

AGENDA

**Port Freeport
Port Commission
Regular Meeting
Thursday, February 24, 2022, 8:30 am - 10:30 am
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport**

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

Public comment will be available at the beginning of the meeting during the agenda item devoted to public comment. Public comment may be communicated in person or by videoconference, but in either event public comment will be limited to 5 minutes per participant and must be communicated verbally. Following public comment, the public will not be permitted to communicate with the Port Commission.

The videoconference is available online as follows:

Join Zoom Meeting

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Passcode: 708857

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1 346 248 7799 US (Houston)

1 301 715 8592 US (Washington DC)

Meeting ID: 821 8771 6728

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1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation.
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call.
5. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.
6. Public Comment. (Public comment will be limited to 5 minutes per participant and can be completed in person or by videoconference)
7. Approval of minutes from the Regular Meeting held January 27, 2022.
8. Approval of the FY 2021 Annual Comprehensive Financial Report.
9. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

A Executive Director/CEO

- B. Chief Financial Officer
 - C. Director of Engineering
 - D. Director of Operations
 - E. Director of Business & Economic Development
10. Receive report from Commissioners on matters related to:
- A. February 16 Finance Advisory Committee
 - B. Port Commission related meetings or conferences, Port presentations and other Port related matters.
11. Approval of financial reports presented for the period ending January 31, 2022.
12. Approval and award of contract for Property, Boiler and Machinery, and Terrorism insurance coverage for a one-year term beginning March 1, 2022, as obtained by broker Authur J. Gallagher & Co.
13. Approval of a Professional Services Agreement with The Goodman Corporation for the prepration of Port Freeport's 2022 PIDP Grant Application, in the amount of \$23,000.
14. Approval of a purchase with Waypoint for Virtual Infrastructure Refresh, for an amount not to exceed \$362,530.96.
15. Adoption of a Resolution declaring items surplus and ordered sold separately for cash, after notice of sale and receipt of bids to the highest bidder; destroyed or otherwise disposed of if no bids are received; or offered as trade-in for new property of the same general type.
16. Update and discussion regarding the search for General Counsel and the Request for Proposals.
17. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
- A. Under authority of Section 551.071 (Consultation with Attorney):
 - 1. Consultation with attorney under Government Code Section 551.071(1) (to seek or receive attorney's advice on pending or contemplated litigation).
 - 2. Consultation with attorney under Government Code Section 551.071(2) (to seek or receive attorney's advice on legal matters that are not related to litigation).
 - B. Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
 - 1. The potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by or adjacent to the following streets: FM 1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.
 - 2. The potential purchase, exchange, lease or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
 - 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14, 19, 27, 34 and property on Quintana Island.
 - C. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:
 - 1. Discussion regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.
 - D. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
 - 1. Issues related to the deployment or specific occasions for implementation of security personnel or devices or security audit and services.
18. RECONVENE OPEN SESSION:
19. Adjourn.

The Port Commission does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Port Commission may go into a closed session as permitted by law regarding any item on the agenda.

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.

A handwritten signature in black ink, reading "Phyllis Saathoff". The signature is written in a cursive, flowing style.

Phyllis Saathoff, Executive Director/CEO

PORT FREEPORT

In compliance with the Americans with Disabilities Act, the District will provide for reasonable accommodations for persons attending its functions. Requests should be received at least 24 hours in advance.

Minutes of Port Commission Regular Meeting

January 27, 2022

In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held January 27, 2022, beginning at 1:08 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

Commissioner Hoss noted the following information that was included on the posted agenda.

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

Public comment will be available at the beginning of the meeting during the agenda item devoted to public comment. Public comment may be communicated in person or by videoconference, but in either event public comment will be limited to 5 minutes per participant and must be communicated verbally. Following public comment, the public will not be permitted to communicate with the Port Commission.

This meeting agenda and agenda packet is posted online at www.portfreeport.com

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<https://us02web.zoom.us/j/84888814006?pwd=VmdvaVRXKzdDaVhzbkMyeHBZNEpHQT09>

Meeting ID: 848 8881 4006

Passcode: 893144

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1 301 715 8592 US (Washington DC)

Meeting ID: 848 8881 4006

Find your local number: <https://us02web.zoom.us/u/kbw2Nz7VPp>

Commissioners present in person:

Mr. John Hoss, Chairman
Mr. Rudy Santos, Vice Chairman
Mr. Dan Croft, Secretary
Mr. Rob Giesecke, Asst. Secretary
Mr. Ravi Singhania, Commissioner
Mr. Shane Pirtle, Commissioner

Staff Members Present:

Mr. Peter Nemeth, Interim Legal Counsel
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Al Durel, Director of Operations
Mr. Mike Wilson, Director of Economic Development & Freight Mobility
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Network Systems Manager

Ms. Missy Bevers, Executive Assistant
Ms. Mary Campus, Controller
Ms. Tricia Vela, Public Affairs Assistant
Mr. Rico Arbolante, Help Desk Technician
Mr. Nick Malambri, Engineering Specialist
Mr. Jesse Hibbetts, Operations Manager

Also, present:

Mr. Bobby Fuller, Texas Port Ministry
Mr. Chris Moore, Texas Port Ministry
Mr. Geoff Bowman, Van Scoyoc Associates
Mr. Charles McFarland, McFarland PLLC
Mr. Zach McGavitt
Ms. Barbara Fratila

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Bobby Fuller, Texas Port Ministry
3. Pledge of Allegiance – U.S. Flag and Texas Flag
4. Roll Call – Commissioner Hoss noted all Commissioners were present in the board room.
5. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

Commissioner Hoss declared a conflict concerning agenda item #13 and will excuse himself from the meeting when the item comes before the Commission.

6. Public Comment – There were no public comments.
7. Approval of minutes from the Regular Meeting held January 13.

With regard to agenda item #18 under the first motion of this item, Commissioner Hoss stated the following from the minutes... *After discussion concerns, a motion was made by Commissioner Giesecke to table this matter for further consideration. The motion was seconded by Commissioner Singhanian with Commissioners Pirtle, Croft, Santos and Hoss voting no.* Commissioner Hoss asked that “Commissioner Giesecke and Singhanian voted yes” be added to make it consistent with the second motion as written.

A motion was made by Commissioner Croft to approve the minutes with correction to #18. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

8. Receive update from federal consultants Van Scoyoc Associates.

Ms. Saathoff stated that staff was hopeful to receive funding in the Infrastructure Investment Jobs Act (IIJA) under the spend plan by the Corps for the money they were allocated but

unfortunately, the Port was not included, noting the guidance given to the Corps in preparing the spend plan was followed and the Port Freeport project should have been a priority. Mr. Geoff Bowman with Van Scoyoc then briefed the Commission on the funding related to the IJA and noted that the Corps' spend plan did not cover the total amount included in IJA. He touched on other activities of interest for the Port including the Department of Transportation's funding efforts through IJA as well as grant funding opportunities with the RAISE, INFRA and PIDP Grants. Mr. Bowman also discussed the deadlines surrounding the FY 2022 Continuing Resolution and the President's budget request and congressional delegation discussions. Ms. Saathoff added that progress has not slowed down on current work in the channel. Orion is currently on-site installing dredge pipe with the dredging in Reach 2 scheduled to commence next month. The Port continues to progress the project with an item on the agenda that will relate to another contract that will be put to bid by the Corps for the dry excavation in the bend easing. Both projects in Reach 2 are important to accommodate safe navigation and nighttime arrivals of larger vessels.

9. Receive reports from Executive Staff on activities and matters related to COVID-19 health safety matters, administrative affairs, financial results, facility engineering matters, operations and vessel activity, port safety matters, port security matters, Port tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

Ms. Saathoff addressed an issue regarding postings of agenda that was brought to her attention this week. As required under Section 551.054, staff is to post notices at the Port administrative offices here which is always done, and either provide notice to the County Clerk or post notice on the Port website. Procedures were followed with posting the agenda here, the agenda with backup was transmitted to the County at 11:57 a.m., and they confirmed receipt at 12:29 p.m.; however, there was a delay within the County's system and documents were not available for viewing online right at 1:00 p.m. Mr. Nemeth clarified that the Port is required to send notice to the County and the County is required to post the notice. The County posts the notice on a bulletin board at the courthouse and that is when it is considered posted. They also upload to their website, which is not required, and the delay was there. Ms. Saathoff assured the Port Commission that staff met the requirements of the law. Commissioner Singhania would like to see notices posted by Friday and suggested the Commission discuss moving to one meeting a month at the upcoming workshop. Additionally, Ms. Saathoff reported that the Port will be participating in a veterans job fair with the Brazoria County Petrochemical Council (BCPC) next month which will be a good recruiting opportunity with the Port having several positions open at this time.

B. Chief Financial Officer

Mr. Lowe gave a presentation regarding the financial results for the month of December.

C. Director of Engineering

In addition to his written report, Mr. Hull shared a current photo of the Berth 8 construction progress.

D. Director of Operations

Mr. Durel reported that in 2021, the average vessel activity was 44 vessels per month. In December, the Port handled 55 vessels. December also saw limestone, steel, LNG and container vessels. The first quarter saw 57 LNG vessels, 7 Tenaris, 28 barges and 149

railcars. Total vessels handled this fiscal year is 143, compared to 126 last year. Total Port wide vessels is 321. January anticipates 20 LNG vessels and 13 RoRo vessels. Mr. Durel also reported that staff is still working to fill three open positions and reminded the Commission that January 31 is Mike Quilty's last day.

E. Director of Business & Economic Development

Mr. Miura submitted a written report to the Port Commission and had nothing further to report.

10. Receive report from Commissioners on matters related to:

A. January 13 and 27 Finance Advisory Committee – Commissioner Croft reported that the committee reviewed financial information presented by staff.

B. January 27 OSS Advisory Committee – Commissioner Pirtle reported the committee discussed the amendment to the crane repair agreement which is on the agenda for approval as well as discussion regarding safety improvements implemented by McCarthy Construction.

C. Meetings and conferences attended, Port presentations and other related Port Commission matters.

Commissioner Pirtle reported attending the Traffic Safety Coordination meeting, Alliance Quarterly meeting and the Boys and Girls Club Gala. He also noted the Pregnancy Help Center event scheduled for January 28 and the Boy Scout Breakfast scheduled for March 10.

Commissioner Singhania reported attending the Alliance Quarterly meeting Roundtable meeting and the Boys and Girls Club Gala.

Commissioner Giesecke reported an upcoming Candidate Forum event schedule for January 30.

Commissioner Hoss reported also attending the Traffic Safety Coordination meeting.

11. Approval of financial reports presented for the period ending December 31, 2021

A motion was made by Commissioner Singhania to approve the financial reports as presented. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

12. Approval of a Perpetual Easement to the United States of America for Reach 2 of the Freeport Harbor Channel Improvement Project.

Mr. Hull stated that this item is to grant a perpetual easement of approximately 15 acres to the United States of America so the bend easing work can proceed. Mr. Hull noted this is a customary process required to complete the project and recommends approval.

A motion was made by Commissioner Singhania to approve the easement as presented. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion.

At this time, Commissioner Hoss declared a potential conflict with Item 13 and left the room for discussion. Commissioner Santos then presided over the meeting.

13. Approval of a Letter of No Objection to the USACE for Kirby Inland Marine's 408 permit application for barge fleet area along the Upper Stauffer Channel.

Mr. Hull stated the Corps is requesting a letter of no objection from the Port regarding Kirby Inland Marine's 408 application to fleet their barges. He shared a drawing indicating where Kirby wants to fleet their barges in the Upper Stauffer Channel adding that Zones 2 and 4 in the drawing will be restricted to two abreast of a 54-foot barge or 104 feet from the shore. Kirby is not proposing any structure in the water and the mooring points are on dry land. Mr. Hull has visited with the Brazos Pilots who agree that by limiting the barges to two abreast, the arrangement will be sufficient. He also talked with Jeff Stanley at Freeport Launch who has no issues as long as the barges run parallel vs perpendicular. Mr. Hull explained that the Corps is requesting the no objection before they issue the 408 permit because the anchors will be driven into the levy which requires a permit review and a no objection from non-federal sponsors. Ms. Saathoff added that the discussion with the Pilots contemplated the dredging of Reach 4 and the operation at the new depth. The barges will be at a sufficient distance away from the reactivated federal channel in the Reach once dredging is complete.

A motion was made by Commissioner Singhania to approve the letter. The motion was seconded by Commissioner Pirtle with all Commissioners present voting in favor of the motion. Commissioner Hoss abstained.

At this time, Commissioner Hoss reentered the meeting to recess into executive session.

14. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:

A. Under authority of Section 551.071 (Consultation with Attorney) for discussion regarding:

1. Consultation with attorney to seek or receive attorney's advice on pending or contemplated litigation.
2. Consultation with attorney to seek or receive attorney's advice on legal matters that are not related to litigation.

B. Under authority of Section 551.072 (Deliberation Concerning Real Property Matters) for discussion regarding:

1. Discussion regarding the potential exchange, lease, or value of real property located in Freeport, Texas, including but not limited to the area known as the East End of Freeport and bordered by or adjacent to the following streets: FM1495; East 2nd Street; Terminal Street and East 8th Street in Freeport, Texas.

2. The potential purchase, exchange, lease, or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 5 and 7.
 3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcel 14 and property on Quintana Island.
- C. Under authority of Section 551.074 (Deliberation of Personnel Matters) for discussion regarding:
1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties of a public officer or employee, including but not limited to: Executive Director/CEO.

15. RECONVENE OPEN SESSION:

16. Approval of task order with WSP USA Inc. for USACE Flood Wall Alignment Review.

Mr. Hull explained that staff selected WSP based on demonstrative qualification and prior work inside the Port to review various alignments of the Sabine to Galveston flood protection levy. WSP will prepare pros/cons for each of the proposed alignments to give the Port a better idea of what each of them mean from an engineering and facility functionality standpoint. The Port will then use the information to persuade the Corps to use a different route than what they are currently pursuing. Staff recommends approval to spend up to \$25,000 with WSP to review the existing alignments and provide input on what each alignment means from cost, functionality and security and how this project will affect the Port.

A motion was made by Commissioner Giesecke to engage the services of WSP for the flood wall alignment review. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

17. Approval of amendment to Crane Repair Agreement with ZPMC NA East Coast, Inc. to provide for payment of standby time as provided in proposal.

Mr. Hull stated that due to unforeseen circumstances, there was standby time experienced on the existing agreement however, the existing agreement does not allow standby time to be paid. It as an administrative oversight; standby time was included in the proposal for the crane repairs. Staff is requesting an amendment to the contract so the standby time already incurred can be paid.

A motion was made by Commissioner Pirtle to approve the amendment. The motion was seconded by Commissioner Santos with all Commissioners present voting in favor of the motion.

18. Adjourn.

With no further business before the Commission, the meeting adjourned at 4:24 PM.

John Hoss, Chairman

Rudy Santos, Vice Chairman

Dan Croft, Secretary

Rob Giesecke, Asst. Secretary

Ravi K. Singhanian, Commissioner

Shane Pirtle, Commissioner

Annual Comprehensive Financial Report

For the Fiscal Years Ended September 30, 2021 and 2020



PORT FREEPORTSM

1100 Cherry St., Freeport, TX 77541

979-233-2667

www.portfreeport.com



**Port Freeport
Freeport, Texas**

Annual Comprehensive Financial Report
For the Fiscal Years Ended
September 30, 2021 and 2020

Prepared by:

Rob Lowe
Chief Financial Officer

Mary Campus
Controller

PORT FREEPORT

Freeport, Texas

Annual Comprehensive Financial Report Fiscal Years Ended September 30, 2021 and 2020

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Government Finance Officers Association

Certificate of
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Presented to

**Port Freeport
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



PORT FREEPORT

Strategic Initiatives

Port Freeport is fully committed to the advancement of four key strategic initiatives:

Freeport Harbor Channel Improvement Project

The Freeport Harbor Channel Improvement Project, a federally authorized project which received a “new start” designation in February 2020, will deepen the Channel from its current 46 feet to depths ranging from 51 to 56 feet mean lower low water, as well as additional widening features to enhance the safe and efficient navigation of the waterway.

Expansion of Velasco Container Terminal

The Velasco Container Terminal at full buildout will feature 2,400 feet of berth equipped with new post-Panamax gantry cranes.

Development of Rail-served Warehousing and Distribution Facilities

The project at full buildout will include a 250-acre multi-modal industrial park with 40,000 feet of rail tracks, vehicle storage and processing areas, warehousing facilities, and distribution centers.

Supporting Development of Inland Transportation Infrastructure

Port Freeport supports the development of efficient transportation solutions to move commerce from Freeport to Texas markets and the heart of the United States.





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(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023
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STATE OF THE PORT

February 15, 2022

MEMBERS OF THE PORT COMMISSION PORT FREEPORT FREEPORT, TEXAS

Re: **Port Freeport achieves remarkable successes amidst global uncertainties**

Gentlemen,

In a year of global supply chain uncertainties, Port Freeport continued to realize extraordinary achievements, from advancement of vital channel improvements and terminal expansion to posting of numerous cargo records, all while upholding our dedication to the community we serve.

Underscoring Port Freeport's regional, state, and national significance, the latest report from the U.S. Army Corps of Engineers now ranks Port Freeport 11th among all U.S. ports in total foreign waterborne tonnage handled.

In its fiscal year ended September 30, 2021, Port Freeport reached several all-time highs, including hosting 336 inner harbor vessel calls, with 139 calls by roll-on/roll-off ships. These ro/ro vessels moved a record 106,629 automobiles (up 32.3 percent from the preceding 12-month period) along with burgeoning volumes of high-and-heavy equipment. Spearheaded by imports for Tenaris, a major supplier of pipe products for the energy industry, Port Freeport handled a record 423,400 tons of steel (up 37.2 percent from fiscal 2020). And, as the on-port liquefied natural gas facility of Freeport LNG ramped up production, a record 195 liquid natural gas export cargoes (up 129.4 percent from fiscal 2020) were shipped out of Port. All the while, the diverse port remains a leading hub for imports of green fruit and exports of Texas rice.

This unprecedented activity has significantly boosted labor hours and wages paid to working families in our community, propelling Port Freeport's current impacts far beyond the \$149 billion and 279,783 jobs reported in 2019 by the Texas A&M Transportation Institute.

Port Freeport's future looks even brighter as the Freeport Harbor Channel Improvement Project continues to move forward, promising to deepen the port's navigational channel to between 51 feet and 56 feet while widening it to facilitate safe passage for increasingly large vessels of today and tomorrow. In April, Port Freeport celebrated a milestone with ceremonial groundbreaking for the \$295 million endeavor. A second federal allocation, for \$24.9 million, has brought to \$43.9 million the total federal funding for the undertaking, for which the total federal share is to be \$165 million. As non-federal sponsor, Port Freeport is contributing \$130 million, funded by the 2018 voter-approved bond package.

Completion of the crucial Reach 3 portion of channel deepening to 51 feet already is opening up access for larger vessels to call at Port Freeport's container terminal, which is undergoing substantial expansion, including adding 827 feet of further berthing plus an 85-foot ro/ro platform, as well as upgraded gate infrastructure.

The Port Freeport Commission has been honoring its commitment to the taxpayers to hold the Port's property tax rate while bonds are issued. This year, the Port Commission voted to lower the rate to a rate below the "No New Revenue Tax Rate," in addition to expanding the tax exemption for those who are 65 and older or disabled.

Not surprisingly, Port Freeport continues to maintain and even improve its stellar financial ratings, with Standard & Poor's raising its rating on the port's outstanding senior lien revenue bonds from "A" to "A+" and Moody's retaining an Aa2 rating for the port's offerings of general obligation bonds supported by the 2018 referendum.

PORT COMMISSION

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

Furthermore, our excellence in annual financial reporting was recognized for the 31st consecutive year by the Government Finance Officers Association of the United States and Canada.

Throughout these challenging times, Port Freeport's community engagement has remained steadfast. The 2020 Port Freeport golf tournament benefiting Texas Port Ministry brought in \$67,600 to help support well-being of international seafarers who live and work on ships calling Port Freeport terminals, as well as truck drivers essential to delivering goods. Port Freeport also hosted the 21st annual Take A Child Fishing Tournament, returning to an in-person format, bringing together 321 local young anglers and their families for a delightful day that generated fun and prizes for participants plus 1,431 cans of food donations for our community.

Thanks to the foresightedness of our port commissioners, community leaders and navigation district voters and the unwavering commitments of scores of port partners and stakeholders, Port Freeport, even in these most unusual times, has fortified its strength as a present and future driver of prosperity for our community, our state, and our nation.

In sincerest appreciation of the opportunity to serve,

A handwritten signature in black ink, reading "Phyllis Saathoff". The signature is written in a cursive, flowing style with a large initial "P".

Phyllis Saathoff, CPA, PPM®
Executive Director/CEO

PORT FREEPORT

Directory of Officials

Port Commission



John Hoss
Chairman



Rudy Santos
Vice Chairman



Dan Croft
Secretary



Rob Giesecke
Assistant Secretary



Ravi K. Singhanian
Commissioner



Shane Pirtle
Commissioner

Directory of Officials
Executive Staff



Phyllis Saathoff
Executive Director/CEO



Rob Lowe
Chief Financial Officer/
Director of Administration



Jason Miura
Director of Business/
Economic Development



Jason Hull
Director of Engineering



Al Durel
Director of Operations



Mary Campus
Controller



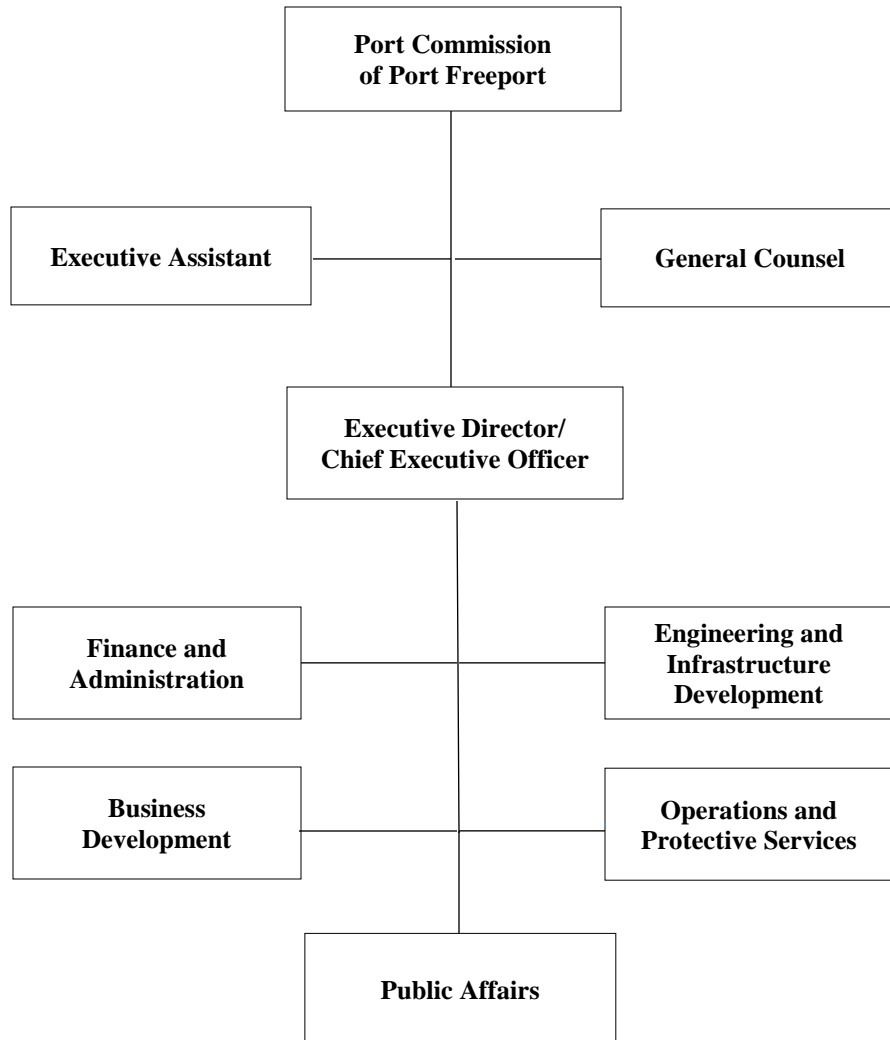
Mike Wilson
Director of Economic Development
and Freight Mobility



Chris Hogan
Director of Protective Services

PORT FREEPORT

Organizational Chart





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LETTER OF TRANSMITTAL

February 15, 2022

MEMBERS OF THE PORT COMMISSION PORT FREEPORT FREEPORT, TEXAS

Gentlemen:

The Annual Comprehensive Financial Report for Port Freeport (Port) for the year ended September 30, 2021, is hereby submitted for your review. Responsibility for both the accuracy of the information contained herein and the completeness and fairness of the presentation, including all disclosures, rests with the administration of the Port. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of operations of the Port. All disclosures necessary to enable the reader to gain an understanding of the Port's financial activities have been included.

The Port has prepared the Annual Comprehensive Financial Report following the guidelines recommended by the Government Accounting Standards Board (GASB).

GENERAL

Brazoria County is one of Texas' most fertile agricultural areas, one of the region's more prolific fuel and mineral areas, and in recent decades, the location of one of the world's largest chemical manufacturing complexes. The primary economic bases of the county include chemical manufacturing, petroleum and natural gas processing, offshore production maintenance services, diversified manufacturing, biochemical, electronic industries, and agriculture. In addition, the area's deep-water channel and port facilities, sport fishing services and tourism are major components of the county's economic base. Since 2004, the northern portion of the county has seen extensive residential, retail and healthcare development with no evidence of slowing in the near term. The southern and western portions of the county are currently experiencing substantial industrial expansion with \$ 22.7 billion of completed projects in the last five years of industrial plants and an estimated \$ 1.1 billion currently under construction. In addition, there has been \$ 533 million in construction starts of solar energy farms. The Brazoria County Index of Leading Economic indicators increased 14.43 percent from August 2020 to August 2021. The Leading Economic Index, which is designed to forecast the economic performance of the county over the next three to six-months, has been above the six-month moving average for nine months, but dropped below the six-month moving average in July and August. This indicates that the county is likely entering into or is currently experiencing a period of slower economic growth. (Brazosport College Economic Forecasting Center, 2021). The Port enters into property tax abatements with local businesses. The Port Commission approves the application after it is determined that the request meets the applicable guidelines and criteria adopted by the Port Commission, which will promote the development of industry within the Port boundaries, provide additional area employment, and strengthen the District's economy. Details of tax abatement agreements can be found in Note 16 on page 59.

Port Freeport is a political subdivision of the State of Texas encompassing approximately 85 percent of Brazoria County, Texas. The Port exists under the provisions of Article XVI, Section 59 of the Texas State Constitution and related sections of the Revised Civil Statutes of the State of Texas and all amendments thereto. In 2007, the State of Texas passed House Bill 542, which changed the legal name of the Brazos River Harbor Navigation District to "Port Freeport" and the name of the governing body of the Brazos River Harbor Navigation District to "Port Commission" and the name of each member of the Port Commission to "Port Commissioner." The Port, being a political subdivision of the State of Texas, is a separate and distinct entity and operates independently with its own Port Commission as its governing body.

The Port Commission is comprised of six members. Five positions represent a specific geographic area, and one position is at-large. Each Port Commissioner serves a term of six years. The six-year terms are staggered with an election for two commissioner positions held each uneven-numbered year.

PORT COMMISSION

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

The Executive Director/CEO and staff manage the operations of the Port under the auspices of the Port's Commission.

FINANCIAL

The financial statements are prepared using the single enterprise fund model in accordance with GASB 34. The financial reporting entity includes the enterprise fund of the primary government, Port Freeport, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Brazos Harbor Industrial Development Corporation (IDC) is a component unit of the Port; however, it is discretely presented and has no assets, liabilities, equities, or financial transactions. Financial information for the IDC is limited to the disclosure of revenue bonds issued on behalf of others in the notes to the financial statements.

Discussion and analysis of the financial statements and the Port's financial performance may be found in Management Discussion and Analysis at the beginning of the Financial Section.

Internal Controls. The administration of the Port is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Port are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformance with generally accepted governmental accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by administration. The Port has adopted practices and procedures measures related to fraud prevention and reporting.

The Port Commission adopts an annual budget in September for the next fiscal year beginning October 1. Management periodically presents statements comparing actual with budget, explaining significant variances.

Other Financial information

The Port has financial policies designed to provide parameters for managing the financial performance of the Port. Two of the Port's more significant financial policies are the cash management and risk management policies.

Cash Management. The Port's investment policy complies with the Public Funds Investment Act and is designed to minimize any risk of loss of principal, while maintaining a competitive yield on the funds it has available for investment. Accordingly, Port cash temporarily idle during the year was invested in money market funds, certificates of deposit and guaranteed governmental securities as authorized by the policy. In addition, all deposits were and continue to be either insured by federal depository insurance or otherwise collateralized. All collateral on deposits in excess of federal depository insurance amounts are held by the Port or by the financial institution's trust department or a Federal Reserve Bank in the Port's name.

Risk Management. The Port's schedule of insurance provides for comprehensive coverage of all areas of risk. The Port has engaged a consultant to assist with risk management issues.

Independent Auditor. The state statutes require an annual audit by independent certified public accountants. KM&L, LLC, the independent certified public accountants selected by the Port Commission, audited the basic financial statements for the year ended September 30, 2021.

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 for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2020. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Port has received this prestigious award for the last thirty-two consecutive fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

MAJOR INITIATIVES

2021. As a continuation of master planning efforts, the Port has established four (4) critical strategic objectives. These objectives can be summarized as follows:

- The deepening of the Port's navigational channel to the Federal authorized depth of ranging from 51-56 feet as well as making certain identified navigational improvements to promote safe and efficient transit
- The expansion of the Port's container facilities located on Velasco Terminal
- Support the development of efficient transportation solutions to move commerce between Port Freeport Texas markets and the heart of the United States.
- Development of integrated, rail served warehousing, processing, and distribution facilities

Accomplishment of these objectives will be through a phased approach, with a focus on long-term development and reconfiguration of the Port's facilities in order to capture identified addressable market opportunities as well as maintain and grow existing lines of business.

Efforts initiated or continued into 2021 include: ongoing construction of a 925-foot berth extension of the Velasco Terminal; further development of Velasco Terminal backland areas; and the continuation of land acquisition efforts supporting access and expanding operations of the Port's Velasco Terminal.

Future. With a favorable outcome for both the initial reconnaissance and subsequent feasibility studies, the United States Army Corps of Engineers (USCOE) issued its Chief's Report early in 2013 to the United States Congress recommending the deepening of the Freeport Harbor Channel. Acting on this recommendation, Congress included in the Water Resources Reform and Development Act (WRRDA) of 2014 authorization to move forward with the proposed project funding initial construction planning and design work. During 2014, it was determined additional improvements, beyond those proposed and authorized in WRRDA, were necessary in order to accommodate the safe navigation of the feasibility study's design vessel. The Port actively engaged with the USCOE to develop a process to adjust for these additional requirements, which include bend easing and channel width increases. The General Re-evaluation Report (GRR) approval was received in May 2018. The Federal Government's share of the total project cost must be appropriated by Congress with a project New Start designation and the first phase was appropriated and included in the USCOE 2020 workplan and construction began in April 2021. Current estimated totally funded project costs are \$ 295 million, which will be shared between the Federal Government and the Port based on defined cost shares.

In addition to the construction of the 925' berth extension of Velasco Terminal, a \$ 25 million Roll-On/Roll-Off ramp will be added to the berth to allow for the berthing of Ro/Ro vessels. Master Planning efforts also recommend the purchase of additional ship to shore gantry cranes and continued development of backland to support berth operations. Costs associated with this further build out is \$ 111 million over the next five years and will be funded through a combination of operating income and bond revenues. In addition to the activities associated with the Velasco Terminal, the ongoing development of a 200-acre multimodal facility will also continue in 2022.

The continued strategy of maintaining long term contracts combined with strong operational growth plans and established financing options will support these projects and initiatives while also enabling continued infrastructure development beyond those specifically noted.

These initiatives as well as others are outlined further in Management's Discussion and Analysis in the Financial Section.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Report could not have been accomplished without the contributions of the Finance Department and other staff members. They have my sincere appreciation for their dedication and diligence in preparing this report. Thanks, and appreciation are extended to the Executive Director/CEO and Commissioners, as well, for their guidance, insight, and support throughout the year.

Respectfully Submitted,



Rob Lowe
Chief Financial Officer

PORT FREEPORT

Economic Impact

The results of the 2019 Economic Impact Analysis performed by Texas A&M Transportation Institute estimate the total economic impact that the Freeport Harbor Channel has on local, statewide, and national economies through the operation of and investment in leased and privately-owned terminals.

Statewide Annual Economic Impact

*150,651 jobs
\$3.2 billion federal tax revenues
\$98.8 billion total economic output*

Nationwide Annual Economic Impact

*279,780 jobs
\$5.4 billion federal tax revenues
\$149 billion total economic output*

The impacts of the study are based upon 2017 data and are provided as direct, indirect and induced effects of the operations along the Freeport Harbor Channel and are reported in terms of employment, production, income, and tax revenues.



Independent Auditor's Report

To the Port Commissioners
Port Freeport
Freeport, Texas 77541

Report on the Financial Statements

We have audited the accompanying financial statements of Port Freeport ("the Port") as of and for the years ended September 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Port, as of September 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022, on our consideration of the Port'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 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 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 Port's internal control over financial reporting and compliance.

KM&L, LLC

Lake Jackson, Texas
February 15, 2022

PORT FREEPORT

Management Discussion and Analysis

The management of Port Freeport (Port) offers readers this narrative overview and analysis of the financial activities for the fiscal years ended September 30, 2021, 2020 and 2019. This section is intended to enhance the clarity and usefulness of the financial statements for citizens, oversight bodies, investors, and creditors. The Port's financial activities are being reported under the requirements of Governmental Accounting Standards Board (GASB) Statement 34 as a single enterprise fund.

Financial Highlights

September 30, 2021

- Total Net Position increased by \$ 3.3 million.
- Total Assets increased by \$ 76.0 million primarily due to an increase in property, plant and equipment of \$ 66.1 million from purchases of land, Port improvements, and equipment, an increase in cash and cash equivalents of \$ 42.9 million, and a decrease in investments of \$ 34.9 million primarily driven from bond proceeds received in advance of associated capital improvement projects.
- Total Liabilities increased by \$ 72.7 million due to the net bond proceeds of \$ 67.0 million, bond premium of \$ 8.8 million, and scheduled payments on capital leases and bonds outstanding.
- Change in Net Position was lower than the prior year primarily due to the increase of non-operating expenses.

September 30, 2020

- Total Net Position increased by \$ 8.3 million.
- Total Assets increased by \$ 86.3 million primarily due to an increase in property, plant, and equipment of \$ 44.7 million from purchases of land, Port improvements, and equipment, a decrease in cash and cash equivalents of \$ 12.5 million, and an increase in investments of \$ 53.1 million primarily driven from bond proceeds received in advance of associated capital improvement projects.
- Total Liabilities increased by \$ 78.0 million due to the net bond proceeds of \$ 74.7 million, bond premium of \$ 8.1 million, and scheduled payments on capital leases and bonds outstanding.
- Change in Net Position was lower than the prior year primarily due to the increase of non-operating expenses.

September 30, 2019

- Total Net Position increased by \$ 12.4 million.
- Total Assets increased by \$ 44.2 million primarily due to an increase in property, plant, and equipment of \$ 11.8 million from purchases of land, Port improvements, and equipment, an increase in cash and cash equivalents of \$ 18.5 million, and an increase in investments of \$ 13.2 million.
- Total Liabilities increased by \$ 31.8 million due to the net bond proceeds of \$ 35.4 million and scheduled payments on capital leases and bonds outstanding.
- Change in Net Position was higher than the prior year primarily due to the increase of operating revenue.

Overview of Financial Statements

This discussion and analysis serves as an introduction to the Port's basic financial statements. These statements include a statement of net position that is a statement of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position; a statement of revenues, expenses and changes in net position that reports all revenues and expenses during the year and their net; a statement of cash flows that reports sources and uses of cash; and notes to the financial statements that explain some of the information in the financial statements and provide supporting detail. The basic financial statements are prepared on the accrual basis, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid.

PORT FREEPORT

Management Discussion and Analysis

Financial Analysis

Over time, increases or decreases in the Port's net position may serve as a useful indicator of whether the Port's financial position is improving or deteriorating. For the years ended September 30, 2021, 2020 and 2019, the Port's net position increased by 1 percent, 4 percent, and 6 percent to \$ 245.0 million, \$ 241.6 million, and \$ 233.3 million, respectively.

Net investment in capital assets at September 30, 2021, 2020 and 2019, was \$ 169.1 million, \$ 167.2 million, and \$ 169.8 million, or 69 percent, 69 percent, and 73 percent of total net position, respectively. Net investment in capital assets includes land, buildings, machinery, and equipment less any related debt used to acquire these assets. These net capital assets are recorded at historical cost and are net of depreciation. The remaining net position, at September 30, 2021, 2020 and 2019, is divided into three categories: restricted for debt service, \$ 13.8 million, \$ 12.5 million, and \$ 6.5 million; restricted for capital projects and improvements, \$ 10.5 million, \$ 20.0 million, and \$ 15.7 million; and unrestricted net position, \$ 51.6 million, \$ 41.9 million, and \$ 41.3 million, respectively. Restrictions do not significantly affect the availability of resources for future use.

The Port's total net position increased by 3.3 million in 2021, 8.3 million in 2020, and \$ 12.4 million in 2019. These increases were provided by operating income (including depreciation) of \$ 20.3 million, \$ 15.0 million, and \$ 10.4 million; \$ (17.0) million, \$ (6.8) million and \$ 1.9 million in non-operating net revenues (expenses) including ad valorem taxes of \$ 6.2 million, \$ 5.6 million, and \$ 5.4 million and capital contributions of \$ 11 thousand, \$ 140 thousand, and \$ 96 thousand, respectively.

Condensed Statements of Net Position (in thousands)

| | 2021 | (Restated) 2020 | 2019 |
|--|-------------------|--------------------|-------------------|
| Current assets | \$ 163,395 | \$ 153,489 | \$ 111,825 |
| Capital assets, net of depreciation | <u>378,196</u> | <u>312,102</u> | <u>267,447</u> |
| Total assets | <u>541,591</u> | <u>465,591</u> | <u>379,272</u> |
| Deferred outflows of resources – refunding costs | <u>8</u> | <u>9</u> | <u>10</u> |
| Total deferred outflows of resources | <u>8</u> | <u>9</u> | <u>10</u> |
| Current liabilities | 23,806 | 19,299 | 15,291 |
| Non-current liabilities | <u>272,835</u> | <u>204,667</u> | <u>130,700</u> |
| Total liabilities | <u>296,641</u> | <u>223,966</u> | <u>145,991</u> |
| Deferred inflows of resources | | | |
| Total deferred inflows of resources | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net investment in capital assets | 169,105 | 167,244 | 169,757 |
| Restricted for debt service | 13,774 | 12,459 | 6,500 |
| Restricted for capital projects and improvements | 10,508 | 20,035 | 15,744 |
| Unrestricted | <u>51,571</u> | <u>41,896</u> | <u>41,290</u> |
| Total net position | <u>\$ 244,958</u> | <u>\$ 241,634</u> | <u>\$ 233,291</u> |

PORT FREEPORT

Management Discussion and Analysis

Comparative Statement of Revenues, Expenses and Changes in Net Position (in thousands)

| | 2021 | (Restated) 2020 | 2019 |
|---|-------------------|--------------------|-------------------|
| Operating revenues: | | | |
| Harbor operations | \$ 26,685 | \$ 20,176 | \$ 13,478 |
| Lease income | 12,970 | 13,388 | 14,430 |
| Miscellaneous | 8 | 9 | 37 |
| Total operating revenues | <u>39,663</u> | <u>33,573</u> | <u>27,945</u> |
| Operating expenses: | | | |
| Payroll and related | 5,110 | 5,068 | 4,775 |
| Professional services | 2,213 | 2,163 | 2,095 |
| Supplies and other | 2,215 | 2,111 | 2,194 |
| Utilities, maintenance and repairs | 1,648 | 1,611 | 1,720 |
| Depreciation | 8,193 | 7,593 | 6,798 |
| Total operating expenses | <u>19,379</u> | <u>18,546</u> | <u>17,582</u> |
| Operating income | <u>20,284</u> | <u>15,027</u> | <u>10,363</u> |
| Non-operating revenues (expenses): | | | |
| Ad valorem tax, net of collection expenses | 6,190 | 5,623 | 5,401 |
| Investment income | 88 | 2,096 | 2,010 |
| Dredge material placement fees | 246 | | |
| Gain on sale of capital assets | 461 | | |
| Debt interest and fees | (8,795) | (7,862) | (4,641) |
| Other | (15,152) | (6,681) | (846) |
| Total non-operating revenues (expenses) | <u>(16,962)</u> | <u>(6,824)</u> | <u>1,924</u> |
| Income before capital contributions and extraordinary expenses | 3,322 | 8,203 | 12,287 |
| Capital contributions - grants | 11 | 140 | 96 |
| Extraordinary expenses - emergency recovery expenses | (9) | | |
| Change in net position | 3,324 | 8,343 | 12,383 |
| Total net position - beginning | <u>241,634</u> | <u>233,291</u> | <u>220,908</u> |
| Total net position - ending | <u>\$ 244,958</u> | <u>\$ 241,634</u> | <u>\$ 233,291</u> |

Total revenues, including capital contributions, have increased in 2021 comparing to 2020 and increased in 2020 comparing to 2019. Total revenues for 2021, 2020, and 2019, were \$ 46.7 million, \$ 41.4 million, and \$ 35.5 million, respectively. Operating revenues increased by \$ 6.1 million in 2021 to \$ 39.7 million, \$ 5.6 million in 2020 to \$ 33.6 million, and \$ 1.6 million in 2019 to \$ 27.9 million. Harbor operating revenues are primarily driven by commodity tonnages and ship calls. Tonnage overall increased 96 percent to 17 million tons in 2021 while ship calls increased 29 percent and barge calls decreased 17 percent. Tonnage overall increased 208 percent to 8.7 million tons in 2020 while ship calls increased 27 percent and barge calls increased 605 percent. Tonnage overall increased 21 percent to 2.8 million tons in 2019 while ship calls increased 28 percent and barge calls decreased 56 percent.

PORT FREEPORT

Management Discussion and Analysis

The following is the detailed tonnage comparison for the fiscal year 2021, 2020, and 2019:

| Commodity | Fiscal Year 2021 Tonnage (In thousands) | Change from prior year | Fiscal Year 2020 Tonnage (In thousands) | Change from prior year | Fiscal Year 2019 Tonnage (In thousands) | Change from prior year |
|----------------------|---|------------------------|---|------------------------|---|------------------------|
| Rice | 118 | -17% | 143 | 11% | 129 | -14% |
| Bananas/Misc. Fruit | 283 | 7% | 264 | -18% | 320 | -4% |
| Misc./General Cargo | 471 | -29% | 664 | 10% | 606 | 53% |
| Dry Bulk Material | 441 | -32% | 653 | -32% | 967 | 11% |
| Liquid Bulk Material | 14,878 | 135% | 6,325 | 4385% | 141 | 1662% |
| Project Cargo | 11 | -80% | 55 | 816% | 6 | -82% |
| Steel Products | 423 | 37% | 309 | -18% | 379 | 25% |
| RoRo Cargo | 411 | 42% | 289 | 5% | 274 | 17% |
| Total | 17,036 | 96% | 8,702 | 208% | 2,822 | 21% |

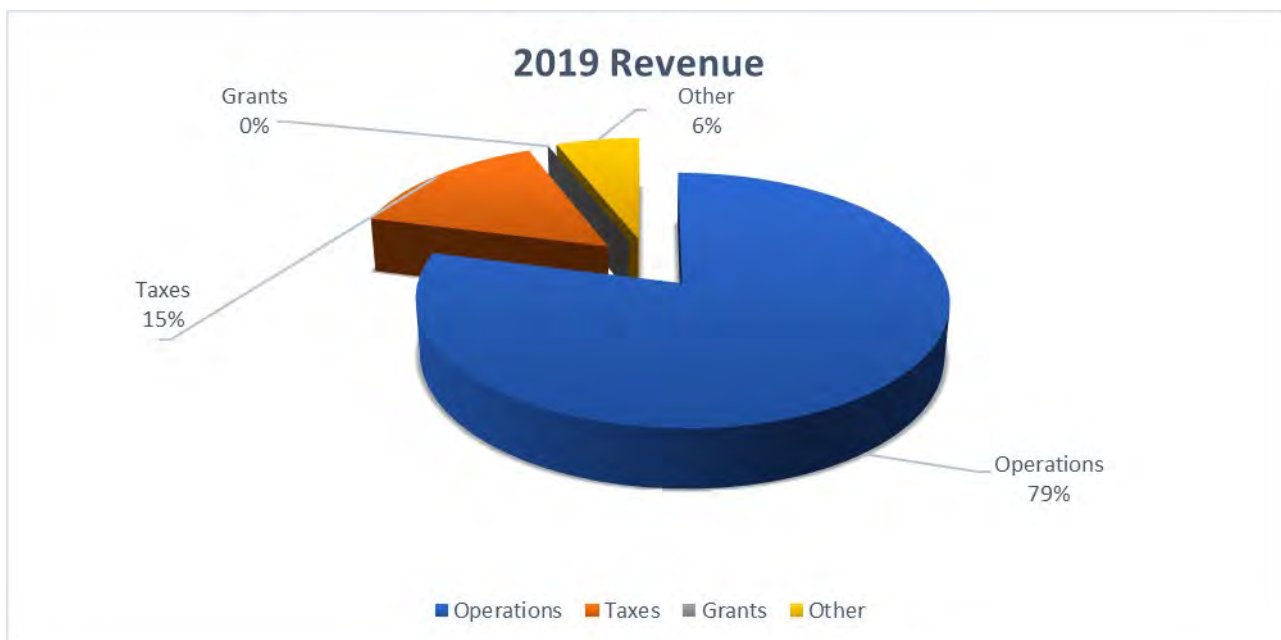
Total lease revenue decreased 3.1 percent in 2021, decreased 7.2 percent in 2020, and increased 2.7 percent in 2019. Ground lease revenue decreased \$ 321 thousand in 2021, decreased \$ 947 thousand in 2020, and increased \$ 385 thousand in 2019. Other leases decreased \$ 97 thousand in 2021, decreased \$ 95 thousand in 2020, and increased \$ 1 thousand in 2019. Lease revenue decreases in 2021 are due to the expiration of a lease termination agreement. Lease revenue decreases in 2020 are due to the expiration of a lease and termination of a lease agreement. Lease revenue increases in 2019 are due to new customers as well as contractual rate adjustments.

Ad valorem tax revenue was \$ 6.2 million, \$ 5.6 million, and \$ 5.4 million in 2021, 2020 and 2019, respectively. The tax rate was 4.01 cents per hundred-dollar valuation in 2021, 2020 and 2019. Investment income decreased by \$ 2.0 million in 2021 as compared to 2020 due change in market value, increased by \$ 85 thousand in 2020 as compared to 2019 due to increases in funds available for investment, and increased by \$ 1.4 million in 2019 as compared to 2018 due to increases in interest rates and in funds available for investment. Grant revenues in 2021 decreased to \$ 11 thousand, in 2020 increased to \$ 140 thousand, and in 2019 decreased to \$ 96 thousand. Other non-operating expenses of \$ 15.2 million, 6.7 million, and \$ 846 thousand in 2021, 2020, and 2019 were directly related to contributions to others made by the Port for grant and capital related projects.



PORT FREEPORT

Management Discussion and Analysis

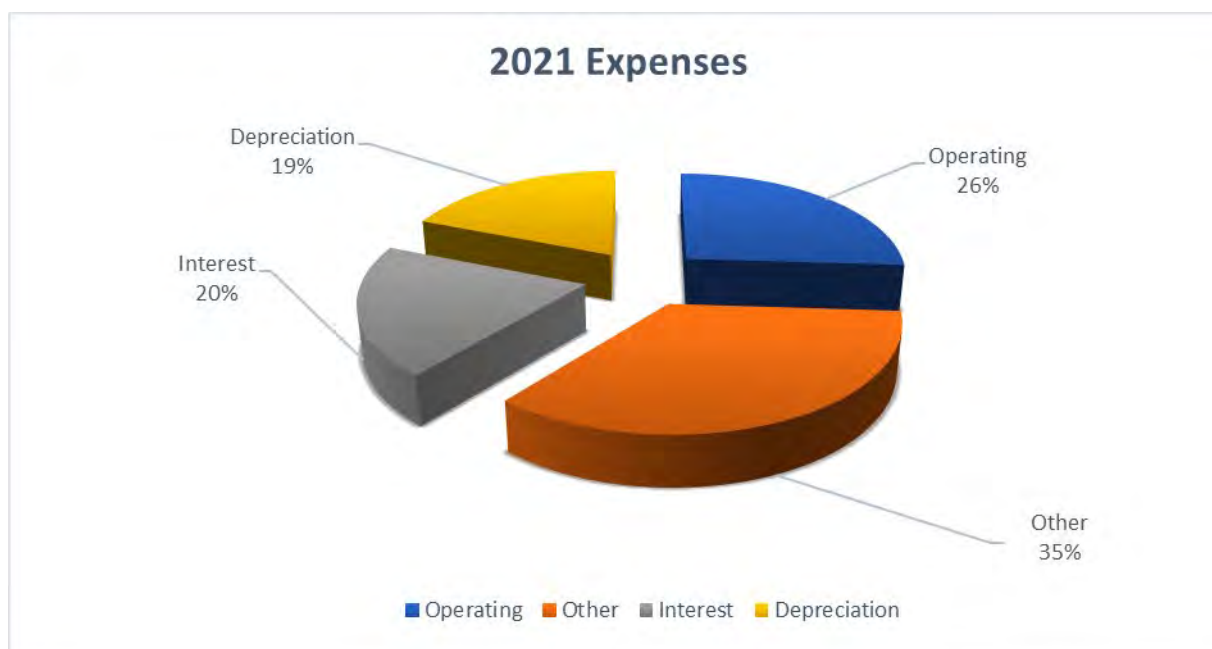


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Management Discussion and Analysis

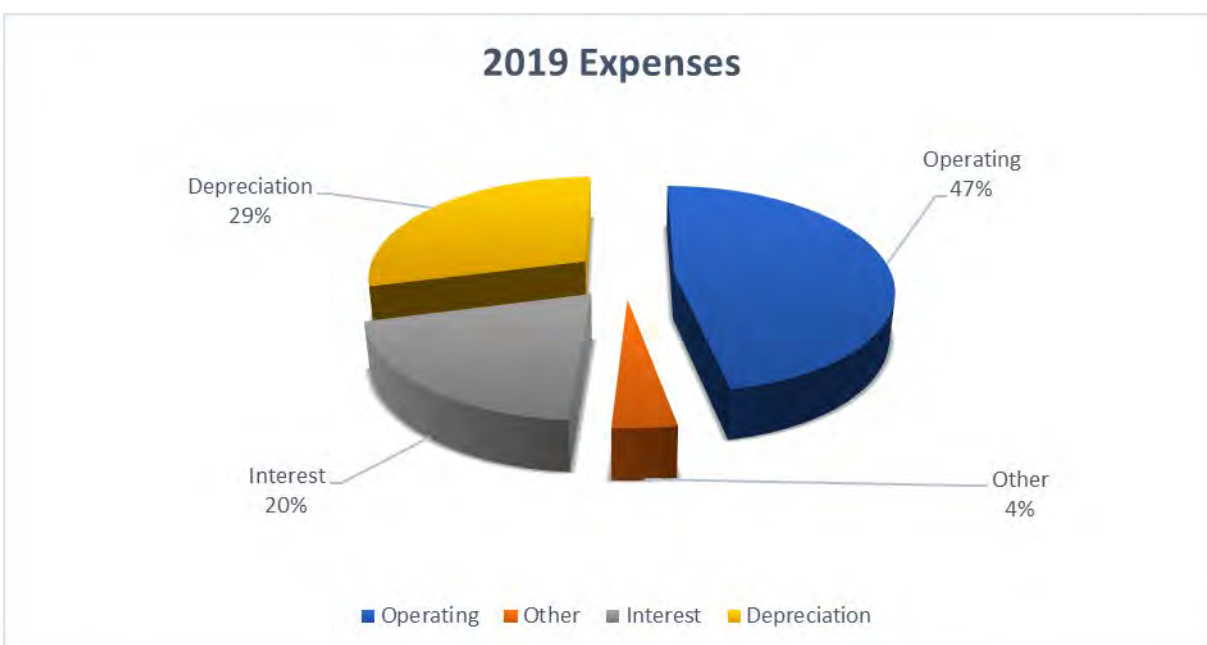
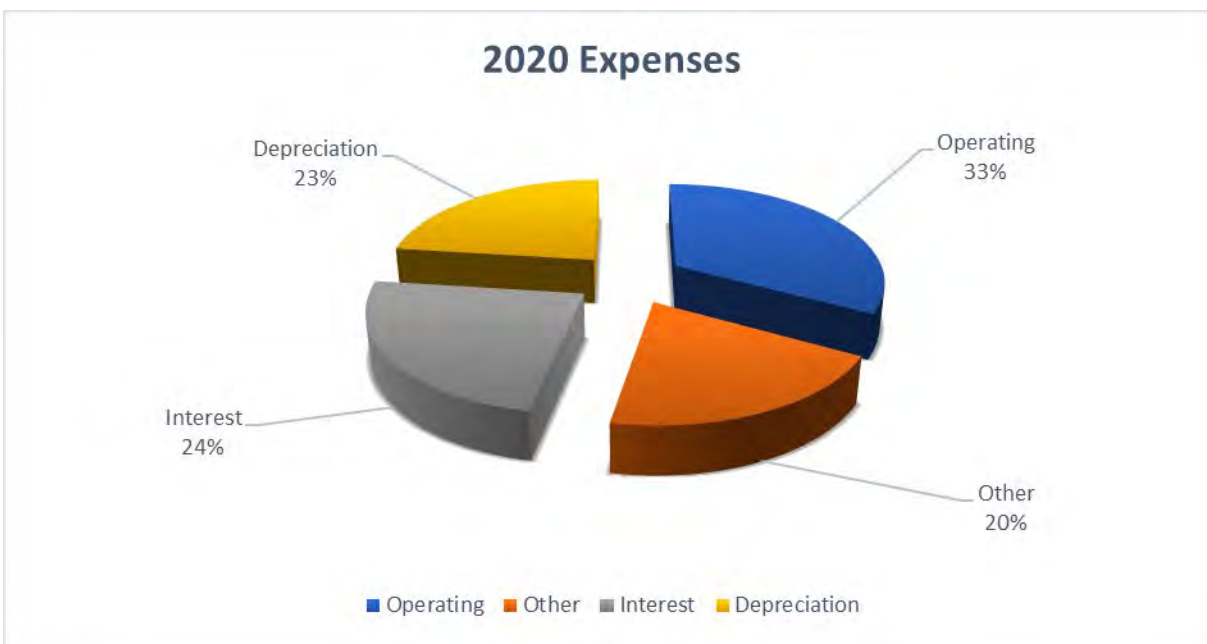
Total expenses increased 30.2 percent to 43.1 million from 33.1 million in 2021, increased 43.4 percent to 33.1 million from 23.1 million in 2020, and increased 11.8 percent to 23.1 million from 20.6 million in 2019. Operating expenses, including depreciation, were \$ 19.4 million in 2021 increasing \$ 833 thousand or 4.5 percent, \$ 18.5 million in 2020 increasing \$ 1.0 million or 5.5 percent, and \$ 17.6 million in 2019 increasing \$ 1.4 million or 8.5 percent. Payroll and related expenses in 2021 were consistent with 2020, in 2020 increased by 6.1 percent primarily due to pay rate increase and open job positions which were filled, and in 2019 increased by 13.3 percent primarily due to open job positions which were filled in 2019. Professional services expenses in 2021 were consistent with 2020, in 2020 were consistent with 2019, and in 2019 were consistent with 2018. Supplies and other expenses in 2021 increased \$ 104 thousand or 4.9 percent comparing with 2020, in 2020 were consistent with 2019, and have increased \$ 326 thousand in 2019 as compared to 2018. Utilities and maintenance expenses were consistent in 2021 as compared to 2020, consistent in 2020 as compared to 2019, and were increased \$ 599 thousand in 2019 comparing to 2018. Depreciation expenses were increased \$ 600 thousand in 2021, \$ 795 thousand in 2020, and consistent in 2019 and 2018.

