# PORT ISABEL-SAN BENITO NAVIGATION DISTRICT

## ANNUAL FINANCIAL REPORT

### FOR THE YEAR ENDED DECEMBER 31, 2025

**PORT ISABEL – SAN BENITO NAVIGATION DISTRICT**
**ANNUAL FINANCIAL REPORT**
**FOR YEAR ENDED DECEMBER 31, 2025**

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PORT ISABEL – SAN BENITO NAVIGATION DISTRICT

**ANNUAL FILING AFFIDAVIT**

THE STATE OF TEXAS
COUNTY OF: CAMERON

I, JOE MARTINEZ of the Port Isabel – San Benito Navigation District hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Commissioners on the 31st day of August, 2026 its annual audit report for the fiscal period ended December 31, 2025 and that copies of the annual audit report have been filed in the District's office, located at 250 Industrial Drive in Port Isabel, Texas

This filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of the Texas Water Code Section 49.194.

Date: August 31, 2026 By: _____

JOE MARTINEZ, Chairman

Sworn to and subscribed to before me this 31st day of August, 2026

_____
(Signature of Notary)

My Commission Expires on: 8/14/2028

Notary Public in the State of Texas.

JESSI ADELAIDA ALONSO ALEJO NOTARY PUBLIC STATE OF TEXAS ID 132624123 EXP. 08-14-2028

ROBERTO LOPEZ
CERTIFIED PUBLIC ACCOUNTANT, PC

MEMBER OF TEXAS SOCIETY OF
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# INDEPENDENT AUDITOR'S REPORT

To Board of Directors
Port Isabel-San Benito Navigation District, TX

## Opinions

We have audited the accompanying financial statements of Port Isabel-San Benito Navigation District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Port Isabel-San Benito Navigation District, as of December 31, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Port Isabel-San Benito Navigation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Port Isabel-San Benito Navigation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Port Isabel-San Benito Navigation District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Port Isabel-San Benito Navigation District's basic financial statements. The supplementary Information Pages 25 to 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary Information pages 25-31 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information pages 25-31 are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information Texas Water Code Supplementary Information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2026, on our consideration of Port Isabel-San Benito Navigation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port Isabel-San Benito Navigation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Navigation District's internal control over financial reporting and compliance.

*Roberto Lopez*

Roberto Lopez CPA PC

Harlingen TX
August 18, 2026

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**PORT ISABEL-SAN BENITO NAVIGATION DISTRICT**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
DECEMBER 31, 2025

This discussion and analysis of the Port Isabel – San Benito Navigation District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2025. The MD&A should be read in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

## FINANCIAL HIGHLIGHTS

The assets of the District exceeded its liabilities at the close of the most recent year by $15,464,959 (net position). Of this amount, unrestricted net position of $3,972,488 may be used to fund the ongoing Port activities. The service operation expense of $658,176 represents 16.57% of the unrestricted net position. The District could operate for about 41 months with the current unrestricted net position balance.

Total net position for the District increased by $473,358.

The District's current assets increased by $699,673. Cash and cash equivalents increased by $679,247. Trade receivables increase by $14,831, and prepaid assets increased by $5,594.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, consisting of two components:

- Proprietary Fund financial statements
- Notes to the financial statements.

This report also contains other supplemental information in addition to the basic financial statements.

**The Proprietary financial statements.** *The proprietary financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to private sector business. They present the financial picture of the District from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including infrastructure) as well as all liabilities (including long-term debt).

The statement of net position includes all the District's assets and liabilities, with the difference between the two reported as total net position:

- Invested in capital assets, net of related debt
- Unrestricted

The statement of net position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statement of revenues, expenses and changes in net position presents information which shows how the District's net position changed during the year. All of the year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses and changes in net position measures the success of the District's operations during the year and determines net position and whether the District has recovered its costs through other charges.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-21 of this report.

**Other Information.** The section Supplementary Information (SI) immediately follows the basic financial statements section of this report. In addition to the basic financial statements and accompanying notes, this report presents certain supplementary information concerning the District's general fund budgetary schedule. The section Texas Commission on Environmental Quality Supplementary Information presents supplementary information required by the Texas Commission on Environmental Quality.

