

# Annual Comprehensive Financial Report

Port of Corpus Christi Authority of Nueces County, Texas



FOR THE YEAR ENDED  
DECEMBER 31, 2020



**PORT CORPUS CHRISTI®**



# **Annual Comprehensive Financial Report**

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**For the Year Ended December 31, 2020**

**Prepared by the Finance Department**

**Kent A Britton**  
*Chief Financial Officer*



# INTRODUCTORY SECTION



» Cheniere's Corpus Christi Liquefaction facility exports its 1000th cargo of liquefied natural gas within four years from startup, making Cheniere the fastest producer in the world to reach this milestone.



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# PORT CORPUS CHRISTI®

April 15, 2021

To Chairman Zahn, Distinguished Members of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), and the Readers of this Report:

Ladies and Gentlemen:

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, the Annual Comprehensive Financial Report (“ACFR”), is published to fulfill that requirement for the year ended December 31, 2020. The ACFR includes descriptions of the Authority’s operations, facilities and various statistics, and provides the reader with the Authority’s financial condition and activities that demonstrate strong and responsible growth over a sustained period of time.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls 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.

Mauldin and Jenkins, LLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Authority’s financial statements for the year ended December 31, 2020. The independent auditor’s report is located at the front of the financial section of this report.

The Authority’s management follows a comprehensive set of financial policies and guidelines with oversight from the Port Commission. The Authority operates as a business but prioritizes responsible growth by design as recommended by the federal government. Management therefore employs strategies and projections to ensure a sustainable revenue stream while integrating long-range planning objectives related to Environmental, Social and Governance (ESG) goals. The Authority is committed to full transparency in financial reporting, exceeding requirements to provide business insights to stakeholders.

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 and quarterly financial reports are prepared for management to maintain proper budgetary control and are reviewed by the Port Commission on a quarterly basis.

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

## **PROFILE OF THE AUTHORITY**

The Authority is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border and approximately 200 miles south of Houston. The Authority maintains one of the deepest ports along the Gulf of Mexico coast with a current channel depth of 47 feet Mean Lower Low Water (“MLLW”) in parts and 54 feet MLLW in parts, and an authorized depth of 54 feet MLLW for all the main Corpus Christi Ship Channel,

which is currently in the midst of a deepening and widening project. The Authority's port facilities are part of the Port of Corpus Christi complex. The Port of Corpus Christi Authority has been a deep draft port since its opening in 1926. The Corpus Christi Ship Channel is approximately 36 miles long and links the Authority's Inner Harbor, Ingleside and Harbor Island locations with the Gulf of Mexico, and the six-mile-long La Quinta Ship Channel, which diverges from the main channel south of the City of Ingleside, Texas. The Corpus Christi Ship Channel is also directly connected to the Texas and Louisiana Gulf Intra-Coastal Waterway.

The Authority 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 Port Commission is comprised of seven commissioners, who serve without pay. 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. Nueces County has a particularly special relationship with the Authority in that in the event the Port Commission deems it necessary to issue tax-supported bonds, it must request the Nueces County Commissioners Court to call an election to do so. The Commissioners Court would call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds.

The Authority directly employs over 250 highly trained individuals in a variety of key roles, including police operations and emergency management, maintenance, bulk material handling, harbormaster operations, engineering, accounting and finance, information technology, risk management, long range planning, real estate, and human resources. The Authority, however, is responsible for generating far more employment throughout the region and the state. A recent study of the Authority's economic impact by the South Texas Economic Development Center at Texas A&M University Corpus Christi showed that port customer operations were directly and indirectly responsible for almost 100,000 jobs, or one-third of the total jobs in the region.

The Authority plays an active role in shaping policy in both the maritime and energy industries. Staff leverages positions on various commissions, committees, and advisory boards at the state and national level to drive innovations in responsible energy development and freight mobility. Active participation in numerous trade associations allows us to shape policy by informing and ensuring that elected officials, legislators, stakeholders, and regulators have the data-driven information they need to make decisions that affect our industry, our stakeholders, and our community.

## **BUSINESS OF THE AUTHORITY**

The executive staff, under the leadership of the Chief Executive Officer, manages the day-to-day operations of the Authority and assists the Commission in planning for the future. Port Commission efforts are directed toward encouraging industrial expansion, attracting new cargos, building and maintaining marine terminals and related transportation infrastructure, setting operational policy and cooperating with the State and Federal Governments as a local sponsor in maintaining and further improving vital navigation channels.

The Authority is a "landlord" Port Authority, whereby it owns land, develops land, and leases land and facilities to third parties, namely from the private industry sector. The Authority is also the primary non-federal sponsor of the Corpus Christi and La Quinta Ship Channels. The Authority owns docks, wharves, piers, rail infrastructure, roads, transit sheds, open storage facilities, freight handling facilities and equipment, warehouses, a grain elevator, a bulk material handling terminal, and a conference center. In addition, the Authority owns and maintains areas for the placement of dredged materials. The Authority-owned docks include ten general cargo docks, sixteen liquid bulk cargo docks, two dry bulk material docks, two bagging facilities, a shipside grain elevator, cotton storage facilities, and a conference center. Most of the privately-owned facilities at the Port of Corpus Christi Authority are owned by, and operated exclusively for, the various refineries, petrochemical plants, crude oil terminals, an LNG terminal, and other industries that line the Corpus Christi Ship Channel and La Quinta Channel. Approximately 56 privately owned

docks are located at the Port of Corpus Christi. The Authority derives revenue from nearly all facilities, public and private, along the Corpus Christi and La Quinta Ship Channels.

The Authority is currently ranked as the third largest port in the nation in terms of total tonnage and the largest petrochemical/hydrocarbon port in the United States. In 2020, the Authority set a new annual tonnage record of 159.7 million tons, 31% higher than the previous year. It was the fourth consecutive year establishing a new record, and roughly double the tonnage moved just ten years ago. The Authority has benefitted from the commissioning of three new crude oil pipelines from the Permian Basin in the past fifteen months and is now the leading crude export gateway in the United States. The Authority has served the local economy for more than 90 years and is continually diversifying, upgrading and expanding its facilities to better serve industry and shippers throughout Texas and the nation.

Major facility milestones in 2020 included the opening of terminals for Buckeye's South Texas Gateway, Pin Oak Corpus Christi, and South Texas Cement. These openings followed terminal openings by EPIC Midstream and the Plains All-American and Enterprise Products Eagle Ford joint venture in 2019.

Ultimately, the goal is to raise the standard of living and enhance the quality of life for everyone in the surrounding region. The Authority achieves that goal due to its financial stability and ability to provide commercial shippers with first-class channels, docks, and facilities for handling their cargo, and by providing public facilities designed to attract more commerce.

As the gateway through which a majority of American energy moves, we have our eyes wide open about our role in the global hydrocarbon economy. Given that our daily lives are likely to be powered predominantly by fossil fuels for the next one to four decades at least, it is incumbent on us to aggressively pursue the carbon capture technologies and operational best practices that will mitigate the impacts of our current energy paradigm. In no way does this sense of social and environmental responsibility undermine our support for our customers who produce, refine, and trade American oil and gas. On the contrary, we believe that our efforts to mitigate the climate impacts of our industry will help ensure that it is the cornerstone of the global energy marketplace for decades to come.

As the Authority embraces and expands its role in the traditional energy marketplace, it is actively working to define our niche in the transition to alternative energy sources. With its unwavering commitment to remaining the energy port of the Americas, the Authority must cultivate the technologies, customer base, and commercial ventures that make the Corpus Christi gateway relevant not just for the next 5 to 15 years, but for the next 50 years.

## **ENVIRONMENTAL STEWARDSHIP**

The Authority's commitment to environmental leadership, locally and within the international maritime industry, is codified in one of our six Strategic Goals. Environmental leadership means proactively going beyond compliance; to this end, we have defined five environmental precepts against which our decisions are evaluated, and we have set aspirational performance targets for ourselves in each of the five areas:

1. Air Quality
2. Water Quality
3. Soils and Sediments
4. Habitat
5. Environmental Sustainability

The Authority revisits its environmental policy and the performance targets in all five areas roughly every three years, on a cadence that allows it to formulate updated objectives for inclusion in its organizational Strategic Plan, which is updated with the same frequency. The Authority has also voluntarily undertaken international 3<sup>rd</sup> party standards and certifications in the form of ISO 14001 Environmental Management Systems and the Green Marine program. The most recent third-party audit for ISO 14001 certification resulted in no findings. Additionally, of the eight program areas in Green Marine, The Authority has achieved level five – the highest level – in one program area and level four in three program areas, steadily progressing toward achieving level five in seven of the eight program areas by 2023.

In 2020, The Authority recycled 45,462 pounds, 937 gallons, and 1,195 single units of material. In addition, the U.S. Environmental Protection Agency awarded the Authority a grant for the purchase of a trash skimming device. The trash skimming device will be placed in a location where trash runs off from an urbanized area into the ship channel. The Authority will collaborate with local partners and environmental groups to raise awareness and promote personal responsibility.

The Authority was the impetus through funding and in-kind services to begin the transition of a local volunteer air quality group to a non-profit corporation with specific objectives for reducing emissions and maintaining air quality in our region. The Authority also provides full funding for the local Pollution Prevention Program after the funding through the legislature was deleted. The organization hosts vehicle emission check events and provides free repairs for high polluters. The Authority also developed a Clean Fleet Program with full implementation resulting in the complete gasoline-powered fleet turned over to alternative fuels by 2023. The Authority operations are entirely sustained through purchase of green energy sources and 2020 completes the third year of 100% purchase.

The Authority is embracing scenario planning in trade development and land use decisions. Given the likely scenario of a steady, linear energy transition over the next 50 years, the Authority continues to foster those industries that support its core customer base by either shortening their supply chain or offering value-added process. The Authority upholds strategic partnerships with regulatory agencies, companies on the leading edge of innovation, and a diverse customer base as the keys to staying nimble and relevant in the face of a dynamic future.

## **MAJOR INITIATIVES**

### ***Covid-19 Impact and Response***

In early January 2020, China identified a new strain of novel coronavirus, now known as COVID-19. In late January 2020, the World Health Organization declared a global public health emergency, around the same time the first case was identified in the United States. The U.S. declared a national emergency related to the virus on March 13, 2020, and in the subsequent weeks took steps to close borders and limit the spread of the virus through control of social interactions. Most states enacted stay at home policies and shuttered non-essential businesses, leading to an unprecedented drop in consumer spending and an immediate spike in unemployment.

The Covid-19 pandemic touched all aspects of the Authority's operations in 2020, requiring adaptability and coordination with various stakeholders on an unprecedented level. The Authority worked with area emergency management agencies to implement newly designed safety protocols that allowed the Authority to remain open, giving our customers the ability to provide the goods and services that our communities and the rest of the world depend on. The Authority prioritized the safety of our employees, customers, and other stakeholders, and have been able to maintain uninterrupted operations throughout.

In March, the Authority activated our Incident Management Team to monitor the pandemic and coordinate our response effort. Where possible, the Authority has allowed its administrative employees to telecommute, deploying a variety of information technology solutions to create undiminished efficiency out of that part of our workforce. Safety protocols, enhanced cleaning and sanitation, and social distancing were employed among critical operations employees and helped limit any potential outbreaks of the disease among our workforce and the larger Port-user community. As the country's leading energy export gateway, the Authority clearly understands the importance of keeping our gateway operational throughout this crisis to support the needs of our customers.

The Authority also used our available resources to address needs within the community. Among the actions taken were a coordinated effort to distribute mass quantities of hand sanitizer to first responders, and significant donation to LiftFund, a nonprofit community lender, and an increase in community giving through our Promotion and Development Fund. Throughout all the challenges, the Authority pulled together with the local community and created a mantra that resonated – we are Port Strong.

### ***Corpus Christi Ship Channel Improvement Project***

The most immediate and critical project the Authority is managing is the congressionally authorized Corpus Christi Ship Channel Improvement Project (“Channel Improvement Project” or “CIP”). The CIP will provide both a safer transit through our waterways and enhance the fluidity of the Ship Channel by allowing larger vessels to transit with more cargo, while providing for two-way transits through most of the Ship Channel. Since signing a Project Partnership Agreement (PPA) with the U.S. Army Corps of Engineers (USACE) in 2017 to deepen and widen the Corpus Christi Ship Channel, the Authority has provided \$141 million in funding to the USACE for the project; and the project has been included in three Presidential Budgets (FY’19, ‘20 and ‘21) and two USACE Work Plans (FY’18 and FY’19), totaling \$248 million of Federal funding. The project was reauthorized in the bipartisan Water Resources Development Act of 2020 at a total cost of \$676 million. The first contract of the project was completed in 2020 by Great Lakes Dredge & Dock Company, and the second contract has been awarded to Callen Marine, Ltd. to begin in 2021, and be completed in early 2022. The Authority remains committed to advocating for the necessary federal funding for the CIP, with a goal of completing the project by the end of 2023.

### ***Desalination Plant Permitting***

The Authority has responded to a growing need for an alternative water supply for the region by initiating permitting actions to build a desalination plant within the Port boundaries. The region is currently in Stage 1 drought conditions, with combined levels of existing water supplies at less than forty percent. The governor has issued multiple emergency proclamations for Nueces and San Patricio counties since 2019. The purpose of the Authority’s efforts is to develop a sustainable water supply for the entire region to meet not only current, but also future needs. The Authority is currently in active pursuit of a permit through TCEQ to build a fifty million gallon per day saltwater desalination plant on Authority owned property on Harbor Island, near the entrance to the ship channel, and a thirty million gallon per day facility on the La Quinta Channel.

### ***New Authority Administrative Office Building***

The Authority currently houses its approximately 140 administrative personnel in two buildings built in 1955 and 1962, located approximately 1 mile from the Ship Channel. The buildings have become outdated and constrain effective operations and communication between the teams housed in them. On April 16, 2019, the Authority broke ground on what will be a state-of-the-art facility that will bring together all the Port’s administrative team members under one roof. The facility, which is being designed by Richter Architects, and constructed by Bartlett Cocke Beecroft, should be ready for occupancy in the second half of 2021.

### ***Hillcrest Neighborhood Voluntary Acquisition and Relocation Program***

The Texas Department of Transportation (TxDOT) and Federal Highway Administration (FHWA) have begun the project to replace the current outdated Harbor Bridge over the Corpus Christi Ship Channel. The new cable-stayed Harbor Bridge design will afford a 205-foot air draft clearance with a main span of 1,661 feet long, the longest in the United States once completed. Because the main towers are located on Port property and the bridge crosses Port property and the Ship Channel, the bridge developer, Flatiron – Dragados, LLC, TxDOT, and the Authority coordinate regularly to allow bridge construction and port operations to proceed smoothly and with minimal mutual impact. The replacement of the current bridge will allow for redevelopment of a section of downtown near the Authority’s new office building, and the Authority is actively participating in a master planning effort to develop an exciting and walkable waterfront destination for the region.

As part of the Authority’s commitment of \$85 million in cash and land for the New Harbor Bridge Project, the Authority engaged in the largest voluntary real-estate acquisition and relocation program of its kind in the nation. The program was designed to allow residents near the new Harbor Bridge to sell their property and relocate to decent, safe and sanitary properties of similar size using the federal Uniform Relocation Act as the legal framework for the program. The Authority completed its participation in the program in 2020, excepting some final demolition that is taking place in the first half of 2021. All told, the Authority acquired 304 out of 386 eligible properties in the Hillcrest and Washington-Coles neighborhoods.

## **ECONOMIC OUTLOOK**

The combination of the Covid-19 pandemic and a short-lived crude oil market share war in March 2020 between Russia and Saudi Arabia created a significant economic hurdle for the Authority and its customers in the second quarter of 2020. Crude oil prices briefly reached negative prices for the first time in history, and demand for transportation fuels dropped by unprecedented amounts. Throughout these challenges, the Authority maintained a steady hand on its finances, enacting cost control and cash control measures that positioned us well for what turned out to be only a short-term disruption in our main market, crude exports. By the end of the year demand for refined products was beginning to return to pre-pandemic levels, and crude exports had fully recovered. As a result, the Authority achieved record shipments, revenues and profitability in 2020.

The Authority expects a bumpy recovery throughout 2021, as lower production in the main oil producing basins in Texas has some impact on crude oil shipments. We expect that to be balanced by higher LNG shipments, the benefit of a full year of shipments from a new cement importing customer that started operations in 2020, and the startup of a steel mill in nearby Sinton that will bring its feedstock into the Port. The Authority has a strong balance sheet and generates significant free cash flow to allow us to continue our defined capital and maintenance programs, while still considering strategic growth initiatives.

## **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 for the fiscal year ended December 31, 2019. This was the 37<sup>th</sup> 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 Annual Comprehensive 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***

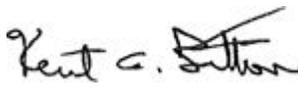
We wish to express our appreciation to the efficient and dedicated services of the entire staff of the Authority's Accounting Department, who were primarily responsible for assembling and compiling the data comprising the Annual Comprehensive Financial Report. It should also be noted that the preparation of this report would not have been possible without the teamwork of the Authority's most important asset, its people. Adhering to its SEAPORT Values (Safety, Empowerment, Accountability, Preparedness, Optimism, Respect, and Teamwork), Authority Staff are dedicated to the overall fiduciary role they play every day to ensure the transparency and responsibility of the funds entrusted to them by the Port Commission. The performance of Staff could not be possible without the extraordinary governance of the Port Commission, who uphold the highest of standards in governance and policymaking.

Respectfully Submitted,



Sean Strawbridge

Chief Executive Officer



Kent A. Britton

Chief Financial Officer



Government Finance Officers Association

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, 2019

*Christopher P. Morill*

Executive Director/CEO

**PORT COMMISSION, PORT OF CORPUS CHRISTI AUTHORITY**

<b>Chief Executive Officer</b>	<b>Sean Strawbridge</b>
Chief Financial Officer	Kent Britton
Director Finance	Cindy Bertolami
Controller	Audre Debler
Assistant Controller	Sharon Richardson
Director of Real Estate	Sam Equivel
Manager of Foreign Trade Zone	Danielle Converse
Director of Procurement & Financial Analysis	Lynn Angerstein
Risk Program Director	Donna James-Spruce
Director of Information Technology	Vacant
Director of Human Resources	Brenda Reed
Chief Operating Officer	Clark Robertson
Director of Engineering Services	Natasha Fudge
Chief of Design & Construction	Maria Sanchez-Rivaz
Chief of Program Management and Delivery	Sonya Lopez-Sosa
Director of Channel & DMPA Development	Dan Koesema
Director of Operations	Tony MacDonald
Sr. Operations Manager	Russell Pickering
Harbormaster	Russell Cordo
Manager of Bulk Terminal	Richard "Eric" Battersby
Manager of Dock and Rail Operations	John Slubar
Safety Manager	Regina Powers
Maintenance Manager	Jesse Robinson
Director of Port Security	Tom Mylett
Assistant Director of Port Security	Mark Gutierrez
Chief of Port Police	Eric Giannamore
Manager of Emergency Management	Danielle Hale
Chief External Affairs Officer	Omar Garcia
Director of Community Relations	Rosie Gonzalez Collin
Director of Communications	Lisa Hinojosa
Director of Government Affairs	Nelda Olivo
Manager of Trade Development	Eddie Martinez
Chief Strategy Officer	Jeff Pollack
Director of Environment Planning & Compliance	Sarah Garza
Manager of Strategic Planning	Leslie Ruta

## **PORT COMMISSIONERS**

**Charles W. Zahn, Jr., Chairman**  
**Richard R. Valls, Jr., Vice Chairman**  
**Catherine Tobin Hilliard, Secretary**  
**David P. Engel, Commissioner**  
**Wes Hoskins, Commissioner**  
**Al Jones, Commissioner**  
**Dr. Bryan Gulley, Commissioner**

## **EXECUTIVE STAFF**

Sean Strawbridge, Chief Executive Officer  
Omar Garcia, Chief External Affairs Officer  
Clark Robertson, Chief Operating Officer  
Kent Britton, Chief Financial Officer  
Jeff Pollack, Chief Strategy Officer  
Brenda Reed, Director of Human Resources  
Rosie Collin, Director of Community Relations  
Nelda Olivo, Director of Government Affairs  
Natasha Fudge, Director of Engineering  
Sarah Garza, Director of Environmental Planning & Compliance  
Tony MacDonald, Director of Operations  
Tom Mylett, Director of Port Security  
Sam Esquivel, Director of Real Estate  
Cindy Bertolami, Director of Finance  
Donna James-Spruce, Director of Risk Management  
Lynn Angerstein, Director of Procurement  
Lisa Hinojosa, Director of Communications  
Dan Koesema, Director of Channel & DMPA Development



# FINANCIAL SECTION



» Great Lakes Dredge and Dock Company (GLDD) completed Contract 1 of the historic four-phase Corpus Christi Ship Channel Improvement Project in March 2020. The Cutter Head Suction Dredge Carolina is the biggest dredge in GLDD's fleet and measures nearly two football fields in length.





## INDEPENDENT AUDITOR'S REPORT

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**To the Port Commissioners  
Port of Corpus Christi Authority of Nueces County, Texas  
Corpus Christi, Texas**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **Port of Corpus Christi Authority of Nueces County, Texas** (the "Authority"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

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 of Nueces County, Texas, as of December 31, 2020, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 14), the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (on page 41), the Schedule of Employer Contributions to the Pension Plan (on page 42), and the Schedule of Changes in Total OPEB Liability and Related Ratios (on page 43) 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.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, the supplemental schedules, the statistical section, and the Additional Information (Continuing Disclosure Under SEC Rule 15c2-12) as 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 schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a part of the basic financial statements.

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The supplemental schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, the statistical section, and the Additional Information (Continuing Disclosure Under SEC Rule 15c2-12) as listed in the table of contents 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.

**Other Reporting Required by *Government Auditing Standards***

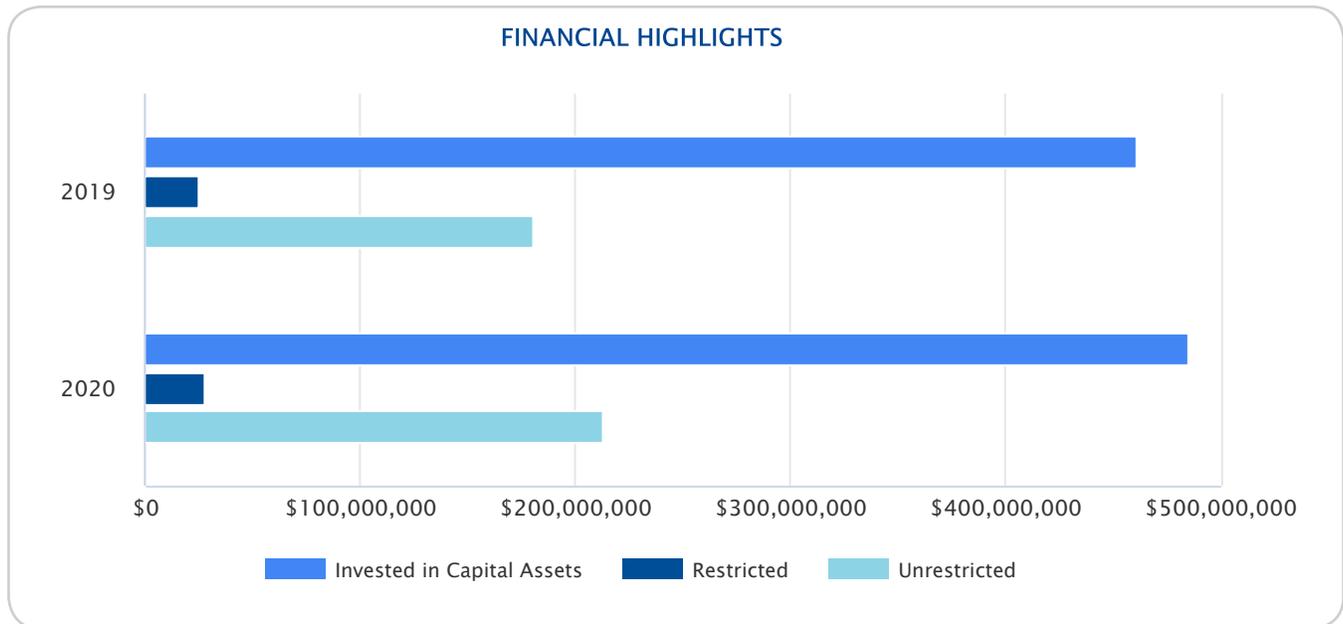
In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
April 15, 2021



As management of the Port of Corpus Christi Authority 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 year ended December 31, 2020. 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 the Authority’s financial statements taken as a whole. All amounts, unless otherwise indicated, are expressed in whole dollars.



- The total net position of the Authority at December 31, 2020 was \$726,228,237, increased by \$72,247,903 or 11.1% over the prior year as restated.
- The net investment in capital assets increased \$37,273,058 over the prior year as a result of capital additions net of depreciation of \$16,796,182 and a decrease in the related capital debt as a result of existing debt requirements.
- Restricted net position increased \$2,940,734 over the prior year. Law Enforcement Officer Standards and Education funds increased \$2,296, while the required restriction for debt service increased \$2,309,707. Escrow funds included total \$628,731.
- Unrestricted net position of \$212,999,083 may be used to meet the Authority’s current ongoing obligations to employees and creditors and increased \$32,034,112 over the prior year.

**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 14 through 39 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 Position presents information on all the Authority’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. The assets and liabilities are presented in a format which distinguishes between current and long-term assets and liabilities. Net position increases when revenues exceed expenses. An increase in assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial position.

The Statement of Revenues, Expenses, and Changes in Net Position accounts for all of the Authority's current year's revenues and expenses. All changes in net position 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.

**Required Supplementary Information**

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the basic financial statements found on pages 40 - 42 of this report.