Debt interest and fees were \$ 8.8 million in 2021, \$ 7.9 million in 2020, and \$ 4.6 million in 2019 on outstanding debt payments. Other expenses of \$ 15.2 million in 2021, \$ 6.7 million in 2020, and \$ 846 thousand in 2019 were capital contribution made to others.



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Management Discussion and Analysis



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Management Discussion and Analysis

Capital Assets

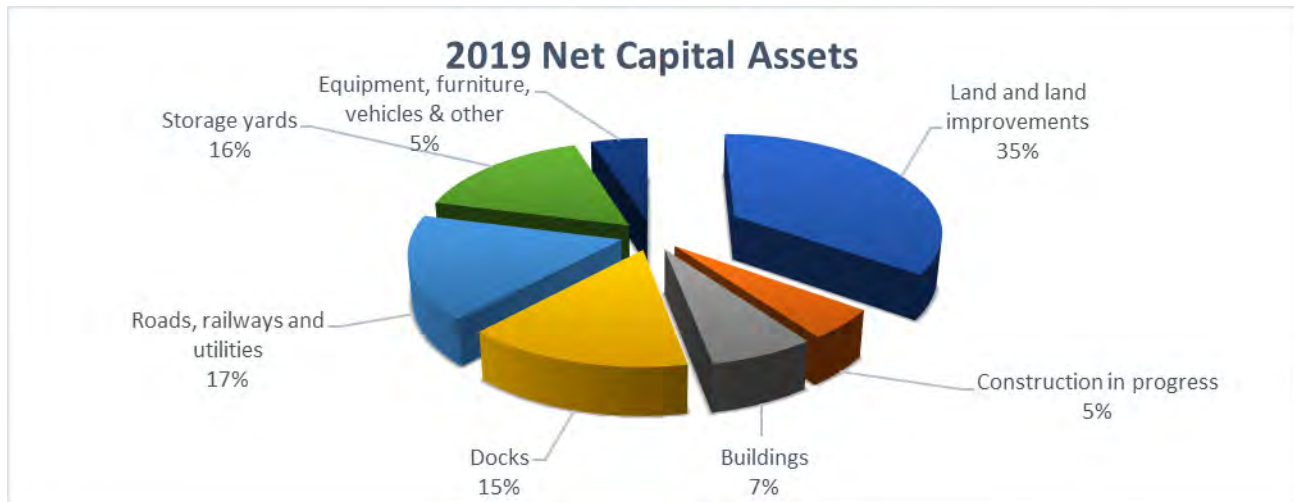
The Port's capital assets are \$ 378.2 million, \$ 312.1 million, and \$ 267.4 million, net of depreciation, as of September 30, 2021, 2020 and 2019, respectively. The capital assets include land and land improvements, docks and appurtenances, buildings, storage yards, equipment, roads and railways, utilities, and construction in progress. In 2021, 2020 and 2019 there were additions of \$ 74.3 million, \$ 52.2 million, and \$ 18.6 million (net of construction in progress placed in service) with depreciation of \$ 8.8 million, \$ 7.6 million, and \$ 6.8 million, respectively.

Regarding additions, land and improvements additions were \$ 3.5 million, \$ 2.0 million in 2020 and \$ 2.1 million in 2019, primarily related land acquisitions of properties adjacent to the Port. Gross additions to construction in progress were \$ 70.5 million in 2021, \$ 52.1 million in 2020, and \$ 18.4 million in 2019 including Freeport Channel improvements and Velasco Terminal improvements. Construction in progress placed in service totaled \$ 2.1 million in 2021, \$ 11.0 million in 2020, and \$ 33.9 million in 2019, which included the completion of Parcel 14 drainage and utilities at a cost of \$ 1.9 million in 2021, Parcel 14 twenty-acre open storage yard at a cost of \$ 8.1 million in 2020, and the Parcel 14 Phase I Rail at a cost of \$ 26.5 million in 2019. Road repairs for 2020 and 2019 totaled \$ 528 thousand and \$ 583 thousand. Storage yard additions were \$ 7.9 million in 2020 and \$ 2 million in 2019. Cathodic protection system repairs added \$ 1.4 million in 2019. Equipment, furniture, vehicles, and other additions totaled \$ 771 thousand in 2021, \$ 771 thousand in 2020, and \$ 1.2 million in 2019 with the purchase of software, tools and equipment. Additional information on capital assets can be found in Note 4 on pages 47-49 of this report.



PORT FREEPORT

Management Discussion and Analysis



Long Term Debt

Total bonds payable net of bond premium are \$ 253.7 million at September 30, 2021, \$ 191.7 million at September 30, 2020, and \$ 122.2 million at September 30, 2019.

Senior Lien Revenue Bonds, Series 2013A were issued in June 2013. The 2013A series bonds were issued to refund the 2008 Series bonds, which were set to mature in 2028. Senior Lien Revenue and Refunding Bonds, Series 2015A, were issued in September 2015. The 2015A series bonds were issued to refund the Port's outstanding Senior Lien Revenue Notes, Series 2013B and to provide for financing to acquire, construct and develop repairs and improvements to and equip a container terminal complex and an automobile processing facility. Senior Lien Revenue Bonds, Series 2018 were issued in September 2018. The 2018 series bonds were issued to provide for use to finance all or a portion of (i) the costs of the design, construction, development, improvement and equipment of a storage yard and backland areas to be located at the Velasco Terminal development, (ii) the costs of the design, construction, development, improvement and equipment of a rail yard to be located on Parcel 14, and a rail line connecting the rail yard to the Union Pacific mainline, (iii) the costs of the design, construction, development, improvement and equipment of port facilities and infrastructure (iv) making a deposit to a bond reserve fund and (v) paying the costs of issuing the Bonds. Senior Lien Revenue Bonds Series 2019A and Series 2019 B were issued in December 2019. The proceeds of issuances of series 2019A bonds were used to finance all or a portion of (i) the costs of the design, construction, development, improvement, and equipment of Port facilities, (ii) making a deposit to a debt service fund for the series 2019A bonds, and (iii) paying the costs of issuing the Bonds. The proceeds of issuances of series 2019B bonds were used to finance all or a portion of (i) the costs of the design, construction, development, improvement, and equipment of facilities useful in the operation of the Port's waterways and in aid of navigation of such waterways, (ii) making a deposit to a debt service reserve fund for the series 2019B bonds, and (iii) paying the costs of issuing the Bonds. Senior Lien Revenue Bonds, Series 2021 were issued in July 2021. The Series 2021 bonds were issued to finance all or a portion of (i) the costs of the design, construction, development, improvement, and equipment of Port Facilities, including a 925-foot expansion of a berth at the Port's container handling facility, (ii) make a deposit to a debt service reserve account, and (iii) pay the costs of issuing the Bonds.

As of September 30, 2021, the amount outstanding on these revenue bonds was \$ 185.2 million, \$ 160.1 million at September 30, 2020 and \$ 90.4 million at September 30, 2019. The debt service for these bonds is paid from the Port's operating revenues.

PORT FREEPORT

Management Discussion and Analysis

In 2019, General Obligation Bonds, Series 2019 were issued to provide for use to finance improving, constructing, or developing the Freeport Harbor Channel, the construction of related improvements to waterways and adjacent berthing areas and aids to navigation used for navigation-related commerce at the Port, and dredge material placement associated with such activities. In 2021, General Obligation Bonds, Series 2021, were issued for the next phase of the Freeport Harbor Channel Improvement Project. As of September 30, 2021, the Port had general obligation bonds payable of \$ 68.5 million, \$ 31.7 million at September 30, 2020 and \$ 31.8 million at September 30, 2019. The final maturity for these general obligation bonds is 2051. The debt service for these bonds is paid from ad valorem tax revenue.

On September 30, 2014, the Port entered into a capital lease financing agreement (“Master Lease-Purchase Financing Agreement”) with Chase Bank in the amount of \$ 14.1 million with a balance at September 30, 2021 of \$ 4.6 million, at September 30, 2020 of \$ 6.0 million, and at September 30, 2019 of \$ 7.5 million. The agreement calls for annual principal and interest payments beginning on September 30, 2015 and ending on September 30, 2024. The Capital lease represents a refinancing of the two cranes purchased during the year ended September 30, 2014 based on a Reimbursement Agreement (Resolution Expressing Intent to Finance Expenditures Incurred) adopted by the Board of Commissioners on August 8, 2013. Additional information on long-term debt activity can be found in Note 5 and Note 6 on pages 49-54 of this report.

Outlook

There are a number of significant developments known at this time, which will affect the future financial performance of the Port, both in the long- and mid-term time periods. With the opening of the first phase of the Velasco Container Terminal and improvements to existing Port facilities to establish an automobile and heavy equipment-processing terminal, Port Freeport is positioned to continue its growth, creating additional opportunities for existing clientele and offering opportunities for new lines of business.

With the completion of the initial reconnaissance and subsequent feasibility study, The U.S. Army Corps of Engineers (USCOE) issued a Chiefs report in January of 2013 indicating a Federal interest, supported by favorable project economics, to deepen the Port Freeport Navigational Channel to depths ranging from 51-56 feet from the current 46-foot depth. At present, the project is authorized as part of the Water Resources Reform and Development Act of 2014 (WRRDA). During 2014, it was determined additional improvements, beyond those proposed and authorized in WRRDA, were necessary for the safe navigation of the feasibility study’s design vessel. Based on these findings, the Port actively engaged with the USCOE to produce a General Reevaluation Report (GRR) outlining a process to adjust for these additional requirements, which include bend easing and channel width increases. The GRR approval was received in May 2018. The Federal government’s share of the total project cost must be appropriated by Congress with a project New Start designation and the first phase was appropriated and included in the USCOE 2020 workplan. The USCOE awarded a contract for dredging of the first phase of the project on September 2020 and construction began in April 2021. Concurrently, the development of the preliminary engineering and design (PED) and the project management plan (PMP) will begin for the remaining project increments. Project construction will be completed over a five-year period at an estimated totally funded cost of \$ 295 million to be cost-shared between the Federal government and the Port on a 50-50 basis for depths below 56 feet and on a 75-25 basis for depths less than 51 feet. These planned improvements will allow the Port and other harbor users to bring in larger vessels and a greater volume of ships, providing for a fuller utilization of existing and planned facilities.

Included in the Port’s developmental planning efforts is the build-out of Velasco Container Terminal. Designs for the construction of a 925-foot berth expansion as well as development of backland to support the berths has been completed and construction began in first quarter 2020. In 2021, the addition of a \$25 million Roll-On/Roll-Off ramp to the 925-foot berth expansion was approved. Costs associated with the backland development are \$ 111 million, scheduled over the next five years and includes the acquisition of two (2) additional ship to shore gantry cranes as well as additional land acquisitions needed for access and operational support of the expanding container terminal. A combination of operating income and revenue debt issuance is anticipated to fund this project.

PORT FREEPORT

Management Discussion and Analysis

Future development plans include the stabilization of additional land for laydown areas for project cargo, automotive and heavy equipment, the construction of warehousing, processing, distribution, and rail facilities. Phase I construction of the rail facility was started in 2018 and was completed in 2019 at a cost of \$ 26.5 million. The Port was awarded \$ 6.3 million from the FY 2018 Consolidated Rail Infrastructure and Safety Improvements Grant (CRISI) to fund Phase II of the rail development at a total estimated cost of \$ 10.5 million. The development of warehousing facilities and further stabilization of laydown areas will be funded through a combination of public and private sources.

In 2004 Freeport LNG Development, L.P. (FLNP) received approval from the Federal Energy Regulatory Commission (FERC) for construction of a re-gas facility to receive and store imported liquefied natural gas (LNG), convert the product back to a gas form and transport it to commercial and industrial users via pipeline. This facility was completed and placed in operation in the second quarter of 2008. With the announcement of shale oil and gas plays in Texas and other regions of the United States, FLNG refocused its operations on the exportation of LNG and began the permitting process with FERC in 2010. Having received all the necessary permits and necessary funding, construction commenced on three (3) liquefaction train export facilities during 2016. Train 1 delivered its first commissioning shipment on August 30, 2019, and all three trains have since entered commercial operations. This operation has and will continue to provide significant increases to the Port's lease and cargo revenues as operations ramp up.

Lastly, with the expansion of domestic oil and gas production, the Freeport based polymer manufacturers and other petrochemical companies have expanded their production facilities. This creates opportunities for increased utilization of the Port's berths, warehouse spaces and cargo lay down areas and supports the ongoing development of the Port's infrastructure.

Requests for Information

This financial report is designed to provide a general overview of Port Freeport's finances and the Port's accountability for the money it receives. If you have questions about this report or need additional information, contact Rob Lowe, Chief Financial Officer/CFO, at Port Freeport, 1100 Cherry Street, Freeport, Texas 77541.

PORT FREEPORT

Statements of Net Position

September 30, 2021 and 2020

| | 2021 | (Restated) 2020 |
|---|--------------------|--------------------|
| <u>Assets:</u> | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 57,580,745 | \$ 24,815,090 |
| Investments | | 21,304,088 |
| Receivables: | | |
| Trade accounts (less allowance for uncollectible accounts - 2021, \$ 42,715; 2020, \$ 38,639) | 5,042,395 | 3,116,699 |
| Property taxes (less allowance for uncollectible accounts - 2021, \$ 42,707; 2020, \$ 35,283) | 62,864 | 82,196 |
| Other | 40,029 | 4,413 |
| Other governments | 652,143 | 780,424 |
| Accrued interest | | 48,328 |
| Prepays | 928,155 | 728,266 |
| Inventory | 970,061 | 1,015,479 |
| | <u>65,276,392</u> | <u>51,894,983</u> |
| Total unrestricted current assets | | |
| Restricted Current Assets: | | |
| Cash and cash equivalents | 51,958,246 | 41,851,859 |
| Investments | 45,901,722 | 59,539,117 |
| Receivables: | | |
| Property taxes (less allowance for uncollectible accounts - 2021, \$ 13,421; 2020, \$ 10,689) | 25,995 | 26,814 |
| Accrued interest receivable | 232,719 | 176,131 |
| Other | 501 | 517 |
| | <u>98,119,183</u> | <u>101,594,438</u> |
| Total restricted current assets | | |
| Total current assets | <u>163,395,575</u> | <u>153,489,421</u> |
| Land and land improvement, and construction in progress | 222,887,746 | 150,907,871 |
| Property, plant and equipment (less accumulated depreciation - 2021, \$ 90,003,084; 2020, \$ 85,771,271) | 155,308,109 | 161,194,100 |
| | <u>378,195,855</u> | <u>312,101,971</u> |
| Total non-current assets | | |
| Total assets | <u>541,591,430</u> | <u>465,591,392</u> |
| <u>Deferred Outflows of Resources:</u> | | |
| Deferred outflows of resources – Refunding costs | 7,767 | 8,930 |
| | <u>7,767</u> | <u>8,930</u> |
| Total deferred outflows of resources | | |

(continued)

| | <u>2021</u> | <u>(Restated) 2020</u> |
|--|-----------------------|----------------------------|
| <u>Liabilities:</u> | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | \$ 9,357,196 | \$ 5,649,813 |
| Unearned lease income | 4,015,079 | 4,017,799 |
| Accrued compensated absences | <u>133,408</u> | <u>132,971</u> |
| Total current liabilities | <u>13,505,683</u> | <u>9,800,583</u> |
| Current Liabilities Payable from Restricted Assets: | | |
| Accrued bond interest payable | 2,695,658 | 2,462,465 |
| Capital lease | 1,489,502 | 1,455,930 |
| Bonds payable | <u>6,115,492</u> | <u>5,580,492</u> |
| Total current liabilities payable from restricted assets | <u>10,300,652</u> | <u>9,498,887</u> |
| Total current liabilities | <u>23,806,335</u> | <u>19,299,470</u> |
| Non-current Liabilities: | | |
| Capital lease | 3,082,840 | 4,572,342 |
| Bonds payable | 269,551,750 | 199,896,138 |
| Accrued compensated absences | <u>200,111</u> | <u>198,601</u> |
| Total non-current liabilities | <u>272,834,701</u> | <u>204,667,081</u> |
| Total liabilities | <u>296,641,036</u> | <u>223,966,551</u> |
| <u>Net Position:</u> | | |
| Net investment in capital assets | 169,104,875 | 167,244,020 |
| Restricted: | | |
| Debt service | 13,774,098 | 12,458,787 |
| Capital projects and improvements | 10,508,590 | 20,035,165 |
| Unrestricted | <u>51,570,598</u> | <u>41,895,799</u> |
| Total net position | <u>\$ 244,958,161</u> | <u>\$ 241,633,771</u> |

The notes to the financial statements are an integral part of this statement.



PORT FREEPORT

Statements of Revenues, Expenses and Changes in Net Position For the Years Ended September 30, 2021 and 2020

| | <u>2021</u> | <u>(Restated) 2020</u> |
|--|-----------------------|-----------------------------|
| Operating Revenues: | | |
| Harbor Operations: | | |
| Wharfage | \$ 13,526,823 | \$ 10,853,640 |
| Dockage | 7,356,823 | 4,181,863 |
| Service, facility use and other fees | 5,800,876 | 5,140,745 |
| Lease income | 12,970,196 | 13,388,187 |
| Miscellaneous | <u>8,303</u> | <u>8,880</u> |
| Total operating revenues | <u>39,663,021</u> | <u>33,573,315</u> |
| Operating Expenses: | | |
| Payroll and related | 5,109,892 | 5,068,205 |
| Professional services | 2,212,827 | 2,163,290 |
| Supplies and other | 2,214,841 | 2,111,176 |
| Utilities | 741,203 | 636,683 |
| Maintenance and repairs | 907,606 | 973,834 |
| Depreciation | <u>8,192,602</u> | <u>7,592,533</u> |
| Total operating expenses | <u>19,378,971</u> | <u>18,545,721</u> |
| Operating income | <u>20,284,050</u> | <u>15,027,594</u> |
| Non-Operating Revenues (Expenses): | | |
| Ad valorem tax, net of collection expenses | 6,190,447 | 5,623,026 |
| Investment income | 87,667 | 2,095,520 |
| Dredge material placement fees | 246,000 | |
| Gain on sale of capital assets | 460,696 | |
| Debt interest and fees | (8,794,637) | (7,862,024) |
| Other | <u>(15,152,065)</u> | <u>(6,681,232)</u> |
| Total non-operating revenues (expenses) | <u>(16,961,892)</u> | <u>(6,824,710)</u> |
| Income before capital contributions and extraordinary expenses | 3,322,158 | 8,202,884 |
| Capital contributions - grants | 11,092 | 139,833 |
| Extraordinary expenses - emergency recovery | <u>(8,860)</u> | <u> </u> |
| Change in net position | 3,324,390 | 8,342,717 |
| Total net position - beginning | <u>241,633,771</u> | <u>233,291,054</u> |
| Total net position - ending | <u>\$ 244,958,161</u> | <u>\$ 241,633,771</u> |

The notes to the financial statements are an integral part of this statement.

PORT FREEPORT

Statements of Cash Flows For the Years Ended September 30, 2021 and 2020

| | <u>2021</u> | (Restated) <u>2020</u> |
|--|-----------------------|---------------------------|
| Cash Flows from Operating Activities: | | |
| Cash received from customers | \$ 37,642,417 | \$ 32,882,379 |
| Cash paid to suppliers for goods and services | (2,523,565) | (4,892,619) |
| Cash paid to employees for services and benefits | (5,107,945) | (5,018,453) |
| Net cash provided by operating activities | <u>30,010,907</u> | <u>22,971,307</u> |
| Cash Flows from Non-capital Financing Activities: | | |
| Property tax receipts | 6,277,883 | 5,681,938 |
| Property tax collection expenses | (67,285) | (62,933) |
| Emergency recovery expenses | (8,860) | |
| Dredge Material placement fees | 246,000 | |
| Contribution to others | (15,152,065) | (6,681,232) |
| Net cash used by non-capital financing activities | (8,704,327) | (1,062,227) |
| Cash Flows from Capital and Related Financing Activities: | | |
| Proceeds from issuance of bonds | 75,841,584 | 82,822,307 |
| Principal payments under bond obligations | (5,650,972) | (5,560,746) |
| Principal payments under capital lease obligations | (1,455,930) | (1,423,111) |
| Interest and fees paid under debt obligations | (8,560,281) | (6,960,838) |
| Land & equipment purchases | (74,310,255) | (52,247,787) |
| Grants received | 139,373 | 460 |
| Proceeds from the sale of capital assets | <u>484,465</u> | |
| Net cash provided (used) by capital and related financing activities | (13,512,016) | <u>16,630,285</u> |
| Cash Flows from Investing Activities: | | |
| Purchase of investments | (82,501,948) | (157,067,608) |
| Proceeds from sale and maturity of investments | 117,038,000 | 104,457,000 |
| Investment earnings | <u>541,426</u> | <u>1,576,627</u> |
| Net cash provided (used) by investing activities | <u>35,077,478</u> | (51,033,981) |
| Change in cash and cash equivalents | 42,872,042 | (12,494,616) |
| Cash and cash equivalents, October 1, | <u>66,666,949</u> | <u>79,161,565</u> |
| Cash and cash equivalents, September 30, | <u>\$ 109,538,991</u> | <u>\$ 66,666,949</u> |

(continued)

PORT FREEPORT

Statements of Cash Flows - Continued For the Years Ended September 30, 2021 and 2021

| | <u>2021</u> | <u>(Restated) 2020</u> |
|--|--------------------------|----------------------------|
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | |
| Operating income | \$ 20,284,050 | \$ 15,027,594 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | 8,192,602 | 7,592,533 |
| Change in assets and liabilities: | | |
| Accounts receivable | (1,925,696) | (498,241) |
| Other receivables | (92,188) | (19,232) |
| Inventory | 45,418 | (346,925) |
| Prepaid and other | (199,889) | (21,885) |
| Accounts payable and accrued expenses | 3,707,383 | 1,361,174 |
| Unearned lease income | (2,720) | (173,463) |
| Accrued compensated absences | <u>1,947</u> | <u>49,752</u> |
| Net cash provided by operating activities | \$ <u>30,010,907</u> | \$ <u>22,971,307</u> |
| Non-cash Transactions Affecting Financial Position: | | |
| Change in value of investments – from cost to fair value | \$ <u>520,704</u> | \$ <u>520,704</u> |
| Net effect of non-cash transactions | \$ <u><u>520,704</u></u> | \$ <u><u>520,704</u></u> |

The notes to the financial statements are an integral part of this statement.

PORT FREEPORT

Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Port Freeport (the “Port”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units for enterprise funds. Enterprise fund accounting follows all Governmental Accounting Standards Board (GASB) pronouncements, as well as Financial Accounting Standards Board (FASB) codification unless the codification conflicts with or contradicts GASB pronouncements, in which case, GASB prevails. The more significant of the Port’s accounting policies are described below.

A. REPORTING ENTITY

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the Port’s reporting entity. Individual financial statements for each component unit can be obtained from the office of Port Freeport.

Included within the reporting entity:

Port Freeport: Port Freeport was created by action of the voters of Brazoria County, Texas, on December 4, 1925. The Port operates under an elected commissioner form of government. Currently six commissioners are authorized by the Texas Legislature.

Brazos Harbor Industrial Development Corporation: In November 1979 the Port authorized the filing of a petition to create the Brazos Harbor Industrial Development Corporation (IDC), a nonprofit corporation organized to issue industrial development bonds and pollution control revenue bonds. Vernon’s Annotated Texas Civil Statutes authorize the creation and administration of industrial development corporations by specified governmental entities for the use in the promotion and development of commercial, industrial, and manufacturing enterprises.

The Port Commission appoints a separate board of directors for the IDC. The IDC acts under the authorization and direction of the appointed Board. The IDC negotiates with the user entity to develop the necessary documents for issuing the bonded debt. The bonds are payable solely from the revenues derived from the project.

Additionally, the user entity indemnifies and agrees to hold harmless the IDC from any and all claims relating to the issuance of the bonded debt. None of the Port’s assets or future revenues are pledged to secure these bonds. The Port Commission has the right of refusal on the issuance of bonds by the IDC; therefore, this constitutes financial accountability. The IDC is included in the reporting entity even though the Port does not provide funding to the IDC or have the ability to elect their governing authority or designate their management, and the IDC was incorporated for the benefit of all commercial enterprises in the area. The IDC is a discretely presented component unit, although it has no assets, liabilities, equities, or financial transactions. Financial information is limited to the disclosure of revenue bonds issued on behalf of others (Note 14).

B. BASIS OF ACCOUNTING

The Port follows enterprise fund accounting and reporting requirements, including the accrual basis of accounting and application of all GASB pronouncements as well as the Financial Accounting Standards Board (“FASB”) pronouncements issued, unless those pronouncements conflict with or contradict GASB pronouncements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF ACCOUNTING - Continued

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Operating revenues and expenses generally result from providing services in connection with ongoing operations. The principal revenues of the Port are charges to customers for sales and services. The Port also recognizes revenue in the form of rents. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. RECLASSIFICATIONS

Net position for 2020 has been restated.

D. NEW PRONOUNCEMENTS

GASB No. 84 “Fiduciary Activities” was issued in January 2017. The statement was implemented and did not have a material effect on the financial statements of the Port. The requirements of this Statement are effective for periods beginning after December 15, 2019.

GASB No. 87 “Leases” was issued in June 2017. The management of the Port does not expect the implementation of this standard to have a material effect on the financial statements of the Port. The requirements of this Statement are effective for periods beginning after June 15, 2021.

GASB No. 88 “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements” was issued in April 2018. The statement was implemented and did not have a material effect on the financial statements of the Port. The requirements of this statement are effective for reporting periods beginning after June 15, 2019.

GASB No. 89 “Accounting for Interest Cost Incurred before the End of a Construction Period” was issued in June 2018. The statement was implemented and did not have a material effect on the financial statements of the Port.

GASB No. 90 “Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61” was issued in August 2018. The statement was implemented and did not have a material effect on the financial statements of the Port. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 91 “Conduit Debt Obligations” was issued in May 2019. The management of the Port does not expect the implementation of this standard to have a material effect on the financial statements of the Port. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

GASB No. 92 “Omnibus 2020” was issued in January 2020. The management of the Port does not expect the implementation of this standard to have a material effect on the financial statements of the Port. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. NEW PRONOUNCEMENTS - Continued

GASB No. 93 “Replacement of Interbank Offered Rates” was issued in March 2020. The management of the Port does not expect the implementation of this standard to have a material effect on the financial statement of the Port. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” was issued in March 2020. The management of the Port does not expect the implementation of this standard to have a material effect on the financial statements of the Port. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 95 “Postponement of the Effective Dates of Certain Authoritative Guidance” was issued in May 2020. The statement was implemented and did not have a material effect on the financial statements of the Port. The requirements of this statement are effective immediately.

GASB No. 96 “Subscription-Based Information Technology Arrangements” was issued in May 2020. The management of the Port does not expect the implementation of this standard to have a material effect on the financial statements of the Port. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 97 “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans” was issued in June 2020. The management of the Port does not expect the implementation of this standard to have a material effect on the financial statements of the Port. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

E. CASH AND INVESTMENTS

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the Port. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents. In accordance with GASB Statement 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools”, investments are stated at fair value.

F. INVENTORIES

Inventories of supplies are valued at cost and inventories held for resale are valued at the lower of cost or market. There were no inventories held for resale as of September 30, 2021 and 2020.

G. CAPITAL ASSETS

Capital assets are defined by the Port as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life of greater than one year. Property constructed or acquired by purchase is stated at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the statements of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. Capital equipment leased assets are depreciated over the estimated useful lives of the assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. When property, plant and equipment is sold or otherwise disposed or becomes obsolete, the asset account and related accumulated depreciation account are relieved, and any gain or loss is charged against income.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. CAPITAL ASSETS - Continued

Capital assets of the Port are depreciated over the following useful lives:

| <u>Assets</u> | <u>Years</u> |
|---------------------------------|--------------|
| Buildings | 50 |
| Docks & appurtenances | 10-50 |
| Utilities | 10-50 |
| Roads, lots & railways | 40 |
| Storage yards | 20-40 |
| Equipment, furniture & vehicles | 5-20 |
| Other | 10-50 |

A significant portion of the Port's capital assets are the result of work performed to the Freeport Harbor Channel (the Channel) to increase depths to 45 feet (see Note 9). The maintenance of the Channel depths are the responsibility of the U.S. Army Corp of Engineers; thus, management has capitalized these costs as land and land improvements with an indefinite useful life; as such no depreciation has been recorded against these assets.

H. INTEREST CAPITALIZATION

Interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital assets.

I. PROPERTY TAXES

Property taxes are levied by October 1 of each year in conformity with Subtitle E, Texas Property Tax Code. These taxes are due on receipt and are considered delinquent if not paid before February 1 of the year following the year in which imposed. Interest is charged on delinquent property taxes at a rate established by the state property tax code. Collections made on or after July 1 are subject to an additional fifteen percent collection fee. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes. The County Tax Collector bills and collects the property taxes for the Port. Collections made by the County Tax Collector are deposited into an account maintained by the Port.

Property taxes are recognized as revenue in the year they are levied. Property tax receivables and related allowances for uncollectable taxes are split between unrestricted and restricted for debt service based on the percent of the levy available for maintenance and operations, and general obligation bond debt service.

The Commission may levy taxes at an unlimited rate for payment of debt service on the Port's General Obligation Bonds. The Commission may also levy taxes, subject to a \$ 0.10 per \$ 100 assessed valuation limit, for all operation and maintenance expenses of the Port. For the years ended September 30, 2021 and 2020, the Commission levied taxes at a rate of \$ 0.013443 and \$ 0.010615 for debt service and a rate of \$ 0.026657 and \$ 0.029485 for operation and maintenance, for a total tax rate of \$ 0.0401 and \$ 0.0401 per \$ 100 assessed valuation for each year, respectively.

J. RESTRICTED ASSETS

Restricted assets consist of capital and debt service restricted assets. Restricted capital assets consist of revenues reserved for use of future capital projects and improvements. Restricted assets for debt service consist of proceeds available from taxes receivable as well as the revenue dedicated to debt service as stated in applicable bond covenants.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**K. COMPENSATED ABSENCES**

Vested or accumulated vacation is recorded as an expense and liability as the benefits accrue to employees. The Port's vacation and sick leave policy provides that each employee may carry over unused vacation, not to exceed five days, to subsequent years. Further, unused sick leave may be converted to vacation on a five to one ratio. Benefits payable as of September 30, 2021 and 2020 were \$ 333,519 and \$ 331,572, respectively.

L. LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as expenses in the current period. Bonds payable are reported net of the applicable bond premium or discount.

NOTE 2. DEPOSITS AND INVESTMENTS

The Port classifies deposits and investments for financial statement purposes as cash and temporary investments and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. Cash and temporary investments and investments, as reported on the statements of net position at September 30, 2021 and 2020, are as follows:

| <u>September 30, 2021</u> | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
|--------------------------------------|-------------------------|-----------------------|----------------------|
| Cash and temporary investments: | | | |
| Cash (petty cash accounts) | \$ 1,390 | \$ | \$ 1,390 |
| Financial institution deposits | 8,854,471 | 412,028 | 9,266,499 |
| Local government investment pool | <u>48,724,884</u> | <u>51,546,218</u> | <u>100,271,102</u> |
| Total cash and temporary investments | <u>\$ 57,580,745</u> | <u>\$ 51,958,246</u> | <u>\$109,538,991</u> |
| Investments: | | | |
| Investments held by broker-dealers: | | | |
| U.S. agencies | \$ | <u>\$ 45,901,722</u> | <u>\$ 45,901,722</u> |
| Total investments | <u>\$ -0-</u> | <u>\$ 45,901,722</u> | <u>\$ 45,901,722</u> |
| <u>September 30, 2020</u> | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
| Cash and temporary investments: | | | |
| Cash (petty cash accounts) | \$ 1,390 | \$ | \$ 1,390 |
| Financial institution deposits | 13,639,632 | 705,207 | 14,344,839 |
| Local government investment pool | <u>11,174,068</u> | <u>41,146,652</u> | <u>52,320,720</u> |
| Total cash and temporary investments | <u>\$ 24,815,090</u> | <u>\$ 41,851,859</u> | <u>\$ 66,666,949</u> |
| Investments: | | | |
| Investments held by broker-dealers: | | | |
| U.S. agencies | <u>\$ 21,304,088</u> | <u>\$ 59,539,117</u> | <u>\$ 80,843,205</u> |
| Total investments | <u>\$ 21,304,088</u> | <u>\$ 59,539,117</u> | <u>\$ 80,843,205</u> |

NOTE 2. DEPOSITS AND INVESTMENTS - Continued

Deposits: Custodial Credit Risk – Custodial credit risk is the risk that in the event of a financial institution failure, the Port deposits may not be returned to them. The Port requires that all deposits with financial institutions be collateralized in an amount equal to 100 percent of uninsured balances.

At September 30, 2021, the carrying amount of the Port's deposits was \$ 10,421,499 while the financial institution balances totaled \$ 18,045,201. Of the financial institution balances, \$ 262,799 was covered by federal deposit insurance, \$ 1,554,229 was covered by the Securities Investor Protection Corporation insurance, and \$ 16,228,173 was covered by collateral held by the Port's agent in the Port's name. At September 30, 2020, the carrying amount of the Port's deposits was \$ 16,684,839 while the financial institution balances totaled \$ 16,984,057. Of the financial institution balances, \$ 263,297 was covered by federal deposit insurance, \$ 4,275,142 was covered by the Securities Investor Protection Corporation insurance, and \$ 12,445,618 was covered by collateral held by the Port's agent in the Port's name.

Investments: Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the Port to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity, and addresses the quality and capability of investment personnel. The Port's Investment Policy defines what constitutes the legal list of investments allowed under the policy.

The Port's deposits and investments are invested pursuant to the Investment Policy, which is approved by the Port Commission. The Investment Policy includes a list of authorized investment instruments and allowable stated maturity of individual investments. In addition, they include an "Investment Strategy Statement" that specifically addresses investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification, and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the Port will deposit funds is addressed. The Port's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The Port's management believes it complied with the requirements of the PFIA and the Port's investment policies.

The Port's Investment Officer submits an investment report each quarter to the Port Commission. The report details the investment positions of the Port and the compliance of the investment portfolio's as they relate to both the adopted investment strategy statements and Texas State law.

The Port is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

1. U.S. Treasury securities.
2. Short-term obligations of the United States Government agencies and instrumentalities.
3. Texas State, City, County, School and Road District bonds with an investment grade bond rating from Moody's Investors Services (A and above) and Standard and Poor's Corporation (A- and above) or that is insured.
4. Fully insured or collateralized certificates of deposits issued by a state or national bank, savings bank or a federal credit union with a main office or bank in Texas.
5. Public funds investment pools as permitted by Texas Government Code 2256.016 – 2256.019.
6. Other securities or obligations as allowed by the Texas Public Funds Investment Act and approved by the Finance Committee and/or full Port Commission.
7. Money market mutual funds as permitted by Texas Government Code 2256.014 and approved by Commission resolution.

NOTE 2. DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

The Port participates in TexPool, a Local Government Investment Pool (LGIP). The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller.

The Port invests in TexPool to provide its liquidity needs. TexPool was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. TexPool is a 2(a)7 like fund, meaning that it is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. TexPool is rated AAAM and must maintain a dollar weighted average maturity not to exceed 60 days. At September 30, 2021 and 2020 TexPool had a weighted average maturity of 37 and 36, respectively. Although TexPool portfolios had a weighted average maturity of 37 and 36 days, respectively, the Port considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder unless there has been a significant change in value.

All of the Port's investments are insured, registered, or the Port's agent holds the securities in the Port's name; therefore, the Port is not exposed to custodial credit risk.

The following tables include the portfolio balances of all investment types of the Port at September 30, 2021 and 2020.

| <u>Investment Type</u> | <u>September 30, 2021</u> | | |
|----------------------------------|---------------------------|----------------------|-----------------------|
| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
| Local government investment pool | \$ 48,724,884 | \$ 51,546,218 | \$ 100,271,102 |
| Certificates of deposit | | 1,155,000 | 1,155,000 |
| U.S. Treasuries | | 42,390,857 | 42,390,857 |
| U.S. government bonds | | <u>2,355,865</u> | <u>2,355,865</u> |
| Total investments | <u>\$ 48,724,884</u> | <u>\$ 97,447,940</u> | <u>\$ 146,172,824</u> |

| <u>Investment Type</u> | <u>September 30, 2020</u> | | |
|----------------------------------|---------------------------|-----------------------|-----------------------|
| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
| Local government investment pool | \$ 11,174,068 | \$ 41,146,652 | \$ 52,320,720 |
| Certificates of deposit | | 2,340,000 | 2,340,000 |
| U.S. Treasuries | 21,304,088 | 56,177,595 | 77,481,683 |
| U.S. government bonds | | <u>1,021,522</u> | <u>1,021,522</u> |
| Total investments | <u>\$ 32,478,156</u> | <u>\$ 100,685,769</u> | <u>\$ 133,163,925</u> |

NOTE 2. DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

Unrestricted Funds

As of September 30, 2021, the Port's unrestricted funds had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Days)</u> |
|----------------------------------|----------------------|---|
| Local government investment pool | \$ <u>48,724,884</u> | 37 |
| | \$ <u>48,724,884</u> | 37 |

As of September 30, 2020, the Port's unrestricted funds had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Days)</u> |
|----------------------------------|----------------------|---|
| Local government investment pool | \$ 11,174,068 | 36 |
| U.S. Treasuries | <u>21,304,088</u> | 66 |
| | \$ <u>32,478,156</u> | 56 |

Credit Risk – As of September 30, 2021, the LGIP (which represent approximately 100% of the unrestricted portfolio) is rated AAAM by Standard and Poor's. As of September 30, 2020, the LGIP (which represent approximately 34% of the unrestricted portfolio) is rated AAAM by Standard and Poor's. The remaining portfolio is U.S. Treasuries (which represent approximately 66% of the unrestricted portfolio).

Interest Rate Risk – As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that individual investments not exceed six years and the overall portfolio maintain a weighted average of less than three years. Quality short-to-medium term securities should be purchased, which complement each other in a structured manner that minimizes risk and meets the Port's cash flow requirements.

NOTE 2. DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

Restricted Funds

As of September 30, 2021, the Port's restricted funds had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Days)</u> |
|----------------------------------|----------------------|---|
| Local government investment pool | \$ 51,546,218 | 37 |
| Certificates of deposit | 1,155,000 | 83 |
| U.S. Treasuries | 42,390,857 | 349 |
| U.S. government bonds | <u>2,355,865</u> | 1,031 |
| | <u>\$ 97,447,940</u> | 197 |

As of September 30, 2020, the Port's restricted funds had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Days)</u> |
|----------------------------------|-----------------------|---|
| Local government investment pool | \$ 41,146,652 | 36 |
| Certificates of deposit | 2,340,000 | 254 |
| U.S. Treasuries | 56,177,595 | 121 |
| U.S. government bonds | <u>1,021,522</u> | 187 |
| | <u>\$ 100,685,769</u> | 90 |

Credit Risk – As of September 30, 2021, the LGIP (which represents approximately 53% of the restricted portfolio) is rated AAAM by Standard and Poor's. The remaining portfolio is made up of certificates of deposits (which represent approximately 1% of the restricted portfolio), U.S. Treasuries (which represent approximately 44% of the restricted portfolio), and U.S. governmental bonds (which represent approximately 2% of the restricted portfolio). Of the total U.S. government bonds, 100% is rated AA+ by Standard and Poor's. As of September 30, 2020, the LGIP (which represents approximately 41% of the restricted portfolio) is rated AAAM by Standard and Poor's. The remaining portfolio is made up of certificates of deposits (which represent approximately 2% of the restricted portfolio), U.S. Treasuries (which represent approximately 56% of the restricted portfolio), and U.S. governmental bonds (which represent approximately 1% of the restricted portfolio). Of the total U.S. government bonds, 100% is rated AA+ by Standard and Poor's.

Interest Rate Risk – As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that individual investments not exceed six years and the overall portfolio maintain a weighted average of less than three years. Quality short-to-medium term securities should be purchased, which compliment each other in a structured manner that minimizes risk and meets the Port's cash flow requirements.

NOTE 2. DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

Calculation of the net increase (decrease) in fair value of investments as of September 30, 2021 and 2020 utilizing the aggregate method is as follows:

| | 2021 | | |
|--|----------------------|-----------------------|-----------------------|
| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
| Fair value at September 30, 2021 | \$ | \$ 45,901,722 | \$ 45,901,722 |
| Add: Proceeds of investments sold | 38,499,000 | 78,539,000 | 117,038,000 |
| Less: Cost of investments purchased | (17,224,282) | (65,277,667) | (82,501,949) |
| Less: Fair value at September 30, 2020 | <u>(21,304,088)</u> | <u>(59,539,117)</u> | <u>(80,843,205)</u> |
| Changes in fair value of investments for the year ended September 30, 2021 | <u>\$ (29,370)</u> | <u>\$ (376,062)</u> | <u>\$ (405,432)</u> |
| | 2020 | | |
| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
| Fair value at September 30, 2020 | \$ 21,304,088 | \$ 59,539,117 | \$ 80,843,205 |
| Add: Proceeds of investments sold | 57,051,000 | 47,406,000 | 104,457,000 |
| Less: Cost of investments purchased | (54,495,108) | (102,572,500) | (157,067,608) |
| Less: Fair value at September 30, 2019 | <u>(23,816,876)</u> | <u>(3,895,017)</u> | <u>(27,711,893)</u> |
| Changes in fair value of investments for the year ended September 30, 2020 | <u>\$ 43,104</u> | <u>\$ 477,600</u> | <u>\$ 520,704</u> |

These changes in fair value for the years ended September 30, 2021 and 2020 are reported as investment income.

Fair Value – The Port categorizes its fair value measurements within the fair value hierarchy established by GASB No 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE 2. DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Total fair values of investment of \$ 45,901,722 at September 30, 2021 and \$ 80,843,205 at September 30, 2020 were measured by level 1 measurement.

NOTE 3. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Taxes: Ad valorem taxes receivable are reserved based on historical experience and evaluation of collectivity as the lesser of a percentage of the original levy and the current receivable for each levy year. The allowance for uncollectable taxes as of September 30, 2021 and 2020 was \$ 56,128 and \$ 45,972, respectively.

Trade Receivables: The allowance for uncollectable receivables related to Port services is determined based on historical experience and evaluation of collectivity in relation to the aging of customer accounts. The allowance for uncollectable receivables related to Port services at September 30, 2021 and 2020 was \$ 42,715 and \$ 38,639, respectively.

NOTE 4. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2021:

| | Useful Life in Years | Balance 10-01-20 | Additions | Adjustment/ Deletions | Balance 9-30-21 |
|---|-------------------------|---------------------|-------------------|--------------------------|--------------------|
| Capital assets, not being depreciated: | | | | | |
| Land & improvements | | \$ 96,197,565 | \$ 3,548,403 | \$ | \$ 99,745,968 |
| Construction in progress | | <u>54,710,306</u> | <u>70,515,527</u> | <u>(2,084,055)</u> | <u>123,141,778</u> |
| Total capital assets, not being depreciated | | <u>150,907,871</u> | <u>74,063,930</u> | <u>(2,084,055)</u> | <u>222,887,746</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 50 | 30,777,353 | 114,531 | | 30,891,884 |
| Docks & appurtenances | 5-50 | 59,047,605 | 35,875 | | 59,083,480 |
| Utilities | 20-50 | 23,353,168 | 1,983,009 | | 25,336,177 |
| Roads, lots & railways | 50 | 37,729,480 | | | 37,729,480 |
| Storage yards | 50 | 65,100,279 | | | 65,100,279 |
| Equipment, furniture & vehicles | 5-50 | 29,509,604 | 196,965 | (3,984,558) | 25,722,011 |
| Other | 10-50 | <u>1,447,882</u> | | | <u>1,447,882</u> |
| Total capital assets, being depreciated | | <u>246,965,371</u> | <u>2,330,380</u> | <u>(3,984,558)</u> | <u>245,311,193</u> |

(continued)

NOTE 4. CAPITAL ASSETS – Continued

| | Useful Life in Years | Balance 10-01-20 | Additions | Adjustments/ Deletions | Balance 9-30-21 |
|--|-------------------------|-----------------------|----------------------|---------------------------|----------------------|
| Accumulated depreciation: | | | | | |
| Buildings | | \$ 13,387,252 | \$ 700,632 | \$ | \$ 14,087,884 |
| Docks & appurtenances | | 20,411,632 | 1,358,683 | | 21,770,315 |
| Utilities | | 11,284,009 | 1,083,430 | | 12,367,439 |
| Roads, lots & railways | | 5,608,863 | 1,150,259 | | 6,759,122 |
| Storage yards | | 15,619,344 | 2,459,933 | | 18,079,277 |
| Equipment, furniture & vehicles | | 18,204,502 | 1,346,243 | (3,960,789) | 15,589,956 |
| Other | | <u>1,255,669</u> | <u>93,422</u> | | <u>1,349,091</u> |
| Total accumulated depreciation | | <u>85,771,271</u> | <u>8,192,602</u> | <u>(3,960,789)</u> | <u>90,003,084</u> |
| Total capital assets, being depreciated, net | | <u>161,194,100</u> | <u>(5,862,222)</u> | <u>(23,769)</u> | <u>155,308,109</u> |
| Total capital assets, net | | <u>\$ 312,101,971</u> | <u>\$ 68,201,708</u> | <u>\$(2,107,824)</u> | <u>\$378,195,855</u> |

The following is a summary of capital asset activity for the year ended September 30, 2020:

| | Useful Life in Years | Balance 10-01-19 | Additions | Adjustment/ Deletions | Balance 9-30-20 |
|---|-------------------------|---------------------|-------------------|--------------------------|--------------------|
| Capital assets, not being depreciated: | | | | | |
| Land & improvements | | \$ 94,186,660 | \$ 2,010,905 | \$ | \$ 96,197,565 |
| Construction in progress | | <u>13,699,147</u> | <u>52,055,355</u> | <u>(11,044,196)</u> | <u>54,710,306</u> |
| Total capital assets, not being depreciated | | <u>107,885,807</u> | <u>54,066,260</u> | <u>(11,044,196)</u> | <u>150,907,871</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 50 | 30,765,178 | 12,175 | | 30,777,353 |
| Docks & appurtenances | 5-50 | 59,047,605 | | | 59,047,605 |
| Utilities | 20-50 | 22,966,131 | 387,037 | | 23,353,168 |
| Roads, lots & railways | 50 | 37,201,251 | 528,229 | | 37,729,480 |
| Storage yards | 50 | 57,185,503 | 7,914,776 | | 65,100,279 |
| Equipment, furniture & vehicles | 5-50 | 29,141,571 | 339,096 | (15,473) | 29,465,194 |
| Other | 10-50 | <u>1,447,882</u> | <u>44,410</u> | | <u>1,492,292</u> |
| Total capital assets, being depreciated | | <u>237,755,121</u> | <u>9,225,723</u> | <u>(15,473)</u> | <u>246,965,371</u> |

| | | | | | |
|--|--|-----------------------|----------------------|-----------------------|----------------------|
| Accumulated depreciation: | | | | | |
| Buildings | | \$ 12,690,462 | \$ 696,790 | \$ | \$ 13,387,252 |
| Docks & appurtenances | | 19,055,175 | 1,356,457 | | 20,411,632 |
| Utilities | | 10,229,430 | 1,054,579 | | 11,284,009 |
| Roads, lots & railways | | 4,544,955 | 1,063,908 | | 5,608,863 |
| Storage yards | | 13,471,132 | 2,148,212 | | 15,619,344 |
| Equipment, furniture & vehicles | | 17,044,851 | 1,044,721 | (15,473) | 18,074,099 |
| Other | | <u>1,158,206</u> | <u>227,866</u> | | <u>1,386,072</u> |
| Total accumulated depreciation | | <u>78,194,211</u> | <u>7,592,533</u> | <u>(15,473)</u> | <u>85,771,271</u> |
| Total capital assets, being depreciated, net | | <u>159,560,910</u> | <u>1,633,190</u> | <u>-0-</u> | <u>161,194,100</u> |
| Total capital assets, net | | <u>\$ 267,446,717</u> | <u>\$ 55,699,450</u> | <u>\$(11,044,196)</u> | <u>\$312,101,971</u> |

NOTE 4 CAPITAL ASSETS - Continued

The Port has entered into contracts for construction as of September 30, 2021 as follows:

| | Project Authori- zation | Expended To Date | Remaining Commitment | Required Further Financing |
|-------------------------------------|-------------------------------|----------------------|-------------------------|----------------------------------|
| Velasco Terminal Development | \$144,311,336 | \$ 81,595,694 | \$ 62,715,642 | |
| Freeport Harbor Channel Improvement | 42,288,174 | 34,991,392 | 7,296,782 | |
| East End Property Acquisition | 99,066 | 73,150 | 25,916 | |
| Warehouse Improvement | 395,466 | 218,176 | 177,290 | |
| Professional/Consulting | <u>17,990</u> | <u>8,005</u> | <u>9,985</u> | |
| Total | <u>\$187,112,032</u> | <u>\$116,886,417</u> | <u>\$ 70,225,615</u> | <u>\$ -0-</u> |

The Port has entered into contracts for construction as of September 30, 2020 as follows:

| | Project Authori- zation | Expended To Date | Remaining Commitment | Required Further Financing |
|-------------------------------------|-------------------------------|----------------------|-------------------------|----------------------------------|
| Parcel 14 Development | \$ 1,605,580 | \$ 1,086,471 | \$ 519,109 | \$ |
| Velasco Terminal Development | 118,669,075 | 36,954,283 | 81,714,792 | |
| Freeport Harbor Channel Improvement | 42,128,174 | 3,874,439 | 38,253,735 | |
| East End Property Acquisition | 486,690 | 362,217 | 124,473 | |
| Warehouse Improvement | 262,000 | 206,167 | 55,833 | |
| Dock 1 & 5 Bollard | 34,175 | | 34,175 | |
| Professional/Consulting | <u>250,500</u> | <u>181,625</u> | <u>68,875</u> | |
| Total | <u>\$163,436,194</u> | <u>\$ 42,665,202</u> | <u>\$120,770,992</u> | <u>\$ -0-</u> |

NOTE 5. LONG-TERM DEBT AND NON-CURRENT LIABILITIES

Non-current liabilities activity for the year ended September 30, 2021 was as follows:

| | Balance 10-01-20 | Additions | Reductions | Balance 9-30-21 | Due Within One Year |
|-------------------------------|----------------------|----------------------|-----------------------|----------------------|------------------------|
| General obligation bonds | \$ 31,665,000 | \$ 37,135,000 | \$(310,000) | \$ 68,490,000 | \$ 640,000 |
| Revenue bonds | 160,075,000 | 29,885,000 | (4,785,000) | 185,175,000 | 4,990,000 |
| Capital lease (Note 6) | 6,028,272 | | (1,455,930) | 4,572,342 | 1,489,502 |
| Premium on bonds | 13,736,630 | 8,821,584 | (555,972) | 22,002,242 | 485,492 |
| Compensated absences | <u>331,572</u> | <u>150,796</u> | <u>(148,849)</u> | <u>333,519</u> | <u>133,408</u> |
| Total non-current liabilities | <u>\$211,836,474</u> | <u>\$ 75,992,380</u> | <u>\$(7,255,751)</u> | <u>\$280,573,103</u> | <u>\$ 7,738,402</u> |

NOTE 5. LONG-TERM DEBT AND NON-CURRENT LIABILITIES - Continued

Non-current liabilities activity for the year ended September 30, 2020 was as follows:

| | Balance 10-01-19 | Additions | Reductions | Balance 9-30-20 | Due Within One Year |
|-------------------------------|----------------------|----------------------|-----------------------|----------------------|------------------------|
| General obligation bonds | \$ 31,795,000 | \$ | \$(130,000) | \$ 31,665,000 | \$ 310,000 |
| Revenue bonds | 90,400,000 | 74,680,000 | (5,005,000) | 160,075,000 | 4,785,000 |
| Capital lease (Note 6) | 7,451,383 | | (1,423,111) | 6,028,272 | 1,455,930 |
| Premium on bonds | 6,020,069 | 8,142,307 | (425,746) | 13,736,630 | 485,492 |
| Compensated absences | <u>281,820</u> | <u>198,601</u> | <u>(148,849)</u> | <u>331,572</u> | <u>132,971</u> |
| Total non-current liabilities | <u>\$135,948,272</u> | <u>\$ 83,020,908</u> | <u>\$(7,132,706)</u> | <u>\$211,836,474</u> | <u>\$ 7,169,393</u> |

General Obligation Bonds Payable:

The General Obligation Bonds, Series 2019, were issued in 2019 in the amount of \$ 31,795,000 to finance Port capital expansion. The Series 2019 bonds are dated June 15, 2019 with a final maturity of August 1, 2049 and bear interest ranging from 2.125% to 5.0% per annum, payable semi-annually on February 1 and August 1.

