Annual Comprehensive Financial Report

Port of Corpus Christi Authority of Nueces County, Texas

For the year ended December 31, 2021

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of Nueces County, Texas

For the Year Ended December 31, 2021

Prepared by the Finance Department

Kent A Britton
Chief Financial Officer

INTRODUCTORY SECTION

The Ribera Del Duero Knutsen docks at Cheniere's Corpus Christi Liquefaction facility to receive a shipment of liquefied natural gas in March 2021. Cheniere's San Patricio County plant has positioned the Port of Corpus Christi as the No. 2 export gateway of LNG in the nation.

PORT CORPUS CHRISTI®

April 7, 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, 2021. The ACFR includes descriptions of the Authority's operations, facilities, and various statistics, and provides the reader with the Authority's financial condition and activities that demonstrate strong and responsible growth over a sustained period of time.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls 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, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

PROFILE OF THE AUTHORITY

The Authority is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border and approximately 200 miles south of Houston. The Authority maintains one of the deepest ports along the Gulf of Mexico coast with a current channel depth of 47 feet Mean Lower Low Water ("MLLW") in parts and 54 feet MLLW in parts, and an authorized depth of 54 feet MLLW for all the main Corpus Christi Ship Channel, which is currently in the midst of a 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 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 Port Commission as its governing body. 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 Commission each year. Three commissioners are appointed by the Corpus Christi City Council, the governing body of the City of Corpus Christi; three commissioners are appointed by the Nueces County Commissioners Court, the governing body of Nueces County; and one commissioner is appointed by the San Patricio County Commissioners Court, the governing body of San Patricio County. Nueces County has a particularly special relationship with the Authority in that in the event the Port Commission deems it necessary to issue tax-supported bonds, it must request the Nueces County Commissioners Court to call an election to do so. The Commissioners Court would call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds.

The Authority directly employs 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. Port 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 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 modalities in freight mobility.

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 Port of Corpus Christi Authority are owned by, and operated exclusively for, the various refineries, petrochemical plants, crude oil terminals, dry bulk facilities, an LNG terminal, and other industries that line the Corpus Christi Ship Channel and the La Quinta Channel. Approximately 57 privately owned docks are located at the Port of Corpus Christi. The Authority derives revenue from nearly all facilities, public and private, along the Corpus Christi and La Quinta Ship Channels. The authority has overseen the opening of seven new public or private docks in the gateway since 2019, including 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. 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, replacing two sixty-year-old structures and bringing 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 2021, the Authority set a new annual tonnage record of 167.3 million tons, 5% higher than the previous year. It was the fifth consecutive year establishing a new tonnage record, and more than double the tonnage moved just ten years ago. The Authority benefitted from the commissioning of three new crude oil pipelines from the Permian Basin in the past three years and Texas production of crude oil that is nearly five times what it was ten years ago. The Authority has served the local economy for nearly a century and is continually diversifying, upgrading and expanding its facilities to better serve industry and shippers throughout Texas and the nation. In 2021 the Authority saw an increase in crude oil exports from 1.5 million barrels per day to 1.7 million barrels per day, and also saw an 81% increase in shipments of liquified natural gas.

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.

MAJOR INITIATIVES

Energy Transition & Evolution

As the gateway through which a majority of American energy moves, we have our eyes wide open about our role in the global hydrocarbon markets. Given most global economies will be powered predominantly by oil and gas derivatives for the next one to four decades, the Authority has made the conscious decision to aggressively pursue alternative fuel sources and associated carbon capture use and sequestration (CCUS) technologies and operational best practices that will mitigate the impacts of our current energy paradigm. In no way does this sense of social and environmental responsibility undermine our support for our 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 it is the cornerstone of the global energy marketplace for decades to come. Most of the Authority's customers have announced major decarbonization initiatives and the Authority itself moved to 100% renewable power sources in 2018, the first port authority in the world to do so.

The Authority has been declarative about the steps we've taken to cultivate a scalable CCUS solutions for both beneficial commercial use and geologic storage. The Authority owns over 30,000 acres of uplands and submerged land, of which approximately 13,000 acres have been determined to be well suited for permanent geologic storage of pressurized carbon dioxide (CO2), based on proximity to target sources (e.g. the emitters) and parcel size and shape. Per the midrange estimate in the NATCARB Atlas, this "pore space" represents around 420 million tons of total CO2 storage capacity. The Authority has established a lease option agreement for this pore space with a private sector team that is currently doing due diligence as part of final site selection and permitting.

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 customers' fence lines to the near offshore waters of the Gulf of Mexico (State waters include the first nine nautical miles). The Authority has conducted a preliminary route alternatives analysis for CO2 delivery infrastructure to connect target sources with target CO2 injection locations on Authority-owned property. 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. Finally, the Authority is engaged commercially with multiple synthetic fuel manufacturers and green concrete technology companies, all of whom represent potential offtakers for beneficial use of captured CO2.

Even as the Authority embraces and expands our role in the traditional energy marketplace, we are actively working to define our niche in the transition to alternative 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.

The Authority is also actively fostering new renewable electricity generation capacity and diversifying the energy commodities that pass through our gateway en route to global markets, with a particular emphasis on hydrogen (H2) as a flexible energy carrier. We are cultivating two campuses for scalable H2 and H2 carrier molecule production in two distinct areas (Inner Harbor and La Quinta terminal) of the Port. Each area includes a range of H2 production facilities (existing and in development) from diverse feedstocks (green and blue); the aggregate existing and pending production in these two regions of the Authority will, in and of itself, constitute world-scale volumes. In February 2022, the Authority announced an important MOU with Apex Clean Energy, LLC, and EPIC Midstream Holdings, LP, to explore the development of gigawatt scale green hydrogen production, storage, transportation, and export operation, including a newly constructed dedicated pipeline with downstream and export infrastructure to be located within the Authority. This project is will directly support the world-scale production of hydrogen carrier products by the customers within our gateway.

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 Port Commission recently approved an updated Environmental Policy. In our Environmental Policy, we have defined six environmental precepts against which our decisions are evaluated, and we have 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 specified performance targets are not arbitrary. Rather they are derived by extrapolating trends in performance improvement that have been captured in routine data collection over the last several years. These targets are achieved through a corresponding work plan. 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 third-party standards and certifications in the form of ISO 14001 Environmental Management Systems and the Green Marine program. The Port has maintained ISO 14001 certification for 14 years which includes a third-party audit every year. The most recent third-party audit resulted in no findings. Additionally, of the eight program areas in Green Marine, the Authority has achieved level five – the highest level – in four program areas and level four in two program areas, steadily progressing toward achieving level five targets in all program areas by 2023.

In 2021, the Authority recycled over 50,000 pounds of refuse, 1,534 gallons, and 1,720 single units of material. In addition, through a grant awarded to the Authority by the U.S. Environmental Protection Agency, the Authority has purchased and installed an autonomous 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 and environmental groups to raise awareness and promote personal responsibility.

The Authority, through funding and in-kind services, was the driving force behind the transition of a local volunteer air quality group to a fully registered and funded non-profit corporation with specific objectives for reducing emissions and maintaining air quality in our region. The organization is in the process of establishing a permanent nine-member Board of Directors, hiring an Executive Director, and preparing development of a Clean Air Action Plan. The Authority also provides full funding for the local Pollution Prevention Program, which hosts vehicle emission check events and provides free repairs for high polluters and developed a Clean Fleet Program for our own vehicles with full implementation resulting in the complete gasoline-powered fleet converted to alternative fuels by 2025. As previously mentioned, the Authority's operations are entirely sustained through purchase of green energy sources and 2021 completes the third year of 100% renewable operations.

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

Community Engagement

As the Authority's leadership position in the global energy marketplace has grown, the ability to commit more to our communities has increased in parallel.

Through the Texas Water Code Section 60.201, the Authority is allowed to give up to five percent (5%) of its revenues to:

- *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.*

For years, the Authority committed two to three percent of its annual revenues to a Promotion & Development (P&D) Fund used to help support our communities and further the goals listed above. The categories that outlined how this money is allocated has changed over the years, but the purpose has not: to help our communities prosper, proactively protect the environment, and set future generations up for success.

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

In 2020, nearly $2.8 million was allocated to the P&D Fund, which helped provide financial assistance to small businesses in the form of zero interest loans. The Port also helped fund the purchase of laptops and mobile hotspots for several Coastal Bend schools to assist students without the necessary technology or internet access to take part in remote learning.

In 2021, the Authority's commitment to its P&D Fund increased to $4.1 million. This helped fund several community initiatives and organizations, such as the United Way of the Coastal Bend, United Corpus Christi Chamber of Commerce, LiftFund Inc., the American Heart Association of the Coastal Bend, the Boys & Girls Club of Corpus Christi, Coastal Bend Community Foundation and Mission 911. And a $2.5 million donation from the Authority, spread over five years, helped make the Texas State Aquarium's new Port of Corpus Christi Wildlife Rescue Center – now under construction – a reality.

Increased prosperity means an increased responsibility to help those in need and 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 and important ways that will have a positive impact on this and future generations for decades to come.

Corpus Christi Ship Channel Improvement Project

The most immediate and critical capital project the Authority is managing is the congressionally authorized Corpus Christi Ship Channel Improvement Project ("Channel Improvement Project" or "CIP"). The CIP, which is under construction now under a four-phase approach, 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 more 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 $148 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 project was reauthorized in the bipartisan Water Resources Development Act of

2020 at a total cost of $681million. 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 contract is under construction by Callen Marine, Ltd. Dredging is expected to be completed in late-2022. The third contract is under construction by Great Lakes Dredge & Dock Company. Dredging is expected to be completed by mid-2023 and the last contract, Contract Four, is currently under design and is expected to be awarded in the Summer of 2022 with a target completion by year-end 2023[1].

Large-Scale Seawater Desalination Plant Permitting

The Authority has responded to a growing need for an alternative water supply for the region by initiating permitting actions to build a large-scale seawater desalination plant within the Port boundary. The purpose of the Authority's efforts is to develop a sustainable water supply for the entire region to meet not only current, but also future needs. The Authority is currently in active pursuit of a permits through TCEQ on Authority owned property. These permits will authorize construction of a fifty million gallon per day saltwater desalination plant on Harbor Island, near the entrance to the Corpus Christi Ship Channel and a thirty million gallon per day saltwater desalination plant on La Quinta, near recent industrial development.

ECONOMIC OUTLOOK

The Authority expects continued incremental growth in 2022, as production from the Texas oil fields continues to recover from the impacts brought on by Covid-19 in early 2020. Total production in Texas exceeded 5 million barrels per day for the first time in 18 months in November 2021 and is expected to continue a slow increase throughout 2022 and beyond[2]. As the leading U.S. energy export gateway, much of that increase would be shipped by the Authority's customers to overseas markets. The Authority's portfolio has sufficient pipeline and terminal capacity to handle such increases. In addition, two new businesses in the region will begin full production in 2022: Steel Dynamics, Inc. in Sinton, TX, and Gulf Coast Growth Ventures, a joint venture between Exxon and SABIC (Saudi Arabia Basic Industries Corporation) just north of Portland, TX, will both move incremental volumes across the Authority's docks. 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. The United States has reduced power generation-related carbon emissions by over 50% in the last fifteen years from this conversion to natural gas. Further, global crude oil demand in manufacturing and other non-transportation sectors accounts for 53% of all crude oil consumption, thereby indicating a resiliency in demand for the next decade or longer.

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[1] *The Authority was notified on March 28, 2022, that the remaining $157 million of federal funding needed to complete the project had been included in the FY 2023 Presidential Budget. It is anticipated that the project will be fully complete by mid-2024.*

[2] *Uncertainty in U.S. energy production levels and export volumes exists due to economic sanctions placed on Russia because of its war with Ukraine. While the potential outcomes vary, the most likely outcome relative to the Authority's business is a heightened demand for U.S.-produced energy to replace energy previously obtained from Russia.*

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, 2020. This was the 38th 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 Department, who were primarily responsible for assembling and compiling the data comprising the Annual Comprehensive Financial Report. It should also be noted that the preparation of this report would not have been possible without the teamwork of the Authority's most important asset, its people. Adhering to its SEAPORT Values (Safety, Empowerment, Accountability, Preparedness, Optimism, Respect, and Teamwork), Authority Staff are dedicated to 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	Kent A. Britton
Chief Executive Officer	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, 2020

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
Financial Controller	Sharon Richardson
Director of Real Estate	Sam Esquivel
Manager of Foreign Trade Zone	Danielle Converse
Director of Procurement	Lynn Angerstein
Director Risk Management	Donna James-Spruce
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	Maria Sanchez-Rivas
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	Eric Battersby
Manager of Dock and Rail Operations	John Slubar
Facilities Manager	Craig Gotthardt
Safety Manager	John York
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	Eddie Martinez
Chief Strategy & Sustainability Officer	Jeff Pollack
Director of Environmental Planning & Compliance	Sarah Garza
Assistant Director of Planning	Leslie Ruta

PORT COMMISSIONERS

Charles W. Zahn, Jr., Chairman
Catherine Tobin Hilliard, Secretary
David P. Engel, Commissioner
Wes Hoskins, Commissioner
Dr. Bryan Gulley, Commissioner
Gabe Guerra, Commissioner
Rajan Ahuja, 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
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 IT
Cindy Bertolami, Director of Finance
Donna James-Spruce, Director of Risk Management
Lynn Angerstein, Director of Procurement
Lisa Hinojosa. Director of Communications
Dan Koesema, Director of Channel & DMPA Development

PORT CORPUS CHRISTI®

FINANCIAL SECTION

The African Lion vessel approaches the Port of Corpus Christi's Inner Harbor carrying a load of 72-meter wind blades to Cargo Dock 8 on November 1, 2021. The blades were later transported to Nebraska and installed as part of the new Haystack Wind Farm.

PORT CORPUS CHRISTI®

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2021, 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, 2021, 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.

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 5 through 14), the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (on page 41), the Schedule of Employer Contributions to the Pension Plan (on page 42), and the Schedule of Changes in Total OPEB Liability and Related Ratios (on page 43) be presented to supplement the basic financial statements. Such information 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 Uniform 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 7, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

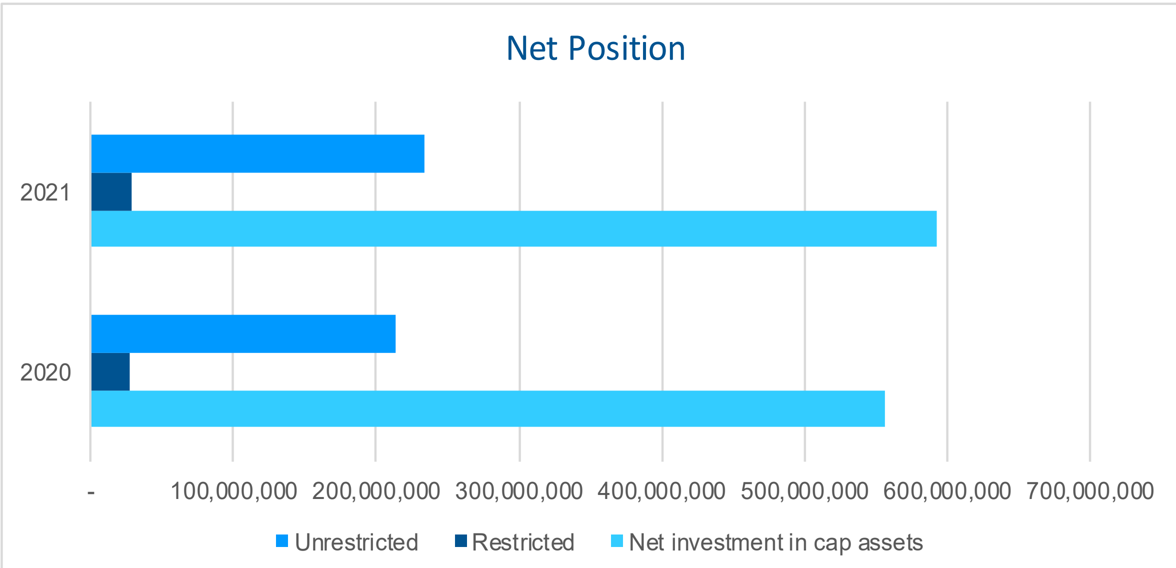
Mauldin & Jenkins, LLC

Macon, Georgia
April 7, 2022

PORT CORPUS CHRISTI®

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, 2021. 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, 2021 was $855,535,697, increasing $58,531,968 or 7.3% over the prior year as restated.
- The net investment in capital increased $36,720,870 over the prior year as a result of capital additions net of depreciation of $154,980,791 and a decrease in the related capital debt as a result of existing debt requirements.
- Restricted net position increased $809,206 over the prior year. Law Enforcement Officer Standards and Education Funds increased $2,818, while the required restriction for debt service increased $806,388. Escrow funds included total $629,287.
- Unrestricted net position of $234,000,975 may be used to meet the Authority's current ongoing obligations to employees and creditors and increased $21,001,892 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements are comprised of the financial statements and the notes to the financial statements. The basic financial statements can be found on pages 14 through 39 of this report. Since the Authority is comprised of a single enterprise fund, no fund level financial statements are shown. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

