



Port of Corpus Christi Authority of Nueces County, Texas

*Comprehensive Annual
Financial Report
For the Year Ended
December 31, 2009*

Comprehensive Annual Financial Report

Port of Corpus Christi Authority of Nueces County, Texas

For the Year Ended December 31, 2009

Prepared by the Finance Department

Daniel R. Hodgkins
Chief Financial Officer



INTRODUCTORY SECTION

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

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OF NUECES COUNTY, TEXAS**

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PORT COMMISSIONERS

Ruben Bonilla, Jr., Chairman

Mr. Bonilla was appointed to the Port Commission by the City of Corpus Christi in 1998. He is an attorney and partner in the law firm of Bonilla & Chapa, P.C.

Robert J. Gonzalez Sr., Vice-Chairman

Mr. Gonzalez was appointed to the Port Commission by Nueces County in 2000. He is an attorney and partner in the law firm of Gonzalez and Gonzalez L.L.P.

L. Michael Carrell, Secretary

Mr. Carrell was appointed to the Port Commission by the City of Corpus Christi in 2002. He is President of Frost Bank

Judy Hawley, Commissioner

Mrs. Hawley was appointed to the Port Commission by San Patricio County in 2004.

Kenneth L. Berry, Commissioner

Mr. Berry was first appointed to the Port Commission by the City of Corpus Christi in 1999. He was later appointed to the Port Commission by Nueces County in 2005. He is President and Chief Executive Officer of The Berry Co.

Richard M. Borchard, Commissioner

Mr. Borchard was appointed to the Port Commission by Nueces County in 2009. He is Director of Client Relations at the law firm of Linebarger, Goggan, Blair & Sampson.

Francis I. Gandy, Jr., Commissioner

Mr. Gandy was appointed to the Port Commission by the City of Corpus Christi in 2009. He is manager and part owner of F. I. Gandy Farms, President of Gandy-Robertson, Inc., a family real estate investment business; and managing partner of Saratoga Oaks Shopping Center.

EXECUTIVE STAFF

John P. LaRue, Executive Director

Frank C. Brogan, Deputy Port Director of Engineering and Finance and Administration

Maynard J "Sandy" Sanders, Deputy Port Director of Operations and Business Development

Anthony Alejandro, Director of Operations

Greg Brubeck, Director of Engineering Services

Daniel R. Hodgkins, Chief Financial Officer

Michael Perez, Director of Business Development

Sandra Terrell-Davis, Director of Human Resources

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Organization Chart
December 31, 2009**

PORT COMMISSION, PORT OF CORPUS CHRISTI AUTHORITY

Executive Director		John P. LaRue
Deputy Port Director of Engineering and, Finance and Administration		Frank C. Brogan
	Director of Engineering Services	Greg Brubeck
	Deputy Director of Engineering Services	Bill Green
	Chief Engineer	David L. Michaelsen
	Chief Financial Officer	Daniel R. Hodgkins
	Controller	Dennis J. DeVries
	Chief Accountant	Audre Debler
	Manager of Management Information Systems	Gustavo Espinosa
	Deputy Port Director of Operations and Business Development	
	Director of Operations	Anthony Alejandro
	Deputy Director of Operations	Vacant
	Manager of Foreign Trade Zone	Sonya Lopez-Sosa
	Manager of Risk Management	David Solis
	Chief of Port Security	Arch Archambo
	Harbormaster	Jim Burns
	Manager of Transportation	Fred Babin
	Manager of Bulk Terminal	Paul "Skip" Kaup
	Manager of Dock Operations	Raymond Kadlecek
	Maintenance Manager	David Throop
	Director of Business Development	Michael Perez
	Deputy Director of Business Development	Ruben C. Medina
	Manager of Industrial Development	Richard E. Stroot
	Marketing & Public Affairs Manager	Patricia Cardenas
	General Cargo Manager	John Valls
	Director of Human Resources	
	Human Resources Generalist	Monica Euresti
	Manager of Legislative Affairs	Nelda Olivo
	Project Manager - Naval Station Ingleside Redevelopment	Tom Moore



PORT CORPUS CHRISTI

April 5, 2010

Port Commission

Port of Corpus Christi Authority of Nueces

County, Texas

Corpus Christi, Texas

State law requires that every navigation district or port authority publish at the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Lovvorn & Kieschnick, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Port of Corpus Christi Authority of Nueces County, Texas (Authority)'s financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Authority is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border. The Authority maintains one of the deepest ports along the Gulf of Mexico coast with a channel depth of 45 feet. The Authority's port facilities are part of the Port of Corpus Christi complex. The Port of Corpus Christi has been a deep draft port since 1926. The channel is approximately 30 miles long and links the City of Corpus Christi with the Gulf of Mexico.

The Authority (formerly the Nueces County Navigation District No.1) is a navigation district and political subdivision of the State of Texas, having boundaries co-extensive with those of Nueces and San Patricio Counties, Texas. The Authority operates under the provisions of Article XVI, Section 59, of the Texas Constitution and related laws of the State of Texas, particularly Sections 60 and 62 of the Texas Water Code, and all amendments thereto. The Authority being a navigation district and political subdivision of the State of Texas is a separate and distinct entity of Nueces and San Patricio Counties and operates independently with its own Port Commission as its governing body. The only relationship the Authority and Nueces County have is that in the event the Port Commission deems it necessary to issue tax-supported bonds, it must request the Commissioners Court to call an election. The Commissioners Court shall call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds.

A Port Commission composed of seven commissioners, who serve without pay, governs the Authority. Each commissioner serves a staggered term of three years with appointments made to the Commission each year. Three commissioners are appointed by the Corpus Christi City Council, the governing body of the City of Corpus Christi, three commissioners are appointed by the Nueces County Commissioners Court, the governing body of Nueces County, and one commissioner is appointed by the San Patricio County Commissioners Court, the governing body of San Patricio County. The executive staff, under the leadership of the executive director, manages the operations of the Authority and assists the Commission in planning for the future. Port Commission efforts are directed toward encouraging industrial expansion, attracting new

cargo, building and maintaining public terminals, setting operational policy and cooperating with the Federal Government as a local sponsor in maintaining and further improving vital navigation channels.

The Authority owns and operates public wharves, transit sheds, open storage facilities, freight handling facilities and equipment, warehouses, a bulk material handling terminal, and a multi-purpose cruise terminal/conference center. The Authority also owns a grain elevator that is leased to Archer Daniels Midland (ADM), a refrigerated warehouse facility that is leased to Coastal Bend Cold Storage, and cotton warehouses that are leased to Gulf Compress. In addition, the Authority leases land, buildings and improvements, and maintains areas for the placement of dredged materials.

The Port of Corpus Christi consists not only of the Authority's docks, but also includes privately owned docks. The Authority owns eight general cargo docks, eleven liquid bulk cargo docks, two bulk material docks, a container terminal, two bagging facilities, a shipside grain elevator, a refrigerated warehouse, cotton warehouses and a multi-purpose cruise terminal/conference center. All of these facilities are operated for hire on a first-come, first-serve basis, with the exception to the shipside grain elevator and cotton warehouses that are leased. Most of the privately owned docks at the Port of Corpus Christi are owned by, and operated exclusively for, the various refineries, chemical plants and other industries that line the Channel. Approximately thirty-two privately owned docks are located at the Port of Corpus Christi, and compete directly with the Authority's docks.

The Port Commission adopts an annual budget each year, on a basis consistent with accounting principles generally accepted in the United States of America for proprietary funds, as a prudent management tool. Monthly budget reports are prepared for management to maintain proper budgetary control, and are reviewed by the Port Commission on a quarterly basis.

LOCAL ECONOMY

The Authority continues to remain financially strong and a primary driver of the local economy. The Authority's sound fiscal management has allowed the Authority to remain financially stable. The Authority is currently ranked as the 7th largest port in the United States in terms of tonnage. The Authority has served the local economy for over eighty years, and is continually upgrading and expanding its facilities to better serve South Texas industry and shippers. Local Port industries as well have made investments to upgrade and expand their facilities, to improve air and water quality, and improve process efficiencies, or supply utilities such as electricity and steam. Local refineries have made investments that permit them to provide clean burning gasoline during the ozone alert months, a volunteer program that has contributed to the local area's ability to maintain its "attainment" classification with environmental agencies.

The Authority has adopted a mission statement, which has become an integral part in the development of a strategic plan to guide the Authority into the year 2010. The mission statement is as follows: "It is the mission of the Port of Corpus Christi to serve as a regional economic development catalyst while protecting and enhancing its existing industrial base and simultaneously working to diversify its international maritime cargo business. In pursuit of this mission, the Port, which is a political subdivision of the State of Texas governed by appointees of Nueces County, the City of Corpus Christi and San Patricio County, shall be guided by the following basic principles: (1) The Port shall conduct its affairs in a positive, open and cooperative manner; (2) The Port shall operate in a fiscally responsible manner; (3) The Port shall be a positive and proactive force in the protection of the region's marine and water related resources; and (4) The Port shall be committed to serving its customers - present and future."

Economic development means attracting industrial and commercial activity, private capital and waterborne cargo shipments that will create employment opportunities, sustaining and upgrading existing jobs, introducing new basic dollars to the area and broadening the tax base that supports all public services. The 2008 Port Economic Impact findings reinforce the Port's mission statement: to be an economic catalyst for the region. Martin Associates of Lancaster, PA studied the economic impact of the Authority operations including the Ortiz Center. The last economic impact study for the Authority was in 2003. Five years later, the 2008 report shows similar increases. In 2003, the Authority created 39,905 jobs, generated \$195.4 million in state and local taxes, and provided \$1.3 billion in business revenue. Today, the Authority creates

approximately 40,560 jobs with 10,487 direct jobs. The Authority generates 13,669 induced jobs that are the result of purchases by the direct employees. The remainder of total jobs is comprised of 16,404 indirect jobs supported by the local purchases by businesses supplying services or dependent upon the Authority. The 40,560 jobs provide \$3.0 billion in income (direct, induced, and indirect wages and salaries) for families throughout the Coastal Bend. Authority operations generate \$1.6 billion of revenue for businesses providing services to the Authority and port industries, and Ortiz Center. More than \$282 million was paid in state and local taxes due to activity created by the Authority. Over the five-year period, Authority tonnage grew by over 1 million tons. While a decrease of 4 million tons was seen over the last five years in petroleum and petrochemicals, they continue to be the Authority's top commodity. This decline was however offset by increases of 3.8 million tons in bulk grain exports, 873 thousand tons in ore, 306 thousand tons in break bulk cargo, and 270 thousand tons in other dry bulk cargo. This indicates that the Authority's diversification efforts are working. The Authority remains an economic force via its ability to provide the commercial shippers with first class channels, docks and facilities for handling their cargo, and by providing public facilities designed to attract more tourist dollars to the area while maintaining financial stability. Ultimately, our goal is to raise the standard of living and enhance the quality of life of everyone in the local surrounding region.

LONG-TERM FINANCIAL PLANNING

The Authority has three major projects that will require significant funding in the future. These projects will be funded from federal and state assistance, revenue bonds and the Authority's unrestricted net assets of \$22.9 million.

The Joe Fulton Trade Corridor – Phase II

The Authority continues construction on the final phase of the *Joe Fulton Trade Corridor*, a road and rail route that has already streamlined truck and rail traffic in and out of the Authority by providing an alternative route to access I-37 west of the ship channel. This corridor consists of almost 12 miles of new and existing roadway, coupled with 7 miles of new rail that has significantly improved access to more than 2,000 acres of land along the North side of the channel for existing and future development. The corridor has made approximately 1,100 acres of land (which had no access available) for use as marine terminals or industrial sites. The corridor connects two major highway components- US Highway 181 and Interstate Highway 37; thus, establishing more efficient intermodal links between highway, marine, and rail transportation systems. The corridor addressed environmental and safety concerns, and facilitates international trade.

Construction began in 2004 and Phase I was completed in 2008. Total project costs for phase I was \$50.4 million. Funding for the first phase of the project was provided through federal and state assistance, and cash reserves of the Authority. Funding to complete phase II of this project is being provided from \$11.25 million of federal stimulus funding and \$3.75 million of the Authority's unrestricted net assets over 2009 and 2010. Phase II will rebuild a 2.25 mile section of substandard roadway and overlay 6.5 miles of Phase I work with asphalt.

Channel Improvement Project

In 2003, the Authority completed the feasibility phase of the Channel Improvement Project and in November 2007, the project was authorized by Congress in the Water Resources Development Act (WRDA) of 2007. The authorized project includes the following navigation and ecosystem restoration features: (1) deepening the ship channel from 45 to 52 feet, (2) adding 200 foot barge shelves across Corpus Christi Bay, (3) widening the ship channel to 530 feet from Port Aransas to the Harbor Bridge, (4) extending the La Quinta Channel approximately 1.4 miles and (5) constructing ecosystem restoration features to protect endangered species, wetlands and seagrass. In December 2009, the US Army Corps of Engineers awarded the first construction contract associated with the extension of the La Quinta Channel. This contract for \$1.1 million will construct a 126-acre dredge material placement area for containment of sands and clay excavated to create the La Quinta Channel extension. This contract award is for the first of several construction projects required to complete the \$75 million plan to construct the La Quinta Channel Extension. Total improvements will cost approximately \$500 million. Funding for this project will come from federal assistance and revenue bonds, supported by a proposed tariff increase.

La Quinta Multi-Purpose Facility

In December 2009, in addition to moving forward with the dredging of La Quinta Extension, the Authority approved a professional services agreement to design the initial phase of a multi-purpose dock and terminal project to be constructed on the Authority's 1,000 acre La Quinta property site for which the La Quinta channel extension will serve. The multi-purpose dock and terminal facility will be designed to handle a wide variety of general cargo including containers, military, wind turbines, steel pipe, and more. Completion of preliminary engineering for full build out and final design for the initial 800 foot to 1,000 foot dock will provide the necessary information to define costs and determine completion schedules. The goal is to complete the design and be ready to solicit bids for the first phase of construction by late 2010, or early 2011.

MAJOR INITIATIVES - 2009

Environmental Management System

In 2009, the Texas A&M University-Pollution Prevention Partnership (PPP) of Corpus Christi recognized the Authority and its employees for its leadership in proactive environmental activities supporting the PPP efforts of maintaining acceptable levels of ozone in Corpus Christi and the Coastal Bend region. The Authority earned the recognition for being a significant partner. Through the Authority's Environmental Management System (EMS), the Authority is a community leader for its proactive efforts and voluntary emissions reductions. Along with PPP, the Authority hosted and promoted numerous AutoCheck events to detect pollution emitting vehicles, inform vehicle operators if their vehicle is polluting and provide repair assistance for polluting vehicles. The Authority also earned this significant recognition because of its voluntary leadership in energy consuming reduction initiatives, propane powered yard equipment and idling reductions all overseen by the Authority's EMS program. The Authority's program is in its 3rd year of ISO 14001 certification and its 5th year of implementation. Each year, the program must undergo a detailed external audit to get ISO 14001 certified. The EMS program is overseen by a team of Authority employees from different departments and manages the environmental issues associated with our operations. In the 5 years of implementation, the program has identified 28 significant aspects. Of those 28 significant aspects, 15 have been managed to the point that the impact has been reduced significantly. Employees are continuing to come up with better ideas to manage and reduce our environmental footprint.

Naval Station Ingleside Reverts to Authority

In 2005, Congress passed Base Realignment and Closure (BRAC) legislation that would close down Navy operations at Naval Station Ingleside originally set to take place on September 30, 2010. However, the timeline has been accelerated and reversion of the entire base to the Authority is scheduled to take place on April 30, 2010. The main base consists of 483 acres of upland property, which provides facilities and support for approximately 2000 military personnel. The maritime portion of the base includes an 1100-foot concrete pier and over 2400 feet of wharf space. This premier property is located next to the Authority's 45 foot deep main ship channel and less than 10 miles from the Gulf of Mexico. The Authority continues its master planning to help assess and market what would be the best use for a total of 1009 acres comprised of Naval Station Ingleside property and adjacent Authority green field property. The Authority continues its work on extensive outreach with the citizens of the Coastal Bend to educate the community about what the base could become after the Navy leaves at the end of April 2010.

Military Cargo and Layberth

The Authority continues to serve as a Military Strategic Seaport for the Department of Defense. The Authority is used by the military on an intermittent basis under the direction of the Army's 842d Transportation Battalion from Beaumont, Texas, which continues to maintain administrative office space on the port. Increased commercial cargo shipments through the port have required large portions of the terminal yards used for military deployments. A new 24.5 acre yard on the north side of the inner harbor will be constructed to support future military deployments and commercial cargos. The Authority served as the home port for the USNS Benavidez, USNS Fisher and USNS Pililaau throughout 2009. Due to the importance of military presence in the Gulf of Mexico, the port continues to pursue a full-time military presence to be stationed at the Authority. We are also preparing our facilities for the expected up-coming redeployment from Iraq.

Wind Turbines

Texas is the number one state in the nation in wind power production and the Port of Corpus Christi has become a preferred port of entry for imported wind turbines. In addition to the tremendous capabilities of Cargo Dock 8 on the Southside, wind turbine components are now unloaded at Cargo Dock 9 and into expanded storage areas on the Northside of the Inner Harbor. The Northside area has seen improvements of 25 acres for staging immediately across from the Inner Harbor Cargo Dock 9 and an additional 10 acres just across the Joe Fulton International Trade Corridor. The Authority has also improved 25 acres about a half mile from Cargo Dock 9 to accommodate tower sections, blades and other related turbine components. These turbines move efficiently by either truck or rail down the new Fulton Corridor to project sites in the panhandle, West Texas and throughout the mid-west and West Coast. E.ON Climate & Renewables has completed phase I of the Papalote Creek wind farm in neighboring San Patricio County to encompass approximately 45,000 acres with turbine components from Vestas. E.On is now starting phase II of the project utilizing components from Siemens Corporation. The Port of Corpus Christi is facilitating the movement of wind turbine components from more manufacturers than any other Texas port and it is an active member of the American Wind Energy Association (AWEA).

Las Brisas Energy Center

In 2008, Las Brisas Energy Center, LLC, selected the Northside of the Authority's Inner Harbor as the site for the development of a state-of-the-art electric generating facility. With an initial investment of \$3 billion dollars, Las Brisas Energy Center, LLC, received its Preliminary Air Permit from the State of Texas Commission of Environmental Quality (TCEQ) in fall of 2009. The circulating fluidized bed (CFB) facility was designed to minimize the environmental impact and to be clean and efficient. It is expected to create about 1,300 direct jobs and 2,600 indirect jobs during the construction phase. Project completion is expected by early 2014, creating from 80 to 100 direct and 150 to 175 indirect jobs once operating.

On-going Construction Projects and Marketing Efforts

Projects that carry over into 2010 include several Security Grant projects that will add thermal imaging cameras at the oil docks and general cargo areas, the installation of radar and sonar equipment in the inner harbor that will be integrated with existing equipment at the Security Center utilizing new command and control programs. New main entrance gates are planned at the North side cargo and oil dock area, Viola Turning Basin Oil Docks and at the Bulk Terminal.

In addition, at the Bulk Terminal several upgrades to the material handling equipment have been initiated that include the raising of Conveyor Belt 1 so it wouldn't be subjected to flood waters and could serve a new prill sulfur customer beginning in 2010. The programmable logic controller on the Bulk Dock 2 shiploader and conveyor system will be upgraded. Also, at Bulk Dock 1, a study will be conducted to determine if the boom on the gantry crane can be lengthened by 10 feet, and a contract will be awarded to replace the deteriorating rail track on the dock.

Another significant rail project in design is a new rail interchange yard at the west end of the inner harbor on the north side of the channel adjacent to the Viola Channel. The Viola Channel Interchange Yard would contain a total of 22,000 track feet and designed to hold 340 rail cars. This will be on 36 acres of property currently owned by the Authority. Additional projects that will carry over and be completed in early 2010 are the construction of two additional ship breasting structures at Oil Dock 11, the installation of an emergency generator at the Administration Building and the Archeological Resource investigations of the property adjacent to Naval Station Ingleside.

With the reorganization of the Business Development Department in 2009, the Authority began a more aggressive marketing effort identifying new business opportunities in new markets. At the same time, the department is working on the establishment of new shipping routes to link our port with ports in Mexico, Central and South America. These new efforts will support the growth of the Authority's cargo diversification efforts.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port of Corpus Christi Authority of Nueces County, Texas, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. This was the twenty-sixth consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this comprehensive annual financial report would not have been possible without the efficient and dedicated services of the entire staff of the Authority's Accounting Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Port Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority.

