

FY21 PRO-FORMA FINANCIAL REPORT

1st 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 – 1Q FY21



(\$s in millions)	1Q FY21	1Q FY20	\$ Variance	% Variance
Proforma Operating Revenues	\$67.6	\$132.8	-\$65.2	-49.1%
Proforma Operating Expenses	\$117.3	\$123.0	-\$5.7	-4.7%
Proforma Non-Operating Revenues/Expenses and Capital Contributions	\$52.8	\$18.7	+\$34.0	+181.6%

Highlights

Proforma Operating Revenues (-\$65.2M)

- Decrease in Parking (-\$22.1M) due to lower enplanements associated with COVID-19 (-\$21.0M) and a reduction in parking rate at HAS garages (-\$1.0M).
- Decrease in Rentals, Building and Ground Area (-\$18.1M) due to use of CARES Act funds to lower costs to airlines (-\$15.8M), lower O&M (-\$1.8M) and capital cost (-\$0.5M) allocated to airlines.
- Decrease in Concessions (-15.0M) due to lower enplanements associated with COVID-19, resulting in lower auto rental (-\$4.9M), ground transportation concessions (-\$2.7M) and retail concessions (-\$7.4M).
- Decrease in Landing Fees (-\$9.7M) primarily driven by use of CARES Act funds to lower costs allocated to the airfield (-\$7.1M), lower volume anticipated to be recovered during the quarter, and a reduction in O&M allocated to airlines (-\$0.5M).

Proforma Operating Expenses -\$5.7M

- Decrease in Personnel Costs (-\$3.0M) due to lower pension cost associated with pension reform (-\$2.9M) and lower overtime (-\$1.1M), partially offset by an increase in headcount (+\$0.8M).
- Decrease in Services (-\$2.2M) due to lower spend on various projects (-\$1.0M) and lower credit card fees (-\$0.6M).

Proforma Non-Operating Revenues/Expenses and Capital Contributions +\$34.0M

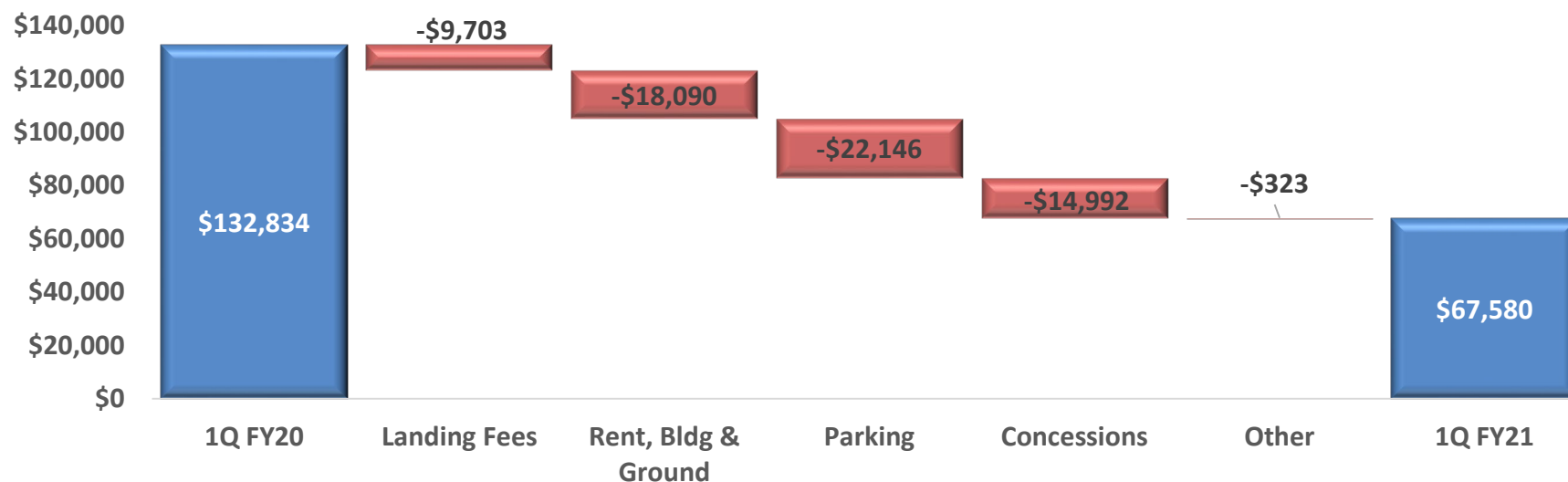
- Increase in Capital Contributions: (+\$77.8M) primarily due to CARES Act reimbursement in 1Q FY21 (+\$78.1M).
- Decrease in Investment Income (Loss) (-\$24.5M) due to the decrease in FMV (-\$22.0M) and lower interest income (-\$2.5M).
- Decrease in Passenger Facility Charges (-\$19.3M) due to an over 70% reduction in passengers associated with COVID-19.
- Decrease in Customer Facility Charges (-\$1.9M) primarily due to an over 70% reduction in passengers associated with COVID-19.
- Increase in Other Revenue (Expense) (+\$1.8M) primarily due to interest revenue recognized from the implementation of GASB 87 Lease Accounting effective 7/1/2020 (+\$2.5M).

