ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

For the year ended 12.31.22

The Port of Corpus Christi celebrated the Centennial of its formation in 2022, marking the 100th anniversary of its establishment after voters decided to create Nueces County Navigation District No. 1.

PORT CORPUS CHRISTI®

Annual Comprehensive Financial Report

Port of Corpus Christi Authority
of Nueces County, Texas

For the Year Ended December 31, 2022

Prepared by the Finance Department

Kent A Britton
Chief Financial Officer

INTRODUCTORY SECTION

A locomotive that is part of Watco's newest short line, the Texas Coastal Bend Railroad, sits in the foreground from the Port of Corpus Christi's Executive Administration Building on August 2, 2022. The equipment is part of Watco's five-locomotive investment to serve multiple customers along the 63-mile line within the Port of Corpus Christi.

PORT CORPUS CHRISTI®

April 5, 2022

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, 2022. 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, and record growth for the past six consecutive years.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls 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, 2022. 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 an enterprise and 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 and Diversity, Equity, Inclusion & Accessibility initiatives. 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 monthly basis and presented in an open Commission meeting for public review 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. Among other things, it contains a detailed description of the Authority's views on both the micro and macro-economic conditions under which we operate.

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 fully authorized and funded deepening and widening project. The Authority's port facilities are part of the Port of Corpus Christi complex. The Authority, formed in 1922, 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 independent 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 is a separate and distinct governmental entity and operates independently of the local municipalities and counties with its own governing body called the Port Authority Commission ("Port Commission"). The Port Commission is comprised of seven commissioners, each who serve staggered terms of three years without pay. At least one appointment is made to the Port 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 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 nearly 300 highly trained individuals in a variety of key roles, including engineering services, environmental planning and compliance, police operations and emergency management, maintenance, bulk material handling, harbormaster operations, accounting and finance, risk management, long range planning, real estate, and talent development / human resources. The Authority, however, is responsible for generating far more employment throughout the region and the state. The most recent study of the Authority's economic impact by the South Texas Economic Development Center at Texas A&M University Corpus Christi revealed port customer operations were directly and indirectly responsible for nearly 100,000 jobs, or one-third of the total jobs in the region.

The Authority plays an active role in shaping public policy in both the maritime and energy industries. Authority staff and commissioners hold key positions on various commissions, committees, and advisory boards across the region, the State of Texas, and at a national level with a focus on innovations in responsible energy development and freight mobility. Active participation in numerous trade associations, including the recent election of the Authority's Chief Executive Officer as Chairman of the Board of the American Association of Port Authorities, help shape supportive policy by informing and ensuring that elected officials, legislators, stakeholders, and regulators have the data-driven information they need to make policy 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 and other forms of freight transportation.

The Authority is a "landlord" Port Authority, whereby it owns land, develops land, and leases land and facilities to third parties across a broad spectrum of industrial sectors. The Authority is also the primary non-federal sponsor of the Corpus Christi Ship Channel. 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 a large portfolio of area for the placement of dredged material. 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 Authority are owned by, and operated exclusively for, the various refineries, petrochemical plants, crude oil terminals, dry bulk facilities, an LNG export terminal, and other industries that line the Corpus Christi Ship Channel and the La Quinta Channel. A listing of the public and private docks by type is included in the Statistical Section of the Authority's ACFR.

The Authority derives revenue from nearly all facilities, public and private, along the Corpus Christi and La Quinta Ship Channels. Since 2019, the authority has overseen the opening of new public or private docks for South Texas Gateway, Pin Oak Terminals, EPIC Midstream, South Texas Cement, Gulf Coast Growth Ventures, and the Plains All-American/Enterprise Products Eagle Ford joint venture. The Authority has served the local economy for a century, celebrating the 100 year anniversary of its founding in 2022, and is continually diversifying, upgrading, and expanding its facilities to better serve industry and shippers throughout Texas and the nation. In addition, the Authority completed one of its largest ever capital projects in 2021 with the completion of a new executive administration building for the Authority, fully moving into the building in 2022. The new facility replaced two sixty-year-old structures and brought the Authority's entire administrative staff together in a single, state of the art facility.

The Authority is currently ranked as the third largest port in the nation in terms of total tonnage and is the largest port authority in the nation in terms of total revenue tonnage. It is the largest gateway for energy related exports in the United States. In 2022, the Authority set a new annual tonnage record of 187.9 million tons, more than 12% higher than the previous year. It was the sixth consecutive year establishing a new tonnage record, and double the tonnage moved just six years ago. Three new crude oil pipelines from the Permian Basin that opened in 2018 and 2019, combined with large investments in terminal and storage capacity in the Authority's operating area, have made the Authority and its customers the leading destination for export crude oil. In 2022, the Authority's customers increased their export of crude oil from 1.7 million barrels per day to 1.9 million barrels per day and increased their shipments of refined products by 21%. In addition, the Authority saw strong increases of 25% in break bulk movements and a 16% increase in non-agricultural dry bulk shipments in 2022.

Ultimately, the goal is to raise the standard of living and enhance the quality of life for the surrounding region. The Authority achieves that goal due to its financial resilience and ability to provide commercial shippers with first-class channels, docks, and facilities for handling their cargo, by providing public facilities designed to attract more job-inducing commerce, by funding significant environmental protection and sustainability programs, and by supporting local non-profits and charitable organizations whose mission is to help those in our community who are less fortunate. The Authority negotiates directly with potential customers who need use of the facilities we provide, always with an eye on improvement of the region's economic fortunes.

MAJOR INITIATIVES

Energy Transition & Evolution

The Authority and its customers have grown into the largest gateway of American produced energy exports in the country over the past five years, and the Authority fully believes that there is significant additional growth for our existing traditional energy customers in the coming decade. Most global economies will likely continue to be powered predominantly by oil and gas derivatives for the next few decades, and thus we will continue to work to remain the most efficient gateway on the Gulf Coast for traditional energy products.

However, as the Authority embraces and expands our role in the traditional energy marketplace, we are actively working to define our niche in the energy transition to alternative cleaner, greener energy sources. If we are committed to remaining the *Energy Port of the Americas*™—and indeed we are—then we must cultivate the technologies, customer base, and commercial ventures that will make our gateway relevant not just in 5 or 15 years but also in 25 to 50 years.

Consequently, the Authority has taken conscious steps to create the framework for customers who seek to produce low-carbon energy alternatives, particularly hydrogen and hydrogen derivatives, and has made demonstrable progress in developing a scalable, centralized carbon management solution for existing and future customers. In no way does this sense of social and environmental responsibility undermine our support for our existing 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 the Authority is the cornerstone of the global energy marketplace for decades to come. Further, many of the Authority's longstanding fossil energy customers have announced decarbonization targets, and several are developing renewable generation (solar) or hydrogen value chain projects on Authority property. The Authority itself moved to 100% renewable power sources in 2018, the first port authority in the world to do so and has begun permitting a 500MW+ solar farm use on behalf of a customer with whom we have an existing Memorandum of Understanding.

The Authority is well positioned to leverage the physical and commercial assets that underpin our position of prominence in the global fossil energy marketplace to become a cornerstone of the burgeoning global hydrogen (H2) economy. In response to global markets and intense commercial interest from a diverse range of customers, the Authority is cultivating multiple, integrated campuses for scalable H2 and H2 derivative production within both counties in which we operate. As a landlord port authority, we can strategically co-locate complimentary projects in the H2 value chain to confer efficiencies and economies of scale that will, based on techno-economic modeling performed to date, yield a very competitive levelized cost of produced H2. Engagement with potential customers ranges from early interest to signed option agreements for projects that will utilize both electrolysis of water and thermal conversion of natural gas to produce H2.

In response to request for proposals from the United States Department of Energy ("DOE") , the Authority submitted a concept paper in November 2022 for designation of the Horizons Clean Hydrogen Hub ("HCH2") under DOE's Regional Clean H2 Hubs program, as authorized by the Infrastructure Investment and Jobs Act (Bi-partisan Infrastructure Bill). In late December of 2022, the DOE encouraged the Authority to move to the next step in their designation process by submitted a full application by the deadline of April 7, 2023, which the Authority has done. HCH2 will bring together almost a dozen diverse potential subrecipients, as well as other affiliated projects, to connect large-scale clean hydrogen production in the West South-Central U.S. with in-region, extra-regional, and international end users by way of common carrier, connective infrastructure that will support the multiple projects. The Horizons Hub stands to accelerate hydrogen market adoption and help drive substantive decarbonization of key industrial sectors while conferring tremendous benefits to the communities within the proposed Hub.

The Authority has achieved notable milestones in its deployment of a scalable centralized system for managing industrial CO2 emissions. The Authority owns over 30,000 acres of uplands and submerged land, of which nearly half is well suited for permanent geologic storage of captured carbon dioxide (CO2), referred to as carbon capture and sequestration (CCS), based on proximity to target sources (e.g., the emitters) and parcel size and shape. This "pore space" can potentially accommodate hundreds of tons of pressurized, injected CO2 over multiple decades. In 2022, the Authority established a lease option agreement for this pore space with a private sector partnership between Talos Energy Inc. and Howard Energy Partners; that option was then exercised in early 2023. In support of that project, the Authority applied for and received a $9 million grant from the DOE to do further geologic evaluation of the property.

The Authority's strategy for a centralized carbon management solution also includes a scalable, offshore CCS deployment. In September of 2021, the Authority established an MOU with the Texas General Land Office (TGLO), which controls all state lands (uplands and submerged), to develop infrastructure to transport and permanently store captured CO2. The Port and the TGLO, in tandem, own the entire geographic transect from Authority's customers' fence lines to the near offshore waters of the Gulf of Mexico (State waters include the first nine nautical miles). The Authority was awarded a second, $7 million grant from the DOE to collect geologic data under these state lands. The Authority has also defined priority phasing for construction of pipeline linkages of independent utility that will, in aggregate, create a network of connectivity from onshore to offshore CCS infrastructure. In March, 2023, the GLO released a request for proposals to lease state submerged lands adjacent to the Authority for the purpose of CCS, dramatically expanding the amount of pore space available to Authority customers and helping to codify the Authority as a prominent national carbon management hub.

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, the Authority has a progressive Environmental policy approved by the Port Commission that defines six environmental precepts. All our decisions are evaluated against these six precepts, and we have also set aspirational performance targets for ourselves in each of the six areas:

1. Air Quality
2. Water Quality
3. Soils and Sediments Quality
4. Habitat Preservation & Restoration
5. Climate Resilience & Adaptation
6. Climate Action

The established targets are measurable, and time bound and are supported by a department-level work plan. The Authority completed 89% of the initiatives identified in the 2022 work plan and made impressive strides in 2022 towards achieving the established performance targets, including accomplishing the identified reduction for criterial air pollutants and greenhouse gases ahead of the three-year time frame identified in the target. 2022 completes the fourth year in which the Authority has purchased 100% renewable electricity.

We revisit our environmental policy and the performance targets roughly every three years, on a cadence that allows us to formulate updated objectives for inclusion in our organizational Strategic Plan, which we update with the same frequency. We have also voluntarily undertaken international 3rd party standards and certifications in the form of ISO 14001 Environmental Management Systems, the Green Marine Maritime Certification program, and U.S. Environmental Protection Agency's Green Power Partnership. The Authority has maintained its ISO 14001 certification for 14 years which includes a third-party audit every year. The most recent third-party audit was a certification audit and resulted in no findings. Additionally, of the eight program areas in Green Marine, the Authority has achieved level five – the highest level – in all applicable program areas at the end of 2022. Additionally, we underwent a verification in May 2022 to verify the levels claimed in 2021. However, since making such aggressive advancement in our performance under Green Marine, the Authority will verify again in 2023 even though it is not required again until 2024. As previously mentioned, the Authority uses renewable energy to power our operations and is currently seeking a permit from the U.S. Army Corps of Engineers fora 400MW solar installation.

In 2022, the Authority recycled over 37,000 pounds of refuse, 4,249 gallons, and 846 single units of material. In addition, through a grant awarded to the Authority by the U.S. Environmental Protection Agency, the Authority continues to operate a trash skimming device. The trash skimming device is located where trash runs off from an urbanized area into the ship channel. The Authority is collaborating with local partners, such as the Texas State Aquarium, and environmental groups, such as the Coastal Bend Bays Foundation, to raise awareness and promote personal responsibility.

The Authority is the sole or primary funder for several local environmental groups that provide relevant and important services to protect the environment in the Coastal Bend Region. These organizations include the Coastal Bend Air Quality Partnership, Coastal Bend Bays & Estuaries Program, Corpus Christi Area Oil Spill Control Association, and the Pollution Prevention Partnership hosted by Texas A&M University Corpus Christi. The Coastal Bend Air Quality Partnership is undertaking the development of a Coastal Bend-Clean Air Action Plan and the Authority is deeply involved in the working groups established as part of that effort.

Community Engagement

As the Authority's leadership position in the global energy marketplace has grown, the ability to make more substantial investments in the community has increased in parallel.

Through the Texas Water Code Section 60.201, the Authority is allowed to set aside a Promotion and Development (P&D) Fund of not more than five percent (5%) of its gross income from operations each calendar year to support:

- *any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals;*
- *furthering the general welfare of the district and its facilities; or*
- *the betterment of the district's relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in the ports, waterways, harbors, or terminals.*

Historically, the Authority committed two to three percent of its annual revenues to a P&D Fund used to help support our communities and further the goals listed above. The categories that outlined how this money is allocated have evolved through the years, but the purpose has not: i.e., to help our communities prosper, while proactively protecting the environment and setting future generations up for success.

The Authority has an interest in partnering with community groups to educate and inform the public about Authority projects and programs, as well as funding sponsorships that focus on one of the Authority's Areas of Impact:

- Community Vitality
- Economic Development & Job Creation
- Education and Workforce Development
- Health Care and Safety
- Sustainability and Environmental Stewardship

In recent years, the amount allocated to the P&D Fund has increased not only because the Authority's revenues have grown to record levels, but also because the level of need has risen in the communities we serve. This was especially true after the COVID-19 pandemic surfaced in Spring 2020 and inflicted heavy financial and emotional damage on local nonprofit organizations, small businesses and schools. Nearly $2.9 million was allocated to the P&D Fund to provide financial assistance to small businesses in the form of zero-interest loans during the COVID-19 pandemic. Additionally, the Authority funded laptops and mobile hotspots for several Coastal Bend schools to bridge the gaps of distance learning. The growth in percentage approved in 2020, coupled with the significant growth in Authority revenues has led to a tremendous total growth in community investment distributed through the P&D Fund - from $1.3 million in 2018 to $4.9 million in 2022.

From education to safety, and from job training to health care access, the Authority continues to advance quality of life for residents of the Coastal Bend. In 2022, the Port of Corpus Christi partnered with the STEM nonprofit organization, Learning Undefeated, to teach high school students about environmental sustainability through their newest innovation, the PORT-Able Learning Lab. This $300k investment is a new STEM program designed to empower and educate high school students about current environmental issues while also opening career opportunities in the energy industry.

Increased prosperity begets an increased responsibility to help those in need and to better the quality of life for those who call the South Texas Coastal Bend home. The Authority believes it is not only meeting that responsibility but exceeding it in tangible, meaningful ways that will yield a positive impact on future generations for decades to come.

Approval of Strategic Plan 2026

In 2014, the Authority undertook its inaugural strategic planning process. The effort ultimately yielded the Authority's current vision, mission, and six strategic goals, which define the Authority's overarching priorities. Those priorities should remain relevant indefinitely, while the specific/measurable/time-bound objectives that directly support those priorities are updated on a recurring (3 year) basis. In 2022, the Authority approved the next iteration of its Strategic Plan, replacing Strategic Plan 2023 with Strategic Plan 2026. The new plan includes twice as many objectives as its predecessor, which speaks to the maturation of the planning culture within the Authority. These objectives define specific strategies for enhancing Authority operations and are thus inherently interdisciplinary. Staff from all departments drove—with input throughout from our governing Commissioners—development of these objectives and are now accountable for them. In so much as these objectives will guide the allocation of staff time and financial resources, the process of developing them in the public realm is an act of transparency in governance.

Corpus Christi Ship Channel Improvement Project

The most immediate and critical capital project the Authority has managed over the past several years 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 over $150 million in funds and in-kind services for the project; and the project had 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 first construction contract to deepen and widen the Corpus Christi Ship Channel was completed in 2020 by Great Lakes Dredge & Dock Company. The second and third contracts are currently under construction, the second with Callen Marine, Ltd., and the third with Great Lakes Dredge & Dock Company. Dredging on both of those contracts is expected to be completed by mid-2023, which will allow transit of more fully loaded vessels from the key crude oil export terminals located at Ingleside Point. On March 28, 2022, the CIP received full and final funding of $157 million in the 2023 Presidential Budget, and that amount was then included in the Consolidated Appropriations Act of 2023, approved by Congress in December 2022. That funding will allow the USACE to complete procurement and construction of the final Contract 4, which is expected to be awarded in mid-2023, and completed by early-2025.

Large-Scale Seawater Desalination Plant Permitting

The Coastal Bend region is completely dependent upon surface water and has been in varying stages of drought conditions for much of the past decade. New industry development, particularly hydrogen production, is heavily dependent on a reliable water source, as are most of the existing industries in the region. The Authority has responded to this growing need for an alternative water supply for the region by initiating permitting actions to build a seawater desalination plant within the Authority's boundary to ensure a sustainable water supply for the future. The Authority believes the failure to act decisively to provide uninterruptible water supplies would negatively impact the growth prospects of the entire region. The Authority received the wastewater discharge permit from the TCEQ in September 2022, and applied for the water rights intake permit in January 2023, for 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. This is one of five potential seawater desalination plants in the area currently going through the permit process, with one other one proposed location on Authority property also beginning the permitting process. The Authority will continue to work with permitting authorities, the public, and the current distributor of water in the region, the City of Corpus Christi, to help ensure an uninterruptible source of water for the region is developed.

