RETIREMENT PLANS
FOR EMPLOYEES AND DPS COVERED EMPLOYEES
OF THE
DALLAS FORT WORTH INTERNATIONAL AIRPORT

Combined Financial Statements
and
Required Supplementary Information

As of and for the year ended December 31, 2018

Prepared by
Department of Finance

Christopher A. Poinsatte
Executive Vice President and Chief Financial Officer

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Notes to the Combined Financial Statements and Required Supplementary Information
As of and for the year ended December 31, 2018

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INDEPENDENT AUDITORS' REPORT

The Members of the Retirement/Investment Committee

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of the Retirement Plan for Employees of the Dallas Fort Worth International Airport Board and the Retirement Plan for DPS Covered Employees of the Dallas Fort Worth International Airport Board (collectively, the "Plans"), as of and for the year ended December 31, 2018, and the related notes to the combined financial statements, which collectively comprise the Plans' combined basic financial statements as listed in the table of contents.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined 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 entity'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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Plans as of December 31, 2018, and the changes in financial position 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 the management's discussion and analysis, and Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Investment Returns on pages 4, 27-29, 30-31, and 32, respectively, be presented to supplement the combined basic financial statements. Such information, although not a part of the combined 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 combined 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 combined basic financial statements, and other knowledge we obtained during our audit of the combined 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 an opinion on the Plans' combined basic financial statements. The supplemental information by plan in the combined statements of fiduciary net position and changes in fiduciary net position and accompanying notes is presented for the purpose of additional analysis and is not a required part of the combined basic financial statements.

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

Deloitte & Touche LLP

July 17, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following discussion and analysis of the Retirement Plans for Employees (Employee Plan) and for DPS Covered Employees (DPS Plan) of the Dallas Fort Worth International Airport (collectively, the "Plans") provides a narrative overview and analysis of the combined financial summary for the years ended December 31, 2018 as compared to 2017. The Employee Plan and the DPS Plan are single-employer defined benefit retirement plans. The MD&A has been prepared by management and should be read in conjunction with the combined financial statements and notes thereto, which follow this section.

FINANCIAL HIGHLIGHTS & ANALYSIS

- The Plans' total fiduciary net position increased $1.8 million to $681.4 million in 2018 compared to a $78.9 million increase to $679.6 million in 2017. The 2018 increase was primarily due to the increase in employer contributions.

- Total employer contributions were $32.5 million in 2018, compared to $29.9 million contributed in 2017 primarily due to $3.0 million of contributions in excess of the actuarially determined amount.

- The Plans' total investment income decreased $78.4 million, from $78.1 million in 2017 to $(0.3) million in 2018, primarily due to losses in Commingled funds and Common stocks offset by Limited partnerships.

PLANS' FIDUCIARY NET POSITION

The following table shows a financial summary of the Plans' fiduciary net position.

Total Plans' Fiduciary Net Position and Changes in Fiduciary Net Position
(Amounts in Thousands)

	2018	2017	Change
Total assets	$ 683,845	$ 680,238	$ 3,607
Total liabilities	2,485	650	1,835
Total fiduciary net position	**$ 681,360**	**$ 679,588**	**$ 1,772**
Total investment income (loss)	$ (334)	$ 78,112	$ (78,446)
Plan member contributions	2,174	2,041	133
Employer contributions	32,546	29,884	2,662
Total additions	34,386	110,037	(75,651)
Benefit payments and administrative expenses	(32,614)	(31,132)	(1,482)
Changes in plan fiduciary net position	1,772	78,905	(77,133)
Beginning fiduciary net position	679,588	600,683	78,905
Ending fiduciary net position	**$ 681,360**	**$ 679,588**	**$ 1,772**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Plans' finances. 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, DFW Airport, Texas 75261-9428.

Retirement Plans for Employees and DPS Covered Employees of the
Dallas Fort Worth International Airport
Combined Statement of Fiduciary Net Position
As of December 31, 2018
(Amounts in Thousands)

	Supplemental Information by Plan		Total
	Employee	**DPS**	**2018**
Assets			
Investment held in Master Trust at fair value (Notes 6, 7)	$ 494,563	$ 188,539	$ 683,102
Receivables			
Accrued interest and dividends	457	174	631
Due from broker for securities sold	81	31	112
Total assets	**$ 495,101**	**$ 188,744**	**$ 683,845**
Liabilities			
Due to broker for securities purchased	$ 1,610	$ 613	$ 2,223
Accrued administrative fees	95	36	131
Accrued management fees	95	36	131
Total liabilities	**$ 1,800**	**$ 685**	**$ 2,485**
Fiduciary net position restricted for pensions	**$ 493,301**	**$ 188,059**	**$ 681,360**

The accompanying notes to the financial statements are an integral part of these statements.

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Combined Statement of Changes in Fiduciary Net Position
For the year ended December 31, 2018
(Amounts in Thousands)

	Supplemental Information by Plan		Total
	Employee	**DPS**	**2018**
Additions			
Contributions (Note 5)			
Plan members contributions	-	$ 2,174	$ 2,174
Employer contributions	22,491	10,055	32,546
Total contributions	**22,491**	**12,229**	**34,720**
Plans' interest in Master Trust investment gain (Note 7)	$ 1,210	$ 356	$ 1,566
Less: Investment fees (Note 8)	(1,382)	(518)	(1,900)
Total investment income (loss)	**(172)**	**(162)**	**(334)**
Total additions	**22,319**	**12,067**	**34,386**
Deductions			
Benefits paid to plan members and beneficiaries	$ 23,036	$ 8,453	$ 31,489
Administrative fees (Note 8)	818	307	1,125
Total deductions	**23,854**	**8,760**	**32,614**
Net increase (decrease) in fiduciary net position	**(1,535)**	**3,307**	**1,772**
Fiduciary net position restricted for pensions			
At beginning of the year	**$ 494,836**	**$ 184,752**	**$ 679,588**
At end of the year	**$ 493,301**	**$ 188,059**	**$ 681,360**

The accompanying notes to the financial statements are an integral part of these statements.

1. DESCRIPTION OF THE PLANS

The following brief description of the Retirement Plans for Employees (Employee Plan) and for DPS Covered Employees (DPS Plan) of Dallas Fort Worth International Airport Board (collectively the "Plans") is provided for general information purposes only. Participants should refer to the specific plan agreements for more complete information.

