FY21 PRO-FORMA FINANCIAL REPORT

2nd Quarter

UNAUDITED

DISCLAIMER

This Interim Financial Reporting Presentation is provided for general information and convenience only and does not constitute an offer to sell or a solicitation of an offer to buy securities. The information contained herein is provided as of the respective dates and for the periods specified herein, and the information does not, under any circumstances, imply that there has been no change in the affairs of the Houston Airport System since the specified date as of which such information is provided. The dates as of and periods for which information is provided occurred just after the worldwide COVID-19 pandemic and the measures instituted to slow it. The pandemic has adversely affected travel, commerce, and financial markets globally and is expected to adversely affect economic output worldwide and in Texas. While the potential impact of the Pandemic on the Houston Airport System cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the Houston Airport System's operations and financial condition. Accordingly, the historical information set forth in this Interim Financial Reporting Presentation is not indicative of future results or performance due to these and other factors. For more information regarding the effects of the pandemic on the Houston Airport System, see the Voluntary Event Filing dated as of April 20, 2020, available at https://emma.msrb.org/RE1332721-RE1037976-RE1445656.pdf.

The information contained herein does not constitute a sufficient basis for making an investment decision with respect to the purchase or sale of any security. This information contained herein is unaudited and subject to change without notice. All information regarding or relating to securities issued or to be issued by the City of Houston (the "City") or through any of its enterprise funds, including the Houston Airport System, is qualified in its entirety by the relevant Official Statement and any related supplements and continuing disclosure. Investors should review the relevant Official Statement and any related supplements and continuing disclosure before making an investment decision with respect to the purchase or sale of any securities issued or to be issued by the City or any of the City's enterprise funds. In addition, before purchasing any securities issued or to be issued by the City or any of the City's enterprise funds, please consult your legal and/or financial advisors for information about and analysis of the securities risks and their suitability as an investment in your particular circumstance.

By viewing this Interim Financial Reporting Presentation, you agree not to duplicate, copy, download, screen capture, electronically store or record this Interim Financial Reporting Presentation except for your own personal use, nor to produce, publish or distribute this Interim Financial Reporting Presentation in any form whatsoever. There may have been events that occurred subsequent to the date of this Interim Financial Reporting Presentation that would have a material adverse effect on the information presented herein.

The City and/or its enterprise funds, including the Houston Airport System, are under no obligation to update any of the information set forth herein. No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representation in connection with the City or any securities issued or to be issued by the City or any of the City's enterprise funds, and if given or made, such information or representation must not be relied upon as having been authorized by the City or any of the City's enterprise funds.

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

DISCLAIMER

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)

TABLE OF CONTENTS

PROFORMA FINANCIAL REPORT EXECUTIVE SUMMARY – YTD 2Q FY21

HOUSTON AIRPORTS

($s in millions)	YTD 2Q FY21	YTD 2Q FY20	$ Variance	% Variance
Proforma Operating Revenues	$142.9	$265.1	-$122.2	-46.1%
Proforma Operating Expenses	$241.7	$245.1	-$3.4	-1.4%
Proforma Non-Operating Revenues/Expenses and Capital Contributions	$67.7	$44.6	+$23.1	+51.8%

Highlights

Proforma Operating Revenues (-$122.2M)

- Decrease in Landing Fees (-$18.0M) primarily due to lower landed weight (-$10.8M) and use of CARES Act funding to reduce expenses allocated to airfields (-$7.4M).
- Decrease in Rentals, Building and Ground Area (-$35.5M) due to use of CARES Act funding to reduce expenses allocated to the terminals (-$20.2M), and lower passenger volume resulted a decrease in rental revenue (-$14.5M).
- Decrease in Parking (-$40.1M) mainly due to 62% reduction in the enplanements. In addition, 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.
- Decrease in Concessions (-$28.5M) due to lower enplanements associated with COVID-19, resulting in lower auto rental (-$8.0M), ground transportation concessions (-$4.2M) and retail concessions (-$16.2M).

Proforma Operating Expenses -$3.4M

- Decrease in Personnel Costs (-$4.4M) due to lower pension cost associated with amortization of prior year deferred amounts (-$4.2M) and lower overtime (-$2.3M), partially offset by an increase in headcount (+$2.1M).
- Decrease in Supplies (-$1.5M) primarily due to a decrease in passenger volume resulting a decrease in expenditures on various supplies and parts for operations and maintenance of the airports.
- Increase in Services (+$2.8M) due to various airport maintenance and repairs (+$7.5M) and planning and design consulting service fee for various airport projects (+$1.0M); offset by a decrease in electricity, miscellaneous services, credit card fees, and parking expenses (-$5.8M).

Proforma Non-Operating Revenues/Expenses and Capital Contributions +$23.1M

- Decrease in Investment Income (-$30.2M) mainly due to lower interest rates, 2.0% vs. 1.2% during the periods, for pooled investment accounts (-$5.5M) and a decrease in fair value of the investments (-$24.6M).
- Increase in Interest Expense (+$4.5M) due to over-accrual of interest expense (-$9.3M) and savings associated with issuance of 2020 Series bonds for refunding of various outstanding debt in October 2020 (+$4.8M). Interest expense will be trued up during 3Q FY21 as the Airport System finalize review of the calculations..
- Decrease in Passenger Facility Charges (-$35.0M) mainly due to a decrease in passenger volume caused by the pandemic.
- Customer Facility Charges (-$4.6M) mainly due to a decrease in passenger volume caused by the pandemic.
- Increase in Costs of Issuance of Debt (+$5.1M) due to issuance of 2020 Series Bonds in October 2020.
- Increase in Other Revenue (Expense) (+$5.8M) primarily due to the interests recognized from the adoption of GASBS 87 (+$5.1M) .
- Increase in Capital Contributions (+$96.8M) due to grants received from CARES Act (+$92.6M) and from TSA (+$3.6M).

FAVORABLE | UNFAVORABLE

UNAUDITED

PROFORMA FINANCIAL REPORT EXECUTIVE SUMMARY – 2Q FY21

($s in millions)	2Q FY21	2Q FY20	$ Variance	% Variance
Proforma Operating Revenues	$75.4	$132.2	-$56.8	-43.0%
Proforma Operating Expenses	$126.6	$123.7	+$2.9	+2.4%
Proforma Non-Operating Revenues/Expenses and Capital Contributions	$14.9	$25.9	-$11.0	-42.3%

Highlights

Proforma Operating Revenues (-$56.8M)

- Decrease in Landing Fees (-$8.3M) primarily due to lower landed weight and use of CARES Act funding to reduce expenses allocated to airfields (-$7.9M).
- Decrease in Rentals, Building and Ground Area (-$17.4M) primarily due to the use of CARES Act funding to reduce expenses allocated to the terminals (-$14.8M) and lower rental revenue as a result of lower passenger volume during 2Q FY2021 (-$2.2M).
- Decrease in Parking (-$17.9M) mainly due to 56% reduction in passengers in 2Q FY21 associated with COVID-19 . Also, 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.
- Decrease in Concessions (-$13.5M) due to 56% reduction in passenger numbers for 2Q FY21 versus 2Q FY20 causing a reduction of all concessions, including auto rental concessions (-$3.2M), ground transportation concessions (-$1.4M) and retail concessions (-$8.9M) .

Proforma Operating Expenses +$2.9M

- Decrease in Personnel Costs (-$1.9M) due to lower pension cost associated with amortization of prior year deferred amounts (-$2.4M) and lower overtime (-$1.2M), partially offset by an increase in headcount (+$1.6M).
- Decrease in Supplies (-$1.2M) primarily due to a decrease in passenger volume during 2Q FY2021 resulting a decrease in expenditures on various supplies and parts for operations and maintenance of the airports.
- Increase in Services (+$6.2M) primarily due to higher airport maintenance/repairs and management consulting fee for various airport projects (+$9.4M), partially offset by decreases in electricity and parking expenses (-$2.4M).