ECONOMIC OUTLOOK

The Authority expects continued incremental growth in 2023, as production from the Texas oil fields continues to grow for the foreseeable future and seeks outlets to foreign markets; and demand for Texas energy in Europe and elsewhere continues to remain strong due to its reliability and low cost to produce. As the leading U.S. energy export gateway, much of that increase would be shipped by the Authority's customers. There already exists sufficient pipeline and terminal capacity to handle such increases for the near term, though it is likely that continued growth in crude oil exports in the back half of the decade will require expansion of pipeline capacity for the region. In addition, two new businesses in the region that began production in 2022 will continue to increase their shipments through the Authority in the upcoming year. Both Steel Dynamics, Inc. in Sinton, TX, and Gulf Coast Growth Ventures, a joint venture between Exxon and SABIC just north of Portland, TX, moved volumes across the Authority's docks last year, and will move more in 2023. 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. Sovereignties across the globe are converting to natural gas fired power generation, which represents growing demand opportunities for the Port of Corpus Christi, with exports of liquified natural gas (LNG) from Cheniere Energy's Corpus Christi Liquefaction, LLC (CCL) plant slated to grow beginning in late 2025 or early 2026 because of an already announced and under construction expansion of the facility.

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, 2021. This was the 39th consecutive year that the Authority has received this prestigious award. 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 and FP&A Departments, who were primarily responsible for assembling and compiling the data comprising the ACFR. 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 their overall fiduciary role 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 transparent and responsible 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, 2021

Christopher P. Morrill

Executive Director/CEO

PORT COMMISSION, PORT OF CORPUS CHRISTI AUTHORITY

Chief Executive Officer	**Sean Strawbridge**
Chief Financial Officer	Kent Britton
Director Finance	Cindy Bertolami
Director of Accounting	Marie-Eve Reyes
Director of Real Estate	Sam Esquivel
Manager of Foreign Trade Zone	Danielle Converse
Director of Procurement	Lynn Angerstein
Director of Information Technology	Brooks Lobingier
Chief Talent Officer	Brenda Reed
Chief of Staff	Rosie Collin
Chief Operating Officer	Clark Robertson
Director of Engineering Services	Natasha Fudge
Chief of Design & Construction	Vacant
Chief of Design & Construction	Jacob Morales
Chief of Program Management	Sonya Lopez-Sosa
Director of Channel & DMPA Development	Dan Koesema
Director of Operations	Tony MacDonald
Sr. Manager Operations	Russell Pickering
Harbormaster	Russell Cordo
Manager of Bulk Terminal	Ronald Sapp
Manager of Dock and Rail Operations	John Slubar
Facilities Manager	Craig Gotthardt
Safety Manager	Vacant
Sr. Maintenance & Logistics Manager	Jesse Robinson
Director of Marine Assets	Tom Mylett
Director of Port Security	Mark Gutierrez
Chief of Port Police	Eric Giannamore
Emergency Management Manager	Danielle Hale
Chief External Affairs Officer	Omar Garcia
Director of Community Relations	Rosaura Bailey
Director of Communications	Lisa Hinojosa
Director of Government Affairs	Neldo Olivo
Manager of Trade Development	Yudi Takizawa
Chief Strategy & Sustainability Officer	Jeff Pollack
Director of Environmental Planning & Compliance	Sarah Garza
Director of Planning	Leslie Ruta

PORT COMMISSIONERS

Charles W. Zahn, Jr., Chairman

Catherine Tobin Hilliard, Vice-Chair

David P. Engel, Secretary

Rajan Ahuja, Commissioner

Gabe Guerra, Commissioner

Dr. Bryan Gulley, Commissioner

Wes Hoskins, 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 and Sustainability Officer
Brenda Reed, Chief Talent Officer
Rosie Collin, Chief of Staff
Rosaura Bailey, Director of Community Relations
Nelda Olivo, Director of Government Affairs
Natasha Fudge, Director of Engineering Services
Sarah Garza, Director of Environmental Planning & Compliance
Tony MacDonald, Director of Operations
Tom Mylett, Director Marine Assets
Mark Gutierrez, Director of Port Security
Sam Esquivel, Director of Real Estate
Brooks Lobingier, Director of Information Technology
Cindy Bertolami, Director of Finance
Marie-Eve Reyes, Director of Accounting
Yudi Takizawa, Director of Trade Development
Lynn Angerstein, Director of Procurement
Lisa Hinojosa, Director of Communications
Dan Koesema, Director of Channel & DMPA Development
Leslie Ruta, Director of Planning

PORT CORPUS CHRISTI®

FINANCIAL SECTION

The first load of monoethylene glycol from Gulf Coast Growth Ventures is prepared for shipment from a Vopak terminal in San Patricio County.

PORT CORPUS CHRISTI®

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2022, the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, as of January 1, 2022. This standard significantly changed the financial accounting and reporting of the Authority's leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 6 through 15), 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 is the responsibility of management and, 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.

Supplementary 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 supplemental schedules, 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 and state 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 the *State of Texas Grant Management Standards* and is also not a part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, the statistical section, and the Additional Information (Continuing Disclosure Under SEC Rule 15c2-12) as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

Other Reporting Required by *Government Auditing Standards*

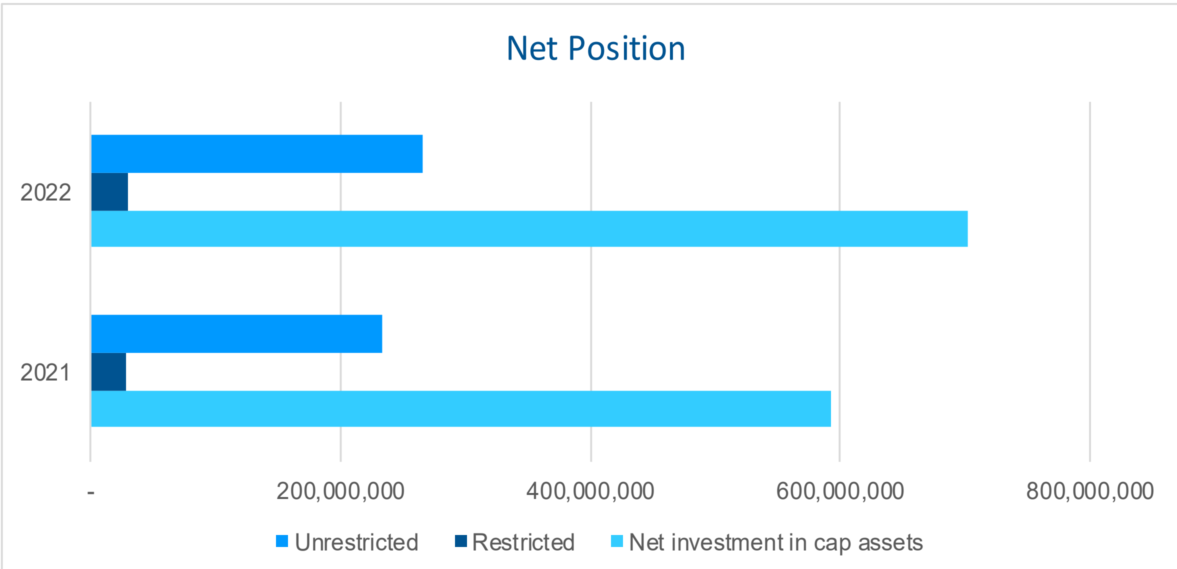
In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and 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

Savannah, Georgia
April 5, 2023

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, 2022. 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.

FINANCIAL HIGHLIGHTS



- The total net position of the Authority at December 31, 2022 was $996,382,769, increasing $140,847,072 or 16.5% over the prior year as restated.
- The net investment in capital increased $108,721,732 over the prior year as a result of capital additions net of depreciation of $98,704,917 and a decrease in the related capital debt as a result of existing debt requirements.
- Restricted net position increased $808,347 over the prior year. The required restriction for debt service increased $1,008,489. Escrow funds included total $631,244.
- Unrestricted net position of $265,317,968 may be used to meet the Authority's current ongoing obligations to employees and creditors and increased $31,316,993 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 16 through 40 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 41 - 43 of this report.

FINANCIAL ANALYSIS

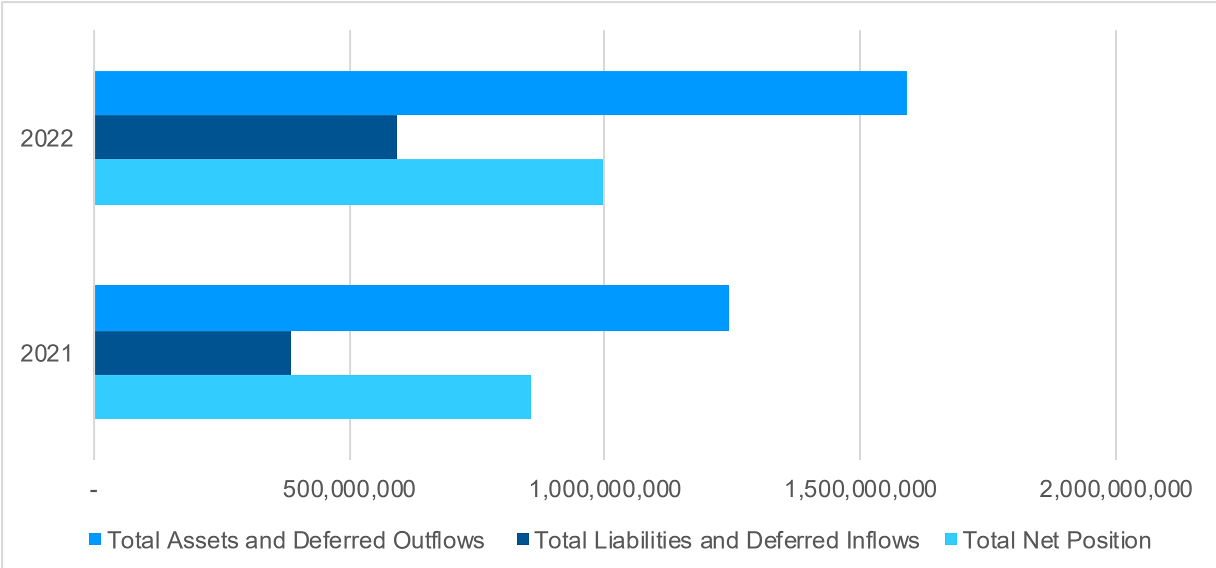
The fundamental question that is most asked of business is, as a whole "Are you better off or worse off as a result of the year's activities?" The Statement of Net Position, and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a 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, 2022 and 2021:

	2022	2021	2022-2021 Change
Assets			
Current assets	$ 337,994,596	$ 298,559,400	$ 39,435,196
Restricted assets	28,683,833	27,877,999	805,834
Capital assets	1,008,131,429	909,426,510	98,704,919
Other non-current assets	210,955,881	629,287	210,326,594
Total Assets	**1,585,765,739**	**1,236,493,196**	**349,272,543**
Deferred Outflows of Resources			
Deferred outflows	5,169,755	6,006,044	(836,289)
Total Assets and Deferred Outflows of Resources	**1,590,935,494**	**1,242,499,240**	**348,436,254**
Liabilities			
Current liabilities	39,240,764	34,090,663	5,150,101
Long-term debt, net of current portion	284,339,380	294,354,785	(10,015,405)
Unearned revenue and capital leases, net of current portion	-	50,253,274	(50,253,274)
Other liabilities	4,974,002	5,651,421	(677,419)
Total Liabilities	**328,554,146**	**384,350,143**	**(55,795,997)**
Deferred Inflows of Resources			
Deferred inflows	265,998,579	2,613,400	263,385,179
Total Liabilities and Deferred Inflows of Resources	**594,552,725**	**386,963,543**	**207,589,182**
Net Position			
Net investment in capital assets	701,749,724	593,027,992	108,721,732
Restricted	29,315,077	28,506,730	808,347
Unrestricted	265,317,968	234,000,975	31,316,993
Total Net Position	**$ 996,382,769**	**$ 855,535,697**	**$ 140,847,072**



The Authority's net position of $996,382,769 at the close of 2022 increased by $140,847,072 over 2021. The largest portion of the Authority's net position (70.4%) 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 and construction and retainage payables, 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 (26.6%) may be used to meet the Authority's ongoing obligations to employees and creditors. The remainder of the Authority's net position (2.9%) represents resources that are subject to external legal restrictions on how they may be used.

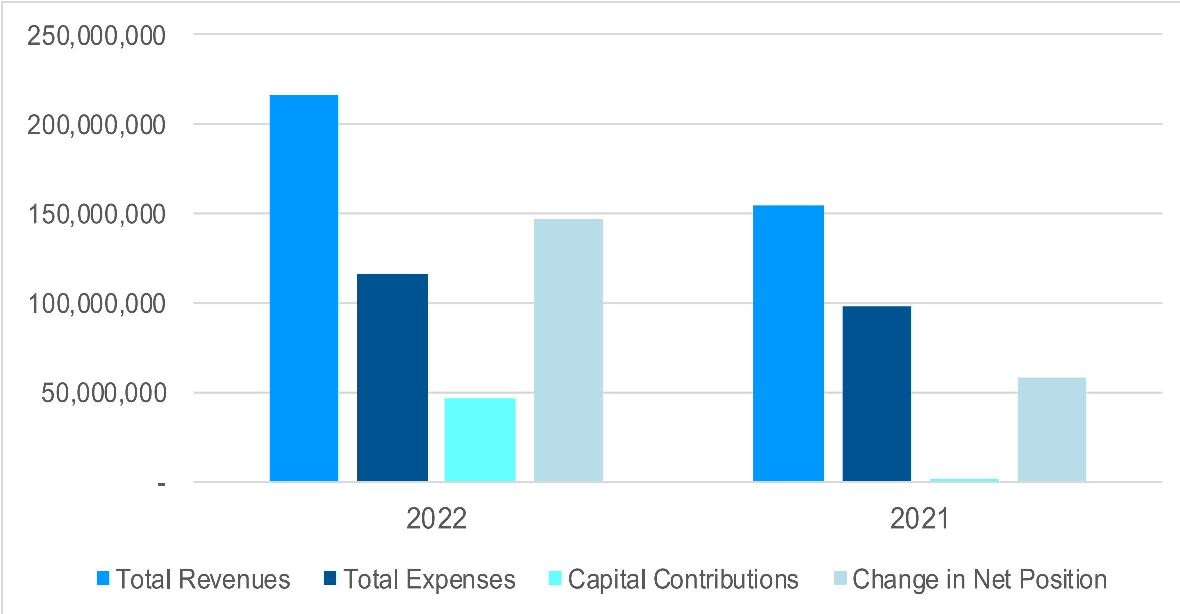
The Authority's total assets and deferred outflows increased by $348,436,254 (28.0%) over 2021. Most of this increase is in other non-current assets as lease receivable was impacted as part of the GASB Statement No. 87 implementation in 2022. Net capital assets also contributed to the increase and is shown in detail on page 12 of the Management's Discussion and Analysis.

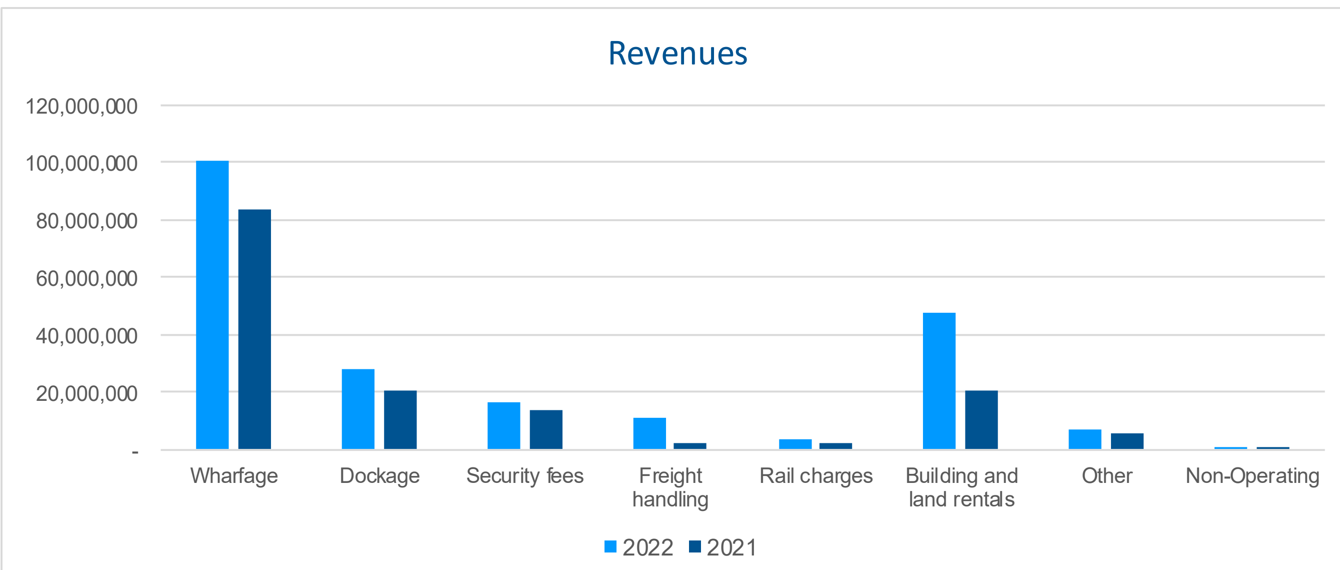
The Authority's total liabilities and deferred inflows increased by $207,589,182 (53.6%) over 2021. Current liabilities have increased $5,150,101. Unearned revenues and capital leases, net of current portion have decreased $50,253,274 over 2021 and deferred inflows increased $263,385,179, both as part of the implementation of GASB Statement No.87. Long term debt, net of current portion, as noted on page 7, has decreased by $10,015,405 from 2021. This decrease includes the change in the Authority's revenue bonds and compensated absences.