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

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

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

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

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

Required Supplementary Information

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

FINANCIAL ANALYSIS

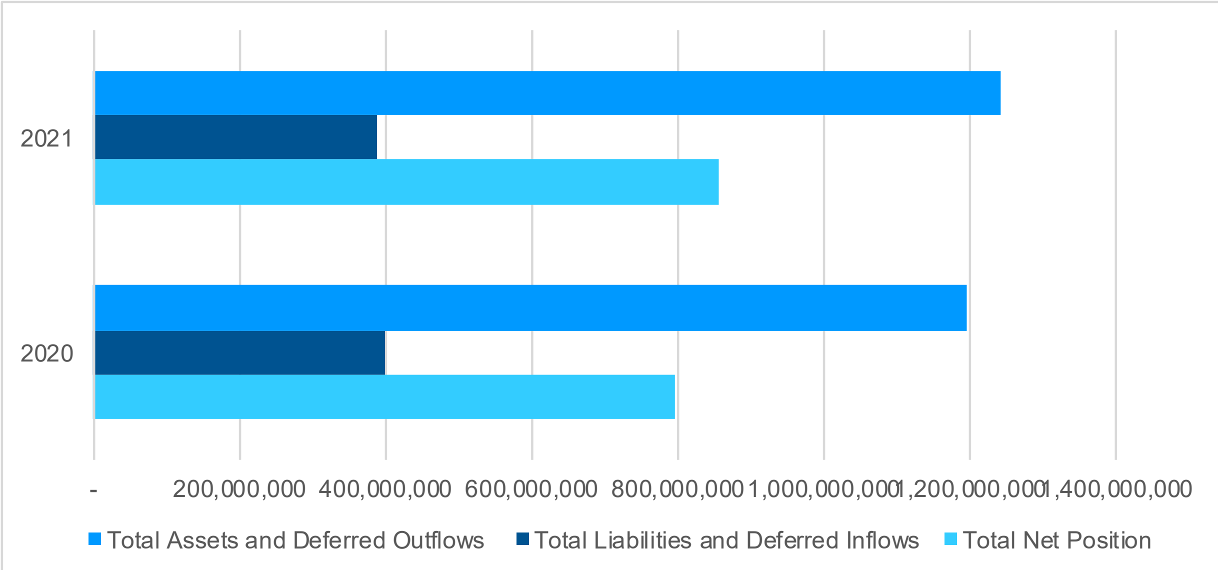
The fundamental question that is most asked of business is, as a whole "Are you better off or worse off as a result of the year's activities?" The Statement of Net Position, and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a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

Statement of Net Position

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

The following condensed Statement of Net Position provides an overview of the Authority's net position as of December 31, 2021 and 2020:

	2021	2020	2021-2020 Change
Assets			
Current assets	$ 298,559,400	$ 288,905,482	$ 9,653,918
Restricted assets	27,877,999	78,061,129	(50,183,130)
Capital assets	909,426,510	825,221,213	84,205,297
Other non-current assets	629,287	1,234,913	(605,626)
Total Assets	**1,236,493,196**	**1,193,422,737**	**43,070,459**
Deferred Outflows of Resources			
Deferred outflows	6,006,044	2,578,500	3,427,544
Total Assets and Deferred Outflows of Resources	**1,242,499,240**	**1,196,001,237**	**46,498,003**
Liabilities			
Current liabilities	34,090,663	34,617,746	(527,083)
Long-term debt, net of current portion	294,354,785	303,207,140	(8,852,355)
Unearned revenue and capital leases, net of current portion	50,253,274	54,467,956	(4,214,682)
Other liabilities	5,651,421	4,573,575	1,077,846
Total Liabilities	**384,350,143**	**396,866,417**	**(12,516,274)**
Deferred Inflows of Resources			
Deferred inflows	2,613,400	2,131,091	482,309
Total Liabilities and Deferred Inflows of Resources	**386,963,543**	**398,997,508**	**(12,033,965)**
Net Position			
Net investment in capital assets	593,027,992	556,307,122	36,720,870
Restricted	28,506,730	27,697,524	809,206
Unrestricted	234,000,975	212,999,083	21,001,892
Total Net Position	**$ 855,535,697**	**$ 797,003,729**	**$ 58,531,968**



The Authority's net position of $855,535,697 at the close of 2021 increased by $58,531,968 over 2020. The largest portion of the Authority's net position (69.3%) 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 (27.4%) may be used to meet the Authority's ongoing obligations to employees and creditors. The remainder of the Authority's net position (3.3%) represents resources that are subject to external legal restrictions on how they may be used.

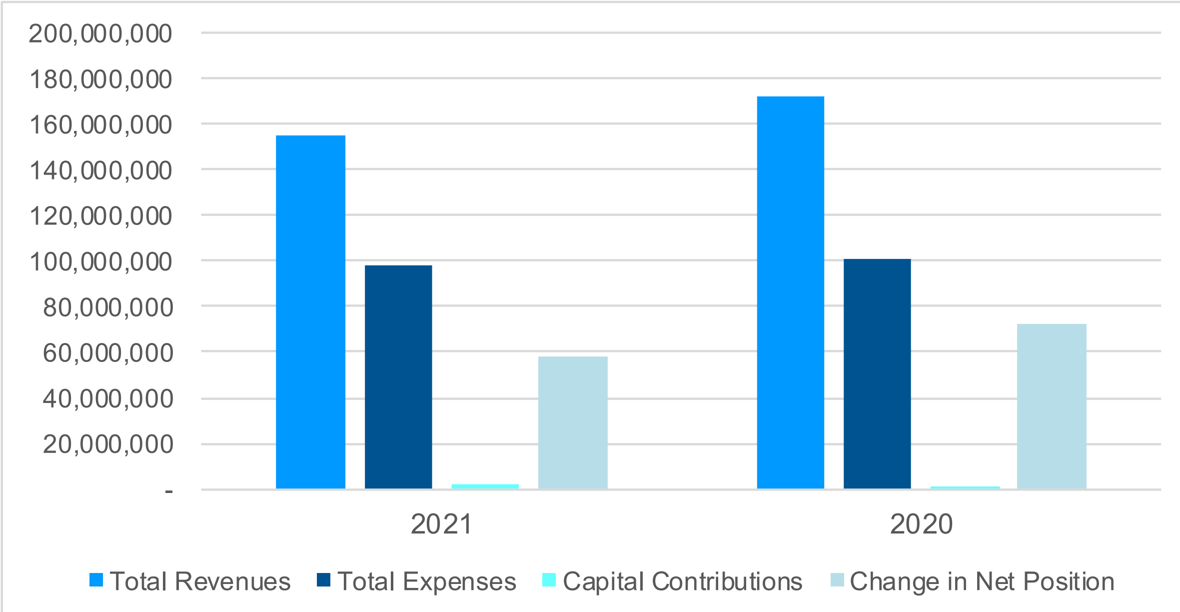
The Authority's total assets and deferred outflows increased by $46,498,003 (3.9%) over 2020. Most of this change is from increase in net capital assets and is shown in detail on page 12 of the Management's Discussion and Analysis.

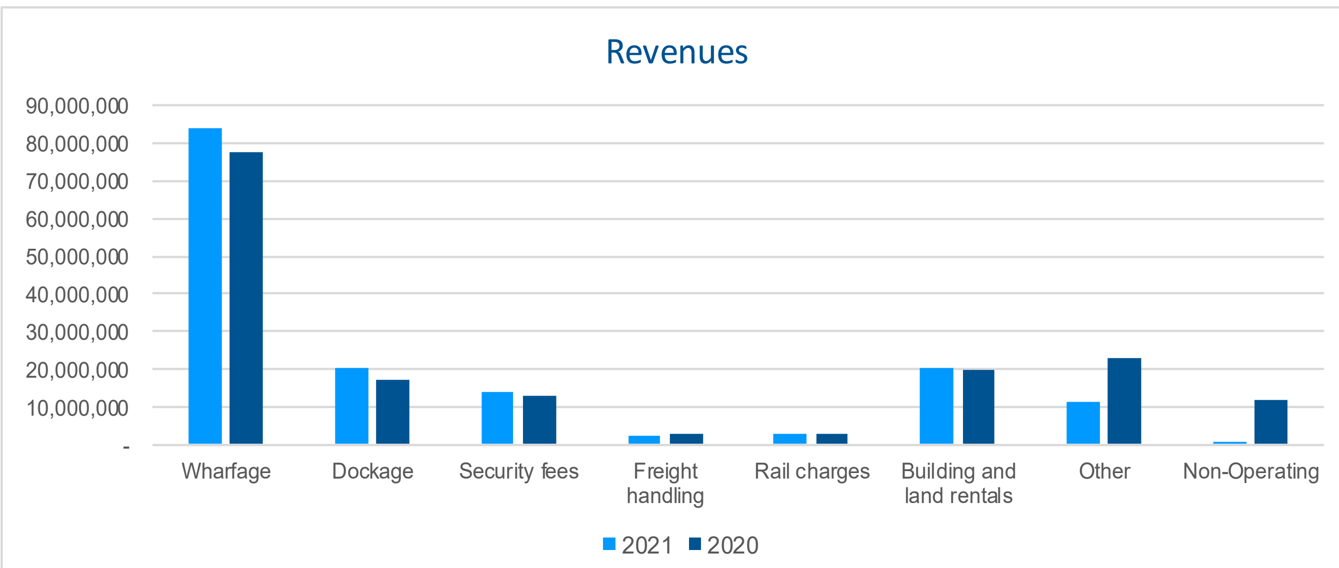
The Authority's total liabilities and deferred inflows decreased by $12,033,965 (3.0%) over 2020. Current liabilities have decreased $527,083 and unearned revenues and capital leases, net of current portion have decreased $4,214,682 over 2020, while long term debt, net of current portion has decreased by $8,852,355 from 2020.

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, 2021 and 2020:

	2021	2020	2021-2020 Change
Revenues			
Operating revenues:			
Wharfage	$ 83,998,460	$ 77,700,556	$ 6,297,904
Dockage	20,330,792	16,948,628	3,382,164
Security fees	14,130,111	13,003,968	1,126,143
Freight handling	2,151,130	2,843,281	(692,151)
Rail charges	2,664,310	2,741,835	(77,525)
Building and land rentals	20,398,560	19,729,444	669,116
Conference center services	606,739	440,071	166,668
FTZ user fees	248,500	238,000	10,500
Dredge placement fees	4,450,401	8,567,899	(4,117,498)
Cost sharing agreements	435,310	13,758,035	(13,322,725)
Other	5,500,495	4,163,884	1,336,611
Total operating revenues	154,914,808	160,135,601	(5,220,793)
Investment income	-	3,835,652	(3,835,652)
Federal and other grant assistance	21,473	1,809,193	(1,787,720)
Contributions from Harbor Bridge commitment	-	6,116,615	(6,116,615)
Total Revenues	**154,936,281**	**171,897,061**	**(16,960,780)**
Expenses			
Operating expenses:			
Maintenance and operations	26,728,651	29,722,554	(2,993,903)
General and administrative	36,009,588	38,042,089	(2,032,501)
Hurricane Harvey related repairs	-	727,590	(727,590)
Depreciation	21,044,928	18,156,728	2,888,200
Total operating expenses	83,783,167	86,648,961	(2,865,794)
Interest expense and fiscal charges	12,630,519	12,838,761	(208,242)
Contributions-Harbor Bridge commitment	366,148	771,278	(405,130)
Investment loss	447,261	-	447,261
Loss on disposal of assets	1,222,380	820,008	402,372
Total Expenses	**98,449,475**	**101,079,008**	**(2,629,533)**
Income Before Contributions	**56,486,806**	**70,818,053**	**(14,331,247)**
Capital Grants and Contributions	2,045,162	1,429,850	615,312
Changes in Net Position	58,531,968	72,247,903	(13,715,935)
Total Net Position, Beginning of Year, as restated	797,003,729	724,755,826	72,247,903
Total Net Position, End of Year	**$ 855,535,697**	**$ 797,003,729**	**$ 58,531,968**





Operating revenues in 2021 decreased by $5,220,793 or (3.3%) over 2020. The major variances in revenues from 2021 to 2020 are as follows:

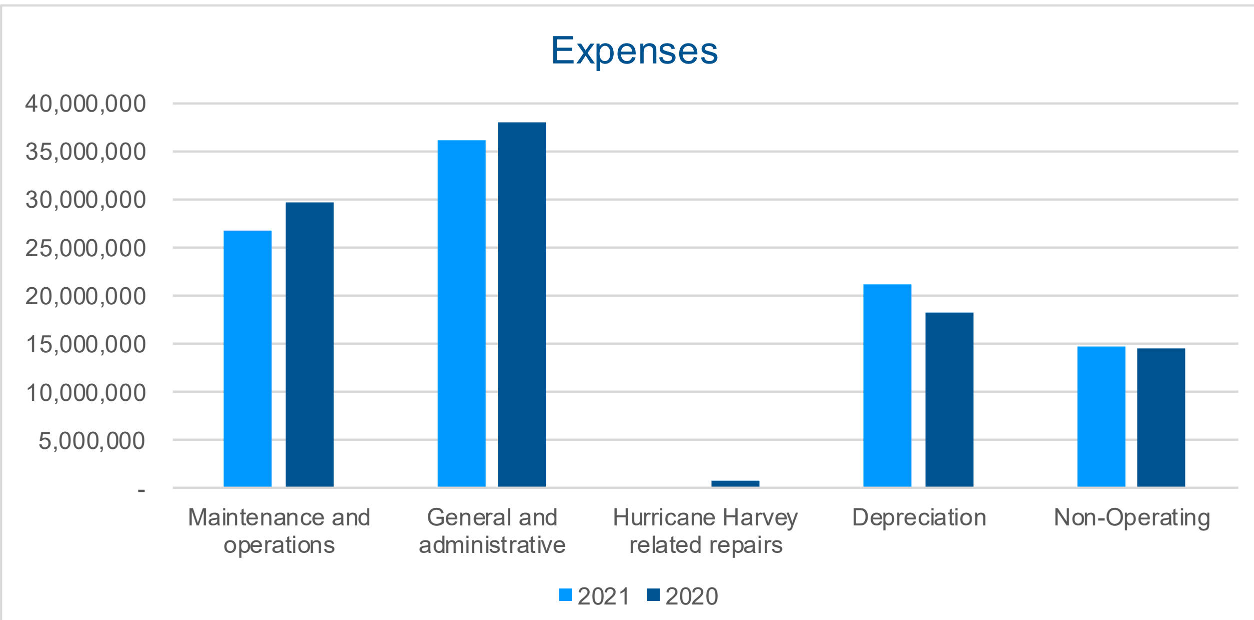
• Cost sharing agreements	$ (13,322,725)
• Dredge placement fees	(4,117,498)
• Wharfage	6,297,904
• Dockage	3,382,164

The cost sharing agreement revenue that occurred in 2020 was the result of the Authority performing reimbursable dredging services for a single customer, which was completed in 2020 and did not recur in the current year. Dredge placement fees are received from customers as they need to place dredged material into Authority dredge material placement areas and varies greatly from year to year as the need for those services occurs. On the other hand, wharfage and dockage are regular shipping services that are incurred by users of the Authority facilities.

