



FY22 PRO-FORMA FINANCIAL REPORT

2nd Quarter

UNAUDITED

DISCLAIMER

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This Interim Financial Reporting Presentation is produced by adjusting certain general ledger accounts to produce pro-forma financial statements reflective of the revenues and expenses of the period presented. Some general ledger accounts contain expense accruals that are

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completed at the end of each fiscal year. In order to produce pro-forma financial statements on a quarterly basis, these year-end accruals must be estimated and spread throughout the year. Each year-end accrual estimate is spread evenly over 12 months to produce these interim financial reports. These estimates are subject to inherent risks, uncertainties and assumptions, and are subject to change without notice.

Year-end accrual estimates cause the total expenses in this Interim Financial Reporting Presentation to differ from those presented in the City of Houston MoFR for the Houston Airport System. Such estimates are made on the following general ledger accounts:

- GL 503050 Health Insurance Ret Civ (OPEB)
- GL 504010 Pension-GASB 27 Accr
- GL 520110 Mgmt Consulting Svcs
- GL 520114 Misc Support Svcs
- GL 520120 Commun Equip Svcs
- GL 520121 Application Svcs
- GL 503090 Workers Comp-Civ Adm
- GL 531065 Rev Bonds Interest (Cap Interest)

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PROFORMA FINANCIAL REPORT EXECUTIVE SUMMARY – YTD 2Q FY22



(\$s in millions)	YTD 2Q FY22	YTD 2Q FY21	\$ Variance	% Variance
Proforma Operating Revenues	\$236.7	\$142.9	+\$93.8	+65.6%
Proforma Operating Expenses	\$241.4	\$229.9	+\$11.5	-5.0%
Proforma Non-Operating Revenues/Expenses and Capital Contributions	\$80.1	\$68.3	+\$11.8	+17.3%

Highlights

Proforma Operating Revenues (+\$93.8M)

- Increase in Landing Fees (+\$16.0M) due to higher landed weight (+\$17.5M), partially offset by an increase in carrier incentives (-\$1.4M).
- Increase in Rentals, Building and Ground Area (+\$23.8M) mainly due to a 133.5% increase in enplanements.
- Increase in Parking (+\$31.1M) is mainly due to a 133.5% increase in enplanements.
- Increase in Concessions (+\$21.6M) due to a 133.5% increase in enplanements, resulting in higher auto rental (+\$8.4M), ground transportation (+\$4.8M) and retail concessions (+\$8.3M).
- Increase in Other Operating Revenues (+\$1.2M) mainly due to increased miscellaneous income, construction permits, and other service charges (+\$0.9M).

Proforma Operating Expenses (+\$11.5M)

- Increase in Personnel (+\$5.7M) mainly due to an increase in headcount by 8 FTEs (1,138 YTD 2Q FY22 vs. 1,130 YTD 2Q), an increase in overtime (\$X.XM), and 3% HOPE pay increase effective October 2021 (+\$X.XM).
- Increase in Services (+\$8.5M) due to increases in professional/miscellaneous services (+\$1.9M), other construction costs (+\$0.5M), credit card fees (+\$0.6M), membership/training/travel (+0.3M), interfund services for water/sewer/police/fire (+\$2.6M), and Automated People Mover and terminal A/B pavers (+\$5.0M), partially offset by a decrease in maintenance services (-\$2.4M).
- Decrease in Depreciation (-\$3.2M) mainly due to several assets being fully depreciated or disposed of (-\$3.2M).

Proforma Non-Operating Revenues/Expenses and Capital Contributions (+\$11.8M)

- Decrease in Investment Loss (+\$8.2M) due to a smaller loss in fair market value adjustments (+\$11.2M), partially offset by a decrease in interest revenue (-\$3.0M).
- Decrease in Interest Expense (+\$3.6M) due to savings realized from the 2020 series sub lien refunding revenue bonds (+\$3.6M).
- Increase in Passenger Facility Charges (+\$28.5M) due to a 133.5% increase in enplaned passengers.
- Increase in Customer Facility Charges (+\$2.7M) due to a 133.5% increase in enplanements.
- Decrease in Cost of Issuance for Debt (+\$5.1M) as no debt was issued YTD 2Q FY22 (+\$5.1M).
- Decrease in Non-Operating Grant Revenues (-\$44.8M) due to timing of reimbursements requested under CARES/CRRSA/ARP Act (-\$44.8M).
- Decrease in Other Non-Operating Revenues (-\$1.6M) mainly due to income recorded in October 2020 related to issuance of 2020 series revenue funding bonds. Such income was reclassified/reversed in January 2021 (3Q FY21) (-\$1.3M).
- Increase in Capital Contributions (+\$9.4M) due to total award amount under the FAA Airport Improvement Program as well as timing of reimbursement requests and eligible construction costs (+\$9.4M).

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PROFORMA FINANCIAL REPORT EXECUTIVE SUMMARY – 2Q FY22



(\$s in millions)	2Q FY22	2Q FY21	\$ Variance	% Variance
Proforma Operating Revenues	\$119.5	\$75.4	+\$44.2	+58.6%
Proforma Operating Expenses	\$122.2	\$120.2	+\$2.0	+1.7%
Proforma Non-Operating Revenues/(Expenses) and Capital Contributions	\$61.9	\$15.2	+\$46.6	+306.2%

Highlights

Proforma Operating Revenues (+\$44.2M)

- Increase in Landing Fees (+\$7.6M) due to higher landed weight (+\$7.6M) in 2Q FY22 vs 2Q FY21.
- Increase in Rentals, Building and Ground Area (+\$11.1M) mainly due to a 100.1% increase in the enplanements in 2Q FY22 v 2Q FY21.
- Increase in Parking (+\$15.8M) is mainly due to a 100.1% increase in enplanements in 2Q FY22 vs 2Q FY21.
- Increase in Concessions (+\$9.3M) due to 100.1% increase in 2Q FY22 resulting an increase in auto rental (+\$2.6M), an increase in ground transportation (+\$1.6M), and an increase in retail concessions (+\$5.1M).

Proforma Operating Expenses (+\$2.0M)

- Increase in Personnel (+\$3.1M) mainly due increases in pay rates (3% effective October 2021), overtime, and payroll related costs (+\$1.9M) and non-cash/accounting adjustments related to pension and OPEB (+\$1.2M).
- Increase in Services (+\$0.6M) due to increases in professional/miscellaneous services (+\$0.7M), other construction costs (+\$0.5M), credit card fees (+\$0.3M), and interfund services for water/sewer/police/fire (+\$2.5M), partially offset by a decrease in maintenance services (-\$2.4M) and lower spending for several projects (-\$0.9M).
- Decrease in Depreciation (-\$2.1M) mainly due to several assets being fully depreciated or disposed of (-\$2.1M).

Proforma Non-Operating Revenues/Expenses and Capital Contributions (+\$46.6M)

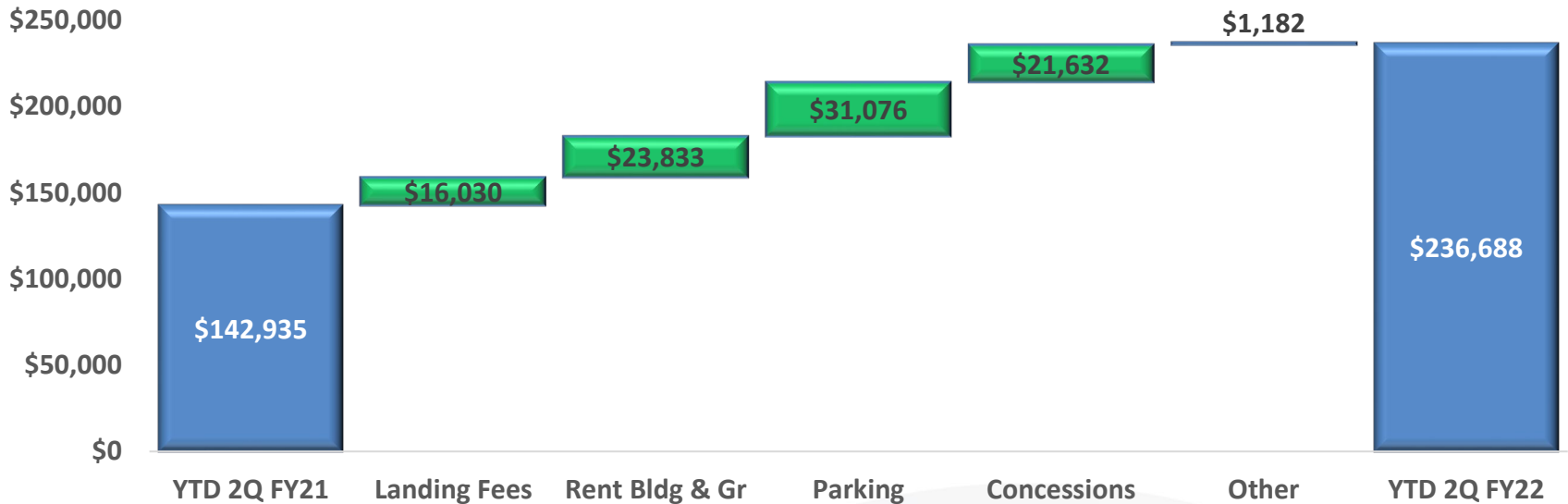
- Increase in Investment Loss (-\$12.2M) due to a fair value adjustment/loss recorded in 2Q FY22 (-\$10.9M) and lower investment income (-\$1.3M).
- Decrease in Interest Expense (+\$3.4M) mainly due to savings realized from the 2020 series sub lien refunding revenue bonds (+\$3.4M).
- Increase in Passenger Facility Charges (+\$12.0M) due to a 100.1% increase in enplaned passengers in 2Q FY22 vs 2Q FY21.
- Increase in Customer Facility Charges (+\$1.4M) due to a 100.1% increase in enplaned passengers in 2Q FY22 vs 2Q FY21.
- Decrease in Cost of Issuance for Debt (+\$5.1M) as no debt was issued in 2Q FY22.
- Decrease in Non-Operating Grant Revenues (+\$33.3M) due to timing of reimbursements requested under CARES/CRRSA/ARP Act (+\$33.3M).
- Decrease in Other Non-Operating Revenues (-\$1.6M) mainly due to income recorded in October 2020 related to issuance of 2020 series revenue funding bonds. Such income was reclassified/reversed in January 2021 (3Q FY21) (-\$1.3M).
- Increase in Capital Contributions (+\$4.4M) due to total award amount under the FAA AIP Program as well as timing of reimbursement requests and eligible construction costs (+\$4.4M).

