

Port of Houston Authority
Income Statement
Current Month Actual vs. Prior Year
(\$ in thousands)

	August			
	Unaudited	Audited	Δ	%
	2016	2015		
Operating Revenues				
Container Terminals	\$ 18,148	\$ 17,082	\$ 1,066	6
Turning Basin Terminals	3,948	4,548	(600)	(13)
Bulk	401	401	-	-
Leases	565	595	(30)	(5)
Other	935	881	54	6
Total Operating Revenues	<u>23,997</u>	<u>23,507</u>	<u>490</u>	<u>2</u>
Operating Expenses				
Container Terminals	8,003	7,328	675	9
Turning Basin Terminals	2,295	1,382	913	66
Bulk	31	20	11	55
Leases	135	20	115	575
Other	1,087	1,014	73	7
Pension and Other Retirement Benefits	471	442	29	7
Depreciation and Amortization	5,007	4,704	303	6
Total Operating Expenses	<u>17,029</u>	<u>14,910</u>	<u>2,119</u>	<u>14</u>
Operating Income	6,968	8,597	(1,629)	19
General & Administrative Expenses				
G&A Expenses	3,102	3,686	(584)	(16)
Pension and Other Retirement Benefits	343	346	(3)	(1)
Depreciation	284	231	53	23
Total G&A Expenses	<u>3,729</u>	<u>4,263</u>	<u>(534)</u>	<u>(13)</u>
Net Operating Income	3,239	4,334	(1,095)	(25)
Nonoperating Revenues (Expenses)	416	334	82	25
Income before Contributions	<u>3,655</u>	<u>4,668</u>	<u>(1,013)</u>	<u>(22)</u>
Contributions (to)/from Federal/State Agencies	(207)	-	(207)	(100)
Net Income	<u>\$ 3,448</u>	<u>\$ 4,668</u>	<u>\$ (1,220)</u>	<u>(26)</u>
Pro forma Cash Flow				
Net Income	\$ 3,448	\$ 4,668	\$ (1,220)	(26)
Add Depreciation and Amortization	5,291	4,935	356	7
Adjust for non cash items	89	-	89	100
Pro forma Cash Flow	<u>\$ 8,828</u>	<u>\$ 9,603</u>	<u>\$ (775)</u>	<u>(8)</u>

These unaudited financial statements are prepared by the Port of Houston Authority ("Authority") and made available on its website (www.portofhouston.com). Please note that the balance sheet includes all outstanding tax bonds issued by the Authority as liabilities, however, the income statement does not reflect any tax revenues or debt service payments related to the Authority's tax bonds.

Port of Houston Authority
Income Statement
Year to Date Actual vs. Prior Year
(\$ in thousands)

