



## Port Commission Regular Meeting

Thursday, February 26, 2026 at 1:00 PM

In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport

This meeting agenda with the agenda packet is posted online at [www.portfreeport.com](http://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.

Join Zoom Meeting

<https://us02web.zoom.us/j/82167910367?pwd=hrzzEF6uttpBbyZMFCbG4tIAhCpD2U.1>

Meeting ID: 821 6791 0367

Passcode: 113806

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. **Safety Briefing.**
6. **Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.**
7. **Public Comment.**  
*Public comment on any matter not on this Agenda will be limited to 5 minutes per participant and can be completed in person or by videoconference.*
8. **Public Testimony.**  
*Public testimony on any item on this Agenda will be limited to 5 minutes per agenda item per participant and can be completed in person or by videoconference.*

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

- A. Executive Director/CEO
- B. Director of Engineering
- C. Director of Operations
- D. Director of Business & Economic Development
- E. Chief Financial Officer

**10. Receive reports from Commissioners on matters related to Port Commission related meetings or conferences, Port presentations and other Port related matters.**

- A. February 17 Finance Committee Meeting.
- B. February 17 OSS Committee Meeting.

**11. Consent Agenda.**

- A. Approval of Minutes from the Regular Meeting held January 22, 2026 and the Special Meeting held February 4, 2026.
- B. Approval of financial reports for the period ending January 31, 2026.
- C. Approval of a Foreign-Trade Zone Operator Agreement between Port Freeport and Animal Nutrition & Health, LLC (ANH), formerly known as DSM Nutritional Products, Inc.
- D. Resolution Urging TxDOT and H-GAC to Accelerate 36A in the RTP Planning Process and Ultimate Inclusion in the UTP.

**12. Approval of the FY 2025 Annual Comprehensive Financial Report.**

**13. Approval of liability and property insurances through broker Arthur J. Gallagher & Co.**

- 14. Approval of a Construction Contract with Taylor Marine Construction Inc. for the New Fenders Docks 1, 2 and 3 project, for an amount not to exceed \$3,328,000.00.**
- 15. Approval of a Professional Services Agreement with IAD Architects for Cross Dock 2 - Code Review project, for an amount not to exceed \$43,600.00.**
- 16. Approval of a Professional Services Agreement with LJA Engineering, Inc. for Velasco Terminal, Container Yard 6 project, for an amount not to exceed \$669,000.00.**
- 17. Approval of a license renewal with CDW-G for VMWare Software, for an amount not to exceed \$71,331.20.**
- 18. Approval to purchase a new fire pump from Summit Fire for the Diesel Fire Protection System, for an amount not to exceed \$42,930.00.**
- 19. Approval of Purchase Order for back-up generator rental, for an amount up to \$40,000.00.**
- 20. Approval of an extension to the Government Liaison Services Agreement between Port Freeport and Van Scoyoc Associates.**
- 21. Continuation of November 17, 2025 Planning Workshop for Port Freeport regarding the following:**
  - A. Community Engagement Update
  - B. Compliance Update on Accessibility & Public Information Act
- 22. 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 551.076 (Deliberation of Security Matters):
  - 1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.
- C. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):
  - 1. To discuss or deliberate commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
    - i. Business & Economic Development Report including potential offers of financial or other incentives to the business prospect.
  - 2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
- D. Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
  - 1. 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, 3, 5, 7 and 8.
  - 2. The potential lease or value of real property located at Port Freeport, including but not limited to Parcel 1.
  - 3. The potential exchange, lease or value of real property located at Port Freeport, including but not limited to Parcels 14, 19, 27, 34 and property on Quintana Island.
- E. 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.

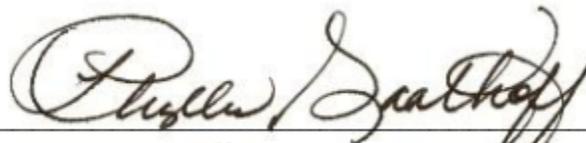
**23. RECONVENE OPEN SESSION to review and consider the following:**

**24. Discuss and consider action resulting from Executive Session for Executive Director/CEO.**

**25. 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.



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Phyllis Saathoff, Executive Director/CEO

**PORT FREEPORT**

Participation is welcomed without regard to race, color, religion, sex, age, national origin, disability or family status. In accordance with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, persons with disabilities needing reasonable accommodations to participate in this proceeding, or those requiring language assistance (free of charge) should contact the Executive Assistant no later than forty-eight (48) hours prior to the meeting, at (979) 233-2667, ext. 4326, email: [bevers@portfreeport.com](mailto:bevers@portfreeport.com).

La participación es bienvenida sin distinción de raza, color, religión, sexo, edad, origen nacional, discapacidad o situación familiar. De acuerdo con el Título II de la Ley de Estadounidenses con Discapacidades y la Sección 504 de la Ley de Rehabilitación, las personas con discapacidades que necesiten adaptaciones razonables para participar en este procedimiento, o aquellas que requieran asistencia lingüística (sin cargo), deben comunicarse con el Asistente Ejecutivo a más tardar cuarenta -ocho (48) horas antes de la reunión, al (979) 233-2667, ext. 4326, correo electrónico: [bevers@portfreeport.com](mailto:bevers@portfreeport.com).



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## MEMORANDUM

**TO:** Phyllis Saathoff, Executive Director/CEO  
Port Commissioners

**FROM:** Amanda Veliz, Public Affairs Manager

**DATE:** February 26, 2026

**SUBJECT:** Public Affairs Departmental Report – February 2026

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### PUBLIC AFFAIRS

#### Communications and Media

***Freeport Harbor Channel Marine Traffic*** – The website provides information on marine traffic related to the Freeport Harbor Channel Improvement Project (FHCIP) dredging, serving the local community. On May 30, the United States Army Corps of Engineers awarded the contract for Reaches 1, 2, and 4 to Great Lakes Dredge and Dock Company, LLC (GLDD). Currently, two mechanical dredges are working in Reach 1. The dredged material is being deposited in an EPA-approved area offshore in the Gulf of America. Updates will be posted as necessary.

***Freeport Harbor Channel Improvement Project*** – Staff continues to respond to public inquiries regarding Port Freeport and the Freeport Harbor Channel Improvement Project and maintains updated information on [PortFreeport.com/governance/bond-channel-project](http://PortFreeport.com/governance/bond-channel-project).

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

***Press Releases and News Postings*** – No press releases were distributed in January.

In the coming weeks, additional press releases will be issued regarding the completion of Area 5 and the winners of the TACFT Logo Drawing Contest.

On February 9, the Greater Houston Port Bureau published its 2025 Quarter Four Magazine, featuring a three-page article on Port Freeport's Centennial.

***Social Media Postings*** – Staff is actively posting important information on social media, including port facts, press releases, safety awareness tips, weather preparedness advice, and other relevant updates about our community. The following posts were made on Facebook/LinkedIn in late January and February. Additionally, we may share posts related to port activities and events.

\*December 10 – Press Release: Port Freeport Marks 100 Years with Centennial Celebration and Community Port Tours  
December 11 – Centennial Celebration Recap Video

January 20 – TACFT Sponsorship Post 1  
January 21 – Reminder: Port Commission Meeting  
January 22 – Safety in Port Freeport's Operations  
\*January 23 – Cold Weather Warning  
January 23 – Recap: Port Commission Meeting  
\*January 25 – Weather Update  
January 27 – TACFT Logo Drawing Contest Post 3  
January 29 – TACFT Sponsorship Form Post 2  
February 3 – Reminder: Workshop Continuation  
February 4 – Community Advisory Panel Meeting Recap  
February 5 – TACFT Logo Drawing Contest Post 5  
February 9 – TACFT Logo Drawing Contest Video Post 6  
February 10 – Cranes (All cranes were operating simultaneously across two vessels)  
February 11 – Port Freeport Safety Milestone (500 days without a lost-time injury)  
February 12 – TACFT Logo Drawing Contest Post 7  
February 12 – United Way of Brazoria County Campaign - Shared Post  
February 13 – Holiday - Office Closure – Presidents' Day  
February 14 – Valentine's Day  
February 16 – Holiday - Presidents' Day  
February 16 – Reminder: Committee Meetings (Finance & OSS)  
February 17 – Port Freeport – We're Hiring  
February 18 – TACFT Sponsorship Form Post 3  
February 19 – Brazosport Area Chamber Awards Luncheon - Phyllis S., Outstanding Woman of the Year  
February 23 – United States Naval Sea Cadet Corps Port Visit  
February 24 – TACFT Logo Drawing Contest Voting  
February 25 – Reminder: Port Commission Meeting  
February 26 – Area 5 and 5th Street Ribbon Cutting Velasco Container Terminal Expansion  
February 27 – Texas Port Ministry Annual Fundraising Banquet  
February 27 – Recap: Port Commission Meeting

\*Additional social media posts were created following the creation of the previous departmental monthly report.

## **Port/Community Events**

***Community Advisory Panel (C.A.P.)*** – The first quarterly meeting took place on Tuesday, February 3, at the Clute Event Center. Lance Goodwin, the Senior Vice President of Business Development and Innovation at Freeport LNG, was the guest speaker. He delivered a presentation that was followed by a Q&A session for all Port Commissioners, C.A.P. members, and port staff in attendance. Port Freeport provided updates on several recent projects and initiatives. The meeting included videos showcasing the crane's arrival and the Centennial Community Port Tour and concluded with the screening of the Centennial Documentary.

Dates for the upcoming C.A.P. meetings are as follows:

- Tuesday, June 9
- Tuesday, September 1
- Tuesday, December 8

Please email Tricia Vela at [vela@portfreeport.com](mailto:vela@portfreeport.com) to report any new member appointments or changes.

**Port Freeport Take-A-Child Fishing Tournament (TACFT)** – Please save the following dates:

- Captain's Dinner: Thursday, May 7, 2026, from 5:30 PM to 7:30 PM
- 26th Annual Take-A-Child Fishing Tournament: Saturday, May 9, 2026, at Freeport Municipal Park, from 8:00 AM to 12:00 PM.

The Public Affairs staff has received 268 drawing entries from school districts and homeschool groups within the navigation district. They have narrowed these submissions down to the top 15. Voting for the first, second, and third-place logos will take place on Thursday, February 27.

