airport had remaining project obligations totaling \$1.6 billion, of which \$683.0 million has been committed but not yet incurred, with the remaining \$896.0 million expected to be committed and incurred in the future, to complete current approved capital projects.

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

DFW maintains self-insured liability for employee medical and workers' compensation claims. DFW utilizes a third-party company to provide stop loss coverage on individual health claims and a third-party administrator to manage workers compensation claims in accordance with Texas state statutes and limits. DFW accrues the estimated cost of self-insurance liabilities based on annual actuarial reviews. Changes in liabilities in FY 2020 and FY 2019 for Airport self-insured programs are detailed below (in thousands):

Description	FY 2020	FY 2019
Beginning balance	\$ 4,186	\$ 3,888
Plus: Current year claims and changes in estimates	32,249	30,116
Less: Payments	(30,204)	(29,818)
Ending balance	<u>\$ 6,231</u>	<u>\$ 4,186</u>

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

**Dallas Fort Worth International Airport  
Notes To The Basic Financial Statements  
September 30, 2020**

**(14) CONCENTRATION OF CREDIT RISK**

DFW's customers are principally concentrated within the airline industry. DFW periodically evaluates the financial condition of its customers and typically does not require collateral. DFW received approximately \$366.3 million (46.6%) of its revenues during FY 2020 from American Airlines Group (including American and American Eagle). In FY 2020, American Airlines Group comprised 87.1% of all passengers and 75.3% of total landed weights at DFW.

**(15) LONG-TERM LIABILITIES**

***a) Pollution Remediation***

In July of 2020, the Texas Commission on Environmental Quality ("TCEQ") issued a notice of case closure to the Agreed Order for remediation of a jet fuel leak in the underground pipelines. This Agreed Order ("AO") was issued in 1999 and an Affected Property Assessment Report (APAR) dated September 2002, identified the primary areas of concern ("AOCs") as Terminals B, C, and to a lesser extent, A. A comprehensive Response Action Plan ("RAP") dated December 2002 was developed recommending remedial actions for each AOC including engineered remediation systems at Terminals B & C and Mobile Dual Phase Extraction ("MDPE") at the remaining areas within the CTA. DFW has conducted monitoring and mitigation in accordance with this plan leading to the closure of the AO. The \$1.7 million liability for future remediation efforts was eliminated as of September 30, 2020.

DFW's Northwest Cargo Voluntary Cleanup Program ("VCP") is an area encompassing approximately 418.485 acres including multiple AOCs representing chlorinated solvent groundwater and soil as well as jet fuel contamination. To date, approximately 230.61 acres have been granted a Conditional Certificate of Completion by TCEQ. The RAP outlining the remediation strategies for the remaining 187.875 acres dated December 5, 2011, was approved by TCEQ. The Response Action strategies included in the approved RAP are currently being re-evaluated in conjunction with future development plans within the Northwest Cargo areas to identify the most cost-effective and efficient approaches to achieve regulatory closure. As of September 30, 2020, the total liability of \$10.0 million remains a reasonable estimate but will be reviewed and updated as new information becomes available. There is no change from the previous year's estimate.

***b) Unearned Revenue***

As of September 30, 2020, DFW had unearned revenue of \$10.0 million from American Airlines and \$1.7 million from other tenants.

"END OF NOTES"

**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**December 31, 2019**  
**(Amounts in Thousands)**  
**(Unaudited)**

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

**Notes to Schedule:**

Six year history based on data availability.

<sup>(1)</sup> Experience study completed in 2015. See Schedule of Contributions for assumption details.

**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**December 31, 2019**  
**(Amounts in Thousands)**  
**(Unaudited)**

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

**Notes to Schedule:**

Six year history based on data availability.

<sup>(1)</sup> Experience study completed in 2015. See Schedule of Contributions for assumption details.

**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**December 31, 2019**  
**(Amounts in Thousands)**  
**(Unaudited)**

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

**Notes to Schedule:**

Six year history based on data availability.

<sup>(1)</sup> Experience study completed in 2015. See Schedule of Contributions for assumption details.

**Dallas Fort Worth International Airport  
Schedule of Contributions  
September 30, 2020  
(Amounts in Thousands)  
(Unaudited)**

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

**Notes to Schedule:**

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

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

Methods and assumptions used to determine contribution rates:

Remaining amortization period 15 years from December 31, 2019  
Actuarial cost method Entry age normal  
Amortization method Level dollar, closed  
Retirement age Experience-based table of rates that are specific to the class of employee. Last updated for the 2015 valuation pursuant to an experience study of the 5-year period from January 1, 2011 to December 31, 2015; and remaining the same based on the experience study for the 5-year period January 1, 2011 to December 31, 2015.

**2016-2019**

Investment rate of return 7.25%, net of investment expenses. Administrative expenses are added to the actuarial determined contribution.  
Asset valuation method Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.  
Wage inflation (Core 2.75%, Wage 1.00%) 3.75%  
Salary increases 3.75% to 6.25%  
Mortality Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015. Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.

**2014-2015**

Investment rate of return 7.25%, net of investment and administrative expenses  
Asset valuation method 5-year moving average  
Wage inflation (Core 3.0%, Wage 0.75%) 3.75%  
Salary increases 3.75% to 6.25%  
Mortality RP 2000 Combined Healthy Mortality with no setback for males or females, projected to 2011 using Mortality Improvement Scale AA.



**Dallas Fort Worth International Airport  
Schedule of Contributions  
September 30, 2020  
(Amounts in Thousands)  
(Unaudited)**

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

**Notes to Schedule:**

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

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

Methods and assumptions used to determine contribution rates:

Remaining amortization period	15 years from December 31, 2019
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Retirement age	Experience-based table of rates that are specific to the class of employee. Last updated for the 2013 valuation pursuant to an experience study from the 5-year period from January 1, 2006 to December 31, 2010; and remaining the same based on the experience study for the 5-year period January 1, 2011 to December 31, 2015.

**2016-2019**

Investment rate of return	7.25%, net of investment expenses. Administrative expenses are added to the actuarial determined contribution
Asset valuation method	Actuarial Value of Assets equals the Fair Value of Assets (FVA) adjusted to reflect 100% of any gains or losses from the current year against prior years' deferred gains or losses. Any remaining amount is recognized at a rate of at least 20% per year with each base being recognized over a period of no more than 5 years, but subject to the constraint that the result cannot be less than 67% or greater than 133% of the FVA.
Wage inflation (Core 2.75%, Wage 1.00%)	3.75%
Salary increases	3.75% to 13.25%
Mortality	Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015. Retirement Plans RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Projected with Scale BB from 2014.

**2014-2015**

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

**Dallas Fort Worth International Airport**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**December 31, 2019**  
**(Amounts in Thousands)**  
**(Unaudited)**

OPEB	2019	2018	2017
<b>Total OPEB Liability</b>			
Service cost	\$ 1,384	\$ 1,567	\$ 1,501
Interest on the Total OPEB Liability	1,691	1,847	1,905
Difference between expected and actual experience of the Total OPEB Liability	(1,671)	(2,722)	(3,932)
Assumption changes		(1,521)	971
Benefit payments and refunds	(1,312)	(1,457)	(1,223)
<b>Net change in Total OPEB Liability</b>	<u>92</u>	<u>(2,286)</u>	<u>(778)</u>
<b>Total OPEB Liability - beginning</b>	<u>25,018</u>	<u>27,304</u>	<u>28,082</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 25,110</u>	<u>\$ 25,018</u>	<u>\$ 27,304</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 1,404	\$ 1,913	\$ 1,943
Net investment income (loss)	4,985	(722)	3,291
Benefit payments, including member refunds	(1,312)	(1,457)	(1,223)
Administrative expense	(15)	(23)	(29)
<b>Net change in Plan Fiduciary Net Position</b>	<u>5,062</u>	<u>(288)</u>	<u>3,982</u>
<b>Plan Fiduciary Net Position - beginning</b>	<u>25,587</u>	<u>25,875</u>	<u>21,893</u>
<b>Plan Fiduciary Net Position - ending</b>	<u>\$ 30,649</u>	<u>\$ 25,587</u>	<u>\$ 25,875</u>
<b>Net OPEB Liability (Asset) - ending</b>	<u>\$ (5,539)</u>	<u>\$ (569)</u>	<u>\$ 1,429</u>
<b>Plan Fiduciary Net Position as a percentage of the total OPEB liability</b>	122.1%	102.3%	94.8%
<b>Covered payroll</b>	\$ 164,498	\$ 154,805	\$ 145,204
<b>Net OPEB liability (asset) as a percentage of covered payroll</b>	(3.4%)	(0.4%)	1.0%

**Notes to Schedule:**

Three year history based on data availability.

**Dallas Fort Worth International Airport  
Schedule of Contributions - OPEB  
September 30, 2020  
(Amounts in Thousands)  
(Unaudited)**

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

**Notes to Schedule:**

Three year history based on data availability.

Valuation date:

The Actuarially determined contribution for DFW's fiscal year ending September 30, 2020 was developed in the January 1, 2019 valuation. The ADC for the employer's fiscal year ending September 30, 2020 was contributed during the plan's fiscal year ending December 31, 2019.

Methods and assumptions used to determine contribution rates:

**2017-2018**

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

**Dallas Fort Worth International Airport  
OPEB Schedule of Investment Returns  
For the Year December 31, 2019  
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	19.8%	(2.8%)	15.1%

**Notes to Schedule:**

Three year history based on data availability.