Respectfully Submitted,



John P. LaRue
Executive Director



Daniel R. Hodgkins
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Port of Corpus Christi
Authority of Nueces County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

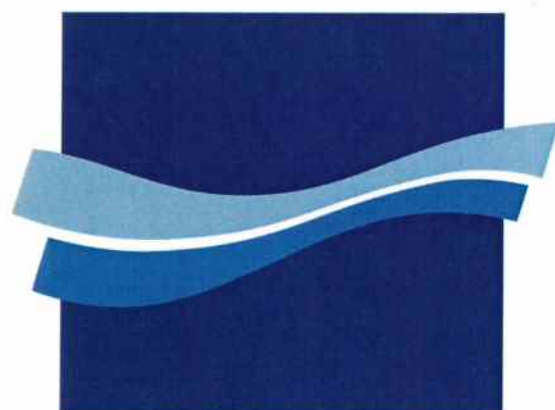


A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director



PORTCORPUSCHRISTI



FINANCIAL SECTION



Lovvorn & Kieschnick

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

We have audited the accompanying statements of net assets of the Port of Corpus Christi Authority of Nueces County, Texas (the Authority), as of December 31, 2009 and 2008 and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port of Corpus Christi Authority, as of December 31, 2009 and 2008, and the respective changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2010 on our consideration of the Port of Corpus Christi Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral

part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information on pages 3 through 9 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, supplemental schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements of the Authority. The supplemental schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP
April 5, 2010

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
Management's Discussion and Analysis (Unaudited)
December 31, 2009**

As management of the Port of Corpus Christi of Nueces County, Texas (Authority), we offer readers as an introduction to the Authority's financial statements, this narrative overview and analysis of the Authority's activities and financial performance for the years ended December 31, 2009 and 2008. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with Authority's financial statements taken as a whole. All amounts, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS

- The net assets of the Authority at December 31, 2009 were \$236,590,220. Of this amount, \$22,857,875 is considered unrestricted net assets, and may be used to meet the Authority's current ongoing obligations to employees and creditors.
- The Authority's total net assets increased \$2,495,210 or 1.1% over the prior year. Income before contributions produced an increase in net assets of \$404,637, while capital contributions provided an increase of \$2,090,573.
- The Authority's total debt decreased by \$1,165,035 in 2009, the result of scheduled debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements are comprised of the financial statements and the notes to the financial statements. The basic financial statements can be found on pages 10 through 29 of this report. Since the Authority is comprised of a single enterprise fund, no fund level financial statements are shown. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. These statements offer short and long-term financial information about its activities.

The Statement of Net Assets includes all of the Authority's assets and liabilities, and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The assets and liabilities are presented in a format, which distinguishes between current and long-term assets and liabilities. Net assets increase when revenues exceed expenses. An increase in assets without a corresponding increase to liabilities, results in increased net assets, which indicates an improved financial position.

The Statements of Revenues, Expenses, and Changes in Fund Net Assets accounts for all of the Authority's current year's revenues and expenses. All changes in net assets are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

The Statement of Cash Flows primary purpose is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* and other *supplemental information*. Statistical information presented on a multi-year basis and other information including disclosures for compliance with the Securities and Exchange Commission Rule 15c2-12 are presented for the purpose of additional

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analysis and are not a required part of the basic financial statements. Statistical and other information can be found on pages 37 through 67 of this report.

FINANCIAL ANALYSIS

The fundamental question that is most asked of business is, as a whole "Are you better off or worse off as a result of the year's activities?" The Statement of Net Assets, and the Statements of Revenues, Expenses, and Changes in Net Assets report information about the Authority's activities in a way that will help answer this question. These two statements report the net assets of the Authority and changes in them. You can think of the Authority's net assets – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating.

Statement of Net Assets

The Statement of Net Assets serves over time as a useful indicator of the Authority's financial health or position. It distinguishes assets and liabilities as to their expected use for operations, restricted purposes and capital investment.

The following condensed Statement of Net Assets provides an overview of the Authority's net assets as of December 31, 2009, 2008 and 2007:

	2009	2008	2007	2009-08 Change	2008-07 Change
Assets					
Current assets	\$ 27,595,569	\$ 31,944,820	\$ 21,038,038	\$ (4,349,251)	\$ 10,906,782
Restricted assets	1,747,632	1,756,683	2,193,823	(9,051)	(437,140)
Capital assets	233,222,853	225,460,257	229,251,802	7,762,596	(3,791,545)
Other non-current assets	2,759,234	4,110,059	5,661,776	(1,350,825)	(1,551,717)
Total Assets	265,325,288	263,271,819	258,145,439	2,053,469	5,126,380
Liabilities					
Current liabilities	6,915,890	5,681,364	8,287,212	1,234,526	(2,605,848)
Long-term debt, net of current portion	8,607,003	9,822,038	10,981,145	(1,215,035)	(1,159,107)
Deferred income, net of current portion	10,946,447	11,403,487	11,860,527	(457,040)	(457,040)
Other liabilities	2,265,728	2,269,920	2,016,875	(4,192)	253,045
Total Liabilities	28,735,068	29,176,809	33,145,759	(441,741)	(3,968,950)
Net Assets					
Invested in capital assets, net of related debt	211,984,713	202,587,244	204,800,725	9,397,469	(2,213,481)
Restricted	1,747,632	1,756,683	2,193,823	(9,051)	(437,140)
Unrestricted	22,857,875	29,751,083	18,005,132	(6,893,208)	11,745,951
Total Net Assets	\$ 236,590,220	\$ 234,095,010	\$ 224,999,680	\$ 2,495,210	\$ 9,095,330

2009 – 2008

The Authority's assets exceeded its liabilities at the close of 2009 by \$236,590,220. This is an increase over 2008 of \$2,495,210. By far, the largest portion of the Authority's net assets (89.6%) reflects its investment in capital assets, less related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Authority's net assets (0.7%) represents resources that are subject to external legal restrictions on how they may be used. The remaining balance of unrestricted net assets (9.7%) may be used to meet the Authority's ongoing obligations to employees and creditors.

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2008 – 2007

The Authority's assets exceeded its liabilities at the close of 2008 by \$234,095,010. This is an increase over 2007 of \$9,095,330. By far, the largest portion of the Authority's net assets (86.50%) reflects its investment in capital assets, less related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Authority's net assets (0.8%) represents resources that are subject to external legal restrictions on how they may be used. The remaining balance of unrestricted net assets (12.7%) may be used to meet the Authority's ongoing obligations to employees and creditors.

Statements of Revenues, Expenses, Change in Net Assets

The Statements of Revenues, Expenses, and Change in Net Assets serve as a measure to determine how successful the Authority was during the past year in recovering its costs through its user fees and other charges, as well as to its profitability and credit worthiness. The following Statements of Revenues, Expenses, and Change in Net Assets summarize the operations of the Authority for the years ended December 31, 2009, 2008 and 2007:

	2009	2008	2007	2009-08 Variance	2008-07 Variance
Revenues					
Operating revenues:					
Wharfage	\$ 24,826,670	\$ 26,359,823	\$ 27,219,535	\$ (1,533,153)	\$ (859,712)
Dockage	7,319,259	7,078,197	3,655,333	241,062	3,422,864
Freight handling	2,428,621	2,178,423	2,166,118	250,198	12,305
Building and land rentals	3,924,060	4,318,458	4,545,342	(394,398)	(226,884)
Conference center services	2,007,407	1,451,630	1,597,594	555,777	(145,964)
Warehouse handling charges	596,168	1,367,306	1,211,146	(771,138)	156,160
FTZ user fees	326,000	284,500	295,000	41,500	(10,500)
Security surcharge fees	3,392,945	3,382,111	2,256,902	10,834	1,125,209
Other	1,622,330	4,630,745	1,982,487	(3,008,415)	2,648,258
Total operating revenues	46,443,460	51,051,193	44,929,457	(4,607,733)	6,121,736
Interest revenue	584,849	932,447	1,230,324	(347,598)	(297,877)
Federal Funds received as fiscal agent	-	284,048	-	(284,048)	284,048
Gain(Loss) on disposal of capital assets	7,266	(308,883)	(10,293)	316,149	(298,590)
Total Revenues	47,035,575	51,958,805	46,149,488	(4,923,230)	5,809,317
Expenses					
Operating expenses:					
Maintenance and operations	20,854,315	21,842,912	21,392,329	(988,597)	450,583
General and administrative	15,191,213	13,007,565	12,521,179	2,183,648	486,386
Depreciation	10,060,645	9,648,639	8,442,640	412,006	1,205,999
Total operating expenses	46,106,173	44,499,116	42,356,148	1,607,057	2,142,968
Interest expense and fiscal charges	504,030	562,442	620,495	(58,412)	(58,053)
Fiscal payments to subrecipients	-	284,048	-	(284,048)	
Amortization of bond issuance costs	20,735	28,615	37,828	(7,880)	(9,213)
Total Expenses	46,630,938	45,374,221	43,014,471	1,256,717	2,075,702
Income (Loss) Before Contributions	404,637	6,584,584	3,135,017	(6,179,947)	3,733,615
Capital Contributions	2,090,573	2,510,746	4,633,770	(420,173)	(2,123,024)
Changes in Net Assets	2,495,210	9,095,330	7,768,787	(6,600,120)	1,610,591
Total Net Assets, Beginning of Year	234,095,010	224,999,680	217,230,893	9,095,330	7,768,787
Total Net Assets, End of Year	\$ 236,590,220	\$ 234,095,010	\$ 224,999,680	\$ 2,495,210	\$ 9,379,378

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Revenues

2009 – 2008

Operating revenues in 2009 decreased by \$4,607,733 or 9.0% from 2008. The most significant decrease was in other revenues of \$3.0 million from 2008. The Authority periodically receives disposal fees for the placement of dredge material in the Authority's dredge disposal placement areas by customers who perform maintenance dredging along their docks. In 2009, the Authority saw a significant decline in this maintenance dredging activity by our customers from 2008 that resulted in a drop in disposal fee revenue of \$2.5 million. In addition, wharfage revenues declined \$1.5 million in 2009. The movement of petroleum products in 2009 dropped 8%, and as a result, wharfage revenues at both the public and private oil docks were down \$1.2 million. Another factor in the decrease in revenues, was the drop in warehouse handling charges of \$771 thousand from 2008. The Authority ceased operations of the refrigerated warehouse and leased the facility in July, 2009.

2008 – 2007

Operating revenues in 2008 increased by \$6,121,736 or 13.63% over 2007. The single largest underlying factor contributing to this increase was the impact of a dockage tariff increase that was imposed in March of 2008, coupled with an associated increase in security surcharge fees directly related with the dockage increase. As a result dockage revenue and security surcharge revenues rose by \$3.4 million and \$1.1 million, respectively over 2007. In addition, the Authority recognized a significant increase in other revenues due to an increase in railcar revenue of nearly \$305 thousand, and the receipt of \$2.2 million in dredge disposal fees from the placement of dredge material into the Authority's dredge disposal placement areas. Wharfage revenues declined \$860 thousand in 2008. This decline was due to a decrease in wharfage revenues at both the public and private oil docks of \$1.5 million and a decrease in passenger revenue of \$265 thousand associated with the discontinued operations of the *Texas Treasure* gambling ship. These decreases were offset by an increase in wharfage revenue of \$895 thousand at the Authority's dry cargo docks associated with the movement of windmill components.

Expenses

2009 – 2008

Operating expenses in 2009 increased \$1,607,057 or 3.6% over 2008. A major factor in this increase was professional services which increased \$1.4 million over 2008. In 2009, the Authority incurred additional costs associated with the site restoration and remediation of the crude oil tank farms located on Harbor Island; the Authority also engaged Texas A&M University to act as the Authority's master developer of the Naval Station Ingleside land that will revert to the Authority on May 1, 2010. In addition, the Authority is in pursuit of the designation as a cotton delivery point and has incurred associated legal and consulting costs. Employee services costs increased \$418 thousand as a result of a COLA given to employees in 2009, coupled with costs associated with two newly created deputy port director positions. These increases were partially offset by a reduction in the Authority's self-funded medical and dental costs in 2009. A reduction in employee services costs associated with the leasing of our refrigerated warehouse facility were also offset by the hiring of additional police officers to support the Authority's new marine patrol unit. The Authority also recorded increases in business and community development expenses for service contracts with area economic development corporations, public relations expenses for a new public relations media campaign, utilities costs and depreciation, collectively totaling \$1.2 million. These increases were however offset by a decrease in maintenance expenses of \$1.2 million. Contracted labor services also fell by \$432 thousand as a result of leasing the Authority's refrigerated warehouse facility midway through 2009.

2008 – 2007

Operating expenses in 2008 increased by \$2,142,968 or 5.06% over 2007. There were a number of factors that contributed to this increase. Employee services rose in 2008, as a result of hiring twenty-one security guards to replace contracted security guards. The intent was to provide a more consistent level of trained security guard personnel throughout the Authority, by eliminating the potential

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impact on port security protection by the turnover of contracted security guard personnel. The Authority still retained a portion of the contracted security guards to compliment and support the Authority's security guard force. In addition, the Authority saw its self-funded employee medical and dental costs escalate in 2008, along with giving employees a cost-of-living adjustment (COLA) that went into effect at the beginning of the year. Also, the Authority capitalized several large projects that substantially increased depreciation expense in 2008. These projects included the Joe Fulton International Trade Corridor and Rail Tracks, and the Northside Military Cargo Yard.

Capital Grants and Contributions

2009 – 2008

Capital grants and contributions decreased by \$420,173 from 2008. The Authority is the recipient of a number of federal and state grants from a variety of programs. These grant funds are recorded on the basis of project expenditures made. As projects are advanced and expenditures incurred, grant funds are requested on a reimbursement basis and then recognized. Major capital grants and contributions at December 31, 2009 include the following:

● Security Enhancements	\$ 1,090,573
● Coastal Impact-Pelican Shoreline Erosion	1,000,000

2008 – 2007

Capital grants and contributions decreased by \$2,123,024 from 2007. The Authority is the recipient of a number of federal and state grants from a variety of programs. These grant funds are recorded on the basis of project expenditures made. As projects are advanced and expenditures incurred, grant funds are requested on a reimbursement basis and then recognized. Major capital grants and contributions at December 31, 2008 include the following:

● Joe Fulton International Trade Corridor	\$ 2,014,508
● Security Enhancements	403,386
● Vessel Traffic Information System	71,852
● Oil Spill Donation - Workbarge & Airboat	21,000

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

2009 – 2008

The Authority's investment in capital assets as of December 31, 2009, amounts to \$233,222,853 (net of accumulated depreciation). This investment in capital assets includes port facilities, elevator and bulk terminal facilities, machinery and equipment, property and buildings, furniture and equipment, and construction in progress. This amount represents a net increase (additions net of retirements and depreciation) of \$7,762,596 or 3.4%. Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements on page 19.

Major capital asset additions during 2009 include the following:

● North Bank Open Storage Area	\$ 5,484,905
● Conference Center Roof Replacement	459,357
● Oil Dock 12 Upgrades	411,776
● Install Secondary Oil Containment Pans at Oil Docks	395,146

Capital Assets

2008 – 2007

The Authority's investment in capital assets as of December 31, 2008, amounts to \$225,460,257 (net of accumulated depreciation).

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This investment in capital assets includes port facilities, elevator and bulk terminal facilities, machinery and equipment, property and buildings, furniture and equipment, and construction in progress. This amount represents a net decrease (additions net of retirements and depreciation) of \$3,791,545 or 1.65%. Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements on page 19.

Major capital asset additions during 2008 include the following:

● Northside Military Cargo Yard	\$ 2,493,857
● Joe Fulton International Trade Corridor	1,061,228
● Security Enhancements	669,585
● Conference Center Roof Replacement	438,510

The following table summarizes the Authority's capital assets (net of accumulated depreciation) as of December 31, 2009, 2008 and 2007:

	2009	2008	2007	2009-08 Change	2008-07 Change
Capital assets, not being depreciated:					
Land	\$ 40,265,339	\$ 40,265,339	\$ 40,209,083	\$ -	\$ 56,256
Channel & waterfront improvements	18,868,431	18,868,431	18,868,431	-	-
Construction in progress	16,898,775	6,873,834	55,764,814	10,024,941	(48,890,980)
	76,032,545	66,007,604	114,842,328	10,024,941	(48,834,724)
Capital assets, being depreciated:					
Port facilities	91,029,638	94,173,467	52,814,756	(3,143,829)	41,358,711
Buildings & improvements	51,991,004	49,221,531	42,912,854	2,769,473	6,308,677
Machinery and equipment	14,169,666	16,057,655	18,681,864	(1,887,989)	(2,624,209)
	157,190,308	159,452,653	114,409,474	(2,262,345)	45,043,179
Net Capital Assets	\$ 233,222,853	\$ 225,460,257	\$ 229,251,802	\$ 7,762,596	\$ (3,791,545)

Long-term Debt

As of December 31, 2009, the Authority had long-term debt outstanding of \$9,817,003. This amount is comprised of general revenue bonds. The Authority's debt decreased through its annually scheduled debt service payments during 2009 and 2008. Additional information regarding the Authority's long-term debt can be found in Note 6 to the financial statements on page 21. The following table summarizes the Authority's long-term debt outstanding as of December 31, 2009, 2008 and 2007:

	2009	2008	2007	2009-08 Change	2008-07 Change
General revenue bonds	\$ 9,817,003	\$ 10,982,038	\$ 12,101,145	\$ (1,165,035)	\$ (1,119,107)
Total Long-term Debt	\$ 9,817,003	\$ 10,982,038	\$ 12,101,145	\$ (1,165,035)	\$ (1,119,107)

The Authority maintains an A rating from Standard and Poor's Corporation and an A3 rating from Moody's Investor Service on its' general revenue bonds. In accordance with the Authority's general revenue bond covenants, the Authority is required to maintain a revenue bond coverage of at least 1.25 times the average debt service requirements of its' general revenue bonds. As of December 31, 2009 the Authority's revenue bond coverage was 6.58 times, compared to 10.25 times as of December 31, 2008.

ECONOMIC OUTLOOK

The results of 2009 were challenging due to the worldwide economic recession, impacting the movement of petrochemical products and other commodities through the port. The Authority continued to feel the effects of the financial burden placed on it to provide federally mandated security protection for its harbors and facilities. These costs have been partially defrayed by a security surcharge

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fee. The Authority has been successful in securing federal grant funding to assist in the procurement of the necessary infrastructure to meet these mandates. In the past, the Authority has been encumbered with the financial burden of having to man and maintain these infrastructure improvements. However, the Authority is optimistic that it will be receiving some relief due to the new Harbor Safety Fee approved to take effect on April 1, 2010, plus the increase of movements of wind energy components through the port. The upcoming new Harbor Safety Fee and grants will provide funding assistance to cover the Authority's security needs.

The Authority reviews its tariff structure on a continuous basis, as well as it looks to ways to reduce its overall operating costs while fulfilling its mission as the primary economic catalyst of the region. During 2009, the Authority continued to work on a number of diversification initiatives that will be carried forward over the next few years. These initiatives include the following:

- The Authority entered into the design phase for its state-of-the-art container and multipurpose facility La Quinta Trade Gateway Terminal. Design contracts were awarded to engineering teams lead by Goldston Engineering a CH2M HILL Company, and Lockwood, Andrews & Newman, Inc. On December 2009, the US Army Corps of Engineers (Corps) awarded the first construction contract associated with the long anticipated construction of the La Quinta Channel Extension project.
- To maximize productivity of its facilities, the Authority leased its Cold Storage Facility to Coastal Bend Cold Storage. The Authority's Business Development Department continues to strongly market the facility, looking for opportunities to increase the handling of refrigerated products through the facility.
- The Authority continues to serve as a Military Strategic Deployment Port. In 2009, the Authority continued the identification and improvements of additional acres of all-weather cargo staging area for future military deployments and redeployments.
- The Authority continues to support the growing wind turbine business by making improvements to expand its handling capacity of turbine parts along the North and South sides of the channel.
- The Authority continues its preparation for the reversion of the U. S. Naval Station Ingleside property as part of the Base Realignment and Closure (BRAC) legislation of 2005 to the Authority. The facility is scheduled to revert to the Authority on May 1, 2010, which includes a 1,100-foot concrete pier and over 2,400 feet of wharf space. The premier property, located next to the Authority's 45-foot deep main channel, is situated less than 10 miles from the Gulf of Mexico.
- The Authority continues working with Las Brisas Energy Center, LLC, for the development of a state-of-the-art electric generating facility in the north side of the Inner Harbor. Las Brisas Energy Center, LLC, received its Preliminary Air Permit from the State of Texas Commission of Environmental Quality (TCEQ) in fall of 2009. The circulating fluidized bed (CFB) facility was designed to minimize the environmental impact and to be clean and efficient. With an investment of \$3 Billion approx., it is expected to create about 1,300 direct jobs and 2,600 indirect jobs during the construction phase. Project completion is expected by early 2014, creating from 80 to 100 direct and 150 to 175 indirect jobs once operating. The Authority entered into a ground lease with Las Brisas Energy Center, LLC on December 8, 2009 for 82.48 acres of land located on the northside of the ship channel immediately west of the Authority's Bulk Terminal for the construction of the new electric generating facility.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Authority's Chief Financial Officer, 222 Power Street, Corpus Christi, TX 78401.