**FINANCIAL ANALYSIS**

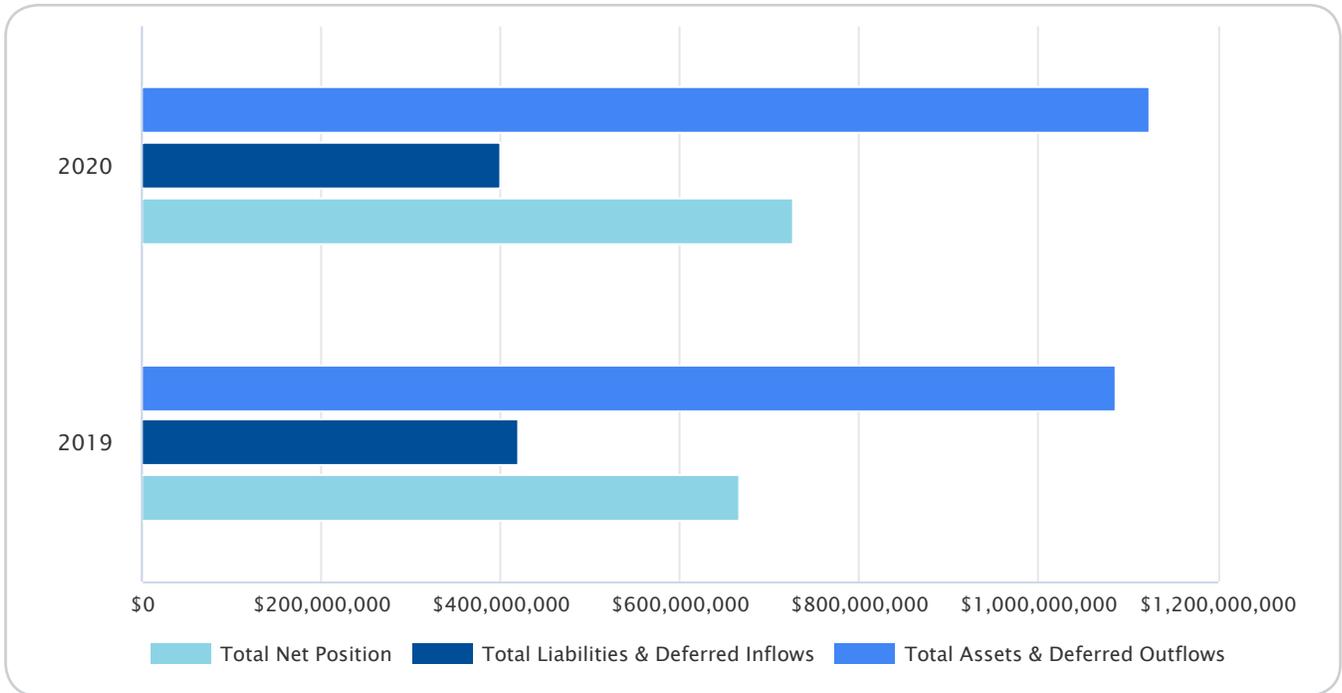
The fundamental question that is most asked of business is, as a whole "Are you better off or worse off as a result of the year's activities?" The Statement of Net Position, and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a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

**Statement of Net Position**

Net Position is the difference between the Authority's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Over time, increases or decreases in net position may serve as an indicator of whether the Authority's financial position is improving or deteriorating.

The following condensed Statement of Net Position provides an overview of the Authority's net position as of December 31, 2020 and 2019:

	2020	2019	2020 - 2019 Change
<b>Assets</b>			
Current assets	\$ 288,905,482	\$ 265,724,197	\$ 23,181,285
Restricted assets	78,061,129	75,627,744	2,433,385
Capital assets	754,445,721	725,259,315	29,186,406
Other non-current assets	1,234,913	1,901,595	(666,682)
<b>Total Assets</b>	<b>1,122,647,245</b>	<b>1,068,512,851</b>	<b>54,134,394</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows	2,578,500	5,265,591	(2,687,091)
<b>Total Assets and Deferred Outflows of Resources</b>	<b>1,125,225,745</b>	<b>1,073,778,442</b>	<b>51,447,303</b>
<b>Liabilities</b>			
Current liabilities	34,617,746	42,321,597	(7,703,851)
Long-term debt, net of current portion	303,207,140	313,530,383	(10,323,243)
Unearned revenue and capital leases, net of current portion	54,467,956	57,628,836	(3,160,880)
Other liabilities	4,573,575	5,424,534	(850,959)
<b>Total Liabilities</b>	<b>396,866,417</b>	<b>418,905,350</b>	<b>(22,038,933)</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows	2,131,091	892,758	1,238,333
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>398,997,508</b>	<b>419,798,108</b>	<b>(20,800,600)</b>
<b>Net Position</b>			
Net investment in capital assets	485,531,630	448,258,573	37,273,056
Restricted	27,697,524	24,756,790	2,940,734
Unrestricted	212,999,083	180,964,971	32,034,113
<b>Total Net Position</b>	<b>\$ 726,228,237</b>	<b>\$ 653,980,334</b>	<b>\$ 72,247,903</b>



The Authority’s net position of \$726,228,237 at the close of 2020 increased by \$72,247,903 over 2019. The largest portion of the Authority’s net position (66.9%) reflects its net investment in capital assets. 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. Unrestricted net position (29.3%) may be used to meet the Authority’s ongoing obligations to employees and creditors. The remainder of the Authority’s net position (3.8%) represents resources that are subject to external legal restrictions on how they may be used.

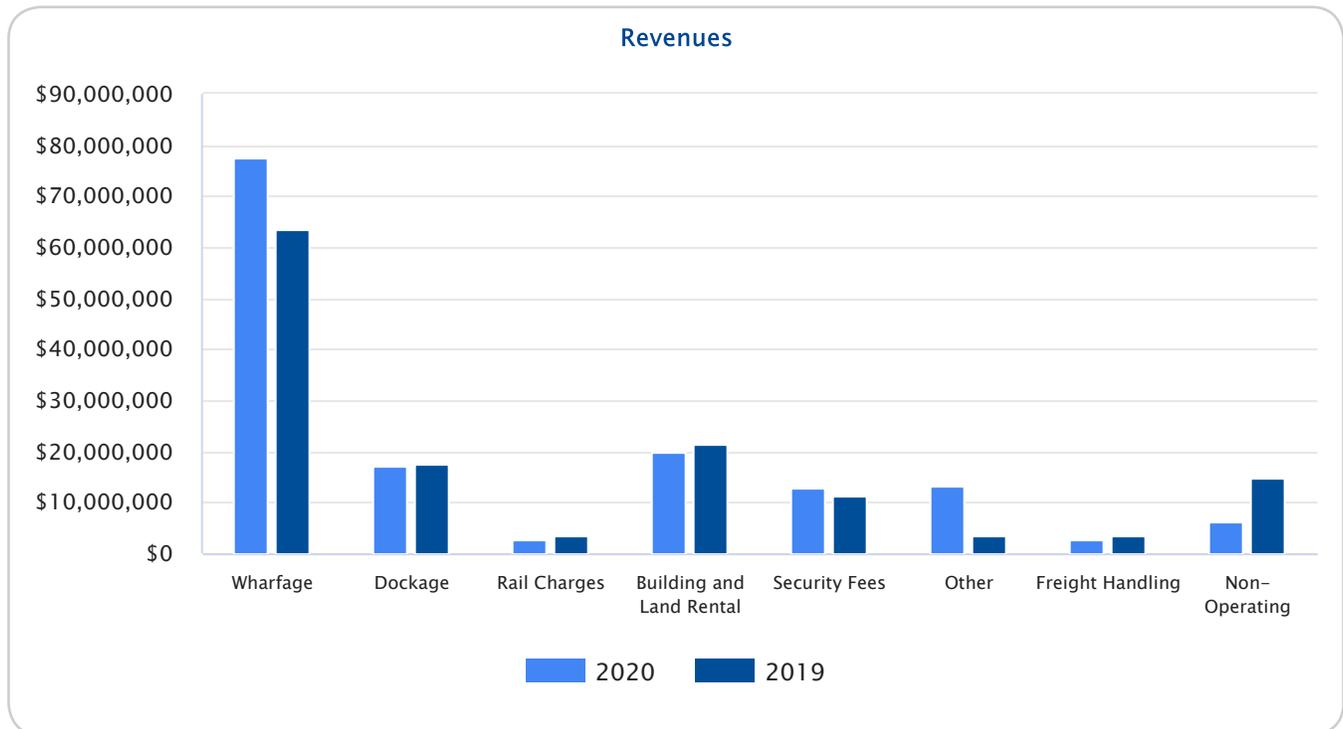
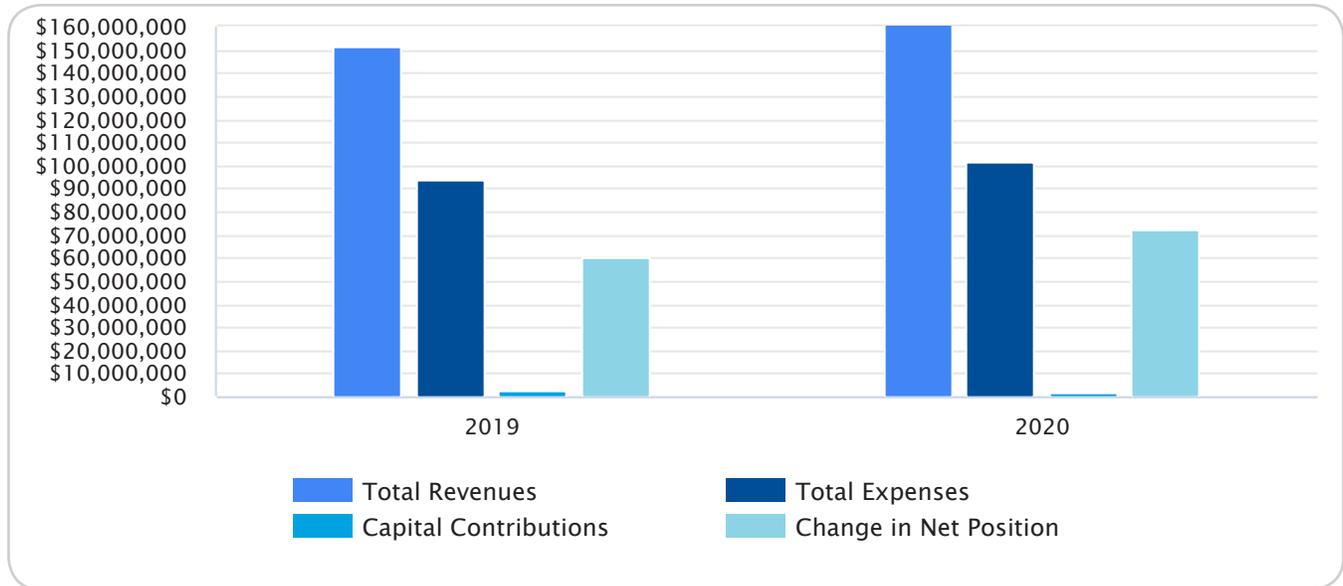
The Authority’s total assets and deferred outflows increased by \$51,447,303 (4.8%) over 2019. Most of this change is from increases in current assets of \$23,181,285 and net capital assets of \$29,186,406. The majority of the increase in current assets is from an increase in cash and investments of \$33,652,538 as a result of the authority’s profitable operations for the year. The increase in net capital assets is shown in detail on 11 of the Management’s Discussion and Analysis.

The Authority’s total liabilities and deferred inflows decreased by \$20,800,600 (5.0%) over 2019. Current liabilities have decreased \$7,703,851 and unearned revenues and capital leases, net of current portion have decreased by \$3,160,880 over 2019, while long term debt, net of current portion has decreased by \$10,323,243 from 2019.

**Statement of Revenues, Expenses, Change in Net Position**

The Statement of Revenues, Expenses, and Change in Net Position 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 its profitability and credit worthiness. The following Statement of Revenues, Expenses, and Change in Net Position summarizes the operations of the Authority for the years ended December 31, 2020 and 2019:

	2020	2019	2020 - 2019 Change
<b>Revenues</b>			
Operating revenues:			
Wharfage	\$ 77,700,556	\$ 63,467,357	\$ 14,233,199
Dockage	16,948,628	17,676,236	(727,608)
Security fees	13,003,968	11,299,077	1,704,891
Freight handling	2,843,281	3,437,356	(594,075)
Rail charges	2,741,835	3,426,169	(684,334)
Building and land rentals	19,729,444	21,566,430	(1,836,986)
Conference center services	440,071	1,903,112	(1,463,041)
FTZ user fees	238,000	247,000	(9,000)
Dredge placement fees	8,567,899	1,500	8,566,399
Cost sharing agreements	13,758,035	-	13,758,035
Other	4,163,884	3,681,585	482,299
Insurance proceeds, Hurricane Harvey	-	1,536,964	(1,536,964)
Total operating revenues	160,135,601	128,242,786	31,892,815
Investment income	3,835,652	7,974,561	(4,138,909)
Federal and other grant assistance	1,809,193	877,920	931,273
Contributions from Harbor Bridge commitment	6,116,615	14,037,941	(7,921,326)
<b>Total Revenues</b>	<b>171,897,061</b>	<b>151,133,208</b>	<b>20,763,853</b>
<b>Expenses</b>			
Operating expenses:			
Maintenance and operations	29,722,554	27,804,966	1,917,588
General and administrative	38,042,089	31,328,255	6,713,834
Hurricane Harvey related repairs	727,590	2,361,711	(1,634,121)
Depreciation	18,156,728	14,661,500	3,495,228
Total operating expenses	86,648,961	76,156,432	10,492,529
Interest expense and fiscal charges	12,838,761	13,002,641	(163,880)
Contributions-Harbor Bridge commitment	771,278	1,517,492	(746,214)
Contributions to other governments	-	3,000,000	(3,000,000)
Loss on disposal of assets	820,008	636	819,372
<b>Total Expenses</b>	<b>101,079,008</b>	<b>93,677,201</b>	<b>7,401,807</b>
<b>Income Before Contributions</b>	<b>70,818,053</b>	<b>57,456,007</b>	<b>13,362,046</b>
Capital Grants and Contributions	1,429,850	2,536,407	(1,106,557)
Changes in Net Position	72,247,903	59,992,414	12,255,489
Total Net Position, Beginning of Year, as restated	653,980,334	593,987,920	59,992,414
<b>Total Net Position, End of Year</b>	<b>\$ 726,228,237</b>	<b>\$ 653,980,334</b>	<b>\$ 72,247,903</b>



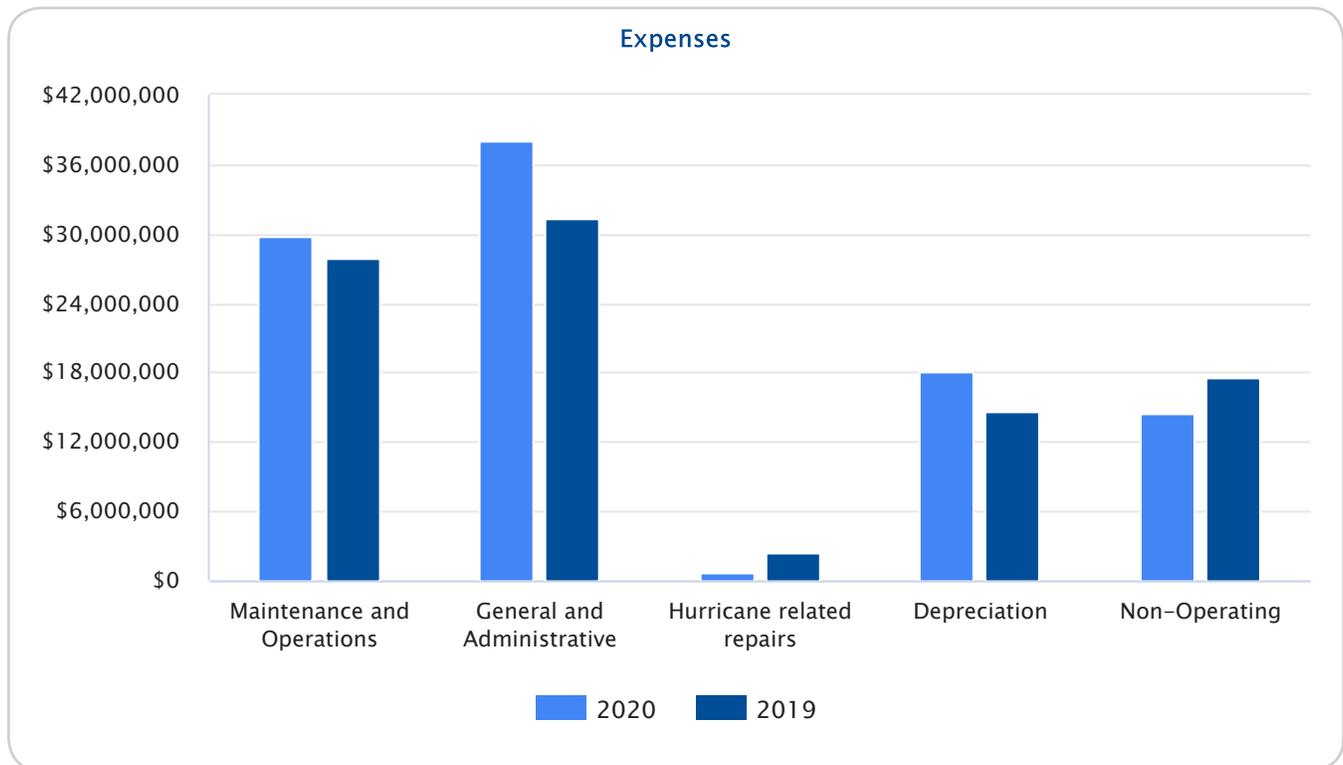
Operating revenues in 2020 increased by \$31,892,815 or 24.9% over 2019. The major variances in revenues from 2020 to 2019 are as follows:

- Wharfage \$ 14,233,199
- Cost sharing agreements 13,758,035
- Dredge placement fees 8,566,399
- Security fees 1,704,891

Wharfage increased \$13,278,186 at the private oil docks, \$1,845,588 at the public oil docks, while decreasing \$890,575 at the dry cargo docks, bulk docks, grain elevator and other docks. The increase at the private oil docks is due primarily to Moda Midstream, LLC., who commissioned upgrades in early 2019 to enable loading of Very Large

Crude Carriers (VLCCs) for crude export. Wharfage at public docks increased as a result of shipments by existing customer Nu Star and a new customer that started operating in 2020, Pin Oak Corpus Christi, offset by a decrease in shipments of refined products by our local refineries. Crude oil tonnage has increased 66% in total over 2019 also contributing to the wharfage increases at the public and private oil docks.

Non-operating revenues have decreased \$11,128,962 over 2019. Contributions from the Harbor Bridge commitment decreased \$7,921,326 as the program is ending. In addition, the Authority recognized a decrease in investment income of \$4,138,909 mainly due to the sharply diminished rates of return on its investment portfolio as a result of the ongoing pandemic and resulting economic conditions.



Operating expenses in 2020 increased \$10,492,529 or 13.8 % over 2019. The major variances in expenses from 2020 to 2019 are as follows:

- Employee services \$ 4,371,686
- Maintenance 1,827,017
- Administrative 1,592,208
- Professional services 1,119,483

Employee services increased as a result of an increase in staffing along with a higher level of employee benefits as a result of the change in the TCDRS employer match from 125% to 200%.

Maintenance expenses increased mainly due to an increase of \$1,375,287 in maintenance and repairs to the Authority’s infrastructure. Rehabilitation and major repairs were done in 2020 to the Authority’s aging oil and bulk docks. Hurricane Harvey repairs continued in 2020 and costs are expected to continue in 2021 for mitigation and repair costs as further explained in Footnote 12 of the Authority’s financial statements.

Administrative costs increased due to an increase in expenditures from the Promotion and Development Fund, as the Authority increased giving to the community in response to needs created by the COVID-19 pandemic.

Professional service expenses increased mainly due to a storm water master plan project for the inner harbor performed in 2020.

**Capital Grants and Contributions**

Capital grants and contributions decreased by \$1,106,557 from 2019. 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. Capital grants and contributions at December 31, 2020 include the following:

- Security improvements \$ 1,502,740
- Federal/state disaster grants 1,398,306
- State funded road construction 337,997

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Authority's investment in capital assets as of December 31, 2020, amounts to \$754,445,721 (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, intangibles and construction in progress. This amount represents a net increase (additions net of retirements and depreciation) of \$29,186,406 or 4.02%. Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements on page 26.

Major capital asset activity during 2020 include the following:

- Design/construction of new office facility \$ 18,249,752
- Land Purchases 5,660,036
- Hillcrest program land expenditures to be capitalized at end of program 4,843,021
- Laydown yard and storage improvements 3,013,853

	2020	2019	2020-2019 Change
<b>Capital assets, not being depreciated:</b>			
Land	\$ 130,220,078	\$ 117,521,032	\$ 12,699,046
Channel and waterfront improvements	79,277,883	58,428,086	20,849,797
Intangibles	387,429	387,429	-
Construction in progress	256,984,853	337,429,483	(80,444,630)
	466,870,243	513,766,030	(46,895,787)
<b>Capital assets, being depreciated:</b>			
Port facilities	215,497,055	150,375,991	65,121,064
Buildings and improvements	61,340,112	48,376,821	12,963,291
Machinery and equipment	10,358,393	12,544,307	(2,185,914)
Intangibles	379,918	196,166	183,752
	287,575,478	211,493,285	76,082,193
<b>Net Capital Assets</b>	<b>\$ 754,445,721</b>	<b>\$ 725,259,315</b>	<b>\$ 29,186,406</b>

**Long-Term Debt**

On May 27, 2015, the Authority issued \$115,000,000 in taxable revenue bonds for the purposes of acquiring land and acquiring, purchasing, constructing, enlarging, extending, repairing or developing facilities or aids incident to or useful or necessary in the operation or development of the Authority's ports and waterways or in aid of navigation and commerce. The bonds are secured by the pledged revenues from the operation of Port Facilities after the deduction of maintenance and operating expenses other than those related to depreciation or the interest expense on the bonds.

On August 8, 2018, the Authority issued \$115,000,000 in Series B Taxable revenue bonds for the purpose of acquisition, design, construction, reconstruction, repair, rehabilitation, improvement and equipping the Port facilities in the Authority's capital improvement program, including the acquisition of land for authorized Authority purposes and construction of the Corpus Christi Ship Channel Project. The Authority also issued \$92,530,000 in Series A

Non-Taxable revenue bonds on that date for the purpose of the Corpus Christi Ship Channel Project to deepen and widen the main channel and to add barge lanes.

Additional information regarding the Authority’s long-term debt can be found in Note 7 to the financial statements on page 27. As of December 31, 2020, the Authority had long-term debt outstanding of \$313,530,382. The following table summarizes the Authority’s long-term debt outstanding as of December 31, 2020 and 2019.

	2020	2019	2020-2019 Change
General revenue bonds	\$ 298,160,000	\$ 304,795,000	\$ (6,635,000)
Bond premium	15,370,382	16,243,611	(873,229)
<b>Total Long-term Debt</b>	<b>\$ 313,530,382</b>	<b>\$ 321,038,611</b>	<b>\$ (7,508,229)</b>

The Authority’s outstanding Revenue Bonds, Series 2015 (Taxable) (“Prior Lien Revenue Bonds”) have been assigned an A+ rating from S&P Global Ratings and an Aa3 rating from Moody’s Investor Services. The Authority’s outstanding Senior Lien Revenue Bonds have been assigned an A+ rating from S&P and an A1 rating from Moody’s. On March 26, 2020 in response to the growing global economic crisis brought on by the COVID-19 pandemic, S&P revised to negative their outlook on nearly all long-term debt ratings in the U.S. transportation infrastructure sector, including the Authority’s Prior Lien and Senior Lien 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 annual debt service requirements. As of December 31, 2020, the Authority’s revenue bond coverage was 5.16 times the average annual remaining debt service requirements.

## **ECONOMIC OUTLOOK**

Without question the challenges the Authority and its customers faced in 2020 were unprecedented in modern times. The Covid-19 global pandemic slowed mobility across the globe, leading to a decline in the demand for transportation fuels. A war for crude oil market share between Russia and Saudi Arabia was triggered in March, combining with the developing pandemic to push crude oil prices to minus \$40 a barrel for the first time in history, all causing major domestic producers to curtail production and shut in wells in the major production fields in Texas, which are a primary source for exports from the Authority. In addition, a record number of hurricanes and tropical storms entered the Gulf of Mexico in 2020, disrupting the flow of shipping throughout the summer.

Despite these challenges, the Authority, along with its attendant customer base, achieved record tonnage shipment levels in 2020, marking the fourth straight year of new highs. After a significant decline from Q1 2020 to Q2 2020, shipments rebounded in Q3 2020 and throughout the rest of the year, setting new monthly shipment highs in both August and December. The strong overall performance for the year, which in total exceeded 2019 tonnage by 31%, was driven primarily by the unprecedented oil and gas production in the Permian Basin and demand for those products in export markets. Though Texas production in 2020 dropped by 7% over 2019, the Authority achieved a higher share of exports relative to other Gulf of Mexico Ports and was the largest export gateway for energy in the United States, with roughly fifty-percent of the total exports from the United States. The Authority’s customers averaged approximately 1.5 million barrels of crude oil exports for 2020, finishing the year on a high of 1.9 million barrels per day in the month of December 2020.

In addition to the overall 65% increase in crude oil shipments in 2020, the Authority benefitted from a 26% increase in shipments of liquified natural gas (LNG) from Cheniere Energy’s Corpus Christi Liquefaction, LLC (CCL) plant, and an 70% increase in agricultural shipments. Those gains were partially offset by a 12% decrease in shipments of refined products such as motor gasoline, Jet A and diesel, directly attributable to the pandemic-induced reduction in travel. The Authority continues to play a vital role as a major refining hub and has cemented its position as the gateway of choice for both Eagle Ford and Permian Basin oil and gas plays, as well as a logistical and distribution center for cargoes used in drilling, hydraulic fracturing, pipeline projects, and renewable energy projects such as wind energy components.

The most immediate and critical project the Authority is managing is the congressionally authorized Corpus Christi Ship Channel Improvement Project (“Channel Improvement Project” or “CIP”). The four-phase CIP will provide both a safer transit through our waterways and enhance the fluidity of the Ship Channel by allowing larger vessels to transit with more cargo, while providing for two-way transits through most of the Ship Channel. Since signing a Project Partnership Agreement (PPA) with the U.S. Army Corps of Engineers (USACE) in 2017 to deepen and

widen the Corpus Christi Ship Channel, the Authority has provided \$141 million in funding to the USACE for the project; and the project has been included in three Presidential Budgets (FY'19, '20 and '21) and two USACE Work Plans (FY'18 and FY'19), totaling \$248 million of Federal funding. The CIP was reauthorized in the bipartisan Water Resources Development Act of 2020 at a total maximum project cost estimate of \$676 million. Phase 1 of the project was completed in 2020 by Great Lakes Dredge & Dock Company, and the second phase contract has been awarded to Callen Marine, Ltd. to begin in 2021, and be completed in early 2022. The Authority remains committed to advocating for the necessary federal funding for the CIP, with a goal of completing the entire project by the end of 2023.

The Authority celebrated customer successes during 2020 with first shipments by Buckeye's South Texas Gateway, Pin Oak Corpus Christi, and South Texas Cement. These new facility openings followed terminal openings by EPIC Midstream and Plains All-American and Enterprise Products Eagle Ford joint venture in 2019.

