

**PORT OF HOUSTON AUTHORITY  
2014-2018 FIVE YEAR PLAN  
INCOME STATEMENT (\$000's)**

	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenues Container Terminals	\$161,759	\$169,200	\$181,175	\$197,761	\$211,239
Revenues Turning Basin	55,676	55,207	55,881	56,417	56,927
Revenues Bulk	4,827	4,868	4,919	4,971	5,023
Revenues Lease	11,366	11,466	11,556	11,666	11,766
Revenues Other	15,181	11,477	11,546	11,603	11,675
<b>Operating Revenues</b>	<b>\$248,809</b>	<b>\$252,217</b>	<b>\$265,077</b>	<b>\$282,417</b>	<b>\$296,630</b>
Expenses Container Terminals	72,144	72,160	74,631	77,873	80,669
Expenses Turning Basin Terminals	23,242	20,604	19,807	18,771	19,375
Expenses Bulk	216	715	215	216	216
Expenses Lease	417	132	132	132	132
Expenses Other	9,882	10,537	10,367	10,345	10,352
Expenses Pension and Other Retirement Benefits	7,758	7,580	7,580	7,580	7,580
Expenses Depreciation and Amortization	55,960	62,726	69,510	76,634	80,738
<b>Operating Expenses</b>	<b>\$169,619</b>	<b>\$174,455</b>	<b>\$182,243</b>	<b>\$191,552</b>	<b>\$199,062</b>
<b>Operating Income</b>	<b>\$79,190</b>	<b>\$77,762</b>	<b>\$82,834</b>	<b>\$90,865</b>	<b>\$97,568</b>
G&A Revenues	312	323	332	339	344
G&A Expenses	39,938	36,760	36,465	36,398	36,295
G&A Pension and Other Retirement Benefits	5,483	5,661	5,661	5,661	5,661
G&A Depreciation	3,085	3,718	3,855	3,408	3,320
<b>General &amp; Administrative Expenses</b>	<b>\$48,194</b>	<b>\$45,816</b>	<b>\$45,649</b>	<b>\$45,128</b>	<b>\$44,932</b>
<b>Net Operating Income</b>	<b>\$30,996</b>	<b>\$31,946</b>	<b>\$37,185</b>	<b>\$45,737</b>	<b>\$52,636</b>
Nonoperating Revenues	659	644	544	394	344
Nonoperating Expenses	1,330	5,230	5,230	6,730	6,730
<b>Non-Operating Income</b>	<b>(\$671)</b>	<b>(\$4,586)</b>	<b>(\$4,686)</b>	<b>(\$6,336)</b>	<b>(\$6,386)</b>
Contribution from Federal/State Agency	6,145	12,150	0	0	0
Contribution to Federal/State Agency	0	0	0	0	0
<b>Contributions to/from Federal/State Agency</b>	<b>\$6,145</b>	<b>\$12,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-Operating</b>	<b>\$5,474</b>	<b>\$7,564</b>	<b>(\$4,686)</b>	<b>(\$6,336)</b>	<b>(\$6,386)</b>
<b>Net Income</b>	<b>\$36,470</b>	<b>\$39,510</b>	<b>\$32,499</b>	<b>\$39,401</b>	<b>\$46,250</b>
Net Operating Income	30,996	31,946	37,185	45,737	52,636
Add: Depreciation & Amortization	59,045	66,444	73,366	80,042	84,057
<b>Cash Flow from Operating Activities</b>	<b>90,041</b>	<b>98,390</b>	<b>110,550</b>	<b>125,780</b>	<b>136,693</b>
Add: Non-Operating	5,474	7,564	(4,686)	(6,336)	(6,386)
Add: Gain/Loss on Investment	(1,000)	(1,500)	(1,500)	0	0
Add: Non-Recurring Cash Transactions	0	0	0	0	0
<b>Net Cash Flow</b>	<b>\$94,515</b>	<b>\$104,454</b>	<b>\$104,364</b>	<b>\$119,444</b>	<b>\$130,307</b>