## Financial Analysis of the District

The following table reflects a summary of Net Position compared to prior year.

| Table I<br>NET POSITION<br>DECEMBER 31, | | |
|---|---|---|
| | 2025 | 2024 |
| Assets: | | |
| Current Assets | $ 4,351,515 | $ 3,651,842 |
| Capital assets | 11,492,471 | 11,724,945 |
| Total assets | 15,843,986 | 15,376,787 |
| | | |
| Liabilities: | | |
| Current liabilities | - | 184 |
| Long-trm debt outstanding | - | - |
| Total liabilities | - | 184 |
| | | |
| Deferred inflow: | - | - |
| Deferred revenues | 379,026 | 385,001 |
| | | |
| Net Position: | | |
| Net invested in Capital Assets, | 11,492,471 | 11,724,945 |
| Unrestricted | 3,972,488 | 3,266,656 |
| Total Net Position | $ 15,464,959 | $ 14,991,601 |

The current assets as of December 31, 2025 consist primarily of cash and cash equivalents $4,292,375, trade receivables $14,831, and prepaid expenses $44,308. Current liabilities of $0 are reflected on the financial statements for the year ended December 31, 2025. Deferred revenues of $379,026 also reflected at year-end.

| Table II<br>CHANGES IN NET POSITION<br>DECEMBER 31, | | |
|---|---|---|
| | 2025 | 2024 |
| **Revenues:** | | |
| Port Fees | $ 44,179 | $ 52,830 |
| Rental and storage fees | 1,329,493 | 1,249,238 |
| Other revenues | 2,127 | 2,520 |
| Total Revenues | 1,375,799 | 1,304,588 |
| | | |
| **Operating Expenses:** | | |
| Service Operations | 658,176 | 789,697 |
| Depreciation | 345,844 | 412,567 |
| Total Expenses | 1,004,020 | 1,202,264 |
| | | |
| **Increase in Net Position:** | 371,778 | 102,323 |
| Special and Extraordinary Items | 101,580 | 932,207 |
| Change in Net Position | 473,358 | 1,034,530 |
| Beginning Net position | 14,991,601 | 13,957,072 |
| Ending Net Position | $ 15,464,959 | $ 14,991,601 |

Total net position of the District increased by $473,358 in the current year.

**Revenues by Source**

Storage fees are the major support of District activities. Port fees decrease from $52,830 to $44,179. Storage fees increased from $1,249,238 to $1,329,493. Other revenues decrease from $2,520 to $2,127. Reported as special and ordinary items of revenues and expenses are Intergovernmental receipts which decreased by $833,774 the discounted interest decreased from $31,207 to $30,765.

**Expenses by Source**

Expenses such as Payroll and payroll related expenses decreased by $96,838. Plant maintenance decrease by $46,429. Election expense increased by $14,991. Equipment maintenance increased by $2,253. Auto expense decreased by $3,861. Depreciation decreased by $66,723. Utilities decreased by $1,773. Insurance expense increased by $3,893. Office expenses decreased by $1,146. Legal and professional fees increase by $16,975. Audit fee decreased by $12,000. Trash removal decreased by $9,533. Travel expense increased by $174. Due and subscriptions decreased by $8,012. Telephone expense increased by $632, and miscellaneous expenses increased by $9,153. Total expenses decrease from $1,202,264, to $1,004,020 or $198,244 decrease.

## Enterprise Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor. During the year, revenues had a positive variance of $99,275 and expenditures were over the budgetary estimates by $128,067. The actual financial amounts were reflecting an unfavorable budget variance of $28,792.

## Analysis of Changes in Capital Assets and Long-Term Debt

Capital assets such as docks, roads and equipment are funded through operations and existing fund balance. The District did not incur any long term debt during the 2025 year. As of December 31, 2025 the District had no long term debt on the books.

**Capital Assets at Year-end**
(Net of Depreciation)

| | **Enterprise Fund** |
|---|---|
| Vehicles | 59,779 |
| Infrastructure | 616,590 |
| Other Capital Assets | 10,816,102 |
| | $11,492,471 |

This year's financial statements reflected $113,369 in capital asset additions (improvements to the roads, docks, auto & truck, and improvement to the District buildings).

## The Budget and Economic Environment

The shrimping business now represents a small amount of the District's rental income. The District is poised to take advantage of servicing the oil drilling industry as newly discovered oil deposits in the Gulf of Mexico. The oil drilling industry and all its supporting businesses could make a big impact in the District's revenues should it all materialize.

## Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Port Director, Port Isabel – San Benito Navigation District, 250 Industrial Drive, Port Isabel, Texas 78578.