The Authority has responded to a growing need for an alternative water supply for the region by initiating permitting actions to build a seawater desalination plant within the Port boundary. The Coastal Bend region is completely dependent upon surface water and is currently in Stage 1 drought conditions, with combined levels of existing water supplies at less than forty percent. The governor has issued multiple emergency proclamations for Nueces and San Patricio counties since 2019. The purpose of the Authority's efforts is to develop a sustainable water supply for the entire region to not only help meet current demand, but also future needs. The Authority is currently in active pursuit of a permit through TCEQ to build a fifty-million gallon per day seawater desalination plant on Authority owned property on Harbor Island, near the entrance to the Corpus Christi Ship Channel. The Authority believes the failure to act decisively to provide uninterrupted water supplies would negatively impact the growth prospects of the entire region at some point in the future.

The Authority currently views 2021 as a "pause" year in its meteoric growth trajectory, primarily due to a retracement in crude exports. Expected declines in demand for crude oil are likely to be offset by increases in the shipments of LNG and dry bulk material tonnage gains. CCL has brought a third production unit on line in early 2021, which will produce 4.5 million tons per year; South Texas Cement will see a full year impact of cement importing that started operations in April of 2020; and the first shipments of raw materials for a new Steel Dynamics, Inc. steel mill that will be opening in nearby Sinton, Texas, and continued strong performance in agricultural shipments.

While the United States and other countries are taking aggressive steps to vaccinate their populations and continue measures to protect against the impact of the Covid-19 pandemic, the global demand for crude oil is not expected to return to pre-pandemic demand levels until sometime in 2024 or 2025. However it is the position of the Authority that robust demand for fossil fuels will endure for many decades to come, even as the United States energy industry takes proactive steps to reduce the environmental impacts of their operations and governments push for reduced emissions and conversion to more sustainable energy sources. Sovereignities across the globe are converting to natural gas fired power generation, which represents growing demand opportunities for the Port of Corpus Christi. The United States has reduced power generation-related carbon emissions by over 50% in the last fifteen years. Further, global crude oil demand in manufacturing and other non-transportation sectors accounts for 53% of crude oil consumption, thereby indicating a resiliency in demand for the next one to five decades.

The Authority is well positioned to weather short to medium term disruptions in demand, with over \$330 million of cash, cash equivalents and investments on hand at the end of 2020. In addition, the Authority will take appropriate measures to control both operational and capital spending in 2021 and future years to ensure that operating margins remain in line with previous results and that capital investments remain prudent and line with the Authority's long-term goals.

## **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.

	<b>2020</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents (Note 2)	\$ 50,332,524
Investments (Note 2)	209,846,092
Accounts receivable, net (Note 3)	23,016,397
Interest receivable	1,154,890
Intergovernmental receivable	1,803,137
Inventory	1,069,568
Prepaid expenses	1,682,874
<b>Total Current Assets</b>	<u>288,905,482</u>
<b>NON-CURRENT ASSETS:</b>	
<b>RESTRICTED ASSETS:</b>	
Restricted cash and cash equivalents (Note 2)	78,061,129
<b>Total Restricted Assets</b>	<u>78,061,129</u>
<b>CAPITAL ASSETS:</b>	
Capital assets, not being depreciated (Note 4)	466,870,243
Capital assets, being depreciated, net (Note 4)	287,575,478
<b>Capital Assets, Net</b>	<u>754,445,721</u>
<b>OTHER NON-CURRENT ASSETS:</b>	
Escrow agreement (Note 5)	628,731
Net pension asset (Note 8)	506,182
Purchase option deposit	100,000
<b>Total Other Non-Current Assets</b>	<u>1,234,913</u>
<b>Total Non-Current Assets</b>	<u>833,741,763</u>
<b>TOTAL ASSETS</b>	<u>1,122,647,245</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflow related to pensions (Note 8)	2,553,226
Deferred outflow related to OPEB (Note 9)	25,274
<b>Total Deferred outflows of resources</b>	<u>2,578,500</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,125,225,745</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	7,556,314
Accrued expenses	2,077,611
Accrued interest payable	1,126,834
Unearned revenue, current portion (Note 7)	11,759,709
Unearned capital lease, current portion (Note 7)	457,040
Current maturities of long-term debt (Note 7)	10,323,242
Compensated absences, current portion (Note 7)	1,316,996
<b>Total Current Liabilities</b>	<u>34,617,746</u>
<b>NON-CURRENT LIABILITIES:</b>	
Unearned revenue, net of current portion (Note 7)	48,548,951
Unearned capital lease, net of current portion (Note 7)	5,919,005
Long-term debt, net of current maturities (Note 7)	303,207,140
Compensated absences, net of current portion (Note 7)	2,992,231
Total OPEB liability (Note 9)	1,581,344
<b>Total Non-Current Liabilities</b>	<u>362,248,671</u>
<b>TOTAL LIABILITIES</b>	<u>396,866,417</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflow related to pensions (Note 8)	1,834,663
Deferred inflow related to OPEB (Note 9)	296,428
<b>Total Deferred Inflows of Resources</b>	<u>2,131,091</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>398,997,508</u>
<b>NET POSITION:</b>	
Net investment in capital assets	485,531,630
Restricted:	
Bond interest and redemption	27,059,800
Escrow agreement (Note 5)	628,731
Law enforcement	8,993
Unrestricted	212,999,083
<b>TOTAL NET POSITION</b>	<u>\$ 726,228,237</u>

	<u>2020</u>
<b>OPERATING REVENUES:</b>	
Wharfage	\$ 77,700,556
Dockage	16,948,628
Security fees	13,003,968
Freight handling	2,843,281
Rail Charges	2,741,835
Building and land rentals	19,729,444
Conference center services	440,071
FTZ user fees	238,000
Dredge placement fees	8,567,899
Cost sharing agreements	13,758,035
Other	4,163,884
<b><i>Total Operating Revenues</i></b>	<u>160,135,601</u>
<b>OPERATING EXPENSES:</b>	
Maintenance and operations	29,722,554
General and administrative	38,042,089
Hurricane Harvey related repairs	727,590
Depreciation	18,156,728
<b><i>Total Operating Expenses</i></b>	<u>86,648,961</u>
<b><i>Operating Income</i></b>	<u>73,486,640</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Investment income	3,835,652
Federal and other grant assistance	1,809,193
Interest expense and fiscal charges	(12,838,761)
Contributions to Harbor Bridge commitment (Note 11)	(771,278)
Contributions from Harbor Bridge commitment (Note 11)	6,116,615
Loss on disposal of assets	(820,008)
<b><i>Net Non-Operating Expenses</i></b>	<u>(2,668,587)</u>
<b><i>Income Before Capital Grants and Contributions</i></b>	<u>70,818,053</u>
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	1,429,850
<b><i>Change in Net Position</i></b>	<u>72,247,903</u>
<b><i>Total Net Position, Beginning of Year, as restated (Note 1)</i></b>	<u>653,980,334</u>
<b><i>Total Net Position, End of Year</i></b>	<u>\$ 726,228,237</u>

	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 167,745,813
Cash payments to suppliers for goods & services	(41,773,779)
Cash payments to employees for services	(25,213,308)
Cash payments to and received from other operating sources	(1,966)
<b><i>Net Cash Provided by Operating Activities</i></b>	<u>100,756,760</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Operating grants received	678,219
Cash received on behalf of Harbor Bridge commitment	779,010
Payments on behalf of Harbor Bridge commitment	(771,278)
<b><i>Net Cash Provided by Noncapital Financing Activities</i></b>	<u>685,951</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of capital assets	(57,496,658)
Capital grants and contributions	3,790,415
Cash received on behalf of Harbor Bridge commitment	5,337,605
Proceeds from sales	109,650
Principal payment on capital debt	(6,635,000)
Interest expense and fiscal charges	(13,726,957)
<b><i>Net Cash Used for Capital and Related Financing Activities</i></b>	<u>(68,620,945)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment income	3,994,524
Proceeds from sale and maturities of investments	230,000,000
Purchase of investments	(295,503,201)
<b><i>Net Cash Used by Investing Activities</i></b>	<u>(61,508,677)</u>
<b><i>Net Decrease in Cash and Cash Equivalents</i></b>	<u>(28,686,911)</u>
<b><i>Cash and Cash Equivalents at Beginning of Year, Including Restricted Accounts</i></b>	<u>157,080,564</u>
<b><i>Cash and Cash Equivalents at End of Year, Including Restricted Accounts</i></b>	<u>\$ 128,393,653</u>

(Continued)

**RECONCILIATION OF OPERATING INCOME TO NET**

**CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income	\$ 73,486,640
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	18,156,728
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Accounts and intergovernmental receivables	10,248,715
Inventories	(37,060)
Prepaid items	(399,288)
Accrued revenues, net of current	1,173,654
Net pension asset	(506,182)
Deferred outflows of resources	2,687,091
Accounts payable and accrued expenses	(166,486)
Unearned revenue	(3,301,444)
Unearned capital lease revenue	(457,040)
Net pension liability	(2,076,256)
OPEB liability	126,895
Compensated absences	582,460
Deferred inflows of resources	1,238,333
<b>Total Adjustments</b>	<u>27,270,120</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 100,756,760</u>

**Noncash Investing, Capital, and Financing Activities:**

Amortization (accretion) of premium/discounts on investments	\$ 765,958
Change in fair value of investments	(35,591)
Change in accrued interest on investments	(570,705)
Change in intergovernmental receivables	1,229,591
Amortization of premium on revenue bonds	(873,229)
Loss on disposal of assets	929,659
Impact of change in investment of capital assets	12,390,224
Acquisition of capital assets accrued but not paid	(9,223,865)

**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 of Nueces County 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 Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable.

**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 as the Authority has financial accountability. The Board of the IDC is appointed by the Port Commission and it is comprised of three members of the Port Commission and two members of the staff of the Authority, and the Authority is able to impose its will on the IDC. In addition, the Authority’s management has operational responsibility of the IDC. 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:

	<b>2020</b>
Total Net Position	\$ 91,799
Change in Net Position	\$ -

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 statement of net position. Proprietary fund equity is classified as net position. Enterprise fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

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.

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 and quarterly financial reports are prepared for management to maintain proper budgetary control and are reviewed by the Port Commission on a quarterly basis.

### **CASH AND CASH EQUIVALENTS**

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 six months or less from the date of acquisition. Cash and cash equivalents are included in both unrestricted and restricted assets.

### **INVESTMENTS**

In accordance with its Investment Policy and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (PFIA), the Authority may invest in obligations of the US Government, its agencies and instrumentalities, fully collateralized or insured time deposits, local government investment pools having a rating not less than AAA, money market mutual funds registered with the SEC whose assets consist exclusively of obligations of the US Treasury, its agencies or instrumentalities and repurchase agreements backed by those securities, fully collateralized repurchase agreements, general debt obligations of states, agencies, counties, cities and other subdivisions of the United States with a rating not less than AA, fully insured brokered certificates of deposit, delivered versus payment to the Authority's safekeeping agent, and A1/P1 commercial paper with a maturity not to exceed 180 days.

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.

### **ACCOUNTS RECEIVABLE**

Trade receivables are shown net of an allowance for uncollectible accounts which is determined based on historical experience and collection efforts. Bad debts are written off against the accounts receivable allowance when deemed uncollectible.

**INVENTORY AND PREPAID ITEMS**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**PROPERTY, PLANT AND EQUIPMENT**

Property constructed or acquired by purchase is stated at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are stated at acquisition value as of the date received. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Authority policy has set the capitalization threshold for reporting capital assets at \$5,000. The Authority reviews the carrying value of its capital assets to determine if circumstances exist indicating impairment in the carrying value. If facts or circumstances support impairment, management follows guidance in GASB No.42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*.

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
Intangibles	3-5 Years

**RESTRICTED ASSETS**

Certain resources set aside for the repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

Certain assets are reclassified as restricted due to the restriction on the use of these funds for a particular 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.

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

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Authority has the following items that qualify for reporting in this category.

- Pension contributions after the measurement date – These contributions are deferred and recognized the following fiscal year.
- Difference in expected and actual pension experience - This difference is deferred and recognized over the average remaining service life for all active, inactive, and retired members.
- Changes in actuarial assumptions used to determine the net pension asset and total OPEB liability -This difference is deferred and amortized over the average remaining service life for all active, inactive, and retired members.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has the following items that qualify for reporting in this category.

- Difference in expected and actual pension experience – This difference is deferred and recognized over the average remaining service life for all active, inactive, and retired members.
- Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a period of five years.
- Difference in expected and actual OPEB experience – This difference is deferred and amortized over a period of five years.
- Changes in actuarial assumptions used to determine the total OPEB liability – This difference is deferred and amortized over the average remaining service life for all active, inactive, and retired members.

### PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For more information on the Authority's pension plans, see Note 8 of the Notes to the Financial Statements.

### COMPENSATED ABSENCES

Authority employees are granted vacation at rates of 10 to 25 days per year and may accumulate up to a maximum of 30 to 75 days, depending on their length of employment. Upon termination, employees are paid for any unused accumulated vacation up to a maximum of two (2) times their annual vacation accrual. 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.

### UNEARNED REVENUE

Advance payments for the deposit of dredge materials into the Authority's dredge placement areas are recognized as the materials are deposited, and operating lease payments, damage claims and foreign trade zone user fees are recognized as income over the term of related agreements. Amounts received but not yet earned are reflected as unearned revenue in the accompanying statement of net position.

### NET POSITION

Net position represents the residual interest in the Authority's assets and deferred outflows after liabilities are deducted and consists of three sections: net investment in capital assets; restricted and unrestricted. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position that does not meet the definition of net investment in capital assets or restricted is classified as unrestricted.

### CASH RESERVE POLICY

It is the desire of the Authority to maintain adequate funds to maintain liquidity in anticipation of economic downturns or natural disasters. The Authority's Commission has adopted a Cash Reserve Policy and established target goals to further this position.

- Contingencies – a target goal of \$10,000,000 was established to cover emergency expenditures incurred due to catastrophic events.
- Self Insurance – a target goal of \$5,000,000 was established to cover managed risk exposures.
- Operating – a target goal of a minimum of six months and a maximum of nine months of annual operating expenses, net of depreciation based on the annual operating budget to maintain financial flexibility, liquidity and stability.

These target goals are reviewed annually and will be modified as necessary to ensure adequate resources for statutory and legal reserves.

**CONCENTRATION OF REVENUES**

The Authority’s operating revenues are subject to risk because of their concentration in the petroleum industry, which has the potential to be negatively impacted by the ongoing uncertainty in consumer demand as a result of the COVID-19 pandemic. Six customers from the petroleum industry made up 51 percent of the Authority’s wharfage and dockage revenue base for 2020, and the two product groups of crude oil and petroleum products accounted for 91 percent of the Authority’s tonnage total in 2020. The Authority believes, however, that much of that risk is mitigated by minimum guaranteed throughputs and long-term contracted land lease revenues, combined with a base demand level for all petroleum products that will remain in place despite the current economic uncertainty. In addition, Petroleum products, which are the Authority’s second most prevalent commodity group representing 31 percent of all cargo, is a broad catch-all for multiple distinct products such as LPG, LNG and refined products such as gasoline and diesel, and thus represent significant diversification from crude oil. The Authority has commented on its overall view of the general economic conditions in which it operates in both the MD&A and in the Transmittal Letter which accompanies these financial statements.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**RESTATEMENT**

The Authority determined a restatement of beginning net position was required to properly report capital assets as of December 31, 2019. The restatement was as follows:

Beginning Net Position, December 31, 2019, as previously reported	\$ 666,370,558
Adjustment to reduce capital assets	(12,390,224)
Beginning Net Position, December 31, 2019, as restated	\$ 653,980,334

**2. DEPOSITS AND INVESTMENTS**

At December 31, 2020, the carrying amount of the Authority’s demand deposits and cash on hand was \$191,878. The exit or fair value prices used for these fair value valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

Authority’s investments at December 31, 2020 carried at fair value were:

Investment Type	2020		
	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Local government pool	65,876,439	1	AAA
Municipal Bonds	164,872,078	374	
United States agencies	44,974,014	946	
Total	275,722,531		
Short-term investments included in cash and cash equivalents	65,876,439		
<b>Equity in Total Investments</b>	<b>209,846,092</b>		
Portfolio Weighted Average Maturity		378	

In accordance with GASB Codification Section 150.151-.158, the Authority’s financial statements are required to address custodial credit risk, credit risk of investments, concentration of risk, foreign currency risk, and interest rate risk.

### CUSTODIAL CREDIT RISK

To control custody and safekeeping risk, State law and the Authority's adopted Investment policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the Authority. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value for both type transactions. All repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. The counterparty of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

The Authority's portfolio contained no repurchase agreements and all bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits and certificates of deposits were held by an independent institution outside the bank's holding company.

### CREDIT RISK

The primary stated objective of the Authority's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the Authority's approved investments authorized by the adopted Investment Policy occurs in time and demand deposits, repurchase agreements, investment pools, commercial paper, and state and municipal obligations. All other investments are rated AAA, or equivalent, by at least one nationally recognized securities rating organization (NRSRO). State law and the adopted Investment Policy requires inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. The adopted Investment Policy also requires a procedure to verify continued FDIC insurance weekly on brokered certificates of deposit.

State law and the Authority's adopted Investment Policy restricts both depository time and demand deposits to those banks doing business in the State of Texas and further requires full FDIC insurance and/or 102% collateralization from these depositories. Depository certificates of deposit are limited to a stated maturity of one year. Collateral, with a 102% margin, is required and restricted to obligations of the U.S. Government, its agencies, and instrumentalities, including mortgage backed securities passing the bank test. Independent safekeeping of collateral is required outside the pledging bank's holding company with monthly reporting by the custodian. Securities are priced at market on a daily basis as a contractual responsibility of the bank. The depository/collateral agreement must be executed under the terms of the Financial Industry Resource and Recovery Enforcement Act (FIRREA).

State law and the adopted Policy allow for investment in general obligations of any United States state or its agencies or sub-divisions not to exceed three years to stated maturity and rated not less than AA or its equivalent by one nationally recognized rating agency. The Authority's Investment Policy further restricts bonds to a maximum of \$10 million per issuer and block size purchases are limited to \$10 million.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating organization. The adopted Investment Policy restricts investments to AAA-rated, local government investment pools striving to maintain a \$1 net asset value and further regulated by state law.

**CONCENTRATION OF RISK**

The Authority recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a monthly basis. Diversification limits are established as:

<b>Investment Policy</b>		<b>Percent of Portfolio 2020</b>
United States Treasury securities	100%	-
United States Agency securities	100%	13.24%
Depository Certificates of Deposit	80%	-
Repurchase Agreements	100%	-
Flex Agreements by bond fund	100%	-
Local Government Investment Pools	100%	19.40%
Percent of pool ownership	10%	-
Money Market Mutual Funds	100%	0.96%
Percent of pool ownership	10%	-
Interest bearing accounts	100%	-
Brokered Certificates of Deposit	10%	-
State and Local Debt Obligations	80%	48.74%
Commercial Paper	25%	17.66%
Limit per Issuer	10%	-

**INTEREST RATE RISK**

Interest rate risk is the risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value. In order to limit interest and market rate risk from changes in interest rates, the Authority’s adopted Investment Policy sets maximum maturity dates for authorized investment types and a maximum dollar-weighted average maturity limit for the portfolio. The maximum stated final maturity of any investment is three years. The dollar-weighted average maturity (WAM) of the total portfolio is restricted to a maximum of one year.

For purposes of disclosing interest-rate risk, the maturity of a government’s position in an external investment pool is based on the average maturity of the pool’s investments regardless of the ability of the pool’s participants to withdraw funds on demand.

As of December 31, 2020, the portfolio contained five structured callable notes which would be impacted by interest rate risk as listed in the following table:

Issuer	Coupon Rate	Purchase Date	Maturity Date	Call Date	Call Structure	Book Value	Fair Value
FAMCA	0.375%	08/17/2020	08/17/2023	02/17/2021	Callable quarterly with 5 days notice	\$ 9,998,722	\$ 9,983,883
FAMCA	0.320%	09/18/2020	09/18/2023	03/18/2021	Callable anytime with 5 days notice	5,000,000	4,998,516
FHLMC	0.320%	09/14/2020	09/14/2023	09/14/2021	Callable anytime with 5 days notice	10,000,000	10,000,460
FNMA	0.375%	8/24/2020	8/24/2023	8/24/2021	Callable anytime with 10 days notice	10,000,000	9,994,603
FFCB	0.350%	8/5/2020	8/5/2023	11/4/2020	Callable anytime with 5 days notice	10,000,000	9,996,552
<b>TOTAL</b>						<u>\$ 44,998,722</u>	<u>\$ 44,974,014</u>

Abbreviations:

FAMCA	Federal Agricultural Mortgage Corp
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
FFCB	Federal Farm Credit Bank

### FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of December 31, 2020, the Authority had no foreign currency risk.

### 3. RECEIVABLES

Receivables as of December 31, including the applicable allowances for uncollectible accounts, are as follows:

	<b>2020</b>
Trade receivables	\$ 19,546,546
Damage claims receivable	1,866
Accrued revenues	* 3,470,145
	<u>23,018,557</u>
Net of allowance for uncollectibles	(2,160)
Receivables, net	<u>23,016,397</u>
Current account receivable	<u>\$ 23,016,397</u>

\* Accrued revenues of \$1,173,654 were recorded in 2020 for lease provisions that will be billed in future years and are further explained in Note 7 of the Notes to the Financial Statements.

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 117,521,032	12,699,046	\$ -	\$ 130,220,078
Channel and waterfront improvements	58,428,086	20,849,797	-	79,277,883
Intangibles	387,429	-	-	387,429
Construction in progress	337,429,483	48,071,469	128,516,099	256,984,853
<b>Total capital assets, not being depreciated</b>	<b>513,766,030</b>	<b>81,620,312</b>	<b>128,516,099</b>	<b>466,870,243</b>
Capital assets, being depreciated:				
Port facilities	302,768,669	77,194,258	4,326,057	375,636,870
Buildings and improvements	99,214,930	17,547,596	76,004	116,686,522
Machinery and equipment	49,764,032	343,932	309,326	49,798,638
Intangibles	2,881,837	271,865	7,045	3,146,657
<b>Total capital assets, being depreciated</b>	<b>454,629,468</b>	<b>95,357,651</b>	<b>4,718,432</b>	<b>545,268,687</b>
Less: accumulated depreciation for				
Port facilities	152,392,678	10,957,387	3,210,250	160,139,815
Buildings and improvements	50,838,109	4,584,305	76,004	55,346,410
Machinery and equipment	37,219,725	2,526,923	306,403	39,440,245
Intangibles	2,685,671	88,113	7,045	2,766,739
<b>Total accumulated depreciation</b>	<b>243,136,183</b>	<b>18,156,728</b>	<b>3,599,702</b>	<b>257,693,209</b>
<b>Total capital assets, being depreciated, net</b>	<b>211,493,285</b>	<b>77,200,923</b>	<b>1,118,730</b>	<b>287,575,478</b>
<b>Total capital assets, net</b>	<b>\$ 725,259,315</b>	<b>\$ 158,821,235</b>	<b>\$ 129,634,829</b>	<b>\$ 754,445,721</b>

As discussed in Footnote (1), the beginning balance of construction in progress was reduced by \$12,390,224 due to a prior period adjustment.

#### 5. ESCROW AGREEMENT

Other Non-Current Assets includes an amount of \$628,731, including interest, held in escrow as part of a settlement agreement between nearby neighbors and the Port for construction of a marine facility and processing plant in the Inner Harbor. The terms of the settlement agreement provide compensation to affected adjacent property owners, if construction is initiated on the subject project, in exchange for those parties not contesting the air permit application with the Texas Commission on Environmental Quality (TCEQ). The original settlement was signed on May 26, 2015 and TCEQ issued a pre-construction air quality permit shortly thereafter. The Port purchased the settlement agreement from the original lessee for \$627,941 in 2019 and considers it an asset running concurrent with the property. If construction on the property begins in 2021 then the money will be released to the other parties to the agreement as intended; if no construction occurs before the expiration of the TCEQ permit, then the Port will be refunded the money. Management reviews any deposits for impairment on an annual basis. At December 31, 2020, there was no reduction of the recorded deposit because construction had not yet commenced.

## 6. LEASES

### OPERATING LEASES

The Authority leases to others certain land and improvements, and these leases are classified as operating leases. As of December 31, 2020, 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	
2021	\$ 23,956,521
2022	19,283,714
2023	17,932,593
2024	17,350,780
2025	14,870,831
Thereafter	92,294,205
<b>Total</b>	<b>\$ 185,688,644</b>

## 7. NON-CURRENT LIABILITIES

### LONG-TERM DEBT

On May 27, 2015, the Authority issued revenue bonds, Series 2015 (Taxable), in the amount of \$115,000,000 to pay costs of projects to acquire land and to acquire, purchase, construct, enlarge, extend, repair or develop facilities or aids incident to or useful or necessary in the operation or development of the Authority's ports and waterways or in aid or navigation and commerce. The source of repayment, as defined by the bond resolutions, includes pledged revenues from the operation of Port Facilities after the deduction of maintenance and operating expenses other than those related to depreciation or the interest expense on the bonds. Interest is payable on June 1 and December 1 of each year.

On August 8, 2018, the Authority issued senior lien revenue bonds, Series 2018A (Non-AMT) in the amount of \$92,530,000 to pay a portion of the costs of the construction, acquisition, and equipping of the Corpus Christi Ship Channel Project (main channel deepening and widening and barge lane separable elements), and Series 2018B (Taxable) in the amount of \$115,000,000 to pay the costs of the acquisition, design, construction, reconstruction, repair, rehabilitation, improvement and equipping of Port Facilities contained in the Authority's capital improvement program, including the acquisition of land for authorized Authority purposes and construction of the Corpus Christi Ship Channel Project. Certain proceeds of the Bonds were used to pay the costs of issuing the bonds and establishing the Debt Service Reserve Account as defined by the bond resolutions. The source of repayment, includes the Net Operating Revenues as defined in the Master Resolution, however the lien and pledge securing these bonds shall be junior and subordinate to the lien on and pledge of Net Operating Revenues made for the security and payment of the Prior Lien Bonds and the deposits required by the Prior Lien Resolution to the Prior Lien Interest and Sinking Fund and the Prior Lien Reserve Fund while the Prior Lien Bonds are outstanding. Interest is payable June 1 and December 1 of each year.

Total interest expense for the year ended December 31, 2020 was \$ 12,813,432.