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**Dallas Fort Worth International Airport**  
**Combining Statements of Fiduciary Net Position**  
**As of December 31, 2019**  
**(Amounts in Thousands)**

	Fiduciary Activities			Total
	Employee Plan	DPS Plan	OPEB Plan	
<b>Assets</b>				
Investment held in Master Trust at fair value				
Limited partnerships	\$ 212,387	\$ 83,160	\$ -	\$ 295,547
Commingled funds	102,588	40,169	-	142,757
Common stocks	125,876	49,287	-	175,163
U.S Treasury and Agency securities	28,313	11,086	-	39,399
Corporate bonds	35,392	13,858	-	49,250
Mutual funds	40,321	15,788	27,066	83,175
Other	5,492	2,150	3,847	11,489
Receivables				
Due from broker for securities sold	289	113	-	402
Accrued interest and dividends	500	196	5	701
Total assets	<u>551,158</u>	<u>215,807</u>	<u>30,918</u>	<u>797,883</u>
<b>Liabilities</b>				
Due to broker for securities purchased	936	366	-	1,302
Accrued management fees	152	59	-	211
Claims/premiums payable	-	-	265	265
Accrued administrative fees	116	44	4	164
Total liabilities	<u>1,204</u>	<u>469</u>	<u>269</u>	<u>1,942</u>
 Fiduciary net position restricted for pensions and OPEB	 <u>\$ 549,954</u>	 <u>\$ 215,338</u>	 <u>\$ 30,649</u>	 <u>\$ 795,941</u>

**Dallas Fort Worth International Airport**  
**Combining Statements of Changes in Fiduciary Net Position**  
**For the Year December 31, 2019**  
**(Amounts in Thousands)**

	Fiduciary Activities			Total
	Employee Plan	DPS Plan	OPEB Plan	
<b>Additions</b>				
Contributions				
Plan members contributions	\$ -	\$ 2,289	\$ -	\$ 2,289
Employer contributions	21,915	10,801	1,403	34,119
Total contributions	<u>21,915</u>	<u>13,090</u>	<u>1,403</u>	<u>36,408</u>
Plans' interest in Master Trust Investment gain (loss)	62,685	24,127	4,334	91,146
Dividends	-	-	590	590
Interest	-	-	62	62
Less: Investment fees	<u>(1,880)</u>	<u>(726)</u>	<u>-</u>	<u>(2,606)</u>
Total investment income	<u>60,805</u>	<u>23,401</u>	<u>4,986</u>	<u>89,192</u>
Total additions	<u>82,720</u>	<u>36,491</u>	<u>6,389</u>	<u>125,600</u>
<b>Deductions</b>				
Benefits paid to plan members and beneficiaries	25,212	8,883	1,312	35,407
Administrative fees	855	329	15	1,199
Total deductons	<u>26,067</u>	<u>9,212</u>	<u>1,327</u>	<u>36,606</u>
Net (decrease) increase in Fiduciary net position	56,653	27,279	5,062	88,994
<b>Fiduciary net position restricted for pensions and OPEB</b>				
At beginning of the year	493,301	188,059	25,587	706,947
At end of the year	<u>\$ 549,954</u>	<u>\$ 215,338</u>	<u>\$ 30,649</u>	<u>\$ 795,941</u>

## STATISTICAL SECTION

**Dallas Fort Worth International Airport  
Comprehensive Annual Financial Report  
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For the Fiscal Year Ended September 30, 2020**

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## **FINANCIAL TRENDS INFORMATION**

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

Net Position	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Investment in Capital Assets	\$ (193,928)	\$ (254,607)	\$ (310,719)	\$ (361,739)	\$ (345,889)	\$ (235,706)	\$ (53,890)	\$ 229,838	\$ 371,192	\$ 542,984
Restricted net position:										
PFIC	23,347	23,636	21,858	18,837	16,208	14,641	12,576	11,395	12,909	31,068
Passenger facility charges	22,702	27,866	31,480	28,455	41,448	45,094	39,912	28,588	50,032	79,244
Public safety and other	7,740	2,441	1,777	1,585	1,801	2,129	2,380	2,888	2,759	2,852
Total restricted	53,789	53,943	55,115	48,877	59,457	61,864	54,868	42,871	65,700	113,164
Unrestricted	672,441	707,002	595,054	606,512	573,120	549,263	699,974	677,001	663,853	591,113
Total Net Position	<u>\$ 532,302</u>	<u>\$ 506,338</u>	<u>\$ 339,450</u>	<u>\$ 293,650</u>	<u>\$ 286,688</u>	<u>\$ 375,421</u>	<u>\$ 700,952</u>	<u>\$ 949,710</u>	<u>\$ 1,100,745</u>	<u>\$ 1,247,261</u>

Source: Dallas Fort Worth International Airport Finance Department

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012 <sup>(2)</sup>	2011
<b>Operating revenues</b>										
Terminal rent and use fees <sup>(1)</sup>	\$ 354,379	\$ 360,478	\$ 307,211	\$ 265,614	\$ 227,166	\$ 180,667	\$ 132,835	\$ 109,722	\$ 83,520	\$ 78,408
Landing fees <sup>(1)</sup>	82,313	107,557	132,922	103,383	82,677	96,010	104,330	100,610	108,682	105,136
Federal Inspection Services (FIS)	13,906	27,952	26,147	24,097	20,327	18,499	18,707	21,805	19,007	14,979
Other airline	(273)	688	192	263	159	260	142	320	(216)	827
Total airline revenue <sup>(2)</sup>	450,325	496,675	466,472	393,357	330,329	295,436	256,014	232,457	210,993	199,350
Parking and ground transportation	103,714	184,414	175,998	163,622	156,634	144,584	134,150	124,225	119,058	114,880
Concessions	67,218	101,991	93,539	88,299	79,124	73,963	73,288	68,229	65,702	57,537
Ground and facilities leases	55,972	92,220	45,772	44,121	39,816	37,643	37,266	34,297	33,508	33,218
Hotels	26,015	50,376	49,407	47,831	44,259	37,735	35,028	31,032	28,775	25,504
Rent-A-Car rental	23,683	33,512	33,095	32,604	33,590	31,781	32,419	31,425	27,746	27,699
Employee transportation	17,543	17,521	17,545	17,822	19,322	16,619	13,970	12,345	10,200	8,119
Rent-A-Car customer transportation charges	8,684	13,968	13,839	13,456	13,424	11,406	11,507	11,106	11,683	10,338
Natural gas	1,054	1,816	2,403	10,307	2,051	3,710	6,287	8,498	8,709	20,082
Other non-airline	31,974	31,434	31,367	29,483	27,014	26,362	24,733	23,867	23,653	17,872
Total non-airline revenue	335,856	527,252	462,965	447,542	415,233	383,804	368,648	345,024	329,034	315,250
<b>Total operating revenues</b>	<b>786,181</b>	<b>1,023,927</b>	<b>929,437</b>	<b>840,899</b>	<b>745,562</b>	<b>679,240</b>	<b>624,662</b>	<b>577,481</b>	<b>540,027</b>	<b>514,600</b>
<b>Operating Expenses</b>										
Salaries, wages, and benefits	235,098	239,202	222,892	217,441	204,971	184,662	182,441	169,635	177,367	167,334
Contract services	213,798	234,797	207,935	187,200	193,316	162,500	149,765	147,854	130,206	128,982
Equipment and supplies <sup>(2)</sup>	30,996	28,150	25,873	25,534	23,956	23,654	26,172	21,918	28,152	25,993
Hotels	18,130	28,960	30,079	29,074	27,719	24,702	23,173	21,914	20,146	18,320
Utilities	26,357	27,135	26,721	25,524	25,115	27,722	25,903	26,103	27,487	28,274
Insurance	6,768	5,571	5,024	5,092	5,164	5,329	5,381	5,177	4,307	4,118
General, administrative and other	6,411	8,102	7,910	9,613	8,921	10,353	10,574	7,177	6,507	6,172
Depreciation and amortization	310,161	303,198	289,488	272,293	261,036	263,218	244,251	237,768	255,344	232,277
Total operating expenses	847,719	875,115	815,922	771,771	750,198	702,140	667,660	637,545	649,516	611,470
<b>Operating income (loss)</b>	<b>(61,538)</b>	<b>148,812</b>	<b>113,515</b>	<b>69,128</b>	<b>(4,636)</b>	<b>(22,900)</b>	<b>(42,998)</b>	<b>(60,065)</b>	<b>(109,489)</b>	<b>(96,870)</b>
<b>Non-Operating revenues (expenses)</b>										
Passenger facility charges	96,213	141,856	131,763	126,774	126,642	128,810	122,309	115,565	109,133	108,482
RAC customer facility charge	13,742	22,352	22,213	21,602	22,239	20,759	20,922	20,191	19,713	19,242
Investment income	26,104	55,554	14,291	13,710	14,920	16,979	8,000	4,804	6,027	7,766
CARES grant	144,127	-	-	-	-	-	-	-	-	-
Interest expense on revenue bonds	(238,978)	(265,404)	(265,697)	(257,417)	(255,929)	(257,348)	(252,026)	(225,445)	(200,565)	(215,484)
Other, net	12,260	1,797	(2,060)	3,203	2,809	(7,295)	8,888	5,238	3,765	8,573
Total non-operating expenses, net	53,468	(43,845)	(99,490)	(92,128)	(89,319)	(98,095)	(91,907)	(79,647)	(61,927)	(71,421)
<b>Income (Loss) before capital contributions and special item</b>	<b>(8,070)</b>	<b>104,967</b>	<b>14,025</b>	<b>(23,000)</b>	<b>(93,955)</b>	<b>(120,995)</b>	<b>(134,905)</b>	<b>(139,712)</b>	<b>(171,416)</b>	<b>(168,291)</b>
<b>Capital contributions</b>										
Federal and State grant reimbursements	34,034	61,921	40,631	29,962	5,222	13,773	15,984	20,960	24,900	23,552
Total capital contributions	34,034	61,921	40,631	29,962	5,222	13,773	15,984	20,960	24,900	23,552
<b>Special items <sup>(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,761)</b>	<b>(12,281)</b>	<b>(32,283)</b>	<b>-</b>	<b>39,162</b>
<b>Net Position</b>										
Increase (decrease) in net position	25,964	166,888	54,656	6,962	(88,733)	(148,983)	(131,202)	(151,035)	(146,516)	(105,577)
Total net position, beginning of year	506,338	339,450	293,650	286,688	375,421	700,952	949,710	1,100,745	1,247,261	1,352,838
Change in accounting principle <sup>(3)</sup>	-	-	(8,856)	-	-	(176,548)	(117,556)	-	-	-
Total net position, end of year	\$ 532,302	\$ 506,338	\$ 339,450	\$ 293,650	\$ 286,688	\$ 375,421	\$ 700,952	\$ 949,710	\$ 1,100,745	\$ 1,247,261

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

(1) Per the new use agreement

(2) The cost of ASIP was moved from Equipment and supplies to contra airline revenue for comparison purposes.