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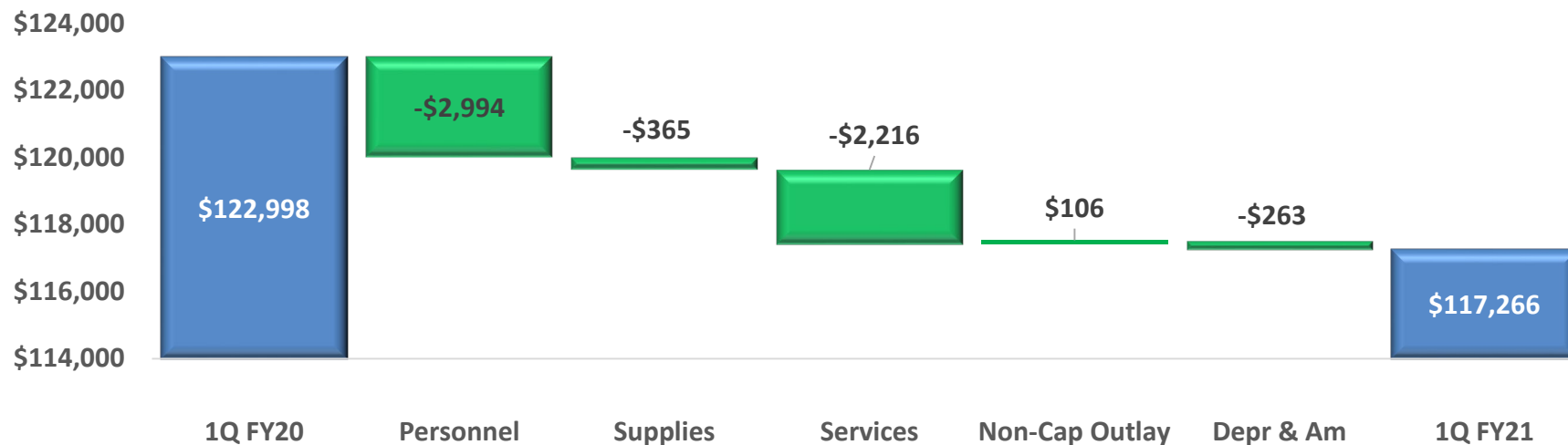
PROFORMA OPERATING REVENUES – 1Q FY21 vs. 1Q FY20 (in 000's)



VARIANCE COMMENTS

- **Operating Revenues: (-\$65.2M)**
- **Parking:** (-\$22.1M) due to 70% reduction in passengers associated with COVID-19 (-\$21.1M). Also, the daily rate in the garage was reduced from \$24 to \$10 which resulted in the decrease of (-\$1.0M).
- **Rentals and Buildings:** (-\$18.1M) due to HAS' use of CARES Act grant funds to reduce the costs that are typically allocated to the terminal areas used by the airlines at IAH and HOU (-\$15.8M) and reduction in O&M allocated to the airlines (-\$1.8M), and reduced capital cost allocated to airlines (-\$0.5M).
- **Concessions:** (-\$15.0M) due to an over 70% reduction in passenger numbers for 1Q FY21 versus 1Q FY20 causing a reduction of all concessions including auto rental concessions (-\$4.9M), ground transportation concessions (-\$2.7M) and retail concessions (-\$7.4M).
- **Landing Fees:** (-\$9.7M) primarily driven by HAS' use of CARES Act grant funds to reduce the costs that are typically allocated to the airfields at IAH and HOU (-\$7.1M), lower volume anticipated to be recovered during the quarter [13% in 1Q FY21 vs 25% in 1Q FY20 (-\$2.1M)], and a reduction in O&M allocated to airlines (-\$0.5M).

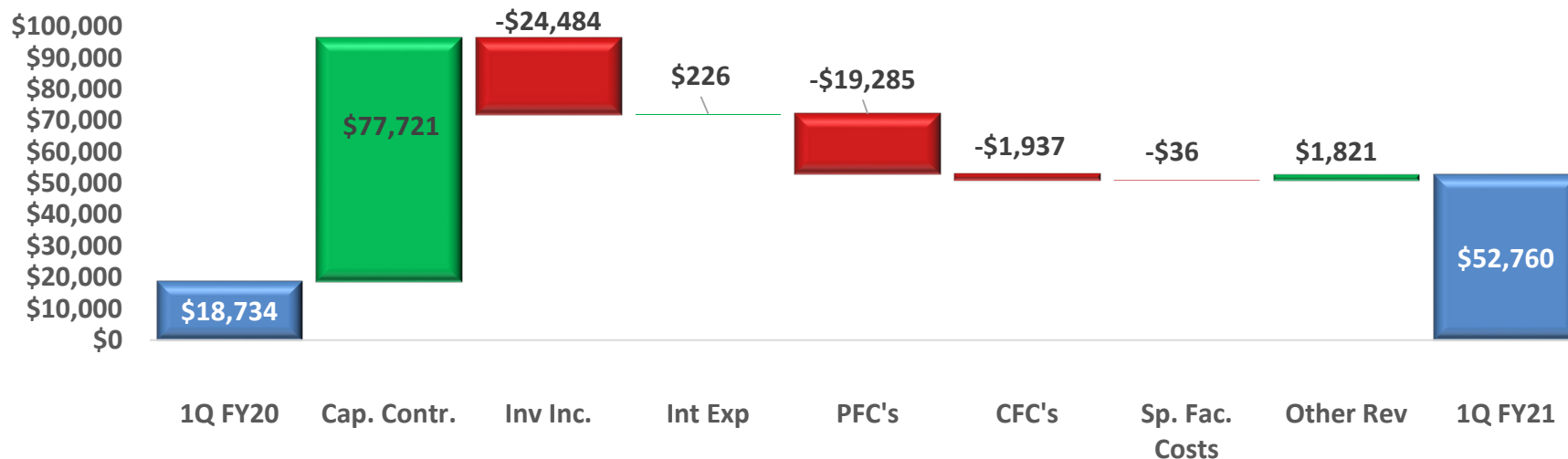
PROFORMA OPERATING EXPENSES – 1Q FY21 vs. 1Q FY20 (in 000's)



VARIANCE COMMENTS

- **Operating Expenses: (-\$5.7M)**
- **Personnel:** -\$3.0M primarily due to lower pension cost associated with pension reform (-\$2.9M) and a decrease in overtime due to management initiative to reduce overtime in Q1 FY21 (-\$1.1M), partially offset by an increase in headcount, [full time employee 1,130 as of 1Q FY21 vs 1,086 as of 1Q FY20 (+\$0.8M)].
- **Services** (-\$2.2M) due to lower spend on various projects (-\$1.0M) and lower credit card fees (-\$0.6M), lower spend on maintenance contracts (-\$0.5M), interfund sewer services (-\$0.2M) and interfund water services (-\$0.2M), partially offset by higher electricity usage (+\$0.5M).