General

The Employee Plan and the DPS Plan are single-employer defined benefit retirement plans covering significant portion of Dallas Fort Worth International Airport ("DFW") employees. The Employee Plan was established in 1978 and the DPS Plan was established in 1999. Both plans are governed by the DFW Board of Directors ("the Board"), which is composed of twelve members, eleven of whom are voting members (seven of which are appointed by the City of Dallas and four by the City of Fort Worth) in accordance with each city's ownership interest in the Airport. The 12th position rotates between the Airport's host cities of Irving, Grapevine, Euless and Coppell and is non-voting. The Board is a semi-autonomous body charged with governing DFW and may enter into contracts without approval of City Councils. The Board has the authority to establish and amend benefits 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 Plans is the responsibility of the DFW Board's Retirement/Investment Committee, the Executive Vice President/CFO and the Vice President of Treasury Management. DFW has contracted with JPMorgan 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.

Membership

The number of participants covered by the Plans according to current membership classification at December 31, 2018 is as follows:

	Supplemental Information by Plan		
	Employee	**DPS**	**Total**
Inactive plan members or beneficiaries currently receiving benefits	1,285	192	1,477
Inactive plan members entitled to but not yet receiving benefits	427	33	460
Active plan members	696	376	1,072
Total plan members	2,408	601	3,009

Pension Benefits

The Employee Plan and DPS Plan both 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 termination.

Employee Plan

The Employee Plan covers all employees hired prior to January 1, 2010, and provides a Normal/Late Retirement benefit on/after age 62, and permits Early Retirement between the ages of 55 and 61. Employees who terminate before rendering five years of service forfeit the right to receive Employee Plan benefits. Retired employees receive pension benefits in one of four ways (1) Single life annuity (2) Qualified joint and survivor annuity employee (3) Guaranteed period option or (4) Level income option. Lump sum distributions upon retirement or termination are available only in limited situations. Pension benefits increase by a cost of living adjustment ("COLA"), as applicable, each January 1st.

DFW has amended the Employee Plan for employees hired on or after January 1, 2010 whereby these employees will not be eligible to participate in the defined benefit employee retirement plan. All employees hired on or after January 1, 2010 are eligible to participate in "Savings Plus Plan". This plan has two main components: the Mandatory 401(a) and the Voluntary 457(b). ICMA-RC is the administrator of this Plan. The 401(a) and 457(b) plans are not part of the Retirement Plans.

Under the Mandatory 401(a), new employees, during the first two years of service, must contribute one percent of their pre-tax salary to the 401(a) and DFW matches the one percent contribution in the 401(a). After two years of service new employees must contribute three percent of their pre-tax salary to 401(a) and DFW matches the employees' three percent contribution.

Under the Voluntary 457(b), new employees, during the first two years of service, may also contribute up to ninety percent of their pre-tax salary to the 457(b), up to IRS limits and DFW matches, dollar-for-dollar, up to six percent per pay period. After two years of service new employees may also contribute up to ninety percent of their pre-tax salary to the 457(b), up to IRS limits and DFW matches, dollar-for-dollar, up to four percent per pay period.

DPS Plan

The DPS Plan was not closed as of January 1, 2010, and remains available to all Public Safety Officers employed by DFW. DPS participants may retire upon the satisfaction of the "Rule of 80" or the "25-Year Rule". The "Rule of 80" is the attainment of age fifty and the completion of the number of years of benefit service that when added to the participant's age equals the sum of eighty. The "25-year Rule" is the attainment of twenty-five years of benefit service, regardless of age, in a DPS covered position. Normal Retirement occurs, when vested, at the age of 62. The DPS Plan permits Early Retirement, when vested, between the ages of 55 and 61. Each plan participant is required to contribute seven percent of their compensation to the DPS Plan.

Retired DPS covered employees receive pension benefits in one of four ways (1) Single life annuity (2) Qualified joint and survivor annuity employee (3) Guaranteed period option or (4) Level income option. Lump sum distributions upon retirement or termination are available only in limited situations. Pension benefits increase by COLA, as applicable, each January 1st. DPS covered employees who terminate before rendering five years of service forfeit the right to receive DPS Plan benefits. DPS covered employees who do not qualify under the "Rule of 80" or the "25-Year Rule" will be refunded the whole amount contributed (by the employee) to the plan (without interest) upon termination or retirement.

Death and Disability Benefits

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements of the Employee Plan and DPS Plan are presented using the accrual basis of accounting. Accordingly, interest earned but not received as of the calendar year end is recorded as accrued interest receivable. In addition, unsettled investment purchases and sales are accrued. Expenses are recognized when incurred.

The Plans' financial statements are reported in accordance with GASB Statement No. 67, "*Financial Reporting for Pension Plans an amendment of GASB Statement No. 25,"* as amended. This statement requires the presentation of a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 67 also requires the presentation of annual money-weighted rates of return in the notes to the financial statements and in the 10-year historical Required Supplementary Information (RSI) schedules.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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. See Note 6 for descriptions of the basis of valuation for each of the types of investments held by the Plans.

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.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

3. ACTUARIAL ASSUMPTIONS

In determining costs and liabilities, actuaries use assumptions about the future, such as rates of salary increase, probabilities of retirement, termination, death and disability, and an investment return assumption. The actuary also makes use of an actuarial funding method to allocate costs to past, current and future years of service. The actuarial assumptions and methods are adopted by the Board of Directors, based upon the recommendation of the actuary. For the purpose of calculating the net pension liability, the Plans' assets were valued at fair value.

An Actuarial Experience Investigation Study for the Plans was performed as of December 31, 2015. This study includes discussion of recent experience, presents recommendations for new actuarial assumptions and methods, and provides information about the actuarial impact of these recommendations on the liabilities and other key actuarial measures. The study was conducted by a qualified actuary in accordance with generally accepted actuarial principles and practices.

As a result of this study, in 2016 DFW changed its Non-disabled mortality tables from RP-2000 Healthy Mortality projected to 2011 using Mortality Improvement Scale AA to the RP-2014 Combined Healthy Mortality with Blue Collar adjustments projected with Scale BB from 2014. This new table incorporates Generational Mortality versus the previous Static method.

