

**PORT OF HOUSTON AUTHORITY  
2013-2017 FIVE YEAR PLAN  
INCOME STATEMENT (\$'000's)**

	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget
Revenues Container Terminals	\$146,442	\$154,775	\$162,509	\$170,634	\$179,166
Revenues Turning Basin	41,718	43,451	43,971	44,502	44,502
Revenues Bulk	3,454	3,590	3,773	3,919	3,973
Revenues Lease	23,994	24,021	23,825	23,825	23,737
Revenues Other	9,690	14,734	11,893	10,617	9,666
<b>Operating Revenues</b>	<b>\$225,298</b>	<b>\$240,571</b>	<b>\$245,971</b>	<b>\$253,497</b>	<b>\$261,044</b>
Expenses Container Terminals	63,074	65,991	68,109	70,826	73,114
Expenses Turning Basin Terminals	15,105	13,891	13,940	13,999	14,064
Expenses Bulk	220	221	221	222	222
Expenses Lease	2,802	1,370	1,374	1,378	1,383
Expenses Other	14,272	14,178	16,226	16,294	14,330
Expenses Pension and Other Retirement Benefits	9,097	10,333	10,318	10,318	10,318
Expenses Depreciation and Amortization	55,275	58,729	67,114	71,007	76,773
<b>Operating Expenses</b>	<b>\$159,845</b>	<b>\$164,713</b>	<b>\$177,302</b>	<b>\$184,044</b>	<b>\$190,204</b>
<b>Operating Income</b>	<b>\$65,453</b>	<b>\$75,858</b>	<b>\$68,669</b>	<b>\$69,453</b>	<b>\$70,840</b>
G&A Revenues	325	361	370	379	388
G&A Expenses	37,001	37,238	36,293	35,815	35,382
G&A Pension and Other Retirement Benefits	9,854	10,621	10,636	10,636	10,636
G&A Depreciation	3,031	3,646	4,489	4,629	3,789
<b>General &amp; Administrative Expenses</b>	<b>\$49,561</b>	<b>\$51,144</b>	<b>\$51,048</b>	<b>\$50,701</b>	<b>\$49,419</b>
<b>Net Operating Income</b>	<b>\$15,892</b>	<b>\$24,714</b>	<b>\$17,621</b>	<b>\$18,752</b>	<b>\$21,421</b>
Nonoperating Revenues	6,289	320	320	320	320
Nonoperating Expenses	2,000	4,160	6,670	6,830	6,690
<b>Non-Operating Income</b>	<b>\$4,289</b>	<b>(\$3,840)</b>	<b>(\$6,350)</b>	<b>(\$6,510)</b>	<b>(\$6,370)</b>
Contribution from Federal/State Agency	14,046	2,759	-	-	-
Contribution to Federal/State Agency	400	2,000	-	-	-
<b>Contributions to/from Federal/State Agency</b>	<b>\$13,646</b>	<b>\$759</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Operating</b>	<b>\$17,935</b>	<b>(\$3,081)</b>	<b>(\$6,350)</b>	<b>(\$6,510)</b>	<b>(\$6,370)</b>
<b>Net Income</b>	<b>\$33,827</b>	<b>\$21,633</b>	<b>\$11,271</b>	<b>\$12,242</b>	<b>\$15,051</b>
Net Operating Income	15,892	24,714	17,621	18,752	21,421
Add: Depreciation & Amortization	58,306	62,375	71,603	75,636	80,562
<b>Cash Flow from Operating Activities</b>	<b>74,198</b>	<b>87,089</b>	<b>89,224</b>	<b>94,388</b>	<b>101,983</b>
Add: Non-Operating	17,935	(3,081)	(6,350)	(6,510)	(6,370)
Add: Non-Recurring Cash Transactions	-	-	-	-	-
<b>Net Cash Flow</b>	<b>\$92,133</b>	<b>\$84,008</b>	<b>\$82,874</b>	<b>\$87,878</b>	<b>\$95,613</b>

**Notes:**

1. Non-Operating is driven by interest expense on \$300M debt financing to be paid by PHA.
2. Non-Operating expense may increase in 2016, if additional financing is required at that time to be paid by PHA.
3. Limited grants in 2014 with no grants projected for 2015-2017.