The team continues to seek sponsorships from partners and friends of the Port. If you have contacts at businesses or individuals who might be interested in becoming a sponsor, please forward that information to Darlene Winkler. Digital forms have been created and made available on the Port Freeport website to make access easier, simplify submissions, and enhance overall participation.

**Port Freeport Golf Tournament** – The tentative date for the 15<sup>th</sup> Annual Golf Tournament at The Wilderness is Monday, October 26, 2026.

***Port Presentations, Tours, and Meetings***

February 22 – Sea Cadets Port Tour

February 26 – Texas Port Ministry Banquet – Phyllis will make a few remarks, followed by the Centennial Documentary.

March 19 – Phyllis is a panelist for Dr. Solis, the President of Brazosport College, on the podcast titled "The Leadership Imperative."

***Community Events and Meetings - (Informational purpose only)***

January 22 – ABC Member Mixer

January 29 – The Alliance Membership Luncheon - The AI Moment

January 29 – Highway 36A Coalition Luncheon

January 29 – Angleton Chamber of Commerce - Annual Gala

February 4 – ABC Texas Gulf Coast - Joint Membership Luncheon

February 12 – Brazoria County Hispanic Chamber of Commerce Gala

February 19 – Brazosport Chamber of Commerce Awards Luncheon

February 20-21 – ABC Cook-Off

February 24 – Angleton Rotary Club Annual Fundraiser

***Upcoming Community Events and Meetings - (Informational purpose only)***

February 26 – Texas Port Ministry Banquet

February 26 – ABC - Ladies in Trades Mixer

February 28 – Junior Achievement Celebrity Waiter

March 2 – Bay Area Council Scouting of America Breakfast

March 6 – Boys & Girls Club of Brazoria County - Annual Gala

March 12 – Brazosport Chamber of Commerce - Membership Luncheon

March 26 – ABC - Member Shrimp Boil

March 27 – Freeport Police Department - Blue Santa Golf Tournament

March 27 – The Bunny Hop benefiting Salvation Army of Brazoria County

April 1 – The Alliance - State of the County

April 16 – 100 Club of Brazoria County Annual Banquet

April 16 & 17 – West Columbia Chamber of Commerce - San Jacinto Festival

April 17 – West Columbia Rotary



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## MEMORANDUM

**TO:** Commissioners  
Directors  
Legal Counsel

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

**DATE:** February 18, 2026

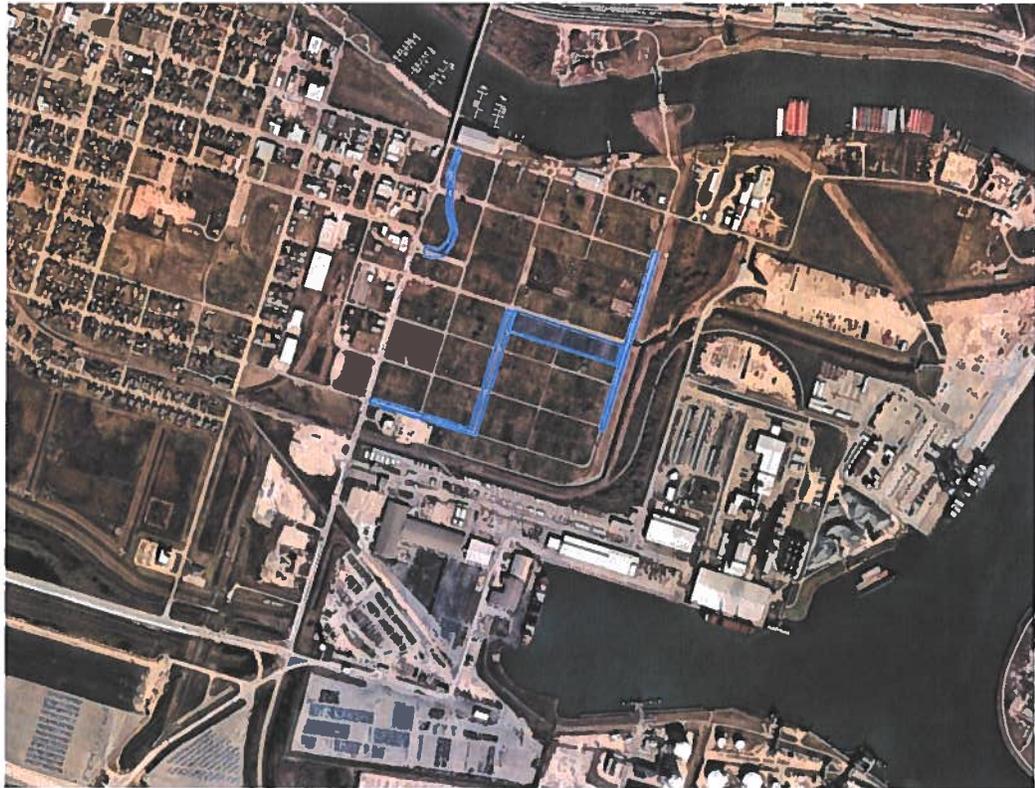
**SUBJECT:** Departmental Report

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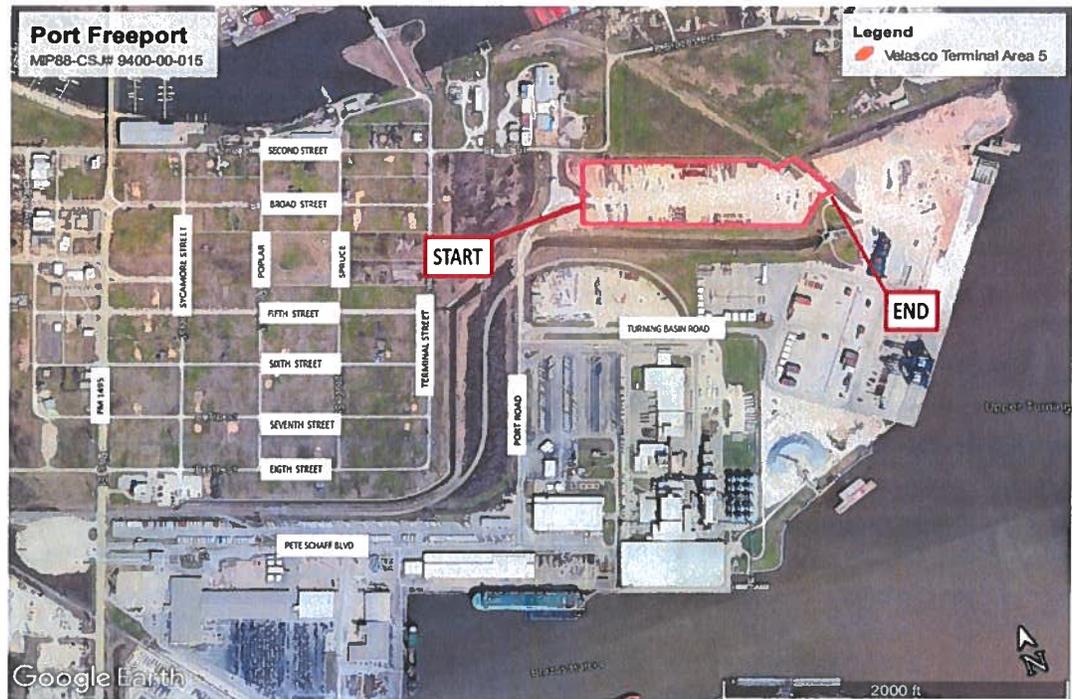
### PROJECTS

1. **FHCIP Reaches 1, 2, and 4** – This project involves deepening the Freeport Ship Channel to various depths ranging from 26-ft to 56-ft depending on the Reach and is funded through Bond funds and Civil Works Budget Appropriation. The final contract is with Great Lakes Dredge & Dock for \$159,743,430. Anticipated contract modification will extend the completion. The current completion date was extended to June 30, 2026. Dredge 58 is working near shore and inside the jetties. The Ellis Island has gone into dry dock for scheduled work. It will be back next month to finish strong.