The General Obligation Bonds, Series 2021, were issued in 2021 in the amount of \$ 37,135,000 to finance Port capital expansion with a final maturity of August 1, 2051 and bear interest ranging from 2.0% to 4.0% per annum, payable annually on August 1.

The bond resolution for general obligation bonds obligates the Port annually to assess and cause to be collected property taxes sufficient to pay current principal and interest due on the bonds.

For the years ended September 30, 2021 and 2020, the amount of ad valorem taxes collected for interest and sinking was \$ 2,023,661 and \$ 1,494,029, while the debt service requirements for principal and interest were \$ 1,599,262 and \$ 1,501,348 which utilized a portion of existing net position. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

Annual debt service requirements to maturity for General Obligations Bonds are as follows:

| Fiscal Year Ending September 30 | Principal | Interest | Total Principal and Interest |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| 2022 | \$ 640,000 | \$ 2,168,012 | \$ 2,808,012 |
| 2023 | 670,000 | 2,136,012 | 2,806,012 |
| 2024 | 125,000 | 2,102,512 | 2,227,512 |
| 2025 | 710,000 | 2,096,262 | 2,806,262 |
| 2026 | 730,000 | 2,074,962 | 2,804,962 |
| 2027-2031 | 9,845,000 | 9,381,548 | 19,226,548 |
| 2032-2036 | 11,850,000 | 7,366,650 | 19,216,650 |
| 2037-2041 | 13,705,000 | 5,517,600 | 19,222,600 |
| 2042-2046 | 15,810,000 | 3,403,800 | 19,213,800 |
| 2047-2051 | <u>14,405,000</u> | <u>983,000</u> | <u>15,388,000</u> |
| Total | <u>\$ 68,490,000</u> | <u>\$ 37,230,358</u> | <u>\$ 105,720,358</u> |

PORT FREEPORT

Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020

NOTE 5. LONG-TERM DEBT AND NON-CURRENT LIABILITIES – Continued

Revenue Bonds Payable:

On June 13, 2013, the Port issued \$ 33,065,000 of Senior Lien Revenue Refunding Bonds, Series 2013A, for the advance refunding of previously issued outstanding revenue bonds (Series 2008). The Port placed the proceeds of the refunding issue in an escrow fund. The escrow fund is irrevocably pledged to the payment of principal and interest on the issues being refunded. The difference between the cash flow required to service the new debt and complete the refunding at the date of the refunding was \$ 17,516. The economic gain resulting from the transaction was \$ 4,372,600. The funds of the escrow account were used to purchase federal securities which will mature at such times and yield interest sufficient to pay the principal and interest on the Refunded Bonds when due. By this action, the Port has affected the defeasance of the Refunded Bonds. Accordingly, the Refunded Bonds are considered to be extinguished and do not appear as a liability in the statement of net position. The proceeds were used to pay \$ 33,398,166 into an escrow account and later utilized to pay off the refunded bonds.

On June 13, 2013, the Port also issued \$ 13,670,000 of Senior Lien Revenue Notes (Bonds), Series 2013B. The proceeds of the issuances were used to complete the construction of the new Velasco Terminal. The Series 2013B notes were refunded in 2015.

On September 23, 2015, the Port issued \$ 39,635,000 of Senior Lien Revenue and Refunding Bonds, Series 2015A. The proceeds of issuances were used to refund the Port's outstanding Senior Lien Revenue Notes, Series 2013B and to provide for financing to acquire, construct and develop repairs and improvements to and equip a container terminal complex. The Port placed the proceeds of \$ 6,444,282 in an escrow fund for the payment of principal and interest on the issue being refunded. The difference between the reacquisition price and the net carrying amount of the old debt was \$ 4,282 and reported as a deferred outflow of resources. The economic gain resulting from the transaction was not calculated since the transaction was not a refunding for savings. The Series 2015A bonds have a final maturity date of June 1, 2045 and bear interest yearly at 3.0% - 5.0%.

On September 27, 2018, the Port issued \$ 32,865,000 of Senior Lien Revenue Bonds, Series 2018. The proceeds of issuances were used to finance all or a portion of (i) the costs of the design, construction, development, improvement and equipment of a storage yard and backland areas to be located at the Velasco Terminal development, (ii) the costs of the design, construction, development, improvement and equipment of a rail yard to be located on Parcel 14, and a rail line connecting the rail yard to the Union Pacific mainline, (iii) the costs of the design, construction, development, improvement and equipment of port facilities and infrastructure, (iv) making a deposit to a bond reserve fund and (v) paying the costs of issuing the Bonds. The Series 2018 bonds have a final maturity date of June 1, 2048 and bear interest yearly at 4.0% - 5.0%.

On December 15, 2019, the Port issued \$ 45,200,000 of Senior Lien Revenue Bonds, Series 2019A and \$ 29,480,000 of Senior Lien Revenue Bonds, Series 2019B. The proceeds of issuances of Series 2019A bonds were used to finance all or a portion of (i) the costs of the design, construction, development, improvement, and equipment of Port facilities, (ii) making a deposit to a debt service fund for the series 2019A bonds, and (iii) paying the costs of issuing the series 2019A bonds. The Series 2019A bonds have a final maturity date of June 1, 2049 and bear interest yearly at 4.0% - 5.0%. The proceeds of issuances of Series 2019B bonds were used to finance all or a portion of (i) the costs of the design, construction, development, improvement, and equipment of facilities useful in the operation of the Port's waterways and in aid of navigation of such waterways, (ii) making a deposit to a debt service reserve fund for the series 2019B bonds, and (iii) paying the costs of issuing the series 2019B bonds. The Series 2019B bonds have a final maturity date of June 1, 2049 and bear interest yearly at 3.0% - 5.0%.

On July 26, 2021, the Port issued \$ 29,885,000 of Senior Lien Revenue Bonds, Series 2021. The proceeds of issuances of Series 2021 bonds were used to finance all or a portion of (i) the costs of the design, construction, development, improvement, and equipment of Port Facilities, including a 925-foot expansion of a berth at the Port's container handling facility, (ii) make a deposit to a debt service reserve account, and (iii) pay the costs of issuing the Bonds. The Series 2021 bonds have a final maturity date of June 1, 2051 and bear interest yearly at 3.79%.

NOTE 5. LONG-TERM DEBT AND NON-CURRENT LIABILITIES – Continued**Revenue Bonds Payable – Continued**

Annual debt service requirements to maturity for the revenue bonds are as follows:

Series 2013A:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|----------------------|---------------------|---|
| 2022 | \$ 2,250,000 | \$ 532,532 | \$ 2,782,532 |
| 2023 | 2,320,000 | 463,232 | 2,783,232 |
| 2024 | 2,395,000 | 391,776 | 2,786,776 |
| 2025 | 2,465,000 | 318,010 | 2,783,010 |
| 2026 | 2,540,000 | 242,088 | 2,782,088 |
| 2027-2028 | <u>5,320,000</u> | <u>247,016</u> | <u>5,567,016</u> |
| | <u>\$ 17,290,000</u> | <u>\$ 2,194,654</u> | <u>\$ 19,484,654</u> |

Series 2015A:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|----------------------|----------------------|---|
| 2022 | \$ 815,000 | \$ 1,627,338 | \$ 2,442,338 |
| 2023 | 855,000 | 1,586,588 | 2,441,588 |
| 2024 | 895,000 | 1,543,838 | 2,438,838 |
| 2025 | 945,000 | 1,499,088 | 2,444,088 |
| 2026 | 990,000 | 1,451,838 | 2,441,838 |
| 2027-2031 | 5,720,000 | 6,478,690 | 12,198,690 |
| 2032-2036 | 7,075,000 | 5,126,576 | 12,201,576 |
| 2037-2041 | 8,890,000 | 3,297,500 | 12,187,500 |
| 2042-2045 | <u>8,755,000</u> | <u>1,006,652</u> | <u>9,761,652</u> |
| | <u>\$ 34,940,000</u> | <u>\$ 23,618,108</u> | <u>\$ 58,558,108</u> |

Series 2018:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|----------------------|----------------------|---|
| 2022 | \$ 585,000 | \$ 1,402,200 | \$ 1,987,200 |
| 2023 | 615,000 | 1,372,950 | 1,987,950 |
| 2024 | 645,000 | 1,342,200 | 1,987,200 |
| 2025 | 680,000 | 1,309,950 | 1,989,950 |
| 2026 | 710,000 | 1,275,950 | 1,985,950 |
| 2027-2031 | 4,135,000 | 5,808,750 | 9,943,750 |
| 2032-2036 | 5,270,000 | 4,667,250 | 9,937,250 |
| 2037-2041 | 6,695,000 | 3,251,600 | 9,946,600 |
| 2042-2046 | 8,185,000 | 1,758,200 | 9,943,200 |
| 2047-2048 | <u>3,750,000</u> | <u>226,400</u> | <u>3,976,400</u> |
| | <u>\$ 31,270,000</u> | <u>\$ 22,415,450</u> | <u>\$ 53,685,450</u> |

NOTE 5. LONG-TERM DEBT AND NON-CURRENT LIABILITIES – Continued

Revenue Bonds Payable - Continued

Series 2019A:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|----------------------|----------------------|---|
| 2022 | \$ 780,000 | \$ 1,996,350 | \$ 2,776,350 |
| 2023 | 820,000 | 1,957,350 | 2,777,350 |
| 2024 | 860,000 | 1,916,350 | 2,776,350 |
| 2025 | 900,000 | 1,873,350 | 2,773,350 |
| 2026 | 945,000 | 1,828,350 | 2,773,350 |
| 2027-2031 | 5,495,000 | 8,382,750 | 13,877,750 |
| 2032-2036 | 7,000,000 | 6,879,450 | 13,879,450 |
| 2037-2041 | 8,605,000 | 5,270,350 | 13,875,350 |
| 2042-2046 | 10,495,000 | 3,384,000 | 13,879,000 |
| 2047-2049 | <u>7,555,000</u> | <u>768,000</u> | <u>8,323,000</u> |
| | <u>\$ 43,455,000</u> | <u>\$ 34,256,300</u> | <u>\$ 77,711,300</u> |

Series 2019B:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|----------------------|----------------------|---|
| 2022 | \$ 560,000 | \$ 990,550 | \$ 1,550,550 |
| 2023 | 585,000 | 962,550 | 1,547,550 |
| 2024 | 615,000 | 933,300 | 1,548,300 |
| 2025 | 645,000 | 902,550 | 1,547,550 |
| 2026 | 680,000 | 870,300 | 1,550,300 |
| 2027-2031 | 3,940,000 | 3,806,250 | 7,746,250 |
| 2032-2036 | 4,830,000 | 2,915,400 | 7,745,400 |
| 2037-2041 | 5,600,000 | 2,145,900 | 7,745,900 |
| 2042-2046 | 6,495,000 | 1,253,550 | 7,748,550 |
| 2047-2049 | <u>4,385,000</u> | <u>265,650</u> | <u>4,650,650</u> |
| | <u>\$ 28,335,000</u> | <u>\$ 15,046,000</u> | <u>\$ 43,381,000</u> |

Series 2021:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|----------------------|----------------------|---|
| 2022 | \$ | \$ 1,039,366 | \$ 1,039,366 |
| 2023 | | 1,326,850 | 1,326,850 |
| 2024 | | 1,326,850 | 1,326,850 |
| 2025 | | 1,326,850 | 1,326,850 |
| 2026 | | 1,326,850 | 1,326,850 |
| 2027-2031 | 2,320,000 | 6,522,000 | 8,842,000 |
| 2032-2036 | 4,790,000 | 5,599,000 | 10,389,000 |
| 2037-2041 | 6,035,000 | 4,283,250 | 10,318,250 |
| 2042-2046 | 7,555,000 | 2,767,200 | 10,322,200 |
| 2047-2051 | <u>9,185,000</u> | <u>1,130,800</u> | <u>10,315,800</u> |
| | <u>\$ 29,885,000</u> | <u>\$ 26,649,016</u> | <u>\$ 56,534,016</u> |

NOTE 5. LONG-TERM DEBT AND NON-CURRENT LIABILITIES – Continued**Revenue Bonds Payable - Continued**

Total Revenue Bonds:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|-----------------------|-----------------------|---|
| 2022 | \$ 4,990,000 | \$ 7,588,336 | \$ 12,578,336 |
| 2023 | 5,195,000 | 7,669,520 | 12,864,520 |
| 2024 | 5,410,000 | 7,454,314 | 12,864,314 |
| 2025 | 5,635,000 | 7,229,798 | 12,864,798 |
| 2026 | 5,865,000 | 6,995,376 | 12,860,376 |
| 2027-2031 | 26,930,000 | 31,245,456 | 58,175,456 |
| 2032-2036 | 28,965,000 | 25,187,676 | 54,152,676 |
| 2037-2041 | 35,825,000 | 18,248,600 | 54,073,600 |
| 2042-2046 | 41,485,000 | 10,169,602 | 51,654,602 |
| 2047-2051 | <u>24,875,000</u> | <u>2,390,850</u> | <u>27,265,850</u> |
| | <u>\$ 185,175,000</u> | <u>\$ 124,179,528</u> | <u>\$ 309,354,528</u> |

NOTE 6. CAPITAL LEASE

On September 30, 2014, the Port entered into a Master Lease-Purchase Financing Agreement with Chase Bank in the amount of \$ 14,100,000 under a lease classified as a capital lease for financing two cranes purchased. The interest rate related to the lease obligation is 2.306% and the maturity date is September 2024. During the year ended September 30, 2021, \$ 1,455,930 of lease expenses and \$ 139,012 of interest expenses related to the lease were paid. During the year ended September 30, 2020, \$ 1,423,111 of lease expenses and \$ 171,829 of interest expenses related to the lease were paid.

The following is a schedule showing the future minimum lease payments:

| <u>Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal and Interest</u> |
|--|---------------------|-------------------|---|
| 2022 | \$ 1,489,502 | \$ 105,438 | \$ 1,594,940 |
| 2023 | 1,523,850 | 71,090 | 1,594,940 |
| 2024 | <u>1,558,990</u> | <u>35,950</u> | <u>1,594,940</u> |
| | <u>\$ 4,572,342</u> | <u>\$ 212,478</u> | <u>\$ 4,784,820</u> |

NOTE 7. CONTINGENT LIABILITIES

The Port is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. The potential settlement (if any) of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the Port at September 30, 2021 or 2020.

NOTE 8. LITIGATION

The Port has been acquiring lots through direct purchases from a 29 block area adjacent to Port property for approximately 20 years. There are approximately 80 residential lots plus two additional tracts totaling 6.1 acres remaining that the Port is continuing to pursue through direct purchase and as necessary, through the condemnation process.

A resident of Freeport, Texas filed a complaint on August 17, 2018, in the US District Court for the Southern District of Texas. The matter against the Port was dismissed by the trial court on November 15, 2019. The plaintiff in that case appealed the decision to the 5th Circuit and on September 20, 2021, the 5th Circuit issued a judgement affirming the decision of the US District Court.

NOTE 9. FREEPORT HARBOR IMPROVEMENT PROJECTS

Freeport Harbor, Texas Channel Widening and Deepening project

On November 17, 1986, President Reagan signed into law “The Waterway Development Act of 1986”. This Act authorized the funding of the Freeport Harbor, Texas Channel Widening and Deepening project, known as the “45-Foot Project”, at a project cost of \$ 87.6 million of which \$ 21.7 million is the Port’s non-federal share. The dredging was completed in the early 1990’s.

On July 15, 1997, the Port and the Department of the Army approved Modification No. 4 of the agreement referred to above. As part of this modification, the U.S. Army Corps of Engineers agreed to provide specific requirements relating to the modifications to the channel and associated dredged material disposal facilities required for the project, of which funds were advanced and the federal portion payable is due back to the non-federal sponsor. \$ 641,051 was reported as accounts receivable as of September 30, 2021 and 2020.

The Port submitted a request in 2013 for \$ 8,323,715 in Land Easements Relocations Right of Way Disposal Sites (LERRDS) credits that would apply toward the final amount owed to the project of \$ 8,141,903. It is expected that these credits will be accepted and applied to the project and the Port Freeport Harbor 45 ft. Project will be closed.

The Port maintains a money market account in an escrow account at a financial institution trust department, which is available for draws by the U.S. Army Corps of Engineers. Once the project is closed and the LERRDS credits are accepted, any funds remaining in the escrow account will be released for unrestricted use only upon the U.S. Army Corps of Engineer’s approval. The balances in the Escrow Funds for the year ended September 30, 2021 and 2020 were \$ 10,659 and \$ 11,158, respectively.

Freeport Harbor Channel Improvement Project

In early 2013, the U.S. Army Corps of Engineers issued a Chief’s Report to the U.S. Congress recommending the deepening of the Freeport Harbor Channel. Acting on this recommendation, Congress included the project in the Water Resources Reform and Development Act (WRRDA) of 2014 authorization to proceed with the project funding initial construction planning and design work. The Freeport Harbor Channel Improvement Project is a \$ 295 million federal cost-shared project that includes the deepening and partial widening of the Freeport Harbor Channel to depths ranging from 51 feet to 56 feet and related navigation improvements. Federal investment for project construction is expected to total \$ 165 million. Port Freeport’s non-federal share of this project is \$ 130 million, which will be funded by the issuance of General Obligation Bonds approved by the Port District voters on May 5th, 2018. Construction commenced in April 2021.

NOTE 10. LEASING OPERATIONS

Operating Leases: The Port owns various types of property that are held for lease. There are four types of leases: ground leases, grazing leases, warehouse leases and office space leases, all of which are accounted for as operating leases and are included in current operating income. The terms of the leases expire in various years through 2047. The Port has not determined the cost of the specific tracts of land under lease. The cost of the lease facilities as of September 30, 2021 and 2020 was \$ 95,458,246 and \$ 95,458,246, respectively, and accumulated depreciation was \$ 37,794,747 and \$ 34,742,793, respectively. Lease revenue for the years ended September 30, 2021 and 2020 was \$ 12,970,196 and \$ 13,388,187, respectively.

Minimum future rentals to be received on noncancelable leases as of September 30, 2021 are as follows:

| <u>Fiscal Year Ending September 30</u> | <u>Amount</u> |
|--|-----------------------|
| 2022 | \$ 17,072,692 |
| 2023 | 16,916,641 |
| 2024 | 16,824,422 |
| 2025 | 15,955,688 |
| 2026 | 14,770,974 |
| 2027-2031 | 72,405,441 |
| 2032-2036 | 66,799,960 |
| 2037-2041 | 64,440,735 |
| 2042-2046 | 21,044,608 |
| 2047 | <u>5,561,400</u> |
| Total minimum future rentals | <u>\$ 311,792,561</u> |

NOTE 11. GRANT REVENUE

The following is a schedule of port grant revenue for the years ended September 30, 2021 and 2020.

| <u>Agency</u> | <u>Grant Number</u> | <u>Total Entitlement</u> | <u>Pre-2019 Revenues</u> | <u>Revenue 9-30-20</u> | <u>Revenue 9-30-21</u> | <u>Remaining Project 9-30-21</u> |
|--|---------------------|------------------------------|------------------------------|----------------------------|----------------------------|--|
| US Department of Homeland Security: | | | | | | |
| Port Security | 2020-PU-00466 | \$ 202,395 | \$ | \$ | \$ 11,092 | \$ 191,303 |
| Public Assistance | PW 4332 | 29,984 | 29,524 | 460 | | |
| Public Assistance | PW 4646 | <u>139,373</u> | | <u>139,373</u> | | |
| Totals | | <u>\$ 371,752</u> | <u>\$ 29,524</u> | <u>\$ 139,833</u> | <u>\$ 11,092</u> | <u>\$ 191,303</u> |

Accounts receivable related to these grants as of September 30, 2021 and 2020 totaled \$ 11,092 and \$ 139,373, respectively and are included in the receivables from other governments line item in the accompanying Statements of Net Position.

NOTE 12. RISK MANAGEMENT

The Port is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Port maintains commercial insurance for these types of risks. There have been no significant changes in insurance coverage, and no settlements have significantly exceeded insurance coverage for the past three years, in respect of, the fiscal years ending September 30, 2021 and 2020, respectively. The Port provides a commercial medical insurance program for its employees.

NOTE 13. RETIREMENT PLANS

Profit Sharing Plan: The Port provides a flexible, nonstandardized safe harbor profit sharing plan (Plan), defined contribution type, for the benefit of its employees that is administered by MassMutual. The Plan covers all full-time employees, which have worked a twelve (12) consecutive month period. The Plan functions for the benefit of the employees and their beneficiaries. The Port's contribution to the Plan is to be determined from year to year and is limited to the amount allowable under the Internal Revenue Code. The Port's Commission appoints the Plan trustee. The Plan is not reported in the Port's basic financial statements.

The Port Freeport Retirement Plan ("Plan") became effective on December 1, 2000 and maintains a calendar year end. The Port contributed \$ 196,550 (\$ 55,298 calendar year 2020 and \$ 141,252 for calendar 2021) to the plan for the year ended September 30, 2021. The Port contributed \$ 180,492 (\$ 39,919 calendar year 2019 and \$ 140,573 for calendar 2020) to the plan for the year ended September 30, 2020. Participants do not contribute to the plan. The trustees of the plan distribute any benefits provided by the plan from net position available for plan benefits. The participants become fully vested in their account after five years of service (years 1 and 2 at 0%, year 3 at 50%, year 4 at 75%, and year 5 at 100%). All of an employee's years of vesting service with the Port are counted to determine the vesting percentage in the participant's individual account.

An employee must maintain 1,000 hours of service to constitute a year of vesting service, and 500 hours of service must be exceeded to avoid a break in vesting service. The contributions made by the Port are allocated to each participant's account based on the Commission approved percentage. Forfeited invested amounts are allocated first to the payment of the plan's administrative expenses and any excess applied to reduce the Port profit sharing contributions for any plan year subsequent to the plan year for which the forfeitures arise. The normal retirement age under the plan is sixty-five. When a participant retires, terminates employment, or becomes disabled, he/she are entitled to receive all amounts in which he/she has a vested interest in either a lump-sum payment, periodic installments, or an annual annuity contract. Participants are allowed to make hardship withdrawals and loans as defined by the plan. The Plan has met the ERISA minimum funding requirements.

Deferred Compensation Plan: The Port also offers its employees a deferred compensation plan (457 Plan) created in accordance with Internal Revenue Code Section 457. The 457 Plan is administered by MassMutual and is available to all full-time employees which have worked a twelve (12) consecutive month period. The 457 Plan functions for the benefit of the employees and their beneficiaries. Participants may contribute up to the amount allowable under the provisions of the Internal Revenue Code. The Port matches participant contributions up to 3% of the participant's base wages as defined in the 457 Plan. The Port's Commission appoints the Plan trustee. The 457 Plan is not reported in the Port's basic financial statements.

The 457 Plan became effective October 1, 2002 and maintains a calendar year-end. The Port contributed \$ 80,148 and \$ 76,946 to the 457 Plan for the years ended September 30, 2021 and 2020, respectively. Participant contributions for the years ended September 30, 2021 and 2020 totaled \$ 252,633 and \$ 240,097, respectively. The trustee of the plan distributes any benefits provided by the plan from net position available for plan benefits. Contributions made by participants vest immediately in their accounts; however, contributions made by the Port vest in the participants' accounts fully over five years of service (years 1 and 2 at 0%, year 3 at 50%, year 4 at 75% and year 5 at 100%). All of an employee's years of vesting service with the Port are counted to determine the vesting percentage in the participant's individual account. An employee must maintain 1,000 hours of service to constitute a year of vesting service, and 500 hours of service must be exceeded to avoid a break in vesting service. Forfeited invested amounts are allocated first to the payment of the plan's administrative expenses and any excess applied to reduce the Port's discretionary contributions for any plan year subsequent to the plan year for which the forfeitures arise. When a participant retires, terminates employment, or becomes disabled, he/she is entitled to receive all amounts in which he/she has a vested interest in either a lump-sum payment, periodic installments, or an annual annuity contract. Participants are allowed to make hardship withdrawals and loans as defined by the 457 Plan. The 457 Plan has met the ERISA minimum funding requirements.

NOTE 13. RETIREMENT PLANS - Continued

The amount of plan fees and expenses were \$ 1,200, and the amount of forfeitures was \$ 0 as of September 30, 2021. The amount of plan fees and expenses were \$ 175, and the amount of forfeitures was \$ 0 as of September 30, 2020. There is no outstanding pension liability as of September 30, 2021 and 2020 since the Port made 100% of required contribution during the year.

NOTE 14. REVENUE BONDS ISSUED ON BEHALF OF OTHERS

Pollution Control Revenue Bonds: In 1973, the Texas legislature enacted the Clean Air Financing Act, and among other provisions, the legislature authorized certain governmental entities, including districts organized under Article 16, Section 59 of the Constitution, to issue on behalf of users, negotiable bonds to pay cost related to the acquisition, construction, or improvement of air control facilities, such bonds to be retired by revenues received by the issuer from the user. Further, in 1977, the Texas Legislature enacted the Regional Waste Disposal Act, setting forth the authority and procedures for certain governmental entities, including districts created under Article 16, Section 59, of the Constitution, to issue revenue bonds to pay the costs to acquire, construct, improve, enlarge, extend, operate and maintain disposal systems and such bonds to be secured by pledge of revenue derived from any contract between issuer and user, entered into under the provisions of the Act for financing such costs.

In accordance with the above authorization, Port Freeport has and continues to act as issuer for and on behalf of local industrial users of pollution control revenue bonds to finance the construction of air pollution control facilities, water quality facilities and solid waste disposal facilities. These bonds do not constitute indebtedness of the Port and are not reported in the Port's financial statements. These bonds are secured solely by the revenues of the commercial enterprise on whose behalf they are issued.

Pollution Control Revenue Bond series issued by Port Freeport on behalf of others with principal still outstanding at September 30, 2021 and 2020 are as follows:

| <u>Name of Receiving Entity</u> | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Original Issue</u> | <u>Balance Outstanding 9-30-21</u> | <u>Balance Outstanding 9-30-20</u> |
|---------------------------------|-------------------|----------------------|-----------------------|------------------------------------|------------------------------------|
| BASF Corporation | 1996 | 2031 | 25,000,000 | | 25,000,000 |
| BASF Corporation | 1997 | 2032 | 25,000,000 | | 25,000,000 |
| BASF Corporation | 2001 | 2036 | 25,000,000 | | 25,000,000 |
| BASF Corporation | 2002 | 2037 | 25,000,000 | | 25,000,000 |
| Mersey Sweeny, L.P. | 2001 | 2021 | 12,500,000 | | 12,500,000 |
| Mersey Sweeny, L.P. | 2001 | 2021 | 12,500,000 | | 12,500,000 |
| Mersey Sweeny, L.P. | 2002 | 2021 | 12,500,000 | | 12,500,000 |
| Mersey Sweeny, L.P. | 2002 | 2021 | <u>12,500,000</u> | | <u>12,500,000</u> |
| Total | | | <u>\$ 150,000,000</u> | <u>\$ -0-</u> | <u>\$ 150,000,000</u> |

NOTE 14. REVENUE BONDS ISSUED ON BEHALF OF OTHERS - Continued

Industrial Development Bonds: In 1979 the Texas Legislature enacted the Development Corporation Act of 1979 which authorized certain governmental entities, including districts organized under Article 16, Section 59, of the Constitution, to authorize the creation of a nonprofit corporation for the purpose of issuing bonds on behalf of the governmental unit for the purpose of financing manufacturing and industrial facilities, transportation facilities (including but not limited to airports, ports, mass commuting facilities and parking facilities), in furtherance of the public purposes of the Act. Brazos Harbor Industrial Development Corporation (IDC) is the financing arm of Port Freeport for the issuance of industrial development bonds on behalf of various users for the financing of the type of facilities above enumerated related to industrial development. Port Freeport's commissioners have the right of refusal on the issuance of bonds by the IDC. These bonds are secured solely by the revenues of the commercial enterprises on whose behalf they are issued.

Industrial Development Bond series issued by the IDC on behalf of others with principal still outstanding at September 30, 2021 and 2020 are as follows:

| <u>Name of Receiving Entity</u> | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Original Issue</u> | <u>Balance Outstanding 9-30-21</u> | <u>Balance Outstanding 9-30-20</u> |
|---------------------------------|-------------------|----------------------|-----------------------|------------------------------------|------------------------------------|
| BASF Corporation | 2001 | 2022 | 26,500,000 | | 26,500,000 |
| BASF Corporation | 2003 | 2038 | 25,000,000 | | 25,000,000 |
| BASF Corporation | 2006 | 2036 | <u>50,000,000</u> | <u> </u> | <u>50,000,000</u> |
| Total | | | <u>\$101,500,000</u> | <u>\$ -0-</u> | <u>\$ 101,500,000</u> |

NOTE 15. ECONOMIC DEPENDENCY

Operating revenues: During the year ended September 30, 2021, four customers represented approximately 58%, 13%, 5% and 5% of the Port's operating revenue. During the year ended September 30, 2020, four customers represented approximately 50%, 14%, 6% and 6% of the Port's operating revenue. The loss of these customers would have a significant impact on the Port's financial position.

Ad valorem taxes: During the years ended September 30, 2021 and 2020, one taxpayer represented approximately 17% and 19%, respectively, of the total assessed valuation.

NOTE 16. TAX ABATEMENTS

The Port enters into property tax abatements with local businesses under the Section 312.206(a) of Subchapter B of the Texas Property Redevelopment and Tax Abatement Act, V.A.T.S. Tax Code, Chapter 312, and other applicable sections of said statute, provide that if property taxes are abated within the taxing jurisdiction of a municipality, the governing body of any other taxing unit in which the property is located may execute a written agreement with such owner of the property.

The Port Commission approves the application after it is determined that the request meets the applicable guidelines and criteria adopted by the Port Commission, which will promote the development of industry within the Port boundaries, provide additional employment, and strengthen the area economy.

NOTE 16. TAX ABATEMENTS - Continued

Tax abatement agreements as of September 30, 2021 are as follows:

| <u>Business Type</u> | <u>Purpose</u> | <u>Percentage of Taxes Abated During the Fiscal Year</u> | <u>Value of Abated Amount</u> | <u>Amount of Taxes Abated During Fiscal Year 2019</u> |
|----------------------|------------------|--|---------------------------------------|---|
| Manufacturing | New Construction | 100% | \$ 13,189,293,340 | \$ 5,288,907 |
| Manufacturing | New Construction | Scheduled | 3,029,230 | 1,215 |
| Health Care | New Construction | Scheduled | <u>9,979,460</u> | <u>4,002</u> |
| Total | | | <u>\$ 13,202,302,030</u> | <u>\$ 5,294,124</u> |

NOTE 17. EVALUATION OF SUBSEQUENT EVENTS

The Port has evaluated subsequent events through February 15, 2022, the date which the financial statements were available to be issued. The Port has determined that there have been no events that have occurred that would require adjustments to our financial statement disclosures.

NOTE 18. PRIOR YEAR CORRECTION

As a result of a determination that the Port is the owner of a capital project during the current fiscal year, management determined that construction in progress was understated in prior years. The beginning net position has been restated as follows:

| | |
|---|-----------------------|
| Beginning net position, as originally presented | \$ 240,004,759 |
| Adjustment | <u>1,629,012</u> |
| Beginning net position, as restated | <u>\$ 241,633,771</u> |

PORT FREEPORT

Key Facts

The Freeport Harbor Channel

The Freeport Harbor Channel is a 7.5-mile deep-draft waterway that serves private and public facilities including the Strategic Petroleum Reserve.

Vessel Activity

In 2020, the Freeport Harbor Channel received 1,136 vessel arrivals, up 10.3% over 2019, transporting approximately 30.1 million tons.

Rankings

Port Freeport currently ranks 6th in chemicals, 11th in total foreign waterborne tonnage, and 26th in containers among all U.S. ports.

Cargo

In addition to crude oil, natural gas liquids and chemicals, a variety of cargo is moved through Port Freeport including fresh fruit, steel products, bulk aggregate, rice, breakbulk, vehicles, and heavy machinery.

Foreign Trade Zone #149

Port Freeport is home to Foreign Trade Zone #149 offering duty management services to customers in the region.



PORT FREEPORT

Statistical Section For the Years Ended September 30, 2021 and 2020

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| <i>These schedules contain Port cargo traffic data to help the reader understand how the information in the Port's financial report relates to the services the Port provides and the activities it performs.</i> | |
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| <i>These schedules contain trend information to help the reader understand how the Port's financial performance and well-being have changed over time.</i> | |
| Ad Valorem Tax Information | 72 |
| <i>These schedules contain information to help the reader assess the Port's non-operating revenue source, the property tax.</i> | |
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| <i>These schedules present information to help the reader assess the affordability of the Port's current levels of outstanding debt and the Port's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 96 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Port's financial activities take place.</i> | |



PORT FREEPORT

Ten Year Cargo Quantities Analysis^①
for the Fiscal Years Ended September 30, 2012 through 2021

TABLE 1

| | Cargo Quantities Short Tons | Percent Total Port Tonnage |
|------------------------|--------------------------------|-------------------------------|
| Rice | 1,935,409 | 4.26 % |
| Bananas/Misc. Fruit ② | 3,427,486 | 7.54 |
| Misc./General Cargo ③ | 4,959,532 | 10.92 |
| Dry Bulk Material ④ | 8,626,455 | 18.99 |
| Liquid Bulk Material ⑤ | 22,974,125 | 50.57 |
| Project Cargo ⑥ | 264,910 | 0.58 |
| Steel Products | 1,577,896 | 3.47 |
| RoRo ⑧ | 1,665,988 | 3.67 |
| | 45,431,801 | 100.00 % |

① Source-Port Freeport

② Components: Containerized Fruit/Palletized Fruit

③ Misc./General Cargoes - Components: Roll Paper, Cotton, Empty Containers, Nickel Ore

④ Components: Aggregate

⑤ Components: Liquefied Natural Gas, Liquid Bulk Naptha

⑥ Components: Windpower Components, Industry Project Components

⑧ Components: Automobiles, Equipment

Container Traffic Statistics^①
Twenty-Foot Equivalent Units (T.E.U.)
for the Fiscal Years Ended September 30, 2012 through 2021

TABLE 2

| Fiscal Year | Inbound T.E.U. | Outbound T.E.U. | Total | Percent Growth/(Reduction) From Prior Year |
|----------------|-------------------|--------------------|---------|--|
| 2012 | 35,052 | 35,528 | 70,580 | 4.86 |
| 2013 | 50,140 | 50,676 | 100,816 | 42.83 |
| 2014 | 48,733 | 49,317 | 98,050 | (2.74) |
| 2015 | 48,456 | 50,448 | 98,904 | 0.87 |
| 2016 | 49,595 | 50,971 | 100,566 | 1.68 |
| 2017 | 48,878 | 51,065 | 99,943 | (0.62) |
| 2018 | 43,886 | 43,992 | 87,878 | (12.07) |
| 2019 | 55,809 | 55,793 | 111,602 | 26.99 |
| 2020 | 56,515 | 55,876 | 112,391 | 0.71 |
| 2021 | 43,191 | 44,583 | 87,774 | (21.90) |

① Source-Port Freeport

PORT FREEPORT

Cargo Traffic Statistics ^①
for the Fiscal Years Ended September 30, 2012 through 2021

| | 2021 | | 2020 | | 2019 | | 2018 | |
|--|------------|-------|-----------|-------|-----------|-------|-----------|-------|
| 1. Rice | 117,648 | 1 % | 143,450 | 2 % | 128,993 | 5 % | 150,410 | 7 % |
| 2. Bananas/Misc. Fruit ^② | 282,584 | 2 | 264,253 | 3 | 320,093 | 11 | 335,275 | 14 |
| 3. Misc./General Cargo ^③ | 471,072 | 3 | 664,259 | 8 | 606,247 | 22 | 395,046 | 18 |
| 4. Dry Bulk Material ^④ | 441,269 | 3 | 652,690 | 7 | 967,173 | 34 | 866,163 | 37 |
| 5. Liquid Bulk Material ^⑤ | 14,877,655 | 87 | 6,325,056 | 73 | 140,773 | 5 | 7,815 | 0 |
| 6. Project Cargo ^⑥ | 10,816 | 0 | 54,848 | 1 | 6,127 | 0 | 33,420 | 1 |
| 7. Steel Products | 423,443 | 2 | 308,787 | 3 | 378,782 | 13 | 305,143 | 13 |
| 8. RoRo ^⑧ | 411,442 | 2 | 288,857 | 3 | 274,224 | 10 | 233,675 | 10 |
| Annual Port Tonnage ^⑨ -Short Tons | 17,035,929 | 100 % | 8,702,200 | 100 % | 2,822,412 | 100 % | 2,326,947 | 100 % |
| Percent Export | 41.87 % | | 81.98 % | | 31.53 % | | 24.44 % | |
| Percent Import | 8.47 | | 16.59 | | 65.83 | | 71.05 | |
| Percent Domestic | 0.73 | | 1.44 | | 2.65 | | 4.51 | |

① Source-Port Freeport

② Components: Containerized Fruit/Palletized Fruit

③ Misc./General Cargoes - Components: Roll Paper, Cotton, Empty Containers, Nickel Ore

④ Components: Aggregate

⑤ Components: Liquefied Natural Gas, Liquid Bulk Naptha

⑥ Components: Windpower Components, Industry Project Components

⑧ Components: Automobiles, Equipment

⑨ TARE weight not included

TABLE 3

| 2017 | | 2016 | | 2015 | | 2014 | | 2013 | | 2012 | |
|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| 213,005 | 10 % | 210,565 | 8 % | 222,055 | 8 % | 170,431 | 7 % | 285,618 | 14 % | 293,234 | 17 % |
| 305,573 | 14 | 344,494 | 11 | 340,021 | 11 | 371,458 | 14 | 451,622 | 22 | 412,113 | 24 |
| 485,095 | 23 | 497,968 | 16 | 462,244 | 15 | 495,255 | 19 | 473,092 | 23 | 409,254 | 24 |
| 806,915 | 38 | 1,405,692 | 46 | 1,638,790 | 55 | 1,195,603 | 45 | 455,346 | 23 | 196,814 | 12 |
| 0 | 0 | 320,478 | 10 | 215,451 | 7 | 370,130 | 14 | 336,061 | 17 | 380,706 | 22 |
| 39,641 | 2 | 16,157 | 1 | 41,301 | 1 | 33,995 | 1 | 14,443 | 1 | 14,162 | 1 |
| 95,741 | 4 | 41,656 | 1 | 24,344 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 182,505 | 9 | 223,735 | 7 | 51,550 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2,128,475 | 100 % | 3,060,745 | 100 % | 2,995,756 | 100 % | 2,636,872 | 100 % | 2,016,182 | 100 % | 1,706,283 | 100 % |
| 32.59 % | | 27.67 % | | 26.84 % | | 28.79 % | | 34.69 % | | 38.73 % | |
| 61.91 | | 67.34 | | 69.06 | | 66.95 | | 55.21 | | 48.10 | |
| 5.50 | | 5.00 | | 4.10 | | 4.26 | | 10.09 | | 13.17 | |

PORT FREEPORT

Net Position by Component For The Years 2012 Through 2021

| | 2021 | 2020 (Restated) | 2019 | 2018 |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net Position: | | | | |
| Net investment in capital assets | \$ 169,104,875 | \$ 167,244,020 | \$ 169,756,789 | \$ 182,374,412 |
| Restricted: | | | | |
| Debt Service | 13,774,098 | 12,458,787 | 6,500,048 | 5,267,264 |
| Capital Projects | 10,508,590 | 20,035,165 | 15,744,220 | 11,125,416 |
| Unrestricted | 51,570,598 | 41,895,799 | 41,289,997 | 22,141,241 |
| Total net position | <u>\$ 244,958,161</u> | <u>\$ 241,633,771</u> | <u>\$ 233,291,054</u> | <u>\$ 220,908,333</u> |

TABLE 4

| 2016 | 2015 | 2014 | 2013 | 2012 (Restated) |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 160,808,124 | \$ 146,478,032 | \$ 149,413,568 | \$ 132,423,882 | \$ 142,112,999 |
| 997,405 | 9,133,081 | 2,762,928 | 2,767,814 | 2,471,425 |
| 3,456,647 | 15,202 | 15,700 | 16,199 | 16,698 |
| 37,235,517 | 44,585,445 | 42,713,203 | 53,881,956 | 35,071,249 |
| <u>\$ 202,497,693</u> | <u>\$ 200,211,760</u> | <u>\$ 194,905,399</u> | <u>\$ 189,089,851</u> | <u>\$ 179,672,371</u> |

PORT FREEPORT

Summary of Revenues, Expenses and Changes in Net Position For The Years 2012 Through 2021

| | 2021 | 2020 (Restated) | 2019 | 2018 |
|--|---------------|--------------------|---------------|---------------|
| Operating Revenues: | | | | |
| Harbor Operations: | | | | |
| Wharfage | \$ 13,526,823 | \$ 10,853,640 | \$ 7,886,541 | \$ 7,274,790 |
| Dockage | 7,356,823 | 4,181,863 | 1,958,714 | 1,773,794 |
| Service, facility use and other fees | 5,800,876 | 5,140,745 | 3,632,402 | 2,957,490 |
| Lease income | 12,970,196 | 13,388,187 | 14,430,007 | 14,044,382 |
| Miscellaneous | 8,303 | 8,880 | 37,478 | 283,391 |
| Total operating revenues | 39,663,021 | 33,573,315 | 27,945,142 | 26,333,847 |
| Operating Expenses: | | | | |
| Payroll and related | 5,109,892 | 5,068,205 | 4,775,413 | 4,214,936 |
| Professional services | 2,212,827 | 2,163,290 | 2,094,856 | 2,119,928 |
| Supplies and other | 2,214,841 | 2,111,176 | 2,194,173 | 1,867,377 |
| Utilities | 741,203 | 636,683 | 554,231 | 490,982 |
| Maintenance and repairs | 907,606 | 973,834 | 1,165,766 | 630,215 |
| Depreciation | 8,192,602 | 7,592,533 | 6,797,897 | 6,875,049 |
| Total operating expenses | 19,378,971 | 18,545,721 | 17,582,336 | 16,198,487 |
| Operating income (loss) | 20,284,050 | 15,027,594 | 10,362,806 | 10,135,360 |
| Non-Operating Revenues (Expenses): | | | | |
| Ad valorem tax collections, net of collection expenses | 6,190,447 | 5,623,026 | 5,400,964 | 5,173,826 |
| Investment income | 87,667 | 2,095,520 | 2,010,440 | 598,893 |
| Gain (loss) on sale of capital assets | 460,696 | | | |
| Debt interest and fees | (8,794,637) | (7,862,024) | (4,640,871) | (3,165,919) |
| Other | (14,906,065) | (6,681,232) | (846,159) | (1,276,769) |
| Total non-operating revenues (expenses) | (16,961,892) | (6,824,710) | 1,924,374 | 1,330,031 |
| Income (loss) before capital contributions | 3,322,158 | 8,202,884 | 12,287,180 | 11,465,391 |
| Capital contributions -grants | 11,092 | 139,833 | 95,541 | 248,166 |
| Total capital contributions | 11,092 | 139,833 | 95,541 | 248,166 |
| Extraordinary Revenues (Expenses): | | | | |
| Emergency Recovery | (8,860) | | | |
| Insurance and other proceeds - Berth 7 | | | | |
| Construction cost - Berth 7 | | | | |
| Legal and expert fees - Berth 7 | | | | |
| Total extraordinary revenues (expenses) | (8,860) | 0 | 0 | 0 |
| Change in net position | \$ 3,324,390 | \$ 8,342,717 | \$ 12,382,721 | \$ 11,713,557 |

TABLE 5

| 2017 (Restated) | 2016 | 2015 | 2014 | 2013 | 2012 (Restated) |
|--------------------|--------------|--------------|--------------|--------------|--------------------|
| \$ 4,847,411 | \$ 4,334,632 | \$ 3,567,651 | \$ 3,896,689 | \$ 3,149,424 | \$ 3,236,202 |
| 1,246,826 | 1,556,143 | 1,324,691 | 1,763,042 | 1,353,107 | 1,605,188 |
| 2,571,349 | 2,978,082 | 3,086,171 | 4,191,757 | 4,112,112 | 3,757,046 |
| 13,359,626 | 12,796,464 | 10,564,284 | 6,955,488 | 6,344,343 | 5,944,957 |
| 58,580 | 19,420 | 47,938 | 188,619 | 35,402 | 228,024 |
| 22,083,792 | 21,684,741 | 18,590,735 | 16,995,595 | 14,994,388 | 14,771,417 |
| 4,022,319 | 3,998,844 | 3,571,566 | 4,005,446 | 3,858,186 | 3,607,483 |
| 1,886,579 | 1,916,292 | 1,731,553 | 1,432,875 | 1,634,189 | 1,535,977 |
| 1,653,856 | 2,060,069 | 2,376,075 | 2,489,337 | 2,316,959 | 2,056,434 |
| 531,284 | 517,132 | 563,186 | 494,540 | 553,874 | 546,062 |
| 722,055 | 671,078 | 998,167 | 760,060 | 998,932 | 571,759 |
| 7,161,321 | 6,834,913 | 6,425,843 | 5,310,409 | 4,502,480 | 3,998,418 |
| 15,977,414 | 15,998,328 | 15,666,390 | 14,492,667 | 13,864,620 | 12,316,133 |
| 6,106,378 | 5,686,413 | 2,924,345 | 2,502,928 | 1,129,768 | 2,455,284 |
| 4,841,680 | 4,701,307 | 4,750,726 | 4,672,390 | 5,246,302 | 5,017,130 |
| 414,302 | 289,226 | 116,636 | 265,046 | (59,682) | 114,273 |
| (25,722) | (4,541,318) | 3,500 | | 17,965 | |
| (2,957,986) | (3,165,710) | (1,922,216) | (1,285,213) | (2,163,797) | (2,034,252) |
| (1,764,954) | (1,035,419) | (836,997) | (1,381,819) | (1,188,604) | 122,074 |
| 507,320 | (3,751,914) | 2,111,649 | 2,270,404 | 1,852,184 | 3,219,225 |
| 6,613,698 | 1,934,499 | 5,035,994 | 4,773,332 | 2,981,952 | 5,674,509 |
| 83,385 | 351,434 | 270,367 | 1,042,216 | 4,682,926 | 2,290,517 |
| 83,385 | 351,434 | 270,367 | 1,042,216 | 4,682,926 | 2,290,517 |
| | | | | 13,095,000 | 970,541 |
| | | | | (9,236,010) | (5,773,285) |
| | | | | (2,106,388) | (1,122,843) |
| 0 | 0 | 0 | 0 | 1,752,602 | (5,925,587) |
| \$ 6,697,083 | \$ 2,285,933 | \$ 5,306,361 | \$ 5,815,548 | \$ 9,417,480 | \$ 2,039,439 |

PORT FREEPORT

Property Tax Rates^③
Direct and Overlapping Governments
for the Levy Years 2011 through 2020^{①②}

| | 2020 | 2019 | 2018 |
|--|-------------|-------------|-------------|
| Port Freeport | \$ 0.040100 | \$ 0.040100 | \$ 0.040100 |
| <u>Overlapping Governments:</u> | | | |
| Alvin I.S.D. | 1.397700 | 1.397700 | 1.450000 |
| Alvin Community College | 0.183443 | 0.185862 | 0.187775 |
| Angleton, City of | 0.665144 | 0.697580 | 0.697580 |
| Angleton Drainage District | 0.109962 | 0.130352 | 0.131182 |
| Angleton I.S.D. | 1.331300 | 1.385200 | 1.455200 |
| Angleton-Danbury Hospital | 0.205909 | 0.242259 | 0.258328 |
| Brazoria, City of | 0.680476 | 0.680476 | 0.721976 |
| Brazoria County | 0.342017 | 0.365233 | 0.367914 |
| Brazoria County FWD #1 | 0.00 | 0.00 | 0.00 |
| Brazoria County MUD #32 | 1.350000 | 1.350000 | 1.350000 |
| Brazosport College | 0.297866 | 0.300177 | 0.298500 |
| Brazosport I.S.D. | 1.181700 | 1.185300 | 1.255300 |
| Clute, City of | 0.595392 | 0.625000 | 0.625000 |
| Columbia/Brazoria I.S.D. | 1.088140 | 1.170340 | 1.258059 |
| Commodore Cove I.D. | 0.201468 | 0.202349 | 0.208164 |
| Danbury, City of | 0.697258 | 0.773569 | 0.816924 |
| Brazoria County Drainage District #8 (Danbury) | 0.209378 | 0.232948 | 0.252063 |
| Danbury I.S.D. | 1.392720 | 1.468350 | 1.604700 |
| Freeport, City of | 0.615859 | 0.628005 | 0.628005 |
| Jones Creek, Village of | 0.440000 | 0.411289 | 0.462691 |
| Lake Jackson, City of | 0.328977 | 0.348200 | 0.335200 |
| Liverpool, City of | 0.164649 | 0.189288 | 0.189288 |
| Oak Manor U.D. | 0.540000 | 0.600000 | 0.700000 |
| Oyster Creek, City of | 0.238518 | 0.293346 | 0.258976 |
| Quintana, Town of | 0.013426 | 0.014898 | 0.014898 |
| Richwood, City of | 0.627470 | 0.670204 | 0.670204 |
| Surfside, Village of | 0.334846 | 0.353778 | 0.359506 |
| Sweeny, City of | 0.701553 | 0.747062 | 0.747062 |
| Sweeny Hospital District | 0.541299 | 0.541299 | 0.548211 |
| Sweeny I.S.D. | 1.036400 | 1.141700 | 1.211700 |
| Treasure Island M.U.D. | 0.423660 | 0.450318 | 0.535735 |
| Varner Creek Utility District | 0.570000 | 0.600000 | 0.640000 |
| Velasco Drainage District | 0.078150 | 0.084550 | 0.084120 |
| West Brazoria County Drainage District #11 | 0.019695 | 0.020000 | 0.020000 |
| West Columbia, City of | 0.731770 | 0.820000 | 0.820000 |

^①Source - Brazoria County Appraisal District

^②Property taxes are levied annually in October.

^③Property tax rates are per \$100 taxable valuation.

TABLE 6

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 0.040100 | \$ 0.040100 | \$ 0.041304 | \$ 0.045000 | \$ 0.045000 | \$ 0.051500 | \$ 0.053500 |
| 1.450000 | 1.450000 | 1.417000 | 1.417000 | 1.329100 | 1.329100 | 1.344100 |
| 0.180750 | 0.191744 | 0.204009 | 0.204009 | 0.199756 | 0.199756 | 0.199485 |
| 0.707598 | 0.707598 | 0.717598 | 0.723500 | 0.723500 | 0.723500 | 0.723500 |
| 0.146855 | 0.155164 | 0.166619 | 0.176597 | 0.175448 | 0.176563 | 0.176563 |
| 1.455200 | 1.455200 | 1.455200 | 1.455200 | 1.455200 | 1.455200 | 1.455200 |
| 0.273681 | 0.302817 | 0.321751 | 0.346854 | 0.362678 | 0.359592 | 0.299592 |
| 0.721976 | 0.790700 | 0.790700 | 0.770700 | 0.770700 | 0.762300 | 0.762300 |
| 0.380234 | 0.457405 | 0.426000 | 0.438500 | 0.432020 | 0.425900 | 0.413100 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.250000 | 0.280000 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.303249 | 0.285040 | 0.277510 | 0.280878 | 0.267309 | 0.259436 | 0.239198 |
| 1.255300 | 1.255300 | 1.255300 | 1.255300 | 1.255300 | 1.259500 | 1.241500 |
| 0.625000 | 0.643000 | 0.659000 | 0.672000 | 0.672000 | 0.672000 | 0.672000 |
| 1.269500 | 1.284700 | 1.284700 | 1.284700 | 1.296500 | 1.296500 | 1.296500 |
| 0.204235 | 0.205984 | 0.399327 | 0.439336 | 0.467538 | 0.461570 | 0.475693 |
| 0.765672 | 0.768701 | 0.799313 | 0.829169 | 0.829169 | 0.826940 | 0.826940 |
| 0.252063 | 0.276115 | 0.307812 | 0.325442 | 0.349474 | 0.366000 | 0.366000 |
| 1.250700 | 1.256600 | 1.255000 | 1.240000 | 1.141081 | 1.136445 | 1.137000 |
| 0.628005 | 0.628005 | 0.645642 | 0.675586 | 0.675586 | 0.700000 | 0.680000 |
| 0.410000 | 0.410000 | 0.410000 | 0.410000 | 0.410000 | 0.380000 | 0.380000 |
| 0.337500 | 0.337500 | 0.360000 | 0.387500 | 0.390000 | 0.390000 | 0.390000 |
| 0.189288 | 0.193770 | 0.215304 | 0.216473 | 0.230463 | 0.230463 | 0.236850 |
| 0.500000 | 0.500000 | 0.540000 | 0.510000 | 0.520000 | 0.505000 | 0.500000 |
| 0.303816 | 0.303816 | 0.332273 | 0.476394 | 0.476394 | 0.473161 | 0.431106 |
| 0.013830 | 0.012938 | 0.013046 | 0.013046 | 0.022882 | 0.023640 | 0.024413 |
| 0.634444 | 0.672580 | 0.735680 | 0.735680 | 0.735680 | 0.735680 | 0.693660 |
| 0.359506 | 0.359506 | 0.375204 | 0.397940 | 0.432601 | 0.432601 | 0.402610 |
| 0.747062 | 0.747062 | 0.842869 | 0.908000 | 0.887456 | 0.844034 | 0.782818 |
| 0.516523 | 0.527302 | 0.510351 | 0.483126 | 0.470003 | 0.429109 | 0.393133 |
| 1.211700 | 1.211700 | 1.211700 | 1.211700 | 1.211700 | 1.211700 | 1.211700 |
| 0.531270 | 0.503878 | 0.518997 | 0.553152 | 0.575262 | 0.551848 | 0.604590 |
| 0.650000 | 0.710000 | 0.760000 | 0.830000 | 0.890000 | 0.928000 | 0.888220 |
| 0.085000 | 0.091501 | 0.093878 | 0.098018 | 0.100226 | 0.094805 | 0.094214 |
| 0.020000 | 0.020000 | 0.020000 | 0.020000 | 0.020000 | 0.020000 | 0.020000 |
| 0.820000 | 0.830000 | 0.830000 | 0.831900 | 0.831900 | 0.831900 | 0.831900 |

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Valuation, Exemptions and General Obligation Debt
for Fiscal Year Ended September 30, 2021
(In Thousands)

TABLE 7

| | | |
|---|--------------|---------------|
| 2020 Market Valuation: ^① (excluding totally exempt property) | | |
| Land, Homesite | \$ 1,288,853 | |
| Land, Non Homesite | 1,414,164 | |
| Land, Ag and Timber Market | 1,406,151 | |
| Improvement, Homesite | 5,894,931 | |
| Improvement, Non-Homesite | 22,556,907 | |
| Non Real, Personal Property | 4,027,983 | |
| Non Real, Mineral | 28,689 | |
| Total Market Value Before Exemptions | | \$ 36,617,678 |
| Less Exemptions/Reductions at 100% Market Value: | | |
| Homestead Exemptions | \$ 1,195,765 | |
| Over 65 Homesteads Exemptions | 1,284,216 | |
| Disabled Exemptions | 188,367 | |
| Abatements | 13,194,379 | |
| Freeport Loss | 688,744 | |
| Pollution Control | 1,764,737 | |
| Productivity Loss | 1,368,054 | |
| Tax Exempt | 1,987,747 | |
| Other | 7,894 | |
| Total Exemptions | | \$ 21,679,903 |
| Net 2020 Taxable Valuation | | \$ 14,937,775 |

^①Source - Brazoria County Appraisal District. Valuations shown are certified taxable values reported to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

PORT FREEPORT

Taxable and Estimated Valuation of Properties Located
Within the Port Taxing District ^① for the Fiscal Years 2012 through 2021
(In Thousands)

TABLE 8

| Fiscal Year | Estimated Market Value | | Less: Tax-Exempt Property | Taxable Valuation | Percent Growth (Reduction) From Prior Year | Total Direct Tax Rate ^② |
|--------------------------------|------------------------|----------------------|---------------------------------|----------------------|--|--|
| | Real Property | Personal Property | | | | |
| 2012 | \$ 12,091,652 | \$ 2,677,361 | \$ 5,463,411 | \$ 9,305,602 | (0.17) % | \$ 0.053500 |
| 2013 | 12,063,258 | 2,886,275 | 5,377,878 | 9,571,655 | 2.86 | 0.051500 |
| 2014 | 12,381,744 | 2,842,272 | 4,719,891 | 10,504,125 | 9.74 | 0.045000 |
| 2015 | 12,843,780 | 2,923,286 | 5,403,575 | 10,363,491 | (1.34) | 0.045000 |
| 2016 | 14,362,925 | 2,826,243 | 6,113,078 | 11,076,090 | 6.88 | 0.041304 |
| 2017 | 16,996,743 | 2,609,001 | 7,843,409 | 11,762,335 | 6.20 | 0.040100 |
| 2018 | 20,489,956 | 2,724,994 | 10,645,525 | 12,569,425 | 6.86 | 0.040100 |
| 2019 | 25,063,315 | 3,220,040 | 14,708,104 | 13,575,251 | 8.00 | 0.040100 |
| 2020 | 27,275,022 | 3,742,847 | 17,042,383 | 13,975,486 | 2.95 | 0.040100 |
| 2021 | 32,561,006 | 4,056,672 | 21,679,903 | 14,937,775 | 6.89 | 0.040100 |
| Taxable Valuation 2012-2021 | | | | | 60.52 | |

^①Source - Brazoria County Appraisal District

^②Property tax rates are per \$100 taxable valuation.

