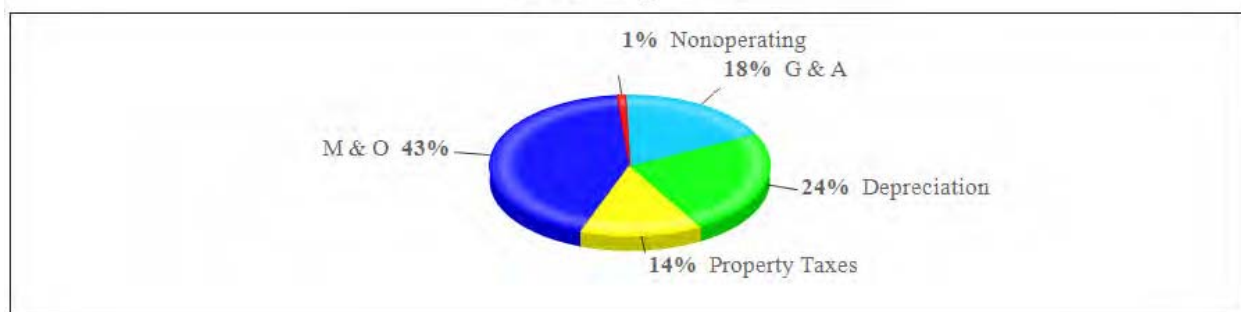


Port of Houston Authority 2013 Expenses (\$000's)

	2013	2012	2011
Operating expenses:			
Maintenance and operations of facilities	\$ 103,353	\$ 101,095	\$ 97,461
General and administrative	41,845	43,875	39,894
Depreciation and amortization	56,057	56,551	55,661
Nonoperating expenses:			
Contribution to federal and state agencies	1,949	882	1,232
Loss on Disposal of Assets	91	3,295	-
Other, net	-	98	-
Nonoperating expenses related to property taxes:			
Interest expense on unlimited tax bonds	33,188	33,803	36,843
Property tax expense	994	1,091	996
Other, net	477	442	525
Total Expenses	\$ 237,954	\$ 241,132	\$ 232,612

2013 Expenses



In 2013, expenses for maintenance and operation of facilities increased by \$2.2 million or 2% to \$103.4 million from 2012. The majority of the increase was due to fees and services relating to funding of assumption of maintenance studies with the U.S. Army Corps of Engineers for the Bayport and Barbours Cut channels, costs associated with the make-ready of the Bayport Cruise Terminal, and other volume-related maintenance costs.

General and administrative expenses decreased by \$2.0 million or 5% from 2012. The majority of the decrease was due to lower salaries and employee benefits resulting from the Authority's organizational realignment, and lower actuarially required contributions as compared to prior year for pension and other retirement benefits.