

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

	October		Δ	%
	Unaudited 2016	Audited 2015		
Operating Revenues				
Container Terminals	\$ 18,226	\$ 16,437	\$ 1,789	11
Turning Basin Terminals	3,960	3,938	22	1
Bulk	396	613	(217)	(35)
Leases	612	617	(5)	(1)
Other	905	1,021	(116)	(11)
Total Operating Revenues	<u>24,099</u>	<u>22,626</u>	<u>1,473</u>	<u>7</u>
Operating Expenses				
Container Terminals	7,443	6,613	830	13
Turning Basin Terminals	1,684	1,768	(84)	(5)
Bulk	18	21	(3)	(14)
Leases	2	17	(15)	(88)
Other	849	996	(147)	(15)
Pension and Other Retirement Benefits	479	431	48	11
Depreciation and Amortization	5,285	4,778	507	11
Total Operating Expenses	<u>15,760</u>	<u>14,624</u>	<u>1,136</u>	<u>8</u>
Operating Income	8,339	8,002	337	4
General & Administrative Expenses				
G&A Expenses	3,269	3,151	118	4
Pension and Other Retirement Benefits	349	337	12	4
Depreciation	270	241	29	12
Total G&A Expenses	<u>3,888</u>	<u>3,729</u>	<u>159</u>	<u>4</u>
Net Operating Income	4,451	4,273	178	4
Nonoperating Revenues (Expenses)	163	205	(42)	(20)
Income before Contributions	4,614	4,478	136	3
Contributions (to)/from Federal/State Agencies	121	(1,682)	1,803	100
Net Income	<u>\$ 4,735</u>	<u>\$ 2,796</u>	<u>\$ 1,939</u>	<u>69</u>
Pro forma Cash Flow				
Net Income	\$ 4,735	\$ 2,796	\$ 1,939	69
Add Depreciation and Amortization	5,555	5,019	536	11
Adjust for non cash items	-	-	-	-
Pro forma Cash Flow	<u>\$ 10,290</u>	<u>\$ 7,815</u>	<u>\$ 2,475</u>	<u>32</u>

These unaudited financial statements are prepared by the Port of Houston Authority ("Authority") and made available on its website (porthouston.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)

	October										
	Unaudited	Audited	Δ	%					October	2016 vs	%
	2016	2015							2014	2014	
Operating Revenues											
Container Terminals	\$ 176,585	\$ 169,524	\$ 7,061	4		\$ 142,186	\$ 34,399	24			
Turning Basin Terminals	41,973	53,920	(11,947)	(22)		54,868	(12,895)	(24)			
Bulk	4,309	4,673	(364)	(8)		5,222	(913)	(17)			
Leases	5,833	5,834	(1)	-		5,557	276	5			
Other	11,175	11,881	(706)	(6)		10,062	1,113	11			
Total Operating Revenues	<u>239,875</u>	<u>245,832</u>	<u>(5,957)</u>	<u>(2)</u>		<u>217,895</u>	<u>21,980</u>	<u>10</u>			
Operating Expenses											
Container Terminals	74,048	67,211	6,837	10		58,840	15,208	26			
Turning Basin Terminals	15,888	15,681	207	1		14,454	1,434	10			
Bulk	262	249	13	5		227	35	15			
Leases	207	287	(80)	(28)		93	114	123			
Other	12,161	12,663	(502)	(4)		12,285	(124)	(1)			
Pension and Other Retirement Benefits	4,507	4,383	124	3		5,429	(922)	(17)			
Depreciation and Amortization	50,385	47,114	3,271	7		44,949	5,436	12			
Total Operating Expenses	<u>157,458</u>	<u>147,588</u>	<u>9,870</u>	<u>7</u>		<u>136,277</u>	<u>21,181</u>	<u>16</u>			
Operating Income	82,417	98,244	(15,827)	(16)		81,618	799	1			
General & Administrative Expenses											
G&A Expenses	31,268	31,445	(177)	(1)		29,786	1,482	5			
Pension and Other Retirement Benefits	3,611	3,446	165	5		4,281	(670)	(16)			
Depreciation	2,788	2,379	409	17		2,236	552	25			
Total G&A Expenses	<u>37,667</u>	<u>37,270</u>	<u>397</u>	<u>1</u>		<u>36,303</u>	<u>1,364</u>	<u>4</u>			
Net Operating Income	44,750	60,974	(16,224)	(27)		45,315	(565)	(1)			
Nonoperating Revenues (Expenses)	10,301	4,431	5,870	100		6,675	3,626	54			
Income before Contributions	<u>55,051</u>	<u>65,405</u>	<u>(10,354)</u>	<u>(16)</u>		<u>51,990</u>	<u>3,061</u>	<u>6</u>			
Contributions (to)/from Federal/State Agencies	(886)	(1,883)	997	(100)		1,630	(2,516)	(100)			
Net Income	<u>\$ 54,165</u>	<u>\$ 63,522</u>	<u>\$ (9,357)</u>	<u>(15)</u>		<u>\$ 53,620</u>	<u>\$ 545</u>	<u>1</u>			
Pro forma Cash Flow											
Net Income	\$ 54,165	\$ 63,522	\$ (9,357)	(15)		\$ 53,620	\$ 545	1			
Add Depreciation and Amortization	53,173	49,493	3,680	7		47,185	5,988	13			
Adjust for non cash items	(5,645)	(1,454)	(4,191)	(100)		(5,645)	(5,645)	100			
Pro forma Cash Flow	<u>\$ 101,693</u>	<u>\$ 111,561</u>	<u>\$ (9,868)</u>	<u>(9)</u>		<u>\$ 100,805</u>	<u>\$ 888</u>	<u>1</u>			