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Employee Plan

The Entry Age Normal Level Percentage of Pay funding method is used to allocate the actuarial present value of future benefits between the portion due for the current year (the normal cost), prior years (the actuarial accrued liability) and future years (present value of future normal cost). Under this cost method, the current and future normal costs are determined as a level percentage of pay. The following actuarial assumptions are based on the presumption that the Employee Plan will continue. Were the Employee Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial accrued liability.

Employee Plan's Significant Actuarial Assumptions:	
Valuation date	For the year beginning January 1, 2019.
Actuarially assumed investment return	7.25% per annum compounded annually, net of investment expenses. Administrative expenses are added to the annual Actuarially Determined Contribution.
Mortality rates for males and females	Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015.
a. Retirees: Non-Disabled (Healthy)	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.
c. Pre-retirement (Active)	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).
Actuarial cost method	Entry Age Normal Level Percentage of Pay.
Cost of living adjustment (at core inflation rate)	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%).
Asset valuation method: Net pension liability	Fair value.
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.

DPS Plan

The Entry Age Normal Level Percentage of Pay funding method is used to allocate the actuarial present value of future benefits between the portion due for the current year (the normal cost), prior years (the actuarial accrued liability) and future years (present value of future normal cost). Under this cost method, the current and future normal costs are determined as a level percentage of pay. The foregoing actuarial assumptions are based on the presumption that the DPS Plan will continue. Were the DPS Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial accrued liability.

DPS Plan's Significant Actuarial Assumptions:	
Valuation date	For the year beginning January 1, 2019.
Actuarially assumed investment return	7.25% per annum compounded annually, net of investment expenses. Administrative expenses are added to the annual Actuarially Determined Contribution.
Mortality rates for males and females	Experience-based table of rates that are specific to the class of employee. Last updated for the 2016 valuation pursuant to an experience study of a 5-year period from January 1, 2011 through December 31, 2015.
a. Retirees: Non-Disabled (Healthy)	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.
c. Pre-retirement (Active)	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).
Actuarial cost method	Entry Age Normal Level Percentage of Pay.
Cost of living adjustment (at core inflation rate)	2.75% per annum.
Projected salary increase	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.
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.
Employee contribution rate	7.0% of compensation.

4. NET PENSION LIABILITY AND RATES OF RETURN

Net Pension Liability

The net pension liability is measured as the total pension liability, less the fiduciary net position. In actuarial terms, this will be the accrued liability less the fair value of assets. Based on the assumptions listed in Note (3) and the projection of cash flows, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Accordingly, a single discount rate of 7.25% was applied to all periods of projected benefit payments to determine the net pension liability as of December 31, 2018. This single discount rate was used for both plans. The table below is based on the actuarial valuation dated January 1, 2019 (in thousands):

	Supplemental Information by Plan		
	Employee	**DPS**	**Total**
Total pension liability	$ 610,919	$ 248,170	$ 859,089
Plan fiduciary net position	493,301	188,059	681,360
Net pension liability	$ 117,618	$ 60,111	$ 177,729
Plan fiduciary net position as a percentage of the total pension liability	80.7%	75.8%	79.3%

Sensitivity of Net Pension Liability

The table below provides the sensitivity of the net position liability to changes in the discount rate as of December 31, 2018. In particular, the table presents the net pension liability, if it were calculated using a single discount rate that is one percentage-point lower or one percentage-point higher than the single discount rate. The table below is based on the actuarial valuation dated January 1, 2019 (in thousands):

Plan	**1% Decrease from 7.25% to 6.25%**	**Current Discount Rate 7.25%**	**1% Increase from 7.25% to 8.25%**
Employee	$ 201,344	$ 117,618	$ 48,324
DPS	97,428	60,111	29,749
Total DFW plans	$ 298,772	$ 177,729	$ 78,073

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	20.0%	5.36%	1.07%
International / Global Equity	17.5%	7.70%	1.35%
Non-Core Fixed Income	15.0%	2.74%	0.41%
Core Fixed Income	12.5%	1.44%	0.18%
Private Equity	12.5%	9.15%	1.14%
Real Estate	10.0%	4.41%	0.44%
Real Assets and MLP's	10.0%	3.90%	0.39%
Cash	2.5%	0.34%	0.01%
Total	100.0%		4.99%
Inflation			2.75%
Arithmetic nominal return before adverse experience			7.74%
Margin for adverse experience			(0.48%)
Expected arithmetic nominal return			7.26%

5. FUNDING POLICY AND CONTRIBUTIONS

DFW determines each Plans' funding policy. In general, DFW contributes an amount approximately equal to the actuarially determined pension cost for each fiscal year. This contribution becomes a component of the fiscal year operating budget approved annually by the Board of Directors. The Entry Age Normal funding method is used to determine the contribution requirement for each plan. The significant actuarial assumptions used to compute the Actuarially Determined Contribution (ADC) requirement are the same as those used to compute the actuarial accrued liability. The ADC is computed through an actuarial valuation performed as of each previous calendar year-end. The contribution amount is determined by combining the normal cost with the amortization of the Unfunded Actuarially Accrued Liability (UAAL) over the 30-year period from January 1, 2005 to December 31, 2034 (16 years from this valuation of 2018).

Employee Plan

Based on the annual ADC requirements for the Employee Plan, DFW contributed $20.4 million. DFW also made an excess contribution of $2.1 million. The total employer contribution to the Trustee of Employee Retirement Plan in calendar year 2018 amounted to $22.5 million.

DPS Plan

Based on the annual ADC requirements for the DPS Plan, DFW contributed $9.2 million. DFW also made an excess contribution of $0.9 million. The total employer contribution to the Trustee of DPS Retirement Plan in calendar year 2018 amounted to $10.1 million. DPS personnel contributed $2.2 million as employee contributions to the Trustee in the same calendar year.

6. INVESTMENT VALUATION AND PERFORMANCE

The Plans' investments by type as of December 31, 2018 (in thousands):

	Supplemental Information by Plan				Total	
Investment Type	**Employee**		**DPS**		**2018**	
Common stocks	$	104,474	$	39,828	$	144,302
Corporate bonds		29,634		11,297		40,931
Asset/Commerical mortgage backed bonds		2,242		855		3,097
U.S. Treasury and Agency securities		30,206		11,515		41,721
Money market funds		18,602		7,092		25,694
ADR/Foreign stocks		1,335		509		1,844
Commingled funds		104,569		39,864		144,433
Limited partnerships		203,501		77,579		281,080
TOTAL	**$**	**494,563**	**$**	**188,539**	**$**	**683,102**

The following is a description of the hierarchy level and valuation methodologies for assets measured at fair value.

