

ROGER H. BATES

Airport Consultant



December 29, 2021

Mr. J'Maine Chubb
Chief Financial Officer
Houston Airport System
16930 JFK Boulevard
Houston, TX 77032

Re: 2022 Annual Rate Report—Consolidated Rental Car Facility

Dear Mr. Chubb:

Acting in the capacity of the City's designated Independent Rate Consultant, I am pleased to submit this annual Rate Report for Calendar Year 2022 regarding the Consolidated Rental Car Facility (the Project or the Facility) at George Bush Intercontinental Airport / Houston (the Airport).

In March 2001, the City of Houston (the City) issued \$130,250,000 *City of Houston, Texas, Airport System Special Facilities Taxable Revenue Bonds (Consolidated Rental Car Facility Project), Series 2001* (the Bonds) to finance the Project. The Bonds are secured in large part by a pledge of CFC Revenues—revenues derived from a Customer Facility Charge imposed by the City and collected by the rental car operators (the Operators). The City imposed a Customer Facility Charge of \$3.00 per transaction day at the Airport as of April 1, 2001. The Operators have been collecting CFC revenues and forwarding those revenues to the Trustee since that date. The CFC rate has subsequently been adjusted on several occasions over the years. The current CFC is \$4.00 per transaction day, a rate that has been in effect since April 1, 2017.

Purposes of the Rate Report

In connection with the issuance of the Bonds, the City (as the Issuer of the Bonds) entered into a Trust Indenture, dated March 1, 2001, with Chase Manhattan Bank (now The Bank of New York Mellon Trust Company, N.A.) as Trustee.

The specific requirements for the Rate Report are set forth in Section 7.2 of the Trust Indenture.

Section 7.2.a of the Trust Indenture states:

The City shall cause the Customer Facility Charge to be calculated, established and imposed as herein provided so long as any Bonds remain Outstanding, and the City shall use diligence to cause the Customer Facility Charge to be collected by the Operators in accordance with the terms of the Agreement and deposited with the Trustee directly by the Operators. The Customer Facility Charge shall be established initially and reviewed and adjusted (if necessary) annually by the Director based upon the Rate Reports from

the Independent Rate Consultant (or, with the consent of the LLC, by the City) at rates estimated to generate CFC revenues, along with other Pledged Revenues, in such calendar year equal to not less than:

- (1) 125% of the debt service requirements on the Bonds for such calendar year;
and
- (2) the amounts necessary to fund in each calendar year all transfers from the Revenue Fund as required by Article IV of this Indenture.

This provision is referred to as the Rate Covenant.

Section 7.2.b of the Trust Indenture goes on to state:

The Director [the City's Director of Aviation] shall cause the Rate Reports to be prepared and to be filed with the Trustee prior to each calendar year, based upon the Transaction Day and other rental information required to be provided annually to the Independent Rate Consultant by the Operators pursuant to the Agreement.

The Trust Indenture defines "Rate Reports" as follows:

"Rate Reports" shall mean the written reports and recommendations of the Independent Rate Consultant...which shall include the following information:

- (1) the recommended Customer Facility Charge for the ensuing calendar year (or other stated period);
- (2) the recommended transfers to the Revenue Fund from the CFC Stabilization Account or from other amounts in the Facility Improvement Fund;
- (3) pro forma Customer Facility Charge collection data for the ensuing calendar year (or other stated period) on a monthly basis, together with calculations showing 90% and 80% of such monthly amounts;
- (4) the estimated Administrative Cost Requirement for the ensuing calendar year (or other stated period); and
- (5) any additional documentation to support the recommended CFC rate and reflecting the anticipated disposition of the CFC revenues among the funds established and maintained under the Indenture.

This Report has been prepared to respond to the requirements of Section 7.2 of the Trust Indenture.

The Houston Rental Car Operators

The Houston rental car market is served by four companies operating 11 brands: *Avis Budget Group, Inc.* (operating Avis, Budget, Payless and Zipcar); *Enterprise Holdings Inc.* (operating Enterprise, Alamo and National); *The Hertz Corporation* (operating Hertz, Dollar and Thrifty) and *Sixt Rent a Car, LLC* (operating Sixt). In addition, GO Rentals, an off-airport car rental company, occasionally pays CFC fees for cars delivered to customers at the Facility curbside.

COVID 19 and the Air Transportation and Rental Car Industries

The year 2020 saw a precipitous decline in air traffic and rental car activity at the Airport (and worldwide) as a result of a pandemic—the rapid spread of the novel corona virus that caused the disease known as COVID-19.

The pandemic has had a major adverse impact on the global and U.S. economies. On March 27, 2020, then-President Trump signed into law *The Coronavirus Aid, Relief, and Economic Security Act*, also known as the CARES Act, a \$2.2 trillion economic stimulus bill, the largest of its kind in U.S. history.

The pandemic has significantly affected many industries—in particular, airlines and rental cars. While the long-term impact of the pandemic is difficult to predict, repercussions in the U.S. and around the world have been severe and widespread.

Air traffic statistics published by the FAA and airport organizations are available only after a significant lag of time. A reliable real time measure of air traffic demand is the number of travelers passing through TSA checkpoints—data which is available with a lag of only a few days. The table below shows the total number of passengers passing through TSA checkpoints by month for 2019, 2020 and the first 11 months of 2021 and illustrates the impact of the COVID-19 pandemic on U.S. air travel demand.

In April 2020 the TSA checkpoint traveler throughput declined over 95% from that of April 2019, evidencing how hard air travel demand was impacted by widespread business closures and lockdowns. For the full year 2020, U.S. air travel demand declined nearly 62% from that of 2019.

Traffic levels have steadily recovered since April of 2020, improving almost every month—a trend that continued and accelerated in 2021. In August and September of 2021, the recovery trend reversed a bit, largely as a result of the spread of a new strain of the COVID virus—the Delta variant. This setback proved to be short lived as vaccines were shown to be effective in limiting the adverse consequences of the strain. In November 2021, another new strain of the virus—the Omicron variant—emerged, spreading from certain countries in southern Africa. New travel restrictions from these countries have been put in place by the U.S. and other countries. However, the emerging consensus appears to be that this variant, while spreading rapidly, has relatively mild health consequences to most patients, particularly those who are already vaccinated. Nonetheless, the Omicron variant does raise a new degree of uncertainty as to the pace of further recovery in air traffic demand from the pandemic.

The recovery in air travel demand to date has been significantly faster than predicted at the end of last year (when the last CFC Rate Report was prepared). The consensus at that time was that it would take three to four years for air travel demand to recover fully to pre-COVID (2019) air traffic levels. However, in the most recent month, November 2021, TSA throughput was only 16% behind the November 2019 level.