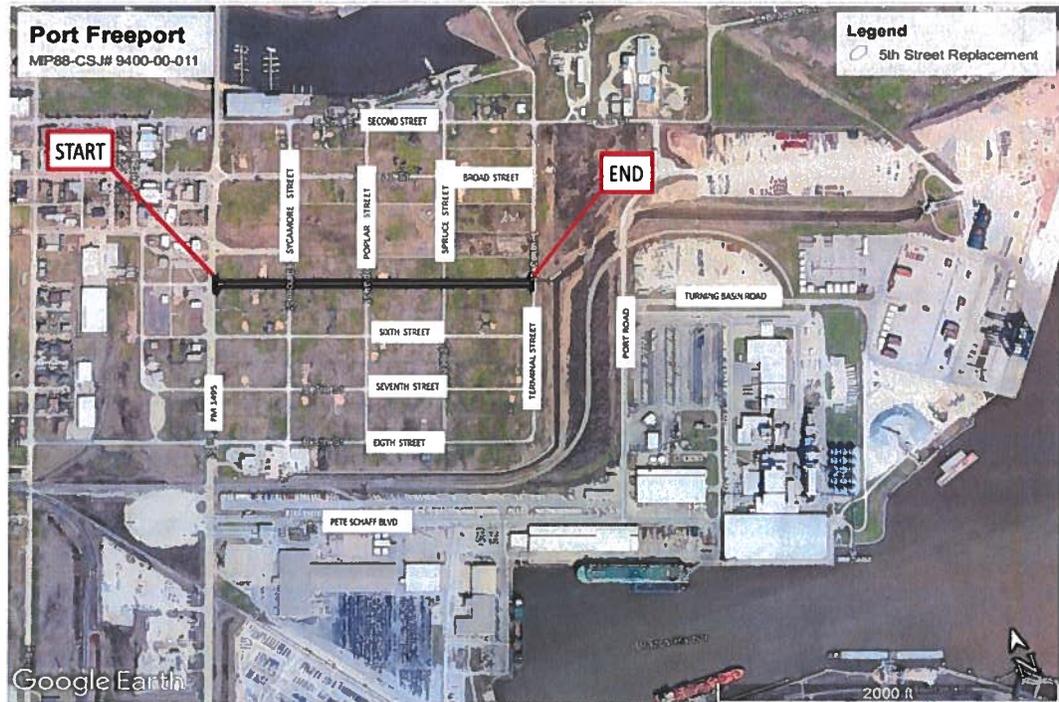




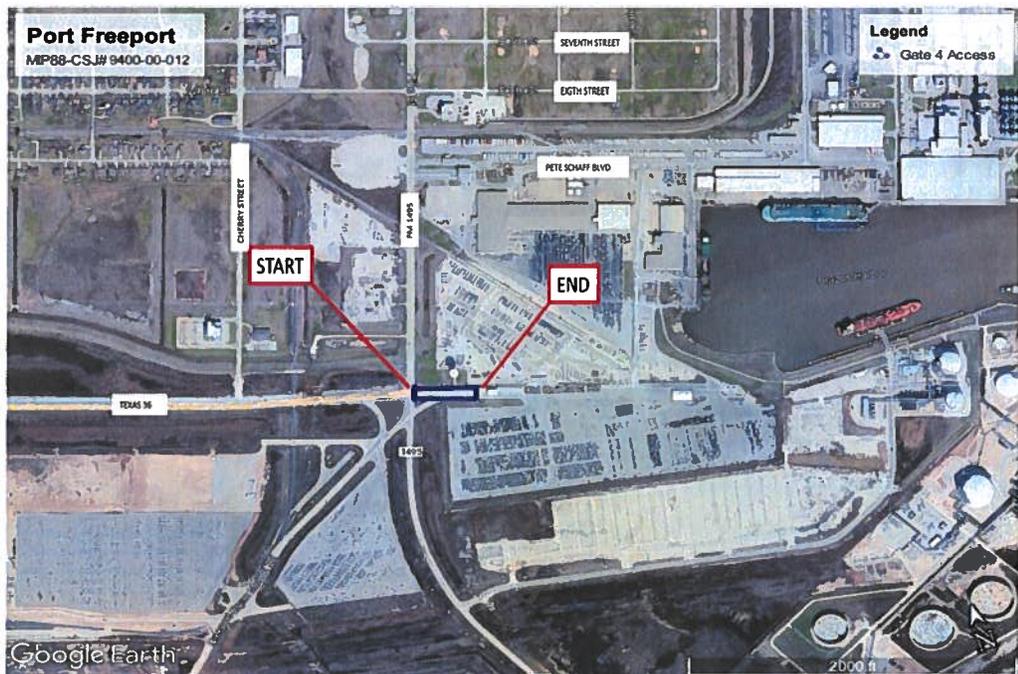
- 3. Velasco Terminal Area 5** – This project involves development of container yard in Velasco Terminal. TxDOT will fund up to \$11,565,621. The project was awarded to Harper Brothers for \$18,508,603.35. Construction has begun. The project is closing out now.



- 4. East 5<sup>th</sup> Street** – This project involves rebuilding E. 5<sup>th</sup> Street in the expansion area to be suitable for truck traffic from FM 1495 to Terminal Street. TxDOT will fund up to \$3,802,189 which is 75% of the estimated costs. The Port will pay remainder of the project costs, which is estimated to be \$1,267,396. Bids were opened on February 4, 2025. This project was awarded on February 27, 2025. Project will be completed in close coordination with the Rider 37 project so as to provide continuous access to the cross dock facility on Terminal. The project is closing out now.

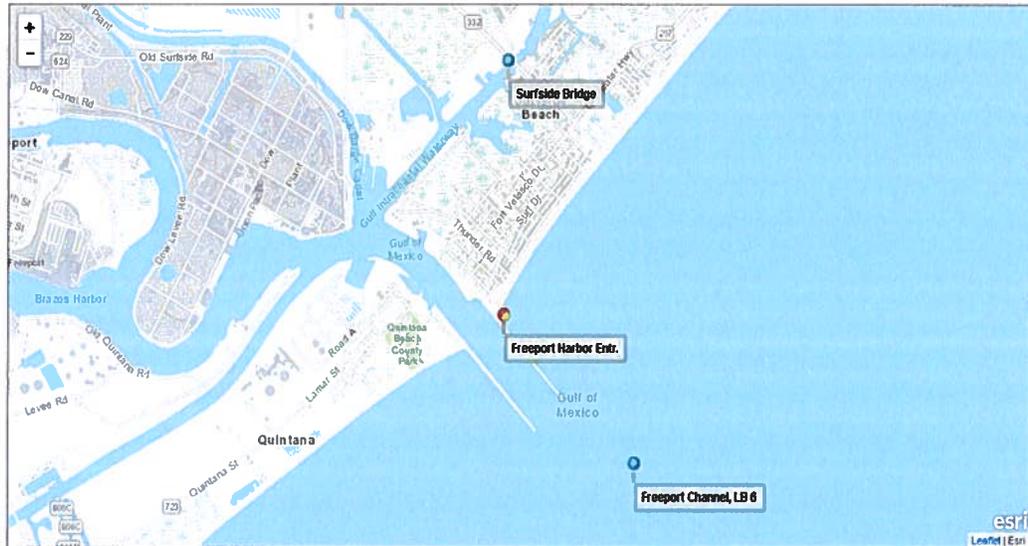


- Gate 4 Access** – This project involves widening the access road to Gate 4 from FM 1495 to Gate 4. TxDOT will fund up to \$950,547 which is 75% of the estimated costs. The Port will pay remainder of the project costs, which is estimated to be \$316,849. Harper Brothers was awarded the contract for \$1,148,987.20. The Project will be finished before April 1, 2026.



6. **Yearly maintenance of NOAA PORTS sensors by TAMU-CC Texas A&M Corpus Christi** is the Port's contracted service provider of maintenance for the Port's NOAA PORTS sensors in the ship channel. Twice per year the sensors are removed and exchanged with backup sensors, the batteries recharged, and the sensors cleaned of marine growth (repaired if necessary) and bench tested, then placed on the shelf for re-deployment. Periodically, unscheduled service is needed, and that work is performed and invoiced to the port on a time & materials rate. Below is a summary of all work and cost for maintenance to date:

| <u>Description</u>                              | <u>Date</u> | <u>Cost</u> |
|---|-------------|-------------|
| Surfside current sensor dive inspection & clean | 11/16/25    | \$11,263.00 |
| LB6 R&R battery                                 | 12/04/25    | \$ 2,923.69 |



7. **Parcel 17 Offsite Detention** – The surveyor has completed the boundary and topographic survey. The engineering department is currently working on the plan set. The plans have been submitted to VDD for approval. An Interlocal agreement was signed and VDD will begin work in April 2026.



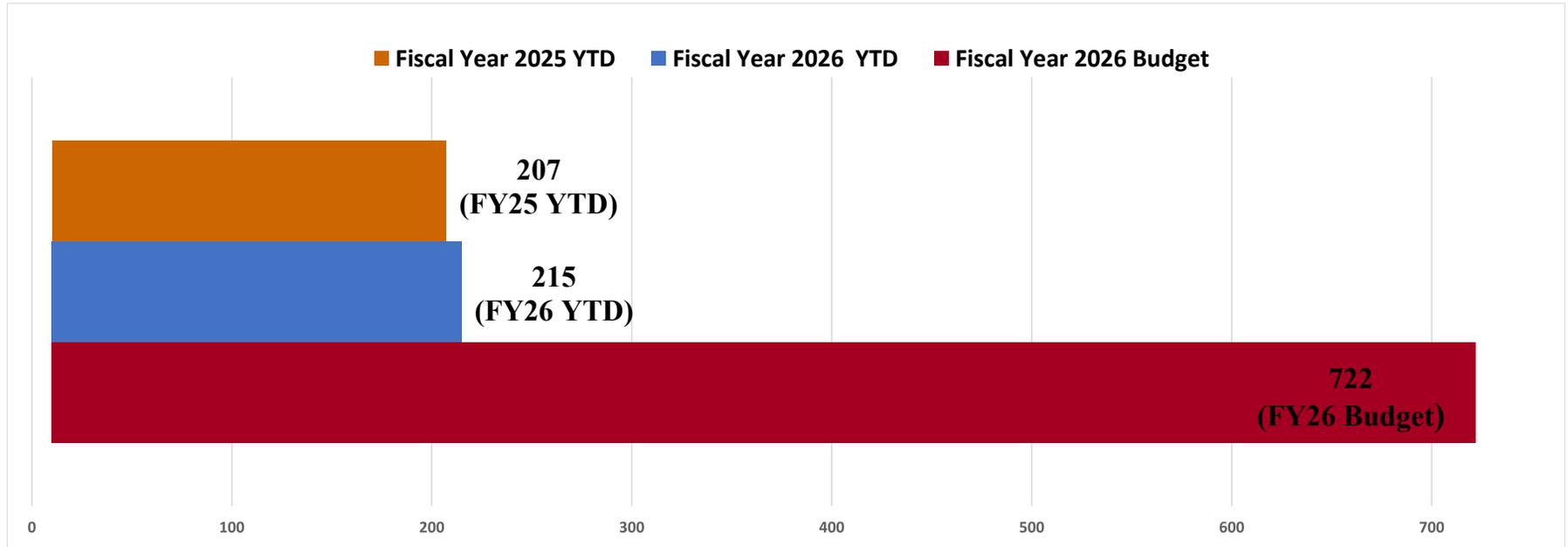
- 8. **New Fenders Docks 1, 2, and 3** – This project involves replacing 40 existing arch type fenders with panel type fenders. Bids were opened on February 10, 2026. The contract with the low bidder will be considered at the February Port Commission meeting.