PORT FREEPORT

Property Tax Levies and Collections^① for the Fiscal Years 2012 through 2021

TABLE 9

| Fiscal Year | Total ^② Levy Amount | Levy Adjustments | Adjusted Levy Amount | Total Current Year Collections | Percent of Current Year Collections | Delinquent Tax Collections | Total Gross Collections | Percent of Total Collections |
|-------------|--------------------------------------|---------------------|----------------------------|--------------------------------------|---|----------------------------------|-------------------------------|------------------------------------|
| 2012 | \$ 5,018,556 | \$ 40,059 | \$ 4,978,497 | \$ 4,949,272 | 98.62 % | \$ 161,952 | \$ 5,111,224 | 101.85 % |
| 2013 | 5,135,924 | 206,479 | 4,929,445 | 5,069,539 | 98.71 | 67,732 | 5,137,271 | 100.03 |
| 2014 | 4,679,020 | 118,085 | 4,560,935 | 4,632,114 | 99.00 | 47,743 | 4,679,857 | 100.02 |
| 2015 | 4,767,574 | 103,877 | 4,663,697 | 4,721,937 | 99.04 | 53,391 | 4,775,328 | 100.16 |
| 2016 | 4,701,834 | 126,869 | 4,574,965 | 4,659,846 | 99.11 | 45,070 | 4,704,916 | 100.07 |
| 2017 | 4,716,780 | 141,011 | 4,575,769 | 4,806,562 | 101.90 | 60,310 | 4,866,872 | 103.18 |
| 2018 | 5,040,346 | 144,429 | 4,895,917 | 5,129,495 | 101.77 | 64,089 | 5,193,584 | 103.04 |
| 2019 | 5,443,667 | 13,570 | 5,430,097 | 5,381,510 | 98.86 | 72,850 | 5,454,360 | 100.20 |
| 2020 | 5,604,169 | 37,700 | 5,641,869 | 5,590,018 | 99.75 | 48,727 | 5,638,745 | 100.62 |
| 2021 | 5,990,048 | 230,845 | 6,220,893 | 6,172,165 | 103.04 | - | 6,172,165 | 103.04 |

^①Total Collections are reported on the cash receipt basis. The financial statements are presented using the accrual basis of accounting. Since there is an inherent difference between the two methods of reporting, the collection reported on this schedule will not necessarily represent the total revenue reported in the financial statements

^②Amounts shown are original levy amounts and exclude any subsequent supplemental assessments, and therefore collections may exceed total levy amount

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Principal Taxpayers^① Current Year and Nine Years Ago

| September 30, 2021 (In Thousands) | | | | | TABLE 10 |
|--------------------------------------|--|--|------------------------------|---|----------|
| Entity | 2020 ^② Market Valuation | Percent of Total Market Valuation | 2020 Taxable Valuation | Percent of Total Taxable Valuation | |
| Dow Chemical Company | \$ 5,567,885 | 15.96 % | \$ 2,536,840 | 16.98 % | |
| Phillips 66 Company | 3,106,884 | 8.91 | 688,967 | 4.61 | |
| Olin Chlorine #7 LLC | 678,102 | 1.94 | 678,102 | 4.54 | |
| Blue Cube Operations LLC | 809,500 | 2.32 | 581,872 | 3.90 | |
| Chevron Phillips Chemical Company | 2,004,285 | 5.74 | 458,149 | 3.07 | |
| Seaway Crude Pipeline | 282,328 | 0.81 | 274,743 | 1.84 | |
| BASF Corp. Chemicals Div. | 517,348 | 1.48 | 242,768 | 1.63 | |
| Freeport LNG | 938,591 | 2.69 | 152,620 | 1.02 | |
| Lex Lake Jackson LP | 126,861 | 0.36 | 126,861 | 0.85 | |
| Centerpoint Energy Inc. | 121,073 | 0.35 | 121,070 | 0.81 | |
| TOTAL | \$ 14,152,857 | 40.56 % | \$ 5,861,992 | 39.25 % | |

| September 30, 2012 (In Thousands) | | | | | |
|--------------------------------------|--|--|------------------------------|---|--|
| Entity | 2011 ^② Market Valuation | Percent of Total Market Valuation | 2011 Taxable Valuation | Percent of Total Taxable Valuation | |
| Dow Chemical Company | \$ 2,934,404 | 27.57 % | \$ 2,263,967 | 24.33 % | |
| ConocoPhillips Company | 1,179,104 | 11.08 | 494,231 | 5.31 | |
| BASF Corp. Chemicals Div. | 800,103 | 7.52 | 420,142 | 4.52 | |
| Chevron Phillips Chemical Company | 547,984 | 5.15 | 271,835 | 2.92 | |
| Shintech, Inc. | 162,332 | 1.53 | 129,974 | 1.40 | |
| Sweeny Cogenerations Ltd | 106,589 | 1.00 | 99,350 | 1.07 | |
| Hicorp Energy Co | 88,511 | 0.83 | 87,070 | 0.94 | |
| Centerpoint Energy Inc | 79,152 | 0.74 | 79,149 | 0.85 | |
| Air Liquide Large Industries US LP | 127,275 | 1.20 | 73,903 | 0.79 | |
| SI Group Inc | 98,842 | 0.93 | 68,967 | 0.74 | |
| TOTAL | \$ 6,124,296 | 57.55 % | \$ 3,988,588 | 42.87 % | |

^① Source - Brazoria County Appraisal District

^② Property taxes levied for the 2021 fiscal year were based on 2020 market valuations.

^③ Property taxes levied for the 2012 fiscal year were based on 2011 market valuations.

PORT FREEPORT

Computation of Direct and Overlapping Bonded Debt of General Obligation Bond Issues September 30, 2021

TABLE 11

| Taxing Entity | Net Bonded Debt Amount | As of | Percent Overlapping | Amount Overlapping |
|---|---------------------------|----------------------------|------------------------|-----------------------|
| Alvin I.S.D. | \$ 879,220,000 | 9-30-21 | 8.45 % | \$ 74,294,090 |
| Alvin Community College | 26,515,000 | 9-30-21 | 8.13 | 2,155,670 |
| Angleton, City of | 28,510,000 | 9-30-21 | 100.00 | 28,510,000 |
| Angleton I.S.D. | 160,075,000 | 9-30-21 | 60.93 | 97,533,698 |
| Angleton/Danbury Medical | 2,770,000 | 9-30-21 | 100.00 | 2,770,000 |
| Brazoria, City of | 4,790,000 | 9-30-21 | 100.00 | 4,790,000 |
| Brazoria County | 135,313,313 | 9-30-21 | 59.08 | 79,943,105 |
| Brazoria County MUD #32 | 23,555,000 | 9-30-21 | 75.70 | 17,831,135 |
| Brazosport I.S.D. | 401,780,000 | 9-30-21 | 100.00 | 401,780,000 |
| Brazosport College | 45,820,000 | 9-30-21 | 100.00 | 45,820,000 |
| Clute, City of | 14,875,000 | 9-30-21 | 100.00 | 14,875,000 |
| Columbia/Brazoria I.S.D. | 36,980,000 | 9-30-21 | 100.00 | 36,980,000 |
| Danbury, City of | 461,000 | 9-30-21 | 100.00 | 461,000 |
| Danbury I.S.D. | 18,115,000 | 9-30-21 | 100.00 | 18,115,000 |
| Freeport, City of | 12,725,000 | 9-30-21 | 100.00 | 12,725,000 |
| Iowa Colony, City of | 1,175,000 | 9-30-21 | 34.39 | 404,083 |
| Lake Jackson, City of | 30,970,000 | 9-30-21 | 100.00 | 30,970,000 |
| Manvel, City of | 21,400,000 | 9-30-21 | 1.86 | 398,040 |
| Richwood, City of | 9,665,000 | 9-30-21 | 100.00 | 9,665,000 |
| Surfside Beach, Village of | 1,597,000 | 9-30-21 | 100.00 | 1,597,000 |
| Sweeny, City of | 7,076,000 | 9-30-21 | 100.00 | 7,076,000 |
| Sweeny I.S.D. | 52,870,000 | 9-30-21 | 73.21 | 38,706,127 |
| Varner Creek UD | 8,255,000 | 9-30-21 | 100.00 | 8,255,000 |
| West Columbia, City of | 5,915,000 | 9-30-21 | 100.00 | 5,915,000 |
| Sub-total Bonded Debt | \$ 1,930,427,313 | Sub-total Overlapping Debt | | \$ 941,569,948 |
| Port Freeport | \$ 68,490,000 | 9-30-21 | 100.00 % | \$ 68,490,000 |
| Total Direct & Overlapping General Obligation Issue Debt | \$ 1,998,917,313 | | | \$ 1,010,059,948 |
| Ratio of Overlapping Debt to Direct 2021 Taxable Valuation | | | | 0.068 % |

^① Source: Municipal Advisory Council of Texas

PORT FREEPORT

Ratio of Outstanding Debt by Type
for the Fiscal Years Ended September 30, 2012 through 2021
(In Thousands)

TABLE 12

| Fiscal Year Ending September 30 | General Obligation Bonds | Revenue Bonds | Capital Leases | Total | Estimated Personal Income ^① | Estimated County Population ^② | Percentage of Personal Income | Per Capita |
|---------------------------------------|--------------------------------|------------------|-------------------|-----------|--|--|-------------------------------------|---------------|
| 2012 | \$ 7,112 | \$ 34,805 | - | \$ 41,917 | \$ 6,328,218 | 316 | 0.6624 % | \$ 133 |
| 2013 | 6,248 | 52,600 | - | 58,848 | 6,506,825 | 325 | 0.9044 | 181 |
| 2014 | 5,391 | 37,710 | 14,100 | 57,201 | 6,526,846 | 326 | 0.8764 | 175 |
| 2015 | 4,375 | 70,288 | 12,830 | 87,493 | 6,671,478 | 333 | 1.3115 | 263 |
| 2016 | 3,355 | 67,187 | 11,531 | 82,073 | 6,997,340 | 350 | 1.1729 | 235 |
| 2017 | 2,279 | 64,567 | 10,202 | 77,048 | 6,997,340 | 350 | 1.1011 | 220 |
| 2018 | 1,159 | 96,242 | 8,842 | 106,243 | 7,112,480 | 355 | 1.4938 | 299 |
| 2019 | 35,319 | 92,896 | 7,451 | 135,666 | 12,597,469 | 376 | 1.0769 | 361 |
| 2020 | 35,071 | 170,406 | 6,028 | 211,505 | 18,092,612 | 372 | 1.1690 | 569 |
| 2021 | 74,054 | 201,613 | 4,572 | 280,239 | 14,225,736 | 383 | 1.9699 | 732 |

^① Source United States Census Bureau

^② Source Texas State Data Center

PORT FREEPORT

Ratio of Net General Bonded Debt to Taxable Value
and to Net Bonded Debt Per Capita^{①②}
(In Thousands)
For Fiscal Years 2012 through 2021

TABLE 13

| Fiscal Year | Taxable Valuation | Gross General Bonded Debt | Debt Service Restricted Cash | Net General Bonded Debt | Ratio of Net Bonded Debt to Taxable Value | Estimated Population | Net Bonded Debt Per Capita |
|-------------|-------------------|---------------------------|------------------------------|-------------------------|---|----------------------|----------------------------|
| 2012 | \$ 9,305,602 | \$ 7,111 | \$ 34 | \$ 7,077 | 0.0008 | 316 | \$ 22 |
| 2013 | 9,571,655 | 6,248 | 59 | 6,189 | 0.0006 | 325 | 19 |
| 2014 | 10,504,125 | 5,391 | 235 | 5,156 | 0.0005 | 326 | 16 |
| 2015 | 10,363,491 | 4,375 | 219 | 4,156 | 0.0004 | 333 | 12 |
| 2016 | 11,076,090 | 3,355 | 201 | 3,154 | 0.0003 | 350 | 9 |
| 2017 | 11,762,335 | 2,279 | 108 | 2,171 | 0.0002 | 350 | 6 |
| 2018 | 12,569,425 | 1,159 | 115 | 1,044 | 0.0001 | 355 | 3 |
| 2019 | 13,575,251 | 35,319 | 129 | 35,190 | 0.0026 | 376 | 94 |
| 2020 | 13,975,486 | 35,071 | 132 | 34,939 | 0.0025 | 372 | 94 |
| 2021 | 14,937,775 | 74,054 | 249 | 73,805 | 0.0049 | 383 | 193 |

^① Source: Texas State Data Center

^② The computation of legal debt margin previously included in a separate table is no longer applicable.
Port Freeport is now operating under Article XVI, Section 59 of the Texas Constitution.



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Pledged Revenue Bond Indebtedness Coverage for Fiscal Years 2012 through 2021 (In Thousands)

| | 2021 | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|------------------|
| Operating Revenue | \$ 39,663 | \$ 33,573 | \$ 27,945 | \$ 26,334 |
| Operating Expenses (Net of Depreciation) | (11,186) | (10,953) | (10,784) | (9,323) |
| Ad Valorem Tax Collections ^③ | 4,167 | 4,129 | 4,236 | 3,992 |
| Investment Income | 36 | 601 | 1,020 | 596 |
| Other Income ^② | 246 | | | |
| Net Revenues Available for Debt Service On Revenue Obligations | \$ <u>32,926</u> | \$ <u>27,350</u> | \$ <u>22,417</u> | \$ <u>21,599</u> |
| Annual Revenue Bonded Debt Service | \$ 12,578 | \$ 11,531 | \$ 7,204 | \$ 6,718 |
| Percent of Coverage | 262% | 237% | 311% | 322% |
| Maximum Revenue Bond Debt Service | \$ 12,866 | \$ 11,539 | \$ 7,217 | \$ 7,217 |
| Percent of Coverage ^① | 256% | 237% | 311% | 299% |

^①Indicates the extent to which net revenues available for revenue debt service would provide coverage of maximum annual revenue debt service requirements in any future year. The maximum annual revenue debt service will occur in 2027.

^②Other income included in 2013 was ultimately used to payoff a large portion of the 2013 series bonds.

^③Net of collection expenses and debt service available for General Obligation bonds.

TABLE 14

| <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 21,685 | \$ 18,591 | \$ 16,996 | \$ 14,994 | \$ 14,771 |
| (9,163) | (9,241) | (9,183) | (9,363) | (8,318) |
| 3,519 | 3,533 | 3,320 | 4,065 | 3,872 |
| 287 | 117 | 265 | (59) | 114 |
| <u>382</u> | | | <u>13,785</u> | <u>1,334</u> |
| \$ <u><u>16,710</u></u> | \$ <u><u>13,000</u></u> | \$ <u><u>11,398</u></u> | \$ <u><u>23,422</u></u> | \$ <u><u>11,773</u></u> |
| \$ 5,226 | \$ 5,229 | \$ 2,834 | \$ 15,926 | \$ 3,199 |
| 320% | 249% | 402% | 147% | 368% |
| \$ 5,227 | \$ 5,227 | \$ 7,376 | \$ 15,926 | \$ 3,200 |
| 320% | 249% | 155% | 147% | 368% |

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Summary of Annual Cash Requirements on Debt Outstanding September 30, 2021

TABLE 15

| Fiscal Year Ending September 30 | General Obligation Bonds Series 2019 | General Obligation Bonds Series 2021 | Senior Lien Revenue Refunding Bonds Series 2013A | Senior Lien Revenue and Refunding Bonds Series 2015A | Senior Lien Revenue Refunding Bonds Series 2018 | Senior Lien Revenue Bonds, Series 2019A | Senior Lien Revenue Bonds, Series 2019B | Senior Lien Revenue Bonds, Series 2021 | Capital Lease | Total |
|---------------------------------------|---|---|---|---|--|--|--|---|------------------|----------------|
| 2022 | \$ 1,913,762 | \$ 894,250 | \$ 2,782,532 | \$ 2,442,338 | \$ 1,987,200 | \$ 2,776,350 | \$ 1,550,550 | \$ 1,039,366 | \$ 1,594,940 | \$ 16,981,288 |
| 2023 | 1,911,762 | 894,250 | 2,783,232 | 2,441,588 | 1,987,950 | 2,777,350 | 1,547,550 | 1,326,850 | 1,594,940 | 17,265,472 |
| 2024 | 1,333,262 | 894,250 | 2,786,776 | 2,438,838 | 1,987,200 | 2,776,350 | 1,548,300 | 1,326,850 | 1,594,940 | 16,686,766 |
| 2025 | 1,912,012 | 894,250 | 2,783,010 | 2,444,088 | 1,989,950 | 2,773,350 | 1,547,550 | 1,326,850 | | 15,671,060 |
| 2026 | 1,910,712 | 894,250 | 2,782,088 | 2,441,838 | 1,985,950 | 2,773,350 | 1,550,300 | 1,326,850 | | 15,665,338 |
| 2027 | 1,914,212 | 1,934,250 | 2,783,856 | 2,437,338 | 1,990,450 | 2,776,100 | 1,551,300 | 1,326,850 | | 16,714,356 |
| 2028 | 1,910,712 | 1,932,650 | 2,783,160 | 2,440,588 | 1,987,950 | 2,776,350 | 1,550,550 | 1,326,850 | | 16,708,810 |
| 2029 | 1,910,462 | 1,934,450 | | 2,441,088 | 1,988,700 | 2,774,100 | 1,548,050 | 2,061,850 | | 14,658,700 |
| 2030 | 1,913,212 | 1,929,450 | | 2,438,838 | 1,987,450 | 2,774,350 | 1,548,800 | 2,065,100 | | 14,657,200 |
| 2031 | 1,914,300 | 1,932,850 | | 2,440,838 | 1,989,200 | 2,776,850 | 1,547,550 | 2,061,350 | | 14,662,938 |
| 2032 | 1,913,800 | 1,934,250 | | 2,439,276 | 1,988,700 | 2,776,350 | 1,549,300 | 2,065,850 | | 14,667,526 |
| 2033 | 1,910,600 | 1,931,300 | | 2,440,650 | 1,985,950 | 2,772,850 | 1,547,000 | 2,063,100 | | 14,651,450 |
| 2034 | 1,911,000 | 1,932,300 | | 2,438,062 | 1,985,950 | 2,776,350 | 1,548,950 | 2,123,350 | | 14,715,962 |
| 2035 | 1,909,800 | 1,932,100 | | 2,443,138 | 1,988,450 | 2,776,350 | 1,550,000 | 2,073,350 | | 14,673,188 |
| 2036 | 1,912,000 | 1,929,500 | | 2,440,450 | 1,988,200 | 2,777,550 | 1,550,150 | 2,063,350 | | 14,661,200 |
| 2037 | 1,912,400 | 1,931,400 | | 2,438,700 | 1,990,200 | 2,776,350 | 1,549,400 | 2,061,350 | | 14,659,800 |
| 2038 | 1,912,600 | 1,932,700 | | 2,438,200 | 1,989,200 | 2,772,750 | 1,547,750 | 2,061,850 | | 14,655,050 |
| 2039 | 1,909,800 | 1,933,400 | | 2,438,700 | 1,990,200 | 2,776,750 | 1,550,200 | 2,064,600 | | 14,663,650 |
| 2040 | 1,910,200 | 1,933,500 | | 2,434,950 | 1,986,400 | 2,772,950 | 1,551,600 | 2,064,350 | | 14,653,950 |
| 2041 | 1,913,600 | 1,933,000 | | 2,436,950 | 1,990,600 | 2,776,550 | 1,546,950 | 2,066,100 | | 14,663,750 |
| 2042 | 1,909,800 | 1,931,900 | | 2,438,976 | 1,987,400 | 2,777,150 | 1,551,400 | 2,064,600 | | 14,661,226 |
| 2043 | 1,914,000 | 1,930,200 | | 2,441,950 | 1,987,000 | 2,774,750 | 1,549,650 | 2,063,800 | | 14,661,350 |
| 2044 | 1,910,800 | 1,932,900 | | 2,440,650 | 1,989,200 | 2,774,350 | 1,551,850 | 2,065,800 | | 14,665,550 |
| 2045 | 1,910,400 | 1,929,900 | | 2,440,076 | 1,988,800 | 2,775,750 | 1,547,850 | 2,065,400 | | 14,658,176 |
| 2046 | 1,912,600 | 1,931,300 | | | 1,990,800 | 2,777,000 | 1,547,800 | 2,062,600 | | 12,222,100 |
| 2047 | 1,912,200 | 1,932,000 | | | 1,990,000 | 2,772,750 | 1,551,550 | 2,062,400 | | 12,220,900 |
| 2048 | 1,909,200 | 1,932,000 | | | 1,986,400 | 2,773,000 | 1,548,950 | 2,064,600 | | 12,214,150 |
| 2049 | 1,913,600 | 1,931,300 | | | | 2,777,250 | 1,550,150 | 2,064,000 | | 10,236,300 |
| 2050 | | 1,929,900 | | | | | | 2,065,600 | | 3,995,500 |
| 2051 | | 1,927,800 | | | | | | 2,059,200 | | 3,987,000 |
| | \$ 52,952,808 | \$ 52,767,550 | \$ 19,484,654 | \$ 58,558,108 | \$ 53,685,450 | \$ 77,711,300 | \$ 43,381,000 | \$ 56,534,016 | \$ 4,784,820 | \$ 419,859,706 |

PORT FREEPORT

Summary of Annual Cash Requirements on General Obligation Debt Outstanding September 30, 2021

TABLE 16

| Fiscal Year Ending September 30 | General Obligation Bonds Series 2019 | General Obligation Bonds Series 2021 | Total |
|---------------------------------------|---|---|----------------|
| 2022 | \$ 1,913,762 | \$ 894,250 | \$ 2,808,012 |
| 2023 | 1,911,762 | 894,250 | 2,806,012 |
| 2024 | 1,333,262 | 894,250 | 2,227,512 |
| 2025 | 1,912,012 | 894,250 | 2,806,262 |
| 2026 | 1,910,712 | 894,250 | 2,804,962 |
| 2027 | 1,914,212 | 1,934,250 | 3,848,462 |
| 2028 | 1,910,712 | 1,932,650 | 3,843,362 |
| 2029 | 1,910,462 | 1,934,450 | 3,844,912 |
| 2030 | 1,913,212 | 1,929,450 | 3,842,662 |
| 2031 | 1,914,300 | 1,932,850 | 3,847,150 |
| 2032 | 1,913,800 | 1,934,250 | 3,848,050 |
| 2033 | 1,910,600 | 1,931,300 | 3,841,900 |
| 2034 | 1,911,000 | 1,932,300 | 3,843,300 |
| 2035 | 1,909,800 | 1,932,100 | 3,841,900 |
| 2036 | 1,912,000 | 1,929,500 | 3,841,500 |
| 2037 | 1,912,400 | 1,931,400 | 3,843,800 |
| 2038 | 1,912,600 | 1,932,700 | 3,845,300 |
| 2039 | 1,909,800 | 1,933,400 | 3,843,200 |
| 2040 | 1,910,200 | 1,933,500 | 3,843,700 |
| 2041 | 1,913,600 | 1,933,000 | 3,846,600 |
| 2042 | 1,909,800 | 1,931,900 | 3,841,700 |
| 2043 | 1,914,000 | 1,930,200 | 3,844,200 |
| 2044 | 1,910,800 | 1,932,900 | 3,843,700 |
| 2045 | 1,910,400 | 1,929,900 | 3,840,300 |
| 2046 | 1,912,600 | 1,931,300 | 3,843,900 |
| 2047 | 1,912,200 | 1,932,000 | 3,844,200 |
| 2048 | 1,909,200 | 1,932,000 | 3,841,200 |
| 2049 | 1,913,600 | 1,931,300 | 3,844,900 |
| 2050 | | 1,929,900 | 1,929,900 |
| 2051 | | 1,927,800 | 1,927,800 |
| | \$ 52,952,808 | \$ 52,767,550 | \$ 105,720,358 |

Authorized But Unissued General Obligation Debt

TABLE 17

| Election | Purpose | Voted Authority | Amount Previously Issued | Authorized But Unissued General Obligation Debt |
|--------------------------------|--|-----------------|-----------------------------|---|
| May 5, 2018 (Proposition A) | Freeport Harbor Channel Improvement Project | \$ 130,000,000 | \$ 68,930,000 | \$ 61,070,000 |

PORT FREEPORT

General Obligation Bonds, Series 2019 (Non-AMT)
September 30, 2021

TABLE 18

| Fiscal Year Ending September 30 | Coupon | Interest Due February 1 | Interest Due August 1 | Principal Due August 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|---------|-------------------------------|-----------------------------|------------------------------|----------------------------------|----------------------|
| | | | | | | \$ 31,355,000 |
| 2022 | 5.000 % | \$ 636,881 | \$ 636,881 | \$ 640,000 | \$ 1,913,762 | 30,715,000 |
| 2022 | 5.000 | 620,881 | 620,881 | 670,000 | 1,911,762 | 30,045,000 |
| 2023 | 5.000 | 604,131 | 604,131 | 125,000 | 1,333,262 | 29,920,000 |
| 2024 | 3.000 | 601,006 | 601,006 | 710,000 | 1,912,012 | 29,210,000 |
| 2025 | 5.000 | 590,356 | 590,356 | 730,000 | 1,910,712 | 28,480,000 |
| 2026 | 5.000 | 572,106 | 572,106 | 770,000 | 1,914,212 | 27,710,000 |
| 2027 | 5.000 | 552,856 | 552,856 | 805,000 | 1,910,712 | 26,905,000 |
| 2028 | 5.000 | 532,731 | 532,731 | 845,000 | 1,910,462 | 26,060,000 |
| 2029 | 2.125 | 511,606 | 511,606 | 890,000 | 1,913,212 | 25,170,000 |
| 2030 | 5.000 | 502,150 | 502,150 | 910,000 | 1,914,300 | 24,260,000 |
| 2031 | 4.000 | 479,400 | 479,400 | 955,000 | 1,913,800 | 23,305,000 |
| 2032 | 4.000 | 460,300 | 460,300 | 990,000 | 1,910,600 | 22,315,000 |
| 2033 | 4.000 | 440,500 | 440,500 | 1,030,000 | 1,911,000 | 21,285,000 |
| 2034 | 4.000 | 419,900 | 419,900 | 1,070,000 | 1,909,800 | 20,215,000 |
| 2035 | 4.000 | 398,500 | 398,500 | 1,115,000 | 1,912,000 | 19,100,000 |
| 2036 | 3.000 | 376,200 | 376,200 | 1,160,000 | 1,912,400 | 17,940,000 |
| 2037 | 4.000 | 358,800 | 358,800 | 1,195,000 | 1,912,600 | 16,745,000 |
| 2038 | 4.000 | 334,900 | 334,900 | 1,240,000 | 1,909,800 | 15,505,000 |
| 2039 | 4.000 | 310,100 | 310,100 | 1,290,000 | 1,910,200 | 14,215,000 |
| 2040 | 4.000 | 284,300 | 284,300 | 1,345,000 | 1,913,600 | 12,870,000 |
| 2041 | 4.000 | 257,400 | 257,400 | 1,395,000 | 1,909,800 | 11,475,000 |
| 2042 | 4.000 | 229,500 | 229,500 | 1,455,000 | 1,914,000 | 10,020,000 |
| 2043 | 4.000 | 200,400 | 200,400 | 1,510,000 | 1,910,800 | 8,510,000 |
| 2044 | 4.000 | 170,200 | 170,200 | 1,570,000 | 1,910,400 | 6,940,000 |
| 2045 | 4.000 | 138,800 | 138,800 | 1,635,000 | 1,912,600 | 5,305,000 |
| 2046 | 4.000 | 106,100 | 106,100 | 1,700,000 | 1,912,200 | 3,605,000 |
| 2047 | 4.000 | 72,100 | 72,100 | 1,765,000 | 1,909,200 | 1,840,000 |
| 2048 | 4.000 | 36,800 | 36,800 | 1,840,000 | 1,913,600 | 0 |
| | | \$ 10,798,904 | \$ 10,798,904 | \$ 31,355,000 | \$ 52,952,808 | |

PORT FREEPORT

General Obligation Bonds, Series 2021 (Non-AMT)
September 30, 2021

TABLE 19

| Fiscal Year Ending September 30 | Coupon | Interest Due February 1 | Interest Due August 1 | Principal Due August 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|---------|-------------------------------|-----------------------------|------------------------------|----------------------------------|----------------------|
| | | | | | | \$ 37,135,000 |
| 2022 | | \$ 447,125 | \$ 447,125 | \$ - | \$ 894,250 | 37,135,000 |
| 2023 | | 447,125 | 447,125 | - | 894,250 | 37,135,000 |
| 2024 | | 447,125 | 447,125 | - | 894,250 | 37,135,000 |
| 2025 | | 447,125 | 447,125 | - | 894,250 | 37,135,000 |
| 2026 | | 447,125 | 447,125 | - | 894,250 | 37,135,000 |
| 2027 | 4.000 % | 447,125 | 447,125 | 1,040,000 | 1,934,250 | 36,095,000 |
| 2028 | 4.000 | 426,325 | 426,325 | 1,080,000 | 1,932,650 | 35,015,000 |
| 2029 | 4.000 | 404,725 | 404,725 | 1,125,000 | 1,934,450 | 33,890,000 |
| 2030 | 4.000 | 382,225 | 382,225 | 1,165,000 | 1,929,450 | 32,725,000 |
| 2031 | 4.000 | 358,925 | 358,925 | 1,215,000 | 1,932,850 | 31,510,000 |
| 2032 | 3.000 | 334,625 | 334,625 | 1,265,000 | 1,934,250 | 30,245,000 |
| 2033 | 3.000 | 315,650 | 315,650 | 1,300,000 | 1,931,300 | 28,945,000 |
| 2034 | 3.000 | 296,150 | 296,150 | 1,340,000 | 1,932,300 | 27,605,000 |
| 2035 | 2.000 | 276,050 | 276,050 | 1,380,000 | 1,932,100 | 26,225,000 |
| 2036 | 2.000 | 262,250 | 262,250 | 1,405,000 | 1,929,500 | 24,820,000 |
| 2037 | 2.000 | 248,200 | 248,200 | 1,435,000 | 1,931,400 | 23,385,000 |
| 2038 | 2.000 | 233,850 | 233,850 | 1,465,000 | 1,932,700 | 21,920,000 |
| 2039 | 2.000 | 219,200 | 219,200 | 1,495,000 | 1,933,400 | 20,425,000 |
| 2040 | 2.000 | 204,250 | 204,250 | 1,525,000 | 1,933,500 | 18,900,000 |
| 2041 | 2.000 | 189,000 | 189,000 | 1,555,000 | 1,933,000 | 17,345,000 |
| 2042 | 2.000 | 173,450 | 173,450 | 1,585,000 | 1,931,900 | 15,760,000 |
| 2043 | 2.000 | 157,600 | 157,600 | 1,615,000 | 1,930,200 | 14,145,000 |
| 2044 | 2.000 | 141,450 | 141,450 | 1,650,000 | 1,932,900 | 12,495,000 |
| 2045 | 2.000 | 124,950 | 124,950 | 1,680,000 | 1,929,900 | 10,815,000 |
| 2046 | 2.000 | 108,150 | 108,150 | 1,715,000 | 1,931,300 | 9,100,000 |
| 2047 | 2.000 | 91,000 | 91,000 | 1,750,000 | 1,932,000 | 7,350,000 |
| 2048 | 2.000 | 73,500 | 73,500 | 1,785,000 | 1,932,000 | 5,565,000 |
| 2049 | 2.000 | 55,650 | 55,650 | 1,820,000 | 1,931,300 | 3,745,000 |
| 2050 | 2.000 | 37,450 | 37,450 | 1,855,000 | 1,929,900 | 1,890,000 |
| 2051 | 2.000 | 18,900 | 18,900 | 1,890,000 | 1,927,800 | 0 |
| | | \$ 7,816,275 | \$ 7,816,275 | \$ 37,135,000 | \$ 52,767,550 | |

PORT FREEPORT

Summary of Annual Cash Requirements on Revenue Debt Outstanding September 30, 2021

TABLE 20

| Fiscal Year | Senior Lien | Senior Lien | Senior Lien | Senior Lien | Senior Lien | Senior Lien | |
|--------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|----------------|
| Ending | Revenue | Revenue and | Revenue | Revenue | Revenue | Revenue | |
| September 30 | Refunding Bonds | Refunding Bonds | Refunding Bonds | Bonds, | Bonds, | Bonds, | Total |
| | Series 2013A | Series 2015A | Series 2018 | Series 2019A | Series 2019B | Series 2021 | |
| 2022 | \$ 2,782,532 | \$ 2,442,338 | \$ 1,987,200 | \$ 2,776,350 | \$ 1,550,550 | \$ 1,039,366 | \$ 12,578,336 |
| 2023 | 2,783,232 | 2,441,588 | 1,987,950 | 2,777,350 | 1,547,550 | 1,326,850 | 12,864,520 |
| 2024 | 2,786,776 | 2,438,838 | 1,987,200 | 2,776,350 | 1,548,300 | 1,326,850 | 12,864,314 |
| 2025 | 2,783,010 | 2,444,088 | 1,989,950 | 2,773,350 | 1,547,550 | 1,326,850 | 12,864,798 |
| 2026 | 2,782,088 | 2,441,838 | 1,985,950 | 2,773,350 | 1,550,300 | 1,326,850 | 12,860,376 |
| 2027 | 2,783,856 | 2,437,338 | 1,990,450 | 2,776,100 | 1,551,300 | 1,326,850 | 12,865,894 |
| 2028 | 2,783,160 | 2,440,588 | 1,987,950 | 2,776,350 | 1,550,550 | 1,326,850 | 12,865,448 |
| 2029 | | 2,441,088 | 1,988,700 | 2,774,100 | 1,548,050 | 2,061,850 | 10,813,788 |
| 2030 | | 2,438,838 | 1,987,450 | 2,774,350 | 1,548,800 | 2,065,100 | 10,814,538 |
| 2031 | | 2,440,838 | 1,989,200 | 2,776,850 | 1,547,550 | 2,061,350 | 10,815,788 |
| 2032 | | 2,439,276 | 1,988,700 | 2,776,350 | 1,549,300 | 2,065,850 | 10,819,476 |
| 2033 | | 2,440,650 | 1,985,950 | 2,772,850 | 1,547,000 | 2,063,100 | 10,809,550 |
| 2034 | | 2,438,062 | 1,985,950 | 2,776,350 | 1,548,950 | 2,123,350 | 10,872,662 |
| 2035 | | 2,443,138 | 1,988,450 | 2,776,350 | 1,550,000 | 2,073,350 | 10,831,288 |
| 2036 | | 2,440,450 | 1,988,200 | 2,777,550 | 1,550,150 | 2,063,350 | 10,819,700 |
| 2037 | | 2,438,700 | 1,990,200 | 2,776,350 | 1,549,400 | 2,061,350 | 10,816,000 |
| 2038 | | 2,438,200 | 1,989,200 | 2,772,750 | 1,547,750 | 2,061,850 | 10,809,750 |
| 2039 | | 2,438,700 | 1,990,200 | 2,776,750 | 1,550,200 | 2,064,600 | 10,820,450 |
| 2040 | | 2,434,950 | 1,986,400 | 2,772,950 | 1,551,600 | 2,064,350 | 10,810,250 |
| 2041 | | 2,436,950 | 1,990,600 | 2,776,550 | 1,546,950 | 2,066,100 | 10,817,150 |
| 2042 | | 2,438,976 | 1,987,400 | 2,777,150 | 1,551,400 | 2,064,600 | 10,819,526 |
| 2043 | | 2,441,950 | 1,987,000 | 2,774,750 | 1,549,650 | 2,063,800 | 10,817,150 |
| 2044 | | 2,440,650 | 1,989,200 | 2,774,350 | 1,551,850 | 2,065,800 | 10,821,850 |
| 2045 | | 2,440,076 | 1,988,800 | 2,775,750 | 1,547,850 | 2,065,400 | 10,817,876 |
| 2046 | | | 1,990,800 | 2,777,000 | 1,547,800 | 2,062,600 | 8,378,200 |
| 2047 | | | 1,990,000 | 2,772,750 | 1,551,550 | 2,062,400 | 8,376,700 |
| 2048 | | | 1,986,400 | 2,773,000 | 1,548,950 | 2,064,600 | 8,372,950 |
| 2049 | | | | 2,777,250 | 1,550,150 | 2,064,000 | 6,391,400 |
| 2050 | | | | | | 2,065,600 | 2,065,600 |
| 2051 | | | | | | 2,059,200 | 2,059,200 |
| | \$ 19,484,654 | \$ 58,558,108 | \$ 53,685,450 | \$ 77,711,300 | \$ 43,381,000 | \$ 56,534,016 | \$ 309,354,528 |

PORT FREEPORT

Senior Lien Revenue Refunding Bonds, Series 2013A (AMT)
September 30, 2021

TABLE 21

| Fiscal Year Ending September 30 | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
| | | | | | | \$ 17,290,000 |
| 2022 | 3.08 % | \$ 266,266 | \$ 266,266 | \$ 2,250,000 | \$ 2,782,532 | 15,040,000 |
| 2023 | 3.08 | 231,616 | 231,616 | 2,320,000 | 2,783,232 | 12,720,000 |
| 2024 | 3.08 | 195,888 | 195,888 | 2,395,000 | 2,786,776 | 10,325,000 |
| 2025 | 3.08 | 159,005 | 159,005 | 2,465,000 | 2,783,010 | 7,860,000 |
| 2026 | 3.08 | 121,044 | 121,044 | 2,540,000 | 2,782,088 | 5,320,000 |
| 2027 | 3.08 | 81,928 | 81,928 | 2,620,000 | 2,783,856 | 2,700,000 |
| 2028 | 3.08 | 41,580 | 41,580 | 2,700,000 | 2,783,160 | 0 |
| | | \$ 1,097,327 | \$ 1,097,327 | \$ 17,290,000 | \$ 19,484,654 | |

PORT FREEPORT

Senior Lien Revenue and Refunding Bonds, Series 2015A (AMT) September 30, 2021

TABLE 22

| Fiscal Year Ending September 30 | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
| | | | | | | \$ 34,940,000 |
| 2022 | 5.00 % | \$ 813,669 | \$ 813,669 | \$ 815,000 | \$ 2,442,338 | 34,125,000 |
| 2023 | 5.00 | 793,294 | 793,294 | 855,000 | 2,441,588 | 33,270,000 |
| 2024 | 5.00 | 771,919 | 771,919 | 895,000 | 2,438,838 | 32,375,000 |
| 2025 | 5.00 | 749,544 | 749,544 | 945,000 | 2,444,088 | 31,430,000 |
| 2026 | 5.00 | 725,919 | 725,919 | 990,000 | 2,441,838 | 30,440,000 |
| 2027 | 5.00 | 701,169 | 701,169 | 1,035,000 | 2,437,338 | 29,405,000 |
| 2028 | 5.00 | 675,294 | 675,294 | 1,090,000 | 2,440,588 | 28,315,000 |
| 2029 | 5.00 | 648,044 | 648,044 | 1,145,000 | 2,441,088 | 27,170,000 |
| 2030 | 4.00 | 619,419 | 619,419 | 1,200,000 | 2,438,838 | 25,970,000 |
| 2031 | 4.13 | 595,419 | 595,419 | 1,250,000 | 2,440,838 | 24,720,000 |
| 2032 | 4.13 | 569,638 | 569,638 | 1,300,000 | 2,439,276 | 23,420,000 |
| 2033 | 4.25 | 542,825 | 542,825 | 1,355,000 | 2,440,650 | 22,065,000 |
| 2034 | 4.25 | 514,031 | 514,031 | 1,410,000 | 2,438,062 | 20,655,000 |
| 2035 | 4.25 | 484,069 | 484,069 | 1,475,000 | 2,443,138 | 19,180,000 |
| 2036 | 5.00 | 452,725 | 452,725 | 1,535,000 | 2,440,450 | 17,645,000 |
| 2037 | 5.00 | 414,350 | 414,350 | 1,610,000 | 2,438,700 | 16,035,000 |
| 2038 | 5.00 | 374,100 | 374,100 | 1,690,000 | 2,438,200 | 14,345,000 |
| 2039 | 5.00 | 331,850 | 331,850 | 1,775,000 | 2,438,700 | 12,570,000 |
| 2040 | 5.00 | 287,475 | 287,475 | 1,860,000 | 2,434,950 | 10,710,000 |
| 2041 | 4.50 | 240,975 | 240,975 | 1,955,000 | 2,436,950 | 8,755,000 |
| 2042 | 4.50 | 196,988 | 196,988 | 2,045,000 | 2,438,976 | 6,710,000 |
| 2043 | 4.50 | 150,975 | 150,975 | 2,140,000 | 2,441,950 | 4,570,000 |
| 2044 | 4.50 | 102,825 | 102,825 | 2,235,000 | 2,440,650 | 2,335,000 |
| 2045 | 4.50 | 52,538 | 52,538 | 2,335,000 | 2,440,076 | 0 |
| | | \$ 11,809,054 | \$ 11,809,054 | \$ 34,940,000 | \$ 58,558,108 | |

PORT FREEPORT

Senior Lien Revenue Refunding Bonds, Series 2018 (AMT)
September 30, 2021

TABLE 23

| Fiscal Year Ending September 30 | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
| | | | | | | \$ 31,270,000 |
| 2022 | 5.00 % | \$ 701,100 | \$ 701,100 | \$ 585,000 | \$ 1,987,200 | 30,685,000 |
| 2023 | 5.00 | 686,475 | 686,475 | 615,000 | 1,987,950 | 30,070,000 |
| 2024 | 5.00 | 671,100 | 671,100 | 645,000 | 1,987,200 | 29,425,000 |
| 2025 | 5.00 | 654,975 | 654,975 | 680,000 | 1,989,950 | 28,745,000 |
| 2026 | 5.00 | 637,975 | 637,975 | 710,000 | 1,985,950 | 28,035,000 |
| 2027 | 5.00 | 620,225 | 620,225 | 750,000 | 1,990,450 | 27,285,000 |
| 2028 | 5.00 | 601,475 | 601,475 | 785,000 | 1,987,950 | 26,500,000 |
| 2029 | 5.00 | 581,850 | 581,850 | 825,000 | 1,988,700 | 25,675,000 |
| 2030 | 5.00 | 561,225 | 561,225 | 865,000 | 1,987,450 | 24,810,000 |
| 2031 | 5.00 | 539,600 | 539,600 | 910,000 | 1,989,200 | 23,900,000 |
| 2032 | 5.00 | 516,850 | 516,850 | 955,000 | 1,988,700 | 22,945,000 |
| 2033 | 5.00 | 492,975 | 492,975 | 1,000,000 | 1,985,950 | 21,945,000 |
| 2034 | 5.00 | 467,975 | 467,975 | 1,050,000 | 1,985,950 | 20,895,000 |
| 2035 | 5.00 | 441,725 | 441,725 | 1,105,000 | 1,988,450 | 19,790,000 |
| 2036 | 5.00 | 414,100 | 414,100 | 1,160,000 | 1,988,200 | 18,630,000 |
| 2037 | 5.00 | 385,100 | 385,100 | 1,220,000 | 1,990,200 | 17,410,000 |
| 2038 | 5.00 | 354,600 | 354,600 | 1,280,000 | 1,989,200 | 16,130,000 |
| 2039 | 4.00 | 322,600 | 322,600 | 1,345,000 | 1,990,200 | 14,785,000 |
| 2040 | 4.00 | 295,700 | 295,700 | 1,395,000 | 1,986,400 | 13,390,000 |
| 2041 | 4.00 | 267,800 | 267,800 | 1,455,000 | 1,990,600 | 11,935,000 |
| 2042 | 4.00 | 238,700 | 238,700 | 1,510,000 | 1,987,400 | 10,425,000 |
| 2043 | 4.00 | 208,500 | 208,500 | 1,570,000 | 1,987,000 | 8,855,000 |
| 2044 | 4.00 | 177,100 | 177,100 | 1,635,000 | 1,989,200 | 7,220,000 |
| 2045 | 4.00 | 144,400 | 144,400 | 1,700,000 | 1,988,800 | 5,520,000 |
| 2046 | 4.00 | 110,400 | 110,400 | 1,770,000 | 1,990,800 | 3,750,000 |
| 2047 | 4.00 | 75,000 | 75,000 | 1,840,000 | 1,990,000 | 1,910,000 |
| 2048 | 4.00 | 38,200 | 38,200 | 1,910,000 | 1,986,400 | 0 |
| | | \$ 11,207,725 | \$ 11,207,725 | \$ 31,270,000 | \$ 53,685,450 | |

PORT FREEPORT

Senior Lien Revenue Bonds, Series 2019A (AMT)
September 30, 2021

TABLE 24

| Fiscal Year Ending September 30 | Coupon | Interest Due 1-Dec | Interest Due 1-Jun | Principal Due 1-Jun | Total Principal & Interest | Principal Balance |
|---------------------------------------|---------|--------------------------|--------------------------|---------------------------|----------------------------------|----------------------|
| | | | | | | \$ 43,455,000 |
| 2022 | 5.000 % | \$ 998,175 | \$ 998,175 | \$ 780,000 | \$ 2,776,350 | 42,675,000 |
| 2023 | 5.000 | 978,675 | 978,675 | 820,000 | 2,777,350 | 41,855,000 |
| 2024 | 5.000 | 958,175 | 958,175 | 860,000 | 2,776,350 | 40,995,000 |
| 2025 | 5.000 | 936,675 | 936,675 | 900,000 | 2,773,350 | 40,095,000 |
| 2026 | 5.000 | 914,175 | 914,175 | 945,000 | 2,773,350 | 39,150,000 |
| 2027 | 5.000 | 890,550 | 890,550 | 995,000 | 2,776,100 | 38,155,000 |
| 2028 | 5.000 | 865,675 | 865,675 | 1,045,000 | 2,776,350 | 37,110,000 |
| 2029 | 5.000 | 839,550 | 839,550 | 1,095,000 | 2,774,100 | 36,015,000 |
| 2030 | 5.000 | 812,175 | 812,175 | 1,150,000 | 2,774,350 | 34,865,000 |
| 2031 | 5.000 | 783,425 | 783,425 | 1,210,000 | 2,776,850 | 33,655,000 |
| 2032 | 5.000 | 753,175 | 753,175 | 1,270,000 | 2,776,350 | 32,385,000 |
| 2033 | 5.000 | 721,425 | 721,425 | 1,330,000 | 2,772,850 | 31,055,000 |
| 2034 | 5.000 | 688,175 | 688,175 | 1,400,000 | 2,776,350 | 29,655,000 |
| 2035 | 4.000 | 653,175 | 653,175 | 1,470,000 | 2,776,350 | 28,185,000 |
| 2036 | 4.000 | 623,775 | 623,775 | 1,530,000 | 2,777,550 | 26,655,000 |
| 2037 | 4.000 | 593,175 | 593,175 | 1,590,000 | 2,776,350 | 25,065,000 |
| 2038 | 4.000 | 561,375 | 561,375 | 1,650,000 | 2,772,750 | 23,415,000 |
| 2039 | 4.000 | 528,375 | 528,375 | 1,720,000 | 2,776,750 | 21,695,000 |
| 2040 | 4.000 | 493,975 | 493,975 | 1,785,000 | 2,772,950 | 19,910,000 |
| 2041 | 4.000 | 458,275 | 458,275 | 1,860,000 | 2,776,550 | 18,050,000 |
| 2042 | 4.000 | 421,075 | 421,075 | 1,935,000 | 2,777,150 | 16,115,000 |
| 2043 | 4.000 | 382,375 | 382,375 | 2,010,000 | 2,774,750 | 14,105,000 |
| 2044 | 4.000 | 342,175 | 342,175 | 2,090,000 | 2,774,350 | 12,015,000 |
| 2045 | 5.000 | 300,375 | 300,375 | 2,175,000 | 2,775,750 | 9,840,000 |
| 2046 | 5.000 | 246,000 | 246,000 | 2,285,000 | 2,777,000 | 7,555,000 |
| 2047 | 5.000 | 188,875 | 188,875 | 2,395,000 | 2,772,750 | 5,160,000 |
| 2048 | 5.000 | 129,000 | 129,000 | 2,515,000 | 2,773,000 | 2,645,000 |
| 2049 | 5.000 | 66,125 | 66,125 | 2,645,000 | 2,777,250 | 0 |
| | | \$ 17,128,150 | \$ 17,128,150 | \$ 43,455,000 | \$ 77,711,300 | |

PORT FREEPORT

Senior Lien Revenue Bonds, Series 2019B (NON-AMT)
September 30, 2021

TABLE 25

| Fiscal Year Ending September 30 | Coupon | Interest Due 1-Dec | Interest Due 1-Jun | Principal Due 1-Jun | Total Principal & Interest | Principal Balance |
|---------------------------------------|---------|--------------------------|--------------------------|---------------------------|----------------------------------|----------------------|
| | | | | | | \$ 28,335,000 |
| 2022 | 5.000 % | \$ 495,275 | \$ 495,275 | \$ 560,000 | \$ 1,550,550 | 27,775,000 |
| 2023 | 5.000 | 481,275 | 481,275 | 585,000 | 1,547,550 | 27,190,000 |
| 2024 | 5.000 | 466,650 | 466,650 | 615,000 | 1,548,300 | 26,575,000 |
| 2025 | 5.000 | 451,275 | 451,275 | 645,000 | 1,547,550 | 25,930,000 |
| 2026 | 5.000 | 435,150 | 435,150 | 680,000 | 1,550,300 | 25,250,000 |
| 2027 | 5.000 | 418,150 | 418,150 | 715,000 | 1,551,300 | 24,535,000 |
| 2028 | 5.000 | 400,275 | 400,275 | 750,000 | 1,550,550 | 23,785,000 |
| 2029 | 5.000 | 381,525 | 381,525 | 785,000 | 1,548,050 | 23,000,000 |
| 2030 | 5.000 | 361,900 | 361,900 | 825,000 | 1,548,800 | 22,175,000 |
| 2031 | 5.000 | 341,275 | 341,275 | 865,000 | 1,547,550 | 21,310,000 |
| 2032 | 3.000 | 319,650 | 319,650 | 910,000 | 1,549,300 | 20,400,000 |
| 2033 | 3.000 | 306,000 | 306,000 | 935,000 | 1,547,000 | 19,465,000 |
| 2034 | 3.000 | 291,975 | 291,975 | 965,000 | 1,548,950 | 18,500,000 |
| 2035 | 3.000 | 277,500 | 277,500 | 995,000 | 1,550,000 | 17,505,000 |
| 2036 | 3.000 | 262,575 | 262,575 | 1,025,000 | 1,550,150 | 16,480,000 |
| 2037 | 3.000 | 247,200 | 247,200 | 1,055,000 | 1,549,400 | 15,425,000 |
| 2038 | 3.000 | 231,375 | 231,375 | 1,085,000 | 1,547,750 | 14,340,000 |
| 2039 | 3.000 | 215,100 | 215,100 | 1,120,000 | 1,550,200 | 13,220,000 |
| 2040 | 3.000 | 198,300 | 198,300 | 1,155,000 | 1,551,600 | 12,065,000 |
| 2041 | 3.000 | 180,975 | 180,975 | 1,185,000 | 1,546,950 | 10,880,000 |
| 2042 | 3.000 | 163,200 | 163,200 | 1,225,000 | 1,551,400 | 9,655,000 |
| 2043 | 3.000 | 144,825 | 144,825 | 1,260,000 | 1,549,650 | 8,395,000 |
| 2044 | 3.000 | 125,925 | 125,925 | 1,300,000 | 1,551,850 | 7,095,000 |
| 2045 | 3.000 | 106,425 | 106,425 | 1,335,000 | 1,547,850 | 5,760,000 |
| 2046 | 3.000 | 86,400 | 86,400 | 1,375,000 | 1,547,800 | 4,385,000 |
| 2047 | 3.000 | 65,775 | 65,775 | 1,420,000 | 1,551,550 | 2,965,000 |
| 2048 | 3.000 | 44,475 | 44,475 | 1,460,000 | 1,548,950 | 1,505,000 |
| 2049 | 3.000 | 22,575 | 22,575 | 1,505,000 | 1,550,150 | 0 |
| | | \$ 7,523,000 | \$ 7,523,000 | \$ 28,335,000 | \$ 43,381,000 | |

