



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXAS™

April 26, 2017

Municipal Securities Rulemaking Board

Financial Disclosure for posting on the EMMA system

DISCLAIMERS

Information on Website

Port of Houston Authority of Harris County, Texas (“Port Houston”) makes available on its website a great deal of information as part of its commitment to financial transparency. This includes audited and unaudited financial statements, check registers, operating and capital budgets, investment policies and reports, pension valuation and performance reports, tonnage statistics, as well as information on outstanding debt, scheduled debt service payments and property tax rates.

Port Houston does not undertake to continuously update materials posted on its site. Such information is subject to change without notice and no one shall assume from the availability of this website and the information therein that the business and programs of Port Houston have not changed since the date of such information.

<http://porthouston.com>

<http://porthouston.com/portweb/financial-transparency/>

Governing Statutes

As an independent, political subdivision of the State of Texas, operating as a navigation district under Article XVI, Section 59 of the Texas Constitution, Port Houston is subject to Texas statutes, including Special Districts Local Laws Code, Chapter 5007, which became effective on September 1, 2013.

Under Section 5007.003, Special Districts Local Laws Code, Port Houston “is authorized and empowered to issue in direct conformity with the Constitution and the laws of this State as and when necessary such bonds as may be voted from time to time by the voters voting at any election when called and conducted in direct conformity with the Constitution and laws of Texas and to issue and sell the same subject to such provisions of the Constitution and laws of this State as may be in effect at the time, and subject to the approval of the Attorney General.”

Outstanding Debt

Port Houston's current outstanding debt consists entirely of unlimited ad valorem tax bonds. The debt service for such bonds is covered solely by a tax levied on Port Houston's taxpayers, which are essentially the taxpayers of Harris County, Texas.

The unlimited ad valorem tax securing Port Houston's bonds is a tax that is available for the limited purpose of paying principal and interest debt service on such bonds (and the costs of collecting the debt service tax) as approved by local voters in various propositions that identified the purposes for which the bonds were to be issued. None of the revenues of Port Houston (other than the ad valorem tax receipts and any interest earned thereon) are pledged as security for the outstanding tax bonds. Port Houston has no obligation to use its operating revenues or any other general funds to repay any of the unlimited ad valorem tax bonds.

Public Information Requests

Public information requests may be directed to Port Houston via fax (713-670-2611) or email (publicinformationrequest@poha.com).

Not for Investment Purposes

Information made available by Port Houston, including information on its website (<http://porthouston.com>), is not made available for investment purposes and does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and it does not constitute an offering prospectus. Any such offer by Port Houston can only be made through a registered broker-dealer and an official statement formally issued by Port Houston. No representation is made as to the propriety or legality of any secondary market trading of the bonds, notes or other debt obligations of Port Houston by anyone in any jurisdiction.

Investors in Port Houston's securities should rely on their own evaluation of Port Houston and its securities, including the merits and risks involved.

Forward-Looking Statements

Information made available by Port Houston, to the extent that it does not relate to historical or current facts, constitutes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such information is not a promise or representation as to the future performance of Port Houston, nor should it be relied on as such.

Port Houston's forward-looking statements include, but are not limited to, statements involving future economic, competitive and market conditions, and the future prospects of Port Houston. There can be no assurance that statements relating to financial projections, expected revenues, planned capital expenditures, anticipated costs and results of operations, contingencies, and other factors, including those contained in Port Houston's Comprehensive Annual Financial Report ("CAFR"), will prove to be accurate.

These forward-looking statements are based on the current assumptions and beliefs of the management of Port Houston in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Should one or more of these occur, or should management's underlying assumptions or the information available to it prove incorrect, actual results may vary materially from those indicated. Accordingly, all written and oral forward-looking statements attributable to Port Houston or to persons acting on behalf of Port Houston are expressly qualified in their entirety by reference to these risks, uncertainties, and similar factors.

Estimates and Assumptions

The preparation of Port Houston's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Such estimates and assumptions include those used to record certain transactions, such as other post-employment benefits, allowances for doubtful accounts, loss contingencies, and insurance recoveries. Actual results could differ from these estimates, and Port Houston has no obligation to publicly update or revise its unaudited financial statements, which are prepared to assist management only.

Sincerely yours,

Ramon Yi

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