# PORT FREEPORT<sup>SM</sup>

## 2025 YTD Vessel Calls

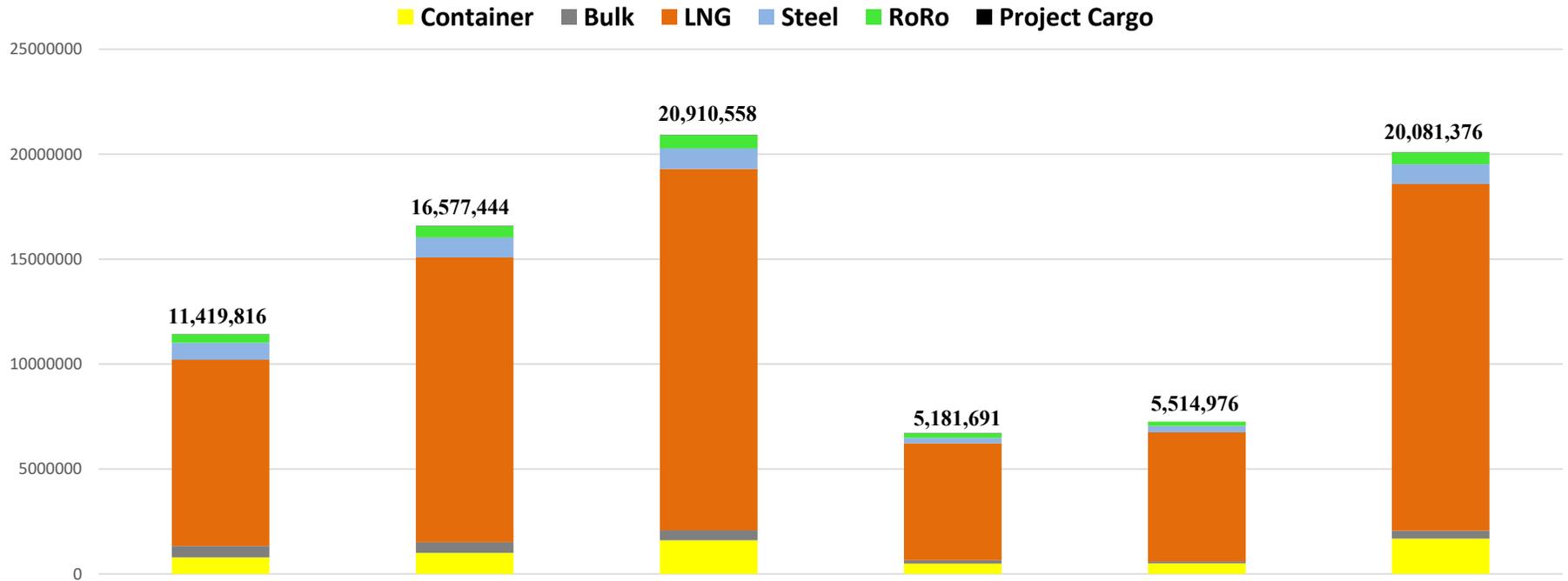


|                     | Fiscal Year 2023 | Fiscal Year 2024 | Fiscal Year 2025 | Fiscal Year 2025 YTD | Fiscal Year 2026 Budget | Fiscal Year 2026 YTD | Oct 2025 | Nov 2025 | Dec 2025 | Jan 2026 | Feb 2026 | Mar 2026 | Apr 2026 | May 2026 | Jun 2026 | Jul 2026 | Aug 2026 | Sep 2026 |
|---------------------|------------------|------------------|------------------|----------------------|-------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Vessel Calls</b> | 402              | 526              | 616              | 207                  | 722                     | 215                  | 56       | 52       | 54       | 53       | -        | -        | -        | -        | -        | -        | -        | -        |
| <b>Lay Days</b>     | 1086             | 1458             | 1820             | 611                  | 0                       | 438                  | 98       | 111      | 110      | 119      | -        | -        | -        | -        | -        | -        | -        | -        |

January 2026: 53 Total Vessel Calls  
 There were 105 Total Vessel Calls Portwide.



### Total Tonnage by Fiscal Year



|                            | Fiscal Year 2023 Total | Fiscal Year 2024 Total | Fiscal Year 2025 Total | Fiscal 2025 YTD  | Fiscal 2026 YTD  | Fiscal 2026 Budget |
|----------------------------|------------------------|------------------------|------------------------|------------------|------------------|--------------------|
| ■ Container                | 784,513                | 1,004,603              | 1,601,315              | 488,765          | 504,363          | 1,685,716          |
| ■ Bulk                     | 546,017                | 504,548                | 484,153                | 162,326          | 89,855           | 369,632            |
| ■ LNG                      | 8,879,936              | 13,565,951             | 17,218,133             | 5,574,838        | 6,151,100        | 16,524,000         |
| ■ Steel                    | 797,447                | 951,608                | 971,730                | 256,508          | 301,142          | 950,000            |
| ■ RoRo                     | 400,811                | 546,014                | 630,853                | 215,220          | 209,524          | 547,528            |
| ■ Project Cargo            | 11,092                 | 4,720                  | 4,374                  | 4,217            | -                | 4,500              |
| <b>Total Import/Export</b> | <b>11,419,816</b>      | <b>16,577,444</b>      | <b>20,910,558</b>      | <b>6,701,874</b> | <b>7,255,984</b> | <b>20,081,376</b>  |

**\*\*YTD Tonnage is up 8% from this time last year.\*\***

**Total Vehicles Handled YTD ( 63,577)**

**Total Containers Handled ( 29,363), TEU ( 58,694)**

### Rail Car Count FY 26

|              | Steel | Bulk | RoRo Arrivals |       | RoRo Departure |       | Total |
|--------------|-------|------|---------------|-------|----------------|-------|-------|
|              |       |      | Loaded        | Empty | Loaded         | Empty |       |
| October      | -     | 182  | 309           | 2     | 326            | 41    | 860   |
| November     |       | 247  | 333           | 118   | 261            | 40    | 999   |
| December     |       | 130  | 349           | -     | 370            | 88    | 937   |
| January      |       | 49   | 202           | 129   | 216            | 107   | 703   |
| February     |       |      |               |       |                |       | -     |
| March        |       |      |               |       |                |       | -     |
| April        |       |      |               |       |                |       | -     |
| May          |       |      |               |       |                |       | -     |
| June         |       |      |               |       |                |       | -     |
| July         |       |      |               |       |                |       | -     |
| August       |       |      |               |       |                |       | -     |
| September    |       |      |               |       |                |       | -     |
| <b>Total</b> | -     | 608  | 1,193         | 249   | 1,173          | 276   | 3,499 |

| Volkswagen        | October | November | December | January | February | March | April | May | June | July | August | September | Total  |
|-------------------|---------|----------|----------|---------|----------|-------|-------|-----|------|------|--------|-----------|--------|
| Unloaded Vehicles | 3,090   | 2,777    | 5,127    | 2,124   |          |       |       |     |      |      |        |           | 13,118 |
| Outgated Vehicles | 3,312   | 2,688    | 3,740    | 2,288   |          |       |       |     |      |      |        |           | 12,028 |

**Railcars has increased due to New OEM customer**



### Operations Insight for February 2026

| LNG | Bulk | RoRo | Steel | Container | Layberth | Project Cargo | Total Vessels Expected |
|-----|------|------|-------|-----------|----------|---------------|------------------------|
| 18  | 1    | 15   | 2     | 12        | 2        | 1             | 51                     |

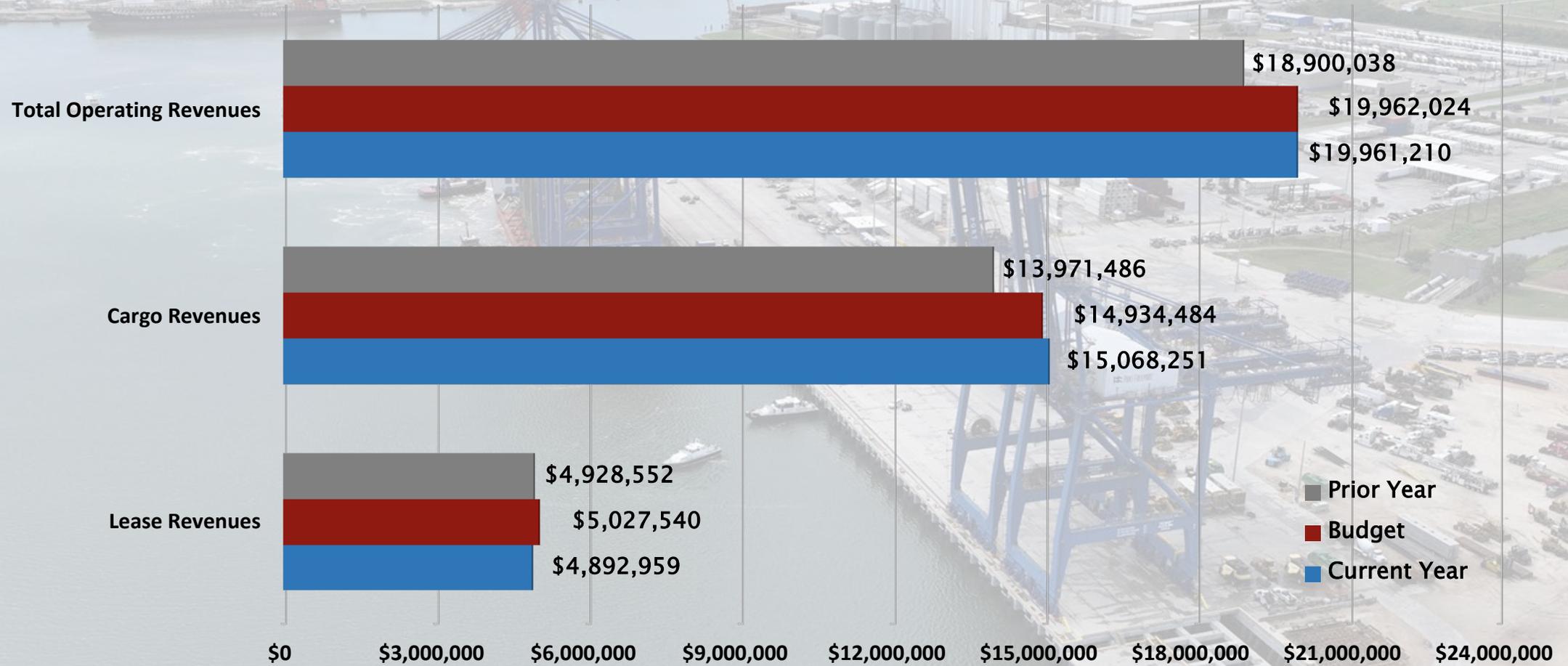
# Financial Report for January 2026 (Unaudited)