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**Statement of Net Assets
December 31, 2009 and 2008**

ASSETS

CURRENT ASSETS:

	2009	2008
Cash and cash equivalents (Note 2)	\$ 18,402,382	\$ 22,275,200
Cash and cash equivalents-restricted (Note 2)	5,588	12,544
Accounts receivable (net of allowance for doubtful accounts of \$137,730 and \$448,361 for 2009 and 2008, respectively)	4,943,161	6,697,953
Intergovernmental receivable	1,723,932	425,211
Notes receivable, current portion (Note 3)	770,210	713,157
Inventory	793,052	796,753
Prepaid expenses	957,244	1,024,002
Total Current Assets	27,595,569	31,944,820

NON-CURRENT ASSETS:

RESTRICTED ASSETS:

Cash and cash equivalents (Note 2)	1,747,632	1,756,683
Total Restricted Assets	1,747,632	1,756,683

CAPITAL ASSETS:

Capital assets, not being depreciated (Note 4)	76,032,545	66,007,604
Capital assets, being depreciated, net (Note 4)	157,190,308	159,452,653
Capital Assets, Net	233,222,853	225,460,257

OTHER NON-CURRENT ASSETS:

Notes receivable, net of current portion (Note 3)	2,748,491	4,078,581
Bond issuance costs, net of accumulated amortization	10,743	31,478
Total Other Non-Current Assets	2,759,234	4,110,059
Total Non-Current Assets	237,729,719	231,326,999
TOTAL ASSETS	265,325,288	263,271,819

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	2,548,270	1,648,957
Accrued expenses	835,657	747,329
Deferred income	669,969	636,384
Deferred lease income, current portion (Note 6)	457,040	457,040
Current maturities of long-term debt (Note 6)	1,210,000	1,160,000
Accrued interest payable	38,391	42,395
Capital leases, current portion (Note 6)	17,099	18,831
Compensated absences, current portion (Note 6)	1,133,876	957,884
Current restricted liabilities payable from restricted current assets	5,588	12,544
Total Current Liabilities	6,915,890	5,681,364

NON-CURRENT LIABILITIES:

Long-term debt, net of current maturities (Note 6)	8,607,003	9,822,038
Deferred lease income, net of current portion (Note 6)	10,946,447	11,403,487
Capital leases, net of current portion (Note 6)	10,285	27,384
Compensated absences, net of current portion (Note 6)	2,102,894	2,139,395
Net OPEB obligation (Note 8)	152,549	103,141
Total Non-Current Liabilities	21,819,178	23,495,445
TOTAL LIABILITIES	28,735,068	29,176,809

NET ASSETS:

Invested in capital assets, net of related debt	211,984,713	202,587,244
Restricted:		
Debt service	1,671,484	1,671,141
Channel improvements	225	1,416
Law enforcement	75,923	84,126
Unrestricted	22,857,875	29,751,083
TOTAL NET ASSETS	\$ 236,590,220	\$ 234,095,010

See accompanying notes to financial statements

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**Statement of Revenues, Expenses
and Changes in Net Assets
For the Years Ended December 31, 2009 and 2008**

	2009	2008
OPERATING REVENUES:		
Wharfage	\$ 24,826,670	\$ 26,359,823
Dockage	7,319,259	7,078,197
Freight handling	2,428,621	2,178,423
Building and land rentals	3,924,060	4,318,458
Conference center services	2,007,407	1,451,630
Warehouse handling charges	596,168	1,367,306
FTZ user fees	326,000	284,500
Security surcharge fees	3,392,945	3,382,111
Other	1,622,330	4,630,745
<i>Total Operating Revenues</i>	<u>46,443,460</u>	<u>51,051,193</u>
OPERATING EXPENSES:		
Maintenance and operations	20,854,315	21,842,912
General and administrative	15,191,213	13,007,565
Depreciation	10,060,645	9,648,639
<i>Total Operating Expenses</i>	<u>46,106,173</u>	<u>44,499,116</u>
<i>Operating Income</i>	<u>337,287</u>	<u>6,552,077</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest revenue	584,849	932,447
Federal funds received as fiscal agent	-	284,048
Fiscal payments to subrecipients	-	(284,048)
Gain (loss) on disposal of capital assets	7,266	(308,883)
Interest expense and fiscal charges	(504,030)	(562,442)
Amortization of bond issuance costs	(20,735)	(28,615)
<i>Net Non-Operating Revenues</i>	<u>67,350</u>	<u>32,507</u>
<i>Income Before Capital Grants and Contributions</i>	<u>404,637</u>	<u>6,584,584</u>
CAPITAL GRANTS AND CONTRIBUTIONS	<u>2,090,573</u>	<u>2,510,746</u>
<i>Change in Net Assets</i>	<u>2,495,210</u>	<u>9,095,330</u>
<i>Total Net Assets , Beginning of Year. as Restated</i>	<u>234,095,010</u>	<u>224,999,680</u>
<i>Total Net Assets, End of Year</i>	<u><u>\$ 236,590,220</u></u>	<u><u>\$ 234,095,010</u></u>

See accompanying notes to financial statements

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Statement of Cash Flows
For the Years Ended December 31, 2009 and 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 47,753,480	\$ 50,037,534
Cash received from other operating sources	32,315	3,066
Cash payments to suppliers for goods & services	(15,758,414)	(15,132,788)
Cash payments to employees for services	(19,919,353)	(20,723,826)
<i>Net Cash Provided by Operating Activities</i>	<u>12,108,028</u>	<u>14,183,986</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal funds received as fiscal agent	275,747	-
Fiscal payments to subrecipients	-	(284,048)
<i>Net Cash Provided (Used) for Noncapital Financing Activities</i>	<u>275,747</u>	<u>(284,048)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(16,974,089)	(7,787,939)
Capital grants and contributions	502,857	3,069,935
Proceeds from sale of assets	21,950	34,001
Principal payment of capital debt	(1,168,899)	(1,128,423)
Interest payments on capital debt	(512,305)	(562,700)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(18,130,486)</u>	<u>(6,375,126)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	75,780	370,551
Principal payments on notes receivable	1,273,037	1,470,276
Interest received on notes receivable	509,069	561,896
<i>Net Cash Provided by Investing Activities</i>	<u>1,857,886</u>	<u>2,402,723</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(3,888,825)</u>	<u>9,927,535</u>
<i>Cash and Cash Equivalents at Beginning of Year, Including Restricted Accounts</i>	<u>24,044,427</u>	<u>14,116,892</u>
<i>Cash and Cash Equivalents at End of Year, Including Restricted Accounts</i>	<u>\$ 20,155,602</u>	<u>\$ 24,044,427</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 337,287	\$ 6,552,077
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	10,060,645	9,648,639
Interest expense (non-capital)	(764)	(2,635)
Changes in assets and liabilities:		
Accounts receivable	1,754,792	(537,976)
Intergovernmental receivable	13,248	(29,271)
Inventories	3,701	(136,955)
Prepaid items	66,758	(81,220)
Accounts payable	35,477	(1,228,859)
Accrued expenses	257,364	170,805
Deferred income	33,585	20,097
Deferred lease income	(457,040)	(457,040)
Financing leases	(9,932)	7,016
Net OPEB obligation	49,408	103,141
Compensated absences	(36,501)	156,167
<i>Total Adjustments</i>	<u>11,770,741</u>	<u>7,631,909</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 12,108,028</u>	<u>\$ 14,183,986</u>
Noncash Investing, Capital, and Financing Activities:		
Amortization of issue costs and discount on revenue bonds	\$ 15,700	\$ 29,508
Gain (loss) on disposal of capital assets	7,266	(308,883)
Donations of capital assets	-	21,000

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Port of Corpus Christi Authority of Nueces County, Texas (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

GENERAL HISTORY OF THE PORT OF CORPUS CHRISTI AUTHORITY

The Nueces County Navigation District No. 1 was created November 30, 1922, by an order of the Commissioners Court of Nueces County, Texas after an election duly held on October 31, 1922, at which time the establishment of said district was submitted to the qualified taxpaying voters of Nueces County, Texas. The territorial boundaries of the District were made co-extensive with those of Nueces County. In 2003, Senate Bill 1934 was passed that allowed for the annexation of San Patricio County into the territorial jurisdiction of the Authority. The District was organized under Article III, Section 52, of the Constitution of the State of Texas, but has since been transferred to and is operating under Article XVI, Section 59, of the Texas Constitution and related laws of the State of Texas, particularly Sections 60 and 62 of the Texas Water Code and all amendments thereto. The Authority being a navigation district and political subdivision of the State of Texas is a separate and distinct entity from Nueces County and operates independently with its own Port Commission as its governing body. The only relationship the Authority and Nueces County have is that in the event the Port Commission deems it necessary to issue tax supported bonds, it must request the Commissioners Court to call an election. The Commissioners Court shall call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds. The original property, plant and equipment of the Authority were acquired with funds from the sale of bonds, the interest and sinking funds being provided from ad valorem taxes levied on the property within Nueces County, Texas. Additions to the property, plant and equipment of the Authority have been made with surplus funds arising from the operations of the Authority facilities, grants from the Federal Government, proceeds of general revenue bonds, and improvement bonds supported by ad valorem tax levies.

On May 20, 1981, the Governor of the State of Texas signed into law a bill changing the legal name of the Nueces County Navigation District No. 1 to the Port of Corpus Christi Authority of Nueces County, Texas.

REPORTING ENTITY

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. GASB Statement No. 14 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon the application of these criteria, the following is a brief review of the component unit addressed in defining the Authority's reporting entity.

COMPONENT UNIT

The Industrial Development Corporation (IDC) was organized by the Authority under the State of Texas Development Corporation Act of 1979. The IDC is a non-profit corporation that issues industrial development revenue bonds to promote and develop commercial, industrial and manufacturing enterprises and to promote and encourage employment and public welfare. The issuance of any such bonds is adopted by the Board of Directors (Board) of the IDC, and approved by the Texas Economic Development Commission (TEDC) and the Port Commission. Net earnings of the IDC may be distributed to the Authority by action of the Board or upon dissolution of the IDC. The IDC is considered a blended component unit of the Authority as members of the Board of the IDC is comprised of two members of the Port

**PORT OF CORPUS CHRISTI AUTHORITY
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**Notes to Financial Statements
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Commission and staff of the Authority, and the Authority is able to impose its will on the IDC, as defined in Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial statements of the IDC are not material to the financial statements of the Authority, and have not been included in the basic financial statements. The condensed financial statement information of the IDC follows:

	2009	2008
Total Net Assets	\$ 2,999	\$ 2,917
Change in Net Assets	\$ (218)	\$ (1,558)

The financial statements of the IDC may be obtained from the Authority's Chief Financial Officer at 222 Power Street, Corpus Christi, Texas 78401.

BASIS OF ACCOUNTING

The Authority operates as an enterprise fund to report on its financial position and the results of its operations. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. All enterprise funds are accounted for on a flow of economic resources measurement focus, whereby all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund equity is classified as net assets. Enterprise fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for the use of facilities and services provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority applies all FASB Statements and Interpretations, APB Opinions and ARB's issued on or before November 30, 1989 unless they conflict with or contradict GASB pronouncements. The Authority has elected to only apply GASB pronouncements after November 30, 1989.

An annual budget for the Authority is adopted on a basis consistent with generally accepted accounting principles for proprietary funds, as a prudent management tool. Monthly budget reports are prepared for management to maintain proper budgetary control, and are reviewed by the Port Commission on a monthly basis.

CASH AND INVESTMENTS

The Authority's cash and cash equivalents consists of cash on hand, cash held on deposit with financial institutions in demand deposit accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Authority to invest in obligations of the United States Treasury, or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies; obligations of states, agencies, counties, cities and other political subdivisions of any state having a rating of not less than A; certificates of deposits, prime domestic banker's acceptances; certain commercial paper, certain mutual funds; fully collateralized repurchase agreements, and public funds investment pools.

Investments that mature within one year of acquisition are stated at cost or amortized cost. Investments with the remaining maturity of more than one year at the time of purchase are carried at fair value. Any realized gains and losses in fair value are reported in the operations of the current period.

INVENTORY

Inventory is valued at cost utilizing the first in first out method. Inventory consists of expendable materials used in the construction and maintenance of port facilities.

BOND ISSUANCE COSTS

Bond issue costs and original issue discount associated with the Revenue Bonds, Series 2002-A and B are being amortized using the interest rate method.

PROPERTY, PLANT AND EQUIPMENT

Property constructed or acquired by purchase is stated at cost. Authority policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are stated at cost, if available, or estimated fair market value on the date received. Net interest costs, if material, are capitalized on major construction projects during the construction period. No interest was capitalized for the years ended December 31, 2009 and 2008.

Depreciation is computed using the straight-line method over the following useful lives:

Port facilities	10-50 Years
Buildings and improvements	5-50 Years
Machinery and equipment	3-50 Years

RESTRICTED ASSETS

Certain resources set aside for the repayment of the Authority's revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The Authority has entered into escrow agreements with the United States Army Corp of Engineers to fund the Authority's cost share of channel improvements and maintenance. These funds are maintained in separate bank accounts and are specifically restricted for that purpose. All revenues received from participating in Federal equitable sharing of forfeited properties are restricted for use in the *United States Department of Justice Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies* or the *United States Department of Treasury Guide of Equitable Sharing For Foreign Countries and Federal, State and Local Law Enforcement Agencies*. Revenues received from participating in the State sharing of forfeited properties are also restricted for use as defined by state statutes. Cash is reported as a restricted asset. The Authority participates in an IRS Section 125 plan for the reimbursement of qualified medical, dental, and child care expenses. Employee deductions are held in a separate bank account and are specifically restricted for that purpose. The Authority receives an annual allocation payment from the Law Enforcement Officer Standards and Education (LEOSE) account and that cash is restricted until spent for qualified expenses related to the continuing education of law enforcement personnel.

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When an expense is incurred for purposes for which restricted and unrestricted net assets are available, the Authority's policy is to apply restricted net assets first.

COMPENSATED ABSENCES

Authority employees are granted vacation at rates of 10 to 25 days per year and may accumulate up to a maximum of 20 to 50 days, depending on their length of employment. Upon termination, employees are paid for any unused accumulated vacation. Sick leave accumulates at the rate of 12 days per year. Upon termination for any reason other than for cause, employees are paid for any unused sick leave up to a maximum of 60 days. Compensated absences are accrued when incurred.

DEFERRED INCOME

Foreign trade zone user fees, non-refundable deposits for events at the Solomon P. Ortiz Conference and Convention Center, and operating lease payments are recognized as income over the term of related agreements. Amounts received but not yet earned are reflected as deferred income in the accompanying balance sheets.

CONCENTRATION OF REVENUES

The Authority's operating revenues are subject to risk, because of their concentration in the petroleum industry. Four customers from the petroleum industry made up over 66 percent of the Authority's wharfage and dockage revenue base for 2009, as compared to 66 percent for 2008. This risk is further enhanced by the fact that petroleum cargo continues to be the Authority's top commodity representing nearly 84 percent of the total cargo tonnage moved through the Authority in 2009, compared to 82 percent in 2008.

RECLASSIFICATIONS

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

2. DEPOSITS AND INVESTMENTS

The Authority's investments at December 31, 2009 and 2008 are as follows:

Investment Type	2009		Weighted Average Maturity (Days)	2008		Weighted Average Maturity (Days)
	Carrying Value	Fair Value		Carrying Value	Fair Value	
Certificates of Deposit	\$ -	\$ -		\$ -	\$ -	
Mutual fund-AIM	19,464,158	19,464,158	1	22,992,274	22,992,274	1
Total	19,464,158	19,464,158		22,992,274	22,992,274	
Short-term investments included in cash and cash equivalents	19,464,158	19,464,158		22,992,274	22,992,274	
Equity in Total Investments	\$ -	\$ -		\$ -	\$ -	
Portfolio weighted average maturity			1			1

INTEREST RATE RISK

In accordance with the Authority's investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to one year or less.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy states that all investments will be of high quality with no perceived default risk. As such the Authority's investments are restricted to only U.S. Government securities, fully collateralized certificates of deposit and repurchase agreements, AAA rated constant dollar local government investment pools, and SEC registered money market funds whose assets consist exclusively of U.S. Government securities.

The Public Funds Investment Act ("PFIA") governs the types of investments that the Authority may invest in. The PFIA authorizes the Authority to invest in (1) obligations of the U.S. Government, its agencies and instrumentalities with a maximum stated maturity of two-years, excluding mortgage backed securities; (2) fully insured or collateralized certificates of deposit issued by banks doing business in Texas, with a maximum stated maturity of one year; (3) fully collateralized repurchase agreements, with a maximum stated maturity of 90 days except for bond fund flex repurchase agreements, which will match expenditure plans on the bond funds; (4) AAA Rated, constant dollar local government investment pools; and (5) money market mutual funds whose assets consist exclusively of obligations of the US Government, its agencies or instrumentalities and repurchase agreements backed by those securities.

The AIM fund is an open-ended mutual fund, consisting of direct obligations of the U.S. Treasury and other securities issued or guaranteed as to principal and interest by the U.S. Government or by its agencies or instrumentalities, as well as repurchase agreements secured by such obligations. While these deposits are not covered by FDIC insurance or by pledged collateral, the AIM fund is rated AAAM by Standard & Poors and invests in compliance with Rule 2a-7 under the Investment Company Act of 1940.

A 2a7-like pool is one that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does operate in a manner consistent with SEC's Rule 2a7 of the Investment Company Act of 1940.

CONCENTRATION OF RISK

The Authority's investment policy places no limit on the amount the Authority may invest in any one issuer. As of December 31, 2009, 100% of the Authority's investments are in the AIM open-ended mutual fund.

At December 31, 2008, 100% of the Authority's investments were in the AIM open-ended mutual fund.

CUSTODIAL CREDIT RISK – DEPOSITS AND CERTIFICATES OF DEPOSIT

Custodial risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Investment Policy of the Authority requires that all time and demand deposits of the Authority be secured by pledged collateral with a market value equal to or greater than 102% of the principal plus accrued interest less an amount insured by FDIC. At December 31, 2009 the Authority's deposits held at financial institutions of \$1,168,025 were covered by federal depository insurance (FDIC) or were secured by collateral held by the Authority's agent in the Authority's name.

At December 31, 2008, the Authority's deposits held at financial institutions of \$1,825,256 were covered by FDIC insurance or were secured by collateral held by the Authority's agent in the Authority's name.

3. NOTES RECEIVABLE

Notes Receivable as of December 31, 2009 and 2008 are summarized as follows:

	2009	2008
\$12,000,000 Note Receivable due in annual principal installments ranging from \$770,210 to \$970,243 through 2014; interest at 8.0%.	\$ 5,650,206	\$ 6,363,363
Less: Principal Prepayments	2,131,505	1,571,625
Principal Outstanding	3,518,701	4,791,738
Less: Current Maturities	770,210	713,157
Notes Receivable - Net	\$ 2,748,491	\$ 4,078,581

Total note receivable requirements as of December 31, 2009, are as follows:

	Principal	Interest	Total
2010	\$ 770,210	\$ 452,016	\$ 1,222,226
2011	831,827	390,400	1,222,227
2012	898,373	323,854	1,222,227
2013	970,243	251,984	1,222,227
2014	48,048	3,844	51,892
Thereafter	-	-	-
Total	\$ 3,518,701	\$ 1,422,098	\$ 4,940,799

Pursuant to a Construction and Installment Sale Agreement (Agreement) entered into on May 3, 1994, the Authority agreed to construct crude storage facilities on premises leased to an Authority User, and then sell the facilities to the User. On January 12, 1995, the Authority sold their undivided right, title and interest in the crude storage facilities to the User, and a Promissory Note (Note) was executed made payable to the Authority by the User in the amount of \$12,000,000.

The Note is due and payable in twenty-one annual installments, the first installment being interest only and the remaining twenty annual installments of equal principal and interest, at a rate of 8 percent, unless sooner paid. All payments are applied first to interest with the remainder, if any, applied to unpaid principal.

Note payments are based on revenue received from wharfage fees collected by the Authority for crude oil moving across the Authority's Oil Dock 1 to the User's crude storage facilities, and fifty percent of dockage fees collected by the Authority for ships berthing at the Authority's Oil Dock 1 for purpose of delivering crude oil to the User's crude storage facilities. Monthly amounts are credited to a debt service account that is used to make scheduled note payments when due. In the event there are insufficient funds in the debt service account to meet scheduled note payments, the User is required to make up any shortfall. Should a surplus exist, the excess is applied in inverse order against principal last coming due on the note. In 2009 and 2008, the Authority credited \$1,782,106 and \$2,032,171, respectively of applicable revenue received from wharfage and dockage fees collected to the debt service account.

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December 31, 2009 and 2008**

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Transfers and Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 40,265,339	\$ -	\$ -	\$ 40,265,339
Channel and waterfront improvements	18,868,431	-	-	18,868,431
Construction in progress	6,873,834	10,024,941	-	16,898,775
Total capital assets, not being depreciated	66,007,604	10,024,941	-	76,032,545
Capital assets, being depreciated:				
Port facilities	180,314,206	1,730,128	-	182,044,334
Buildings and improvements	70,730,405	5,424,838	-	76,155,243
Machinery and equipment	29,994,002	658,018	415,431	30,236,589
Total capital assets, being depreciated	281,038,613	7,812,984	415,431	288,436,166
Less: accumulated depreciation for				
Port facilities	86,140,739	4,873,957	-	91,014,696
Buildings and improvements	21,508,874	2,655,365	-	24,164,239
Machinery and equipment	13,936,347	2,531,323	400,747	16,066,923
Total accumulated depreciation	121,585,960	10,060,645	400,747	131,245,858
Total capital assets, being depreciated, net	159,452,653	(2,247,661)	14,684	157,190,308
Total capital assets, net	\$ 225,460,257	\$ 7,777,280	\$ 14,684	\$ 233,222,853

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Transfers and Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 40,209,083	\$ 71,556	\$ 15,300	\$ 40,265,339
Channel and waterfront improvements	18,868,431	-	-	18,868,431
Construction in progress	55,764,814	-	48,890,980	6,873,834
Total capital assets, not being depreciated	114,842,328	71,556	48,906,280	66,007,604
Capital assets, being depreciated:				
Port facilities	134,429,015	45,885,191	-	180,314,206
Buildings and improvements	61,937,106	8,793,299	-	70,730,405
Machinery and equipment	31,965,967	340,911	2,312,876	29,994,002
Total capital assets, being depreciated	228,332,088	55,019,401	2,312,876	281,038,613
Less: accumulated depreciation for				
Port facilities	81,614,259	4,526,480	-	86,140,739
Buildings and improvements	19,024,252	2,484,622	-	21,508,874
Machinery and equipment	13,284,103	2,637,537	1,985,293	13,936,347
Total accumulated depreciation	113,922,614	9,648,639	1,985,293	121,585,960
Total capital assets, being depreciated, net	114,409,474	45,370,762	327,583	159,452,653
Total capital assets, net	\$ 229,251,802	\$ 45,442,318	\$ 49,233,863	\$ 225,460,257

5. LEASES

OPERATING LEASES

The Authority leases to others certain land and improvements. These leases are classified as operating leases in accordance with the criteria of Statement of Financial Accounting Standards (SFAS) No. 13. As of December 31, 2009, minimum lease payments under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending	
2010	\$ 2,152,654
2011	1,215,502
2012	969,090
2013	767,118
2014	292,083
Thereafter	2,034,693
Total	\$ 7,431,140

CAPITAL LEASES

The Authority has entered into lease agreements as lessee for financing the acquisition of computer equipment. These lease agreements qualify as capital leases in accordance with SFAS No. 13 and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date of the lease. Certain assets acquired through these capital leases did not meet the Authority's capitalization threshold criterion, and therefore were expensed.