PROFORMA NON-OP REVENUE (EXPENSES) AND CAPITAL CONTRIBUTION – 1Q FY21 vs. 1Q FY20 (in 000's)



VARIANCE COMMENTS

- **Non-Op Revenue and Capital Contributions Total: (+\$34.0M)**
- **Capital Contributions: (+77.8M)** primarily due to CARES Act reimbursement in 1Q FY21 (+\$78.1M).
- **Investment Income(Loss): (-\$24.5M)** due to the decrease in fair market value (-\$22.0M) and lower interest income (-\$2.5M).
- **Passenger Facility Charges: (-\$19.3M)** due to an over 70% reduction in passengers associated with COVID-19.
- **Customer Facility Charges: (-\$1.9M)** due to an over 70% reduction in passengers associated with COVID-19.
- **Other Revenue (Expense): (+\$1.8M)** due to the interest revenue recognized from the implementation of GASB 87 Lease Accounting effective 7/1/2020 (+\$2.5M).

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PARKING PROFITABILITY BY LOCATION –1Q FY21 (in 000's)

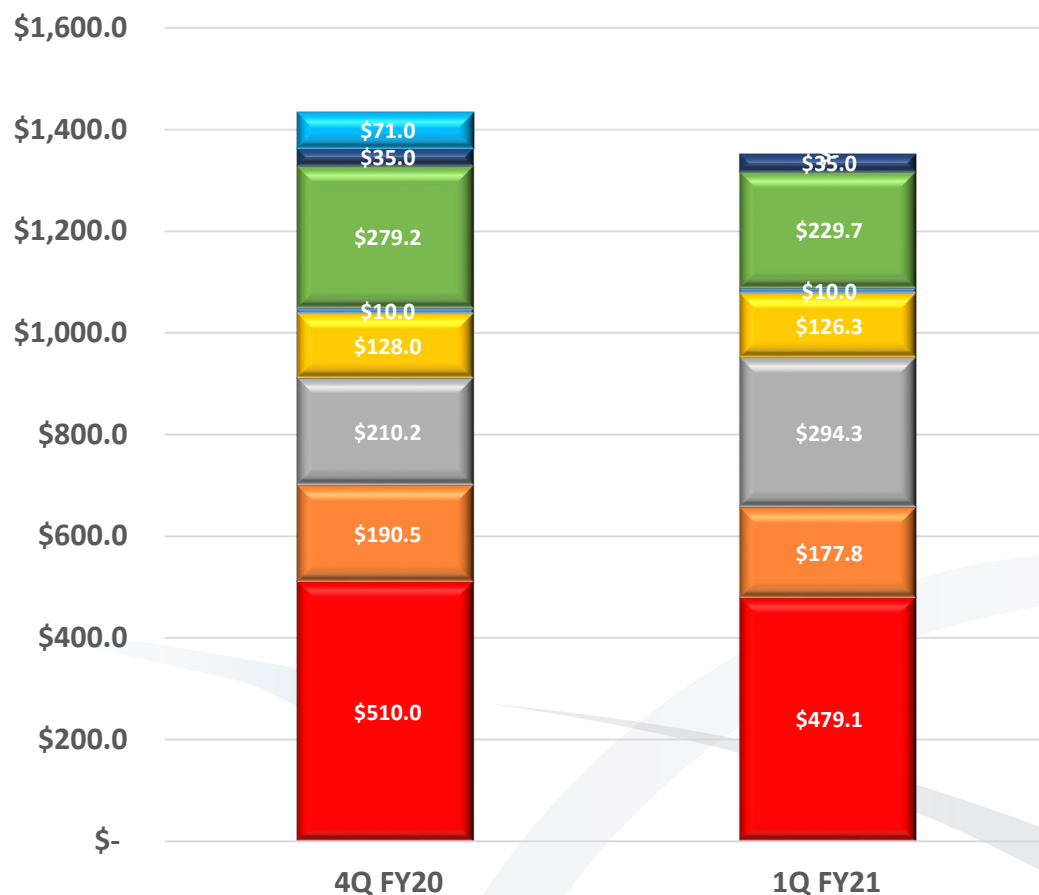


Location	IAH A/B Garage	IAH C Garage	IAH D/E Garage	IAH Ecopark 2	IAH Ecopark	HOU Garage	HOU Ecopark	IAH Outdoor Lot	Sub-Total
Parking Revenue	\$ 1,611	\$ 1,292	\$ 826	\$ 332	\$ 1,141	\$ 1,493	\$ 533	\$ 63	\$ 7,291
Parking Expense	\$ 673	\$ 870	\$ 291	\$ 1,228	\$ 2,248	\$ 670	\$ 168	\$ -	\$ 6,147
Depreciation Expense	\$ 596	\$ 795	\$ 1,032	\$ 150	\$ 66	\$ 963	\$ -	\$ -	\$ 3,602
									\$ -
Net Profit (Loss)	\$ 342	\$ (374)	\$ (497)	\$ (1,046)	\$ (1,173)	\$ (140)	\$ 365	\$ 63	\$ (2,459)
Net Profit (Loss) %	21.24%	-28.94%	-60.15%	-315.38%	-102.78%	-9.35%	68.46%	100.00%	-33.72%
Parking Revenue %	22.10%	17.72%	11.33%	4.55%	15.65%	20.48%	7.31%	0.87%	100%
Parking Expense %	10.94%	14.15%	4.73%	19.98%	36.56%	10.90%	2.74%		100%
Depreciation Expense %	16.55%	22.08%	28.64%	4.16%	1.84%	26.72%			100%

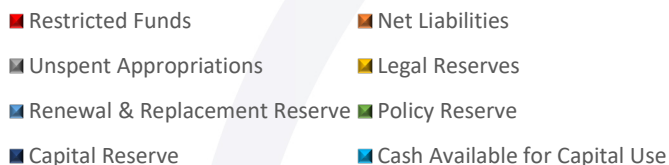
- Parking's gross profit % for 1Q FY21 is (-33.7%) as a result of reduced enplanements associated with COVID-19 and to a lesser extent a change a rates at parking garages during the quarter.
- Breakeven parking transactions are estimated at 282,163 for a quarter. Total parking transactions were 200,124 during 1Q FY21.

