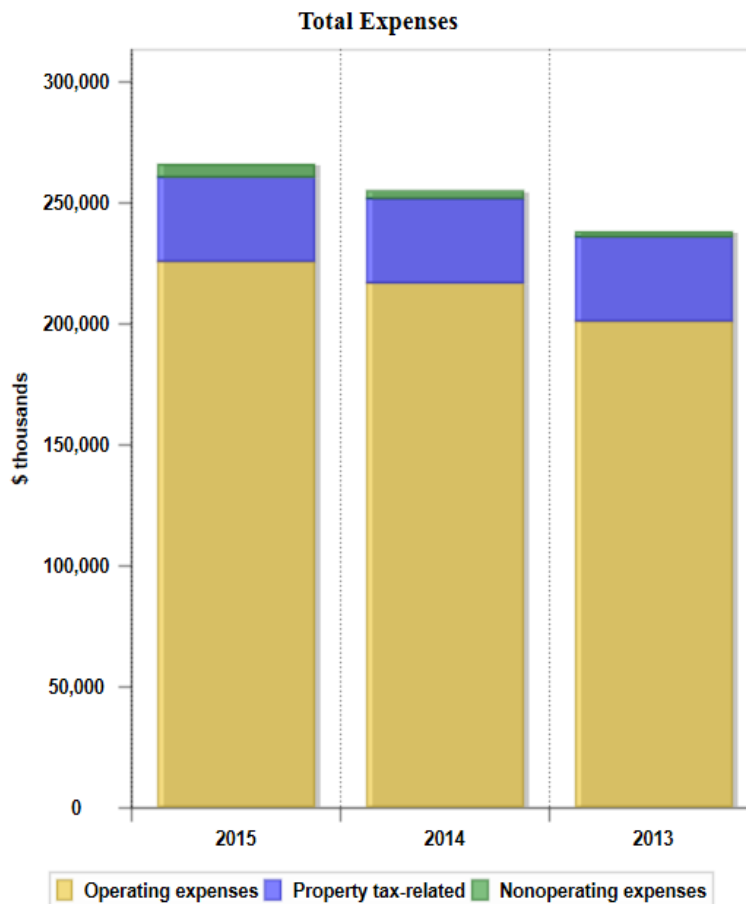


Port of Houston Authority 2015 Expenses (\$000's)

	2015	2014 Restated	2013
Operating expenses:			
Maintenance and operations of facilities	\$ 123,433	\$ 121,899	\$ 103,353
General and administrative	42,297	37,812	41,845
Depreciation and amortization	60,198	57,190	56,057
Nonoperating expenses:			
Contributions to state and local agencies	2,147	1,464	1,949
Loss on disposal of assets	2,849	1,220	91
Other	338	-	-
Nonoperating expenses related to property taxes:			
Interest expense on unlimited tax bonds	33,114	33,459	33,188
Property tax collection expense	1,039	1,175	994
Other	455	408	477
Total Expenses	\$ 265,870	\$ 254,627	\$ 237,954



In 2015, Operating expenses increased by \$9,027 or 4%, largely driven by higher maintenance and operation of facilities expenses tied to growth in container volumes. General and administrative expenses increased by \$4,485 or 12% from 2014 relating primarily to investments in strategic planning and related initiatives. Depreciation increased by \$3,008 or 5% due in large part to recapitalization projects at the container terminals.

Nonoperating expenses related to property taxes, reflecting predominantly interest expense on unlimited tax bonds, decreased \$434 over 2014.

Nonoperating expenses in 2015 increased \$2,650 due in part to higher losses on disposal of assets incurred this year.