The assets acquired through capital leases are as follows:

Assets:	
Capitalized:	
Machinery & Equipment	\$ 36,026
Less: Accumulated Depreciation	23,752
Capitalized, net	12,274
Expensed	33,414
Total	\$ 45,688

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009 are as follows:

Years Ending	
2010	\$ 18,042
2011	10,012
2012	525
2013	-
Total minimum lease payments	28,579
Less: Amount representing interest	(1,195)
Present value of minimum lease payments	\$ 27,384

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The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 are as follows:

Years Ending	
2009	\$ 20,615
2010	18,042
2011	10,012
2012	525
Total minimum lease payments	49,194
Less: Amount representing interest	(2,979)
Present value of minimum lease payments	\$ 46,215

6. LONG-TERM LIABILITIES

LONG-TERM DEBT

On March 26, 2002, the Authority issued revenue bonds, Series 2002-A, in the amount of \$10,390,000 to reimburse for the costs associated with the acquisition, construction, and equipment of a refrigerated warehouse facility and Series 2002-B, in the amount of \$7,865,000 to reimburse for the costs associated with the acquisition, construction, and equipment of a multipurpose cruise/terminal conference facility known as the "Congressman Solomon P. Ortiz International Center". These bonds will be repaid from the pledged revenues of the Authority. Pledged revenues, as defined by the bond resolutions include all of the Authority's revenues and expenses other than those related to a) interest expense on revenue bonds, and b) depreciation.

A statement of changes in long-term debt for the year ended December 31, 2009, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	\$ 10,885,000	\$ -	\$ 1,160,000	\$ 9,725,000	\$ 1,210,000
Accumulated Accretion	97,038	-	5,035	92,003	
Total	\$ 10,982,038	\$ -	\$ 1,165,035	\$ 9,817,003	\$ 1,210,000

A statement of changes in long-term debt for the year ended December 31, 2008, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	\$ 12,005,000	\$ -	\$ 1,120,000	\$ 10,885,000	\$ 1,160,000
Accumulated Accretion	96,145	893	-	97,038	
Total	\$ 12,101,145	\$ 893	\$ 1,120,000	\$ 10,982,038	\$ 1,160,000

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Long-term debt as of December 31, 2009 and 2008 is summarized as follows:

	2009	2008
Revenue Bonds:		
\$10,390,000 2002-A first lien revenue bonds, collateralized by a first lien on pledged revenues of the Authority, due in annual principal installments of \$690,000 to \$910,000 through 2016; interest at 4.45 percent to 5.2 percent.	\$ 5,555,000	\$ 6,215,000
\$7,865,000 2002-B first lien revenue bonds, collateralized by a first lien on pledged revenues of the Authority, due in annual principal installments of \$520,000 to \$680,000 through 2016; interest at 4.15 percent to 4.9 percent.	4,170,000	4,670,000
Total Revenue Bonds	9,725,000	10,885,000
Accumulated Accretion	92,003	97,038
Total Revenue Bonds and Accumulated Accretion	9,817,003	10,982,038
Less Current Maturities	1,210,000	1,160,000
Long-term Debt - Net	\$ 8,607,003	\$ 9,822,038

Total debt service requirements as of December 31, 2009 are as follows:

	Principal	Interest	Total
2010	\$ 1,210,000	\$ 460,690	\$ 1,670,690
2011	1,265,000	408,405	1,673,405
2012	1,320,000	351,850	1,671,850
2013	1,380,000	291,505	1,671,505
2014	1,445,000	226,345	1,671,345
Thereafter	3,105,000	236,595	3,341,595
Total	\$ 9,725,000	\$ 1,975,390	\$ 11,700,390

The Authority is required to maintain adequate insurance coverage as defined in the applicable covenants of the revenue bonds, Series 2002 A & B. As of December 31, 2009, the Authority had adequate insurance coverage and all insurance premiums had been paid.

DEFERRED LEASE INCOME

The Authority entered into a lease agreement with Gulf Compress. Under the terms of the lease, Gulf Compress constructed 550,000 square feet of cotton warehouses on property owned by the Port at the proposed site of the LaQuinta Container Terminal Facility. On January 21, 2005, the cotton warehouses were completed and ownership was transferred to the Authority in consideration of a thirty year prepaid lease. Prepaid lease rentals will be amortized over the lease term as follows:

Years Ending	
2010	\$ 457,040
2011	457,040
2012	457,040
2013	457,040
2014	457,040
Thereafter	9,118,287
Total	\$ 11,403,487

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Notes to Financial Statements
December 31, 2009 and 2008**

CAPITAL LEASES

The Authority has entered into lease agreements as lessee for financing the acquisition of computer equipment.

A statement of changes in capital leases for the year ended December 31, 2009, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases	\$ 46,215	\$ -	\$ 18,831	\$ 27,384	\$ 17,099
Total	\$ 46,215	\$ -	\$ 18,831	\$ 27,384	\$ 17,099

A statement of changes in capital leases for the year ended December 31, 2008, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases	\$ 47,622	\$ 15,975	\$ 17,382	\$ 46,215	\$ 18,831
Total	\$ 47,622	\$ 15,975	\$ 17,382	\$ 46,215	\$ 18,831

Capital leases as of December 31, 2009 and 2008 is summarized as follows:

	2009	2008
Capital leases	\$ 27,384	\$ 46,215
Less Current Portion	17,099	18,831
Capital leases - Net	\$ 10,285	\$ 27,384

COMPENSATED ABSENCES

A statement of changes in compensated absences for the year ended December 31, 2009, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	\$ 926,530	\$ 740,127	\$ 694,605	\$ 972,052	\$ 694,605
Sickleave	2,170,749	533,240	439,271	2,264,718	439,271
Total	\$ 3,097,279	\$ 1,273,367	\$ 1,133,876	\$ 3,236,770	\$ 1,133,876

A statement of changes in compensated absences for the year ended December 31, 2008, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	\$ 839,815	\$ 646,117	\$ 559,402	\$ 926,530	\$ 559,402
Sickleave	2,029,509	539,722	398,482	2,170,749	398,482
Total	\$ 2,869,324	\$ 1,185,839	\$ 957,884	\$ 3,097,279	\$ 957,884

Compensated Absences as of December 31, 2009 and 2008 is summarized as follows:

	2009	2008
Vacation	\$ 972,052	\$ 926,530
Sickleave	2,264,718	2,170,749
Total Compensated Absences	3,236,770	3,097,279
Less Current Portion	1,133,876	957,884
Compensated Absences - Net	\$ 2,102,894	\$ 2,139,395

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Notes to Financial Statements
December 31, 2009 and 2008**

OPEB OBLIGATION

A statement of changes in OPEB Obligation for the year ended December 31, 2009, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB Obligation	\$ 103,141	\$ 199,525	\$ 150,117	\$ 152,549	\$ -
Total	\$ 103,141	\$ 199,525	\$ 150,117	\$ 152,549	\$ -

A statement of changes in OPEB Obligation for the year ended December 31, 2008, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB Obligation	\$ -	\$ 195,399	\$ 92,258	\$ 103,141	\$ -
Total	\$ -	\$ 195,399	\$ 92,258	\$ 103,141	\$ -

OPEB Obligations as of December 31, 2009 and 2008 is summarized as follows:

	2009	2008
OPEB Obligation	\$ 152,549	\$ 103,141
Less Current Portion	-	-
OPEB Obligation - Net	\$ 152,549	\$ 103,141

7. PENSION PLAN

Plan Description

The Authority provides pension, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 defined benefit pension plans which function similarly to cash balance-account plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The Authority has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Authority is actuarially determined annually. The actuarially determined rate for the calendar year 2009 was 8.21 percent and for the calendar year 2008 was 8.14

percent, however the governing body of the Authority adopted the rate of 11 percent for the calendar year 2009 and 2008.

The deposit rate payable by all employee members for the calendar year 2009 and 2008 was 7 percent as adopted by the governing body of the Authority. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. Employee and Authority contributions were \$797,857 and \$1,253,776, respectively for the year ended December 31, 2009, and \$720,926 and \$1,132,885, respectively for the year ended December 31, 2008.

Annual Pension Cost

For the Authority's year ended December 31, 2009, the annual pension cost for the TCDRS plan for its employees and the actual contributions for its employees were \$1,253,776. Three-year annual trend information on annual pension cost is as follows:

Years Ended December 31,	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 1,253,776	100.00%	\$ -
2008	1,132,885	100.00%	-
2007	1,051,409	100.00%	-

The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 8 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.3 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 8.7 years.

As of December 31, 2008, the most recent actuarial valuation date, the plan was 77.27 percent funded. The actuarial accrued liability for benefits was \$23,421,983, and the actuarial value of assets was \$18,097,936 resulting in an unfunded actuarial accrued liability (UAAL) of \$5,324,047. The covered payroll (annual payroll of active employees covered by the plan) was \$10,298,956, and the ratio of the UAAL to the covered payroll was 51.7 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

8. POSTRETIREMENT BENEFITS

GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postretirement Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any differences between the annual required contribution (ARC) and the amount funded during the year is to be recorded in the employer's financial statements as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 45 by the Authority was January 1, 2008. Accordingly, the Authority did obtain an actuarial valuation in accordance with GASB 45 standards as of January 1, 2008.

Plan Description

The Authority provides certain postretirement healthcare and life insurance benefits to eligible retired employees and their spouses through provisions enacted by the authority of the Port Commission. At December 31, 2009, eight former employees were eligible for these benefits. The Authority funds a portion of the premiums for health insurance, and a portion of the premiums for retiree life insurance for four grandfathered retirees. There are no retiree life insurance benefits available for other current or future retirees. Continuation of these benefits and the Authority's contributions are dependent on periodic authorization by the Port Commission.

The health insurance benefits provided to retirees are the same as those offered to active employees. The supplied benefits include hospital, doctor, dental and prescription drug charges.

Life insurance coverage provided to the four grandfathered retirees varies from \$19,000 to \$22,000. Active employees receive life insurance coverage valued at 100% of their current annual salary.

Employees, who have reached age 62, may continue coverage under the Authority's healthcare plan as a retiree until the age of 65.

The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

Funding Policy

The required contribution is based on a projected pay-as-you-go basis, which is expected to continue. The cost of retiree health and life benefits, recorded on a pay-as-you-go basis was \$150,117 for the year ended December 31, 2009 and \$92,258 for the year ended December 31, 2008.

Annual OPEB Cost and Net OPEB Obligation

The annual other postemployment benefit (OPEB) cost(expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) or funding excess over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Authority's net OPEB obligation.

Determination of Annual Required Contribution	
Normal Cost at Year End	\$ 118,405
Amortization of UAAL	82,729
Annual Required Contribution (ARC)	201,134
Determination of Net OPEB Obligation	
Annual Required Contribution	201,134
Interest on Prior Year Net OPEB Obligation	4,126
Adjustment to ARC	(5,735)
Annual OPEB Cost	199,525
Contributions Made	(150,117)
Increase in Net OPEB Obligation	49,408
Net OPEB Obligation - Beginning of Year	\$ 103,141
Net OPEB Obligation - End of Year	\$ 152,549

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The end of year net OPEB Obligation is shown as a non-current liability on the Statement of Net Assets.

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and net OPEB obligation assuming the plan is not prefunded for the current and two preceding years were as follows:

Years Ended December 31,	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2009	4.00%	\$ 199,525	75.24%	\$ 152,549
2008	4.00%	195,399	47.22%	103,141
2007	N/A	N/A	N/A	N/A

The Authority implemented the provisions of GASB Statement No. 45 in 2008. In future years, the table above will include 3 years of data as it becomes available.

Funding Status and Funding Progress

The schedule of funding progress for the current and two preceding years is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio
January 1, 2009	0	4.0%	\$ 1,408,938	\$ 1,408,938	0.0%
January 1, 2008	0	4.0%	1,331,381	1,331,381	0.0%
January 1, 2007	N/A	N/A	N/A	N/A	N/A

(1) Actuarial Accrued Liability determined under the project unit credit cost method.

(2) Actuarial Accrued Liability less Actuarial Value of Assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used to determine the OPEB obligation is computed using the Unit Credit Actuarial Cost Method which consists of the following cost components:

- The Normal Cost is the Actuarial Present Value of benefits allocated to the valuation year.
- The Actuarial Liability is the Actuarial Present Value of benefits accrued as of the valuation date.
- Valuation Assets are equal to the market value of assets as of the valuation date, if any.
- Unfunded Actuarial Liability is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over the maximum permissible period under GASB 45 of 30 years.

The latest actuarial valuation for the Authority was completed as of January 1, 2008. The significant assumptions underlying the actuarial calculations are as follows:

Actuarial Cost Method	Unit Credit
Discount Rate for Valuing Liabilities	4.0%
Mortality Rates	RP2000 Static Healthy Mortality Table (sex distinct)
Withdrawal Rates	Based on Years of Service
Disability Rates	Based on Age
Retirement Rates	Based on Age
Employee Coverage	100% eligible for benefits elect coverage
Spousal Coverage	85% eligible for benefits elect coverage
Spouse Age Difference	Same as employee
Administrative Expense Load	5.0% on Gross per Capita Claims Costs
Per Capital Medical Benefit Costs	Medical and Pharmacy Costs for Selected Ages
Per Annum Increase in Per Capita	
Medical Benefit Costs by Age	Percentage Increase with Age
Medical Inflation	Percentage Trend by Year

9. CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At December 31, 2009, the Authority had remaining contractual construction and improvement commitments of approximately \$6,087,819. These commitments are being financed through operating revenues and capital grants.

10. COMMITMENTS AND CONTINGENCIES

LITIGATION

From time to time, the Authority is subject to routine litigation incidental to its operations. Management believes that the results of any claims or litigation will not materially affect the Authority's financial position.

RISK MANAGEMENT

The Authority is self-insured for \$4,000,000 on property and \$50,000 on general liability claims annually and has purchased excess loss policies for claims in excess of these amounts. The Authority has established a self-funded health and dental plan (plan) for its employees and dependents. A specific stop loss policy is in force for individual plan claims in excess of \$100,000 annually, and an aggregate stop loss policy is in force for annual aggregate claims in excess of approximately \$2,781,497. The Authority is covered for workers compensation claims through the Texas Municipal League Risk Pool. Prior to 2005, the Authority was self-insured for workers compensation and estimated remaining workers compensation claims are reflected below. The Authority has made no significant changes in its insurance coverage from coverage in the prior year. In the past three years the Authority has had no settlements that exceeded insurance coverage.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Notes to Financial Statements
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A liability for unpaid claims is reported when it is probable that a loss has occurred and the amount the loss can be reasonably estimated. The Authority's liability is an estimate and includes an amount for claims that have been incurred but not reported (IBNR). The methodology used to determine the liability is based on recent claim settlement trends, including frequency and amount of payouts, and other factors such as inflation, changes in legal doctrines and damage awards. At December 31, 2009, the liability of \$210,487 is comprised of estimated health claims of \$186,950 and estimated workers compensation claims of \$23,537. At December 31, 2008, the liability of \$353,673 was comprised of estimated health claims of \$270,888 and workers compensation claims of \$82,785.

Changes in the balances of claims liabilities as of December 31, 2009 and 2008 are as follows:

	2009	2008
Unpaid claims, beginning of fiscal year	\$ 353,673	\$ 262,537
Incurred claims (including IBNRs)	2,182,638	2,870,187
Claims payments	(2,325,824)	(2,779,051)
Unpaid claims, end of fiscal year	\$ 210,487	\$ 353,673

FACILITIES FINANCING BONDS

The Authority and IDC have entered into agreements with five unrelated entities to finance construction of pollution control, environmental, and solid waste disposal facilities. To accomplish this, the Authority and IDC acted as issuers of facilities financing revenue bonds in the original amount of \$664,245,000. The bonds are secured solely by the facilities and installment sales agreements, and the Authority and IDC assumed no current or future obligation for repayment of the bonds. The installment sales agreements were entered into with the entities for an amount equal to the outstanding bonds to secure repayment. The proceeds of the bonds were received and used by the entities and are repaid when due directly by the entities. At December 31, 2009, facilities financing revenue bonds outstanding amounted to \$664,245,000.

11. RESTATEMENTS

The beginning total net assets in the Statement of Revenues, Expenses and Changes in Net Assets for the Year Ended December 31, 2008 has been restated to reflect security grant costs in the amount of \$3,377 recorded in the prior year as capital grants and contributions and intergovernmental receivables in error.

The beginning total net assets in the Statement of Revenues, Expenses and Changes in Net Assets for the Year Ended December 31, 2009 has been restated to reflect security grant costs in the amount of \$78,521 recorded in prior years as capital grants and contributions and intergovernmental receivables in error.

Net assets have been restated as follows:

	2008
Ending net assets, as previously reported	\$ 234,173,531
Restated for 2007 grants	(3,377)
Restated for 2008 grants	(75,144)
Ending net assets, as restated	\$ 234,095,010

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Required Supplementary Information (Unaudited)
Schedule of Funding Progress**

PENSION PLAN:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarial Valuation Date	12/31/2008	12/31/2007	12/31/2006
Actuarial Value of Assets	\$ 18,097,936	\$ 17,772,707	\$ 15,800,903
Actuarial Accrued Liability (AAL)	\$ 23,421,983	\$ 22,044,720	\$ 19,925,412
Funded Ratio	77.3%	80.6%	79.3%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,324,047	\$ 4,272,013	\$ 4,124,509
Annual covered Payroll	\$ 10,298,956	\$ 9,558,262	\$ 9,020,233
UAAL as a Percentage of Covered Payroll	51.7%	44.7%	45.7%

OPEB Obligation:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarial Valuation Date	01/01/2008	01/01/2008	N/A
Actuarial Value of Assets	\$ -	\$ -	N/A
Actuarial Accrued Liability (AAL)	\$ 1,408,938	\$ 1,331,381	N/A
Funded Ratio	0.0%	0.0%	N/A
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,408,938	\$ 1,331,381	N/A
Annual covered Payroll	\$ 11,397,961	\$ 10,298,956	N/A
UAAL as a Percentage of Covered Payroll	12.4%	12.9%	N/A



SUPPLEMENTAL SECTION

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Schedule of Revenues and Expenses
Actual and Budget (GAAP Basis)**

Year Ended December 31, 2009			
	Actual	Budget	Variance (%)
OPERATING REVENUES:			
Wharfage	\$ 24,826,670	\$ 27,484,636	(10)
Dockage	7,319,259	8,740,162	(16)
Freight handling	2,428,621	2,194,533	11
Building and land rentals	3,924,060	5,110,131	(23)
Conference center services	2,007,407	1,607,629	25
Warehouse handling charges	596,168	628,450	(5)
FTZ user fees	326,000	250,000	30
Security surcharge fees	3,392,945	4,017,639	(16)
Other	1,622,330	1,992,944	(19)
<i>Total Operating Revenues</i>	<u>46,443,460</u>	<u>52,026,124</u>	<u>(11)</u>
OPERATING EXPENSES:			
Maintenance and operations	20,854,315	22,631,977	(8)
General and administrative	15,191,213	14,058,813	8
Depreciation	10,060,645	10,888,273	(8)
<i>Total Operating Expenses</i>	<u>46,106,173</u>	<u>47,579,063</u>	<u>(3)</u>
<i>Operating Income</i>	<u>337,287</u>	<u>4,447,061</u>	<u>(92)</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest revenue	584,849	1,001,800	(42)
Gain on disposal of fixed assets	7,266	-	100
Interest expense and fiscal charges	(504,030)	(518,446)	3
Amortization of bond issuance costs	(20,735)	(20,735)	0
<i>Net Non-Operating Revenues</i>	<u>67,350</u>	<u>462,619</u>	<u>(85)</u>
<i>Income Before Capital Grants and Contributions</i>	<u>404,637</u>	<u>4,909,680</u>	<u>(92)</u>
CAPITAL GRANTS AND CONTRIBUTIONS	<u>2,090,573</u>	<u>8,320,000</u>	<u>(75)</u>
<i>Change in Net Assets</i>	<u>\$ 2,495,210</u>	<u>\$ 13,229,680</u>	<u>(81)</u>