(3) Due to a change in accounting principle, the net position on October 1st, 2013 was restated as \$832,154

(4) Special items in the amount of \$15M was included in Contract Services for FY 2016 and FY 2017.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues <sup>(1)</sup>										
Parking and Ground Transportation	\$ 100.6	\$ 179.3	\$ 170.6 <sup>(3)</sup>	\$ 163.7	\$ 156.7	\$ 144.7	\$ 134.1	\$ 124.2	\$ 119.0	\$ 115.2
Concessions	62.0	94.2	86.5	81.8	73.4	68.5	68.6	63.8	56.0	53.1
Rental Car	23.7	33.5	33.1	32.6	33.6	31.8	32.4	31.4	27.8	27.7
Commercial Development	54.3	49.7	45.7	44.2	49.9	37.7	37.3	36.6	34.5	36.5
Other Revenues	41.6	42.7	40.0	36.2	35.1	29.2	24.6	21.9	20.5	17.6
CARES Revenue <sup>(4)</sup>	107.6	-	-	-	-	-	-	-	-	-
Total Revenues	<u>389.8</u>	<u>399.4</u>	<u>375.9</u>	<u>358.5</u>	<u>348.7</u>	<u>311.9</u>	<u>297.0</u>	<u>277.8</u>	<u>257.8</u>	<u>250.1</u>
DFW Cost Center Expenditures										
Operating Expenses	(129.2)	(150.4)	(141.4)	(137.3)	(133.3)	(124.6)	(122.8)	(116.6)	(114.8)	(112.5)
Debt Service, net of PFCs	(70.6)	(66.3)	(72.9)	(60.8)	(51.5)	(46.5)	(42.6)	(36.2)	(30.7)	(28.7)
Total Expenditures	<u>(199.8)</u>	<u>(216.7)</u>	<u>(214.3)</u>	<u>(198.1)</u>	<u>(184.8)</u>	<u>(171.1)</u>	<u>(165.4)</u>	<u>(152.8)</u>	<u>(145.5)</u>	<u>(141.2)</u>
Gross Margin - DFW Cost Center	190.0	182.7	161.6	160.4	163.9	140.8	131.6	125.0	112.3	108.9
Less Transfers and Skylink										
DFW Terminal Contribution	(2.8)	(3.3)	(4.0)	(1.9)	(4.2)	(3.5)	(6.3)	(5.9)	(14.2)	(14.1)
Skylink Costs	(23.2)	(27.0)	(25.3)	(26.5)	(21.6)	(21.4)	(22.6)	(22.4)	(21.4)	(23.0)
Net Revenues from DFW Cost Center	<u>\$ 164.0</u>	<u>\$ 152.4</u>	<u>\$ 132.3</u>	<u>\$ 132.0</u>	<u>\$ 138.1</u>	<u>\$ 115.9</u>	<u>\$ 102.7</u>	<u>\$ 96.7</u>	<u>\$ 76.7</u>	<u>\$ 71.8</u>
Threshold adjustment to Airfield Cost Center	70.5	63.2	49.4	50.3	55.2	38.3	28.8	25.2	11.4	8.9
Net to DFW Capital Account <sup>(2)</sup>	<u>\$ 93.5</u>	<u>\$ 89.2</u>	<u>\$ 82.9</u>	<u>\$ 81.7</u>	<u>\$ 82.9</u>	<u>\$ 77.6</u>	<u>\$ 73.9</u>	<u>\$ 71.5</u>	<u>\$ 65.3</u>	<u>\$ 62.9</u>

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

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

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

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

<sup>(4)</sup> Total CARES grant received of \$144.1 classified as non-operating revenue.

## REVENUE CAPACITY INFORMATION

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

	2020 *	2019	2018	2017	2016	2015	2014	2013	2012 <sup>(2)</sup>	2011
Operating revenues										
Terminal rent and use fees <sup>(1)</sup>	\$ 354,379	\$360,478	\$307,211	\$265,614	\$227,166	\$180,667	\$132,835	\$ 109,722	\$ 83,520	\$ 78,408
Passenger landing fees <sup>(1)</sup>	72,942	89,595	112,992	88,758	68,947	84,656	93,138	90,089	98,381	95,693
Federal Inspection Services (FIS)	13,906	27,952	26,147	24,097	20,327	18,499	18,707	21,805	19,007	14,979
Cargo landing fees	9,371	17,962	19,930	14,625	13,730	11,354	11,192	10,521	10,301	9,443
Other airline	(273)	688	192	263	159	260	142	320	(216)	827
Total airline revenue	<u>450,325</u>	<u>496,675</u>	<u>466,472</u>	<u>393,357</u>	<u>330,329</u>	<u>295,436</u>	<u>256,014</u>	<u>232,457</u>	<u>210,993</u>	<u>199,350</u>
Parking	86,107	152,885	151,859 <sup>(3)</sup>	144,969	142,273	135,163	125,170	116,092	110,841	107,178
Ground transportation	17,607	31,529	24,139	18,653	14,362	9,422	8,980	8,133	8,217	7,703
Parking and ground transportation	103,714	184,414	175,998	163,622	156,634	144,584	134,150	124,225	119,058	114,880
Concessions	67,218	101,991	93,539	88,299	79,124	73,963	73,288	68,229	65,702	57,537
Ground and facilities leases	55,972	92,220	45,772	44,121	39,816	37,643	37,266	34,297	33,508	33,218
Hotels	26,015	50,376	49,407	47,831	44,259	37,735	35,028	31,032	28,775	25,504
Rent-A-Car rental	23,683	33,512	33,095	32,604	33,590	31,781	32,419	31,425	27,746	27,699
Employee transportation	17,543	17,521	17,545	17,822	19,322	16,619	13,970	12,345	10,200	8,119
Rent-A-Car customer transportation charge	8,684	13,968	13,839	13,456	13,424	11,406	11,507	11,106	11,683	10,338
Natural gas	1,054	1,816	2,403	10,307	2,051	3,710	6,287	8,498	8,709	20,082
Fuel Facility	6,118	5,959	5,680	5,641	5,608	5,613	5,603	5,504	5,417	5,417
General aviation	1,814	2,477	2,597	2,150	1,893	1,900	2,013	1,722	1,873	1,777
Utilities	6,311	6,025	6,178	5,645	5,611	5,316	4,804	4,938	4,787	3,187
Other non-airline	17,731	16,975	16,912	16,046	13,903	13,533	12,313	11,703	11,576	7,491
Total non-airline revenue	<u>335,856</u>	<u>527,252</u>	<u>462,965</u>	<u>447,542</u>	<u>415,233</u>	<u>383,804</u>	<u>368,648</u>	<u>345,024</u>	<u>329,034</u>	<u>315,250</u>
Total operating revenues	<u>\$ 786,181</u>	<u>\$ 1,023,927</u>	<u>\$ 929,437</u>	<u>\$ 840,899</u>	<u>\$ 745,562</u>	<u>\$ 679,240</u>	<u>\$ 624,662</u>	<u>\$ 577,481</u>	<u>\$ 540,027</u>	<u>\$ 514,600</u>

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

(1) Per the new use agreement

(2) The cost of ASIP was moved from Equipment and supplies to contra airline revenue for comparison purposes.

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

\* Results impacted by COVID-19 epidemic.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Average Landing Fee Rates <sup>(1)</sup>										
Final Rates at the True-up	\$ 2.35	\$ 2.31	\$ 3.09	\$ 2.44	\$ 2.05	\$ 2.47	\$ 2.71	\$ 2.72	\$ 2.98	\$ 2.90
Average Terminal Rental Rates <sup>(2)</sup>										
Final Rates at the True-up	\$ 302.20	\$ 308.79	\$ 271.62	\$ 229.01	\$ 204.69	\$ 164.02	\$ 135.77	\$ 115.73	\$ 103.30	\$ 94.09

Source: DFW Finance Department

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Airline Cost (millions) <sup>(1)</sup>										
Final Rates at the True-up	\$ 443.1	\$ 485.5	\$ 458.7	\$ 383.2 <sup>(2)</sup>	\$ 319.6	\$ 286.0	\$ 245.3	\$ 225.3	\$ 200.1	\$ 190.5
Cost per Enplanement										
Final Rates at the True-up	\$ 18.29	\$ 12.95	\$ 12.90	\$ 11.28 <sup>(2)</sup>	\$ 9.50	\$ 8.75	\$ 7.53	\$ 7.20	\$ 6.54	\$ 6.30

Source: DFW Finance Department

<sup>(1)</sup> Includes Air Service Incentive rebates from DFW Capital Account beginning in FY 2011