**TSA Checkpoint Traveler Throughput
Total United States
2019 / 2020 / 2021 by Month**

Date	2019	2020	Percent 2020 / 2019	2021	Percent 2021 / 2019
January	59,405,722	61,930,286	4.2%	23,598,230	-60.3%
February	57,345,684	60,428,859	5.4%	24,446,345	-57.4%
March	72,530,252	32,995,003	-54.5%	38,050,060	-47.5%
April	70,518,994	3,322,548	-95.3%	41,826,159	-40.7%
May	74,452,226	7,347,527	-90.1%	49,883,982	-33.0%
June	76,668,787	14,755,057	-80.8%	56,712,872	-26.0%
July	79,332,046	20,823,298	-73.8%	63,188,017	-20.3%
August	74,445,793	21,515,106	-71.1%	57,484,123	-22.8%
September	66,941,195	21,828,103	-67.4%	51,089,715	-23.7%
October	72,108,333	25,716,680	-64.3%	57,162,404	-20.7%
November	68,608,532	25,357,178	-63.0%	57,644,161	-16.0%
December	61,403,496	22,554,033	-63.3%		
Total	833,761,060	318,573,678	-61.8%	521,086,068	

Source: Transportation Security Administration

However, the Omicron variant has spread rapidly around the world in recent months. Air traffic activity in the United States has been adversely affected in recent days, particularly around the Christmas holiday. For the period December 1-27, 2021, total TSA passenger throughput was 16.7% below that of the same period of 2019, a slight reversal of the recent recovery trend. This reversal has occurred in part because of cancelled flights due to crew shortages occasioned by the spread of the virus. The Wall Street Journal recently reported:

“A winter surge in Covid-19 cases driven by the Omicron variant is prompting economists to downgrade U.S. and global growth expectations in the early part of 2022 as businesses struggle with absenteeism and consumers stay home to avoid getting sick.”¹

As a consequence, near term air traffic demand has become more uncertain with the emergence and rapid spread of the Omicron variant.

Recent Trends in Air Traffic Demand

Table 1 on the following page shows recent trends in air traffic activity at the Airport by month for calendar year 2020 and year-to-date (January through October) 2021, as obtained from HAS records.

¹ Wall Street Journal, December 28, 2021.

Table 1
RECENT TRENDS IN AIR TRAFFIC ACTIVITY
Calendar Years 2021 and 2020
George Bush Intercontinental Airport / Houston

Year / Month	Enplaned Passengers			Originating Passengers			
	Number	% Change from FY 2020	% Change from FY 2019	Number	% Change from FY 2020	% Change from FY 2019	% of Total Enplaned Passengers
			<i>Pre Pandemic</i>			<i>Pre Pandemic</i>	
2021							
Jan	721,876	-60.4%	-58.9%	402,346	-58.6%	-55.6%	55.7%
Feb	625,529	-62.8%	-60.9%	357,704	-59.7%	-57.2%	57.2%
Mar	1,100,009	10.6%	-44.2%	619,219	9.9%	-42.2%	56.3%
Apr	1,240,878	1279.8%	-33.0%	690,899	1084.5%	-31.6%	55.7%
May	1,424,286	685.3%	-28.8%	861,117	789.6%	-26.2%	60.5%
Jun	1,661,960	463.4%	-19.9%	975,338	513.9%	-19.9%	58.7%
Jul	1,892,163	289.1%	-10.1%	1,099,156	251.2%	-11.2%	58.1%
Aug	1,633,426	196.8%	-15.9%	885,205	156.4%	-20.7%	54.2%
Sep	1,461,190	142.7%	-10.7%	812,126	118.6%	-13.1%	55.6%
Oct	1,661,313	117.3%	-12.7%	924,580	101.8%	-13.4%	55.7%
	13,422,630	79.8%	-28.8%	7,627,690	80.6%	-27.8%	56.8%
Nov							
Dec							
Total 2021							
2020							
Jan	1,822,345		3.9%	971,924		7.1%	53.3%
Feb	1,680,780		5.1%	887,264		6.2%	52.8%
Mar	994,283		-49.6%	563,375		-47.4%	56.7%
Apr	89,933		-95.1%	58,326		-94.2%	64.9%
May	181,367		-90.9%	96,802		-91.7%	53.4%
Jun	294,980		-85.8%	158,866		-87.0%	53.9%
Jul	486,327		-76.9%	312,968		-74.7%	64.4%
Aug	550,258		-71.7%	345,273		-69.1%	62.7%
Sep	602,103		-63.2%	371,435		-60.3%	61.7%
Oct	764,394		-59.8%	458,063		-57.1%	59.9%
	7,466,770		-60.4%	4,224,296		-60.0%	56.6%
Nov	792,217		-56.7%	525,698		-48.9%	66.4%
Dec	885,420		-56.8%	496,163		-56.9%	56.0%
	1,677,637		-56.7%	1,021,861		-53.1%	60.9%
Total 2020	9,144,407		-59.7%	5,246,157		-58.8%	57.4%

Source: Houston Airport System

(Traffic data for November 2021 are not yet available.) For the purposes of documenting the recovery of the air traffic market from the pandemic, additional columns have been added to show “% Change from 2019.”

For the first 10 months of 2021, total passenger originations at the Airport (the driver of rental car activity) were 28% less than the comparable period of 2019. However, that aggregate number masks a significant recovery trend throughout the year. In January 2021, passenger originations were 55% behind 2019 levels but improved steady over the year and were only 13% behind 2019 levels by October.

For the most part, the trend in air traffic activity at the Airport during the first ten months of 2021 has been slightly better than the national trend. In October 2021, originating traffic at the Airport was 13.4% behind October 2019 levels, compared to the nationwide lag of 20.7%.

Recent Trends in Transaction Days and CFC Revenues

Tables 2A and 2B on the following page show (1) rental car transaction days and (2) CFC revenues, respectively, for the first 10 months of Calendar Years 2021 and 2019. (Note that CFC Revenues are shown on an accrual basis; i.e., the revenues *earned* in the particular month.) Actual CFC revenues and transaction days for 2021 are then compared with the projections for 2021 prepared in December 2020.

Total rental car transaction days for the first 10 months of 2021 were about *35% less than* the total for the same period of 2019. In comparing year-to-date 2021 data versus 2019, the decline in transaction days (35%) was somewhat more than the decline in originating passengers (28%) during the same period. The relatively larger decline in transaction days is likely attributable to a reduction a business travel relative to leisure travel during the pandemic, as business travelers generally have a higher propensity to rent cars.