Wharfage increased $6,650,776 at the private oil docks, $881,583 at the dry cargo docks, and decreased a total of $1,234,455 at the public oil docks, bulk docks, grain elevator and other docks. The increase in wharfage at the private oil docks is due primarily to Cheniere's Corpus Christi Liquefaction plant, which nearly doubled its payments to the Authority as a result of a return of demand following Covid-19 impacts in 2020 coupled with bringing a third production unit online early in 2021. In addition, there was a large increase in output at the South Texas Gateway facility in Ingleside, which commissioned a second dock early in December 2020, making them the second facility at Ingleside capable of handling Very Large Crude Carriers, used for more efficient export of crude oil. The increase in wharfage at the dry cargo docks was primarily a result of increases at a cement importer that came online in 2020 and achieved a full year of production in 2021. Those wharfage increases were offset by smaller decreases at the public oil docks in the Inner Harbor as a result of February's winter storm.

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 2021 compared to the prior year.

Non-operating revenues have decreased $11,739,987 over 2020. Contributions from the Harbor Bridge commitment decreased $6,116,615 as the program effectively ended in 2020. In addition, the Authority recognized a decrease in investment income of $3,835,652 mainly due to the sharply diminished rates of return on its investment portfolio as a result of the ongoing pandemic and resulting economic conditions.



Operating expenses in 2021 decreased $2,865,794 or (3.3%) over 2020. The major variances in expenses from 2021 to 2020 are as follows:

• Professional services	$ (2,876,519)
• Employee services	(2,519,199)

Professional services decreased as a result of reduced litigation activity in 2021. Employee services decreased due to a reduction in pension expense as a result of the actuarial valuation performed for fiscal period ended 2020.

Capital Grants and Contributions

Capital grants and contributions increased by $615,312 from 2020. 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, 2021 include the following:

• Federal/state disaster grants	$ 1,261,805
• State funded road construction	1,029,091
• Security improvements	1,010,436
• Environmental programs	347,315

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority's investment in capital assets as of December 31, 2021, amounts to $909,426,510 (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 $84,205,297 or 10.2%. Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements on page 26.

Major capital asset activity during 2021 include the following:

- Land purchases $ 70,103,097
- Design/construction of new office facility 13,091,110
- Channel improvements 8,669,913

	2021	2020	2021-2020 Change
Capital assets, not being depreciated:			
Land	$ 247,029,158	$ 130,220,078	$ 116,809,080
Channel and waterfront improvements	79,277,883	79,277,883	-
Intangibles	387,429	387,429	-
Construction in progress	199,295,145	254,371,548	(55,076,403)
	525,989,615	464,256,938	61,732,677
Capital assets, being depreciated:			
Port facilities	280,244,342	288,885,852	(8,641,510)
Buildings and improvements	88,769,139	61,340,112	27,429,027
Machinery and equipment	14,196,159	10,358,393	3,837,766
Intangibles	227,255	379,918	(152,663)
	383,436,895	360,964,275	22,472,620
Net Capital Assets	**$ 909,426,510**	**$ 825,221,213**	**$ 84,205,297**

Long-Term Debt

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

On August 8, 2018, the Authority issued $115,000,000 in Series B Taxable revenue bonds for the purpose of acquisition, design, construction, reconstruction, repair, rehabilitation, improvement and equipping the Port facilities in the Authority's capital improvement program, including the acquisition of land for authorized Authority purposes and construction of the Corpus Christi Ship Channel Project. The Authority also issued $92,530,000 in Series A Non-Taxable revenue bonds on that date for the purpose of the Corpus Christi Ship Channel Project to deepen and widen the main channel and to add barge lanes.

Additional information regarding the Authority's long-term debt can be found in Note 7 to the financial statements on page 27. As of December 31, 2021, the Authority had long-term debt outstanding of $304,080,369. The following table summarizes the Authority's long-term debt outstanding as of December 31, 2021 and 2020.

	2021	2020	2021-2020 Change
Revenue bonds	$ 289,580,000	$ 298,160,000	$ (8,580,000)
Bond premium	14,500,369	15,370,382	(870,013)
Total	**$ 304,080,369**	**$ 313,530,382**	**$ (9,450,013)**

The Authority's outstanding Revenue Bonds, Series 2015 (Taxable) ("Prior Lien Revenue Bonds") have been assigned an A+ rating from S&P Global Ratings and an Aa3 rating from Moody's Investor Services. The Authority's outstanding Senior Lien Revenue Bonds have been assigned an A+ rating from S&P and an A1 rating from Moody's. On March 26, 2020, in response to the growing global economic crisis brought on by the COVID-19 pandemic, S&P revised to negative their outlook on nearly all long-term debt ratings in the U.S. transportation infrastructure sector, including the Authority's Prior Lien and Senior Lien Revenue Bonds. On April 22, 2021, S&P revised to stable their outlook on the Authority's Prior Lien and Senior Lien Revenue Bonds. In accordance with the Authority's general revenue bond covenants, the Authority is required to maintain a revenue bond coverage of at least 1.25 times the average annual debt service requirements. As of December 31, 2021, the Authority's revenue bond coverage was 5.10 times the average annual remaining debt service requirements.

ECONOMIC OUTLOOK

While the economic conditions the Authority and its customers operated under during 2021 were certainly calmer than those encountered in 2020, they remained challenging on several fronts. A severe winter storm in February across the southern portion of the United States, including Texas, shut down many of the Authority's customers as they dealt with frozen equipment and intermittent outages of electrical and gas supply. In addition, a new variant of Covid-19 continued to create uncertainty on both the supply and demand sides of the economic equation. As pandemic related restrictions on commerce and travel were eased across the world, energy prices and supply chain pressures spurred record-high levels of inflation that impacted input prices for a variety of good and services.

Despite these challenges, the Authority, along with its attendant customer base, achieved record tonnage shipment levels in 2021, marking the fifth straight year of new highs. In what the Authority originally believed might be a "pause" year, there was positive news across several fronts. The Authority's customers saw continued strong incremental growth in crude oil exports, which rose from 1.5 million barrels per day in 2020 to 1.7 million barrels per day in 2021. In addition, exports of liquified natural gas (LNG) from Cheniere Energy's Corpus Christi Liquefaction, LLC (CCL) plant grew by 81% year over year, as a third full scale liquefaction train came online near the beginning of 2021. The Authority's customers also increased their shipments of natural gas liquids and break-bulk products, which helped offset decreases in imported crude oil and exported refined products because of decreased production at one of the area's refinery complexes following the winter storm. The Authority set new records for total shipments in both Q3 2021 and Q4 2021, in addition to the annual high-water mark.

Texas has experienced unprecedented growth over the past decade in the production of oil and gas in the Eagle Ford and Permian Basin shale oil fields, with production growing from 1.1 million barrels per day in 2009 to 5.1 million barrels per day in 2019. However, the demand destruction brought on by Covid-19 in early 2020 dropped that production level to below 5 million barrels per day in 2020, and 2021 saw another incremental decline to 4.8 million barrels per day, as worker shortages and restraints on capital spending by the large producers in Texas negatively impacted production. The Authority continued to grow 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. The Authority grew its share of total crude oil exports from the United States to roughly 50 percent in 2020 and increased that to 58 percent of the total in 2021. 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.

Even as we embrace and expand our role in the traditional energy marketplace, the Authority is actively working to define our niche in the transition to alternative energy sources. The Authority is actively fostering new renewable energy generation capacity, engaging potential solar energy generation companies for development of Authority-owned lands, and diversifying the energy commodities that will move through our gateway in the future, with particular emphasis on hydrogen as a flexible energy carrier. The Authority is also actively focusing 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. The Authority announced a series of MOUs in 2022 with significant counterparties in multiple clean energy disciplines to further these efforts.

However, the most immediate and critical project the Authority is managing is the congressionally authorized Corpus Christi Ship Channel Improvement Project ("Channel Improvement Project" or "CIP"). The four-phase CIP will provide both a safer transit through our waterways and enhance the fluidity of the Ship Channel by allowing larger vessels to transit with more cargo, while providing for two-way transits through most of the Ship Channel. Since signing a Project Partnership Agreement (PPA) with the U.S. Army Corps of Engineers (USACE) in 2017 to deepen and widen the Corpus Christi Ship Channel, the Authority has provided $148 million in funds and in-kind services for the project; and the project has been included in three Presidential Budgets (FY'19, '20 and '21) and two USACE Work Plans (FY'18 and FY'19), totaling $248 million of Federal funding. The project was reauthorized in the bipartisan Water Resources Development Act of 2020 at a total cost of $681million. 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 contract is under construction by

Callen Marine, Ltd. Dredging is expected to be completed in late-2022. The third contract is under construction by Great Lakes Dredge & Dock Company. Dredging is expected to be completed by mid-2023 and the last contract, Contract 4, is currently under design and is expected to be awarded in early 2023. On March 28, 2022, the CIP received full and final funding of $157 million in the 2023 Presidential Budget and the Authority hopes to be fully complete with the project by mid-2024.

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

The Authority expects continued incremental growth in 2022, as production from the Texas oil fields continues to recover from the impacts brought on by Covid-19 in early 2020. Total production in Texas topped 5 million barrels per day for the first time in 18 months in November 2021 and is expected to continue a slow increase throughout 2022 and the next several years. Uncertainty exists in Europe in early 2022 because of a land war between Russia and Ukraine. While the potential outcomes of that are certainly varied, the most likely outcome relative to the Authority's business is a heightened demand for U.S.-produced energy to replace energy previously obtained from Russia. 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. In addition, two new businesses in the region will begin full production in 2022: Steel Dynamics, Inc. in Sinton, TX, and Gulf Coast Growth Ventures, a joint venture between Exxon and SABIC just north of Portland, TX, will both move incremental volumes across the Authority's docks. 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. The United States has reduced power generation-related carbon emissions by over 50% in the last fifteen years. Further, global crude oil demand in manufacturing and other non-transportation sectors accounts for 53% of crude oil consumption, thereby indicating a resiliency in demand for the next one to five decades.

The Authority is well positioned to weather short to medium term disruptions in demand, with over $300 million of cash, cash equivalents and investments on hand at the end of 2021, access to a $150 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 2022 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)	$	79,285,944
Investments (Note 2)		197,635,904
Accounts receivable (Note 3)		16,745,081
Interest receivable		453,355
Intergovernmental receivable		1,395,461
Inventory		1,119,212
Prepaid expenses		1,924,443
Total current assets		298,559,400
NON-CURRENT ASSETS:		
RESTRICTED ASSETS:		
Restricted cash and cash equivalents (Note 2)		27,877,999
Total Restricted Assets		27,877,999
CAPITAL ASSETS:		
Capital assets, not being depreciated (Note 4)		525,989,615
Capital assets, being depriciated, net (Note 4)		383,436,895
Capital Assets, Net		909,426,510
OTHER NON-CURRENT ASSETS::		
Escrow agreement (Note 5)		629,287
Total Other Non-Current Assets		629,287
Total Non-Current Assets		937,933,796
TOTAL ASSETS		1,236,493,196
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions (Note 8)		5,559,182
Deferred outflow related to OPEB (Note 9)		446,862
Total Deferred outflows of resources		**6,006,044**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**1,242,499,240**
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable		9,506,398
Accrued expenses		2,207,354
Accrued interest payable		1,102,924
Unearned revenue, current portion (Note 7)		9,447,152
Unearned capital lease, current portion (Note 7)		457,040
Current maturities of long-term debt (Note 7)		9,725,584
Compensated absences, current portion (Note 7)		1,644,211
Total Current Liabilities		34,090,663
NON-CURRENT LIABILITIES:		
Unearned revenue, net of current portion (Note 7)		44,791,309
Unearned capital lease, net of current portion (Note 7)		5,461,965
Long-term debt, net of current liabilities (Note 7)		294,354,785
Compensated absences, net of current portion (Note 7)		2,918,682
Net pension liability (Note 8)		691,355
Total OPEB liability (Note 9)		2,041,384
Total Non-Current Liabilities		350,259,480
TOTAL LIABILITIES		384,350,143
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions (Note 8)		2,406,930
Deferred inflow related to OPEB (Note 9)		206,470
Total Deferred Inflows of Resources		2,613,400
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		386,963,543
NET POSITION:		
Net investment in capital assets		593,027,992
Restricted:		
Bond interest and redemption		27,866,188
Escrow agreement (Note 5)		628,731
Law enforcement		11,811
Unrestricted		234,000,975
TOTAL NET POSITION	$	855,535,697

See accompanying notes to financial statements

OPERATING REVENUES:	
Wharfage	$ 83,998,460
Dockage	20,330,792
Security fees	14,130,111
Freight handling	2,151,130
Rail Charges	2,664,310
Building and land rentals	20,398,560
Conference center services	606,739
FTZ user fees	248,500
Dredge placement fees	4,450,401
Cost sharing agreements	435,310
Other	5,500,495
Total Operating Revenues	154,914,808
OPERATING EXPENSES:	
Maintenance and operations	26,728,651
General and administrative	36,009,588
Depreciation	21,044,928
Total Operating Expenses	83,783,167
Operating Income	71,131,641
NON-OPERATING REVENUES (EXPENSES):	
Investment income	(447,261)
Federal and other grant assistance	21,473
Interest expense and fiscal charges	(12,630,519)
Contributions from Harbor Bridge commitment (Note 11)	(366,148)
Loss on disposal of assets	(1,222,380)
Net Non-Operating Expenses	(14,644,835)
Income Before Capital Grants and Contributions	56,486,806
CAPITAL GRANTS AND CONTRIBUTIONS	2,045,162
Change in net position	58,531,968
Total Net Position, Beginning of Year, as restated (Note 1)	797,003,729
Total Net Position, End of Year	$ 855,535,697

See accompanying notes to financial statements.

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 154,649,850
Cash payments to suppliers for goods & services	(33,785,292)
Cash payments to employees for services	(28,490,623)
Cash payments to and received from other operating sources	7,823
Net Cash Provided by Operating Activities	92,381,758
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating grants received	1,049,140
Payments on behalf of Harbor Bridge commitment	(366,148)
Net Cash Provided by Noncapital Financing Activities	682,992
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(106,074,090)
Capital grants and contributions	1,420,166
Principal payment on capital debt	(8,580,000)
Interest expense and fiscal charges	(13,524,442)
Net Cash Used in Capital and Related Financing Activities	(126,758,366)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	2,119,232
Proceeds from sale and maturities of investments	164,969,674
Purchase of investments	(154,625,000)
Net Cash Provided by Investing Activities	12,463,906
Net decrease in cash and cash equivalents	(21,229,710)
Cash and Cash Equivalents, Including Restricted Accounts:	
Beginning	128,393,653
Ending	$ 107,163,943

See accompanying notes to financial statements

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$ 71,131,641
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	21,044,928
Changes in assets and liabilities:	
Decrease in accounts and intergovernmental receivables	6,276,321
Increase in inventories	(49,644)
Increase in prepaid items	(241,569)
Decrease in net pension asset	506,182
Increase in deferred outflows of resources	(3,427,544)
Increase in accounts payable and accrued expenses	1,781,312
Decrease in unearned revenue	(6,070,199)
Decrease in unearned capital lease revenue	(457,040)
Increase in net pension liability	691,355
Increase in total OPEB liability	460,040
Increase in compensated absences	253,666
Increase in deferred inflows of resources	482,309
Net cash provided by operating activities	$ 92,381,758

Noncash Investing, Capital, and Financing Activities

Amortization of premium on investments	$ (1,309,626)
Change in fair value of investments	1,351,311
Change in accrued interest on investments	701,535
Change in intergovernmental receivables	402,671
Amortization of premium on revenue bonds	(870,013)
Acquisition of capital assets accrued but not paid	298,515
Net non-cash investing, capital, and financing activities	$ 574,393

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

GENERAL HISTORY OF THE PORT OF CORPUS CHRISTI AUTHORITY

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

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

REPORTING ENTITY

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable.

COMPONENT UNIT

The Industrial Development Corporation (IDC) was organized by the Authority under the State of Texas Development Corporation Act of 1979. The IDC is a non-profit corporation that issues industrial development revenue bonds to promote and develop commercial, industrial and manufacturing enterprises and to promote and encourage employment and public welfare. The issuance of any such bonds is adopted by the Board of Directors (Board) of the IDC and approved by the Texas Economic Development Commission (TEDC) and the Port Commission. Net earnings of the IDC may be distributed to the Authority by action of the Board or upon dissolution of the IDC. The IDC is considered a blended component unit as the Authority has financial accountability. The Board of the IDC is appointed by the Port Commission and it is comprised of three members of the Port Commission and two members of the staff of the Authority, and the Authority is able to impose its will on the IDC. In addition, the Authority's management has operational responsibility of the IDC. The financial statements of the IDC are not material to the financial statements of the Authority and have not been included in the basic financial statements. The condensed financial statement information of the IDC follows:

		2021
Total Net Position	$	90,686
Change in Net Position	$	(1,113)

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 position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Authority has the following items that qualify for reporting in this category.