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PROFORMA OPERATING REVENUES – YTD 2Q FY22 vs. YTD 2Q FY21 (in 000's)



VARIANCE COMMENTS

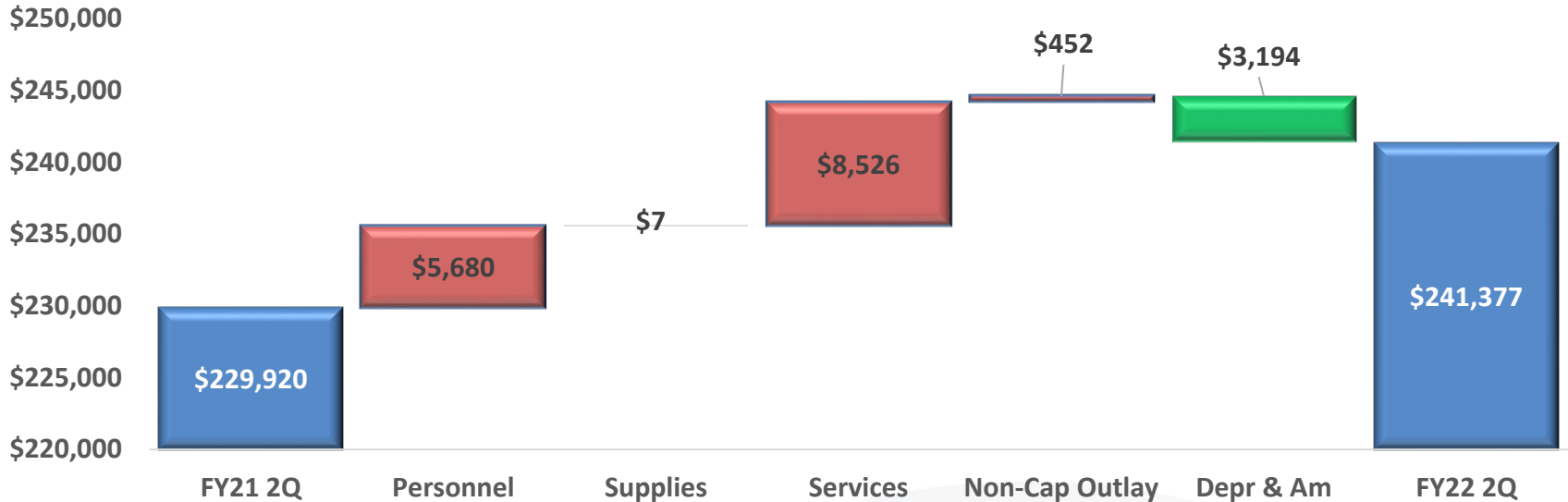
- **Operating Revenues Total:** (+\$93.8M/+65.6%)
- **Landing Fees:** (+\$16.0M/+53.4%) due to higher landed weight (+\$17.5M), partially offset by an increase in carrier incentives (-\$1.4M).
- **Rentals, Buildings and Ground Area:** (+\$23.8M/+30.5%) mainly a 133.5% increase in enplanements.
- **Parking:** (+\$31.1M/+187.4%) is mainly due to 133.5% increase in enplanements and increases in parking rates, up to \$24/day in the garages.
- **Concessions:** (+\$21.6M/+141.5%) due to a 133.5% increase in enplanements resulting increases in auto rental (+\$8.4M), in ground transportation (+\$4.8M), and in retail concessions (+\$8.3M).
- **Other Operating Revenues:** (+\$1.2M/+40.4%) mainly due to increased miscellaneous income, construction permit, and other service charges (+\$0.9M).

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PROFORMA OPERATING EXPENSES – YTD 2Q FY22 vs. YTD 2Q FY22 (in 000's)



VARIANCE COMMENTS

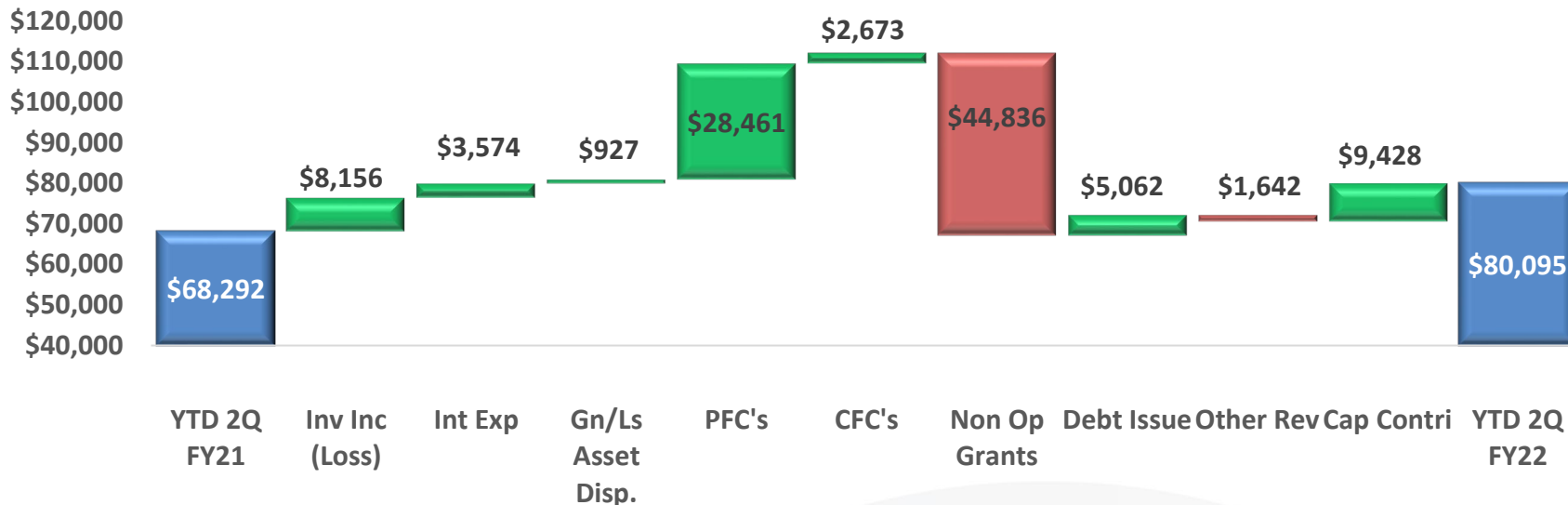
- **Operating Expenses Total: (+\$11.5M/+5.0%)**
- **Personnel:** (+\$5.7M/+13.6%) mainly due an increase in head count to an average of 1,138 from 1,130 YTD 2Q FY22 versus FY21, as well as increased overtime and the pay adjustment in October 2021 (+\$5.7M).
- **Services:** (+\$8.5M/+8.7%) due to increases in professional/miscellaneous services (+\$1.9M), other construction costs (+\$0.5M), credit card fees (+\$0.6M), membership/training/travel (+0.3M), interfund services for water/sewer/police/fire (+\$2.6M), and Automated People Mover and terminal A/B pavers (+\$5.0M), partially offset by a decrease in maintenance services (-\$2.4M).
- **Depreciation:** (-\$3.2M/-3.7%) mainly due to several assets being fully depreciated or disposed of (-\$3.2M).

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PROFORMA NON-OP REVENUE (EXPENSES) AND CAPITAL CONTRIBUTION – YTD 2Q FY22 vs. YTD 2Q FY21 (in 000's)



VARIANCE COMMENTS

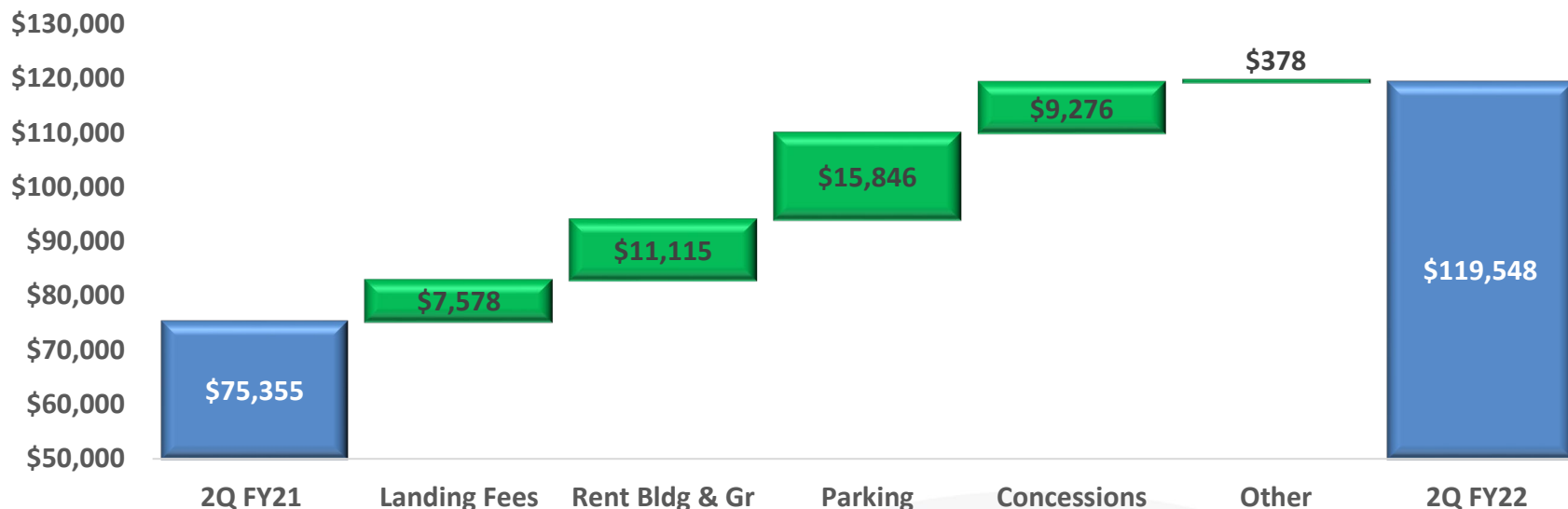
- **Non-Op Revenue and Capital Contribution Total: (+\$11.8M/+17.3%)**
- **Investment Loss: (+\$8.2M/+61.5%)** due to a smaller loss in fair market value adjustments (+\$11.2M), partially offset by a decrease in interest revenue (-\$3.0M).
- **Interest Expense: (+\$3.6M/+8.7%)** mainly due to savings realized from the 2020 series sub lien refunding revenue bonds (+\$3.6M).
- **Passenger Facility Charges: (+\$28.5M/+137.4%)** due to a 133.5% increase in enplanements.
- **Customer Facility Charges: (+\$2.7M/+98.1%)** due to a 133.5% increase in enplanements.
- **Cost of Issuance for Debt: (+\$5.1M/+100%)** as no debt was issued YTD 2Q FY22 (+\$5.1M).
- **Non-Operating Grant Revenues: (-\$44.8M/-48.4%)** due to timing of reimbursements requested under CARES/CRRSA/ARP Act (-\$44.8M).
- **Other Non-Operating Revenues: (-\$1.6M/-24.7%)** mainly due to income recorded in October 2020 related to issuance of 2020 series revenue funding bonds. Such income was reclassified/reversed in January 2021 (3Q FY21) (-\$1.3M).
- **Capital Contributions: (+\$9.4M/+182.7%)** due to total award amount under the FAA AIP Program as well as timing of reimbursement requests.