Year to date, the total number of transaction days in 2021 is *28% ahead* of the projection prepared in December 2020 because, as previously mentioned, the recovery in air travel demand from pandemic lows has been faster than almost everyone (including this writer) anticipated.

Table 2A

2021 TRANSACTION DAYS¹
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

Applicable Month	Month of Payment	Total Transaction Days		Increase (Decrease)	Percentage Change	2021 Projection ²	Actual 2021 vs. Projection	Percentage Change
		Actual 2021	Actual 2019					
			<i>Pre Pandemic</i>					
Jan	Feb	150,519	319,041	(168,522)	-52.8%	148,000	2,519	1.7%
Feb	Mar	139,660	331,059	(191,399)	-57.8%	152,000	(12,340)	-8.1%
Mar	Apr	219,611	407,095	(187,484)	-46.1%	180,000	39,611	22.0%
Apr	May	259,207	400,206	(140,999)	-35.2%	176,000	83,207	47.3%
May	Jun	291,383	427,931	(136,548)	-31.9%	217,000	74,383	34.3%
Jun	Jul	277,719	373,433	(95,714)	-25.6%	188,000	89,719	47.7%
Jul	Aug	285,384	363,067	(77,683)	-21.4%	182,000	103,384	56.8%
Aug	Sep	277,276	375,518	(98,242)	-26.2%	193,000	84,276	43.7%
Sep	Oct	230,817	330,749	(99,932)	-30.2%	202,000	28,817	14.3%
Oct	Nov	278,610	393,515	(114,906)	-29.2%	244,000	34,610	14.2%
		2,410,186	3,721,614	(1,311,428)	-35.2%	1,882,000	528,186	28.1%
Nov	Dec					225,000		
Dec	Jan					208,000		
						433,000		
						2,315,000		

- Source: Derived from reported CFC revenues by dividing by the \$4.00 CFC rate.
- Roger H. Bates, "2021 Annual Rate Report--Consolidated Rental Car Facility" dated December 28, 2020.

Table 2B

2021 CFC REVENUES¹
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

Month of Accrual	Month of Payment	Total CFC Revenues		Increase (Decrease)	Percentage Change	2021 Projection ²	Actual 2021 vs. Projection	Percentage Change
		Actual 2021	Actual 2019					
			<i>Pre Pandemic</i>					
Jan	Feb	\$602,076	\$1,276,164	(\$674,088)	-52.8%	\$592,000	\$10,076	1.7%
Feb	Mar	\$558,640	\$1,324,236	(\$765,596)	-57.8%	\$608,000	(\$49,360)	-8.1%
Mar	Apr	\$878,444	\$1,628,380	(\$749,936)	-46.1%	\$720,000	\$158,444	22.0%
Apr	May	\$1,036,829	\$1,600,824	(\$563,995)	-35.2%	\$704,000	\$332,829	47.3%
May	Jun	\$1,165,582	\$1,711,724	(\$546,142)	-31.9%	\$868,000	\$297,582	34.3%
Jun	Jul	\$1,110,876	\$1,493,732	(\$382,856)	-25.6%	\$752,000	\$358,876	47.7%
Jul	Aug	\$1,141,536	\$1,452,268	(\$310,732)	-21.4%	\$728,000	\$413,536	56.8%
Aug	Sep	\$1,109,103	\$1,502,072	(\$392,969)	-26.2%	\$772,000	\$337,103	43.7%
Sep	Oct	\$923,268	\$1,322,995	(\$399,727)	-30.2%	\$808,000	\$115,268	14.3%
Oct	Nov	\$1,114,438	\$1,574,060	(\$459,622)	-29.2%	\$976,000	\$138,438	14.2%
		\$9,640,793	\$14,886,455	(\$5,245,663)	-35.2%	\$7,528,000	\$2,112,792	28.1%
Nov	Dec					\$900,000		
Dec	Jan					\$832,000		
						\$1,732,000		
						\$9,260,000		

- Source: As reported by the Operators to the Trustee.
CFC payments are required to be sent to the Trustee by the 20th day of the month following collection. Therefore, for example, the payments received the Trustee in May represent CFC revenues accrued in April.
- Roger H. Bates, "2021 Annual Rate Report--Consolidated Rental Car Facility," dated December 28, 2020.

Projection of Rental Car Demand and CFC Revenues in 2021

Table 3, “Estimated Rental Car Transaction Days and CFC Revenues—Calendar Year 2021,” on the following page, shows relationships between air traffic activity, rental car transaction days and CFC revenues and CFC collections for the first 10 months of 2021 and develops projections of CFC revenues and CFC collections for the full year 2021.

In Table 3, CFC revenues are projected for the months of November and December based on assumptions regarding passenger traffic growth (12.5% below 2019), percentage of originating passengers to total enplaned passengers (55%), and transaction days per originating passenger (0.28 and 0.26 respectively) highlighted in yellow.

For reasons discussed in the next section, HAS decided to leave the current \$4.00 CFC rate in place throughout calendar year 2020 and 2021, in spite of the precipitous decline in rental car demand occasioned by the pandemic.

Total CFC *revenues* are projected to be \$11,649,000 in 2021—a 33% decrease from actual CFC revenues in 2019 but 26% above the projection of 2021 CFC revenues made last December. Total CFC *collections* are projected to be \$11,189,000 in 2021—a 35% decrease from actual CFC collections in 2019 but 24% ahead of the projection of 2021 CFC collections made last December.

How HAS Addressed the 2020 CFC Revenue Shortfall

Under the Trust Indenture, scheduled debt service payments are pre-funded by monthly transfers from the Revenue Fund to the Debt Service Fund. Then, moneys then accumulated in the Debt Service Fund are used to pay principal and interest on the bonds when due semi-annually.

During the first half of 2020, HAS adapted its business plan for the enterprise to address the precipitous decline in CFC revenues and collections that began in the wake of the COVID-19 pandemic. HAS's principal objective in 2020 was to make sure that debt service payments on the outstanding bonds were made on July 2nd and January 2nd each year as required.

Of principal concern in 2020 was the fact that no one knew how long the decline in rental car activity—and with it, CFC revenues—would continue. Rather than attempt to guess the longer term timing and financial consequences of the market decline, HAS decided to eliminate any risk of default (due to a revenue shortfall) *by transferring moneys from the Facility Improvement Fund to the Revenue Fund each month to provide for the full amount of required debt service transfers.*

Such transfers are allowable under the Trust Indenture. The Trust Indenture defines “Pledged Revenues” as:

“...the aggregate of (i) the Special Facilities Rent [i.e., Customer Facility Charges] received or receivable; (ii) all investment income of every kind derived from amounts credited to the Pledged Funds..., and (iii) *amounts transferred to the Revenue Fund from the Coverage Fund or [the] Facility Improvement Fund.*” [Italics added.]