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Schedules of Maintenance and
Operations and General and
Administrative Expenses
For the Years Ended December 31, 2009 and 2008**

	2009	2008
MAINTENANCE AND OPERATIONS:		
Employee services	\$ 8,022,571	\$ 8,255,443
Maintenance	4,987,113	6,340,774
Utilities	1,631,307	1,357,364
Telephone	26,436	29,991
Insurance	1,844,918	1,902,331
Professional services	900,742	424,975
Police expenses	55,218	74,106
Contracted services	1,426,265	1,834,442
Office and equipment rental	97,627	91,004
Operator and event expenses	1,550,059	1,280,002
Warehouse supplies	44,700	68,428
Safety/Environmental	71,246	90,947
General	196,113	93,105
<i>Total Maintenance and Operations</i>	<u><u>\$ 20,854,315</u></u>	<u><u>\$ 21,842,912</u></u>
GENERAL AND ADMINISTRATIVE:		
Employee services	\$ 7,999,373	\$ 7,349,030
Maintenance	432,088	320,610
Utilities	224,245	196,865
Telephone	209,267	231,958
Insurance	96,638	84,451
Professional services	3,322,950	2,419,843
Police expenses	174	314
Contracted services	64,213	88,262
Office and equipment rental	40,406	18,264
Administrative	2,392,822	1,873,318
Trade and sales development	204,427	148,946
Media advertising	108,425	109,262
Production	48,319	27,917
Safety/Environmental	22,681	38,206
General	25,185	100,319
<i>Total General and Administrative</i>	<u><u>\$ 15,191,213</u></u>	<u><u>\$ 13,007,565</u></u>

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Schedules of Long-Term
Debt Amortization**

REVENUE BONDS, SERIES 2002-A

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010	\$ 690,000	\$ 270,310	\$ 960,310
2011	720,000	239,605	959,605
2012	755,000	206,485	961,485
2013	790,000	171,000	961,000
2014	825,000	132,685	957,685
2015	865,000	91,435	956,435
2016	910,000	47,320	957,320
Total	<u>\$ 5,555,000</u>	<u>\$ 1,158,840</u>	<u>\$ 6,713,840</u>

REVENUE BONDS, SERIES 2002-B

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010	\$ 520,000	\$ 190,380	\$ 710,380
2011	545,000	168,800	713,800
2012	565,000	145,365	710,365
2013	590,000	120,505	710,505
2014	620,000	93,660	713,660
2015	650,000	64,520	714,520
2016	680,000	33,320	713,320
Total	<u>\$ 4,170,000</u>	<u>\$ 816,550</u>	<u>\$ 4,986,550</u>

SUMMARY OF LONG-TERM DEBT

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010	\$ 1,210,000	\$ 460,690	\$ 1,670,690
2011	1,265,000	408,405	1,673,405
2012	1,320,000	351,850	1,671,850
2013	1,380,000	291,505	1,671,505
2014	1,445,000	226,345	1,671,345
2015	1,515,000	155,955	1,670,955
2016	1,590,000	80,640	1,670,640
Total	<u>\$ 9,725,000</u>	<u>\$ 1,975,390</u>	<u>\$ 11,700,390</u>

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Schedules of Facilities Financing Bonds
December 31, 2009**

<u>Description</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Series Maturity</u>	<u>Original Amount</u>	<u>Balance Outstanding</u>
Pollution Control Revenue Bonds:					
Union Pacific Res., Series 1989	Variable	06/30/1989	2022	\$ 40,000,000	\$ 40,000,000
Union Pacific Res., Series 1992	Variable	09/01/1992	2010	16,650,000	16,650,000
Valero Refining, Series 1997A *	Variable	04/01/1997	2027	24,400,000	24,400,000
Valero Refining, Series 1997B *	Variable	04/01/1997	2027	32,800,000	32,800,000
Valero Refining, Series 1997C *	Variable	04/01/1997	2027	32,800,000	32,800,000
Hoechst Celanese, Series 2002A	6.450%	05/01/2002	2030	13,995,000	13,995,000
Hoechst Celanese, Series 2002B	6.700%	05/01/2002	2030	39,000,000	39,000,000
Environmental Facilities Revenue Bonds:					
Citgo Petroleum, Series 1998 *	Variable	08/01/1998	2028	22,200,000	22,200,000
Citgo Petroleum, Series 2003 *	8.250%	05/01/2003	2031	39,200,000	39,200,000
Citgo Petroleum, Series 2006 *	Variable	10/01/2006	2036	50,000,000	50,000,000
Citgo Petroleum, Series 2007 *	Variable	05/01/2007	2037	45,000,000	45,000,000
Citgo Petroleum, Series 2008 *	Variable	04/01/2008	2043	50,000,000	50,000,000
Solid Waste Disposal Revenue Bonds:					
Flint Hills Res., Series 2002A	Variable	10/01/2002	2029	125,000,000	125,000,000
Flint Hills Res., Series 2002B	Variable	10/01/2002	2029	11,700,000	11,700,000
Flint Hills Res., Series 2003	Variable	04/01/2003	2028	19,500,000	19,500,000
Flint Hills Res., Series 2005	Variable	03/01/2005	2030	25,000,000	25,000,000
Flint Hills Res., Series 2006	Variable	04/01/2006	2030	42,000,000	42,000,000
Flint Hills Res., Series 2007	Variable	10/01/2007	2032	35,000,000	35,000,000
Total				<u>\$ 664,245,000</u>	<u>\$ 664,245,000</u>

* - Issued by the Industrial Development Corporation (IDC)



STATISTICAL SECTION

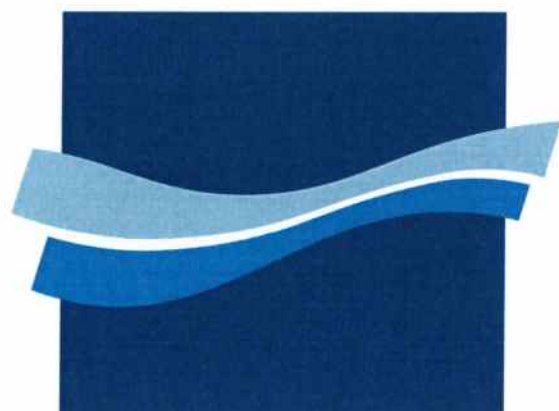
Statistical Section

(Unaudited)

This part of the Port of Corpus Christi's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents

	<u>Page</u>
Financial Trends	37
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	
Revenue Capacity	41
These schedules contain information to help the reader access the factors affecting the Authority's ability to generate its most significant revenue sources.	
Debt Capacity	47
These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.	
Demographic and Economic Information	49
These schedules offer demographic and economic indicators to help the reader understand the environment with which the Authority's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	51
These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.	
Additional Information	57
These schedules contain information as part of the Authority's effort to meet continuing disclosure requirements related to outstanding bonds as permitted by SEC Rule 15c2-12.	
Sources:	
Unless otherwise noted, the information in these schedules is derived from the Authority's comprehensive annual financial reports and business records for the relevant years. The Authority implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	



PORT**CORPUSCHRISTI**

TABLE 1 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Net Assets and Changes in Net Assets
Last Ten Years**

	2000*	2001*	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Operating revenues:										
Wharfage	\$ -	\$ -	\$ 12,534,632	\$ 13,535,168	\$ 14,076,271	\$ 15,388,177	\$ 19,351,717	\$ 27,219,535	\$ 26,359,823	\$ 24,826,670
Dockage	-	-	2,733,667	3,218,880	3,858,120	4,153,902	3,354,723	3,655,333	7,078,197	7,319,259
Freight handling	-	-	2,410,795	1,492,129	1,976,486	2,351,619	2,065,511	2,166,118	2,178,423	2,428,621
Building and land rentals	-	-	3,385,964	3,361,762	3,409,141	3,705,185	4,037,572	4,545,342	4,318,458	3,924,060
Conference center services	-	-	1,367,934	1,443,592	1,663,726	1,556,200	1,495,599	1,597,594	1,451,630	2,007,407
Warehouse handling charges	-	-	954,178	1,137,336	816,739	1,737,118	1,484,404	1,211,146	1,367,306	596,168
FTZ user fees	-	-	287,115	264,750	261,666	233,333	243,000	295,000	284,500	326,000
Security surcharge fees	-	-	-	-	830,882	2,018,305	2,003,964	2,256,902	3,382,111	3,392,945
Compress	-	-	185,538	45,598	-	-	-	-	-	-
Other	-	-	1,301,176	2,380,598	1,478,266	1,588,053	1,999,921	1,982,487	4,630,745	1,622,330
Total operating revenues	-	-	25,160,999	26,879,813	28,371,297	32,731,892	36,036,411	44,929,457	51,051,193	46,443,460
Interest revenue	-	-	1,314,593	1,222,899	1,116,764	1,084,006	1,269,697	1,230,324	932,447	584,849
Federal Funds received as fiscal agent	-	-	-	-	-	78,914	-	-	284,048	-
Gain on disposal of capital assets	-	-	236,214	-	1,242,935	60,268	-	-	-	7,266
Total Revenues	-	-	26,711,806	28,102,712	30,730,996	33,955,080	37,306,108	46,159,781	52,267,688	47,035,575
Expenses										
Operating expenses:										
Maintenance and operations	-	-	11,415,193	12,474,555	13,937,712	16,361,152	18,385,065	21,392,329	21,842,912	20,854,315
General and administrative	-	-	8,883,174	9,572,631	9,630,337	10,139,046	10,760,589	12,521,179	13,007,565	15,191,213
Depreciation	-	-	5,284,372	5,417,115	5,513,656	6,142,055	7,127,447	8,442,640	9,648,639	10,060,645
Total operating expenses	-	-	25,582,739	27,464,301	29,081,705	32,642,253	36,273,101	42,356,148	44,499,116	46,106,173
Interest expense and fiscal charges	-	-	656,585	781,399	739,852	712,323	689,611	620,495	562,442	504,030
Amortization of bond issuance costs	-	-	78,392	104,862	81,418	63,610	49,458	37,828	28,615	20,735
Fiscal payments to subrecipients	-	-	-	-	-	-	-	-	284,048	-
Loss on disposal of capital assets	-	-	-	-	-	-	15,395	10,293	308,883	-
Total Expenses	-	-	26,317,716	28,441,418	29,902,975	33,418,186	37,027,565	43,024,764	45,683,104	46,630,938
Income(Loss) Before Contributions	-	-	394,090	(338,706)	828,021	536,894	278,543	3,135,017	6,584,584	404,637
Capital Contributions	-	-	1,123,096	1,638,527	10,453,132	17,792,218	12,261,584	4,633,770	2,510,746	2,090,573
Changes in Net Assets	-	-	1,517,186	1,299,821	11,281,153	18,329,112	12,540,127	7,768,787	9,095,330	2,495,210
Total Net Assets, Beginning of Year	-	-	172,263,494	173,780,680	175,080,501	186,361,654	204,690,766	217,230,893	224,999,680	234,095,010
Total Net Assets, End of Year	\$ -	\$ -	\$ 173,780,680	\$ 175,080,501	\$ 186,361,654	\$ 204,690,766	\$ 217,230,893	\$ 224,999,680	\$ 234,095,010	\$ 236,590,220
Net Assets at Year End										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 135,287,438	\$ 137,188,296	\$ 156,056,302	\$ 178,351,445	\$ 195,074,359	\$ 204,800,725	\$ 202,587,244	\$ 211,984,713
Restricted	-	-	2,660,144	2,348,028	2,243,263	2,167,787	2,061,302	2,193,823	1,756,683	1,747,632
Unrestricted	-	-	35,833,098	35,544,177	28,062,089	24,171,534	20,095,232	18,005,132	29,751,083	22,857,875
Total Net Assets	\$ -	\$ -	\$ 173,780,680	\$ 175,080,501	\$ 186,361,654	\$ 204,690,766	\$ 217,230,893	\$ 224,999,680	\$ 234,095,010	\$ 236,590,220

* - Not available, prior to implementation of GASB 34

TABLE 2 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Revenues by Source
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Revenues:										
Wharfage	\$ 13,282,469	\$ 13,215,302	\$ 12,534,632	\$ 13,535,168	\$ 14,076,271	\$ 15,388,177	\$ 19,351,717	\$ 27,219,535	\$ 26,359,823	\$ 24,826,670
Dockage	3,229,447	3,009,600	2,733,667	3,218,880	3,858,120	4,153,902	3,354,723	3,655,333	7,078,197	7,319,259
Freight handling	2,019,205	2,033,916	2,410,795	1,492,129	1,976,486	2,351,619	2,065,511	2,166,118	2,178,423	2,428,621
Bagging	-	-	-	-	-	-	-	-	-	-
Building and land rentals	2,835,108	3,363,438	3,385,964	3,361,762	3,409,141	3,705,185	4,037,572	4,545,342	4,318,458	3,924,060
Conference center services	296,861	833,712	1,367,934	1,443,592	1,663,726	1,556,200	1,495,599	1,597,594	1,451,630	2,007,407
Warehouse handling charges	-	102,623	954,178	1,137,336	816,739	1,737,118	1,484,404	1,211,146	1,367,306	596,168
FTZ user fees	261,250	281,750	287,115	264,750	261,666	233,333	243,000	295,000	284,500	326,000
Security surcharge fees	-	-	-	-	830,882	2,018,305	2,003,964	2,256,902	3,382,111	3,392,945
Compress	2,734,668	1,477,844	185,538	45,598	-	-	-	-	-	-
Other	1,231,395	1,306,133	1,301,176	2,380,598	1,478,266	1,588,053	1,999,921	1,982,487	4,630,745	1,622,330
	<u>\$ 25,890,403</u>	<u>\$ 25,624,318</u>	<u>\$ 25,160,999</u>	<u>\$ 26,879,813</u>	<u>\$ 28,371,297</u>	<u>\$ 32,731,892</u>	<u>\$ 36,036,411</u>	<u>\$ 44,929,457</u>	<u>\$ 51,051,193</u>	<u>\$ 46,443,460</u>
Non-Operating Revenues:										
Other:										
Interest	\$ 1,619,461	\$ 1,261,435	\$ 1,314,593	\$ 1,222,899	\$ 1,116,764	\$ 1,084,006	\$ 1,269,697	\$ 1,230,324	\$ 932,447	\$ 584,849
Other	572,907	787,431	236,214	-	1,242,935	139,182	-	-	284,048	7,266
	<u>\$ 2,192,368</u>	<u>\$ 2,048,866</u>	<u>\$ 1,550,807</u>	<u>\$ 1,222,899</u>	<u>\$ 2,359,699</u>	<u>\$ 1,223,188</u>	<u>\$ 1,269,697</u>	<u>\$ 1,230,324</u>	<u>\$ 1,216,495</u>	<u>\$ 592,115</u>

Non-Operating Revenues:

Other:

Interest

Other

TABLE 3 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Expenses by Type
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Expenses:										
Maintenance and Operation:										
Employee services	\$ 3,293,465	\$ 3,570,749	\$ 3,929,041	\$ 4,144,531	\$ 5,206,360	\$ 6,296,241	\$ 6,768,333	\$ 6,952,412	\$ 8,255,443	\$ 8,022,571
Maintenance	1,756,682	1,761,065	1,970,104	2,686,825	2,641,655	3,317,396	4,173,668	6,483,605	6,340,774	4,987,113
Utilities	468,382	615,609	694,391	886,009	964,332	1,095,452	1,399,011	1,383,059	1,357,364	1,631,307
Telephone	30,158	33,212	34,045	22,358	20,468	19,694	23,716	35,699	29,991	26,436
Insurance	966,835	966,114	1,276,352	1,427,198	1,327,486	1,264,823	1,726,286	2,017,983	1,902,331	1,844,918
Professional services	114,171	137,700	202,418	228,158	444,902	544,189	400,085	344,073	424,975	900,742
Police expenses	-	-	-	-	64,252	36,788	53,276	39,442	74,106	55,218
Contracted services	1,062,328	1,205,445	1,597,049	1,485,158	1,483,850	2,155,840	2,110,723	2,166,855	1,834,442	1,426,265
Office and equipment rental	51,250	40,616	106,710	11,908	25,941	78,665	129,527	124,691	91,004	97,627
Operator and event expenses	244,174	708,885	1,225,868	1,310,806	1,438,345	1,287,428	1,311,334	1,523,025	1,280,002	1,550,059
Warehouse supplies	-	1,898	85,770	46,823	51,281	136,382	64,946	38,292	68,428	44,700
Grain handling	1,094	-	-	-	-	-	-	-	-	-
Ginning	1,096,642	546,622	-	-	-	53,509	50,970	62,693	90,947	71,246
Safety/Environmental	21,034	33,018	39,985	46,293	43,180	74,745	173,190	220,500	93,105	196,113
General	227,802	246,706	253,460	178,488	225,660	74,745	173,190	220,500	93,105	196,113
	<u>\$ 9,334,017</u>	<u>\$ 9,867,639</u>	<u>\$11,415,193</u>	<u>\$12,474,555</u>	<u>\$13,937,712</u>	<u>\$16,361,152</u>	<u>\$18,385,065</u>	<u>\$21,392,329</u>	<u>\$21,842,912</u>	<u>\$20,854,315</u>
General and Administrative:										
Employee services	\$ 4,484,449	\$ 4,485,094	\$ 4,523,035	\$ 5,048,655	\$ 5,367,098	\$ 5,711,388	\$ 6,150,455	\$ 6,808,607	\$ 7,349,030	\$ 7,999,373
Maintenance	281,890	234,515	297,592	272,419	274,342	229,548	324,760	351,566	320,610	432,088
Utilities	125,271	154,595	118,395	131,448	135,135	162,864	218,586	222,481	196,865	224,245
Telephone	129,241	124,877	98,649	103,287	108,862	209,939	205,520	213,248	231,958	209,267
Insurance	39,961	85,113	208,519	107,456	45,278	119,854	111,670	108,314	84,451	96,638
Professional services	1,761,967	1,914,403	1,794,626	1,781,500	1,642,718	1,713,073	1,864,026	2,290,016	2,419,843	3,322,950
Police expenses	-	-	-	-	1,429	1,341	654	216	314	174
Contracted services	79,711	105,890	94,226	68,343	60,516	54,189	134,754	198,260	88,262	64,213
Office and equipment rental	30,848	46,307	2,245	8,270	3,042	4,451	6,852	10,173	18,264	40,406
Administrative	1,344,684	1,262,105	1,279,119	1,533,738	1,598,908	1,483,098	1,647,031	1,925,958	1,873,318	2,392,822
Trade and sales development	209,492	178,538	129,229	125,484	143,296	107,450	123,054	146,161	148,946	204,427
Media advertising	248,392	211,051	124,256	88,530	102,957	91,527	73,557	157,725	109,262	108,425
Production	111,049	77,551	55,918	57,538	25,460	45,124	56,861	30,773	27,917	48,319
Safety/Environmental	6,869	11,241	13,638	19,889	20,992	20,439	36,047	26,992	38,206	22,681
General	91,181	106,490	143,727	226,074	100,304	184,761	(193,238)	30,689	100,319	25,185
	<u>\$ 8,945,005</u>	<u>\$ 8,997,770</u>	<u>\$ 8,883,174</u>	<u>\$ 9,572,631</u>	<u>\$ 9,630,337</u>	<u>\$10,139,046</u>	<u>\$10,760,589</u>	<u>\$12,521,179</u>	<u>\$13,007,565</u>	<u>\$15,191,213</u>
Depreciation	<u>\$ 4,944,421</u>	<u>\$ 5,224,868</u>	<u>\$ 5,284,372</u>	<u>\$ 5,417,115</u>	<u>\$ 5,513,656</u>	<u>\$ 6,142,055</u>	<u>\$ 7,127,447</u>	<u>\$ 8,442,640</u>	<u>\$ 9,648,639</u>	<u>\$10,060,645</u>
Non-Operating Expenses:										
Other:										
Interest	\$ 128,862	\$ 85,005	\$ 734,977	\$ 886,261	\$ 821,270	\$ 775,933	\$ 739,069	\$ 658,323	\$ 591,057	\$ 504,030
Other	498,208	-	-	90,856	-	-	15,395	10,293	592,931	20,735
	<u>\$ 627,070</u>	<u>\$ 85,005</u>	<u>\$ 734,977</u>	<u>\$ 977,117</u>	<u>\$ 821,270</u>	<u>\$ 775,933</u>	<u>\$ 754,464</u>	<u>\$ 668,616</u>	<u>\$ 1,183,988</u>	<u>\$ 524,765</u>