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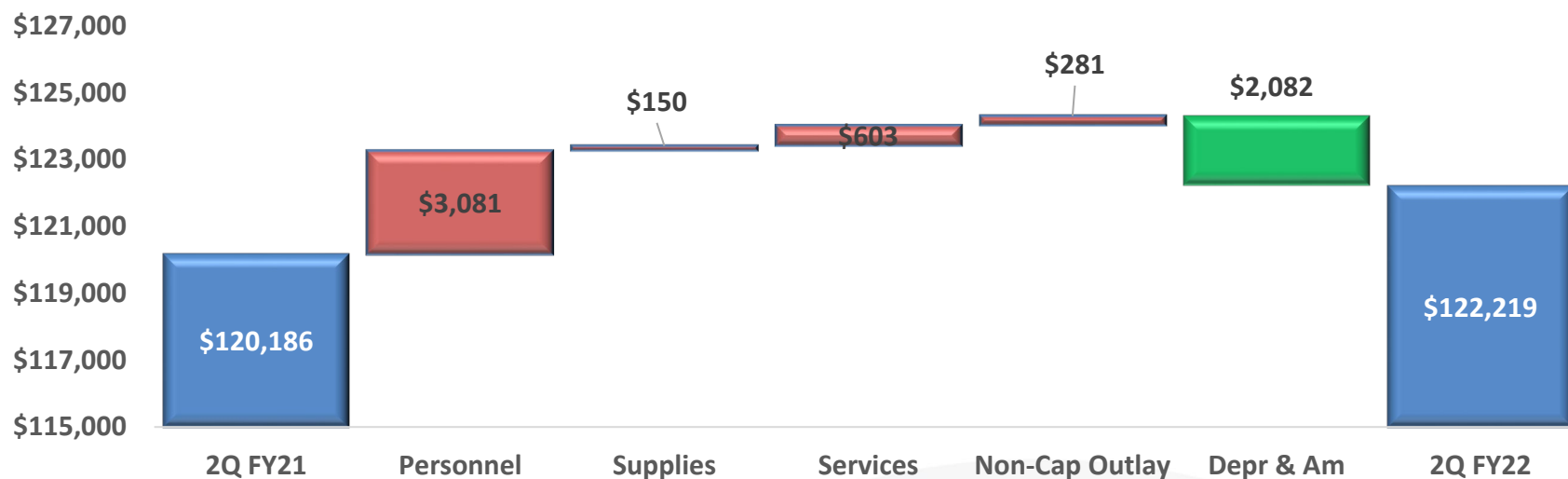
PROFORMA OPERATING REVENUES – 2Q FY22 vs. 2Q FY21 (in 000's)



VARIANCE COMMENTS

- **Operating Revenues Total:** (+\$44.2M/+58.6%)
- **Landing Fees:** (+\$7.6M/+47.9%) due to higher landed weight in 2Q FY21 vs 2Q FY22.
- **Rentals, Building and Ground Area:** (+\$11.1M/+27.9%) mainly due a 100.1% increase in enplanements in 2Q FY22 vs 2Q FY21.
- **Parking:** (+\$15.8M/+170.5%) is mainly due to 100.1% increase in enplanements as well as increases in parking rates, up to \$24/day in the garages.
- **Concessions:** (+\$9.3M/+107.0%) due to 100.1% increase in enplanements resulting increases in auto rental (+\$2.6M), in ground transportation (+\$1.6M), and in retail concessions (+\$5.1M).

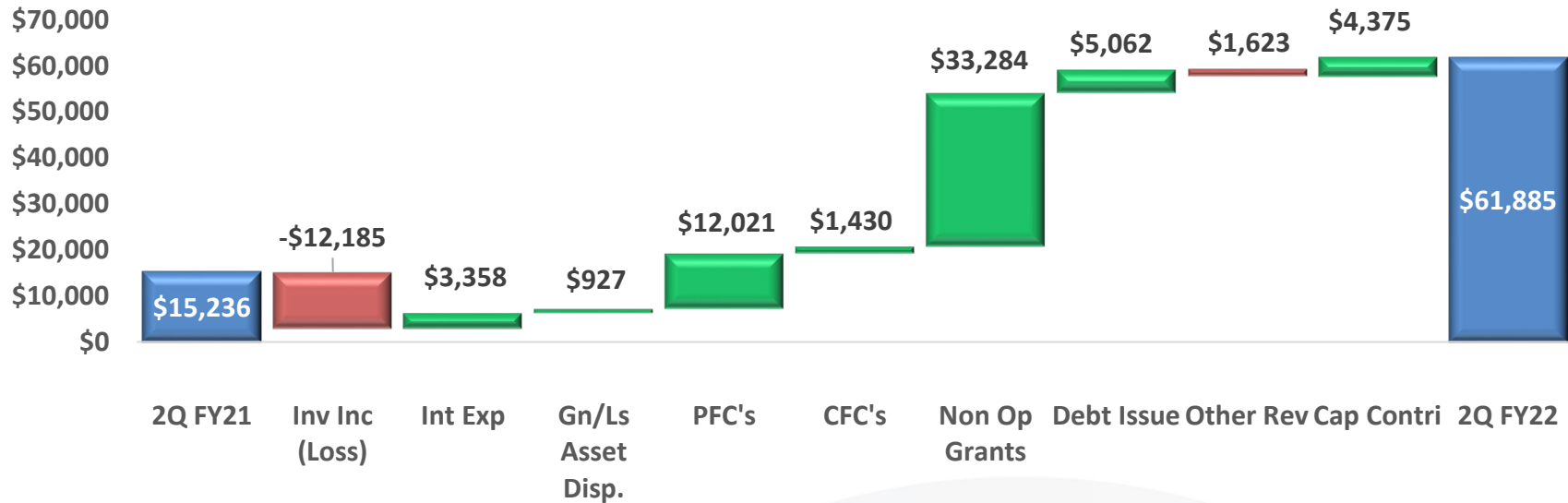
PROFORMA OPERATING EXPENSES – 2Q FY22 vs. 2Q FY21 (in 000's)



VARIANCE COMMENTS

- **Operating Expenses Total: (+\$2.0M/+1.7%)**
- **Personnel: (+\$3.1M/+14.6%)** mainly due increases in pay rates (3% effective October 2021), overtime, and payroll related costs (+\$1.9M) and non-cash/accounting adjustments related to pension and OPEB (+\$1.2M).
- **Services: (+\$0.6M/+1.1%)** due to increases in professional/miscellaneous services (+\$0.7M), other construction costs (+\$0.5M), credit card fees (+\$0.3M), and interfund services for water/sewer/police/fire (+\$2.5M), partially offset by a decrease in maintenance services (-\$2.4M) and lower spending for several projects (-\$0.9M).
- **Depreciation: (-\$2.1M/-4.8%)** mainly due to several assets being fully depreciated or disposed of (-\$2.1M).

PROFORMA NON-OP REVENUE (EXPENSES) AND CAPITAL CONTRIBUTION – 2Q FY22 vs. 2Q FY21 (in 000's)