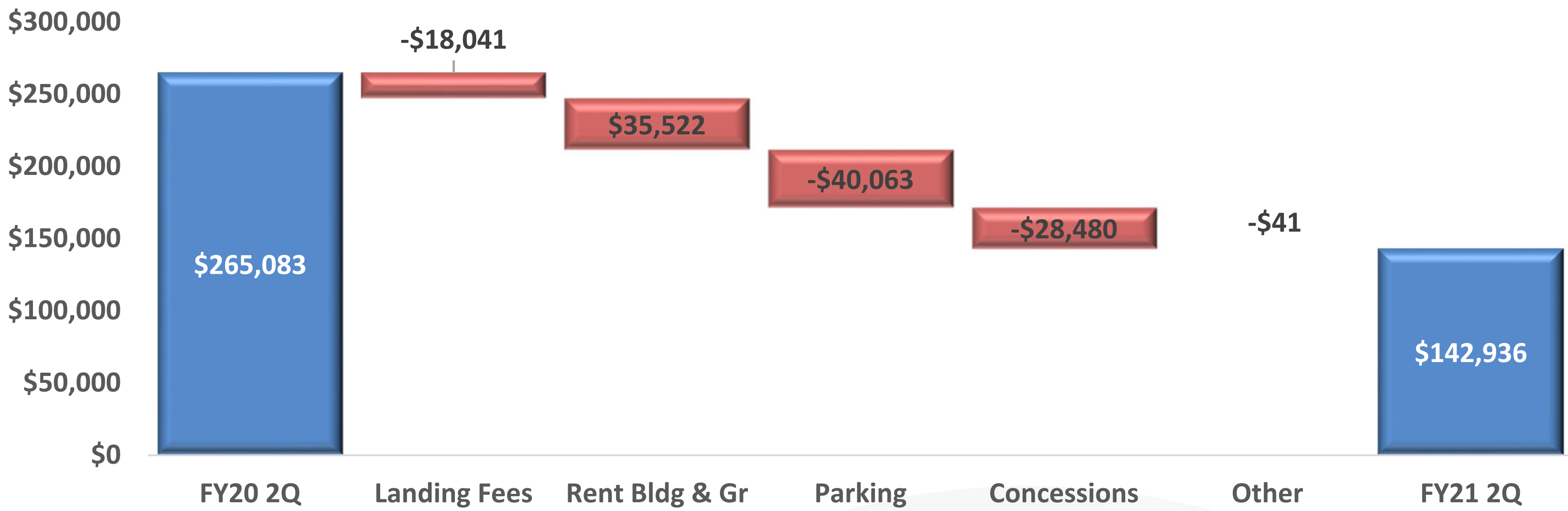
Proforma Non-Operating Revenues/Expenses and Capital Contributions (-$11.0M)

- Decrease in Investment Income (-$5.7M) mainly due to lower interest rates, 2.0% vs. 1.2% in 2Q FY2020 and 2Q FY2020, respectively, for pooled investment accounts.
- Increase in Interest Expense (+$4.7M) due to over-accrual of interest expense (-$9.3M) partially offset by savings associated with issuance of 2020 Series bonds for refunding of various outstanding debt in October 2020 (+$4.8M). Interest expense will be trued up during 3Q FY21 as the Airport System finalize review of the calculations.
- Decrease in Passenger Facility Charges (-$15.7M) mainly due to 56% reduction in passenger volume caused by the pandemic.
- Decrease in Customer Facility Charges (-$2.7M) mainly due to 56% reduction in passenger volume caused by the pandemic.
- Increase in Costs of Issuance of Debt (+$5.1M) due to issuance of 2020 Series Bonds in October 2020.
- Increase in Other Revenue (Expense) (+$4.0M) primarily due to interest revenue recognized from the adoption of GASBS 87 (+$2.5M) and the proceeds from a bank to finance the debt issuance costs, which will be reclassified as a reduction to issuance costs during 3Q FY2021 (+$1.3M).
- Increase in Capital Contributions (+$19.1M) due to grants received from CARES Act (+$14.5M) and from TSA (+$3.6M).

FAVORABLE	UNFAVORABLE

UNAUDITED

PROFORMA OPERATING REVENUES – YTD 2Q FY21 vs. YTD 2Q FY20 (in 000's)



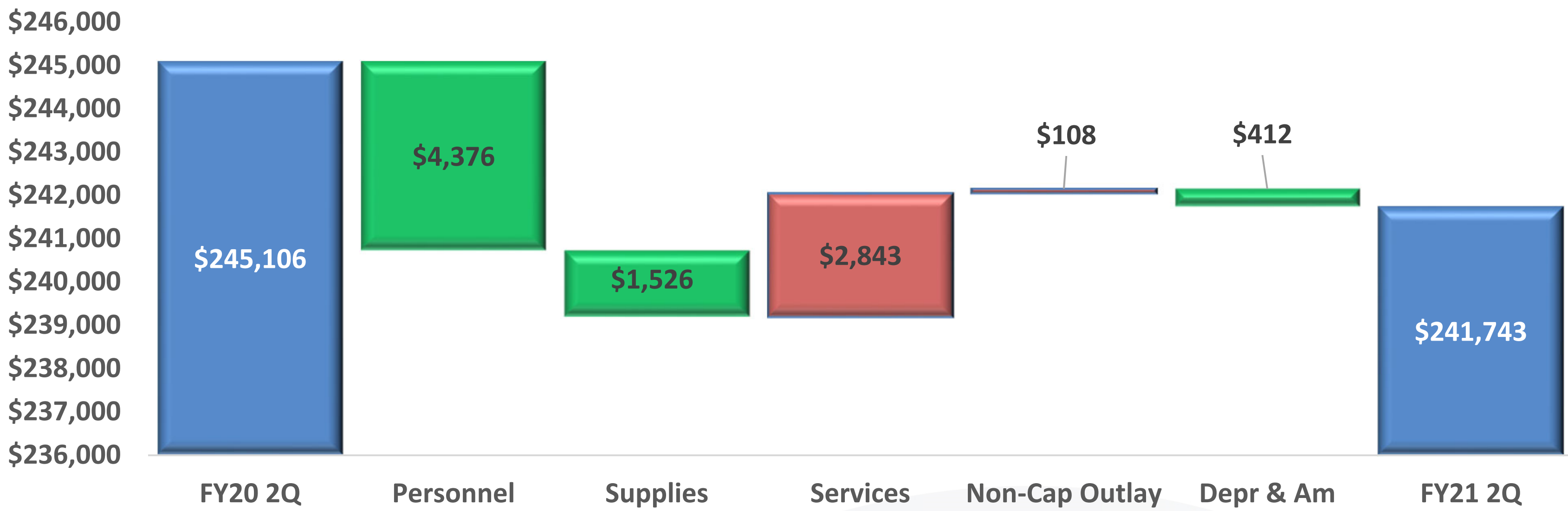
VARIANCE COMMENTS

- **Operating Revenues Total: (-$122.2M)**
- **Landing Fees** (-$18.0M) primarily due to lower landed weight (-$10.8M), and use of CARES Act funding to reduce expenses allocated to airfields (-$7.4M).
- **Rentals, Buildings and Ground Area**: (-$35.5M) due to use of CARES Act funding to reduce expenses allocated to the terminals (-$20.2M), and lower passenger volume resulted a decrease in rental revenue (-$14.5M).
- **Parking:** (-$40.1M) due to 62% reduction in the enplanements. In addition, 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.
- **Concessions:** (-$28.5M) due to lower enplanements associated with COVID-19, resulting in lower auto rental (-$8.0M), ground transportation concessions (-$4.2M) and retail concessions (-$16.2M).

FAVORABLE	UNFAVORABLE

UNAUDITED

PROFORMA OPERATING EXPENSES – YTD 2Q FY21 vs. YTD 2Q FY20 (in 000's)