Mr. J' Maine Chubb
December 29, 2021

Table 3

ESTIMATED RENTAL CAR TRANSACTION DAYS AND CFC REVENUES
Calendar Year 2021
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

Applicable Month	Actual or Projection	Expelled Passengers	% Change from 2019	Originating Passengers	% Change from 2019	Percent Originating	Transaction Days	% Change from 2019	Transaction Days per O.P.	% Change from 2019	CFC Rate		% Change from 2019	CFC Collections	% Change from 2019
											Jan-Mar	Apr-Dec			
											\$4.00				
											\$4.00				
Jan	Actual	721,876	-58.9%	402,346	-55.6%	55.7%	150,519	-52.8%	0.374	6.4%	\$602,076	-52.8%	\$563,824	-57.7%	
Feb	Actual	625,529	-60.9%	357,704	-57.2%	57.2%	139,660	-57.8%	0.390	-1.4%	\$558,640	-57.8%	\$602,076	-52.8%	
Mar	Actual	1,100,009	-44.2%	619,219	-42.2%	56.3%	219,611	-46.1%	0.355	-6.7%	\$878,444	-46.1%	\$558,640	-57.8%	
Apr	Actual	1,240,878	-33.0%	690,899	-31.6%	55.7%	259,207	-35.2%	0.375	-5.3%	\$1,036,829	-35.2%	\$878,444	-46.1%	
May	Actual	1,424,286	-28.8%	861,117	-26.2%	60.5%	291,383	-31.9%	0.338	-7.7%	\$1,165,582	-31.9%	\$1,036,829	-35.2%	
Jun	Actual	1,661,960	-19.9%	975,338	-19.9%	58.7%	277,719	-25.6%	0.285	-7.1%	\$1,110,876	-25.6%	\$1,165,582	-31.9%	
Jul	Actual	1,892,163	-10.1%	1,099,156	-11.2%	58.1%	285,384	-21.4%	0.260	-11.4%	\$1,141,536	-21.4%	\$1,110,876	-25.6%	
Aug	Actual	1,633,426	-15.9%	885,205	-20.7%	54.2%	277,276	-26.2%	0.313	-6.9%	\$1,109,103	-26.2%	\$1,141,536	-21.4%	
Sep	Actual	1,461,190	-10.7%	812,126	-13.1%	55.6%	230,817	-30.2%	0.284	-19.7%	\$923,268	-30.2%	\$1,109,103	-26.2%	
Oct	Actual	1,661,313	-12.7%	924,580	-13.4%	55.7%	278,610	-29.2%	0.301	-18.2%	\$1,114,438	-29.2%	\$923,268	-30.2%	
Nov	Estimate	1,600,000	-12.5%	880,000	-14.5%	55.0%	246,000	-32.4%	0.280	-20.8%	984,000	-32.4%	1,114,438	-29.2%	
Dec	Estimate	1,792,000	-12.5%	986,000	-14.4%	55.0%	256,000	-23.9%	0.260	-11.0%	1,024,000	-23.9%	984,000	-32.4%	
Total 2021		16,814,630	-23.3%	9,493,690	-20.5%	56.5%	2,912,186	-21.7%	0.307	-1.6%	11,649,000	-32.6%	11,189,000	-35.4%	
Prior Projection (Dec 2020)		11,383,000		6,699,000		55.0%	2,315,000		0.368		\$9,260,000		\$9,024,000		
Change from Projection		5,431,630	47.7%	2,794,690	41.7%		597,186	25.8%			2,389,000	25.8%	2,165,000	24.0%	

Source of actual (Jan-Oct) data: Houston Airport System

Therefore, amounts transferred from the Facility Improvement Fund to the Revenue Fund, for any reason, may be used to pay debt service and counted as Pledged Revenues for the purposes of debt service coverage.

In April 2020 HAS began making such transfers in the amount of \$1,250,000 a month. That practice continued throughout 2020. Beginning in January 2021 the monthly amount gradually reduced to \$1,000,000 a month and gradually reduced thereafter as the recovery in air traffic demand and CFC revenues continued:

**MONTHLY TRANSFERS FROM THE REVENUE FUND
TO THE FACILITY IMPROVEMENT FUND
Calendar Years 2020 and 2021**

	2020	2021
Jan	\$0	\$1,000,000
Feb	\$0	\$1,000,000
Mar	\$0	\$1,250,000
Apr	\$1,250,000	\$1,000,000
May	\$1,250,000	\$750,000
Jun	\$1,250,000	\$750,000
Jul	\$1,250,000	\$750,000
Aug	\$1,250,000	\$500,000
Sep	\$1,250,000	\$500,000
Oct	\$1,250,000	\$500,000
Nov	\$1,250,000	\$250,000
Dec	\$1,250,000	\$250,000
Total	\$11,250,000	\$8,500,000

Appendix A, at the end of this letter report, is a summary of transactions in the funds and accounts of the Consolidated Rental Car Facility enterprise for the first 11 months of 2021 and illustrates how HAS has continued implementing its business plan this year. Areas highlighted in green show transfers to and from the Facility Improvement Fund. Transfers *from* the Facility Improvement Fund to the Revenue Fund were made early in each month. Then, at the end of each month, the amount that CFC collections plus FIF transfers exceeded the cash flow requirements of the enterprise (including required debt service transfers) was transferred from the Revenue Fund *back to* the Facility Improvement Fund.

Availability of Funds for Upcoming Debt Service Payment

Projected CFC collections for November and December of 2021, together with (1) moneys currently available in the Debt Service Account and (2) projected transfers from the FIF in November and December, are projected to be more than sufficient to provide for the debt service payments coming due on January 2, 2022:

Funds Available for January 2, 2022 Debt Service Payment

Balance in Debt Service Fund - December 31, 2021	\$7,817,877
CFC Collections - November and December (estimated)	\$2,098,000
Transfers from the FIF - November and December	\$1,000,000
Total Funds Available	\$10,915,877

Debt Service Requirements--January 2, 2022

Remaining 2001 Bonds	
Principal	7,505,000
Interest	2,345,564
	<u>\$9,850,564</u>
2014 Refunding Bonds	
Principal	0
Interest	0
	<u>\$0</u>
Total Debt Service Payment--January 2, 2022	\$9,850,564

Trends in Transaction Days per Originating Passenger

Table 4 shows historical patterns in monthly transaction days per enplaned passenger for calendar years 2019, 2020 and year-to-date 2021, and projected monthly transaction days per originating passenger for the last two months of 2021 and all of calendar year 2022.