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

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

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

PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from 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, and operating lease payments, damage claims and foreign trade zone user fees are recognized as income over the term of related agreements. Amounts received but not yet earned are reflected as unearned revenue in the accompanying statement of net position.

NET POSITION

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

CASH RESERVE POLICY

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

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

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

CONCENTRATION OF REVENUES

The Authority's operating revenues 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 the ongoing worldwide COVID-19 pandemic and high energy prices because 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 nine customers are from the petroleum industry and made up 61 percent of the Authority's operating revenue base for 2021. The overarching product groups of crude oil and petroleum products accounted for 93 percent of the Authority's tonnage total in 2021. 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 LPG, LNG 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 for the production of 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.

RESTATEMENT

The Authority determined a restatement of beginning net position was required to properly report capital assets as of December 31, 2020. The restatement was as follows:

Beginning Net Position, December 31, 2020, as previously reported	$ 726,228,237
Adjustment to increase capital assets	70,775,492
Beginning Net Position, December 31, 2020, as restated	$ 797,003,729

2. DEPOSITS AND INVESTMENTS

At December 31, 2021, the carrying amount of the Authority's demand deposits and cash on hand was $107,163,943.

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, 2021 carried at fair value are as follows:

	2021		
Investment Type	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Local government pool	$ 63,417,006	1	AAA
Municipal Bonds	130,849,044	472	
United States agencies	66,786,860	924	
Total	261,052,910		
Short-term investments included in cash and cash equivalents	63,417,006		
Equity in Total Investments	**$ 197,635,904**		
Portfolio Weighted Average Maturity		473	

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

CUSTODIAL CREDIT RISK

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

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

CREDIT RISK

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

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

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

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

CONCENTRATION OF RISK

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

Investment Policy		Percent of Portfolio 2021
United States Treasury securities	100%	-
United States Agency securities	100%	21.87%
Depository Certificates of Deposit	80%	-
Repurchase Agreements	100%	-
Flex Agreements by bond fund	100%	-
Local Government Investment Pools	100%	22.44%
Percent of pool ownership	10%	-
Money Market Mutual Funds	100%	1.97%
Percent of pool ownership	10%	-
Interest bearing accounts	100%	-
Brokered Certificates of Deposit	10%	-
State and Local Debt Obligations	80%	42.66%
Percent of one issuer	10%	-
Commercial Paper	35%	12.95%
Limit per Issuer	10%	-

INTEREST RATE RISK

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

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

As of December 31, 2021, the portfolio contained nine 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	4/2/2024	1/22/2022	Callable quarterly with 5 days notice	$ 10,000,000	$ 9,939,369
FHLB	0.400%	6/28/2021	6/28/2024	3/28/2022	Callable quarterly with 5 days notice	10,000,000	9,917,418
FHLB	0.550%	9/30/2021	9/30/2024	3/30/2022	Callable quarterly with 5 days notice	10,000,000	9,898,714
FRMAC	0.500%	10/4/2021	10/4/2024	10/4/2022	Callable quarterly with 5 days notice	10,000,000	9,769,224
FHLB	0.700%	10/28/2021	10/28/2024	1/28/2022	Callable quarterly with 5 days notice	5,000,000	4,965,563
FHLB	0.400%	3/12/2021	3/12/2024	1/12/2022	Callable monthly with 5 days notice	10,000,000	9,887,559
FHLB	0.400%	7/12/2021	7/12/2024	1/12/2022	Callable monthly with 5 days notice	7,500,000	7,434,635
FHLB	0.500%	7/26/2021	7/26/2024	1/26/2022	Once Only Call with 5 days notice	5,000,000	4,974,378
Miami-Dade County FL	0.375%	9/30/2020	4/1/2023	1/1/2022	Continuously callable with 20 days notice	10,000,000	9,946,700
				TOTAL		**$ 77,500,000**	**$ 76,733,560**

Abbreviations:

FRMAC Federal Radiological Monitoring and Assessment Center
FHLB Federal Home Loan Bank System

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, 2021, the Authority had no foreign currency risk.

3. RECEIVABLES

Receivables as of December 31, 2021, including the applicable allowance for uncollectible accounts, are as follows:

		2021
Trade receivables		$ 16,779,366
Damage claims receivable		5,506
Accrued revenues	*	4,742
		16,789,614
Net of allowance for uncollectibles		(44,533)
Receivables, net		16,745,081
Current account receivable		$ 16,745,081

* Accrued revenues of $4,742 were recorded in 2021 for lease provisions that will be billed in future years and are further explained in Note 7 of the Notes to the Financial Statements.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, is as follows:

	Beginning Balance	Transfers and Additions	Transfers and Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	$ 130,220,078	$ 116,809,080	$ -	$ 247,029,158
Channel and waterfront improvements	79,277,883	-	-	79,277,883
Intangibles	387,429	-	-	387,429
Construction in progress	254,371,548	107,035,254	162,111,657	199,295,145
Total capital assets, not being depreciated	464,256,938	223,844,334	162,111,657	525,989,615
Capital assets, being depreciated:				
Port facilities	449,025,667	4,916,801	-	453,942,468
Buildings and improvements	116,686,522	32,227,103	-	148,913,625
Machinery and equipment	49,798,638	6,373,644	-	56,172,282
Intangibles	3,146,657	-	-	3,146,657
Total capital assets, being depreciated	618,657,484	43,517,548	-	662,175,032
Less: accumulated depreciation for				
Port facilities	160,139,815	13,558,311	-	173,698,126
Buildings and improvements	55,346,410	4,798,076	-	60,144,486
Machinery and equipment	39,440,245	2,535,878	-	41,976,123
Intangibles	2,766,739	152,663	-	2,919,402
Total accumulated depreciation	257,693,209	21,044,928	-	278,738,137
Total capital assets, being depreciated, net	360,964,275	22,472,620	-	383,436,895
Total capital assets, net	**$ 825,221,213**	**$ 246,316,954**	**$ 162,111,657**	**$ 909,426,510**

5. ESCROW AGREEMENT

Other Non-Current Assets includes an amount of $629,287, 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 2022 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, 2021, there was no reduction of the recorded deposit because construction had not yet commenced.

6. LEASES

OPERATING LEASES

The Authority leases to others certain land and improvements, and these leases are classified as operating leases. As of December 31, 2021, minimum lease payments under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending		
2022	$	19,990,033
2023		18,628,741
2024		17,763,619
2025		16,086,409
2026		10,869,623
Thereafter		79,530,890
Total	**$**	**162,869,316**

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, 2021 was $ 12,628,085.

At December 31, 2021, 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	$	87,875,000
Senior Lien Revenue Bonds, Series 2018A (non-AMT)	4-5	8/1/2018	12/1/2048		90,935,000
Senior Lien Revenue Bonds, Series 2018B (Taxable)	2.9-5	8/1/2018	12/1/2048		110,770,000
Total				**$**	**289,580,000**

A statement of changes in long-term debt for the year ended December 31, 2021, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	$298,160,000	$ -	$ 8,580,000	$289,580,000	$ 8,870,000
Bond premium	15,370,382	-	870,013	14,500,369	855,584
Total	**$313,530,382**	**$ -**	**$ 9,450,013**	**$304,080,369**	**$ 9,725,584**

Total debt service requirements as of December 31, 2021, are as follows:

Years Ending	Principal	Interest	Totals
2022	$ 8,870,000	$ 13,235,090	$ 22,105,090
2023	9,175,000	12,923,721	22,098,721
2024	9,510,000	12,591,340	22,101,340
2025	9,865,000	12,237,807	22,102,807
2026	10,240,000	11,862,810	22,102,810
2027-2031	57,860,000	52,647,441	110,507,441
2032-2036	63,480,000	38,517,350	101,997,350
2037-2041	41,865,000	26,145,481	68,010,481
2042-2046	53,420,000	14,596,750	68,016,750
2047-2048	25,295,000	1,912,500	27,207,500
Total	**$ 289,580,000**	**$ 196,670,290**	**$ 486,250,290**

UNEARNED REVENUES

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

Years Ending	Operating Leases
2022	$ 9,447,152
2023	4,382,407
2024	4,252,271
2025	2,586,226
2026	2,558,002
Thereafter	31,012,403
Total	**$ 54,238,461**

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

UNEARNED CAPITAL LEASE

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

Years Ending	Totals
2022	$ 457,040
2023	457,040
2024	457,040
2025	457,040
2026	457,040
Thereafter	3,633,805
Total	**$ 5,919,005**

COMPENSATED ABSENCES

A statement of changes in compensated absences for the year ended December 31, 2021, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	$ 1,701,620	$ 1,076,225	$ 1,029,490	$ 1,748,355	$ 1,029,490
Sick leave	2,607,607	821,652	614,721	2,814,538	614,721
Total	**$4,309,227**	**$1,897,877**	**$1,644,211**	**$4,562,893**	**$1,644,211**

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 818 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 2020 was 4.38 percent, however the governing body of the Authority adopted the rate of 12 percent for calendar year 2020. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. Employee and Authority contributions were $1,288,285 and $2,208,489 respectively for the year ended December 31, 2020.

Employees Covered by Benefit Terms

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

	December 31, 2020
Retirees or beneficiaries currently receiving benefits	134
Inactive employees entitled to but not yet receiving benefits	77
Active employees	252
	463

Actuarial Assumptions

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

The actuarial valuations were determined using the following actuarial assumptions:

Actuarial Valuation Date	December 31, 2020
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	1.60%
Total Projected Salary Increase Rate	4.60%
Cost-of-Living Adjustment	0%
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately

Disability	Experience-based table with rates of disability ranging from .008% at age 28 to .27% at age 59; members who become disabled are eligible to commence benefit payments regardless of age
Mortality-for the actuarial valuation:	
Depositing members	90% of the RP-2014 Active Mortality Table, projected with 110% of the MP-2014 Ultimate scale after 2014
Service retirees, beneficiaries and	130% of the RP-2014 Healthy Annuitant Mortality Table for males non-depositing members 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

Discount Rate

The discount rate used to determine the total pension liability as of December 31, 2021 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	Current Discount Rate	1% Increase
	6.60%	7.60%	8.60%
Net pension liability/(asset)	$ 9,000,251	$ 691,355	$ (6,365,215)

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 2021 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 2021.

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%	4.25%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities-Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities-Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
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%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	4.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

(1) Target Asset Allocation was adopted at the March 2021 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 2021 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, 2021, the Authority's Net Pension Liability (Asset) was measured as of December 31, 2020, 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, 2020 based on the actuarial date of December 31, 2020 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, 2019	$ 62,009,954	$ 62,516,136	$ (506,182)
Changes for the Year:			
Service cost	2,229,892	-	2,229,892
Interest on total pension liability (1)	5,072,168	-	5,072,168
Effect of economic/demographic gains or losses	179,141	-	179,141
Effect of assumptions changes or inputs	3,634,136	-	3,634,136
Refund of contributions	(73,031)	(73,031)	-
Benefit payments	(3,232,291)	(3,232,291)	-
Administrative expenses	-	(50,582)	50,582
Member contributions	-	1,288,285	(1,288,285)
Net investment income	-	6,458,730	(6,458,730)
Employer contributions	-	2,208,489	(2,208,489)
Other (3)	-	12,878	(12,878)
Balances as of December 31, 2020	**$ 69,819,969**	**$ 69,128,614**	**$ 691,355**

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, 2021, the Authority recognized pension expense as follows:

	January 1, 2020 to December 31, 2020
Service cost	$ 2,229,892
Interest on total pension liability	5,072,168
Administrative expenses	50,583
Member contributions	(1,288,285)
Expected investment return net of investment expenses	(5,069,913)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(83,112)
Recognition of assumption changes or inputs	837,216
Recognition of investment gains or losses	(648,380)
Other (allocated system-wide items)	(12,878)
Pension expense	**$ 1,087,291**

For the year ended December 31, 2021, 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	$	257,378	$	157,188
Changes of assumptions		2,978,363		-
Net difference between projected and actual earnings		-		2,249,742
Contributions made subsequent to measurement date		2,323,441		-
TOTALS	$	**5,559,182**	$	**2,406,930**

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $2,323,441 will be recognized as a reduction of the net pension liability (asset) for the measurement year ending December 31,2021 (i.e. recognized in the Authority's financial statements December 31,2022). Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2022	$	4,397
2023		741,872
2024		(402,351)
2025		484,893
Total	**$**	**828,811**

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, 2020 with the measurement date of December 31, 2021. 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, 2021, nine 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, 2021 retirees contributed $6,980 for healthcare benefits under the plan and the Authority contributed $270,101 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, 2020
Valuation Timing	The valuation is performed at January 1, 2020 with measurements date December 31, 2020 and December 31, 2021

	December 31, 2020	December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Discount Rate (1)	2.12%	2.06%
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 serv 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 2.12%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.06%, which amounted to a decrease of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 2.06%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.06%) or one percentage point higher (3.06%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.06%	2.06%	3.06%
Total OPEB liability	$ 2,143,174	$ 2,041,384	$ 1,942,094

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	$ 1,846,787	$ 2,041,384	$ 2,270,100

Total OPEB Liability

	December 31, 2020	December 31, 2021
Total OPEB liability	$ 1,581,344	$ 2,041,384
Covered payroll	17,061,574	16,565,016
Total OPEB liability as a % of covered payroll	9.27%	12.32%

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, 2020	$	1,581,344
Changes for the Year:		
Service cost		176,619
Interest on total OPEB liability		34,420
Effect on economic/demographic (gains) or losses		535,005
Effect of assumptions changes or inputs		(15,903)
Benefit payments		(270,101)
Balances as of December 31, 2021	**$**	**2,041,384**

For the year ended December 31, 2021 the Authority recognized OPEB expense as follows:

		January 1, 2021 to December 31, 2021
Service cost	$	176,619
Interest on total OPEB liability		34,420
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses		81,123
Recognition of assumption changes or inputs		(73,567)
OPEB expense	**$**	**218,595**

For the year ended December 31, 2021, 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		432,119		43,528
Changes in actuarial assumptions		14,743		162,942
Total	$	446,862	$	206,470

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:		
2022	$	9,552
2023		11,222
2024		99,828
2025		99,828
2026		19,962
Total	**$**	**240,392**

10. CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At December 31, 2021, the Authority had remaining unpaid contractual construction and improvement commitments of $20,062,941. These commitments are being financed through operating revenues, bond proceeds, and capital grants.

11. COMMITMENTS AND CONTINGENCIES

LITIGATION

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

RISK MANAGEMENT

The Authority has a combined risk financing approach using both risk transfer and risk retention in order to appropriately manage risk in accordance with financial and operational goals. The Authority retains a maximum $4,000,000 retention on the property insurance program with primary limits of $25,000,000 and excess limits of $100,000,000 for a combined limit of $125,000,000. The Authority has complied with all bond covenants with respect to the maintenance of insurance. For a listing of all policies carried, see Table 16 of the Statistical Section. All insurance premiums for the policies in force have been paid. In order to manage liability loss exposures, various liability policies are purchased which include employment practices liability, property damage and bodily injury, law enforcement, cyber, and foreign liability. The Authority has established a self-funded health and dental plan (plan) for its employees and dependents. A specific stop loss policy is in force for individual plan claims in excess of $100,000 annually, and an aggregate stop loss policy is in force for annual aggregate claims in excess of approximately $3,135,360. The Authority is covered for workers' compensation claims through Texas Mutual Insurance. Prior to 2005, the Authority was self-insured for workers' compensation and estimated remaining workers' compensation claims are reflected below. The Authority has made no significant changes in its insurance coverage from coverage in the prior year. In the past three years the Authority has had no settlements that exceeded insurance coverage.

A liability for unpaid claims is reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The Authority's liability is an estimate and includes an amount for claims that have been incurred but not reported (IBNR). The methodology used to determine the liability is based on recent claim settlement trends, including frequency and number of payouts, and other factors such as inflation, changes in legal doctrines and damage awards. At December 31, 2021, the liability of $442,863 is comprised of estimated health claims of $425,388 and estimated worker's compensation claims of $17,475.

