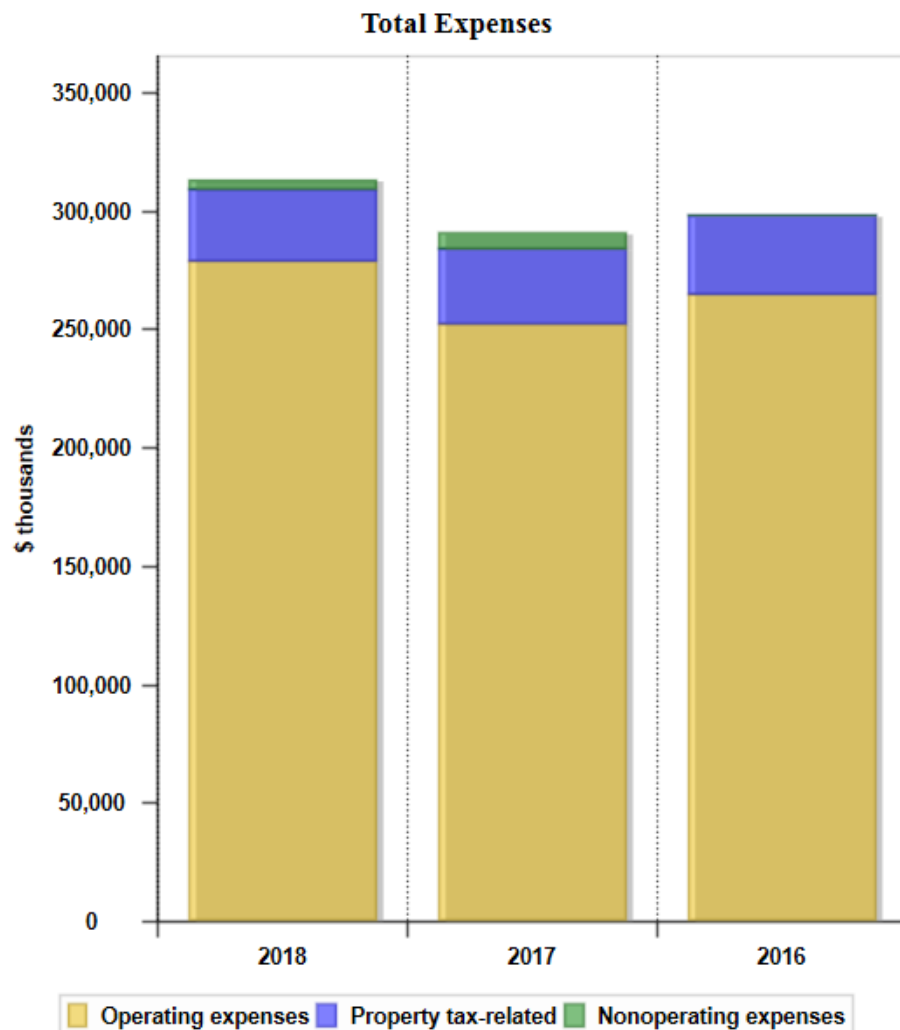


## Port of Houston Authority 2018 Expenses (\$000's)

	2018	2017 Restated	2016
<b>Operating expenses:</b>			
Maintenance and operations of facilities	\$ 157,524	\$ 147,185	\$ 141,102
General and administrative	49,608	39,102	44,286
Depreciation and amortization	72,027	66,487	64,601
Impairment of Capital Assets	-	-	15,114
<b>Nonoperating expenses:</b>			
Contributions to state and local agencies	2,095	4,243	2,127
(Gain)/ Loss on disposal of assets	1	33	(2,976)
Other	1,440	2,187	1,033
<b>Nonoperating expenses related to property taxes:</b>			
Interest expense on unlimited tax bonds	28,927	30,010	31,548
Property tax collection expense	1,100	1,100	1,100
Other	420	400	300
<b>Total Expenses</b>	<b>\$ 313,142</b>	<b>\$ 290,747</b>	<b>\$ 298,238</b>



For fiscal 2018, Operating expenses increased by \$26,385 or 10%, primarily due to higher maintenance and operation of facilities expenses resulting from record growth in container volumes. General and administrative expenses increased by \$10,506 or 27% primarily due to investments in strategic planning, information technology and related initiatives with lower comparable spend in 2017. Depreciation increased by \$5,540 or 8% due primarily to new assets at the container terminals.

Nonoperating expenses related to property taxes, reflecting predominantly interest expense on unlimited tax bonds, decreased \$1,063 over 2017.

Nonoperating expenses in 2018 decreased \$2,927 due to contributions for projects with no comparable spend in 2018.