Assumptions regarding transaction days per originating passenger are the principal drivers of the projection of transaction days and, in turn, CFC revenues. Monthly transaction days per originating passenger fluctuated widely from historical patterns in the immediate aftermath of the pandemic (spring and summer of 2020) compared to 2019. But later in 2020 and for much of the first half of 2021 patterns returned more closely to historical levels. However, monthly transaction days per originating passenger have declined from historical patterns in the second half of 2021. This is likely attributable to a slower recovery in business travel compared to leisure travel in the Houston market. It is difficult to anticipate when or if business travel will recover to historical patterns. For the purposes of forecasting CFC revenues in 2022, it is assumed that the monthly transaction days per originating passenger in 2022 would be the same as in 2021, reflecting a continuation the relatively slower recovery of business travel.

Table 4

**Trends in Transaction Days per Originating Passenger
Rental Car Market**

George Bush Intercontinental Airport / Houston

	Actual			Projected 2022 <i>assume no change from actual 2021</i>
	2019	2020	2021	
Jan	0.352	0.345	0.374	0.374
Feb	0.396	0.386	0.390	0.390
Mar	0.380	0.425	0.355	0.355
Apr	0.396	1.099	0.375	0.375
May	0.367	0.795	0.338	0.338
Jun	0.307	0.680	0.285	0.285
Jul	0.293	0.381	0.260	0.260
Aug	0.336	0.356	0.313	0.313
Sep	0.354	0.363	0.284	0.284
Oct	0.368	0.376	0.301	0.301
Nov	0.354	0.314	0.280	0.280
Dec	0.292	0.277	0.260	0.260
Annual Average	0.347	0.385		0.315
Percent Change	11.3%	10.9%		0.0%

Projected CFC Revenues and Collections at the Current CFC Rate

Table 5, "Projection of Rental Car Transaction Days and CFC Revenues—Calendar Year 2022," extrapolates the historical relationships shown in Table 3 to produce a projection of CFC revenues and CFC collections for 2022 *assuming continuation of the current \$4.00 CFC Rate*. The forecast of CFC revenues is also based on the following key assumptions:

- Overall air traffic activity (passenger enplanements) would be 12.5% below 2019 (pre-COVID) levels for January through March, 10% below 2019 levels for April through June,, 7.5% below 2019 levels for July through September, and 5.0% below 2019 levels for October through December—reflecting both (1) continued gradual recovery from pandemic lows and (2) gradual abatement of the negative effects on traffic of the newer Delta and Omicron variants of the virus.
- Originating passengers would account for an historical average 55% of enplanements in 2022, the level achieved in October 2021.
- Monthly transaction days per originating passenger in 2022 would be the same as in 2021 and consistent with the seasonal patterns of the past year.

Assuming no change in the CFC rate, CFC *revenues* are projected to be \$14,724,000 and CFC *collections* are projected to be \$14,584,000 in 2022.

Although not shown in this report, based on the above assumptions the computed "breakeven" CFC rate for 2022 (the rate required to cover only debt service requirements and fund replenishments, without any supplemental transfers from the FIF) is **\$3.35**—less than the \$4.00 rate currently in place.

Recommended CFC Rate

In the past the rating services have expressed concern about frequent CFC rate changes on debt service coverage margins and perceived credit worthiness, and as a result HAS has pursued rate stability as a goal, even where moderate rate reductions or increases might otherwise be supportable. In addition, the current \$4.00 CFC rate exceeds the minimum "breakeven" rate.

Also, in the post-pandemic environment, HAS does not want to implement CFC rate increases that would increase the cost of renting a car and thereby be an impediment to recovery of rental car demand at the Airport.

Finally, HAS has kept the CFC rate at \$4.00 per transaction day in order to accumulate reserves in the Facility Improvement Fund for potential future Facility expansion. This has allowed HAS to maintain CFC rate stability and demonstrate debt service coverage margins well in excess of the minimum requirements of the Trust Indenture. The Operators and the Trustee have concurred with this policy. Those reserves are now available to help address the current market disruption without having to resort to increasing costs to rental car customers.

For these reasons, HAS has decided to *keep the current \$4.00 CFC rate in place in 2022*. I concur with this decision.

Table 5
PROJECTION OF RENTAL CAR TRANSACTION DAYS AND CFC REVENUES
Calendar Year 2022
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

2022	Assumptions:	2022		55.0%		Jan-Mar		Apr-Dec		CFC Rate					
		Applicable Month	Actual or Projection	Exploited Passengers	% Change from 2019	Originating Passengers	% Change from 2019	Percent Originating	Transaction Days	% Change from 2019	Transaction Days per O.P.	% Change from 2019	CFC Revenues	% Change from 2019	CFC Collections
Jan	Projection	1,754,000	-12.5%	965,000	55%	361,000	0.374	\$1,444,000	\$1,024,000			\$1,444,000			
Feb	Projection	1,400,000	-12.5%	770,000	55%	301,000	0.390	\$1,204,000	\$1,444,000			\$1,204,000			
Mar	Projection	1,725,000	-12.5%	949,000	55%	337,000	0.355	\$1,348,000	\$1,204,000			\$1,348,000			
Apr	Projection	1,666,000	-10.0%	916,000	55%	344,000	0.375	\$1,376,000	\$1,348,000			\$1,376,000			
May	Projection	1,801,000	-10.0%	991,000	55%	335,000	0.338	\$1,340,000	\$1,376,000			\$1,340,000			
Jun	Projection	1,868,000	-10.0%	1,027,000	55%	292,000	0.285	\$1,168,000	\$1,340,000			\$1,168,000			
Jul	Projection	1,948,000	-7.5%	1,071,000	55%	278,000	0.260	\$1,112,000	\$1,168,000			\$1,112,000			
Aug	Projection	1,797,000	-7.5%	988,000	55%	309,000	0.313	\$1,236,000	\$1,112,000			\$1,236,000			
Sep	Projection	1,514,000	-7.5%	833,000	55%	237,000	0.284	\$948,000	\$1,236,000			\$948,000			
Oct	Projection	1,807,000	-5.0%	994,000	55%	300,000	0.301	\$1,200,000	\$948,000			\$1,200,000			
Nov	Projection	1,920,000	5.0%	1,056,000	55%	296,000	0.280	\$1,184,000	\$1,200,000			\$1,184,000			
Dec	Projection	2,037,000	-0.5%	1,120,000	55%	291,000	0.260	\$1,164,000	\$1,184,000			\$1,164,000			
Total - 2022		21,237,000	-6.5%	11,680,000	55%	3,681,000	-17%	\$14,724,000	\$14,584,000	-9%	0.315	-17%	\$14,584,000	-17%	