PROFORMA CASH REPORTS

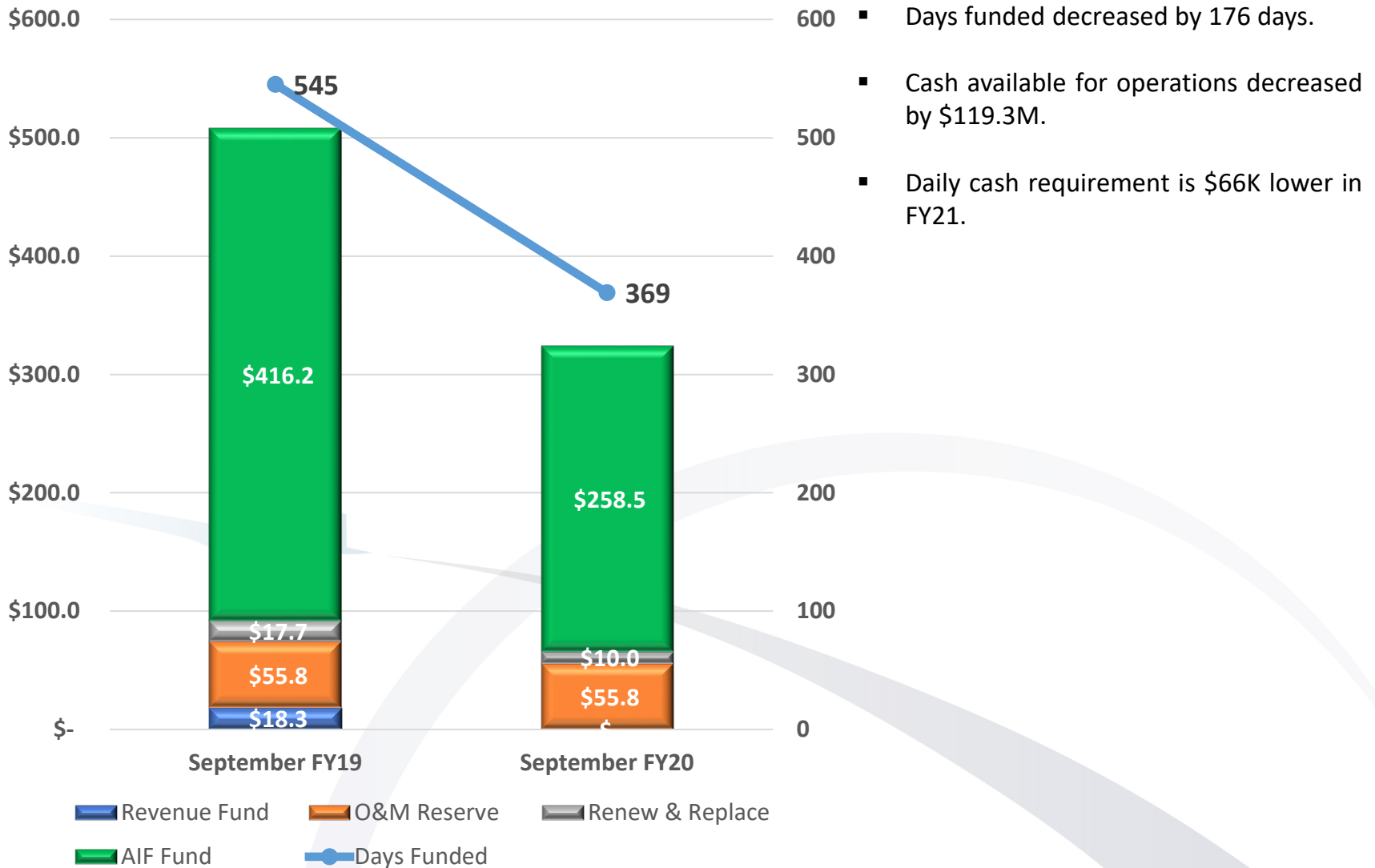
PROFORMA AVAILABLE CASH AS OF 1Q FY21 vs. 4Q FY20 (in millions)



- Cash balance ending September 30, 2021 of \$1.352 billion is (\$-80.7M) when compared to June 30, 2020 balance of \$1.433 billion due to a decrease in revenue fund (-\$97.0M) and Debt Service Fund (-\$88.4M), Passenger Facility Charges (-\$8.2M), partially offset by Grant funds (+\$61.5M), construction fund balances (+\$39.3M), and Revenue funded capital funds (+\$13.1M).
- Cash Available for Operations decreased from 4Q FY20 (-\$119.3M).



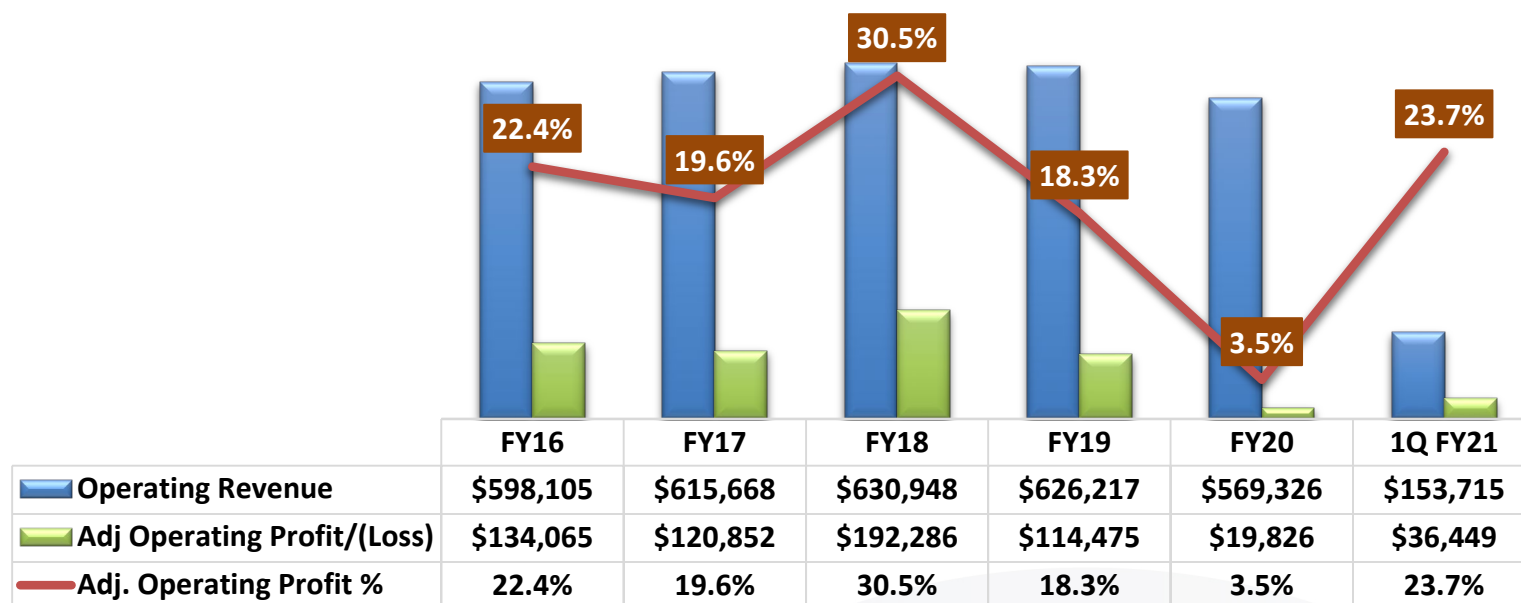
PROFORMA DAYS FUNDED W/ CASH AVAILABLE 3 MONTHS ENDED SEPTEMBER FY20 vs. SEPTEMBER FY19 (in millions)