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, 2022 and 2021:

	2022	2021	2022-2021 Change
Revenues			
Operating revenues:			
Wharfage	$ 100,935,902	$ 83,998,460	$ 16,937,442
Dockage	28,068,071	20,330,792	7,737,279
Security fees	16,917,513	14,130,111	2,787,402
Freight handling	11,345,942	2,151,130	9,194,812
Rail charges	3,784,735	2,664,310	1,120,425
Building and land rentals	47,849,586	20,398,560	27,451,026
Conference center services	1,636,593	606,739	1,029,854
FTZ user fees	244,500	248,500	(4,000)
Dredge placement fees	1,466,667	4,450,401	(2,983,734)
Cost sharing agreements	-	435,310	(435,310)
Other	3,423,029	5,500,495	(2,077,466)
Total operating revenues	215,672,538	154,914,808	60,757,730
Investment income	-	-	-
Federal and other grant assistance	704,232	21,473	682,759
Total Revenues	**216,376,770**	**154,936,281**	**61,440,489**
Expenses			
Operating expenses:			
Maintenance and operations	33,096,143	26,728,651	6,367,492
General and administrative	45,982,327	36,009,588	9,972,739
Depreciation	23,632,566	21,044,928	2,587,638
Total operating expenses	102,711,036	83,783,167	18,927,869
Interest expense and fiscal charges	12,406,874	12,630,519	(223,645)
Contributions-Harbor Bridge commitment	-	366,148	(366,148)
Investment loss	3,211,567	447,261	2,764,306
Loss on disposal of assets	(2,826,224)	1,222,380	(4,048,604)
Total Expenses	**115,503,253**	**98,449,475**	**17,053,778**
Income Before Contributions	**100,873,517**	**56,486,806**	**44,386,711**
Capital Grants and Contributions	46,372,797	2,045,162	44,327,635
Changes in Net Position	147,246,314	58,531,968	88,714,346
Total Net Position, Beginning of Year, as restated	849,136,455	797,003,729	52,132,726
Total Net Position, End of Year	**$ 996,382,769**	**$ 855,535,697**	**$ 140,847,072**





Operating revenues in 2022 increased by $60,757,730 or (39.2%) over 2021. The major variances in revenues from 2022 to 2021 are as follows:

• Buildings and land rentals	$ 27,451,026
• Wharfage	16,937,442
• Material & freight handling	9,194,812
• Dockage	7,737,279

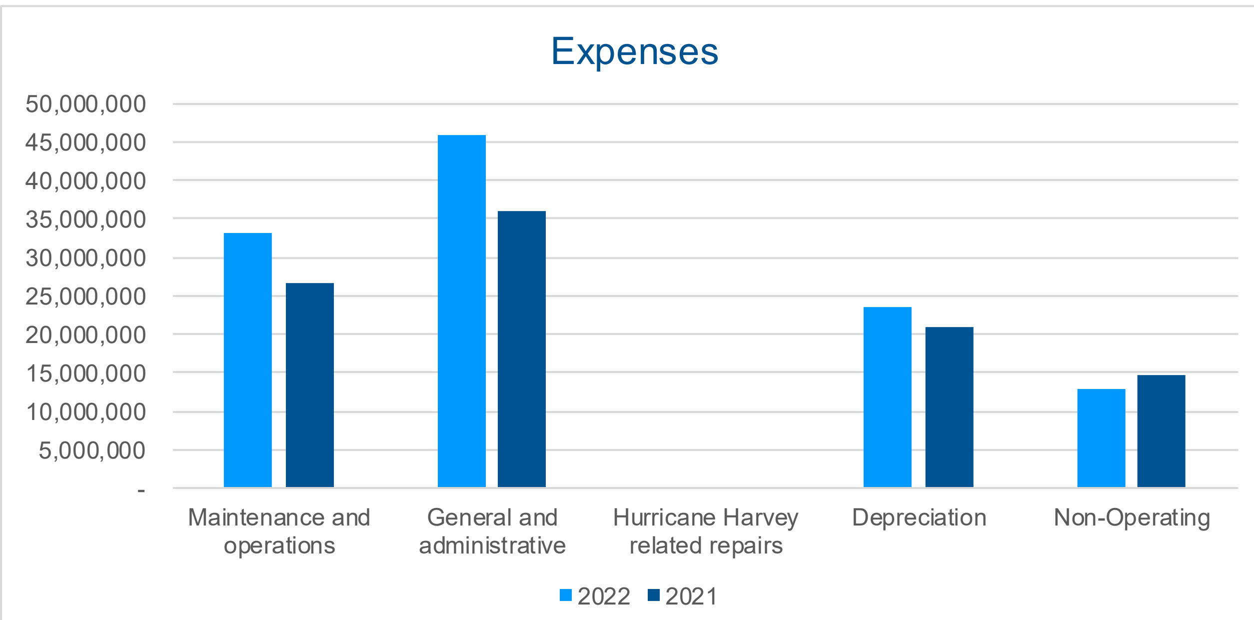
Building and land rentals was impacted in 2022 by the implementation of GASB Statement No. 87, with $26.5 million of the increased revenues attributable to that change in accounting. Wharfage and dockage are regular shipping services that are incurred by users of the Authority facilities.

Wharfage increased $9,568,383 at the private oil docks, $4,436,557 at the public oil docks, $1,053,842 at the dry cargo docks, and a total of $1,878,660 at the bulk docks, grain elevator and other docks. The increase in wharfage at the private oil docks is primarily due to large increases in output at the Enbridge-owned Ingleside Energy Center and at South Texas Gateway facility. Both contributed heavily to the Gateway's overall increase in crude oil exports from 1.7 million barrels per day in 2021 to 1.9 million barrels in 2022. The Authority remains the largest crude oil export gateway in the United States, and has continued to grow its market share, which reached 60% for 2022. The two facilities in

Ingleside are the only two in the area that are capable of handling Very Large Crude Carriers, used for more efficient export of crude oil. The increase in wharfage at the public oil docks was driven by a sharp increase in crude oil exports by Pin Oak Terminals, which operates from an Authority owned oil dock in the Inner Harbor, coupled with increases in crude and finished goods movements in the Inner Harbor by our refinery customers, which use a combination of private and public docks. The increase in wharfage at the dry cargo docks was due to a continued increase in cement imports by South Texas Cement, a customer that first started operations in the Inner Harbor in 2020; a sharp increase in military movements due to congestion at ports on the West Coast; and an increase in the volume of wind turbines and blades as the Authority moved record wind energy cargo in 2022. The increase in wharfage at the bulk docks, grain elevator and other docks was a result of the increases in steel imports we handled at the Authority's Bulk Terminal facility to support the Steel Dynamics steel mill in Sinton, TX, and a pickup in our traditional barite and pet coke business, offset by decreases in grain movements from the grain elevator and reduced imports of aggregates.

The change in material and freight handling was primarily as a result of a new contract between the Authority and Savage Services Corporation for handling of pet coke at the Authority's Bulk Materials Terminal. The agreement resulted in higher revenue and expenses, with a net profit to the Authority. The increase in dockage was primarily at South Texas Gateway, which as noted above, saw significant overall increases in shipments and resultant fees paid to the Authority in 2022 compared to the prior year.

Non-operating revenues have increased $682,759 over 2021.



Operating expenses in 2022 increased $18,927,869 or (22.6%) over 2021. The major variances in expenses from 2022 to 2021 are as follows:

• Professional services	$	4,280,368
• Contracted services		4,027,785
• Administrative Services		3,096,223
• Maintenance		2,943,104
• Depreciation		2,587,638
• Employee services		1,809,260

Professional service expense mainly increased due to litigation activity. Administrative costs increased due to an increase in expenditures from the Promotion and Development Fund as well as increased supply and travel costs. Maintenance expense increased mainly due to an increase in maintenance and repairs to the Authority's infrastructure. Depreciation expense continues to increase as the Authority purchases and constructs additional capital assets. Employee services increased as a result of an increase in staffing and benefits.

Capital Grants and Contributions

Capital grants and contributions increased by $44,327,635 from 2021. In 2022, $33,500,000 of capital contributions were from the transfer of Heavy Haul Road used for construction of one of our large customer facilities. 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, 2022 include the following:

• State funded road construction	$	3,906,089
• Security improvements		2,203,290
• Environmental programs		1,902,033
• Federal/state disaster grants		469,708

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority's investment in capital assets as of December 31, 2022, amounts to $1,008,131,429 (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 $98,704,919 or 10.9%. Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements on page 28.

Major capital asset activity during 2022 include the following:

• Port facilities	$	25,792,203
• Land purchases		16,512,699
• Bulk facilities		13,200,000
• Railroads		12,000,000

		2022		2021		2022-2021 Change
Capital assets, not being depreciated:						
Land	$	263,541,857	$	247,029,158	$	16,512,699
Channel and waterfront improvements		79,277,883		79,277,883		-
Intangibles		387,429		387,429		-
Construction in progress		252,759,281		199,295,145		53,464,136
		595,966,450		525,989,615		69,976,835
Capital assets, being depreciated:						
Port facilities		306,036,545		280,244,342		25,792,203
Buildings and improvements		85,177,850		88,769,139		(3,591,289)
Machinery and equipment		19,610,461		14,196,159		5,414,302
Intangibles		1,340,123		227,255		1,112,868
		412,164,979		383,436,895		28,728,084
Net Capital Assets	**$**	**1,008,131,429**	**$**	**909,426,510**	**$**	**98,704,919**

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 $92,530,000 in Series A Non-Taxable revenue bonds for the purpose of the Corpus Christi Ship Channel Project to deepen and widen the main channel and to add barge lanes. Also on that date, 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.

Additional information regarding the Authority's long-term debt can be found in Note 7 to the financial statements on page 29. As of December 31, 2022, the Authority had long-term debt outstanding of $294,354,786. The following table summarizes the Authority's long-term debt outstanding as of December 31, 2022 and 2021.

	2022	2021	2022-2021 Change
Revenue bonds	$ 280,710,000	$ 289,580,000	$ (8,870,000)
Bond premium	13,644,786	14,500,369	(855,583)
Total	**$ 294,354,786**	**$ 304,080,369**	**$ (9,725,583)**

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. 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, 2022, the Authority's revenue bond coverage was 7.47 times the average annual remaining debt service requirements.

ECONOMIC OUTLOOK

For the third consecutive year, the Authority and its customers operated under economic conditions that changed dramatically from the prior year. While the prior two years had been dominated by a worldwide pandemic and a regionally based winter storm natural disaster, 2022 brought new challenges that impacted both the local region and global trade markets. The U.S., EU, and other global allies' sanctions placed on Russian crude oil and natural gas as a result of the Russian invasion of the sovereign territory of Ukraine generated significant increased demand for Texas-produced energy, as countries that had previously been dependent on Russia for their energy supply diversified. At the same time, economies around the world were impacted by first high inflation, and then high interest rates as central banks began an active fight to lower that inflation. The high levels of inflation continued to impact the Authority negatively in the costs required to procure most goods and services.

Spurred by the higher demand out of Europe for crude oil, refined products, and LNG, the Authority, along with its attendant customer base, achieved record tonnage shipment levels in 2022, marking the sixth straight year of new highs. Following a 2021 year which saw small incremental growth, the Authority's customers saw significant positive changes in 2022 in several areas. Overall movements of crude oil increased by 15.2% over 2021 to 112.1 million tons, led by crude oil exports rising from 1.7 million barrels per day in 2021 to 1.9 million barrels per day in 2022, with several months in the second half of the year exceeding 2.1 million barrels per day. In addition, strong performance from the local area refineries resulted in higher imports of crude oil, along with a 20.9% increase in refined product shipments to 32.5 million tons. Exports of liquified natural gas (LNG) from Cheniere Energy's Corpus Christi Liquefaction, LLC (CCL) plant rose incrementally, up 3.5% over the prior year to a total of 16.2 million tons. Outside of the energy sector, shipments of dry bulk products rose 15.8 percent in 2022 from the prior year to 7.3 million tons. The Authority set new records for total shipments throughout the year.

Texas experienced unprecedented growth in the 10-year period from 2010-2019, with crude oil production from the Permian and Eagle Ford shale growing from just over 1 million barrels per day in 2010 to 5.1 million barrels per day by 2019. However, the demand destruction brought on by Covid-19 in early 2020 dropped that production level to 4.8 million barrels per day by 2021. The Authority continued to grow overall shipments by increasing the share of that production that was being exported from Corpus Christi, however, by taking market share from other gateways, becoming the largest export gateway for energy in the United States in the process. Production from Texas oil fields recovered to pre-pandemic levels in 2022, however, and the Authority continued to grow its share of total crude oil exports from the United States, reaching just over 60% of total exports in 2022. In addition, the Authority continues to play a vital role as a major refining hub, 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.

Despite the Authority's history and recent success in the traditional energy space, tremendous effort is underway towards fostering new renewable energy generation capacity, particularly in the areas of wind, solar and hydrogen production. The Authority is also partnering on development of carbon capture technologies that would support both the mitigation of our current customers' energy production using fossil fuels and also speed the development of newer sources of production that could benefit from such technology and storage capacity; and has signed a large lease for up to 14,000 acres of pore space under Authority lands for the purpose of onshore carbon storage. The Authority also agreed to a significant lease in 2022 for use of Authority owned land for deployment of solar generation and begun permitting for an exponentially larger site for solar, signed option agreements with large-scale hydrogen producers for potential future production sites, and undertook the tremendous effort needed to be designated a Hydrogen Hub by the United States Department of Energy ("USDOE"). The Authority was invited by the USDOE to submit a full application in 2023, which it will do, a first step toward a potential $1 billion grant to be used to foster hydrogen production, use, and distribution in the region. The Authority believes it is creating the next iteration of Texas energy production that will ensure the continued economic viability of this region for generations to come.

The most immediate and critical project the Authority has managed over the past several years 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 over $150 million in funds and in-kind services for the project; and the project had 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 first construction contract to deepen and widen the Corpus Christi Ship Channel was completed in 2020 by Great Lakes Dredge & Dock Company. The second and third contracts are currently under construction, the second with Callen Marine, Ltd., and the third with Great Lakes Dredge & Dock Company. Dredging on both of those contracts is expected to be completed by mid-2023, which will allow transit of more fully loaded vessels from the key crude oil export terminals located at Ingleside Point. On March 28, 2022, the CIP received full and final funding of $157 million in the 2023 Presidential Budget, and that amount was then included in the Consolidated Appropriations Act of 2023, approved by Congress in December 2022. That funding will allow the USACE to complete procurement and construction of the final Contract 4, which is expected to be awarded in mid-2023, and completed by early-2025.

The Coastal Bend region is completely dependent upon surface water and has been in varying stages of drought conditions for much of the past decade. New industry development, particularly hydrogen production, is heavily dependent on a reliable water source, as are most of the existing industries in the region. The Authority has responded to this growing need for an alternative water supply for the region by initiating permitting actions to build a seawater desalination plant within the Authority's boundary to ensure a sustainable water supply for the future. The Authority believes the failure to act decisively to provide uninterruptible water supplies would negatively impact the growth prospects of the entire region. The Authority received the wastewater discharge permit from the TCEQ in September 2022, and applied for the water rights intake permit in January 2023, for 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. This is one of five potential seawater desalination plants in the area currently going through the permit process, with one other one proposed location on Authority property also beginning the permitting process. The Authority will continue to work with permitting authorities, the public, and the current distributor of water in the region, the City of Corpus Christi, to help ensure an uninterruptible source of water for the region is developed.

The Authority expects continued incremental growth in 2023, as production from the Texas oil fields continues to grow for the foreseeable future and seeks outlets to foreign markets; and demand for Texas energy in Europe and elsewhere continues to remain strong due to its reliability and low cost to produce. As the leading U.S. energy export gateway, much of that increase would be shipped by the Authority's customers. There already exists sufficient pipeline and terminal capacity to handle such increases for the near term, though it is likely that continued growth in crude oil exports in the back half of the decade will require expansion of pipeline capacity for the region. In addition, two new businesses in the region that began production in 2022 will continue to increase their shipments through the Authority in the upcoming year. Both Steel Dynamics, Inc. in Sinton, TX, and Gulf Coast Growth Ventures, a joint venture between Exxon and SABIC just north of Portland, TX, moved volumes across the Authority's docks last year, and will move more in 2023. 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. Sovereignties across the globe are converting to natural gas fired power generation, which represents growing demand opportunities for the Port of Corpus Christi, with exports of liquified natural gas (LNG) from Cheniere Energy's Corpus Christi Liquefaction, LLC (CCL) plant slated to grow beginning in late 2025 or early 2026 because of an already announced and under construction expansion of the facility.

The Authority is well positioned to weather any short to medium term disruptions in demand, with over $320 million of cash, cash equivalents and investments on hand at the end of 2022, access to a recently renewed $50 million line of credit with Frost Bank, and the potential to raise additional capital as needed. In addition, the Authority will take appropriate measures to control both operational and capital spending in 2023 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, 400 Harbor Drive, Corpus Christi, TX 78401.