At December 31, 2020, revenue bonds currently outstanding are as follows:

	Interest Rate%	Issue Date	Maturity Date	Outstanding
Revenue Bonds, Series 2015 (Taxable)	7.9-4.6	05/01/2015	12/01/2035	92,630,000
Senior Lien Revenue Bonds, Series 2018A (non-AMT)	4-5	08/01/2018	12/01/2048	92,530,000
Senior Lien Revenue Bonds, Series 2018B (Taxable)	2.9-5	08/01/2018	12/01/2048	113,000,000
<b>Total</b>				<b>298,160,000</b>

A statement of changes in long-term debt for the year ended December 31, 2020, is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Revenue bonds	\$ 304,795,000	\$ -	\$ 6,635,000	\$ 298,160,000	\$ 8,580,000
Bond premium	\$ 15,370,382	\$ -	\$ 873,229	\$ 15,370,382	\$ 1,743,242
<b>Total</b>	<b>\$ 320,165,382</b>	<b>\$ -</b>	<b>\$ 7,508,229</b>	<b>\$ 313,530,382</b>	<b>\$ 10,323,242</b>

Total debt service requirements as of December 31, 2020, are as follows:

<b>Years Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 8,580,000	\$ 13,522,008	\$ 22,102,008
2022	8,870,000	13,235,090	22,105,090
2023	9,175,000	12,923,721	22,098,721
2024	9,510,000	12,591,340	22,101,340
2025	9,865,000	12,237,807	22,102,807
2026-2030	55,545,000	54,966,260	110,511,260
2031-2035	68,810,000	41,686,617	110,496,617
2036-2040	39,885,000	28,124,206	68,009,206
2041-2045	50,875,000	17,140,500	68,015,500
2046-2048	37,045,000	3,764,750	40,809,750
<b>Total</b>	<b>\$ 298,160,000</b>	<b>\$ 210,192,299</b>	<b>\$ 508,352,299</b>

### UNEARNED REVENUES

The Authority receives advance payments for operating lease contracts and revenues will be recorded over the terms of these agreements as follows:

<b>Years Ending</b>	<b>Operating Leases</b>
2021	\$ 11,759,709
2022	4,400,418
2023	4,295,526
2024	4,168,353
2025	2,502,308
Thereafter	33,182,346
<b>Total</b>	<b>\$ 60,308,660</b>

The Authority entered into a lease agreement with a tenant in 2016 that contains provisions for partial recovery of the costs of building a dock and exclusive use of that dock. In compliance with GASB Statement No. 62, the substantial investment by the tenant reasonably assures the Authority that the lease will continue over the initial term and all options and requires accounting for these lease provisions over the extended lease term of 25 years. The capital recovery provision is billable over a four-year period beginning in 2017 and a receivable has been recorded for the unbilled portion of the lease provision for this. Lease provisions are recorded as unearned revenue to be recognized over the term of the lease.

### UNEARNED CAPITAL LEASE

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 La Quinta 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	
2021	\$ 457,040
2022	457,040
2023	457,040
2024	457,040
2025	457,040
Thereafter	4,090,845
<b>Total</b>	<b>\$ 6,376,045</b>

## COMPENSATED ABSENCES

A statement of changes in compensated absences for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	\$ 1,448,849	\$ 1,029,483	\$ 776,712	\$ 1,701,620	\$ 776,712
Sick leave	2,277,918	869,973	540,284	2,607,607	540,284
<b>Total</b>	<b>\$ 3,726,767</b>	<b>\$ 1,899,456</b>	<b>\$ 1,316,996</b>	<b>\$ 4,309,227</b>	<b>\$ 1,316,996</b>

## 8. 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). This is accounted for as an agent multiple employee defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 798 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 Barton Oaks Plaza IV, Suite 500, 901 South MoPac Expressway, Austin, Texas 78746 or is available on their website at [www.tcdrs.org](http://www.tcdrs.org).

### Benefits Provided

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 5 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 5 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. By law, employee accounts earn 7% interest. 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. At retirement, the employee's account is matched at a percentage adopted by the Authority's governing body and the current match is 200%. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments. Ad hoc post-employment benefit changes, including cost-of-living adjustments can be granted by the governing body of the Authority within guidelines of the TCDRS.

### Contributions

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 as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

The actuarially determined rate for the calendar year 2020 was 4.38 percent, however the governing body of the Authority adopted the rate of 12 percent for calendar year 2020. 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 \$1,288,285 and \$2,208,489 respectively for the year ended December 31, 2020.

**Employees Covered by Benefit Terms**

At the measurement date, the following employees were covered by the benefit terms:

	<b>December 31, 2019</b>
Retirees or beneficiaries currently receiving benefits	126
Inactive employees entitled to but not yet receiving benefits	74
Active employees	234
	434

**Actuarial Assumptions**

The actuarial assumptions that determined the total net pension liability as of December 31, 2019 was based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB Statement 68.

The actuarial valuations were determined using the following actuarial assumptions:

Actuarial Valuation Date	<b>December 31, 2019</b>
Actuarial Cost Method	Individual Entry Age Normal
Long-term Investment Rate of Return	8.10%
Discount Rate	8.10%
Inflation Rate	2.75%
Projected Salary Increase Rates:	
General Wage Inflation	3.25%
Merit, Promotion, Longevity	1.60%
Total Projected Salary Increase Rate	4.85%
Cost-of-Living Adjustment	0%
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately
Disability	Experience-based table with rates of disability ranging from .008% at age 28 to .27% at age 59; members who become disabled are eligible to commence benefit payments regardless of age
Mortality-for the actuarial valuation:	
Depositing members	90% of the RP-2014 Active Mortality Table, projected with 110% of the MP-2014 Ultimate scale after 2014
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

**Discount Rate**

The discount rate used to determine the total pension liability as of December 31, 2020 was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. This method reflects the funding requirements under the Authority’s funding policy and the legal requirements under the TCDRS Act as follows:

- 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 year closed layered periods.
- 2) Under the TCDRS Act, the Authority is legally required to make the contribution specified in the funding policy.
- 3) The Authority’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the Authority is still required to contribute at least the normal cost.
- 4) Any increased cost due to the adoption of a cost-of living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system the fiduciary net position as a percentage of total pension liability is expected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability (asset) of the Authority is equal to the long-term assumed rate of return on investments of 8.10% for both years presented.

**Discount Rate Sensitivity Analysis**

The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Net pension liability/ (asset)	\$ 6,554,450	\$ (506,182)	\$ (6,554,401)

**Long-Term Expected Rate of Return**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are based on April, 2020 information for a ten-year time horizon. The valuation assumption for long-term expected return is re-assessed a minimum of every four years and is set based on a long-term time horizon, the most recent analysis was performed in 2017.

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation (1)</b>	<b>Geometric Real Rate of Return (Expected Minus Inflation) (2)</b>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities- Developed Markets	MSCI World Ex USA (net)	7.00%	5.20%
International Equities- Emerging Markets	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

(1) Target Asset Allocation was adopted at the April, 2020 TCDRS Board meeting

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.70%, per Cliffwater's 2020 capital market assumptions

(3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

**Net Pension Liability (Asset)**

The Net Pension Liability (Asset) is the difference between the Total Pension Liability and the plan's Fiduciary Net Position. For the year ended December 31, 2020, the Authority's Net Pension Liability (Asset) was measured as of December 31, 2019, and the Total Pension Liability was determined by an actuarial valuation as of that date.

The changes in net pension liability (asset) for the measurement date of December 31, 2019 based on the actuarial date of December 31, 2019 is reflected below:

Changes in Net Pension Liability/ (Asset)	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Position Liability (Asset)
Balances as of December 31, 2018	\$ 56,122,700	\$ 54,046,444	\$ 2,076,256
Changes for the Year:			
Service cost	1,737,142	-	1,737,142
Interest on total pension liability(1)	4,572,481	-	4,572,481
Effect of plan changes(2)	2,374,511	-	2,374,511
Effect of economic/demographic gains or losses	78,021	-	78,021
Refund of contributions	(103,383)	(103,383)	-
Benefit payments	(2,771,518)	(2,771,518)	-
Administrative expenses	-	(47,640)	47,640
Member contributions	-	1,259,909	(1,259,909)
Net investment income	-	8,875,863	(8,875,863)
Employer contributions	-	1,259,909	(1,259,909)
Other(3)	-	(3,448)	3,448
<b>Balances as of December 31, 2019</b>	<b>\$ 62,009,954</b>	<b>\$ 62,516,136</b>	<b>\$ (506,182)</b>

(1) Reflects the change in the liability due to the time value of money

(2) No plan changes valued

(3) Relates to allocation of system-wide items

For the year ended December 31, 2020, the Authority recognized pension expense as follows:

	January 1, 2019 to December 31, 2019
Service cost	\$ 1,737,142
Interest on total pension liability	4,572,481
Effect of plan changes	2,374,511
Administrative expenses	47,640
Member contributions	(1,259,909)
Expected investment return net of investment expenses	(4,361,632)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(23,839)
Recognition of assumption changes or inputs	110,390
Recognition of investment gains or losses	479,319
Other (allocated system-wide items)	3,448
<b>Pension expense</b>	<b>\$ 3,679,551</b>

For the year ended December 31, 2020 , the Authority recorded deferred outflows and inflows of resources related to the pension as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 163,294	\$ 325,357
Changes of assumptions	181,443	-
Net difference between projected and actual earnings	-	1,509,306
Contributions made subsequent to measurement date	2,208,489	-
<b>Totals</b>	<b>\$ 2,553,226</b>	<b>\$ 1,834,663</b>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,208,489 will be recognized as a reduction of the net pension liability (asset) for the measurement year ending December 31,2020 (i.e. recognized in the Authority’s financial statements December 31,2021 ). Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:)

Year ended December 31:	
2021	\$ (379,168)
2022	(480,495)
2023	256,980
2024	(887,243)
<b>Total</b>	<b>\$ (1,489,926)</b>

## **9. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) replaces previous authoritative literature. For plans that do not have formal trusts, GASB Statement No. 75 requires state and local government employers to recognize the total OPEB liability and the related expense on their financial statements along with the related deferred outflows and inflows of resources. In addition to the deferred outflows/inflows associated with plan experience and assumption changes, the standard requires the benefits payments and administrative costs incurred subsequent to the measurement date and before the end of the employer’s reporting period to be reported as a deferred outflow of resources. The Authority is required to obtain an actuarial valuation at least once every two years in accordance with GASB 75 standards. The Authority’s latest valuation is dated as of January 1, 2019 with the measurement date of December 31, 2020. There have been no significant changes between the valuation date and the measurement date.

### **Plan Description**

The Authority has a single-employer plan and provides postretirement healthcare benefits to eligible retired employees and their spouses through provisions enacted by the authority of the Port Commission. At December 31, 2020, seven former employees were eligible for these benefits. The Authority funds a portion of the premiums for health insurance. 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.

Employees, who have reached age 62, may continue coverage under the Authority’s healthcare plan as a retiree until the age of 65. The Authority does not cover benefits after Medicare eligibility. Coverage is offered to spouses of retirees who are currently receiving benefits and spousal coverage ceases upon the retiree’s attainment of age 65. Medical coverage is not available in the event of disability prior to eligibility for retirement.

The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to fund the plan. The OPEB plan does not issue stand-alone financial reports, but includes the total OPEB Liability in the noncurrent liabilities section of the Statement of Net Position.

**Funding Policy**

The Authority’s contribution to the plan consists of pay-as-you-go claims in excess of the retiree contributions for the year. Retiree’s contributions are based on same rates paid by active employees dependent upon coverage levels selected. For the year ended December 31, 2020 retirees contributed \$6,096 for healthcare benefits under the plan and the Authority contributed \$64,681 which is the claims paid in excess of the premiums collected from the retirees.

**Employees Covered by Benefit Terms**

At the valuation date, the following employees were covered by the benefit terms:

	<b>January 1, 2020</b>
Active employees	212
Retirees or beneficiaries currently receiving benefits	7
Spouses of retirees	3
	<u>222</u>

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB No. 75:

Actuarial Valuation Date	January 1, 2019
Valuation Timing	The valuation is performed at January 1,2019 with measurements date December 31,2019 and December 31,2020.

	<u>December 31, 2019</u>	<u>December 31, 2020</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Discount Rate(1)	2.74%	2.12%
Inflation	2.20%	2.20%
Coverage Assumptions	100% of active eligible employees are assumed to continue coverage at retirement	
Marriage Assumptions	85% of employees and retirees are assumed to have a covered spouse in retirement	
Medical Inflation	Dental assumptions range from 4.7% in year 2019, dropping to 3.7% in years 2075-2100 Medical/pharmacy assumptions range from 5.9% in 2019, dropping to 3.8% in the years 2074-2100	
Mortality	PubG.H-2010 as projected forward with MP-2019	
Retirement Rates	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; at age 75 retirement is assumed to occur immediately	
Projected Salary Increase Rates	Based on the 2018 TCDRS Report and range from 5.00% in the first year of service with entry age of <30 to .50% with 30+ years or more of service with entry age of 50+.	
Ad Hoc Post-employment Benefit Changes	None	

(1) The discount rate is based on the Bond Buyer’s 20 year General Obligation Index immediately prior to or coincident with the measurement date.

**Discount Rate**

The Authority does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis, and therefore, the discount rate used to measure the total OPEB liability is the municipal bond rate. The discount rate used to measure the total OPEB liability as of the beginning of the measurement year was 2.74%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.12%, which amounted to a decrease of 0.62%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

**Discount Rate Sensitivity Analysis**

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 2.12%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.12%) or one percentage point higher (3.12%) than the current rate.

	1% Decrease <u>1.12%</u>	Current Discount Rate <u>2.12%</u>	1% Increase <u>3.12%</u>
Total OPEB liability	\$ 1,635,292	\$ 1,581,344	\$ 1,524,119

**Healthcare Trend Rate Sensitivity Analysis**

The following presents the total OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 1,419,123	\$ 1,581,344	\$ 1,771,559

**Total OPEB Liability**

	December 31, 2019	December 31, 2020
Total OPEB liability	\$ 1,454,449	\$ 1,581,344
Covered payroll	15,037,942	17,061,574
Total OPEB liability as a% of covered payroll	9.67%	9.27%

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 total OPEB liability.

For the year ended December 31, 2020 the Authority recognized OPEB expense as follows:

Changes in Total OPEB Liability	Increase (Decrease) in Total OPEB Liability
Balances as of December 31, 2019	\$ 1,454,449
Changes for the Year:	
Service cost	113,684
Interest on total OPEB liability	42,087
Effect of assumptions changes or inputs	35,805
Benefit payments	(64,681)
<b>Balances as of December 31, 2020</b>	<b>\$ 1,581,344</b>

	January 1, 2020 to December 31, 2020
Service cost	\$ 113,684
Interest on total OPEB liability	42,087
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(21,763)
Recognition of assumption changes or inputs	(70,509)
<b>OPEB expense</b>	<b>\$ 63,499</b>

For the year ended December 31, 2020, the Authority recorded deferred outflows and inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	65,291
Changes in actuarial assumptions	25,274	231,137
Total	\$ 25,274	\$ 296,428

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended December 31:	
2021	\$ (92,272)
2022	(90,276)
2023	(88,606)
<b>Total</b>	<b>\$ (271,154)</b>

## 10. CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At December 31, 2020, the Authority had remaining unpaid contractual construction and improvement commitments of \$10,735,020. These commitments are being financed through operating revenues, bond proceeds, and capital grants.

## 11. 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 has a combined risk financing approach using both risk transfer and risk retention in order to appropriately manage risk in accordance with financial and operational goals. The Authority retains a maximum \$4,000,000 retention on the property insurance program with primary limits of \$25,000,000 and excess limits of \$75,000,000 for a combined limit of \$100,000,000. The Authority has complied with all bond covenants with respect to the maintenance of insurance. For a listing of all policies carried, see Table 16 of the Statistical Section. All insurance premiums for the policies in force have been paid. In order to manage liability loss exposures, various liability policies are purchased which include employment practices liability, property damage and bodily injury, law enforcement, cyber, and foreign liability. 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 \$3,135,360. The Authority is covered for workers' compensation claims through Texas Mutual Insurance. 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.

A liability for unpaid claims is reported when it is probable that a loss has occurred, and the amount of 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 number of payouts, and other factors such as inflation, changes in legal doctrines and damage awards. At December 31, 2020, the liability of \$690,278 is comprised of estimated health claims of \$694,210 and estimated worker's compensation claims of \$3,932.

Changes in the balances of claims liabilities as of December 31, 2020 and 2019 are as follows:

	2020	2019
Unpaid claims, beginning of fiscal year	\$ 532,778	\$ 325,263
Incurred claims (including IBNRs)	5,276,730	4,106,257
Claim payments	(5,119,230)	(3,898,742)
<b>Unpaid claims, end of fiscal year</b>	<b>\$ 690,278</b>	<b>\$ 532,778</b>

### **FACILITIES FINANCING BONDS**

The Authority and the Industrial Development Corporation (IDC) have entered into agreements with three 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 \$442,400,000. 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, 2020, facilities financing revenue bonds outstanding amounted to \$422,500,000.

### **HARBOR BRIDGE REPLACEMENT AND HILLCREST NEIGHBORHOOD RELOCATION**

On August 8, 2016, groundbreaking for the U.S. 181 Harbor Bridge Replacement took place. The new bridge will be the longest precast cable-stayed span in the United States, and the third largest of its kind in the world. The clearance of the existing bridge is 138 feet and prevents larger ships from accessing the port. The new bridge will have a clearance of 205 feet, and will allow some of the world's largest ocean-going vessels entrance into the Inner Harbor of the Port of Corpus Christi.

The plans for the new bridge will require a more gradual incline for the increased clearance and greatly impacts the residents and business owners of the predominantly minority Hillcrest neighborhood. The Federal Highway Administration (FHWA) and the Texas Department of Transportation (TxDOT) entered into a Voluntary Resolution Agreement to propose Title VI mitigation actions for the U.S. Highway 181 Harbor Bridge Replacement improvements to ensure the affected minority persons in the Hillcrest and Washington-Coles neighborhoods do not bear disproportionately adverse health or environmental effects as a result of the project. As the recipient of Federal-Aid Highway funds from FHWA, TxDOT is solely responsible for effectuating the actions in the agreement, and will provide with assistance for residential and business displacements and to work with the persons displaced to find decent, safe and sanitary dwellings in the resident's preferred locations through a Voluntary Acquisition and Relocation Benefits Program.

TxDOT has entered into a separate agreement with the Authority, the Corpus Christi Housing Authority of Nueces County, and the City of Corpus Christi for purposes of implementing the Voluntary Acquisition and Relocation Benefits Program. Under this agreement, the Authority will incur Acquisition Costs in carrying out the Voluntary Acquisition Plan and Relocation Program not to exceed \$20 million in eligible costs under the program. The Acquisition Costs have been defined to include paying the acquisition and relocation service provider, purchasing neighborhood property, purchasing any other real property required under the Voluntary Acquisition Program, providing relocation benefits and moving expenses to eligible displaced owners and tenants of owner occupied property, eligible displaced tenants

of residential rental property, and eligible displaced businesses, providing relocation benefits and moving expenses to any other person or business in the neighborhood that is required under the Relocation Benefits Program, and demolishing dwellings and facilities acquired under the plan. All properties to be purchased will require an approved appraisal and transfer of the property with clear title will be conveyed to the Authority. Under the Voluntary Acquisition Plan, the sellers must have continuously owned the property from January 1, 2016 to the date of sale to the Authority. Final program acquisitions occurred in October, 2020 and as of December 31, 2020, the program closed out with 304 parcels acquired and three parcels pending demolition. Final program demolitions are expected to be completed by April, 2021. Program participants have a year after relocation to submit for reimbursement of eligible relocation expenses. The Authority does not anticipate program expenses to incur beyond 2021.

As of December 31, 2020, since the inception of the program, the Authority has incurred \$47,746,796 in property acquisition related costs and cumulative operational costs of the program in the amount of \$7,266,213. As the Authority has incurred expenditures in excess of \$20 million for the purposes above, TxDOT is reimbursing the Authority for the excess acquisition costs. As of December 31, 2020, the Authority has received or is in the process of billing \$34,916,106 for these eligible excess costs. In the year ended December 31, 2020, the Authority incurred \$771,278 in operational costs of the program and recognized \$6,116,615 in program related reimbursements from TxDot.

## 12. HURRICANE HARVEY

Hurricane Harvey, a category 4 hurricane, made landfall on the Texas gulf coast on August 25, 2017 and caused extensive damage to the coastal area north of Corpus Christi. In addition, the Corpus Christi Ship Channel was closed to all vessel traffic for a record six days until the United States Coast Guard approved the opening on August 31. As a result, certain Authority assets were destroyed, and other assets require restoration efforts to restore their service utility. Total insurance proceeds net of deductibles of \$2,966,990 were received prior to 2020.

In addition to insurance proceeds, the Authority pursued funding sources, primarily grants through the Robert T. Stafford Disaster Relief and Emergency Act, both the Public Assistance Program and the Hazard Mitigation Grant Program administered through the Federal Emergency Management Agency (FEMA). The Public Assistance Program is a reimbursement program for eligible storm related repairs. The Hazard Mitigation Grant Program is a reimbursement program to cover any sustainable action taken to reduce or eliminate long-term risk to people and property from future disasters. The federal cost share for both programs is 90% for all categories of work except emergency protective measures which is 100%. Direct administrative cost reimbursement such as the Authority's personnel time spent, temporary employee support and grant management consulting services has been requested in 2020 for 5% of the total obligated projects.

The Authority identified 27 projects being pursued for assistance from FEMA. The current repair, restoration, and mitigation estimate is \$10,239,890, and the majority of the funding sought was for shoreline restoration, while the remainder was for minor damages to buildings, security equipment, fencing, debris removal and emergency preparedness costs. The Authority owns miles of shoreline that is subject to normal erosion from tidal surges and vessel traffic. The shorelines were damaged, but not significantly as to impair service utility, and the Authority is seeking to mitigate future damages by seeking FEMA funding available for this purpose. Construction on these projects is pending completion of the ship channel deepening project, currently underway. Twenty-four of the twenty-seven projects have been obligated by FEMA and funding continues to be disbursed.

**PENSION PLAN:**

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
<b><u>TOTAL PENSION LIABILITY</u></b>						
Service Cost	\$ 1,020,446	\$ 1,261,508	\$ 1,646,309	\$ 1,583,238	\$ 1,706,000	\$ 1,737,142
Interest on Total Pension Liability	3,162,730	3,506,024	3,737,072	4,007,179	4,286,314	4,572,481
Effect of Plan Changes	2,280,346	(209,318)	-	60,522	-	2,374,511
Effect of Assumption Changes/ Inputs	-	449,183	-	213,158	-	-
Effect of Economic/Demographic (Gains) or Losses	570,613	(217,150)	(640,607)	(151,261)	168,127	78,021
Benefit Payments/Contribution Refunds	(1,854,244)	(1,975,611)	(2,043,433)	(2,330,624)	(2,450,682)	(2,874,901)
Net Change in Total Pension Liability	5,179,891	2,814,636	2,699,341	3,382,212	3,709,759	5,887,254
Total Pension Liability, Beginning	38,336,862	43,516,753	46,331,389	49,030,729	52,412,941	56,122,700
Total Pension Liability, Ending	\$ 43,516,753	\$ 46,331,389	\$ 49,030,730	\$ 52,412,941	\$ 56,122,700	\$ 62,009,954
<b><u>FIDUCIARY NET POSITION</u></b>						
Employer Contributions	\$ 827,147	\$ 979,505	\$ 996,832	\$ 1,068,177	\$ 1,145,090	\$ 1,259,909
Member Contributions	827,147	979,505	996,832	1,068,177	1,145,090	1,259,909
Investment Income Net of Investment Expenses	2,888,058	(508,400)	3,346,977	7,068,420	(1,031,672)	8,875,863
Benefit Payments/Contribution Refunds	(1,854,244)	(1,975,611)	(2,043,433)	(2,330,624)	(2,450,682)	(2,874,901)
Administrative Expenses	(34,241)	(32,747)	(36,388)	(36,764)	(43,410)	(47,640)
Other	19,158	44,753	(87,598)	(2,950)	772	(3,448)
Net Change in Fiduciary Net Position	2,673,025	(512,995)	3,173,222	6,834,436	(1,234,812)	8,469,692
Fiduciary Net Position, Beginning	43,113,568	45,786,593	45,273,598	48,446,820	55,281,256	54,046,444
Fiduciary Net Position, Ending	\$ 45,786,593	\$ 45,273,598	\$ 48,446,820	\$ 55,281,256	\$ 54,046,444	\$ 62,516,136
<b>Net Pension Liability (Asset)</b>	\$ (2,269,840)	\$ 1,057,791	\$ 583,910	\$ (2,868,315)	\$ 2,076,256	\$ (506,182)
<b>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</b>	105.22%	97.72%	98.81%	105.47%	96.30%	100.82%
<b>Annual Covered Payroll</b>	\$ 11,816,386	\$ 13,992,927	\$ 14,240,462	\$ 15,259,672	\$ 16,358,433	\$ 17,998,705
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	(19.21%)	7.56%	4.10%	(18.80%)	12.69%	(2.81%)

<b><u>PENSION PLAN:</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Actuarially Determined Contribution	\$ 771,971	\$ 831,354	\$ 400,446	\$ 405,302	\$ 787,802	\$ 710,599	\$ 650,062	\$ 727,950	\$ 725,348	\$ 806,098
Actual Employer Contributions	1,158,484	6,508,045	791,841	827,147	979,505	996,832	1,068,177	1,145,090	1,259,909	2,208,489
Contribution Deficiency (Excess)	(386,513)	(5,676,691)	(391,395)	(421,845)	(191,703)	(286,233)	(418,115)	(417,140)	(534,561)	(1,402,391)
Annual Covered Payroll	10,531,666	10,982,221	11,312,022	11,816,386	13,992,927	14,240,462	15,259,672	16,358,433	17,998,705	18,404,075
Contribution as a Percentage of Covered Payroll	11.00%	59.26%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	12.00%

**NOTES TO SCHEDULE:**

Valuation date: 12/31/2019  
Actuarial determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are recorded.