February 26, 2026

Rob Lowe | Chief Financial Officer

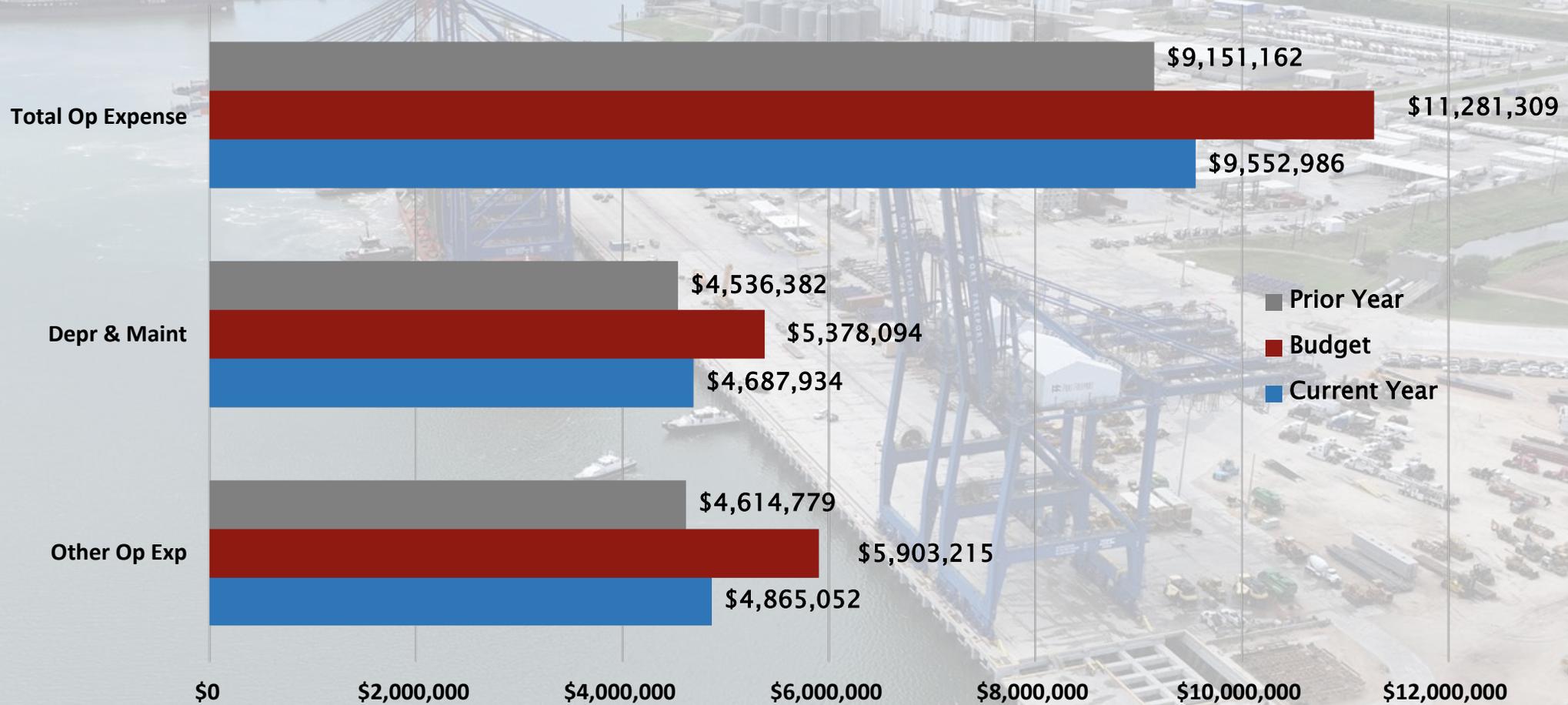
# FY 2026 YTD OPERATING REVENUES



## COMPARISON:

- Operating revenues are up over PY 6% and at budget for fiscal year 2026
- Cargo revenues are above PY by 8% and above budget by 1%
- Lease revenues are 1% below PY and 3% below budget

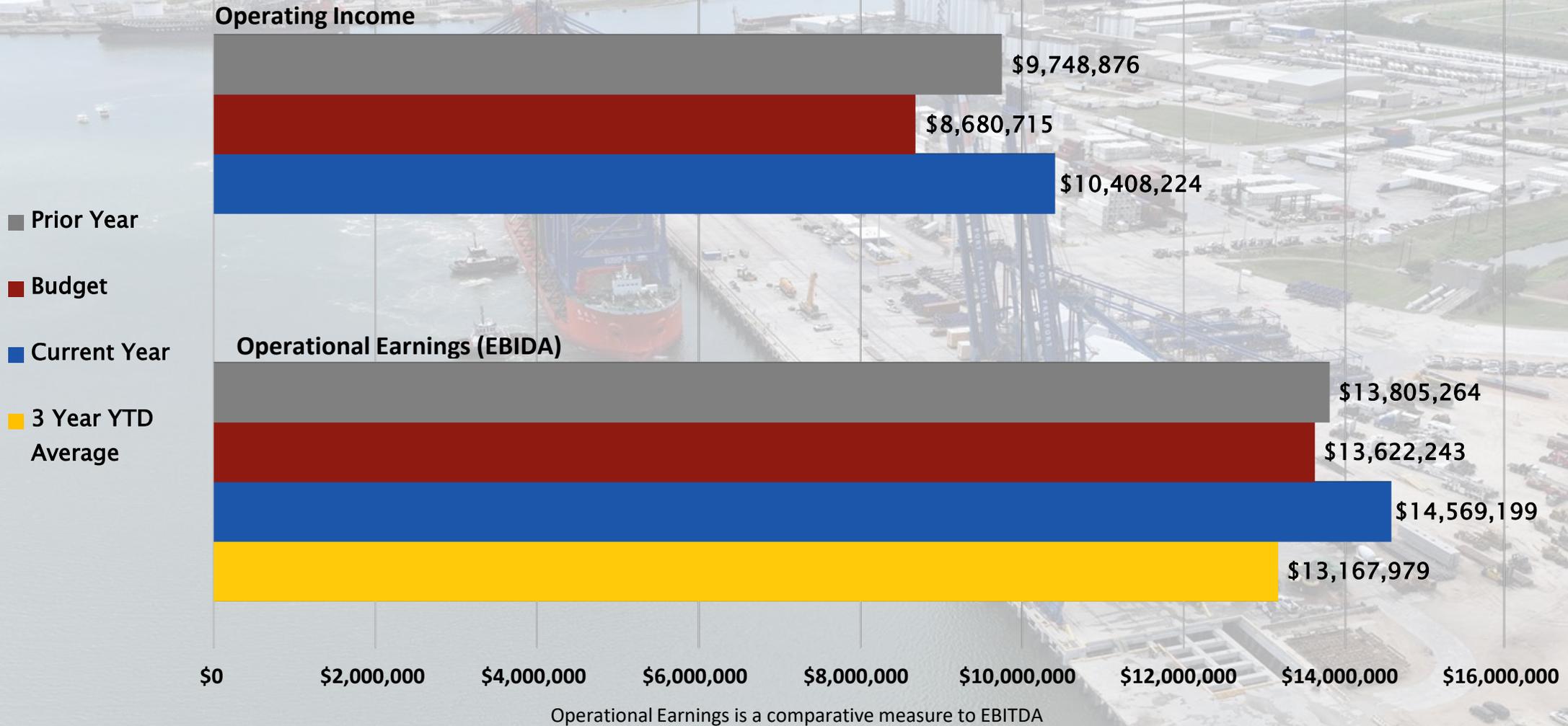
# FY 2026 YTD OPERATING EXPENSE



**COMPARISON:**

- Total operating expenses are 4% above prior year and below budget 15%
- Depr & maint are 3% above the PY and 13% below budget
- Other expenses are 5% above PY and below budget by 18%

# FY 2026 YTD OPERATING INCOME



## COMPARISON:

- Operating income is 7% above PY and above budget 20%
- Operational earnings are 6% above PY and above 3 Year YTD Average by 11%

# FY 2026 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
- Other consists of expenses related to hurricane Beryl.
- Drivers for comparison to budget are primarily timing of grant revenue reimbursements.

|   | Year To Date   | YTD Budget     | Total 2025 Budget |
|---|----------------|----------------|-------------------|
| <b>Operating Income</b>                     | \$ 10,408,224  | \$ 8,680,715   | \$ 25,888,071     |
| <b>Non-Operating Revenue (Expenses)</b>     | \$ (2,517,569) | \$ (2,435,031) | \$ (7,306,187)    |
| <b>Capital Contributed (To) From Others</b> |                |                |                   |
| <b>Berth 2 Floodwall Modifications</b>      | \$ (15,850)    | \$ -           | \$ -              |
| <b>Other</b>                                | \$ (22,420)    | \$ -           | \$ -              |
| <b>Grants</b>                               | \$ 3,218,202   | \$ 3,473,607   | \$ 10,420,831     |
|   |                |                |                   |
| <b>Change In Net Position</b>               | \$ 11,070,587  | \$ 9,719,291   | \$ 29,002,715     |

# FY 2026 YTD CASH FLOWS

| <i>Cash Flow Measure</i>                     | <i>Current Year</i>  | <i>Prior Year</i>     |
|--|----------------------|-----------------------|
| <i>Cash Provided by Operations</i>           | <b>\$ 8,691,648</b>  | <b>\$12,155,482</b>   |
| <i>Cash Provided by Non-Cap Financing</i>    | <b>(4,068)</b>       | <b>(555,775)</b>      |
| <i>Cash Used by Cap Financing</i>            | <b>(16,266,195)</b>  | <b>(17,201,260)</b>   |
| <i>Cash Provided by Investing Activities</i> | <b>1,397,719</b>     | <b>1,558,741</b>      |
| <i>Net Increase (Decrease) in Cash</i>       | <b>(\$6,180,896)</b> | <b>(\$ 4,042,812)</b> |

## COMPARISON:

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

# FY 2026 STATISTICS

| <b><i>Measure</i></b>                          | <b><i>Current Year</i></b> | <b><i>Prior Year</i></b> | <b><i>Budget</i></b> |
|--|----------------------------|--------------------------|----------------------|
| <b><i>Operating Margin</i></b>                 | <b><i>52%</i></b>          | <b><i>51%</i></b>        | <b><i>43%</i></b>    |
| <b><i>Current Ratio<br/>(unrestricted)</i></b> | <b><i>9.5 to 1</i></b>     | <b><i>7.2 to 1</i></b>   | <b><i>n/a</i></b>    |
| <b><i>Debt to Net Assets Ratio</i></b>         | <b><i>1.091 to 1</i></b>   | <b><i>1.288 to 1</i></b> | <b><i>n/a</i></b>    |