Fair Value Measurements

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.

Fair Value Assets (Methodologies)

Common stocks: Valued at the closing price reported on the active market on which the individual securities.

Exchange traded funds/notes: ETF/ETN, Master limited partnerships (MLP): Valued at the closing price reported on the active market on which the ETF/ETN is traded. For the purpose of this report, ETF/ETN's have been combined with common stock.

American depository receipts (ADR): Valued at the closing price reported on the active market on which the individual securities are traded. Currency exchange rate is taken into account.

Foreign stocks: Valued at the closing price reported on the active market on which the individual securities are traded. Currency exchange rate is taken into account.

U.S. Treasury and Agency securities: Valued at the daily closing price using multi-source valuations. 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 but are not directly observable and are categorized as Level 2. Non-callable agency investments are not actively traded and thus are categorized as Level 2. Callable agency/instrumentality issued debt securities and mortgage pass-through pools are valued by benchmarking model-derived prices and therefore are categorized in Level 2 of the fair value hierarchy.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Asset/Commercial mortgage backed bonds: Evaluated using historical and projected prepayment speeds and loss scenarios. Spreads are obtained from trade prices and dealer quotes.

As of December 31, 2018, DFW investments, measured at fair value, are categorized in the two levels as follows (in thousands):

Investments measured at Fair Value	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Total
Common stocks	$ 144,302	$ -	$ 144,302
ADR/Foreign stocks	1,844		1,844
U.S. Treasury and Agency securities		41,721	41,721
Corporate bonds		40,931	40,931
Asset/Commerical mortgage backed bonds		3,097	3,097
Total Investments	**$ 146,146**	**$ 85,749**	**$ 231,895**

Net Asset Value Assets (Methodologies)

Money market funds: Valued at the cost plus accrued interest adjusted to a net asset value of $1.00. Per DFW policy, cash (while not invested in other assets) is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

Commingled funds: The net asset value as provided by the issuer is used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the fund less its liabilities. Commingled funds invest in both domestic and international equities and can be redeemed with a frequency ranging between daily and monthly.

Limited partnerships: Valued at fair value by using the net asset values provided by the general partners. The net asset values are determined based upon the fair values of the underlying investments within the funds. Limited partnerships are invested in non-core fixed income securities, private equity, real assets, and real estate.

Investments measured at fair value and at net asset value as of December 31, 2018 (in thousands):

Investments	Total
Investments measured at fair value using level 1 and 2 inputs	
Common stocks	$ 144,302
ADR/Foreign stocks	1,844
U.S. Treasury and Agency securities	41,721
Corporate bonds	40,931
Asset/Commerical mortgage backed bonds	3,097
Total Investments measured at fair value using level 1 and 2 inputs	**$ 231,895**
Investments measured at Net Asset Value	
Money market funds	$ 25,694
Commingled funds	144,433
Limited partnerships	281,080
Total Investments measured at fair value using net asset value	**$ 451,207**
Total Investments	**$ 683,102**

Net Appreciation (Depreciation)

The Plans' calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments, and realized gains and losses of the current period include unrealized amounts from prior periods. The Plans' investments, including investments bought and sold as well as held during the year, appreciated (depreciated) in value during 2018 as follows (in thousands):

Investment Types	Employees	DPS	Total	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Common stocks	$ (4,021)	$ (1,575)	$ (5,596)	$ 6,018	$ (11,614)	$ (5,596)
U.S. Treasury and agency securities	(427)	(168)	(595)	(556)	(39)	(595)
Corporate bonds	(720)	(282)	(1,002)	(261)	(741)	(1,002)
ADR/Foreign stocks	(237)	(93)	(330)	198	(528)	(330)
Asset/Commercial mortgage backed bonds	(4)	(2)	(6)	-	(6)	(6)
Limited partnerships	13,453	5,271	18,724	12,674	6,050	18,724
Commingled funds	(14,232)	(5,576)	(19,808)	1,454	(21,262)	(19,808)
Total Net Appreciation (Depreciation)	**$ (6,188)**	**$ (2,425)**	**$ (8,613)**	**$ 19,527**	**$ (28,140)**	**$ (8,613)**

Investment Income

The Plans' investment income (not including fees) during 2018 as follows (in thousands):

	Supplemental Information by Plan		Total
Investment Income	**Employee**	**DPS**	**2018**
Investment appreciation (depreciation)	$ (6,188)	$ (2,425)	$ (8,613)
Interest	1,870	703	2,573
Dividends	5,528	2,078	7,606
TOTAL	**$ 1,210**	**$ 356**	**$ 1,566**

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments is calculated as the internal rate of return on pension plan assets, net of pension plan investment expense. The money-weighted rate of return expresses investment performance adjusted for the changing amounts actually invested. Pension 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, 2018, the money-weighted rate of return for the Plans' investments was -0.2%.

7. INVESTMENT RISK

The Plans' assets are invested through investment managers per the investment policy. The Board has the authority to establish and amend the investment policy of the Plans. This investment policy establishes asset allocation parameters that will provide for sufficient diversification of asset classes to control investment risk and achieve the investment return objective. It also establishes procedures for selecting, monitoring, evaluating and, if appropriate, replacing investment managers.

Based on the Plans' long-term liquidity requirement, DFW has determined that all securities purchased have readily ascertainable market values and shall be easily marketable. Due to the long-term nature of the Plan's liabilities, differing strategies may have unique investment horizons or liquidation periods.

There were no significant investment policy changes in 2018.