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$	53,664,388
Investments (Note 2)		233,133,666
Accounts receivable (Note 3)		19,082,311
Lease receivable (Note 6)		24,395,062
Interest receivable		1,007,465
Intergovernmental receivable		3,516,049
Inventory		956,790
Prepaid expenses		2,238,865
Total current assets		337,994,596
NON-CURRENT ASSETS:		
RESTRICTED ASSETS:		
Restricted cash and cash equivalents (Note 2)		28,683,833
Total Restricted Assets		28,683,833
CAPITAL ASSETS:		
Capital assets, not being depreciated (Note 4)		595,966,450
Capital assets, being depriciated, net (Note 4)		412,164,979
Capital Assets, Net		1,008,131,429
OTHER NON-CURRENT ASSETS::		
Escrow agreement (Note 5)		631,244
Net pension asset (Note 8)		10,543,526
Lease receivable (Note 6)		199,781,111
Total Other Non-Current Assets		210,955,881
Total Non-Current Assets		1,247,771,143
TOTAL ASSETS		1,585,765,739
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions (Note 8)		4,836,310
Deferred outflow related to OPEB (Note 9)		333,445
Total Deferred outflows of resources		**5,169,755**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**1,590,935,494**
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable		22,169,866
Accrued expenses		2,955,239
Accrued interest payable		1,076,977
Security deposits		750,000
Unearned revenue		309,384
Current maturities of long-term debt (Note 7)		10,015,406
Compensated absences, current portion (Note 7)		1,963,892
Total Current Liabilities		39,240,764
NON-CURRENT LIABILITIES:		
Long-term debt, net of current liabilities (Note 7)		284,339,380
Compensated absences, net of current portion (Note 7)		2,945,903
Total OPEB liability (Note 9)		2,028,099
Total Non-Current Liabilities		289,313,382
TOTAL LIABILITIES		328,554,146
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions (Note 8)		9,866,090
Deferred inflow related to OPEB (Note 9)		240,171
Deferred inflow related to Leases (Note 6)		255,892,318
Total Deferred Inflows of Resources		265,998,579
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		594,552,725
NET POSITION:		
Net investment in capital assets		701,749,724
Restricted:		
Bond interest and redemption		28,669,581
Escrow agreement (Note 5)		631,244
Law enforcement		14,252
Unrestricted		265,317,968
TOTAL NET POSITION	$	996,382,769

See accompanying notes to financial statements

OPERATING REVENUES:		
Wharfage	$	100,935,902
Dockage		28,068,071
Security fees		16,917,513
Freight handling		11,345,942
Rail Charges		3,784,735
Building and land rentals		47,849,586
Conference center services		1,636,593
FTZ user fees		244,500
Dredge placement fees		1,466,667
Other		3,423,029
Total Operating Revenues		215,672,538
OPERATING EXPENSES:		
Maintenance and operations		33,096,143
General and administrative		45,982,327
Depreciation		23,632,566
Total Operating Expenses		102,711,036
Operating Income		112,961,502
NON-OPERATING REVENUES (EXPENSES):		
Investment loss		(3,211,567)
Federal and other grant assistance		704,232
Interest expense and fiscal charges		(12,406,874)
Gain on disposal of assets		2,826,224
Net Non-Operating Expenses		(12,087,985)
Income Before Capital Grants and Contributions		100,873,517
CAPITAL GRANTS AND CONTRIBUTIONS		46,372,797
Change in net position		147,246,314
Total Net Position, Beginning of Year, as restated (Note 1)		849,136,455
Total Net Position, End of Year	$	996,382,769

See accompanying notes to financial statements

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 180,657,079
Cash payments to suppliers for goods & services	(47,925,804)
Cash payments to employees for services	(31,503,170)
Net Cash Provided by Operating Activities	101,228,105
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating grants received	864,493
Net Cash Provided by Noncapital Financing Activities	864,493
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(77,855,984)
Proceeds from sale of capital assets	3,941,470
Capital grants and contributions	9,542,162
Principal payment on capital debt	(8,870,000)
Interest expense and fiscal charges	(13,288,404)
Net Cash Used in Capital and Related Financing Activities	(86,530,756)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	2,389,172
Proceeds from sale and maturities of investments	59,196,250
Purchase of investments	(101,962,986)
Net Cash Used in Investing Activities	(40,377,564)
Net decrease in cash and cash equivalents	(24,815,722)
Cash and Cash Equivalents, Including Restricted Accounts:	
Beginning	107,163,943
Ending	$ 82,348,221

See accompanying notes to financial statements

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$	112,961,502
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		23,632,566
Changes in assets and liabilities:		
Increase in accounts and intergovernmental receivables		(2,409,477)
Decrease in lease receivables		26,429,072
Decrease in inventories		162,422
Increase in prepaid items		(314,422)
Increase in net pension asset		(10,543,526)
Decrease in deferred outflows of resources - pension and OPEB		836,289
Increase in accounts payable and accrued expenses		2,436,638
Increase in security deposits		750,000
Decrease in unearned revenue		(59,848,082)
Decrease in net pension liability		(691,355)
Decrease in total OPEB liability		(13,285)
Increase in compensated absences		346,902
Increase in deferred inflows of resources		7,492,861
Net cash provided by operating activities	$	101,228,105

Noncash Investing, Capital, and Financing Activities

Amortization of premium on investments	$	(704,989)
Change in fair value of investments		6,563,986
Change in accrued interest on investments		(1,666,279)
Change in intergovernmental receivables		(2,048,341)
Amortization of premium on revenue bonds		(855,583)
Contributed asset from outside party		33,506,786
Acquisition of capital assets accrued but not paid		10,974,715
Net non-cash investing, capital, and financing activities	$	45,770,295

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

GENERAL HISTORY OF THE PORT OF CORPUS CHRISTI AUTHORITY

The Nueces County Navigation District No. 1 was created November 30, 1922, by an order of the Commissioners Court of Nueces County, Texas after an election duly held on October 31, 1922, at which time the establishment of said district was submitted to the qualified taxpaying voters of Nueces County, Texas. The territorial boundaries of the District were made co-extensive with those of Nueces County. In 2003, Senate Bill 1934 was passed that allowed for the annexation of San Patricio County into the territorial jurisdiction of the Authority. The District was organized under Article III, Section 52, of the Constitution of the State of Texas, but has since been transferred to and is operating under Article XVI, Section 59, of the Texas Constitution and related laws of the State of Texas, particularly Sections 60 and 62 of the Texas Water Code and all amendments thereto. The Authority being a navigation district and political subdivision of the State of Texas is a separate and distinct entity from Nueces County and operates independent 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 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:

		2022
Total Net Position	$	173,184
Change in Net Position	$	82,498

The financial statements of the IDC may be obtained from the Authority's Chief Financial Officer at 400 Harbor Drive, 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 270 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 assets 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 assets 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.
- Leases – This represents the amount to be received for lease contracts over their respective term.

PENSION PLAN

For purposes of measuring the net pension asset, 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 TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. 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. 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.

LEASES

The Authority is a lessor for noncancellable leases of land and improvements. The Authority recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position. At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments received to present value, (2) lease term, and (3) lease receipts:

- The Authority uses the interest rate charged as the discount rate. When the interest rate charged is not provided in the agreement, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the Authority is reasonably certain to receive.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CONCENTRATION OF REVENUES

The Authority’s operating revenues may be subject to risk because of their concentration in the petroleum industry, which has the potential to be negatively impacted by future changes in consumer demand because of a variety of possible negative external factors, including a potential global recession as a result of prolonged inflation and the impacts of an ongoing land war in Europe, as well as calls for a quicker transition away from fossil fuels to mitigate the perceived impact of those fuels on environmental climate change. The Authority’s top eight customers in terms of total revenue are from the petroleum industry and comprised 64 percent of the Authority’s revenue base for 2022. The overarching product groups of crude oil and petroleum products accounted for 93 percent of the Authority’s tonnage total in 2022. 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 any 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 LNG, LPG and refined products such as gasoline and diesel, and thus represent significant diversification from crude oil. Even within the crude oil commodity, there is significant variety in uses of the product, with approximately half of consumed crude oil being used for transportation needs and the other half used to produce widely used consumer goods. The Authority believes that the long-term demands for crude oil, petroleum products, and their derivatives will remain robust for the next decade or more even as the transition to other types of energy products continues. 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.

CHANGE IN ACCOUNTING PRINCIPLE

As part of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, the Authority determined the following restatement to Net Position was required:

Beginning Net Position, December 31, 2021, as previously reported	$	855,535,697
Adjustment for GASB 87 implementation		(6,399,242)
Beginning Net Position, December 31, 2021, as restated	$	849,136,455

2. DEPOSITS AND INVESTMENTS

At December 31, 2022, the carrying amount of the Authority's demand deposits and cash on hand was $82,348,221.

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.

The Authority's investments at December 31, 2022 carried at fair value are as follows:

	2022		
Investment Type	**Fair Value**	**Weighted Average Maturity (Days)**	**Credit Risk**
Local government pool	$ 20,861,773	1	AAA
Municipal Bonds	101,119,618	264	
United States agencies	132,014,048	525	
Total	253,995,439		
Short-term investments included in cash and cash equivalents	20,861,773		
Equity in Total Investments	**$ 233,133,666**		
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.

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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:

Investment Policy		Percent of Portfolio 2022
United States Treasury securities	100%	-
United States Agency securities	100%	31.29%
Depository Certificates of Deposit	80%	-
Repurchase Agreements	100%	-
Flex Agreements by bond fund	100%	-
Local Government Investment Pools	100%	6.29%
Percent of pool ownership	10%	-
Money Market Mutual Funds	100%	4.95%
Percent of pool ownership	10%	-
Interest bearing accounts	100%	-
Brokered Certificates of Deposit	10%	-
State and Local Debt Obligations	80%	41.49%
Percent of one issuer	10%	-
Commercial Paper	35%	15.98%
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 and one-half 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, 2022, the portfolio contained seventeen 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	Market Value
FRMAC	0.280%	4/22/2021	4/22/2024	1/22/2023	Callable quarterly with 5 days notice	$ 10,000,000	$ 9,464,676
FHLB	0.400%	6/28/2021	6/28/2024	3/28/2023	Callable quarterly with 5 days notice	10,000,000	9,351,189
FHLB	0.550%	9/30/2021	9/30/2024	3/30/2023	Callable quarterly with 5 days notice	10,000,000	9,284,041
FRMAC	0.500%	10/4/2021	10/4/2024	4/4/2023	Callable quarterly with 5 days notice	10,000,000	9,282,326
FHLB	0.700%	10/28/2021	10/28/2024	1/28/2023	Callable quarterly with 5 days notice	5,000,000	4,643,357
FHLB	4.000%	8/8/2022	8/8/2024	2/8/2023	Callable quarterly with 5 days notice	7,500,000	7,385,579
FHLB	5.000%	10/25/2022	10/25/2024	1/25/2023	Callable quarterly with 5 days notice	9,350,000	9,324,788
FHLB	5.000%	10/26/2022	1/26/2024	1/26/2023	Callable quarterly with 5 days notice	10,000,000	9,996,375
FHLMC	5.600%	11/18/2022	11/18/2025	5/18/2023	Callable quarterly with 5 days notice	8,174,000	8,183,993
FHLB	0.400%	3/12/2021	3/12/2024	1/12/2023	Callable monthly with 5 days notice	10,000,000	9,466,043
FHLB	0.400%	7/12/2021	7/12/2024	1/12/2023	Callable monthly with 5 days notice	7,500,000	7,004,202
FHLB	1.000%	2/7/2022	2/7/2024	2/7/2023	Callable monthly with 5 days notice	10,000,000	9,591,140
FHLB	2.000%	5/2/2022	5/2/2023	2/2/2023	Callable monthly with 5 days notice	10,000,000	9,908,116
FHLB	0.500%	7/26/2021	7/26/2024	1/26/2022	Once Only Call with 5 days notice	5,000,000	4,693,979
FHLB	0.760%	1/19/2022	1/19/2024	1/19/2023	Once Only Call with 5 days notice	10,000,000	9,559,264
Miami-Dade County FL	0.375%	9/30/2020	4/1/2023	3/31/2023	Continuously callable with 20 days notice	10,000,000	9,901,800
FFCB	2.580%	4/20/2022	4/18/2024	1/7/2023	Continuously callable with 5 days notice	5,000,000	4,874,980
				TOTAL		**$ 147,524,000**	**$ 141,915,848**

Abbreviations:

FRMAC Federal Radiological Monitoring and Assessment Center
FHLB Federal Home Loan Bank System
FHLMC Federal Home Loan Mortgage Corporation
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, 2022, the Authority had no foreign currency risk.

3. RECEIVABLES

Receivables as of December 31, 2022, including the applicable allowance for uncollectible accounts, are as follows:

	2022
Trade receivables	$ 19,077,890
Damage claims receivable	4,421
Current account receivable	$ 19,082,311

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, is as follows:

	Beginning Balance	Transfers and Additions	Transfers and Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	$ 247,029,158	$ 17,628,045	$ 1,115,346	$ 263,541,857
Channel and waterfront improvements	79,277,883	-	-	79,277,883
Intangibles	387,429	-	-	387,429
Construction in progress	199,295,145	94,264,505	40,800,369	252,759,281
Total capital assets, not being depreciated	525,989,615	111,892,550	41,915,715	595,966,450
Capital assets, being depreciated:				
Port facilities	453,942,468	39,550,444	-	493,492,912
Buildings and improvements	148,913,625	1,988,945	-	150,902,570
Machinery and equipment	56,172,282	9,394,367	306,247	65,260,402
Intangibles	3,146,657	1,426,894	-	4,573,551
Total capital assets, being depreciated	662,175,032	52,360,650	306,247	714,229,435
Less: accumulated depreciation for				
Port facilities	173,698,126	13,758,241	-	187,456,367
Buildings and improvements	60,144,486	5,580,234	-	65,724,720
Machinery and equipment	41,976,123	3,980,065	306,247	45,649,941
Intangibles	2,919,402	314,026	-	3,233,428
Total accumulated depreciation	278,738,137	23,632,566	306,247	302,064,456
Total capital assets, being depreciated, net	383,436,895	28,728,084	-	412,164,979
Total capital assets, net	**$ 909,426,510**	**$ 140,620,634**	**$ 41,915,715**	**$ 1,008,131,429**

5. ESCROW AGREEMENT

Other Non-Current Assets includes an amount of $631,244 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 2023 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, 2022, there was no reduction of the recorded deposit because construction had not yet commenced.

6. LEASES

The Authority is the lessor for various land and improvements, which meet the definition of a lease under GASB Statement No. 87 as noted in Note 1. For the year ended December 31, 2022, the Authority recognized $46,553,471 as lease revenue.

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, 2022 was $ 12,353,559.

At December 31, 2022, revenue bonds currently outstanding are as follows:

	Interest Rate %	Issue Date	Maturity Date	Outstanding
Revenue Bonds, Series 2015 (Taxable)	7.9-4.6	5/1/2015	12/1/2035	$ 82,980,000
Senior Lien Revenue Bonds, Series 2018A (non-AMT)	4-5	8/1/2018	12/1/2048	89,260,000
Senior Lien Revenue Bonds, Series 2018B (Taxable)	2.9-5	8/1/2018	12/1/2048	108,470,000
Total				**$ 280,710,000**

A statement of changes in long-term debt for the year ended December 31, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	$289,580,000	$ -	$ 8,870,000	$280,710,000	$ 9,175,000
Bond premium	14,500,369	-	855,583	13,644,786	840,406
Total	**$304,080,369**	**$ -**	**$ 9,725,583**	**$294,354,786**	**$ 10,015,406**

Total debt service requirements as of December 31, 2022, are as follows:

Years Ending	Principal	Interest	Totals
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	10,240,000	11,862,810	22,102,810
2027	10,645,000	11,455,439	22,100,439
2028-2032	60,345,000	50,163,515	110,508,515
2033-2037	57,930,000	35,564,243	93,494,243
2038-2042	43,955,000	24,062,825	68,017,825
2043-2047	56,090,000	11,925,750	68,015,750
2048	12,955,000	647,750	13,602,750
Total	**$ 280,710,000**	**$ 183,435,200**	**$ 464,145,200**

COMPENSATED ABSENCES

A statement of changes in compensated absences for the year ended December 31, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	$ 1,748,355	$ 1,228,656	$ 1,064,594	$ 1,912,417	$ 1,064,594
Sick leave	2,814,538	1,082,138	899,298	2,997,378	899,298
Total	**$4,562,893**	**$2,310,794**	**$1,963,892**	**$4,909,795**	**$1,963,892**

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 831 defined benefit pension plans which function similarly to cash balance-account plans. TCDRS in the aggregate issues an annual comprehensive financial report on a calendar year basis. That report 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.

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 2021 was 9.95%, however the governing body of the Authority adopted the rate of 12 percent for calendar year 2021. 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 $1,355,341 and $2,323,442 respectively for the year ended December 31, 2021.

Employees Covered by Benefit Terms

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

	December 31, 2021
Retirees or beneficiaries currently receiving benefits	143
Inactive employees entitled to but not yet receiving benefits	83
Active employees	242
	468

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2021 were 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	December 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Long-term Investment Rate of Return	7.60%
Discount Rate	7.60%
Inflation Rate	2.50%
Projected Salary Increase Rates:	
General Wage Inflation	3.00%
Merit, Promotion, Longevity	1.70%
Total Projected Salary Increase Rate	4.70%
Cost-of-Living Adjustment	0%
Retirement Age	Experience-based table with rates of retirement ranging from 5.3% at ages 40-49 with less than 15 years of service to 25.3% at age 74 with over 30 years of service; for all eligible members ages 75 and older, retirement is assumed to occur immediately

Disability	Experience-based table with rates of disability ranging from .011% at age 28 to .198% at age 59; members who become disabled are eligible to commence benefit payments regardless of age
Mortality-for the actuarial valuation:	
Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Discount Rate

The discount rate used to determine the total pension liability as of December 31, 2022 was 7.60%. 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 7.60% 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 7.60%, 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 (6.60%) or one percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net pension (asset)	$ (1,707,331)	$ (10,543,525)	$ (18,063,871)

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 2022 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 2022.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	6.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities-Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities-Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.10%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

(1) Target Asset Allocation was adopted at the March 2022 TCDRS Board meeting

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.0%, per Cliffwater's 2022 capital market assumptions.