Changes in the balances of claims liabilities as of December 31, 2021 and 2020 are as follows:

	2021	2020
Unpaid claims, beginning of fiscal year	$ 690,278	$ 532,778
Incurred claims (including IBNRs)	4,652,799	5,276,730
Claim payments	(4,900,214)	(5,119,230)
Unpaid claims, end of fiscal year	**$ 442,863**	**$ 690,278**

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, 2021, 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, 2021 is as follows:

Capital assets, not being depreciated	$	525,989,615
Capital assets, being depreciated, net		383,436,895
Less: Capital Related Debt		(309,999,374)
Less: Retainage Payable		(1,212,987)
Less: Construction Related Construction Accounts Payable		(5,186,157)
Net Investment in Capital Assets	**$**	**593,027,992**

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
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
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
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
Effect of Economic/Demographic (Gains) or Losses	570,613	(217,150)	(640,607)	(151,261)	168,127	78,021	179,141
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)
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
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
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
FIDUCIARY NET POSITION							
Employer Contributions	$ 827,147	$ 979,505	$ 996,832	$ 1,068,177	$ 1,145,090	$ 1,259,909	$ 2,208,489
Member Contributions	827,147	979,505	996,832	1,068,177	1,145,090	1,259,909	1,288,285
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
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)
Administrative Expenses	(34,241)	(32,747)	(36,388)	(36,764)	(43,410)	(47,640)	(50,583)
Other	19,158	44,753	(87,598)	(2,950)	772	(3,448)	12,878
Net Change in Fiduciary Net Position	2,673,025	(512,995)	3,173,222	6,834,436	(1,234,812)	8,469,692	6,612,477
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
Fiduciary Net Position, Ending	$ 45,786,593	$ 45,273,598	$ 48,446,820	$ 55,281,256	$ 54,046,444	$ 62,516,136	$ 69,128,613
Net Pension Liability (Asset)	$ (2,269,840)	$ 1,057,791	$ 583,910	$ (2,868,315)	$ 2,076,256	$ (506,182)	$ 691,356
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%
Annual Covered Payroll	$ 11,816,386	$ 13,992,927	$ 14,240,462	$ 15,259,672	$ 16,358,433	$ 17,998,705	$ 18,404,075
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(19.21%)	7.56%	4.10%	(18.80%)	12.69%	(2.81%)	3.76%

PENSION PLAN:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	$ 831,354	$ 400,446	$ 405,302	$ 787,802	$ 710,599	$ 650,062	$ 727,950	$ 725,348	$ 806,098	$ 1,511,467
Actual Employer Contributions	6,508,045	791,841	827,147	979,505	996,832	1,068,177	1,145,090	1,259,909	2,208,489	2,323,442
Contribution Deficiency (Excess)	(5,676,691)	(391,395)	(421,845)	(191,703)	(286,233)	(418,115)	(417,140)	(534,561)	(1,402,391)	(811,975)
Annual Covered Payroll	$ 10,982,221	$ 11,312,022	$ 11,816,386	$ 13,992,927	$ 14,240,462	$ 15,259,672	$ 16,358,433	$ 17,998,705	$ 18,404,075	$ 19,377,779
Contribution as a Percentage of Covered Payroll	59.26%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	12.00%	11.99%

NOTES TO SCHEDULE:

Valuation date: 12/31/2020

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 2021:

Actuarial Cost Method	Entry age normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	4.8 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Salary Increases	4.6% 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 110% of the MP-2014 Ultimate Scale after 2014)	130% of the RP-2014 Healthy Annuitant Mortality Table for males 110% of the RP-2014 Healthy Annuitant Mortality Table for females
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected 2017: New mortality assumptions were reflected 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.

TOTAL OPEB LIABILITY:

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

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%

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

SUPPLEMENTAL SCHEDULES

The Port of Corpus Christi's new 44-foot Port Security boat displays its maneuverability on June 17, 2021, near the entrance to the Inner Harbor. The new security vessel – purchased using a combination of Port, FEMA and U.S. Department of Homeland Security funds – features advanced detection equipment and limited firefighting capabilities.

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX

Schedule of Revenues and Expenses
Actual and Budget (GAAP Basis)
For the Year Ended December 31, 2021

	Actual	Budget	Variance (%)
OPERATING REVENUES:			
Wharfage	$ 83,998,460	$ 71,132,252	18
Dockage	20,330,792	17,762,974	14
Security fees	14,130,111	12,428,830	14
Freight handling	2,151,130	2,562,186	(16)
Rail Charges	2,664,310	2,784,000	(4)
Building and land rentals	20,398,560	21,706,248	(6)
Conference center services	606,739	570,395	6
FTZ user fees	248,500	223,500	11
Dredge placement fees	4,450,401	5,837,311	(24)
Other	5,500,495	4,258,317	29
Total Operating Revenues	154,914,808	139,266,013	11
OPERATING EXPENSES:			
Maintenance and operations	26,728,651	35,750,517	25
General and administrative	36,009,588	39,015,533	8
Depreciation	21,044,928	20,955,678	(0)
Total Operating Expenses	83,783,167	95,721,728	12
Operating Income	71,131,641	43,544,285	63
NON-OPERATING REVENUES (EXPENSES):			
Investment income	(447,261)	2,005,527	548
Federal and other grant assistance	21,473	-	-
Interest expense and fiscal charges	(12,630,519)	(12,677,637)	-
Contributions from Harbor Bridge Project	(366,148)	1,250,000	441
Loss on disposal of assets	(1,222,380)	-	-
Net Non-Operating Expenses	(14,644,835)	(9,422,110)	55
Income Before Capital Grants and Contributions	56,486,806	34,122,175	66
CAPITAL GRANTS AND CONTRIBUTIONS	2,045,162	-	-
Change in Net Position	$ 58,531,968	$ 34,122,175	72

MAINTENANCE AND OPERATIONS:	
Employee services	$ 10,181,055
Maintenance	5,992,035
Utilities	715,673
Telephone	103,284
Insurance & claims	2,431,495
Professional services	3,251,859
Police expenses	27,265
Contracted services	2,615,823
Office and equipment rental	125,269
Operator and event expenses	737,260
Safety/Environmental	61,730
General	485,903
Total Maintenance and Operations	$ 26,728,651

GENERAL AND ADMINISTRATIVE:	
Employee services	$ 17,360,942
Maintenance	1,376,318
Utilities	249,140
Telephone	223,554
Insurance & claims	341,225
Professional services	9,381,740
Police expenses	1,178
Contracted services	155,470
Office and equipment rental	216,149
Administrative	5,943,181
Trade and sales development	240,551
Media advertising	288,793
Production	118,585
Safety/Environmental	86,655
General	26,107
Total General and Administrative	$ 36,009,588

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

The Korolev Prospect, a vessel powered by liquefied natural gas (LNG), sits docked at the Port of Corpus Christi's Oil Dock 15 on January 14, 2021. The vessel is one of many in the global fleet that uses LNG as a marine fuel

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Operating revenues:										
Wharfage	$ 31,293,692	$ 35,688,217	$ 42,288,896	$ 45,779,919	$ 42,337,275	$ 46,948,820	$ 50,487,100	$ 63,467,357	$ 77,700,556	$ 83,998,460
Dockage	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519	15,310,185	17,676,236	16,948,628	20,330,792
Security fees	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385	11,299,077	13,003,968	14,130,111
Freight handling	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418	3,437,356	2,843,281	2,151,130
Rail Charges	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814	3,426,169	2,741,835	2,664,310
Building and land rentals	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803	21,566,430	19,729,444	20,398,560
Conference center services	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419	1,903,112	440,071	606,739
Warehouse handling charges	-	-	-	-	-	-	-	-	-	-
FTZ user fees	301,250	253,917	222,500	207,667	224,000	225,000	241,833	247,000	238,000	248,500
Dredge placement fees	(36,629)	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
Cost sharing agreements	-	-	-	-	-	-	-	-	13,758,035	435,310
Other	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524	3,681,585	4,163,884	5,500,495
Insurance proceeds, Hurricane Harvey	-	-	-	-	-	1,266,289	163,737	1,536,964	-	-
Total operating revenues	62,432,414	77,467,953	82,159,445	93,421,855	83,021,962	95,541,093	105,780,128	128,242,786	160,135,601	154,914,808
Investment income (loss)	163,804	283,544	341,754	518,374	1,184,692	2,417,838	4,807,322	7,974,561	3,835,652	(447,261)
Federal and other grant assistance	337,965	290,727	180,655	227,714	152,412	146,950	266,930	877,920	1,809,193	21,473
Contributions from Harbor Bridge Commitment	-	-	-	-	-	-	14,761,550	14,037,941	6,116,615	-
Gain on disposal of assets	-	-	40,596	-	-	-	-	-	-	-
Total Revenues	62,934,183	78,042,224	82,722,450	94,167,943	84,359,066	98,105,881	125,615,930	151,133,208	171,897,061	154,489,020
Expenses										
Operating expenses:										
Maintenance and operations	22,721,681	18,144,056	23,367,865	21,470,411	21,435,640	21,066,636	24,934,261	27,804,966	29,722,554	26,728,651
General and administrative	17,835,428	15,378,025	15,891,293	19,469,477	20,715,616	23,263,150	25,435,988	31,328,255	38,042,089	36,009,588
Hurricane Harvey related repairs	-	-	-	-	-	233,054	963,247	2,361,711	727,590	-
Depreciation	13,738,571	12,024,981	12,310,557	12,822,653	13,140,057	13,377,640	14,149,761	14,661,500	18,156,728	21,044,928
Total operating expenses	54,295,680	45,547,062	51,569,715	53,762,541	55,291,313	57,940,480	65,483,257	76,156,432	86,648,961	83,783,167
Interest expense and fiscal charges	(51,908)	16,986	535	2,030,505	2,973,844	3,650,348	7,697,446	13,002,641	12,838,761	12,630,519
Bond issuance costs	-	-	-	1,139,597	-	-	1,993,237	-	-	-
Fiscal payments to subrecipients	128,730	-	-	-	-	-	-	-	-	-
Contributions to Harbor Bridge Commitment	-	-	-	-	1,885,410	1,287,176	1,786,441	1,517,492	771,278	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	9,517,670	102,957	-	5,829,882	67,638	3,590	61,064	636	820,008	1,222,380
Loss on impairment of capital assets	-	-	-	-	-	428,254	-	-	-	-
Total Expenses	63,890,172	45,667,005	51,570,250	65,762,525	63,218,205	67,724,940	80,021,445	93,677,201	101,079,008	98,002,214
Income (Loss) Before Contributions	(955,989)	32,375,219	31,152,200	28,405,418	21,140,861	30,380,941	45,594,485	57,456,007	70,818,053	56,486,806
Capital Contributions	5,663,315	5,842,850	8,307,361	7,245,620	12,835,396	5,536,616	3,720,723	2,536,407	1,429,850	2,045,162
Changes in Net Position	4,707,326	38,218,069	39,459,561	35,651,038	33,976,257	35,917,557	49,315,208	59,992,414	72,247,903	58,531,968
Total Net Position, Beginning of Year	359,516,002	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
Cumulative Effect of Change in Accounting Principle	-	-	-	1,835,648	-	-	937,450	-	-	-
Prior Period Adjustment	70,775,492	-	-	-	-	-	-	-	-	-
Total Net Position, End 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
Net Position at Year End										
Net investment in capital assets	$ 304,050,875	$ 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
Restricted	252,763	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
Unrestricted	130,695,182	141,400,887	160,793,708	163,808,827	179,943,241	152,673,693	176,506,817	180,964,971	212,999,084	234,000,975
Total Net Position	$ 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

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Revenues by Source
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues:										
Wharfage	$ 31,293,692	$ 35,688,217	$ 42,288,896	$ 45,779,919	$ 42,337,275	$ 46,948,820	$ 50,487,100	$ 63,467,357	$ 77,700,556	$ 83,998,460
Dockage	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519	15,310,185	17,676,236	16,948,628	20,330,792
Security fees	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343	9,014,385	11,299,077	13,003,968	14,130,111
Freight handling	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661	4,033,418	3,437,356	2,843,281	2,151,130
Rail Charges	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491	2,552,814	3,426,169	2,741,835	2,664,310
Building and land rentals	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254	18,591,803	21,566,430	19,729,444	20,398,560
Conference center services	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659	2,017,419	1,903,112	440,071	606,739
Warehouse handling charges	-	-	-	-	-	-	-	-	-	-
FTZ user fees	301,250	253,917	222,500	207,667	224,000	225,000	241,833	247,000	238,000	248,500
Dredge placement fees	(36,629)	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
Cost sharing agreements	-	-	-	-	-	-	-	-	13,758,035	435,310
Other	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419	2,930,524	3,681,585	4,163,884	5,500,495
Insurance proceeds, Hurricane Harvey	-	-	-	-	-	1,266,289	163,737	1,536,964	-	-
	$ 62,432,414	$ 77,467,953	$ 82,159,445	$ 93,421,855	$ 83,021,962	$ 95,541,093	$ 105,780,128	$ 128,242,786	$ 160,135,601	$ 154,914,808
Non-Operating Revenues:										
Other:										
Investment income (loss)	$ 163,804	$ 283,544	$ 341,754	$ 518,374	$ 1,184,692	$ 2,417,838	$ 4,807,322	$ 7,974,561	$ 3,835,652	$ (447,261)
Federal and other grant assistance	337,965	290,727	180,655	227,714	152,412	146,950	266,930	877,920	1,809,193	21,473
Contributions from Harbor Bridge commitment	-	-	-	-	-	-	14,761,550	14,037,941	6,116,615	-
Gain on disposal of assets	-	-	40,596	-	-	-	-	-	-	-
	$ 501,769	$ 574,271	$ 563,005	$ 746,088	$ 1,337,104	$ 2,564,788	$ 19,835,802	$ 22,890,422	$ 11,761,460	$ (425,788)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Expenses by Type
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Expenses:										
Maintenance and Operation:										
Employee services	$ 8,258,807	$ 7,324,312	$ 8,304,043	$ 9,993,556	$ 9,478,572	$ 9,948,834	$ 9,646,909	$ 10,736,455	$ 11,930,519	$ 10,181,055
Maintenance	4,896,773	3,679,718	6,122,959	3,667,189	4,367,556	3,707,172	4,024,567	6,228,088	8,053,779	5,992,035
Utilities	1,735,122	902,342	1,004,905	1,073,706	980,564	936,770	910,486	917,987	795,718	715,673
Telephone	94,604	85,538	80,639	78,674	90,885	88,096	85,140	91,916	93,528	103,284
Insurance & claims	2,311,581	2,023,472	1,911,090	1,745,262	1,520,100	1,336,484	1,493,288	1,629,166	1,950,752	2,431,495
Professional services	1,771,323	974,998	2,422,320	864,991	1,160,192	914,565	4,219,869	3,297,467	2,684,827	3,251,859
Police expenses	24,006	14,435	16,461	31,320	21,710	30,368	59,019	55,740	39,229	27,265
Contracted services	1,633,668	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
Office and equipment rental	65,037	55,691	79,023	109,355	96,681	126,387	104,596	139,756	139,222	125,269
Operator and event expenses	1,678,367	1,427,944	1,547,155	1,624,343	1,712,280	1,825,207	1,789,206	1,667,343	721,927	737,260
Warehouse supplies	-	-	-	-	-	-	-	-	-	-
Safety/Environmental	77,086	98,478	107,859	70,797	84,493	87,427	83,477	88,682	69,872	61,730
General	175,307	220,554	494,274	876,438	242,219	216,267	252,079	385,576	368,866	485,903
	$ 22,721,681	$ 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
General and Administrative:										
Employee services	$ 7,423,777	$ 7,272,765	$ 8,001,279	$ 10,549,722	$ 11,446,283	$ 12,891,866	$ 13,209,035	$ 14,953,056	$ 18,130,677	$ 17,360,942
Maintenance	509,303	530,688	648,221	759,004	948,956	756,368	1,038,631	1,058,936	1,048,333	1,376,318
Utilities	171,122	149,405	159,148	160,630	162,490	173,577	162,956	159,358	131,960	249,140
Telephone	100,921	73,896	83,776	91,439	97,984	99,596	118,665	166,452	195,838	223,554
Insurance & claims	97,774	429,990	99,451	109,887	148,816	124,462	117,385	232,747	393,981	341,225
Professional services	7,092,409	3,993,766	3,870,383	4,363,193	4,462,954	5,491,998	6,438,267	9,870,787	11,602,910	9,381,740
Police expenses	-	190	1,616	1,227	233	1,150	1,619	1,039	1,117	1,178
Contracted services	59,756	23,431	26,167	49,477	143,210	93,104	88,067	247,068	189,893	155,470
Office and equipment rental	76,941	92,118	86,761	99,176	123,574	158,778	148,149	139,623	83,473	216,149
Administrative	1,869,480	2,140,507	2,309,972	2,667,808	2,578,220	2,865,300	2,915,142	3,932,311	5,489,489	5,943,181
Trade and sales development	188,894	200,500	209,900	165,955	172,765	174,973	196,164	611,926	135,343	240,551
Media advertising	190,661	225,363	232,608	311,184	327,641	354,200	238,775	221,857	290,079	288,793
Production	21,774	33,424	41,061	74,566	23,768	39,581	55,459	55,766	140,011	118,585
Safety/Environmental	23,651	26,732	28,007	43,037	45,881	29,398	35,440	67,510	172,324	86,655
General	8,965	185,250	92,943	23,172	32,841	8,799	672,234	8,695	36,661	26,107
	$ 17,835,428	$ 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
Hurricane Harvey related repairs	-	-	-	-	-	233,054	963,247	2,361,711	727,590	-
Depreciation	$ 13,738,571	$ 12,024,981	$ 12,310,557	$ 12,822,653	$ 13,140,057	13,377,640	14,149,761	14,661,500	18,156,728	21,044,928
Non-Operating Expenses:										
Other:										
Interest	$ (51,908)	$ 16,986	$ 535	$ 2,030,505	$ 2,973,844	$3,650,348	$7,697,446	$13,002,641	$12,838,761	12,630,519
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	9,646,400	102,957	-	8,829,882	3,067,638	4,846,936	3,061,064	3,000,636	820,008	1,222,380
	$ 9,594,492	$ 119,943	$ 535	$ 11,999,984	$ 7,926,892	$ 9,784,460	$ 14,538,188	$ 17,520,769	$ 14,430,047	$ 14,219,047