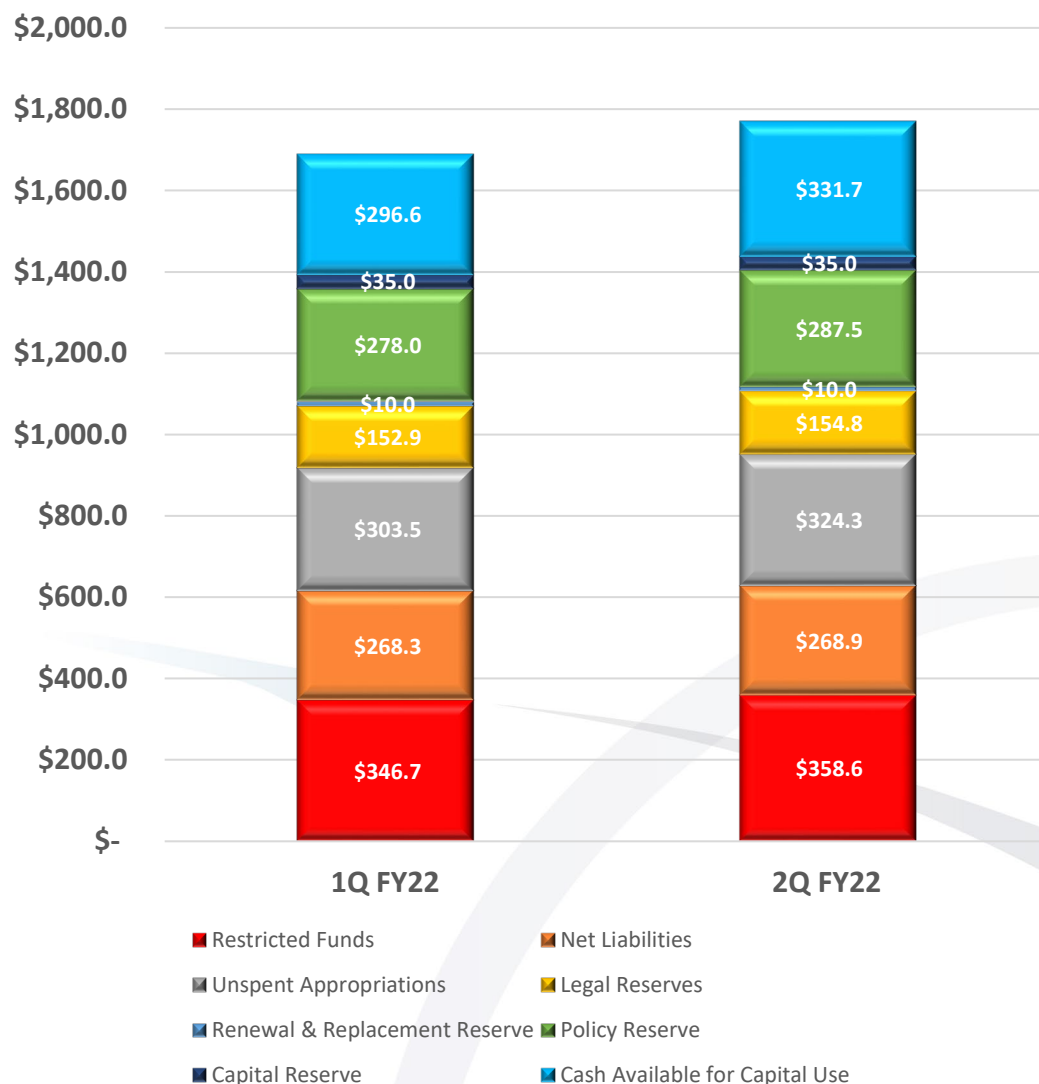


VARIANCE COMMENTS

- **Non-Op Revenue and Capital Contribution Total: (+\$46.6M/+306.2%)**
- **Investment Loss: (-\$12.2M/-294.8%)** due to a fair value adjustment/loss recorded in 2Q FY22 (-\$10.9M) and lower investment income (-\$1.3M).
- **Interest Expense: (+\$3.4M/+15.3%)** mainly due to savings realized from the 2020 series sub lien refunding revenue bonds (+\$3.4M).
- **Passenger Facility Charges: (+\$12.0M/+93.5%)** due to 100.1% increase in enplaned passengers in 2Q FY22 compared FY21 (+\$12.0M).
- **Customer Facility Charges: (+\$1.4M/+83.3%)** due to an increase in car rentals in 2Q FY22 compared to FY21 (+\$1.4M).
- **Cost of Issuance for Debt: (+\$5.1M/+100%)** as no debt was issued in 2Q FY22 (+\$5.1M).
- **Non-Operating Grant Revenues: (+\$33.3M/+229.8%)** due to timing of reimbursements requested under CARES/CRRSA/ARP Act (+\$33.3M).
- **Other Non-Operating Revenues: (-\$1.6M/-39.5%)** mainly due to income recorded in October 2020 related to issuance of 2020 series revenue funding bonds. Such income was reclassified/reversed in January 2021 (3Q FY21) (-\$1.3M).
- **Capital Contributions: (+\$4.4M/+87.4%)** due to total award amount under the FAA Airport Improvement Program as well as timing of reimbursement requests and eligible construction costs (+\$4.4M).

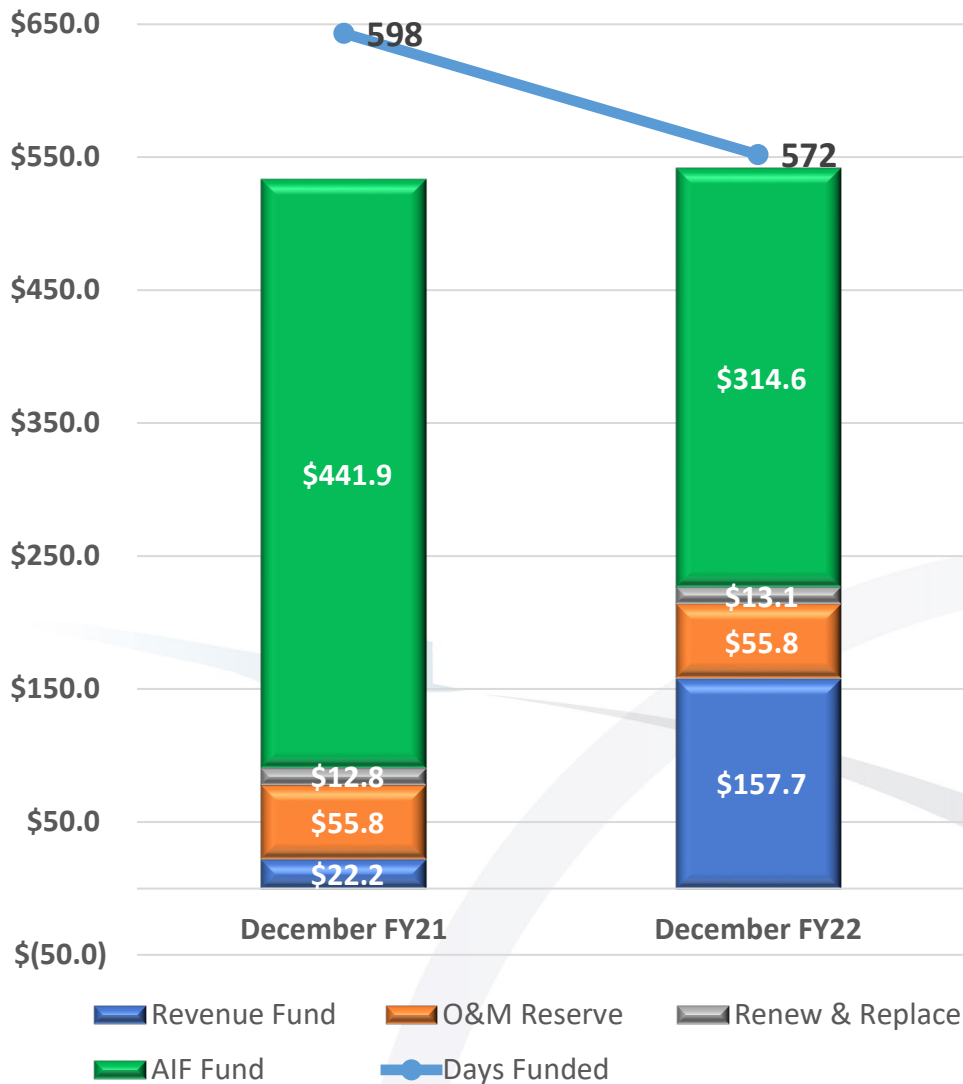
PROFORMA CASH REPORTS

PROFORMA AVAILABLE CASH AS OF 1Q FY22 vs. 2Q FY22 (in millions)



- Cash balance at December 31, 2021 was \$1.771 billion, an increase of (+\$79.8M) when compared to \$1.691 billion at September 30, 2021 primarily due to increases in restricted funds (+\$11.9M), unspent appropriations (+\$20.8M), policy reserve (+\$9.5M), and cash available for capital use (+\$35.1M).
- Cash Available for Operations at \$541.3M as of 2Q FY22 increased by (+\$56.7M) when compared to 1Q FY22 mainly due to an increases in balance in revenue fund (+\$51.9M), capital outlay fund (+\$10.0M), COVID-19 related grant funds (+\$6.4M), offset by decreases in airport improvement fund (-\$9.4M) and renewal & replacement fund (-\$2.2M).

PROFORMA DAYS FUNDED W/ CASH AVAILABLE AS OF DECEMBER FY22 vs. DECEMBER FY21 (\$'s in millions)

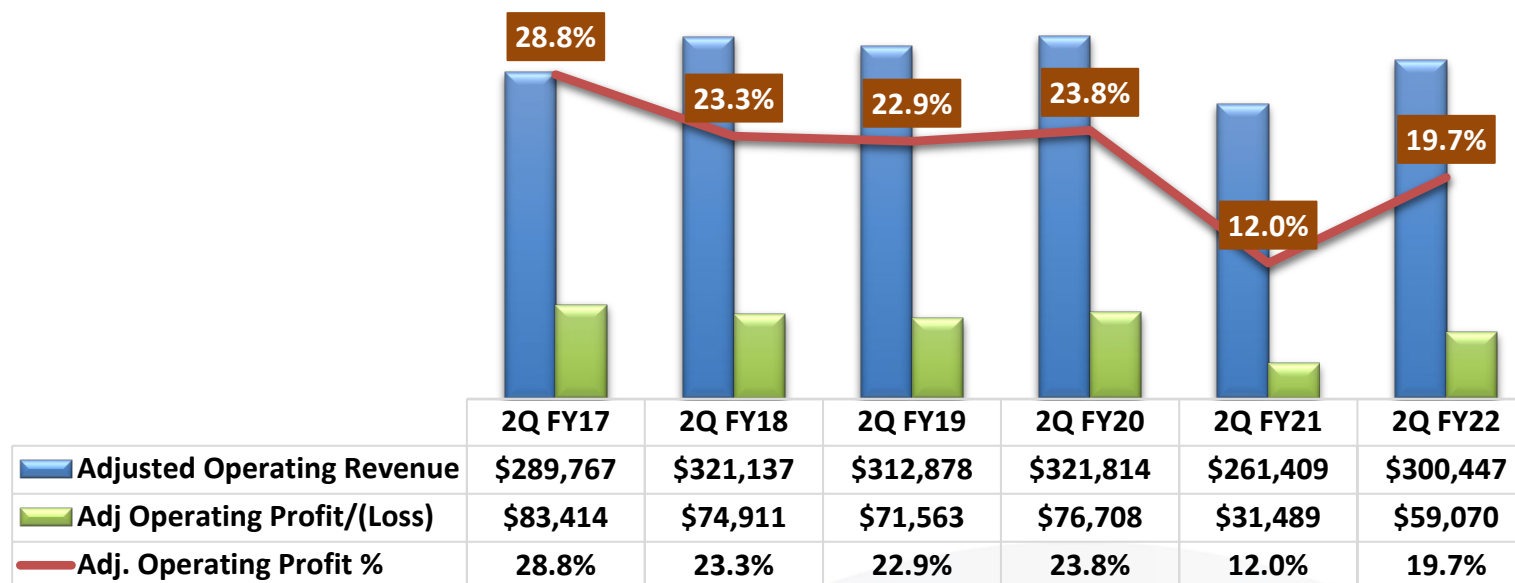


- Days funded decreased by 26 days.
- Budgeted Daily cash requirement is \$54.9K higher in FY22.