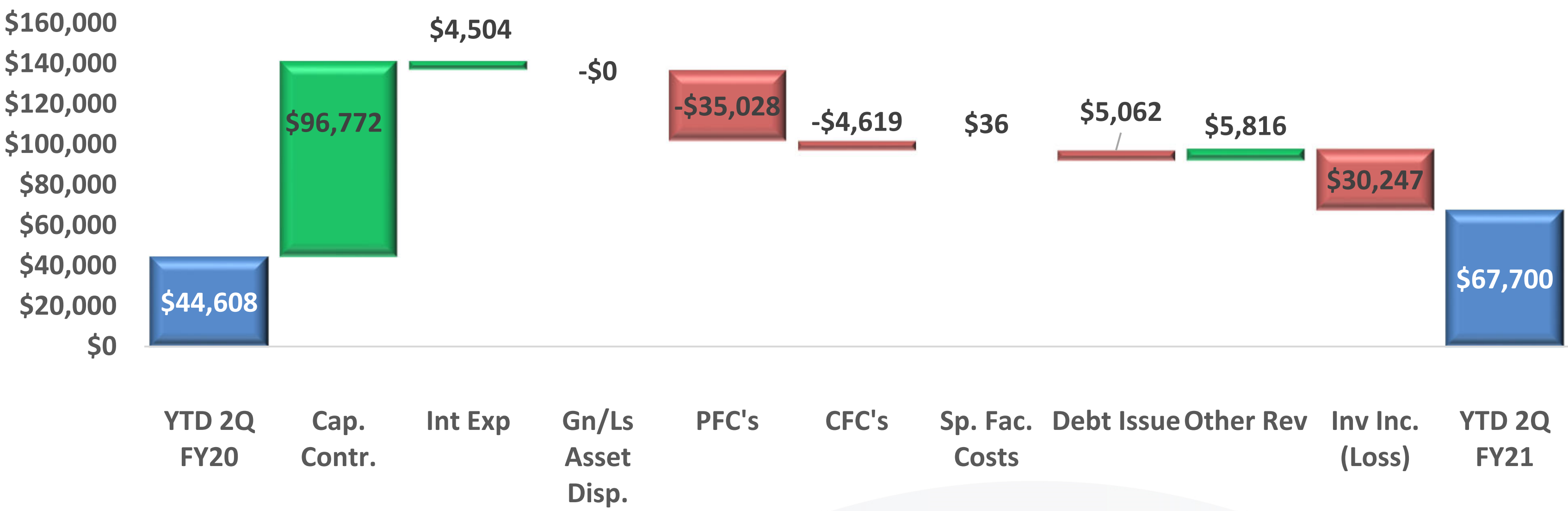
VARIANCE COMMENTS

- **Operating Expenses Total: (-$3.4M)**
- **Personnel:** (-$4.4M) mainly due to lower pension cost associated with amortization of prior year deferred amounts (-$4.2M) and lower overtime (-$2.3M), partially offset by an increase in headcount from 1,084 employees in the first six months of FY20 to 1,130 employee in the first six months of FY21 (+$2.1M).
- **Supplies:** (-$1.2M) primarily due to a decrease in passenger volume during 2Q FY21 resulting a decrease in expenditures on various supplies and parts for operations and maintenance of the airports.
- **Services:** (+$2.8M) due to various airport maintenance and repairs (+$7.5M) and planning and design consulting service fee for various airport projects (+$1.0M); offset by a decrease in electricity, miscellaneous services, credit card fees, and parking expenses (-$5.8M).

FAVORABLE	UNFAVORABLE

UNAUDITED

PROFORMA NON-OP REVENUE (EXPENSES) AND CAPITAL CONTRIBUTION – YTD 2Q FY21 vs. YTD 2Q FY20 (in 000's)



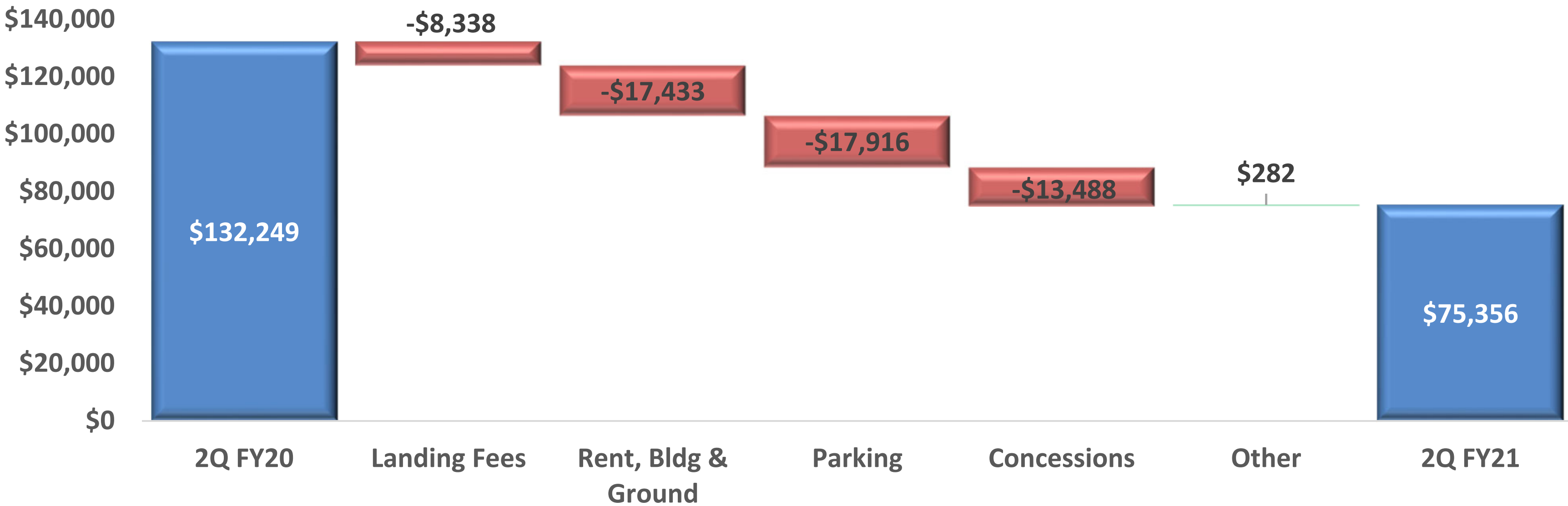
VARIANCE COMMENTS

- **Non-Op Revenue and Capital Contribution Total**: **+$23.1M**
- **Investment Income:** (-$30.2M) mainly due to lower interest rates, 2.0% vs. 1.2% during the periods, for pooled investment accounts (-$5.5M) and a decrease in fair value of the investments (-$24.6M).
- **Interest Expense:** (-$4.5M) due to over-accrual of interest expense (-$9.3M) and savings associated with issuance of 2020 Series bonds for refunding of various outstanding debt in October 2020 (+$4.8M). Interest expense will be trued up during 3Q FY21 as the Airport System finalize review of the calculations.
- **Passenger Facility Charges** (-$35.0M) mainly due to a decrease in passenger volume caused by the pandemic.
- **Customer Facility Charges:** (-$4.6M) mainly due to a decrease in passenger volume caused by the pandemic.
- **Costs of Issuance of Debt:** (-$5.1M) due to issuance of 2020 Series Bonds in October 2020.
- **Other Revenue (Expense):** (+$5.8M) primarily due to the interest revenue recognized from the adoption of GASBS 87 Lease Accounting (+$5.1M).
- **Capital Contributions:** (+$96.8M) due to grants received from CARES Act (+$92.6M) and from TSA (+$3.6M).

FAVORABLE	UNFAVORABLE

UNAUDITED

PROFORMA OPERATING REVENUES – 2Q FY21 vs. 2Q FY20 (in 000's)



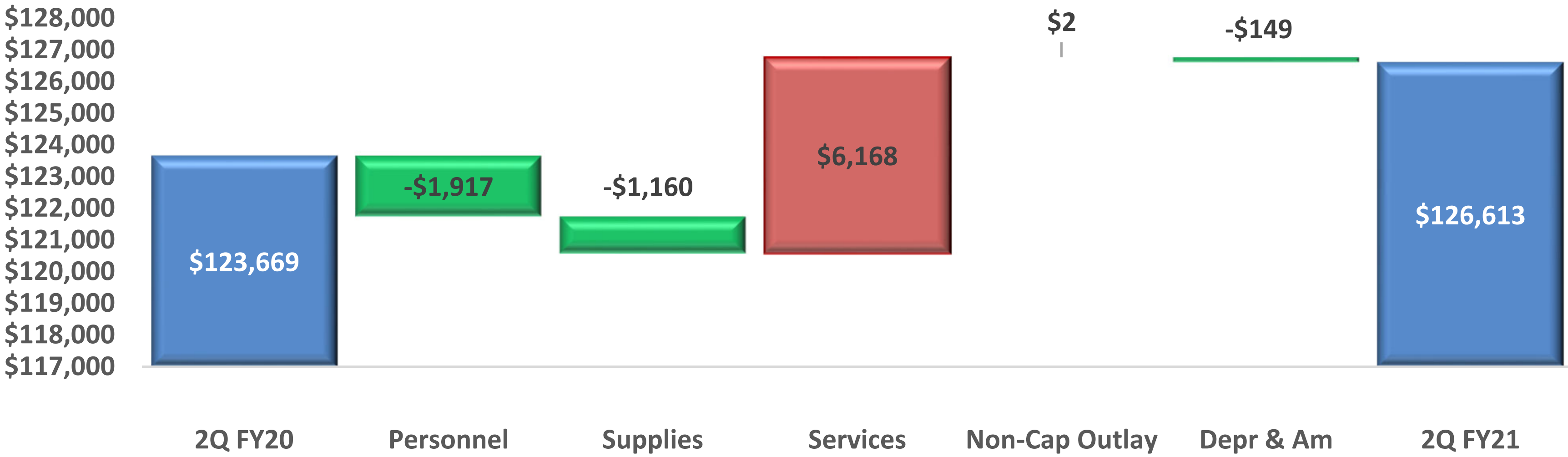
VARIANCE COMMENTS

- **Operating Revenues: (-$56.8M)**
- Decrease in Landing Fees (-$8.3M) primarily due to lower landed weight and use of CARES Act funding to reduce expenses allocated to airfields (+$7.9M).
- Decrease in Rentals, Building and Ground Area (-$17.4M) primarily due to the use of CARES Act funding to reduce expenses allocated to the terminals (-$14.8M) and lower rental revenue from the lower passenger volume during 2Q FY2021 (-$2.2M).
- Decrease in Parking (-$17.9M) due an 56% reduction in passengers in 2Q FY21 associated with COVID-19 . Also, 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.
- Decrease in Concessions (-$13.5M) due to 56% reduction in passenger numbers for 2Q FY21 versus 2Q FY20 causing a reduction of all concessions including auto rental concessions (-$3.2M), ground transportation concessions (-$1.4M) and retail concessions (-$8.9M).