# 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, 2026<br/>FY 2026</i> | <b>100%</b><br><b>\$6,692,425</b> | <b>0%</b><br><b>\$1,065</b>   | <b>0%</b><br><b>\$3,384</b>    | <b>0%</b><br><b>\$2,942</b>  |
| <i>January 31, 2025<br/>FY 2025</i> | <b>91%</b><br><b>\$6,160,540</b>  | <b>6%</b><br><b>\$398,759</b> | <b>3%</b><br><b>\$ 175,289</b> | <b>0%</b><br><b>\$28,511</b> |
| <i>January 31, 2024<br/>FY 2024</i> | <b>92%</b><br><b>\$5,326,003</b>  | <b>1%</b><br><b>\$426,435</b> | <b>0%</b><br><b>\$-</b>        | <b>1%</b><br><b>\$39,672</b> |



**Questions and Comments?**

Minutes of Port Commission Meeting  
January 22, 2026  
In Person & Videoconference

A Regular Meeting of the Port Commission of Port Freeport was held January 22, 2026, beginning at 1:04 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**Commissioners present in person:**

Mr. Rob Giesecke, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Kim Kincannon, Secretary  
Mr. Dan Croft, Asst. Secretary  
Ms. Barbara Fratila, Commissioner  
Mr. Ravi Singhania, Commissioner

**Staff Members Present:**

Ms. Heather Cook, Randle Law Firm  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Jason Hull, Director of Engineering  
Mr. Chris Hogan, Director of Protective Services  
Mr. Jason Miura, Director of Business & Economic Development  
Mr. Brandon Robertson, Director of IT  
Mr. Jesse Hibbetts, Director of Operations  
Ms. Missy Bevers, Executive Assistant  
Ms. Amy O'Brien, Controller  
Ms. Christine Lewis, Safety Coordinator  
Mr. Clinton Woodson, Sales Manager  
Ms. Vicki Smith, Accounting Manager  
Ms. Danielle Allen, Procurement Manager  
Mr. Chas Gryseels, Project Engineer (virtual)  
Ms. Emily Henderson, Sales and Marketing Specialist (virtual)  
Ms. Danielle Simonds, Accounting Specialist (virtual)  
Ms. Ruby Dunn, Receptionist (virtual)

**Also, present:**

Mr. Chris Moore, Texas Port Ministry  
Mr. Chad Janosky, Bay-Houston Towing  
Mr. Jason Foltyn, GFT  
Ms. Riley McKay, Randle Law Office  
Ms. Robin Langseth, Red Hook Terminals

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Mr. Chris Moore – Texas Port Ministry.  
Mr. Moore also extended an invitation to the Ministry's annual banquet to be held February 26 at the Dow Academic Center.
3. Pledge of Allegiance – U.S. Flag and Texas Flag

4. Roll Call – Commissioner Giesecke noted that Commissioners were present in the Board Room.
5. Safety Briefing – Ms. Christine Lewis provided tips for preparing your home and staying safe on the road during winter weather.
6. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted.

7. Public Comment – There were no public comments.
8. Public Testimony – There was no public testimony.
9. Receive reports from Executive Staff on activities and matters related to administrative affairs, financial results, facility engineering matters, operations and vessel activity, safety matters, security matters, tenant updates, USCOE, and other related port affairs.

A. Executive Director/CEO

Ms. Saathoff reminded everyone that the workshop continuation is scheduled for February 4 starting at 1:30 p.m. Staff will present a safety update followed by a security matters update that will be addressed in executive session. She reported the U.S. Coast Guard swore in the 28th Commandant of the U.S. Coast Guard, Mr. Kevin Lundy. The Energy and Water Appropriations Bill was passed which means the U.S. Army Corps of Engineers is funded next year. The bill directs 100% use of the Harbor Maintenance Trust Fund and ensures the energy and donor ports receive the allocations as intended under previous guidance as well as an amount to partially make up for what they didn't receive last year because they were operating under a continuing resolution. Ms. Saathoff noted there are some appropriations packages that still have not been passed, and if they are not done by January 30, there will be another continuing resolution or a government shutdown. Mr. Hogan gave an update on the upcoming winter weather stating the arrival time is Saturday evening into Sunday morning with temperatures dropping after midnight. Cold temperatures are expected Sunday, Monday and Tuesday mornings with the ice threat anticipated mainly on Sunday morning but advised to stay aware on Monday because rain is expected for the area all weekend. Ms. Saathoff stated the vessel schedule is light for the weekend with Dole and Del Monte expected at the port docks, two vessels at Dow Chemical, one at LNG and one at Phillips. She stated that the pilots will make sure the vessels are moved timely in the windows that the weather allows as long as it's safe enough. She also pointed out that there was a fatality in Florida recently with a pilot who was disembarking a bulk ship back to the pilot boat. She suggested staff visit with the pilots to discuss what could be learned from the incident also noting the Pilot Commission has supported additional expenditures for the pilot boats to have safer boarding and disembarkation as well as adding more deckhands to help ensure operations are much safer. Ms. Saathoff reported that Red Hook was acquired by Amports and has an item on the agenda addressing a new stevedore license with the change in ownership. She added that the port will not see any change as work will continue as normal. She also reported the port is off to a really good start through the first quarter with operating revenues slightly ahead of budget, expenditures a little less with a net operating income higher than

anticipated. Lastly, the crane commissioning is wrapping up with the final payment of \$1.25 million expected to be made in the coming weeks.

B. Director of Engineering

In addition to his written report, Mr. Hull shared an overall picture of the port area highlighting the completed projects for Area 5, Rider 37 and 5<sup>th</sup> Street. He also gave a brief synopsis showing what's left on the FM1495 TxDOT project.

C. Director of Operations

Mr. Hibbetts reported on operation's statistics stating that the port handled 54 vessels (108 port wide) for the month of December, noting its slightly above prior year. Tonnage from the different sectors is also slightly ahead of last year with Tenaris continuing their strong streak with steel. Operations is also expecting more project cargo. Mr. Hibbetts stated that year-to-date, the port has handled 54,000 vehicles and is at 43,911 TEUs, which equates to almost 22,000 containers at 21,963. The rail sector is holding steady due to the port's OEM customer, with almost 350 rail cars arriving for the month of December. The forecast for January projects another 54 vessels. He also gave a brief update on the new cranes noting the ZPMC crew will be leaving at the end of the month. The crane operators are still adjusting to the different height and feel of the cranes but will soon get back up to the moves per hour as they were with the older cranes. He also noted the trolley rail repairs has been completed and came in at budget adding that the crane operators have noticed a dramatic difference in the smoothness of the trolley rail.

D. Director of Business & Economic Development

Mr. Miura stated that his department is gearing up for the Q1 conference circuit to generate new business for the port and continue providing positive economic impact to the community. He reported that MARAD announced that award announcements for the PIDP 2025 will now occur in February. As a reminder, Mr. Miura stated the port submitted an application for Area 4. The deadline to apply for the new PIDP 2026 grant program has been extended. Staff will determine what project will be submitted for 2026 once the results of 2025 are released and if that project was successful. Additionally, TxDOT reached out to have an initial kickoff meeting to discuss the Raise Grant project which is to improve the truck queuing area across from Gate 8.

E. Chief Financial Officer

Mr. Lowe presented the December year-to-date financial results. He also introduced Ms. Danielle Allen, who is the new procurement manager.

10. Receive reports from Commissioners on matters related to Port Commission-related meetings or conferences, Port presentations and other Port-related matters.

January 16 Business Development Meeting – Commissioner Singhania reported the committee evaluated a business opportunity in executive session.

January 16 Finance Committee Meeting – Commissioner Croft reported the committee discussed two items, the budget for the International Fresh Produce Association, Global Produce and Floral Show and the Texas A&M Transportation Institute Economic Impact Study. Both items yielded no issues or concerns.

Commissioner Croft reported attending the Brazoria Chamber Luncheon, Brazosport Roundtable, Brazosport Chamber Luncheon, the San Bernard River Fest and the Brazoria County Economic Development Alliance Quarterly Meeting.

Commissioner Fratila reported attending the Friends of the River Breakfast, Brazosport Chamber Luncheon, Pilot meeting and committee meetings.

Commissioner Santos reported attending the Angleton Chamber Luncheon, the Riviana plant tour, the Angleton Volunteer Fireman's Banquet and the BCCA meeting.

Commissioner Kincannon also attended the BCCA meeting.

Commissioner Singhanian also reported attending several of the meetings previously mentioned in addition to the Lake Jackson Business Association, Brazosport Chamber Luncheon, Riviana tour and Angleton Chamber Luncheon.

Commissioner Giesecke also attended the Riviana tour and spoke to the Alvin Sunrise Rotary Club.

#### 11. Consent Agenda.

- A. Approval of Minutes from the Regular Meeting held December 18, 2025.
- B. Approval of financial reports for the periods ending November 30, 2025 and December 31, 2025.

A motion was made by Commissioner Singhanian to approve the consent agenda. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

#### 12. Approval of granting the U.S. Army Corps of Engineers a Temporary Dredge Material Placement Area Easement on Placement Area 1.

Mr. Hull stated that the port is required by the Project Partnership Agreement to grant the Corps of Engineers a temporary dredge material placement area easement noting the previous easement was valid from August 2004 to 2024. This easement will carry it forward and fulfill the port's requirement to give the Corps access to the placement area which will be valid from the day it is signed to December 31, 2045. Mr. Hull recommends approval and noted that staff is still waiting on the document to sign from the Corps of Engineers who had a small fire earlier in the year and has not been allowed to reoccupy their offices. Once staff receives the document, Ms. Saathoff will execute.

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

#### 13. Approval of Change Order No. 1 for the Rider 37 Roadways Project.

Mr. Hull stated this Rider 37 project was originally a \$9 million contract and had some deductions in the scope amounting to \$740,309.24. 180 days were also added to the contract. TxDOT has requested this project be zeroed out, so staff is requesting approval on a deductive

change order. He also noted that like the previous item, there is no document to sign at this time. Ms. Saathoff will execute once it's received. Mr. Hull recommends approval.

A motion was made by Commissioner Santos to approve the deductive change order as presented. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

14. Approval of an Economic Impact Study to be performed by the Texas A&M Transportation Institute (TTI), for an amount not to exceed \$87,000.