**Notes:**

1. Non-Operating is driven by interest expense on 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 2015-2018.

**PORT OF HOUSTON AUTHORITY  
2014-2018 FIVE YEAR PLAN  
LIQUIDITY (\$000's)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Discretionary Funds Available, Beginning of Period</b>	<b>\$397,464</b>	<b>\$206,606</b>	<b>\$76,412</b>	<b>\$125,508</b>	<b>(\$16,312)</b>	<b>(\$47,787)</b>
Contingency	(35,000)					
Debt Service and Other Reserves	(14,256)					
Outstanding Capital PO's and Commitments	(76,856)					
<b>Subtotal</b>	<b>271,352</b>	<b>206,606</b>	<b>76,412</b>	<b>125,508</b>	<b>(16,312)</b>	<b>(47,787)</b>
Sources:						
Operating Cash Flow	103,169	94,515	104,454	104,364	119,444	130,307
Additional Borrowings	-	100,000	100,000	-	-	-
<b>Available Resources</b>	<b>374,520</b>	<b>401,121</b>	<b>280,865</b>	<b>229,872</b>	<b>103,132</b>	<b>82,520</b>
Uses:						
New Capital Investment						
Channel Development and Beneficial Use Sites	(10,339)	(132,825)	(2,170)	(17,980)	(9,070)	(36,440)
Bayport Terminal	(9,989)	(125,637)	(15,515)	(168,286)	(10,179)	(117,267)
Turning Basin Terminals	(24,927)	(26,983)	(24,580)	(10,305)	(11,715)	(11,306)
Barbours Cut	(97,385)	(21,625)	(96,770)	(33,865)	(89,694)	(43,405)
Bayport Railroad	-	(6,775)	(8,775)	(9,517)	(23,941)	(227,767)
HSSE	(6,145)	(3,545)	(1,405)	(1,095)	(1,285)	(610)
Information Technology	(4,357)	(3,150)	(1,300)	(1,400)	(1,250)	(1,000)
Real Estate	(10,322)	(2,090)	(2,643)	(1,736)	(1,784)	-
Other	(4,451)	(2,080)	(2,200)	(2,000)	(2,000)	(2,000)
<b>Subtotal - New Capital Investment</b>	<b>(167,914)</b>	<b>(324,710)</b>	<b>(155,358)</b>	<b>(246,184)</b>	<b>(150,919)</b>	<b>(439,795)</b>
<b>Discretionary Funds Available, End of Period</b>	<b>\$206,606</b>	<b>\$76,412</b>	<b>\$125,508</b>	<b>(\$16,312)</b>	<b>(\$47,787)</b>	<b>(\$357,276)</b>

**Notes:**

1. Capital expenditures as of 12/10/2013.
2. Negative ending balances indicate additional financing required.

**PORT OF HOUSTON AUTHORITY  
2014-2018 FIVE YEAR PLAN  
EXECUTIVE DIVISION**

	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>	<b>2018 Budget</b>
Salaries	\$796,790	\$796,790	\$796,790	\$796,790	\$796,790
Benefits	187,744	187,744	187,744	187,744	187,744
Retirement Benefits	301,238	303,521	303,521	303,521	303,521
Insurance	4,567	4,161	4,161	4,161	4,161
Utilities & Fuel	24	2,324	2,424	2,524	2,624
Economic Development & Community Support	-	15,000	5,000	20,000	10,000
Terminal & Asset Maintenance	-	-	-	-	-
Discretionary Expenses	441,562	381,185	384,060	388,385	389,260
Depreciation & Amortization	-	-	-	-	-
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	-	-	-	-	-
Allocated Expenses to CIP	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$1,731,925</b>	<b>\$1,690,725</b>	<b>\$1,683,700</b>	<b>\$1,703,125</b>	<b>\$1,694,100</b>

**PORT OF HOUSTON AUTHORITY  
2014-2018 FIVE YEAR PLAN  
OPERATIONS DIVISION**

	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>	<b>2018 Budget</b>
Salaries	\$41,120,006	\$41,890,863	\$43,173,028	\$45,066,615	\$46,656,827
Benefits	13,630,739	12,914,234	13,004,877	13,113,689	13,194,991
Retirement Benefits	6,311,642	6,325,198	6,325,198	6,325,198	6,325,198
Insurance	3,907,046	3,915,358	3,915,358	3,915,358	3,915,358
Utilities & Fuel	7,378,827	7,810,196	8,180,332	8,702,652	9,128,851
Economic Development & Community Support	15,000	7,500	7,500	7,500	7,500
Terminal & Asset Maintenance	18,977,929	16,407,915	15,611,691	15,099,398	16,274,531
Discretionary Expenses	5,957,658	5,835,508	6,027,878	6,214,780	6,333,152
Depreciation & Amortization	48,967,093	55,442,851	62,565,947	70,488,621	74,826,588
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	8,075,724	7,408,041	7,408,041	7,408,041	7,408,041
Allocated Expenses to CIP	(890,700)	(890,700)	(890,700)	(890,700)	(890,700)
<b>TOTAL EXPENSES</b>	<b>\$153,450,964</b>	<b>\$157,066,965</b>	<b>\$165,329,151</b>	<b>\$175,451,153</b>	<b>\$183,180,338</b>

