

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

| | <u>March</u> | | | |
|---|-----------------|-----------------|-----------------|-------------|
| | 2014 | 2013 | Δ | % |
| Operating Revenues | | | | |
| Container Terminals | \$ 13,592 | \$ 12,531 | \$ 1,061 | 8 |
| Turning Basin Terminals | 4,794 | 4,527 | 267 | 6 |
| Bulk | 492 | 256 | 236 | 92 |
| Leases | 281 | 310 | (29) | (9) |
| Other | 1,104 | 654 | 450 | 69 |
| Total Operating Revenues | <u>20,263</u> | <u>18,278</u> | <u>1,985</u> | <u>11</u> |
| Operating Expenses | | | | |
| Container Terminals | 5,938 | 5,252 | 686 | 13 |
| Turning Basin Terminals | 1,383 | 1,120 | 263 | 23 |
| Bulk | 24 | 23 | 1 | 4 |
| Leases | (58) | 96 | (154) | (160) |
| Other | 1,200 | 1,302 | (102) | (8) |
| Pension and Other Retirement Benefits | 544 | 664 | (120) | (18) |
| Depreciation and Amortization | 4,493 | 4,496 | (3) | - |
| Total Operating Expenses | <u>13,524</u> | <u>12,953</u> | <u>571</u> | <u>4</u> |
| Operating Income | 6,739 | 5,325 | 1,414 | 27 |
| General & Administrative Expenses | | | | |
| G&A Expenses | 2,638 | 2,915 | (277) | (10) |
| Pension and Other Retirement Benefits | 423 | 551 | (128) | (23) |
| Depreciation | 221 | 203 | 18 | 9 |
| Total G&A Expenses | <u>3,282</u> | <u>3,669</u> | <u>(387)</u> | <u>(11)</u> |
| Net Operating Income (Loss) | 3,457 | 1,656 | 1,801 | 109 |
| Nonoperating Revenues (Expenses) | 1,231 | 299 | 932 | 312 |
| Income before Contributions | 4,688 | 1,955 | 2,733 | 140 |
| Contributions (to)/from Federal/State Agencies | (120) | 1,915 | (2,035) | (106) |
| Net Income | <u>\$ 4,568</u> | <u>\$ 3,870</u> | <u>\$ 698</u> | <u>18</u> |
| Pro forma Cash Flow | | | | |
| Net Income | \$ 4,568 | \$ 3,870 | \$ 698 | 18 |
| Add Depreciation and Amortization | 4,714 | 4,699 | 15 | - |
| Adjust for non cash items | (1,052) | - | (1,052) | - |
| Pro forma Cash Flow | <u>\$ 8,230</u> | <u>\$ 8,569</u> | <u>\$ (339)</u> | <u>(4)</u> |

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

| | March | | | | | March 2012 vs 2012 | | |
|---|-----------|-----------|------------|-------|-----------|--------------------|-------|---|
| | 2014 | 2013 | Δ | % | | 2012 | 2012 | % |
| Operating Revenues | | | | | | | | |
| Container Terminals | \$ 38,787 | \$ 37,443 | \$ 1,344 | 4 | \$ 33,011 | \$ 5,776 | 17 | |
| Turning Basin Terminals | 14,420 | 12,937 | 1,483 | 11 | 14,545 | (125) | (1) | |
| Bulk | 1,320 | 786 | 534 | 68 | 1,206 | 114 | 9 | |
| Leases | 1,074 | 929 | 145 | 16 | 816 | 258 | 32 | |
| Other | 2,890 | 5,416 | (2,526) | (47) | 4,808 | (1,918) | (40) | |
| Total Operating Revenues | 58,491 | 57,511 | 980 | 2 | 54,386 | 4,105 | 8 | |
| Operating Expenses | | | | | | | | |
| Container Terminals | 17,365 | 15,953 | 1,412 | 9 | 14,366 | 2,999 | 21 | |
| Turning Basin Terminals | 3,551 | 3,253 | 298 | 9 | 3,160 | 391 | 12 | |
| Bulk | 62 | 67 | (5) | (7) | 53 | 9 | 17 | |
| Leases | 11 | 183 | (172) | (94) | (23) | 34 | (148) | |
| Other | 3,307 | 3,345 | (38) | (1) | 3,216 | 91 | 3 | |
| Pension and Other Retirement Benefits | 1,632 | 1,988 | (356) | (18) | 2,125 | (493) | (23) | |
| Depreciation and Amortization | 13,119 | 13,492 | (373) | (3) | 13,250 | (131) | (1) | |
| Total Operating Expenses | 39,047 | 38,281 | 766 | 2 | 36,147 | 2,900 | 8 | |
| Operating Income | 19,444 | 19,230 | 214 | 1 | 18,239 | 1,205 | 7 | |
| General & Administrative Expenses | | | | | | | | |
| G&A Expenses | 8,290 | 8,587 | (297) | (3) | 8,476 | (186) | (2) | |
| Pension and Other Retirement Benefits | 1,270 | 1,652 | (382) | (23) | 1,818 | (548) | (30) | |
| Depreciation | 665 | 602 | 63 | 10 | 447 | 218 | 49 | |
| Total G&A Expenses | 10,225 | 10,841 | (616) | (6) | 10,741 | (516) | (5) | |
| Net Operating Income | 9,219 | 8,389 | 830 | 10 | 7,498 | 1,721 | 23 | |
| Nonoperating Revenues (Expenses) | 2,656 | 5,826 | (3,170) | (54) | 1,802 | 854 | 47 | |
| Income before Contributions | 11,875 | 14,215 | (2,340) | (16) | 9,300 | 2,575 | 28 | |
| Contributions (to)/from Federal/State Agencies | (175) | 2,256 | (2,431) | (108) | 786 | (961) | (122) | |
| Net Income | \$ 11,700 | \$ 16,471 | \$ (4,771) | (29) | \$ 10,086 | \$ 1,614 | 16 | |
| Pro forma Cash Flow | | | | | | | | |
| Net Income | \$ 11,700 | \$ 16,471 | \$ (4,771) | (29) | \$ 10,086 | \$ 1,614 | 16 | |
| Add Depreciation and Amortization | 13,784 | 14,094 | (310) | (2) | 13,697 | 87 | 1 | |
| Adjust for non cash items | (1,052) | - | (1,052) | - | - | (1,052) | - | |
| Pro forma Cash Flow | \$ 24,432 | \$ 30,565 | \$ (6,133) | (20) | \$ 23,783 | \$ 1,701 | 7 | |