Mr. Miura stated this was presented to the finance committee receiving full support to move forward with the economic impact study by Texas A&M Transportation Institute. He stated that this study is done every two years with the last study performed in 2022. Staff recommends engaging Texas A&M Transportation Institute to perform the study for an amount not to exceed \$87,000 and to authorize Ms. Saathoff to execute an agreement affecting the same. Mr. Miura stated the study will take about seven months to complete once the Master Research Agreement is executed. Legal has reviewed the document. Mr. Miura also noted this is an in depth study that captures the activity along the Freeport Harbor Channel and involves making outreach to the private terminals, collecting the payroll figures, job numbers, etc., and takes a bit of time to collect the data.

A motion was made by Commissioner Singhania to approve the study. The motion was seconded by Commissioner Croft with all Commissioners present voting in favor of the motion.

15. Approval of budget for the International Fresh Produce Association's Global Produce and Floral Show to be held October 14-16, 2026.

Mr. Miura stated that staff presented this opportunity to the finance committee receiving full support. He stated that in October 2025, staff attended the IFPA Global Produce and Floral Show and felt it was a great success which led to many opportunities that are still developing and would recommend participating again. Walmart, Target, Kroger, HEB, Del Monte, Dole, Chiquita, Fyffes, Maersk, Hapag-Lloyd are some of the companies that participated in the conference, many of which are customers of the port. This conference provides a chance for staff to connect with them and develop new opportunities. Mr. Miura stated that a very detailed line-item budget was reviewed with the finance committee and based on actual expenses incurred in 2025, staff is requesting approval of \$44,000 for this year's conference.

A motion was made by Commissioner Singhania to approve the budget. The motion was seconded by Commissioner Kincannon with all Commissioners present voting in favor of the motion.

16. Approval of a Stevedore License Application submitted by Red Hook Terminals.

Mr. Hibbetts stated that, as previously mentioned, Amports recently acquired Red Hook Terminals. Per the port's tariff, if ownership changes hands, a new stevedore license application must be submitted. He introduced Ms. Robin Langseth with Red Hook who was available for any questions. Mr. Hibbetts clarified that the Red Hook entity is not changing, only the ownership of the company which is now under Amports. He stated that Red Hook

has submitted all the necessary paperwork for the license and checked all the boxes including insurance. Staff does not have any reservations and recommends approval.

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

17. Approval of Executive Director/CEO and Commissioners' travel for the AAPA Annual Convention to be held September 28-30, 2026 in New Orleans, LA.

Ms. Saathoff stated that while it is early to request approval for this convention, the American Association of Port Authorities has been upgrading their system and process for the seminars and conventions and is opening the portals much earlier than before. This particular event is expected to open in the first quarter. Staff wants to be ready so that registration and hotel rooms can be secured at the location of the conference.

A motion was made by Commissioner Kincannon to approve the Executive Director/CEO and Commissioners' travel for the AAPA Annual Convention to be held in September in New Orleans. The motion was seconded by Commissioner Singhanian with all Commissioners present voting in favor of the motion.

18. 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 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 551.076 (Deliberation of Security Matters):

1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.

C. Under authority of Section 551.087 (Economic Development Negotiations or Incentives):

1. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.
  - i. Business and Economic Development Report including potential offers of financial or other incentives to the business prospect.
2. To deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

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

1. 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, 3, 5, 7 and 8.
  2. The potential lease or value of real property located at Port Freeport or adjacent to Port Freeport, including but not limited to Parcel 1.
  3. The potential exchange, lease, or value of real property located at Port Freeport, including but not limited to Parcels 14, 19, 27, 31, 34 and property on Quintana Island.
- E. 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.

19. RECONVENED OPEN SESSION:

20. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:07 PM.

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Rob Giesecke, Chairman

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Rudy Santos, Vice Chairman

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Kim Kincannon, Secretary

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Dan Croft, Asst. Secretary

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Barbara Fratila, Commissioner

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Ravi K. Singhanian, Commissioner

Port Commission Special Meeting  
February 4, 2026  
In Person & Videoconference

A Special Meeting of the Port Commission of Port Freeport was held February 4, 2026, beginning at 1:35 PM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

**Commissioners present in person:**

Mr. Rob Giesecke, Chairman  
Mr. Rudy Santos, Vice Chairman  
Mr. Kim Kincannon, Secretary  
Mr. Dan Croft, Asst. Secretary  
Ms. Barbara Fratila, Commissioner  
Mr. Ravi Singhania, Commissioner

**Staff Members Present:**

Mr. Grady Randle, Randle Law Firm  
Ms. Phyllis Saathoff, Executive Director/CEO  
Mr. Rob Lowe, Director of Administration/CFO  
Mr. Chris Hogan, Director of Protective Services  
Mr. Jesse Hibbetts, Director of Operations  
Mr. Brandon Robertson, Director of IT  
Ms. Missy Bevers, Executive Assistant  
Ms. Amanda Veliz, Public Affairs Manager  
Ms. Christine Lewis, Safety Coordinator

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Roll Call - Commissioner Giesecke noted that all Commissioners were present in the Board Room.
3. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.

There were no conflicts noted by Commissioners.

4. Public Comment – There was no public comment.
5. Public Testimony – There was no public testimony.
6. Continuation of November 17, 2025 Planning Workshop for Port Freeport regarding the following:

A. Safety Update.

***Safety Update***

Ms. Lewis gave a safety update covering the port's past performance, current priorities and what lies ahead as safety remains a top priority. She explained that by being engaged with

tenants, labor, OTR (over the road) drivers, contractors and vessel calls, staff can identify risks early, respond quickly and reduce delays. Using a graph to depict 3 years (2023-2025) of safety events, she noted the key outcomes from fiscal year 2025 show zero recordable injuries, a decrease in safety violations by 29%, and only one spill recorded across the year. There was a rise in health related call outs that included three heat related cases which reinforces the need for hydration, rest cycles and acclimation plans. Property damage incidents were slightly up from 2024 with things like gate arm strikes, but they still remain below fiscal year 2023. Safety responded to three fire incidents (1 preventable dumpster fire and 2 non-preventable events) which included a grass fire sparked by a power line wire burning and a power pack battery explosion. The port's fire buggies were instrumental in rapid mitigation for both instances. Building on performance, Ms. Lewis stated that as of February 4, 2026, Port Freeport staff has achieved 500 days without a time loss injury which is a major accomplishment and belongs to every person who planned the job, wore the PPE and looked out for their teammate. Looking ahead, Ms. Lewis noted the port's focus areas as port operations continue to expand...

**Safety Productivity:** Maintaining speed and quality without compromising safety standards.

**Daily Communication:** Updates with tenants, laborers and drivers to prevent repeat issues.

**Targeted Training:** PPE compliance and operational needs, including staff, contractors and RORO Rodeo participants.

**Project & Cargo Planning:** Aligning safety with construction activities, heavy lifts and oversized moves.

**Traffic & Congestion Management:** Planning for the bottleneck peak hours.

**Observation & Support:** Routine field walkabouts and quarterly tenant safety meetings.

**Recognition Enforcement:** On the spot recognition and celebrating wins annually.

With regard to safety production, Ms. Lewis stated that coordination of vessel schedules, dock work, yard work and road usage must be synchronized with clear communication before, during and after operations. Tailgate meetings are held prior to commencement of operations and PPE standards remain non-negotiable. Ms. Lewis shared pictures of steel bar labor wearing appropriate Class 2 high-visibility vest, steel toed shoes and hard hats while line handler teams wear approved high-visibility flotation devices. Safety continues to fine tune traffic and crossing controls by deploying auto flaggers where appropriate, reduce exposure and improve flow. They also coordinate with uniformed officers during Ro/Ro activities to maintain safe crossings and consistent guidance. She noted that visual cues and physical controls are selected based on the risk level, time of day, and volume. Ms. Saathoff commented on the pictures being shared stating that they show what's trying to be managed and why it's considered such an important intersection for additional safety procedures reminding the commission that staff insisted on adding uniformed personnel to man the area when the port has vehicles crossing. The construction has added more complexity to the intersection making it even more important for coordination between the contractors. Ms. Lewis spoke to the ongoing safety efforts that include four fire suppressant systems in service: two fire buggies and two security patrol trucks which are positioned for rapid

response with the buggies staged at Dock 7 and Dock 2. Routine inspections are performed on the buggies, extinguishers, and AEDs. Safety also monitors daily operations, attends tailgate meetings, and conducts thorough investigations on incidents, construction hazards, and traffic delays. In the moment safe behavior is also recognized, and the port supports projects with improved signage and safety equipment, so controls are clear and consistent. Ms. Lewis stated the annual RORO Rodeo provided employees, labor, tenants and partners hands-on training with high and heavy equipment and one of the fire suppressant buggies. The event reinforces confidence and reduces equipment and property damage through practice and sharpens response for unrealistic conditions. Ms. Saathoff noted that earlier Ms. Lewis mentioned property damage in the three-year slide stating the port has not had cargo equipment damage this past year, which is largely attributed to the port's RORO Rodeos and the continued emphasis on safety. Ms. Lewis also noted that labor is fully trained with the fire buggies and can operate them if there is an incident. Moving forward, staff wants to work with the fire department to let them know what sources the port has available to aid them in getting their job done when access is needed onto the RORO vessels. The rescue container training brought stevedores, ILA members, non-union workers and tenants together for a walk-through of the container layout and onboard tools allowing participants to familiarize themselves with equipment which will save time when operation of the container is necessary. Project cargo demands careful planning with staff coordinating traffic control, movement schedule during non-peak hours when possible and mapping out routes in advance. The safety team assist the movements inside the port by spotting, verifying controls and enforcing PPE compliance to ensure smooth, predictable movements from start to finish. Ms. Lewis stated that every vessel, vendor and contractor receives a safety packet, outlining expectations and common questions. When incidents occur, safety responds immediately, gathering facts onsite and initiates corrective actions to prevent recurrences. She shared photos of a recent contractor loadout incident where the driver failed to set his braking system or use wheel chocks while loading. No one was hurt, but it could have been worse. Safety reinforced controls with safety signage as reminders. Ms. Lewis then noted the following high activity areas where safety's attention is concentrated at...