**PORT OF HOUSTON AUTHORITY  
2014-2018 FIVE YEAR PLAN  
FINANCE & ADMINISTRATION DIVISION**

	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>	<b>2018 Budget</b>
Salaries	\$13,182,386	\$13,179,986	\$13,179,986	\$13,180,486	\$13,180,486
Benefits	4,761,836	4,761,653	4,761,653	4,761,752	4,761,752
Retirement Benefits	7,463,988	7,476,715	7,476,715	7,476,715	7,476,715
Insurance	608,592	588,484	588,484	588,484	588,484
Utilities & Fuel	603,740	417,472	417,470	417,472	417,472
Economic Development & Community Support	1,080	1,000	1,000	1,000	1,000
Terminal & Asset Maintenance	646,489	656,489	656,489	656,489	656,489
Discretionary Expenses	11,041,872	10,850,744	10,685,597	10,637,081	10,626,731
Depreciation & Amortization	5,529,974	5,974,070	5,828,336	5,016,008	4,837,282
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	(8,481,593)	(8,103,593)	(8,103,593)	(8,103,593)	(8,103,593)
Allocated Expenses to CIP	(374,094)	(374,094)	(374,094)	(374,094)	(374,094)
<b>TOTAL EXPENSES</b>	<b>\$34,984,270</b>	<b>\$35,428,925</b>	<b>\$35,118,042</b>	<b>\$34,257,800</b>	<b>\$34,068,723</b>

**PORT OF HOUSTON AUTHORITY  
2014-2018 FIVE YEAR PLAN  
CORPORATE AFFAIRS DIVISION**

	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>	<b>2018 Budget</b>
Salaries	\$3,895,384	\$3,895,384	\$3,895,384	\$3,895,384	\$3,895,384
Benefits	1,271,705	1,272,508	1,272,508	1,272,508	1,272,508
Retirement Benefits	1,467,130	1,480,656	1,480,656	1,480,656	1,480,656
Insurance	277,055	281,396	281,396	281,396	281,396
Utilities & Fuel	274,555	24,900	24,900	24,900	24,900
Economic Development & Community Support	3,302,771	1,832,961	2,034,961	1,832,961	2,034,961
Terminal & Asset Maintenance	1,752,500	1,653,500	1,522,500	1,577,500	1,522,500
Discretionary Expenses	6,120,286	5,979,020	5,747,835	5,838,057	5,720,235
Depreciation & Amortization	4,501,134	4,838,665	4,782,898	4,349,386	4,204,945
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	405,869	384,869	384,869	384,869	384,869
Allocated Expenses to CIP	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$23,268,387</b>	<b>\$21,643,859</b>	<b>\$21,427,908</b>	<b>\$20,937,617</b>	<b>\$20,822,354</b>

**PORT OF HOUSTON AUTHORITY  
2014-2018 FIVE YEAR PLAN  
LEGAL DIVISION**

	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>2017 Budget</b>	<b>2018 Budget</b>
Salaries	\$1,323,734	\$1,317,734	\$1,317,734	\$1,317,734	\$1,317,734
Benefits	392,915	392,456	392,456	392,456	392,456
Retirement Benefits	535,404	493,312	493,312	493,312	493,312
Insurance	6,660	4,907	4,907	4,907	4,907
Utilities & Fuel	2,892	2,892	2,902	2,902	2,912
Economic Development & Community Support	4,000	4,000	4,000	4,000	4,000
Terminal & Asset Maintenance	20,700	20,700	20,700	22,700	22,700
Discretionary Expenses	2,355,714	2,339,083	2,240,894	2,242,644	2,145,598
Depreciation & Amortization	47,093	188,370	188,370	188,370	188,370
Non-Operating Expenses	-	-	-	-	-
Allocation to Others	-	-	-	-	-
Allocated Expenses to CIP	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$4,689,112</b>	<b>\$4,763,454</b>	<b>\$4,665,275</b>	<b>\$4,669,025</b>	<b>\$4,571,989</b>