Credit Risk

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 ratings by nationally recognized rating agencies such as S&P and Moody's. The following tables show the ratings of the Plans' investments as of December 31, 2018 (in thousands):

	Rating						
Investment Types	**AAA**	**AA+ AA AA-**	**A+ A A-**	**BBB+ BBB BBB-**	**BB+ BB BB-**	**No Rating**	**Total**
Debt Securities							
U.S. government securities	$ 219	$ 5,723	$ 125	-	-	$ 28,159	$ 34,226
Mortgage backed securities	-	-	-	-	-	6,974	6,974
CMO/REMIC	65	-	-	-	-	-	65
Municipal Bonds	456	-	-	-	-	-	456
Total governmental	**$ 740**	**$ 5,723**	**$ 125**	**$ -**	**$ -**	**$ 35,133**	**$ 41,721**
Asset backed bonds	$ 1,361	-	$ 90	-	-	$ 664	$ 2,115
Commercial mortgage backed bonds	638	-	-	-	-	343	981
Corporate bonds	483	4,487	21,883	12,507	278	1,294	40,932
Total non-governmental	**$ 2,482**	**$ 4,487**	**$ 21,973**	**$ 12,507**	**$ 278**	**$ 2,301**	**$ 44,028**
Other Investments							
Common stocks	-	-	-	-	-	$ 144,302	$ 144,302
Money market funds	-	-	-	-	-	25,694	25,694
ADR/Foreign stocks	-	-	-	-	-	1,844	1,844
Commingled funds	-	-	-	-	-	144,432	144,432
Limited partnerships	-	-	-	-	-	281,081	281,081
Total Other Investments	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 597,353**	**$ 597,353**
Total Investments	**$ 3,222**	**$ 10,210**	**$ 22,098**	**$ 12,507**	**$ 278**	**$ 634,787**	**$ 683,102**

Interest Rate Risk

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, 2018, the maturities of investments subject to interest rate risk are as follows (in thousands):

	2018 Maturity (in years)				
Debt Securities	**0-5**	**6-10**	**11-15**	**16+**	**Total**
U.S. government securities	$ 19,914	$ 7,670	$ 1,925	$ 4,717	$ 34,226
Mortgage backed securities	269	1,218	445	5,042	6,974
CMO/REMIC				65	65
Municipal Bonds		456			456
Total governmental	**$ 20,183**	**$ 9,344**	**$ 2,370**	**$ 9,824**	**$ 41,721**
Asset backed bonds	$ 1,570	$ -	$ 301	$ 244	$ 2,115
Commercial mortgage backed bonds	-	-	-	981	981
Corporate bonds	30,826	10,106		-	40,932
Total non-governmental	**$ 32,396**	**$ 10,106**	**$ 301**	**$ 1,225**	**$ 44,028**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plans' investments in a single asset class. The Board has approved the following strategy guidelines of asset allocation for the Plans:

Asset Class	Minimum	Maximum	Target	Actual
Core Fixed Income	7.5%	17.5%	12.5%	12.9%
Domestic Equity	15.0%	25.0%	20.0%	19.5%
International / Global Equity	12.5%	27.5%	17.5%	17.1%
Non Core Fixed Income	10.0%	20.0%	15.0%	13.4%
Private Equity	7.5%	17.5%	12.5%	16.4%
Real Assets, ETF/ETN (MLP)	5.0%	15.0%	10.0%	8.4%
Real Estate	5.0%	15.0%	10.0%	9.7%
Cash/Cash Equivalents	0.0%	5.0%	2.5%	2.6%

The Plans' assets are currently managed by 59 investment managers. The percentages of the total portfolio managed by the investment managers as of December 31, 2018 are as follows:

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
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Investment Managers	Asset Class	Investment Manager's Share	Asset Class Share
Smith Graham & Co	Core Fixed Income	4.4%	
Garcia Hamilton	Core Fixed Income	4.5%	12.9%
Barrow Hanley	Core Fixed Income	4.0%	
Westwood Holding Group Inc.	Domestic Equity	3.9%	
Rhumbline Mid-Cap Index Fund	Domestic Equity	4.0%	
Fred Alger Management	Domestic Equity	4.3%	19.5%
Luther King	Domestic Equity	4.0%	
Barrow Hanley	Domestic Equity	3.3%	
International Value Advisors	International Equity	3.8%	
Johnston Global Equity Fund	International Equity	5.1%	17.1%
SBH	International Equity	3.9%	
IVY	International Equity	4.3%	
Mcnally Mezzanine II	Non Core Fixed Income	1.0%	
Morgan Stanley AIP Income Fund	Non Core Fixed Income	1.2%	
Blackston BREDS II	Non Core Fixed Income	0.1%	
GOLUB XI	Non Core Fixed Income	0.5%	
Blackstone BREDS III	Non Core Fixed Income	1.7%	
LBC Credit Partners IV	Non Core Fixed Income	1.6%	
Marathon Credit Fund III	Non Core Fixed Income	1.1%	13.4%
RCP SBIC Fund	Non Core Fixed Income	0.4%	
PIMCO COF II	Non Core Fixed Income	1.0%	
Pimco Tactical Fund	Non Core Fixed Income	1.8%	
Crescent Lending Fund	Non Core Fixed Income	0.5%	
LBC Credit Partners III	Non Core Fixed Income	0.7%	
DFW - Self Managed Account	Non Core Fixed Income	1.8%	
Lone Star CRA Fund	Private Equity	2.6%	
Glouston IV	Private Equity	0.2%	
CIPEF VI	Private Equity	0.6%	
Lone Star V	Private Equity	3.7%	
Bay Hills Capital III	Private Equity	1.0%	
Glouston V	Private Equity	0.8%	
Ironside IV	Private Equity	1.4%	16.4%
Global Dynamics IV	Private Equity	2.2%	
Ironside Partnerhip Fund II	Private Equity	0.4%	
Bay Hills Capital II	Private Equity	0.8%	
Altius Private Equity Fund II	Private Equity	1.2%	
VISTA VII	Private Equity	0.0%	
Ironside III Funds	Private Equity	1.5%	
Alerian	Real Assets, (ETF/ETN)	1.0%	
Seamax Shipping Opportunities Fund	Real Assets, MLPs	1.8%	
First Trust Fund	Real Assets, (ETF/ETN)	1.4%	
Tortoise Direct Opportunity Fund	Real Assets, MLPs	1.9%	8.4%
Altius Real Asset Fund	Real Assets, MLPs	1.0%	
DFW - Self Managed Account	Real Assets, MLPs	1.0%	
Tortoise Direct Opportunity Fund II	Real Assets, MLPs	0.3%	
Invesco Core Real Estate	Real Estate	1.4%	
Clarion Lion Core Real Estate Fund	Real Estate	1.6%	
AEW Partners VII	Real Estate	0.8%	
Starwood Opportunity Fund X	Real Estate	1.2%	
Ethika Real Estate Fund	Real Estate	0.1%	
Crow Holding Realty Patners VII	Real Estate	2.0%	9.7%
Crow Holding Realty Patners VIII	Real Estate	0.4%	
Aureus Real Estate Fund	Real Estate	0.0%	
Dune Real Estate Fund III	Real Estate	1.5%	
Pennybacker Real Estate Fund III	Real Estate	0.7%	
DFW-Contribution & Distribution	Cash/Cash Equivalent	2.6%	2.6%
TOTAL		**100.0%**	**100.0%**