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

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

	2020 <sup>*</sup>	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Parking Revenues (millions)</b>										
Terminal/Infield	\$ 55.4	\$ 95.4	\$ 89.1	\$ 85.3	\$ 82.7	\$ 78.8	\$ 73.2	\$ 71.7	\$ 69.6	\$ 71.2
Express/Remote	11.4	25.5	29.8	31.3	30.8	29.2	29.3	26.0	22.9	21.8
Drop Off/Meeter-Greeter	11.1	17.9	18.2	18.4	18.9	17.1	12.7	8.6	8.6	8.6
Pass-Through	2.3	3.1	4.0	4.2	3.3	3.1	2.4	2.3	4.0	3.4
Other	5.9	11.0	10.7	5.8	6.6	7.0	7.6	7.5	5.7	2.2
Sub total	<u>\$ 86.1</u>	<u>\$ 152.9</u>	<u>\$ 151.8</u>	<u>\$ 145.0</u>	<u>\$ 142.3</u>	<u>\$ 135.2</u>	<u>\$ 125.2</u>	<u>\$ 116.1</u>	<u>\$ 110.8</u>	<u>\$ 107.2</u>
TNCs	15.3	26.6	18.3	12.3	6.5	0.3	-	\$ -	\$ -	\$ -
Other Ground Transportation	2.3	4.9	5.8	6.4	7.9	9.2	9.0	\$ 8.1	\$ 8.2	\$ 7.7
Total	<u>\$ 103.7</u>	<u>\$ 184.4</u>	<u>\$ 175.9</u>	<u>\$ 163.6</u>	<u>\$ 156.7</u>	<u>\$ 144.6</u>	<u>\$ 134.1</u>	<u>\$ 124.2</u>	<u>\$ 119.0</u>	<u>\$ 114.9</u>
<b>Parking Transactions (millions)</b>										
Terminal/Infield	1.23	2.10	1.86	1.85	1.92	1.85	1.91	2.04	1.80	1.97
Express/Remote	0.26	0.56	0.64	0.67	0.73	0.71	0.69	0.64	0.65	0.63
Drop Off/Meeter-Greeter	4.92	13.15	12.34	11.27	10.36	8.85	8.55	6.69	7.58	7.57
Pass-Through	0.44	0.85	1.09	1.14	1.69	2.06	1.95	1.68	3.23	3.08
Sub total	<u>6.85</u>	<u>16.66</u>	<u>15.93</u>	<u>14.93</u>	<u>14.70</u>	<u>13.47</u>	<u>13.10</u>	<u>11.05</u>	<u>13.26</u>	<u>13.25</u>
TNCs	3.06	5.32	4.28	3.07	1.62	0.07	-	-	-	-
Other Ground Transportation	0.56	0.95	1.41	1.63	1.83	2.16	2.12	2.12	2.08	2.00
Total	<u>10.47</u>	<u>22.93</u>	<u>21.62</u>	<u>19.63</u>	<u>18.15</u>	<u>15.70</u>	<u>15.22</u>	<u>13.17</u>	<u>15.34</u>	<u>15.25</u>
<b>Average Length of Stay (Days)</b>										
Terminal	2.15	1.71	2.00	1.92	1.96	2.03	2.05	1.83	2.09	1.93
Express	4.75	3.31	3.71	3.80	3.83	3.67	3.95	4.19	3.60	3.64
Remote	4.38	3.78	4.11	4.11	4.17	4.22	4.33	4.07	4.00	3.81
Weighted Average	<u>2.54</u>	<u>2.10</u>	<u>2.43</u>	<u>2.46</u>	<u>2.52</u>	<u>2.55</u>	<u>2.60</u>	<u>2.38</u>	<u>2.50</u>	<u>2.37</u>
<b>Parking Revenue per Originating Passenger</b>	\$ 8.09	\$ 8.13	\$ 8.49	\$ 8.86	\$ 8.75	\$ 8.89	\$ 8.24	\$ 7.98	\$ 7.75	\$ 8.02

Source: DFW Finance and Parking Departments

\* Results impacted by COVID-19 epidemic.



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

	2020 **	2019	2018	2017	2016	2015 *	2014	2013	2012	2011
Number of concessions locations	244	252	237	224	230	233	225	226	207	243
Leased sq. ft. EOY (000s)	316	300	275	249	240	232	224	254	223	241
<b>Concessions Sales-Terminal (millions):</b>										
Food and beverage	\$ 180.2	\$ 277.4	\$ 240.0	\$ 223.0	\$ 220.1	\$ 211.5	\$ 202.9	\$ 184.6	\$ 171.4	\$ 165.9
Retail and duty free	76.1	129.4	123.9	113.9	113.8	112.3	110.9	111.0	103.8	101.1
Other In Terminal	33.0	40.8	30.7	22.6	16.5	19.6	23.5	23.3	19.7	28.3
Total concessions sales	<u>\$ 289.3</u>	<u>\$ 447.6</u>	<u>\$ 394.6</u>	<u>\$ 359.5</u>	<u>\$ 350.4</u>	<u>\$ 343.4</u>	<u>\$ 337.4</u>	<u>\$ 318.9</u>	<u>\$ 294.9</u>	<u>\$ 295.3</u>
Concessions sales per enplanement	<u>\$ 12.22</u>	<u>\$ 12.22</u>	<u>\$ 11.44</u>	<u>\$ 10.86</u>	<u>\$ 10.67</u>	<u>\$ 10.58</u>	<u>\$ 10.74</u>	<u>\$ 10.59</u>	<u>\$ 10.12</u>	<u>\$ 10.23</u>
Concession sales per sq. ft.	<u>\$ 916</u>	<u>\$ 1,492</u>	<u>\$ 1,433</u>	<u>\$ 1,445</u>	<u>\$ 1,463</u>	<u>\$ 1,480</u>	<u>\$ 1,503</u>	<u>\$ 1,254</u>	<u>\$ 1,320</u>	<u>\$ 1,224</u>
<b>Concessions Income to DFW-Terminal (millions):</b>										
Food and beverage	\$ 25.7	\$ 40.1	\$ 35.6	\$ 32.9	\$ 30.9	\$ 27.8	\$ 26.0	\$ 24.0	\$ 21.5	\$ 20.6
Retail and duty free	12.1	24.8	23.9	22.6	21.1	19.4	18.3	17.8	17.2	17.2
Other In Terminal	22.2	26.9	24.8	24.1	19.1	19.1	22.6	20.4	20.7	13.8
Income-Terminal Subtotal	<u>\$ 60.0</u>	<u>\$ 91.8</u>	<u>\$ 84.3</u>	<u>\$ 79.6</u>	<u>\$ 71.1</u>	<u>\$ 66.3</u>	<u>\$ 66.9</u>	<u>\$ 62.2</u>	<u>\$ 59.4</u>	<u>\$ 51.6</u>
Concessions income per enplanement	<u>\$ 2.52</u>	<u>\$ 2.51</u>	<u>\$ 2.44</u>	<u>\$ 2.40</u>	<u>\$ 2.17</u>	<u>\$ 2.09</u>	<u>\$ 2.13</u>	<u>\$ 2.07</u>	<u>\$ 2.04</u>	<u>\$ 1.79</u>
Concessions income per sq. ft.	<u>\$ 190</u>	<u>\$ 306</u>	<u>\$ 306</u>	<u>\$ 320</u>	<u>\$ 297</u>	<u>\$ 286</u>	<u>\$ 298</u>	<u>\$ 245</u>	<u>\$ 266</u>	<u>\$ 214</u>
<b>Concessions - Not In Terminal <sup>(1)</sup></b>										
Reimbursable Services	-	-	-	-	-	-	-	-	1.2	1.2
Total Concessions income to DFW	<u>\$ 67.2</u>	<u>\$ 102.0</u>	<u>\$ 93.5</u>	<u>\$ 88.3</u>	<u>\$ 79.1</u>	<u>\$ 74.0</u>	<u>\$ 73.3</u>	<u>\$ 68.2</u>	<u>\$ 65.7</u>	<u>\$ 57.5</u>

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

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

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

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

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

	2020 *	2019	2018	2017	2016	2015	2014	2013	2012	2011
Transaction days (thousands)	3,454	5,572	5,500	5,396	5,552	5,195	5,231	5,048	4,929	4,900
Rental car sales (millions)	\$ 177.3	\$ 280.9	\$ 273.5	\$ 269.3	\$ 279.9	\$ 265.6	\$ 267.2	\$ 256.9	\$ 240.5	\$ 236.3
Income to DFW (millions)	\$ 23.7	\$ 33.5	\$ 33.1	\$ 32.6	\$ 33.6	\$ 31.8	\$ 32.4	\$ 31.4	\$ 27.7	\$ 27.7
Income/destination passenger	\$ 3.02	\$ 2.54	\$ 2.58	\$ 2.67	\$ 2.76	\$ 2.46	\$ 2.50	\$ 2.56	\$ 2.32	\$ 2.37

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

\* Results impacted by COVID-19 epidemic.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Ground Lease Revenues (millions)	\$ 56.0	\$ 92.2 <sup>(1)</sup>	\$ 45.8	\$ 44.1	\$ 39.8	\$ 37.6	\$ 37.3	\$ 34.3	\$ 33.5	\$ 33.2
Acres Leased (end of period)	2,105	1,863	1,597	1,592	1,455	1,415	1,284	1,247	1,166	1,166
Average Lease Rate per Acre (thousands)	\$ 26.6	\$ 49.5	\$ 28.7	\$ 27.7	\$ 27.4	\$ 26.6	\$ 29.0	\$ 27.5	\$ 28.7	\$ 28.5