TABLE 4 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Financial Performance Indicators
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Revenues (OR)	\$ 25,890,403	\$ 25,624,318	\$ 25,160,999	\$ 26,879,813	\$ 28,371,297	\$ 32,731,892	\$ 36,036,411	\$ 44,929,457	\$ 51,051,193	\$ 46,443,460
Operating Expenses (OE) *	(18,279,022)	(18,865,409)	(20,298,367)	(22,047,186)	(23,568,049)	(26,500,198)	(29,145,654)	(33,913,508)	(34,850,477)	(36,045,528)
Net Operating Income (NOI)	7,611,381	6,758,909	4,862,632	4,832,627	4,803,248	6,231,694	6,890,757	11,015,949	16,200,716	10,397,932
Non-Operating Revenues	2,192,369	2,055,366	1,550,807	1,222,899	2,359,699	1,223,188	1,269,697	1,230,324	1,216,495	592,115
Non-Operating Expenses	(627,071)	(85,005)	(734,977)	(977,117)	(821,270)	(775,933)	(754,464)	(668,616)	(1,183,988)	(524,765)
Net Income "A" (NI"A")	9,176,679	8,729,270	5,678,462	5,078,409	6,341,677	6,678,949	7,405,990	11,577,657	16,233,223	10,465,282
Depreciation	(4,944,421)	(5,224,868)	(5,284,372)	(5,417,115)	(5,513,656)	(6,142,055)	(7,127,447)	(8,442,640)	(9,648,639)	(10,060,645)
Net Income (Loss) "B" (NI"B")	\$ 4,232,258	\$ 3,504,402	\$ 394,090	\$ (338,706)	\$ 828,021	\$ 536,894	\$ 278,543	\$ 3,135,017	\$ 6,584,584	\$ 404,637
Net Capital Assets (NCA) **	\$ 147,286,699	\$ 143,840,270	\$ 145,906,446	\$ 143,298,109	\$ 139,998,166	\$ 156,723,984	\$ 175,997,745	\$ 173,486,988	\$ 218,586,423	\$ 216,324,078
Total Assets (TA)	\$ 179,630,724	\$ 179,679,554	\$ 196,391,543	\$ 197,115,656	\$ 212,289,063	\$ 242,045,429	\$ 252,168,291	\$ 258,145,439	\$ 263,271,819	\$ 265,325,288

Operating Indicators:

Operating ROI (NOI/NCA)	5.17%	4.70%	3.33%	3.37%	3.43%	3.98%	3.92%	6.35%	7.41%	4.81%
Operating Margin (NOI/OR)	29.40%	26.38%	19.33%	17.98%	16.93%	19.04%	19.12%	24.52%	31.73%	22.39%
Operating Ratio (OE/OR)	70.60%	73.62%	80.67%	82.02%	83.07%	80.96%	80.88%	75.48%	68.27%	77.61%

Other ROI Indicators:

ROI "A" (NI"A"/TA)	5.11%	4.86%	2.89%	2.58%	2.99%	2.76%	2.94%	4.48%	6.17%	3.94%
ROI "B" (NI"B"/TA)	2.36%	1.95%	0.20%	-0.17%	0.39%	0.22%	0.11%	1.21%	2.50%	0.15%

* - Excludes Depreciation

** - Excludes Construction in Progress

TABLE 5 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Port Commerce By Commodity
Last Ten Years**

Commodity By Port Division - <i>Short tons</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Inner Harbor										
Break Bulk	65,680	18,786	41,356	210,873	253,084	200,159	183,544	215,964	256,612	133,037
Grain	1,729,729	1,960,433	1,845,301	1,666,579	1,836,090	2,098,829	2,025,864	3,367,057	5,409,827	3,951,347
Chemical	62,109	65,394	48,861	37,243	47,295	66,514	59,851	52,709	68,760	43,982
Dry Bulk	1,989,651	2,259,592	2,501,157	2,062,015	2,541,606	2,544,880	2,008,088	2,420,282	2,318,675	1,974,232
Liquid Bulk	113,130	320,633	65,538	243,135	407,906	518,403	248,355	513,036	301,007	131,100
Petroleum	71,533,183	69,375,427	63,809,573	67,466,251	67,414,002	66,391,484	68,242,433	67,124,801	62,558,169	56,586,340
Total	75,493,482	74,000,265	68,311,786	71,686,096	72,499,983	71,820,269	72,768,135	73,693,849	70,913,050	62,820,038
La Quinta										
Break Bulk	-	-	-	-	-	-	-	-	-	-
Chemical	2,168,006	1,878,788	1,556,565	1,966,843	2,095,441	1,728,815	1,510,142	1,796,165	1,561,258	1,366,046
Dry Bulk	5,187,747	4,813,124	4,890,941	4,761,502	4,689,730	5,812,484	5,690,335	5,780,257	5,572,667	4,467,692
Petroleum	25,991	30,785	26,862	23,386	31,518	25,081	24,030	26,925	26,607	18,766
Total	7,381,744	6,722,697	6,474,368	6,751,731	6,816,689	7,566,380	7,224,507	7,603,347	7,160,532	5,852,504
Harbor Island										
Break Bulk	2	10,609	5,132	17,146	1,816	6	6	6	2	-
Petroleum	138	1,074	2,760	533	-	332	-	-	-	-
Total	140	11,683	7,892	17,679	1,816	338	6	6	2	-
Ingleside										
Break Bulk	6,275	186,428	93,260	133,165	241,882	226,899	46,637	224,714	277,147	178,826
Dry Bulk	-	48	-	3,506	(3,506)	-	-	42,722	-	-
Petroleum	6,523,003	6,111,062	6,061,259	6,531,995	6,769,131	7,115,455	6,909,586	7,741,913	7,475,838	7,660,416
Total	6,529,278	6,297,538	6,154,519	6,668,666	7,007,507	7,342,354	6,956,223	8,009,349	7,752,985	7,839,242
Rincon Point										
Break Bulk	-	-	-	62	6,234	17,918	26,510	4,519	18,829	6,130
Grain	-	-	-	-	-	-	5,746	10,329	14,040	-
Dry Bulk	19,847	3,774	10,358	6,890	61,574	38,690	1,707	(1,707)	-	1,734
Total	19,847	3,774	10,358	6,952	67,808	56,608	33,963	13,141	32,869	7,864
Total	89,424,491	87,035,957	80,958,923	85,131,124	86,393,803	86,785,949	86,982,834	89,319,692	85,859,438	76,519,648
Commodity Totals - <i>Short tons</i>										
Break Bulk	71,957	215,823	139,748	361,246	503,016	444,982	256,697	445,203	552,590	317,993
Grain	1,729,729	1,960,433	1,845,301	1,666,579	1,836,090	2,098,829	2,031,610	3,377,386	5,423,867	3,951,347
Chemical	2,230,115	1,944,182	1,605,426	2,004,086	2,142,736	1,795,329	1,569,993	1,848,874	1,630,018	1,410,028
Dry Bulk	7,197,245	7,076,538	7,402,456	6,833,913	7,289,404	8,396,054	7,700,130	8,241,554	7,891,342	6,443,658
Liquid Bulk	113,130	320,633	65,538	243,135	407,906	518,403	248,355	513,036	301,007	131,100
Petroleum	78,082,315	75,518,348	69,900,454	74,022,165	74,214,651	73,532,352	75,176,049	74,893,639	70,060,614	64,265,522
Total	89,424,491	87,035,957	80,958,923	85,131,124	86,393,803	86,785,949	86,982,834	89,319,692	85,859,438	76,519,648

TABLE 5 (Unaudited - Continued)

Port Commerce By Commodity
Last Ten Years

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

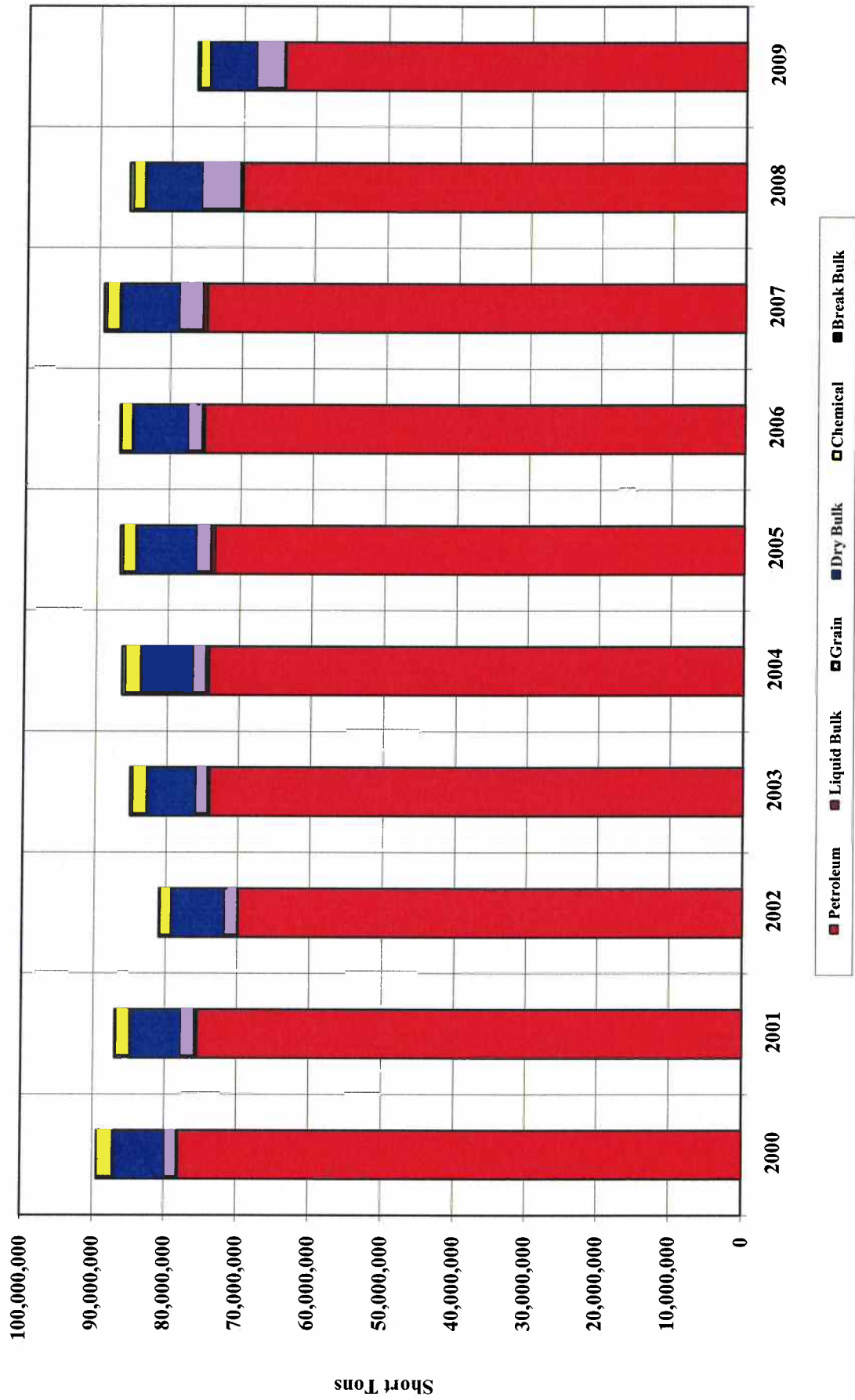


TABLE 6 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Vessel Traffic
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Inner Harbor										
<i>Ships</i>										
Dry Cargo	216	224	266	244	210	268	233	300	377	217
Tankers	866	843	744	841	803	808	817	825	819	779
<i>Barges</i>	4,605	4,625	4,066	4,465	4,818	4,820	4,440	4,393	4,112	3,691
<i>Total Vessels</i>	5,687	5,692	5,076	5,550	5,831	5,896	5,490	5,518	5,308	4,687
La Quinta Harbor										
<i>Ships</i>										
Dry Cargo	123	124	119	116	101	147	128	117	107	100
Tankers	132	119	112	152	167	104	110	135	104	85
<i>Barges</i>	159	132	161	257	281	310	175	166	102	80
<i>Total Vessels</i>	414	375	392	525	549	561	413	418	313	265
Harbor Island										
<i>Ships</i>										
Dry Cargo	195	681	628	540	581	610	566	632	227	-
Tankers	-	-	-	-	-	-	-	-	-	-
<i>Barges</i>	-	8	23	5	-	-	-	-	-	-
<i>Total Vessels</i>	195	689	651	545	581	610	566	632	227	-
Ingleside Harbor										
<i>Ships</i>										
Dry Cargo	13	4	13	6	13	12	15	28	19	22
Tankers	88	65	84	80	86	88	92	97	98	109
<i>Barges</i>	18	35	52	56	111	54	55	45	49	66
<i>Total Vessels</i>	119	104	149	142	210	154	162	170	166	197
Rincon Point										
<i>Ships</i>										
Dry Cargo	-	-	-	-	-	-	-	-	-	-
Tankers	-	-	-	-	-	-	-	-	-	-
<i>Barges</i>	-	-	3	4	66	114	2	6	8	2
<i>Total Vessels</i>	-	-	3	4	66	114	2	6	8	2
Total										
<i>Ships</i>										
Dry Cargo	547	1,033	1,026	906	905	1,037	942	1,077	730	339
Tankers	1,086	1,027	940	1,073	1,056	1,000	1,019	1,057	1,021	973
<i>Barges</i>	4,782	4,800	4,305	4,787	5,276	5,298	4,672	4,610	4,271	3,839
<i>Total Vessels</i>	6,415	6,860	6,271	6,766	7,237	7,335	6,633	6,744	6,022	5,151

TABLE 6 (Unaudited - Continued)

Vessel Traffic
Last Ten Years

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

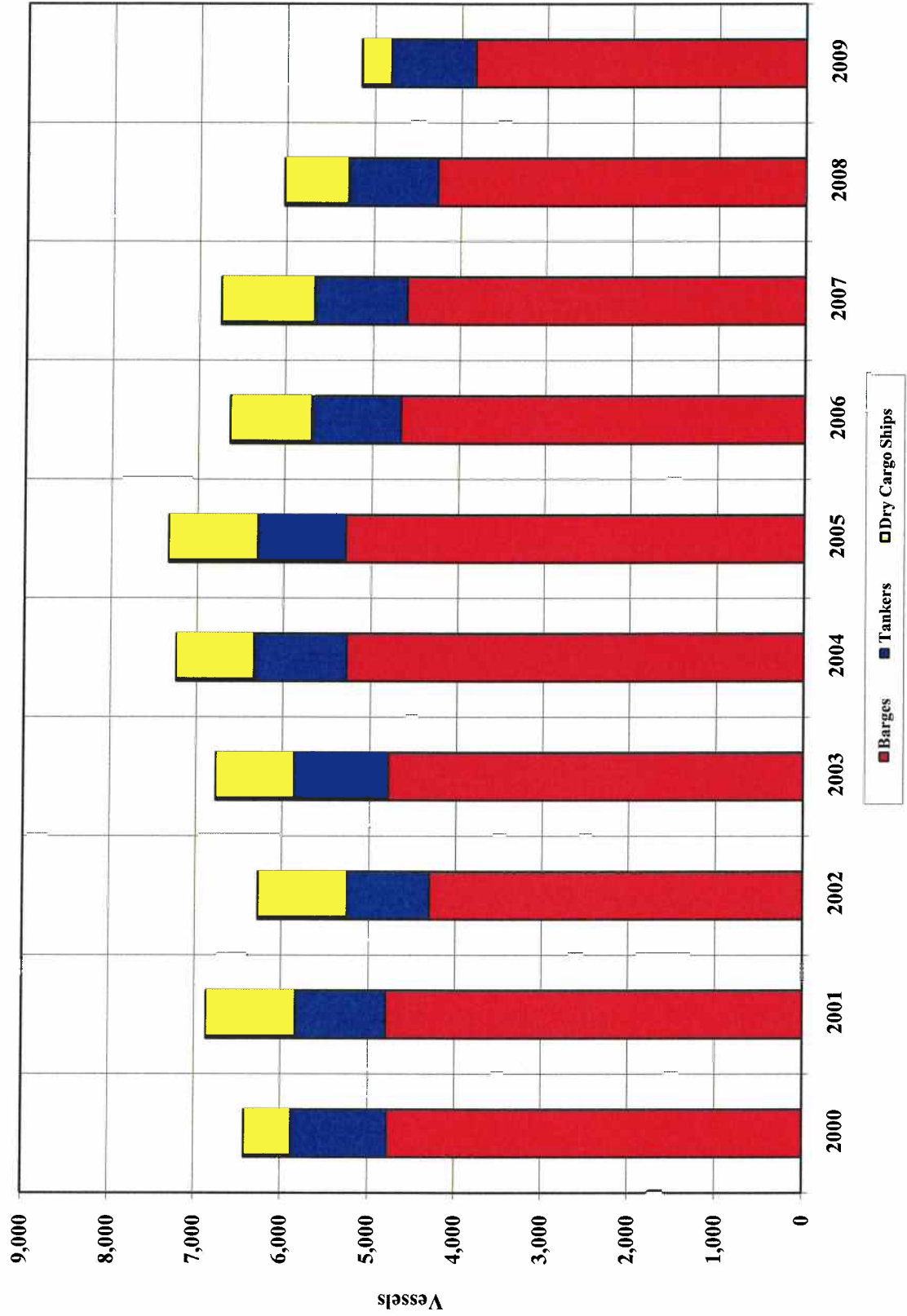


TABLE 7 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Tariff Rates
Last Ten Years**

	U/M	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Wharfage Rates											
All Cargo NOS	W/M	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.75	\$2.86
Dry Bulk	S/T	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.62
Liquid Bulk	BRL	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.06	\$0.06	\$0.08	\$0.08	\$0.08
Beans, Lentils & Peas	S/T	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.50	\$0.50	\$0.50	\$0.55	\$0.57
Cotton	Bale	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.48	\$0.48	\$0.48	\$0.48	\$0.50
Grain and Grain Products	S/T	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.50	\$0.50	\$0.50	\$0.70	\$1.30
Grain and Grain Products (bulk)	S/T	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.25	\$0.26
Iron and Steel Articles	S/T	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.80	\$1.87
Machinery, agricultural	S/T	\$0.00	\$0.00	\$0.00	\$1.76	\$1.76	\$1.76	\$1.76	\$1.76	\$2.75	\$2.86
Machinery, grading, earth moving	S/T	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.75	\$2.86
Military Cargo	S/T	\$1.20	\$1.30	\$1.30	\$1.30	\$1.30	\$2.30	\$2.30	\$2.30	\$2.30	\$5.38
Milk, dehydrated	S/T	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.50	\$0.50	\$0.50	\$0.70	\$1.52
Passengers	Person	\$4.00	\$4.00	\$4.00	\$4.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Power Generation/Plant Equipment	S/T	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.90	\$1.90	\$2.75	\$2.85
Refrigerated Cargo	S/T	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30
Rice and Rice Products	S/T	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.50	\$0.50	\$0.50	\$0.70	\$1.30
Sand, aggregates, caliche, limestone	S/T	\$0.30	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.62
Vegetable oil	S/T	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.25
Vehicles	S/T	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$4.75	\$4.94
Vessels, pressure	S/T	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.53
Dockage Rates											
General Cargo											
Vessels										Dry/Liquid	
0-199	Feet	\$1.71	\$1.90	\$1.90	\$1.90	\$1.90	\$1.97	\$1.97	\$1.97	\$2.28/\$1.62	\$2.37
200-399	Feet	\$1.44 - \$1.80	\$2.22	\$2.22	\$2.22	\$2.22	\$2.55	\$2.55	\$2.55	\$2.99/\$2.10	\$3.11
400-499	Feet	\$2.50	\$3.02	\$3.02	\$3.00	\$3.02	\$3.50	\$3.50	\$3.50	\$4.23/\$2.88	\$4.40
500-599	Feet	\$2.58-\$2.62	\$4.06	\$4.06	\$4.06	\$4.06	\$4.67	\$4.67	\$4.67	\$5.69/\$3.85	\$5.91
600-699	Feet	\$3.12	\$4.72	\$4.72	\$4.72	\$4.72	\$5.43	\$5.43	\$5.43	\$6.51/\$4.47	\$6.77
700-799	Feet	\$3.48	\$5.99	\$5.99	\$5.99	\$5.99	\$6.89	\$6.89	\$6.89	\$8.39/\$5.67	\$8.72
800-899	Feet	\$3.54	\$7.21	\$7.21	\$7.21	\$7.21	\$8.29	\$8.29	\$8.29	\$10.10/\$6.83	\$10.50
900 +	Feet	\$3.72	\$8.63	\$8.63	\$8.63	\$8.63	\$9.92	\$9.92	\$9.92	\$12.08/\$8.17	\$12.55
Barges - Inland Waterway		\$0.09 NRT	\$0.09 NRT	\$0.09 NRT	\$0.09 NRT	\$0.09 NRT	\$0.09 NRT	\$0.09 NRT	\$0.09 NRT	\$90.00 Flat	\$95.00 Flat
Bulk Terminal	GRT	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13	\$0.49	\$0.51
Liquid Bulk											
Vessels											
Barges	DWT	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	See Dry/Liquid	See Dry/Liquid
0-360 Feet	Barge	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$90.00	\$95.00
360 +	Barge	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00	See Dry/Liquid	See Dry/Liquid
Harbor Fee											
Ships	Ship	\$325.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$275.00	\$275.00
Barges	Barge	\$40.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$35.00	\$35.00
Security Surcharge Fee ¹											
		-	-	-	-	10.0%	10.5%	11.0%	11.5%	12.0%	10.0%

¹ Security surcharge fee is calculated on wharfage and dockage billings

Tariff rates reported on this schedule represent the most significant of the Authority's revenue sources, all rates may be obtained from the Authority's published tariff

S/T - short tons; BRL - barrel; DWT - dead weight tons; NRT - net registered tons; GRT - gross registered tons; W/M - weight or measure

TABLE 8 (Unaudited)**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS****Ten Largest Customers
December 31, 2009 and 2000****WHARFAGE and DOCKAGE REVENUE:**