DFW classifies the asset classes of Private equity, Real estate, and Real assets and ETF/ETN (MLP), as "alternatives". At such point as the total allocation to alternatives exceeds 40% of the total portfolio at market, no additional commitments will be made. As of December 31, 2018, DFW had 34.5% of its total portfolio in alternatives.

The Plans' individual investments that represented 5% or more of the Plans' fiduciary net position restricted for pensions as of December 31, 2018 are as follows:

Investment	Amount	Percentage
Johnston Global Equity Fund - Int'l Global Equity	$ 34,745,887	5.10%

Capital Commitments and Redemption Restrictions

The Plans manage investments tied to capital commitments that are legally obligated to fund when called by a General Partner. Funding of committed capital occurs over an extended period of time and may take several years before an investment is fully funded.

There are four asset classes that operate through a capital commitment process:

(1) *Non core fixed income*: Consists of all types of credit and equity investments that have an income component: U.S. investment grade securities; U.S. high yield corporate bonds; U.S. bank loans some of which may be part of the Small Business Investment Company loan program; U.S. private loans issued by non-bank lenders; U.S. dollar-denominated loans and public securities backed by global commercial real estate; and public and private debt obligations undergoing financial distress or companies undervalued because of a discrete extraordinary event.

(2) *Private equity:* Consists of buyouts through the acquisition of shares of a company to gain a controlling interest; and venture or growth investments.

(3) *Real assets:* Consists of publicly traded and private global infrastructure assets such as ports, pipelines, airports and telecommunications via publicly traded Master Limited Partnerships; core, cash-yielding assets; and value-add opportunities for improving long-lived assets that exhibit operational problems, require physical improvements, or suffer from capital constraints.

(4) Real estate: Consists of stable and fully leased multi-tenant properties typically within strong, diversified metropolitan markets; value-add opportunities for improving properties that exhibit operational problems, require physical improvements, and/or suffer from capital constraints; and opportunistic underperforming and undermanaged properties, or properties distressed in value.

As of December 31, 2018, the Plans held no investments to be sold for an amount different from NAV. There are no other significant restrictions on the ability to sell the listed investments.

The following table lists capital commitment investments and their associated redemption restriction information such as frequencies, notice periods, and restriction lapses. The total committed amount was $427.7 million, with $117.3 million remaining unfunded as of December 31, 2018:

Investment Managers	Capital Commitment	Unfunded Capital Commitment	Redemption Frequency	Redemption Notice Period	Redemption Restriction Lapse
Non Core Fixed Income					
Mcnally Mezzanine II	10,000,000	3,300,000	No Redemption	No Redemption	No Redemption
Morgan Stanley AIP Income Fund	10,000,000	1,531,060			
Blackston BREDS II	10,000,000	1,240,222			
GOLUB XI	10,000,000	6,500,000			
Blackstone BREDS III	20,000,000	8,854,742			
LBC Credit Partners IV	20,000,000	9,025,850			
Marathon Credit Fund III	10,000,000	3,850,000			
RCP SBIC Fund	10,000,000	6,800,000			
PIMCO COF II	6,220,000	3,514,300			
Pimco Tactical Fund	10,000,000	0	Semi-annually	90 days	33% investor gate
Crescent Lending Fund	8,000,000	793,899	No Redemption	No Redemption	No Redemption
LBC Credit Partners III	12,000,000	2,310,450			
Private Equity					
Lone Star CRA Fund	10,000,000	-	No Redemption	No Redemption	No Redemption
Glouston IV	5,000,000	1,090,000			
CIPEF VI	5,000,000	629,596			
Lone Star V	25,000,000	-			
Bay Hills Capital III	10,000,000	4,683,340			
Glouston V	10,000,000	2,500,000			
Ironside IV	15,000,000	7,106,254			
Global Dynamics IV	20,000,000	5,893,367			
Ironside Partnerhip Fund II	7,000,000	973,545			
Bay Hills Capital II	5,000,000	1,286,586			
Altius Private Equity Fund II	10,000,000	1,331,008			
VISTA VII	5,000,000	5,000,000			
Ironside III Funds	15,000,000	4,983,212			
Real Assets					
Seamax Shipping Opportunities Fund	10,000,000	564,842	No Redemption	No Redemption	No Redemption
First Trust MLP Fund					
Tortoise Direct Opportunity Fund	20,000,000	-			
Altius Real Asset Fund	7,000,000	367,715			
Tortoise Direct Opportunity Fund II	7,500,000	5,742,973			
Real Estate					
Invesco Core Real Estate	5,000,000	-	Quarterly	45 days	No Redemption
Clarion Lion Core Real Estate Fund	5,000,000	-	Quarterly	90 days	
AEW Partners VII	10,000,000	867,255	No Redemption	No Redemption	
Starwood Opportunity Fund X	20,000,000	11,692,942			
Ethika Real Estate Fund	5,000,000	-			
Crow Holding Realty Patners VII	20,000,000	2,041,719			
Crow Holding Realty Patners VIII	10,000,000	8,552,423			
Aureus Real Estate Fund	10,000,000	-			
Dune Real Estate Fund III	10,000,000	1,428,337			
Pennybacker Real Estate Fund III	10,000,000	1,876,415			
TOTAL	**$ 427,720,000**	**$ 116,332,052**			

Liquidations

The Plans receive distributions through the liquidation of certain alternative and non-core investments. The following table projects the liquidation of these assets as of December 31, 2018 (in thousands):