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

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

(5) Includes vintage years 2006-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, 2022, the Authority's Net Pension Liability (Asset) was measured as of December 31, 2021, 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, 2021 based on the actuarial date of December 31, 2021 is reflected below:

	Increase (Decrease)		
Changes in Net Pension Liability/ (Asset)	**Total Pension Liability**	**Fiduciary Net Position**	**Net Position Liability/ (Asset)**
Balances as of December 31, 2020	$ 69,819,969	$ 69,128,614	$ 691,355
Changes for the Year:			
Service cost	2,670,104	-	2,670,104
Interest on total pension liability (1)	5,364,586	-	5,364,586
Effect of economic/demographic gains or losses	(55,489)	-	(55,489)
Effect of assumptions changes or inputs	(406,097)	-	(406,097)
Refund of contributions	(390,570)	(390,570)	-
Benefit payments	(3,487,260)	(3,487,260)	-
Administrative expenses	-	(45,477)	45,477
Member contributions	-	1,355,341	(1,355,341)
Net investment income	-	15,161,281	(15,161,281)
Employer contributions	-	2,323,442	(2,323,442)
Other (3)	-	13,398	(13,398)
Balances as of December 31, 2021	**$ 73,515,243**	**$ 84,058,769**	**$ (10,543,526)**

1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
2) No plan changes valued.
3) Relates to allocation of system-wide items

For the year ended December 31, 2022, the Authority recognized pension expense as follows:

	January 1, 2021 to December 31, 2021
Service cost	$ 2,670,104
Interest on total pension liability	5,364,586
Administrative expenses	45,477
Member contributions	(1,355,341)
Expected investment return net of investment expenses	(5,245,153)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(58,018)
Recognition of assumption changes or inputs	681,134
Recognition of investment gains or losses	(2,694,262)
Other (allocated system-wide items)	(13,398)
Pension expense	**$ (604,871)**

For the year ended December 31, 2022, the Authority recorded deferred outflows and inflows of resources related to the pension as follows:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	172,321	$	69,602
Changes of assumptions		2,216,010		324,878
Net difference between projected and actual earnings		-		9,471,610
Contributions made subsequent to measurement date		2,447,979		-
TOTALS	$	**4,836,310**	$	**9,866,090**

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $2,447,979 will be recognized as an increase in the net pension asset for the measurement year ending December 31, 2022 (i.e. recognized in the Authority's financial statements December 31, 2023). Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2023	$	(1,333,671)
2024		(2,477,894)
2025		(1,590,651)
2026		(2,075,543)
Total	**$**	**(7,477,759)**

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, 2021 with the measurement date of December 31, 2022. 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, 2022, eleven 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, 2022 retirees contributed $6,819 for healthcare benefits under the plan and the Authority contributed $69,967 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:

	January 1, 2021
Active employees	209
Retirees or beneficiaries currently receiving benefits	7
Spouses of retirees	7
	223

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, 2021
Valuation Timing	The valuation is performed at January 1, 2021 with measurements date December 31, 2021 and December 31, 2022

	December 31, 2021	December 31, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Discount Rate (1)	2.06%	3.72%
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 are at 3.0% in year 2021 through 2074+ Medical/pharmacy assumptions range from 5.8% in 2021, dropping to 3.7% in the years 2074+	
Mortality	PubG.H-2010 as projected forward with MP-2020	
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 2020 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 2.06%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.72%, which amounted to an increase of 1.66%. 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 3.72%, 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 (2.72%) or one percentage point higher (4.72%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Total OPEB liability	$ 2,129,480	$ 2,028,099	$ 1,931,242

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	$ 1,832,580	$ 2,028,099	$ 2,257,435

Total OPEB Liability

	December 31, 2021	December 31, 2022
Total OPEB liability	$ 2,041,384	$ 2,028,099
Covered payroll	16,565,016	17,061,966
Total OPEB liability as a % of covered payroll	12.32%	11.89%

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.

Changes in Total OPEB Liability		**Increase (Decrease) in Total OPEB Liability**
Balances as of December 31, 2021	$	2,041,384
Changes for the Year:		
Service cost		181,918
Interest on total OPEB liability		45,084
Effect of assumptions changes or inputs		(170,320)
Benefit payments		(69,967)
Balances as of December 31, 2022	**$**	**2,028,099**

For the year ended December 31, 2022 the Authority recognized OPEB expense as follows:

		January 1, 2022 to December 31, 2022
Service cost	$	181,918
Interest on total OPEB liability		45,084
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses		81,123
Recognition of assumption changes or inputs		(104,325)
OPEB expense	**$**	**203,800**

For the year ended December 31, 2022, 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		329,233		21,765
Changes in actuarial assumptions		4,212		218,406
Total	$	333,445	$	240,171

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:		
2023	$	(21,532)
2024		67,074
2025		67,074
2026		(12,792)
2027		(6,550)
Total	**$**	**93,274**

10. CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At December 31, 2022, the Authority had remaining unpaid contractual construction and improvement commitments of $34,251,176. These commitments are being financed through operating revenues 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 million and excess limits of $100 million for a combined limit of $125 million. 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 $2,751,347. 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, 2022, the liability of $430,602 is comprised of estimated health claims of $425,388 and estimated worker's compensation claims of $5,214.

Changes in the balances of claims liabilities as of December 31, 2022 and 2021 are as follows:

	2022	2021
Unpaid claims, beginning of fiscal year	$ 442,863	$ 690,278
Incurred claims (including IBNRs)	5,556,013	4,652,799
Claim payments	(5,568,274)	(4,900,214)
Unpaid claims, end of fiscal year	**$ 430,602**	**$ 442,863**

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, 2022, facilities financing revenue bonds outstanding amounted to $422,500,000.

12. NET INVESTMENT IN CAPITAL ASSETS

The calculation of the Authority's net investment in capital assets as of December 31, 2022 is as follows:

Capital assets, not being depreciated	$	595,966,450
Capital assets, being depreciated, net		412,164,979
Less: Capital Related Debt		(294,354,786)
Less: Retainage Payable		(4,689,998)
Less: Construction Related Construction Accounts Payable		(7,336,921)
Net Investment in Capital Assets	**$**	**701,749,724**

Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Texas County and District Retirement System
Last Seven Fiscal Years (Previous years are not available)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
TOTAL PENSION LIABILITY								
Service Cost	$ 1,020,446	$ 1,261,508	$ 1,646,309	$ 1,583,238	$ 1,706,000	$ 1,737,142	$ 2,229,892	$ 2,670,104
Interest on Total Pension Liability	3,162,730	3,506,024	3,737,072	4,007,179	4,286,314	4,572,481	5,072,168	5,364,586
Effect of Plan Changes	2,280,346	(209,318)	-	60,522	-	2,374,511	-	-
Effect of Assumption Changes/Inputs	-	449,183	-	213,158	-	-	3,634,136	(406,097)
Effect of Economic/Demographic (Gains) or Losses	570,613	(217,150)	(640,607)	(151,261)	168,127	78,021	179,141	(55,489)
Benefit Payments/Contribution Refunds	(1,854,244)	(1,975,611)	(2,043,433)	(2,330,624)	(2,450,682)	(2,874,901)	(3,305,322)	(3,877,830)
Net Change in Total Pension Liability	5,179,891	2,814,636	2,699,341	3,382,212	3,709,759	5,887,254	7,810,015	3,695,274
Total Pension Liability, Beginning	38,336,862	43,516,753	46,331,389	49,030,729	52,412,941	56,122,700	62,009,954	69,819,969
Total Pension Liability, Ending	$ 43,516,753	$ 46,331,389	$ 49,030,730	$ 52,412,941	$ 56,122,700	$ 62,009,954	$ 69,819,969	$ 73,515,243
FIDUCIARY NET POSITION								
Employer Contributions	$ 827,147	$ 979,505	$ 996,832	$ 1,068,177	$ 1,145,090	$ 1,259,909	$ 2,208,489	$ 2,323,442
Member Contributions	827,147	979,505	996,832	1,068,177	1,145,090	1,259,909	1,288,285	1,355,341
Investment Income Net of Investment Expenses	2,888,058	(508,400)	3,346,977	7,068,420	(1,031,672)	8,875,863	6,458,730	15,161,281
Benefit Payments/Contribution Refunds	(1,854,244)	(1,975,611)	(2,043,433)	(2,330,624)	(2,450,682)	(2,874,901)	(3,305,322)	(3,877,830)
Administrative Expenses	(34,241)	(32,747)	(36,388)	(36,764)	(43,410)	(47,640)	(50,583)	(45,477)
Other	19,158	44,753	(87,598)	(2,950)	772	(3,448)	12,879	13,398
Net Change in Fiduciary Net Position	2,673,025	(512,995)	3,173,222	6,834,436	(1,234,812)	8,469,692	6,612,478	14,930,155
Fiduciary Net Position, Beginning	43,113,568	45,786,593	45,273,598	48,446,820	55,281,256	54,046,444	62,516,136	69,128,614
Fiduciary Net Position, Ending	$ 45,786,593	$ 45,273,598	$ 48,446,820	$ 55,281,256	$ 54,046,444	$ 62,516,136	$ 69,128,614	$ 84,058,769
Net Pension Liability (Asset)	$ (2,269,840)	$ 1,057,791	$ 583,910	$ (2,868,315)	$ 2,076,256	$ (506,182)	$ 691,355	$ (10,543,526)
Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	105.22%	97.72%	98.81%	105.47%	96.30%	100.82%	99.01%	114.34%
Annual Covered Payroll	$ 11,816,386	$ 13,992,927	$ 14,240,462	$ 15,259,672	$ 16,358,433	$ 17,998,705	$ 18,404,075	$ 19,362,015
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(19.21%)	7.56%	4.10%	(18.80%)	12.69%	(2.81%)	3.76%	(54.45%)

PENSION PLAN:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	$ 400,446	$ 405,302	$ 787,802	$ 710,599	$ 650,062	$ 727,950	$ 725,348	$ 806,098	$ 1,511,467	$ 1,591,186
Actual Employer Contributions	791,841	827,147	979,505	996,832	1,068,177	1,145,090	1,259,909	2,208,489	2,323,442	2,447,979
Contribution Deficiency (Excess)	(391,395)	(421,845)	(191,703)	(286,233)	(418,115)	(417,140)	(534,561)	(1,402,391)	(811,975)	(856,793)
Annual Covered Payroll	$ 11,312,022	$ 11,816,386	$ 13,992,927	$ 14,240,462	$ 15,259,672	$ 16,358,433	$ 17,998,705	$ 18,404,075	$ 19,377,779	$ 20,399,824
Contribution as a Percentage of Covered Payroll	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	12.00%	11.99%	12.00%

NOTES TO SCHEDULE:

Valuation date: 12/31/2021

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 2022:

Actuarial Cost Method	Entry age normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	2.1 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Salary Increases	4.7% average over career including inflation
Investment Rate of Return	7.5% net of administrative and 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 100% of the MP-2021 Ultimate Scale after 2010)	135% of the Pub-2010 General Retirees Table for males 120% of the Pub-2010 General Retirees 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 2019: New inflation, mortality and other 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 2020: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits.

	Year Ending December 31, 2018	Year Ending December 31, 2019	Year Ending December 31, 2020	Year Ending December 31, 2021	Year Ending December 31, 2022
TOTAL OPEB LIABILITY					
Service Cost	$ 112,650	$ 135,123	$ 113,684	$ 176,619	$ 181,918
Interest on Total OPEB Liability	61,055	76,536	42,087	34,420	45,084
Effect of Assumption Changes/Inputs	(47,949)	(355,257)	35,805	(15,903)	(170,320)
Effect of Economic/Demographic (Gains) or Losses	-	(108,817)	-	535,005	-
Benefit Payments	(63,710)	(48,981)	(64,681)	(270,101)	(69,967)
Net Change in Total OPEB Liability	62,046	(301,396)	126,895	460,040	(13,285)
Total OPEB Liability, Beginning	1,693,799	1,755,845	1,454,449	1,581,344	2,041,384
Total OPEB Liability, Ending	$ 1,755,845	$ 1,454,449	$ 1,581,344	$ 2,041,384	$ 2,028,099
Annual Covered-Employee Payroll	$ 14,371,824	$ 15,037,942	$ 17,061,574	$ 16,565,016	$ 17,061,966
Total OPEB Liability as a Percentage of Covered-Employee Payroll	12.22%	9.67%	9.27%	12.32%	11.89%

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%
2021	2.06%
2022	3.72%

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.

PORT CORPUS CHRISTI®

SUPPLEMENTAL SCHEDULES

The Port of Corpus Christi's Liebherr LHM 550 rail-mounted crane handles the loading and unloading of a variety of commodities at the Bulk Terminal, including windmill components, barite ore, iron ore, pipe and steel.

PORT CORPUS CHRISTI®

	Actual	Budget	Variance (%)
OPERATING REVENUES:			
Wharfage	$100,935,902	$ 87,424,592	15
Dockage	28,068,071	20,741,700	35
Security fees	16,917,513	14,477,912	17
Freight handling	11,345,942	2,837,918	300
Rail Charges	3,784,735	2,869,108	32
Building and land rentals	47,849,586	20,697,346	131
Conference center services	1,636,593	1,356,000	21
FTZ user fees	244,500	258,500	(5)
Dredge placement fees	1,466,667	4,215,739	(65)
Other	3,423,029	7,402,240	(54)
Total Operating Revenues	215,672,538	162,281,055	33
OPERATING EXPENSES:			
Maintenance and operations	33,096,143	38,150,238	13
General and administrative	45,982,327	42,666,746	(8)
Depreciation	23,632,566	18,717,283	(26)
Total Operating Expenses	102,711,036	99,534,267	(3)
Operating Income	112,961,502	62,746,788	80
NON-OPERATING REVENUES (EXPENSES):			
Investment income (loss)	(3,211,567)	1,000,000	131
Federal and other grant assistance	704,232	-	-
Interest expense and fiscal charges	(12,406,874)	(12,676,796)	(2)
Gain on disposal of assets	2,826,224	-	-
Net Non-Operating Expenses	(12,087,985)	(11,676,796)	4
Income Before Capital Grants and Contributions	100,873,517	51,069,992	98
CAPITAL GRANTS AND CONTRIBUTIONS	46,372,797	-	-
Change in Net Position	$147,246,314	$ 51,069,992	188

MAINTENANCE AND OPERATIONS:	
Employee services	$ 10,512,934
Maintenance	9,587,761
Utilities	971,266
Telephone	77,451
Insurance & claims	2,422,923
Professional services	960,353
Police expenses	69,886
Contracted services	6,564,942
Office and equipment rental	194,098
Operator and event expenses	1,403,009
Safety/Environmental	59,057
General	272,463
Total Maintenance and Operations	$ 33,096,143
GENERAL AND ADMINISTRATIVE:	
Employee services	$ 19,137,012
Maintenance	1,936,664
Utilities	303,004
Telephone	387,669
Insurance & claims	1,238,800
Professional services	12,592,981
Police expenses	3,980
Contracted services	233,916
Office and equipment rental	186,734
Administrative	8,794,393
Trade and sales development	474,357
Media advertising	394,309
Production	177,982
Safety/Environmental	45,600
General	74,926
Total General and Administrative	$ 45,982,327

Description	Interest Rates	Issue Date	Series Maturity	Original Amount	Balance Outstanding
Environmental Facilities Revenue Bonds:					
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
Solid Waste Disposal Revenue Bonds:					
Flint Hills Res., Series 2002A	Variable	10/01/2002	2029	125,000,000	125,000,000
Flint Hills Res., Series 2002B	Variable	10/01/2002	2029	11,700,000	11,700,000
Flint Hills Res., Series 2003	Variable	04/01/2003	2028	19,500,000	19,500,000
Flint Hills Res., Series 2005	Variable	03/01/2005	2030	25,000,000	25,000,000
Flint Hills Res., Series 2006	Variable	04/01/2006	2030	42,000,000	42,000,000
Flint Hills Res., Series 2007	Variable	10/01/2007	2032	35,000,000	35,000,000
Total				$ 442,400,000	$422,500,000

* - Issued by the Industrial Development Corporation (IDC)

PORT CORPUS CHRISTI®

STATISTICAL SECTION

A shipment of wind blades carried aboard the Star Istind vessel moves into the Port of Corpus Christi's Inner Harbor on September 13, 2022. The Port, in 2022, moved more than 46,000 tons of wind energy components, a 13 percent increase from the prior year.

Statistical Section

(Unaudited)

This part of the Authority's Annual Comprehensive Financial Report 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 Authority's overall financial health.