Port of Houston Authority

Balance Sheet

(\$ in thousands)

	Unaudited October 31, 2016	Audited December 31, 2015
Current Assets		
Cash & Cash Equivalents	\$ 40,166	\$ 59,894
Short-Term Investments	284,086	225,710
Trade Accounts & Other Receivables	28,412	30,318
Other	2,681	3,262
Total Current Assets	<u>355,345</u>	<u>319,184</u>
Restricted Assets	<u>49,981</u>	<u>55,207</u>
Property		
Land, Facilities & Equipment	2,204,925	2,186,661
CIP	193,903	85,386
Accumulated Depreciation	(817,768)	(766,411)
Property, Net	<u>1,581,060</u>	<u>1,505,636</u>
Long-Term Investments	<u>75,961</u>	<u>136,580</u>
Other Assets		
Industrial Agreements	2,151	2,442
Other	4,640	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	5,453	6,624
Total Deferred Outflows of Resources	<u>17,095</u>	<u>18,266</u>
Total Assets and deferred outflows of resources	<u>\$ 2,086,233</u>	<u>\$ 2,042,180</u>

**Port of Houston Authority
Balance Sheet**

(\$ in thousands)

	Unaudited October 31, 2016	Audited December 31, 2015
Current Liabilities		
Accounts Payable	\$ 2,586	\$ 11,633
Other Current Liabilities	25,822	23,627
Total Current Liabilities	28,408	35,260
Current Liabilities (Restricted Assets)		
Current Maturities of Long-Term Debt	19,165	16,275
Accrued Interest Payable	2,369	8,690
Total Restricted Current Liabilities	21,534	24,965
Long-Term Debt, net of Current Maturities	678,899	701,357
Other Non-Current Liabilities		
Accrued Vacation and Sick Leave	6,098	5,435
OPEB Obligation	21,209	21,776
Net Pension Liability	5,061	5,061
Other	30,172	24,742
Total Other Non-Current Liabilities	62,540	57,014
TOTAL LIABILITIES	791,381	818,596
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	3,973	3,973
Deferred gain on bond refunding	217	261
Total Deferred Inflows of Resources	4,190	4,234
Commitments and Contingencies	-	-
Net position		
Invested in Capital Assets, net of debt	888,232	794,075
Restricted for Debt Service	40,548	41,853
Unrestricted Net Assets	361,882	383,422
Total Net Position	1,290,662	1,219,350
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,086,233	\$ 2,042,180