	One Year	2-5 Years	6-10 Years	More than 10 Years	Total
Non-Core Fixed Income	$ 7,633	$ 63,221	$ 38,940	$ -	$ 109,794
Private Equity	2,284	56,959	50,003	14,929	124,175
Real Assets	5,668	22,564	15,772	1,590	45,594
Real Estate	74,800	28,321	13,477	2,581	119,179
Total	$ 90,385	$ 171,065	$ 118,192	$ 19,100	$ 398,742

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8. INTEREST IN MASTER TRUST

The Plans' investments are held in a trust account at the Trustee and each plan holds an undivided interest in an investment account of the Dallas Fort Worth International Airport Master Trust (the "Master Trust"), a master trust established by DFW and administered by the Trustee. Use of the Master Trust permits the commingling of trust assets of the Plans for investment and administrative purposes. Although assets of both plans are commingled in the Master Trust, the Trustee maintains supporting records for the purpose of allocating the net gain or loss of the investment account to the Plans. The net investment income and administrative expenses are allocated by the Trustee to each of the Plans based on the relationship of the interest of each plan to the total of the interests of the Plans. The net position and investments of the Master Trust at December 31, 2018 are summarized below (in thousands):

		2018
Assets		
Investments	$	683,102
Receivables		743
Total Assets	$	683,845
Liabilities	$	2,485
Net position of the DFW Airport Master Trust	**$**	**681,360**
Employee Plan's interest in net position of the DFW Airport Master Trust	**$**	**493,301**
Employee Plan's interest in net position of the DFW Airport Master Trust as a percentage		72.4%
DPS Plan's interest in net position of the DFW Airport Master Trust	**$**	**188,059**
DPS Plan's interest in net position of the DFW Airport Master Trust as a percentage		27.6%

The net investment earnings (loss) of the Master Trust for the year ended December 31, 2018 is summarized below (in thousands).

		2018
Interest income	$	2,573
Dividend income		7,606
Investments gain (loss)		(8,613)
Total investment income of DFW Airport Master Trust	**$**	**1,566**

9. ADMINISTRATION AND INVESTMENT EXPENSES

Employee Plan

Administrative and investment expenses for the year ended December 31, 2018 were $2.2 million. These fees are calculated quarterly based on the value of the Employee Plan's assets and the published schedule of fees.

DPS Plan

Administrative and investment expenses for the year ended December 31, 2018 were $0.8 million. These fees are calculated quarterly based on the value of the DPS Plan's assets and the published schedule of fees.

10. TAX STATUS

The Employee Plan and the DPS Plan are public plans and are considered to be in accordance with the Section 401(a) of the Internal Revenue Code, and therefore are entitled to favorable tax status. These plans are qualified to distribute an eligible rollover distribution.

On July 7, 2017 the Internal Revenue Services issued favorable determination letters as to the qualified status of the Employee Plan and the DPS Plan under section 401(a) of the Internal Revenue Code.

11. PLAN AMENDMENTS

DFW reserves the right at any time, and from time to time, to amend these Plans subject to certain limitations as specified in the Plans documents. There were no amendments in 2018.

12. PLAN TERMINATION

DFW reserves the right at any time, at its sole discretion, to terminate these Plans in whole or in part. Written notice of any termination shall be delivered to: the Plan Administrator, and the Trustee within a reasonable time following the termination.

In the event of the termination or partial termination of the Plans, each affected participant shall be considered fully vested. Upon a partial termination, the Plan Administrator shall instruct the Trustee to allocate and segregate for the benefit of the affected participants the proportionate interest of such participants in the assets of the Plans as determined by the Plans' actuary based on the value of the aggregate accrued benefits of affected, and unaffected participants, and the allocated and segregated funds shall be used by the Trustee or Plan Administrator to pay pension benefits to or on behalf of the affected participants.

Upon full or partial termination of the Plans, the Master Trust (or applicable portion thereof) shall be allocated and distributed in accordance with the rules and procedures regarding distributions which would apply if the Plans were subject to Title IV of Employee Retirement Income Security Act (ERISA). If there are any assets remaining after such allocations, such residual assets shall be distributed to DFW.

Notwithstanding anything in the Plans to the contrary, in the event of termination of the Plans, the Plans benefit of any highly compensated employee or any former highly compensated employee is limited to a benefit that is nondiscriminatory under Code Section 401(a)(4) and the related regulations, to the extent such Section and regulations are applicable.

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
As of and for the Last Five Calendar Years
(Amounts in thousands)

Employee and DPS	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 15,505	$ 15,298	$ 15,778	$ 15,567	$ 15,569
Interest on the Total Pension Liability	58,588	55,766	53,476	48,992	46,638
Difference between expected and actual experience of the Total Pension Liability	522	(1,710)	(8,560)	(10,748)	(4,672)
Assumption changes [1]	-	-	-	34,635	-
Benefit payments and refunds	(31,489)	(30,101)	(27,636)	(25,798)	(24,052)
Net change in Total Pension Liability	43,126	39,253	33,058	62,648	33,483
Total Pension Liability - beginning	815,963	776,710	743,652	681,004	647,521
Total Pension Liability - ending	$ 859,089	$ 815,963	$ 776,710	$ 743,652	$ 681,004
Plan Fiduciary Net Position					
Contributions - employer	$ 32,546	$ 29,884	$ 30,548	$ 26,349	$ 31,460
Contributions - member	2,174	2,041	1,926	1,872	1,870
Net investment income (loss)	(334)	78,111	44,105	(5,119)	23,614
Benefit payments, including member refunds	(31,489)	(30,101)	(27,636)	(25,798)	(24,052)
Administrative expense	(1,125)	(1,031)	(1,062)	(692)	(372)
Net change in Plan Fiduciary Net Position	1,772	78,905	47,881	(3,388)	32,520
Plan Fiduciary Net Position - beginning	679,588	600,683	552,802	556,190	523,670
Plan Fiduciary Net Position - ending	$ 681,360	$ 679,588	$ 600,683	$ 552,802	$ 556,190
Net Pension Liability - ending	$ 177,729	$ 136,375	$ 176,027	$ 190,850	$ 124,814
Plan Fiduciary Net Position as a percentage of the total pension liability	79.3%	83.3%	77.3%	74.3%	81.7%
Covered payroll	$ 84,101	$ 83,689	$ 86,350	$ 89,486	$ 89,476
Net pension liability as a percentage of covered payroll	211.3%	163.0%	203.9%	213.3%	139.5%

Notes to Schedule:

Five year history based on data availability.