FAVORABLE	UNFAVORABLE

UNAUDITED

PROFORMA OPERATING EXPENSES – 2Q FY21 vs. 2Q FY20 (in 000's)



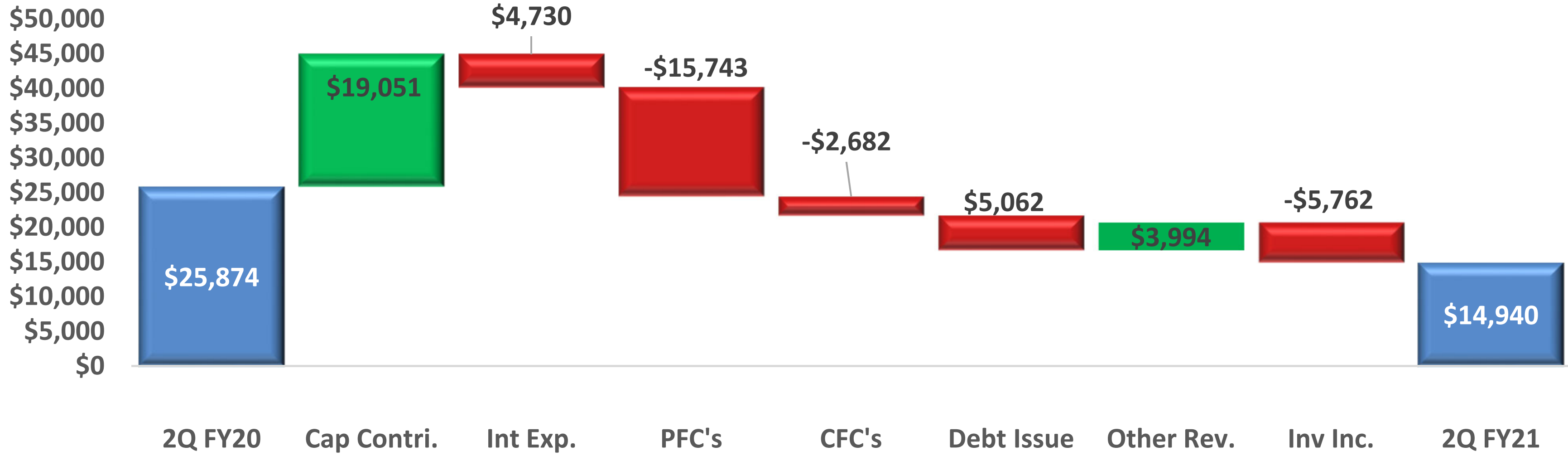
VARIANCE COMMENTS

- **Operating Expenses**: **(+$2.9M)**
- Decrease in Personnel Costs (-$1.9M) due to lower pension cost associated with amortization of prior year deferred amounts (-$2.4M) and lower overtime (-$1.2M), partially offset by an increase in headcount, average headcount increased from 1,074 employees in 2Q FY20 to 1,135 employee in 2Q FY21, (+$1.6M).
- Decrease in Supplies (-$1.2M) primarily due to a decrease in passenger volume during 2Q FY21 resulting a decrease in expenditures on various supplies and parts for operations and maintenance of the airports.
- Increase in Services (+$6.2M) primarily due to higher airport maintenance/repairs and management consulting fee for various airport projects (+$9.4M), partially offset by decreases in electricity and parking expenses (-$2.4M).

FAVORABLE	UNFAVORABLE

UNAUDITED

PROFORMA NON-OP REVENUE (EXPENSES) AND CAPITAL CONTRIBUTION – 2Q FY21 vs. 2Q FY20 (in 000's)



VARIANCE COMMENTS

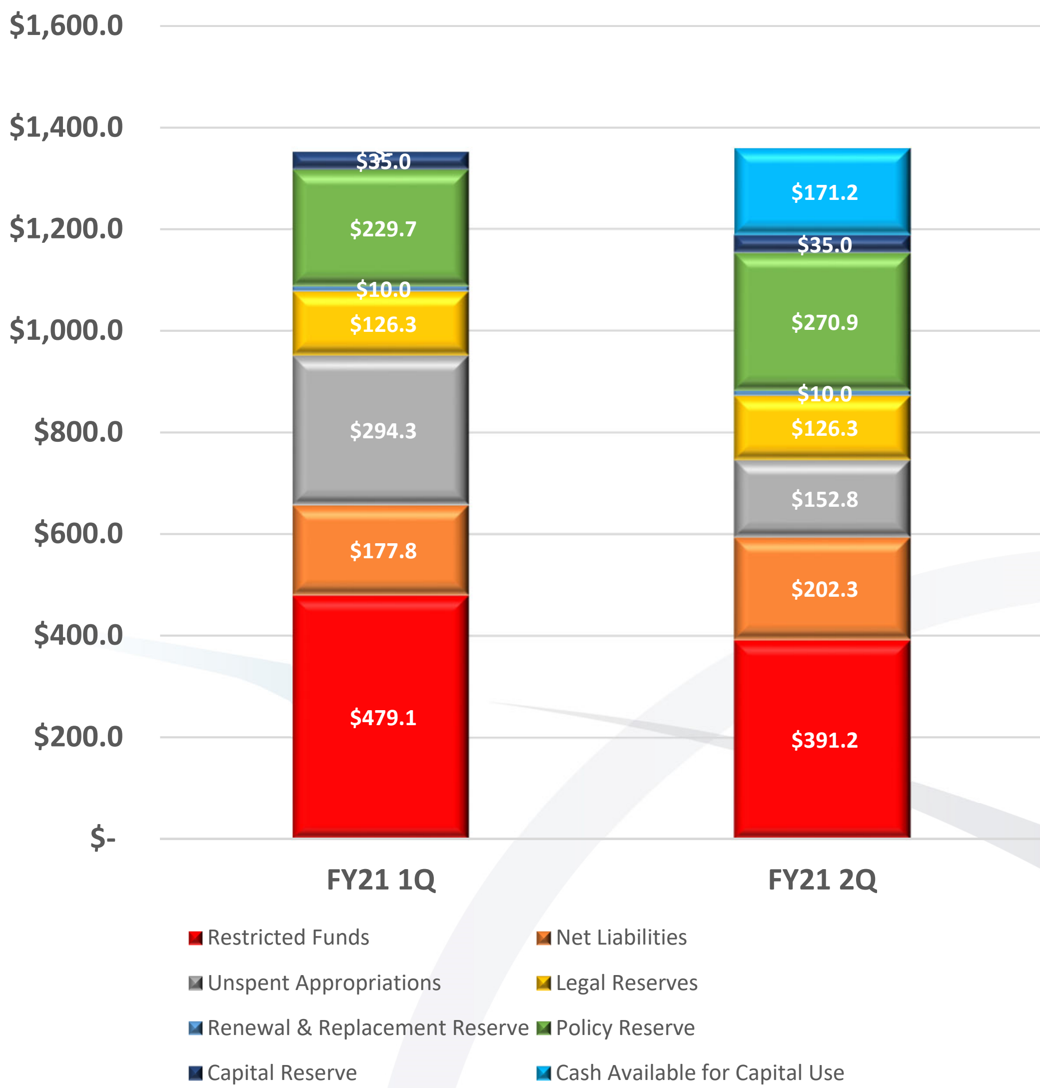
- **Non-Op Revenue and Capital Contributions Total**: **(-$11.0M)**
- Increase in Capital Contributions (+$19.1M) due to grants received from CARES Act (+$14.5M) and from TSA (+$3.6M).
- Increase in Interest Expense (+$4.7M) primarily due to over-accrual of interest expense (-$9.3M) partially offset by savings associated with issuance of 2020 Series bonds for refunding of various outstanding debt in October 2020 (+$4.8M). Interest expense will be trued up during 3Q FY21 as the Airport System finalizes review of the calculations.
- Decrease in Passenger Facility Charges (-$15.7M) mainly due to 56% reduction in passenger volume caused by the pandemic.
- Decrease in Customer Facility Charges (-$2.7M) mainly due to 56% reduction in passenger volume caused by the pandemic.
- Increase in Costs of Issuance of Debt (+$5.1M) due to issuance of 2020 Series Bonds in October 2020.
- Increase in Other Revenue (Expense) (+$4.0M) primarily due to interest revenue recognized from the adoption of GASBS 87 (+$2.5M) and the proceeds from a bank to finance the debt issuance costs, which will be reclassified as a reduction to issuance costs during 3Q FY21 (+$1.3M).
- Decrease in Investment Income (-$5.7M) mainly due to lower interest rates, 2.0% vs. 1.2% in 2Q FY20 and 2Q FY20, respectively, for pooled investment accounts.