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PROFITABILITY AND TREND ANALYSIS

PROFORMA ADJUSTED OPERATING PROFIT % TREND (in 000's) YTD

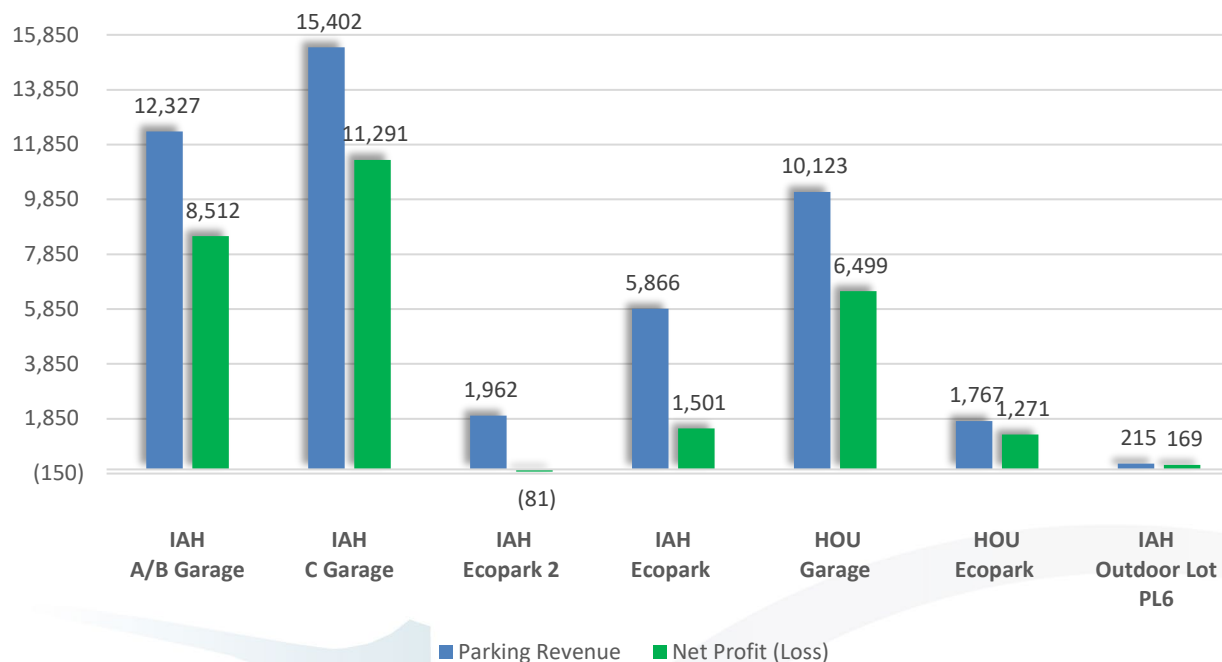


VARIANCE COMMENTS

- YTD 2Q FY22 adjusted operating profit % was higher than YTD 2Q FY21 due to higher landing fee (+\$16.0M), rentals/buildings/grounds revenue (+\$23.8M), parking revenue (+\$31.1M), concession revenue (+\$21.6M), and PFC revenue (\$28.9M), partially offset by lower Federal grant received (-\$83.2M) and higher O&M.
- YTD 2Q FY22 operating expenses were higher than YTD 2Q FY21 (\$11.5M/+5.0%) due to higher personnel costs (+5.7M) and higher services (+8.5M), partially offset by lower depreciation and amortization (-\$3.2M)

Note: Operating Revenues exclude Passenger Facility Charges and Capital Contributions/Federal Grants, which are considered non-operating for statutory accounting purposes. Passenger Facility Charges and Capital Contributions are included in operating income for managerial reporting purposes to arrive at adjusted operating profit.

PARKING PROFITABILITY BY LOCATION YTD (in 000's)



Location	Net Profit %
IAH A/B Garage	69.05%
IAH C Garage	73.31%
IAH Ecopark 2	(4.13%)
IAH Ecopark	25.59%
HOU Garage	64.2%
HOU Ecopark	71.96%
IAH Outdoor Lot PL6	78.55%

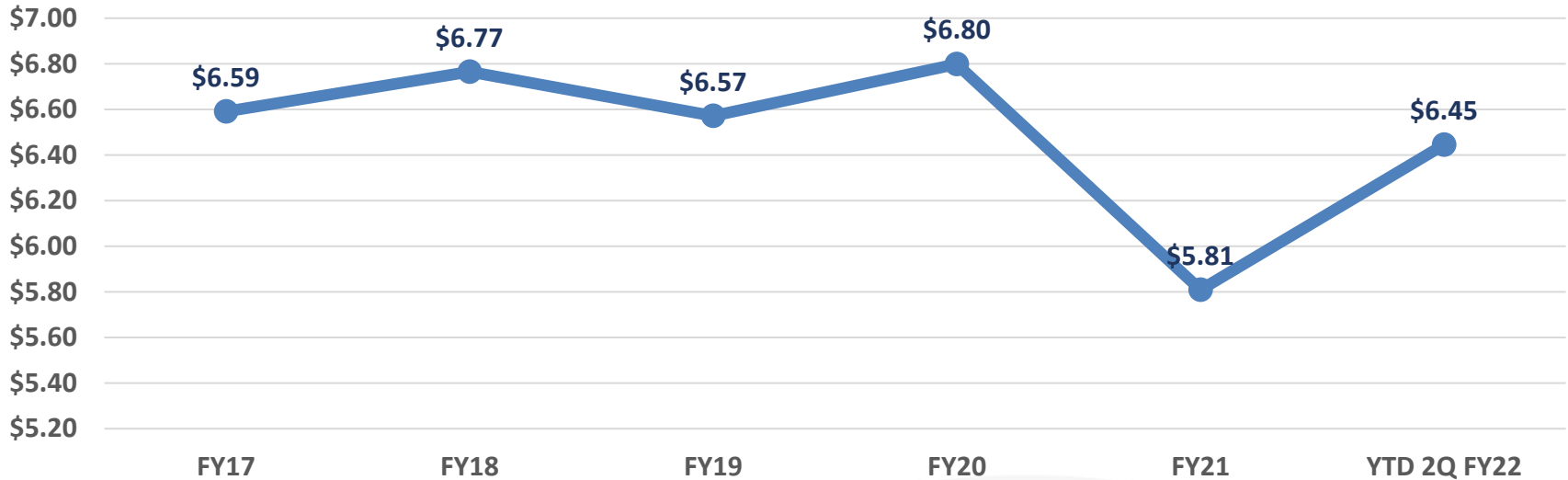
COMMENTS

- 2Q FY22 YTD parking revenue of \$47.7M is up \$31.1M or 187.4% compared to 2Q FY21 YTD.
- 2Q FY22 YTD parking transactions per 1000 enplanements (originating) of 155.8 is higher than 2Q FY21 YTD by 28.3 transactions or 22.1%.
- IAH Ecopark2 net loss of \$81.1k or (4.13%) is associated with depressed travel industry and increasing costs such as shuttle bus related expenses.
 - Combined Ecopark (Ecopark and Ecopark 2) as a brand has net profit of \$2.7 million.
 - Ecopark brand parking rate is raised on January 15, 2022, in response to the market factors: IAH Ecopark from \$6/day, \$7/day, and \$8/day to \$7/day, \$8/day, and \$9/day for JFK-uncovered, Will Clayton-covered, and JFK-covered, respectively.

KEY PERFORMANCE INDICATORS



VARIABLE NON-AIRLINE REVENUE PER ENPLANEMENT TREND

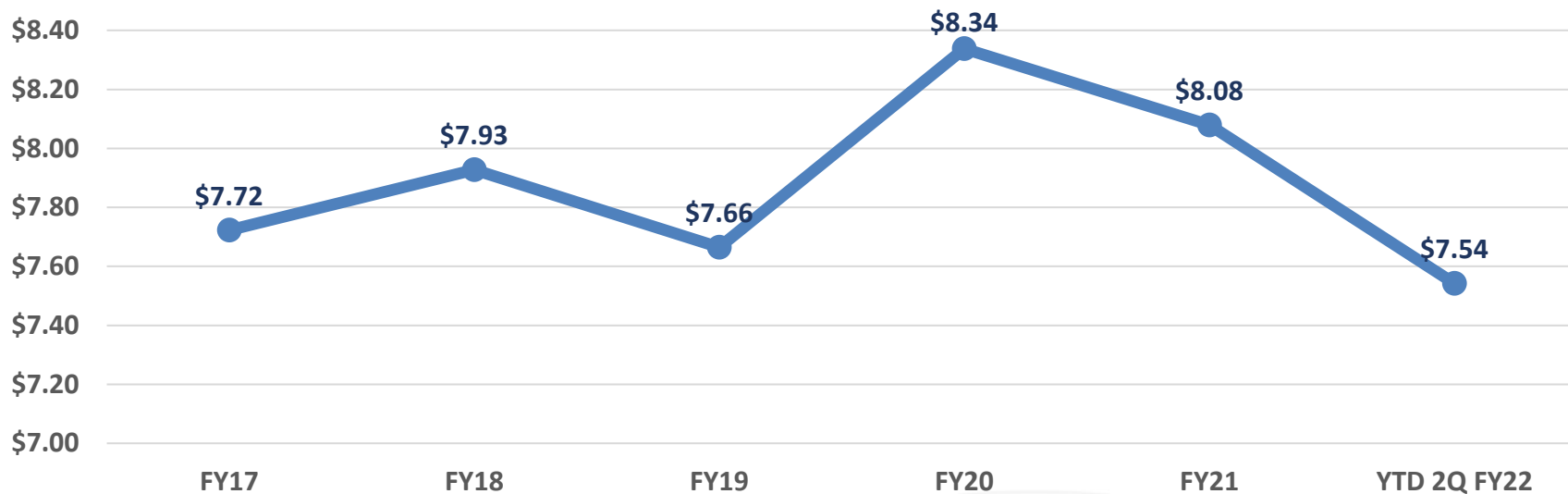


VARIANCE COMMENTS

- The 2Q FY22 increase in variable Non-Airline revenue per enplanement due to higher parking revenue from higher parking rate (garage daily parking rate was \$10-\$15/day in 2Q FY21 vs \$20-\$24/day in 2Q FY22); and Concession revenue (\$47.7M in YTD 2Q FY22 vs \$16.6M in YTD 2Q FY21) from better economy and more stores open in FY22.
- The FY21 decrease in Non-Airline Revenue per Enplanement primarily due the daily parking rate for the garages was reduced from \$24/day to \$10/day in July 2020 through November 2020. In December 2020, the daily rate was increased to \$15/day. Also many stores were not open during pandemic.

NOTE: This measure of non-airline revenue excludes all revenues not expected to vary in direct correlation with an increase in enplaned passengers (fixed rent, aviation fuel, hangar rentals, etc.)