PORT FREEPORT

Senior Lien Revenue Bonds, Series 2021 (AMT)
September 30, 2021

TABLE 26

| Fiscal Year Ending September 30 | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|---------------------------------------|---------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
| | | | | | | \$ 29,885,000 |
| 2022 | 5.000 % | \$ 375,941 | \$ 663,425 | \$ - | \$ 1,039,366 | 29,885,000 |
| 2023 | 5.000 | 663,425 | 663,425 | - | 1,326,850 | 29,885,000 |
| 2024 | 5.000 | 663,425 | 663,425 | - | 1,326,850 | 29,885,000 |
| 2025 | 5.000 | 663,425 | 663,425 | - | 1,326,850 | 29,885,000 |
| 2026 | 5.000 | 663,425 | 663,425 | - | 1,326,850 | 29,885,000 |
| 2027 | 5.000 | 663,425 | 663,425 | - | 1,326,850 | 29,885,000 |
| 2028 | 5.000 | 663,425 | 663,425 | - | 1,326,850 | 29,885,000 |
| 2029 | 5.000 | 663,425 | 663,425 | 735,000 | 2,061,850 | 29,150,000 |
| 2030 | 5.000 | 645,050 | 645,050 | 775,000 | 2,065,100 | 28,375,000 |
| 2031 | 5.000 | 625,675 | 625,675 | 810,000 | 2,061,350 | 27,565,000 |
| 2032 | 5.000 | 605,425 | 605,425 | 855,000 | 2,065,850 | 26,710,000 |
| 2033 | 5.000 | 584,050 | 584,050 | 895,000 | 2,063,100 | 25,815,000 |
| 2034 | 5.000 | 561,675 | 561,675 | 1,000,000 | 2,123,350 | 24,815,000 |
| 2035 | 5.000 | 536,675 | 536,675 | 1,000,000 | 2,073,350 | 23,815,000 |
| 2036 | 5.000 | 511,675 | 511,675 | 1,040,000 | 2,063,350 | 22,775,000 |
| 2037 | 5.000 | 485,675 | 485,675 | 1,090,000 | 2,061,350 | 21,685,000 |
| 2038 | 5.000 | 458,425 | 458,425 | 1,145,000 | 2,061,850 | 20,540,000 |
| 2039 | 5.000 | 429,800 | 429,800 | 1,205,000 | 2,064,600 | 19,335,000 |
| 2040 | 5.000 | 399,675 | 399,675 | 1,265,000 | 2,064,350 | 18,070,000 |
| 2041 | 5.000 | 368,050 | 368,050 | 1,330,000 | 2,066,100 | 16,740,000 |
| 2042 | 4.000 | 334,800 | 334,800 | 1,395,000 | 2,064,600 | 15,345,000 |
| 2043 | 4.000 | 306,900 | 306,900 | 1,450,000 | 2,063,800 | 13,895,000 |
| 2044 | 4.000 | 277,900 | 277,900 | 1,510,000 | 2,065,800 | 12,385,000 |
| 2045 | 4.000 | 247,700 | 247,700 | 1,570,000 | 2,065,400 | 10,815,000 |
| 2046 | 4.000 | 216,300 | 216,300 | 1,630,000 | 2,062,600 | 9,185,000 |
| 2047 | 4.000 | 183,700 | 183,700 | 1,695,000 | 2,062,400 | 7,490,000 |
| 2048 | 4.000 | 149,800 | 149,800 | 1,765,000 | 2,064,600 | 5,725,000 |
| 2049 | 4.000 | 114,500 | 114,500 | 1,835,000 | 2,064,000 | 3,890,000 |
| 2050 | 4.000 | 77,800 | 77,800 | 1,910,000 | 2,065,600 | 1,980,000 |
| 2051 | 4.000 | 39,600 | 39,600 | 1,980,000 | 2,059,200 | 0 |
| | | \$ 13,180,766 | \$ 13,468,250 | \$ 29,885,000 | \$ 56,534,016 | |

PORT FREEPORT

Capital Lease
September 30, 2021

TABLE 27

| Fiscal Year Ending September 30 | Coupon | Interest Due Sept. 30 | Principal Due Sept. 30 | Total Principal & Interest | Principal Balance |
|---------------------------------------|--------|-----------------------------|------------------------------|----------------------------------|----------------------|
| | | | | | \$ 4,572,342 |
| 2022 | 2.31 % | \$ 105,438 | \$ 1,489,502 | \$ 1,594,940 | 3,082,840 |
| 2023 | 2.31 | 71,090 | 1,523,850 | 1,594,940 | 1,558,990 |
| 2024 | 2.31 | 35,950 | 1,558,990 | 1,594,940 | 0 |
| | | \$ 212,478 | \$ 4,572,342 | \$ 4,784,820 | |

PORT FREEPORT

Table 28, Miscellaneous Statistical Data

Located in Texas's Central Gulf Coast, Port Freeport currently encompasses approximately 85 percent of Brazoria County. Occupying the only frontal mainland coastline in Brazoria County, it also offers one of Texas's most fertile agricultural areas. The primary economic bases of the county include chemical manufacturing, petroleum processing, offshore oil and gas production and maintenance services, diversified manufacturing, biochemical, electronics, and agriculture. In addition, the area's deepwater transportation waterway, port facilities, sport fishing services and tourism are major components of the county's economic base.

| | |
|---|--|
| Date of Incorporation | 1925 |
| Form of Government..... | A political subdivision of the state of Texas |
| Number of Employees | 38 |
| Geographical Location..... | Southeast Coast of Texas on the Gulf of Mexico Approximately 60 miles South of Houston |
| Port Owned Property..... | Approximately 774 acres developed Approximately 500 acres environmentally mitigated 1,800 acres identified for industrial development Approximately 8,000 acres undeveloped |
| Elevation | 3-12 feet above sea level |
| Tidal Range-Inner Harbor..... | Plus (minus) 2.5 feet |
| Aerial Clearance..... | No restriction |
| Climate Type..... | Sub-tropical |
| Temperature - Annual Average..... | 71.6 degrees F. |
| Precipitation - Annual Average..... | 57.24 |
| Number of Public Docks..... | 7 (not including 4 public private partnership docks) |
| Covered Dry Warehouse Space | 434,400 square feet |
| Port Freeport's Total Foreign Tonnage Ranking | |
| Among U.S. Ports ① | 11 th highest |
| Port Freeport's Total Foreign Waterborne Tonnage①..... | 34.6 million |
| (public and private facilities) | |
| Port Freeport's Container Handling Ranking | |
| Among U.S. Ports ② | 26 th highest |
| Total Containers..... | 87,774 TEU |
| Central America, South America, Middle East, Africa, EU, and Asia | |
| Liquefied Natural Gas, liquefied petroleum gas, crude oil, bulk petrochemicals, natural gas liquids, containerized cargo, refrigerated fresh fruit, rice, new and used automobiles, high and heavy construction equipment, limestone aggregate, project cargo, plastic resins, steel products | |
| Number of Truck Lines Serving Port Freeport | 12 |
| Number of Barge Lines Serving Port Freeport | 3 |
| Number of Railroad Lines Serving Port Freeport | 1 |
| Number of Shipping Lines Calling Port Freeport | 19 |
| Foreign Trade Zone (FTZ) No. 149 | Established in 1988 |
| FTZ 149 service area..... | Brazoria and Ft. Bend County, Texas |
| Area of County..... | 1,386.4 square miles |
| Brazoria County's Total Assessed Valuation | |
| Among Texas Counties ④ | 11 th highest without exemptions |
| Brazoria County's Total Population Ranking | |
| Among All Texas Counties ③ | 14 th highest |
| Brazoria County's Total Area Ranking | |
| Among All Texas Counties ③ | 27 th highest |
| Economic Impact to Region and State | \$98.8 billion total annually / \$9.0 billion personal income, 150,651 jobs economy-wide directly or indirectly supported by operations |
| Economic Impact to Nation..... | \$149 billion total annually / \$5.4 billion in federal tax revenues, 279,780 jobs economy-wide directly or indirectly supported by operations |

①Source - Port Freeport analysis of U.S. Census Bureau trade data for calendar year 2020.

②Source - Port Freeport analysis of U.S. Census Bureau trade data for calendar year 2020.

③Source - Texas Demographic Center

④ Source - Brazoria County Appraisal District

The history of navigation in the Brazos River area can be traced to as early as 1528 when the Spanish explorer Cabeza de Vaca first arrived in the “New Land”. In 1821, Stephen F. Austin chose the mouth of the Brazos River as the location of a colony and deepwater port to be developed. Throughout the nineteenth century and beyond, the area’s importance as a trade and shipping area became more viable. A brief chronological history of the development of Port Freeport:

In 1889, Congress authorized the Brazos River and Dock Company to construct, own and operate sufficient jetties as might be necessary to create a navigable channel between the mouth of the Brazos River and the Gulf of Mexico. Granite jetties were constructed by the Brazos River and Dock Company at a cost of \$ 1,449,025.

The Brazos River Harbor Navigation District was created by an action of the voters on the 4th day of December 1925. In 1960, the size of the elected number of Commissioners was increased from three to six positions by an act of the Texas Legislature.

On December 4, 1925, the voters approved the issuance of \$ 989,000 of ad valorem tax bonds to be utilized for the elimination of the river jetty siltation - shoaling problems by diversion of the “live” Brazos River to another course for its final flow to the Gulf of Mexico.

In January 1951, the voters approved the issuance of \$ 2,600,000 of ad valorem tax bonds to be utilized for the purchase of additional land for the construction of the Harbor and District’s first dock and terminal facilities. In June 1957, the voters approved the issuance of \$ 1,500,000 of Port Revenue Bonds for construction of a second transit shed and dock facility.

In 1961, the harbor and channel were first dredged to the original project depth of 36 - feet by the Federal Government. In June 1963, the Interstate Commerce Commission granted the District an all-inclusive equalization of rail rates, placing the Ports of Houston, Galveston, and Freeport on an equal rail rate basis. In January 1964, Transit Shed No. 5 was opened for business. This 36,000-square foot cargo storage facility was constructed with retained Port revenues; no bonds were issued for its construction.

In May 1969, the Board of Navigation and Canal Commissioners authorized the issuance of \$ 865,000

of Port Revenue Bonds for the construction of a 60,000-square foot, warehouse, known as Warehouse 53, and modifications and improvements to other District warehouses, transit sheds and dock facilities.

On October 5, 1980, the voters approved the issuance of \$ 20,000,000 of ad valorem tax bonds for the acquisition of 8,700 acres of land for future industrial development and for expenses related to the District’s waterway and jetty system widening and deepening project, construction of additional office and warehouse space and improvements to existing Port facilities.

In 1983, the Board of Navigation and Canal Commissioners entered into a lease agreement with Dole Fresh Fruit Company to construct a trailer marshaling yard and maintenance facility to handle Dole’s weekly-containerized fruit import and commodity export trade. In 1985, the Board of Navigation and Canal Commissioners entered into a lease agreement with American Rice, Inc. to construct the largest state-of-the-art rice milling facility in the United States on a site leased to it by the Port and authorized the issuance of \$ 10,500,000 of Port Revenue Bonds for the construction of an additional berth, 180,000 square feet of transit sheds, a barge unloading facility along with numerous major infrastructure improvements.

On June 2, 1985, then Texas Governor Mark White signed a bill authorizing the Brazos River Harbor Navigation District to apply for and to accept, operate and maintain a Foreign-Trade Zone within its boundaries. The Foreign-Trade Zones Board on June 28, 1988, issued Order No. 385 approving the establishment of Foreign-Trade Zone No. 149 at specific sites located within the jurisdiction of the Brazos River Harbor Navigation District. On July 18, 1988, authorization to “activate” sites of Foreign-Trade Zone No. 149 were issued by the District Director of the U. S. Customs Service and on July 19, 1988, the first goods were received into Foreign-Trade Zone No. 149.

In 1962, the District requested the U. S. Army Corps of Engineers to study the widening and deepening of the Freeport jetty system, channels, and harbor to improve navigation and to accommodate the larger ships that were first appearing at this time and were forecasted to be standard fleet size soon. Twenty-four years later, on November 17, 1986, President Ronald Reagan signed “The Water Resources Development

Act of 1986” which authorized the first new waterway construction starts since 1976. The authorization included the Freeport Harbor, Texas, 45-Foot Project, at an estimated total project cost of \$ 88,600,000 of which \$ 29,200,000 was non-federal/local expense. To satisfy the recreational requirements of the project, the District completed the \$ 1,000,000 Surfside Jetty Park Complex in 1994, and through an Interlocal Cooperation Agreement with Brazoria County, turned the park over to the Brazoria County Parks Department for operation and maintenance.

In 1989, the Board of Navigation and Canal Commissioners authorized the purchase of the Canadian Millworks, Inc. leasehold improvements, now known as Warehouse 51, for \$ 350,000. The facility has undergone major upgrades and is presently being utilized for warehousing of domestic cargoes.

On January 1, 1993, the Board of Navigation and Canal Commissioners entered into an Industrial Lease and Docking Agreement with McDermott, Inc. for the pre-and post-mating hook-up and commissioning site for Shell Offshore, Inc.’s “Auger” Tension Leg Platform Project. In conjunction with the lease, the District realized over \$ 580,000 in permanent site improvements to District lands fronting on the Brazos River channel. Additionally, the District contracted for the dredging of a 60-foot-deep berthing area in the Upper Turning Basin. In January 1994, the Board of Navigation and Canal Commissioners entered into a lease agreement with Western Towing, Inc. for the construction of a barge fleeting facility located on the Old Brazos River upstream from the Upper Turning Basin.

In June 1995, the Board of Navigation and Canal Commissioners adopted a long-term master plan developed with the assistance from the firm, Vickerman, Zachary, and Miller. With input from the Board of Navigation and Canal Commissioners, staff, community leaders and local industry, the District’s Mission Statement and Goals were developed. An update to the Master Plan was adopted in 1999.

In September 1995, the Board of Navigation and Canal Commissioners entered into a lease agreement with Chiquita Brands, Inc. for the construction of a Green Fruit Terminal on leased Port lands. The terminal includes space for up to 200 containers on chassis, interchange, and maintenance facilities, as well as modular office units at a total cost of \$ 2.5 million. Terminal operations commenced in March 1996. \$

3,265,000 of Port Revenue Bonds were issued to finance the Green Fruit Terminal as well as renovations to Berth No. 1.

In December 1998, the voters approved the issuance of \$ 16,000,000 of ad valorem tax bonds to be utilized for the purchase and commissioning of a \$ 3.1 million mobile harbor crane and 500-foot extension of Berth No. 5 and berthing area improvements at Parcel 39. To facilitate the more efficient handling of containerized and project cargoes and to handle the additional loads from container handling equipment, the dock aprons of Berths No. 1 and No. 2 were widened from 45 – feet to 100 – feet in 1998-1999 by demolition of a portion of the transit sheds. These projects were funded by a combination of Port revenue bonds and retained earnings. In 1998, Warehouse 52, a 36,000-square foot facility, was constructed and is currently being used for domestic warehousing and cargo storage. This project was funded with Port retained earnings.

In 1999, the District acquired two tracts of land adjacent to the Port for future development and expansion. The first is a 2.5-acre tract, formerly occupied by Freeport Welding and Fabrication. The second is a 45-acre tract, formerly owned by Marathon Oil Company, with deep-water frontage on the Old Brazos River.

In 1999, the main Port entrance was rebuilt and widened, the 30-plus year-old pavement west of the rail crossing on Pete Schaff Blvd. was replaced, and the final phase of a 5-acre open storage yard was completed. In 2000, the Deep Berthing Area was dredged to a depth of 70 feet, making it one of only two 70-foot-deep berthing areas in the Upper Gulf Coast. The first phase of Berthing Area Improvements, Parcel 39, was completed in 2000, which included dredging a berthing area to 40-foot depth, the installation of monopile breasting/mooring dolphins and extending the Port’s water distribution system. These projects were funded with proceeds from the 1998 bond issuance.

In March 2000, the Board of Navigation and Canal Commissioners entered into a lease agreement with Transit Mix Concrete and Materials, a division of Trinity Industries (now Vulcan Materials), to import limestone for the construction industry. In October, the first self-unloading vessel carrying over 60,000 tons of limestone discharged at their facility located on the Upper Turning Basin.

In 2000-2001 the Port completed the Berth 5 Extension Project, increasing the number of public deepwater berths from three to four. A harbor tug berthing facility was constructed to provide a home base for harbor tugs serving vessels in Port Freeport. A portion of Transit Shed No. 5 was demolished, and the balance renovated to provide for a 100-foot-wide dock apron and more efficient handling of cargo. These projects were funded with proceeds from the 1998 bond issuance.

In 2001, the Board of Navigation and Canal Commissioners signed a lease agreement with Parker/Cabett Subsea Products Inc. to construct a state-of-the-art umbilical cable manufacturing facility to serve the offshore oil and gas industry. The facility is located adjacent to the recently completed Berth 5 and manufactured its first cable in early 2002.

In 2002, the Port contracted for the development of a Conceptual Master Plan that provides for the organized expansion of the Port over the next 20 years to serve the marine industry. Also, in 2002, the Port started the process of widening and deepening the Freeport Harbor Channel to serve larger vessels and the anticipated increase in vessel traffic. The U. S. Army Corps of Engineers issued the Section 216 Reconnaissance Phase Report that identified a federal interest in the project. In 2003, the Board of Navigation and Canal Commissioners entered into a \$ 6.5 million Feasibility Cost Sharing Agreement with the U.S. Army Corps of Engineers for the Freeport Harbor Improvement Project. The Feasibility Phase of the project was completed and the USACE issued a Chief's Report to the U.S. Congress recommending the deepening of the Freeport Harbor Channel in 2013.

In 2004, the Port undertook three major projects in its efforts to diversify its cargo base. Construction of a 38,000-square foot Cool Storage Facility to handle palletized fruit as well as other temperature-sensitive commodities was completed in 2005. Design of the Velasco Terminal project was started in late 2004 and construction started in early 2007. The new 800-foot-long berth is designed to handle the next generation of gantry cranes and accommodate vessels up to 48-foot draft. The signing of a land lease agreement with Freeport LNG was the first step in the construction of a liquefied natural gas receiving facility. Construction began in early 2005 and was completed in 2008. The first vessel of liquefied natural gas was received in April 2008.

In 2007, the State of Texas passed House Bill 542, which legally changed the name of the Brazos River Harbor Navigation District to "Port Freeport" and the name of the governing body of the Brazos River Harbor Navigation District to "Port Commission" and the name of each member of the Port Commission to be changed to "Port Commissioner." Development on Parcel 25 began, and wind energy units began moving through Port Freeport via Suzlon Wind Energy Corp. and other manufacturers.

The Port completed construction of a 60-acre project cargo area that is being leased for storage of wind power production components in 2009 at Parcel 25. In addition, the first 5-acres of an additional project cargo area at Parcel 19 were completed and the design for the next 10-acres was completed in 2009.

In 2010, Freeport LNG filed an application with the Federal Energy and Regulatory Commission to expand their facility to include re-liquefaction capabilities.

In 2011, the State of Texas passed House Bill 1305, which granted authority to Port Freeport to issue permits for the movement of oversize or overweight vehicles carrying cargo on highways located within a ten-mile radius of Port Freeport.

In 2013, Velasco Terminal Phase 1, Berth 7 was completed and operational. The permit system for the movement of oversize or overweight vehicles carrying cargo on highways located within a ten-mile radius of Port Freeport was implemented.

In 2014, the Port purchased two Post Panamax ship to shore container cranes for Velasco Terminal. Mediterranean Shipping Company, S.A. began servicing the Port in a vessel sharing agreement with Chiquita Brands International. In preparation of its new export facility, Freeport LNG signed an agreement with Port Freeport to widen the Freeport Harbor entrance channel.

In 2015 Hoegh Autoliners joined the Port's family of partners in June of 2015 and has now created the first major OEM Ro/Ro facility at the Port offering all services to ocean carriers moving of all kinds of rolling stock. Port Freeport also signed leases with Zachry for construction staging areas for the construction of Freeport LNGs three new "trains".

Congress approved the Water Resource Development Act designating the Port as an “authorized project” which placed the GRR and 56-foot channel deepening project as one of the top federal projects considered for funding.

In 2016, the chiller was demolished, making additional open storage area alongside Berth 2 and to facilitate and expedite ro/ro ship discharge and loading operations. Port Freeport also welcomed the first Post-Panamax vessel to call the Port. The MV HOEGH TARGET is the largest Pure Car Pure Truck Carrier in the world with the capacity to carry about 8,500 Car Equivalent Units (CEUs).

Freeport LNG (FLNG) commenced construction of three new export LNG trains and announced plans for an additional fourth train.

During 2016, Port Freeport reached a milestone in its history, surpassing three million tons of cargo handled at the public berths.

2017 was another banner year which saw the Port and the USACE partnering again on significant projects. The Port and the USACE approved the Freeport Placement 1 Containment Dike Raising, which will create significant new capacity for dredge material placement. The USACE and Port also approved a new study as part of the GRR (General Re-evaluation Review) that would look at navigation enhancements as they relate to widening the current channel.

One of the Port’s newest tenants, Tenaris, opened their new seamless pipe manufacturing facility in Bay City, Texas. This \$ 1.7 billion-dollar facility’s feedstock began arriving by vessel weekly in August 2017. Approximately 330,000 tons of steel billets and/or steel pipes are expected each year.

The Port also received approval of its’ first M-69 Marine Highway Designation and route from MARAD. The marine highway offers service routes for container on barge operations and lowers truck emissions by offering alternative barge services to and from the Port Houston and Port Freeport.

The State Legislature, in 2017, authorized the extension of the Port’s HLC (Heavy-lift Truck Corridor) by adding an additional route from Sweeny, Texas to Bay City, Texas to its list of routes offered to local industry. This route helps facilitate the delivery of steel products by truck to and from Bay City and

Port Freeport, reducing the number of transits by 40 percent.

Port Freeport reached a major milestone in 2017 by approving its first major rail project, adding 3 x 5,500’ rail lines on Parcel 14, which is a 242-acre site designed for multi-modal operations. The Port and service partner UPRR will offer manifest rail services options to our Ro/Ro and petrochemical clients.

In addition to the new rail, the Port will offer new warehousing for plastics bagging, container stuffing, and more rail storage/service options for high and heavy cargo such as construction equipment, cranes, and heavy lift project cargo.

In December 2018, Port Freeport was named to the Top 10 List of Fastest Growing US Ports for Exports by Forbes Magazine.

In 2018, the Port continued with its growth and expansion plans. New service lines were added with Sallam Lines as well as Hoegh Autoliner offered a new service to Australia and New Zealand. CMA\CGM, a global service carrier also started calling Port Freeport with their weekly Brazex service.

The Port celebrated the 30th anniversary of the Foreign Trade Zone 149 which continues to provide economic benefits for users.

On May 5, 2018, the voters approved the issuance of \$ 130 million General Obligation Bonds for the Port’s non-federal sponsor contribution of the Freeport Harbor Channel Improvement Project. The total project is estimated to be \$ 295 million and is expected to start construction in 2019.

2019 delivered continued growth to Port Freeport. The Brazos Pilots Association reported 1,034 total deep draft ship calls in 2019, an approximate 9% increase over 2018.

During 2019, Port Freeport executed 2nd Lease Agreements with two of its existing customers, namely Horizon Terminal Services (now renamed Horizon Auto Liners) and Vulcan Construction Materials. The Port also signed a new Lease Agreement with G&H Towing Company to ensure that technologically advanced, first-class towing vessels can service ships arriving to and departing from Port Freeport.

2019 was highlighted with a historic ribbon cutting event. The earlier mentioned \$ 26.5M Phase 1 Rail Infrastructure Project that constructed over 21,000 linear feet of railroad track on the Port's 262-acre Parcel 14 was completed.

^①Historical data summarized from the previous research of Glenn Heath and Nat Hickey

2020 was a year of great change. In February 2020, the U.S. Army Corps of Engineers announced \$ 19 million in funding was included for the Freeport Harbor Channel Improvement Project in the USACE FY 2020 Work Plan and named Port Freeport as one of two seaports nationwide to receive a "new start" designation for commencement of construction. A Project Partnership Agreement was signed between Port Freeport and the USACE on June 25, 2020. On September 14, 2020, the USACE awarded the first dredging contract to Great Lakes Dredge and Dock Corporation in the amount of \$ 15.4 million.

Port Freeport's Ro/Ro services grew with the arrival of two new services: ACL Grimaldi and Wallenius Wilhelmsen. The Port's investment in landside multimodal infrastructure, which includes 20 acres of OEM storage and processing that was placed into service in August 2020, brought the total number of vehicle spaces on Port property to 10,000.

Freeport LNG began commercial operations and the exporting of natural gas of three liquefaction trains. The first rail cars were delivered to Parcel 14 and, CEMEX, a new partner, established a CO2 transfer facility on Parcel 25 which transports CO2 to Mexico.

In 2021, Liberty Global Logistics joined our family of tenants, adding new RO/RO cargo and sailings to our portfolio. Freeport LNG's exports arrived and added 192 sailings of LNG to our cargo mix. Vulcan Materials opened their new facility on Parcel 14 and this new facility has added one unit train of limestone a week to rail traffic.

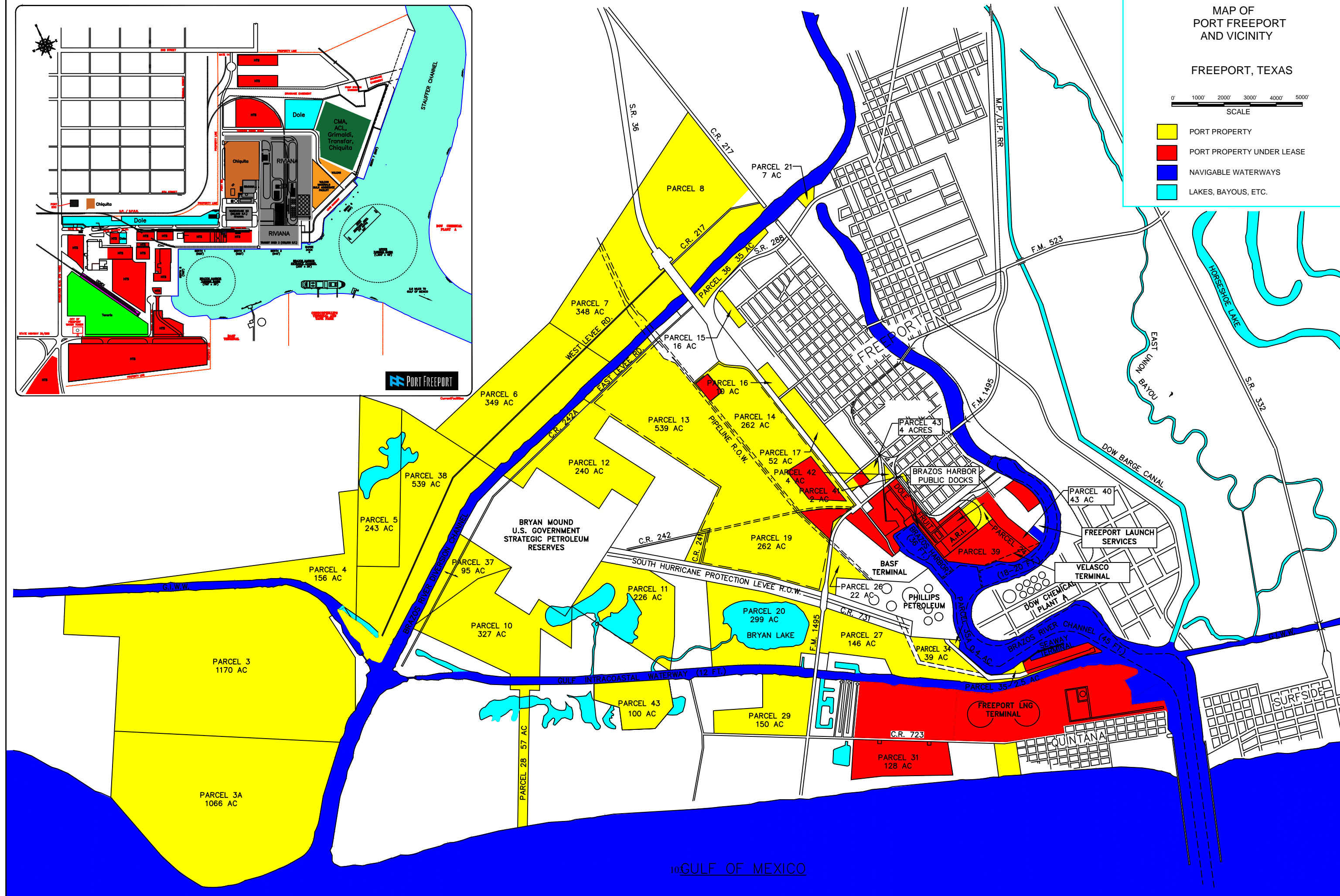
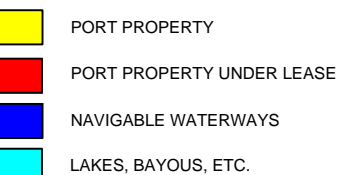
Even more exciting, the Channel deepening and widening project not only started in 2021, but the first section is completed. Bids for the second reach have been accepted and dredging of this reach and the bend easing area should start in Spring 2022.

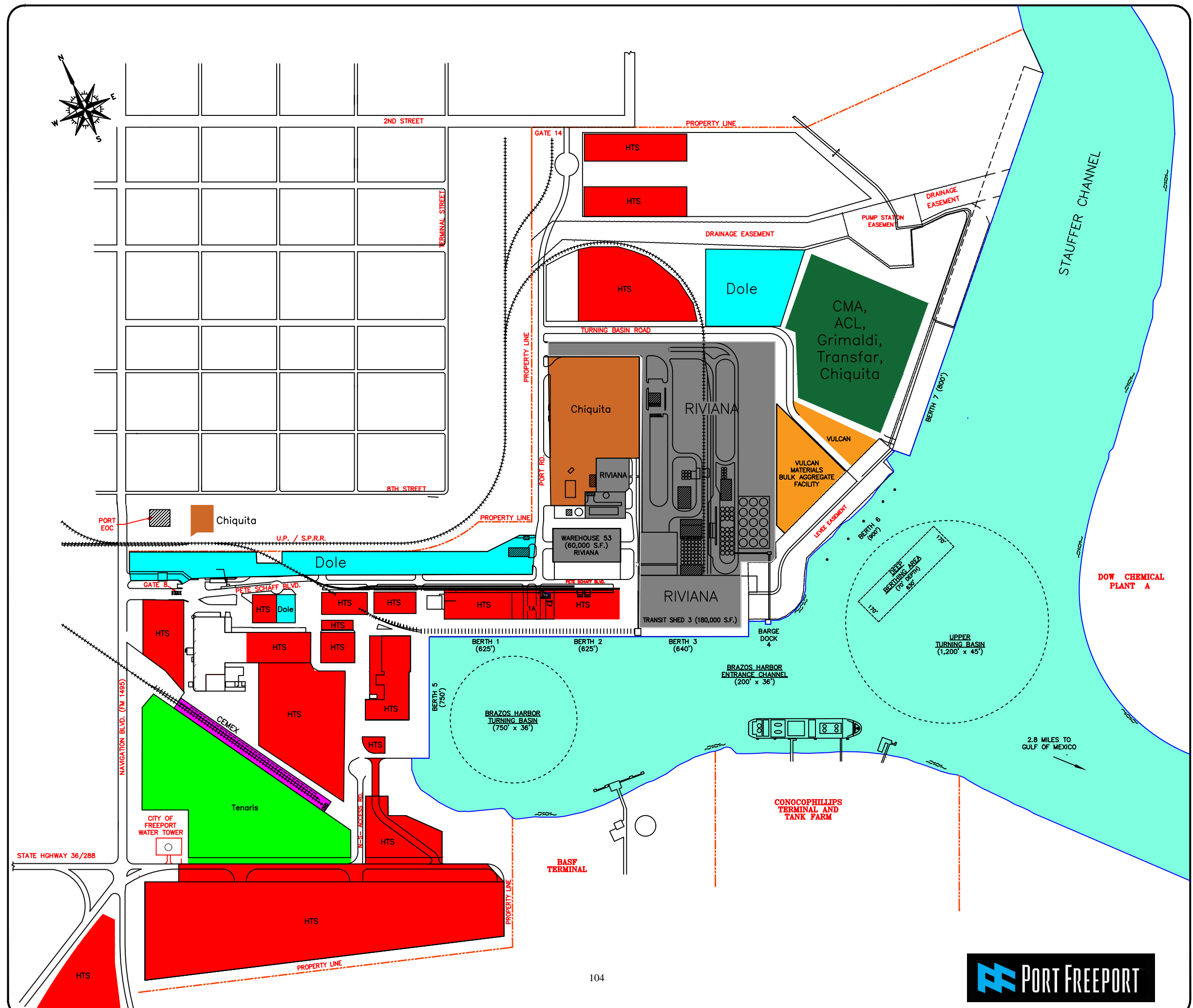
Port Freeport history documents the prior and current commitment of the Brazoria County residents, its industries, the Port Commission, administration, and staff members to ensure the continued successful economic impact of the Port.



FREEPORT, TEXAS

FREEPORT, TEXAS







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February 15, 2022

To the Port Commission
Port Freeport
Freeport, Texas

We have audited the financial statements of the business-type activities of Port Freeport (the "Port") for the year ended September 30, 2021 and 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 18, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Port are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year of September 30, 2021 and 2020. We noted no transactions entered into by the Port during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Port's financial statements was:

Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no detected misstatements.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 15, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Port's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Port's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were not engaged to report on introductory Section and Statistical Section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Port Commission and management of the Port and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

KM&L, LLC



Independent Auditor's Report

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

To the Port Commission
Port Freeport
Freeport, 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 business-type activities of the Port Freeport (the "Port") as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, and have issued our report thereon dated February 15, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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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.

KM&L, LLC

Lake Jackson, Texas
February 15, 2022



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MEMORANDUM

TO: Phyllis Saathoff, Executive Director/CEO
FROM: Darlene Winkler, Communications Specialist
DATE: February 24, 2022
SUBJECT: Public Affairs – February 2022

PUBLIC AFFAIRS

Communications and Media

Staff continues to post on social media port facts, press releases, safety awareness, hurricane preparedness, and other information pertinent to our community.

COVID-19 – The website and various social media channels are being maintained as a resource to the public for information on COVID-19 as it relates to Port Freeport and the community.

Freeport Harbor Channel Marine Traffic – The website is being maintained as a resource to the Freeport Harbor Channel community for information on marine traffic related to FHCIP dredging. Communications regarding Reach 2 widening will soon begin . Updates will be posted accordingly.

Freeport Harbor Channel Improvement Project – Staff continues to respond to inquiries from the public regarding Port Freeport and the Freeport Harbor Channel Improvement Project, as well as maintain updated information on both www.portfreeport.com and www.portfreeportbondelection.com.

Information Regarding Container Drop-off/Pick-up – Information regarding container drop-off/pick-up is temporarily being maintained on the home page of the Port's website. The call volume requesting this information increased significantly with the direct Asia service vessel arrivals to the Port. Business Development is updating this information as needed.

Print and Social Media Monitoring – Staff continues to monitor publications, newspapers, agendas, and social media for matters pertaining to Port Freeport, Port Freeport's partners, and the harbor community.

Press Releases and News Postings – No press releases or news postings were distributed in late January or February.

Community Events and Meetings

Port Events

Community Advisory Panel (C.A.P.) – The next C.A.P. meeting will be held on March 8, 2022, at the Clute Event Center. The guest speaker will be announced at a later date.

Tentative dates for future C.A.P. meetings are listed below.

Tuesday, June 7th

Tuesday, September 13th

Thursday, December 1st

Port Freeport Take-A-Child Fishing Tournament (TACFT) – The Public Affairs Department is continuing with the preparation and planning for the TACFT which will take place on May 14, 2022. Outreach to local school districts and other local youth organizations for participation in the logo drawing contest is underway. The drawing contest concludes on February 18th. The Brazosport Facts contacted the Port and will be covering the TACFT and logo drawing contest in the paper this week.

On February 24th, the top 10 logo drawings will be on display in the first-floor lobby, and the e-voting for the winning logo will be held. The e-voting polls will be open from 8 am on February 24th through 10 am on February 25th. To secure the element of surprises, the winners will be announced after they have been presented with their prizes.

The TACFT Captain dinner will be held on May 12, 2022, at River Place in Freeport. To increase our sponsorships, we are seeking contact information for any potential new sponsors. Please send this information to Darlene Winkler.

Port Presentations, Tours, and Meetings

February 4 - H-GAC Annual Meeting (Phyllis, Keynote speaker)

March 3 – Greater Houston Freight Committee (Phyllis, speaker via ZOOM)

March 3 – Texas Port Ministry Banquet (Phyllis, speaker)

March 4 – University of Houston Clear Lake presentation and port tour

March 7 – Port Authority Advisory Committee- port visit, and tour (Phyllis)

March 9 – Angleton Leadership Session (Port Freeport host)

March 22 - Fort Bend Commissioners Court (Phyllis, guest speaker) *(original date 1/25/22)*

Community Events and Meetings

Weekly – Business Roundtable Virtual Meetings (speakers vary)

February 2 - Mid-Coast Region ACIT & ABC Membership Luncheon Cody Vasut

February 3 - Brazosport Chamber of Commerce Membership Luncheon Senator Huffman

February 3 - Brazoria County Hispanic Chamber of Commerce Annual Gala

February 17 - Angleton Chamber of Commerce Annual Heritage Gala *(original 1/20/22)*

February 19 – BCPC Veteran Career Fair

February 24 - Brazosport College - Reception for Dr. Vincent Solis *(original 1/25/22)*

February 24 – Angleton Rotary Annual Fundraiser

Upcoming Community Events and Meetings

March 3 - Angleton Chamber of Commerce Awards Luncheon & Chairman Address *(original 1/6/22)*

March 3 – Texas Port Ministry Banquet, Phyllis guest speaker

March 5 - Brazoria Heritage Foundation Celebration Day

March 8 - West Columbia Chamber of Commerce - Vision 2022 Breakfast

March 9 - Brazosport Chamber of Membership Luncheon; DOW Fernando Signorini (*original 1/20/22*)

March 10 – Boy Scouts of America Breakfast

March 12 – Junior Achievement Celebrity Waiter Banquet

March 29 - Texas A & M Galveston Spring Career Fair

April 14 - 100 Club of Brazoria County - Law Enforcement Appreciation Banquet (*original 9/23/21*)

April 23 – West Columbia Rotary 46th Annual Shrimp Boil and Auction

May 5 - Brazosport Chamber of Commerce Membership Luncheon: DOW Fernando Signorini (*original date 1/20/22*)

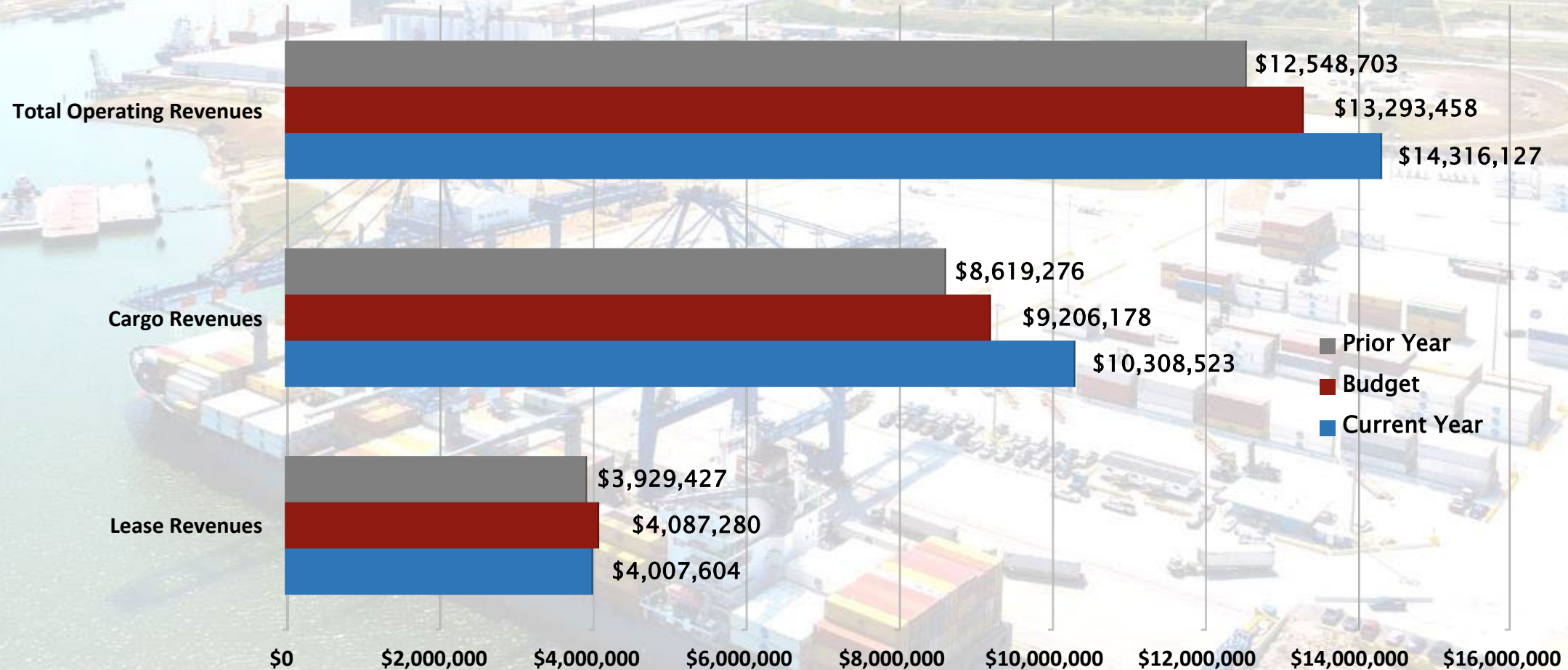


Financial Report for January 31, 2022

February 24, 2022

Rob Lowe | Chief Financial Officer

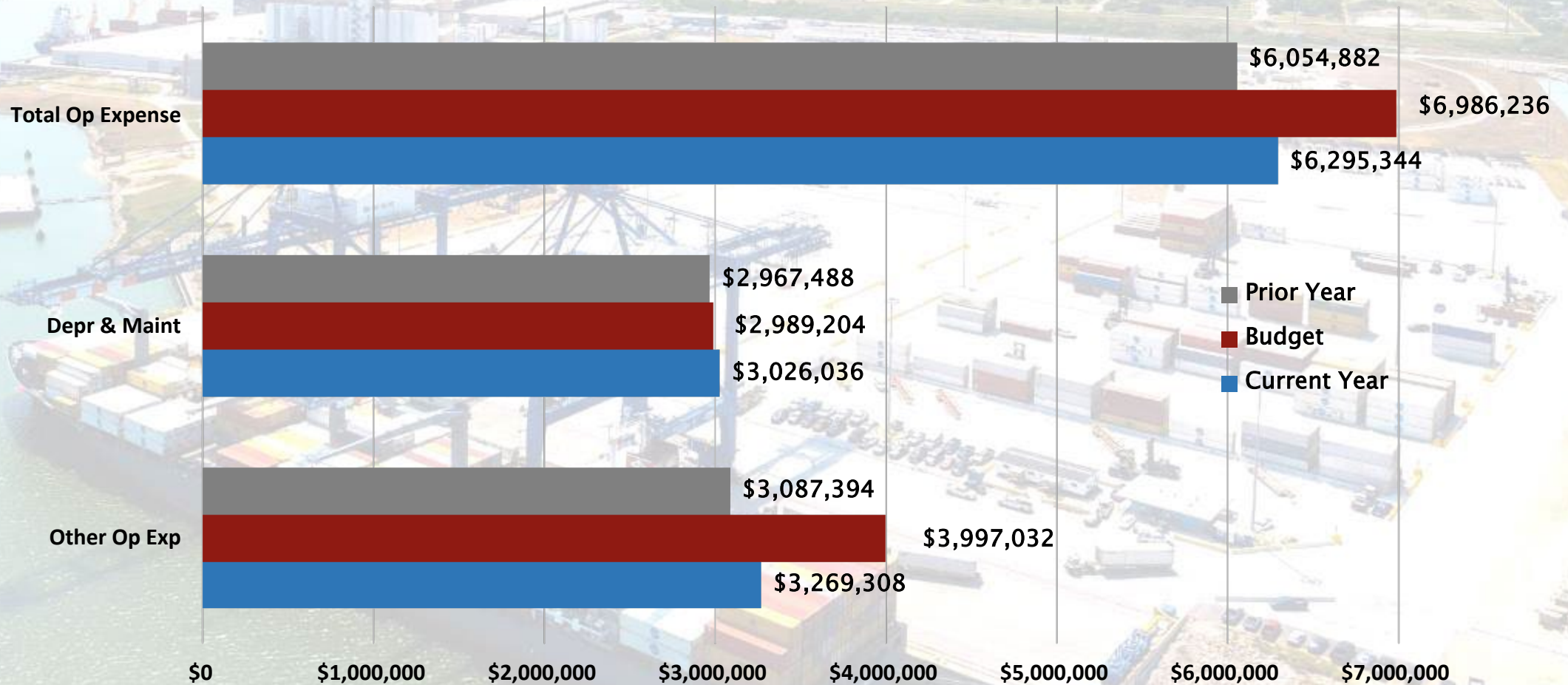
FY 2022 YTD OPERATING REVENUES



COMPARISON:

- Operating revenues are up over PY 14% and over budget by 8%
- Cargo revenues above PY by 20%; budget by 12%
- As compared to budget, cargo volumes are up in all categories
- Lease revenues are above PY 2% and 2% below budget

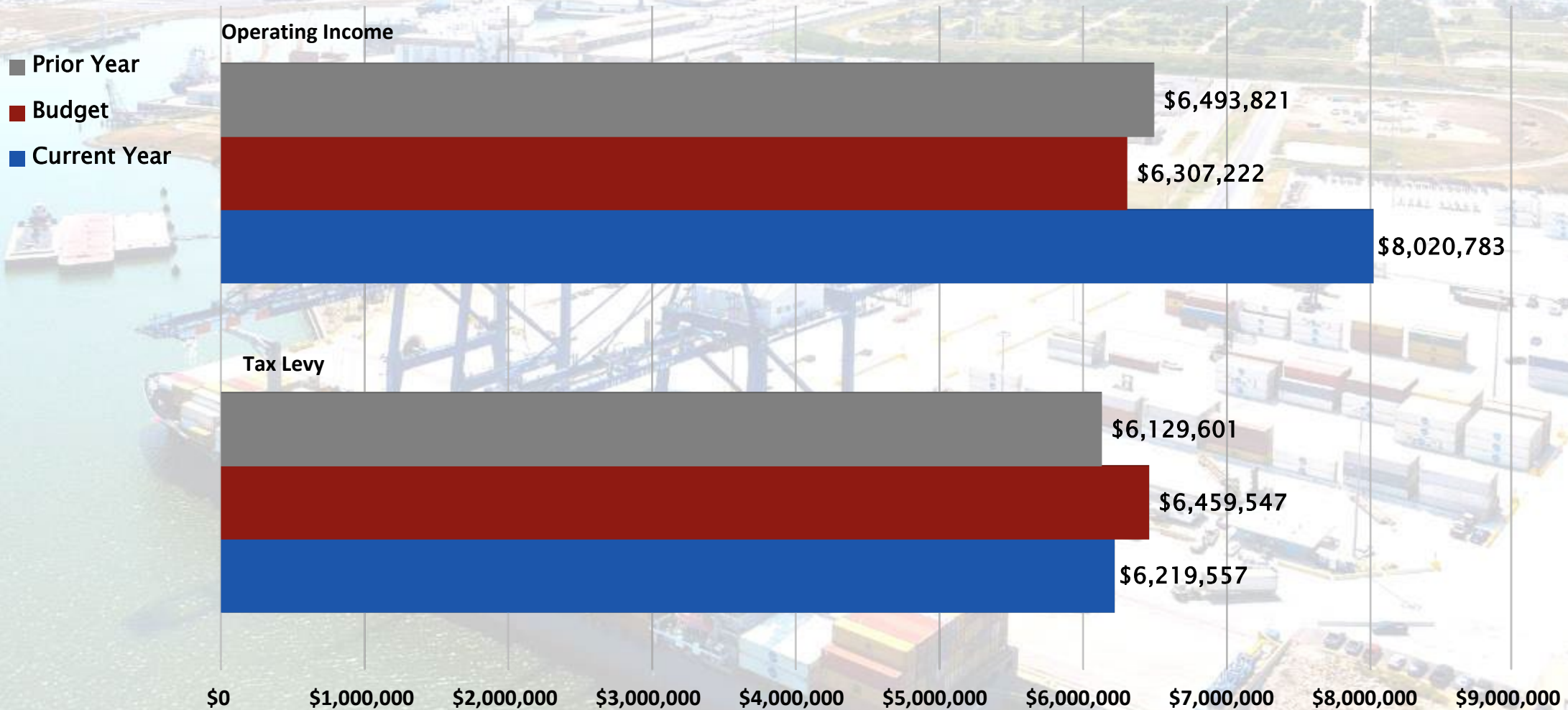
FY 2022 YTD OPERATING EXPENSE



COMPARISON:

- Total operating expenses are above prior year by 4%, below budget 10%
- Depr & maint are up over the PY by 2% and budget 1%
- Other expenses are 6% above PY and below budget by 18%

FY 2022 YTD OPERATING INCOME



COMPARISON:

- Operating income is 24% above PY and above budget by 27%

FY 2022 YTD CHANGE IN NET POSITION

Change in Net Position

- Non-Operating Revenue (Expense) includes Ad Valorem Taxes, Investment Income, Debt Service and Gain (Loss) on Sale of Assets
- Drivers for comparison to budget are primarily timing of capital contribution projects.

| | Year To Date | YTD Budget | Total 2021 Budget |
|--|---------------|--------------|-------------------|
| Operating Income | \$ 8,020,783 | \$ 6,307,222 | \$ 18,424,600 |
| Non-Operating Revenue (Expenses) | \$ 3,147,260 | \$ 3,521,849 | \$ (2,942,000) |
| Capital Contributed (To) From Others | | | |
| Freeport Harbor Channel Improvement Project | \$ (748,547) | \$ - | \$ (31,050,000) |
| Contributed to Port | \$ - | \$ - | \$ 50,000 |
| Grants | \$ 109,561 | \$ - | \$ 375,000 |
| Emergency Recovery Efforts | \$ (34,294) | \$ - | \$ - |
| | | | |
| Change In Net Position | \$ 10,494,763 | \$ 9,829,071 | \$ (15,142,400) |

FY 2022 YTD CASH FLOWS

| <i>Cash Flow Measure</i> | <i>Current Year</i> | <i>Prior Year</i> |
|--|------------------------|------------------------|
| <i>Cash Provided by Operations</i> | \$ 7,711,691 | \$ 5,046,210 |
| <i>Cash Provided by Non-Cap Financing</i> | 4,409,535 | 3,366,169 |
| <i>Cash Used by Cap Financing</i> | (26,923,717) | (20,130,278) |
| <i>Cash Provided by Investing Activities</i> | 231,412 | 265,585 |
| <i>Net Increase (Decrease) in Cash</i> | (\$ 14,571,079) | (\$ 11,452,314) |

COMPARISON:

- Operating cash flow is positive due to increase in operating revenues
- Cash provided from non cap financing are tax levy collections
- Capital Financing funds used for capital improvements.

FY 2022 STATISTICS

| <i>Measure</i> | <i>Current Year</i> | <i>Prior Year</i> | <i>Budget</i> |
|--|----------------------------|--------------------------|----------------------|
| <i>Operating Margin</i> | <i>56%</i> | <i>52%</i> | <i>47%</i> |
| <i>Current Ratio (unrestricted)</i> | <i>4.9 to 1</i> | <i>6.4 to 1</i> | <i>n/a</i> |
| <i>Debt to Net Assets Ratio</i> | <i>1.096 to 1</i> | <i>0.86 to 1</i> | <i>n/a</i> |

ACCOUNTS RECEIVABLE AGING


| <i>Year</i> | <i>0-30 days</i> | <i>31-60 days</i> | <i>61-90 days</i> | <i>Over 90 days</i> |
|--|----------------------------------|-------------------------------|------------------------------|------------------------------|
| <i>January 31, 2022 FY 2022</i> | 89% \$5,742,715 | 9% \$590,133 | 1% \$97,712 | 1% \$92,183 |
| <i>January 31, 2021 FY 2021</i> | 92% \$4,044,888 | 5% \$231,711 | 2% \$92,225 | 1% \$37,747 |
| <i>January 31, 2020 FY 2020</i> | 98% \$3,671,600 | 1% \$49,359 | 0% \$13,788 | 1% \$35,023 |



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MEMORANDUM

TO: Commissioners
Directors
Legal Counsel

FROM: Jason Hull, P.E. 
Director of Engineering

DATE: February 15, 2022

SUBJECT: Departmental Report

PROJECTS

1. **Velasco Terminal, Berth 8** – This project entails construction of Berth 8, which will extend the wharf another 928 feet north of Berth 7. Installation of piling continues, and all of the container wharf pile have been delivered. The channel dredging will be a separate construction project that began on April 8, 2021. Work on the concrete wharf pile caps has begun and will follow behind pile driving moving from the south toward the north. Pile caps and crane beams are being poured continuing from south towards the north. The last piling will be driven in the month of September 2022.