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Financial Performance Indicators Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues (OR)	$ 62,432,414	$ 77,467,953	$ 82,159,445	$ 93,421,855	$ 83,021,962	$ 95,541,093	$ 105,780,128	$ 128,242,786	$ 160,135,601	$ 154,914,808
Operating Expenses (OE) *	(40,557,109)	(33,522,081)	(39,259,158)	(40,939,888)	(42,151,256)	(44,562,840)	(51,333,496)	(61,494,932)	(68,492,233)	(62,738,239)
Net Operating Income (NOI)	21,875,305	43,945,872	42,900,287	52,481,967	40,870,706	50,978,253	54,446,632	66,747,854	91,643,368	92,176,569
Non-Operating Revenues	501,769	574,271	563,005	746,088	1,337,104	2,564,788	19,835,802	22,890,422	11,761,460	2,066,635
Non-Operating Expenses	(9,594,492)	(119,943)	(535)	(11,999,984)	(7,926,892)	(9,784,460)	(14,538,188)	(17,520,769)	(14,430,047)	(14,666,308)
Net Income "A" (NI"A")	12,782,582	44,400,200	43,462,757	41,228,071	34,280,918	43,758,581	59,744,246	72,117,507	88,974,781	79,576,896
Depreciation	(13,738,571)	(12,024,981)	(12,310,557)	(12,822,653)	(13,140,057)	(13,377,640)	(14,149,761)	(14,661,500)	(18,156,728)	(21,044,928)
Net Income (Loss) "B" (NI"B")	$ (955,989)	$ 32,375,219	$ 31,152,200	$ 28,405,418	$ 21,140,861	$ 30,380,941	$ 45,594,485	$ 57,456,007	$ 70,818,053	$ 58,531,968
Net Capital Assets (NCA) **	$ 205,249,468	$ 236,941,202	$ 241,815,700	$ 297,825,250	$ 296,380,248	$ 321,263,212	$ 386,505,892	$ 387,829,832	$ 497,460,868	$ 710,131,365
Total Assets (TA)	$ 398,840,431	$ 435,235,356	$ 485,074,255	$ 625,138,463	$ 677,119,779	$ 724,780,324	$ 993,775,538	$ 1,080,903,075	$ 1,122,647,245	$ 1,236,493,196
Operating Indicators:										
Operating ROI (NOI/NCA)	10.66%	18.55%	17.74%	17.62%	13.79%	15.87%	14.09%	17.21%	18.42%	12.98%
Operating Margin (NOI/OR)	35.04%	56.73%	52.22%	56.18%	49.23%	53.36%	51.47%	52.05%	57.23%	59.50%
Operating Ratio (OE/OR)	64.96%	43.27%	47.78%	43.82%	50.77%	46.64%	48.53%	47.95%	42.77%	40.50%
Other ROI Indicators:										
ROI "A" (NI"A"/TA)	3.20%	10.20%	8.96%	6.60%	5.06%	6.04%	6.01%	6.67%	7.93%	6.44%
ROI "B" (NI"B"/TA)	-0.24%	7.44%	6.42%	4.54%	3.12%	4.19%	4.59%	5.32%	6.31%	4.73%

* - Excludes Depreciation
** - Excludes Construction in Progress

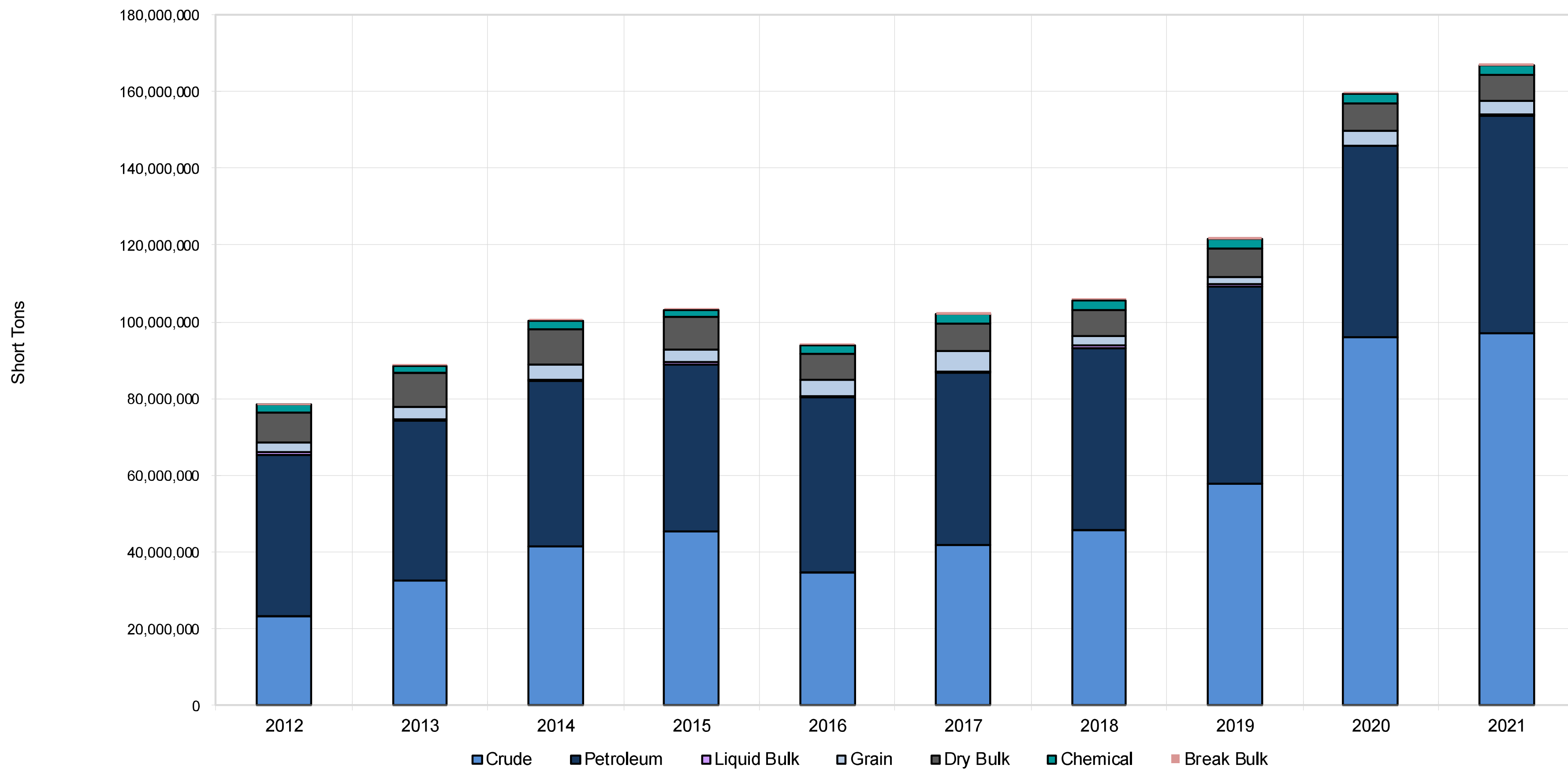
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Port Commerce By Commodity Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Commodity By Port Division - *Short tons*										
Inner Harbor										
Break Bulk	214,010	62,310	133,938	238,695	248,471	389,264	451,029	427,205	209,976	219,823
Grain	2,563,535	2,972,973	4,068,716	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667	3,567,886
Chemical	58,066	41,198	99,979	135,841	105,512	99,706	106,263	116,909	113,285	118,551
Dry Bulk	2,317,603	2,805,899	3,639,556	3,834,620	3,548,129	2,798,319	2,868,385	3,509,844	3,060,048	2,973,730
Liquid Bulk	554,336	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806	373,255
Crude	19,675,302	27,725,999	35,619,488	40,612,622	28,619,578	25,910,096	28,167,840	34,643,867	46,723,682	43,138,646
Petroleum	40,718,504	40,091,495	42,653,836	42,714,963	45,396,299	44,977,499	47,263,872	44,260,511	40,664,756	40,185,922
Total	66,101,356	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
La Quinta										
Break Bulk	-	3,551	105,282	111,346	85,069	163,313	170,135	139,143	67,210	267,657
Chemical	1,907,946	1,910,564	2,105,444	1,822,132	2,095,329	2,258,959	2,279,158	2,304,539	2,300,418	2,330,029
Dry Bulk	5,585,549	6,078,632	5,518,508	4,448,951	3,357,428	4,311,854	4,085,546	4,056,812	4,019,507	3,771,140
Crude	-	-	-	-	-	-	-	-	-	-
Petroleum	25,319	14,228	23,906	17,370	23,548	34,454	217,530	6,911,738	8,772,603	16,130,707
Total	7,518,814	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
Ingleside										
Break Bulk	175,287	263,119	31,458	58,348	12,271	2,020	67	25,628	47,016	887
Dry Bulk	10,742	829	5,274	2,804	345	4,383	273	-	-	-
Crude	3,445,503	4,871,560	5,891,206	4,904,927	5,982,277	15,733,332	17,497,170	23,258,262	49,335,388	54,008,486
Petroleum	1,511,714	1,556,391	195,976	598,584	216,184	15,913	13,861	18,466	144,626	164,498
Total	5,143,247	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
Rincon Point										
Break Bulk	1,669	-	-	-	-	1,124	54	-	-	-
Grain	15,312	11,235	1,600	-	-	-	-	-	-	-
Dry Bulk	25,790	5,835	-	-	-	-	-	-	51	-
Total	42,771	17,070	1,600	-	-	1,124	54	-	51	-
Total	78,806,188	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
Commodity Totals - *Short tons*										
Break Bulk	390,966	328,980	270,678	408,389	345,811	555,721	621,285	591,976	324,202	488,367
Grain	2,578,847	2,984,208	4,070,316	3,396,829	4,169,145	5,162,711	2,601,336	1,867,544	3,961,667	3,567,886
Chemical	1,966,012	1,951,762	2,205,423	1,957,973	2,200,842	2,358,665	2,385,421	2,421,448	2,413,703	2,448,580
Dry Bulk	7,939,684	8,891,195	9,163,338	8,286,375	6,905,901	7,114,556	6,954,204	7,566,656	7,079,606	6,744,870
Liquid Bulk	554,336	475,785	493,850	580,055	432,750	528,901	514,887	629,961	292,806	373,255
Crude	23,120,805	32,597,560	41,510,694	45,517,549	34,601,855	41,643,428	45,665,010	57,902,129	96,059,070	97,147,132
Petroleum	42,255,537	41,662,114	42,873,718	43,330,918	45,636,031	45,027,866	47,495,263	51,190,715	49,581,985	56,481,127
Total	78,806,188	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

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

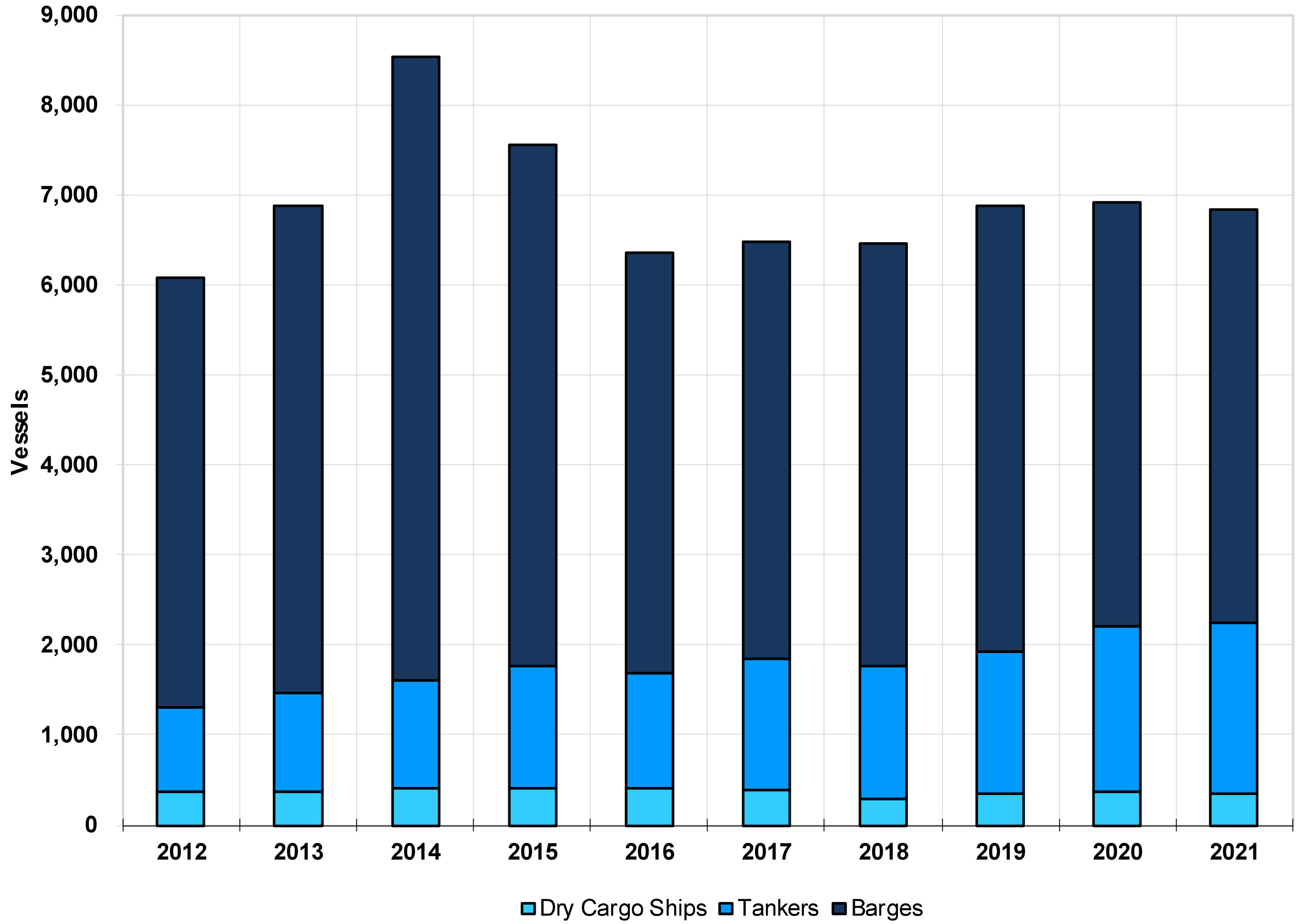
Vessel Traffic
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Inner Harbor										
Ships										
Dry Cargo	226	224	223	283	293	280	200	228	202	197
Tankers	760	873	986	1,143	1,039	1,110	1,151	1,140	1,160	1,068
Barges	4,580	5,087	6,475	5,479	4,478	4,153	4,304	4,452	4,288	4,056
Total Vessels	5,566	6,184	7,684	6,905	5,810	5,543	5,655	5,820	5,650	5,321
La Quinta Harbor										
Ships										
Dry Cargo	114	125	130	104	88	102	70	67	103	102
Tankers	116	114	130	124	140	167	136	249	255	350
Barges	59	88	101	118	80	346	321	398	362	478
Total Vessels	289	327	361	346	308	615	527	714	720	930
Harbor Island										
Ships										
Dry Cargo	-	-	-	-	-	-	4	48	41	59
Tankers	-	5	-	-	-	-	-	-	1	-
Barges	-	2	-	-	-	-	-	8	5	10
Total Vessels	-	7	-	-	-	-	4	56	47	69
Ingleside Harbor										
Ships										
Dry Cargo	37	29	60	31	35	12	19	4	17	1
Tankers	65	94	70	89	89	169	185	198	422	467
Barges	123	225	353	190	124	142	75	81	52	55
Total Vessels	225	348	483	310	248	323	279	283	491	523
Rincon Point										
Barges	2	6	-	-	-	1	2	-	1	-
Total Vessels	2	6	-	-	-	1	2	-	1	-
Total										
Ships										
Dry Cargo	377	378	413	418	416	394	293	347	363	359
Tankers	941	1,086	1,186	1,356	1,268	1,446	1,472	1,587	1,838	1,885
Barges	4,764	5,408	6,929	5,787	4,682	4,642	4,702	4,939	4,708	4,599
Total Vessels	6,082	6,872	8,528	7,561	6,366	6,482	6,467	6,873	6,909	6,843