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PROFITABILITY AND TREND ANALYSIS

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



VARIANCE COMMENTS

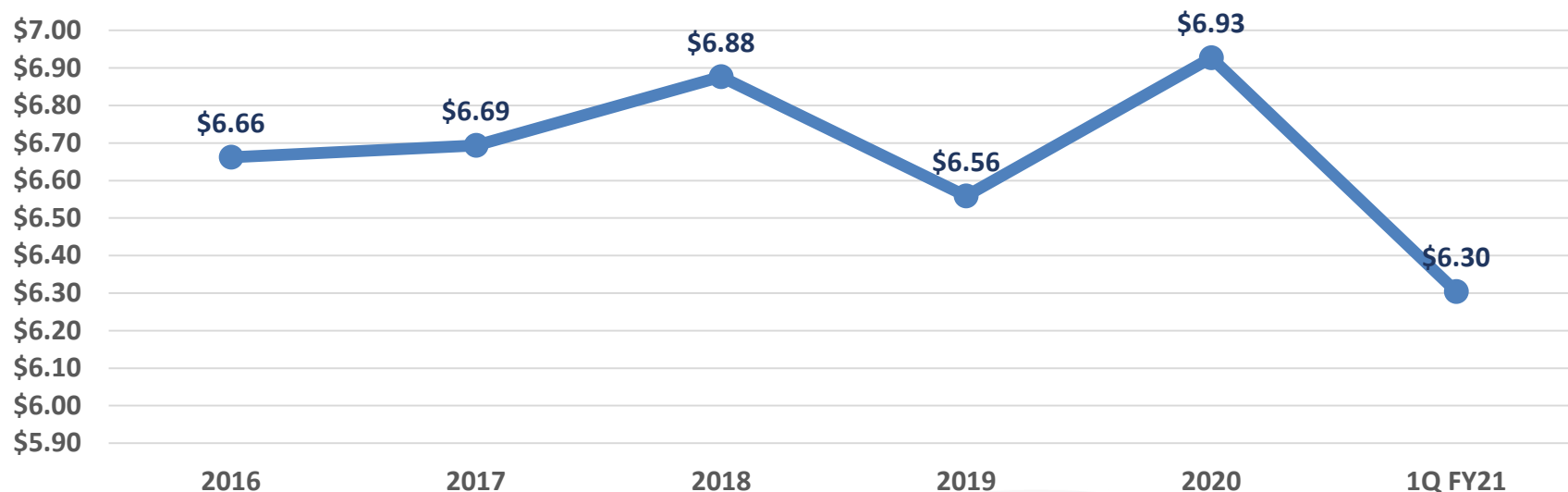
- 1Q FY21 adjusted operating profit % is higher than FY20 due to higher Non-Capital outlay (+\$77.8M).
- Adj Operating Profit/(Loss) excluding CARES Act Grant of \$78.1M is (-\$41.7M) with Adj Operating Profit % (-55.1%).

Note: Operating Revenues exclude Passenger Facility Charges and Capital Contributions, 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.