PORT COMMISSION

2. **FHCIP Reach 2** - This project consists of deepening and improving the Freeport Channel. This is a Civil Works project that was authorized in WRRDA 2014. A contract with Orion Marine Group was signed on October 27th. Mobilization of dredge pipe is ongoing now. The dredge will arrive in February 2022.
3. **Levee Stabilization and Wave Barrier Relocation** – This project involves relocation of the north wave barrier to allow for a bend easing and stabilization of a levee on the Dow thumb that has a lower than satisfactory factor of safety for global stability. The final wall pile was driven on May 28th and the project is now stabilizing the levee as intended. Work to be completed includes replacing the chain-link fencing. A final Corps inspection is in the process of being scheduled.
4. **Operations and Shop Building Improvements** – This project is to make repairs to exterior walls and upgrade the operational effectiveness and efficiencies outside the buildings. This project is closing out now.
5. **Berth 2 and 3 Floodwall Modifications** – The modifications include demolition of two sections of concrete wall, approximately 100-ft long each, and replacing them with sections of a removable and deployable system. The design is moving forward using conservative wave modeling. The permit application was submitted to VDD on June 5, 2020. The Corps has told us that any opening greater than 30-feet will require monopiles to be driven in the water in front of the opening to “catch” a barge from floating through the opening.
6. **East End Properties Demolition 2022** - This project involves removing asbestos from structures in the East End and then demolition of the structures. A PSA with Montrose Environmental for asbestos removal inspection and air quality monitoring services during the demolition was executed and returned. The bid package preparation will now begin.
7. **Docks 1, 2, 3 and 5 Sheet Pile Repair Project 2022** – This project involves repairing holes and tears in the underwater sheetpile that were noted in the last underwater inspection survey. Bid package is underway now and project will be advertised in March 2022.

**PORT FREEPORT
OPERATIONS ACTIVITY SUMMARY
JANUARY 2022**

A. MONTHLY ACTIVITY EXPLANATION

- * Total import/export activity for the month of January were better than expected.
- * LNG experienced (19) vessels.
- * Riviana did not experience any vessels this month.
- * Vulcan Material did not experience any vessel this month.
- * Total (10) RoRo vessels handled.
- * Tenaris experienced (1) vessel, (3) barges and (38) railcars this month.
- * Total of (12) Container vessel calls.
- * CEMEX transferred product from truck to (31) rail cars.
- * Vulcan Materials handled (95) rail cars this month.
- * Average vessel activity in 2021 was 44 per month. This month, we handled 43 vessels (19 LNG & 24 Inner Harbor).
- * *Enterprise/Seaway received (10) vessels.*
- * *There were (96) Total Vessel arrivals Port wide.*

B. FISCAL YEAR ACTIVITY EXPLANATION

- * Total Tons for this year are better than expected. This is due to the addition of vessel calls by LNG and RoRo vessels.
- * LNG has handled (76) vessels for export.
- * Tenaris has handled (8) vessel, (31) barges and (187) railcars.
- * Total (49) RoRo vessels handled.
- * YTD (41) Container vessel calls.
- * CEMEX handled (83) railcars with 6,814 Tons of Co2.
- * Vulcan handled (475) railcars with 47,825.1 Tons of Limestone and (2) Vessels.
- * Total vessels handled this fiscal year is 186 compared to 176 last year (76 LNG & 110 Inner Harbor).
- * *Enterprise Seaway Vessels Year-to-date (42).*
- * *Total Port wide Vessels Fiscal Year-to-date (417)*

- * *Total Vehicles Handled Year-to-date (29,748)*
- * *Total Containers Handled (13,828)*
- * *Total Railcars Handled (773)*

C. INSIGHT TO ACTIVITY FOR FEBRUARY 2022

- * LNG has scheduled (**18**) vessels.
- * Riviana Foods has scheduled (**1**) vessel.
- * Vulcan Material has scheduled (**0**) vessel for January.
- * Expecting to handle (**12**) RoRo vessels.
- * Tenaris has (**2**) vessels and (**8**) barges planned.
- * Expecting (**10**) Container vessels.

D. OPERATIONAL MEETINGS AND AGENDAS

- * OPTS, Safety, Security – Attended Monthly traffic coordination and safety group meeting
- * Safety- Mike Quilty performed various vessel and terminal observations and implemented corrective actions as needed.
- * Security-Chris Hogan- Continued monitoring the new developments associated with Covid-19. (Variants, Boosters and Testing)
- * OPTS Team – Continue the process of searching and interviewing potential candidates to fill various open positions.
- * AI – Jesse –Austin- Attended various pre-opts meetings to plan and coordinate the various terminal vessel activities.



PORT FREEPORTSM

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Interim Financial Report

(unaudited)

For the Period ending:

January 31, 2022

PORT COMMISSION

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY;

RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

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Management Narrative

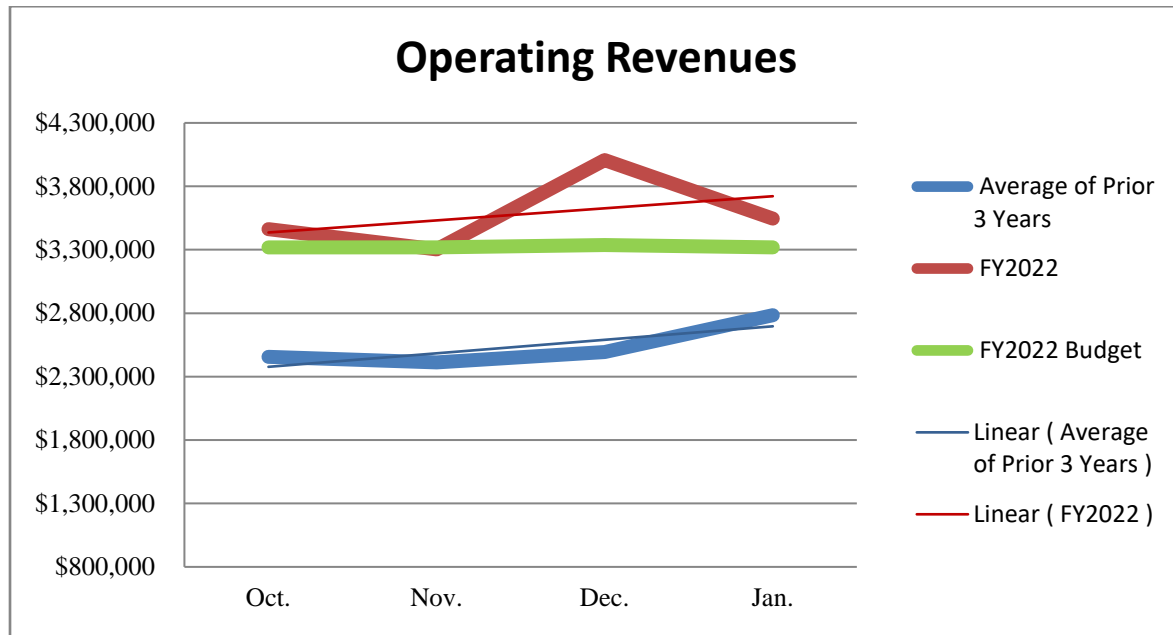
For the first four months of Fiscal Year 2022, the Port continued to remain on a positive financial foundation with operating revenues 8% above planned levels. Further, operating expenses were under planned levels and are below budget by a factor of 10%. These factors combined have contributed to producing an operating profit of \$8,020,783 and an operating margin of 56%, which is above planned performance levels by 27% or \$1,713,561 and is \$1,526,962 or 24% above prior year's results.

The Port's overall position remains strong as evidenced in a current ratio (unrestricted) of 4.9 to 1, which reflects a strong liquidity position, and a debt ratio of 109.6% which is supported by our strong credit rating. The following table provides additional summary level information.

| | Year to Date | | Variance | % Var |
|--|----------------------|------------------------------|----------------------------|-------|
| | Actuals | Budget | Favorable (Unfavorable) | |
| Statement of Revenues, Expenses and Changes in Net Assets | | | | |
| Operating revenues | \$ 14,316,127 | \$ 13,293,458 | \$ 1,022,669 | 8% |
| Operating expense | <u>6,295,344</u> | <u>6,986,236</u> | 690,892 | 10% |
| Operating income (loss) | <u>8,020,783</u> | <u>6,307,222</u> | 1,713,561 | 27% |
| Operating margin | 56.0% | 47.4% | | |
| Net non operating revenues (expense) | 2,398,713 | 3,521,849 | (1,123,136) | -32% |
| Capital contributions | 109,561 | - | 109,561 | 0% |
| Net extraordinary revenue (expense) | <u>(34,294)</u> | <u>-</u> | (34,294) | 0% |
| Change in net assets | <u>\$ 10,494,763</u> | <u>\$ 9,829,071</u> | \$ 665,692 | |
| Balance Sheet | | | | |
| Cash and cash equivalents | \$ 91,641,928 | Current ratio (unrestricted) | | |
| Current unrestricted assets | 65,512,862 | 4.9 to 1 | | |
| Total assets | 548,615,804 | | | |
| Current unrestricted liabilities | 13,282,394 | Debt to Net Assets Ratio | | |
| Total liabilities | 293,162,981 | 109.6% | | |
| Total Net Assets | \$ 255,452,823 | | | |

The balance of this narrative provides detailed explanations and supplementary information for the variances when comparing budget to actual for the period ended January 31, 2022.

OPERATING REVENUES



Total operating revenues for the period ending January 31, 2022, are \$14,316,127. This is \$1,022,669 or 8% above planned levels. The following provide more specific explanations for variances in revenue:

Wharfage revenue stands at \$4,847,016, which is over budget by \$310,920 or 7%. The following is a brief analysis of wharfage results by cargo category:

| | 4 Months Budget | Year To Date | Over (Under) | % Over (Under) |
|----------------------|-----------------------|-----------------|-----------------|-------------------|
| Agriculture Products | \$ 44,750 | \$ 73,290 | \$ 28,540 | 64% |
| Bulk Aggregate | 72,800 | 73,064 | 264 | 0% |
| Containerized Cargo | 466,698 | 542,532 | 75,834 | 16% |
| General Cargo | 3,373,237 | 3,631,234 | 257,997 | 8% |
| Project Cargo | 36,667 | 32,571 | (4,096) | -11% |
| Ro-Ro Cargo | 541,944 | 494,325 | (47,619) | -9% |
| Total | \$ 4,536,096 | \$ 4,847,016 | \$ 310,920 | |

Dockage revenue stands at \$2,892,433, consistent with wharfage revenues, which is \$271,065 or 10% above budgeted levels. Year-to-date ship calls are 186 compared to a budget of 180.

Equipment use fees, stands at \$434,804, which is over budget \$8,872 or 2% due to crane and equipment usage.

Security fees, consistent with wharfage and dockage, stand at \$967,439, which is over budget \$98,003 or 11%.

Facility use fees are \$579,743. This is over budget by \$196,407 or 51% due to facility usage outside of tenant leased areas.

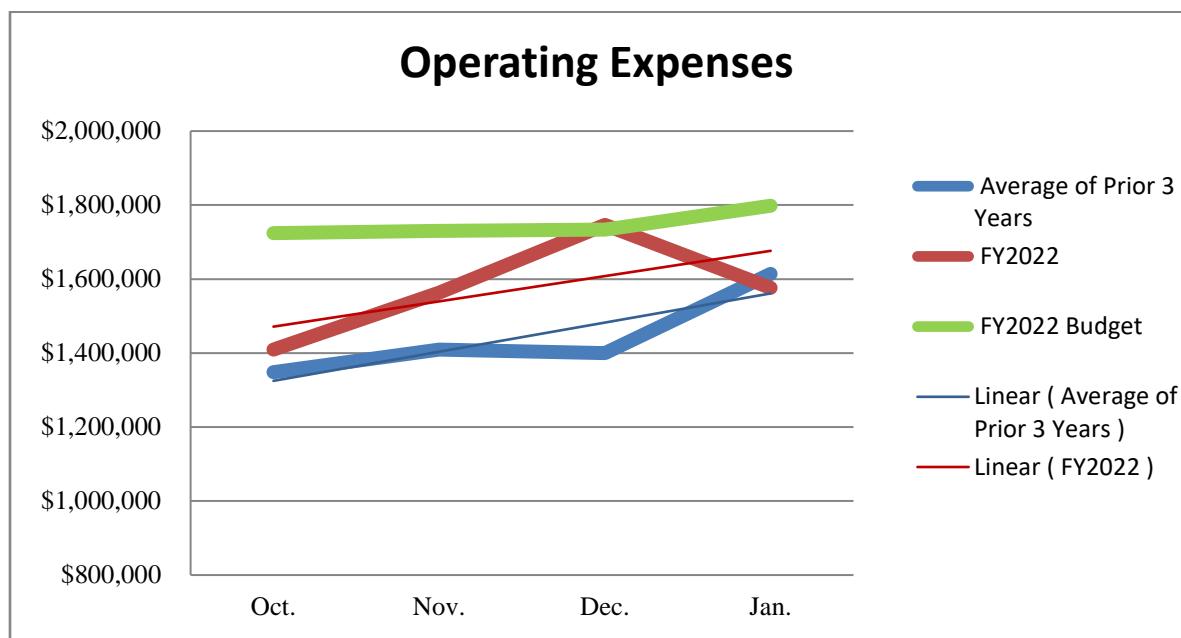
Other customer service fees (Port service charges, incidental services, customer re-bills, water, etc.) are \$566,907 which is \$203,147 or 56% above budgeted levels due to customer rebilling.

Ground leases stand at \$3,717,101, which is \$55,263 or 1% below budget levels.

Other leases are \$290,503, which is \$24,413 or 8% below budget levels.

Other revenue is \$20,181, which is \$13,931 above budgeted levels.

OPERATING EXPENSES



Total operating expenses are \$6,295,344, which is under budget \$690,892 or 10% for the period ended January 31, 2022. Following are more specific explanations for variances in operating expenses:

Port salaries/wages and benefits are \$1,412,686. This is \$337,194 or 19% less than budget. Currently, there are two vacancies and three new positions not filled when compared to Fiscal Year 2022 Budget.

Professional services are \$683,235, which is under budget \$216,199 or 24% due to timing of services. Security services, at \$541,671 is the majority of this budget item and is 8% below budgeted levels.

Training, travel & promotional expenses are \$131,376 which is under budget \$190,416 or 59%. Following is a brief explanation of some sub-categories within this line item:

- Commercial advertising is \$49,112, which is below budgeted levels \$76,732 or 61% due to timing of advertisements.
- Sales/promotional travel costs are \$7,587 which is under budgeted levels by \$12,243 or 62% due to timing of travel.
- Governmental relations costs are \$1,016 which is below budget by \$13,855 or 93% due to timing of government related travel.
- Community events are \$14,752 which is below budgeted levels \$5,281 or 26% due to timing of events.
- Technical training is \$6,225 which is \$33,275 or 84% under budget due to timing or postponement of training.

Supplies are \$47,341 which is \$15,427 or 25% below budget.

Utilities at \$202,945 are under budget \$63,903 or 24% due to the timing of the receipt of the bill and related customer rebilling.

Business insurance is \$482,256, which is \$1,292 or slightly above budgeted levels.

Other services and charges at \$309,469 are \$94,123 or 44% above budget due to the purchase of the managed detection response software/subscription which is offset by the grant revenue.

Maintenance and repair expenses at \$405,487 are \$2,485 or 1% below budget. It should be noted that there are some customer damaged property repairs, which is offset by other services and charges revenue for the rebilling to the customer for the damages. Following is a brief explanation of some of the repairs by facility/equipment type:

- Crane trolley cable repairs \$7,234
- Repairs to the Emergency Operations Building VRV (HVAC) system \$20,322

Depreciation expense at \$2,620,549 is \$39,317 or 2% above budget levels due to timing of additions.

Operating income is \$8,020,783 compared to a total fiscal year budget of \$18,424,600, shows a positive result for Fiscal Year 2022.

NON-OPERATING REVENUES (EXPENSES)

Ad Valorem tax collections are posted utilizing the certified appraised values less the related fees. Adjustments are made throughout the year from the tax office reports to reflect appraisal and tax office adjustments as well as prior year collections and penalty and interest. Year to date values are \$6,219,557 compared to an annual budget of \$6,422,200.

Investment income is \$99,184 or 1% below budget due to change in fair market values and low interest rates. Investment rates conditions continue to be flat.

Debt interest and fees are \$3,171,481, which is \$133,783 or 4% above budgeted levels due to the budget amount being evenly distributed over twelve months.

Capital Contributions to Others budget includes \$31,050,000 in contributions to the U.S. Army Corps of Engineers for the Freeport Harbor Channel Improvement Project and \$50,000 in contributions to the Port for cost share of improvements. There has been \$748,547 in expenses/revenue for these projects.

Grant Revenue budgeted for the Fiscal Year 2022 is \$375,000. There has been \$109,561 in grant revenue for Fiscal Year 2022. The grant revenue is funded on a reimbursement basis, so the capital contributions are recorded when the expenditures for each project are reported quarterly.

**PORT FREEPORT
BALANCE SHEET**

| | <u>1/31/2022</u> | <u>9/30/2021</u> |
|---|-----------------------|-----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| CASH AND CASH EQUIVALENTS | \$ 51,776,070 | \$ 57,580,744 |
| INVESTMENTS | 3,996,804 | 0 |
| RECEIVABLES (net of allowance for uncollectibles): | | |
| TRADE ACCOUNTS | 6,480,028 | 5,042,395 |
| PROPERTY TAXES | 1,098,852 | 62,864 |
| OTHER | 2,727 | 40,032 |
| OTHER GOVERNMENTS | 641,051 | 652,143 |
| ACCRUED INTEREST | 2,303 | 0 |
| PREPAIDS | 517,773 | 928,156 |
| INVENTORY | 997,254 | 970,061 |
| TOTAL UNRESTRICTED CURRENT ASSETS | \$ 65,512,862 | \$ 65,276,395 |
| RESTRICTED ASSETS: | | |
| CASH AND CASH EQUIVALENTS | 39,865,858 | 53,113,244 |
| INVESTMENTS | 45,230,898 | 44,746,721 |
| RECEIVABLES (net of allowance for uncollectibles): | | |
| PROPERTY TAXES | 765,735 | 25,995 |
| OTHER | - | 501 |
| ACCRUED INTEREST | 98,188 | 232,719 |
| BOND DISCOUNTS AND ISSUANCE COSTS | 6,604 | 7,767 |
| TOTAL RESTRICTED ASSETS | 85,967,283 | 98,126,947 |
| TOTAL CURRENT ASSETS | 151,480,145 | 163,403,342 |
| PROPERTY, PLANT, AND EQUIPMENT: | | |
| PROPERTY, PORT, AND FACILITIES | 489,759,293 | 468,198,940 |
| LESS ACCUMULATED DEPRECIATION | (92,623,634) | (90,003,084) |
| PROPERTY, PLANT, AND EQUIPMENT NET | 397,135,659 | 378,195,856 |
| TOTAL ASSETS | \$ 548,615,804 | \$ 541,599,198 |
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| ACCOUNTS PAYABLE | \$ 10,242,092 | \$ 9,357,196 |
| EQUIPMENT LEASE PAYABLE | 1,489,502 | 1,489,502 |
| ACCRUED COMPENSATED ABSENCES | 195,296 | 333,519 |
| UNEARNED LEASE INCOME | 1,355,504 | 4,015,079 |
| TOTAL CURRENT LIABILITIES | \$ 13,282,394 | \$ 15,195,296 |
| LIABILITIES PAYABLE FROM RESTRICTED ASSETS: | | |
| ACCRUED BOND INTEREST PAYABLE | 1,387,823 | 2,695,658 |
| BONDS PAYABLE | 5,630,000 | 5,630,000 |
| TOTAL CURRENT LIABILITIES FROM RESTRICTED ASSETS | 7,017,823 | 8,325,658 |
| NON-CURRENT LIABILITIES | | |
| EQUIPMENT LEASE PAYABLE | 3,082,840 | 3,082,840 |
| BONDS PAYABLE | 248,035,000 | 248,035,000 |
| BOND PREMIUMS | 21,744,924 | 22,002,242 |
| TOTAL NON-CURRENT LIABILITIES | 272,862,764 | 273,120,082 |
| TOTAL LIABILITIES | \$ 293,162,981 | \$ 296,641,036 |
| NET ASSETS | | |
| NET INVESTMENT IN CAPITAL ASSETS | \$ 171,293,422 | \$ 169,104,874 |
| RESTRICTED-DEBT SERVICE | 16,301,991 | 13,774,096 |
| RESTRICTED-CAPITAL PROJECTS (Corps) | 12,674 | 12,799 |
| RESERVE FOR CAPITAL IMPROVEMENTS | 14,124,766 | 10,495,791 |
| UNRESTRICTED | 53,719,970 | 51,570,602 |
| TOTAL NET ASSETS | \$ 255,452,823 | \$ 244,958,162 |

PORT FREEPORT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
January 31, 2022

| | YEAR | PRIOR YEAR | % OVER | 4 | % OVER | TOTAL |
|---|----------------------|---------------------|--------------|---------------------|-------------|------------------------|
| | TO DATE | TO DATE | (UNDER) | MONTHS | (UNDER) | 2021/2022 |
| | | | | BUDGET | | BUDGET |
| OPERATING REVENUES: | | | | | | |
| Wharfage | \$ 4,847,016 | \$ 4,408,129 | 10% | \$ 4,536,096 | 7% | \$ 13,608,300 |
| Dockage & deep water berth | 2,892,433 | 2,356,454 | 23% | 2,621,368 | 10% | 7,864,100 |
| Equipment & pallet use fees | 434,804 | 372,196 | 17% | 425,932 | 2% | 1,277,800 |
| Facility use fees | 579,743 | 361,627 | 60% | 383,336 | 51% | 1,150,000 |
| Security Fees | 967,439 | 796,048 | 22% | 869,436 | 11% | 2,608,300 |
| Other Customer Service Fees | 566,907 | 322,835 | 76% | 363,760 | 56% | 1,072,100 |
| Ground leases | 3,717,101 | 3,641,278 | 2% | 3,772,364 | -1% | 11,300,600 |
| Other leases | 290,503 | 288,149 | 1% | 314,916 | -8% | 944,700 |
| Other revenue | 20,181 | 1,987 | 916% | 6,250 | 223% | 25,000 |
| Total Operating Revenues | 14,316,127 | 12,548,703 | 14% | 13,293,458 | 8% | 39,850,900 |
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | 1,007,763 | 1,031,417 | -2% | 1,303,728 | -23% | 3,993,600 |
| Port employee benefits | 404,923 | 438,783 | -8% | 446,152 | -9% | 1,648,300 |
| Professional services | 683,235 | 662,529 | 3% | 899,434 | -24% | 2,722,000 |
| Training, travel, and promotional | 131,376 | 63,387 | 107% | 321,792 | -59% | 802,900 |
| Supplies | 47,341 | 38,306 | 24% | 62,768 | -25% | 156,700 |
| Utilities | 202,945 | 226,239 | -10% | 266,848 | -24% | 800,500 |
| Business Insurance | 482,256 | 445,837 | 8% | 480,964 | 0% | 1,557,500 |
| Other services & charges | 309,469 | 180,896 | 71% | 215,346 | 44% | 723,800 |
| Maintenance & repair | 405,487 | 215,094 | 89% | 407,972 | -1% | 927,300 |
| Depreciation | 2,620,549 | 2,752,394 | -5% | 2,581,232 | 2% | 8,093,700 |
| Total Operating Expenses | 6,295,344 | 6,054,882 | 4% | 6,986,236 | -10% | 21,426,300 |
| OPERATING INCOME (LOSS) | 8,020,783 | 6,493,821 | 24% | 6,307,222 | 27% | 18,424,600 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Ad Valorem tax collections | 6,219,557 | 6,129,601 | 1% | 6,459,547 | -4% | 6,422,200 |
| Investment Income | 99,184 | 58,432 | 70% | 100,000 | -1% | 200,000 |
| Gain (loss) on sale of assets | - | 460,196 | -100% | - | 0% | - |
| Debt interest and fees | (3,171,481) | (2,564,972) | 24% | (3,037,698) | 4% | (9,564,200) |
| CAPITAL CONTRIBUTIONS (TO) FROM OTHERS: | | | | | | |
| Freeport Harbor Improvement Project | (748,547) | (3,282,828) | -77% | - | 0% | (31,050,000) |
| Levee Stabilization - Reach 2 | - | (2,287,453) | -100% | - | 0% | - |
| Contributed Capital-Other | - | - | 0% | - | 0% | 50,000 |
| Total Non-Operating Revenue (Expenses) | 2,398,713 | (1,487,024) | -261% | 3,521,849 | -32% | (33,942,000) |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND EXTRAORDINARY EXPENSE | 10,419,496 | 5,006,797 | 108% | 9,829,071 | 6% | (15,517,400) |
| CAPITAL CONTRIBUTIONS: | | | | | | |
| Grants: | | | | | | |
| Grants Port-Freeport | 109,561 | - | 0% | - | 0% | 375,000 |
| Total Capital Contributions-Grants | 109,561 | - | 0% | - | 0% | 375,000 |
| EXTRAORDINARY ITEM | | | | | | |
| Emergency Recovery Efforts - Hurricane | (34,294) | - | 0% | - | 0% | - |
| Net Extraordinary Income (Expense) | (34,294) | - | 0% | - | 0% | - |
| CHANGE IN NET POSITION | \$ 10,494,763 | \$ 5,006,797 | 110% | \$ 9,829,071 | 7% | \$ (15,142,400) |

STATEMENT OF CASH FLOWS

January 31, 2022

| | YEAR TO DATE | PRIOR YEAR TO DATE |
|--|------------------------------|------------------------------|
| Cash Flows from Operating Activities: | | |
| Operating Income (Loss) | \$ 8,020,783 | \$ 6,493,821 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities: | | |
| Depreciation | 2,620,549 | 2,752,394 |
| Dredge Material Placement Fees | - | - |
| Change in Assets and Liabilities: | | |
| Trade receivables | (1,437,735) | (1,251,237) |
| Other receivables | 37,305 | 2,162 |
| Inventories | (27,193) | 92,036 |
| Prepaid and Other | 410,884 | 352,596 |
| Accounts payable | 884,896 | (634,510) |
| Deferred lease income | (2,659,575) | (2,628,081) |
| Accrued compensated absences | <u>(138,223)</u> | <u>(132,971)</u> |
| Total Cash Provided from (Used for) Operating Activities | <u>7,711,691</u> | <u>5,046,210</u> |
| Cash Flows from Non-capital Financing Activities: | | |
| Property tax receipts | 4,487,710 | 3,408,445 |
| Property tax collection expense | (43,881) | (42,276) |
| Emergency Recovery Efforts - Hurricane Related | <u>(34,294)</u> | <u>-</u> |
| Total Cash Provided from (Used for) Non-capital Financing Activities | <u>4,409,535</u> | <u>3,366,169</u> |
| Cash Flows from Capital Financing Activities: | | |
| Principal payments under debt obligations | - | - |
| Interest and fees paid under debt obligations | (4,735,471) | (4,018,603) |
| Proceeds from sale of long-term debt obligations | - | - |
| Land, capital improvement, and equipment purchases | (21,560,352) | (11,140,963) |
| Other capital acquisition (costs) or recoveries, extraordinary | - | - |
| Capital contributions | (748,547) | (5,570,281) |
| Gants received | 120,653 | 139,373 |
| Proceeds from sale/disposal of capital assets | <u>-</u> | <u>460,196</u> |
| Total Cash Provided from (Used for) Capital Financing Activities | <u>(26,923,717)</u> | <u>(20,130,278)</u> |
| Cash Flows from Investing Activities: | | |
| Investment earnings | 494,276 | 1,147,830 |
| Change in FMV of marketable investment securities | <u>(262,864)</u> | <u>(882,245)</u> |
| Total Cash Provided from (Used for) Investing Activities | <u>231,412</u> | <u>265,585</u> |
| Net Increase(Decrease) in Cash and Cash Equivalents | (14,571,079) | (11,452,314) |
| Cash and Cash Equivalents at Beginning of Period | <u>155,440,709</u> | <u>147,510,153</u> |
| Cash and Cash Equivalents at End of Period | <u>\$ 140,869,630</u> | <u>\$ 136,057,839</u> |

NOTES TO FINANCIAL STATEMENTS

Note 1 - Accounts Receivable Aging

| | | | |
|------------------------------|-----------|------------------|-----|
| 0 - 30 days | \$ | 5,742,715 | 88% |
| 31 - 60 days | | 590,133 | 9% |
| 61 - 90 days | | 97,712 | 2% |
| Over 90 days | | 92,183 | 1% |
| Allowance for uncollectibles | | (42,715) | -1% |
| Net Trade A/R | \$ | 6,480,028 | |

Note 2 - Accounts Payable Information

| | | |
|--------------------------|-----------|-------------------|
| Retainage Withheld | \$ | 6,251,846 |
| Corps of Engineers* | | 620,518 |
| Employee Payroll Related | | 7,890 |
| Accounts Payable | | 3,361,838 |
| Total A/P | \$ | 10,242,092 |

45' Project - \$620,518

Note 3 - Debt Service Information

| | Original Amount of Issue | Principal Paid | Issue Outstanding |
|---|-----------------------------|----------------------|-----------------------|
| General Obligation Bonds, Series 2019 | \$ 31,795,000 | \$ 440,000 | \$ 31,355,000 |
| General Obligation Bonds, Series 2021 | 37,135,000 | - | 37,135,000 |
| Senior Lien Revenue Refunding Bonds, Series 2013A | 33,065,000 | 15,775,000 | 17,290,000 |
| Senior Lien Revenue and Refunding Bonds, Series 2015A | 39,635,000 | 4,695,000 | 34,940,000 |
| Senior Lien Revenue and Refunding Bonds, Series 2018 | 32,865,000 | 1,595,000 | 31,270,000 |
| Senior Lien Revenue and Refunding Bonds, Series 2019A | 45,200,000 | 1,745,000 | 43,455,000 |
| Senior Lien Revenue and Refunding Bonds, Series 2019B | 29,480,000 | 1,145,000 | 28,335,000 |
| Senior Lien Revenue and Refunding Bonds, Series 2021 | 29,885,000 | - | 29,885,000 |
| 2014 Equipment Lease Payable | 14,100,000 | 9,527,658 | 4,572,342 |
| Total Bonds | \$ 293,160,000 | \$ 34,922,658 | \$ 258,237,342 |

| | | |
|--|----|-------------|
| Less Current Portion of Long-Term Debt Payable | \$ | 7,119,502 |
| Long-term Debt Payable | \$ | 251,117,840 |

Note 4 - Net Asset Information

A Special Reserve for Capital Improvements was created on Oct 22, 2015. A commitment was made to fund this reserve with an amount equal to the total maintenance and operations portion of the Port's tax rate.

| | | |
|--------------------------------|----|-----------|
| Fiscal Year 2016 Amount Funded | \$ | 3,423,398 |
| Fiscal Year 2017 Amount Funded | \$ | 3,570,000 |
| Fiscal Year 2018 Amount Funded | \$ | 3,887,346 |
| Fiscal Year 2019 Amount Funded | \$ | 4,269,552 |
| Fiscal Year 2020 Amount Funded | \$ | 4,120,672 |
| Fiscal Year 2021 Amount Funded | \$ | 3,981,963 |
| Fiscal Year 2022 Amount Funded | \$ | 3,627,381 |

PORT FREEPORT
OPERATING EXPENSES BY DEPARTMENT
January 31, 2022

| | YEAR | PRIOR YEAR | PRIOR YEAR | 4 | BUDGET | TOTAL |
|---------------------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|
| | TO-DATE | TO-DATE | % OVER (UNDER) | MONTHS BUDGET | % OVER (UNDER) | 2022 BUDGET |
| COMMISSIONERS | | | | | | |
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | \$ 19,200 | \$ 19,200 | 0% | \$ 20,164 | 0% | \$ 60,500 |
| Port employee benefits | 26,691 | 31,334 | -15% | 27,227 | 0% | 86,074 |
| Professional services | | \$ - | 0% | - | 0% | - |
| Training, travel & promotional | 8,108 | 4,837 | 68% | 26,316 | -69% | 72,500 |
| Supplies | 84 | 162 | -48% | 164 | -49% | 500 |
| Utilities | 2,442 | 2,442 | 0% | 2,684 | -9% | 8,050 |
| Total Operating Expenses | \$ 56,525 | \$ 57,975 | -3% | \$ 76,555 | -26% | \$ 227,624 |

ADMINISTRATION & FOREIGN TRADE ZONE

| | | | | | | |
|---------------------------------|---------------------|---------------------|-----------|---------------------|------------|----------------------|
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | \$ 330,506 | \$ 340,731 | -3% | \$ 459,436 | -28% | \$ 1,393,300 |
| Port employee benefits | 107,560 | 116,940 | -8% | 133,892 | -20% | 507,539 |
| Professional services | 126,699 | 134,512 | -6% | 276,516 | -54% | 856,750 |
| Training, travel & promotional | 32,453 | 23,726 | 37% | 62,648 | -48% | 180,800 |
| Supplies | 8,501 | 8,579 | -1% | 12,770 | -33% | 31,550 |
| Utilities | 17,041 | 16,664 | 2% | 22,770 | -25% | 68,300 |
| Business Insurance | 482,256 | 445,837 | 8% | 480,964 | 0% | 1,557,500 |
| Other services & charges | 269,487 | 104,258 | 158% | 160,480 | 68% | 484,700 |
| Maintenance & repair | 38,407 | 33,259 | 15% | 213,388 | -82% | 339,150 |
| Depreciation | 2,620,549 | 2,752,394 | -5% | 2,581,232 | 2% | 8,093,700 |
| Total Operating Expenses | \$ 4,033,459 | \$ 3,976,900 | 1% | \$ 4,404,096 | -8% | \$ 13,513,289 |

ENGINEERING

| | | | | | | |
|---------------------------------|-------------------|-------------------|-----------|-------------------|-------------|-------------------|
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | \$ 118,583 | \$ 118,132 | 0% | \$ 142,664 | -17% | \$ 428,000 |
| Port employee benefits | 46,026 | 47,020 | -2% | 46,575 | -1% | 168,314 |
| Professional services | 9,046 | 7,050 | 28% | 33,336 | -73% | 100,000 |
| Training, travel & promotional | 2,865 | 2,665 | 8% | 9,728 | -71% | 28,800 |
| Supplies | 772 | 794 | -3% | 1,984 | -61% | 5,950 |
| Utilities | 2,214 | 2,068 | 7% | 2,368 | -7% | 7,100 |
| Other services & charges | 40 | 40 | 0% | 868 | -95% | 2,600 |
| Maintenance & repair | 149 | - | 0% | 168 | -11% | 500 |
| Total Operating Expenses | \$ 179,695 | \$ 177,769 | 1% | \$ 237,691 | -24% | \$ 741,264 |

OPERATIONS

| | | | | | | |
|---------------------------------|---------------------|---------------------|------------|---------------------|------------|---------------------|
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | \$ 399,105 | \$ 419,058 | -5% | \$ 503,089 | -21% | \$ 1,539,209 |
| Port employee benefits | 168,680 | 184,568 | -9% | 178,869 | -6% | 652,675 |
| Professional services | 5,538 | - | 0% | 2,500 | 122% | 4,000 |
| Training, travel & promotional | 5,679 | 2,950 | 93% | 11,504 | -51% | 31,000 |
| Supplies | 25,079 | 15,954 | 57% | 25,908 | -3% | 68,450 |
| Utilities | 168,695 | 193,707 | -13% | 217,470 | -22% | 652,400 |
| Other services & charges | 22,708 | 39,228 | -42% | 33,316 | -32% | 174,450 |
| Maintenance & repair | 324,333 | 159,090 | 104% | 173,732 | 87% | 526,650 |
| Total Operating Expenses | \$ 1,119,817 | \$ 1,014,555 | 10% | \$ 1,146,388 | -2% | \$ 3,648,834 |

PORT FREEPORT
OPERATING EXPENSES BY DEPARTMENT
January 31, 2022

| | YEAR | PRIOR YEAR | PRIOR YEAR | 4 | BUDGET | TOTAL |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | TO-DATE | TO-DATE | % OVER (UNDER) | MONTHS BUDGET | % OVER (UNDER) | 2022 BUDGET |
| <u>BUSINESS DEVELOPMENT</u> | | | | | | |
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | \$ 105,999 | \$ 100,473 | 5% | \$ 133,112 | -20% | \$ 436,800 |
| Port employee benefits | 41,667 | 44,041 | -5% | 45,844 | -9% | 183,568 |
| Professional services | 281 | - | 0% | - | 0% | - |
| Training, travel & promotional | 82,114 | 29,052 | 183% | 207,088 | -60% | 476,900 |
| Supplies | 832 | 1,038 | -20% | 1,446 | -42% | 4,350 |
| Utilities | 2,186 | 1,768 | 24% | 2,752 | -21% | 8,250 |
| Other services & charges | 4,806 | 26,477 | -82% | 7,502 | -36% | 22,500 |
| Maintenance & repair | - | - | 0% | - | 0% | - |
| Total Operating Expenses | \$ 237,885 | \$ 202,849 | 17% | \$ 397,744 | -40% | \$ 1,132,368 |

PROTECTIVE SERVICES

| | | | | | | |
|---------------------------------|-------------------|-------------------|-----------|-------------------|------------|---------------------|
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | \$ 34,370 | \$ 33,823 | 2% | \$ 45,263 | -24% | \$ 135,791 |
| Port employee benefits | 14,299 | 14,880 | -4% | 13,745 | 4% | 50,130 |
| Professional services | 541,671 | 520,967 | 4% | 587,082 | -8% | 1,761,250 |
| Training, travel & promotional | 157 | 157 | 0% | 4,508 | -97% | 12,900 |
| Supplies | 12,073 | 11,779 | 2% | 20,496 | -41% | 45,900 |
| Utilities | 10,367 | 9,590 | 8% | 18,804 | -45% | 56,400 |
| Other services & charges | 12,428 | 10,893 | 14% | 13,180 | -6% | 39,550 |
| Maintenance & repair | 42,598 | 22,745 | 87% | 20,684 | 106% | 61,000 |
| Total Operating Expenses | \$ 667,963 | \$ 624,834 | 7% | \$ 723,762 | -8% | \$ 2,162,921 |

CONSOLIDATED - TOTAL

| | | | | | | |
|---------------------------------|---------------------|---------------------|-----------|---------------------|-------------|----------------------|
| OPERATING EXPENSES: | | | | | | |
| Port salaries/wages | \$ 1,007,763 | 1,031,417 | -2% | \$ 1,303,728 | -23% | \$ 3,993,600 |
| Port employee benefits | 404,923 | 438,783 | -8% | 446,152 | -9% | 1,648,300 |
| Professional services | 683,235 | 662,529 | 3% | 899,434 | -24% | 2,722,000 |
| Training, travel & promotional | 131,376 | 63,387 | 107% | 321,792 | -59% | 802,900 |
| Supplies | 47,341 | 38,306 | 24% | 62,768 | -25% | 156,700 |
| Utilities | 202,945 | 226,239 | -10% | 266,848 | -24% | 800,500 |
| Business Insurance | 482,256 | 445,837 | 8% | 480,964 | 0% | 1,557,500 |
| Other services & charges | 309,469 | 180,896 | 71% | 215,346 | 44% | 723,800 |
| Maintenance & repair | 405,487 | 215,094 | 89% | 407,972 | -1% | 927,300 |
| Depreciation | 2,620,549 | 2,752,394 | -5% | 2,581,232 | 2% | 8,093,700 |
| Total Operating Expenses | \$ 6,295,344 | \$ 6,054,882 | 4% | \$ 6,986,236 | -10% | \$ 21,426,300 |

PORT FREEPORT - VELASCO TERMINAL ONLY

STATEMENT OF REVENUES AND EXPENSES

January 31, 2022

| | YEAR | | PRIOR YEAR | % OVER | 4 | % OVER | TOTAL |
|---|---------------------|-----------|------------------|-------------|-----------------------|--------------|-----------------------|
| | TO DATE | | TO DATE | (UNDER) | MONTHS | (UNDER) | 2022 |
| | | | | | BUDGET | | BUDGET |
| OPERATING REVENUES: | | | | | | | |
| Wharfage | \$ 542,532 | \$ | 444,029 | 22% | \$ 559,496 | -3% | \$ 1,678,494 |
| Dockage & deep water berth | 242,834 | | 217,849 | 11% | 295,548 | -18% | 886,642 |
| Equipment & pallet use fees | 381,007 | | 345,057 | 10% | 409,808 | -7% | 1,229,420 |
| Facility use fees | 156,118 | | 45,227 | 245% | 22,636 | 590% | 67,900 |
| Security Fees | 73,608 | | 66,503 | 11% | 88,000 | -16% | 263,992 |
| Other Customer Service Fees | 117,932 | | 129,855 | -9% | - | 0% | - |
| Ground leases | 121,988 | | 82,123 | 49% | 155,788 | -22% | 450,874 |
| Total Operating Revenues | 1,636,019 | | 1,330,643 | 23% | 1,531,276 | 7% | 4,577,322 |
| OPERATING EXPENSES: | | | | | | | |
| Port salaries/wages | 71,818 | | 87,584 | -18% | 93,649 | -23% | 280,937 |
| Port employee benefits | 22,597 | | 34,218 | -34% | 32,453 | -30% | 122,809 |
| Training, travel, and promotional | - | | - | 0% | 418 | -100% | 1,250 |
| Utilities | 31,796 | | 33,038 | -4% | 52,152 | -39% | 156,450 |
| Business Insurance | 106,621 | | 109,617 | -3% | 106,620 | 0% | 344,907 |
| Maintenance & repair | 222,178 | | 79,888 | 178% | 52,858 | 320% | 158,550 |
| Depreciation | 951,354 | | 956,672 | -1% | 1,190,500 | -20% | 3,571,500 |
| Total Operating Expenses | 1,406,364 | | 1,301,017 | 8% | 1,528,650 | -8% | 4,636,403 |
| OPERATING INCOME (LOSS) | 229,655 | | 29,626 | 675% | 2,626 | 8645% | (59,081) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | | |
| Debt interest and fees | (675,608) | | (225,794) | 199% | (1,105,564) | -39% | (3,317,856) |
| Total Non-Operating Revenue (Expenses) | (675,608) | | (225,794) | 199% | (1,105,564) | -39% | (3,317,856) |
| CHANGE IN NET POSITION | \$ (445,953) | \$ | (196,168) | 127% | \$ (1,102,938) | -60% | \$ (3,376,937) |

PORT FREEPORT
Port Improvement Projects Summary
January 31, 2022

| Project | Contract Award | Change Orders | Total Contract | Current Year Budget | Incurred to Date FY 2022 | CIP Prior Years | Incurred to Date Total | Balance to Finish |
|---|-----------------------|------------------------|-----------------------|-------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| Velasco Term Phase II - Berth 8 | 133,856,037.88 | (13,283,496.98) | 120,572,540.90 | 49,084,100.00 | 6,540,164.48 | 82,857,443.53 | 89,397,608.01 | 31,174,932.89 |
| EDSA | 4,144,063.24 | 589,830.00 | 4,733,893.24 | | 91,122.06 | 3,835,598.28 | 3,926,720.34 | 807,172.90 |
| Construction | 129,677,607.30 | (13,873,326.98) | 115,804,280.32 | | 6,449,042.42 | 78,987,477.91 | 85,436,520.33 | 30,367,759.99 |
| Other not in contract | 34,367.34 | 0.00 | 34,367.34 | | 0.00 | 34,367.34 | 34,367.34 | 0.00 |
| RORO Ramp - Berth 8 | 24,921,340.40 | 392,100.00 | 25,313,440.40 | 0.00 | 11,501,218.88 | 748,327.65 | 12,249,546.53 | 13,063,893.87 |
| EDSA | 46,652.40 | 392,100.00 | 438,752.40 | | 6,756.55 | 222,091.65 | 228,848.20 | 209,904.20 |
| Construction | 24,874,688.00 | 0.00 | 24,874,688.00 | | 11,494,462.33 | 526,236.00 | 12,020,698.33 | 12,853,989.67 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| VT- North Gate Entrance | 0.00 | 0.00 | 0.00 | 400,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Land & Improvements | 4,489,551.84 | 0.00 | 4,489,551.84 | 750,000.00 | 266,927.72 | 4,214,570.62 | 4,481,498.34 | 8,053.50 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 4,489,551.84 | 0.00 | 4,489,551.84 | | 266,927.72 | 4,214,570.62 | 4,481,498.34 | 8,053.50 |
| Parcel 14 Rail Development Phase II | 0.00 | 0.00 | 0.00 | 250,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Transit Shed Modifications | 248,216.43 | 0.00 | 248,216.43 | 1,500,000.00 | 0.00 | 213,097.98 | 213,097.98 | 35,118.45 |
| EDSA | 248,000.00 | 0.00 | 248,000.00 | | 0.00 | 212,881.55 | 212,881.55 | 35,118.45 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 216.43 | 0.00 | 216.43 | | 0.00 | 216.43 | 216.43 | 0.00 |
| M & R - Joint Repairs | 0.00 | 0.00 | 0.00 | 20,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| M & R - Railroad Track Renovations | 0.00 | 0.00 | 0.00 | 25,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| M & R - Roads | 0.00 | 0.00 | 0.00 | 200,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Operations Building Upgrade | 76,821.12 | 0.00 | 76,820.93 | 0.00 | 0.00 | 4,337.69 | 4,337.69 | 72,483.24 |
| EDSA | 8,000.00 | 0.00 | 8,000.00 | | 0.00 | 2,250.00 | 2,250.00 | 5,750.00 |
| Construction | 68,820.93 | 0.00 | 68,820.93 | | 0.00 | 2,087.69 | 2,087.69 | 66,733.24 |
| Other not in contract | 0.19 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Maintenance Shop Repairs | 74,820.93 | 0.00 | 74,820.93 | 0.00 | 2,087.69 | 3,045.00 | 5,132.69 | 69,688.24 |
| EDSA | 8,087.69 | 0.00 | 8,087.69 | | 2,087.69 | 3,045.00 | 5,132.69 | 2,955.00 |
| Construction | 66,733.24 | 0.00 | 66,733.24 | | 0.00 | 0.00 | 0.00 | 66,733.24 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Dole Office Bldg Repairs | 0.00 | 0.00 | 0.00 | 100,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Gate 8 Renovations | 0.00 | 0.00 | 0.00 | 170,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| VT Backlands Area IV | 528,394.21 | 0.00 | 528,394.21 | 2,000,000.00 | 597.78 | 92,961.92 | 93,559.70 | 434,834.51 |
| EDSA | 528,388.18 | 0.00 | 528,388.18 | | 597.78 | 92,955.89 | 93,553.67 | 434,834.51 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 6.03 | 0.00 | 6.03 | | 0.00 | 6.03 | 6.03 | 0.00 |
| Inner Harbor Berth Repairs | 59,800.00 | 0.00 | 59,800.00 | 400,000.00 | 0.00 | 59,800.00 | 59,800.00 | 0.00 |
| EDSA | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Construction | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Other not in contract | 59,800.00 | 0.00 | 59,800.00 | | 0.00 | 59,800.00 | 59,800.00 | 0.00 |
| Levee Stabilization Reach 2 | 30,996,657.18 | 0.00 | 30,996,657.18 | 0.00 | 3,164,230.60 | 26,285,189.98 | 29,449,420.58 | 1,547,236.60 |
| EDSA | 1,911,657.18 | 0.00 | 1,911,657.18 | | 9,646.60 | 1,892,263.98 | 1,901,910.58 | 9,746.60 |
| Construction | 29,085,000.00 | 0.00 | 29,085,000.00 | | 3,154,584.00 | 24,392,926.00 | 27,547,510.00 | 1,537,490.00 |
| Other not in contract | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | \$ 54,899,100.00 | \$ 21,475,227.15 | \$ 114,478,774.37 | \$ 135,954,001.52 | \$ 46,406,241.30 |

Vendor Expenditure

Tuesday, February 15, 2022

Period: 01/01/22..01/31/22

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Port Freeport

FREEPORTMARY

This report also includes bank accounts that only have balances.