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

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues (millions)										
Royalties <sup>(1)</sup>	\$ 1.1	\$ 1.8	\$ 2.3	\$ 10.2 *	\$ 2.0	\$ 3.6	\$ 6.2	\$ 6.2	\$ 7.7	\$ 16.2
Surface use and other revenues	0.0	0.0	0.1	0.1	0.1	0.1	0.1	2.3	1.0	3.9
Total Natural Gas Revenues	<u>\$ 1.1</u>	<u>\$ 1.8</u>	<u>\$ 2.4</u>	<u>\$ 10.3</u>	<u>\$ 2.1</u>	<u>\$ 3.7</u>	<u>\$ 6.3</u>	<u>\$ 8.5</u>	<u>\$ 8.7</u>	<u>\$ 20.1</u>
Operational Information										
Wells in production	53	53	58	59	70	74	98	98	98	102
Total Production (MMcf)	2.4	3.7	3.4	3.4	4.4	5.6	6.8	7.8	9.8	12.5
Average price paid to DFW <sup>(2)</sup>	<u>\$ 1.53</u>	<u>\$ 2.23</u>	<u>\$ 2.66</u>	<u>\$ 2.46</u>	<u>\$ 1.81</u>	<u>\$ 2.74</u>	<u>\$ 3.71</u>	<u>\$ 3.19</u>	<u>\$ 2.10</u>	<u>\$ 3.82</u>

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

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

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

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

## **DEBT CAPACITY INFORMATION**

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total revenue bond payable	\$6,488,559	\$6,512,199	\$6,730,912	\$6,595,816	\$6,727,734	\$6,626,250	\$6,739,330	\$6,258,654	\$4,705,116	\$4,018,998
Net Debt service <sup>(1)</sup>	479,002	499,905	467,348	415,056	359,940	314,030	274,482	280,855	247,173	233,300
Less: PFCs, PFIC	(121,050)	(165,185)	(148,244)	(158,534)	(148,783)	(141,886)	(129,232)	(156,688)	(144,451)	(134,923)
Debt service, net of PFC's, PFIC	\$ 357,952	\$ 334,720	\$ 153,424	\$ 127,607	\$ 211,157	\$ 172,144	\$ 113,346	\$ 105,601	\$ 102,151	\$ 98,377
Total enplaned passengers	23,671	36,635	34,512	33,131	32,455	32,455	31,419	30,128	29,127	28,867
Debt outstanding per enplaned passenger	\$ 274.12	\$ 177.76	\$ 195.03	\$ 199.09	\$ 207.30	\$ 204.17	\$ 214.50	\$ 207.74	\$ 161.54	\$ 139.23
Debt service per enplaned passenger <sup>(1)</sup>	\$ 20.24	\$ 13.65	\$ 13.54	\$ 12.53	\$ 11.09	\$ 9.68	\$ 8.74	\$ 9.32	\$ 8.49	\$ 8.08

Source: Dallas Fort Worth International Airport Finance Department

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

<sup>(1)</sup> Net debt service and Debt service per enplaned passenger restated from 2012 to 2018.

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

	Fiscal Year Ended September 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Coverage Calculation - Gross Revenues</b>										
Operating Revenues										
Airfield cost center	\$ 196.4	\$ 184.1	\$ 196.9	\$ 166.2	\$ 151.5	\$ 149.4	\$ 146.2	\$ 140.1	\$ 131.0	\$ 124.4
Terminal cost center	386.0	402.8	347.5	306.4	272.1	225.4	180.0	164.3	138.2	128.4
DFW cost center (non-airline revenues)	316.5	332.9	322.4	306.3	289.3	273.6 <sup>(1)</sup>	268.3	252.7	246.5	241.2
Total Operating Revenues	\$ 898.9	\$ 919.8	\$ 866.8	\$ 778.9	\$ 712.9	\$ 648.4	\$ 594.5	\$ 557.1	\$ 515.7	\$ 494.0
Non-operating Revenues	121.1	165.1	148.1	158.4	148.7	141.8	129.2	156.7	144.4	135.0
Rolling coverage	119.6	125.0	116.8	103.8	90.0	78.5	68.6	70.2	61.8	57.0
Total Gross Revenues	\$ 1,139.6	\$ 1,209.9	\$ 1,131.7	\$ 1,041.1	\$ 951.6	\$ 868.7	\$ 792.3	\$ 784.0	\$ 721.9	\$ 686.0
Less Operating Expenses	(464.9)	(499.6)	(464.1)	(438.2)	(416.7)	(392.1)	(376.9)	(352.9)	(344.0)	(332.5)
Gross Revenues available for debt service	\$ 674.7	\$ 710.3	\$ 667.6	\$ 602.9	\$ 534.9	\$ 476.6	\$ 415.4	\$ 431.1	\$ 377.9	\$ 353.5
Debt Service	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5	\$ 280.9	\$ 247.2	\$ 233.4
Coverage ratio - Gross Revenues	1.41	1.42	1.42	1.45	1.49	1.52	1.51	1.53	1.52	1.51
<b>Coverage Calculation - Current Gross Revenues</b>										
Gross Revenues available for debt service	\$ 674.7	\$ 710.3	\$ 667.6	\$ 602.9	\$ 534.9	\$ 476.6	\$ 415.4	\$ 431.1	\$ 377.9	\$ 353.5
Less: Transfers and Rolling Coverage	(119.6)	(125.0)	(116.8)	(107.8)	(98.0)	(90.5)	(84.6)	(90.2)	(85.8)	(85.0)
Current Gross Revenues available for debt service	\$ 555.1	\$ 585.3	\$ 550.8	\$ 495.1	\$ 437.0	\$ 386.1	\$ 330.8	\$ 340.9	\$ 292.1	\$ 268.5
Debt Service	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5	\$ 280.9	\$ 247.2	\$ 233.4
Coverage ratio - Current Gross Revenues	1.16	1.17	1.17	1.19	1.21	1.23	1.21	1.21	1.18	1.15
<b>Coverage Calculation - All Revenues Sources</b>										
Current Gross Revenues available for debt service	\$ 555.1	\$ 585.3	\$ 550.8	\$ 495.1	\$ 437.0	\$ 386.1	\$ 330.8	\$ 340.9	\$ 292.1	\$ 268.5
Natural Gas Royalties, Investment Income, Other PFIC <sup>(2)</sup>	12.7	30.4	11.4	17.9	14.6	19.0	21.6	13.7	9.9	59.3
	4.0	73.3	26.2	25.8	23.8	15.5	24.7	20.8	21.2	22.0
All Current Revenues available for debt service	\$ 571.8	\$ 689.0	\$ 588.3	\$ 538.8	\$ 475.4	\$ 420.6	\$ 377.1	\$ 375.4	\$ 323.2	\$ 349.8
Debt Service	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9	\$ 314.0	\$ 274.5	\$ 280.9	\$ 247.2	\$ 233.4
Coverage ratio - All Current Revenues	1.19	1.38	1.26	1.30	1.32	1.34	1.37	1.34	1.31	1.50
Coverage ratio - All Current Revenues plus Capital Transfers and Rolling Coverage	1.44	1.63	1.51	1.56	1.59	1.63	1.68	1.66	1.65	1.86

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

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

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

## DEMOGRAPHIC and ECONOMIC INFORMATION



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

Company Name	FY 2020 *	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
American Airlines	\$ 366,262	\$ 408,409	\$ 375,564	\$ 318,574	\$ 282,676	\$ 263,574	\$ 200,127	\$ 200,626	\$ 178,160	\$ 172,982
US Airways <sup>(2)</sup>	-	-	-	-	-	7,698	6,407	2,967	2,843	3,201
American Airlines Group <sup>(1)</sup>	<u>\$ 366,262</u>	<u>\$ 408,409</u>	<u>\$ 375,564</u>	<u>\$ 318,574</u>	<u>\$ 282,676</u>	<u>\$ 271,272</u>	<u>\$ 206,534</u>	<u>\$ 203,593</u>	<u>\$ 181,003</u>	<u>\$ 176,183</u>
Delta Air Lines	15,553	17,496	15,429	13,023	11,039	12,633	8,477	3,800	2,519	3,113
United Air Lines	10,836	12,417	12,340	10,596	8,854	9,899	5,863	2,427	2,339	3,405
Spirit Airlines	7,677	9,501	9,959	7,516	7,629	7,566	6,385	4,460	2,681	633
Rasier, LLC (Uber)	7,590	11,271	7,215	5,099	2,909	130	-	-	-	-
Sky Chefs <sup>(3)</sup>	6,865	8,428	7,628	6,799	6,269	6,148	5,463	5,483	5,028	4,919
United Parcel Service	6,339	6,240	6,065	4,702	4,467	4,561	4,349	2,531	2,619	3,610
Hertz Corporation	5,915	8,220	7,606	7,169	8,527	8,784	9,021	8,436	7,903	7,492
Coca-Cola Southwest Beverages LLC	4,741	4,509	-	-	-	-	-	-	-	-
Avis Rent-A-Car System	4,613	6,186	5,684	5,685	6,732	6,715	7,020	6,235	6,043	6,107
Vanguard Car Rental USA	4,380	8,740	8,442	7,870	8,375	8,090	7,392	6,072	5,500	5,504
EAN Holdings (Enterprise rental cars)	3,790	4,633	4,261	3,686	3,882	3,666	3,365	3,154	3,063	3,059
Budget Rent-A-Car Systems	3,369	4,046	3,515	3,678	4,206	3,559	3,587	2,741	2,758	2,691
Hyatt Regency Hotel DFW	3,154	4,538	4,125	3,867	4,463	4,190	3,867	2,420	2,356	2,420
Qantas Airways	3,113	5,871	5,899	5,269	4,624	4,044	2,884	2,822	2,024	391
TGIF/DFW Restaurant Joint Venture	2,871	3,626	997	1,769	3,330	3,718	4,780	3,210	3,431	3,067
GTE Realty Corporation	-	730	2,131	2,085	2,074	2,086	2,065	2,028	1,975	1,926
Clear Channel Airports	-	-	-	1,508	4,884	9,081	10,176	11,047	6,841	5,679
Buckaroo Joint Venture	-	-	-	187	3,213	3,344	3,430	3,204	1,020	2,595
AirTran Airways	-	-	-	-	-	-	-	-	506	1,470
Total	<u>\$ 457,070</u>	<u>\$ 524,861</u>	<u>\$ 476,860</u>	<u>\$ 409,082</u>	<u>\$ 378,153</u>	<u>\$ 369,486</u>	<u>\$ 294,658</u>	<u>\$ 273,663</u>	<u>\$ 239,608</u>	<u>\$ 234,264</u>

Source: Accounts Receivable Billing History

<sup>(1)</sup> American Eagle (Envoy Air) and US Airways are included with American Airlines.