FAVORABLE | UNFAVORABLE

UNAUDITED

PROFORMA CASH REPORTS

PROFORMA AVAILABLE CASH AS OF 2Q FY21 vs. 1Q FY21 (in millions)

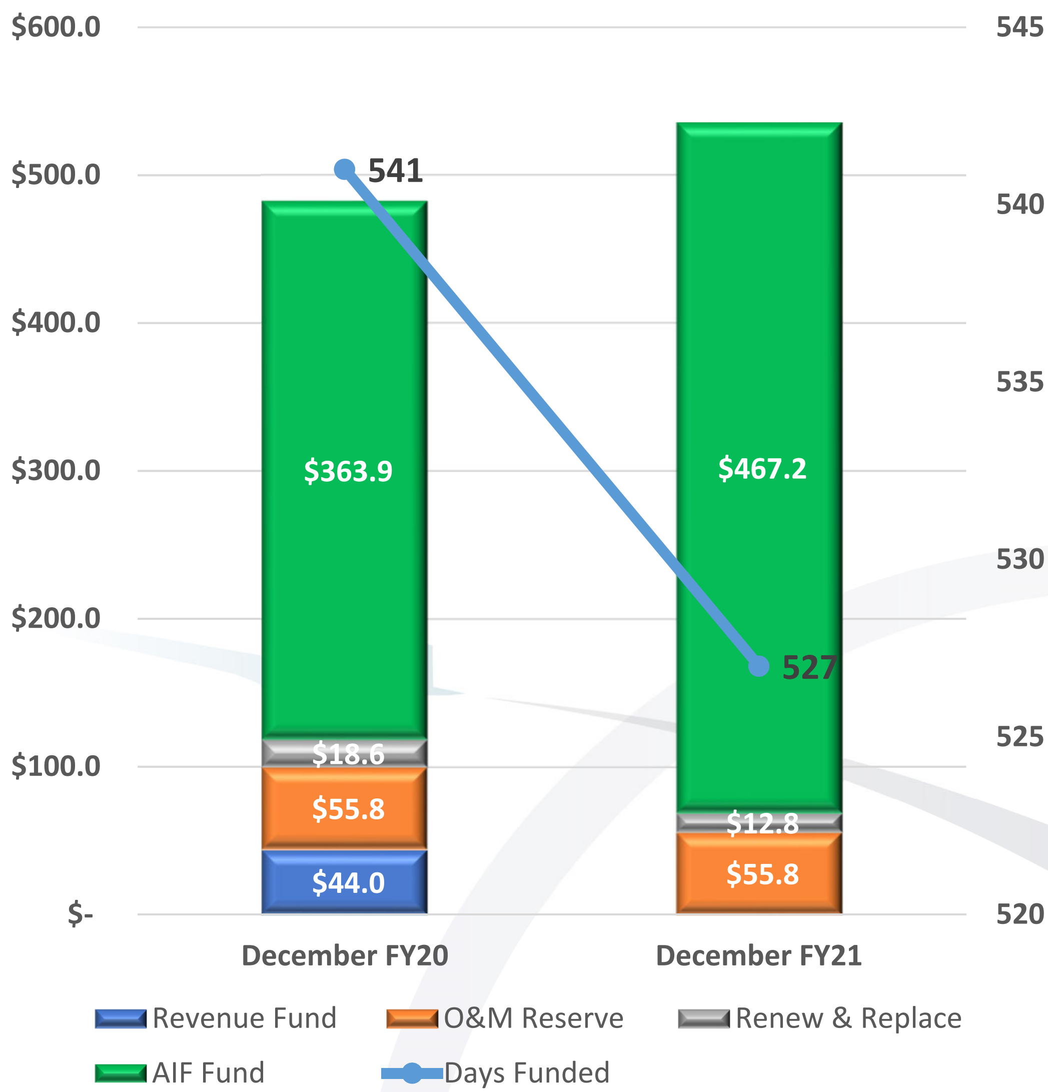


- Cash balance at December 31, 2020 was $1.360 billion, an increase of (+$7.5M) when compared to $1.352 billion at September 30, 2020 primarily due to an increase in Revenue Fund (+$29.6M), Debt Service Fund (+$25.0M), and Revenue-Funded Capital Funds (+$99.0M), partially offset by a decrease in Passenger Facility Charges (-$96.4M), Grant funds (-$15.5M) and construction fund balances (-$33.2M).

- Cash Available for Operations at $469.1M as of 2Q FY21 increased by +$140.2M when compared to 1Q FY21.

UNAUDITED

PROFORMA DAYS FUNDED W/ CASH AVAILABLE AS OF DECEMBER FY21 vs. DECEMBER FY20 ($'s in millions)

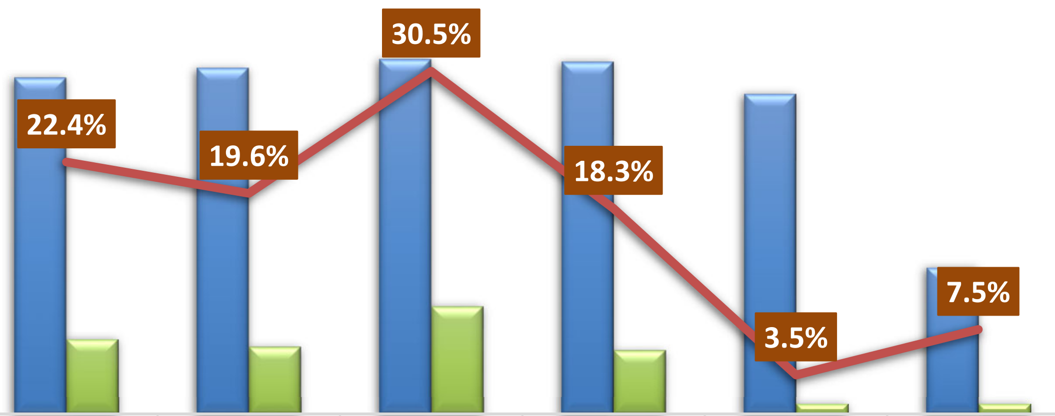


UNAUDITED

- Days funded decreased by 14 days.
- Cash available for operations decreased by $26.4M.
- Budgeted Daily cash requirement is $24.8K lower in FY21.