Contents | Page

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Operating revenues:										
Wharfage	$ 35,688,217	$ 42,288,896	$ 45,779,919	$ 42,337,275	$ 46,948,820	$ 50,487,100	$ 63,467,357	$ 77,700,556	$ 83,998,460	$ 100,935,902
Dockage	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519	15,310,185	17,676,236	16,948,628	20,330,792	28,068,071
Security fees	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385	11,299,077	13,003,968	14,130,111	16,917,513
Freight handling	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418	3,437,356	2,843,281	2,151,130	11,345,942
Rail Charges	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814	3,426,169	2,741,835	2,664,310	3,784,735
Building and land rentals	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803	21,566,430	19,729,444	20,398,560	47,849,586
Conference center services	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419	1,903,112	440,071	606,739	1,636,593
Warehouse handling charges	-	-	-	-	-	-	-	-	-	-
FTZ user fees	253,917	222,500	207,667	224,000	225,000	241,833	247,000	238,000	248,500	244,500
Dredge placement fees	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638	436,910	1,500	8,567,899	4,450,401	1,466,667
Cost sharing agreements	-	-	-	-	-	-	-	13,758,035	435,310	-
Other	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524	3,681,585	4,163,884	5,500,495	3,423,029
Insurance proceeds, Hurricane Harvey	-	-	-	-	1,266,289	163,737	1,536,964	-	-	-
Total operating revenues	77,467,953	82,159,445	93,421,855	83,021,962	95,541,093	105,780,128	128,242,786	160,135,601	154,914,808	215,672,538
Investment income (loss)	283,544	341,754	518,374	1,184,692	2,417,838	4,807,322	7,974,561	3,835,652	(447,261)	(3,211,567)
Federal and other grant assistance	290,727	180,655	227,714	152,412	146,950	266,930	877,920	1,809,193	21,473	704,232
Contributions from Harbor Bridge Commitment	-	-	-	-	-	14,761,550	14,037,941	6,116,615	-	-
Gain on disposal of assets	-	40,596	-	-	-	-	-	-	-	-
Total Revenues	78,042,224	82,722,450	94,167,943	84,359,066	98,105,881	125,615,930	151,133,208	171,897,061	154,489,020	213,165,203
Expenses										
Operating expenses:										
Maintenance and operations	18,144,056	23,367,865	21,470,411	21,435,640	21,066,636	24,934,261	27,804,966	29,722,554	26,728,651	33,096,143
General and administrative	15,378,025	15,891,293	19,469,477	20,715,616	23,263,150	25,435,988	31,328,255	38,042,089	36,009,588	45,982,327
Hurricane Harvey related repairs	-	-	-	-	233,054	963,247	2,361,711	727,590	-	-
Depreciation	12,024,981	12,310,557	12,822,653	13,140,057	13,377,640	14,149,761	14,661,500	18,156,728	21,044,928	23,632,566
Total operating expenses	45,547,062	51,569,715	53,762,541	55,291,313	57,940,480	65,483,257	76,156,432	86,648,961	83,783,167	102,711,036
Interest expense and fiscal charges	16,986	535	2,030,505	2,973,844	3,650,348	7,697,446	13,002,641	12,838,761	12,630,519	12,406,874
Bond issuance costs	-	-	1,139,597	-	-	1,993,237	-	-	-	-
Fiscal payments to subrecipients	-	-	-	-	-	-	-	-	-	-
Contributions to Harbor Bridge Commitment	-	-	-	1,885,410	1,287,176	1,786,441	1,517,492	771,278	366,148	-
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	102,957	-	5,829,882	67,638	3,590	61,064	636	820,008	1,222,380	(2,826,224)
Loss on impairment of capital assets	-	-	-	-	428,254	-	-	-	-	-
Total Expenses	45,667,005	51,570,250	65,762,525	63,218,205	67,724,940	80,021,445	93,677,201	101,079,008	98,002,214	112,291,686
Income (Loss) Before Contributions	32,375,219	31,152,200	28,405,418	21,140,861	30,380,941	45,594,485	57,456,007	70,818,053	56,486,806	100,873,517
Capital Contributions	5,842,850	8,307,361	7,245,620	12,835,396	5,536,616	3,720,723	2,536,407	1,429,850	2,045,162	46,372,797
Changes in Net Position	38,218,069	39,459,561	35,651,038	33,976,257	35,917,557	49,315,208	59,992,414	72,247,903	58,531,968	147,246,314
Total Net Position, Beginning of Year	434,998,820	473,216,889	512,676,450	546,491,840	580,468,097	616,385,654	664,763,412	724,755,826	797,003,729	855,535,697
Cumulative Effect of Change in Accounting Principle	-	-	1,835,648	-	-	937,450	-	-	-	6,399,242
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
Total Net Position, End of Year	$ 473,216,889	$ 512,676,450	$ 546,491,840	$ 580,468,097	$ 616,385,654	$ 664,763,412	$ 724,755,826	$ 797,003,729	$ 855,535,697	$ 996,382,769
Net Position at Year End										
Net investment in capital assets	$ 331,783,319	$ 351,847,220	$ 346,529,304	$ 364,492,941	442,489,861	464,777,149	519,034,065	556,307,121	593,027,992	701,749,724
Restricted	32,683	35,522	36,153,709	36,031,915	21,222,100	23,479,446	24,756,790	27,697,524	28,506,730	29,315,077
Unrestricted	141,400,887	160,793,708	163,808,827	179,943,241	152,673,693	176,506,817	180,964,971	212,999,084	234,000,975	265,317,968
Total Net Position	$ 473,216,889	$ 512,676,450	$ 546,491,840	$ 580,468,097	$ 616,385,654	$ 664,763,412	$ 724,755,826	$ 797,003,729	$ 855,535,697	$ 996,382,769

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Revenues by Source
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues:										
Wharfage	$ 35,688,217	$ 42,288,896	$ 45,779,919	$ 42,337,275	$ 46,948,820	$ 50,487,100	$ 63,467,357	$ 77,700,556	$ 83,998,460	$ 100,935,902
Dockage	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519	15,310,185	17,676,236	16,948,628	20,330,792	28,068,071
Security fees	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385	11,299,077	13,003,968	14,130,111	16,917,513
Freight handling	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418	3,437,356	2,843,281	2,151,130	11,345,942
Rail Charges	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814	3,426,169	2,741,835	2,664,310	3,784,735
Building and land rentals	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803	21,566,430	19,729,444	20,398,560	47,849,586
Conference center services	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419	1,903,112	440,071	606,739	1,636,593
FTZ user fees	253,917	222,500	207,667	224,000	225,000	241,833	247,000	238,000	248,500	244,500
Dredge placement fees	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638	436,910	1,500	8,567,899	4,450,401	1,466,667
Cost sharing agreements	-	-	-	-	-	-	-	13,758,035	435,310	-
Other	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524	3,681,585	4,163,884	5,500,495	3,423,029
Insurance proceeds, Hurricane Harvey	-	-	-	-	1,266,289	163,737	1,536,964	-	-	-
	$ 77,467,953	$ 82,159,445	$ 93,421,855	$ 83,021,962	$ 95,541,093	$ 105,780,128	$ 128,242,786	$ 160,135,601	$ 154,914,808	$ 215,672,538
Non-Operating Revenues:										
Other:										
Investment income (loss)	$ 283,544	$ 341,754	$ 518,374	$ 1,184,692	$ 2,417,838	$ 4,807,322	$ 7,974,561	$ 3,835,652	$ (447,621)	$ (3,211,567)
Federal and other grant assistance	290,727	180,655	227,714	152,412	146,950	266,930	877,920	1,809,193	21,473	704,232
Contributions from Harbor Bridge commitment	-	-	-	-	-	14,761,550	14,037,941	6,116,615	-	-
Gain on disposal of assets	-	40,596	-	-	-	-	-	-	-	-
	$ 574,271	$ 563,005	$ 746,088	$ 1,337,104	$ 2,564,788	$ 19,835,802	$ 22,890,422	$ 11,761,460	$ (426,148)	$ (2,507,335)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Expenses by Type
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Expenses:										
Maintenance and Operation:										
Employee services	$ 7,324,312	$ 8,304,043	$ 9,993,556	$ 9,478,572	$ 9,948,834	$ 9,646,909	$ 10,736,455	$ 11,930,519	$ 10,181,055	$ 10,512,934
Maintenance	3,679,718	6,122,959	3,667,189	4,367,556	3,707,172	4,024,567	6,228,088	8,053,779	5,992,035	9,587,761
Utilities	902,342	1,004,905	1,073,706	980,564	936,770	910,486	917,987	795,718	715,673	971,266
Telephone	85,538	80,639	78,674	90,885	88,096	85,140	91,916	93,528	103,284	77,451
Insurance & claims	2,023,472	1,911,090	1,745,262	1,520,100	1,336,484	1,493,288	1,629,166	1,950,752	2,431,495	2,422,923
Professional services	974,998	2,422,320	864,991	1,160,192	914,565	4,219,869	3,297,467	2,684,827	3,251,859	960,353
Police expenses	14,435	16,461	31,320	21,710	30,368	59,019	55,740	39,229	27,265	69,886
Contracted services	1,336,574	1,277,137	1,334,780	1,680,388	1,849,059	2,265,625	2,578,594	2,874,314	2,615,823	6,564,942
Office and equipment rental	55,691	79,023	109,355	96,681	126,387	104,596	139,756	139,222	125,269	194,098
Operator and event expenses	1,427,944	1,547,155	1,624,343	1,712,280	1,825,207	1,789,206	1,667,343	721,927	737,260	1,403,009
Safety/Environmental	98,478	107,859	70,797	84,493	87,427	83,477	88,682	69,872	61,730	59,057
General	220,554	494,274	876,438	242,219	216,267	252,079	385,576	368,866	485,903	272,463
	$ 18,144,056	$ 23,367,865	$ 21,470,411	$ 21,435,640	$ 21,066,636	$ 24,934,261	$ 27,816,770	$ 29,722,554	$ 26,728,651	$ 33,096,143
General and Administrative:										
Employee services	$ 7,272,765	$ 8,001,279	$ 10,549,722	$ 11,446,283	$ 12,891,866	$ 13,209,035	$ 14,953,056	$ 18,130,677	$ 17,360,942	$ 19,137,012
Maintenance	530,688	648,221	759,004	948,956	756,368	1,038,631	1,058,936	1,048,333	1,376,318	1,936,664
Utilities	149,405	159,148	160,630	162,490	173,577	162,956	159,358	131,960	249,140	303,004
Telephone	73,896	83,776	91,439	97,984	99,596	118,665	166,452	195,838	223,554	387,669
Insurance & claims	429,990	99,451	109,887	148,816	124,462	117,385	232,747	393,981	341,225	1,238,800
Professional services	3,993,766	3,870,383	4,363,193	4,462,954	5,491,998	6,438,267	9,870,787	11,602,910	9,381,740	12,592,981
Police expenses	190	1,616	1,227	233	1,150	1,619	1,039	1,117	1,178	3,980
Contracted services	23,431	26,167	49,477	143,210	93,104	88,067	247,068	189,893	155,470	233,916
Office and equipment rental	92,118	86,761	99,176	123,574	158,778	148,149	139,623	83,473	216,149	186,734
Administrative	2,140,507	2,309,972	2,667,808	2,578,220	2,865,300	2,915,142	3,932,311	5,489,489	5,943,181	8,794,393
Trade and sales development	200,500	209,900	165,955	172,765	174,973	196,164	611,926	135,343	240,551	474,357
Media advertising	225,363	232,608	311,184	327,641	354,200	238,775	221,857	290,079	288,793	394,309
Production	33,424	41,061	74,566	23,768	39,581	55,459	55,766	140,011	118,585	177,982
Safety/Environmental	26,732	28,007	43,037	45,881	29,398	35,440	67,510	172,324	86,655	45,600
General	185,250	92,943	23,172	32,841	8,799	672,234	8,695	36,661	26,107	74,926
	$ 15,378,025	$ 15,891,293	$ 19,469,477	$ 20,715,616	$ 23,263,150	$ 25,435,988	$ 31,727,131	$ 38,042,090	$ 36,009,588	$ 45,982,327
Hurricane Harvey related repairs	-	-	-	-	233,054	963,247	2,361,711	727,590	-	-
Depreciation	$ 12,024,981	$ 12,310,557	$ 12,822,653	$ 13,140,057	13,377,640	14,149,761	14,661,500	18,156,728	21,044,928	23,632,566
Non-Operating Expenses:										
Other:										
Interest	$ 16,986	$ 535	$ 2,030,505	$ 2,973,844	$3,650,348	$7,697,446	$13,002,641	$12,838,761	$12,630,519	12,406,874
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	366,148	-
Other	102,957	-	8,829,882	3,067,638	4,846,936	3,061,064	3,000,636	820,008	1,222,380	(2,826,224)
	$ 119,943	$ 535	$ 11,999,984	$ 7,926,892	$ 9,784,460	$ 14,538,188	$ 17,520,769	$ 14,430,047	$ 14,219,047	$ 9,580,650

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Financial Performance Indicators
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues (OR)	$ 77,467,953	$ 82,159,445	$ 93,421,855	$ 83,021,962	$ 95,541,093	$ 105,780,128	$ 128,242,786	$ 160,135,601	$ 154,914,808	$ 215,672,538
Operating Expenses (OE) *	(33,522,081)	(39,259,158)	(40,939,888)	(42,151,256)	(44,562,840)	(51,333,496)	(61,494,932)	(68,492,233)	(62,738,239)	(79,078,470)
Net Operating Income (NOI)	43,945,872	42,900,287	52,481,967	40,870,706	50,978,253	54,446,632	66,747,854	91,643,368	92,176,569	136,594,068
Non-Operating Revenues	574,271	563,005	746,088	1,337,104	2,564,788	19,835,802	22,890,422	11,761,460	2,066,635	47,077,029
Non-Operating Expenses	(119,943)	(535)	(11,999,984)	(7,926,892)	(9,784,460)	(14,538,188)	(17,520,769)	(14,430,047)	(14,666,308)	(12,792,217)
Net Income "A" (NI"A")	44,400,200	43,462,757	41,228,071	34,280,918	43,758,581	59,744,246	72,117,507	88,974,781	79,576,896	170,878,880
Depreciation	(12,024,981)	(12,310,557)	(12,822,653)	(13,140,057)	(13,377,640)	(14,149,761)	(14,661,500)	(18,156,728)	(21,044,928)	(23,632,566)
Net Income (Loss) "B" (NI"B")	$ 32,375,219	$ 31,152,200	$ 28,405,418	$ 21,140,861	$ 30,380,941	$ 45,594,485	$ 57,456,007	$ 70,818,053	$ 58,531,968	$ 147,246,314
Net Capital Assets (NCA) **	$ 236,941,202	$ 241,815,700	$ 297,825,250	$ 296,380,248	$ 321,263,212	$ 386,505,892	$ 387,829,832	$ 497,460,868	$ 710,131,365	$ 755,372,148
Total Assets (TA)	$ 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	$ 1,236,493,196	$ 1,585,765,739
Operating Indicators:										
Operating ROI (NOI/NCA)	18.55%	17.74%	17.62%	13.79%	15.87%	14.09%	17.21%	18.42%	12.98%	18.08%
Operating Margin (NOI/OR)	56.73%	52.22%	56.18%	49.23%	53.36%	51.47%	52.05%	57.23%	59.50%	63.33%
Operating Ratio (OE/OR)	43.27%	47.78%	43.82%	50.77%	46.64%	48.53%	47.95%	42.77%	40.50%	36.67%
Other ROI Indicators:										
ROI "A" (NI"A"/TA)	10.20%	8.96%	6.60%	5.06%	6.04%	6.01%	6.67%	7.93%	6.44%	10.78%
ROI "B" (NI"B"/TA)	7.44%	6.42%	4.54%	3.12%	4.19%	4.59%	5.32%	6.31%	4.73%	9.29%

