

Port of Houston Authority
Income Statement
Current Month Actual vs. Prior Year

(\$ in thousands)

	August			
	Unaudited	Audited	Δ	%
	2018	2017		
Operating Revenues				
Container Terminals	\$ 24,557	\$ 17,544	\$ 7,013	40
Turning Basin Terminals	5,144	4,466	678	15
Bulk	440	539	(99)	(18)
Leases	751	464	287	62
Other	966	820	146	18
Total Operating Revenues	31,858	23,833	8,025	34
Operating Expenses				
Container Terminals	10,375	8,631	1,744	20
Turning Basin Terminals	1,528	1,601	(73)	(5)
Bulk	29	24	5	21
Leases	54	15	39	100
Other	1,230	1,171	59	5
Pension and Other Retirement Benefits	655	573	82	14
Depreciation and Amortization	6,034	5,170	864	17
Total Operating Expenses	19,905	17,185	2,720	16
Gross Margin	11,953	6,648	5,305	80
General & Administrative Expenses				
G&A Expenses	4,098	3,384	714	21
Pension and Other Retirement Benefits	379	347	32	9
Depreciation	212	239	(27)	(11)
Total G&A Expenses	4,689	3,970	719	18
Net Operating Income	7,264	2,678	4,586	100
Nonoperating Revenues (Expenses)	688	179	509	100
Income before Contributions	7,952	2,857	5,095	100
Contributions (to)/from Federal/State Agencies	(234)	(172)	(62)	36
Net Income	\$ 7,718	\$ 2,685	\$ 5,033	100
Pro forma Cash Flow				
Net Income	\$ 7,718	\$ 2,685	\$ 5,033	100
Add Depreciation and Amortization	6,246	5,409	837	15
Pro forma Cash Flow	\$ 13,964	\$ 8,094	\$ 5,870	73

These unaudited financial statements are prepared by the Port of Houston Authority ("Authority") and made available on its website (porthouston.com). Please note that the balance sheet includes all outstanding tax bonds issued by the Authority as liabilities, however, the income statement does not reflect any tax revenues or debt service payments related to the Authority's tax bonds.

Port of Houston Authority
Income Statement
Year to Date Actual vs. Prior Year
(\$ in thousands)

	August						August					
	Unaudited		Audited				Δ	%		2016	2018 vs 2016	%
	2018	2017	2018	2017								
Operating Revenues												
Container Terminals	\$ 185,748	\$ 163,444	\$ 22,304		14	\$ 139,922	\$ 45,826	33				
Turning Basin Terminals	40,111	37,270	2,841		8	34,098	6,013	18				
Bulk	3,482	3,307	175		5	3,496	(14)	(0)				
Leases	5,425	4,506	919		20	4,646	779	17				
Other	7,475	7,311	164		2	9,394	(1,919)	(20)				
Total Operating Revenues	<u>242,241</u>	<u>215,838</u>	<u>26,403</u>		12	<u>191,556</u>	<u>50,685</u>	26				
Operating Expenses												
Container Terminals	76,657	67,792	8,865		13	59,243	17,414	29				
Turning Basin Terminals	10,936	11,901	(965)		(8)	12,642	(1,706)	(13)				
Bulk	389	206	183		89	215	174	81				
Leases	331	361	(30)		(8)	177	154	100				
Other	9,257	8,553	704		8	10,429	(1,172)	(11)				
Pension and Other Retirement Benefits	4,729	6,702	(1,973)		(29)	3,598	1,131	31				
Depreciation and Amortization	43,525	41,250	2,275		6	40,108	3,417	9				
Total Operating Expenses	<u>145,824</u>	<u>136,765</u>	<u>9,059</u>		7	<u>126,412</u>	<u>19,412</u>	15				
Gross Margin	96,417	79,073	17,344		22	65,144	31,273	48				
General & Administrative Expenses												
G&A Expenses	30,238	25,546	4,692		18	24,845	5,393	22				
Pension and Other Retirement Benefits	2,754	4,628	(1,874)		(40)	2,880	(126)	(4)				
Depreciation	1,725	2,127	(402)		(19)	2,240	(515)	(23)				
Total G&A Expenses	<u>34,717</u>	<u>32,301</u>	<u>2,416</u>		7	<u>29,965</u>	<u>4,752</u>	16				
Net Operating Income	61,700	46,772	14,928		32	35,179	26,521	75				
Nonoperating Revenues (Expenses)	3,903	2,379	1,524		64	9,885	(5,982)	(61)				
Income before Contributions	65,603	49,151	16,452		33	45,064	20,539	46				
Contributions (to)/from Federal/State Agencies	647	3,392	(2,745)		(81)	(1,332)	1,979	(100)				
Net Income	<u>\$ 66,250</u>	<u>\$ 52,543</u>	<u>\$ 13,707</u>		26	<u>\$ 43,732</u>	<u>\$ 22,518</u>	51				
Pro forma Cash Flow												
Net Income	\$ 66,250	\$ 52,543	\$ 13,707		26	\$ 43,732	\$ 22,518	51				
Add Depreciation and Amortization	45,250	43,377	1,873		4	42,348	2,902	7				
Adjust for non cash items	(14)	4,056	(4,070)		(100)	(5,745)	5,731	(100)				
Pro forma Cash Flow	<u>\$ 111,486</u>	<u>\$ 99,976</u>	<u>\$ 11,510</u>		12	<u>\$ 80,335</u>	<u>\$ 31,151</u>	39				

Port of Houston Authority

Balance Sheet

(\$ in thousands)

	Unaudited August 31, 2018	Audited December 31, 2017
Current Assets		
Cash & Cash Equivalents	\$ 57,112	\$ 75,522
Short-Term Investments	302,902	228,527
Trade Accounts & Other Receivables	32,085	31,029
Other	4,873	3,539
Total Current Assets	<u>396,972</u>	<u>338,617</u>
Restricted Assets	<u>76,762</u>	<u>59,871</u>
Property		
Land, Facilities & Equipment	2,388,531	2,388,561
CIP	234,021	211,517
Accumulated Depreciation	(950,192)	(907,035)
Property, Net	<u>1,672,360</u>	<u>1,693,043</u>
Long-Term Investments	<u>44,204</u>	<u>37,850</u>
Other Assets		
Industrial Agreements	1,512	1,744
Other	9,380	8,694
Total Other Assets	<u>10,892</u>	<u>10,438</u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	12,341	12,341
Deferred loss on bond refunding	4,893	5,097
Total Deferred Outflows of Resources	<u>17,234</u>	<u>17,438</u>
Total Assets and deferred outflows of resources	<u>\$ 2,218,424</u>	<u>\$ 2,157,257</u>

Port of Houston Authority

Balance Sheet

(\$ in thousands)

	Unaudited August 31, 2018	Audited December 31, 2017
Current Liabilities		
Accounts Payable	\$ 3,083	\$ 21,944
Other Current Liabilities	21,060	25,729
Total Current Liabilities	<u>24,143</u>	<u>47,673</u>
Current Liabilities (Restricted Assets)		
Current Maturities of Long-Term Debt	19,945	19,945
Accrued Interest Payable	9,315	8,262
Total Restricted Current Liabilities	<u>29,260</u>	<u>28,207</u>
Long-Term Debt, net of Current Maturities	<u>652,274</u>	<u>653,953</u>
Other Noncurrent Liabilities		
Accrued Vacation and Sick Leave	8,305	6,461
OPEB Obligation	15,268	14,502
Net Pension Liability	10,277	10,277
Other	15,849	14,854
Total Other Noncurrent Liabilities	<u>49,699</u>	<u>46,094</u>
TOTAL LIABILITIES	<u>755,376</u>	<u>775,927</u>
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	843	843
Deferred gain on bond refunding	717	160
Total Deferred Inflows of Resources	<u>1,560</u>	<u>1,003</u>
Commitments and Contingencies	-	-
Net position		
Invested in Capital Assets, net of debt	1,004,316	1,023,578
Restricted for Debt Service	60,668	45,622
Unrestricted Net Assets	396,504	311,127
Total Net Position	<u>1,461,488</u>	<u>1,380,327</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,218,424</u>	<u>\$ 2,157,257</u>