PROFITABILITY AND TREND ANALYSIS

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



	FY16	FY17	FY18	FY19	FY20	2Q FY21
Operating Revenue	$598,105	$615,668	$630,948	$626,217	$569,314	$261,411
Adj Operating Profit/(Loss)	$134,065	$120,852	$192,286	$114,475	$19,814	$19,668
Adj. Operating Profit %	22.4%	19.6%	30.5%	18.3%	3.5%	7.5%

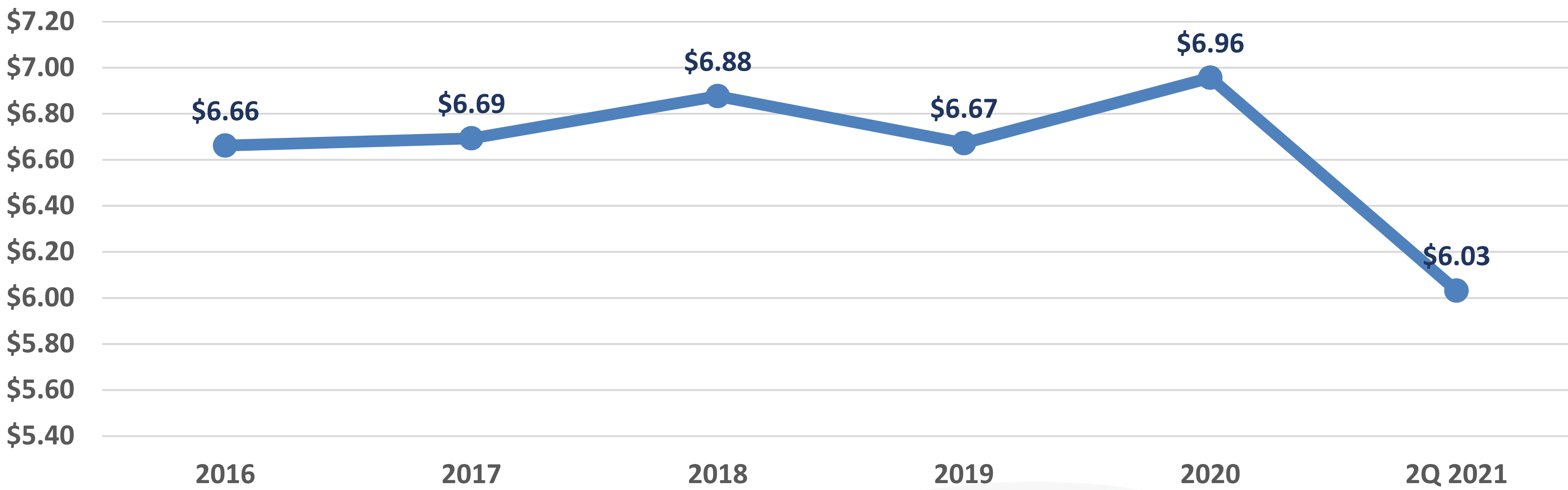
VARIANCE COMMENTS

- 2Q FY21 adjusted operating profit % was higher than FY20 due to higher Capital Contribution (+$78.8M).
- FY20 adjusted operating profit % was lower than FY19 due to lower parking and concession revenue, and lower PFCs due to COVID-19, higher personnel costs (+$4.9M) and higher Non-Capital outlay (+$25.3M).

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

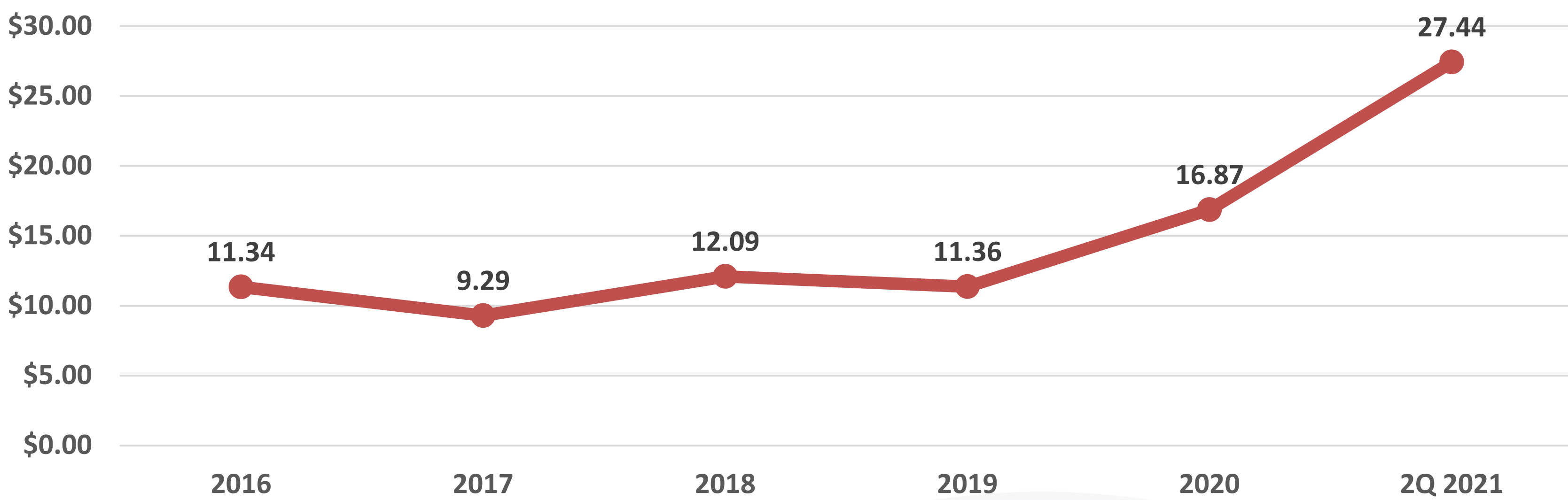


VARIANCE COMMENTS

- The 2Q 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.
- 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



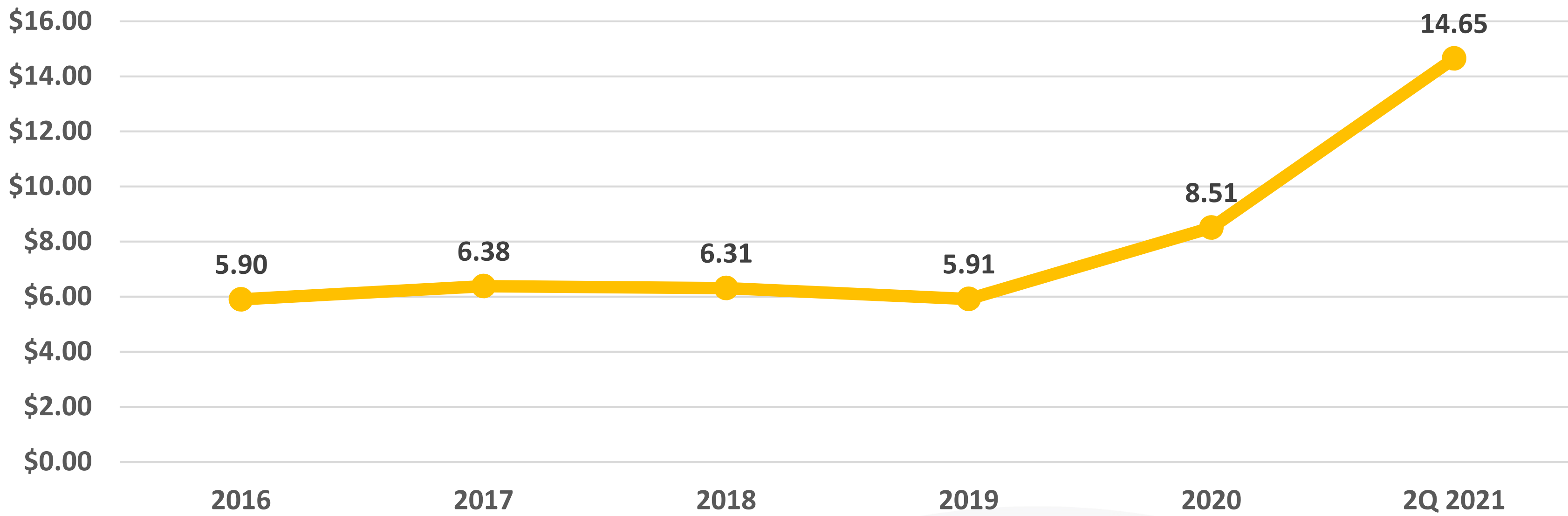
VARIANCE COMMENTS

- 2Q FY21 O&M Expense per Enplanement increased when compared to FY20 due to a significant decline in enplanements due to COVID-19. YTD 2Q FY21 enplanements is down 62% compared to YTD 2Q FY20.

- FY20 O&M Expense per Enplanement increased 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 (+$4.9M), and an increase in Non-Capital Outlay (+$25.3M).

- FY19 vs. FY18 O&M Expense per Enplanement decreased 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 2Q FY21 debt service per Enplanement was due to a significant decrease in enplanements associated with COVID-19. YTD 2Q FY21 enplanements is 62% lower than YT D2Q FY20.

- FY20 Debt Service per Enplanement was higher 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 was higher by $9.0 million ($185M in FY20 vs $176M in FY19).