Given the extent of the market recovery since the depths of the market recession in 2020 and the further gradual recovery anticipated in 2022, *the amount of the monthly transfers from the FIF could be eliminated in 2022 while still ensuring debt service payments are made as required.* However HAS has decided to continue to (1) make monthly transfers of \$500,000 for the first six months of 2022 as a matter of caution and to maintain debt service coverage margins consistent with recent history, and (2) review the situation in June 2022 to determine if any further adjustment, up or down, to the monthly transfer amount is warranted. *For the purposes of the 2022 projections in this report, it is assumed the \$500,000 monthly transfers from the FIF to the Revenue Fund would continue for the entire year.*

Assuming no change in the CFC rate, projected monthly CFC collections in 2022 are summarized in Table 6 below:

Table 6

PROJECTED CFC COLLECTIONS
Calendar Year 2022

George Bush Intercontinental Airport / Houston

	Projected CFC Collections		
	100.0%	90.0%	80.0%
January	\$1,024,000	\$921,600	\$819,200
February	1,444,000	1,299,600	1,155,200
March	1,204,000	1,083,600	963,200
April	1,348,000	1,213,200	1,078,400
May	1,376,000	1,238,400	1,100,800
June	1,340,000	1,206,000	1,072,000
July	1,168,000	1,051,200	934,400
August	1,112,000	1,000,800	889,600
September	1,236,000	1,112,400	988,800
October	948,000	853,200	758,400
November	1,200,000	1,080,000	960,000
December	1,184,000	1,065,600	947,200
Total	\$14,584,000	\$13,125,600	\$11,667,200

Operating Cash Flow

Table 7 below on the following page shows projected operating cash flow associated with the Consolidated Rental Car Facility in 2021 and 2022 *assuming continuation of the current \$4.00 CFC rate in 2021.*

Table 7

PROJECTED ANNUAL CFC REQUIREMENT AND CASH FLOWS
For Calendar Years Ending December 31
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

		Estimated 2021	Projected 2022
<i>CFC Rate:</i>	<i>Jan-Mar</i>	\$4.00	\$4.00
	<i>Apr-Dec</i>	\$4.00	\$4.00
Projected CFC Collections (from Tables 3 and 5)		\$11,189,000	\$14,584,000
Transfers from CFC Rate Stabilization Account		0	0
Transfers from Facility Improvement Fund			
	<i>Amount of monthly transfer:</i>	<i>various</i>	\$500,000
	<i>Months of transfers:</i>	<i>Jan-Dec</i>	<i>Jan-Dec</i>
	<i>Total amount transferred:</i>	A 8,500,000	6,000,000
Investment Income		2,000	10,000
Total Revenues and Transfers		\$19,691,000	\$20,594,000
Replenish Administrative Costs Account (to \$48,000)		0	48,000
Replenish CFC Rate Stabilization Account (to \$300,000)		0	0
Transfers to Debt Service Fund			
Principal		7,505,000	8,165,000
Interest		4,691,128	4,175,000
		<u>\$12,196,128</u>	<u>\$12,340,000</u>
Total Requirement		<u>\$12,196,128</u>	<u>\$12,388,000</u>
Projected surplus @ proposed CFC rate (= estimated transfers back to Facility Improvement Fund)	B	<u>\$7,494,872</u>	<u>\$8,206,000</u>
Net Transfers from the FIF (subsidy)	A - B	\$1,005,128	
Net Transfers to the FIF (surplus)			\$2,206,000

In 2021, CFC collections, together with planned monthly transfers from the FIF and other available resources, are projected to be sufficient to cover all the funding requirements under the Trust Indenture and generate a projected surplus cash flow of \$8.0 million. In 2022, CFC collections, without *any* additional transfers from the FIF, would cover all funding requirements and generate a projected surplus of \$2.2 million. However, while COVID concerns linger and the prognosis for the air traffic market remains somewhat uncertain, HAS plans transfer \$500,000 a month from the FIF to the Revenue Fund to supplement CFC Revenues in 2022.

Other Capital Needs

HAS and the Operators have developed a four-year (2022-2025) capital improvement program for the Facility. In addition, certain other projects are currently in progress or completed in 2021. These capital projects are summarized in Table 8 below. The total cost of these projects is estimated by HAS to be approximately \$9.9 million over the five-year period, 2021-2025. All of these projects are anticipated to be funded from the Facility Improvement Fund (internally generated cash flow).

Table 8

2021 - 2025 CAPITAL IMPROVEMENTS
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston

Project	Actual 2021 and Prior	Projected				2021-2025 Total
		2022	2023	2024	2025	
Projects in Process or Completed in 2021						
Vehicular Wayfinder Signage	\$392,305					\$392,305
Emergency Back-up Generators	1,457,106	1,954,179				3,411,285
	\$1,849,411	\$1,954,179	\$0	\$0	\$0	\$3,803,590
Projects Planned for 2022-2025						
Fire Alarm Panel Replacement		92,200				92,200
CSB Lobby Wood Laminate Refurbishment		405,874				405,874
Light Pole Lamp Replacement to LED Fixtures		106,000				106,000
Roadway Expansion Joint Replacement		526,331				526,331
CSB Bus Level Window Tinting		26,500				26,500
CSB Lobby Directional Signage Modification		7,420				7,420
ADA Permanent Handicap Ramp		189,104				189,104
CSB Lobby Seating		37,100				37,100
Bus/Vehicle Safety Barrier Wall (design)		53,000				53,000
Bus Level Entrance Upgrade		53,000				53,000
CSB and BMF Roof Replacement			780,633			780,633
BAS Controls Replacement			78,440			78,440
CSB Exterior Landscaping and Drainage Imps			265,000			265,000
CSB Terrazzo Floor Repair						0
Chiller Replacement			299,450			299,450
CSB Bathroom Renovations			291,500			291,500
Garage Metal Roof Restoration				2,868,808		2,868,808
	\$0	\$1,496,529	\$1,715,023	\$2,868,808	\$0	\$6,080,360
Total	\$1,849,411	\$3,450,708	\$1,715,023	\$2,868,808	\$0	\$9,883,950

Source: CBRE (Rental Car Center facility operator) and Houston Airport System.

One major project that will be completed in early 2022 is the installation of an emergency standby power system. By the spring of 2022 HAS management expects this new system will enable and ensure normal business continuity in adverse weather situations.

The balance in the Facility Improvement Fund (FIF) as of October 31, 2021 (approximately \$40.9 million) is more than sufficient to fund the currently anticipated capital needs of the Facility including the 2021-2025 capital improvement program.

HAS has set aside \$132,000 in the Administrative Costs Account to fund a planning study of long-term Facility expansion needs. The study, which should define the wide-ranging parameters of future Facility needs and costs, is expected to be completed by the end of 2021. HAS managements reports that the study should show that the Facility is adequate in size and capacity to accommodate projected growth for the next 10 years.