Port of Houston Authority

Balance Sheet

(\$ in thousands)

| | March 31, 2014 | Unaudited December 31, 2013 |
|--|---------------------------|--|
| Current Assets | | |
| Cash & Cash Equivalents | \$ 27,988 | \$ 24,250 |
| Short-Term Investments | 157,562 | 156,062 |
| Trade Accounts & Other Receivables | 22,298 | 23,179 |
| Other | 4,874 | 1,641 |
| Total Current Assets | <u>212,722</u> | <u>205,132</u> |
| Restricted Assets | <u>83,455</u> | <u>76,780</u> |
| Property | | |
| Land, Facilities & Equipment | 1,991,538 | 1,992,050 |
| CIP | 131,438 | 114,488 |
| Accumulated Depreciation | (685,250) | (676,120) |
| Property, Net | <u>1,437,726</u> | <u>1,430,418</u> |
| Long-Term Investments | <u>175,430</u> | <u>174,798</u> |
| Other Assets | | |
| Industrial Agreements | 3,052 | 3,140 |
| Other | 1,844 | 2,501 |
| Total Other Assets | <u>4,896</u> | <u>5,641</u> |
| Deferred Outflows of Resources | | |
| Deferred loss on bond refunding | <u>7,148</u> | <u>7,248</u> |
| Total Assets and deferred outflows of resources | <u>\$ 1,921,377</u> | <u>\$ 1,900,017</u> |

Port of Houston Authority

Balance Sheet

(\$ in thousands)

| | March 31, 2014 | Unaudited December 31, 2013 |
|--|---------------------------|--|
| Current Liabilities | | |
| Accounts Payable | \$ 3,873 | \$ 5,116 |
| Other Current Liabilities | 16,245 | 18,384 |
| Total Current Liabilities | <u>20,118</u> | <u>23,500</u> |
| Current Liabilities (Restricted Assets) | | |
| Current Maturities of Long-Term Debt | 15,245 | 15,245 |
| Accrued Interest Payable | 18,445 | 9,223 |
| Contract payables and accrued liabilities | 347 | 4,138 |
| Total Restricted Current Liabilities | <u>34,037</u> | <u>28,606</u> |
| Long-Term Debt, net of Current Maturities | <u>738,428</u> | <u>738,609</u> |
| Other Non-Current Liabilities | | |
| Accrued Vacation and Sick Leave | 4,609 | 5,060 |
| OPEB Obligation | 34,056 | 32,556 |
| Other | 8,817 | 8,281 |
| Total Other Non-Current Liabilities | <u>47,482</u> | <u>45,897</u> |
| TOTAL LIABILITIES | <u>840,065</u> | <u>836,612</u> |
| Deferred Inflows of Resources | | |
| Deferred gain on bond refunding | 353 | 366 |
| Net position | | |
| Invested in Capital Assets, net of debt | 690,847 | 683,447 |
| Restricted for Capital | 3,419 | 7,196 |
| Restricted for Debt Service | 48,520 | 45,733 |
| Restricted for Other | 7,572 | 6,497 |
| Unrestricted Net Assets | 330,601 | 320,166 |
| Total Net Position | <u>1,080,959</u> | <u>1,063,039</u> |
| Total Liabilities, Deferred Inflows of Resources and Net Position | <u>\$ 1,921,377</u> | <u>\$ 1,900,017</u> |