TABLE 6 (Unaudited)

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Wharfage Rates											
All Cargo NOS	W/M	$3.0400	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200
Dry Bulk	S/T	$1.2500	$1.2800	$1.3300	$1.3700	$1.4000	$1.4300	$1.4800	$1.5100	$1.5400	$1.5400
Liquid Bulk	BRL	$0.0883	$0.0901	$0.0937	$0.0965	$0.0987	$0.1005	$0.1041	$0.1061	$0.1084	$0.1084
Beans, Lentils & Peas	S/T	$0.6100	$0.6200	$0.6400	$0.6600	$0.6700	$0.6900	$0.7100	$0.7200	$0.7400	$0.7400
Cotton	Bale	$0.5400	$0.5500	$0.5700	$0.5900	$0.6000	$0.6100	$0.6300	$0.6600	$0.6600	$0.6600
Grain and Grain Products	S/T	$1.3800	$1.4100	$1.4700	$1.5100	$1.5500	$1.5700	$1.6400	$1.6700	$1.7100	$1.7100
Grain and Grain Products (bulk)	S/T	$0.2700	$0.2800	$0.2900	$0.3000	$0.3100	$0.3200	$0.3300	$0.3400	$0.3500	$0.3500
Iron and Steel Articles	S/T	$1.9800	$2.0200	$2.1000	$2.1600	$2.2100	$2.2500	$2.3300	$2.3800	$2.4300	$2.4300
Machinery, agricultural	S/T	$3.0400	$3.1000	$3.2200	$3.3310	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200
Machinery, grading, earth moving	S/T	$3.0400	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200
Military Cargo	S/T	$5.7200	$5.8400	$6.0700	$6.2500	$6.3900	$6.5200	$6.7600	$6.8900	$7.0400	$7.0400
Milk, dehydrated	S/T	$1.6100	$1.6400	$1.7100	$1.7600	$1.8000	$1.8300	$1.9000	$1.9400	$1.9800	$1.9800
Passengers	Person	$5.5300	$5.6400	$5.8600	$6.0300	$6.1700	$6.2800	$6.5100	$6.6400	$6.7800	$0.0000
Power Generation/Plant Equipment	S/T	$3.0300	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500	$3.5800	$3.6500	$3.7200	$3.7200
Refrigerated Cargo	S/T	$1.3800	$1.4100	$1.4700	$1.5100	-	-	-	-	-	-
Rice and Rice Products	S/T	$1.3800	$1.4100	$1.4700	$1.5100	$1.5500	$1.6900	$1.7500	$1.7900	$1.8200	$1.8200
Sand, aggregates, caliche, limestone	S/T	$1.2500	$1.2800	$1.3300	$1.3700	$1.4000	$1.4300	$1.4800	$1.5100	$1.5400	$1.5400
Vegetable oil	S/T	$1.3400	$1.3700	$1.4200	$1.4600	$1.5000	$1.5200	$1.5800	$1.6100	$1.6400	$1.6400
Vehicles	S/T	$5.2400	$5.3500	$5.5600	$5.7200	$5.8500	$5.9600	$6.1800	$6.3000	$6.4300	$6.4300
Vessels, pressure	S/T	$3.7600	$3.8400	$3.9900	$4.1100	$4.2000	$4.2800	$4.4300	$4.5200	$4.6200	$4.6200
Dockage Rates											
General Cargo											
Vessels											
0-199	Feet	$ 2.52	$ 2.57	$ 2.67	$ 2.75	$ 2.81	$ 2.86	$ 2.97	$ 3.02	$ 3.09	$ 3.09
200-399	Feet	$ 3.31	$ 3.38	$ 3.51	$ 3.61	$ 3.70	$ 3.75	$ 3.90	$ 3.97	$ 4.06	$ 4.06
400-499	Feet	$ 4.67	$ 4.76	$ 4.95	$ 5.10	$ 5.21	$ 5.31	$ 5.50	$ 5.60	$ 5.73	$ 5.73
500-599	Feet	$ 6.28	$ 6.41	$ 6.66	$ 6.86	$ 7.01	$ 7.15	$ 7.41	$ 7.55	$ 7.72	$ 7.72
600-699	Feet	$ 7.19	$ 7.34	$ 7.63	$ 7.85	$ 8.03	$ 8.17	$ 8.48	$ 8.64	$ 8.83	$ 8.83
700-799	Feet	$ 9.26	$ 9.45	$ 9.83	$ 10.12	$ 10.35	$ 10.52	$ 10.91	$ 11.12	$ 11.36	$ 11.36
800-899	Feet	$ 11.16	$ 11.39	$ 11.84	$ 12.19	$ 12.47	$ 12.69	$ 13.15	$ 13.41	$ 13.70	$ 13.70
900-999	Feet	$ 13.33	$ 13.60	$ 14.14	$ 14.56	$ 14.89	$ 15.16	$ 15.71	$ 16.01	$ 16.36	$ 16.36
1000-1099	Feet	-	-	-	-	-	-	-	$ 20.90	$ 21.35	$ 21.35
Over 1100	Feet	-	-	-	-	-	-	-	$ 25.79	$ 26.35	$ 26.35
Barges - Inland Waterway	Feet	$ 133.30	$ 136.01	$ 150.00	$ 154.41	$ 157.93	$ 157.93	$ 166.61	$ 169.84	$ 173.51	$ 173.51
Bulk Terminal	GRT	$ 0.44	$ 0.45	$ 0.47	$ 0.48	$ 0.49	$ 0.50	$ 0.52	$ 0.53	$ 0.53	$ 0.54
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	$ 133.30	$ 136.01	$ 150.00	$ 154.41	$ 157.93	$ 160.77	$ 166.61	$ 169.84	$ 173.51	$ 173.51
201-361 Feet	Barge	$ 133.30	$ 136.01	$ 225.00	$ 231.62	$ 236.90	$ 241.16	$ 249.91	$ 254.76	$ 260.27	$ 260.27
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	$ 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
Barges	Barge	$ 230.00	$ 230.00	$ 132.00	$ 132.00	$ 132.00	$ 132.00	$ 166.00	$ 166.00	$ 169.59	$ 169.59
Security Surcharge Fee [1]		7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	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

WHARFAGE and DOCKAGE REVENUE:

Customer		2021 Wharfage and Dockage Revenue	2021 Rank	2021 %		2012 Wharfage and Dockage Revenue	2012 Rank	2012 %
MODA Ingleside Energy Center LLC	$	13,257,747	1	27.13%	$	-		
Corpus Christi Liquefaction		10,835,257	2	22.17%		-		
Nustar Logistics		9,138,617	3	18.70%		1,996,722	4	4.77%
Valero		8,910,176	4	18.23%		9,216,082	1	22.00%
Flint Hills		6,685,421	5	13.68%		5,180,458	3	12.37%
South Texas Gateway Terminal		5,796,244	6	11.86%		-		
Max Shipping, Inc.		5,093,228	7	10.42%		1,361,273	5	3.25%
Buckeye Texas Hub LLC		4,574,408	8	9.36%		-		
Citgo		3,839,194	9	7.86%		6,581,403	2	15.71%
voestalpine		3,131,904	10	6.41%		-		
Martin Operating		-				1,236,153	6	2.95%
GE Energy Logistics		-				982,650	7	2.35%
Valls Shipping Agency		-				942,375	8	2.25%
Biehl & Company		-				883,864	9	2.11%
Port Corpus Terminal, Inc		-				841,811	10	2.01%
Subtotal (10 largest)		71,262,197		68.31%		29,222,791		69.75%
Other		33,067,055		31.69%		12,670,756		30.25%
Total	$	**104,329,252**		**100.00%**	$	**41,893,547**		**100.00%**

TONNAGE:

Customer	2021 Tonnage	2021 Rank	2021 %	2012 Tonnage	2012 Rank	2012 %
MODA Ingleside Energy Center LLC	34,511,588	1	20.63%			
Valero	19,255,586	2	11.51%	22,664,538	1	28.76%
Corpus Christi Liquefaction	15,677,178	3	9.37%	-		
South Texas Gateway Terminal	15,109,035	4	9.03%	-		
Flint Hills	12,170,756	5	7.28%	12,535,434	3	15.91%
Citgo	12,078,952	6	7.22%	21,687,838	2	27.52%
Nustar Logistics	11,898,681	7	7.11%	2,729,355	5	3.46%
Buckeye Texas Hub LLC	11,223,872	8	6.71%	-		
EPIC Corpus Christi Marine Termina	6,686,696	9	4.00%	-		
Eagle Ford Terminals	5,823,465	10	3.48%	-		
Sherwin Alumina Company LP	-			5,585,549	4	7.09%
Martin Operating	-			1,980,434	6	2.51%
Occidental Chemical Corp.	-			1,909,367	7	2.42%
Trafigura Terminal	-			1,748,142	8	2.22%
ADM/Growmark River System, Inc.	-			1,309,142	9	1.66%
Interstate Grain Port Terminal	-			1,254,393	10	1.59%
Subtotal (10 largest)	144,435,809		86.36%	73,404,192		93.15%
Other	22,815,408		13.64%	5,401,996		6.85%
Total	**167,251,217**		**100.00%**	**78,806,188**		**100.00%**

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Ratios of Outstanding Debt
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue Bonds	$ -	$ -	$ -	$ 115,000,000	$ 110,640,000	$ 106,245,000	$ 309,325,000	$ 304,795,000	$ 298,160,000	$ 289,580,000
Bond Premium	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,117,024	$ 16,243,611	$ 15,370,382	$ 14,497,153
Total Outstanding Debt	$ -	$ -	$ -	$ 115,000,000	$ 110,640,000	$ 106,245,000	$ 326,442,024	$ 321,038,611	$ 313,530,382	$ 304,077,153
Per Capita	$ -	$ -	$ -	$ 2,711	$ 2,736	$ 2,500	$ 7,474	$ 7,112	$ 6,721	$ 5,951
Percent of Personal Income	0.00%	0.00%	0.00%	0.63%	0.64%	0.58%	1.74%	1.66%	1.57%	1.38%

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

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Pledged Revenue Bond Coverage
Last Ten Years

Year	Gross Revenues (1)	Maintenance and Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	62,934,183	40,557,109	22,377,074	-	-	-	-
2013	78,042,224	33,522,081	44,520,143	-	-	-	-
2014	82,722,450	39,259,158	43,463,292	-	-	-	-
2015	93,903,115	40,939,888	52,963,227	-	2,115,973	2,115,973	-
2016	84,052,194	42,151,256	41,900,938	4,360,000	4,139,948	8,499,948	4.93
2017	97,336,565	44,329,786	53,006,779	4,395,000	4,105,722	8,500,722	6.24
2018	108,637,047	51,333,496	57,303,551	4,450,000	7,138,292	11,588,292	4.94
2019	132,872,595	61,494,932	71,377,663	4,530,000	13,803,917	18,333,917	3.89
2020	162,163,465	68,492,233	93,671,232	6,635,000	13,701,629	20,336,629	4.61
2021	152,659,759	60,743,239	91,916,520	8,580,000	13,522,008	22,102,008	4.16

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

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

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Demographic and Economic Statistics
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population (1)	413,199	419,080	423,313	427,621	428,953	428,445	428,697	429,024	430,217	430,808
Personal Income-(in thousands) (1	$16,708,972	$17,377,659	$18,206,109	$18,141,476	$17,346,555	$18,209,181	$ 18,724,313	$19,366,168	$ 20,676,103	$ 22,013,429
Per Capita Personal Income (1)	$ 40,438	$ 41,466	$ 43,009	$ 42,424	$ 40,439	$ 42,501	$ 43,677	$ 45,140	$ 48,060	$ 51,098
Unemployment rate (2)	6.70%	6.30%	5.30%	5.20%	5.90%	5.80%	4.90%	4.30%	9.28%	7.49%

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

	2021			2012		
Employer	Number of Employees	Rank	Percent of Total MSA Employment	Number of Employees	Rank	Percent of Total MSA Employment
Corpus Christi ISD	5,888	1	3.11%	5,178	2	2.50%
Corpus Christi Naval Air Station	4,600	2	2.43%	2,822	6	1.37%
H.E.B.	3,840	3	2.03%	5,000	4	2.41%
Corpus Christi Army Depot	3,400	5	1.80%	5,800	1	2.80%
CHRISTUS Spohn Heath Systems	3,000	4	1.59%	5,144	3	2.48%
City of Corpus Christi	2,963	6	1.57%	3,171	5	1.53%
Driscoll Chidren's Hospital	2,512	7	1.33%	1,800	8	0.87%
Corpus Christi Medical Center	1,620	8	0.86%	1,300	10	0.58%
Kiewit Offshore Service	1,750	9	0.92%			
Bay, Ltd	2,750	10	1.45%	2,100	7	1.01%
Del Mar College				1,542	9	0.74%
Total	32,323		17.09%	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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operations:										
Bulk Terminal Facility	18	22	23	22	21	22	22	22	20	17
Harbormaster's Office	9	9	8	9	10	10	10	10	10	10
Maintenance	45	38	40	43	44	45	42	46	48	44
Police Department	44	43	48	48	48	49	47	54	56	56
	116	112	119	122	123	126	121	132	134	127
Administration:										
Chief Executive Officer	-	-	-	-	-	-	2	2	2	3
Executive Director	2	2	3	2	3	3	3	-	-	-
Deputy Port Director	2	-	-	-	-	-	-	-	-	-
Chief Operating Officer	2	2	2	2	2	2	1	2	2	2
Chief Commercial Officer	-	-	-	2	2	2	3	-	-	-
Chief External Affairs Officer	-	-	-	-	-	-	1	2	3	3
Chief Financial Officer	2	2	2	2	1	3	3	2	2	3
Planning	-	-	-	-	-	-	3	4	5	4
Government Affairs	1	1	1	1	1	1	2	2	2	2
Human Resources	5	5	5	6	6	6	7	6	6	6
Business Development	3	4	4	5	5	5	3	1	3	3
Communication & Community Relation:	3	3	4	7	6	5	7	8	7	7
Property & Industrial Development	3	3	3	3	4	4	4	5	5	5
Accounting	8	10	9	10	10	12	13	16	20	16
Procurement	-	-	-	-	3	3	2	4	3	3
Risk Management	-	-	-	2	2	2	3	3	3	3
Safety Management	-	-	1	2	2	2	2	2	4	3
Emergency Management	-	-	-	-	1	1	1	2	3	3
Information Technology	7	6	8	13	13	12	12	14	14	14
Engineering	8	10	13	16	20	20	18	18	19	19
Environmental Planning & Compliance	4	4	6	5	4	5	6	9	10	10
Operations	4	5	4	4	1	4	4	6	5	6
	54	57	65	82	86	92	100	108	118	115
	170	169	184	204	209	218	221	240	252	242