KEY PERFORMANCE INDICATORS



NON-AIRLINE REVENUE PER ENPLANEMENT TREND

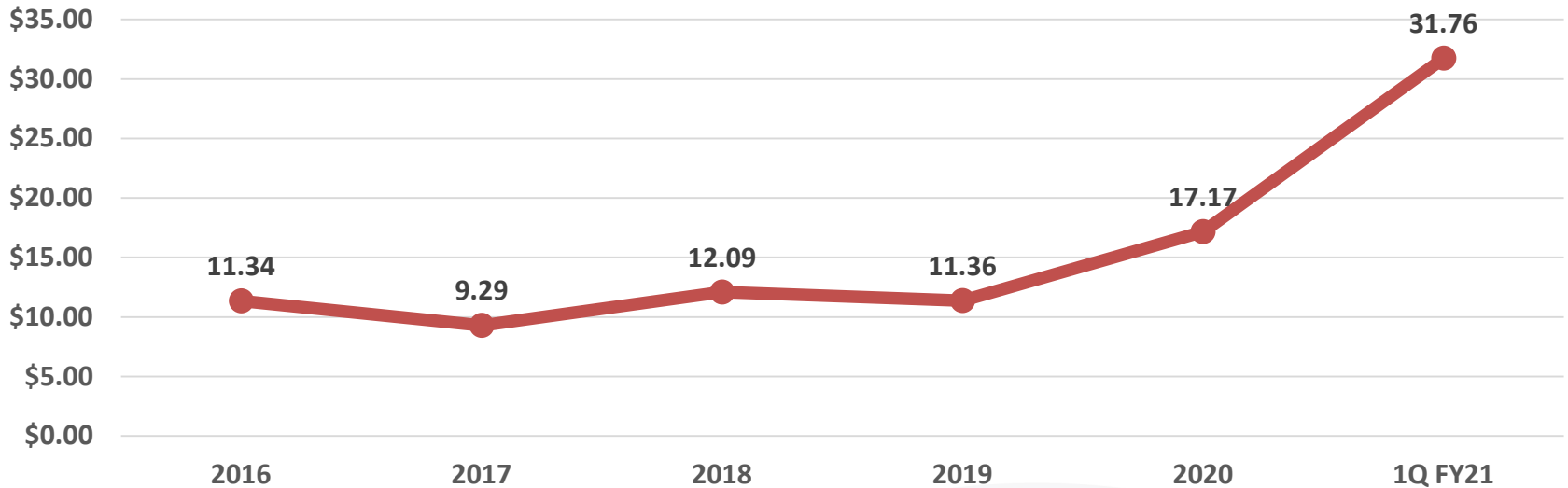


VARIANCE COMMENTS

- The Q1 FY21 decrease in Non-Airline Revenue per Enplanement primarily due to the reduction in garage daily rate from \$24/day to \$10/day.
- The FY20 vs FY19 increase in Non-Airline Revenue per Enplanement is due to the decrease of enplanements resulting from the impact of COVID-19 in mid-March to June. Total enplanements of 21,778K in FY20 is 27% lower than in FY19.
- The FY19 vs. FY18 decline in Non-Airline Revenue per Enplanement is primarily due to enplanement growth exceeding non-airline revenue categories (e.g. Parking, Concessions and Auto Rentals).
- The slight upward trend from FY17 to FY18 in non-airline revenue per Enplanement is primarily driven by an increase in parking revenues associated with an increase in rate from \$20 to \$22 in May 2017, at both IAH and HOU.

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.)

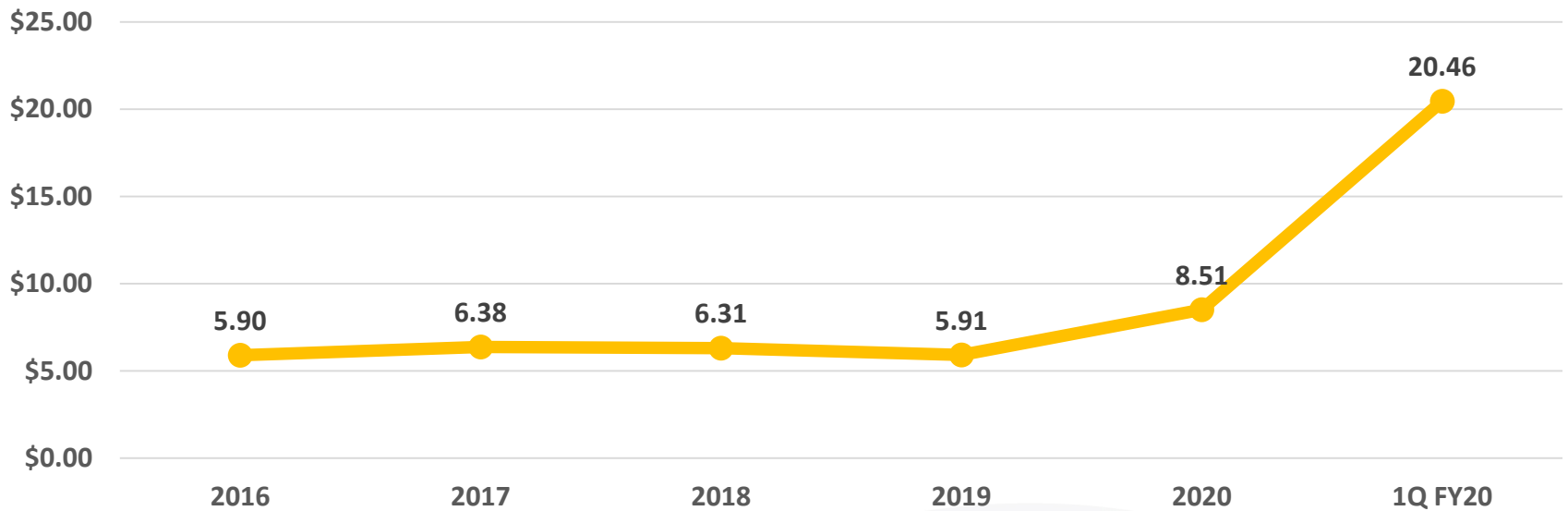
O&M EXPENSE PER ENPLANEMENT TREND



VARIANCE COMMENTS

- 1Q FY21 O&M Expense per Enplanement shows an increase when compared to FY20 due to a significant decline in enplanements due to COVID-19. 1Q FY21 enplanements is down 70% compared to 1Q FY20.
- FY20 O&M Expense per Enplanement shows an increase when compared to FY19 due to a significant decline in enplanements since the second half of March 2020 to June 2020, an increase in Personnel costs (+\$5.0M), and an increase in Non-Capital Outlay (+\$25.3M).
- FY19 vs. FY18 O&M Expense per Enplanement shows a decline primarily due to an increase in enplanements in FY19, which saw no impact of Hurricane Harvey.

DEBT SERVICE PER ENPLANEMENT TREND



VARIANCE COMMENTS

- The higher 1Q FY21 debt service per Enplanement is due to the significant decrease in enplanements associated with COVID-19. 1Q FY21 enplanements is 70% lower than 1Q FY20.
- The FY20 vs FY19 higher debt service per Enplanement is due to the significant decrease in enplanements associated with COVID-19, and a slight increase in debt service requirement year over year.
 - ** FY20 vs. FY19 debt service requirement is higher by \$9.0 million (\$185M in FY20 vs \$176M in FY19).
- The FY19 vs. FY18 lower debt service per Enplanement is primarily due to the decrease in debt service associated with bond refinancing in FY18 and an increase in enplanements in FY19 compared to FY18.

