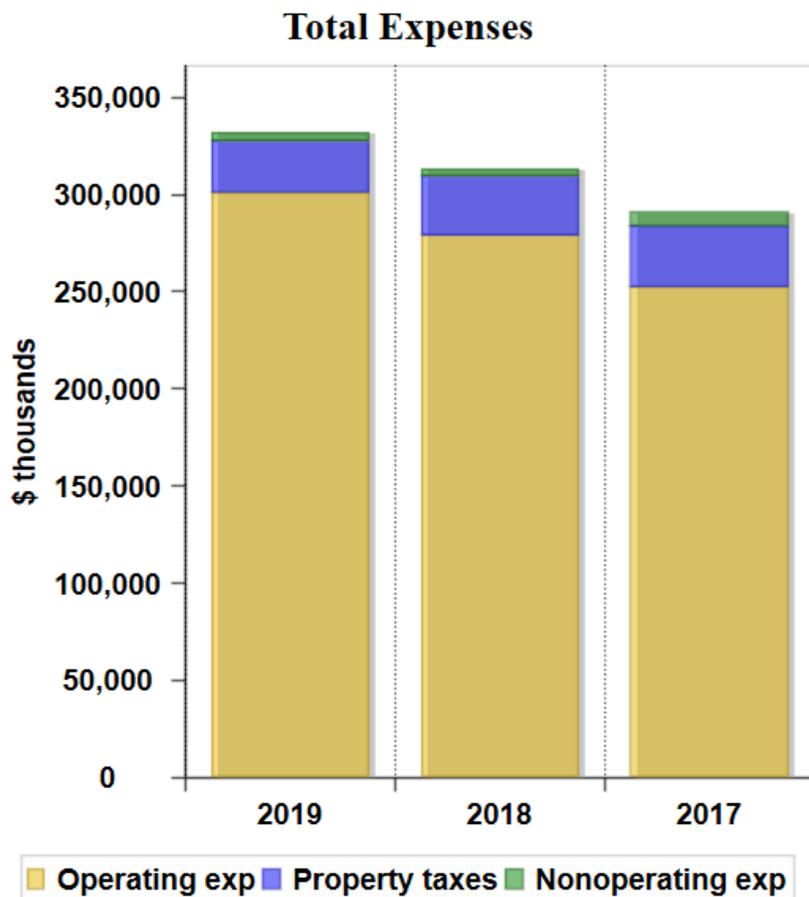


Port of Houston Authority 2019 Expenses (\$000's)

| | 2019 | 2018 | 2017 |
|---|-------------------|-------------------|-------------------|
| Operating expenses: | | | |
| Maintenance and operations of facilities | \$ 177,121 | \$ 157,524 | \$ 147,185 |
| General and administrative | 50,420 | 49,608 | 39,102 |
| Depreciation and amortization | 74,020 | 72,027 | 66,487 |
| Nonoperating expenses: | | | |
| Contributions to state and local agencies | 4,327 | 2,095 | 4,243 |
| Loss on disposal of assets | 4 | 1 | 33 |
| Other | 107 | 1,440 | 2,187 |
| Nonoperating expenses related to property taxes: | | | |
| Interest expense on unlimited tax bonds | 24,451 | 28,927 | 30,010 |
| Property tax collection expense | 1,100 | 1,100 | 1,100 |
| Other | 410 | 420 | 400 |
| Total Expenses | \$ 331,960 | \$ 313,142 | \$ 290,747 |



For fiscal 2019, Operating expenses increased by \$22,402 or 8%, primarily due to higher maintenance and operation of facilities expenses resulting from growth in container volumes. General and administrative expenses increased by \$812 or 2% primarily due to investments in information technology and related initiatives. Depreciation increased by \$1,993 or 3% due primarily to new assets at the container terminals.

Nonoperating expenses related to property taxes, reflecting predominantly interest expense on unlimited tax bonds, decreased \$4,486 over 2018.

Nonoperating expenses in 2019 increased \$902 due to contributions for projects.