Source:
Employee information obtained from The Authority's Human Resource Department

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Capital Asset Statistics
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Harbor divisions	6	6	6	6	6	6	6	6	6	6
Turning basins	5	5	7	7	7	7	7	7	7	7
Corpus Christi Ship Channel (miles)	35	35	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	7	6	7	7	7	8	8	9	9
Covered docks	3	3	3	3	3	3	3	3	3	3
Open docks	2	2	2	4	4	4	5	5	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	11	12	13	13	13	13	15	15	15	15
Ship	6	6	7	7	7	7	8	8	8	8
Barge	5	6	6	6	6	6	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	600	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	3	2	2	2	2	2
Intermodal terminal	1	1	1	1	1	1	1	1	1	1
Open storage (acres)	30	30	35	35	35	35	35	35	50	50
Container handling machines	2	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	318	285	285	285	285	285	285	285	285	285
Barge canals	2	2	2	2	2	2	2	2	2	2
Land										
Submerged (acres)	18,750	17,770	17,770	18,062	18,062	18,062	18,062	18,062	18,062	18,062
Emerged (acres)	5,822	7,286	7,296	7,301	7,383	7,384	10,379	10,379	10,379	11,841
Dredge Placement Areas	4,688	4,974	4,974	4,974	4,974	4,974	5,391	5,391	5,391	5,391
Open storage/development (acres)	2,400	2,312	2,322	2,327	2,409	2,410	2,410	2,410	2,410	2,410
Railroads										
Railway (miles)	42	43	45	48	48	48	48	48	48	48
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, 2021

Details of Coverage	Policy Period	Deductible	Liability Limits
All Risk Property	04/01/21-2022	$4,000,000/$100,000	125,000,000
Federal Flood Insurance	Varies	1,250	Varies
Boiler and Machinery	04/01/21-2022	5,000	100,000,000
Business Auto Liability	04/01/21-2022	5,000/10,000	1,000,000
Foreign Liability-Travel Accident & Sickness	n/a	n/a	n/a
Firebarge Hull & Machinery	04/01/21-2022	25,000	8,300,000
29' Safeboat Hull & Machinery 31' Safeboat Hull & Machinery Other Boats & Motors	10/01/21-2022	25,000	varies
General Liability/Marine	10/01/21-2022	50,000	10,000,000
Cyber Liability	10/01/21-2022	25,000	3,000,000
Errors and Omissions Liability	10/01/21-2022	10,000	5,000,000/10,000,000
Law Enforcement Liability	10/01/21-2022	10,000	5,000,000/10,000,000
Employee Fidelity (Crime) Bond	10/01/21-2022	25,000	1,000,000
Public Officials Bonds (8)	Varies	-	5,000
Workers' Compensation	12/31/21 -2022	-	Statutory/1,000,000
Terrorism	04/01/21-2022	10,000	125,000,000
Foreign Liability-Kidnap & Ransom	10/01/21-2022	-	10,000,000/25,000,000
Mobile Equipment	10/01/21-2022	1,000	2,600,000
Active Shooter	10/01/21-2022	-	1,000,000

Date of Incorporation:	1922
Form of Government:	A public corporation and political subdivision of the State of Texas
Number of Employees:	242
Geographic Location:	Southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican Border
Area:	11,841 - Emergent acres 18,602 - Submerged acres

Population:

Year	City of Corpus Christi	Nueces County	San Patricio County
1920	10,522	22,807	11,386
1930	27,741	51,779	23,836
1940	57,301	92,661	28,871
1950	108,053	165,471	35,842
1960	167,690	221,573	45,021
1970	204,525	237,544	47,288
1980	232,119	268,215	58,013
1990	256,632	296,527	58,749
2000	277,454	313,645	67,138
2010	305,215	340,223	64,804

Elevation:	Sea level to 85 feet, average 35 feet
Tidal Data:	
Average Water Level:	
Inner Harbor	+ 0.36 Mean Lower Low Water (MLLW)
Tidal Range:	
Inner Harbor	Insignificant
Aransas Pass	1.5 feet
Aerial Clearance:	
Harbor Bridge	138 feet (42.10 M)
Temperature:	Annual Average - 72.15° Average Low- 62.8° Average High- 81.5°
Average Seasonal Rainfall:	31.8

Public Docks:G102A77:GA77:G120

Bulk liquid	15	- Main Harbor
Bulk liquid	1	- Ingleside
Dry cargo	9	- Main Harbor
Dry cargo	1	- Rincon
Bulk materials	2	- Main Harbor
	28	

Private Docks:

Bulk liquid	- Citgo	7	- Main Harbor
	- Eagle Ford Terminals Corpus Christi, LLC	1	- Main Harbor
	- Equistar	1	- Main Harbor
	- EPIC Crude Terminal Company, LP	1	- Main Harbor
	- Flint Hills	3	- Main Harbor
	- Flint Hills	2	- Ingleside
	- NuStar	1	- Main Harbor
	- Buckeye	5	- Main Harbor
	- South Texas Gateway Terminal	2	- Main Harbor
	- Valero	6	- Main Harbor
	- Enbridge Ingleside Energy Center	7	- Ingleside
	- Occidental Chemical	2	- LaQuinta
	- Cheniere	2	- LaQuinta
Dry cargo	- Bay Ltd.	2	- Main Harbor
	- Heldenfels	1	- Main Harbor
	- Texas Lehigh Cement	1	- Main Harbor
	- Fordyce	1	- Main Harbor
	- Tor Minerals International, Inc.	1	- Rincon
	- Gulf Copper Harbor Island	1	- Harbor Island
	- Gulf Marine Fabricators	1	- Ingleside
	- Kiewit Offshore Services, Inc.	1	- LaQuinta
	- Subsea 7	1	- LaQuinta
	- voestalpine	1	- LaQuinta
	- Signet Maritime	1	- Jewell Fulton
Bulk materials	- ADM/Growmark	1	- Main Harbor
	- Vulcan Materials	1	- Main Harbor
	- Cheniere	3	- La Quinta
		57	

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CONTINUING BOND DISCLOSURE

The Port of Corpus Christi's new Liebherr 550 crane unloads a shipment of pig iron from the SSI Providence in July 2021. The vessel carried the first shipment of pig iron for Steel Dynamics' new flat roll steel mill in Sinton, Texas.

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Projected Operating Results and
Debt Service Coverage Ratio
Next Four Years

	2022	2023	2024	2025
Operating Revenues:				
Wharfage	$ 87,424,592	$ 91,795,822	$ 96,385,613	$ 101,204,893
Dockage	20,741,700	21,778,785	22,867,724	24,011,110
Security	14,477,912	15,201,808	15,961,898	16,759,993
Freight handling	3,241,830	3,403,922	3,574,118	3,752,823
Rail charges	2,869,108	3,012,563	3,163,192	3,321,351
Building and land rentals	20,697,346	21,732,213	22,818,824	23,959,765
Conference center services	1,356,000	1,423,800	1,494,990	1,569,740
FTZ user fees	258,500	258,500	258,500	258,500
Dredge placement fees	4,215,739	1,500,000	1,500,000	1,500,000
Cost sharing agreements	-	-	-	-
Other revenue	6,998,328	7,348,244	7,715,657	8,101,439
Total Operating Revenues	162,281,055	167,455,657	175,740,515	184,439,615
Operating Expenses:				
Direct expenses, excluding depreciation	38,150,238	40,057,750	40,858,905	41,676,083
Indirect expenses, excluding depreciation	42,666,746	44,800,083	45,696,085	46,610,007
Total Operating Expenses	80,816,984	84,857,833	86,554,990	88,286,090
Other Revenues (Expenses):				
Investment Income, excluding proceeds on debt and funds reserved for debt service	500,000	1,125,000	1,250,000	875,000
Total Other Revenues (Expenses) available for debt service	500,000	1,125,000	1,250,000	875,000
Net Operating Revenues Available for Debt Service	$ 81,964,071	$ 83,722,824	$ 90,435,525	$ 97,028,526
Debt Service-Prior Lien	8,503,096	8,499,491	8,498,662	8,502,199
Debt Service-Senior Lien	13,601,994	13,599,230	13,602,678	13,600,607
Total Debt Service	$ 22,105,090	$ 22,098,721	$ 22,101,340	$ 22,102,806
Prior Lien Bond Debt Service Coverage	9.64	9.85	10.64	11.41
Total Bond Debt Service Coverage	3.71	3.79	4.09	4.39

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

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.

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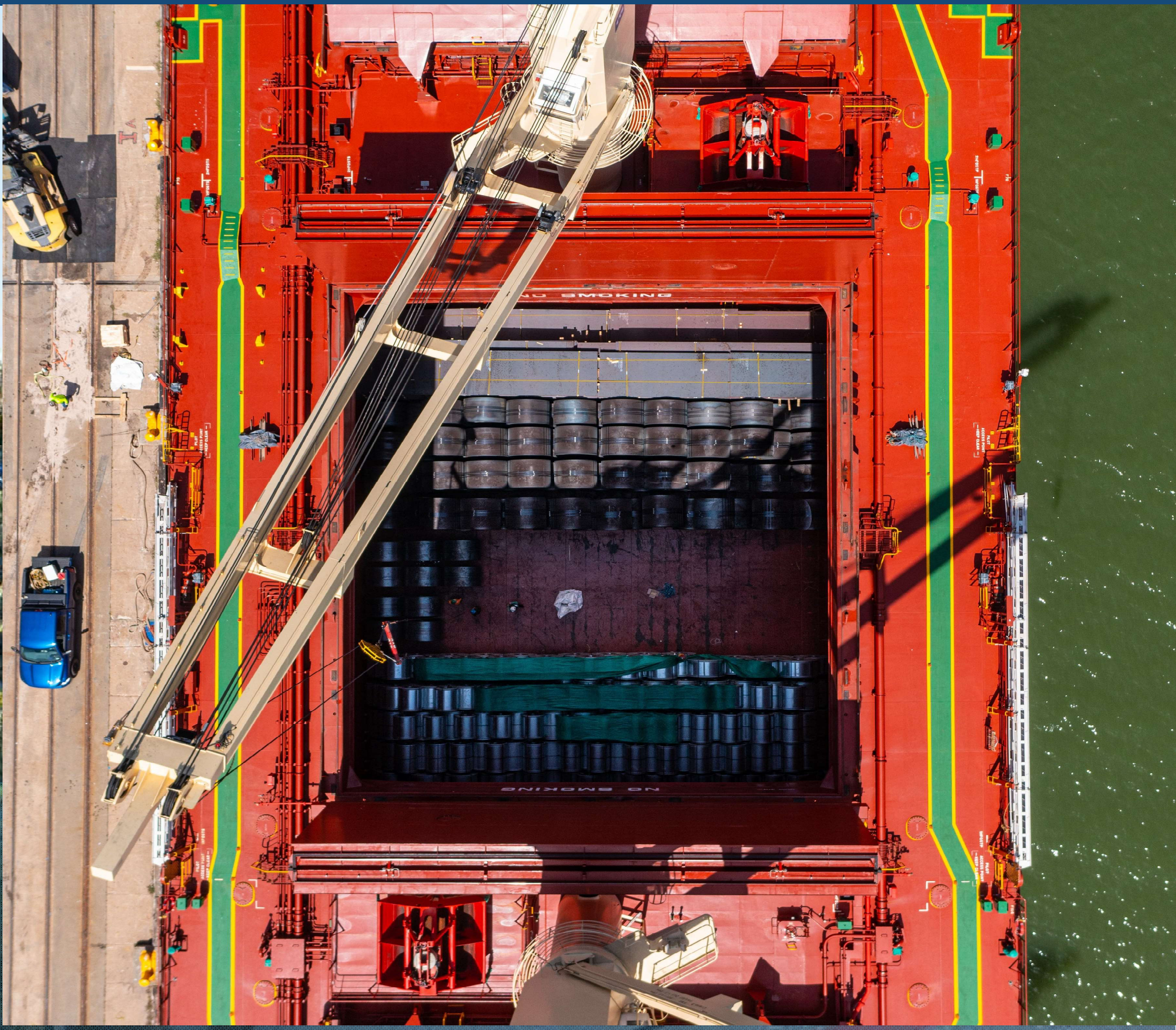
SINGLE AUDIT SECTION



A shipment of steel coils is unloaded from the Pan Quest in July 2021 at Cargo Dock 8. The coils were later transported to Steel Dynamics' new flat roll steel mill in Sinton, Texas.

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, 2021, 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 7, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

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Compliance and Other Matters

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

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

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
April 7, 2022

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 UNIFORM 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
We have audited the Port of Corpus Christi Authority of Nueces County, Texas' (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Uniform Grant Management Standards*, which includes the State of Texas Single Audit Circular ("UGMS") that could have a direct and material effect on the Authority's major federal and state program for the year ended December 31, 2021. 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.

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

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for the Authority's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") and the UGMS. Those standards, the Uniform Guidance, and the UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis of our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal and State Program
In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021.

Report on Internal Control Over Compliance
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mauldin & Jenkins, LLC

Macon, Georgia
April 7, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
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 Uniform Guidance or State of Texas Uniform Grant Management Standards?	No

Identification of major federal programs:

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

State Award Number	Name of State Program
CSJ0916-35-228	TXDOT – Rincon Road Expansion

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	$750,000
State	$300,000
Auditee qualified as low-risk auditee?	____Yes X No

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 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.

Effect: A prior period adjustment was required to increase capital assets and decrease the beginning balance of construction in progress as of January 1, 2021. The net effect of this adjustment was to increase net position in the amount of $70,775,492.

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

Views of Responsible Officials: We concur. We are in the process of implementing additional controls to ensure the proper reporting of the Authority’s capital asset balances.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
STATE AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION V
STATUS OF PRIOR YEAR FINDINGS

2020-001 Construction in Progress

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

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

Status: Unresolved – see finding 2021-001.

Program Title	AL Number	Grant Number	Expenditures
US Department of Homeland Security			
Direct Programs			
Port Security Grant #18	97.056	EMW-2018-PU-00171	$ 324,612
Port Security Grant #19	97.056	EMW-2019-PU-00375	323,645
Port Security Grant #20	97.056	EMW-2020-PU-00572	257,809
Port Security Grant #21	97.056	EMW-2021-PU-00579	104,370
			1,010,436
Passed through the Texas Department of Emergency Management - Texas Infrastructure Resiliency Fund			
Disaster Grants - Public Assistance	97.036	DR 4332	1,014,944
Disaster Grants - Public Assistance	97.036	DR 4485	143,472
Disaster Grants - Public Assistance	97.036	DR 4586	23,968
			1,182,384
Passed through Office of the Texas Governor - Division of Emergency Management			
Disaster Grants - Public Assistance	97.036	DR 4332	79,421
Total US Department of Homeland Security			2,272,241
US Environmental Protection Agency			
Direct Programs			
Performance Partnership Grant	66.605	EPA-GM-2019-RFW/MX-01D07420	347,315
Total US Environmental Protection Agency			347,315
Total Federal Expenditures			$ 2,619,556
Texas Department of Transportation			
Construction to expand Rincon Road	NA	CSJ0916-35-228	$ 1,029,091
Total State Expenditures			$ 1,029,091

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, 2021.

Note 4. Subrecipients

The Authority did not pass through Federal or State assistance to any subrecipient during the year ended December 31, 2021.

PORT CORPUS CHRISTI®

April 7, 2022

Dear Sir or Madam:

Please find below the Port of Corpus Christi Authority of Nueces County, Texas' corrective action plan for the audit finding reported in the December 31, 2021 annual comprehensive financial report.

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.

Views of Responsible Officials and Planned Corrective Action: We concur. We are in the process of implementing additional controls to ensure the proper reporting of the Authority's capital asset balances.

Please let me know if additional information is needed.

Thank you,

Kent G. Britton

Kent Britton
Chief Financial Officer

Port of Corpus Christi Authority of Nueces County, TX