* - Excludes Depreciation
** - Excludes Construction in Progress

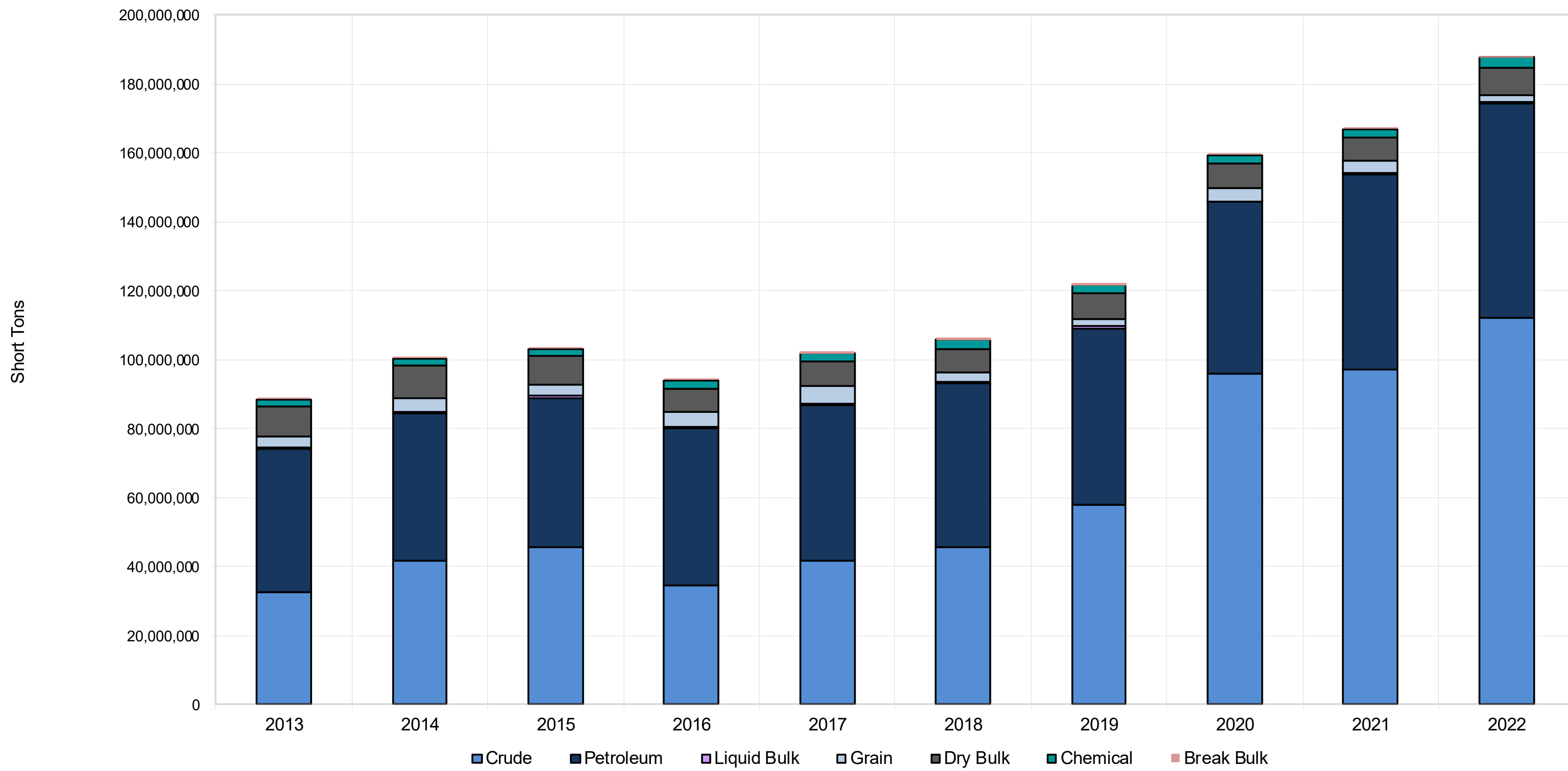
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Port Commerce By Commodity
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Commodity By Port Division - ***Short tons***										
Inner Harbor										
Break Bulk	62,310	133,938	238,695	248,471	389,264	451,029	427,205	209,976	219,823	218,327
Grain	2,972,973	4,068,716	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667	3,567,886	1,979,514
Chemical	41,198	99,979	135,841	105,512	99,706	106,263	116,909	113,285	118,551	109,881
Dry Bulk	2,805,899	3,639,556	3,834,620	3,548,129	2,798,319	2,868,385	3,509,844	3,060,048	2,973,730	3,410,064
Liquid Bulk	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806	373,255	331,927
Crude	27,725,999	35,619,488	40,612,622	28,619,578	25,910,096	28,167,840	34,643,867	46,723,682	43,138,646	48,269,889
Petroleum	40,091,495	42,653,836	42,714,963	45,396,299	44,977,499	47,263,872	44,260,511	40,664,756	40,185,922	45,352,640
Total	74,175,660	86,709,363	91,513,625	82,519,884	79,866,496	81,973,612	85,455,841	95,026,220	90,577,813	99,672,242
La Quinta										
Break Bulk	3,551	105,282	111,346	85,069	163,313	170,135	139,143	67,210	267,657	70,388
Chemical	1,910,564	2,105,444	1,822,132	2,095,329	2,258,959	2,279,158	2,304,539	2,300,418	2,330,029	2,895,789
Dry Bulk	6,078,632	5,518,508	4,448,951	3,357,428	4,311,854	4,085,546	4,056,812	4,019,507	3,771,140	4,722,570
Crude	-	-	-	-	-	-	-	-	-	-
Petroleum	14,228	23,906	17,370	23,548	34,454	217,530	6,911,738	8,772,603	16,130,707	16,422,176
Total	8,006,975	7,753,140	6,399,799	5,561,374	6,768,580	6,752,369	13,412,232	15,159,738	22,499,533	24,110,923
Ingleside										
Break Bulk	263,119	31,458	58,348	12,271	2,020	67	25,628	47,016	887	76
Dry Bulk	829	5,274	2,804	345	4,383	273	-	-	-	-
Crude	4,871,560	5,891,206	4,904,927	5,982,277	15,733,332	17,497,170	23,258,262	49,335,388	54,008,486	63,730,912
Petroleum	1,556,391	195,976	598,584	216,184	15,913	13,861	18,466	144,626	164,498	379,520
Total	6,691,899	6,123,914	5,564,664	6,211,077	15,755,648	17,511,371	23,302,356	49,527,030	54,173,871	64,110,508
Rincon Point										
Break Bulk	-	-	-	-	1,124	54	-	-	-	-
Grain	11,235	1,600	-	-	-	-	-	-	-	-
Dry Bulk	5,835	-	-	-	-	-	-	51	-	4,531
Total	17,070	1,600	-	-	1,124	54	-	51	-	4,531
Total	88,891,604	100,588,017	103,478,088	94,292,335	102,391,848	106,237,406	122,170,429	159,713,039	167,251,217	187,898,204
Commodity Totals - ***Short tons***										
Break Bulk	328,980	270,678	408,389	345,811	555,721	621,285	591,976	324,202	488,367	288,791
Grain	2,984,208	4,070,316	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667	3,567,886	1,979,514
Chemical	1,951,762	2,205,423	1,957,973	2,200,842	2,358,665	2,385,421	2,421,448	2,413,703	2,448,580	3,005,669
Dry Bulk	8,891,195	9,163,338	8,286,375	6,905,901	7,114,556	6,954,204	7,566,656	7,079,606	6,744,870	8,137,164
Liquid Bulk	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806	373,255	331,927
Crude	32,597,560	41,510,694	45,517,549	34,601,855	41,643,428	45,665,010	57,902,129	96,059,070	97,147,132	112,000,800
Petroleum	41,662,114	42,873,718	43,330,918	45,636,031	45,027,866	47,495,263	51,190,715	49,581,985	56,481,127	62,154,336
Total	88,891,604	100,588,017	103,478,088	94,292,335	102,391,848	106,237,406	122,170,429	159,713,039	167,251,217	187,898,201

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Port Commerce By Commodity
Last Ten Years



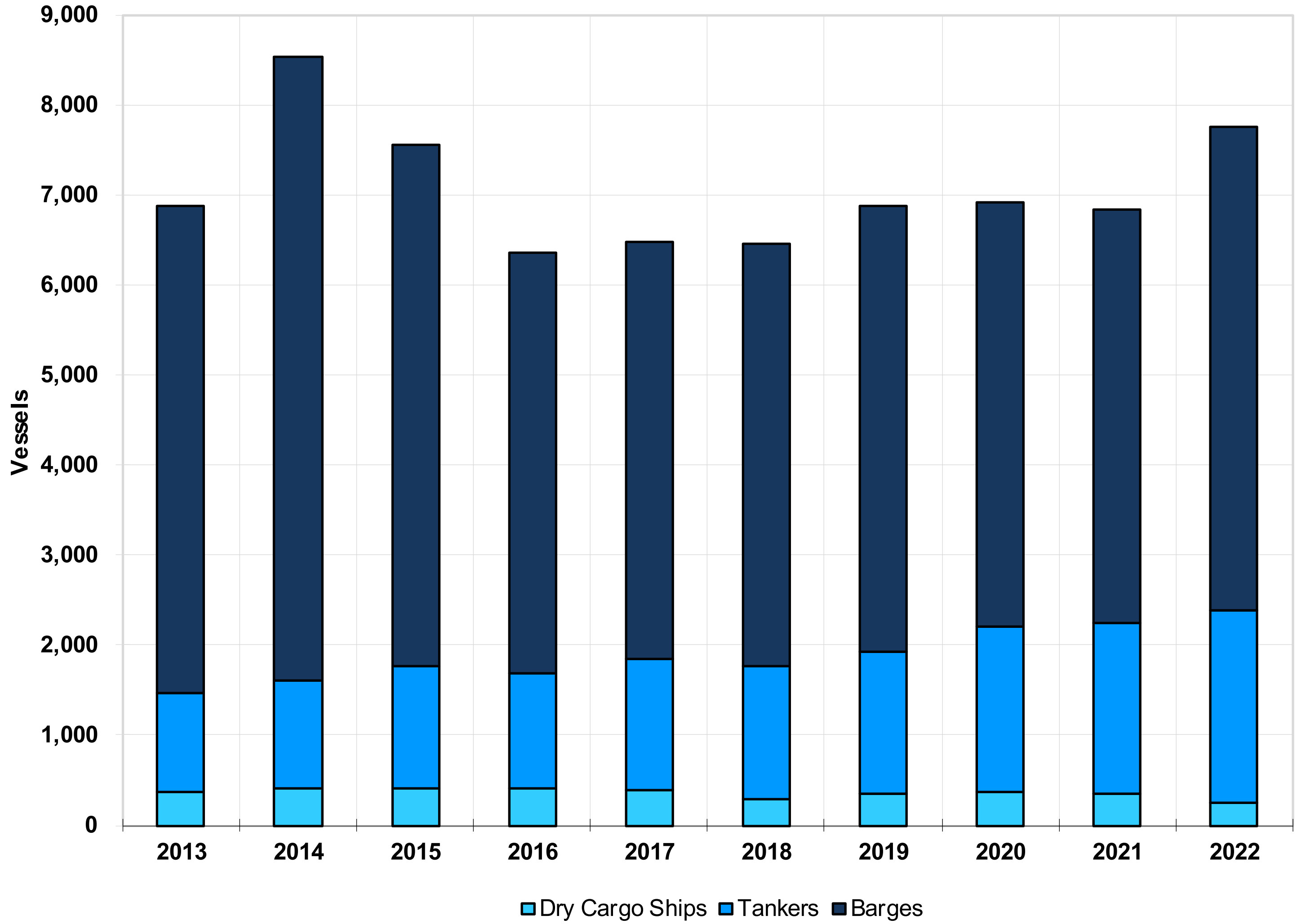
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Vessel Traffic
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Inner Harbor										
Ships										
Dry Cargo	224	223	283	293	280	200	228	202	197	183
Tankers	873	986	1,143	1,039	1,110	1,151	1,140	1,160	1,068	1,187
Barges	5,087	6,475	5,479	4,478	4,153	4,304	4,452	4,288	4,056	4,555
Total Vessels	6,184	7,684	6,905	5,810	5,543	5,655	5,820	5,650	5,321	5,925
La Quinta Harbor										
Ships										
Dry Cargo	125	130	104	88	102	70	67	103	102	59
Tankers	114	130	124	140	167	136	249	255	350	407
Barges	88	101	118	80	346	321	398	362	478	736
Total Vessels	327	361	346	308	615	527	714	720	930	1,202
Harbor Island										
Ships										
Dry Cargo	-	-	-	-	-	4	48	41	59	12
Tankers	5	-	-	-	-	-	-	1	-	1
Barges	2	-	-	-	-	-	8	5	10	6
Total Vessels	7	-	-	-	-	4	56	47	69	19
Ingleside Harbor										
Ships										
Dry Cargo	29	60	31	35	12	19	4	17	1	-
Tankers	94	70	89	89	169	185	198	422	467	539
Barges	225	353	190	124	142	75	81	52	55	47
Total Vessels	348	483	310	248	323	279	283	491	523	586
Rincon Point										
Barges	6	-	-	-	-	2	-	1	-	21
Total Vessels	6	-	-	-	-	2	-	1	-	21
Total										
Ships										
Dry Cargo	378	413	418	416	394	293	347	363	359	254
Tankers	1,081	1,186	1,356	1,268	1,446	1,472	1,587	1,838	1,885	2,134
Barges	5,408	6,929	5,787	4,682	4,641	4,702	4,939	4,708	4,599	5,365
Total Vessels	6,867	6,872	7,561	6,366	6,481	6,467	6,873	6,909	6,843	7,753

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Wharfage Rates											
All Cargo NOS	W/M	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200	$3.9500
Dry Bulk	S/T	$1.2800	$1.3300	$1.3700	$1.4000	$1.4300	$1.4800	$1.5100	$1.5400	$1.5400	$1.6400
Liquid Bulk	BRL	$0.0901	$0.0937	$0.0965	$0.0987	$0.1005	$0.1041	$0.1061	$0.1084	$0.1084	$0.1151
Beans, Lentils & Peas	S/T	$0.6200	$0.6400	$0.6600	$0.6700	$0.6900	$0.7100	$0.7200	$0.7400	$0.7400	$0.7900
Cotton	Bale	$0.5500	$0.5700	$0.5900	$0.6000	$0.6100	$0.6300	$0.6600	$0.6600	$0.6600	$0.7000
Grain and Grain Products	S/T	$1.4100	$1.4700	$1.5100	$1.5500	$1.5700	$1.6400	$1.6700	$1.7100	$1.7100	$1.8100
Grain and Grain Products (bulk)	S/T	$0.2800	$0.2900	$0.3000	$0.3100	$0.3200	$0.3300	$0.3400	$0.3500	$0.3500	$0.3700
Iron and Steel Articles	S/T	$2.0200	$2.1000	$2.1600	$2.2100	$2.2500	$2.3300	$2.3800	$2.4300	$2.4300	$2.5800
Machinery, agricultural	S/T	$3.1000	$3.2200	$3.3310	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200	$3.9500
Machinery, grading, earth moving	S/T	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200	$3.9500
Military Cargo	S/T	$5.8400	$6.0700	$6.2500	$6.3900	$6.5200	$6.7600	$6.8900	$7.0400	$7.0400	$7.4700
Milk, dehydrated	S/T	$1.6400	$1.7100	$1.7600	$1.8000	$1.8300	$1.9000	$1.9400	$1.9800	$1.9800	$2.1000
Passengers	Person	$5.6400	$5.8600	$6.0300	$6.1700	$6.2800	$6.5100	$6.6400	$6.7800	$0.0000	$0.0000
Power Generation/Plant Equipment	S/T	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200	$3.8200
Refrigerated Cargo	S/T	$1.4100	$1.4700	$1.5100	-	-	-	-	-	-	-
Rice and Rice Products	S/T	$1.4100	$1.4700	$1.5100	$1.5500	$1.6900	$1.7500	$1.7900	$1.8200	$1.8200	$1.9400
Sand, aggregates, caliche, limestone	S/T	$1.2800	$1.3300	$1.3700	$1.4000	$1.4300	$1.4800	$1.5100	$1.5400	$1.5400	$1.6400
Vegetable oil	S/T	$1.3700	$1.4200	$1.4600	$1.5000	$1.5200	$1.5800	$1.6100	$1.6400	$1.6400	$1.7400
Vehicles	S/T	$5.3500	$5.5600	$5.7200	$5.8500	$5.9600	$6.1800	$6.3000	$6.4300	$6.4300	$6.8300
Vessels, pressure	S/T	$3.8400	$3.9900	$4.1100	$4.2000	$4.2800	$4.4300	$4.5200	$4.6200	$4.6200	$4.9100
Dockage Rates											
General Cargo											
Vessels											
0-199	Feet	$ 2.57	$ 2.67	$ 2.75	$ 2.81	$ 2.86	$ 2.97	$ 3.02	$ 3.09	$ 3.09	$ 3.28
200-399	Feet	$ 3.38	$ 3.51	$ 3.61	$ 3.70	$ 3.75	$ 3.90	$ 3.97	$ 4.06	$ 4.06	$ 4.31
400-499	Feet	$ 4.76	$ 4.95	$ 5.10	$ 5.21	$ 5.31	$ 5.50	$ 5.60	$ 5.73	$ 5.73	$ 6.09
500-599	Feet	$ 6.41	$ 6.66	$ 6.86	$ 7.01	$ 7.15	$ 7.41	$ 7.55	$ 7.72	$ 7.72	$ 8.20
600-699	Feet	$ 7.34	$ 7.63	$ 7.85	$ 8.03	$ 8.17	$ 8.48	$ 8.64	$ 8.83	$ 8.83	$ 9.38
700-799	Feet	$ 9.45	$ 9.83	$ 10.12	$ 10.35	$ 10.52	$ 10.91	$ 11.12	$ 11.36	$ 11.36	$ 12.06
800-899	Feet	$ 11.39	$ 11.84	$ 12.19	$ 12.47	$ 12.69	$ 13.15	$ 13.41	$ 13.70	$ 13.70	$ 14.54
900-999	Feet	$ 13.60	$ 14.14	$ 14.56	$ 14.89	$ 15.16	$ 15.71	$ 16.01	$ 16.36	$ 16.36	$ 17.37
1000-1099	Feet	-	-	-	-	-	-	$ 20.90	$ 21.35	$ 21.35	$ 22.66
Over 1100	Feet	-	-	-	-	-	-	$ 25.79	$ 26.35	$ 26.35	$ 27.97
Barges - Inland Waterway	Feet	$ 136.01	$ 150.00	$ 154.41	$ 157.93	$ 157.93	$ 166.61	$ 169.84	$ 173.51	$ 173.51	$ 177.99
Bulk Terminal	GRT	$ 0.45	$ 0.47	$ 0.48	$ 0.49	$ 0.50	$ 0.52	$ 0.53	$ 0.53	$ 0.54	$ 0.57
Liquid Bulk											
Vessels	DWT	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid
Barges											
0-200 Feet	Barge	$ 136.01	$ 150.00	$ 154.41	$ 157.93	$ 160.77	$ 166.61	$ 169.84	$ 173.51	$ 173.51	$ 184.20
201-361 Feet	Barge	$ 136.01	$ 225.00	$ 231.62	$ 236.90	$ 241.16	$ 249.91	$ 254.76	$ 260.27	$ 260.27	$ 276.30
360 +	Barge	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid
Harbor Safety Fee [2]											
Ships	Ship	$ 2,032.00	$ 1,153.00	$ 1,153.00	$ 1,153.00	$ 1,153.00	$ 1,446.00	$ 1,446.00	$ 1,477.23	$ 1,477.23	$ 1,568.23
Barges	Barge	$ 230.00	$ 132.00	$ 132.00	$ 132.00	$ 132.00	$ 166.00	$ 166.00	$ 169.59	$ 169.59	$ 180.04
Security Surcharge Fee [1]		7.5%	7.5%	7.5%	7.5%	7.5%	10.0%	10.0%	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, 2022 and 2013

WHARFAGE and DOCKAGE REVENUE:
(by billed counterparty)

Customer	2022 Wharfage and Dockage Revenue	2022 Rank	2022 %	2013 Wharfage and Dockage Revenue	2013 Rank	2013 %
Enbridge Ingleside Energy Center LL	$ 11,776,441	1	24.10%	$ -		
Corpus Chritsti Liquefaction	11,484,690	2	23.50%	-		
Valero	11,316,138	3	23.15%	8,165,703	1	17.36%
Nu Star Logistics	9,262,095	4	18.95%	4,260,476	4	9.06%
South Texas Gateway Terminal	8,576,434	5	17.55%			0.00%
Citgo	7,731,206	6	15.82%	5,911,492	2	
Max Shipping, Inc.	7,059,473	7	14.44%	1,515,378	7	3.22%
Flint Hills	6,065,311	8	12.41%	5,542,052	3	
Potac	5,749,971	9	11.76%			
Promar Agency, LTD	4,890,013	10	10.01%			
Martin Operating	-			3,626,621	5	7.71%
Moran-Gulf Shipping Agency	-			1,700,117	6	3.61%
Port Corpus Terminal, Inc	-			1,412,458	8	3.00%
Valls Shipping Agency	-			1,166,741	9	2.48%
Trafigurs Terminals LLC	-			1,050,514	10	2.23%
Subtotal (10 largest)	83,911,772		65.05%	34,351,552		73.02%
Other	45,092,201		34.95%	12,695,478		26.98%
Total	**$ 129,003,973**		**100.00%**	**$ 47,047,030**		**100.00%**