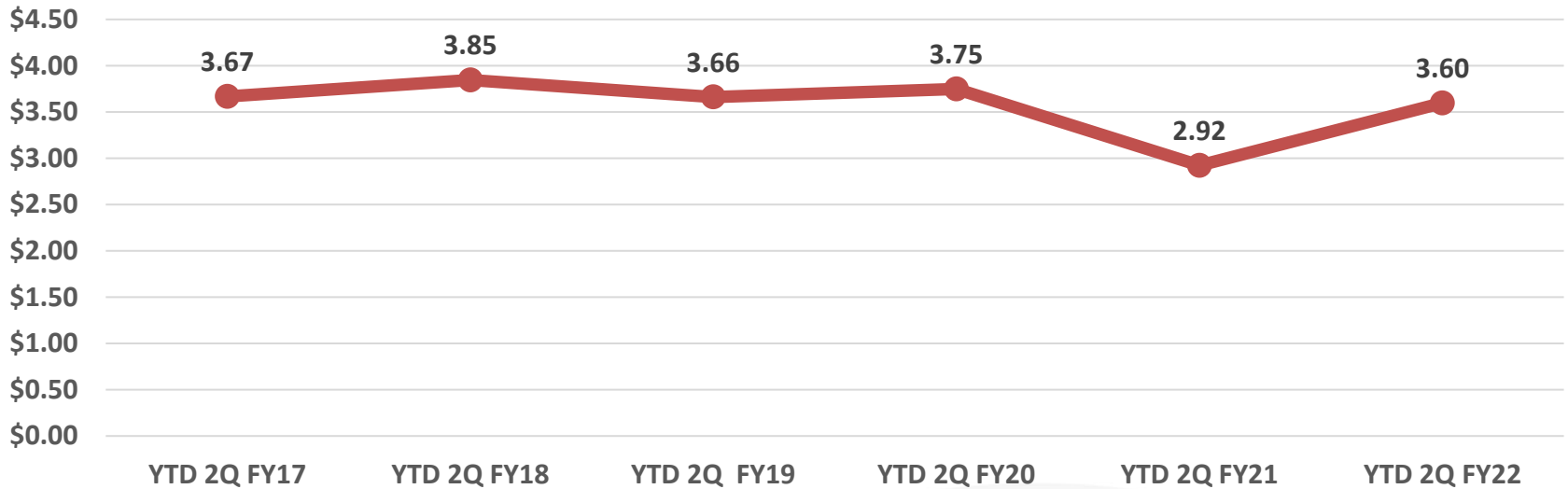
TOTAL NON-AIRLINE REVENUE PER ENPLANEMENT TREND



VARIANCE COMMENTS

- The 2Q FY22 Non-Airline Revenue per Enplanement is lower than FY21 due to fixed non-airline revenue with higher enplanement, a 133.5% increase in the enplanements for 2Q FY22 compared to 2Q FY21
- The FY21 Operating Non-Airline Revenue per Enplanement is slightly lower than FY20 due to lower parking rate and many stores not open during pandemic.

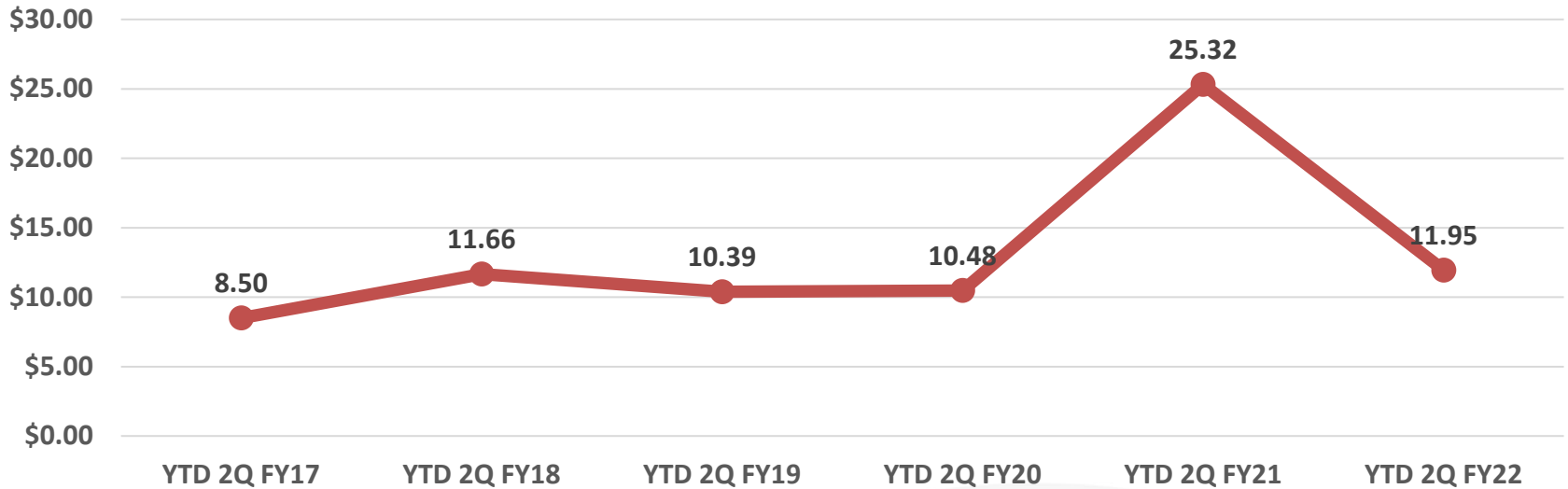
PARKING REVENUE PER ENPLANEMENT TREND



VARIANCE COMMENTS

- 2Q FY22 Parking Revenue per Enplanement increased when compared to 2Q FY21 due to an increase in garage parking rates year over year [\$10/day in July - November 2020, \$15/day in December 2020] in 2Q FY21 vs. \$20/day in July – September 2021, \$24 in October – December 2021]. The impact of higher garage parking rate in YTD 2Q FY22 is approximately +\$3.7M.

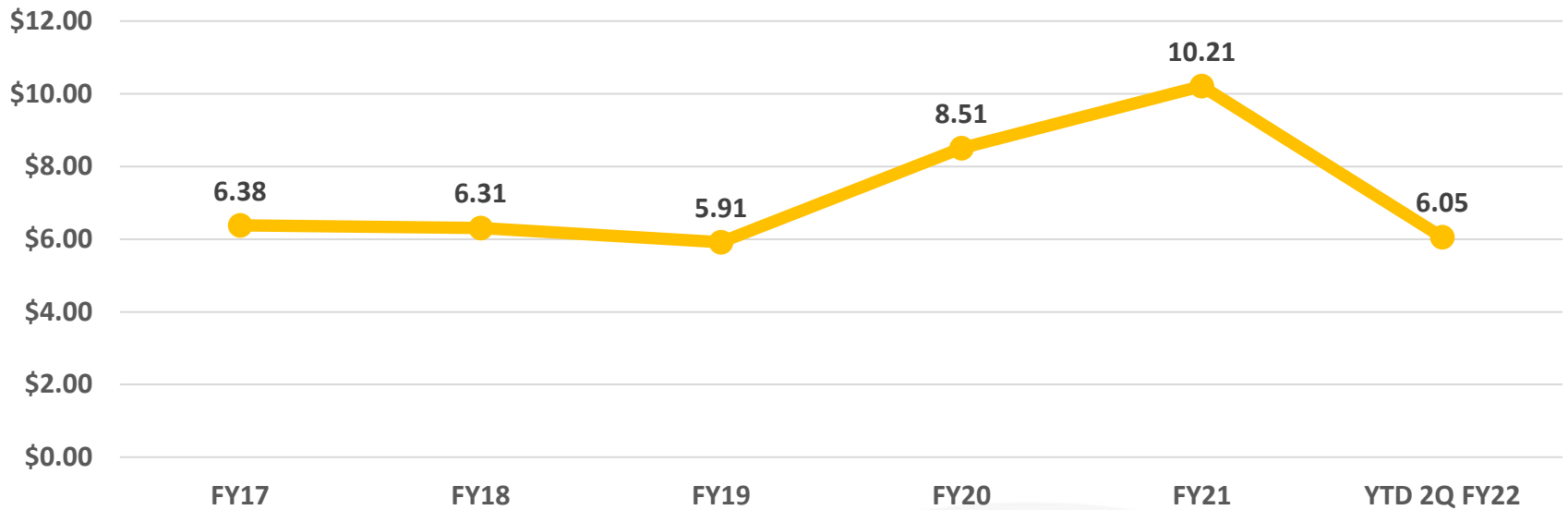
O&M EXPENSE PER ENPLANEMENT TREND - YTD



VARIANCE COMMENTS

- YTD 2Q FY22 O&M per Enplanement decreased mainly due to a 133.5% increase in the enplanements compared to YTD 2Q FY21, partially offset by the higher YTD 2Q FY22 O&M (+\$14.7M/+10.2%) compared to YTD 2Q FY21.
- YTD 2Q FY21 O&M Expense per Enplanement increased when compared to YTD 2Q FY20 due to a significant decline in enplanements due to COVID-19. YTD 2Q FY21 enplanements is down (62.5%) compared to YTD 2Q FY20.

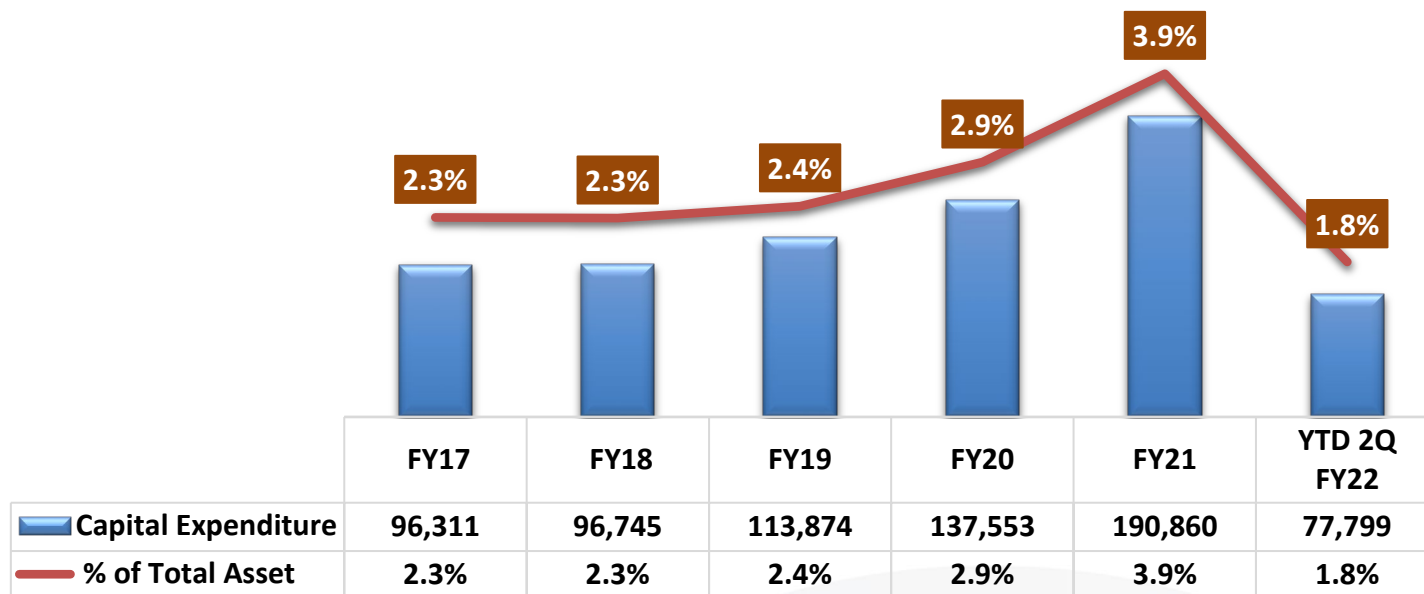
DEBT SERVICE PER ENPLANEMENT TREND



VARIANCE COMMENTS

- Lower YTD 2Q FY22 debt service per enplanement due to a 133.5% increase in the enplanements for YTD 2Q FY22 compared to YTD FY21.
- Higher FY21 debt service per enplanement was due to a significant decrease in enplanements associated with COVID-19. FY21 total enplanements was 31.4% lower than FY20.

