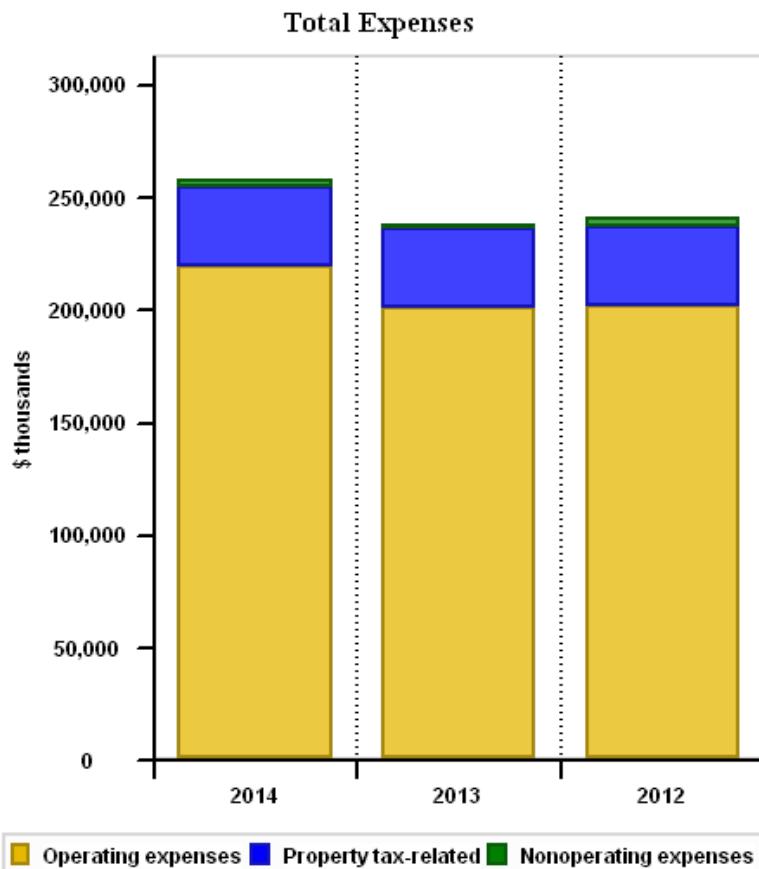


Port of Houston Authority 2014 Expenses (\$000's)

	2014	2013	2012
Operating expenses:			
Maintenance and operations of facilities	\$ 123,324	\$ 103,353	\$ 101,095
General and administrative	39,152	41,845	43,875
Depreciation and amortization	57,190	56,057	56,551
Nonoperating expenses:			
Contributions to state and local agencies	1,464	1,949	882
Loss on disposal of assets	1,220	91	3,295
Other, net	-	-	98
Nonoperating expenses related to property taxes:			
Interest expense on unlimited tax bonds	33,459	33,188	33,803
Property tax collection expense	1,175	994	1,091
Other, net	408	477	442
Total Expenses	\$ 257,392	\$ 237,954	\$ 241,132



In 2014, Operating expenses increased by \$18,411 or 9%, largely driven by higher maintenance and operation of facilities expenses tied to growth in container and general cargo tonnage. General and administrative expenses decreased 6% from 2013.

Nonoperating expenses related to property taxes, reflecting predominantly interest expense on unlimited tax bonds, increased \$383 over 2013.

Nonoperating expenses in 2014 increased \$644 due in part to loss on disposal of capital assets related to the retirement of rubber tired gantry ("RTG") cranes.