**Methods and Assumptions Used to Determine Contribution Rate for 2020:**

Actuarial Cost Method	Entry age normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	1.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.75%
Salary Increases	4.9% average over career including inflation
Investment Rate of Return	8% net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

Mortality (both projected with 110% of the MP-2014 Ultimate Scale after 2014)	130% of the RP-2014 Healthy Annuitant Mortality Table for males 110% of the RP-2014 Healthy Annuitant Mortality Table for females
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: Employer contributions reflect that the current service matching rate was increased to 125% 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017

**TOTAL OPEB LIABILITY:**

	<b>Year Ending December 31, 2018</b>	<b>Year Ending December 31, 2019</b>	<b>Year Ending December 31, 2020</b>
<b><u>TOTAL OPEB LIABILITY</u></b>			
Service Cost	\$ 112,650	\$ 135,123	\$ 113,684
Interest on Total OPEB Liability	61,055	76,536	42,087
Effect of Assumption Changes/Inputs	(47,949)	(355,257)	35,805
Effect of Economic/Demographic (Gains) or Losses	-	(108,817)	-
Benefit Payments	(63,710)	(48,981)	(64,681)
Net Change in Total OPEB Liability	<u>62,046</u>	<u>(301,396)</u>	<u>126,895</u>
Total OPEB Liability, Beginning	1,693,799	1,755,845	1,454,449
Total OPEB Liability, Ending	<u>\$ 1,755,845</u>	<u>\$ 1,454,449</u>	<u>\$ 1,581,344</u>
<b>Annual Covered Payroll</b>	<b>\$ 14,371,824</b>	<b>\$ 15,037,942</b>	<b>\$ 17,061,574</b>
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>12.22%</b>	<b>9.67%</b>	<b>9.27%</b>

**Notes to Schedule**

Change of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2017	3.44%
2018	4.10%
2019	2.74%
2020	2.12%

The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to fund the plan, and therefore no assets have been accumulated.

# SUPPLEMENTAL SCHEDULES



» The Port of Corpus Christi receives the USNS Benavidez in April 2020. A strategic military port, the Port supported 8 military outloads in 2020, moving more than 4,000 pieces of equipment.



	<b>Actual</b>	<b>Budget</b>	<b>Variance (%)</b>
<b>OPERATING REVENUES:</b>			
Wharfage	\$ 77,700,556	\$ 71,514,749	9
Dockage	16,948,628	19,298,207	(12)
Security fees	13,003,968	11,137,439	17
Freight handling	2,843,281	3,312,037	(14)
Rail Charges	2,741,835	3,691,931	(26)
Building and land rentals	19,729,444	20,603,834	(4)
Conference center services	440,071	1,900,092	(77)
FTZ user fees	238,000	262,000	(9)
Dredge placement fees	8,567,899	2,621,400	227
Cost sharing agreements	13,758,035	-	
Other	4,163,884	2,909,809	43
<b>Total Operating Revenues</b>	<b>160,135,601</b>	<b>137,251,498</b>	<b>17</b>
<b>OPERATING EXPENSES:</b>			
Maintenance and operations	29,722,554	32,217,691	8
General and administrative	38,042,089	37,710,029	(1)
Hurricane Harvey related repairs	727,590	-	(100)
Depreciation	18,156,728	16,196,111	(12)
<b>Total Operating Expenses</b>	<b>86,648,961</b>	<b>86,123,831</b>	<b>(1)</b>
<b>Operating Income</b>	<b>73,486,640</b>	<b>51,127,667</b>	<b>44</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Investment income	3,835,652	3,000,000	28
Federal and other grant assistance	1,809,193	-	100
Interest expense and fiscal charges	(12,838,761)	(13,701,625)	6
Contributions from Harbor Bridge Project	6,116,615	8,000,000	(24)
Contributions to Harbor Bridge Project	(771,278)	(2,000,000)	61
Loss on disposal of assets	(820,008)	-	(100)
<b>Net Non-Operating Expenses</b>	<b>(2,668,587)</b>	<b>(4,701,625)</b>	<b>(43)</b>
<b>Income Before Capital Grants and Contributions</b>	<b>70,818,053</b>	<b>46,426,042</b>	<b>53</b>
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<b>1,429,850</b>	<b>-</b>	<b>100</b>
<b>Change in Net Position</b>	<b>\$ 72,247,903</b>	<b>\$ 46,426,042</b>	<b>56</b>

	<u>2020</u>
<b>MAINTENANCE AND OPERATIONS:</b>	
Employee services	\$ 11,930,520
Maintenance	8,053,779
Utilities	795,718
Telephone	93,528
Insurance & claims	1,950,752
Professional services	2,684,827
Police expenses	39,229
Contracted services	2,874,314
Office and equipment rental	139,222
Operator and event expenses	721,927
Safety/Environmental	69,872
General	368,866
<b><i>Total Maintenance and Operations</i></b>	<b><u>\$ 29,722,554</u></b>
<b>GENERAL AND ADMINISTRATIVE:</b>	
Employee services	\$ 18,130,677
Maintenance	1,048,333
Utilities	131,960
Telephone	195,838
Insurance & claims	393,981
Professional services	11,602,910
Police expenses	1,117
Contracted services	189,893
Office and equipment rental	83,473
Administrative	5,489,489
Trade and sales development	135,343
Media advertising	290,079
Production	140,011
Safety/Environmental	172,324
General	36,661
<b><i>Total General and Administrative</i></b>	<b><u>\$ 38,042,089</u></b>

Description		Interest Rates	Issue Date	Series Maturity	Original Amount	Balance Outstanding
<b>Environmental Facilities Revenue Bonds:</b>						
Citgo Petroleum, Series 2003	*	8.250%	05/01/2003	2031	39,200,000	19,300,000
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
<b>Solid Waste Disposal Revenue Bonds:</b>						
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>\$ 442,400,000</u>	<u>\$ 422,500,000</u>

\* - Issued by the Industrial Development Corporation (IDC)



# STATISTICAL SECTION



» Piperacks arrive to the GCGV dock in November 2020. The largest piperack was nearly the length of a football field (300 feet) and as tall as a 10-story building (100 feet).



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# Statistical Section

## *(Unaudited)*

This part of the County's Comprehensive Annual Financial Reporting presents detailed information to enhance the understanding of the information in the financial statements, note disclosures, and required supplementary information and what the data indicates about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	<b>52</b>
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>56</b>
These schedules contain information to help the reader access the factors affecting the Authority's ability to generate its most significant revenue sources.	
<b>Debt Capacity</b>	<b>62</b>
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.	
<b>Demographic and Economic Information</b>	<b>64</b>
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.	
<b>Operating Information</b>	<b>66</b>
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.	
<b>Additional Information</b>	<b>75</b>
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.

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

**Changes in Net Position  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Operating revenues:										
Wharfage	\$ 27,410,252	\$ 31,293,692	\$ 35,688,217	\$ 42,288,896	\$ 45,779,919	\$ 42,337,275	\$ 46,948,820	\$ 50,487,100	\$ 63,467,357	\$ 77,700,556
Dockage	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519	15,310,185	17,676,236	16,948,628
Security fees	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385	11,299,077	13,003,968
Freight handling	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418	3,437,356	2,843,281
Rail Charges	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814	3,426,169	2,741,835
Building and land rentals	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803	21,566,430	19,729,444
Conference center services	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419	1,903,112	440,071
Warehouse handling charges	368,950	-	-	-	-	-	-	-	-	-
FTZ user fees	302,750	301,250	253,917	222,500	207,667	224,000	225,000	241,833	247,000	238,000
Dredge placement fees	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638	436,910	1,500	8,567,899
Cost sharing agreements	-	-	-	-	-	-	-	-	-	13,758,035
Other	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524	3,681,585	4,163,884
Insurance proceeds, Hurricane Harvey	-	-	-	-	-	-	1,266,289	163,737	1,536,964	-
Total operating revenues	58,698,961	62,432,414	77,467,953	82,159,445	93,421,855	83,021,962	95,541,093	105,780,128	128,242,786	160,135,601
Investment income	467,494	163,804	283,544	341,754	518,374	1,184,692	2,417,838	4,807,322	7,974,561	3,835,652
Federal and other grant assistance	169,966	337,965	290,727	180,655	227,714	152,412	146,950	266,930	877,920	1,809,193
Contributions from Harbor Bridge Commitment	-	-	-	-	-	-	-	14,761,550	14,037,941	6,116,615
Donation of personal property	4,500	-	-	-	-	-	-	-	-	-
Gain on disposal of assets	3,727,517	-	-	40,596	-	-	-	-	-	-
Total Revenues	63,068,438	62,934,183	78,042,224	82,722,450	94,167,943	84,359,066	98,105,881	125,615,930	151,133,208	171,897,061
<b>Expenses</b>										
Operating expenses:										
Maintenance and operations	22,760,814	22,721,681	18,144,056	23,367,865	21,470,411	21,435,640	21,066,636	24,934,261	27,804,966	29,722,554
General and administrative	13,830,284	17,835,428	15,378,025	15,891,293	19,469,477	20,715,616	23,263,150	25,435,988	31,328,255	38,042,089
Hurricane Harvey related repairs	-	-	-	-	-	-	233,054	963,247	2,361,711	727,590
Depreciation	13,381,562	13,738,571	12,024,981	12,310,557	12,822,653	13,140,057	13,377,640	14,149,761	14,661,500	18,156,728
Total operating expenses	49,972,660	54,295,680	45,547,062	51,569,715	53,762,541	55,291,313	57,940,480	65,483,257	76,156,432	86,648,961
Interest expense and fiscal charges	392,699	(51,908)	16,986	535	2,030,505	2,973,844	3,650,348	7,697,446	13,002,641	12,838,761
Bond issuance costs	-	-	-	-	1,139,597	-	-	1,993,237	-	-
Fiscal payments to subrecipients	-	128,730	-	-	-	-	-	-	-	-
Contributions to Harbor Bridge Commitment	-	-	-	-	-	1,885,410	1,287,176	1,786,441	1,517,492	771,278
Contributions to other government agencies	-	-	-	-	3,000,000	3,000,000	4,415,092	3,000,000	3,000,000	-
Loss on disposal of assets	-	9,517,670	102,957	-	5,829,882	67,638	3,590	61,064	636	820,008
Loss on impairment of capital assets	-	-	-	-	-	-	428,254	-	-	-
Total Expenses	50,365,359	63,890,172	45,667,005	51,570,250	65,762,525	63,218,205	67,724,940	80,021,445	93,677,201	101,079,008
Income (Loss) Before Contributions	12,703,079	(955,989)	32,375,219	31,152,200	28,405,418	21,140,861	30,380,941	45,594,485	57,456,007	70,818,053
Capital Contributions	5,402,273	5,663,315	5,842,850	8,307,361	7,245,620	12,835,396	5,536,616	3,720,723	2,536,407	1,429,850
Changes in Net Position	18,105,352	4,707,326	38,218,069	39,459,561	35,651,038	33,976,257	35,917,557	49,315,208	59,992,414	72,247,903
Total Net Position, Beginning of Year	353,800,874	359,516,002	364,223,328	402,441,397	441,900,958	475,716,348	509,692,605	545,610,162	593,987,920	653,980,334
Cumulative Effect of Change in Accounting Principle	-	-	-	-	1,835,648	-	-	937,450	-	-
Prior Period Adjustment	(12,390,224)	-	-	-	-	-	-	-	-	-
Total Net Position, End of Year	\$ 359,516,002	\$ 364,223,328	\$ 402,441,397	\$ 441,900,958	\$ 475,716,348	\$ 509,692,605	\$ 545,610,162	\$ 593,987,920	\$ 653,980,334	\$ 726,228,237
<b>Net Position at Year End</b>										
Net investment in capital assets	\$ 321,702,644	\$ 233,275,383	\$ 261,007,827	\$ 281,071,728	\$ 275,753,812	\$ 293,717,449	\$ 384,104,593	\$ 406,391,881	\$ 448,258,573	\$ 485,531,630
Restricted	1,924,226	252,763	32,683	35,522	36,153,709	36,031,915	21,222,100	23,479,446	24,756,790	27,697,524
Unrestricted	35,889,132	130,695,182	141,400,887	160,793,708	163,808,827	179,943,241	152,673,693	176,506,817	180,964,971	212,999,083
<b>Total Net Position</b>	<b>\$ 359,516,002</b>	<b>\$ 364,223,328</b>	<b>\$ 402,441,397</b>	<b>\$ 441,900,958</b>	<b>\$ 475,716,348</b>	<b>\$ 509,692,605</b>	<b>\$ 545,610,162</b>	<b>\$ 593,987,920</b>	<b>\$ 653,980,334</b>	<b>\$ 726,228,237</b>

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Revenues by Source  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Operating Revenues:</b>										
Wharfage	\$ 27,410,252	\$ 31,293,692	\$ 35,688,217	\$ 42,288,896	\$ 45,779,919	\$ 42,337,275	\$ 46,948,820	\$ 50,487,100	\$ 63,467,357	\$ 77,700,556
Dockage	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519	15,310,185	17,676,236	16,948,628
Security fees	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385	11,299,077	13,003,968
Freight handling	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418	3,437,356	2,843,281
Rail Charges	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814	3,426,169	2,741,835
Building and land rentals	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803	21,566,430	19,729,444
Conference center services	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419	1,903,112	440,071
Warehouse handling charges	368,950	-	-	-	-	-	-	-	-	-
FTZ user fees	302,750	301,250	253,917	222,500	207,667	224,000	225,000	241,833	247,000	238,000
Dredge placement fees	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638	436,910	1,500	8,567,899
Cost sharing agreements	-	-	-	-	-	-	-	-	-	13,758,035
Other	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524	3,681,585	4,163,884
Insurance proceeds, Hurricane Harvey	-	-	-	-	-	-	1,266,289	163,737	1,536,964	-
	<u>\$ 58,698,961</u>	<u>\$ 62,432,414</u>	<u>\$ 77,467,953</u>	<u>\$ 82,159,445</u>	<u>\$ 93,421,855</u>	<u>\$ 83,021,962</u>	<u>\$ 95,541,093</u>	<u>\$ 105,780,128</u>	<u>\$ 128,242,786</u>	<u>\$ 160,135,601</u>
<b>Non-Operating Revenues:</b>										
Other:										
Investment income	\$ 467,494	\$ 163,804	\$ 283,544	\$ 341,754	\$ 518,374	\$ 1,184,692	\$ 2,417,838	\$ 4,807,322	\$ 7,974,561	\$ 3,835,652
Federal and other grant assistance	169,966	337,965	290,727	180,655	227,714	152,412	146,950	266,930	877,920	1,809,193
Contributions from Harbor Bridge commitment	-	-	-	-	-	-	-	14,761,550	14,037,941	6,116,615
Donation of personal property	4,500	-	-	-	-	-	-	-	-	-
Gain on disposal of assets	3,727,517	-	-	40,596	-	-	-	-	-	-
	<u>\$ 4,369,477</u>	<u>\$ 501,769</u>	<u>\$ 574,271</u>	<u>\$ 563,005</u>	<u>\$ 746,088</u>	<u>\$ 1,337,104</u>	<u>\$ 2,564,788</u>	<u>\$ 19,835,802</u>	<u>\$ 22,890,422</u>	<u>\$ 11,761,460</u>

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

**Expenses by Type  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Operating Expenses:</b>										
Maintenance and Operation:										
Employee services	\$ 7,810,947	\$ 8,258,807	\$ 7,324,312	\$ 8,304,043	\$ 9,993,556	\$ 9,478,572	\$ 9,948,834	\$ 9,646,909	\$ 10,736,455	\$ 11,930,520
Maintenance	5,136,098	4,896,773	3,679,718	6,122,959	3,667,189	4,367,556	3,707,172	4,024,567	6,228,088	8,053,779
Utilities	2,327,822	1,735,122	902,342	1,004,905	1,073,706	980,564	936,770	910,486	917,987	795,718
Telephone	101,960	94,604	85,538	80,639	78,674	90,885	88,096	85,140	91,916	93,528
Insurance & claims	2,099,345	2,311,581	2,023,472	1,911,090	1,745,262	1,520,100	1,336,484	1,493,288	1,629,166	1,950,752
Professional services	1,415,731	1,771,323	974,998	2,422,320	864,991	1,160,192	914,565	4,219,869	3,297,467	2,684,827
Police expenses	14,233	24,006	14,435	16,461	31,320	1,552,251	30,368	59,019	55,740	39,229
Contracted services	1,897,144	1,633,668	1,336,574	1,277,137	1,334,780	149,847	1,849,059	2,265,625	2,578,594	2,874,314
Office and equipment rental	142,778	65,037	55,691	79,023	109,355	96,681	126,387	104,596	139,756	139,222
Operator and event expenses	1,538,092	1,678,367	1,427,944	1,547,155	1,624,343	1,712,280	1,825,207	1,789,206	1,667,343	721,927
Warehouse supplies	8,024	-	-	-	-	-	-	-	-	-
Safety/Environmental	83,442	77,086	98,478	107,859	70,797	84,493	87,427	83,477	88,682	69,872
General	185,198	175,307	220,554	494,274	876,438	242,219	216,267	252,079	385,576	368,866
	<u>\$ 22,760,814</u>	<u>\$ 22,721,681</u>	<u>\$ 18,144,056</u>	<u>\$ 23,367,865</u>	<u>\$ 21,470,411</u>	<u>\$ 21,435,640</u>	<u>\$ 21,066,636</u>	<u>\$ 24,934,261</u>	<u>\$ 27,816,770</u>	<u>\$ 29,722,554</u>
General and Administrative:										
Employee services	\$ 7,224,377	\$ 7,423,777	\$ 7,272,765	\$ 8,001,279	\$ 10,549,722	\$ 11,446,283	\$ 12,891,866	\$ 13,209,035	\$ 14,953,056	\$ 18,130,677
Maintenance	501,087	509,303	530,688	648,221	759,004	948,956	756,368	1,038,631	1,058,936	1,048,333
Utilities	194,864	171,122	149,405	159,148	160,630	162,490	173,577	162,956	159,358	131,960
Telephone	115,447	100,921	73,896	83,776	91,439	97,984	99,596	118,665	166,452	195,838
Insurance & claims	92,492	97,774	429,990	99,451	109,887	148,816	124,462	117,385	232,747	393,981
Professional services	3,046,566	7,092,409	3,993,766	3,870,383	4,363,193	4,462,954	5,491,998	6,438,267	9,870,787	11,602,910
Police expenses	82	-	190	1,616	1,227	2,943	1,150	1,619	1,039	1,117
Contracted services	100,952	59,756	23,431	26,167	49,477	140,500	93,104	88,067	247,068	189,893
Office and equipment rental	65,104	76,941	92,118	86,761	99,176	123,574	158,778	148,149	139,623	83,473
Administrative	2,035,746	1,869,480	2,140,507	2,309,972	2,667,808	2,578,220	2,865,300	2,915,142	3,932,311	5,489,489
Trade and sales development	184,528	188,894	200,500	209,900	165,955	172,765	174,973	196,164	611,926	135,343
Media advertising	195,766	190,661	225,363	232,608	311,184	327,641	354,200	238,775	221,857	290,079
Production	24,222	21,774	33,424	41,061	74,566	23,768	39,581	55,459	55,766	140,011
Safety/Environmental	23,299	23,651	26,732	28,007	43,037	45,881	29,398	35,440	67,510	172,324
General	25,752	8,965	185,250	92,943	23,172	32,841	8,799	672,234	8,695	36,661
	<u>\$ 13,830,284</u>	<u>\$ 17,835,428</u>	<u>\$ 15,378,025</u>	<u>\$ 15,891,293</u>	<u>\$ 19,469,477</u>	<u>\$ 20,715,616</u>	<u>\$ 23,263,150</u>	<u>\$ 25,435,988</u>	<u>\$ 31,727,131</u>	<u>\$ 38,042,089</u>
Hurricane Harvey related repairs	-	-	-	-	-	-	233,054	963,247	2,361,711	727,590
Depreciation	\$ 13,381,562	\$ 13,738,571	\$ 12,024,981	\$ 12,310,557	\$ 12,822,653	\$ 13,140,057	\$ 13,377,640	\$ 14,149,761	\$ 14,661,500	\$ 18,156,728
<b>Non-Operating Expenses:</b>										
Other:										
Interest	\$ 392,699	\$ (51,908)	\$ 16,986	\$ 535	\$ 2,030,505	\$ 2,973,844	\$ 3,650,348	\$ 7,697,446	\$ 13,002,641	\$ 12,838,761
Bond issuance expenses	-	-	-	-	1,139,597	-	-	1,993,237	-	-
Contributions to Harbor Bridge commitment	-	-	-	-	-	1,885,410	1,287,176	1,786,441	1,517,492	771,278
Other	-	9,646,400	102,957	-	8,829,882	3,067,638	4,846,936	3,061,064	3,000,636	820,008
	<u>\$ 392,699</u>	<u>\$ 9,594,492</u>	<u>\$ 119,943</u>	<u>\$ 535</u>	<u>\$ 11,999,984</u>	<u>\$ 7,926,892</u>	<u>\$ 9,784,460</u>	<u>\$ 14,538,188</u>	<u>\$ 17,520,769</u>	<u>\$ 14,430,047</u>

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Financial Performance Indicators  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenues (OR)	\$ 52,279,852	\$ 62,432,414	\$ 77,467,953	\$ 82,159,445	\$ 93,421,855	\$ 83,021,962	\$ 95,541,093	\$ 105,780,128	\$ 128,242,786	\$ 160,135,601
Operating Expenses (OE) *	(35,187,721)	(40,557,109)	(33,522,081)	(39,259,158)	(40,939,888)	(42,151,256)	(44,562,840)	(51,333,496)	(61,494,932)	(68,492,233)
Net Operating Income (NOI)	17,092,131	21,875,305	43,945,872	42,900,287	52,481,967	40,870,706	50,978,253	54,446,632	66,747,854	91,643,368
Non-Operating Revenues	764,922	501,769	574,271	563,005	746,088	1,337,104	2,564,788	19,835,802	22,890,422	11,761,460
Non-Operating Expenses	(469,988)	(9,594,492)	(119,943)	(535)	(11,999,984)	(7,926,892)	(9,784,460)	(14,538,188)	(17,520,769)	(14,430,047)
Net Income "A" (NI"A")	17,387,065	12,782,582	44,400,200	43,462,757	41,228,071	34,280,918	43,758,581	59,744,246	72,117,507	88,974,781
Depreciation	(12,165,114)	(13,738,571)	(12,024,981)	(12,310,557)	(12,822,653)	(13,140,057)	(13,377,640)	(14,149,761)	(14,661,500)	(18,156,728)
Net Income (Loss) "B" (NI"B")	\$ 5,221,951	\$ (955,989)	\$ 32,375,219	\$ 31,152,200	\$ 28,405,418	\$ 21,140,861	\$ 30,380,941	\$ 45,594,485	\$ 57,456,007	\$ 70,818,053
Net Capital Assets (NCA) **	\$ 310,154,387	\$ 205,249,468	\$ 236,941,202	\$ 241,815,700	\$ 297,825,250	\$ 296,380,248	\$ 321,263,212	\$ 386,505,892	\$ 387,829,832	\$ 497,460,868
Total Assets (TA)	\$ 383,387,219	\$ 398,840,431	\$ 435,235,356	\$ 485,074,255	\$ 625,138,463	\$ 677,119,779	\$ 724,780,324	\$ 993,775,538	\$1,080,903,075	\$ 1,122,647,245

**Operating Indicators:**

Operating ROI (NOI/NCA)	5.51%	10.66%	18.55%	17.74%	17.62%	13.79%	15.87%	14.09%	17.21%	18.42%
Operating Margin (NOI/OR)	32.69%	35.04%	56.73%	52.22%	56.18%	49.23%	53.36%	51.47%	52.05%	57.23%
Operating Ratio (OE/OR)	67.31%	64.96%	43.27%	47.78%	43.82%	50.77%	46.64%	48.53%	47.95%	42.77%

**Other ROI Indicators:**

ROI "A" (NI"A"/TA)	4.54%	3.20%	10.20%	8.96%	6.60%	5.06%	6.04%	6.01%	6.67%	7.93%
ROI "B" (NI"B"/TA)	1.36%	-0.24%	7.44%	6.42%	4.54%	3.12%	4.19%	4.59%	5.32%	6.31%

\* - Excludes Depreciation

\*\* - Excludes Construction in Progress

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

**Port Commerce By Commodity  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Commodity By Port Division - Short tons</b>										
<b>Inner Harbor</b>										
Break Bulk	122,055	214,010	62,310	133,938	238,695	248,471	389,264	451,029	427,205	209,976
Grain	4,183,095	2,563,535	2,972,973	4,068,716	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667
Chemical	58,377	58,066	41,198	99,979	135,841	105,512	99,706	106,263	116,909	113,285
Dry Bulk	2,821,831	2,317,603	2,805,899	3,639,556	3,834,620	3,548,129	2,798,319	2,868,385	3,509,844	3,060,048
Liquid Bulk	533,543	554,336	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806
Crude	19,004,324	19,675,302	27,725,999	35,619,488	40,612,622	28,619,578	25,910,096	28,167,840	34,643,867	46,723,682
Petroleum	40,442,243	40,718,504	40,091,495	42,653,836	42,714,963	45,396,299	44,977,499	47,263,872	44,260,511	40,664,756
<b>Total</b>	<b>67,165,468</b>	<b>66,101,356</b>	<b>74,175,660</b>	<b>86,709,363</b>	<b>91,513,625</b>	<b>82,519,884</b>	<b>79,866,496</b>	<b>81,973,612</b>	<b>85,455,841</b>	<b>95,026,220</b>
<b>La Quinta</b>										
Break Bulk	-	-	3,551	105,282	111,346	85,069	163,313	170,135	139,143	67,210
Chemical	1,685,331	1,907,946	1,910,564	2,105,444	1,822,132	2,095,329	2,258,959	2,279,158	2,304,539	2,300,418
Dry Bulk	5,817,275	5,585,549	6,078,632	5,518,508	4,448,951	3,357,428	4,311,854	4,085,546	4,056,812	4,019,507
Crude	-	-	-	-	-	-	-	-	-	-
Petroleum	41,750	25,319	14,228	23,906	17,370	23,548	34,454	217,530	6,911,738	8,772,603
<b>Total</b>	<b>7,544,356</b>	<b>7,518,814</b>	<b>8,006,975</b>	<b>7,753,140</b>	<b>6,399,799</b>	<b>5,561,374</b>	<b>6,768,580</b>	<b>6,752,369</b>	<b>13,412,232</b>	<b>15,159,738</b>
<b>Ingleside</b>										
Break Bulk	175,551	175,287	263,119	31,458	58,348	12,271	2,020	67	25,628	47,016
Dry Bulk	4,615	10,742	829	5,274	2,804	345	4,383	273	-	-
Crude	4,630,072	3,445,503	4,871,560	5,891,206	4,904,927	5,982,277	15,733,332	17,497,170	23,258,262	49,335,388
Petroleum	700,757	1,511,714	1,556,391	195,976	598,584	216,184	15,913	13,861	18,466	144,626
<b>Total</b>	<b>5,510,995</b>	<b>5,143,247</b>	<b>6,691,899</b>	<b>6,123,914</b>	<b>5,564,664</b>	<b>6,211,077</b>	<b>15,755,648</b>	<b>17,511,371</b>	<b>23,302,356</b>	<b>49,527,030</b>
<b>Rincon Point</b>										
Break Bulk	9,025	1,669	-	-	-	-	1,124	54	-	-
Grain	31,726	15,312	11,235	1,600	-	-	-	-	-	-
Dry Bulk	48,647	25,790	5,835	-	-	-	-	-	-	51
<b>Total</b>	<b>89,398</b>	<b>42,771</b>	<b>17,070</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>1,124</b>	<b>54</b>	<b>-</b>	<b>51</b>
<b>Total</b>	<b>80,310,217</b>	<b>78,806,188</b>	<b>88,891,604</b>	<b>100,588,017</b>	<b>103,478,088</b>	<b>94,292,335</b>	<b>102,391,848</b>	<b>106,237,406</b>	<b>122,170,429</b>	<b>159,713,039</b>
<b>Commodity Totals - Short tons</b>										
Break Bulk	306,631	390,966	328,980	270,678	408,389	345,811	555,721	621,285	591,976	324,202
Grain	4,214,821	2,578,847	2,984,208	4,070,316	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667
Chemical	1,743,708	1,966,012	1,951,762	2,205,423	1,957,973	2,200,842	2,358,665	2,385,421	2,421,448	2,413,703
Dry Bulk	8,692,368	7,939,684	8,891,195	9,163,338	8,286,375	6,905,901	7,114,556	6,954,204	7,566,656	7,079,606
Liquid Bulk	533,543	554,336	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806
Crude	23,634,396	23,120,805	32,597,560	41,510,694	45,517,549	34,601,855	41,643,428	45,665,010	57,902,129	96,059,070
Petroleum	41,184,750	42,255,537	41,662,114	42,873,718	43,330,918	45,636,031	45,027,866	47,495,263	51,190,715	49,581,985
<b>Total</b>	<b>80,310,217</b>	<b>78,806,188</b>	<b>88,891,604</b>	<b>100,588,017</b>	<b>103,478,088</b>	<b>94,292,335</b>	<b>102,391,848</b>	<b>106,237,406</b>	<b>122,170,429</b>	<b>159,713,039</b>

PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS

Port Commerce By Commodity  
Last Ten Years

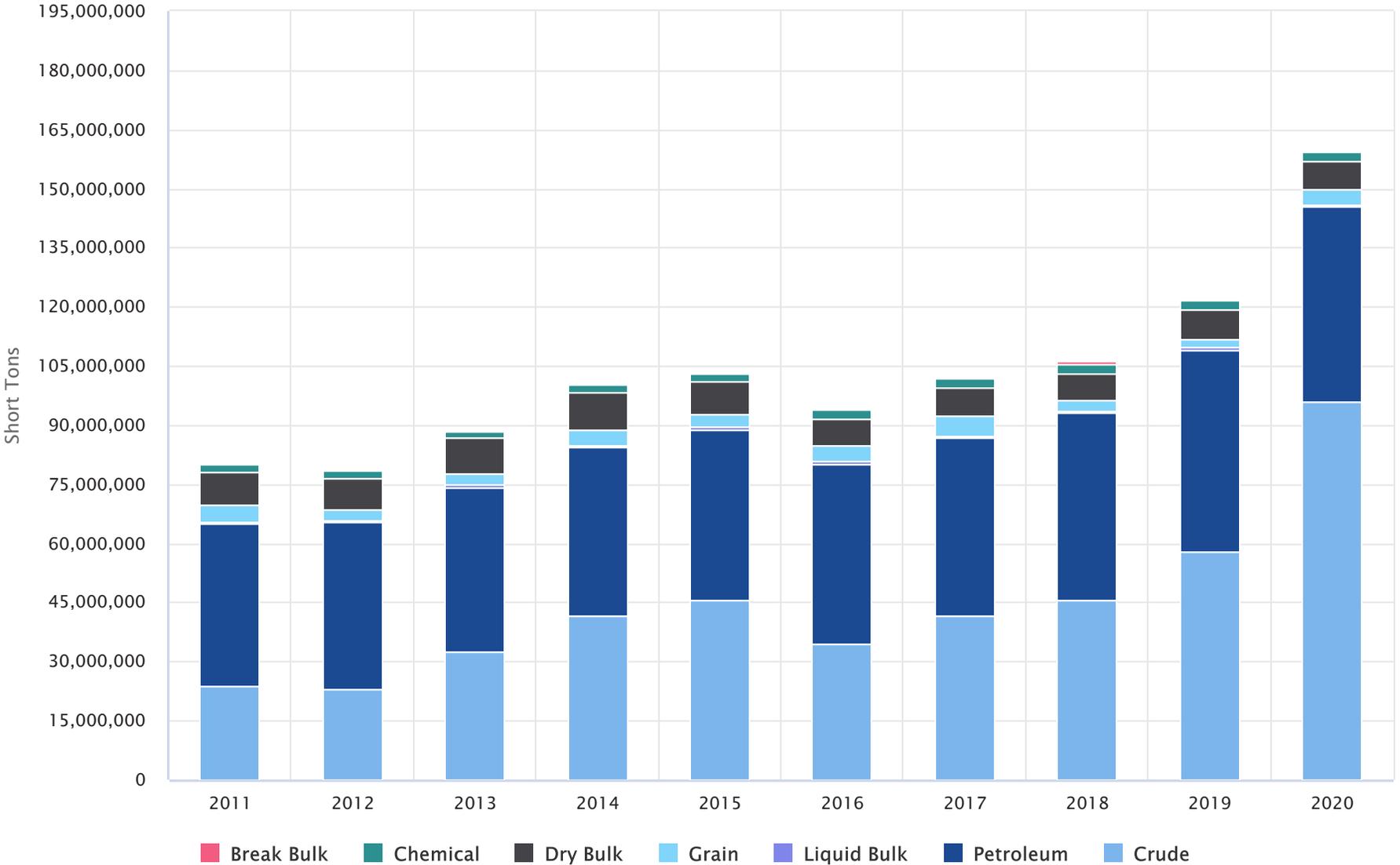


TABLE 6 (Unaudited)

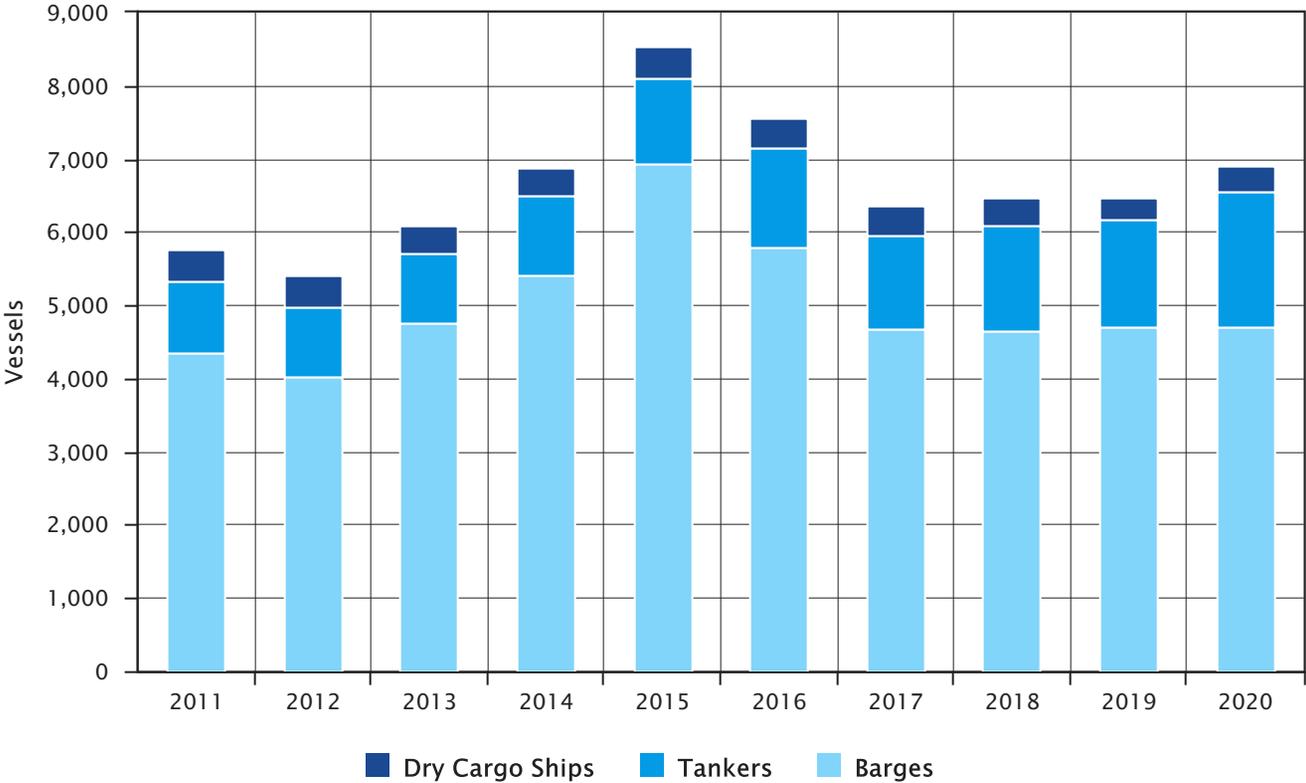
**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**

**Vessel Traffic  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Inner Harbor</b>										
<b>Ships</b>										
Dry Cargo	280	226	224	223	283	293	280	200	228	202
Tankers	780	760	873	986	1,143	1,039	1,110	1,151	1,140	1,160
<b>Barges</b>	3,878	4,580	5,087	6,475	5,479	4,478	4,153	4,304	4,452	4,288
<b>Total Vessels</b>	4,938	5,566	6,184	7,684	6,905	5,810	5,543	5,655	5,820	5,650
<b>La Quinta Harbor</b>										
<b>Ships</b>										
Dry Cargo	117	114	125	130	104	88	102	70	67	103
Tankers	101	116	114	130	124	140	167	136	249	255
<b>Barges</b>	90	59	88	101	118	80	346	321	398	362
<b>Total Vessels</b>	308	289	327	361	346	308	615	527	714	720
<b>Harbor Island</b>										
<b>Ships</b>										
Dry Cargo	-	-	-	-	-	-	-	4	48	41
Tankers	-	-	5	-	-	-	-	-	-	1
<b>Barges</b>	1	-	2	-	-	-	-	-	8	5
<b>Total Vessels</b>	1	-	7	-	-	-	-	4	56	47
<b>Ingleside Harbor</b>										
<b>Ships</b>										
Dry Cargo	42	37	29	60	31	35	12	19	4	17
Tankers	75	65	94	70	89	89	169	185	198	422
<b>Barges</b>	51	123	225	353	190	124	142	75	81	52
<b>Total Vessels</b>	168	225	348	483	310	248	323	279	283	491
<b>Rincon Point</b>										
<b>Barges</b>	2	2	6	-	-	-	1	2	-	1
<b>Total Vessels</b>	2	2	6	-	-	-	1	2	-	1
<b>Total</b>										
<b>Ships</b>										
Dry Cargo	439	377	378	413	418	416	394	293	347	363
Tankers	956	941	1,086	1,186	1,356	1,268	1,446	1,472	1,587	1,838
<b>Barges</b>	4,022	4,764	5,408	6,929	5,787	4,682	4,642	4,702	4,939	4,708
<b>Total Vessels</b>	5,417	6,082	6,872	8,528	7,561	6,366	6,482	6,467	6,873	6,909

PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS

Vessel Traffic  
Last Ten Years



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

**Tariff Rates  
Last Ten Years**

	U/M	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Wharfage Rates</b>											
All Cargo NOS	W/M	\$2.8900	\$3.0400	\$3.1000	\$3.2200	\$3.3100	\$3.3900	\$3.4500	\$3.5800	\$3.6500	\$3.7200
Dry Bulk	S/T	\$1.0500	\$1.2500	\$1.2800	\$1.3300	\$1.3700	\$1.4000	\$1.4300	\$1.4800	\$1.5100	\$1.5400
Liquid Bulk	BRL	\$0.0839	\$0.0883	\$0.0901	\$0.0937	\$0.0965	\$0.0987	\$0.1005	\$0.1041	\$0.1061	\$0.1084
Beans, Lentils & Peas	S/T	\$0.5800	\$0.6100	\$0.6200	\$0.6400	\$0.6600	\$0.6700	\$0.6900	\$0.7100	\$0.7200	\$0.7400
Cotton	Bale	\$0.5100	\$0.5400	\$0.5500	\$0.5700	\$0.5900	\$0.6000	\$0.6100	\$0.6300	\$0.6600	\$0.6600
Grain and Grain Products	S/T	\$1.3100	\$1.3800	\$1.4100	\$1.4700	\$1.5100	\$1.5500	\$1.5700	\$1.6400	\$1.6700	\$1.7100
Grain and Grain Products (bulk)	S/T	\$0.2600	\$0.2700	\$0.2800	\$0.2900	\$0.3000	\$0.3100	\$0.3200	\$0.3300	\$0.3400	\$0.3500
Iron and Steel Articles	S/T	\$1.8800	\$1.9800	\$2.0200	\$2.1000	\$2.1600	\$2.2100	\$2.2500	\$2.3300	\$2.3800	\$2.4300
Machinery, agricultural	S/T	\$2.8900	\$3.0400	\$3.1000	\$3.2200	\$3.3310	\$3.3900	\$3.4500	\$3.5800	\$3.6500	\$3.7200
Machinery, grading, earth moving	S/T	\$2.8900	\$3.0400	\$3.1000	\$3.2200	\$3.3100	\$3.3900	\$3.4500	\$3.5800	\$3.6500	\$3.7200
Military Cargo	S/T	\$5.4300	\$5.7200	\$5.8400	\$6.0700	\$6.2500	\$6.3900	\$6.5200	\$6.7600	\$6.8900	\$7.0400
Milk, dehydrated	S/T	\$1.5300	\$1.6100	\$1.6400	\$1.7100	\$1.7600	\$1.8000	\$1.8300	\$1.9000	\$1.9400	\$1.9800
Passengers	Person	\$5.0500	\$5.5300	\$5.6400	\$5.8600	\$6.0300	\$6.1700	\$6.2800	\$6.5100	\$6.6400	\$6.7800
Power Generation/Plant Equipment	S/T	\$2.8800	\$3.0300	\$3.1000	\$3.2200	\$3.3100	\$3.3900	\$3.4500	\$3.5800	\$3.6500	\$3.7200
Refrigerated Cargo	S/T	\$1.3100	\$1.3800	\$1.4100	\$1.4700	\$1.5100	-	-	-	-	-
Rice and Rice Products	S/T	\$1.3100	\$1.3800	\$1.4100	\$1.4700	\$1.5100	\$1.5500	\$1.6900	\$1.7500	\$1.7900	\$1.8200
Sand, aggregates, caliche, limestone	S/T	\$1.0500	\$1.2500	\$1.2800	\$1.3300	\$1.3700	\$1.4000	\$1.4300	\$1.4800	\$1.5100	\$1.5400
Vegetable oil	S/T	\$1.2700	\$1.3400	\$1.3700	\$1.4200	\$1.4600	\$1.5000	\$1.5200	\$1.5800	\$1.6100	\$1.6400
Vehicles	S/T	\$4.9800	\$5.2400	\$5.3500	\$5.5600	\$5.7200	\$5.8500	\$5.9600	\$6.1800	\$6.3000	\$6.4300
Vessels, pressure	S/T	\$3.5700	\$3.7600	\$3.8400	\$3.9900	\$4.1100	\$4.2000	\$4.2800	\$4.4300	\$4.5200	\$4.6200
<b>Dockage Rates</b>											
General Cargo											
Vessels											
0-199	Feet	\$2.39	\$2.52	\$2.57	\$2.67	\$2.75	\$2.81	\$2.86	\$2.97	\$3.02	\$3.09
200-399	Feet	\$3.14	\$3.31	\$3.38	\$3.51	\$3.61	\$3.70	\$3.75	\$3.90	\$3.97	\$4.06
400-499	Feet	\$4.44	\$4.67	\$4.76	\$4.95	\$5.10	\$5.21	\$5.31	\$5.50	\$5.60	\$5.73
500-599	Feet	\$5.97	\$6.28	\$6.41	\$6.66	\$6.86	\$7.01	\$7.15	\$7.41	\$7.55	\$7.72
600-699	Feet	\$6.83	\$7.19	\$7.34	\$7.63	\$7.85	\$8.03	\$8.17	\$8.48	\$8.64	\$8.83
700-799	Feet	\$8.80	\$9.26	\$9.45	\$9.83	\$10.12	\$10.35	\$10.52	\$10.91	\$11.12	\$11.36
800-899	Feet	\$10.60	\$11.16	\$11.39	\$11.84	\$12.19	\$12.47	\$12.69	\$13.15	\$13.41	\$13.70
900-999	Feet	\$12.66	\$13.33	\$13.60	\$14.14	\$14.56	\$14.89	\$15.16	\$15.71	\$16.01	\$16.36
1000-1099	Feet	-	-	-	-	-	-	-	-	\$20.90	\$21.35
Over 1100	Feet	-	-	-	-	-	-	-	-	\$25.79	\$26.35
Barges - Inland Waterway	Feet	\$126.64	\$133.30	\$136.01	\$150.00	\$154.41	\$157.93	\$157.93	\$166.61	\$169.84	\$173.51
Bulk Terminal	GRT	\$0.42	\$0.44	\$0.45	\$0.47	\$0.48	\$0.49	\$0.50	\$0.52	\$0.53	\$0.53
Liquid Bulk	DWT	See Dry/Liquid									
Vessels											
Barges											
0-200 Feet	Barge	\$126.64	\$133.30	\$136.01	\$150.00	\$154.41	\$157.93	\$160.77	\$166.61	\$169.84	\$173.51
201-361 Feet	Barge	\$126.64	\$133.30	\$136.01	\$225.00	\$231.62	\$236.90	\$241.16	\$249.91	\$254.76	\$260.27
360 +	Barge	See Dry/Liquid									
<b>Harbor Safety Fee<sup>2</sup></b>											
Ships	Ship	\$2,032.00	\$2,032.00	\$2,032.00	\$1,153.00	\$1,153.00	\$1,153.00	\$1,153.00	\$1,446.00	\$1,446.00	\$1,477.23
Barges	Barge	\$230.00	\$230.00	\$230.00	\$132.00	\$132.00	\$132.00	\$132.00	\$166.00	\$166.00	\$169.59
<b>Security Surcharge Fee<sup>1</sup></b>											
		7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	10.0%	10.0%	10.0%

(1) Security surcharge fee is calculated on wharfage and dockage billings

(2) Harbor Safety Fees include fireboat fees and a marine patrol fee implemented in 2010

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

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Ten Largest Customers  
December 31, 2020 and**
**WHARFAGE and DOCKAGE REVENUE:**

Customer	2020			2011		
	Wharfage and Dockage Revenue	Rank	%	Wharfage and Dockage Revenue	Rank	%
MODA Ingleside Energy Center LLC	\$ 14,170,051	1	28.99%	\$ -	1	0.00%
Nu Star Logistics	11,302,130	2	23.12%	2,036,497	4	5.40%
Valero	8,646,278	3	17.69%	9,272,737	3	
Flint Hills	7,086,058	4	14.50%	4,970,161	2	13.18%
Citgo	6,186,886	5	12.66%	7,229,969		
Corpus Chritsti Liquefaction	5,943,503	6	12.16%			
Buckeye Texas Hub LLC	4,397,560	7	9.00%			
voestalpine	3,101,655	8	6.35%		8	
Promar Agency LTD	3,050,058	9	6.24%			
Max Shipping, Inc.	2,781,001	10	5.69%	882,359		2.34%
Biehl & Company	-			1,066,886	5	2.83%
Equistar	-			780,319	6	2.07%
Dix-Fairway Terminals	-			710,015	7	1.88%
Boyd/Campbell Co Inc	-			682,041	9	1.81%
Port Corpus Terminal, Inc	-			626,820	10	1.66%
Subtotal (10 largest)	66,665,180		65.75%	28,257,804		74.96%
Other	27,984,004		34.25%	9,438,933		25.04%
Total	\$ 94,649,184		100.00%	\$ 37,696,737		100.00%

**TONNAGE:**

Customer	2020			2011		
	Tonnage	Rank	%	Tonnage	Rank	%
Moda	37,101,766	1	22.62%			
Valero	19,257,419	2	11.74%	23,253,364	1	28.95%
Citgo	18,297,672	3	11.16%	23,547,612	2	29.32%
Nu Star Logistics	15,306,230	4	9.33%	2,640,415	5	3.29%
Flint Hills	14,213,087	5	8.67%	12,632,429	3	15.73%
Buckeye Texas Hub LLC	10,839,036	6	6.61%			
Corpus Chritsti Liquefaction	8,650,289	7	5.27%			
EPIC Corpus Christi Marine Terminal	4,916,116	8	3.00%			
South Texas Gateway Terminal	4,800,228	9	2.93%			
POTAC LLC	4,290,225	10	2.62%			
Sherwin Alumina Company LP	-			5,817,275	4	7.24%
ADM/Growmark River System, Inc.	-			2,428,772	6	3.02%
Interstate Grain Port Terminal	-			1,749,357	7	2.18%
Equistar	-			1,152,646	8	1.44%
Occidental Chemical Corp.	-			1,699,239	9	2.12%
Koch Gatering Systems Inc	-			1,020,576	10	1.27%
Subtotal (10 largest)	137,672,069		83.95%	75,941,686		94.56%
Other	22,040,971		16.05%	4,368,531		5.44%
Total	159,713,040		100.00%	80,310,217		100.00%

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

**Ratios of Outstanding Debt  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue Bonds	\$ 7,250,000	\$ -	\$ -	\$ -	\$ 115,000,000	\$ 110,640,000	\$ 106,245,000	\$ 309,325,000	\$ 304,795,000	\$ 298,160,000
Bond Premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,117,024	\$ 16,243,611	\$ 15,370,382
Capital Leases	521	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 7,250,521	\$ -	\$ -	\$ -	\$ 115,000,000	\$ 110,640,000	\$ 106,245,000	\$ 326,442,024	\$ 321,038,611	\$ 313,530,382
Per Capita	\$ 185	\$ -	\$ -	\$ -	\$ 2,711	\$ 2,736	\$ 2,500	\$ 7,474	\$ 7,112	\$ 6,721
Percent of Personal Income	0.05%	0.00%	0.00%	0.00%	0.63%	0.64%	0.58%	1.74%	1.66%	1.57%

Details regarding the Authority's outstanding debt can be found in Note 7 of the Notes to the Financial Statements. See Table 11, schedule of Demographic and Economic Statistics for personal income and population data.

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

**Pledged Revenue Bond Coverage  
Last Ten Years**

Year	Gross Revenues (1)	Maintenance and Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	63,068,438	36,591,098	26,477,340	1,265,000	408,405	1,673,405	15.82
2012	62,934,183	40,557,109	22,377,074	-	-	-	-
2013	78,042,224	33,522,081	44,520,143	-	-	-	-
2014	82,722,450	39,259,158	43,463,292	-	-	-	-
2015	93,903,115	40,939,888	52,963,227	-	2,115,973	2,115,973	-
2016	84,052,194	42,151,256	41,900,938	4,360,000	4,139,948	8,499,948	4.93
2017	97,336,565	44,329,786	53,006,779	4,395,000	4,105,722	8,500,722	6.24
2018	108,637,047	51,333,496	57,303,551	4,450,000	7,138,292	11,588,292	4.94
2019	132,872,595	61,494,932	71,377,663	4,530,000	13,803,917	18,333,917	3.89
2020	162,163,465	68,492,233	93,671,232	6,635,000	13,701,629	20,336,629	4.61

(1) Gross revenues represent operating revenues, other than insurance reimbursements, and includes interest income not related to bond proceeds

(2) Operating expenses represent maintenance and operating, and general and administrative expenses and any other operating expenses paid in cash, excluding depreciation

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

**Demographic and Economic Statistics  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population (1)	407,721	413,199	419,080	423,313	427,621	428,953	428,445	428,697	429,024	429,048
Personal Income-(in thousands) (1)	\$ 15,944,465	\$ 16,708,972	\$ 17,377,659	\$ 18,206,109	\$ 18,141,476	\$ 17,346,555	\$ 18,209,181	\$ 18,724,313	\$ 19,366,168	\$ 20,014,759
Per Capita Personal Income (1)	\$ 39,106	\$ 40,438	\$ 41,466	\$ 43,009	\$ 42,424	\$ 40,439	\$ 42,501	\$ 43,677	\$ 45,140	\$ 46,649
Unemployment rate (2)	8.30%	6.70%	6.30%	5.30%	5.20%	5.90%	5.80%	4.90%	4.30%	9.28%

## Source:

(1) Estimates of population from the Bureau of Economic Analysis for the Corpus Christi, TX Metropolitan Statistical Area consisting of Aransas, Nueces and San Patricio counties

(2) Bureau of Labor Statistics

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Principal Employers  
December 31, 2020 and 2011**

Employer	2020			2011		
	Number of Employees	Rank	Percent of Total MSA Employment	Number of Employees	Rank	Percent of Total MSA Employment
Corpus Chirsti ISD	5,888	1	3.26%	5,178	2	2.53%
Corpus Christi Naval Air Station	4,600	2	2.55%	2,822	6	1.38%
H.E.B.	3,840	3	2.13%	5,144	3	2.51%
Corpus Christi Army Depot	3,400	4	1.88%	5,800	1	2.83%
CHRISTUS Spohn Heath Systems	3,000	5	1.66%	5,000	4	2.44%
City of Corpus Christi	2,963	6	1.64%	3,171	5	1.55%
Bay, Ltd	2,750	7	1.52%	2,100	7	1.03%
Driscoll Children's Hospital	2,512	8	1.39%	1,800	8	0.88%
Kiewit Offshore Service	1,750	9	0.97%			0.00%
Corpus Christi Medical Center	1,620	10	0.90%	1,300	10	0.64%
Del Mar College				1,542	9	0.75%
<b>Total</b>	<b>32,323</b>		<b>17.90%</b>	<b>33,857</b>		<b>16.54%</b>

## Source:

Employers and Number of Employees provided by Corpus Christi Regional Economic and Development Corporation  
Corpus Christi, Texas MSA Employment provided by <http://www.deptofnumbers.com>