Customer	2009				2000			
	Wharfage and Dockage Revenue	Rank	%		Wharfage and Dockage Revenue	Rank	%	
Valero	\$ 8,167,033	1	24.07%		\$ 1,944,144	3	10.82%	
Citgo	6,244,146	2	18.40%		3,660,152	1	20.38%	
Flint Hills	5,470,064	3	16.12%		1,819,739	4	10.13%	
NuStar Logistics	2,596,890	4	7.66%		1,026,754	5	5.72%	
Equistar	1,421,617	5	4.19%		468,230	8	2.61%	
Biehl & Company	883,741	6	2.61%		-		0.00%	
Valls Shipping	760,490	7	2.24%		-		-	
Moran-Gulf Shipping	407,416	8	1.20%		-		-	
Sanco Co.	401,631	9	1.18%		-		-	
Dix-Fairway	372,224	10	1.10%		-		-	
Coastal Refining & Marketing	-	-	-		2,227,597	2	12.40%	
Koch Petroleum Group	-	-	-		744,431	6	4.14%	
Boyd Campbell	-	-	-		559,169	7	3.11%	
Shamrock Logistics	-	-	-		461,248	9	2.57%	
Aimcor	-	-	-		367,149	10	2.04%	
Subtotal (10 largest)	26,725,252		78.77%		13,278,613		73.92%	
Other	7,202,783		21.23%		4,684,498		26.08%	
Total	\$ 33,928,035		100.00%		\$ 17,963,111		100.00%	

TONNAGE:

Customer	2009				2000			
	Tonnage	Rank	%		Tonnage	Rank	%	
Valero	20,920,179	1	27.34%		14,484,194	2	16.20%	
Citgo	20,505,797	2	26.80%		25,001,379	1	27.96%	
Flint Hills	16,098,498	3	21.04%		7,332,799	4	8.20%	
Sherwin Alumina	4,467,624	4	5.84%		5,189,040	7	5.80%	
NuStar Logistics	3,466,296	5	4.53%		3,177,902	8	3.55%	
ADM/Growmark	2,560,366	6	3.35%		-		-	
Equistar	1,651,964	7	2.16%		1,662,507	10	1.86%	
Occidental	1,366,046	8	1.79%		2,166,713	9	2.42%	
Interstate Grain	1,346,017	9	1.76%		-		-	
Dupre Logistics	611,437	10	0.80%		-		-	
Coastal Refining & Marketing	-	-	-		8,786,597	3	9.83%	
Koch	-	-	-		6,249,931	5	6.99%	
Koch Petroleum Group	-	-	-		5,683,124	6	6.36%	
Subtotal (10 largest)	72,994,224		95.41%		79,734,186		89.17%	
Other	3,522,424		4.59%		9,690,305		10.83%	
Total	76,516,648		100.00%		89,424,491		100.00%	

TABLE 9 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Ratios of Outstanding Debt
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Unlimited Tax Bonds	\$ 3,235,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	-	-	17,075,000	16,110,000	15,130,000	14,120,000	13,080,000	12,005,000	10,885,000	9,725,000
Total	\$ 3,235,000	\$ -	\$ 17,075,000	\$ 16,110,000	\$ 15,130,000	\$ 14,120,000	\$ 13,080,000	\$ 12,005,000	\$ 10,885,000	\$ 9,725,000
Per Capita	\$140	\$0	\$685	\$619	\$554	\$481	\$416	\$362	\$311	\$270
Percent of Personal Income	0.03%	0.00%	0.17%	0.15%	0.14%	0.12%	0.10%	0.09%	0.07%	0.06%

Details regarding the Authority's outstanding debt can be found in Note 6 of the Notes to the Financial Statements. See Table 11, schedule of Demographic and Economic Statistics for personal income and population data.

TABLE 10 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Revenue Bond Coverage
Last Ten Years**

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (A)		
				Principal	Interest	Coverage
2000	\$ -	\$ -	\$ -	\$ -	\$ -	-
2001	-	-	-	-	-	-
2002	27,835,369	20,298,422	7,536,947	1,219,643	452,024	1,671,667
2003	29,740,622	22,047,186	7,693,436	1,239,231	432,315	1,671,546
2004	30,730,996	23,568,049	7,162,947	1,260,833	410,843	1,671,676
2005	33,955,080	26,500,198	7,454,882	1,283,636	387,819	1,671,455
2006	37,306,108	29,145,654	8,160,454	1,308,000	363,385	1,671,385
2007	46,159,781	33,913,508	12,246,273	1,333,889	337,589	1,671,478
2008	51,983,640	34,850,477	17,133,163	1,360,625	310,516	1,671,141
2009	47,035,575	36,045,528	10,990,047	1,389,286	282,198	1,671,484

(1) Gross revenues represent all revenues, income and receipts, including interest income, and any other revenues

(2) Operating expenses represent maintenance and operating, and general and administrative expenses

(A) Debt service requirements represent average annual debt service

TABLE 11 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Demographic and Economic Statistics
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008 (P)	2009 (E)
Population (1)	403,199	401,387	403,153	403,892	407,440	411,035	413,365	413,054	415,376	418,201
Personal Income-(in thousands) (1)	\$ 9,348,023	\$ 9,706,189	\$ 10,047,316	\$ 10,504,810	\$ 11,128,603	\$ 12,065,045	\$ 13,006,066	\$ 13,701,255	\$ 14,556,590	\$ 15,089,272
Per Capita Personal Income (1)	\$23,185	\$24,182	\$24,922	\$26,009	\$27,313	\$29,353	\$31,464	\$33,171	\$35,044	\$36,081
Unemployment rate (2)	5.40%	5.50%	6.30%	6.80%	6.60%	5.20%	4.70%	4.20%	4.70%	7.17%

Source:

- (1) Bureau of Economic Analysis
(2) Texas Workforce Commission

(P) Preliminary

(E) Estimated based on growth trend from 2001-2008

TABLE 12 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Principal Employers
December 31, 2009 and 2000**

Employer	2009			2000*		
	Number of Employees	Rank	Percent of Total MSA Employment	Number of Employees	Rank	Percent of Total MSA Employment
Naval Air Station Corpus Christi	5,525	1	2.86%	-	-	-
Christus Spohn Health System	5,400	2	2.80%	-	-	-
Corpus Christi ISD	5,178	3	2.68%	-	-	-
HEB Grocery Co.	5,000	4	2.59%	-	-	-
Corpus Christi Army Depot	3,541	5	1.84%	-	-	-
City of Corpus Christi	3,171	6	1.64%	-	-	-
Bay, Ltd.	2,100	7	1.09%	-	-	-
Del Mar College	1,542	8	0.80%	-	-	-
Corpus Christi Medical Center	1,300	9	0.67%	-	-	-
First Data Corporation	1,200	10	0.62%	-	-	-
Total	33,957		17.59%	-		-

Corpus Christi Regional Economic and Development Corporation
Texas Workforce Commission

* Information for 2000 not available

TABLE 13 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Employees by Function
Last Ten Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operations:										
Cold Storage Facility	0	8	12	12	13	13	13	12	9	0
Bulk Terminal Facility	17	17	16	16	16	16	17	16	17	17
Harbormaster's Office	20	19	19	12	12	12	11	10	10	10
Lift Bridge	0	0	0	8	8	8	8	5	0	0
Maintenance	25	29	34	38	37	38	39	43	43	48
Police Department	0	0	0	0	20	21	22	40	44	49
Corpus Christi Public Compress	6	5	0	0	0	0	0	0	0	0
	68	78	81	86	106	108	110	126	123	124
Administration:										
Executive Director	3	2	2	2	2	2	2	2	5	4
Deputy Port Directors	0	0	0	0	0	0	0	0	3	4
Government Affairs	2	1	1	1	1	1	1	1	1	1
Human Resources	4	5	5	5	5	4	4	5	5	5
Business Development	8	8	7	8	8	8	7	7	5	7
Industrial Development	1	1	1	1	1	1	1	1	1	1
Finance and Administration	2	2	2	2	2	2	2	2	2	2
Accounting	9	8	7	7	8	8	8	8	9	9
Information Technology	4	5	5	5	7	7	7	9	9	7
Engineering	11	12	12	12	12	11	13	13	10	14
Operations	5	6	6	7	6	7	7	7	5	7
	49	50	48	50	52	51	52	55	55	61
	117	128	129	136	158	159	162	181	178	185

TABLE 14 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**
**Capital Asset Statistics
Last Five Years**

	2005	2006	2007	2008	2009
Harbor divisions	6	6	6	6	6
Turning basins	5	5	5	5	5
Corpus Christi Ship Channel (miles)	35	35	35	35	35
Authorized channel draft (feet)	45	45	45	45	45
General cargo docks	8	8	8	8	8
Covered docks	3	3	3	3	3
Open docks	2	2	2	2	2
Special public use dock	1	1	1	1	1
Covered storage (square feet)	295,500	295,500	295,500	295,500	295,500
Dockside rail access (docks)	4	4	4	4	4
Roll-on/ Roll-off ramps	1	1	1	1	1
Liquid bulk docks	11	11	11	11	11
Ship	6	6	6	6	6
Barge	5	5	5	5	5
Bulk material docks	2	2	2	2	2
Gantry cranes	1	1	1	1	1
Unloading rate per hour (short tons)	600	600	600	600	600
Radial ship loaders	1	1	1	1	1
Loading rate per hour (short tons)	1,500	1,500	1,500	1,500	1,500
Layberth facilities/docks	3	3	3	3	3
Intermodal terminal	1	1	1	1	1
Open storage (acres)	23	23	23	25	28
Container handling machines	2	2	2	2	2
Bagging facilities	2	2	2	2	2
Grain	1	1	1	1	1
General purpose	1	1	1	1	1
Grain elevator	1	1	1	1	1
Bushel capacity (bushels)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Ship loading capacity per hour (bushels)	120,000	120,000	120,000	120,000	120,000
Truck unloading capacity per hour (bushels)	40,000	40,000	40,000	40,000	40,000
Railcar unloading capacity per hour (bushels)	80,000	80,000	80,000	80,000	80,000
Cotton warehouses	1	1	1	1	1
Covered storage (square feet)	575,000	575,000	575,000	575,000	575,000
Cold storage facilities	1	1	1	1	1
Refrigerated storage-chill and frozen (square feet)	100,000	100,000	100,000	100,000	100,000
Multi-purpose cruise terminal/meeting banquet center	1	1	1	1	1
Meeting rooms	5	5	5	5	5
Banquet hall	1	1	1	1	1
Outdoor plaza	1	1	1	1	1
Indoor square feet (approximate)	24,000	24,000	24,000	24,000	24,000
Outdoor square feet (approximate)	50,000	50,000	50,000	50,000	50,000
Industrial parks	1	1	1	1	1
Acreage	318	318	318	318	318
Barge canals	2	2	2	2	2
Land					
Submerged (acres)	18,750	18,750	18,750	18,750	18,750
Emerged (acres)	6,250	6,250	6,250	6,250	6,250
Dredge Placement Areas	4,688	4,688	4,688	4,688	4,688
Open storage/development (acres)	2,400	2,400	2,400	2,400	2,400
Railroads					
Railway (miles)	26	26	26	35	37
Security Command Center	1	1	1	1	1

TABLE 15 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

Analysis of Funding Progress - Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL As a Percentage of Covered Payroll
1999	\$ 7,482,804	\$ 11,795,117	63.4%	\$ 4,312,313	\$ 6,841,985	63.0%
2000	7,899,688	11,952,150	66.1%	4,052,462	5,759,469	70.4%
2001	8,736,367	13,220,605	66.1%	4,484,238	5,896,407	76.1%
2002	9,277,397	14,091,854	65.8%	4,814,457	6,094,250	79.0%
2003	10,728,469	15,445,423	69.5%	4,716,954	6,522,619	72.3%
2004	12,187,288	16,966,500	71.8%	4,779,212	7,918,506	60.4%
2005	13,572,671	18,177,881	74.7%	4,605,210	8,544,001	53.9%
2006	15,800,903	19,925,412	79.3%	4,124,509	9,020,233	45.7%
2007	17,772,707	22,044,720	80.6%	4,272,013	9,558,262	44.7%
2008	18,097,936	23,421,983	77.3%	5,324,047	10,298,956	51.7%

TABLE 16 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**
**Schedule of Insurance in Force
December 31, 2009**

Details of Coverage	Policy Period	Deductible	Liability Limits
All risk property	04/01/09-10	\$4,000,000/\$100,000	\$ 100,000,000
Harbor Island Property - Primary	08/05/09-10	100,000	3,000,000
Boiler and Machinery	04/01/09-10	100,000	20,000,000
	10/01/09-10	5,000	25,000,000
Business Auto Liability	10/01/09-10		10,000,000
Group Travel Accident	01/11/08-11		1,000,000
Foreign Liability	10/01/09-10		1,000,000
Pollution Legal Liability	10/16/08-13	100,000	5,000,000
Non-owned Aircraft Liability	10/01/09-10		2,000,000
Marine Liability and Primary P&I			10,000,000
Including Firebarge Hull	10/01/09-10	50,000	3,500,000
Excess Marine Liability and Primary P & I		50,000	10,000,000
Firebarge and Excess P&I			excess of 10,000,000
	10/01/09-10		80,000,000
			excess of 20,000,000
Errors and Omissions Liability	10/01/09-10	50,000	10,000,000
Law Enforcement Liability	10/01/09-10	10,000	5,000,000
Executive Risk	10/01/07-10		5,000,000
Customs Bond/Importer Bond	09/28/09-10		50,000
Customs Bond - FTZ Operator	09/28/09-10		250,000
Customs Bond - Border Protection Bond	10/28/09-10		50,000
International Carrier Bond	02/16/09-10		100,000
Employee Fidelity (Crime) Bond	12/21/09-10	25,000	2,000,000
Public Officials Bonds (8)	Varies		5,000
Workers' Compensation	01/01/09-10		Statutory

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**
**Miscellaneous Statistical Data
December 31, 2009**

Date of Incorporation:	1922			
Form of Government:	A public corporation and political subdivision of the State of Texas			
Number of Employees:	185			
Geographic Location:	Southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican Border			
Area:	6,250 - Emergent acres 18,750 - Submerged acres			
Population:	Year	City of Corpus Christi	Nueces County	San Patricio County
	1920	10,522	22,807	11,386
	1930	27,741	51,779	23,836
	1940	57,301	92,661	28,871
	1950	108,053	165,471	35,842
	1960	167,690	221,573	45,021
	1970	204,525	237,544	47,288
	1980	232,119	268,215	58,013
	1990	256,632	296,527	58,749
	2000	277,454	313,645	67,138
Elevation:	Sea level to 85 feet, average 35 feet			
Tidal Data:				
Average Water Level:				
Inner Harbor	2.08 feet above Mean Low Tide (MLT)			
Tidal Range:				
Inner Harbor	Insignificant			
Aransas Pass	1.5 feet			
Aerial Clearance:				
Harbor Bridge and Upper Harbor Lift Bridge	138 feet			
Temperature:				
	Annual Average - 71°			
	January Average - 56°			
	July Average - 84°			
Average Seasonal Rainfall:	32.26 inches			

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**
**Miscellaneous Statistical Data
December 31, 2009**
Public Docks:

Bulk liquid	11 - Main Harbor
Dry cargo	8 - Main Harbor
Bulk materials	2 - Main Harbor
	<u>21</u>

Private Docks:

Bulk liquid	- Citgo	6 - Main Harbor
	- Equistar	1 - Main Harbor
	- Flint Hills	3 - Main Harbor
	- Valero	3 - Main Harbor
	- Occidental Chemical	1 - La Quinta
	- Koch Gathering	1 - Ingleside
Dry cargo	- Bay Inc.	2 - Main Harbor
	- Heldenfels	1 - Main Harbor
	- Texas Docks & Rail	2 - Main Harbor
	- Texas Lehigh Cement	1 - Main Harbor
	- Tor Minerals International, Inc.	1 - Rincon
	- McDermott	1 - Harbor Island
	- Gulf Marine Fabricators	1 - Ingleside
	- Kiewit Offshore Services, Inc.	1 - Ingleside
	- Helix Energy Solutions	1 - LaQuinta
	- Signet Maritime	1 - Jewell Fulton
	- Rincon A	1 - Rincon
Bulk materials	- ADM/Growmark	1 - Main Harbor
	- Interstate Grain	1 - Main Harbor
	- Sherwin Alumina	1 - La Quinta
	- Vulcan Materials	1 - Main Harbor
		<u>32</u>

TABLE 18 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Port Commerce By Commodity
Last Ten Years**

Table 1:

Commodity By Port Division - Short tons	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Inner Harbor										
Break Bulk	65,680	18,786	41,356	210,873	253,084	200,159	183,544	215,964	256,612	133,037
Grain	1,729,729	1,960,433	1,845,301	1,666,579	1,836,090	2,098,829	2,025,864	3,367,057	5,409,827	3,951,347
Chemical	62,109	65,394	48,861	37,243	47,295	66,514	59,851	52,709	68,760	43,982
Dry Bulk	1,989,651	2,259,592	2,501,157	2,062,015	2,541,606	2,544,880	2,008,088	2,420,282	2,318,675	1,974,232
Liquid Bulk	113,130	320,633	65,538	243,135	407,906	518,403	248,355	513,036	301,007	131,100
Petroleum	71,533,183	69,375,427	63,809,573	67,466,251	67,414,002	66,391,484	68,242,433	67,124,801	62,558,169	56,586,340
Total	75,493,482	74,000,265	68,311,786	71,686,096	72,499,983	71,820,269	72,768,135	73,693,849	70,913,050	62,820,038
La Quinta										
Break Bulk	-	-	-	-	-	-	-	-	-	-
Chemical	2,168,006	1,878,788	1,556,565	1,966,843	2,095,441	1,728,815	1,510,142	1,796,165	1,561,258	1,366,046
Dry Bulk	5,187,747	4,813,124	4,890,941	4,761,502	4,689,730	5,812,484	5,690,335	5,780,257	5,572,667	4,467,692
Petroleum	25,991	30,785	26,862	23,386	31,518	25,081	24,030	26,925	26,607	18,766
Total	7,381,744	6,722,697	6,474,368	6,751,731	6,816,689	7,566,380	7,224,507	7,603,347	7,160,532	5,852,504
Harbor Island										
Break Bulk	2	10,609	5,132	17,146	1,816	6	6	6	2	-
Petroleum	138	1,074	2,760	533	-	332	-	-	-	-
Total	140	11,683	7,892	17,679	1,816	338	6	6	2	-
Ingleside										
Break Bulk	6,275	186,428	93,260	133,165	241,882	226,899	46,637	224,714	277,147	178,826
Dry Bulk	-	48	-	3,506	(3,506)	-	-	42,722	-	-
Petroleum	6,523,003	6,111,062	6,061,259	6,531,995	6,769,131	7,115,455	6,909,586	7,741,913	7,475,838	7,660,416
Total	6,529,278	6,297,538	6,154,519	6,668,666	7,007,507	7,342,354	6,956,223	8,009,349	7,752,985	7,839,242
Rincon Point										
Break Bulk	-	-	-	62	6,234	17,918	26,510	4,519	18,829	6,130
Grain	-	-	-	-	-	-	5,746	10,329	14,040	-
Dry Bulk	19,847	3,774	10,358	6,890	61,574	38,690	1,707	(1,707)	-	1,734
Total	19,847	3,774	10,358	6,952	67,808	56,608	33,963	13,141	32,869	7,864
Total	89,424,491	87,035,957	80,958,923	85,131,124	86,393,803	86,785,949	86,982,834	89,319,692	85,859,438	76,519,648
Commodity Totals - Short tons										
Break Bulk	71,957	215,823	139,748	361,246	503,016	444,982	256,697	445,203	552,590	317,993
Grain	1,729,729	1,960,433	1,845,301	1,666,579	1,836,090	2,098,829	2,031,610	3,377,386	5,423,867	3,951,347
Chemical	2,230,115	1,944,182	1,605,426	2,004,086	2,142,736	1,795,329	1,569,993	1,848,874	1,630,018	1,410,028
Dry Bulk	7,197,245	7,076,538	7,402,456	6,833,913	7,289,404	8,396,054	7,700,130	8,241,554	7,891,342	6,443,658
Liquid Bulk	113,130	320,633	65,538	243,135	407,906	518,403	248,355	513,036	301,007	131,100
Petroleum	78,082,315	75,518,348	69,900,454	74,022,165	74,214,651	73,532,352	75,176,049	74,893,639	70,060,614	64,265,522
Total	89,424,491	87,035,957	80,958,923	85,131,124	86,393,803	86,785,949	86,982,834	89,319,692	85,859,438	76,519,648

TABLE 19 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Revenues by Source
Last Ten Years**