CAPITAL EXPENDITURE AND % OF TOTAL ASSET TREND (in 000's)



FINANCIAL STATEMENTS



UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 6 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (HAS)

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	46,048	30,018	16,030	53.4%
Rentals, building and ground area	101,951	78,118	23,833	30.5%
Parking	47,662	16,586	31,076	187.4%
Concessions	36,922	15,290	21,632	141.5%
Other	4,105	2,923	1,182	40.4%
Total operating revenues	<u>236,688</u>	<u>142,935</u>	<u>93,753</u>	<u>65.6%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	47,323	41,643	5,680	13.6%
Supplies	2,994	3,001	(7)	-0.2%
Services	107,036	98,510	8,526	8.7%
Non-capital outlay	864	412	452	109.7%
Depreciation and amortization	83,160	86,354	(3,194)	-3.7%
Total operating expenses	<u>241,377</u>	<u>229,920</u>	<u>11,457</u>	<u>5.0%</u>
Operating income (loss)	<u>(4,689)</u>	<u>(86,985)</u>	<u>82,296</u>	<u>-94.6%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(5,104)	(13,260)	8,156	-61.5%
Interest expense	(37,617)	(41,191)	3,574	-8.7%
Gain / (Loss) on disposal of assets	927	-	927	100.0%
Passenger facility charges	49,171	20,710	28,461	137.4%
Customer facility charges	5,399	2,726	2,673	98.1%
Special facility cost	(39)	(39)	-	0.0%
Cost of issuance for debt	-	(5,062)	5,062	-100.0%
CARES Act/CRRSAA/ARPA grants	47,768	92,604	(44,836)	-48.4%
Other revenue (expense)	5,002	6,644	(1,642)	-24.7%
Total nonoperating revenues (expenses)	<u>65,507</u>	<u>63,132</u>	<u>2,375</u>	<u>3.8%</u>
Income/(loss) before capital contributions	60,818	(23,853)	84,671	355.0%
Capital contributions	14,588	5,160	9,428	182.7%
Change in net position	75,406	(18,693)	94,099	503.4%
Total net position, July 1	<u>1,633,383</u>	<u>1,603,982</u>	<u>29,401</u>	<u>1.8%</u>
Total net position, December 31	<u><u>1,708,789</u></u>	<u><u>1,585,289</u></u>	<u><u>123,500</u></u>	<u><u>7.8%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 6 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (IAH)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	36,818	22,088	14,730	66.7%
Rentals, building and ground area	81,685	62,773	18,912	30.1%
Parking	35,773	12,075	23,698	196.3%
Concessions	29,422	11,122	18,300	164.5%
Other	3,506	2,263	1,243	54.9%
Total operating revenues	<u>187,204</u>	<u>110,321</u>	<u>76,883</u>	<u>69.7%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	33,074	29,676	3,398	11.5%
Supplies	1,878	1,972	(94)	-4.8%
Services	81,418	76,530	4,888	6.4%
Non-capital outlay	621	223	398	178.5%
Depreciation and amortization	64,213	67,682	(3,469)	-5.1%
Total operating expenses	<u>181,204</u>	<u>176,083</u>	<u>5,121</u>	<u>2.9%</u>
Operating income (loss)	<u>6,000</u>	<u>(65,762)</u>	<u>71,762</u>	<u>109.1%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(3,872)	(10,107)	6,235	-61.7%
Interest expense	(27,950)	(30,612)	2,662	-8.7%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	38,595	16,264	22,331	137.3%
Customer facility charges	5,399	2,726	2,673	98.1%
Special facility cost	(39)	(39)	-	0.0%
Cost of issuance for debt	-	(3,589)	3,589	-100.0%
CARES Act/CRRSAA/ARPA grants	43,877	89,537	(45,660)	-51.0%
Other revenue (expense)	2,995	4,393	(1,398)	-31.8%
Total nonoperating revenues (expenses)	<u>59,005</u>	<u>68,573</u>	<u>(9,568)</u>	<u>-14.0%</u>
Income/(loss) before capital contributions	65,005	2,811	62,194	2212.5%
Capital contributions	12,373	4,488	7,885	175.7%
Change in net position	<u>77,378</u>	<u>7,299</u>	<u>70,079</u>	<u>960.1%</u>
Total net position, July 1	<u>1,463,392</u>	<u>1,439,900</u>	<u>23,492</u>	<u>1.6%</u>
Total net position, December 31	<u><u>1,540,770</u></u>	<u><u>1,447,199</u></u>	<u><u>93,571</u></u>	<u><u>6.5%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 6 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (HOU)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	9,094	7,808	1,286	16.5%
Rentals, building and ground area	19,437	14,540	4,897	33.7%
Parking	11,889	4,511	7,378	163.6%
Concessions	7,386	4,061	3,325	81.9%
Other	553	621	(68)	-11.0%
Total operating revenues	<u>48,359</u>	<u>31,541</u>	<u>16,818</u>	<u>53.3%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	12,890	10,852	2,038	18.8%
Supplies	908	874	34	3.9%
Services	24,220	20,725	3,495	16.9%
Non-capital outlay	241	170	71	41.8%
Depreciation and amortization	15,859	15,996	(137)	-0.9%
Total operating expenses	<u>54,118</u>	<u>48,617</u>	<u>5,501</u>	<u>11.3%</u>
Operating income(loss)	<u>(5,759)</u>	<u>(17,076)</u>	<u>11,317</u>	<u>-66.3%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(1,166)	(2,976)	1,810	-60.8%
Interest expense	(8,125)	(8,891)	766	-8.6%
Gain / (Loss) on disposal of assets	(1)	-	(1)	100.0%
Passenger facility charges	10,576	4,446	6,130	137.9%
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	-	(1,240)	1,240	-100.0%
CARES Act/CRRSAA/ARPA grants	3,891	3,067	824	26.9%
Other revenue (expense)	1,773	1,992	(219)	-11.0%
Total nonoperating revenues (expenses)	<u>6,948</u>	<u>(3,602)</u>	<u>10,550</u>	<u>292.9%</u>
Income/(loss) before capital contributions	1,189	(20,678)	21,867	105.8%
Capital contributions	2,215	-	2,215	100.0%
Change in net position	<u>3,404</u>	<u>(20,678)</u>	<u>24,082</u>	<u>116.5%</u>
Total net position, July 1	<u>257,713</u>	<u>240,207</u>	<u>17,506</u>	<u>7.3%</u>
Total net position, December 31	<u><u>261,117</u></u>	<u><u>219,529</u></u>	<u><u>41,588</u></u>	<u><u>18.9%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 6 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (EFD)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	136	122	14	11.5%
Rentals, building and ground area	829	805	24	3.0%
Parking	-	-	-	N/A
Concessions	114	107	7	6.5%
Other	46	39	7	17.9%
Total operating revenues	<u>1,125</u>	<u>1,073</u>	<u>52</u>	<u>4.8%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	1,359	1,115	244	21.9%
Supplies	208	155	53	34.2%
Services	1,398	1,255	143	11.4%
Non-capital outlay	2	19	(17)	-89.5%
Depreciation and amortization	3,088	2,676	412	15.4%
Total operating expenses	<u>6,055</u>	<u>5,220</u>	<u>835</u>	<u>16.0%</u>
Operating income (loss)	<u>(4,930)</u>	<u>(4,147)</u>	<u>(783)</u>	<u>18.9%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(66)	(177)	111	-62.7%
Interest expense	(1,542)	(1,688)	146	-8.6%
Gain / (Loss) on disposal of assets	928	-	928	100.0%
Passenger facility charges	-	-	-	N/A
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	-	(233)	233	-100.0%
CARES Act/CRRSAA/ARPA grants	-	-	-	N/A
Other revenue (expense)	234	259	(25)	-9.7%
Total nonoperating revenues (expenses)	<u>(446)</u>	<u>(1,839)</u>	<u>1,393</u>	<u>-75.7%</u>
Income/(loss) before capital contributions	(5,376)	(5,986)	610	-10.2%
Capital contributions	-	672	(672)	-100.0%
Change in net position	<u>(5,376)</u>	<u>(5,314)</u>	<u>(62)</u>	<u>1.2%</u>
Total net position, July 1	<u>(87,722)</u>	<u>(76,125)</u>	<u>(11,597)</u>	<u>15.2%</u>
Total net position, December 31	<u><u>(93,098)</u></u>	<u><u>(81,439)</u></u>	<u><u>(11,659)</u></u>	<u><u>14.3%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (HAS)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	23,403	15,825	7,578	47.9%
Rentals, building and ground area	50,963	39,848	11,115	27.9%
Parking	25,141	9,295	15,846	170.5%
Concessions	17,945	8,669	9,276	107.0%
Other	2,096	1,718	378	22.0%
Total operating revenues	<u>119,548</u>	<u>75,355</u>	<u>44,193</u>	<u>58.6%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	24,147	21,066	3,081	14.6%
Supplies	1,557	1,407	150	10.7%
Services	54,966	54,363	603	1.1%
Non-capital outlay	425	144	281	195.1%
Depreciation and amortization	41,124	43,206	(2,082)	-4.8%
Total operating expenses	<u>122,219</u>	<u>120,186</u>	<u>2,033</u>	<u>1.7%</u>
Operating income (loss)	<u>(2,671)</u>	<u>(44,831)</u>	<u>42,160</u>	<u>-94.0%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(8,052)	4,133	(12,185)	-294.8%
Interest expense	(18,632)	(21,990)	3,358	-15.3%
Gain / (Loss) on disposal of assets	927	-	927	100.0%
Passenger facility charges	24,873	12,852	12,021	93.5%
Customer facility charges	3,147	1,717	1,430	83.3%
Special facility cost	(8)	(3)	(5)	166.7%
Cost of issuance for debt	-	(5,062)	5,062	-100.0%
CARES Act/CRRSAA/ARPA grants	47,768	14,484	33,284	229.8%
Other revenue (expense)	2,483	4,101	(1,618)	-39.5%
Total nonoperating revenues (expenses)	<u>52,506</u>	<u>10,232</u>	<u>42,274</u>	<u>413.2%</u>
Income/(loss) before capital contributions	49,835	(34,599)	84,434	244.0%
Capital contributions	9,379	5,004	4,375	87.4%
Change in net position	59,214	(29,595)	88,809	300.1%
Total net position, July 1	<u>1,633,383</u>	<u>1,603,982</u>	<u>29,401</u>	<u>1.8%</u>
Total net position, December 31	<u><u>1,692,597</u></u>	<u><u>1,574,387</u></u>	<u><u>118,210</u></u>	<u><u>7.5%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)****FOR THE 3 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (IAH)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	18,799	11,601	7,198	62.0%
Rentals, building and ground area	40,780	31,936	8,844	27.7%
Parking	18,947	6,810	12,137	178.2%
Concessions	14,003	6,994	7,009	100.2%
Other	1,812	1,298	514	39.6%
Total operating revenues	<u>94,341</u>	<u>58,639</u>	<u>35,702</u>	<u>60.9%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	16,811	14,961	1,850	12.4%
Supplies	959	880	79	9.0%
Services	42,090	41,078	1,012	2.5%
Non-capital outlay	303	34	269	791.2%
Depreciation and amortization	31,752	33,707	(1,955)	-5.8%
Total operating expenses	<u>91,915</u>	<u>90,660</u>	<u>1,255</u>	<u>1.4%</u>
Operating income (loss)	<u>2,426</u>	<u>(32,021)</u>	<u>34,447</u>	<u>107.6%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(6,121)	3,124	(9,245)	-295.9%
Interest expense	(14,145)	(16,029)	1,884	-11.8%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	19,685	10,005	9,680	96.8%
Customer facility charges	3,147	1,717	1,430	83.3%
Special facility cost	(8)	(3)	(5)	166.7%
Cost of issuance for debt	-	(3,589)	3,589	-100.0%
CARES Act/CRRSAA/ARPA grants	43,877	11,417	32,460	284.3%
Other revenue (expense)	1,484	2,761	(1,277)	-46.3%
Total nonoperating revenues (expenses)	<u>47,919</u>	<u>9,403</u>	<u>38,516</u>	<u>409.6%</u>
Income/(loss) before capital contributions	50,345	(22,618)	72,963	322.6%
Capital contributions	7,164	4,332	2,832	65.4%
Change in net position	<u>57,509</u>	<u>(18,286)</u>	<u>75,795</u>	<u>414.5%</u>
Total net position, July 1	<u>1,463,392</u>	<u>1,439,900</u>	<u>23,492</u>	<u>1.6%</u>
Total net position, December 31	<u><u>1,520,901</u></u>	<u><u>1,421,614</u></u>	<u><u>99,287</u></u>	<u><u>7.0%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (HOU)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	4,544	4,156	388	9.3%
Rentals, building and ground area	9,765	7,508	2,257	30.1%
Parking	6,194	2,485	3,709	149.3%
Concessions	3,830	1,568	2,262	144.3%
Other	264	400	(136)	-34.0%
	<u>24,597</u>	<u>16,117</u>	<u>8,480</u>	<u>52.6%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	6,622	5,523	1,099	19.9%
Supplies	495	418	77	18.4%
Services	12,174	12,549	(375)	-3.0%
Non-capital outlay	120	97	23	23.7%
Depreciation and amortization	7,833	8,156	(323)	-4.0%
	<u>27,244</u>	<u>26,743</u>	<u>501</u>	<u>1.9%</u>
Operating income(loss)	<u>(2,647)</u>	<u>(10,626)</u>	<u>7,979</u>	<u>-75.1%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(1,825)	950	(2,775)	-292.1%
Interest expense	(3,771)	(5,010)	1,239	-24.7%
Gain / (Loss) on disposal of assets	(1)	-	(1)	100.0%
Passenger facility charges	5,188	2,847	2,341	82.2%
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	-	(1,240)	1,240	-100.0%
CARES Act/CRRSAA/ARPA grants	3,891	3,067	824	26.9%
Other revenue (expense)	883	1,199	(316)	-26.4%
	<u>4,365</u>	<u>1,813</u>	<u>2,552</u>	<u>140.8%</u>
Income/(loss) before capital contributions	1,718	(8,813)	10,531	119.5%
Capital contributions	2,215	-	2,215	100.0%
Change in net position	<u>3,933</u>	<u>(8,813)</u>	<u>12,746</u>	<u>144.6%</u>
Total net position, July 1	<u>257,713</u>	<u>240,207</u>	<u>17,506</u>	<u>7.3%</u>
Total net position, December 31	<u><u>261,646</u></u>	<u><u>231,394</u></u>	<u><u>30,252</u></u>	<u><u>13.1%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020 (EFD)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	60	68	(8)	-11.8%
Rentals, building and ground area	418	404	14	3.5%
Parking	-	-	-	N/A
Concessions	112	107	5	4.7%
Other	20	20	-	0.0%
	<u>610</u>	<u>599</u>	<u>11</u>	<u>1.8%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	714	582	132	22.7%
Supplies	103	109	(6)	-5.5%
Services	702	736	(34)	-4.6%
Non-capital outlay	2	13	(11)	-84.6%
Depreciation and amortization	1,539	1,343	196	14.6%
	<u>3,060</u>	<u>2,783</u>	<u>277</u>	<u>10.0%</u>
Operating income (loss)	<u>(2,450)</u>	<u>(2,184)</u>	<u>(266)</u>	<u>12.2%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(106)	59	(165)	-279.7%
Interest expense	(716)	(951)	235	-24.7%
Gain / (Loss) on disposal of assets	928	-	928	100.0%
Passenger facility charges	-	-	-	N/A
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	-	(233)	233	-100.0%
CARES Act/CRRSAA/ARPA grants	-	-	-	N/A
Other revenue (expense)	116	141	(25)	-17.7%
	<u>222</u>	<u>(984)</u>	<u>1,206</u>	<u>122.6%</u>
Income/(loss) before capital contributions	(2,228)	(3,168)	940	-29.7%
Capital contributions	-	672	(672)	-100.0%
Change in net position	<u>(2,228)</u>	<u>(2,496)</u>	<u>268</u>	<u>-10.7%</u>
Total net position, July 1	<u>(87,722)</u>	<u>(76,125)</u>	<u>(11,597)</u>	<u>15.2%</u>
Total net position, December 31	<u><u>(89,950)</u></u>	<u><u>(78,621)</u></u>	<u><u>(11,329)</u></u>	<u><u>14.4%</u></u>