Bank Account: Date Filter: 01/01/22..01/31/22

Check Ledger Entry:

| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | Line Amount |
|--------------|-----------------|-----------------|---|-------------------|-------------|
| Invoice No. | PO No. | GL Account Name | Line Description | | |
| 89521 | 01/01/22 | V00029 | Texas Association of Counties | 8,688.00 | |
| 122009 | | 119681 | Prepaid Insurance | | 8,688.00 |
| | | | Line Amount Total | | 8,688.00 |
| 89522 | 01/06/22 | V00107 | HDR, Inc | 335,751.96 | |
| 122339 | | 114861 | FHIP Reach 1 | | 185,000.00 |
| 122339 | | 114861 | FHIP - Reach 4 | | |
| 122339 | | 114861 | Professional Services for the FHCIP Reach 1 & 4 | | |
| 122339 | | 114861 | Project No. 20-06 | | |
| 122339 | | 114861 | Board Approved 6/25/2020 | | |
| 122339 | | 114861 | 2019 GO Bond | | |
| 122339 | | 114861 | Other Accounts Payable (JE) | | |
| 122341 | | 120051 | Construction in Progress | | 5,787.96 |
| 122340 | | 111067 | FHIP Reach 2 | | |
| 122340 | | 111067 | Engineering Services | | |
| 122340 | | 111067 | Project # 19-09 | | |
| 122340 | | 111067 | Board Approved 6/13/2019 | | |
| 122340 | | 111067 | Change Order 1 | | |
| 122340 | | 111067 | FHIP Reach 2 | | 4,578.15 |
| 122340 | | 111067 | Board Approved 9/12/2019 | | |
| 122340 | | 111067 | Change Order 2 | | |
| 122340 | | 111067 | FHIP Reach 2 | | 140,385.85 |
| 122340 | | 111067 | Board Approved 3/25/2021 | | |
| | | | Line Amount Total | | 335,751.96 |
| 89523 | 01/06/22 | V00002 | EM-Print Company | 610.50 | |
| 122304 | | 119999 | Office Supplies | | 610.50 |
| | | | Line Amount Total | | 610.50 |
| 89524 | 01/06/22 | V00004 | City of Freeport | 55,683.69 | |
| 122298 | | 119992 | Water & Gas | | 61.37 |
| 122299 | | 119993 | Water & Gas | | 99.53 |
| 122300 | | 119994 | Water & Gas | | 167.87 |
| 122301 | | 119996 | Water & Gas | | 444.33 |
| 122302 | | 119997 | Water & Gas | | 613.59 |
| 122336 | | 119995 | Water & Gas | | 54,297.00 |
| | | | Line Amount Total | | 55,683.69 |
| 89525 | 01/06/22 | V00005 | Phyllis Saathoff | 215.99 | |
| 122323 | | 120008 | Telephone | | 136.75 |
| 122323 | | 120008 | Technical Training | | 5.35 |
| 122323 | | 120008 | Community Events | | 26.24 |
| 122323 | | 120008 | Governmental Relations Travel | | 41.17 |
| 122323 | | 120008 | Office Supplies | | 6.48 |
| | | | Line Amount Total | | 215.99 |
| 89526 | 01/06/22 | V00007 | Office Universe, Inc. | 265.80 | |
| 122322 | | 120007 | Office Supplies | | 101.25 |
| 122322 | | 120007 | Office Supplies | | 50.63 |
| 122322 | | 120007 | Office Supplies | | 12.66 |
| 122322 | | 120007 | Office Supplies | | 50.63 |

Vendor Expenditure

Period: 01/01/22..01/31/22

Port Freeport

Tuesday, February 15, 2022

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FREEPORTMARY

| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|--------------|-----------------|-----------------|--|-----------------|--|
| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122322 | | 120007 | Office Supplies | 50.63 | |
| | | | Line Amount Total | 265.80 | |
| 89527 | 01/06/22 | V00010 | Specialties Company | 256.71 | |
| 122326 | | 120031 | M&R TOE-Gantry Crane | 128.35 | |
| 122326 | | 120031 | M&R TOE-Gantry Crane | 128.36 | |
| | | | Line Amount Total | 256.71 | |
| 89528 | 01/06/22 | V00011 | Gulftex Vending | 161.25 | |
| 122373 | | 120002 | Office Supplies | 61.43 | |
| 122373 | | 120002 | Office Supplies | 30.71 | |
| 122373 | | 120002 | Office Supplies | 7.68 | |
| 122373 | | 120002 | Office Supplies | 30.72 | |
| 122373 | | 120002 | Office Supplies | 30.71 | |
| | | | Line Amount Total | 161.25 | |
| 89529 | 01/06/22 | V00015 | Mike Wilson | 315.30 | |
| 122318 | | 120006 | Sales/Promotion Travel | 181.75 | |
| 122377 | | 120088 | Flexible Spending Emp Reimbursement | 133.55 | |
| | | | Line Amount Total | 315.30 | |
| 89530 | 01/06/22 | V00021 | Gulf Coast Paper Company | 53.33 | |
| 122311 | | 120001 | Office Supplies | 20.31 | |
| 122311 | | 120001 | Office Supplies | 10.16 | |
| 122311 | | 120001 | Office Supplies | 2.54 | |
| 122311 | | 120001 | Office Supplies | 10.16 | |
| 122311 | | 120001 | Office Supplies | 10.16 | |
| | | | Line Amount Total | 53.33 | |
| 89531 | 01/06/22 | V00037 | Briggs Equipment | 140.64 | |
| 122440 | | 120129 | M&R TOE-Yale Forklift | 140.64 | |
| | | | Line Amount Total | 140.64 | |
| 89532 | 01/06/22 | V00038 | Killum Pest Control | 1,005.00 | |
| 122375 | | 107087 | M&R Bldgs-Admin Bldg 1100 Cherry St | 324.36 | |
| 122375 | | 107087 | M&R Bldgs-Buildings Berth 7 | | |
| 122375 | | 107087 | M&R Bldgs-Scale House | | |
| 122375 | | 107087 | M&R Bldgs-Maintenance Bldg | 22.14 | |
| 122375 | | 107087 | M&R Bldgs-Operations Bldg | 39.13 | |
| 122375 | | 107087 | M&R Transit Shed-T.S. 1 | 324.37 | |
| 122375 | | 107087 | M&R Bldgs-Security Bldg | | |
| 122375 | | 107087 | M&R Bldgs-Gate 4 | | |
| 122375 | | 107087 | M&R Bldgs-Gate 8-Guard Bldg | | |
| 122375 | | 107087 | M&R Bldgs-Gate 14 | | |
| 122375 | | 107087 | Quarterly Pest Control Service June 2018 | | |
| 122375 | | 107087 | thru May 2022 | | |
| 122442 | | 120130 | M&R Warehouse-Warehouse 51 | 295.00 | |
| | | | Line Amount Total | 1,005.00 | |
| 89533 | 01/06/22 | V00039 | Brazosport Tire | 2,670.23 | |
| 122354 | | 120104 | M&R TOE-Toyota Forklift | 264.59 | |
| 122355 | | 120105 | M&R TOE-Toyota Forklift | 308.06 | |
| 122356 | | 120106 | M&R Groundskeeping Equipment-5510 John Deere | 300.00 | |
| 122357 | | 120107 | M&R Vehicles-Chevy S-10 | 620.00 | |
| 122358 | | 120108 | M&R TOE-Toyota Forklift | 260.78 | |

Vendor Expenditure

Period: 01/01/22..01/31/22

Port Freeport

Tuesday, February 15, 2022

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FREEPORTMARY

| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|--------------|-----------------|-----------------|--|-----------------|--|
| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122359 | | 120109 | M&R Vehicles-Ford Expedition | 916.80 | |
| | | | Line Amount Total | 2,670.23 | |
| 89534 | 01/06/22 | V00041 | Evco Industrial Hardware | 828.25 | |
| 122307 | | 120029 | M&R TOE-Gantry Crane | 256.76 | |
| 122307 | | 120029 | M&R TOE-Gantry Crane | 256.77 | |
| 122308 | | 120030 | M&R TOE-Gantry Crane | 33.55 | |
| 122308 | | 120030 | M&R TOE-Gantry Crane | 33.56 | |
| 122368 | | 120118 | M&R TOE-Gantry Crane | 84.29 | |
| 122368 | | 120118 | M&R TOE-Gantry Crane | 84.30 | |
| 122369 | | 120119 | M&R TOE-Gantry Crane | 39.51 | |
| 122369 | | 120119 | M&R TOE-Gantry Crane | 39.51 | |
| | | | Line Amount Total | 828.25 | |
| 89535 | 01/06/22 | V00044 | Ready Refresh | 122.37 | |
| 122324 | | 120011 | Office Supplies | 46.61 | |
| 122324 | | 120011 | Office Supplies | 23.31 | |
| 122324 | | 120011 | Office Supplies | 5.83 | |
| 122324 | | 120011 | Office Supplies | 23.31 | |
| 122324 | | 120011 | Office Supplies | 23.31 | |
| | | | Line Amount Total | 122.37 | |
| 89536 | 01/06/22 | V00046 | Sprint Waste Services | 1,003.95 | |
| 122333 | | 120045 | Contract Services | 430.10 | |
| 122424 | | 120093 | Contract Services | 573.85 | |
| | | | Line Amount Total | 1,003.95 | |
| 89537 | 01/06/22 | V00049 | Brazos Fasteners | 114.75 | |
| 122276 | | 119959 | M&R TOE-Gantry Crane | 84.26 | |
| 122294 | | 120028 | M&R TOE-Gantry Crane | 15.24 | |
| 122294 | | 120028 | M&R TOE-Gantry Crane | 15.25 | |
| | | | Line Amount Total | 114.75 | |
| 89538 | 01/06/22 | V00052 | KM&L,LLC | 9,800.00 | |
| 122343 | | 117818 | Consultant Fees - Audit | 9,800.00 | |
| 122343 | | 117818 | Audit Services for FYE 9/30/2021 | | |
| 122343 | | 117818 | Board Approved 6/28/2018 | | |
| | | | Line Amount Total | 9,800.00 | |
| 89539 | 01/06/22 | V00054 | Summit Electric Supply | 483.62 | |
| 122240 | | 119940 | Maint and Operations Supplies | 398.20 | |
| 122284 | | 119963 | M&R Leased Facilities-T.S. 5 Offices | 23.73 | |
| 122327 | | 120038 | M&R TOE-General Terminal Ops Equip & Tools | 52.84 | |
| 122328 | | 120039 | M&R Warehouse-Warehouse 51 | 8.85 | |
| | | | Line Amount Total | 483.62 | |
| 89540 | 01/06/22 | V00062 | AT&T Mobility | 833.61 | |
| 122286 | | 119987 | Telephone | 98.52 | |
| 122286 | | 119987 | Telephone | 215.63 | |
| 122286 | | 119987 | Telephone | 88.53 | |
| 122286 | | 119987 | Telephone | 88.53 | |
| 122287 | | 120019 | Telephone | 85.60 | |
| 122287 | | 120019 | Telephone | 214.00 | |
| 122287 | | 120019 | Telephone | 42.80 | |
| | | | Line Amount Total | 833.61 | |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|--------------|-----------------|-----------------|---|------------------|-----------|
| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 89541 | 01/06/22 | V00071 | Verizon Wireless | 352.06 | |
| 122332 | | 120020 | Telephone | | 62.99 |
| 122332 | | 120020 | Telephone | | 99.10 |
| 122332 | | 120020 | Telephone | | 37.99 |
| 122436 | | 120091 | Telephone | | 76.00 |
| 122436 | | 120091 | Telephone | | 37.99 |
| 122436 | | 120091 | Telephone | | 37.99 |
| | | | Line Amount Total | | 352.06 |
| 89542 | 01/06/22 | V00080 | On Hold Marketing Works | 39.00 | |
| 122382 | | 120087 | Lease Expense | | 39.00 |
| | | | Line Amount Total | | 39.00 |
| 89543 | 01/06/22 | V00083 | Jason Hull | 136.75 | |
| 122315 | | 120004 | Telephone | | 136.75 |
| | | | Line Amount Total | | 136.75 |
| 89544 | 01/06/22 | V00088 | Blue Cross Blue Shield of Texas | 70,486.67 | |
| 122335 | | 119991 | Group Medical Insurance | | 11,416.87 |
| 122335 | | 119991 | Group Medical Insurance | | 7,942.16 |
| 122335 | | 119991 | Group Medical Insurance | | 23,826.46 |
| 122335 | | 119991 | Group Medical Insurance | | 496.39 |
| 122335 | | 119991 | Group Medical Insurance | | 6,949.39 |
| 122335 | | 119991 | Group Medical Insurance | | 1,985.54 |
| 122335 | | 119991 | Group Medical Insurance | | 1,985.54 |
| 122335 | | 119991 | Group Medical Insurance | | 6,949.39 |
| 122335 | | 119991 | Group Medical Insurance | | 2,978.31 |
| 122335 | | 119991 | Group Medical Insurance | | 1,985.54 |
| 122335 | | 119991 | Group Medical Insurance | | 1,985.54 |
| 122361 | | 119990 | Other Receivables-Kresta | | 1,985.54 |
| | | | Line Amount Total | | 70,486.67 |
| 89545 | 01/06/22 | V00095 | Swisher & Swisher | 1,000.00 | |
| 122426 | | 118205 | M&R Other-Mowing, Weed Control Etc | | 1,000.00 |
| 122426 | | 118205 | Annual Herbicide Application for Designated Areas | | |
| 122426 | | 118205 | 7/01/21 - 6/30/23 | | |
| 122426 | | 118205 | Two Year Service | | |
| | | | Line Amount Total | | 1,000.00 |
| 89546 | 01/06/22 | V00096 | Centerpoint Energy | 23.39 | |
| 122363 | | 120122 | Water & Gas | | 23.39 |
| | | | Line Amount Total | | 23.39 |
| 89547 | 01/06/22 | V00100 | LJA Engineering Inc. | 597.78 | |
| 122344 | | 111718 | Construction In Progress-Area 3 | | |
| 122344 | | 111718 | Construction In Progress-Area 4 | | 597.78 |
| 122344 | | 111718 | Construction In Progress-Area 5 Phase II | | |
| 122344 | | 111718 | Construction in Progress-Area 4 | | |
| 122344 | | 111718 | Balance carried over from PO# 10615 | | |
| 122344 | | 111718 | Board Approved 11/14/13 | | |
| | | | Line Amount Total | | 597.78 |
| 89548 | 01/06/22 | V00101 | Sunstates Security, LLC | 63,695.51 | |
| 122329 | | 120013 | Security Service Fees | | 232.88 |
| 122330 | | 120016 | Security Service Fees | | 207.00 |
| 122350 | | 120015 | Security Service Fees | | 29,901.48 |
| 122427 | | 120014 | Security Service Fees | | 890.10 |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|--------------|-----------------|-----------------|---|-----------------|--|
| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122428 | 120097 | | Security Service Fees | 279.45 | |
| 122430 | 120099 | | Security Service Fees | 30,256.84 | |
| 122431 | 120100 | | Security Service Fees | 843.53 | |
| 122441 | 120131 | | Security Service Fees | 1,084.23 | |
| | | | Line Amount Total | 63,695.51 | |
| 89549 | 01/06/22 | V00103 | Nicholas Malambri | 297.80 | |
| 122380 | 120102 | | Telephone | 225.00 | |
| 122380 | 120102 | | M&R Bldgs-Operations Bldg | 25.20 | |
| 122380 | 120102 | | M&R Other-Stormwater Outfall/Drainage | 19.60 | |
| 122380 | 120102 | | M&R Leased Facilities-24A (Chiquita) | 28.00 | |
| | | | Line Amount Total | 297.80 | |
| 89550 | 01/06/22 | V00105 | Cecil Booth | 260.00 | |
| 122296 | 120025 | | Telephone | 150.00 | |
| 122296 | 120025 | | Technical Training | 70.00 | |
| 122296 | 120025 | | Dues & Memberships & Licenses | 40.00 | |
| | | | Line Amount Total | 260.00 | |
| 89551 | 01/06/22 | V00114 | AT&T:171-799-3737 001 | 726.04 | |
| 122288 | 119989 | | Telephone | 141.64 | |
| 122288 | 119989 | | Telephone | 70.86 | |
| 122288 | 119989 | | Telephone | 283.16 | |
| 122288 | 119989 | | Telephone | 17.72 | |
| 122288 | 119989 | | Telephone | 70.93 | |
| 122288 | 119989 | | Telephone | 17.72 | |
| 122288 | 119989 | | Telephone | 17.72 | |
| 122288 | 119989 | | Telephone | 35.43 | |
| 122288 | 119989 | | Telephone | 70.86 | |
| | | | Line Amount Total | 726.04 | |
| 89552 | 01/06/22 | V00115 | AT&T:979-373-0020 6635 | 1,106.77 | |
| 122353 | 120090 | | Telephone | 420.56 | |
| 122353 | 120090 | | Telephone | 210.29 | |
| 122353 | 120090 | | Telephone | 55.34 | |
| 122353 | 120090 | | Telephone | 210.29 | |
| 122353 | 120090 | | Telephone | 210.29 | |
| | | | Line Amount Total | 1,106.77 | |
| 89553 | 01/06/22 | V00118 | Freeport Marina | 217.40 | |
| 122370 | 120096 | | Fuel/Oil | 217.40 | |
| | | | Line Amount Total | 217.40 | |
| 89554 | 01/06/22 | V00125 | AT&T:979-230-9161 754-5 | 430.50 | |
| 122289 | 119988 | | Telephone | 46.72 | |
| 122289 | 119988 | | Telephone | 46.72 | |
| 122289 | 119988 | | Telephone | 337.06 | |
| | | | Line Amount Total | 430.50 | |
| 89555 | 01/06/22 | V00132 | American Journal of Transportation | 600.00 | |
| 122438 | 116677 | | Industry Advertising | | |
| 122438 | 116677 | | 1/2 page Gulf Ports & Trade March 2021 | | |
| 122438 | 116677 | | Industry Advertising | | |
| 122438 | 116677 | | 1/2 Page Ro/Ro Shipping September 2021 | | |
| 122438 | 116677 | | Industry Advertising | | |
| 122438 | 116677 | | 1/2 Page North American Auto Logistics | | |
| 122438 | 116677 | | Industry Advertising | | |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
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| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 122438 | 116677 | | Feb-Sept Daily Newswire banner (180X150) | | |
| 122438 | 116677 | | Industry Advertising | | 600.00 |
| 122438 | 116677 | | Oct-Dec Daily Newswire banner -Apply to FY22 | | |
| | | | Line Amount Total | | 600.00 |
| 89556 | 01/06/22 | V00144 | Naylor, LLC | 3,544.50 | |
| 122345 | 119912 | | Industry Advertising | | 3,544.50 |
| 122345 | 119912 | | AAPA 2022 - Ad Size Top Leaderboard 12 Months | | |
| 122345 | 119912 | | Industry Advertising | | |
| 122345 | 119912 | | AAPA 2022 Insertion Print Q1 & Q3 | | |
| 122345 | 119912 | | Buyers Guide | | |
| 122345 | 119912 | | Online directory/ Buyers Guide | | |
| 122345 | 119912 | | Contract# MC-218064 | | |
| | | | Line Amount Total | | 3,544.50 |
| 89557 | 01/06/22 | V00147 | Greater Angleton Chamber of Commerce | 30.00 | |
| 122371 | 120086 | | Community Events | | 30.00 |
| | | | Line Amount Total | | 30.00 |
| 89558 | 01/06/22 | V00156 | Brazosport Safety Council | 300.00 | |
| 122295 | 120036 | | Dues & Memberships & Licenses | | 300.00 |
| | | | Line Amount Total | | 300.00 |
| 89559 | 01/06/22 | V00166 | Van Scoyoc Associates | 11,016.38 | |
| 122435 | 115717 | | Consultant Fees - Other | | 11,000.00 |
| 122435 | 115717 | | Govt. Liaison Service Agreement Oct.2020-Sept 2023 | | |
| 122435 | 115717 | | Consultant Fees - Other | | 16.38 |
| 122435 | 115717 | | Expenses Incurred-Not to exceed \$8K over course of | | |
| 122435 | 115717 | | 3yrs contract-CA 10/8/2020 | | |
| | | | Line Amount Total | | 11,016.38 |
| 89560 | 01/06/22 | V00178 | Waypoint | 146,671.52 | |
| 122119 | 119689 | | Arctic Wolf MDR + Managed Risk | | 144,073.84 |
| 122119 | 119689 | | Quote # AAAQ11842 | | |
| 122119 | 119689 | | Commission Approved 11/17/2021 | | |
| 122285 | 119907 | | Furniture and Equipment Purchases <\$5,000 | | 959.98 |
| 122285 | 119907 | | 10ZiG 6048QV VDI Client | | |
| 122285 | 119907 | | Furniture and Equipment Purchases <\$5,000 | | 1,637.70 |
| 122285 | 119907 | | Dell P2722H 27" Monitor | | |
| 122285 | 119907 | | Quote# AAAQ12216 | | |
| 122285 | 119907 | | DIR Contract# DIR-TSO-3763 / DIR-Dell EMC | | |
| | | | Line Amount Total | | 146,671.52 |
| 89561 | 01/06/22 | V00184 | Dianna Kile | 1,320.00 | |
| 122366 | 120120 | | Contract Labor Expense | | 440.00 |
| 122367 | 120121 | | Contract Labor Expense | | 880.00 |
| | | | Line Amount Total | | 1,320.00 |
| 89562 | 01/06/22 | V00187 | Brazoria County Septic Service | 3,165.00 | |
| 122334 | 120046 | | Contract Services | | 1,477.00 |
| 122360 | 120110 | | Contract Services | | 1,688.00 |
| | | | Line Amount Total | | 3,165.00 |
| 89563 | 01/06/22 | V00188 | Steve Alongis | 140.00 | |
| 122419 | 120111 | | M&R Other-Mowing, Weed Control Etc | | 140.00 |
| | | | Line Amount Total | | 140.00 |

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| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 89564 | 01/06/22 | V00198 | Brazosport Starter & Alternator Service | 49.95 | |
| 122268 | 119968 | | M&R TOE-John Deere Gator | | 49.95 |
| | | | Line Amount Total | | 49.95 |
| 89565 | 01/06/22 | V00204 | Brazoria County Appraisal District | 10,065.00 | |
| 122096 | 119821 | | Appraisal District Fees | | 10,065.00 |
| | | | Line Amount Total | | 10,065.00 |
| 89566 | 01/06/22 | V00209 | Datavox, Inc. | 195.00 | |
| 122365 | 120094 | | Maint & Repair - Office Equipment | | 195.00 |
| | | | Line Amount Total | | 195.00 |
| 89567 | 01/06/22 | V00210 | Mimecast North America, Inc. | 525.82 | |
| 122319 | 120005 | | Contract Services | | 525.82 |
| | | | Line Amount Total | | 525.82 |
| 89568 | 01/06/22 | V00215 | Spirit Environmental | 722.50 | |
| 122349 | 119464 | | SPCC Plan 5 Year Update | | 722.50 |
| | | | Line Amount Total | | 722.50 |
| 89569 | 01/06/22 | V00228 | Department of Information Resources | 260.54 | |
| 122303 | 119998 | | Telephone | | 50.83 |
| 122303 | 119998 | | Telephone | | 25.43 |
| 122303 | 119998 | | Telephone | | 101.61 |
| 122303 | 119998 | | Telephone | | 6.36 |
| 122303 | 119998 | | Telephone | | 25.45 |
| 122303 | 119998 | | Telephone | | 6.36 |
| 122303 | 119998 | | Telephone | | 6.36 |
| 122303 | 119998 | | Telephone | | 12.71 |
| 122303 | 119998 | | Telephone | | 25.43 |
| | | | Line Amount Total | | 260.54 |
| 89570 | 01/06/22 | V00249 | JOC Group Inc. | 14,250.00 | |
| 122374 | 119929 | | Commerical Event-JOC Breakbulk-Business Developmen | | 14,250.00 |
| 122374 | 119929 | | JOC Breakbulk & Project Cargo Conference | | |
| 122374 | 119929 | | April 25-27 , 2022 Silver/Hotel Key Sponsorship | | |
| | | | Line Amount Total | | 14,250.00 |
| 89571 | 01/06/22 | V00270 | The Bulletin | 395.00 | |
| 122331 | 120017 | | Community Advertising | | 395.00 |
| | | | Line Amount Total | | 395.00 |
| 89572 | 01/06/22 | V00286 | Brazoria Heritage Foundation | 100.00 | |
| 122362 | 120095 | | Dues & Memberships & Licenses | | 100.00 |
| | | | Line Amount Total | | 100.00 |
| 89573 | 01/06/22 | V00345 | Certified Laboratories | 166.44 | |
| 122297 | 120032 | | M&R TOE-Gantry Crane | | 83.22 |
| 122297 | 120032 | | M&R TOE-Gantry Crane | | 83.22 |
| | | | Line Amount Total | | 166.44 |
| 89574 | 01/06/22 | V00348 | Richmond Equipment | 129.08 | |
| 122274 | 119961 | | M&R TOE-Club Car 500 Carry All | | 48.00 |
| 122275 | 119960 | | M&R TOE-Club Car 500 Carry All | | 50.00 |
| 122416 | 120115 | | M&R TOE-Club Car 500 Carry All | | 31.08 |
| | | | Line Amount Total | | 129.08 |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|-----------|-------------|------------|---|--|-------------|
| | Invoice No. | PO No. | GL Account Name | Line Description | Line Amount |
| 89575 | 01/06/22 | V00456 | Superior Fence Services | 21,035.00 | |
| | 122425 | 119247 | | Atkore Maze Barbed Tape - Security Fencing | 21,035.00 |
| | 122425 | 119247 | | Estimate # 207279 | |
| | | | | Line Amount Total | 21,035.00 |
| 89576 | 01/06/22 | V00457 | Gulf Ports Association | 500.00 | |
| | 122314 | 120023 | | Dues & Memberships & Licenses | 500.00 |
| | | | | Line Amount Total | 500.00 |
| 89577 | 01/06/22 | V00462 | Texas Commission on Environmental Quality | 200.00 | |
| | 122433 | 120101 | | M&R Other-Stormwater Outfall/Drainage | 200.00 |
| | | | | Line Amount Total | 200.00 |
| 89578 | 01/06/22 | V00511 | Mark Quilty | 475.82 | |
| | 122316 | 120024 | | Flexible Spending Emp Reimbursement | 439.00 |
| | 122317 | 120040 | | Sales/Promotion Travel | 36.82 |
| | | | | Line Amount Total | 475.82 |
| 89579 | 01/06/22 | V00531 | Rob Lowe | 1,333.50 | |
| | 122348 | 120012 | | Flexible Spending Emp Reimbursement | 1,060.00 |
| | 122417 | 120084 | | Telephone | 136.75 |
| | 122418 | 120085 | | Telephone | 136.75 |
| | | | | Line Amount Total | 1,333.50 |
| 89580 | 01/06/22 | V00609 | Hilltop Securities Asset Management, LLC | 9,255.00 | |
| | 122342 | 120003 | | Consultant Fees - Other | 9,255.00 |
| | | | | Line Amount Total | 9,255.00 |
| 89581 | 01/06/22 | V00668 | DARE Capital Partners, LLC | 4,882.64 | |
| | 122337 | 120022 | | M&R Other-Mowing, Weed Control Etc | 1,054.38 |
| | 122337 | 120022 | | Maint & Repair - Pallets | 1,453.80 |
| | 122338 | 120041 | | Maint & Repair - Pallets | 1,329.12 |
| | 122338 | 120041 | | M&R Other-Mowing, Weed Control Etc | 1,045.34 |
| | | | | Line Amount Total | 4,882.64 |
| 89582 | 01/06/22 | V00697 | Northern Safety Co., Inc. | 330.00 | |
| | 122320 | 120026 | | Safety Supplies | 153.00 |
| | 122321 | 120027 | | Safety Supplies | 177.00 |
| | | | | Line Amount Total | 330.00 |
| 89583 | 01/06/22 | V00739 | Port53 Technologies Inc. | 950.40 | |
| | 122383 | 119903 | | Contract Services | 950.40 |
| | | | | Line Amount Total | 950.40 |
| 89584 | 01/06/22 | V00759 | TransTech of SC Inc. | 9,104.43 | |
| | 122432 | 118813 | | PCR Power Cable | |
| | 122432 | 118813 | | Inventory- Spare Parts ZPMC Cranes | 4,552.21 |
| | 122432 | 118813 | | Inventory- Spare Parts ZPMC Cranes | 4,552.22 |
| | 122432 | 118813 | | Proprietary Vendor | |
| | 122432 | 118813 | | Quote# 111922 | |
| | | | | Line Amount Total | 9,104.43 |
| 89585 | 01/06/22 | V00767 | Berry Accurate Machine & Fabrication, LLC | 2,286.50 | |
| | 122290 | 120033 | | M&R TOE-Gantry Crane | 201.75 |
| | 122290 | 120033 | | M&R TOE-Gantry Crane | 201.75 |
| | 122291 | 120034 | | M&R TOE-Gantry Crane | 269.00 |
| | 122291 | 120034 | | M&R TOE-Gantry Crane | 269.00 |
| | 122292 | 120035 | | M&R TOE-Gantry Crane | 336.25 |

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|--------------|-----------------|-----------------|---|-----------------|-------------|
| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 122292 | 120035 | | M&R TOE-Gantry Crane | | 336.25 |
| 122293 | 120047 | | M&R TOE-Gantry Crane | | 336.25 |
| 122293 | 120047 | | M&R TOE-Gantry Crane | | 336.25 |
| | | | Line Amount Total | | 2,286.50 |
| 89586 | 01/06/22 | V00777 | McGuireWoods Consulting, LLC | 5,000.00 | |
| 122281 | 119932 | | Consultant Fees - Other | | 5,000.00 |
| 122281 | 119932 | | Strategic Communications & Media Relations Consult | | |
| 122281 | 119932 | | Development for monthly flat fee plus additional | | |
| 122281 | 119932 | | Fees for advertising to be include separate | | |
| 122281 | 119932 | | 30 days written notice to terminate | | |
| | | | Line Amount Total | | 5,000.00 |
| 89587 | 01/06/22 | V00808 | Whitener Enterprises Inc. | 1,400.00 | |
| 122437 | 119955 | | Fuel/Oil | | 1,400.00 |
| 122437 | 119955 | | Gallons of Unleaded Fuel for Tank | | |
| | | | Line Amount Total | | 1,400.00 |
| 89588 | 01/06/22 | V00821 | Summit Fire & Security | 660.00 | |
| 122245 | 119945 | | M&R Bldgs-Security Bldg | | 660.00 |
| | | | Line Amount Total | | 660.00 |
| 89589 | 01/06/22 | V00849 | Thomas A. Grupe | 1,000.00 | |
| 122351 | 120018 | | Construction in Progress | | 1,000.00 |
| | | | Line Amount Total | | 1,000.00 |
| 89590 | 01/06/22 | V00159 | Principal Life Insurance-PLIC-SBD Grand Island | 2,838.06 | |
| 122346 | 120009 | | Group Dental Insurance | | 373.79 |
| 122346 | 120009 | | Group Dental Insurance | | 241.84 |
| 122346 | 120009 | | Group Dental Insurance | | 689.38 |
| 122346 | 120009 | | Group Dental Insurance | | 12.99 |
| 122346 | 120009 | | Group Dental Insurance | | 292.23 |
| 122346 | 120009 | | Group Dental Insurance | | 67.03 |
| 122346 | 120009 | | Group Dental Insurance | | 51.43 |
| 122346 | 120009 | | Group Dental Insurance | | 205.72 |
| 122346 | 120009 | | Group Dental Insurance | | 93.00 |
| 122346 | 120009 | | Group Dental Insurance | | 164.44 |
| 122346 | 120009 | | Group Dental Insurance | | 93.00 |
| 122346 | 120009 | | Other Receivables-Kresta | | 51.43 |
| 122346 | 120009 | | Group Vision Insurance | | 79.74 |
| 122346 | 120009 | | Group Vision Insurance | | 51.57 |
| 122346 | 120009 | | Group Vision Insurance | | 149.12 |
| 122346 | 120009 | | Group Vision Insurance | | 3.03 |
| 122346 | 120009 | | Group Vision Insurance | | 61.23 |
| 122346 | 120009 | | Group Vision Insurance | | 13.02 |
| 122346 | 120009 | | Group Vision Insurance | | 12.08 |
| 122346 | 120009 | | Group Vision Insurance | | 48.32 |
| 122346 | 120009 | | Group Vision Insurance | | 19.08 |
| 122346 | 120009 | | Group Vision Insurance | | 33.43 |
| 122346 | 120009 | | Group Vision Insurance | | 19.08 |
| 122346 | 120009 | | Other Receivables-Kresta | | 12.08 |
| | | | Line Amount Total | | 2,838.06 |
| 89591 | 01/06/22 | V00159 | Principal Life Insurance-PLIC-SBD Grand Island | 1,173.67 | |
| 122347 | 120010 | | Group Life Insurance | | 315.68 |
| 122347 | 120010 | | Group Life Insurance | | 143.05 |
| 122347 | 120010 | | Group Life Insurance | | 327.94 |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|-------------|------------|------------|-----------------------------------|--|--------------|
| Invoice No. | | PO No. | GL Account Name | Line Description | Line Amount |
| 122347 | | 120010 | | Group Life Insurance | 11.04 |
| 122347 | | 120010 | | Group Life Insurance | 119.23 |
| 122347 | | 120010 | | Group Life Insurance | 50.05 |
| 122347 | | 120010 | | Group Life Insurance | 19.37 |
| 122347 | | 120010 | | Group Life Insurance | 75.81 |
| 122347 | | 120010 | | Group Life Insurance | 33.48 |
| 122347 | | 120010 | | Group Life Insurance | 78.02 |
| | | | | Line Amount Total | 1,173.67 |
| 89592 | 01/07/22 | V00075 | Vicki L. Smith | 1,822.53 | |
| 122443 | | 120147 | | Telephone | 75.00 |
| 122444 | | 120146 | | Telephone | 150.00 |
| 122445 | | 120148 | | Flexible Spending Emp Reimbursement | 1,597.53 |
| | | | | Line Amount Total | 1,822.53 |
| 89593 | 01/13/22 | V00611 | McCarthy Building Companies, Inc. | 1,332,356.00 | |
| 122490 | | 115127 | | Levee Stabilization - Reach 2 | |
| 122490 | | 115127 | | Freeport Harbor Levee Stabilization Wall | |
| 122490 | | 115127 | | Project 17-11 | |
| 122490 | | 115127 | | Board Approved 7/23/2020 | |
| 122490 | | 115127 | | Levee Stabilization - Reach 2 | 1,402,480.00 |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | |
| 122490 | | 115127 | | Retainage Payable | -70,124.00 |
| | | | | Line Amount Total | 1,332,356.00 |
| 89594 | 01/13/22 | V00005 | Phyllis Saathoff | 282.73 | |
| 122498 | | 120192 | | Telephone | 136.75 |
| 122498 | | 120192 | | Sales/Promotion Travel | 28.04 |
| 122498 | | 120192 | | Automobile Expense | 25.00 |
| 122498 | | 120192 | | Dues & Memberships & Licenses | 70.00 |
| 122499 | | 120189 | | Office Supplies | 22.94 |
| | | | | Line Amount Total | 282.73 |
| 89595 | 01/13/22 | V00006 | Michaela Bevers | 75.00 | |
| 122450 | | 120176 | | Telephone | 75.00 |
| | | | | Line Amount Total | 75.00 |
| 89596 | 01/13/22 | V00011 | Gulftex Vending | 152.70 | |
| 122467 | | 120143 | | Office Supplies | 152.70 |
| | | | | Line Amount Total | 152.70 |
| 89597 | 01/13/22 | V00013 | Mary Campus | 22.18 | |
| 122447 | | 120179 | | Automobile Expense | 22.18 |
| | | | | Line Amount Total | 22.18 |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|--------------|-----------------|-----------------|---|------------------|-------------|
| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 89598 | 01/13/22 | V00021 | Gulf Coast Paper Company | 818.92 | |
| 122312 | | 120043 | Office Supplies | | 735.40 |
| 122313 | | 120044 | Office Supplies | | 83.52 |
| | | | Line Amount Total | | 818.92 |
| 89599 | 01/13/22 | V00040 | The Brazosport Facts | 689.90 | |
| 122488 | | 120158 | Community Advertising | | 100.00 |
| 122488 | | 120158 | Legal Fees | | 589.90 |
| | | | Line Amount Total | | 689.90 |
| 89600 | 01/13/22 | V00041 | Evco Industrial Hardware | 288.39 | |
| 122305 | | 119980 | M&R TOE-Gantry Crane | | 91.72 |
| 122305 | | 119980 | M&R TOE-Gantry Crane | | 91.72 |
| 122306 | | 119981 | M&R TOE-Gantry Crane | | 15.68 |
| 122306 | | 119981 | M&R TOE-Gantry Crane | | 15.69 |
| 122466 | | 120134 | M&R TOE-Gantry Crane | | 36.79 |
| 122466 | | 120134 | M&R TOE-Gantry Crane | | 36.79 |
| | | | Line Amount Total | | 288.39 |
| 89601 | 01/13/22 | V00046 | Sprint Waste Services | 430.10 | |
| 122477 | | 120137 | Contract Services | | 430.10 |
| | | | Line Amount Total | | 430.10 |
| 89602 | 01/13/22 | V00058 | Ravi K. Singhania | 1,393.65 | |
| 122497 | | 120190 | Technical Training | | 1,250.97 |
| 122497 | | 120190 | Community Events | | 76.60 |
| 122497 | | 120190 | Sales/Promotion Travel | | 66.08 |
| | | | Line Amount Total | | 1,393.65 |
| 89603 | 01/13/22 | V00087 | Payment vendor ledger entry is not found check# 89603. | 0.00 | |
| | | | Line Amount Total | | |
| 89604 | 01/13/22 | V00087 | Payment vendor ledger entry is not found check# 89604. | 0.00 | |
| | | | Line Amount Total | | |
| 89605 | 01/13/22 | V00087 | Payment vendor ledger entry is not found check# 89605. | 0.00 | |
| | | | Line Amount Total | | |
| 89606 | 01/13/22 | V00087 | Reliant | 76,288.70 | |
| 122396 | | 120064 | Electricity | | 898.71 |
| 122404 | | 120072 | Electricity | | 15.45 |
| 122405 | | 120073 | Electricity | | 2,043.03 |
| 122384 | | 120052 | Electricity | | 32,478.50 |
| 122385 | | 120053 | Electricity | | 31.12 |
| 122386 | | 120054 | Electricity | | 157.54 |
| 122387 | | 120055 | Electricity | | 223.05 |
| 122388 | | 120056 | Electricity | | 181.18 |
| 122389 | | 120057 | Electricity | | 3,618.94 |
| 122390 | | 120058 | Electricity | | 793.16 |
| 122391 | | 120059 | Electricity | | 56.33 |
| 122392 | | 120060 | Electricity | | 26.71 |
| 122393 | | 120061 | Electricity | | 54.62 |
| 122394 | | 120062 | Electricity | | 4,196.75 |
| 122395 | | 120063 | Electricity | | 14.73 |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
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| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122397 | 120065 | | Electricity | 58.57 | |
| 122398 | 120066 | | Electricity | 1,334.52 | |
| 122399 | 120067 | | Electricity | 36.74 | |
| 122400 | 120068 | | Electricity | 97.52 | |
| 122401 | 120069 | | Electricity | 6,752.86 | |
| 122402 | 120070 | | Electricity | 5.93 | |
| 122403 | 120071 | | Electricity | 74.74 | |
| 122406 | 120074 | | Electricity | 6,551.06 | |
| 122407 | 120075 | | Electricity | 537.88 | |
| 122408 | 120076 | | Electricity | 633.86 | |
| 122409 | 120077 | | Electricity | 468.19 | |
| 122410 | 120078 | | Electricity | 3,084.66 | |
| 122411 | 120079 | | Electricity | 51.81 | |
| 122412 | 120080 | | Electricity | 21.66 | |
| 122414 | 120082 | | Electricity | 1,198.67 | |
| 122415 | 120083 | | Electricity | 452.13 | |
| 122491 | 120145 | | Electricity | 10,138.08 | |
| | | | Line Amount Total | 76,288.70 | |
| 89607 | 01/13/22 | V00091 | Wells Fargo | 6,597.14 | |
| 122495 | 120171 | | Other Accounts Payable (JE) | 6,597.14 | |
| | | | Line Amount Total | 6,597.14 | |
| 89608 | 01/13/22 | V00101 | Sunstates Security, LLC | 28,924.51 | |
| 122485 | 120180 | | Security Service Fees | 476.10 | |
| 122486 | 120181 | | Security Service Fees | 41.40 | |
| 122487 | 120183 | | Security Service Fees | 662.40 | |
| 122493 | 120182 | | Security Service Fees | 27,744.61 | |
| | | | Line Amount Total | 28,924.51 | |
| 89609 | 01/13/22 | V00110 | Jason Miura | 162.40 | |
| 122475 | 120161 | | Telephone | 136.75 | |
| 122476 | 120162 | | Sales/Promotion Travel | 25.65 | |
| | | | Line Amount Total | 162.40 | |
| 89610 | 01/13/22 | V00184 | Dianna Kile | 1,320.00 | |
| 122448 | 120178 | | Contract Labor Expense | 1,320.00 | |
| | | | Line Amount Total | 1,320.00 | |
| 89611 | 01/13/22 | V00221 | Dynamics Southwest, Inc. | 105.00 | |
| 122465 | 120155 | | Contract Services | 105.00 | |
| | | | Line Amount Total | 105.00 | |
| 89612 | 01/13/22 | V00266 | Pitney Bowes, Inc. Purchase Power | 222.06 | |
| 122439 | 120092 | | Postage and Freight | 43.32 | |
| 122439 | 120092 | | Postage and Freight | 21.67 | |
| 122439 | 120092 | | Postage and Freight | 86.60 | |
| 122439 | 120092 | | Postage and Freight | 5.42 | |
| 122439 | 120092 | | Postage and Freight | 21.70 | |
| 122439 | 120092 | | Postage and Freight | 5.42 | |
| 122439 | 120092 | | Postage and Freight | 5.42 | |
| 122439 | 120092 | | Postage and Freight | 10.84 | |
| 122439 | 120092 | | Postage and Freight | 21.67 | |
| | | | Line Amount Total | 222.06 | |
| 89613 | 01/13/22 | V00303 | Sherwin-Williams | 246.36 | |
| 122420 | 120116 | | M&R Bldgs-Operations Bldg | 38.63 | |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
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| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 122421 | 120117 | | M&R Bldgs-Operations Bldg | | 103.32 |
| 122421 | 120117 | | M&R Warehouse-Warehouse 51 | | 104.41 |
| | | | Line Amount Total | | 246.36 |
| 89614 | 01/13/22 | V00307 | Joyce Hudman, County Clerk | 7,120.00 | |
| 122468 | 120144 | | Construction in Progress | | 7,120.00 |
| | | | Line Amount Total | | 7,120.00 |
| 89615 | 01/13/22 | V00364 | Brazosport Plumbing & Heating | 337.50 | |
| 122455 | 120168 | | M&R Bldgs-Operations Bldg | | 337.50 |
| | | | Line Amount Total | | 337.50 |
| 89616 | 01/13/22 | V00517 | Covenant K9 Detection Services | 3,150.00 | |
| 122364 | 119365 | | Security Service Fees | | 3,150.00 |
| 122364 | 119365 | | Day Rate for K9 Detection Services (6 hours / Day | | |
| 122364 | 119365 | | October 2021 - September 2022 | | |
| 122364 | 119365 | | Board Approved 9/23/2021 | | |
| | | | Line Amount Total | | 3,150.00 |
| 89617 | 01/13/22 | V00574 | Dan Croft | 646.25 | |
| 122489 | 120191 | | Technical Training | | 646.25 |
| | | | Line Amount Total | | 646.25 |
| 89618 | 01/13/22 | V00624 | CBRE, Inc.-Valuation and Advisory Services | 675.00 | |
| 122461 | 113142 | | Construction in Progress | | 675.00 |
| 122461 | 113142 | | Appraisal/Consultation Services-NTE | | |
| 122461 | 113142 | | Commission Approved 1/9/2020 | | |
| 122461 | 113142 | | Construction in Progress | | |
| 122461 | 113142 | | Construction in Progress | | |
| 122461 | 113142 | | Change order 5/11/20 | | |
| 122461 | 113142 | | Construction in Progress | | |
| 122461 | 113142 | | Appraisal/Consultation Services-NTE | | |
| 122461 | 113142 | | Commission Approved 5/18/2020 | | |
| 122461 | 113142 | | Change Order 9/10/2020 | | |
| 122461 | 113142 | | Construction in Progress | | |
| 122461 | 113142 | | Appraisal/Consultation Services-NTE | | |
| | | | Line Amount Total | | 675.00 |
| 89619 | 01/13/22 | V00668 | DARE Capital Partners, LLC | 2,109.29 | |
| 122464 | 120133 | | M&R Other-Mowing, Weed Control Etc | | 927.85 |
| 122464 | 120133 | | Maint & Repair - Pallets | | 1,181.44 |
| | | | Line Amount Total | | 2,109.29 |
| 89620 | 01/13/22 | V00767 | Berry Accurate Machine & Fabrication, LLC | 1,345.00 | |
| 122454 | 120142 | | M&R TOE-Gantry Crane | | 336.25 |
| 122454 | 120142 | | M&R TOE-Gantry Crane | | 336.25 |
| 122453 | 120135 | | M&R TOE-Gantry Crane | | 336.25 |
| 122453 | 120135 | | M&R TOE-Gantry Crane | | 336.25 |
| | | | Line Amount Total | | 1,345.00 |
| 89621 | 01/13/22 | V00770 | UniFirst Holdings Inc. | 290.24 | |
| 122434 | 117829 | | Annual Contract - Ops Employees uniforms, mats | | |
| 122434 | 117829 | | towels, soap etc. | | |
| 122434 | 117829 | | Maint and Operations Supplies | | 199.67 |
| 122434 | 117829 | | Other Receivables | | 45.69 |
| 122434 | 117829 | | M&R Bldgs-Operations Bldg | | |
| 122434 | 117829 | | Annual Contract - EOC mats, soap etc. | | |
| 122434 | 117829 | | M&R Bldgs-Security Bldg | | 14.00 |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|--------------|-----------------|-----------------|---|-----------------|-------------|
| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 122434 | 117829 | | Annual Contract - Admin mats, soap etc. | | |
| 122434 | 117829 | | M&R Bldgs-Admin Bldg 1100 Cherry St | | 30.88 |
| 122434 | 117829 | | 3Year Aggreement Effective June 2021 - May 2023 | | |
| 122434 | 117829 | | 2% Annual Increase based on BuyBoard - No auto | | |
| 122434 | 117829 | | renewal after the end of Year 3 | | |
| 122434 | 117829 | | Year 1 of 3 Year Agreement June 2021 - May 2022 | | |
| | | | Line Amount Total | | 290.24 |
| 89622 | 01/13/22 | V00821 | Summit Fire & Security | 581.50 | |
| 122484 | 120175 | | M&R Transit Shed-T.S. Sprinkler System | | 581.50 |
| | | | Line Amount Total | | 581.50 |
| 89623 | 01/13/22 | V00848 | Lawrence H. Packard, III | 4,200.00 | |
| 122446 | 120184 | | Construction in Progress | | 2,450.00 |
| 122470 | 120164 | | Construction in Progress | | 1,750.00 |
| | | | Line Amount Total | | 4,200.00 |
| 89624 | 01/13/22 | V00850 | Kendra L. Conkle | 650.00 | |
| 122469 | 120160 | | Community Advertising | | 650.00 |
| | | | Line Amount Total | | 650.00 |
| 89625 | 01/13/22 | V00851 | Luycx Plumbing Co., Inc | 225.00 | |
| 122471 | 120167 | | M&R Bldgs-Security Bldg | | 225.00 |
| | | | Line Amount Total | | 225.00 |
| 89626 | 01/20/22 | V00001 | Time Management | 1,300.00 | |
| 122538 | 119523 | | Renewal of Storage Building Lease | | 1,300.00 |
| 122538 | 119523 | | January 1, 2022 to December 31, 2022 | | |
| | | | Line Amount Total | | 1,300.00 |
| 89627 | 01/20/22 | V00007 | Office Universe, Inc. | 198.66 | |
| 122381 | 120089 | | Office Supplies | | 24.15 |
| 122381 | 120089 | | Office Supplies | | 12.08 |
| 122381 | 120089 | | Office Supplies | | 3.02 |
| 122381 | 120089 | | Office Supplies | | 12.08 |
| 122381 | 120089 | | Office Supplies | | 12.08 |
| 122472 | 120149 | | Office Supplies | | 34.38 |
| 122473 | 120150 | | Office Supplies | | 4.85 |
| 122473 | 120150 | | Office Supplies | | 96.02 |
| | | | Line Amount Total | | 198.66 |
| 89628 | 01/20/22 | V00009 | Williams Diesel, Inc | 9.11 | |
| 122496 | 120141 | | M&R TOE-Yale Forklift | | 9.11 |
| | | | Line Amount Total | | 9.11 |
| 89629 | 01/20/22 | V00011 | Gulftex Vending | 37.00 | |
| 122449 | 120177 | | Office Supplies | | 14.09 |
| 122449 | 120177 | | Office Supplies | | 7.05 |
| 122449 | 120177 | | Office Supplies | | 1.76 |
| 122449 | 120177 | | Office Supplies | | 7.05 |
| 122449 | 120177 | | Office Supplies | | 7.05 |
| | | | Line Amount Total | | 37.00 |
| 89630 | 01/20/22 | V00012 | FedEx | 26.17 | |
| 122310 | 120000 | | Postage and Freight | | 26.17 |
| | | | Line Amount Total | | 26.17 |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|-----------------------|------------|-----------------|---|---------------|-------------|
| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 89631 01/20/22 | | V00021 | Gulf Coast Paper Company | 60.90 | |
| 122372 | 120113 | | Office Supplies | | 60.90 |
| | | | Line Amount Total | | 60.90 |
| 89632 01/20/22 | | V00030 | Girouard's Ace Hardware | 422.42 | |
| 122492 | 120140 | | M&R TOE-Toyota Forklift | | 6.87 |
| 122492 | 120140 | | M&R TOE-Toyota Forklift | | 6.88 |
| 122492 | 120140 | | M&R Bldgs-Scale House | | 4.16 |
| 122492 | 120140 | | M&R Bldgs-Maintenance Bldg | | 21.17 |
| 122492 | 120140 | | M&R TOE-Gantry Crane | | 41.39 |
| 122492 | 120140 | | M&R TOE-Gantry Crane | | 41.39 |
| 122492 | 120140 | | M&R Transit Shed-T.S. 3 | | 35.17 |
| 122492 | 120140 | | M&R Warehouse-WH51 Sprinkler System | | 21.48 |
| 122492 | 120140 | | M&R Warehouse-WH51 Sprinkler System | | 58.82 |
| 122492 | 120140 | | M&R TOE-Gantry Crane | | 5.00 |
| 122492 | 120140 | | M&R TOE-Gantry Crane | | 4.99 |
| 122492 | 120140 | | M&R TOE-Yard Truck-PF29 | | 19.61 |
| 122492 | 120140 | | M&R TOE-Yard Truck-PF02 | | 19.61 |
| 122492 | 120140 | | Maint and Operations Supplies | | 67.65 |
| 122492 | 120140 | | M&R Groundskeeping Equipment-5510 John Deere | | 2.79 |
| 122492 | 120140 | | M&R TOE-Gantry Crane | | 8.95 |
| 122492 | 120140 | | M&R TOE-Gantry Crane | | 8.95 |
| 122492 | 120140 | | M&R Docks-Dock Berth 2 | | 15.58 |
| 122492 | 120140 | | M&R Bldgs-Maintenance Bldg | | 31.96 |
| | | | Line Amount Total | | 422.42 |
| 89633 01/20/22 | | V00031 | Culligan Water Systems | 526.56 | |
| 122463 | 117977 | | Service Agreement for Water Softener Rental & | | |
| 122463 | 117977 | | RO System and Ice Machines | | |
| 122463 | 117977 | | M&R Bldgs-Operations Bldg | | 87.76 |
| 122463 | 117977 | | M&R Bldgs-Buildings VT Berth 7 | | 87.76 |
| 122463 | 117977 | | M&R Transit Shed-T.S. 1 | | 87.76 |
| 122463 | 117977 | | For Services 8/01/2021 - 7/31/2022 | | |
| 122522 | 117977 | | Service Agreement for Water Softener Rental & | | |
| 122522 | 117977 | | RO System and Ice Machines | | |
| 122522 | 117977 | | M&R Bldgs-Operations Bldg | | 87.76 |
| 122522 | 117977 | | M&R Bldgs-Buildings VT Berth 7 | | 87.76 |
| 122522 | 117977 | | M&R Transit Shed-T.S. 1 | | 87.76 |
| 122522 | 117977 | | For Services 8/01/2021 - 7/31/2022 | | |
| | | | Line Amount Total | | 526.56 |
| 89634 01/20/22 | | V00032 | Matheson Tri Gas | 243.67 | |
| 122378 | 120112 | | M&R TOE-General Terminal Ops Equip & Tools | | 243.67 |
| | | | Line Amount Total | | 243.67 |
| 89635 01/20/22 | | V00037 | Briggs Equipment | 825.89 | |
| 122457 | 120136 | | M&R TOE-135' JLG Man Lift | | 301.42 |
| 122500 | 120195 | | M&R TOE-JLG 80 HX Manlift | | 93.83 |
| 122501 | 120196 | | M&R TOE-JLG 80 HX Manlift | | 402.54 |
| 122515 | 120197 | | Fuel/Oil | | 28.10 |
| | | | Line Amount Total | | 825.89 |
| 89636 01/20/22 | | V00041 | Evco Industrial Hardware | 867.87 | |
| 122309 | 120037 | | M&R TOE-General Terminal Ops Equip & Tools | | 99.40 |
| 122502 | 120202 | | M&R TOE-Gantry Crane | | 236.36 |

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| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122502 | 120202 | | M&R TOE-Gantry Crane | 236.36 | |
| 122503 | 120200 | | M&R TOE-Gantry Crane | 54.44 | |
| 122503 | 120200 | | M&R TOE-Gantry Crane | 54.44 | |
| 122504 | 120201 | | M&R TOE-Gantry Crane | 84.29 | |
| 122504 | 120201 | | M&R TOE-Gantry Crane | 84.30 | |
| 122505 | 120206 | | M&R Leased Facilities-24A (Chiquita) | 18.28 | |
| | | | Line Amount Total | 867.87 | |
| 89637 | 01/20/22 | V00047 | Art's Sign Service | 160.26 | |
| 122451 | 120163 | | M & R Vehicles - 2017 Chev PU | 160.26 | |
| | | | Line Amount Total | 160.26 | |
| 89638 | 01/20/22 | V00053 | Shred It Houston | 190.24 | |
| 122325 | 120021 | | Office Supplies | 37.12 | |
| 122325 | 120021 | | Office Supplies | 18.56 | |
| 122325 | 120021 | | Office Supplies | 74.24 | |
| 122325 | 120021 | | Office Supplies | 4.64 | |
| 122325 | 120021 | | Office Supplies | 18.56 | |
| 122325 | 120021 | | Office Supplies | 4.64 | |
| 122325 | 120021 | | Office Supplies | 4.64 | |
| 122325 | 120021 | | Office Supplies | 9.28 | |
| 122325 | 120021 | | Office Supplies | 18.56 | |
| | | | Line Amount Total | 190.24 | |
| 89639 | 01/20/22 | V00054 | Summit Electric Supply | 2,544.26 | |
| 122422 | 120048 | | M&R Docks-Dock Berth 1 | 846.14 | |
| 122423 | 120049 | | M&R Docks-Dock Berth 3 | 846.14 | |
| 122478 | 120042 | | 2022 Cyber Security Upgrade | 123.42 | |
| 122479 | 120151 | | 2022 Cyber Security Upgrade | 34.55 | |
| 122482 | 120154 | | 2022 Cyber Security Upgrade | 99.96 | |
| 122511 | 120194 | | M&R Leased Facilities-24A (Chiquita) | 594.05 | |
| | | | Line Amount Total | 2,544.26 | |
| 89640 | 01/20/22 | V00055 | Jesse Hibbetts | 193.14 | |
| 122516 | 120215 | | Sales/Promotion Travel | 90.95 | |
| 122516 | 120215 | | M&R TOE-Gantry Crane | 51.09 | |
| 122516 | 120215 | | M&R TOE-Gantry Crane | 51.10 | |
| | | | Line Amount Total | 193.14 | |
| 89641 | 01/20/22 | V00097 | Comcast Business | 2,553.66 | |
| 122462 | 120166 | | Contract Services | 2,553.66 | |
| | | | Line Amount Total | 2,553.66 | |
| 89642 | 01/20/22 | V00125 | AT&T:979-230-9161 754-5 | 459.43 | |
| 122518 | 120221 | | Telephone | 50.85 | |
| 122518 | 120221 | | Telephone | 50.85 | |
| 122518 | 120221 | | Telephone | 357.73 | |
| | | | Line Amount Total | 459.43 | |
| 89643 | 01/20/22 | V00159 | Principal Life Insurance-PLIC-SBD Grand Island | 1,172.26 | |
| 122533 | 120216 | | Group Life Insurance | 314.27 | |
| 122533 | 120216 | | Group Life Insurance | 143.05 | |
| 122533 | 120216 | | Group Life Insurance | 327.94 | |
| 122533 | 120216 | | Group Life Insurance | 11.04 | |
| 122533 | 120216 | | Group Life Insurance | 119.23 | |
| 122533 | 120216 | | Group Life Insurance | 50.05 | |
| 122533 | 120216 | | Group Life Insurance | 19.37 | |

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|--------------|-----------------|-----------------|--|-----------------|--|
| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122533 | 120216 | | Group Life Insurance | 75.81 | |
| 122533 | 120216 | | Group Life Insurance | 33.48 | |
| 122533 | 120216 | | Group Life Insurance | 78.02 | |
| | | | Line Amount Total | 1,172.26 | |
| 89644 | 01/20/22 | V00178 | Waypoint | 1,000.00 | |
| 122540 | 120212 | | Contract Services | 1,000.00 | |
| | | | Line Amount Total | 1,000.00 | |
| 89645 | 01/20/22 | V00181 | Canon Solutions America, Inc. | 556.88 | |
| 122458 | 120172 | | Maint & Repair - Office Equipment | 238.60 | |
| 122459 | 120173 | | Maint & Repair - Office Equipment | 148.04 | |
| 122460 | 120174 | | Maint & Repair - Office Equipment | 170.24 | |
| | | | Line Amount Total | 556.88 | |
| 89646 | 01/20/22 | V00184 | Dianna Kile | 1,320.00 | |
| 122526 | 120219 | | Contract Labor Expense | 1,320.00 | |
| | | | Line Amount Total | 1,320.00 | |
| 89647 | 01/20/22 | V00250 | Lincoln National Life Insurance Company | 3,449.20 | |
| 122529 | 120185 | | Retirement Expense | 278.99 | |
| 122529 | 120185 | | Retirement Expense | 145.44 | |
| 122529 | 120185 | | Retirement Expense | 471.03 | |
| 122529 | 120185 | | Retirement Expense | 11.13 | |
| 122529 | 120185 | | Retirement Expense | 105.36 | |
| 122529 | 120185 | | Retirement Expense | 37.10 | |
| 122529 | 120185 | | Retirement Expense | 19.53 | |
| 122529 | 120185 | | Retirement Expense | 68.64 | |
| 122529 | 120185 | | Retirement Expense | 53.43 | |
| 122529 | 120185 | | Retirement Expense | 37.10 | |
| 122530 | 120186 | | Group STD Insurance | 263.52 | |
| 122530 | 120186 | | Group STD Insurance | 146.80 | |
| 122530 | 120186 | | Group STD Insurance | 427.15 | |
| 122530 | 120186 | | Group STD Insurance | 14.86 | |
| 122530 | 120186 | | Group STD Insurance | 112.36 | |
| 122530 | 120186 | | Group STD Insurance | 43.00 | |
| 122530 | 120186 | | Group STD Insurance | 39.78 | |
| 122530 | 120186 | | Group STD Insurance | 85.05 | |
| 122530 | 120186 | | Group STD Insurance | 45.10 | |
| 122530 | 120186 | | Group STD Insurance | 77.57 | |
| 122530 | 120186 | | Group LTD Insurance | 219.89 | |
| 122530 | 120186 | | Group LTD Insurance | 120.97 | |
| 122530 | 120186 | | Group LTD Insurance | 287.80 | |
| 122530 | 120186 | | Group LTD Insurance | 8.98 | |
| 122530 | 120186 | | Group LTD Insurance | 111.78 | |
| 122530 | 120186 | | Group LTD Insurance | 40.54 | |
| 122530 | 120186 | | Group LTD Insurance | 24.05 | |
| 122530 | 120186 | | Group LTD Insurance | 61.64 | |
| 122530 | 120186 | | Group LTD Insurance | 27.25 | |
| 122530 | 120186 | | Group LTD Insurance | 63.36 | |
| | | | Line Amount Total | 3,449.20 | |
| 89648 | 01/20/22 | V00272 | Highway 36A Coalition | 1,500.00 | |
| 122527 | 120193 | | Dues & Memberships & Licenses | 1,500.00 | |
| | | | Line Amount Total | 1,500.00 | |

