

Port of Houston Authority
Income Statement
Current Month Actual vs. Prior Year

(\$ in thousands)

	September		Δ	%
	Unaudited 2018	Audited 2017		
Operating Revenues				
Container Terminals	\$ 24,445	\$ 23,457	\$ 988	4
Turning Basin Terminals	4,386	4,421	(35)	(1)
Bulk	455	395	60	15
Leases	895	502	393	78
Other	912	883	29	3
Total Operating Revenues	31,093	29,658	1,435	5
Operating Expenses				
Container Terminals	9,493	16,937	(7,444)	(44)
Turning Basin Terminals	2,248	1,498	750	50
Bulk	18	24	(6)	(25)
Leases	3	60	(57)	(95)
Other	1,068	834	234	28
Pension and Other Retirement Benefits	650	570	80	14
Depreciation and Amortization	5,399	5,178	221	4
Total Operating Expenses	18,879	25,101	(6,222)	(25)
Gross Margin	12,214	4,557	7,657	100
General & Administrative Expenses				
G&A Expenses	3,013	2,727	286	10
Pension and Other Retirement Benefits	375	344	31	9
Depreciation	305	224	81	36
Total G&A Expenses	3,693	3,295	398	12
Net Operating Income	8,521	1,262	7,259	100
Nonoperating Revenues (Expenses)	578	325	253	78
Income before Contributions	9,099	1,587	7,512	100
Contributions (to)/from Federal/State Agencies	5	(1,802)	1,807	100
Net Income	\$ 9,104	\$ (215)	\$ 9,319	100
Pro forma Cash Flow				
Net Income	\$ 9,104	\$ (215)	\$ 9,319	100
Add Depreciation and Amortization	5,704	5,402	302	6
Adjust for non cash items	155	(127)	282	100
Pro forma Cash Flow	\$ 14,963	\$ 5,060	\$ 9,903	100

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)

	September		Δ	%	September 2016	2018 vs 2016	%
	Unaudited 2018	Audited 2017					
Operating Revenues							
Container Terminals	\$ 210,193	\$ 186,901	\$ 23,292	12	\$ 158,359	\$ 51,834	33
Turning Basin Terminals	44,497	41,691	2,806	7	38,013	6,484	17
Bulk	3,937	3,702	235	6	3,912	25	1
Leases	6,320	5,008	1,312	26	5,221	1,099	21
Other	8,387	8,193	194	2	10,270	(1,883)	(18)
Total Operating Revenues	273,334	245,495	27,839	11	215,775	57,559	27
Operating Expenses							
Container Terminals	86,150	84,729	1,421	2	66,604	19,546	29
Turning Basin Terminals	13,185	13,399	(214)	(2)	14,204	(1,019)	(7)
Bulk	407	230	177	77	244	163	67
Leases	333	421	(88)	(21)	206	127	62
Other	10,325	9,387	938	10	11,558	(1,233)	(11)
Pension and Other Retirement Benefits	5,379	7,272	(1,893)	(26)	4,074	1,305	32
Depreciation and Amortization	48,924	46,428	2,496	5	45,099	3,825	8
Total Operating Expenses	164,703	161,866	2,837	2	141,989	22,714	16
Gross Margin	108,631	83,629	25,002	30	73,786	34,845	47
General & Administrative Expenses							
G&A Expenses	33,252	28,273	4,979	18	27,753	5,499	20
Pension and Other Retirement Benefits	3,129	4,971	(1,842)	(37)	3,216	(87)	(3)
Depreciation	2,029	2,351	(322)	(14)	2,519	(490)	(19)
Total G&A Expenses	38,410	35,595	2,815	8	33,488	4,922	15
Net Operating Income	70,221	48,034	22,187	46	40,298	29,923	74
Nonoperating Revenues (Expenses)	4,482	2,703	1,779	66	10,138	(5,656)	(56)
Income before Contributions	74,703	50,737	23,966	47	50,436	24,267	48
Contributions (to)/from Federal/State Agencies	652	1,591	(939)	(59)	(1,007)	1,659	(100)
Net Income	\$ 75,355	\$ 52,328	\$ 23,027	44	\$ 49,429	\$ 25,926	52
Pro forma Cash Flow							
Net Income	\$ 75,355	\$ 52,328	\$ 23,027	44	\$ 49,429	\$ 25,926	52
Add Depreciation and Amortization	50,953	48,779	2,174	4	47,618	3,335	7
Adjust for non cash items	142	3,928	(3,786)	(96)	(5,645)	5,787	(100)
Pro forma Cash Flow	\$ 126,450	\$ 105,035	\$ 21,415	20	\$ 91,402	\$ 35,048	38

Port of Houston Authority

Balance Sheet

(\$ in thousands)

	Unaudited September 30, 2018	Audited December 31, 2017
Current Assets		
Cash & Cash Equivalents	\$ 44,578	\$ 75,522
Short-Term Investments	303,902	228,527
Trade Accounts & Other Receivables	36,478	31,029
Other	4,536	3,539
Total Current Assets	<u>389,494</u>	<u>338,617</u>
Restricted Assets	<u>81,374</u>	<u>59,871</u>
Property		
Land, Facilities & Equipment	2,389,644	2,388,561
CIP	247,524	211,517
Accumulated Depreciation	(955,503)	(907,035)
Property, Net	<u>1,681,665</u>	<u>1,693,043</u>
Long-Term Investments	<u>47,187</u>	<u>37,850</u>
Other Assets		
Industrial Agreements	1,483	1,744
Other	9,178	8,694
Total Other Assets	<u>10,661</u>	<u>10,438</u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	12,341	12,341
Deferred loss on bond refunding	4,867	5,097
Total Deferred Outflows of Resources	<u>17,208</u>	<u>17,438</u>
Total Assets and deferred outflows of resources	<u>\$ 2,227,589</u>	<u>\$ 2,157,257</u>

Port of Houston Authority

Balance Sheet

(\$ in thousands)

	Unaudited September 30, 2018	Audited December 31, 2017
Current Liabilities		
Accounts Payable	\$ 3,234	\$ 21,944
Other Current Liabilities	17,699	25,729
Total Current Liabilities	20,933	47,673
Current Liabilities (Restricted Assets)		
Current Maturities of Long-Term Debt	19,945	19,945
Accrued Interest Payable	12,866	8,262
Total Restricted Current Liabilities	32,811	28,207
Long-Term Debt, net of Current Maturities	651,646	653,953
Other Noncurrent Liabilities		
Accrued Vacation and Sick Leave	8,006	6,461
OPEB Obligation	14,402	14,502
Net Pension Liability	10,277	10,277
Other	16,017	14,854
Total Other Noncurrent Liabilities	48,702	46,094
TOTAL LIABILITIES	754,092	775,927
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	843	843
Deferred gain on bond refunding	709	160
Total Deferred Inflows of Resources	1,552	1,003
Commitments and Contingencies	-	-
Net position		
Invested in Capital Assets, net of debt	1,014,232	1,023,578
Restricted for Debt Service	61,602	45,622
Unrestricted Net Assets	396,111	311,127
Total Net Position	1,471,945	1,380,327
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,227,589	\$ 2,157,257