FINANCIAL STATEMENTS



UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019 (HAS)**

	<u>FY21</u>	<u>FY20</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	14,193	23,896	(9,703)	-40.6%
Rentals, building and ground area	38,270	56,360	(18,090)	-32.1%
Parking	7,291	29,437	(22,146)	-75.2%
Concessions	6,621	21,613	(14,992)	-69.4%
Other	1,205	1,528	(323)	-21.1%
Total operating revenues	<u>67,580</u>	<u>132,834</u>	<u>(65,254)</u>	<u>-49.1%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	28,173	31,449	(3,276)	-10.4%
Supplies	1,594	1,959	(365)	-18.6%
Services	43,433	45,649	(2,216)	-4.9%
Non-capital outlay	268	162	106	65.4%
Depreciation and amortization	43,148	43,411	(263)	-0.6%
Total operating expenses	<u>116,616</u>	<u>122,630</u>	<u>(6,014)</u>	<u>-4.9%</u>
Operating income (loss)	<u>(49,036)</u>	<u>10,204</u>	<u>(59,240)</u>	<u>-580.6%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(17,393)	7,091	(24,484)	-345.3%
Interest expense	(19,497)	(19,723)	226	-1.1%
Passenger facility charges	7,858	27,143	(19,285)	-71.0%
Customer facility charges	1,009	2,946	(1,937)	-65.8%
Special facility cost	(36)	-	(36)	100.0%
Other revenue (expense)	2,542	721	1,821	252.6%
Total nonoperating revenues (expenses)	<u>(25,517)</u>	<u>18,178</u>	<u>(43,695)</u>	<u>-240.4%</u>
Income/(loss) before capital contributions	(74,553)	28,382	(102,935)	-362.7%
Capital contributions	<u>78,277</u>	<u>556</u>	<u>77,721</u>	<u>13978.6%</u>
Change in net position	3,724	28,938	(25,214)	-87.1%
Total net position, July 1	<u>1,610,979</u>	<u>1,598,255</u>	<u>12,724</u>	<u>0.8%</u>
Total net position, SEPTEMBER 30	<u><u>1,614,703</u></u>	<u><u>1,627,193</u></u>	<u><u>(12,490)</u></u>	<u><u>-0.8%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019 (IAH)**

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	10,487	19,574	(9,087)	-46.4%
Rentals, building and ground area	30,837	47,292	(16,455)	-34.8%
Parking	5,265	22,535	(17,270)	-76.6%
Concessions	4,127	14,723	(10,596)	-72.0%
Other	964	1,221	(257)	-21.0%
Total operating revenues	<u>51,680</u>	<u>105,345</u>	<u>(53,665)</u>	<u>-50.9%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	20,548	23,236	(2,688)	-11.6%
Supplies	1,093	1,388	(295)	-21.3%
Services	34,853	36,683	(1,830)	-5.0%
Non-capital outlay	189	106	83	78.3%
Depreciation and amortization	33,973	34,824	(851)	-2.4%
Total operating expenses	<u>90,656</u>	<u>96,237</u>	<u>(5,581)</u>	<u>-5.8%</u>
Operating income (loss)	<u>(38,976)</u>	<u>9,108</u>	<u>(48,084)</u>	<u>-527.9%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(13,369)	5,590	(18,959)	-339.2%
Interest expense	(14,802)	(14,970)	168	-1.1%
Passenger facility charges	6,259	20,860	(14,601)	-70.0%
Customer facility charges	1,009	2,946	(1,937)	-65.8%
Special facility cost	(36)	-	(36)	100.0%
Other revenue (expense)	1,620	562	1,058	188.3%
Total nonoperating revenues (expenses)	<u>(19,319)</u>	<u>14,988</u>	<u>(34,307)</u>	<u>-228.9%</u>
Income/(loss) before capital contributions	(58,295)	24,096	(82,391)	-341.9%
Capital contributions	78,277	(62)	78,339	126353.2%
Change in net position	<u>19,982</u>	<u>24,034</u>	<u>(4,052)</u>	<u>-16.9%</u>
Total net position, July 1	<u>1,433,771</u>	<u>1,419,152</u>	<u>14,619</u>	<u>1.0%</u>
Total net position, SEPTEMBER 30	<u><u>1,453,753</u></u>	<u><u>1,443,186</u></u>	<u><u>10,567</u></u>	<u><u>0.7%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)****FOR THE 3 MONTHS ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019 (HOU)**

	<u>FY21</u>	<u>FY20</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	3,652	4,251	(599)	-14.1%
Rentals, building and ground area	7,032	8,661	(1,629)	-18.8%
Parking	2,026	6,902	(4,876)	-70.6%
Concessions	2,494	6,789	(4,295)	-63.3%
Other	221	286	(65)	-22.7%
Total operating revenues	<u>15,425</u>	<u>26,889</u>	<u>(11,464)</u>	<u>-42.6%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	6,997	7,508	(511)	-6.8%
Supplies	456	503	(47)	-9.3%
Services	8,056	8,411	(355)	-4.2%
Non-capital outlay	74	52	22	42.3%
Depreciation and amortization	7,841	7,248	593	8.2%
Total operating expenses	<u>23,424</u>	<u>23,722</u>	<u>(298)</u>	<u>-1.3%</u>
Operating income(loss)	<u>(7,999)</u>	<u>3,167</u>	<u>(11,166)</u>	<u>-352.6%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(3,808)	1,420	(5,228)	-368.2%
Interest expense	(4,130)	(4,181)	51	-1.2%
Passenger facility charges	1,599	6,283	(4,684)	-74.6%
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Other revenue (expense)	803	150	653	435.3%
Total nonoperating revenues (expenses)	<u>(5,536)</u>	<u>3,672</u>	<u>(9,208)</u>	<u>-250.8%</u>
Income/(loss) before capital contributions	(13,535)	6,839	(20,374)	-297.9%
Capital contributions	-	618	(618)	-100.0%
Change in net position	<u>(13,535)</u>	<u>7,457</u>	<u>(20,992)</u>	<u>-281.5%</u>
Total net position, July 1	<u>241,647</u>	<u>243,341</u>	<u>(1,694)</u>	<u>-0.7%</u>
Total net position, SEPTEMBER 30	<u><u>228,112</u></u>	<u><u>250,798</u></u>	<u><u>(22,686)</u></u>	<u><u>-9.0%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)****FOR THE 3 MONTHS ENDED SEPTEMBER 30, 2020 AND SEPTEMBER 30, 2019 (EFD)**