**PORT OF HOUSTON AUTHORITY  
2013-2017 FIVE YEAR PLAN  
LIQUIDITY (\$000's)**

	2012	2013	2014	2015	2016	2017
<b>Discretionary Funds Available, Beginning of Period</b>	<b>\$371,917</b>	<b>\$260,470</b>	<b>\$132,336</b>	<b>\$127,642</b>	<b>\$88,445</b>	<b>(\$130,095)</b>
Contingency	(35,000)					
Debt Service and Other Reserves	(15,875)					
Outstanding Capital PO's and Commitments	(90,889)					
<b>Subtotal</b>	<b>230,154</b>	<b>260,470</b>	<b>132,336</b>	<b>127,642</b>	<b>88,445</b>	<b>(130,095)</b>
<b>Sources:</b>						
Net Cash Flow	89,241	92,133	84,008	82,874	87,878	95,613
Additional Borrowings	-	-	300,000	-	-	-
<b>Available Resources</b>	<b>319,395</b>	<b>352,603</b>	<b>516,344</b>	<b>210,516</b>	<b>176,323</b>	<b>(34,482)</b>
<b>Uses:</b>						
<b>New Capital Investment</b>						
Barbours Cut	(23,000)	(121,326)	(85,857)	(55,575)	(80,132)	(75,342)
Turning Basin	(8,772)	(25,520)	(20,810)	(12,710)	(7,210)	(102,510)
Bayport	(3,603)	(20,770)	(120,434)	(21,703)	(196,295)	(41,551)
Real Estate	-	(19,200)	-	(3,961)	(1,850)	(5,000)
Channel Development / Beneficial Use Sites	(4,102)	(8,690)	(144,040)	(20,440)	(13,940)	(9,370)
IT	(9,316)	(4,466)	(3,300)	(1,050)	(500)	(100)
Fire Department	(240)	(3,567)	(2,500)	-	(450)	-
Port Police	(790)	(2,838)	(390)	(100)	(100)	(650)
Executive Office Building	(1,028)	(2,531)	(640)	(1,500)	(75)	-
Legal Division	-	(2,200)	-	-	-	-
Other	(8,075)	(9,159)	(10,732)	(5,032)	(5,866)	(4,787)
<b>Subtotal - New Capital Investment</b>	<b>(58,925)</b>	<b>(220,267)</b>	<b>(388,702)</b>	<b>(122,071)</b>	<b>(306,418)</b>	<b>(239,310)</b>
<b>Discretionary Funds Available, End of Period</b>	<b>\$260,470</b>	<b>\$132,336</b>	<b>\$127,642</b>	<b>\$88,445</b>	<b>(\$130,095)</b>	<b>(\$273,792)</b>

**Notes:**

1. 2015-2017 Capital as of 1/31/2013.
2. Assumes we borrow \$300M in 2014.
3. Additional financing required in 2016.

**PORT OF HOUSTON AUTHORITY  
2013-2017 FIVE YEAR PLAN  
EXECUTIVE DIVISION**

	<b>2013 Budget</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
Salaries	\$475,029	\$476,529	\$476,529	\$476,529	\$476,529
Benefits	133,400	133,515	133,515	133,515	133,515
Retirement Benefits	246,231	261,346	258,370	258,370	258,370
Insurance	8,027	8,075	8,479	8,974	9,512
Utilities & Fuel	1,317	1,317	1,317	1,317	1,317
Economic Development & Community Support	55,000	35,000	35,000	35,000	35,000
Terminal & Asset Maintenance	-	-	-	-	-
Discretionary Expenses	439,920	408,620	408,620	408,620	408,620
Depreciation & Amortization	-	-	-	-	-
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	-	-	-	-	-
Allocated Expenses to CIP	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$1,358,924</b>	<b>\$1,324,403</b>	<b>\$1,321,831</b>	<b>\$1,322,326</b>	<b>\$1,322,864</b>

**PORT OF HOUSTON AUTHORITY  
2013-2017 FIVE YEAR PLAN  
OPERATIONS DIVISION**

	<b>2013 Budget</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
Salaries	\$37,833,004	\$38,935,799	\$39,943,662	\$41,058,360	\$42,158,333
Benefits	14,642,743	14,859,830	15,071,136	15,293,959	15,519,063
Retirement Benefits	8,773,596	9,514,019	9,445,405	9,445,405	9,445,405
Insurance	3,899,199	4,102,397	4,307,517	4,559,076	4,832,620
Utilities & Fuel	7,701,650	7,917,932	8,194,755	8,485,417	8,790,613
Economic Development & Community Support	15,000	15,000	15,000	15,000	15,000
Terminal & Asset Maintenance	10,941,342	12,339,400	12,720,907	13,532,703	13,893,548
Discretionary Expenses	8,351,229	5,093,110	5,188,533	5,292,355	5,402,286
Depreciation & Amortization	48,315,126	51,409,935	59,832,787	64,123,550	70,315,840
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	7,139,904	7,139,904	7,139,904	7,139,904	7,139,904
Allocated Expenses to CIP	(1,869,874)	(1,869,874)	(1,869,874)	(1,869,874)	(1,869,874)
<b>TOTAL EXPENSES</b>	<b>\$145,742,919</b>	<b>\$149,457,453</b>	<b>\$159,989,733</b>	<b>\$167,075,856</b>	<b>\$175,642,739</b>