# FINANCIAL STATEMENTS

**PORT ISABEL - SAN BENITO NAVIGATION DISTRICT**
**PORT ISABEL, TEXAS**
**STATEMENT OF NET POSITION**
**AS OF DECEMBER 31, 2025**

| **ASSETS** | | **2025** |
|---|---|---|
| Current Assets | | |
| Cash and Cash Equivalents (Note C) | $ | 4,292,375 |
| Accounts Receivable: | | |
| Trade Receivables | | 14,831 |
| Other Receivable | | - |
| Prepaid Assets | | 44,308 |
| Total Current Assets | | 4,351,515 |
| Noncurrent Assets | | |
| Fixed Assets - (Note D) | | 11,492,471 |
| Total Assets | | 15,843,986 |
| **LIABILITIES** | | |
| Current Liabilities | | |
| Accounts Payable | | - |
| Total Current Liabilities | | - |
| Total Liabilities | | - |
| Deferred Inflows of Resources | | |
| Deferred Revenue - Sale of Lease | | 379,026 |
| Net Position | | |
| Net Investment in Capital Assets | | 11,492,471 |
| Unrestricted | | 3,972,488 |
| Total Net Position | $ | 15,464,959 |

The accompanying notes are an integral part of these financial statements.

**PORT ISABEL - SAN BENITO NAVIGATION DISTRICT**
**PORT ISABEL, TEXAS**
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | | |
|---|---|---|
| **Operating Revenues:** | | |
| Port Fees | $ | 44,179 |
| Rentals and storage | | 1,329,493 |
| Other | | 2,127 |
| Total Operating Revenues | | 1,375,799 |
| **Operating Expenses:** | | |
| Payroll and related expenses | | 189,980 |
| Plant maintenance | | 186,588 |
| Election expense | | 14,991 |
| Equipment maintenance | | 2,879 |
| Auto and gas | | 3,900 |
| Depreciation | | 345,844 |
| Utilities | | 20,570 |
| Insurance | | 48,490 |
| Office expenses | | 11,902 |
| Professional fees | | 140,316 |
| Auditing | | - |
| Trash removal | | 5,451 |
| Travel and entertainment | | 2,949 |
| Dues and subscription | | 2,587 |
| Telephone | | 10,739 |
| Miscellaneous | | 16,834 |
| Total Operating Expenses | | 1,004,020 |
| Operating Income (Loss) | | 371,778 |
| Non-operating Revenue (Expenses): | | |
| Investment income | | 132,344 |
| Sale of assets | | - |
| Discounted interest | | (30,765) |
| Total Non-Operating Revenue (Expenses) | | 101,580 |
| Special items Revenues (Expenses) | | |
| Intergovernmental receipts | | - |
| Intergovernmental expenditures | | - |
| Total special items Revenue (Expenses) | | - |
| Change in net position | | 473,358 |
| Net position, beginning of year | | 14,991,601 |
| Net position, end of year | $ | 15,464,959 |

The accompanying notes are an integral part of these financial statements.

**PORT ISABEL - SAN BENITO NAVIGATION DISTRICT**
**PORT ISABEL, TEXAS**
**STATEMENT OF CASH FLOWS - ENTERPRISE FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | | 2025 |
|---|---|---|
| Cash flows from operating activities: | | |
| Cash received from customers | $ | 1,354,993 |
| Cash received from state/federal agency | | - |
| Cash paid to supplier's for goods and services | | (473,976) |
| Cash payments to employees | | (189,980) |
| Net cash provided by Operating activities | | 691,038 |
| | | |
| Cash flows from Capital and related financing activities: | | |
| Acquisition of capital assets | | (113,370) |
| Amortization of deferred income | | (30,765) |
| Net cash provided by capital and related financing activities | | (144,135) |
| | | |
| Cash flows from investing activities: | | |
| Investment income | | 132,344 |
| Net cash provided by investing activities | | 132,344 |
| | | |
| Net increase (decrease) in cash | | 679,247 |
| | | |
| Cash and cash equivalents beginning of year | | 3,613,128 |
| Cash and cash equivalents end of year | | 4,292,375 |
| | | |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income (loss) | | 371,778 |
| Adjustments to reconcile operating income | | |
| to net cash provided by operating activities: | | |
| Depreciation | | 345,844 |
| Cash proceeds for sale of asset | | - |
| Discounted interest on prepaid rents | | (30,765) |
| Changes in assets and liabilities: | | |
| Decrease (increase) in accounts receivable | | 9,959 |
| Decrease (increase) in other receivable | | - |
| Decrease (increase) in prepaid assets | | (5,595) |
| Increase (decrease) in acccounts payable | | (184) |
| Increase (decrease) in accrued expenses | | - |
| Total adjustments | | 4,180 |
| Net cash provided by operating activities | $ | 691,036 |

The accompanying notes are an integral part of these financial statements.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Port Isabel - San Benito Navigation District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following represents the significant accounting policies and practices used by the District.