UNAUDITED**STATEMENTS OF NET POSITION (in thousands)
as of December 31, 2021 and December 31, 2020**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Assets		
Current assets		
Cash and cash equivalents	405,981	191,065
Restricted cash and cash equivalents	155,568	185,920
(1) Investments	-	-
(1) Restricted investments	-	-
Accounts Receivable (net of allowance for doubtful accounts of \$11,773 and \$4,380 in 2022 and 2021)	11,420	66,656
Restricted accounts receivable	15,415	6,561
Lease receivable	-	-
Due from City of Houston	-	3,591
Inventory	2,389	2,364
Prepays	3,767	3,706
Due from other governments - grants receivable	34,449	13,210
	<u>628,989</u>	<u>473,073</u>
Total current assets		
Noncurrent assets		
Investments	1,206,697	981,206
Restricted investments	-	-
Prepays	167	179
Lease receivable, non-current	268,444	280,127
Lease right-of-use assets, net of accumulated amortization	146	1,535
Capital Assets		
Land	216,100	216,100
Rights and Intangibles	23,030	18,091
Buildings, improvements and equipment	5,559,853	5,622,735
Construction in progress	411,851	260,366
	<u>6,210,834</u>	<u>6,117,292</u>
Total capital assets		
Less accumulated depreciation and amortization	<u>(3,545,071)</u>	<u>(3,461,901)</u>
Net capital assets	<u>2,665,763</u>	<u>2,655,391</u>
Total noncurrent assets	<u>4,141,217</u>	<u>3,918,438</u>
Total assets	<u>4,770,206</u>	<u>4,391,511</u>
Deferred Outflows of Resources		
Deferred outflows from debt refunding	20,939	23,496
Deferred outflows from pension	2	25,876
Deferred outflows OPEB health benefits	8,827	1,492
Deferred outflows from OPEB LTD	293	239
Total deferred outflows of resources	<u>30,061</u>	<u>51,103</u>

(1) Amount currently included in cash and cash equivalent. Allocation is only available at yearend

(continued)

UNAUDITED**STATEMENTS OF NET POSITION (in thousands)
as of December 31, 2021 and December 31, 2020**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Liabilities		
Current Liabilities		
Accounts payable	21,572	11,040
Accrued payroll liabilities	1,630	1,275
Due to City of Houston	-	2,148
Due to other governments	1,846	-
Advances and deposits	2,582	2,008
Unearned revenue	793	2,017
Claims for workers' compensation	903	928
Compensated absences	5,477	5,681
Revenue bonds payable	77,700	75,580
Special facility revenue bonds payable	7,505	6,240
Note payable	1,068	-
Accrued interest payable	3,361	43,276
Contracts and retainages payable	21,717	12,265
Other current liabilities	899	2,772
Total current liabilities	<u>147,053</u>	<u>165,230</u>
Noncurrent Liabilities		
Revenue bonds payable, net	2,259,691	2,007,249
Special facility revenue bonds payable	60,680	68,185
Inferior lien contract	-	-
Commercial paper payable	104,000	20,000
Pension obligation bonds payable	2,006	2,006
Lease liabilities	150	1,549
Note payable	13,771	11,592
Claims for workers' compensation	2,174	593
Compensated absences	8,541	7,612
Net pension liability	161,545	258,223
Other post employment benefits	82,344	70,738
Other post employment benefits - LTD	1,150	774
Total noncurrent Liabilities	<u>2,696,052</u>	<u>2,448,630</u>
Total liabilities	<u>2,843,105</u>	<u>2,613,860</u>
Deferred Inflows of Resources		
Deferred inflows from leases	257,648	276,397
Deferred Inflows on pension	56,331	3,425
Deferred inflows from OPEB health benefits	16,075	27,422
Deferred inflows from OPEB LTD	133	-
Total deferred inflows of resources	<u>330,187</u>	<u>307,244</u>
Net position		
Net Investment in capital assets	448,944	489,105
Restricted net position		
Restricted for debt service	365,029	294,296
Restricted for maintenance and operations	53,903	53,954
Restricted for special facility	55,382	55,368
Restricted for renewal and replacement	10,000	10,000
Restricted for capital improvements	620,824	698,914
Unrestricted (deficit)	72,893	(80,127)
Total net position	<u>1,626,975</u>	<u>1,521,510</u>