	August						
	Unaudited	Audited	Δ	%	August	2016 vs	%
	2016	2015			2014	2014	
Operating Revenues							
Container Terminals	\$ 139,922	\$ 136,150	\$ 3,772	3	\$ 112,010	\$ 27,912	25
Turning Basin Terminals	34,098	45,627	(11,529)	(25)	43,863	(9,765)	(22)
Bulk	3,496	3,630	(134)	(4)	4,203	(707)	(17)
Leases	4,646	4,619	27	1	4,509	137	3
Other	9,394	9,908	(514)	(5)	8,410	984	12
Total Operating Revenues	<u>191,556</u>	<u>199,934</u>	<u>(8,378)</u>	<u>(4)</u>	<u>172,995</u>	<u>18,561</u>	<u>11</u>
Operating Expenses							
Container Terminals	59,243	53,631	5,612	10	47,387	11,856	25
Turning Basin Terminals	12,641	12,440	201	2	11,093	1,548	14
Bulk	215	205	10	5	180	35	19
Leases	177	261	(84)	(32)	121	56	46
Other	10,206	10,644	(438)	(4)	9,409	797	8
Pension and Other Retirement Benefits	3,557	3,507	50	1	4,348	(791)	(18)
Depreciation and Amortization	40,108	37,321	2,787	7	35,614	4,494	13
Total Operating Expenses	<u>126,147</u>	<u>118,009</u>	<u>8,138</u>	<u>7</u>	<u>108,152</u>	<u>17,995</u>	<u>17</u>
Operating Income	65,409	81,925	(16,516)	(20)	64,843	566	1
General & Administrative Expenses							
G&A Expenses	25,068	25,122	(54)	-	23,424	1,644	7
Pension and Other Retirement Benefits	2,920	2,761	159	6	3,411	(491)	(14)
Depreciation	2,240	1,887	353	19	1,789	451	25
Total G&A Expenses	<u>30,228</u>	<u>29,770</u>	<u>458</u>	<u>2</u>	<u>28,624</u>	<u>1,604</u>	<u>6</u>
Net Operating Income	35,181	52,155	(16,974)	(33)	36,219	(1,038)	(3)
Nonoperating Revenues (Expenses)	9,884	3,851	6,033	157	5,911	3,973	67
Income before Contributions	45,065	56,006	(10,941)	(20)	42,130	2,935	7
Contributions (to)/from Federal/State Agencies	(1,332)	11	(1,343)	(100)	1,212	(2,544)	(100)
Net Income	<u>\$ 43,733</u>	<u>\$ 56,017</u>	<u>\$ (12,284)</u>	<u>(22)</u>	<u>\$ 43,342</u>	<u>\$ 391</u>	<u>1</u>
Pro forma Cash Flow							
Net Income	\$ 43,733	\$ 56,017	(12,284)	(22)	\$ 43,342	\$ 391	1
Add Depreciation and Amortization	42,348	39,208	3,140	8	37,403	4,945	13
Adjust for non cash items	(5,745)	(1,124)	(4,621)	(100)	(2,534)	(3,211)	100
Pro forma Cash Flow	<u>\$ 80,336</u>	<u>\$ 94,101</u>	<u>\$ (13,765)</u>	<u>(15)</u>	<u>\$ 78,211</u>	<u>\$ 2,125</u>	<u>3</u>

Port of Houston Authority

Balance Sheet

(\$ in thousands)

	Unaudited August 31, 2016	Audited December 31, 2015
Current Assets		
Cash & Cash Equivalents	\$ 37,844	\$ 59,894
Short-Term Investments	291,336	225,710
Trade Accounts & Other Receivables	29,493	30,318
Other	3,571	3,262
Total Current Assets	<u>362,244</u>	<u>319,184</u>
Restricted Assets	<u>74,440</u>	<u>55,207</u>
Property		
Land, Facilities & Equipment	2,198,008	2,186,661
CIP	171,629	85,386
Accumulated Depreciation	(807,272)	(766,411)
Property, Net	<u>1,562,365</u>	<u>1,505,636</u>
Long-Term Investments	<u>76,255</u>	<u>136,580</u>
Other Assets		
Industrial Agreements	2,209	2,442
Other	4,582	4,865
Total Other Assets	<u>6,791</u>	<u>7,307</u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	11,642	11,642
Deferred loss on bond refunding	5,707	6,624
Total Deferred Outflows of Resources	<u>17,349</u>	<u>18,266</u>
Total Assets and deferred outflows of resources	<u>\$ 2,099,444</u>	<u>\$ 2,042,180</u>

**Port of Houston Authority
Balance Sheet**

(\$ in thousands)

	Unaudited August 31, 2016	Audited December 31, 2015
Current Liabilities		
Accounts Payable	\$ 3,280	\$ 11,633
Other Current Liabilities	26,727	23,627
Total Current Liabilities	30,007	35,260
Current Liabilities (Restricted Assets)		
Current Maturities of Long-Term Debt	16,275	16,275
Accrued Interest Payable	14,022	8,690
Total Restricted Current Liabilities	30,297	24,965
Long-Term Debt, net of Current Maturities	698,784	701,357
Other Non-Current Liabilities		
Accrued Vacation and Sick Leave	6,599	5,435
OPEB Obligation	21,943	21,776
Net Pension Liability	5,061	5,061
Other	25,936	24,742
Total Other Non-Current Liabilities	59,539	57,014
TOTAL LIABILITIES	818,627	818,596
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	3,973	3,973
Deferred gain on bond refunding	266	261
Total Deferred Inflows of Resources	4,199	4,234
Commitments and Contingencies	-	-
Net position		
Invested in Capital Assets, net of debt	852,787	794,075
Restricted for Debt Service	53,428	41,853
Unrestricted Net Assets	370,403	383,422
Total Net Position	1,276,618	1,219,350
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,099,444	\$ 2,042,180