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

<sup>(3)</sup> Sky Chefs Inc. is updated to reflect percentage rent revenues excluded in 2013, 2012 and 2011 which were previously reported as \$408, \$409 and \$679 respectively.

\* Results impacted by COVID-19 epidemic.

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

Year	Population	Personal Income (in millions)	Per Capita Personal Income	Unemployment Rate (%)
2010	6,400,511	268,492	41,948	8.2
2011	6,526,548	285,260	43,708	7.8
2012	6,700,991	309,155	46,136	5.8
2013	6,810,913	320,035	46,989	4.8
2014	6,954,330	344,280	49,506	4.0
2015	7,102,796	362,948	51,099	4.1
2016	7,233,323	369,615	51,099	3.8
2017	7,399,662	392,146	52,995	3.6
2018	7,470,158	417,481	55,886	3.5
2019	7,573,136	444,730	58,725	3.3
2020	N/A	N/A	N/A	N/A

Sources:

Dallas-Fort Worth-Arlington, TX (MSA)

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

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

N/A - 2020 information unavailable at this time

## **OPERATING INFORMATION**

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

<u>Fiscal year</u>	<u>Total passengers</u>	<u>Aircraft operations <sup>(1)</sup></u>	<u>Cargo volume <sup>(2)</sup></u>
2020	*** 47,388	557	888
2019	73,265	700	972
2018	69,022	662	911
2017	66,346	654	886
2016	65,726	675	795
2015	65,002	** 682	733
2014	62,947	671	687 *
2013	60,283	675	647
2012	58,312	644	660
2011	57,801	648	670

Source: Dallas Fort Worth International Airport Activity Reports

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

(2) U. S. Tons

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

\*\*Final FY 2015 Total Passengers adjusted from 63,617 to 65,002 due to change in airline reporting practices.

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

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

	2020 *		2019		2018		2017		2016		2015		2014		2013		2012		2011	
	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%
Domestic Passenger	470	84%	582	83%	550	83%	543	83%	571	84%	585	86%	579	86%	589	87%	565	88%	568	88%
International Passenger	44	8%	72	10%	68	10%	71	11%	68	10%	66	10%	64	10%	59	9%	51	8%	50	8%
Total Passenger	<u>514</u>	<u>92%</u>	<u>654</u>	<u>93%</u>	<u>618</u>	<u>93%</u>	<u>614</u>	<u>94%</u>	<u>639</u>	<u>94%</u>	<u>651</u>	<u>96%</u>	<u>643</u>	<u>96%</u>	<u>648</u>	<u>96%</u>	<u>616</u>	<u>96%</u>	<u>618</u>	<u>96%</u>
Cargo Aircraft	29	5%	29	5%	18	3%	25	4%	23	4%	21	3%	19	3%	19	3%	21	3%	23	3%
General Aviation Aircraft	14	3%	17	2%	26	4%	15	2%	13	2%	11	1%	9	1%	8	1%	7	1%	7	1%
Total Annual Operations	<u>557</u>		<u>700</u>		<u>662</u>		<u>654</u>		<u>675</u>		<u>683</u>		<u>671</u>		<u>675</u>		<u>644</u>		<u>648</u>	

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

\* Results impacted by COVID-19 epidemic.

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

Passenger Airlines	FY 2020 **	% of total	FY 2019	% of total	FY 2018	% of total	FY 2017	% of total	FY 2016	% of total	FY 2015 *	% of total	FY 2014	% of total	FY 2013	% of total	FY 2012	% of total	FY 2011	% of total
Alaska Airlines	128	0.6%	234	0.7%	226	0.7%	242	0.7%	231	0.7%	227	0.7%	190	0.6%	130	0.4%	132	0.5%	142	0.5%
American Airlines	15,846	66.9%	25,139	68.6%	23,597	68.4%	22,638	68.3%	22,309	67.9%	21,721	66.9%	22,136	70.5%	21,448	71.2%	21,002	72.1%	20,998	72.7%
AMR Eagle (Envoy Air)	4,766	20.2%	6,056	16.6%	5,509	16.1%	5,536	16.7%	5,525	16.9%	4,857	15.1%	3,700	12.0%	3,445	11.5%	3,302	11.5%	3,012	10.5%
British Airways	40	0.2%	62	0.2%	94	0.3%	91	0.3%	98	0.3%	96	0.3%	101	0.3%	103	0.3%	101	0.3%	88	0.3%
Continental Airlines	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	53	0.2%	134	0.4%	204	0.7%	256	0.9%
Delta Air Lines	796	3.4%	1,416	3.9%	1,303	3.8%	1,234	3.7%	1,258	3.8%	1,285	4.0%	1,214	3.9%	989	3.3%	892	3.1%	836	2.9%
Emirates	47	0.2%	103	0.3%	101	0.3%	95	0.3%	110	0.3%	112	0.3%	82	0.3%	84	0.3%	54	0.2%	-	0.0%
Ethiopian Airways	-	0.0%	-	0.0%	35	0.1%	63	0.2%	33	0.1%	23	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Express Jet	-	0.0%	-	0.0%	-	0.0%	-	0.0%	15	0.0%	55	0.2%	108	0.3%	173	0.6%	127	0.4%	83	0.3%
Frontier Airlines	134	0.6%	138	0.4%	102	0.3%	91	0.3%	179	0.5%	195	0.6%	234	0.7%	200	0.7%	235	0.8%	252	0.9%
Korean Air Lines	23	0.1%	53	0.1%	53	0.2%	47	0.1%	48	0.1%	42	0.1%	59	0.2%	65	0.2%	57	0.2%	45	0.2%
Lufthansa German Airlines	34	0.1%	81	0.2%	77	0.2%	69	0.2%	63	0.2%	73	0.2%	67	0.2%	67	0.2%	63	0.2%	65	0.2%
Qantas Airways	49	0.2%	107	0.3%	111	0.3%	113	0.3%	108	0.3%	101	0.3%	94	0.3%	94	0.3%	70	0.2%	20	0.1%
Qatar Airways	64	0.3%	98	0.3%	95	0.3%	96	0.3%	99	0.3%	83	0.3%	19	0.1%	-	0.0%	-	0.0%	-	0.0%
Republic Airlines	-	0.0%	-	0.0%	-	0.0%	-	0.0%	83	0.3%	7	0.0%	4	0.0%	7	0.0%	36	0.1%	67	0.2%
Spirit Airlines	870	3.7%	1,421	3.9%	1,425	4.1%	1,198	3.6%	1,284	3.9%	1,300	4.0%	1,152	3.7%	1,065	3.5%	531	1.8%	106	0.4%
Sun Country Airlines	49	0.2%	134	0.4%	89	0.3%	91	0.3%	87	0.3%	93	0.3%	92	0.3%	85	0.3%	71	0.2%	76	0.3%
United Airlines	583	2.5%	1,073	2.9%	1,222	3.5%	1,111	3.4%	977	3.0%	969	3.0%	782	2.5%	246	0.8%	250	0.9%	327	1.1%
US Airways <sup>(2)</sup>	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	938	2.9%	950	3.0%	879	2.9%	827	2.8%	850	2.9%
Virgin America	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	7	0.0%	212	0.7%	205	0.7%	227	0.8%	149	0.5%
Other	242	0.8%	519	1.2%	474	1.1%	416	1.3%	330	0.9%	271	0.7%	170	0.3%	710	2.3%	944	3.0%	1,497	5.1%
<b>Total</b>	<b>23,671</b>		<b>36,635</b>		<b>34,512</b>		<b>33,131</b>		<b>32,837</b>		<b>32,455</b>		<b>31,419</b>		<b>30,128</b>		<b>29,127</b>		<b>28,867</b>	