### 1. The Reporting Entity

The District was created in 1929 under Section 59 of Article 16 of the Texas Constitution. The Board of Directors held its first meeting on May 02, 1929, and its first bonds were dated May 01, 1929. The Board, a three-member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to the Port Isabel-San Benito Navigation District. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District is under the authority of the Texas Commission on Environmental Quality and is operated under and governed by Chapter 63 of the Texas Water Code. The District's principal function is to provide oversight of the coastal navigable waters at the Port Isabel turning basin and surrounding waters in Cameron County, Texas.
As required by accounting principles generally accepted in the United States of America, these financial statements present the District, entity for which the District is considered to be financially accountable. The discussion of component units below summarizes the relevant guidelines considered by the District in determining the nature of their operational or financial relationships. There are no component units included.

### 2. Measurement Focus, Basis of Accounting and Basis of Presentation

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

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *(Continued)*

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

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

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

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

### 3. Budgetary Policy

The District's budget is generated using the accrual basis of accounting.

### 4. Use of Estimates

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

### 5. Cash Equivalents

The District defines cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and other highly liquid interest-bearing deposit accounts with maturities of three months or less.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *(Continued)*

### 6. Investments

The District is authorized to invest in 1) U.S. Treasury obligations and government agency securities of the United States of America, its agencies and instrumentalities, provided the payment of the principle and interest are fully guaranteed by the insured, 2) certificates of deposit and other evidence of deposits from credit unions, banks, savings banks, trust companies or savings and loan associations that are fully guaranteed; 3) direct obligations of the State of Texas; 4) local government investment pools of potential subdivisions in the State of Texas which invest in instruments and follow practices allowed by the Public Funds Investment Act, and 5) obligations of states, agencies, counties, cities, and other potential subdivisions of any state rated not less that A or its equivalent in investment quality. The investments are carried at fair value. Short-term investments are reported at cost including accrued interest, which approximates fair value. The District is required by Government Code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy, that policy must address the following areas:(1) safety of principle and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments.

### 7. Receivables

Trade receivables represent amounts due from regular customers for rental of District properties. At December 31, 2025 one customer had a credit invoice and the total amount of Accounts receivable at year-end was $14,831.

### 8. Capital Assets

All purchased capital assets are valued at cost. Donated capital assets are valued at their estimated fair market value on the date received.
The cost of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Asset Class | Estimated Useful Lives |
|---|---|
| Buildings | 30 years |
| Improvements | 40 years |
| Machinery and equipment | 7-15 years |
| Vehicles | 5 years |
| Furniture and fixture | 5-10 years |

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *(Continued)*

### 9. Prepaid Expenses

Prepaid asset are assets that arises on a balance sheet as a result of the District making payments for goods and services to be received in the near future. While prepaid expenses are initially recorded as assets, their value is expensed over time as the benefit is received onto the income statement, because unlike conventional expenses, the District will receive something of value in the near future.

### 10. Leases

The District adopted ASC 842, Leases, effective January 1, 2022. For leases with terms greater than one year, the District recognizes a right-of-use asset and corresponding lease liability based on the present value of future lease payments. Lease expense is recognized on a straight-line basis over the lease term, and variable lease payments are expensed as incurred.

### 11. Compensated Absences

Vested or accumulated sick leave is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Governmental Accounting Standards Board No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive vacation pay benefits. These financial statements reflect no accrual of compensated absences as the amount is immaterial.

### 12. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government doesn't have any item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *(Continued)*

### 13. Subsequent Events

Management has evaluated subsequent events through August 18, 2026, which is the date of the financial statements. The District had finished the construction of Port Road prior to the issuance of the report. All related construction expenses were paid off.

## NOTE B – FASB ASC 606 NEW ACCOUNTING GUIDANCE

The District adopted FASB ASC Topic 606, Revenue from Contracts with Customers. The adoption did not have a material impact on the District's financial statements, and no retrospective adjustments were required.

## NOTE C – DEPOSITS, SECURITIES, AND INVESTMENTS

*Investment Accounting Policy*

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas:

a. safety of principal and liquidity,
b. portfolio diversification
c. allowable investments,
d. acceptable risk levels,
e. expected rates of return,
f. maximum allowable stated maturity of portfolio investments,
g. maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio,
h. investment staff quality and capabilities, and
i. bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies. The Act determines the types of investments, which are allowable for the District. These include, with certain restrictions,

a. obligations of the U.S. Treasury, certain U.S. agencies, the state of Texas,
b. certificate of deposit,
c. certain municipal securities, money market savings accounts,
d. repurchase agreements,
e. bankers' acceptances,
f. mutual funds,
g. investment pools

## NOTE C – DEPOSITS, SECURITIES, AND INVESTMENTS – *(Continued)*

The District's policy authorizes all the State allowable investments.
The District's management believes that it has complied in all material respects with the requirements of the Act and the District's investment policies.