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Employees by Function  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Operations:</b>										
Bulk Terminal Facility	17	18	22	23	22	21	22	22	22	20
Harbormaster's Office	9	9	9	8	9	10	10	10	10	10
Maintenance	45	45	38	40	43	44	45	42	46	48
Police Department	46	44	43	48	48	48	49	47	54	56
	117	116	112	119	122	123	126	121	132	134
<b>Administration:</b>										
Chief Executive Officer	-	-	-	-	-	-	-	2	2	2
Executive Director	2	2	2	3	2	3	3	3	-	-
Deputy Port Director	4	2	-	-	-	-	-	-	-	-
Chief Operating Officer	-	2	2	2	2	2	2	1	2	2
Chief Commercial Officer	-	-	-	-	2	2	2	3	-	-
Chief External Affairs Officer	-	-	-	-	-	-	-	1	2	3
Chief Financial Officer	2	2	2	2	2	1	3	3	2	2
Planning	-	-	-	-	-	-	-	3	4	5
Government Affairs	1	1	1	1	1	1	1	2	2	2
Human Resources	5	5	5	5	6	6	6	7	6	6
Business Development	3	3	4	4	5	5	5	3	1	3
Communication & Community Relations	3	3	3	4	7	6	5	7	8	7
Property & Industrial Development	3	3	3	3	3	4	4	4	5	5
Accounting	8	8	10	9	10	10	12	13	16	20
Procurement	-	-	-	-	-	3	3	2	4	3
Risk Management	-	-	-	-	2	2	2	3	3	3
Safety Management	-	-	-	1	2	2	2	2	2	4
Emergency Management	-	-	-	-	-	1	1	1	2	3
Information Technology	6	7	6	8	13	13	12	12	14	14
Engineering	8	8	10	13	16	20	20	18	18	19
Environmental Planning & Compliance	4	4	4	6	5	4	5	6	9	10
Operations	4	4	5	4	4	1	4	4	6	5
	53	54	57	65	82	86	92	100	108	118
	170	170	169	184	204	209	218	221	240	252

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Harbor divisions	6	6	6	6	6	6	6	6	6	6
Turning basins	5	5		5	5	7	7	7	7	7
Corpus Christi Ship Channel (miles)	35	35	35	35	35	37	37	37	37	37
Authorized channel draft (feet)	45	54	54	54	54	54	54	54	54	54
General cargo docks	8	8	8	7	7	7	7	8	8	9
Covered docks	3	3	3	3	3	3	3	3	3	3
Open docks	2	2	2	2	2	4	4	5	5	6
Special public use dock	1	1	1	1	1	1	1	1	1	1
Covered storage (square feet)	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000
Dockside rail access (docks)	4	4	4	4	4	4	4	4	4	4
Roll-on/ Roll-off ramps	1	1	1	1	1	1	1	1	1	1
Liquid bulk docks	11	11	11	11	12	13	13	15	15	15
Ship	6	6	6	6	6	7	7	8	8	8
Barge	5	5	5	6	6	6	6	7	7	7
Bulk material docks	2	2	2	2	2	2	2	2	2	2
Unloading Crane	1	1	1	1	1	1	1	1	1	1
Unloading rate per hour (short tons)	600	600	600	600	600	600	600	600	600	1,200
Radial ship loaders	1	1	1	1	1	1	1	1	1	1
Loading rate per hour (short tons)	1,500	1,500	1,500	1,500	36,530	1,500	1,500	1,500	1,500	1,500
Layberth facilities/docks	3	3	3	3	3	3	2	2	2	2
Intermodal terminal	1	1	1	1	1	1	1	1	1	1
Open storage (acres)	28	28	30	30	30	35	35	35	35	50
Container handling machines	2	2	2	2	0	0	0	0	0	0
Bagging facilities	2	2	2	2	2	2	2	2	2	2
Grain	1	1	1	1	1	1	1	1	1	1
General purpose	1	1	1	1	1	1	1	1	1	1
Grain elevator	1	1	1	1	1	1	1	1	1	1
Bushel capacity (bushels)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	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	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	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	80,000	80,000	80,000	80,000	80,000
Cotton warehouses	1	1	1	1	1	1	1	1	1	1
Covered storage (square feet)	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Meeting banquet center	1	1	1	1	1	1	1	1	1	1
Meeting rooms	5	5	5	5	5	5	5	5	5	5
Banquet hall	1	1	1	1	1	1	1	1	1	1
Outdoor plaza	1	1	1	1	1	1	1	1	1	1
Indoor square feet (approximate)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Outdoor square feet (approximate)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Industrial parks	1	1	1	1	1	1	1	1	1	1
Acreage	318	318	318	318	285	285	285	285	285	285
Barge canals	2	2	2	2	2	2	2	2	2	2
Land										
Submerged (acres)	18,750	18,750	18,750	17,770	17,770	18,062	18,062	18,062	18,062	18,062
Emergded (acres)	6,250	6,250	6,256	5,822	7,286	7,383	7,384	10,379	10,379	10,379
Dredge Placement Areas	4,688	4,688	4,688	4,688	4,974	4,974	4,974	5,391	5,391	5,391
Open storage/development(acres)	2,400	2,400	2,400	2,400	2,312	2,409	2,410	2,410	2,410	2,410
Railroads										
Railway(miles)	37	42	42	43	45	48	48	48	48	48
Security Cmmnand Center	1	1	1	1	1	1	1	1	1	1
Naval Station Ingleside										
Land-emergded (acres)	483	480	-	-	-	-	-	-	-	-
Land-submerged (acres)	429	429	-	-	-	-	-	-	-	-
Wharfs and piers (linear feet)	4,050	3,450	-	-	-	-	-	-	-	-
Buildings-office/classrooms, barracks, warehouse (sq ft)	788,367	781,217	-	-	-	-	-	-	-	-

**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 (Overfunded)		Annual Covered Payroll	UAAL As a Percentage of Covered Payroll
				Actuarial Accrued Liability (UAAL)			
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%
2009	20,143,863	24,899,158	80.9%	4,755,295		11,397,962	41.7%
2010	21,744,295	26,372,629	82.5%	4,628,334		11,840,675	39.1%
2011	28,148,929	28,169,728	99.9%	20,799		10,531,666	0.2%
2012	29,524,708	29,044,854	101.7%	(479,854)		10,982,221	-4.4%
2013	31,917,556	30,786,850	103.7%	(1,130,706)		11,312,022	(10.0%)
2014	34,405,338	34,812,267	98.8%	406,929		11,816,386	3.4%
2015	37,078,189	37,973,188	97.6%	894,999		13,992,927	6.4%
2016	49,403,922	50,304,319	98.2%	900,397		14,240,462	6.3%
2017	53,168,854	53,575,938	99.2%	407,084		15,259,672	2.7%
2018	56,237,943	57,275,460	98.2%	1,037,517		16,358,433	6.3%
2019	60,414,259	61,946,713	97.5%	1,532,454		17,998,705	8.5%

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Schedule of Insurance in Force  
December 31, 2020**

<b>Details of Coverage</b>	<b>Policy Period</b>	<b>Deductible</b>	<b>Liability Limits</b>
All Risk Property	04/01/20-2021	\$4,000,000/\$100,000	\$ 100,000,000
Federal Flood Insurance	Varies	1,250	Varies
Boiler and Machinery	04/01/20-2021	5,000	100,000,000
Business Auto Liability	10/01/20-2021	5,000/10,000	1,000,000
Foreign Liability-Travel Accident & Sickness	n/a	n/a	n/a
Firebarge Hull & Machinery	10/01/20-2021	25,000	6,441,859
29' Safeboat Hull & Machinery			
31' Safeboat Hull & Machinery			
Other Boats & Motors	10/01/20-2021	25,000	varies
General Liability/Marine	10/01/20-2021	50,000	20,000,000
Cyber Liability	10/01/20-2021	25,000	3,000,000
Errors and Omissions Liability	10/01/20-2021	10,000	5,000,000/10,000,000
Law Enforcement Liability	10/01/20-2021	10,000	5,000,000/10,000,000
Employee Fidelity (Crime) Bond	10/01/20-2021	25,000	1,000,000
Public Officials Bonds (8)	Varies	-	5,000
Workers' Compensation	12/31/20 -2021	-	Statutory/1,000,000
Terrorism	04/01/20-2021	10,000	100,000,000
Foreign Liability-Kidnap & Ransom	10/01/20-2021	-	10,000,000/25,000,000
Mobile Equipment	10/01/20-2021	1,000	2,302,215
Active Shooter	10/01/20-2021	-	1,000,000

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

**Miscellaneous Statistical Data  
December 31, 2020**

<b>Date of Incorporation:</b>	1922		
<b>Form of Government:</b>	A public corporation and political subdivision of the State of Texas		
<b>Number of Employees:</b>	252		
<b>Geographic Location:</b>	Southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican Border		
<b>Area:</b>	9934 - Emergent acres 18,346 - Submerged acres		
<b>Population:</b>		<b>City of</b>	<b>Nueces</b>
	<b>Year</b>	<b>Corpus Christi</b>	<b>County</b>
		<b>San Patricio</b>	<b>County</b>
	1920	10,522	22,807
	1930	27,741	51,779
	1940	57,301	92,661
	1950	108,053	165,471
	1960	167,690	221,573
	1970	204,525	237,544
	1980	232,119	268,215
	1990	256,632	296,527
	2000	277,454	313,645
	2010	305,215	340,223
<b>Elevation:</b>	Sea level to 85 feet, average 35 feet		
<b>Tidal Data:</b>			
<b>Average Water Level:</b>			
Inner Harbor	+ 0.36 Mean Lower Low Water (MLLW)		
<b>Tidal Range:</b>			
Inner Harbor	Insignificant		
Aransas Pass	1.5 feet		
<b>Aerial Clearance:</b>			
Harbor Bridge	138 feet (42.10 M)		
<b>Temperature:</b>	Annual Average - 72.15°		
	Average Low- 62.8°		
	Average High- 81.5°		
<b>Average Seasonal Rainfall:</b>	31.8		

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

**Miscellaneous Statistical Data  
December 31, 2020**

**Public Docks:**

Bulk liquid	15- Main Harbor
Bulk liquid	1- Ingleside
Dry cargo	9- Main Harbor
Dry cargo	1- Rincon
Bulk materials	2- Main Harbor
	<u>28</u>

**Private Docks:**

Bulk liquid	- Citgo	7- Main Harbor	
	- Eagle Ford Terminals Corpus Christi, LLC	1- Main Harbor	
	- Equistar	1- Main Harbor	
	- EPIC Crude Terminal Company, LP	1- Main Harbor	
	- Flint Hills	3- Main Harbor	
	- Flint Hills	2- Ingleside	
	- NuStar	1- Main Harbor	
	- Buckeye	5- Main Harbor	
	- South Texas Gateway Terminal	2- Main Harbor	
	- Valero	6- Main Harbor	
	- Moda Ingleside Energy Center, LLC	7- Ingleside	
	- Occidental Chemical	2- LaQuinta	
	- Cheniere	2- LaQuinta	
	Dry cargo	- Bay Inc.	2- Main Harbor
		- Heldenfels	1- Main Harbor
- Texas Lehigh Cement		1- Main Harbor	
- Fordyce		1- Main Harbor	
- Tor Minerals International, Inc.		1- Rincon	
- Gulf Copper Harbor Island		1- Harbor Island	
- Gulf Marine Fabricators		1- Ingleside	
- Kiewit Offshore Services, Inc.		1- LaQuinta	
- Subsea <sup>7</sup>		1- LaQuinta	
- voestalpine		1- LaQuinta	
- Signet Maritime	1- Jewell Fulton		
Bulk materials	- ADM/Growmark	1- Main Harbor	
	- Vulcan Materials	1- Main Harbor	
	- Sherwin Alumina Site	2- La Quinta	
		<u>56</u>	



# CONTINUING BOND DISCLOSURE



» As a global pandemic swept through the region, Port of Corpus Christi Maintenance and Operations staff distributed hand sanitizer to frontline workers in 142 organizations.



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

**Port Commerce By Commodity  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Commodity By Port Division -</b>									<b>Prior Lien</b>	<b>Table 1:</b>
<b>Short tons</b>									<b>Senior Lien</b>	<b>Table 1:</b>
<b>Inner Harbor</b>										
Break Bulk	122,055	214,010	62,310	133,938	238,695	248,471	389,264	451,029	427,205	209,976
Grain	4,183,095	2,563,535	2,972,973	4,068,716	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667
Chemical	58,377	58,066	41,198	99,979	135,841	105,512	99,706	106,263	116,909	113,285
Dry Bulk	2,821,831	2,317,603	2,805,899	3,639,556	3,834,620	3,548,129	2,798,319	2,868,385	3,509,844	3,060,048
Liquid Bulk	533,543	554,336	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806
Crude	19,004,324	19,675,302	27,725,999	35,619,488	40,612,622	28,619,578	25,910,096	28,167,840	34,643,867	46,723,682
Petroleum	40,442,243	40,718,504	40,091,495	42,668,836	42,714,963	45,396,299	44,977,499	47,263,872	44,260,511	40,664,756
<b>Total</b>	<b>67,165,468</b>	<b>66,101,356</b>	<b>74,175,660</b>	<b>86,724,363</b>	<b>91,513,625</b>	<b>82,519,884</b>	<b>79,866,496</b>	<b>81,973,612</b>	<b>85,455,841</b>	<b>95,026,220</b>
<b>La Quinta</b>										
Break Bulk	-	-	3,551	105,282	111,346	85,069	163,313	170,135	139,143	67,210
Chemical	1,685,331	1,907,946	1,910,564	2,105,444	1,822,132	2,095,329	2,258,959	2,279,158	2,304,539	2,300,418
Dry Bulk	5,817,275	5,585,549	6,078,632	5,518,508	4,448,951	3,357,428	4,311,854	4,085,546	4,056,812	4,019,507
Crude	-	-	-	-	-	-	-	-	-	-
Petroleum	41,750	25,319	14,228	23,906	17,370	23,548	34,454	217,530	6,911,738	8,772,603
<b>Total</b>	<b>7,544,356</b>	<b>7,518,814</b>	<b>8,006,975</b>	<b>7,753,140</b>	<b>6,399,799</b>	<b>5,561,374</b>	<b>6,768,580</b>	<b>6,752,369</b>	<b>13,412,232</b>	<b>15,159,738</b>
<b>Ingleside</b>										
Break Bulk	175,551	175,287	263,119	31,458	58,348	12,271	2,020	67	25,628	47,016
Dry Bulk	4,615	10,742	829	5,274	2,804	345	4,383	273	-	-
Crude	4,630,072	3,445,503	4,871,560	5,891,206	4,904,927	5,982,277	15,733,332	17,497,170	23,258,262	49,335,388
Petroleum	700,757	1,511,714	1,556,391	195,976	598,584	216,184	15,913	13,861	18,466	144,626
<b>Total</b>	<b>5,510,995</b>	<b>5,143,247</b>	<b>6,691,899</b>	<b>6,123,914</b>	<b>5,564,664</b>	<b>6,211,077</b>	<b>15,755,648</b>	<b>17,511,371</b>	<b>23,302,356</b>	<b>49,527,030</b>
<b>Rincon Point</b>										
Break Bulk	9,025	1,669	-	-	-	-	1,124	54	-	-
Grain	31,726	15,312	11,235	1,600	-	-	-	-	-	-
Dry Bulk	48,647	25,790	5,835	-	-	-	-	-	-	51
<b>Total</b>	<b>89,398</b>	<b>42,771</b>	<b>17,070</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>1,124</b>	<b>54</b>	<b>-</b>	<b>51</b>
<b>Total</b>	<b>80,310,217</b>	<b>78,806,188</b>	<b>88,891,604</b>	<b>100,588,017</b>	<b>103,478,088</b>	<b>94,292,335</b>	<b>102,391,848</b>	<b>106,237,406</b>	<b>122,170,429</b>	<b>159,713,039</b>
<b>Commodity Totals - Short tons</b>										
Break Bulk	306,631	390,966	328,980	270,678	408,389	345,811	555,721	621,285	591,976	324,202
Grain	4,214,821	2,578,847	2,984,208	4,070,316	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667
Chemical	1,743,708	1,966,012	1,951,762	2,205,423	1,957,973	2,200,842	2,358,665	2,385,421	2,421,448	2,413,703
Dry Bulk	8,692,368	7,939,684	8,891,195	9,163,338	8,286,375	6,905,901	7,114,556	6,954,204	7,566,656	7,079,606
Liquid Bulk	533,543	554,336	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806
Crude (1)	23,634,396	23,120,805	32,597,560	41,510,694	45,517,549	34,601,855	41,643,428	45,665,010	57,902,129	96,059,070
Petroleum (1)	41,184,750	42,255,537	41,662,114	42,873,718	43,330,918	45,636,031	45,027,866	47,495,263	51,190,715	49,581,985
<b>Total</b>	<b>80,310,217</b>	<b>78,806,188</b>	<b>88,891,604</b>	<b>100,588,017</b>	<b>103,478,088</b>	<b>94,292,335</b>	<b>102,391,848</b>	<b>106,237,406</b>	<b>122,170,429</b>	<b>159,713,039</b>

(1) Crude and Petroleum were reported in prior CAFRs under the single category of Petroleum

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

**Revenues by Source  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	Prior Lien Senior Lien	2019	2020
<b>Operating Revenues:</b>											
Wharfage	\$ 27,410,252	\$ 31,293,692	\$ 35,688,217	\$ 42,288,896	\$ 45,779,919	\$ 42,337,275	\$ 46,948,819	\$ 50,487,100		\$ 63,467,357	\$ 77,700,556
Dockage	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,520	15,310,185		17,676,236	16,948,628
Security fees	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385		11,299,077	13,003,968
Freight handling	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418		3,437,356	2,843,281
Rail Charges	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814		3,426,169	2,741,835
Building and land rentals	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803		21,566,430	19,729,444
Conference center services	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419		1,903,112	440,071
Warehouse handling charges	368,950	-	-	-	-	-	-	-		-	-
FTZ user fees	302,750	301,250	253,917	222,500	207,667	224,000	225,000	241,833		247,000	238,000
Dredge placement fees	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638	436,910		1,500	8,567,899
Cost sharing agreements	-	-	-	-	-	-	-	-		-	13,758,035
Other	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524		3,681,585	4,163,884
Insurance proceeds, Hurricane Harvey	-	-	-	-	-	-	1,033,235	163,737		1,536,964	-
	<u>\$ 58,698,961</u>	<u>\$ 62,432,414</u>	<u>\$ 77,467,953</u>	<u>\$ 82,159,445</u>	<u>\$ 93,421,855</u>	<u>\$ 83,021,962</u>	<u>\$ 95,308,039</u>	<u>\$ 105,780,128</u>		<u>\$ 128,242,786</u>	<u>\$ 160,135,601</u>
<b>Non-Operating Revenues:</b>											
Other:											
Investment income	\$ 467,494	\$ 163,804	\$ 283,544	\$ 341,754	\$ 518,374	\$ 1,184,692	\$ 2,417,838	\$ 4,807,322		\$ 7,974,561	\$ 3,835,652
Federal and other grant assistance	169,966	337,965	290,727	180,655	227,714	152,412	146,950	266,930		877,920	1,809,193
Contributions from Harbor											
Bridge commitment	-	-	-	-	-	-	-	14,761,551		14,037,941	6,116,615
Donation of personal property	4,500	-	-	-	-	-	-	-		-	-
Other	3,727,517	-	-	40,596	-	-	-	-		-	-
	<u>\$ 4,369,477</u>	<u>\$ 501,769</u>	<u>\$ 574,271</u>	<u>\$ 563,005</u>	<u>\$ 746,088</u>	<u>\$ 1,337,104</u>	<u>\$ 2,564,788</u>	<u>\$ 19,835,803</u>		<u>\$ 22,890,422</u>	<u>\$ 11,761,460</u>

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

**Expenses by Type  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	Prior Lien 2019	Table 3: 2020
<b>Operating Expenses:</b>										
Maintenance and Operation:										
Employee services	\$ 7,810,947	\$ 8,258,807	\$ 7,324,312	\$ 8,304,043	\$ 9,993,556	\$ 9,478,572	\$ 9,948,833	\$ 9,646,909	\$ 10,736,455	\$ 11,930,520
Maintenance	5,136,098	4,896,773	3,679,718	6,122,959	3,667,189	4,367,556	3,707,172	4,024,567	6,228,088	8,053,779
Utilities	2,327,822	1,735,122	902,342	1,004,905	1,073,706	980,564	936,770	910,486	917,987	795,718
Telephone	101,960	94,604	85,538	80,639	78,674	90,885	88,096	85,140	91,916	93,528
Insurance & claims	2,099,345	2,311,581	2,023,472	1,911,090	1,745,262	1,520,100	1,336,484	1,493,288	1,629,166	1,950,752
Professional services	1,415,731	1,771,323	974,998	2,422,320	864,991	1,160,192	914,565	4,219,869	3,297,467	2,684,827
Police expenses	14,233	24,006	14,435	16,461	31,320	1,552,251	1,736,658	59,019	55,740	39,229
Contracted services	1,897,144	1,633,668	1,336,574	1,277,137	1,334,780	149,847	142,769	2,265,625	2,578,594	2,874,314
Office and equipment rental	142,778	65,037	55,691	79,023	109,355	96,681	126,387	104,596	139,756	139,222
Operator and event expenses	1,538,092	1,678,367	1,427,944	1,547,155	1,624,343	1,712,280	1,825,207	1,789,206	1,667,343	721,927
Warehouse supplies	8,024	-	-	-	-	-	-	-	-	-
Safety/Environmental	83,442	77,086	98,478	107,859	70,797	84,493	87,427	83,477	88,682	69,872
General	185,198	175,307	220,554	494,274	876,438	242,219	216,267	252,079	385,576	368,866
	<u>\$ 22,760,814</u>	<u>\$ 22,721,681</u>	<u>\$ 18,144,056</u>	<u>\$ 23,367,865</u>	<u>\$ 21,470,411</u>	<u>\$ 21,435,640</u>	<u>\$ 21,066,635</u>	<u>\$ 24,934,261</u>	<u>\$ 27,816,770</u>	<u>\$ 29,722,554</u>
General and Administrative:										
Employee services	\$ 7,224,377	\$ 7,423,777	\$ 7,272,765	\$ 8,001,279	\$ 10,549,722	\$ 11,446,283	\$ 12,891,866	\$ 13,209,034	\$ 14,953,056	\$ 18,130,677
Maintenance	501,087	509,303	530,688	648,221	759,004	948,956	756,368	1,038,631	1,058,936	1,048,333
Utilities	194,864	171,122	149,405	159,148	160,630	162,490	173,577	162,957	159,358	131,960
Telephone	115,447	100,921	73,896	83,776	91,439	97,984	99,596	118,665	166,452	195,838
Insurance & claims	92,492	97,774	429,990	99,451	109,887	148,816	124,462	117,385	232,747	393,981
Professional services	3,046,566	7,092,409	3,993,766	3,870,383	4,363,193	4,462,954	5,491,998	6,438,267	9,870,787	11,602,910
Police expenses	82	-	190	1,616	1,227	233	1,150	1,619	1,039	1,117
Contracted services	100,952	59,756	23,431	26,167	49,477	143,210	90,680	88,067	247,068	189,893
Office and equipment rental	65,104	76,941	92,118	86,761	99,176	123,574	158,778	148,149	139,623	83,473
Administrative	2,035,746	1,869,480	2,140,507	2,309,972	2,667,808	2,578,220	2,865,300	2,915,142	3,932,311	5,489,489
Trade and sales development	184,528	188,894	200,500	209,900	165,955	172,765	174,973	196,164	611,926	135,343
Media advertising	195,766	190,661	225,363	232,608	311,184	327,641	354,200	238,775	221,857	290,079
Production	24,222	21,774	33,424	41,061	74,566	23,768	39,581	55,459	55,766	140,011
Safety/Environmental	23,299	23,651	26,732	28,007	43,037	45,881	29,398	35,440	67,510	172,324
General	25,752	8,965	185,250	92,943	23,172	32,841	8,799	672,234	8,695	36,661
	<u>\$ 13,830,284</u>	<u>\$ 17,835,428</u>	<u>\$ 15,378,025</u>	<u>\$ 15,891,293</u>	<u>\$ 19,469,477</u>	<u>\$ 20,715,616</u>	<u>\$ 23,260,726</u>	<u>\$ 25,435,988</u>	<u>\$ 31,727,131</u>	<u>\$ 38,042,089</u>
Hurricane Harvey related repairs	-	-	-	-	-	-	233,054	963,247	2,361,711	727,590
Depreciation	\$ 13,381,562	\$ 13,738,571	\$ 12,024,981	\$ 12,310,557	\$ 12,822,653	\$ 13,140,057	\$ 13,377,640	\$ 14,149,761	\$ 14,661,500	\$ 18,156,728
<b>Non-Operating Expenses:</b>										
Interest	\$ 392,699	\$ (51,908)	\$ 16,986	\$ 535	\$ 2,030,505	\$ 2,973,844	\$ 3,650,348	\$ 7,697,446	\$ 13,002,641	\$ 12,838,761
Bond issuance expenses	-	-	-	-	1,139,597	-	-	1,993,237	-	-
Contributions to Harbor	-	-	-	-	-	-	-	-	-	-
Bridge commitment	-	-	-	-	-	1,885,410	1,287,176	1,786,441	1,517,492	771,278
Other	-	9,646,400	102,957	-	8,829,882	3,067,638	4,846,936	3,061,064	3,000,636	820,008
	<u>\$ 392,699</u>	<u>\$ 9,594,492</u>	<u>\$ 119,943</u>	<u>\$ 535</u>	<u>\$ 11,999,984</u>	<u>\$ 7,926,892</u>	<u>\$ 9,784,460</u>	<u>\$ 14,538,188</u>	<u>\$ 17,520,769</u>	<u>\$ 14,430,047</u>

**OPERATING LEASES**

The Authority leases to others certain land and improvements, and these leases are classified as operating leases. As of December 31, 2020 minimum lease revenues under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending	
2021	\$ 23,956,521
2022	19,283,714
2023	17,932,593
2024	17,350,780
2025	14,870,831
Thereafter	92,294,205
<b>Total</b>	<b>\$ 185,688,644</b>

**CAPITAL LEASES**

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 La Quinta 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	Totals
2021	\$ 457,040
2022	457,040
2023	457,040
2024	457,040
2025	457,040
Thereafter	4,090,845
<b>Total</b>	<b>\$ 6,376,045</b>