Table 2:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Revenues:										
Wharfage	\$ 13,282,469	\$ 13,215,302	\$ 12,534,632	\$ 13,535,168	\$ 14,076,271	\$ 15,388,177	\$ 19,351,717	\$ 27,219,535	\$ 26,359,823	\$ 24,826,670
Dockage	3,229,447	3,009,600	2,733,667	3,218,880	3,858,120	4,153,902	3,354,723	3,655,333	7,078,197	7,319,259
Freight handling	2,019,205	2,033,916	2,410,795	1,492,129	1,976,486	2,351,619	2,065,511	2,166,118	2,178,423	2,428,621
Bagging	-	-	-	-	-	-	-	-	-	-
Building and land rentals	2,835,108	3,363,438	3,385,964	3,361,762	3,409,141	3,705,185	4,037,572	4,545,342	4,318,458	3,924,060
Conference center services	296,861	833,712	1,367,934	1,443,592	1,663,726	1,556,200	1,495,599	1,597,594	1,451,630	2,007,407
Warehouse handling charges	-	102,623	954,178	1,137,336	816,739	1,737,118	1,484,404	1,211,146	1,367,306	596,168
FTZ user fees	261,250	281,750	287,115	264,750	261,666	233,333	243,000	295,000	284,500	326,000
Security surcharge fees	-	-	-	-	830,882	2,018,305	2,003,964	2,256,902	3,382,111	3,392,945
Compress	2,734,668	1,477,844	185,538	45,598	-	-	-	-	-	-
Other	1,231,395	1,306,133	1,301,176	2,380,598	1,478,266	1,588,053	1,999,921	1,982,487	4,630,745	1,622,330
	<u>\$ 25,890,403</u>	<u>\$ 25,624,318</u>	<u>\$ 25,160,999</u>	<u>\$ 26,879,813</u>	<u>\$ 28,371,297</u>	<u>\$ 32,731,892</u>	<u>\$ 36,036,411</u>	<u>\$ 44,929,457</u>	<u>\$ 51,051,193</u>	<u>\$ 46,443,460</u>
Non-Operating Revenues:										
Other:										
Interest	\$ 1,619,461	\$ 1,261,435	\$ 1,314,593	\$ 1,222,899	\$ 1,116,764	\$ 1,084,006	\$ 1,269,697	\$ 1,230,324	\$ 932,447	\$ 584,849
Other	572,907	787,431	236,214	-	1,242,935	139,182	-	-	284,048	7,266
	<u>\$ 2,192,368</u>	<u>\$ 2,048,866</u>	<u>\$ 1,550,807</u>	<u>\$ 1,222,899</u>	<u>\$ 2,359,699</u>	<u>\$ 1,223,188</u>	<u>\$ 1,269,697</u>	<u>\$ 1,230,324</u>	<u>\$ 1,216,495</u>	<u>\$ 592,115</u>

TABLE 20 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Expenses by Type
Last Ten Years**

Table 3:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Expenses:										
Maintenance and Operation:										
Employee services	\$ 3,293,465	\$ 3,570,749	\$ 3,929,041	\$ 4,144,531	\$ 5,206,360	\$ 6,296,241	\$ 6,768,333	\$ 6,952,412	\$ 8,255,443	\$ 8,022,571
Maintenance	1,756,682	1,761,065	1,970,104	2,686,825	2,641,655	3,317,396	4,173,668	6,483,605	6,340,774	4,987,113
Utilities	468,382	615,609	694,391	886,009	964,332	1,095,452	1,399,011	1,383,059	1,357,364	1,631,307
Telephone	30,158	33,212	34,045	22,358	20,468	19,694	23,716	35,699	29,991	26,436
Insurance	966,835	966,114	1,276,352	1,427,198	1,327,486	1,264,823	1,726,286	2,017,983	1,902,331	1,844,918
Professional services	114,171	137,700	202,418	228,158	444,902	544,189	400,085	344,073	424,975	900,742
Police expenses	-	-	-	-	64,252	36,788	53,276	39,442	74,106	55,218
Contracted services	1,062,328	1,205,445	1,597,049	1,485,158	1,483,850	2,155,840	2,110,723	2,166,855	1,834,442	1,426,265
Office and equipment rental	51,250	40,616	106,710	11,908	25,941	78,665	129,527	124,691	91,004	97,627
Operator and event expenses	244,174	708,885	1,225,868	1,310,806	1,438,345	1,287,428	1,311,334	1,523,025	1,280,002	1,550,059
Warehouse supplies	-	1,898	85,770	46,823	51,281	136,382	64,946	38,292	68,428	44,700
Grain handling	1,094	-	-	-	-	-	-	-	-	-
Ginning	1,096,642	546,622	-	-	-	-	-	-	-	-
Safety/Environmental	21,034	33,018	39,985	46,293	43,180	53,509	50,970	62,693	90,947	71,246
General	227,802	246,706	253,460	178,488	225,660	74,745	173,190	220,500	93,105	196,113
	<u>\$ 9,334,017</u>	<u>\$ 9,867,639</u>	<u>\$11,415,193</u>	<u>\$12,474,555</u>	<u>\$13,937,712</u>	<u>\$16,361,152</u>	<u>\$18,385,065</u>	<u>\$21,392,329</u>	<u>\$21,842,912</u>	<u>\$20,854,315</u>
General and Administrative:										
Employee services	\$ 4,484,449	\$ 4,485,094	\$ 4,523,035	\$ 5,048,655	\$ 5,367,098	\$ 5,711,388	\$ 6,150,455	\$ 6,808,607	\$ 7,349,030	\$ 7,999,373
Maintenance	281,890	234,515	297,592	272,419	274,342	229,548	324,760	351,566	320,610	432,088
Utilities	125,271	154,595	118,395	131,448	135,135	162,864	218,586	222,481	196,865	224,245
Telephone	129,241	124,877	98,649	103,287	108,862	209,939	205,520	213,248	231,958	209,267
Insurance	39,961	85,113	208,519	107,456	45,278	119,854	111,670	108,314	84,451	96,638
Professional services	1,761,967	1,914,403	1,794,626	1,781,500	1,642,718	1,713,073	1,864,026	2,290,016	2,419,843	3,322,950
Police expenses	-	-	-	-	1,429	1,341	654	216	314	174
Contracted services	79,711	105,890	94,226	68,343	60,516	54,189	134,754	198,260	88,262	64,213
Office and equipment rental	30,848	46,307	2,245	8,270	3,042	4,451	6,852	10,173	18,264	40,406
Administrative	1,344,684	1,262,105	1,279,119	1,533,738	1,598,908	1,483,098	1,647,031	1,925,958	1,873,318	2,392,822
Trade and sales development	209,492	178,538	129,229	125,454	143,296	107,450	123,054	146,161	148,946	204,427
Media advertising	248,392	211,051	124,256	88,530	102,957	91,527	73,557	157,725	109,262	108,425
Production	111,049	77,551	55,918	57,538	25,460	45,124	56,861	30,773	27,917	48,319
Safety/Environmental	6,869	11,241	13,638	19,889	20,992	20,439	36,047	26,992	38,206	22,681
General	91,181	106,490	143,727	226,074	100,304	184,761	(193,238)	30,689	100,319	25,185
	<u>\$ 8,945,005</u>	<u>\$ 8,997,770</u>	<u>\$ 8,883,174</u>	<u>\$ 9,572,631</u>	<u>\$ 9,630,337</u>	<u>\$10,139,046</u>	<u>\$10,760,589</u>	<u>\$12,521,179</u>	<u>\$13,007,565</u>	<u>\$15,191,213</u>
	<u>\$ 4,944,421</u>	<u>\$ 5,224,868</u>	<u>\$ 5,284,372</u>	<u>\$ 5,417,115</u>	<u>\$ 5,513,656</u>	<u>\$ 6,142,055</u>	<u>\$ 7,127,447</u>	<u>\$ 8,442,640</u>	<u>\$ 9,648,639</u>	<u>\$10,060,645</u>
Depreciation										
Non-Operating Expenses:										
Other:										
Interest	\$ 128,862	\$ 85,005	\$ 734,977	\$ 886,261	\$ 821,270	\$ 775,933	\$ 739,069	\$ 658,323	\$ 591,057	\$ 504,030
Other	498,208	-	-	90,856	-	-	15,395	10,293	592,931	20,735
	<u>\$ 627,070</u>	<u>\$ 85,005</u>	<u>\$ 734,977</u>	<u>\$ 977,117</u>	<u>\$ 821,270</u>	<u>\$ 775,933</u>	<u>\$ 754,464</u>	<u>\$ 668,616</u>	<u>\$ 1,183,988</u>	<u>\$ 524,765</u>

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Debt Administration
December 31, 2009**

At December 31, 2009, the Authority had one debt issue outstanding. This issue included \$13,080,000 in general revenue bonds. The Authority has maintained an A3 rating from Standard and Poor's Corporation and an A rating from Moody's Investor Service on general revenue bond issues.

The following is a statement of changes in long-term debt for the year ended December 31, 2009:

Table 4:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	\$ 10,885,000	\$ -	\$ 1,160,000	\$ 9,725,000	\$ 1,210,000
Accumulated Accretion	97,038	-	5,035	92,003	
Total	\$ 10,982,038	\$ -	\$ 1,165,035	\$ 9,817,003	\$ 1,210,000

At December 31, 2009, total debt service requirements are as follows:

Table 5:

	Principal	Interest	Total
2010	\$ 1,210,000	\$ 460,690	\$ 1,670,690
2011	1,265,000	408,405	1,673,405
2012	1,320,000	351,850	1,671,850
2013	1,380,000	291,505	1,671,505
2014	1,445,000	226,345	1,671,345
Thereafter	3,105,000	236,595	3,341,595
Total	\$ 9,725,000	\$ 1,975,390	\$ 11,700,390

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Notes Receivable
December 31, 2009**

Table 6:

A summary of changes in notes receivable for the year ended December 31, 2009, is as follows:

	Beginning Balance	Additions	Maturities	Ending Balance	Current Portion
Notes Receivable	\$ 4,791,738	\$ -	\$ 1,273,037	\$ 3,518,701	\$ 770,210

Notes Receivable as of December 31, 2009 is summarized as follows:

	Principal Outstanding
\$12,000,000 Note Receivable due in annual principal installments ranging from \$770,210 to \$970,243 through 2014; interest at 8.0%.	\$ 5,650,206
Less: Principal Prepayments	2,131,505
Principal Outstanding	3,518,701
Less: Current Maturities	770,210
Notes Receivable - Net	\$ 2,748,491

Total note receivable requirements as of December 31, 2009, are as follows:

	Principal	Interest	Total
2010	\$ 770,210	\$ 452,016	\$ 1,222,226
2011	831,827	390,400	1,222,227
2012	898,373	323,854	1,222,227
2013	970,243	251,984	1,222,227
2014	48,048	3,844	51,892
Thereafter	-	-	-
Total	\$ 3,518,701	\$ 1,422,098	\$ 4,940,799

Pursuant to a Construction and Installment Sale Agreement (Agreement) entered into on May 3, 1994, the Authority agreed to construct crude storage facilities on premises leased to an Authority User, and then sell facilities to the User. On January 12, 1995, the Authority sold their undivided right, title and interest in the crude storage facilities to the User, and a Promissory Note (Note) was executed made payable to the Authority by the User in the amount of \$12,000,000.

The Note is due and payable in twenty-one annual installments, the first installment being interest only and the remaining twenty annual installments of equal principal and interest, at a rate of 8 percent, unless sooner paid. All payments are applied first to interest with the remainder, if any, applied to unpaid principal.

Note payments are based on revenue received from wharfage fees collected by the Authority for crude oil moving across the Authority's Oil Dock 1 to the User's crude storage facilities, and fifty percent of dockage fees collected by the Authority for ships berthing at the Authority's Oil Dock 1 for purpose of delivering crude oil to the User's crude storage facilities. Monthly amounts are credited to a debt service account that is used to make scheduled note payments when due. In the event there are insufficient funds in the debt service account to meet scheduled note payments, the User is required to make up any shortfall. Should a surplus exist, the excess is applied in inverse order against principal last coming due on the note. In 2009, the Authority credited \$1,782,106 of applicable revenue received from wharfage and dockage fees collected to the debt service account.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Leases
December 31, 2009**

Table 7:**Operating Leases**

The Authority leases to others certain land and improvements. These leases are classified as operating leases in accordance with the criteria of Statement of Financial Accounting Standards (SFAS) No. 13. As of December 31, 2009, minimum lease payments under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending	
2010	\$ 2,152,654
2011	1,215,502
2012	969,090
2013	767,118
2014	292,083
Thereafter	2,034,693
Total	\$ 7,431,140

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Financial Performance Indicators
Last Ten Years**

Table 8:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Revenues (OR)	\$ 25,890,403	\$ 25,624,318	\$ 25,160,999	\$ 26,879,813	\$ 28,371,297	\$ 32,731,892	\$ 36,036,411	\$ 44,929,457	\$ 51,051,193	\$ 46,443,460
Operating Expenses (OE) *	(18,279,022)	(18,865,409)	(20,298,367)	(22,047,186)	(23,568,049)	(26,500,198)	(29,145,654)	(33,913,508)	(34,850,477)	(36,045,528)
Net Operating Income (NOI)	7,611,381	6,758,909	4,862,632	4,832,627	4,803,248	6,231,694	6,890,757	11,015,949	16,200,716	10,397,932
Non-Operating Revenues	2,192,369	2,055,366	1,550,807	1,222,899	2,359,699	1,223,188	1,269,697	1,230,324	1,216,495	592,115
Non-Operating Expenses	(627,071)	(85,005)	(734,977)	(977,117)	(821,270)	(775,933)	(754,464)	(668,616)	(1,183,988)	(524,765)
Net Income "A" (NI"A")	9,176,679	8,729,270	5,678,462	5,078,409	6,341,677	6,678,949	7,405,990	11,577,657	16,233,223	10,465,282
Depreciation	(4,944,421)	(5,224,868)	(5,284,372)	(5,417,115)	(5,513,656)	(6,142,055)	(7,127,447)	(8,442,640)	(9,648,639)	(10,060,645)
Net Income (Loss) "B" (NI"B")	\$ 4,232,258	\$ 3,504,402	\$ 394,090	\$ (338,706)	\$ 828,021	\$ 536,894	\$ 278,543	\$ 3,135,017	\$ 6,584,584	\$ 404,637
Net Capital Assets (NCA) **	\$ 147,286,699	\$ 143,840,270	\$ 145,906,446	\$ 143,298,109	\$ 139,998,166	\$ 156,723,984	\$ 175,997,745	\$ 173,486,988	\$ 218,586,423	\$ 216,324,078
Total Assets (TA)	\$ 179,630,724	\$ 179,679,554	\$ 196,391,543	\$ 197,115,656	\$ 212,289,063	\$ 242,045,429	\$ 252,168,291	\$ 258,145,439	\$ 263,271,819	\$ 265,325,288

Operating Indicators:

Operating ROI (NOI/NCA)	5.17%	4.70%	3.33%	3.37%	3.43%	3.98%	3.92%	6.35%	7.41%	4.81%
Operating Margin (NOI/OR)	29.40%	26.38%	19.33%	17.98%	16.93%	19.04%	19.12%	24.52%	31.73%	22.39%
Operating Ratio (OE/OR)	70.60%	73.62%	80.67%	82.02%	83.07%	80.96%	80.88%	75.48%	68.27%	77.61%

Other ROI Indicators:

ROI "A" (NI"A"/TA)	5.11%	4.86%	2.89%	2.58%	2.99%	2.76%	2.94%	4.48%	6.17%	3.94%
ROI "B" (NI"B"/TA)	2.36%	1.95%	0.20%	-0.17%	0.39%	0.22%	0.11%	1.21%	2.50%	0.15%

* - Excludes Depreciation

** - Excludes Construction in Progress

TABLE 25 (Unaudited)

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Debt Service Requirements
December 31, 2009**

Table 9:

Year Ending	Series 2002-A Bonds			Series 2002-B Bonds			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2010	\$ 690,000	\$ 270,310	\$ 960,310	\$ 520,000	\$ 190,380	\$ 710,380	\$ 1,670,690
2011	720,000	239,605	959,605	545,000	168,800	713,800	1,673,405
2012	755,000	206,485	961,485	565,000	145,365	710,365	1,671,850
2013	790,000	171,000	961,000	590,000	120,505	710,505	1,671,505
2014	825,000	132,685	957,685	620,000	93,660	713,660	1,671,345
2015	865,000	91,435	956,435	650,000	64,520	714,520	1,670,955
2016	910,000	47,320	957,320	680,000	33,320	713,320	1,670,640
	\$ 5,555,000	\$ 1,158,840	\$ 6,713,840	\$ 4,170,000	\$ 816,550	\$ 4,986,550	\$ 11,700,390

Average \$ 1,671,484

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Pension Plan
December 31, 2009**

Table 10:**Plan Description**

The Authority provides pension, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 cash-balance-account type defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The contribution rate for employees is 7% and the Authority's rate is 11%, both as adopted by the governing body of the Authority. Employee and Authority contributions were \$797,857 and \$1,253,776, respectively for the year ended December 31, 2009. Both the employees and the Authority make monthly contributions.

Annual Pension Cost and Net Pension Obligation

The Authority's annual pension costs were equal to the Authority's required and actual contributions. Three-year trend information is as follows:

Years Ended December 31,	Percentage		Net Pension Obligation
	Annual Pension Cost	of APC Contributed	
2009	\$ 1,253,776	100.00%	\$ -
2008	1,132,885	100.00%	\$ -
2007	1,051,409	100.00%	\$ -

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Pension Plan
December 31, 2009**

Table 10 (Continued):

The latest actuarial valuation for the Authority employees was completed as of December 31, 2008. The actuarial cost method and significant assumptions underlying the actuarial calculations are as follows:

Actuarial Cost Method	Entry Age
Asset Valuation Method	SAF: 10-year smoothed value ESF: Fund value
Projected Annual Salary Increases	5.3% average
Assumed Rate of Return on Investments	8.00%
Inflation Factor	3.5%
Amortization Method:	
Unfunded Actuarial Accrued Liability	Level percent, closed
Amortization Period:	
Unfunded Actuarial Accrued Liability	20 years
Cost of Living Adjustment	0.0

Schedule of Funding

Schedule of funding progress for the Pension Plan for the employees of the Authority is as follows:

Valuation Date	Actuarial	Actuarial		Funded	Annual	Percentage of
December 31,	Value of Assets	Accrued Liability	Unfunded	Ratio	Covered Payroll	Covered Payroll
2008	\$ 18,097,936	\$ 23,421,983	\$ 5,324,047	77.27%	\$ 10,298,956	51.70%
2007	17,772,707	22,044,720	4,272,013	80.62%	9,558,262	44.69%
2006	15,800,903	19,925,412	4,124,509	79.30%	9,020,233	45.73%

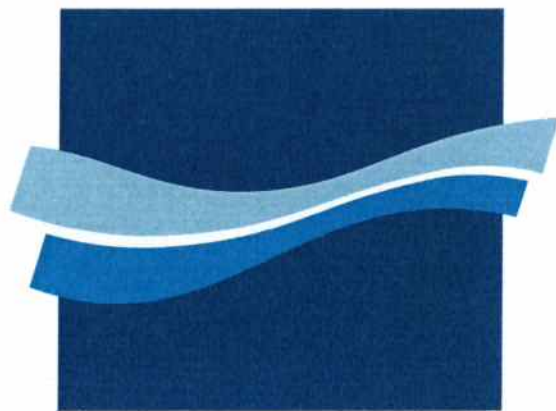
**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

**Current Investments
December 31, 2009**

Table 11:

The Authority's investments at December 31, 2009, are shown below:

	Carrying Value	Fair Value	Category
Investments:			
Certificates of Deposit	\$ -	\$ -	1
Total investments	\$ -	\$ -	
Temporary investments shown as cash equivalents:			
Mutual fund-AIM	\$ 19,464,158	\$ 19,464,158	Pooled
Total temporary investments shown as cash equivalents	\$ 19,464,158	\$ 19,464,158	



PORTCORPUSCHRISTI



SINGLE AUDIT SECTION



Lovvorn & Kieschnick

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

We have audited the basic financial statements of the Port of Corpus Christi Authority of Nueces County, Texas (the Authority), as of and for the year ended December 31, 2009 and 2008, and have issued our report thereon dated April 5, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audits, we considered the Port of Corpus Christi Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all

deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port of Corpus Christi Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Commissioners, management, others within the entity, federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP
April 5, 2010



Lovvorn & Kieschnick

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Independent Auditor's Report

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

Compliance

We have audited the compliance of the Port of Corpus Christi Authority of Nueces County, Texas (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Port of Corpus Christi Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of the Port of Corpus Christi Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Commissioners, management, others within the entity, federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP
April 5, 2010

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?

___ Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses?

___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?

___ Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses?

___ Yes X None Reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

___ Yes X No

Identification of major programs:

CFDA Numbers(s)

Name of Federal Program or Cluster

15.426

U.S. Department of Interior:

Erosion Protection for Pelican Island

97.056

U.S. Department of Homeland Security:

Port Security Grant #6

97.056

Port Security Grant #7

97.056

Port Security Grant #7 Supplemental

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

X Yes ___ No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
N/A - No prior findings		

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
Federal Assistance			
U.S. Department of Homeland Security			
Direct Programs			
Port Security Grant #6	97.056	2006-GB-T6-0090	\$ 891,215
Port Security Grant #7	97.056	2007-GB-T7-0033	11,858
Port Security Grant #7 Supplemental	97.056	2007-GB-T7-K038	205,070
Total Port Security Grants			<u>1,108,143</u>
U.S. Department of the Interior			
Passed through Texas General Land Office			
Erosion Protection for Pelican Island	15.426	GLO09-210-000-3719	<u>1,000,000</u>
Total U.S. Department of the Interior			<u>1,000,000</u>
Total Expenditures of Federal Awards			<u>2,108,143</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,108,143</u></u>

The accompanying notes are an integral part of this schedule.

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal financial assistance programs of Port of Corpus Christi Authority of Nueces County, Texas (Authority). The Authority's reporting entity is defined in the Notes to the Authority's financial statements. All Federal financial assistance received directly from Federal agencies and passed through other governmental agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in the Notes to the Authority's financial statements.



PORT **CORPUS CHRISTI**