Source: Dallas Fort Worth International Airport Finance Department

<sup>(1)</sup> Formerly known as ValuJet Airlines

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

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

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

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

<u>Passengers</u>	<u>2020 **</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015 *</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>	
	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>	<u>Pass</u>	<u>%</u>
<u>Domestic/International</u>																				
Domestic	21.3	90	32.0	87	30.2	88	28.8	87	28.7	88	28.5	88	27.9	89	26.8	89	26.1	90	26.1	90
International	2.4	10	4.6	13	4.3	12	4.3	13	4.1	12	4.0	12	3.5	11	3.3	11	3.0	10	2.8	10
Total Enplanements	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>	<u>32.5</u>	<u>100</u>	<u>31.4</u>	<u>100</u>	<u>30.1</u>	<u>100</u>	<u>29.1</u>	<u>100</u>	<u>28.9</u>	<u>100</u>
<u>O&amp;D/Connecting</u>																				
Origination (O)	4.8	20	8.5	23	8.1	23	7.6	23	7.5	22	7.2	22	7.0	22	6.7	22	6.5	22	6.3	22
Destination (D)	3.9	17	6.6	18	6.4	19	6.1	18	6.1	19	6.6	20	6.5	21	6.1	20	6.0	21	5.8	20
O&D Subtotal	8.7	37	15.1	41	14.5	42	13.7	41	13.6	41	13.8	42	13.5	43	12.8	42	12.5	43	12.1	42
Connecting	15.0	63	21.5	59	20.0	58	19.4	59	19.2	59	18.7	58	17.9	57	17.3	58	16.6	57	16.8	58
Total Enplanements	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>	<u>32.5</u>	<u>100</u>	<u>31.4</u>	<u>100</u>	<u>30.1</u>	<u>100</u>	<u>29.1</u>	<u>100</u>	<u>28.9</u>	<u>100</u>
<u>By Airline</u>																				
American	15.8	67	25.1	69	23.6	68	22.6	68	22.3	68	21.7	67	22.1	70	21.4	71	21.2	73	21.5	74
American Eagle (Envoy Air)	4.8	20	6.1	17	5.5	16	5.5	17	5.5	17	4.9	15	3.7	12	3.4	11	3.3	11	3.0	10
US Airways <sup>(1)</sup>	-	0	-	0	-	0	-	0	-	0	0.9	3	1.0	3	0.9	3	0.8	3	0.9	3
Delta	0.8	3	1.4	4	1.3	4	1.2	4	1.3	4	1.3	4	1.2	4	1.4	5	1.2	4	1.0	4
United	0.6	3	1.1	3	1.2	4	1.1	3	1.0	3	1.0	3	0.8	3	0.8	3	0.5	2	0.5	2
Spirit Airlines	0.9	4	1.4	4	1.4	4	1.2	4	1.3	4	1.3	4	1.2	4	1.1	4	0.5	2	0.1	0
Emirates	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	-	0
Qantas Airways	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	-	0
Qatar Airways	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	-	0	-	0	-	0	-	0
Sun Country Airlines	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
AirTran	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	0.3	1
Other	0.7	3	1.1	3	1.1	4	1.1	4	1.0	4	1.0	4	1.1	4	0.8	3	1.3	5	1.5	6
Total Enplanements	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>	<u>32.5</u>	<u>100</u>	<u>31.4</u>	<u>100</u>	<u>30.1</u>	<u>100</u>	<u>29.1</u>	<u>100</u>	<u>28.9</u>	<u>100</u>

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

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

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

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

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

	2020 **		2019 <sup>(2)</sup>		2018		2017		2016		2015		2014		2013		2012		2011	
	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%	Weight	%
<b>By Airline Type</b>																				
Domestic Passenger	30.6	84	39.8	86	37.6	86	37.1	87	36.5	88	36.3	89	35.2	89	35.0	91	32.8	90	32.7	90
International Passenger	1.1	3	2.1	4	1.9	4	1.7	4	1.4	3	1.1	3	1.0	3	0.6	2	0.6	2	0.6	2
Cargo/Integrator	4.6	13	4.9	10	4.3	10	4.0	9	3.8	9	3.3	8	3.2	8	2.7	7	3.1	8	3.0	8
<b>Total Landed Weights</b>	<b>36.3</b>	<b>100</b>	<b>46.8</b>	<b>100</b>	<b>43.8</b>	<b>100</b>	<b>42.8</b>	<b>100</b>	<b>41.7</b>	<b>100</b>	<b>40.7</b>	<b>100</b>	<b>39.4</b>	<b>100</b>	<b>38.3</b>	<b>100</b>	<b>36.5</b>	<b>100</b>	<b>36.3</b>	<b>100</b>
<b>By Major Airline</b>																				
American	20.7	57	27.9	60	26.1	60	25.6	60	25.0	60	24.5	60	25.0	64	24.5	64	23.6	65	24.4	67
American Eagle (Envoy Air)	6.6	18	7.4	16	6.7	15	6.7	16	6.6	16	5.3	13	4.2	11	4.0	10	3.8	11	3.5	10
US Airways <sup>(1)</sup>	-	0	-	0	-	0	-	0	-	0	1.1	3	1.1	3	1.0	3	0.9	3	0.9	3
UPS	2.1	6	1.9	4	1.3	3	1.2	3	1.1	3	1.0	2	0.9	2	0.9	2	0.8	2	0.8	2
Delta	1.1	3	1.6	3	1.4	3	1.4	3	1.4	3	1.5	4	1.4	4	1.4	4	0.8	2	0.8	2
Spirit Airlines	0.9	3	1.4	3	1.4	3	1.2	3	1.4	3	1.4	3	1.2	3	1.2	3	0.6	2	0.1	0
Federal Express	0.7	2	0.6	1	0.6	1	0.6	1	0.6	1	0.6	1	0.6	1	0.5	1	0.5	1	0.5	1
United	0.8	2	1.2	3	1.4	3	1.3	3	1.2	3	1.1	3	1.0	3	1.1	3	0.6	2	0.7	2
British Airways	0.2	1	0.2	0	0.2	1	0.2	1	0.2	0	0.2	1	0.2	1	0.2	1	0.2	1	0.2	1
Korean Air Lines	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.2	0	0.1	0	0.1	0	0.1	0
Lufthansa German Airlines	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
Emirates	0.1	1	0.2	1	0.2	1	0.2	0	0.2	1	0.3	1	0.2	0	0.2	0	0.1	0	0.0	0
Ethiad Airways	-	0	-	0	0.1	0	0.1	1	0.1	0	0.1	1	0.0	0	0.0	0	0.0	0	0.0	0
Qantas	0.1	0	0.3	1	0.3	2	0.3	1	0.2	1	0.3	1	0.2	1	0.2	1	0.2	1	0.1	0
Qatar Airways	0.2	1	0.2	1	0.2	1	0.2	1	0.1	0	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0
Sun Country Airlines	0.1	0	0.1	1	0.1	1	0.1	1	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
AirTran	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.3	1
Other	2.5	6	3.6	6	3.6	6	3.5	6	3.3	8	2.8	7	3.0	8	2.8	8	4.1	11	3.7	11
<b>Total Landed Weights</b>	<b>36.3</b>	<b>100</b>	<b>46.8</b>	<b>100</b>	<b>43.8</b>	<b>100</b>	<b>42.8</b>	<b>100</b>	<b>41.7</b>	<b>100</b>	<b>40.7</b>	<b>100</b>	<b>39.4</b>	<b>100</b>	<b>38.3</b>	<b>100</b>	<b>36.5</b>	<b>100</b>	<b>36.3</b>	<b>100</b>
<b>Cargo Tonnage</b>	<b>888</b>		<b>972</b>		<b>911</b>		<b>886</b>		<b>795</b>		<b>733</b>		<b>687 *</b>		<b>647</b>		<b>660</b>		<b>670</b>	

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

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

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

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

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



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

	2020 **	2019	2018	2017	2016	2015 *	2014	2013	2012	2011
October	3,185	2,868	2,917	2,794	2,808	2,707	2,593	2,485	2,497	2,469
November	3,007	2,808	2,714	2,593	2,603	2,432	2,353	2,385	2,326	2,312
December	3,219	2,842	2,825	2,671	2,684	2,685	2,417	2,435	2,332	2,387
January	2,871	2,718	2,601	2,528	2,530	2,489	2,445	2,314	2,173	2,160
February	2,770	2,566	2,466	2,366	2,417	2,176	2,214	2,187	2,126	1,939
March	1,649	3,048	2,896	2,814	2,780	2,700	2,643	2,555	2,498	2,436
April	242	2,999	2,788	2,635	2,625	2,655	2,566	2,457	2,321	2,317
May	676	3,318	3,015	2,909	2,835	2,769	2,760	2,636	2,597	2,438
June	1,115	3,444	3,275	3,051	2,969	3,023	2,939	2,766	2,675	2,698
July	1,625	3,557	3,281	3,116	3,056	3,170	3,021	2,838	2,711	2,776
August	1,620	3,400	3,087	2,956	2,802	2,962	2,856	2,695	2,583	2,551
September	1,693	3,067	2,647	2,696	2,728	2,687	2,612	2,375	2,288	2,384
Total	<u>23,671</u>	<u>36,635</u>	<u>34,512</u>	<u>33,131</u>	<u>32,837</u>	<u>32,455</u>	<u>31,419</u>	<u>30,128</u>	<u>29,127</u>	<u>28,867</u>

Increase (Decrease) over Prior Period	(35.4%)	6.2%	4.2%	0.9%	1.2%	3.3%	4.3%	3.4%	0.9%	2.4%
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Source: Dallas Fort Worth International Airport Finance Department