	<u>FY21</u>	<u>FY20</u>	<u>Variance</u>	<u>% change</u>
Operating Revenues				
Landing area fees	54	71	(17)	-23.9%
Rentals, building and ground area	401	407	(6)	-1.5%
Parking	-	-	-	N/A
Concessions	-	101	(101)	-100.0%
Other	20	21	(1)	-4.8%
	<u>475</u>	<u>600</u>	<u>(125)</u>	<u>-20.8%</u>
Operating Expenses				
Maintenance and operating				
Personnel costs	628	705	(77)	-10.9%
Supplies	45	68	(23)	-33.8%
Services	524	555	(31)	-5.6%
Non-capital outlay	5	4	1	25.0%
Depreciation and amortization	1,334	1,339	(5)	-0.4%
	<u>2,536</u>	<u>2,671</u>	<u>(135)</u>	<u>-5.1%</u>
Operating income (loss)	<u>(2,061)</u>	<u>(2,071)</u>	<u>10</u>	<u>-0.5%</u>
Nonoperating revenues (expenses)				
Investment income (loss)	(216)	81	(297)	-366.7%
Interest expense	(565)	(572)	7	-1.2%
Passenger facility charges	-	-	-	N/A
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Other revenue (expense)	119	9	110	1222.2%
	<u>(662)</u>	<u>(482)</u>	<u>(180)</u>	<u>37.3%</u>
Income/(loss) before capital contributions	(2,723)	(2,553)	(170)	6.7%
Capital contributions	-	-	-	N/A
Change in net position	<u>(2,723)</u>	<u>(2,553)</u>	<u>(170)</u>	<u>6.7%</u>
Total net position, July 1	<u>(64,439)</u>	<u>(64,238)</u>	<u>(201)</u>	<u>0.3%</u>
Total net position, SEPTEMBER 30	<u><u>(67,162)</u></u>	<u><u>(66,791)</u></u>	<u><u>(371)</u></u>	<u><u>0.6%</u></u>

UNAUDITED**PRO-FORMA STATEMENTS OF NET POSITION (in thousands)
as of September 30, 2020 and September 30, 2019**

	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Assets		
Current assets		
Cash and cash equivalents	282,336	328,318
(1) Investments	-	-
Restricted cash and cash equivalents	5,127	4,982
Restricted accounts receivable	533	1,494
Accounts Receivable (net of allowance for doubtful accounts of \$2,707 and \$1,110 in 2021 and 2020)	82,166	27,022
Due from City of Houston	23,315	486
Inventory	1,990	2,019
Prepays	3,428	3,912
Due from other governments - grants receivable	4,800	16,353
	<u>403,695</u>	<u>384,586</u>
Noncurrent assets		
Investments	1,015,383	1,015,114
Restricted cash and cash equivalents	47,843	46,246
Prepays	181	192
Lease asset receivable	276,526	-
Capital Assets		
Land	216,100	216,100
Rights and Intangibles	18,091	17,471
Buildings, improvements and equipment	5,620,413	5,532,787
Right of use assets	2,434	-
Construction in progress	261,965	220,079
	<u>6,119,003</u>	<u>5,986,437</u>
Less accumulated depreciation and amortization	<u>(3,419,595)</u>	<u>(3,251,108)</u>
	<u>2,699,408</u>	<u>2,735,329</u>
	<u>4,039,341</u>	<u>3,796,881</u>
Total assets	<u>4,443,036</u>	<u>4,181,467</u>
Deferred Outflows of Resources		
Deferred outflows from debt refunding	16,940	18,634
Deferred outflows from pensions	17,720	17,720
Deferred outflows from OPEB LTD	96	96
Total deferred outflows of resources	<u>34,756</u>	<u>36,450</u>

(continued)

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

UNAUDITED**PRO-FORMA STATEMENTS OF NET POSITION (in thousands)
as of September 30, 2020 and September 30, 2019**

	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Liabilities		
Current Liabilities		
Accounts payable	9,199	12,038
Accrued payroll liabilities	2,474	1,992
Due to City of Houston	21,872	24
Due to other governments	-	571
Advances and deposits	2,728	2,373
Unearned revenue	2,017	2,554
Claims for workers' compensation	904	904
Compensated absences	5,681	6,120
Revenue bonds payable	94,085	89,090
Special facility revenue bonds payable	6,240	5,960
Accrued interest payable	25,176	24,848
Contracts and retainages payable	11,466	23,796
Other current liabilities	789	1,132
Total current liabilities	<u>182,631</u>	<u>171,402</u>
Noncurrent Liabilities		
Revenue bonds payable, net	1,830,464	1,941,313
Special facility revenue bonds payable	68,185	74,425
Commercial paper payable	150,973	55,473.00
Pension obligation bonds payable	2,006	2,006
Note payable	7,530	(8)
Claims for workers' compensation	902	902
Compensated absences	7,612	6,489
Net pension liability payable	229,757	229,757
Other post employment benefits	73,286	73,286
Other post employment benefits - LTD	774	586
Other noncurrent Liabilities	1,993	-
Total noncurrent Liabilities	<u>2,373,482</u>	<u>2,384,229</u>
Total liabilities	<u>2,556,113</u>	<u>2,556,631</u>
Deferred Inflows of Resources		
Deferred Inflows on pension	5,878	5,800
Deferred inflows from OPEB health benefits	26,321	26,321
Deferred inflows from GASB87	274,660	-
Total deferred inflows of resources	<u>306,859</u>	<u>32,121</u>
Net position		
Net Investment in capital assets	605,812	591,266
Restricted net position		
Restricted for debt service	393,983	386,067
Restricted for maintenance and operations	122,212	61,021
Restricted for special facility	45,506	44,741
Restricted for renewal and replacement	10,000	10,000
Restricted for capital improvements	587,859	652,308
Unrestricted (deficit)	(150,552)	(115,238)
Total net position	<u>1,614,820</u>	<u>1,630,165</u>