[1] Experience study completed in 2015. See Schedule of Contributions for assumption details.

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
As of and for the Last Five Calendar Years
(Amounts in thousands)

Employee	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 8,784	$ 9,098	$ 9,813	$ 10,030	$ 10,231
Interest on the Total Pension Liability	41,861	40,064	38,764	35,483	33,944
Difference between expected and actual experience of the Total Pension Liability	(1,088)	(1,710)	(8,823)	(7,991)	(3,967)
Assumption changes (1)	-	-	-	27,843	-
Benefit payments and refunds	(23,036)	(22,353)	(20,625)	(19,367)	(18,225)
Net change in Total Pension Liability	26,521	25,099	19,129	45,998	21,983
Total Pension Liability - beginning	584,398	559,299	540,170	494,172	472,189
Total Pension Liability - ending	$ 610,919	$ 584,398	$ 559,299	$ 540,170	$ 494,172
Plan Fiduciary Net Position					
Contributions - employer	$ 22,491	$ 21,153	$ 22,292	$ 19,294	$ 23,510
Net investment income (loss)	(172)	57,050	32,346	(3,756)	17,484
Benefit payments, including member refunds	(23,036)	(22,353)	(20,625)	(19,367)	(18,225)
Administrative expense	(818)	(753)	(779)	(509)	(275)
Net change in Plan Fiduciary Net Position	(1,535)	55,098	33,234	(4,338)	22,494
Plan Fiduciary Net Position - beginning	494,836	439,738	406,504	410,842	388,348
Plan Fiduciary Net Position - ending	$ 493,301	$ 494,836	$ 439,738	$ 406,504	$ 410,842
Net Pension Liability - ending	$ 117,618	$ 89,562	$ 119,561	$ 133,666	$ 83,330
Plan Fiduciary Net Position as a percentage of the total pension liability	80.7%	84.7%	78.6%	75.3%	83.1%
Covered payroll	$ 54,095	$ 55,850	$ 59,467	$ 63,294	$ 64,184
Net pension liability as a percentage of covered payroll	217.4%	160.4%	201.0%	211.2%	129.8%

Notes to Schedule:

Five year history based on data availability.

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

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
As of and for the Last Five Calendar Years
(Amounts in thousands)

DPS	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 6,721	$ 6,200	$ 5,965	$ 5,537	$ 5,338
Interest on the Total Pension Liability	16,727	15,702	14,712	13,509	12,694
Difference between expected and actual experience of the Total Pension Liability	1,610	-	263	(2,757)	(705)
Assumption changes [(1)]	-	-	-	6,792	-
Benefit payments and refunds	(8,453)	(7,748)	(7,011)	(6,431)	(5,827)
Net change in Total Pension Liability	16,605	14,154	13,929	16,650	11,500
Total Pension Liability - beginning	231,565	217,411	203,482	186,832	175,332
Total Pension Liability - ending	$ 248,170	$ 231,565	$ 217,411	$ 203,482	$ 186,832
Plan Fiduciary Net Position					
Contributions - employer	$ 10,055	$ 8,731	$ 8,256	$ 7,055	$ 7,950
Contributions - member	2,174	2,041	1,926	1,872	1,870
Net investment income (loss)	(162)	21,061	11,759	(1,363)	6,130
Benefit payments, including member refunds	(8,453)	(7,748)	(7,011)	(6,431)	(5,827)
Administrative expense	(307)	(278)	(283)	(183)	(97)
Net change in Plan Fiduciary Net Position	3,307	23,807	14,647	950	10,026
Plan Fiduciary Net Position - beginning	184,752	160,945	146,298	145,348	135,322
Plan Fiduciary Net Position - ending	$ 188,059	$ 184,752	$ 160,945	$ 146,298	$ 145,348
Net Pension Liability - ending	$ 60,111	$ 46,813	$ 56,466	$ 57,184	$ 41,484
Plan Fiduciary Net Position as a percentage of the total pension liability	75.8%	79.8%	74.0%	71.9%	77.8%
Covered payroll	$ 30,006	$ 27,840	$ 26,883	$ 26,192	$ 25,292
Net pension liability as a percentage of covered payroll	200.3%	168.2%	210.0%	218.3%	164.0%

Notes to Schedule:

Five year history based on data availability.

[(1)] Experience study completed in 2015. See Schedule of Contributions for assumption details.

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Required Supplementary Information
Schedule of Contributions
As of and for the Last Five Calendar Years
(Amounts in thousands)

Employee	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 20,378	$ 21,153	$ 22,292	$ 19,294	$ 20,784
Contributions in relation to the actuarially determined contribution	22,491	21,153	22,292	19,294	23,510
Contribution deficiency (excess)	$ (2,113)	-	-	-	$ (2,726)
Covered payroll	$ 54,095	$ 55,850	$ 59,467	$ 63,294	$ 64,184
Contributions as a percentage of covered payroll	41.6%	37.9%	37.5%	30.5%	36.6%

Notes to Schedule:

Five 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	16 years from December 31, 2018
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.

2016-2018	
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.

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Required Supplementary Information
Schedule of Contributions
As of and for the Last Five Calendar Years
(Amounts in thousands)

DPS	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 9,183	$ 8,731	$ 8,256	$ 7,055	$ 7,076
Contributions in relation to the actuarially determined contribution	10,055	8,731	8,256	7,055	7,950
Contribution deficiency (excess)	$ (872)	-	-	-	$ (874)
Covered payroll	$ 30,006	$ 27,840	$ 26,883	$ 26,192	$ 25,292
Contributions as a percentage of covered payroll	33.5%	31.4%	30.7%	26.9%	31.4%

Notes to Schedule:

Four 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	16 years from December 31, 2018
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.

2016-2018

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.

Retirement Plans for Employees and DPS Covered Employees of the Dallas Fort Worth International Airport
Required Supplementary Information
Schedule of Investment Returns
As of and for the Last Five Calendar Years

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	(0.2%)	13.0%	7.9%	(1.3%)	5.3%