Status of the Facility Improvement Fund

As of October 31, 2021 the balance in the FIF was \$40.9 million. These funds represent moneys available for planned capital projects and for capital improvements, contingencies, debt retirement, or, if needed, rate stabilization.

Table 9 shows the projected flows in the FIF in 2021 and 2022. The balance in the FIF is projected to be approximately \$ million at the end of 2020 and \$ million at the end of 2021.

Table 9

PROJECTED CASH FLOWS IN THE FACILITY IMPROVEMENT FUND
Consolidated Rental Car Facility
George Bush Intercontinental Airport / Houston
For Years Ending December 31

	10 Mos YTD 2021	Estimated 2021	Projected 2022
Facility Improvement Fund (FIF)			
Beginning balance	\$42,843,482	\$42,843,482	\$40,384,000
Transfers out (to Revenue Fund)	(8,000,000)	(8,500,000)	(6,000,000)
Transfers in (from Revenue Fund)	7,032,720	7,381,055	8,206,000
Capital Expenditures	(969,612)	(1,350,922)	(1,497,000)
Investment income	8,728	10,504	10,000
Ending Balance	<u>\$40,915,318</u>	<u>\$40,384,119</u>	<u>\$41,103,000</u>

Actual as of 10/31/21

\$40,915,318

per Trustee Statement

Other Account Balances

Under the Trust Indenture, two accounts were established in the Project Fund: the *Operators Account* used to construct the Operators' maintenance and storage facilities (referred to as the Operators Projects), and the *City Account* used to construct the site infrastructure, central facility, and rental car garage (referred to as the City Project). Both of these Projects are complete and the accounts have been closed out.

Projected Debt Service Coverage

Table 10 shows the calculation of debt service coverage on the 2001 Bonds and 2014 Refunding Bonds for actual 2019, actual 2020, estimated 2021, and projected 2022.

Pledged Revenues include CFC collections, investment income on certain funds and accounts, and transfers from the Rate Stabilization Account (if any), the Coverage Account and the Facility Improvement Fund.²

Table 10

CALCULATION OF DEBT SERVICE COVERAGE

Consolidated Rental Car Facility

George Bush Intercontinental Airport / Houston

For Years Ending December 31

<u>CFC Rate:</u>	Jan - Mar	\$4.00	\$4.00	\$0.00	\$4.00
	Apr - Dec	\$4.00	\$4.00	\$0.00	\$4.00
		Actual 2019	Actual 2020	Estimated 2021	Projected 2022
CFC Collections		\$17,615,283	\$8,864,373	\$11,189,000	\$14,584,000
Investment Income		167,458	36,808	2,000	10,000
Transfers from Facility Improvement Fund		0	11,250,000	8,500,000	6,000,000
Transfers from Rate Stabilization Account		0	0	0	0
Transfers from Coverage Account		3,169,143	3,169,143	3,169,000	3,169,000
Total Resources available for Debt Service	A	\$20,951,884	\$23,320,323	\$22,860,000	\$23,763,000
Total Annual Debt Service ¹					
2001 Bonds		\$4,691,128	\$4,691,128	\$12,196,128	\$12,340,000
2014 Refunding Bonds		\$6,306,534	\$6,426,389	\$0	\$0
	B	\$10,997,662	\$11,117,517	\$12,196,128	\$12,340,000
Debt Service Coverage Ratio	A / B	1.91	2.10	1.87	1.93

1. Debt service is shown on an accrual basis. For example, 2021 debt service equals the sum of the July 2, 2021 and January 2, 2022 interest and principal payments.

² Note, in 2020 investment performance deteriorated significantly as short-term market interest rates dropped to nearly 0%.

The Trust Indenture requires that Pledged Revenues provide at least 1.25x coverage of debt service each year. Debt service coverage is projected to be **1.87x in 2021** (based on extrapolating 10 months year-to-date actual results) and **1.93x in 2022**—ratios that substantially exceed the 1.25x Trust Indenture requirement.

* * * *

Conclusions

1. HAS has implemented an effective strategy to mitigate the financial risks occasioned by the recent significant reduction of air traffic and rental car demand at the Airport occasioned by the COVID-19 pandemic that begun in the spring of 2020. Transferring funds from the FIF to the Revenue Fund to cover debt service requirements is permitted under the Trust Indenture and, when the Trust Indenture was written, was anticipated as a mechanism to address unexpected contingencies. Such transfers can be counted as Pledged Revenues for the purposes of cash flow needs and debt service coverage calculations.
2. The recovery in the Houston air traffic market and rental car demand has been dramatic in 2021—much greater than what had been predicted at the beginning of the year.
3. Technically, monthly transfers from the FIF to the Revenue Fund to supplement CFC revenues are no longer needed in 2022. But HAS plans to continue the practice, transferring \$500,000 a month, as a matter of caution and to enhance debt service coverage margins, all while leaving the CFC rate at the current \$4.00 per transaction day.
4. The balance of funds in the FIF (over \$40 million) should be more than sufficient to allow HAS to address any remaining financial uncertainties occasioned by the COVID-19 pandemic over the next few years.

Recommendations

Based on the foregoing, I concur with HAS's decision to leave the CFC rate at the current \$4.00 per transaction day and to continue to transfer \$500,000 a month from the FIF to the Revenue Fund in 2022.