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

**Changes in Net Position  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
									<b>Prior Lien Senior Lien</b>	<b>Table 6: Table 3:</b>
<b>Revenues</b>										
Operating revenues:										
Wharfage	\$ 27,410,252	\$ 31,293,692	\$ 35,688,217	\$ 42,288,896	\$ 45,779,919	\$ 42,337,275	\$ 46,948,820	\$ 50,487,100	\$ 63,467,357	\$ 77,700,556
Dockage	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519	15,310,185	17,676,236	16,948,628
Security fees	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385	11,299,077	13,003,968
Freight handling	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418	3,437,356	2,843,281
Rail Charges	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814	3,426,169	2,741,835
Building and land rentals	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803	21,566,430	19,729,444
Conference center services	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419	1,903,112	440,071
Warehouse handling charges	368,950	-	-	-	-	-	-	-	-	-
FTZ user fees	302,750	301,250	253,917	222,500	207,667	224,000	225,000	241,833	247,000	238,000
Dredge placement fees	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638	436,910	1,500	8,567,899
Cost sharing agreements	-	-	-	-	-	-	-	-	-	13,758,035
Other	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524	3,681,585	4,163,884
Insurance proceeds, Hurricane Harvey	-	-	-	-	-	-	1,266,289	163,737	1,536,964	-
Total operating revenues	58,698,961	62,432,414	77,467,953	82,159,445	93,421,855	83,021,962	95,541,093	105,780,128	128,242,786	160,135,601
Investment income	467,494	163,804	283,544	341,754	518,374	1,184,692	2,417,838	4,807,322	7,974,561	3,835,652
Federal and other grant assistance	169,966	337,965	290,727	180,655	227,714	152,412	146,950	266,930	877,920	1,809,193
Contributions from Harbor Bridge	-	-	-	-	-	-	-	-	-	-
Commitment	-	-	-	-	-	-	-	14,761,551	14,037,941	6,116,615
Donation of personal property	4,500	-	-	-	-	-	-	-	-	-
Gain on disposal of assets	3,727,517	-	-	40,596	-	-	-	-	-	-
Total Revenues	63,068,438	62,934,183	78,042,224	82,722,450	94,167,943	84,359,066	98,105,881	125,615,931	151,133,208	171,897,061
<b>Expenses</b>										
Operating expenses:										
Maintenance and operations	22,760,814	22,721,681	18,144,056	23,367,865	21,470,411	21,435,640	21,066,636	24,934,261	27,804,966	29,722,554
General and administrative	13,830,284	17,835,428	15,378,025	15,891,293	19,469,477	20,715,616	23,263,150	25,435,988	31,328,255	38,042,089
Hurricane Harvey related repairs	-	-	-	-	-	-	-	233,054	963,247	2,361,711
Depreciation	13,381,562	13,738,571	12,024,981	12,310,557	12,822,653	13,140,057	13,377,640	14,149,761	14,661,500	18,156,728
Total operating expenses	49,972,660	54,295,680	45,547,062	51,569,715	53,762,541	55,291,313	57,940,480	65,483,257	76,156,432	86,648,961
Interest expense and fiscal charges	392,699	(51,908)	16,986	535	2,030,505	2,973,844	3,650,348	7,697,096	13,002,641	12,838,761
Bond issuance costs	-	-	-	-	1,139,597	-	-	1,993,587	-	-
Fiscal payments to subrecipients	-	128,730	-	-	-	-	-	-	-	-
Contributions to Harbor Bridge Commitment	-	-	-	-	-	1,885,410	1,287,176	1,786,180	1,517,492	771,278
Contributions to other government agencies	-	-	-	-	3,000,000	3,000,000	4,415,092	3,000,261	3,000,000	-
Loss on disposal of assets	-	9,517,670	102,957	-	5,829,882	67,638	3,590	61,064	636	820,008
Loss on impairment of capital assets	-	-	-	-	-	-	428,254	-	-	-
Total Expenses	50,365,359	63,890,172	45,667,005	51,570,250	65,762,525	63,218,205	67,724,940	80,021,445	93,677,201	101,079,008
Income (Loss) Before Contributions	12,703,079	(955,989)	32,375,219	31,152,200	28,405,418	21,140,861	30,380,941	45,594,486	57,456,007	70,818,053
Capital Contributions	5,402,273	5,663,315	5,842,850	8,307,361	7,245,620	12,835,396	5,536,616	3,720,722	2,536,407	1,429,850
Changes in Net Position	18,105,352	4,707,326	38,218,069	39,459,561	35,651,038	33,976,257	35,917,557	49,315,208	59,992,414	72,247,903
Total Net Position, Beginning of Year	353,800,874	359,516,002	364,223,328	402,441,397	441,900,958	475,716,348	509,692,605	545,610,162	593,987,920	653,980,334
Cumulative Effect of Change in Accounting	-	-	-	-	-	-	-	-	-	-
Principle	-	-	-	-	1,835,648	-	-	937,450	-	-
Prior Period Adjustment	(12,390,224)	-	-	-	-	-	-	-	-	-
Total Net Position, End of Year	\$ 359,516,002	\$ 364,223,328	\$ 402,441,397	\$ 441,900,958	\$ 475,716,348	\$ 509,392,605	\$ 545,610,162	\$ 593,978,920	\$ 653,980,334	\$ 726,228,237
<b>Net Position at Year End</b>										
Net investment in capital assets	\$ 321,702,644	\$ 233,275,383	\$ 261,007,827	\$ 281,071,728	\$ 275,753,812	\$ 293,717,449	\$ 371,714,369	\$ 394,001,657	\$ 448,258,573	485,531,630
Restricted	1,924,226	252,763	32,683	35,522	36,153,709	36,031,915	21,222,100	23,479,447	24,756,790	27,697,524
Unrestricted	35,889,132	130,695,182	141,400,887	160,793,708	163,808,827	179,943,241	152,673,693	176,506,817	180,964,971	212,999,083
Total Net Position	\$ 359,516,002	\$ 364,223,328	\$ 402,441,397	\$ 441,900,958	\$ 475,716,348	\$ 509,692,605	\$ 545,610,162	\$ 593,987,921	\$ 653,980,334	\$ 726,228,237

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

**Debt Service  
Requirements**

Fiscal Year Ended 12/31	Prior Lien Bonds Debt Service	Senior Lien Revenue Bonds Series 2018A			Senior Lien Revenue Bonds Series 2018B			Total Debt Service
		Principal	Interest	Total	Principal	Interest	Total	
2021	\$ 8,500,421	\$ 1,595,000	\$ 4,594,950	\$ 6,189,950	\$ 2,230,000	\$ 5,181,638	\$ 7,411,638	\$ 22,102,009
2022	8,503,096	1,675,000	4,515,200	6,190,200	2,300,000	5,111,794	7,411,794	22,105,090
2023	8,499,491	1,755,000	4,431,450	6,186,450	2,375,000	5,037,780	7,412,780	22,098,721
2024	8,498,662	1,845,000	4,343,700	6,188,700	2,455,000	4,958,978	7,413,978	22,101,340
2025	8,502,199	1,935,000	4,251,450	6,186,450	2,540,000	4,874,157	7,414,157	22,102,806
2026	8,499,250	2,035,000	4,154,700	6,189,700	2,630,000	4,783,860	7,413,860	22,102,810
2027	8,500,912	2,135,000	4,052,950	6,187,950	2,725,000	4,686,577	7,411,577	22,100,439
2028	8,501,049	2,245,000	3,946,200	6,191,200	2,830,000	4,584,416	7,414,416	22,106,665
2029	8,498,426	2,355,000	3,833,950	6,188,950	2,935,000	4,476,905	7,411,905	22,099,281
2030	8,499,863	2,475,000	3,716,200	6,191,200	3,050,000	4,361,002	7,411,002	22,102,065
2031	8,499,034	2,595,000	3,592,450	6,187,450	3,175,000	4,237,507	7,412,507	22,098,991
2032	8,501,449	2,725,000	3,462,700	6,187,700	3,305,000	4,107,364	7,412,364	22,101,513
2033	8,499,352	2,860,000	3,326,450	6,186,450	3,440,000	3,970,239	7,410,239	22,096,041
2034	8,502,283	3,005,000	3,183,450	6,188,450	3,585,000	3,825,794	7,410,794	22,101,527
2035	8,499,319	3,155,000	3,033,200	6,188,200	3,760,000	3,651,025	7,411,025	22,098,544
2036	-	3,280,000	2,907,000	6,187,000	3,945,000	3,467,725	7,412,725	13,599,725
2037	-	3,445,000	2,743,000	6,188,000	4,135,000	3,275,406	7,410,406	13,598,406
2038	-	3,620,000	2,570,750	6,190,750	4,340,000	3,073,825	7,413,825	13,604,575
2039	-	3,800,000	2,389,750	6,189,750	4,550,000	2,862,250	7,412,250	13,602,000
2040	-	3,990,000	2,199,750	6,189,750	4,780,000	2,634,750	7,414,750	13,604,500
2041	-	4,190,000	2,000,250	6,190,250	5,015,000	2,395,750	7,410,750	13,601,000
2042	-	4,400,000	1,790,750	6,190,750	5,270,000	2,145,000	7,415,000	13,605,750
2043	-	4,620,000	1,570,750	6,190,750	5,530,000	1,881,500	7,411,500	13,602,250
2044	-	4,850,000	1,339,750	6,189,750	5,810,000	1,605,000	7,415,000	13,604,750
2045	-	5,090,000	1,097,250	6,187,250	6,100,000	1,314,500	7,414,500	13,601,750
2046	-	5,345,000	842,750	6,187,750	6,405,000	1,009,500	7,414,500	13,602,250
2047	-	5,615,000	575,500	6,190,500	6,725,000	689,250	7,414,250	13,604,750
2048	-	5,895,000	294,750	6,189,750	7,060,000	353,000	7,413,000	13,602,750
	\$ 127,504,806	\$ 92,530,000	\$ 80,761,000	\$ 173,291,000	\$ 113,000,000	\$ 94,556,492	\$ 207,556,492	\$ 508,352,298

Totals are rounded to the nearest dollar

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

**Historical Debt Service Coverage  
Last Ten Years**

Year	Gross Revenues (1)	Maintenance and Operating Expenses(2)	Net Revenues Available for Debt Service	Debt Service Requirements			Annual Debt Service Coverage	Senior Lien	Table 6:
				Principal	Interest	Total		Average Annual Debt Service(3)	Average Annual Debt Service Coverage
2011	63,068,438	36,591,098	26,477,340	1,265,000	408,405	1,673,405	15.82	1,671,259	15.84
2012	62,934,183	40,557,109	22,377,074	-	-	-	-	-	-
2013	78,042,224	33,522,081	44,520,143	-	-	-	-	-	-
2014	82,722,450	39,259,158	43,463,292	-	-	-	-	-	-
2015	93,903,115	40,939,888	52,963,227	-	2,115,973	2,115,973	25.03	8,500,323	6.23
2016	84,052,194	42,151,256	41,900,938	4,360,000	4,139,948	8,499,948	4.93	8,500,343	4.93
2017	97,336,565	44,329,786	53,006,779	4,395,000	4,105,722	8,500,722	6.24	8,500,322	6.24
2018	108,637,047	51,333,496	57,303,551	4,450,000	7,138,292	11,588,292	4.94	18,234,095	3.14
2019	132,872,595	61,494,932	71,377,663	4,530,000	13,803,917	18,333,917	3.89	18,230,653	3.92
2020	162,163,465	68,492,233	93,671,232	6,635,000	13,701,629	20,336,629	4.61	18,155,439	5.16

(1) Gross revenues represent operating revenues, other than insurance reimbursements, and includes interest income not related to bond proceeds

(2) Operating expenses represent maintenance and operating, and general and administrative expenses and any other operating expenses paid in cash, excluding depreciation

(3) Average Annual Remaining Debt Service as of the end of the fiscal year

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Projected Operating Results and Debt Service Coverage  
Next Four Years**

	Prior Lien			Table 7:
	2021	2022	2023	2024
<b>Operating Revenues:</b>				
Wharfage	\$ 71,132,252	\$ 74,688,865	\$ 78,423,308	\$ 82,344,473
Dockage	17,762,974	18,651,123	19,583,679	20,562,863
Security	12,428,830	13,050,272	13,702,785	14,387,924
Freight handling	3,358,810	3,526,751	3,703,088	3,888,242
Rail charges	2,784,000	2,923,200	3,069,360	3,222,828
Building and land rentals	21,706,248	22,791,560	23,931,138	25,127,695
Conference center services	570,395	598,915	628,860	660,304
FTZ user fees	223,500	223,500	223,500	223,500
Dredge placement fees	5,837,311	1,500,000	1,500,000	1,500,000
Other revenue	3,461,693	3,634,778	3,816,517	4,007,342
<b>Total Operating Revenues</b>	<b>139,266,013</b>	<b>141,588,963</b>	<b>148,582,234</b>	<b>155,925,171</b>
<b>Operating Expenses:</b>				
Direct expenses, excluding depreciation	35,734,492	37,521,217	38,271,641	39,037,074
Indirect expenses, excluding depreciation	39,007,533	40,957,910	41,777,068	42,612,609
<b>Total Operating Expenses</b>	<b>74,742,025</b>	<b>78,479,127</b>	<b>80,048,709</b>	<b>81,649,683</b>
<b>Other Revenues (Expenses):</b>				
Investment Income, excluding proceeds on debt and funds reserved for debt service	500,000	1,125,000	1,250,000	875,000
<b>Total Other Revenues (Expenses)</b>	<b>500,000</b>	<b>1,125,000</b>	<b>1,250,000</b>	<b>875,000</b>
<b>Net Operating Revenues Available for Debt Service</b>	<b>\$ 65,023,988</b>	<b>\$ 64,234,836</b>	<b>\$ 69,783,525</b>	<b>\$ 75,150,489</b>
<b>Debt Service-Prior Lien</b>	<b>8,500,420</b>	<b>8,503,096</b>	<b>8,499,491</b>	<b>8,498,662</b>
<b>Debt Service-Senior Lien</b>	<b>13,601,588</b>	<b>13,601,994</b>	<b>13,599,230</b>	<b>13,602,678</b>
<b>Total Debt Service</b>	<b>\$ 22,102,008</b>	<b>\$ 22,105,090</b>	<b>\$ 22,098,721</b>	<b>\$ 22,101,340</b>
<b>Prior Lien Bond Debt Service Coverage</b>	<b>7.65</b>	<b>7.55</b>	<b>8.21</b>	<b>8.84</b>
<b>Total Bond Debt Service Coverage</b>	<b>2.94</b>	<b>2.91</b>	<b>3.16</b>	<b>3.40</b>

See Table 23 - Debt Service Requirements, for the debt service requirements on the bonds.

This table contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

The projected results shown in the table contain a high level of uncertainty due to the existing risk from the COVID-19 pandemic's impact on consumer and industry demand for finished products and crude oil exports, two groups of commodities that comprise a majority of the Authority's shipments. The Authority projects a significant retraction from 2019's record shipment and profitability levels to occur in the second quarter of 2020 and remain in place for the entire year, resulting in an average drop of 25% in quarters two through four. We expect an improvement in shipments and revenue in 2021 to something better than 2020 but less than 2019 levels, and a return to close to 2019 levels by 2022. The Authority will take prudent and necessary steps to control costs throughout the impacted time frame to levels that continue to allow for acceptable profitability and cash generation.

Prior Lien Table 9:**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). This is accounted for as an agent multiple-employer defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 781 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 Barton Oaks Plaza IV, Suite 500, 901 South MoPac Expressway, Austin, Texas 78746 or is available on their website at [www.tcdrs.org](http://www.tcdrs.org).

**Benefits Provided**

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 5 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 5 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. By law, employee accounts earn 7% interest. 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. At retirement, the employee's account is matched at a percentage adopted by the Authority's governing body and the current match is 200%. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments. Ad hoc post-employment benefit changes, including cost-of-living adjustments can be granted by the governing body of the Authority within guidelines of the TCDRS.

**Contributions**

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 as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

The actuarially determined rate for the calendar year 2020 was 4.38 percent, however the governing body of the Authority adopted the rate of 12 percent for calendar year 2020. 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 \$1,288,285 and \$2,208,489, respectively for the year ended December 31, 2020.

**Employees Covered by Benefit Terms**

At the measurement date, the following employees were covered by the benefit terms:

	<b>December 31, 2019</b>
Retirees or beneficiaries currently receiving benefits	126
Inactive employees entitled to but not yet receiving benefits	74
Active employees	234
	<u>434</u>

**Actuarial Assumptions**

The actuarial assumptions that determined the total net pension liability as of December 31, 2020 was based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB Statement 68.

The actuarial valuations were determined using the following actuarial assumptions:

Actuarial Valuation Date	<b>December 31, 2019</b>
Actuarial Cost Method	Individual Entry Age Normal
Long-term investment Rate of Return	8.10%
Discount Rate	8.10%
Inflation Rate	2.75%
Projected Salary Increase Rates:	
General Wage Inflation	3.25%
Merit, Promotion, Longevity	1.60%
Total Projected Salary Increase Rate	4.85%
Cost-of-Living Adjustment	0%
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately
Disability	Experience-based table with rates of disability ranging from .008% at age 28 to .27% at age 59; members who become disabled are eligible to commence benefit payments regardless of age
Mortality-for the actuarial valuation:	
Depositing members	90% of the RP-2014 Active Mortality Table, projected with 110% of the MP-2014 Ultimate scale after 2014
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

**Discount Rate**

The discount rate used to determine the total pension liability as of December 31, 2020 was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. This method reflects the funding requirements under the Authority’s funding policy and the legal requirements under the TCDRS Act as follows:

- 1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 year closed layered periods.
- 2) Under the TCDRS Act, the Authority is legally required to make the contribution specified in the funding policy.
- 3) The Authority’s assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the Authority is still required to contribute at least the normal cost.
- 4) Any increased cost due to the adoption of a cost-of living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system the fiduciary net position as a percentage of total pension liability is expected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability (asset) and net pension liability of the Authority is equal to the long-term assumed rate of return on investments of 8.10% for both years presented.

**Discount Rate Sensitivity Analysis**

The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower ( 7.10%) or one percentage point higher (9.10%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Net pension liability/ (asset)	\$ 6,554,450	\$ (506,182)	\$ (6,554,401)

**Long-Term Expected Rate of Return**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are based on January, 2020 information for a ten year time horizon. The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30 year time horizon, the most recent analysis was performed in 2017.

<b>Asset Class</b>	<b>Benchmark</b>	<b>Target Allocation (1)</b>	<b>Geometric Real Rate of Return (Expected Minus Inflation) (2)</b>
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	20.00%	8.20%
Global Equities	MSCI World (net) Index	2.50%	5.50%
International Equities- Developed Markets	MSCI World Ex USA (net)	7.00%	5.20%
International Equities- Emerging Markets	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	(0.20%)
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.00%	4.50%
Master Limited Partnerships	Alerian MLP Index	2.00%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.00%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.00%	2.30%

(1) Target Asset Allocation was adopted at the April, 2020 TCDRS Board meeting

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.80%, per Cliffwater's 2020 capital market assumptions

(3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS

Pension Plan  
December 31, 2020

**Net Pension Liability (Asset)**

The Net Pension Liability (Asset) is the difference between the Total Pension Liability and the plan's Fiduciary Net Position. For the year ended December 31, 2020, the Authority's Net Pension Liability (Asset) was measured as of December 31, 2019, and the Total Pension Liability was determined by an actuarial valuation as of that date.

The changes in net pension liability (asset) for the measurement date of December 31, 2019 based on the actuarial date of December 31, 2019 is reflected below:

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Position Liability/ (Asset)
Balances as of December 31, 2018	\$ 56,122,700	\$ 54,046,444	\$ 2,076,256
Changes for the Year:			
Service cost	1,737,142	-	1,737,142
Interest on total pension liability(1)	4,572,481	-	4,572,481
Effect of plan changes(2)	2,374,511	-	2,374,511
Effect of economic/demographic gains or losses	78,021	-	78,021
Refund of contributions	(103,383)	(103,383)	-
Benefit payments	(2,771,518)	(2,771,518)	-
Administrative expenses	-	(47,640)	47,640
Member contributions	-	1,259,909	(1,259,909)
Net investment income	-	8,875,863	(8,875,863)
Employer contributions	-	1,259,909	(1,259,909)
Other(3)	-	(3,448)	3,448
<b>Balances as of December 31, 2019</b>	<b>\$ 62,009,954</b>	<b>\$ 62,516,136</b>	<b>\$ (506,182)</b>

1) Reflects the change in the liability due to the time value of money

2) No plan changes valued

3) Relates to allocation of system-wide items

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**
**Pension Plan  
December 31, 2020**

For the year ended December 31, 2020 the Authority recognized pension expense as follows:

	<u>January 1, 2019 to December 31, 2019</u>
Service cost	\$ 1,737,142
Interest on total pension liability	4,572,481
Effect of plan changes	2,374,511
Administrative expenses	47,640
Member contributions	(1,259,909)
Expected investment return net of investment expenses	(4,361,632)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(23,839)
Recognition of assumption changes or inputs	110,390
Recognition of investment gains or losses	479,319
Other (allocated system-wide items)	3,448
<b>Pension expense</b>	<b>\$ 3,679,551</b>

For the year ended December 31, 2020 the Authority recorded deferred outflows and inflows of resources related to the pension as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 163,294	\$ 325,357
Changes of assumptions	181,443	-
Net difference between projected and actual earnings	-	1,509,306
Contributions made subsequent to measurement date	2,208,489	-
<b>Total</b>	<b>\$ 2,553,226</b>	<b>\$ 1,834,663</b>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,208,489 will be recognized as a reduction of the net pension liability (asset) for the measurement year ending December 31, 2020 (i.e. recognized in the Authority's financial statements December 31, 2021).

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2021	\$ (379,168)
2022	(480,495)
2023	256,980
2024	(887,243)
<b>Total</b>	<b>\$ (1,489,926)</b>

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

**Current Investments  
December 31, 2020**

**Prior Lien Table 10:**

**Senior Lien Table 4:**

**CASH MANAGEMENT**

The Authority's investments at December 31, 2020 are shown below:

Investment Type	2020		Weighted Average Maturity (Days)	Credit Risk
	Carrying Value	Fair Value		
Local government pool	65,876,439	65,876,439	1	AAA
Municipal Bonds	164,872,078	164,872,078	374	
United States agencies	44,974,014	44,974,014	946	
Total	275,722,531	275,722,531		
Short-term investments included in cash and cash equivalents	65,876,439	65,876,439		
<b>Equity in Total Investments</b>	<b>\$ 209,846,092</b>	<b>\$ 209,846,092</b>		
Portfolio Weighted Average Maturity			378	



# SINGLE AUDIT SECTION



» Tree for All  
Despite a pandemic, Port of Corpus Christi staff coordinated a drive-through holiday tree delivery for underserved communities at two locations.



**INDEPENDENT AUDITOR'S 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**

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**To the Port Commissioners  
Port of Corpus Christi Authority of Nueces County, Texas  
Corpus Christi, Texas**

We have audited, in accordance with the 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, the financial statements of the Port of Corpus Christi Authority of Nueces County, Texas (the "Authority") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 15, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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*.

**Port of Corpus Christi Authority of Nueces County, Texas Response to the Finding**

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
April 15, 2021

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### **Report on Compliance For Each Major Federal Program**

We have audited the Port of Corpus Christi Authority of Nueces County, Texas' (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2020. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 of our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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## Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
April 15, 2021

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weaknesses identified? [X] Yes \_\_\_ No
Significant deficiencies identified not considered
to be material weaknesses? \_\_\_ Yes [X] None reported
Noncompliance material to financial statements noted? \_\_\_ Yes [X] No

Federal Awards

Internal control over major programs:
Material weaknesses identified? \_\_\_ Yes [X] No
Significant deficiencies identified not considered
to be material weaknesses? \_\_\_ Yes [X] None reported
Type of auditor's report issued on compliance for
major programs Unmodified
Any audit findings disclosed that are required to
be reported in accordance with the Uniform
Guidance? \_\_\_ Yes [X] No

Identification of major federal programs:

CFDA Number
97.056

Name of Federal Program or Cluster
U.S. Department of Homeland Security
Port Security Grant Program

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_ Yes [X] No

# PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### 2020-001 Construction in Progress

Criteria: Generally accepted accounting principles require the reporting of all capital assets at their historical cost, which is depreciated in a systematic and rational manner. Likewise expenses that do not meet the definition of a capital asset should be expensed when incurred.

Condition/Cause: In prior years, the Authority capitalized certain costs in construction in progress that did not meet the definition of a capital asset.

Effect: A prior period adjustment was required to decrease the beginning balance of construction in process and beginning net position as of January 1, 2020 in the amount of \$12,390,224.

Recommendation: We recommend the Authority implement additional controls over the review process related to capitalizing construction in progress to ensure amounts are properly capitalized or expensed as required by generally accepted accounting principles.

Views of Responsible Officials: We concur. We are in the process of implementing additional controls to ensure the proper reporting of the Authority's construction in progress balances.

### SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

### SECTION IV STATE AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

### SECTION V STATUS OF PRIOR YEAR FINDINGS

None reported.

**PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b>Federal Assistance</b>			
U.S. Department of Homeland Security			
Direct Programs			
Port Security Grant #18	97.056	EMW-2018-PU-00171	\$ 235,229
Port Security Grant #19	97.056	EMW-2019-PU-00375	1,267,511
<b>Total U.S. Department of Homeland Security</b>			<b>1,502,740</b>
<b>Total Direct Programs</b>			<b>1,502,740</b>
U.S. Department of Homeland Security			
Passed through Office of the Texas Governor-Division of Emergency Management			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DR 4332	1,157,715
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DR 4332	70,611
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DR 4332	51,546
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DR 4332	44,998
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DR 4332	41,141
<b>Total U.S. Department of Homeland Security</b>			<b>1,366,011</b>
<b>Total Passed Through Programs</b>			<b>1,366,011</b>
<b>Total Federal and passed through assistance</b>			<b>2,868,751</b>
<b>State Assistance</b>			
Office of the Texas Governor-Division of Emergency Management			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	1,289
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	1,052
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	1,556
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	7,781
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	1,458
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	3,621
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	1,036
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	4,515
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	1,036
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	8,314
Disaster Grants-Public Assistance (Presidentially Declared Disasters)		DR 4332	637
<b>Total Office of the Texas Governor-Division of Emergency Management</b>			<b>32,295</b>
Texas Department of Transportation			
Construction at Intersection of Joe Fulton International Trade Corridor		CSJ0916-35-220	337,445
Construction of Truck Queuing Lane at Joe Fulton International Trade Corridor		CSJ0916-35-221	552
<b>Total Texas Department of Transportation</b>			<b>337,997</b>
<b>Total State Assistance</b>			<b>370,292</b>
<b>Total Federal, State and passed through assistance</b>			<b>\$ 3,239,043</b>

**PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE**  
**AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020**

1. **General**

The accompanying Schedule of Expenditures of Federal/State Awards presents the activity of all Federal and State financial assistance programs of the 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 government agencies is included on the schedule, as well as all State assistance.

2. **Basis of Accounting**

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

3. **De-Minimis Indirect Cost Rate**

The Authority did not use the 10% De-Minimis Indirect Cost Rate for the year ended December 31, 2020.

4. **Subrecipients**

The Authority did not pass through Federal or State assistance to any subrecipient during the year ended December 31, 2020.