- The FY19 vs. FY18 lower debt service per enplanement was 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 6 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (HAS)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	30,018	48,059	(18,041)	-37.5%
Rentals, building and ground area	78,118	113,640	(35,522)	-31.3%
Parking	16,587	56,650	(40,063)	-70.7%
Concessions	15,290	43,770	(28,480)	-65.1%
Other	2,923	2,964	(41)	-1.4%
Total operating revenues	142,936	265,083	(122,147)	-46.1%
Operating Expenses				
Maintenance and operating				
Personnel costs	56,002	60,378	(4,376)	-7.2%
Supplies	3,001	4,527	(1,526)	-33.7%
Services	95,974	93,131	2,843	3.1%
Non-capital outlay	412	304	108	35.5%
Depreciation and amortization	86,354	86,766	(412)	-0.5%
Total operating expenses	241,743	245,106	(3,363)	-1.4%
Operating income (loss)	(98,807)	19,977	(118,784)	-594.6%
Nonoperating revenues (expenses)				
Investment income (loss)	(13,260)	16,987	(30,247)	-178.1%
Interest expense	(41,784)	(37,280)	(4,504)	12.1%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	20,710	55,738	(35,028)	-62.8%
Customer facility charges	2,726	7,345	(4,619)	-62.9%
Special facility cost	(39)	(3)	(36)	1200.0%
Cost of issuance for debt	(5,062)	-	(5,062)	100.0%
Other revenue (expense)	6,644	828	5,816	702.4%
Total nonoperating revenues (expenses)	(30,065)	43,615	(73,680)	-168.9%
Income/(loss) before capital contributions	(128,872)	63,592	(192,464)	-302.7%
Capital contributions	97,765	993	96,772	9745.4%
Change in net position	(31,107)	64,585	(95,692)	-148.2%
Total net position, July 1	1,603,982	1,598,256	5,726	0.4%
Total net position, December 31	1,572,875	1,662,841	(89,966)	-5.4%

UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 6 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (IAH)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	22,088	38,911	(16,823)	-43.2%
Rentals, building and ground area	62,773	96,616	(33,843)	-35.0%
Parking	12,076	43,022	(30,946)	-71.9%
Concessions	11,122	29,755	(18,633)	-62.6%
Other	2,263	2,367	(104)	-4.4%
Total operating revenues	110,322	210,671	(100,349)	-47.6%
Operating Expenses				
Maintenance and operating				
Personnel costs	40,620	43,994	(3,374)	-7.7%
Supplies	1,972	3,346	(1,374)	-41.1%
Services	74,598	71,847	2,751	3.8%
Non-capital outlay	223	186	37	19.9%
Depreciation and amortization	67,682	69,451	(1,769)	-2.5%
Total operating expenses	185,095	188,824	(3,729)	-2.0%
Operating income (loss)	(74,773)	21,847	(96,620)	-442.3%
Nonoperating revenues (expenses)				
Investment income (loss)	(10,107)	13,290	(23,397)	-176.0%
Interest expense	(30,761)	(27,438)	(3,323)	12.1%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	16,264	43,247	(26,983)	-62.4%
Customer facility charges	2,726	7,345	(4,619)	-62.9%
Special facility cost	(39)	(3)	(36)	1200.0%
Cost of issuance for debt	(3,584)	-	(3,584)	100.0%
Other revenue (expense)	4,393	641	3,752	585.3%
Total nonoperating revenues (expenses)	(21,108)	37,082	(58,190)	-156.9%
Income/(loss) before capital contributions	(95,881)	58,929	(154,810)	-262.7%
Capital contributions	94,026	(235)	94,261	40111.1%
Change in net position	(1,855)	58,694	(60,549)	-103.2%
Total net position, July 1	1,439,900	1,419,153	20,747	1.5%
Total net position, December 31	1,438,045	1,477,847	(39,802)	-2.7%

UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 6 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (HOU)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	7,808	9,016	(1,208)	-13.4%
Rentals, building and ground area	14,540	16,206	(1,666)	-10.3%
Parking	4,511	13,628	(9,117)	-66.9%
Concessions	4,061	13,912	(9,851)	-70.8%
Other	621	556	65	11.7%
Total operating revenues	31,541	53,318	(21,777)	-40.8%
Operating Expenses				
Maintenance and operating				
Personnel costs	14,076	14,971	(895)	-6.0%
Supplies	874	1,011	(137)	-13.6%
Services	20,155	20,117	38	0.2%
Non-capital outlay	171	111	60	54.1%
Depreciation and amortization	15,996	14,631	1,365	9.3%
Total operating expenses	51,272	50,841	431	0.8%
Operating income(loss)	(19,731)	2,477	(22,208)	-896.6%
Nonoperating revenues (expenses)				
Investment income (loss)	(2,976)	3,498	(6,474)	-185.1%
Interest expense	(9,854)	(8,798)	(1,056)	12.0%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	4,446	12,491	(8,045)	-64.4%
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	(1,321)	-	(1,321)	100.0%
Other revenue (expense)	1,992	177	1,815	1025.4%
Total nonoperating revenues (expenses)	(7,713)	7,368	(15,081)	-204.7%
Income/(loss) before capital contributions	(27,444)	9,845	(37,289)	-378.8%
Capital contributions	3,067	1,228	1,839	149.8%
Change in net position	(24,377)	11,073	(35,450)	-320.1%
Total net position, July 1	240,207	243,341	(3,134)	-1.3%
Total net position, December 31	215,830	254,414	(38,584)	-15.2%

UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 6 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (EFD)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	122	132	(10)	-7.6%
Rentals, building and ground area	805	818	(13)	-1.6%
Parking	-	-	-	N/A
Concessions	107	103	4	3.9%
Other	39	41	(2)	-4.9%
Total operating revenues	1,073	1,094	(21)	-1.9%
Operating Expenses				
Maintenance and operating				
Personnel costs	1,306	1,413	(107)	-7.6%
Supplies	155	170	(15)	-8.8%
Services	1,221	1,167	54	4.6%
Non-capital outlay	18	7	11	157.1%
Depreciation and amortization	2,676	2,684	(8)	-0.3%
Total operating expenses	5,376	5,441	(65)	-1.2%
Operating income (loss)	(4,303)	(4,347)	44	-1.0%
Nonoperating revenues (expenses)				
Investment income (loss)	(177)	199	(376)	-188.9%
Interest expense	(1,169)	(1,044)	(125)	12.0%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	-	-	-	N/A
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	(157)	-	(157)	100.0%
Other revenue (expense)	259	10	249	2490.0%
Total nonoperating revenues (expenses)	(1,244)	(835)	(409)	49.0%
Income/(loss) before capital contributions	(5,547)	(5,182)	(365)	7.0%
Capital contributions	672	-	672	100.0%
Change in net position	(4,875)	(5,182)	307	-5.9%
Total net position, July 1	(76,125)	(64,238)	(11,887)	18.5%
Total net position, December 31	(81,000)	(69,420)	(11,580)	16.7%

UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (HAS)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	15,825	24,163	(8,338)	-34.5%
Rentals, building and ground area	39,848	57,281	(17,433)	-30.4%
Parking	9,296	27,212	(17,916)	-65.8%
Concessions	8,669	22,157	(13,488)	-60.9%
Other	1,718	1,436	282	19.6%
Total operating revenues	75,356	132,249	(56,893)	-43.0%
Operating Expenses				
Maintenance and operating				
Personnel costs	28,206	30,123	(1,917)	-6.4%
Supplies	1,407	2,567	(1,160)	-45.2%
Services	53,650	47,482	6,168	13.0%
Non-capital outlay	144	142	2	1.4%
Depreciation and amortization	43,206	43,355	(149)	-0.3%
Total operating expenses	126,613	123,669	2,944	2.4%
Operating income (loss)	(51,257)	8,580	(59,837)	-697.4%
Nonoperating revenues (expenses)				
Investment income (loss)	4,133	9,895	(5,762)	-58.2%
Interest expense	(22,286)	(17,556)	(4,730)	26.9%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	12,852	28,595	(15,743)	-55.1%
Customer facility charges	1,717	4,399	(2,682)	-61.0%
Special facility cost	(3)	(3)	-	0.0%
Cost of issuance for debt	(5,062)	-	(5,062)	100.0%
Other revenue (expense)	4,101	107	3,994	3732.7%
Total nonoperating revenues (expenses)	(4,548)	25,437	(29,985)	-117.9%
Income/(loss) before capital contributions	(55,805)	34,017	(89,822)	-264.1%
Capital contributions	19,488	437	19,051	4359.5%
Change in net position	(36,317)	34,454	(70,771)	-205.4%
Total net position, July 1	1,603,982	1,598,256	5,726	0.4%
Total net position, December 31	1,567,665	1,632,710	(65,045)	-4.0%

UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (IAH)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	11,601	19,337	(7,736)	-40.0%
Rentals, building and ground area	31,936	49,326	(17,390)	-35.3%
Parking	6,811	20,486	(13,675)	-66.8%
Concessions	6,994	15,033	(8,039)	-53.5%
Other	1,298	1,145	153	13.4%
Total operating revenues	58,640	105,327	(46,687)	-44.3%
Operating Expenses				
Maintenance and operating				
Personnel costs	20,356	21,852	(1,496)	-6.8%
Supplies	896	1,958	(1,062)	-54.2%
Services	40,517	35,901	4,616	12.9%
Non-capital outlay	34	82	(48)	-58.5%
Depreciation and amortization	33,708	34,684	(976)	-2.8%
Total operating expenses	95,511	94,477	1,034	1.1%
Operating income (loss)	(36,871)	10,850	(47,721)	-439.8%
Nonoperating revenues (expenses)				
Investment income (loss)	3,124	7,644	(4,520)	-59.1%
Interest expense	(16,406)	(12,921)	(3,485)	27.0%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	10,005	22,387	(12,382)	-55.3%
Customer facility charges	1,717	4,399	(2,682)	-61.0%
Special facility cost	(3)	(3)	-	0.0%
Cost of issuance for debt	(3,584)	-	(3,584)	100.0%
Other revenue (expense)	2,761	82	2,679	3267.1%
Total nonoperating revenues (expenses)	(2,386)	21,588	(23,974)	-111.1%
Income/(loss) before capital contributions	(39,257)	32,438	(71,695)	-221.0%
Capital contributions	15,749	(173)	15,922	9203.5%
Change in net position	(23,508)	32,265	(55,773)	-172.9%
Total net position, July 1	1,439,900	1,419,153	20,747	1.5%
Total net position, December 31	1,416,392	1,451,418	(35,026)	-2.4%

UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (HOU)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	4,156	4,765	(609)	-12.8%
Rentals, building and ground area	7,508	7,545	(37)	-0.5%
Parking	2,485	6,726	(4,241)	-63.1%
Concessions	1,568	7,122	(5,554)	-78.0%
Other	400	271	129	47.6%
Total operating revenues	16,117	26,429	(10,312)	-39.0%
Operating Expenses				
Maintenance and operating				
Personnel costs	7,167	7,566	(399)	-5.3%
Supplies	401	508	(107)	-21.1%
Services	12,411	10,962	1,449	13.2%
Non-capital outlay	98	58	40	69.0%
Depreciation and amortization	8,156	7,334	822	11.2%
Total operating expenses	28,233	26,428	1,805	6.8%
Operating income(loss)	(12,116)	1	(12,117)	-1211700.0%
Nonoperating revenues (expenses)				
Investment income (loss)	950	2,137	(1,187)	-55.5%
Interest expense	(5,256)	(4,143)	(1,113)	26.9%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	2,847	6,208	(3,361)	-54.1%
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	(1,321)	-	(1,321)	100.0%
Other revenue (expense)	1,199	24	1,175	4895.8%
Total nonoperating revenues (expenses)	(1,581)	4,226	(5,807)	-137.4%
Income/(loss) before capital contributions	(13,697)	4,227	(17,924)	-424.0%
Capital contributions	3,067	610	2,457	402.8%
Change in net position	(10,630)	4,837	(15,467)	-319.8%
Total net position, July 1	240,207	243,341	(3,134)	-1.3%
Total net position, December 31	229,577	248,178	(18,601)	-7.5%

UNAUDITED

PRO-FORMA STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)
FOR THE 3 MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019 (EFD)

	FY21	FY20	Variance	% change
Operating Revenues				
Landing area fees	68	61	7	11.5%
Rentals, building and ground area	404	410	(6)	-1.5%
Parking	-	-	-	N/A
Concessions	107	2	105	5250.0%
Other	20	20	-	0.0%
Total operating revenues	599	493	106	21.5%
Operating Expenses				
Maintenance and operating				
Personnel costs	683	705	(22)	-3.1%
Supplies	110	101	9	8.9%
Services	722	619	103	16.6%
Non-capital outlay	12	2	10	500.0%
Depreciation and amortization	1,342	1,337	5	0.4%
Total operating expenses	2,869	2,764	105	3.8%
Operating income (loss)	(2,270)	(2,271)	1	0.0%
Nonoperating revenues (expenses)				
Investment income (loss)	59	114	(55)	-48.2%
Interest expense	(624)	(492)	(132)	26.8%
Gain / (Loss) on disposal of assets	-	-	-	N/A
Passenger facility charges	-	-	-	N/A
Customer facility charges	-	-	-	N/A
Special facility cost	-	-	-	N/A
Cost of issuance for debt	(157)	-	(157)	100.0%
Other revenue (expense)	141	1	140	14000.0%
Total nonoperating revenues (expenses)	(581)	(377)	(204)	54.1%
Income/(loss) before capital contributions	(2,851)	(2,648)	(203)	7.7%
Capital contributions	672	-	672	100.0%
Change in net position	(2,179)	(2,648)	469	-17.7%
Total net position, July 1	(76,125)	(64,238)	(11,887)	18.5%
Total net position, December 31	(78,304)	(66,886)	(11,418)	17.1%

UNAUDITED

STATEMENTS OF NET POSITION (in thousands)

as of December 31, 2020 and December 31, 2019

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	322,345	407,427
(1) Investments	-	-
Restricted cash and cash equivalents	7,909	7,729
Restricted accounts receivable	533	1,494
Accounts Receivable (net of allowance for doubtful accounts of $4,380 and $1,110 in 2021 and 2020)	72,684	24,081
Due from City of Houston	23,980	486
Inventory	2,364	1,936
Prepaids	3,706	2,453
Due from other governments - grants receivable	13,210	8,534
Total current assets	446,731	454,140
Noncurrent assets		
Investments	981,206	1,014,184
Restricted cash and cash equivalents	46,732	48,105
Prepaids	179	190
Lease asset receivable	280,127	-
Capital Assets		
Land	216,100	216,100
Rights and Intangibles	18,091	17,471
Buildings, improvements and equipment	5,622,736	5,533,957
Right of use assets	2,434	-
Construction in progress	310,464	279,370
Total capital assets	6,169,825	6,046,898
Less accumulated depreciation and amortization	(3,462,801)	(3,294,462)
Net capital assets	2,707,024	2,752,436
Total noncurrent assets	4,015,268	3,814,915
Total assets	4,461,999	4,269,055
Deferred Outflows of Resources		
Deferred outflows from debt refunding	23,496	17,696
Deferred outflows from pensions	25,876	17,719
Deferred outflows OPEB health benefits	1,492	-
Deferred outflows from OPEB LTD	239	96
Total deferred outflows of resources	51,103	35,511

(continued)

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

UNAUDITED

STATEMENTS OF NET POSITION (in thousands)
as of December 31, 2020 and December 31, 2019

	December 31, 2020	December 31, 2019
Liabilities		
Current Liabilities		
Accounts payable	11,040	10,932
Accrued payroll liabilities	1,275	3,791
Due to City of Houston	22,537	24
Due to other governments	-	571
Advances and deposits	2,008	2,295
Unearned revenue	2,017	2,554
Claims for workers' compensation	928	904
Compensated absences	5,681	6,120
Revenue bonds payable	75,580	89,090
Special facility revenue bonds payable	6,240	5,960
Accrued interest payable	43,276	46,971
Contracts and retainages payable	12,265	14,672
Other current liabilities	2,965	1,132
Total current liabilities	185,812	185,016
Noncurrent Liabilities		
Revenue bonds payable, net	2,007,249	1,937,124
Special facility revenue bonds payable	68,185	74,425
Commercial paper payable	20,000	96,973.00
Pension obligation bonds payable	2,006	2,006
Note payable	11,398	273.00
Claims for workers' compensation	593	902
Compensated absences	7,612	6,489
Accrued Arbitrage rebate liability	109	-
Net pension liability payable	258,223	229,757
Other post employment benefits	70,738	73,286
Other post employment benefits - LTD	774	586
Other noncurrent Liabilities	1,549	-
Total noncurrent Liabilities	2,448,436	2,421,821
Total liabilities	2,634,248	2,606,837
Deferred Inflows of Resources		
Deferred Inflows on pension	3,425	5,800
Deferred inflows from OPEB health benefits	27,422	26,321
Deferred inflows from GASB87	276,398	-
Total deferred inflows of resources	307,245	32,121
Net position		
Net Investment in capital assets	554,188	563,598
Restricted net position		
Restricted for debt service	305,217	427,921
Restricted for maintenance and operations	113,394	61,115
Restricted for special facility	44,447	46,640
Restricted for renewal and replacement	10,000	10,000
Restricted for capital improvements	697,093	641,607
Unrestricted (deficit)	(152,730)	(85,273)
Total net position	1,571,609	1,665,608