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of the depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterpart (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act, the District's investment policy, and Government Code Chapter 2257 "Collateral for Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

***Cash Deposits***

At December 31, 2025, the carrying amount of the District's deposits (cash and interest-bearing savings accounts) was $2,115,055 on deposits at International Bank of Commerce. The District also had $2,184,996 deposited with Tex-Pool, a Public Funds Investment Pool. The Pool was rated AAAm by S&P.

In accordance with Texas Law, the District's cash deposits were properly secured at all times by FDIC insurance or by pledged collateral in the District's name by the bank other than the pledging bank.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

## NOTE C – DEPOSITS, SECURITIES, AND INVESTMENTS – *(Continued)*

### *Credit risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District had no investments as of December 31, 2025.

### *Concentration of Credit Risk*

The Investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Investment Act.

## NOTE D – Changes in Capital Assets

Enterprise Fund fixed assets are capitalized in the fund accounts because the fixed assets are used in the production of the goods or services that the District provides. Depreciation of these fixed assets is recorded using the straight-line method over the expected life expectancy of the asset to determine total expenses, net income, and changes in fund equity. Below are the major categories of fixed assets in the proprietary fund:

| | Beginning Balance Jan 01, 2025 | Additions | Deletions | Reclassification & Adjustments | Ending Balance Dec 31, 2025 |
|---|---|---|---|---|---|
| Infrustructue | $ 616,590 | $ - | $ - | $ - | $ 616,590 |
| Docks and Improvements | 15,164,702 | 11,737 | - | - | 15,176,439 |
| Buildings | 1,790,374 | - | - | - | 1,790,374 |
| Improvements | - | - | - | - | - |
| Machinery & Equipment | 188,355 | - | - | | 188,355 |
| Furniture & Fixture | 52,430 | - | - | - | 52,430 |
| Auto & Truck | 79,726 | 66,132 | - | - | 145,858 |
| Construction in Progress | 74,442 | 35,500 | - | - | 109,942 |
| | $ 17,966,619 | $ 113,369 | $ - | - | $ 18,079,988 |
| Accumulated depreciation | (6,241,672) | (345,844) | - | - | (6,587,516) |
| Totals | $ 11,724,945 | $ (232,475) | $ - | - | $ 11,492,471 |

## NOTE E – Leases

The District has leased two (2) tracts of land to Texas Pack, Inc. under long term Lease Agreements. The first is a 7.247 acre tract with a fifty (50) year Lease Agreement divided into to two (2) twenty-five (25) year periods, which is in the second twenty-five (25) year period at a rate of $500 per year per acre. The second is in the final option period ending July 2024 and is a 5 acre tract at a rate of $189.21 per acre per month.

The District has also leased 9.859 acres to Sea Ranch II at South Point Marina under a long term Lease Agreement which is in the second of six (6) five (5) year renewal periods. The current rate is $497 per acre per month. South Point Marina also has a sub-tenant the U.S. Customs and Border Patrol Air and Marine Division Headquarters.

The District's largest Tenant is Port Isabel Logistical Offshore Terminal (PILOT). PILOT has several Lease Agreements with the District as follows; The Master Lease Agreement (MLA) has several of these tracts set as Exhibits to the MLA, Exhibit A is 26.036 acres at a current rate of $800 per acre per month, Exhibit B is 26.983 acres at $500 per acre per month, Exhibit C is an Option Agreement on 14.028 acres at $833.30 per month and Exhibit D is a 6 acre tract at $1,500 per acre per month. PILOT also has a separate Lease Agreement on 2000 Port Road property a 4 acre tract with docks, office space and warehouse $11,000 per month. The District has additional smaller tenants at varying acreage and rates. PILOT leases short and long term space on land and dock usage to primarily offshore oil and gas industry companies.

## NOTE F – Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters, During the year ended December 31 2025, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

## NOTE G – Long-Term Debt

As of December 31, 2025 the District had no outstanding long-term debt.

## NOTE H - Retirement Plan

The District provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investments earnings. The District's contribution for each employee are vested 20% annually for each year of participation. An employee is fully vested after 5 years of participation. The District contributed $5,611 into the plan during the year.