TONNAGE:

Customer	2022 Tonnage	2022 Rank	2022 %	2013 Tonnage	2013 Rank	2013 %
Enbridge Ingleside Energy Center LL	29,856,157	1	15.89%			
South Texas Gateway Terminal	21,748,505	2	11.57%			
Valero	20,555,201	3	10.94%	20,533,482	2	23.15%
Citgo	18,482,229	4	9.84%	22,373,289	1	25.22%
Corpus Chritsti Liquefaction	16,225,771	5	8.64%			
Nu Star Logistics	11,847,047	6	6.31%	5,410,069	6	6.10%
Flint Hills	11,719,878	7	6.24%	13,332,755	3	15.03%
Potac	9,732,059	8	5.18%			
Buckeye Texas Hub LLC	9,483,042	9	5.05%			
Eagle Ford Terminals	7,367,306	10	3.92%			
Sherwin Alumina Company LP	-			5,887,864	4	6.64%
Martin Operating	-			5,634,812	5	6.35%
Trafigura Terminal	-			3,260,138	7	3.68%
Occidental Chemical Corp.	-			1,912,007	8	2.16%
ADM/Growmark River System, Inc.	-			1,750,630	9	1.97%
Interstate Grain Port Terminal	-			1,222,286	10	1.38%
Subtotal (10 largest)	157,017,195		83.57%	81,317,332		91.68%
Other	30,881,007		16.43%	7,382,516		8.32%
Total	**187,898,202**		**100.00%**	**88,699,848**		**100.00%**

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Ratios of Outstanding Debt
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue Bonds	$ -	$ -	$ 115,000,000	$ 110,640,000	$ 106,245,000	$ 309,325,000	$ 304,795,000	$ 298,160,000	$ 289,580,000	$ 280,710,000
Bond Premium	-	-	-	-	-	17,117,024	16,243,611	15,370,382	14,497,153	13,644,786
Total Outstanding Debt	$ -	$ -	$ 115,000,000	$ 110,640,000	$ 106,245,000	$ 326,442,024	$ 321,038,611	$ 313,530,382	$ 304,077,153	$ 294,354,786
Per Capita	$ -	$ -	$ 2,711	$ 2,736	$ 2,500	$ 7,474	$ 7,112	$ 6,721	$ 5,951	$ 5,201
Percent of Personal Income	0.00%	0.00%	0.63%	0.64%	0.58%	1.74%	1.66%	1.57%	1.38%	1.23%

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: Principal	Debt Service Requirements: Interest	Debt Service Requirements: Total	Coverage
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
2021	152,659,759	60,743,239	91,916,520	8,580,000	13,522,008	22,102,008	4.16
2022	212,460,971	79,078,470	133,382,501	8,870,000	13,235,090	22,105,090	6.03

(1) Gross revenues represent operating revenues, other than insurance reimbursements, and includes interest income (loss) 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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Population (1)	419,080	423,313	427,621	428,953	428,445	428,697	429,024	430,217	430,808	423,029
Personal Income-(in thousands) (1	$ 17,377,659	$ 18,206,109	$ 18,141,476	$ 17,346,555	$ 18,209,181	$ 18,724,313	$ 19,366,168	$ 20,676,103	$ 22,013,429	$ 23,943,338
Per Capita Personal Income (1)	$ 41,466	$ 43,009	$ 42,424	$ 40,439	$ 42,501	$ 43,677	$ 45,140	$ 48,060	$ 51,098	$ 56,600
Unemployment rate (2)	6.30%	5.30%	5.20%	5.90%	5.80%	4.90%	4.30%	9.28%	7.49%	5.36%

urce:
(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

Principal Employers
December 31, 2022 and 2013

	2022			2013		
Employer	Number of Employees	Rank	Percent of Total MSA Employment	Number of Employees	Rank	Percent of Total MSA Employment
Corpus Chirsti ISD	5,888	1	3.06%	5,178	2	2.50%
Corpus Christi Naval Air Station	4,600	2	2.39%	2,822	6	1.37%
H.E.B.	3,840	3	1.99%	5,000	4	2.41%
Corpus Christi Army Depot	3,400	4	1.76%	5,800	1	2.80%
CHRISTUS Spohn Heath Systems	3,000	5	1.56%	5,144	3	2.48%
City of Corpus Christi	2,963	6	1.54%	3,171	5	1.53%
Bay, Ltd	2,750	7	1.43%	2,100	7	1.01%
Driscoll Chidren's Hospital	2,512	8	1.30%	1,800	8	0.87%
Kiewit Offshore Service	1,750	9	0.91%			
Corpus Christi Medical Center	1,620	10	0.84%	1,300	10	0.58%
Del Mar College				1,542	9	0.74%
Total	32,323		16.78%	33,857		16.29%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operations:										
Bulk Terminal Facility	22	23	22	21	22	22	22	20	17	13
Harbormaster's Office	9	8	9	10	10	10	10	10	10	10
Maintenance	38	40	43	44	45	42	46	48	44	45
Police Department	43	48	48	48	49	47	54	56	56	63
	112	119	122	123	126	121	132	134	127	131
Administration:										
Chief Executive Officer	-	-	-	-	-	2	2	2	3	4
Executive Director	2	3	2	3	3	3	-	-	-	-
Deputy Port Director	-	-	-	-	-	-	-	-	-	-
Chief Operating Officer	2	2	2	2	2	1	2	2	2	2
Chief Commercial Officer	-	-	2	2	2	3	-	-	-	-
Chief External Affairs Officer	-	-	-	-	-	1	2	3	3	2
Chief Financial Officer	2	2	2	1	3	3	2	2	3	2
Planning	-	-	-	-	-	3	4	5	4	6
Government Affairs	1	1	1	1	1	2	2	2	2	2
Human Resources	5	5	6	6	6	7	6	6	6	5
Business Development	4	4	5	5	5	3	1	3	3	5
Communication & Community Relation:	3	4	7	6	5	7	8	7	7	10
Property & Industrial Development	3	3	3	4	4	4	5	5	5	5
Accounting	10	9	10	10	12	13	16	20	16	17
Procurement	-	-	-	3	3	2	4	3	3	5
Risk Management	-	-	2	2	2	3	3	3	3	3
Safety Management	-	1	2	2	2	2	2	4	3	2
Emergency Management	-	-	-	1	1	1	2	3	3	3
Information Technology	6	8	13	13	12	12	14	14	14	17
Engineering	10	13	16	20	20	18	18	19	19	18
Environmental Planning & Compliance	4	6	5	4	5	6	9	10	10	8
Operations	5	4	4	1	4	4	6	5	6	8
	57	65	82	86	92	98	108	118	115	124
	169	184	204	209	218	219	240	252	242	255

Source:
Employee information obtained from The Authority's Human Resource Department.
Employee numbers reported above are as of December 31 of each respective year.

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Capital Asset Statistics Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Harbor divisions	6	6	6	6	6	6	6	6	6	6
Turning basins	5	7	7	7	7	7	7	7	7	7
Corpus Christi Ship Channel (miles)	35	37	37	37	37	37	37	37	37	37
Authorized channel draft (feet)	54	54	54	54	54	54	54	54	54	54
General cargo docks	7	6	7	7	7	8	8	9	9	9
Covered docks	3	3	3	3	3	3	3	3	3	3
Open docks	2	2	2	4	4	5	5	6	6	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	12	13	13	13	13	15	15	15	15	15
Ship	6	7	7	7	7	8	8	8	8	10
Barge	6	6	6	6	6	7	7	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	1,200	1,200	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	1,500	1,500	1,500	1,500	1,500	1,500
Layberth facilities/docks	3	3	3	3	2	2	2	2	2	5
Intermodal terminal	1	1	1	1	1	1	1	1	1	1
Open storage (acres)	30	35	35	35	35	35	35	50	50	50
Container handling machines	0	0	0	0	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	285	285	285	285	285	285	285	285	285	285
Barge canals	2	2	2	2	2	2	2	2	2	2
Land										
Submerged (acres)	17,770	17,770	18,062	18,062	18,062	18,062	18,062	18,062	18,062	18,062
Emerged (acres)	7,286	7,296	7,301	7,383	7,384	7,801	7,801	7,801	7,801	7,801
Dredge Placement Areas	4,974	4,974	4,974	4,974	4,974	5,391	5,391	5,391	5,391	5,391
Open storage/development (acres)	2,312	2,322	2,327	2,409	2,410	2,410	2,410	2,410	2,410	2,410
Railroads										
Railway (miles)	43	45	48	48	58	58	60	60	60	62
Security Command Center	1	1	1	1	1	1	1	1	1	1
Naval Station Ingleside										
Land-emerged (acres)	-	-	-	-	-	-	-	-	-	-
Land-submerged (acres)	-	-	-	-	-	-	-	-	-	-
Wharfs and piers (linear feet)	-	-	-	-	-	-	-	-	-	-
Buildings-office/classrooms, barracks, warehouse	-	-	-	-	-	-	-	-	-	-

Source:
Various Authority departments

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Schedule of Insurance in Force
December 31, 2022

Details of Coverage	Policy Period	Deductible		Liability Limits
All Risk Property	04/01/23-2024	$4,000,000/$100,000	$	125,000,000
Active Shooter	10/01/22-2023	-		1,000,000
Active Shooter, Property Damage Coverage	10/01/22-2023	2,500		1,000,000
Boiler and Machinery	04/01/23-2024	5,000		100,000,000
Business Auto Liability	10/01/22-2023	5,000/10,000		1,000,000
Cyber Liability	10/01/22-2023	100,000		3,000,000
Employee Fidelity (Crime) Bond	10/01/22-2023	25,000		1,000,000
Errors and Omissions Liability	10/01/22-2023	50,000		5,000,000/10,000,000
Federal Flood Insurance	Varies	1,250		Varies
Firebarge, Boats & Motors	10/01/22-2023	25,000		9,400,000
Foreign Liability	10/01/22-2023	-		10,000,000/25,000,000
General Liability/Marine	10/01/22-2023	50,000		10,000,000
Law Enforcement Liability	10/01/22-2023	10,000		5,000,000/10,000,000
Mobile Equipment	10/01/22-2023	1,000		3,400,000
Pollution Liability	10/01/22-2023	10,000/50,000		1,000,000
Public Officials Bonds (8)	Varies	-		5,000
Terrorism	04/01/22-2023	10,000		125,000,000
Workers' Compensation	12/31/22 -2023	-		Statutory/1,000,000

PORT CORPUS CHRISTI®

CONTINUING BOND DISCLOSURE

The Port of Corpus Christi is the nation's leading export gateway for American-produced energy. Pictured are several Very Large Crude Carriers (VLCCs) docked at crude terminals along Ingleside Point near the La Quinta Channel.

PORT CORPUS CHRISTI®

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Projected Operating Results and
Debt Service Coverage Ratio
Next Four Years

	2023	2024	2025	2026
Operating Revenues:				
Wharfage	$ 109,177,780	$ 113,846,207	$ 116,975,894	$ 127,829,693
Dockage	28,892,789	30,209,525	31,092,257	34,153,585
Security	18,071,489	20,492,754	21,063,544	23,043,050
Freight handling	7,124,057	7,266,538	7,411,869	7,560,106
Rail charges	3,600,000	3,672,000	3,745,440	3,820,349
Building and land rentals	20,697,346	27,200,220	30,507,137	31,117,279
Conference center services	1,460,000	1,460,000	1,460,000	1,489,200
FTZ user fees	228,000	228,000	228,000	228,000
Dredge placement fees	2,189,588	2,189,588	2,189,588	2,189,588
Other revenue	5,423,390	2,662,031	2,710,207	2,768,971
Total Operating Revenues	196,864,439	209,226,863	217,383,936	234,199,821
Operating Expenses:				
Direct expenses, excluding depreciation	36,142,129	37,940,021	38,952,022	39,573,937
Indirect expenses, excluding depreciation	54,727,531	56,910,032	58,428,032	59,360,906
Total Operating Expenses	90,869,660	94,850,053	97,380,054	98,934,843
Other Revenues (Expenses):				
Investment Income, excluding proceeds on debt and funds reserved for debt service	5,000,000	4,125,000	2,250,000	1,750,000
Total Other Revenues (Expenses) available for debt service	5,000,000	4,125,000	2,250,000	1,750,000
Net Operating Revenues Available for Debt Service	$ 110,994,779	$ 118,501,810	$ 122,253,882	$ 137,014,978
Debt Service-Prior Lien	8,499,491	8,498,662	8,502,199	8,499,250
Debt Service-Senior Lien	13,599,230	13,602,678	13,600,607	13,603,560
Total Debt Service	$ 22,098,721	$ 22,101,340	$ 22,102,806	$ 22,102,810
Prior Lien Bond Debt Service Coverage	13.06	13.94	14.38	16.12
Total Bond Debt Service Coverage	5.02	5.36	5.53	6.20

The table contains the Authority's projections for Gross Operating Revenues, Maintenance and Operating Expenses, Net Operating Revenues and debt service coverage for the fiscal years ending 2023 through 2027. The projections contained in the table are forward-looking statements. Readers should not place undue reliance on forward-looking statements. This information is based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. The actual results of the Authority could differ materially from those in such forward-looking statements.

The forward-looking statements in the table are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this this table will prove to be accurate..

Additional Continuing Bond Disclosure Information

The information provided below are the relevant schedules for the Authority's continuing bond disclosure (along with the schedule above) and the page reference in the annual comprehensive financial report where each can be found.

SINGLE AUDIT SECTION

The Port of Corpus Christi's new Fireboat No. 1 was delivered on November 11, 2022, following a three-week journey from where it was constructed in Kingston, Canada. The state-of-the-art fireboat has four 1,000-horsepower Caterpillar diesel engines, four firefighting pumps that flow up to 17,000 gallons per minute, as well as a top speed of up to 40 knots.

PORT CORPUS CHRISTI®

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, 2022, 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 5, 2023.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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.*

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

Savannah, Georgia
April 5, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS GRANT MANAGEMENT STANDARDS

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

Report on Compliance For Each Major Federal and State Program

Opinion on 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 identified as subject to audit in the OMB *Compliance Supplement* and the *State of Texas Grant Management Standards*, which includes the State of Texas Single Audit Circular (TxGMS) that could have a direct and material effect on the Authority's major federal and state programs for the year ended December 31, 2022. The Authority's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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); and the TxGMS. Our responsibilities under those standards, the Uniform Guidance, and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or state 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 or state 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 or state 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and TxGMS. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
April 5, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	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 2 CFR 200.516(a) or State of Texas Grant Management Standards?	No

Identification of major federal programs:

Federal AL Number	Name of Federal Program or Cluster
20.823	U.S. Department of Transportation Port Infrastructure Development Program

State Award Number	Name of State Program
CSJ0916-35-228	TXDOT – Rincon Road Expansion
CSJ0916-35-229	TXDOT – Construction to Access Control Point

Dollar threshold used to distinguish between Type A and Type B programs: Federal and State	$750,000
Auditee qualified as low-risk auditee?	No

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
STATE AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION V
STATUS OF PRIOR YEAR FINDINGS

2021-001 Capital Asset Reporting

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: The Authority was donated a large capital asset in a prior year which had not been recorded until fiscal year 2021. Additionally, in prior years, the Authority capitalized certain costs in construction in progress that did not meet the definition of a capital asset.

Status: Resolved.

Program Title	AL Number	Grant Number	Expenditures
US Department of Homeland Security			
Direct Programs			
Port Security Grant #19	97.056	EMW-2019-PU-00375	$ 293,322
Port Security Grant #20	97.056	EMW-2020-PU-00572	1,116,457
Port Security Grant #21	97.056	EMW-2021-PU-00579	793,511
			2,203,290
Passed through the Texas Department of Emergency Management - Texas Infrastructure Resiliency Fund			
Disaster Grants - Public Assistance	97.036	DR 4586	4,793
			4,793
Passed through Office of the Texas Governor - Division of Emergency Management			
Disaster Grants - Public Assistance	97.036	DR 4332	464,915
Total US Department of Homeland Security			2,672,998
US Environmental Protection Agency			
Passed throuhg US Department of Treasury			
Gulf of Mexico (Gulf Trash Program)	66.475	MX-01D07420	518
Total US Environmental Protection Agency			518
US Department of Transportation			
Direct Programs			
USDOT-MARAD-OD3 Avery Point	20.823	693JF72040031	1,901,515
Total US Department of Transportation			1,901,515
Total Federal Expenditures			$ 4,575,031
Texas Department of Environmental Quality			
Texas Emissions Reduction Plan Rebate Grant	NA	582-21-11067	$ 72,119
Total Texas Department of Environmental Quality			72,119
Texas Department of Transportation			
Construction to expand Rincon Road	NA	CSJ0916-35-228	1,768,437
Construction to Access Control Point	NA	CSJ0916-35-229	2,065,533
Total Texas Department of Transportation			3,833,970
Total State Expenditures			$ 3,906,089

Note 1. General

The accompanying Schedule of Expenditures of Federal and 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 State assistance.

Note 2. Basis of Accounting

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

Note 3. De-Minimis Indirect Cost Rate

The Authority elected not to use the 10% de-minimis indirect cost rate of the year ended December 31, 2022.

Note 4. Subrecipients

The Authority did not pass through Federal or State assistance to any subrecipient during the year ended December 31, 2022.

PORT CORPUS CHRISTI®

The Port of Corpus Christi's Inner Harbor entrance and beyond is seen in an aerial photograph on September 22, 2022.

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX