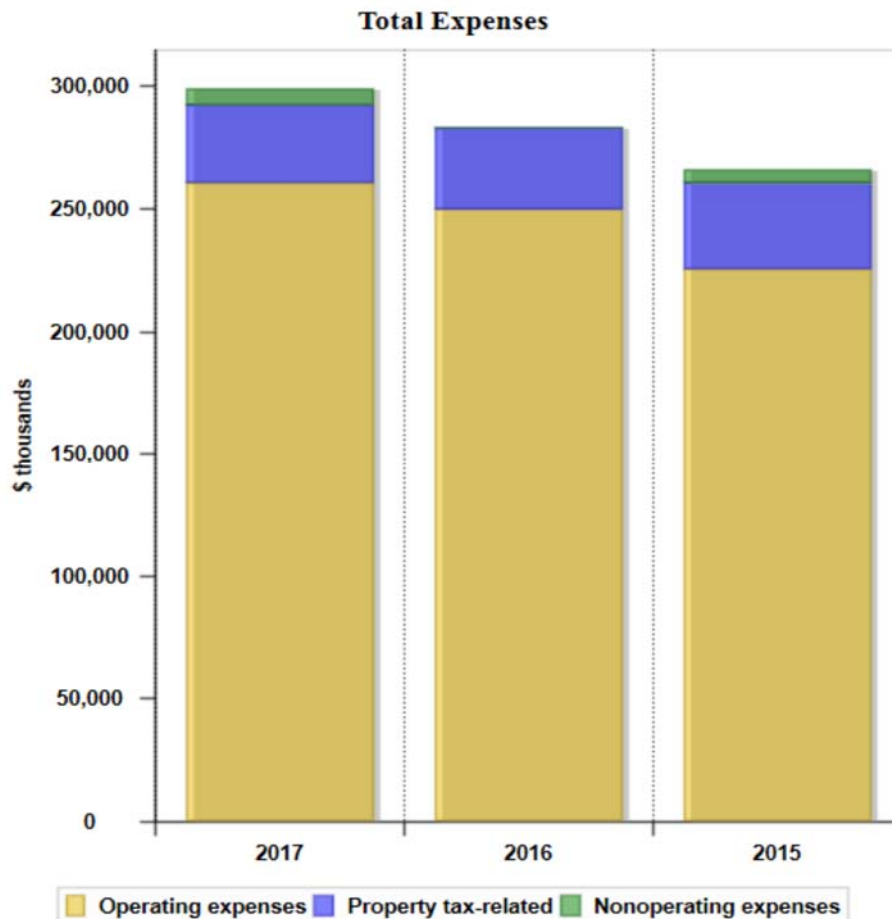


## Port of Houston Authority 2017 Expenses (\$000's)

	2017	2016	2015
<b>Operating expenses:</b>			
Maintenance and operations of facilities	\$ 152,166	\$ 141,102	\$ 123,433
General and administrative	42,423	44,286	42,297
Depreciation and amortization	66,487	64,601	60,198
Impairment of Capital Assets	-	15,114	-
<b>Nonoperating expenses:</b>			
Contributions to state and local agencies	4,243	2,127	2,147
(Gain)/ Loss on disposal of assets	33	(2,976)	2,849
Other	2,187	1,033	338
<b>Nonoperating expenses related to property taxes:</b>			
Interest expense on unlimited tax bonds	30,010	31,548	33,114
Property tax collection expense	1,100	1,100	1,039
Other	400	303	455
<b>Total Expenses</b>	<b>\$ 299,049</b>	<b>\$ 298,238</b>	<b>\$ 265,870</b>



For fiscal 2017, Operating expenses decreased by \$4,027 or 2%, primarily due to an impairment charge to the Cruise Terminal in 2016 of \$15,114, offset by higher maintenance and operation of facilities expenses tied to growth in container volumes. General and administrative expenses decreased by \$1,863 or 4% primarily due to investments in strategic planning and related initiatives in 2016 with lower comparable spend in 2017. Depreciation increased by \$1,886 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 \$1,441 over 2016.

Nonoperating expenses in 2017 increased \$6,279 due primarily to gains recorded in 2016 on asset dispositions with no comparable gain in 2017.