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

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

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

Carrier	2020 **	% of total	2019	% of total	2018	% of total	2017	% of total	2016	% of total	2015	% of total	2014	% of total	2013	% of total	2012	% of total	2011	% of total
AirTran	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	42	0.1%	334	0.9%
American Airlines	20,671	57.0%	27,884	59.6%	26,098	59.5%	25,571	59.7%	25,014	59.9%	24,524	60.3%	25,036	63.6%	24,517	64.0%	23,369	64.0%	23,685	65.1%
American Eagle	6,648	18.3%	7,387	15.8%	6,665	15.2%	6,712	15.7%	6,572	15.6%	5,316	13.1%	4,213	10.7%	3,999	10.4%	3,838	10.5%	3,508	9.6%
British Airways	178	0.5%	151	0.3%	220	0.5%	220	0.5%	200	0.5%	215	0.5%	229	0.6%	228	0.6%	230	0.6%	216	0.6%
Cathay Pacific Airways	197	0.5%	223	0.5%	224	0.5%	224	0.5%	227	0.5%	225	0.6%	231	0.6%	242	0.6%	233	0.6%	217	0.6%
Delta	1,104	3.0%	1,578	3.4%	1,440	3.3%	1,358	3.2%	1,410	3.4%	1,466	3.6%	1,377	3.5%	798	2.1%	789	2.2%	759	2.1%
Eva Airways	93	0.3%	89	0.2%	116	0.3%	129	0.3%	168	0.4%	166	0.4%	175	0.4%	203	0.5%	205	0.6%	221	0.6%
Emirates	104	0.3%	203	0.4%	203	0.5%	202	0.5%	243	0.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Eihad Airways	-	0.0%	-	0.0%	87	0.2%	146	0.3%	77	0.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Executive	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	243	0.7%	737	2.0%
Federal Express	654	1.8%	627	1.3%	609	1.4%	623	1.5%	630	1.5%	582	1.4%	584	1.5%	508	1.3%	487	1.3%	459	1.3%
Frontier	136	0.4%	127	0.3%	92	0.2%	88	0.2%	176	0.4%	214	0.5%	238	0.6%	221	0.6%	272	0.7%	301	0.8%
Korean Air	74	0.2%	132	0.3%	131	0.3%	119	0.3%	118	0.3%	111	0.3%	160	0.4%	142	0.4%	121	0.3%	103	0.3%
Lufthansa	63	0.2%	147	0.3%	145	0.3%	144	0.3%	135	0.3%	141	0.3%	143	0.4%	144	0.4%	135	0.4%	136	0.4%
Qantas Airways	128	0.4%	280	0.6%	299	0.7%	301	0.7%	290	0.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Qatar Airways	165	0.5%	198	0.4%	196	0.4%	202	0.5%	194	0.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Spirit Airlines	916	2.5%	1,369	2.9%	1,420	3.2%	1,228	2.9%	1,400	3.4%	1,370	3.4%	1,200	3.0%	1,199	3.1%	590	1.6%	105	0.3%
Sun Country Airlines	68	0.2%	137	0.3%	100	0.2%	109	0.3%	112	0.3%	116	0.3%	127	0.3%	125	0.3%	107	0.3%	115	0.3%
United	775	2.1%	1,217	2.6%	1,376	3.1%	1,272	3.0%	1,182	2.8%	1,133	2.8%	955	2.4%	1,054	2.8%	1,131	3.1%	974	2.7%
UPS	2,078	5.7%	1,851	4.0%	1,251	2.9%	1,152	2.7%	1,098	2.6%	992	2.4%	896	2.3%	850	2.2%	843	2.3%	792	2.2%
US Airways*	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,059	2.6%	1,072	2.7%	999	2.6%	914	2.5%	936	2.6%
Other	2,243	6.2%	3,163	6.8%	3,166	7.1%	3,002	6.9%	2,496	6.0%	3,066	7.5%	2,712	7.0%	3,102	8.1%	2,975	8.2%	2,799	7.6%
<b>Total</b>	<b>36,295</b>		<b>46,763</b>		<b>43,839</b>		<b>42,802</b>		<b>41,742</b>		<b>40,696</b>		<b>39,348</b>		<b>38,331</b>		<b>36,524</b>		<b>36,397</b>	

Source: Dallas Fort Worth International Airport Finance Department

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

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

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

<u>Year</u>	<u>Employees</u>
2020	2,069
2019	2,076
2018	1,985
2017	1,943
2016	1,848
2015	1,794
2014	1,806
2013	1,755
2012	1,856
2011	1,843

Source: Dallas Fort Worth International Airport, Employee records

**Dallas Fort Worth International Airport  
Capital Assets as a Function of Operations  
Fiscal Year ended September 30, 2020**

**Asset Type:**

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

**Nature of Capital Asset:**

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

Description	2020				
	Balance October 1, 2019	Additions to Existing Assets	Completed Projects and Additions	Less Retirements	Balance September 30, 2020
Capital assets not being depreciated					
Land	\$ 294,313	\$ -	\$ -	\$ -	\$ 294,313
Construction in progress	279,466	446,649	(168,086)	-	558,029
Total capital assets not depreciated	573,779	446,649	(168,086)	-	852,342
Depreciable capital assets					
Buildings improvements	\$ 3,920,229	-	42,397	(17,071)	3,945,555
Improvements other than buildings	3,311,061	-	125,689	(14,095)	3,422,655
Machinery and equipment	1,187,230	30,468	-	(3,969)	1,213,729
Vehicles	223,666	7,464	-	(569)	230,561
Total depreciable capital assets	8,642,186	37,932	168,086	(35,704)	8,812,500
Accumulated depreciation					
Buildings improvements	\$ 1,231,402	130,056	-	(7,920)	1,353,538
Improvements other than buildings	1,518,812	98,887	-	(9,114)	1,608,585
Machinery and equipment	794,893	61,129	-	(3,563)	852,459
Vehicles	137,771	20,087	-	(400)	157,458
Total accumulated depreciation	3,682,878	310,159	-	(20,997)	3,972,040
Total, net capital assets	\$ 5,533,087	\$ 174,422	\$ -	\$ (14,707)	\$ 5,692,802

Source: Dallas Fort Worth International Airport Finance Department

**Dallas Fort Worth International Airport  
Schedule Of Insurance In Force  
September 30, 2020**

Coverage Type	Carrier	Policy #	Start/End Dates	Limits	Deductible/Retention	Premium Amount	Expires
Auto Liability (Off Premises)	TML Intergovernmental Risk Pool	4575	10/01/20 10/01/21	\$1M Ea. Occurrence	\$25K Each Occurrence (Deductible)	\$32,795.96	10/01/21
Commercial Crime	The Hanover Insurance Group - Massachusetts Bay Insurance Company	BDD-1848561	10/01/20 10/01/21	\$5M Employee Theft, Per Loss	\$50K per Occurrence (Deductible)	\$17,771.00	10/01/21
Commercial General Liability	National Union Fire Insurance Company of Pittsburgh, PA	AP-028176649-06	10/01/20 10/01/21	\$20M Premise BI/PD CSL - (Ea. Occurrence)	\$25K Ea. Occ or Offense, not to exceed <b>\$250,000</b> Annual Agg	\$219,700.00	10/01/21
Public Officials Liability (E&O)	Chubb (dba ACE American Insurance Company)	G2167333A 016	10/01/20 10/01/21	\$5M Ea. Claim, \$10M Aggregate, \$50K Crisis Mgmt Fund	<b>Deductibles: \$0 Public Officials Liability</b> - Damages & Claim Expenses - Ea. Claim, <b>\$100k Public Entity Reimbursement</b> - Damages & Claim Expenses - Ea. Claim, <b>\$100k Public Entity Liability</b> - Damages and Claim Expenses - Ea. Claim, <b>\$200K Employment Practices Liability</b> - Damages and Claim Expenses - Each Claim	\$109,109.00	10/01/21
Directors and Officers Liability PFIC	Chubb (dba ACE American Insurance Company)	M00612790 007	10/01/20 10/01/21	\$5M (Ea. Claim); \$5M Aggregate for all Claims including Claims Expenses; \$50K Crisis Mgmt Fund	<b>Retentions: \$0 Public Officials Liability</b> (Ea. Claim); <b>\$50K Public Entity Reimbursement &amp; Public Entity Liability</b> - (Ea. Claim)	\$20,677.00	10/01/21
Environmental Pollution and Remediation Legal Liability	Great American E&S Insurance Group	PRE E37943302	10/01/20 10/01/21	<b>Limits of Liability:</b> Claims Made \$15M Ea. Pollution Event Limit, \$15M Aggregate Policy Limit	<b>Self-Insured Retention:</b> \$500K Ea. Pollution Event	\$90,298.00	10/01/21
Fiduciary Liability Policy	Hudson Insurance Company	TBD	12/16/20 12/16/21	\$5M Aggregate, per claims made basis	\$25K/per claim (Retention)	\$22,063.00	12/16/21
Airport Ambassador Program	Berkley Life and Health Insurance Company	PAI L19720093701	2/01/20 2/01/21	Accidental Death & Dismemberment \$10K Agg Per Accident \$500K Accidental Medical & Dental \$50K	NIL	\$2,959.00	02/01/21
All Risk & Extended Property	AIG - Primary Layer All Other - Additional Layers	AIG - 011144150 All Other - Various	3/1/20 3/1/21	\$2B, per occurrence	\$250K Deductible \$500K Hail Deductible	\$7,267,291.00	03/01/21
Excess Workers' Compensation/Employers Liability	Midwest Employers Casualty Company	EWC009671	3/1/20 3/1/21	Texas Statutory Work Comp Limits	\$900K, Specific Retention	\$259,909.00	03/01/21
Cyber Liability - Comprehensive (incl Tech E&O Liability)	Chubb (dba ACE American Insurance Company)	D95186713	5/3/2020 5/3/2021	<b>Limits of Liability:</b> \$10M Ea. Claim Limit \$10M Aggregate Policy Limit	<b>Self-Insured Retention:</b> \$100K Ea. Claim	\$81,544.00	05/03/21
FTRC International Student "Accident Coverage-Firefighters Training"	National Union Fire Insurance Company of Pittsburgh, PA	SRG0009143096A	6/1/20 6/1/21	\$50,000 - Accidental Death or Dismemberment Benefit; Aggregate Limit: \$250K	NIL	\$25,604.00	06/01/21
International Travel Accident	Chubb (dba ACE American Insurance Company)	PHFD38340980 005	6/15/20 6/15/21	GL - \$1M/Occ \$2M Agg Emp Ben Liab - \$1M Contingent Auto - \$1M AD&D (non-occ) \$100K	NIL	\$2,500.00	06/15/21
Kidnap & Extortion	Chubb (dbe Federal Insurance Company)	8251-5809	6/15/20 6/15/21	See policy for specific Limits	NIL	\$1,626.00	06/15/21
Importer Bond	Westchester Fire Insurance Company	040716007/K05510338	08/19/20 08/19/21	\$50k Bond Amt.	NIL	\$400.00	08/19/21
Stop Loss (Medical Insurance)	Blue Cross and Blue Shield	167191 (this is under the BPA number that is the ASO)	01/01/21 01/01/22	Contract Basis 24/12 Aggregate Attachment 125% Projected Claim Vaue \$1433.27 per subscriber per month	\$200K per claimant	\$2,907,400.00	01/01/22

Source: Dallas Fort Worth International Airport Risk management.