## NOTE I - Sale of Lease Easement

The District has a long term lease agreement with two tenants. Verizon and Crown Castle each leased a parcel of land to construct a communication tower. The agreements has renewal options for up to 50 years. Landmark Dividend made an offer to purchase the lease easement and assign the lease payments to Landmark Dividend for a payment upfront in the amount of $418,600. The Board accepted the offer and the District received the amount of $418,600. The amount was recorded as Deferred Charges – Assignment of Leases. The District will amortize the deferred charges as follows each year.

| | Verizon Lease | Crown Castle Lease | Discount | Amortization | Unamortized Amount |
|---|---|---|---|---|---|
| 12/31/2026 | 13,728 | 23,012 | (30,287) | 6,452 | 372,574 |
| 12/31/2027 | 13,728 | 23,012 | (29,772) | 6,968 | 365,606 |
| 12/31/2028 | 13,728 | 23,012 | (29,215) | 7,525 | 358,082 |
| 12/31/2029 | 13,728 | 23,012 | (28,614) | 8,126 | 349,956 |
| 12/31/2030 | 13,728 | 23,012 | (27,964) | 8,775 | 341,181 |
| All other years | 466,752 | 782,390 | (424,721) | 341,181 | |
| | 535,392 | 897,449 | (570,573) | 379,026 | |

## NOTE J – Commissioner Compensation and Temporary Performance of Management Functions

During a portion of fiscal year 2025, the District operated without a Port Director. During this period, members of the Board of Commissioners assumed additional management and operational responsibilities necessary for the continued administration of the District. These responsibilities were performed by individual Commissioners on a rotating basis under the authority and oversight of the Board of Commissioners.

The Texas Water Code authorizes navigation district to employ a port director, general manager, chief executive officer, or similar executive officer to manage and operate the affairs of the District. In the absence of a Port Director, members of the Board of Commissioners performed certain management and operational functions to maintain continuity of District operations.

Commissioners received fees of office in accordance with the provisions of the Texas Water Code §49.060, which authorize compensation for each day a Commissioner performs duties associated with management and business of the District, subject to applicable statutory limitations. Such duties included Board and committee activities, operational oversight, administrative functions, and other activities necessary for the management and operation of the District during the vacancy. Total compensation paid to Board Commissioners during fiscal year 2025 for these services amounted to $42,161. Compensation paid to each Commissioner is summarized below:

**NOTE J – Commissioner Compensation and Temporary Performance of Management Functions –** ***(Continued)***

| Commissioner | Compensation |
|---|---|
| Joe Martinez | $ 8,304 |
| Duvie A. Woods | $ 11,429 |
| Jose Morales | $ 22,429 |
| Total | $ 42,161 |

All compensation was approved by the Board of Commissioners and was subject to applicable statutory limitations.

During the year, Mr. Victor Barrra was compensated for the following amounts:

| | |
|---|---|
| Compensation received for serving as Chairman on the Board from January through May 2025 | $ 1,426 |
| Compensation received for serving as Interim Port Director from January - May. | $ 34,000 |
| Salary received after Mr. Barrera was hired as Port Director in August 2025 | $ 32,308 |

Mr. Barrera's term as Chairman/Commissioner was from May 2020 through May 2025.

# GOVERNMENT AUDIT SECTION

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## 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*

Board of Commissioners
Port Isabel – San Benito
Navigation District
Port Isabel, 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 Isabel-San Benito Navigation District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Port Isabel-San Benito Navigation District's basic financial statements, and have issued our report thereon dated August 18, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Port Isabel-San Benito Navigation District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port Isabel-San Benito Navigation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port Isabel-San Benito Navigation District'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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Roberto Lopez*