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| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 89649 | 01/20/22 | V00291 | Moore Supply | 36.66 | |
| 122379 | 120114 | | M&R Bldgs-Operations Bldg | | 36.66 |
| | | | Line Amount Total | | 36.66 |
| 89650 | 01/20/22 | V00337 | Daikin Applied Inc | 20,321.66 | |
| 122523 | 120218 | | M&R Bldgs-Security Bldg | | 20,321.66 |
| | | | Line Amount Total | | 20,321.66 |
| 89651 | 01/20/22 | V00355 | Boys & Girls Club of Brazoria County | 150.00 | |
| 122517 | 120220 | | Community Events | | 150.00 |
| | | | Line Amount Total | | 150.00 |
| 89652 | 01/20/22 | V00663 | B&K Motor Parts, Inc | 1,900.68 | |
| 122452 | 120139 | | M&R Vehicles-Chevy Tahoe | | 106.36 |
| 122452 | 120139 | | M&R TOE-Gantry Crane | | 18.72 |
| 122452 | 120139 | | M&R TOE-Gantry Crane | | 18.73 |
| 122452 | 120139 | | M&R Vehicles-Chevy S-10 | | 143.31 |
| 122452 | 120139 | | M&R TOE-General Terminal Ops Equip & Tools | | 108.97 |
| 122452 | 120139 | | M&R Vehicles-Chevy Colorado | | 309.73 |
| 122452 | 120139 | | M&R Vehicles-Chevy Tahoe | | 44.84 |
| 122452 | 120139 | | Maint and Operations Supplies | | 45.60 |
| 122452 | 120139 | | M&R Vehicles-Chevy S-10 | | 113.21 |
| 122452 | 120139 | | M&R Vehicles-Chevy S-10 | | 36.99 |
| 122452 | 120139 | | Fuel/Oil | | 79.84 |
| 122452 | 120139 | | M&R Vehicles-Chevy S-10 | | 36.99 |
| 122452 | 120139 | | M&R Vehicles-Chevy S-10 | | -36.99 |
| 122452 | 120139 | | Fuel/Oil | | 59.88 |
| 122452 | 120139 | | Maint and Operations Supplies | | 306.63 |
| 122452 | 120139 | | Maint and Operations Supplies | | 71.97 |
| 122452 | 120139 | | M&R TOE-Gantry Crane | | 57.98 |
| 122452 | 120139 | | M&R TOE-Yale Forklift | | 105.27 |
| 122452 | 120139 | | Maint and Operations Supplies | | 88.80 |
| 122452 | 120139 | | M&R Groundskeeping Equipment-5510 John Deere | | 128.44 |
| 122452 | 120139 | | M&R Groundskeeping Equipment-5510 John Deere | | 55.41 |
| | | | Line Amount Total | | 1,900.68 |
| 89653 | 01/20/22 | V00668 | DARE Capital Partners, LLC | 4,271.40 | |
| 122524 | 120204 | | Maint & Repair - Pallets | | 1,264.51 |
| 122524 | 120204 | | M&R Other-Mowing, Weed Control Etc | | 1,415.88 |
| 122525 | 120208 | | Maint & Repair - Pallets | | 886.08 |
| 122525 | 120208 | | M&R Other-Mowing, Weed Control Etc | | 704.93 |
| | | | Line Amount Total | | 4,271.40 |
| 89654 | 01/20/22 | V00809 | Thomas Reuters Holdings Inc. | 187.00 | |
| 122494 | 118864 | | Subscriptions | | 187.00 |
| 122494 | 118864 | | Monthly Feature Fee for CLEAR Investigation/ | | |
| 122494 | 118864 | | Background Services for 1 Year | | |
| 122494 | 118864 | | October 2021 - September 2022 | | |
| | | | Line Amount Total | | 187.00 |
| 89655 | 01/20/22 | V00821 | Summit Fire & Security | 346.00 | |
| 122483 | 120170 | | M&R Transit Shed-T.S. Sprinkler System | | 346.00 |
| | | | Line Amount Total | | 346.00 |
| 89656 | 01/20/22 | V00833 | M & J Environmental Services LLC | 419.00 | |
| 122531 | 119313 | | Disinfectant Treatment for Admin-5,000 sq ft (77%) | | 322.63 |

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| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122531 | 119313 | | Disinfectant Reatment for EOC - 1,500 sq ft (23%) | 96.37 | |
| | | | Line Amount Total | 419.00 | |
| 89657 | 01/20/22 | V00159 | Principal Life Insurance-PLIC-SBD Grand Island | 3,076.41 | |
| 122534 | 120217 | | Group Dental Insurance | 428.93 | |
| 122534 | 120217 | | Group Dental Insurance | 250.42 | |
| 122534 | 120217 | | Group Dental Insurance | 755.40 | |
| 122534 | 120217 | | Group Dental Insurance | 12.99 | |
| 122534 | 120217 | | Group Dental Insurance | 292.23 | |
| 122534 | 120217 | | Group Dental Insurance | 67.03 | |
| 122534 | 120217 | | Group Dental Insurance | 68.43 | |
| 122534 | 120217 | | Group Dental Insurance | 256.72 | |
| 122534 | 120217 | | Group Dental Insurance | 127.55 | |
| 122534 | 120217 | | Group Dental Insurance | 164.44 | |
| 122534 | 120217 | | Group Dental Insurance | 93.00 | |
| 122534 | 120217 | | Other Receivables | 51.43 | |
| 122534 | 120217 | | Group Vision Insurance | 79.74 | |
| 122534 | 120217 | | Group Vision Insurance | 51.57 | |
| 122534 | 120217 | | Group Vision Insurance | 149.12 | |
| 122534 | 120217 | | Group Vision Insurance | 3.03 | |
| 122534 | 120217 | | Group Vision Insurance | 61.23 | |
| 122534 | 120217 | | Group Vision Insurance | 13.02 | |
| 122534 | 120217 | | Group Vision Insurance | 12.08 | |
| 122534 | 120217 | | Group Vision Insurance | 48.32 | |
| 122534 | 120217 | | Group Vision Insurance | 25.14 | |
| 122534 | 120217 | | Group Vision Insurance | 33.43 | |
| 122534 | 120217 | | Group Vision Insurance | 19.08 | |
| 122534 | 120217 | | Other Receivables | 12.08 | |
| | | | Line Amount Total | 3,076.41 | |
| 89658 | 01/27/22 | V00004 | City of Freeport | 16,637.25 | |
| 122546 | 120234 | | Water & Gas | 148.51 | |
| 122547 | 120236 | | Water & Gas | 61.37 | |
| 122548 | 120237 | | Water & Gas | 99.53 | |
| 122549 | 120238 | | Water & Gas | 444.33 | |
| 122550 | 120239 | | Water & Gas | 613.59 | |
| 122578 | 120235 | | Water & Gas | 15,269.92 | |
| | | | Line Amount Total | 16,637.25 | |
| 89659 | 01/27/22 | V00007 | Office Universe, Inc. | 387.38 | |
| 122474 | 120165 | | Office Supplies | 387.38 | |
| | | | Line Amount Total | 387.38 | |
| 89660 | 01/27/22 | V00013 | Mary Campus | 2,849.86 | |
| 122589 | 120231 | | Flexible Spending Emp Reimbursement | 2,849.86 | |
| | | | Line Amount Total | 2,849.86 | |
| 89661 | 01/27/22 | V00021 | Gulf Coast Paper Company | 437.64 | |
| 122506 | 120187 | | Office Supplies | 7.72 | |
| 122506 | 120187 | | Office Supplies | 3.87 | |
| 122506 | 120187 | | Office Supplies | 0.97 | |
| 122506 | 120187 | | Office Supplies | 3.87 | |
| 122506 | 120187 | | Office Supplies | 3.87 | |
| 122554 | 120229 | | Office Supplies | 417.34 | |
| | | | Line Amount Total | 437.64 | |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
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| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 89662 | 01/27/22 | V00024 | Waste Management | 1,052.63 | |
| 122567 | 120271 | | Contract Services | 444.76 | |
| 122568 | 120272 | | Contract Services | 180.00 | |
| 122569 | 120273 | | Contract Services | 427.87 | |
| | | | Line Amount Total | 1,052.63 | |
| 89663 | 01/27/22 | V00031 | Culligan Water Systems | 161.34 | |
| 122580 | 117977 | | Service Agreement for Water Softener Rental & | | |
| 122580 | 117977 | | RO System and Ice Machines | | |
| 122580 | 117977 | | M&R Bldgs-Operations Bldg | 161.34 | |
| 122580 | 117977 | | M&R Bldgs-Buildings VT Berth 7 | | |
| 122580 | 117977 | | M&R Transit Shed-T.S. 1 | | |
| 122580 | 117977 | | For Services 8/01/2021 - 7/31/2022 | | |
| | | | Line Amount Total | 161.34 | |
| 89664 | 01/27/22 | V00044 | Ready Refresh | 386.12 | |
| 122562 | 120257 | | Office Supplies | 46.61 | |
| 122562 | 120257 | | Office Supplies | 23.31 | |
| 122562 | 120257 | | Office Supplies | 5.83 | |
| 122562 | 120257 | | Office Supplies | 23.31 | |
| 122562 | 120257 | | Office Supplies | 263.75 | |
| 122562 | 120257 | | Office Supplies | 23.31 | |
| | | | Line Amount Total | 386.12 | |
| 89665 | 01/27/22 | V00046 | Sprint Waste Services | 430.10 | |
| 122564 | 120279 | | Contract Services | 430.10 | |
| | | | Line Amount Total | 430.10 | |
| 89666 | 01/27/22 | V00062 | AT&T Mobility | 468.44 | |
| 122542 | 120256 | | Telephone | 97.86 | |
| 122542 | 120256 | | Telephone | 194.84 | |
| 122542 | 120256 | | Telephone | 87.87 | |
| 122542 | 120256 | | Telephone | 87.87 | |
| | | | Line Amount Total | 468.44 | |
| 89667 | 01/27/22 | V00067 | Quill Corporation | 366.50 | |
| 122520 | 120225 | | Office Supplies | 270.55 | |
| 122520 | 120225 | | Office Supplies | 9.84 | |
| 122520 | 120225 | | Office Supplies | 2.46 | |
| 122520 | 120225 | | Office Supplies | 9.84 | |
| 122520 | 120225 | | Office Supplies | 9.84 | |
| 122514 | 120222 | | Office Supplies | 35.98 | |
| 122519 | 120223 | | Office Supplies | 27.99 | |
| | | | Line Amount Total | 366.50 | |
| 89668 | 01/27/22 | V00084 | Crain, Caton & James | 3,016.00 | |
| 122575 | 120295 | | Legal Fees | 1,768.00 | |
| 122576 | 120296 | | Legal Fees | 1,248.00 | |
| | | | Line Amount Total | 3,016.00 | |
| 89669 | 01/27/22 | V00088 | Blue Cross Blue Shield of Texas | 68,501.13 | |
| 122570 | 120264 | | Other Receivables | 1,985.54 | |
| 122571 | 120265 | | Group Medical Insurance | 11,416.85 | |
| 122571 | 120265 | | Group Medical Insurance | 7,942.16 | |
| 122571 | 120265 | | Group Medical Insurance | 23,826.48 | |
| 122571 | 120265 | | Group Medical Insurance | 496.39 | |
| 122571 | 120265 | | Group Medical Insurance | 6,949.39 | |

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
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| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 122571 | 120265 | | Group Medical Insurance | | 1,985.54 |
| 122571 | 120265 | | Group Medical Insurance | | 4,963.85 |
| 122571 | 120265 | | Group Medical Insurance | | 4,963.85 |
| 122571 | 120265 | | Group Medical Insurance | | 1,985.54 |
| 122571 | 120265 | | Group Medical Insurance | | 1,985.54 |
| | | | Line Amount Total | | 68,501.13 |
| 89670 | 01/27/22 | V00090 | Cordoba Law Firm, P.L.L.C. | 2,319.00 | |
| 122545 | 120300 | | Construction in Progress | | 519.00 |
| 122574 | 120299 | | Legal Fees | | 1,800.00 |
| | | | Line Amount Total | | 2,319.00 |
| 89671 | 01/27/22 | V00092 | Nadia Bowers | 23.40 | |
| 122560 | 120227 | | Community Event-TACFT | | 23.40 |
| | | | Line Amount Total | | 23.40 |
| 89672 | 01/27/22 | V00110 | Jason Miura | 230.74 | |
| 122557 | 120241 | | Flexible Spending Emp Reimbursement | | 230.74 |
| | | | Line Amount Total | | 230.74 |
| 89673 | 01/27/22 | V00112 | Tricia Vela | 75.00 | |
| 122566 | 120240 | | Telephone | | 75.00 |
| | | | Line Amount Total | | 75.00 |
| 89674 | 01/27/22 | V00119 | JH Sanchez Holding Company | 6,235.00 | |
| 122528 | 116906 | | Janitorial Services February 2021-January 2022 | | |
| 122528 | 116906 | | M&R Bldgs-Admin Bldg 1100 Cherry St | | 2,723.00 |
| 122528 | 116906 | | M&R Bldgs-Security Bldg | | 454.45 |
| 122528 | 116906 | | M&R Bldgs-Operations Bldg | | 629.45 |
| 122528 | 116906 | | M&R Bldgs-Buildings VT Berth 7-Restrooms | | 948.60 |
| 122528 | 116906 | | M&R Bldgs-Buildings VT Berth 7-Breakroom | | 202.00 |
| 122528 | 116906 | | M&R Transit Shed-T.S. 3 | | 91.50 |
| 122528 | 116906 | | M&R Bldgs-Maintenance Bldg | | 110.00 |
| 122528 | 116906 | | M&R Bldgs-Security Bldg-Customs Office Bldg | | 1,076.00 |
| 122528 | 116906 | | 2nd Year of 3 Year Contract Feb 2021-Jan 2022 | | |
| 122528 | 116906 | | Board Approved 1/23/2020 | | |
| | | | Line Amount Total | | 6,235.00 |
| 89675 | 01/27/22 | V00168 | Junior Achievement of Brazoria County, Inc. | 250.00 | |
| 122558 | 120258 | | Community Events | | 250.00 |
| | | | Line Amount Total | | 250.00 |
| 89676 | 01/27/22 | V00178 | Waypoint | 4,646.49 | |
| 122539 | 120126 | | M&R IT Equipment | | |
| 122539 | 120126 | | PowerEdge R730 ProSupport | | |
| 122539 | 120126 | | Quote # AAAQ12333 | | |
| 122539 | 120126 | | M&R IT Equipment | | 3,013.84 |
| 122539 | 120126 | | PowerEdge R730 Post Support | | |
| 122539 | 120126 | | Quote # AAAQ12332 | | |
| 122597 | 120126 | | M&R IT Equipment | | 1,632.65 |
| 122597 | 120126 | | PowerEdge R730 ProSupport | | |
| 122597 | 120126 | | Quote # AAAQ12333 | | |
| 122597 | 120126 | | M&R IT Equipment | | |
| 122597 | 120126 | | PowerEdge R730 Post Support | | |
| 122597 | 120126 | | Quote # AAAQ12332 | | |
| | | | Line Amount Total | | 4,646.49 |

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|--------------|-----------------|-----------------|---|------------------|-----------|
| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 89677 | 01/27/22 | V00184 | Dianna Kile | 1,320.00 | |
| 122582 | 120266 | | Contract Labor Expense | | 1,320.00 |
| | | | Line Amount Total | | 1,320.00 |
| 89678 | 01/27/22 | V00192 | Glomar International, Inc. | 754.17 | |
| 122553 | 120276 | | M&R TOE-Gantry Crane | | 377.08 |
| 122553 | 120276 | | M&R TOE-Gantry Crane | | 377.09 |
| | | | Line Amount Total | | 754.17 |
| 89679 | 01/27/22 | V00193 | Grainger | 101.36 | |
| 122584 | 120277 | | M&R TOE-Gantry Crane | | 50.68 |
| 122584 | 120277 | | M&R TOE-Gantry Crane | | 50.68 |
| | | | Line Amount Total | | 101.36 |
| 89680 | 01/27/22 | V00209 | Datavox, Inc. | 1,225.12 | |
| 122581 | 118949 | | Camera mounts for Siklu Project | | 1,225.12 |
| 122581 | 118949 | | DVXB-15835 | | |
| 122581 | 118949 | | Texas DIR Contract # DIR-CPO-4766 | | |
| | | | Line Amount Total | | 1,225.12 |
| 89681 | 01/27/22 | V00214 | McFarland PLLC | 34,849.24 | |
| 122559 | 120297 | | Legal Fees | | 150.00 |
| 122590 | 120298 | | Construction in Progress | | 33,462.50 |
| 122590 | 120298 | | Construction in Progress | | 1,236.74 |
| | | | Line Amount Total | | 34,849.24 |
| 89682 | 01/27/22 | V00235 | Brazoria County Hispanic Chamber of Commerce | 850.00 | |
| 122543 | 120233 | | Community Events | | 850.00 |
| | | | Line Amount Total | | 850.00 |
| 89683 | 01/27/22 | V00285 | Shoppa's Farm Supply | 252.46 | |
| 122510 | 120205 | | M&R Groundskeeping Equipment-5510 John Deere | | 252.46 |
| | | | Line Amount Total | | 252.46 |
| 89684 | 01/27/22 | V00286 | Brazoria Heritage Foundation | 200.00 | |
| 122544 | 120260 | | Community Events-Heritage Celebration March | | 100.00 |
| 122544 | 120260 | | Community Events-Santa Ana Ball July | | 100.00 |
| | | | Line Amount Total | | 200.00 |
| 89685 | 01/27/22 | V00301 | Texas Port Ministry | 250.00 | |
| 122593 | 120261 | | Community Events | | 250.00 |
| | | | Line Amount Total | | 250.00 |
| 89686 | 01/27/22 | V00353 | Safety-Kleen Systems, Inc | 2,972.21 | |
| 122535 | 120213 | | M&R Leased Facilities-Dole | | 1,062.21 |
| 122536 | 120214 | | M&R Bldgs-Maintenance Bldg | | 1,910.00 |
| | | | Line Amount Total | | 2,972.21 |
| 89687 | 01/27/22 | V00364 | Brazosport Plumbing & Heating | 508.48 | |
| 122456 | 120169 | | M&R Bldgs-Operations Bldg | | 508.48 |
| | | | Line Amount Total | | 508.48 |
| 89688 | 01/27/22 | V00405 | SLS Rigging LLC | 7,742.32 | |
| 122563 | 120278 | | M&R TOE-Gantry Crane | | 504.82 |
| 122591 | 120248 | | M&R TOE-Gantry Crane | | 4,678.75 |
| 122592 | 120247 | | M&R TOE-Gantry Crane | | 2,558.75 |
| | | | Line Amount Total | | 7,742.32 |

Vendor Expenditure

Period: 01/01/22..01/31/22

Port Freeport

Tuesday, February 15, 2022

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| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|-------------|------------|-----------------|---|--------------|-------------|
| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| 89689 | 01/27/22 | V00421 | Choctaw Construction Services, LLC | 475.00 | |
| | 122577 | 119522 | Monthly Hwy 36 Signal Inspection | | 475.00 |
| | 122577 | 119522 | Beginning Nov 2021 | | |
| | | | Line Amount Total | | 475.00 |
| 89690 | 01/27/22 | V00467 | Brazoria County Auditor | 6,300.00 | |
| | 122572 | 120188 | Contract Services | | 6,300.00 |
| | 122572 | 120188 | Radio Airtime Fee for Motorola APX Radios | | |
| | 122572 | 120188 | January 2022 - December 2022 | | |
| | | | Line Amount Total | | 6,300.00 |
| 89691 | 01/27/22 | V00472 | Alvin Sunrise Rotary Club Foundation | 100.00 | |
| | 122598 | 120333 | Community Events | | 100.00 |
| | | | Line Amount Total | | 100.00 |
| 89692 | 01/27/22 | V00608 | Economic Development Alliance for Brazoria Countv | 160.00 | |
| | 122552 | 120226 | Community Events | | 70.00 |
| | 122552 | 120226 | Community Events | | 90.00 |
| | | | Line Amount Total | | 160.00 |
| 89693 | 01/27/22 | V00627 | Zeno Imaging | 36.30 | |
| | 122521 | 120224 | Maint & Repair - Office Equipment | | 36.30 |
| | | | Line Amount Total | | 36.30 |
| 89694 | 01/27/22 | V00706 | Convergint Technologies LLC | 1,974.73 | |
| | 122579 | 120255 | M&R IT Equipment | | 1,974.73 |
| | | | Line Amount Total | | 1,974.73 |
| 89695 | 01/27/22 | V00733 | Kristin R. Bulanek | 31,011.73 | |
| | 122573 | 120251 | Tax Assessor/Collector Fees | | 31,011.73 |
| | | | Line Amount Total | | 31,011.73 |
| 89696 | 01/27/22 | V00735 | Diligent Corporation | 2,721.60 | |
| | 122583 | 120232 | Subscriptions | | 2,721.60 |
| | | | Line Amount Total | | 2,721.60 |
| 89697 | 01/27/22 | V00770 | UniFirst Holdings Inc. | 150.12 | |
| | 122594 | 117829 | Annual Contract - Ops Employees uniforms, mats | | |
| | 122594 | 117829 | towels, soap etc. | | |
| | 122594 | 117829 | Maint and Operations Supplies | | 122.46 |
| | 122594 | 117829 | Other Receivables | | 27.66 |
| | 122594 | 117829 | M&R Bldgs-Operations Bldg | | |
| | 122594 | 117829 | Annual Contract - EOC mats, soap etc. | | |
| | 122594 | 117829 | M&R Bldgs-Security Bldg | | |
| | 122594 | 117829 | Annual Contract - Admin mats, soap etc. | | |
| | 122594 | 117829 | M&R Bldgs-Admin Bldg 1100 Cherry St | | |
| | 122594 | 117829 | 3Year Agreement Effective June 2021 - May 2023 | | |
| | 122594 | 117829 | 2% Annual Increase based on BuyBoard - No auto | | |
| | 122594 | 117829 | renewal after the end of Year 3 | | |
| | 122594 | 117829 | Year 1 of 3 Year Agreement June 2021 - May 2022 | | |
| | | | Line Amount Total | | 150.12 |
| 89698 | 01/27/22 | V00808 | Whitener Enterprises Inc. | 1,451.10 | |
| | 122595 | 120132 | Gallons of Unleaded Fuel for Tank | | 1,451.10 |
| | | | Line Amount Total | | 1,451.10 |
| 89699 | 01/27/22 | V00821 | Summit Fire & Security | 7,247.90 | |
| | 122513 | 120209 | M&R TOE-John Deere Gator | | 617.90 |

Vendor Expenditure

Period: 01/01/22..01/31/22

Port Freeport

Tuesday, February 15, 2022

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FREEPORTMARY

| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|--------------|-----------------|-----------------|---|----------------------|--|
| Invoice No. | PO No. | GL Account Name | Line Description | Line Amount | |
| 122537 | 119931 | | M&R Transit Shed-T.S. Sprinkler System | 6,630.00 | |
| 122537 | 119931 | | Replace Dry Valve in TS3, Zone 3 Valve 3 | | |
| 122537 | 119931 | | Remive 6" Leaking Dry Valve | | |
| 122537 | 119931 | | Install New 6" Tyco dry valve with trim kit | | |
| 122537 | 119931 | | Quote No. 1990959 | | |
| | | | Line Amount Total | 7,247.90 | |
| 89700 | 01/28/22 | V00085 | Moffatt & Nichol | 16,618.98 | |
| 122532 | 109484 | | Professional Services for the Velasco Terminal | | |
| 122532 | 109484 | | Berths 8 & 9 | | |
| 122532 | 109484 | | Construction in Progress | 16,618.98 | |
| 122532 | 109484 | | Board Approved 1/24/19 | | |
| 122532 | 109484 | | Change Order #1 | | |
| 122532 | 109484 | | Construction in Progress | | |
| 122532 | 109484 | | Board Approved 1/28/2021 | | |
| | | | Line Amount Total | 16,618.98 | |
| 89701 | 01/28/22 | V00107 | HDR, Inc | 200,858.64 | |
| 122585 | 111067 | | FHIP Reach 2 | | |
| 122585 | 111067 | | Engineering Services | | |
| 122585 | 111067 | | Project # 19-09 | | |
| 122585 | 111067 | | Board Approved 6/13/2019 | | |
| 122585 | 111067 | | Change Order 1 | | |
| 122585 | 111067 | | FHIP Reach 2 | | |
| 122585 | 111067 | | Board Approved 9/12/2019 | | |
| 122585 | 111067 | | Change Order 2 | | |
| 122585 | 111067 | | FHIP Reach 2 | 12,000.00 | |
| 122585 | 111067 | | Board Approved 3/25/2021 | | |
| 122586 | 114861 | | FHIP Reach 1 | 185,000.00 | |
| 122586 | 114861 | | FHIP - Reach 4 | | |
| 122586 | 114861 | | Professional Services for the FHCIP Reach 1 & 4 | | |
| 122586 | 114861 | | Project No. 20-06 | | |
| 122586 | 114861 | | Board Approved 6/25/2020 | | |
| 122586 | 114861 | | 2019 GO Bond | | |
| 122586 | 114861 | | Other Accounts Payable (JE) | | |
| 122587 | 120230 | | Construction in Progress | 3,858.64 | |
| | | | Line Amount Total | 200,858.64 | |
| 89702 | 01/28/22 | V00611 | McCarthy Building Companies, Inc. | 13,897,045.69 | |
| 122600 | 112704 | | Construction in Progress | 1,242,918.39 | |
| 122600 | 112704 | | Labor, Materials, Equip & Insurance for | | |
| 122600 | 112704 | | Velasco Terminal, Berth 8 Project | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Commission Approved 10/23/19 | | |
| 122600 | 112704 | | Decrease in Contract amount | | |
| 122600 | 112704 | | Commission Approved 12/12/2019 | | |
| 122600 | 112704 | | Description | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |
| 122600 | 112704 | | Retainage Payable | | |

Port Freeport

FREEPORT\MARY

Unaudited
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Vendor Expenditure

Period: 01/01/22..01/31/22

Port Freeport

Tuesday, February 15, 2022

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FREEPORTMARY

| Check No. | Check Date | Vendor No. | Vendor Name | Check Amount | |
|-------------|------------|-----------------|----------------------------------|-------------------|---------------|
| Invoice No. | PO No. | GL Account Name | Line Description | | Line Amount |
| | | | | Line Amount Total | 13,897,045.69 |
| | | | Texas Gulf Bank Accounts Payable | 16,663,951.98 | |



Executive Summary

March 1, 2022-2023

Port Freeport

1100 Cherry Street
Freeport, TX 77541

Arthur J Gallagher Risk Management Services, Inc.

David Thomas Garcia, CPA | Broker Consultant
david_garcia@ajg.com | 713.540.1960

Stephen Whalley | Area Senior Vice President
stephen_whalley@ajg.com | 713.358.5744



Gallagher

Insurance | Risk Management | Consulting

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CORE360® Executive Summary Scorecard

Your **CORE360** Executive Summary Scorecard has been developed for you to get a quick snapshot of how we've impacted your total cost of risk for the policies detailed in this proposal.

Property Renewal - 4 Deductible Options

- 1.5% Catastrophic Deductible / \$4 Max (expiring) - \$81,576 increase in premium or 6.62% increase year over year.
 - Total Program Cost of \$1,313,835
- \$5M Max Catastrophic Deductible- \$29,113 increase in premium or 2.36% year over year.
 - Total Program Cost of \$1,261,372
- 8M Max Catastrophic Deductible - **\$44,334** decrease in premium or **-3.6%** year over year.
 - Total Program Cost of \$1,187,925
- \$12.5M Max Catastrophic Deductible - **\$171,661** decrease in premium or **-13.93%** year over year.
 - Total Program Cost of \$1,060,598

Please note that the overall Property market is up 9.1% on a global basis. We have outperformed the market 2.48% - assuming Port Freeport renews with the same terms and conditions as last year.

Boiler & Machinery

- The renewal is essentially flat or up \$46.

Stand Alone Terrorism

- The renewal is flat or no change in pricing.



Insurance
Premiums

Recommended Carriers

- Property – Lloyds of London; A XV Financial Rating
- Boiler & Machinery – XL Insurance of America, Inc.; AXV Financial Rating
- Stand Alone Terrorism – Lloyds of London; A XV Financial Rating



Program
Structure

Stand Alone Terrorism – Increased Limit Options

- Stand Alone Terrorism – \$75M Limit Option for \$12,500 or \$2,500 in additional premium
 - Current limit is \$50M for \$10,000 plus taxes and fees.



Uninsured
& Uninsurable
Losses

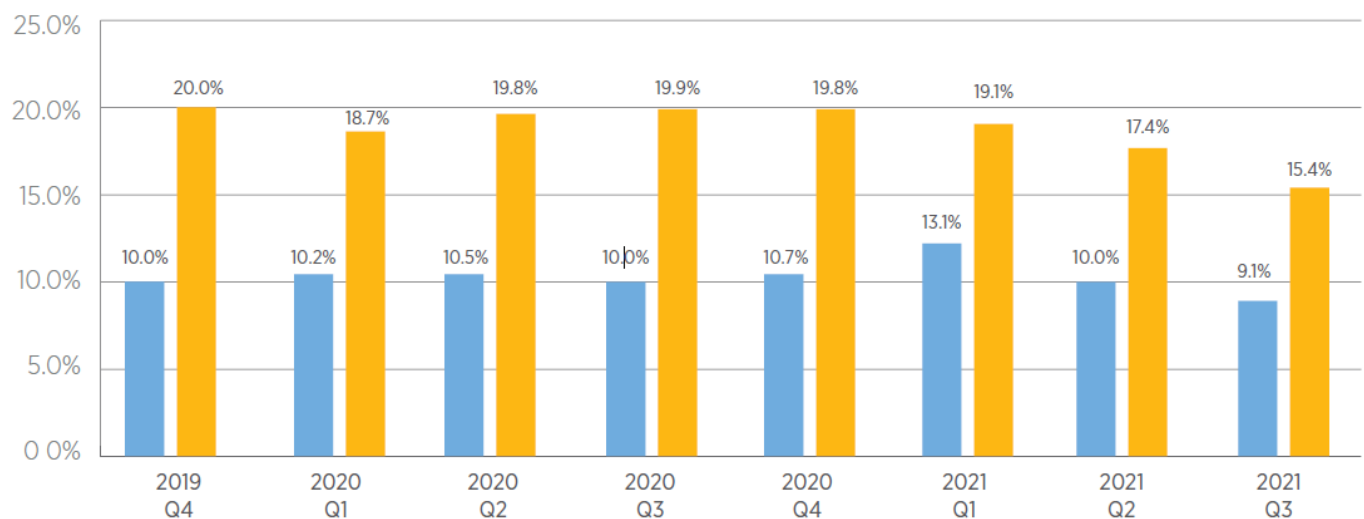
State of the Market – Property

Property

WHERE WE WERE: Q4 2019 THROUGH Q3 2021

- Between wildfires, civil commotion and major freeze events, carriers responded to 2020 and 2021 events with increased deductibles, reduced capacity, and changes in coverage. For the third straight year, carriers obtained significant rate increases across their Property portfolios.
- Less-modeled and unmodeled risks continued to plague the Property marketplace, such as wildfires, flood and convective storms.
- Carriers scrutinized their clients' statements of value, demanding in many cases that values be raised.
- Carriers required clients to address existing engineering recommendations. In many cases, particularly for clients going to market, carriers required or strongly recommended third-party engineering.

Property Rate Trends 2019–2021



Source: Gallagher U.S. Clients

■ Median Rate Change

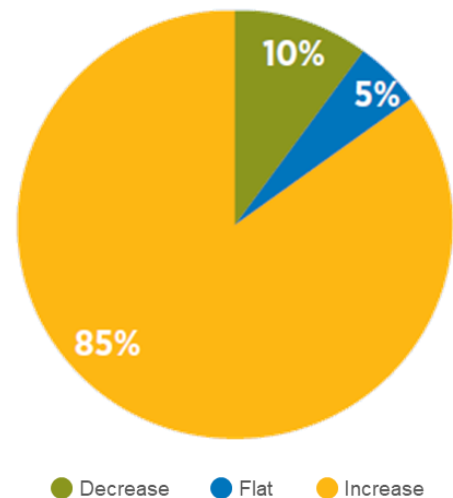
■ 75th Percentile Rate Change

State of the Market

WHERE WE ARE: WHAT WE'RE SEEING NOW

- There is rising carrier competition in the marketplace, with carriers looking to write new business now that rates have risen for three consecutive years.
- There are still challenging renewals out there, especially challenging occupancies, lack of third-party engineering reports, and catastrophe-exposed businesses.
- This year has already been very active in climate-driven claims, including winter storm Uri in February, which many meteorologists claim was a one-in-1,000-year event.
- Hurricane Ida, which made landfall in August, caused significant damage in the Southeast and Northeastern United States. Carriers are now looking at \$25 to \$35 billion in insured losses in Louisiana and other affected areas.¹
- The median increase in Q3 2021 for Property policies was 9.1% in Q3 2021, with 85% taking an increase.
- While the median rate of increase has not changed dramatically since Q3 2020 (10%), the rate increases for the top 25% of companies dropped from 19.9% in Q3 2020 to 15.4% as of Q3 2021.

Q3 2021 Property Rate Changes Gallagher – U.S. Clients



9.1%
median rate change
in Q3 2021*

WHERE WE'RE GOING: TRENDS WE ARE WATCHING

- Companies with challenging occupancies, loss activity and/or CAT-exposed can expect to see rate increases in the higher quartile.
- There are continued changes globally in the frequency and severity of perils such as tropical storms, wildfires and floods. In addition, we continue to watch some of the less well-modeled and non-modeled causes of loss, such as COVID-19.
- Third-party valuations are increasingly useful. Huge discrepancies between current insured values and the actual replacement cost at time of loss may exist for companies that have not had a third-party valuation of their buildings and contents, such as machinery, equipment or stock in a few years—or sometimes ever. Insured values, without an updated valuation, typically roll over year to year, with an arbitrary inflation factor applied to them.

¹ <https://www.rms.com/newsroom/press-releases/press-detail/2021-09-06/rms-estimates-us25-35-billion-in-onshore-and-offshore-insured-losses-in-the-gulf-of-mexico-from-hurricane-ida>

2022 Gallagher Recommendations

We recommend 1.50% Named Storm Deductible options with the same terms and conditions as the 2021 Property policy.

- The total property premium is \$1,297,240 including taxes and fees which is an increase of 6.62% or \$81,576.
- During our Strategic Renewal Meeting in December 2021 – we expected the increase to be in the 10% to 15% range, and have outperformed our initial projections.
 - This was accomplished by bringing in new carriers into the program.
- This increase is beating the overall market increase of 9.1% seen on a global basis for Property Insurance.
 - The reason we are recommending this first option is that we believe once deductibles are changed, it will be very hard to get this deductible structure back in future years.
- If cost is one of your main concerns, we would recommend the 2nd option with a \$5M Catastrophic named storm deductible. While the deductible maximum would increase to \$5.0M from \$4M, your overall costs would only increase by \$29,113 or 2.36% compared to the prior year.

Property Premium Snapshot:

| Property Options | Catastrophic Max Deductible | AOP Deductible | Total Cost |
|---------------------|-----------------------------|----------------|--------------|
| Option 1 - Expiring | \$ 4,000,000 | \$ 100,000 | \$ 1,297,240 |
| Option 2 | \$ 5,000,000 | \$ 100,000 | \$ 1,244,778 |
| Option 3 | \$ 8,000,000 | \$ 100,000 | \$ 1,171,330 |
| Option 4 | \$ 12,500,000 | \$ 100,000 | \$ 1,044,004 |



Insurance Premiums – Option 1 (Expiring Terms)

| Option 1: \$4M Catastrophic Deductible | | | |
|---|---------------|---------------|--------|
| Property | 2021 | 2022 | Change |
| Premium | \$1,157,813 | \$1,236,350 | 6.78% |
| Taxes & Fees | \$57,891 | \$60,890 | 5.18% |
| Property Values including Piers, Wharves and BI | \$301,903,633 | \$304,991,358 | 1.02% |
| Policy Limit | \$50,000,000 | \$50,000,000 | 0.00% |
| Rate per Hundred | \$0.38 | \$0.41 | 5.70% |
| All Other Peril Deductible | \$100,000 | \$100,000.00 | 0.00% |
| Business Interruption - Waiting Period | 10 days | 10 days | 0.00% |
| Named Storm Deductible - Waiting Period | 21 days | 21 days | 0.00% |
| Named Storm Deductible - Maximum | \$4,000,000 | \$4,000,000 | 0.00% |
| | | | |
| Boiler and Machinery | 2021 | 2022 | Change |
| Premium | \$6,056 | \$6,102 | 0.76% |
| Total Insurable Values | \$142,475,906 | \$148,348,038 | 4.12% |
| Rate per Thousand | \$0.04 | \$0.04 | -3.23% |
| | | | |
| Stand Alone Terrorism | 2021 | 2022 | Change |
| Premium | \$10,000 | \$10,000 | FLAT |
| Taxes and Fees | \$500 | \$493 | FLAT |
| Limit | \$50,000,000 | \$50,000,000 | FLAT |
| Rate per Million | \$200 | \$200 | FLAT |
| | | | |
| Total Cost | 2021 | 2022 | Change |
| Total Premium including Taxes and Fees | \$1,232,259 | \$1,313,835 | 6.62% |
| | Change | \$81,576 | |



Insurance Premiums – Option 2

| Option 2: \$5M Catastrophic Deductible | | | |
|---|---------------|---------------|--------|
| Property | 2021 | 2022 | Change |
| Premium | \$1,157,813 | \$1,186,350 | 2.46% |
| Taxes & Fees | \$57,891 | \$58,428 | 0.93% |
| Property Values including Piers, Wharves and BI | \$301,903,633 | \$304,991,358 | 1.02% |
| Policy Limit | \$50,000,000 | \$50,000,000 | 0.00% |
| Rate per Hundred | \$0.38 | \$0.39 | 1.43% |
| All Other Peril Deductible | \$100,000 | \$100,000.00 | 0.00% |
| Business Interruption - Waiting Period | 10 days | 10 days | 0.00% |
| Named Storm Deductible - Waiting Period | 21 days | 21 days | 0.00% |
| Named Storm Deductible - Maximum | \$4,000,000 | \$5,000,000 | 25.00% |
| | | | |
| Boiler and Machinery | 2021 | 2022 | Change |
| Premium | \$6,056 | \$6,102 | 0.76% |
| Total Insurable Values | \$142,475,906 | \$148,348,038 | 4.12% |
| Rate per Thousand | \$0.04 | \$0.04 | -3.23% |
| | | | |
| Stand Alone Terrorism | 2021 | 2022 | Change |
| Premium | \$10,000 | \$10,000 | FLAT |
| Taxes and Fees | \$500 | \$493 | FLAT |
| Limit | \$50,000,000 | \$50,000,000 | FLAT |
| Rate per Million | \$200 | \$200 | FLAT |
| | | | |
| Total Cost | 2021 | 2022 | Change |
| Total Premium including Taxes and Fees | \$1,232,259 | \$1,261,372 | 2.36% |
| | Change | \$29,113 | |



Insurance Premiums – Option 3

| Option 3: \$8M Catastrophic Deductible | | | |
|---|---------------|---------------|---------|
| Property | 2021 | 2022 | Change |
| Premium | \$1,157,813 | \$1,116,350 | -3.58% |
| Taxes & Fees | \$57,891 | \$54,980 | -5.03% |
| Property Values including Piers, Wharves and BI | \$301,903,633 | \$304,991,358 | 1.02% |
| Policy Limit | \$50,000,000 | \$50,000,000 | 0.00% |
| Rate per Hundred | \$0.38 | \$0.37 | -4.56% |
| All Other Peril Deductible | \$100,000 | \$100,000.00 | 0.00% |
| Business Interruption - Waiting Period | 10 days | 10 days | 0.00% |
| Named Storm Deductible - Waiting Period | 21 days | 21 days | 0.00% |
| Named Storm Deductible - Maximum | \$4,000,000 | \$8,000,000 | 100.00% |
| | | | |
| Boiler and Machinery | 2021 | 2022 | Change |
| Premium | \$6,056 | \$6,102 | 0.76% |
| Total Insurable Values | \$142,475,906 | \$148,348,038 | 4.12% |
| Rate per Thousand | \$0.04 | \$0.04 | -3.23% |
| | | | |
| Stand Alone Terrorism | 2021 | 2022 | Change |
| Premium | \$10,000 | \$10,000 | FLAT |
| Taxes and Fees | \$500 | \$493 | FLAT |
| Limit | \$50,000,000 | \$50,000,000 | FLAT |
| Rate per Million | \$200 | \$200 | FLAT |
| | | | |
| Total Cost | 2021 | 2022 | Change |
| Total Premium including Taxes and Fees | \$1,232,259 | \$1,187,925 | -3.60% |
| | Change | (\$44,334) | |



Insurance Premiums – Option 4

| Option 4: \$12.5M Catastrophic Deductible | | | |
|---|---------------|---------------|---------|
| Property | 2021 | 2022 | Change |
| Premium | \$1,157,813 | \$995,000 | -14.06% |
| Taxes & Fees | \$57,891 | \$49,004 | -15.35% |
| Property Values including Piers, Wharves and BI | \$301,903,633 | \$304,991,358 | 1.02% |
| Policy Limit | \$50,000,000 | \$50,000,000 | 0.00% |
| Rate per Hundred | \$0.38 | \$0.33 | -14.93% |
| All Other Peril Deductible | \$100,000 | \$100,000.00 | 0.00% |
| Business Interruption - Waiting Period | 10 days | 10 days | 0.00% |
| Named Storm Deductible - Waiting Period | 21 days | 21 days | 0.00% |
| Named Storm Deductible - Maximum | \$4,000,000 | \$12,500,000 | 212.50% |
| | | | |
| Boiler and Machinery | 2021 | 2022 | Change |
| Premium | \$6,056 | \$6,102 | 0.76% |
| Total Insurable Values | \$142,475,906 | \$148,348,038 | 4.12% |
| Rate per Thousand | \$0.04 | \$0.04 | -3.23% |
| | | | |
| Stand Alone Terrorism | 2021 | 2022 | Change |
| Premium | \$10,000 | \$10,000 | FLAT |
| Taxes and Fees | \$500 | \$493 | FLAT |
| Limit | \$50,000,000 | \$50,000,000 | FLAT |
| Rate per Million | \$200 | \$200 | FLAT |
| | | | |
| Total Cost | 2021 | 2022 | Change |
| Total Premium including Taxes and Fees | \$1,232,259 | \$1,060,598 | -13.93% |
| | Change | (\$171,661) | |



Program Structure

RECOMMENDED CARRIERS- INCUMBENT CARRIERS

1. Property
 - a. Lloyd's of London
 - b. Financial Rating of A XV
2. Boiler & Machinery
 - a. XL Insurance of America, Inc.
 - b. Financial Rating of A XV
3. Stand Alone Terrorism
 - a. Lloyd's of London
 - b. Financial Rating of A XV

| Continuity Credit | 2022-2023 |
|--|-----------|
| \$4M Max Catastrophic Deductible - Option 1 | \$123,635 |
| \$5M Max Catastrophic Deductible - Option 2 | \$118,635 |
| \$8M Max Catastrophic Deductible - Option 3 | \$111,635 |
| \$12.5M Max Catastrophic Deductible - Option 4 | \$99,500 |



Uninsured & Uninsurable Losses

STRATEGY

There is an additional option to purchase a total of \$75M in standalone terrorism coverage with the same enhanced sublimits as your \$50M policy.

The total premium is \$12,500 plus taxes and fees. Since we write many ports, we can comment that most ports carry between \$25M and \$75M in terrorism coverage.

| Port | Operating Revenue | Terrorism Limits | Location |
|------|-------------------|------------------|-----------------------|
| A | under \$25M | 10,000,000 | Gulf Coast USA Port |
| B | \$200M to \$300M | 20,000,000 | Gulf Coast USA Port |
| C | under \$25M | 50,000,000 | West Coast FL Port |
| D | \$100M to \$200M | 50,000,000 | Southeast USA Port |
| E | \$25M to \$50M | 50,000,000 | Gulf Coast USA Port |
| F | \$25M to \$50M | 50,000,000 | West Coast FL Port |
| G | \$50M to \$100M | 50,000,000 | East Coast FL Port |
| H | \$100M to \$200M | 75,000,000 | East Coast FL Port |
| I | \$200M to \$300M | 125,000,000 | Southeast USA Port |
| J | \$300M+ | 150,000,000 | West Coast USA Port |
| K | \$300M+ | 150,000,000 | West Coast USA Port |
| L | \$25M to \$50M | 150,000,000 | Mid-Atlantic USA Port |

Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

| Name/Title | Phone | Email | Role |
|----------------------------------|--|--|--------------------------------|
| Primary Service Team | | | |
| Stephen Whalley | 713.358.5744 office 832.419.005 mobile | stephen_whalley@ajg.com | Area Senior Vice President |
| David Garcia, CPA | 713.722.1615 office 713.540.1960 cell | david_garcia@ajg.com | Broker Consultant |
| Lisa Frausto, CRM, CIC, CISR | 713.358.5960 office 281.507.8545 mobile | lisa_frausto@ajg.com | Client Service Manager Sr. |
| Claims & Loss Control | | | |
| Toby Grist | 972.663.6147 office | toby_grist@ajg.com | Regional Claims Manager |
| Patrick Mikel | 972.663.6118 office | patrick_mikel@ajg.com | Property Claim Specialist |
| Troy Guidry | 281.655.6770 mobile | troy_guidry@ajg.com | Loss Control Specialist |
| Ed Zabinski | 630.694.5486 mobile | ed_zabinski@ajg.com | Loss Control Managing Director |

Thank You for Your Business

We have enjoyed our partnership and appreciate the continued time, support and confidence you have placed in us as your risk management team. This past year has been successful as evidenced by your scorecard. Your total cost of risk is being impacted favorably and our strategy for this upcoming renewal continues to focus on ways to improve this positive impact on your profitability. Thank you

**HOUSTON:**

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(512) 236-8002

PROJECT SCOPE

Port Freeport, TX FY2022 Maritime Administration Port Infrastructure Development Program Grant Application Development

February 2022 –The U.S. Department of Transportation has posted a notice that the Fiscal Year 2022 Port Infrastructure Development Program (PIDP) is scheduled for release in mid-February. It is anticipated, dependent upon FY22 Appropriations (to be decided in early February) that this program will be funded at higher levels than in recent years. This is anticipated to lead to enhanced opportunity for Port Freeport projects. The grant program has historically supported public coastal ports by improving the safety, efficiency, or reliability of goods movement into, out of, or within a port. This is a competitive program that will evaluate projects on effect on the movement of goods, leveraging federal funds, net benefits, readiness, domestic preference, and one of the following outcomes:

- Improves safety of the transportation system
- Improves efficiency of the movement of goods
- Improves the reliability of the movement of goods

In 2018, The Goodman Corporation (TGC) had assisted Port Freeport with applying for and receiving a U.S. Department of Transportation (USDOT) Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant for \$6.3 million to construct additional main tracks in support of its strategy to improve capacity and develop multimodal services. In 2019, TGC assisted the Port in developing a PIDP grant to convert the unimproved backland, located behind the planned location for the new berths, to an all-concrete container yard with the requisite drainage and utility improvements. In 2021, TGC assisted the Port in the development of a PIDP application to fund the cross-dock, gate, and refrigeration yard improvements.

Based on recent discussions between the Port's Leadership team and TGC, we are recommending the revision of the FY21 PIDP application materials to reflect a project which focuses on the cross-dock and gate facilities while setting aside the refrigeration yard for future funding pursuit opportunities. This is anticipated to increase the benefit-cost ratio associated with the project while retaining the ability to deliver a project with independent utility. To accomplish this objective, TGC will utilize previously gathered data and information as appropriate and beneficial to the end goal of achieving a grant ward.

This project scope will allow TGC to develop the appropriate grant application materials to include all letters of support templates and additional coordination with the necessary local, state and federal entities to provide the best potential for a positive grant award. TGC will also assist the Port's administrative staff with the grant submittal process, as the Port will be identified as the lead agency for the project.

All activities will be completed prior to the grant deadline with approximately 14 days for Port staff to review.

Task 1 – FY22 Port Infrastructure Development Program Grant Application

The TGC staff will prepare the content and form for a PIDP grant application to include narrative that covers project description, location, sources of funding, costs and benefits, environmental justice and equity, racial equity and barriers to opportunity, environmental risk assessments, outcomes, achieving R.O.U.T.E.S. initiatives, and overall project readiness. TGC will update the application content with any new evaluation areas, added as a component of the FY22 program. TGC will participate in a 'debrief' meeting with MARAD in mid-February to discuss how the application and project can be re-positioned for the FY22 opportunity. An essential element of a successful application is the alignment of the proposed project objectives with the desired outcomes of the PIDP. Therefore, TGC will ensure all components of the project are as complete and competitive as possible for each of the criteria stated in the NOFO. Historic federal application review criteria are as follows:

- Achieving safety, efficiency, or reliability improvements
- Supporting economic vitality at the national and regional level
- Addressing climate change and environmental justice impacts
- Advancing racial equity and reducing barriers to opportunity
- Leveraging federal funding to attract non-federal sources of infrastructure investment
- Project Readiness (high, moderate, or low risk to successful project delivery based on Environmental Risk assessment, permitting and approvals, technical feasibility and schedule, funding and applicant's capacity to manage project)
- Domestic Preference (whether project complies with Buy America)

The review and selection process will include technical and senior review phases. The technical review will establish the ratings mentioned above and the senior review will produce the list of projects for consideration for selection by the Secretary.

The TGC staff will coordinate and document all project details with Port Freeport staff and engineers regarding the outcomes and criteria previously stated, as well as additional considerations covered in the NOFO. This includes coordination with Port staff to identify available sources of non-federal contributions. Part of project readiness is state and local approvals. TGC will develop a project white paper and letters of support templates for inclusion in the application package. (It is understood that the Port of Freeport will garner all letters of support with a template provided by TGC).

For the PIDP grant opportunity, U.S. DOT has stated the purpose of the Benefit-cost Analysis (BCA) is to evaluate the project's cost-effectiveness and magnitude of net benefits. Specific economic benefits to be considered include savings in travel time costs, vehicle and port operating costs, and safety costs for existing and new facility users. Additional savings that may be considered include maintenance, reliability of travel times, and other quantitative or qualitative benefits. Any benefits claimed for the project should be clearly tied to the expected outcomes of the project.

TGC will coordinate with Port staff and the prime contractor to ensure the BCA includes the full costs of developing, constructing, operating, and maintaining the proposed project, as well as the expected timing for each of these costs. TGC will document all BCA assumptions and methodology, including the baseline, data sources, and key inputs. To ensure accuracy and completeness, TGC will require any relevant files for the BCA, including spreadsheets, technical memos and calculations by the Port staff and contractor.

TGC will develop associated tables, graphics, and maps to ensure information is clearly conveyed. TGC will complete all necessary forms and adhere to formatting restrictions to ensure completeness. TGC will, as needed, support Port staff in submitting the application in Grants.gov.

Deliverables:

- Standard Forms 424 (PIDP application), cover page and Project Narrative in accordance with the NOFO; 2019 Project Information form at www.transportation.gov/Portgrants.
- All maps and graphics necessary to facilitate project review.
- White paper
- Letters of support templates
- Benefit-cost analysis compatible with PIDP grant application requirements.
- Coordination with Port staff to complete grant submission prior to the deadline.

Progress payments will be made based on the percentage of completion of each task. Monthly invoices to include progress reports will be provided commensurate with the percentage of the project completed each month.

| BUDGET SUMMARY | | |
|----------------|--|-----------------|
| TASK | DESCRIPTION | COST |
| 1 | FY22 Port Infrastructure Development Program Grant Application | \$23,500 |
| | Total | \$23,500 |



Virtual Infrastructure Refresh

Brandon Robertson
Network Systems (IT) Manager

Virtual Environment



- Current Hardware purchased in 2015
- 2022 Capital Budget of \$372k
- Texas DIR Quote received in the amount of \$362,530.96

Virtual Infrastructure Refresh Details



- Physical Servers
- Network Switches
- NVIDIA Graphics Cards
- VMWare License
- Windows Server 2022 Datacenter License
- Terminals (Device at desk and Conference Rooms)
- Implementation, Deployment and Migration Assistance

Questions



RESOLUTION

At a Regular Meeting of the Port Commission of Port Freeport held at the office of said Port at 1100 Cherry, Freeport, Texas on the 24th of February 2022, among other business came on to be considered the following resolution, which was upon motion duly made and seconded, adopted by vote of all Commissioners present, which resolution is as follows:

FINDINGS

1. Due and proper notice of the date, time, place, and purpose of this meeting has been duly given in accordance with the provisions of the Texas Open Meetings Act, and such meeting has been conducted in accordance with said Open Meetings Act.
2. Section 62.122 of the Texas Water Code provides that the disposition of salvage or surplus personal property shall be in the same manner as a commissioner's court of a county under Subchapter D, Chapter 263 of the Texas Local Government Code.
3. The Commission finds that the property set forth in Exhibit "A", which is hereby incorporated by reference, is found to be salvage or surplus personal property, no longer needed for Port purposes, and should be disposed of as follows:
 - a. Sold to the highest bidder by competitive bid or auction, after notice in a newspaper after the 30th day but before the 10th day before the date of sale; or
 - b. offer the property as trade in for new property of the same general type; or
 - c. If no bids are received, it may be destroyed or disposed because it is worthless; or
 - d. donated to a civic or charitable organization in Brazoria County, it would likely receive no bids or the expenses of sale would be greater than the bid price, and the donation serves a public purpose, and the charitable organization will incur the expenses for transportation or disposal.

NOW THEREFORE, BE IT RESOLVED that the property set forth in Exhibit "A" and attached hereto is surplus property and shall be disposed of in any one of the following manners and as permitted by law:

- a. Sold to the highest bidder by competitive bid or auction, after notice in a newspaper after the 30th day but before the 10th day before the date of sale; or
- b. offer the property as trade in for new property of the same general type; or
- c. If no bids are received, it may be destroyed or disposed because it is worthless; or
- d. donated to a civic or charitable organization in Brazoria County, it would likely receive no bids or the expenses of sale would be greater than the bid price, and the donation serves a public purpose, and the charitable organization will incur the expenses for transportation or disposal.

Exhibit A

| Quantity | Item | Description | Purpose |
|----------|---|---|---------------------------|
| 1 | Dell 7130cdn Copier | Non- functional | Trade in on new Copier |
| 1 | Ricoh Afia MP2500 Copier | Non- functional | Trade in on new Copier |
| 1 | Canon Image Runner Advanced 6275 | Functional | Trade in on new Copier |
| 2 | Trade show flat screen TV's Toshiba 37HL67S Sony FWD32LX! | Non smart TV and too heavy to travel | Sell or donate |
| Various | IT Equipment (Computers, monitors, printers, switches etc.) | Broken and/or obsolete | Sell or destroy |
| 28 | Rolling office chairs from EOC | Bad shape | Sell or destroy |
| 2011 | Ford Expedition Security Vehicle | #28016 | Trade in |
| EOC | CCTV Desk, Commercial Displays | Obsolete | Sell/donate/destroy |