Respectfully submitted,



Roger H. Bates

Appendix A
SUMMARY OF FLOW OF FUNDS AND PAYMENT OF DEBT SERVICE
2021

Acct #	413794	413796	413800	413809	413813	413810
	Revenue Fund	Debt Service Fund	Coverage Fund	Admin Cost Fund	Rate Stab Fund	Facility Imp Fund
Opening balance January 1, 2021	\$0	\$8,678,780	\$3,169,143	\$151,620	\$300,000	\$42,843,482
January 2 debt service payment		(\$8,678,758)				
Remaining balance	\$0	\$22	\$3,169,143	\$151,620	\$300,000	\$42,843,482
January						
CFC Collections received from Operators	\$654,524					
Investment earnings	\$9	\$102	\$42	\$2	\$4	\$562
Transfer to Revenue Fund	\$180	(\$123)	(\$42)	(\$2)	(\$4)	
Transfer to Revenue Fund	\$3,169,143		(\$3,169,143)			
Transfer to Coverage Fund	(\$3,169,143)		\$3,169,143			
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Jan transfer</i>			
Transfer to Admin Costs Fund	\$0					
Transfer from FIF	\$1,000,000					(\$1,000,000)
Transfer to FIF	(\$638,369)					\$638,369
Other payments and transfers				(\$13,500)		
Ending balance 1/31/21	\$0	\$1,016,345	\$3,169,143	\$138,120	\$300,000	\$42,482,413
February						
CFC Collections received from Operators	\$615,728					
Investment earnings	\$49	\$6	\$9	\$2	\$5	\$641
Transfer to Revenue Fund	\$22	(\$6)	(\$9)	(\$2)	(\$5)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Feb transfer</i>			
Transfer from FIF	\$1,000,000					(\$1,000,000)
Transfer to FIF	(\$599,455)					\$599,455
Other payments and transfers				(\$3,600)		(\$88,639)
Ending balance 2/28/21	\$0	\$2,032,689	\$3,169,143	\$134,520	\$300,000	\$41,993,870
March						
CFC Collections received from Operators	\$558,640					
Investment earnings	\$9	\$26	\$71	\$3	\$7	\$951
Transfer to Revenue Fund	\$107	(\$26)	(\$71)	(\$3)	(\$7)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Mar transfer</i>			
Transfer from FIF	\$1,250,000					(\$1,250,000)
Transfer to FIF	(\$711,168)			(\$27,426)		\$738,594
Other payments and transfers				(\$5,300)		(\$124,175)
Ending balance 3/31/21	\$81,244	\$3,049,033	\$3,169,143	\$101,794	\$300,000	\$41,359,240
April						
CFC Collections received from Operators	\$878,444					
Investment earnings	\$17	\$62	\$95	\$4	\$9	\$1,245
Transfer to Revenue Fund	\$169	(\$61)	(\$95)	(\$4)	(\$9)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Apr transfer</i>			
Transfer from FIF	\$1,000,000					(\$1,000,000)
Transfer to FIF	(\$943,531)					\$943,531
Other payments and transfers	\$4			(\$3,740)		(\$29,300)
Ending balance 4/30/21	\$4	\$4,065,377	\$3,169,143	\$98,054	\$300,000	\$41,274,716
May						
CFC Collections received from Operators	\$911,732					
Investment earnings	\$23	\$86	\$89	\$3	\$8	\$1,149
Transfer to Revenue Fund	\$186	(\$86)	(\$89)	(\$3)	(\$8)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>May transfer</i>			
Transfer from FIF	\$750,000					(\$750,000)
Transfer to FIF	(\$645,598)					\$645,598
Other payments and transfers						(\$16,093)
Ending balance 5/31/21	\$4	\$5,081,721	\$3,169,143	\$98,054	\$300,000	\$41,155,370
June						
CFC Collections received from Operators	\$1,290,629					
Investment earnings	\$11	\$90	\$69	\$2	\$6	\$875
Transfer to Revenue Fund	\$167	(\$90)	(\$69)	(\$2)	(\$6)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Jun transfer</i>			
Transfer from FIF	\$750,000					(\$750,000)
Transfer to FIF	(\$1,024,461)					\$1,024,461
Other payments and transfers						(\$71,744)
Ending balance 6/30/21	\$8	\$6,098,065	\$3,169,143	\$98,054	\$300,000	\$41,358,962
July 2 debt service payment		\$2,438,758				
Amount accrued toward January 2 principal payment		\$3,120,000				

	413794	413796	413800	413809	413813	413810
	Revenue Fund	Debt Service Fund	Coverage Fund	Admin Cost Fund	Rate Stab Fund	Facility Imp Fund
July						
CFC Collections received from Operators	\$1,110,865					
Investment earnings	\$18	\$89	\$55	\$2	\$5	\$706
Transfer to Revenue Fund	\$151	(\$89)	(\$55)	(\$2)	(\$5)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Jul transfer</i>			
Transfer from FIF	\$750,000					(\$750,000)
Transfer to FIF	(\$844,701)					\$844,701
Other payments and transfers	\$11	(\$2,345,564)	<i>July 2 int payment</i>			
Ending balance 7/31/21	\$8	\$4,768,845	\$3,169,143	\$98,054	\$300,000	\$41,454,369
August						
CFC Collections received from Operators	\$1,141,536					
Investment earnings	\$16	\$81	\$68	\$2	\$6	\$876
Transfer to Revenue Fund	\$157	(\$81)	(\$68)	(\$2)	(\$6)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Aug transfer</i>			
Transfer from FIF	\$500,000					(\$500,000)
Transfer to FIF	(\$625,365)					\$625,365
Other payments and transfers				(\$31,165)		(\$421,334)
Ending balance 8/31/21	\$8	\$5,785,189	\$3,169,143	\$66,889	\$300,000	\$41,159,276
September						
CFC Collections received from Operators	\$1,109,103					
Investment earnings	\$15	\$102	\$68	\$2	\$6	\$873
Transfer to Revenue Fund	\$178	(\$102)	(\$68)	(\$2)	(\$6)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Sep transfer</i>			
Transfer from FIF	\$500,000					(\$500,000)
Transfer to FIF	(\$592,953)					\$592,953
Other payments and transfers				(\$1,869)		(\$426)
Ending balance 9/30/21	\$8	\$6,801,533	\$3,169,143	\$65,020	\$300,000	\$41,252,676
October						
CFC Collections received from Operators	\$923,259					
Investment earnings	\$10	\$120	\$65	\$1	\$6	\$849
Transfer to Revenue Fund	\$192	(\$120)	(\$65)	(\$1)	(\$6)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Oct transfer</i>			
Transfer from FIF	\$500,000					(\$500,000)
Transfer to FIF	(\$407,119)					\$407,119
Other payments and transfers				(\$1,870)		(\$245,326)
Ending balance 10/31/21	\$8	\$7,817,877	\$3,169,143	\$63,150	\$300,000	\$40,915,318
November						
CFC Collections received from Operators	\$1,114,446					
Investment earnings	\$11	\$147	\$68	\$1	\$6	\$876
Transfer to Revenue Fund	\$222	(\$147)	(\$68)	(\$1)	(\$6)	
Transfer to Debt Service Fund	(\$1,016,344)	\$1,016,344	<i>Nov transfer</i>			
Transfer from FIF	\$250,000					(\$250,000)
Transfer to FIF	(\$348,336)					\$348,336
Other payments and transfers				(\$4,200)		(\$381,310)
Ending balance 11/30/21	\$0	\$8,834,221	\$3,169,143	\$58,950	\$300,000	\$40,633,219
December						
CFC Collections received from Operators						
Investment earnings						
Transfer to Revenue Fund						
Transfer to Debt Service Fund						
Transfer from FIF						
Transfer to FIF						
Other payments and transfers						
Ending balance 12/31/21						
January 2 debt service payment						
Amount accrued toward January 2 debt service payment						