**PORT OF HOUSTON AUTHORITY  
2013-2017 FIVE YEAR PLAN  
FINANCE & ADMINISTRATION DIVISION**

	<b>2013 Budget</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
Salaries	\$12,843,766	\$13,089,362	\$13,089,362	\$13,089,362	\$13,089,362
Benefits	5,514,507	5,634,073	5,633,614	5,634,073	5,633,614
Retirement Benefits	7,662,940	8,529,007	8,602,120	8,602,120	8,602,120
Insurance	740,636	760,749	798,786	845,436	896,162
Utilities & Fuel	353,878	355,576	350,576	350,576	350,576
Economic Development & Community Support	5,500	6,000	6,000	6,000	6,000
Terminal & Asset Maintenance	849,543	797,034	838,034	838,034	838,034
Discretionary Expenses	10,982,301	10,843,322	10,561,350	10,838,282	10,609,764
Depreciation & Amortization	6,092,127	6,847,670	7,174,603	6,923,652	5,535,915
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	(7,219,208)	(7,219,208)	(7,219,208)	(7,219,208)	(7,219,208)
Allocated Expenses to CIP	(312,740)	(380,000)	(380,000)	(380,000)	(380,000)
<b>TOTAL EXPENSES</b>	<b>\$37,513,250</b>	<b>\$39,263,585</b>	<b>\$39,455,238</b>	<b>\$39,528,326</b>	<b>\$37,962,338</b>

**PORT OF HOUSTON AUTHORITY  
2013-2017 FIVE YEAR PLAN  
CORPORATE AFFAIRS DIVISION**

	<b>2013 Budget</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
Salaries	\$3,574,283	\$3,615,066	\$3,615,066	\$3,615,066	\$3,615,066
Benefits	1,344,960	1,364,091	1,364,321	1,363,862	1,364,321
Retirement Benefits	1,688,919	1,966,087	1,966,035	1,966,035	1,966,035
Insurance	275,036	289,911	304,407	322,184	341,515
Utilities & Fuel	193,018	198,675	198,675	198,675	198,675
Economic Development & Community Support	2,119,574	1,992,274	3,634,774	3,763,774	1,633,774
Terminal & Asset Maintenance	1,815,009	1,808,000	1,808,000	1,808,000	1,808,000
Discretionary Expenses	5,696,516	6,195,246	5,836,271	4,937,046	4,808,246
Depreciation & Amortization	3,898,682	3,847,648	4,105,431	4,098,546	4,219,844
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	79,304	79,304	79,304	79,304	79,304
Allocated Expenses to CIP	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$20,685,301</b>	<b>\$21,356,303</b>	<b>\$22,912,284</b>	<b>\$22,152,492</b>	<b>\$20,034,781</b>

**PORT OF HOUSTON AUTHORITY  
2013-2017 FIVE YEAR PLAN  
LEGAL DIVISION**

	<b>2013 Budget</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>
Salaries	\$1,245,426	\$1,256,926	\$1,256,926	\$1,256,926	\$1,256,926
Benefits	452,826	457,002	457,002	457,002	457,002
Retirement Benefits	578,587	683,843	682,370	682,370	682,370
Insurance	16,153	16,941	17,788	18,826	19,956
Utilities & Fuel	5,359	5,374	5,384	5,394	5,404
Economic Development & Community Support	4,000	4,000	4,000	4,000	4,000
Terminal & Asset Maintenance	22,470	22,320	22,320	22,320	22,320
Discretionary Expenses	2,105,206	2,100,851	2,104,466	2,106,982	2,110,190
Depreciation & Amortization	-	270,000	490,000	490,000	490,000
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	-	-	-	-	-
Allocated Expenses to CIP	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$4,430,026</b>	<b>\$4,817,255</b>	<b>\$5,040,255</b>	<b>\$5,043,820</b>	<b>\$5,048,168</b>