Roberto Lopez
*Certified Public Accountant, PC*

Harlingen, TX
August 18, 2026

# SUPPLEMENTARY INFORMATION

**PORT ISABEL - SAN BENITO NAVIGATION DISTRICT**
**PORT ISABEL, TEXAS**
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION-ACTUAL VS BUDGET**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | Actual | Original Budget | Final Budget | Actual-Final Variance |
|---|---|---|---|---|
| **Operating Revenues:** | | | | |
| Port Fees | $ 44,179 | $ 58,350 | $ 58,350 | $ (14,171) |
| Rental and Storage | 1,329,493 | 1,226,964 | 1,226,964 | 102,529 |
| Investment income | 132,344 | 123,254 | 123,254 | 9,090 |
| Other revenues | 2,127 | 300 | 300 | 1,827 |
| **Total Revenues** | 1,508,143 | 1,408,868 | 1,408,868 | 99,275 |
| | | | | |
| **Operating Expenses:** | | | | |
| Payroll and related expenses | 189,980 | 87,022 | 87,022 | (102,958) |
| Commissions' Fee | - | 1,800 | 1,800 | 1,800 |
| Plant maintenance | 186,588 | 81,000 | 81,000 | (105,588) |
| Election expense | 14,991 | 85,000 | 85,000 | 70,009 |
| Equipment maintenance | 2,879 | 10,000 | 10,000 | 7,121 |
| Auto and gas | 3,900 | 8,000 | 8,000 | 4,100 |
| Depreciation | 345,844 | 348,996 | 348,996 | 3,152 |
| Utilities | 20,570 | 24,350 | 24,350 | 3,780 |
| Insurance | 48,490 | 72,000 | 72,000 | 23,510 |
| Interest | 30,765 | - | - | (30,765) |
| Office expenses | 11,902 | 10,000 | 10,000 | (1,902) |
| Legal and other fees | 140,316 | 67,600 | 67,600 | (72,716) |
| Auditing | - | 15,500 | 15,500 | 15,500 |
| Port development | - | 2,000 | 2,000 | 2,000 |
| Trash removal | 5,451 | 15,000 | 15,000 | 9,549 |
| Travel and entertainment | 2,949 | 5,000 | 5,000 | 2,051 |
| Dues and subscription | 2,587 | 15,000 | 15,000 | 12,413 |
| Telephone | 10,739 | 10,000 | 10,000 | (739) |
| Miscellaneous | 16,834 | 48,450 | 48,450 | 31,616 |
| **Total Operating Expenses** | 1,034,785 | 906,718 | 906,718 | (128,067) |
| Operatin Income (deficit) | 473,358 | 502,150 | 502,150 | (28,792) |
| Special items Revenues (Expenses) | - | - | - | - |
| Changes in net position | 473,358 | 502,150 | 502,150 | (28,792) |
| Net position beginning of year | 14,991,601 | 14,991,601 | 14,991,601 | |
| Net position end of year | $ 15,464,959 | $ 15,493,751 | $ 15,493,751 | |

# TEXAS WATER CODE SUPPLEMENTARY INFORMATION

**PORT ISABEL – SAN BENITO NAVIGATION DISTRICT**
**CHECKLIST FOR SUPPLEMENTARY INFORMATION**
**DECEMBER 31, 2025**

Notes required by the Water District Accounting Manual

1. Services and Rates (Not Required)
2. Proprietary Fund Expenses
3. Temporary Investments
4. Taxes Levied and Receivable (Not Required)
5. Long-Term Debt (Not Required)
6. Changes in Long-Term Bonded Debt (Not Required)
7. Comparative Schedule of Revenues and Expenses – Proprietary Fund – Five Years
8. Board Members, Key Personnel, and Consultants

## PORT ISABEL – SAN BENITO NAVIGATION DISTRICT
## NOTES REQUIRED BY THE WATER DISTRICT ACCOUNTING MANUAL
## FOR THE YEAR ENDED DECEMBER 31, 2025

Port Isabel – San Benito Navigation District was created in 1929 under Section 59 of Article 16 of the Texas Constitution. The Board of Directors held its first meeting on May 02, 1929, and its first bonds were dated May 01, 1929. The Board, a three-member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to the Port Isabel-San Benito Navigation District. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District is under the authority of the Texas Commission on Environmental Quality and is operated under and governed by Chapter 63 of the Texas Water Code. The District's principal function is to provide oversight of the coastal navigable waters at the Port Isabel turning basin and surrounding waters in Cameron County, Texas.

**PORT ISABEL - SAN BENITO NAVIGATION DISTICT**
**(2) PROPRIETARY FUND EXPENSES**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | | |
|---|---|---|
| Personnel Expenses (including benefits) | $ | 189,980 |
| Professional fees: | | |
| Auditing | | - |
| Legal | | 41,472 |
| Accounting | | 2,400 |
| Engineering | | 18,500 |
| Contracted Services | | |
| Election Expenses | | 14,991 |
| Utilities | | 20,570 |
| Repairs and Maintenance | | 186,588 |
| Administrative Expenses: | | |
| Insurance | | 48,490 |
| Office Expenses | | 11,902 |
| Port Development | | - |
| Telephone | | 10,739 |
| Trash removal | | 5,451 |
| Other administrative Expenses | | 107,094 |
| Depreciation Expenses | | 345,844 |
| Total Expenses | $ | 1,004,020 |

Number of persons employed by the District : 4 full-time

**PORT ISABEL - SAN BENITO NAVIGATION DISTRICT**
**(3) TEMPORARY INVESTMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| Enterprise Fund | Certificate Number | Interest Rate | Maturity Date | Balance at End of Year | Accrued Interest Receivable at end of Year |
|---|---|---|---|---|---|
| N/A | | | | | |

**PORT ISABEL - SAN BENITO NAVIGATION DISTRICT**
**(7) COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**
**PROPRIETARY FUND - FIVE YEARS ENDED**
**DECEMBER 31,**

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **Operating Revenues:** | | | | | |
| Intergovernmental Receipts | $ - | $ - | $ - | $ - | $ - |
| Port Fees | 44,179 | 52,830 | 29,217 | 19,497 | 68,293 |
| Rentals and Storage | 1,329,493 | 1,249,238 | 1,224,372 | 1,098,001 | 1,083,728 |
| Investment Income | 132,344 | 129,640 | 64,075 | 8,241 | 64 |
| Other Revenues | 2,127 | 2,520 | 2,566 | 11,785 | 3,097 |
| Total Revenues | 1,508,143 | 1,434,228 | 1,320,230 | 1,137,524 | 1,155,182 |
| | | | | | |
| **Operating Expense:** | | | | | |
| Payroll and related expenses | 189,980 | 286,818 | 267,851 | 275,941 | 262,436 |
| Commissioners' fees | - | - | - | - | - |
| Plant maintenance | 186,588 | 233,017 | 180,060 | 79,213 | 52,028 |
| Election expense | 14,991 | - | 84,486 | - | 71,878 |
| Equipment maintenance | 2,879 | 626 | 9,475 | 4,647 | 9,881 |
| Auto and gas | 3,900 | 7,761 | 8,700 | 8,638 | 12,196 |
| Depreciation | 345,844 | 412,567 | 338,283 | 336,967 | 333,690 |
| Utilities | 20,570 | 22,343 | 21,437 | 28,450 | 23,340 |
| Insurance | 48,490 | 44,597 | 48,823 | 18,469 | 24,398 |
| Interest | 30,765 | 31,207 | 31,637 | 32,045 | 32,548 |
| Office expenses | 11,902 | 13,048 | 11,369 | 10,309 | 17,687 |
| Legal and other fees | 140,316 | 123,341 | 72,785 | 54,040 | 55,393 |
| Auditing | - | 12,000 | 11,750 | 11,650 | 10,200 |
| Port development | - | - | - | - | - |
| Trash removal | 5,451 | 14,984 | 7,697 | 2,127 | 6,250 |
| Travel and entertainment | 2,949 | 2,775 | 2,161 | 2,396 | 1,381 |
| Dues and subscription | 2,587 | 10,599 | 6,532 | 11,222 | 5,415 |
| Telephone | 10,739 | 10,107 | 11,635 | 9,755 | 9,591 |
| Bad debts | - | - | - | - | - |
| Miscellaneous | 16,834 | 7,681 | 3,364 | 1,018 | 792 |
| Total Operating Expenses | 1,034,785 | 1,233,471 | 1,118,045 | 886,887 | 929,104 |
| Operating Income (deficit) | $ 473,358 | $ 200,756 | $ 202,184 | $ 250,636 | $ 226,078 |

**PORT ISABEL - SAN BENITO NAVIGATION DISTRICT**
**(8) BOARD MEMBERS AND KEY ADMINISTRATIVE PERSONNEL**
**AS OF DECEMBER 31, 2025**

| | Terms of Office | Annual Fees | Title | Resident of District |
|---|---|---|---|---|
| Joe Martinez | May '25<br>May '29 | $ 4,299 | Chairman<br>Commissioner | Yes |
| Duvie A. Woods | May '25<br>May '29 | $ 3,094 | Secretary<br>Commissioner | Yes |
| Jose Morales | May '23<br>May '27 | $ 4,449 | Commissioner | Yes |
| **Legal Counsel:**<br>Jose Luis Caso<br>112 East Cano Street<br>Edinburg, Texas | | $ 31,548 | Attorney | No |
| **District Engineer:**<br>Ferris, Flinn & Medina, LLC<br>1405 N Stuart Place Road<br>Harlingen, TX 78552 | | N/A | Engineer | No |

**Key Administrative Personnel:**

| | Date Hired | Salary | Title |
|---|---|---|---|
| Victor Barrera | Aug 2025 | $ 80,000 | Port Director |