- Non-TWIC Check-In Lot
- Parcel 14/19 Staging Area for AMPORTS
- Del Monte Truck Staging
- AMPORTS Check-In Area
- Chiquita Scales
- Dole Interchange
- Vessel Operations

She stated that being visible, accessible and proactive in these locations helps staff coach in real time and intercept issues before they escalate. Safety has invested in safety equipment that improves safety controls and readiness like a new auto flagger for traffic control, Brazos Pilots' safety stairs that aids pilots when boarding or disembarking a vessel, and a bulk purchase of safety cones that standardize temporary controls when needed. The Port also extends a safety plan to community events with a pre-event risk review, hydration plan, shade, rest and a clear communication plan in case of an incident. For the Take-a-Child Fishing Tournament, safety operated a dedicated first aid station and coordinated closely with Freeport EMS to be ready if a situation arose. The same planning model was applied to

the Port Freeport Annual Golf Tournament. Safety was also on hand for briefings for the Centennial Community Tours. Ms. Lewis then highlighted the safety projects for 2026...

- Evaluate and upgrade gates and directional signage across the port to confirm designated fixed locations.
- Ensure all safety and security vehicles have the appropriate first aid kits, AEDs, fire extinguishers, shelter-in-place supplies and that all staff has the escape hoods required.
- Continue routine assessments of safety needs.
- Purchase a second auto flagger.
- Continue to update the safety brochure for OTR truckers, contractors and vendors to align with current operations.
- Keep recognition strong through an Employee Appreciation Luncheon and the safety awards.

Lastly, Ms. Lewis stated that staff continues to advance port-wide safety through targeted projects and strong engagements, adding that current initiatives include managing speed along the long straights, supporting major community events, improving hydration and wellness on site and expanding access to essential safety equipment across the facility. Safety's engagement remains the multiplier with quarterly tenant safety committee meetings, quarterly walkabouts, monthly safety staff training, joint safety meetings, tailgate briefings project cargo coordination, opening of new facilities and active participation in the community events. Ms. Saathoff stated that Ms. Lewis is doing a great job with the increased demand because of the amount of cargo moving through the port, adding that every time a customer and cargo are added it increases activity and the need for safety in operations. She further commented that the numbers are good, so the program is effective and is an organization wide effort by everyone.

7. 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).
  - B. Under authority of Section 551.076 (Deliberation of Security Matters) for discussion regarding:
    1. Discussion regarding issues related to the deployment, or specific occasions for implementation of security personnel or devices or security audit and services.
8. RECONVENE OPEN SESSION:

Commissioner Giesecke noted that Commissioner Singhania left the meeting during executive session at 4:32 p.m.
9. Adjourn.

With no further business before the Commission, the meeting adjourned at 5:14 PM.

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Rob Giesecke, Chairman

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Rudy Santos, Vice Chairman

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Kim Kincannon, Secretary

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Dan Croft, Asst. Secretary

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Barbara Fratila, Commissioner

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Ravi K. Singhania, Commissioner



1100 CHERRY ST., FREEPORT, TX 77541  
(979) 233-2667 1 (800) 362-5743 FAX: (979) 373-0023

## Interim Financial Report

(unaudited)

For the Period ending:

January 31, 2026

PORT COMMISSION

ROB GIESECKE, CHAIRMAN, RUDY SANTOS, VICE CHAIRMAN, KIM KINCANNON, SECRETARY, DAN CROFT, ASST. SECRETARY,

BARBARA FRATILA, COMMISSIONER, RAVI K. SINGHANIA, COMMISSIONER, PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

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## Management Narrative

For the first four months of fiscal year 2026, the Port remained on a sound financial foundation with operating revenues at planned levels. Further, operating expenses were below planned levels by a factor of 15%. These factors combined have contributed to producing an operating profit of \$10,408,224, and an operating margin of 52%, which is above planned performance levels by 20% or \$1,727,509 and is \$659,348 or 7% above the prior year's results.

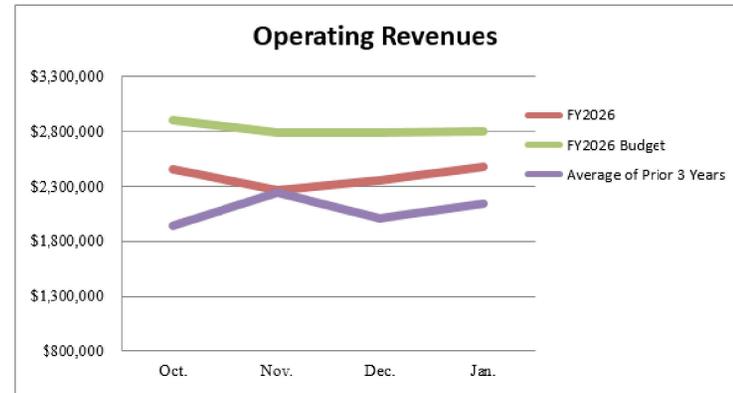
The Port's overall position remains strong as evidenced in a current ratio (unrestricted) of 9.458 to 1, which reflects a strong position of liquidity, and a debt ratio of 109.1%, which is supported by our strong credit rating. The following table provides additional summary level information.

|  | Year to Date   |                              | Variance Favorable (Unfavorable) | % Var |
|--|----------------|------------------------------|----------------------------------|-------|
|  | Actuals        | Budget                       |                                  |       |
| <b>Statement of Revenues, Expenses and Changes in Net Assets</b> |                |                              |                                  |       |
| Operating revenues   | \$ 19,961,210  | \$ 19,962,024                | \$ (814)                         | 0%    |
| Operating expense  | 9,552,986      | 11,281,309                   | 1,728,323                        | 15%   |
| Operating income (loss)  | 10,408,225     | 8,680,715                    | 1,727,510                        | 20%   |
| Operating margin   | 52.1%          | 43.5%                        |                                  |       |
| Net non operating revenues (expense)                             | (2,533,419)    | (2,435,031)                  | (98,388)                         | 4%    |
| Capital contributions  | 3,218,202      | 3,473,607                    | (255,405)                        | -7%   |
| Net extraordinary revenue (expense)                              | (22,420)       | -                            | (22,420)                         | 0%    |
| Change in net assets   | \$ 11,070,587  | \$ 9,719,291                 | \$ 1,351,297                     |       |
| <b>Balance Sheet</b>   |                |                              |                                  |       |
| Cash and cash equivalents  | \$ 72,522,293  | Current ratio (unrestricted) |                                  |       |
| Lease receivable   | 180,260,753    | (Exclusive of GASB 87)       |                                  |       |
| Current unrestricted assets (less lease receivable)              | 42,350,018     | 9.458 to 1                   |                                  |       |
| Total assets   | 805,992,869    |                              |                                  |       |
| Current unrestricted liabilities                                 | 4,477,535      | Debt to Net Assets Ratio     |                                  |       |
| Total liabilities  | 337,597,198    | 109.1%                       |                                  |       |
| Deferred inflow of resources                                     | 164,224,887    |                              |                                  |       |
| Total Net Assets   | \$ 304,170,784 |                              |                                  |       |

The balance of this narrative provides detailed explanations and supplementary information for the variances when comparing budget to actual for the first month of fiscal year 2026 ending January 31, 2026.

## OPERATING REVENUES

Total operating revenues for the period ending January 31, 2026, are \$19,961,210. This at planned levels. The following provide more specific explanations for variances in revenue:



Wharfage revenue stands at \$7,227,335 which is 1% above the budget of \$7,147,318. The following is a brief analysis of wharfage results by cargo category:

|                      | 4 Months Budget | Year To Date | Over (Under) | % Over (Under) |
|----------------------|-----------------|--------------|--------------|----------------|
| Agriculture Products | \$ 351,459      | \$ 103,471   | \$ (247,988) | -71%           |
| Bulk Aggregate       | -               | 206,500      | \$ 206,500   |                |
| Containerized Cargo  | 1,070,513       | 933,247      | \$ (137,267) | -13%           |
| General Cargo        | 4,754,833       | 5,207,101    | \$ 452,268   | 10%            |
| Project Cargo        | 111,667         | -            | \$ (111,667) | 0%             |
| Ro-Ro Cargo          | 858,845         | 777,016      | \$ (81,829)  | -10%           |
| Total                | \$ 7,147,318    | \$ 7,227,335 | \$ 80,018    | 1%             |

Dockage revenue stands at \$3,825,437 which is \$65,615 or 2% below budgeted levels. Year-to-date ship calls are 215 compared to a budget of 241.

Equipment use fees stand at \$825,427 which is under budget \$38,249 or 4%.

**Security fees** stand at \$1,549,251 which is \$199,154 or 26% above budget.

**Facility use fees** are \$964,002. This is over budget by \$199,154 or 26%.

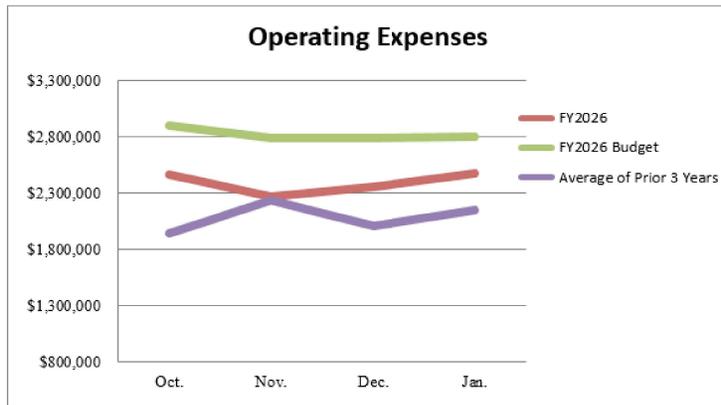
**Other customer service fees** (Port service charges, incidental services, customer re-bills, water, etc.) are \$676,265 which is \$61,159 or 8% below budgeted levels.

**Ground leases** stand at \$4,582,926, which is \$153,658 or 3% below budget.

**Other leases** are at \$310,033 which is \$19,077 or 7% above budgeted level.

**OPERATING EXPENSES**

**Total operating expenses** are \$9,552,986, which is under budget \$1,728,323 or 15% for the four months ending January 31, 2026. The following are more specific explanations for variances in operating expenses:



**Port salaries/wages and benefits** are \$1,813,537. This is \$497,769 or 22% less than the budget. This is due to delays in filling open positions.

**Professional services** are \$1,114,168 which is under budget 24% or \$361,205.

**Training, travel & promotional** expenses are \$270,463 which is below budget \$100,552 or 27%. The following is a brief explanation of some of the sub-categories within this line item:

- Commercial advertising is \$102,030, which is below budgeted levels by \$112,309 or 52%.

- Sales/promotional travel costs are \$13,503, which is below the budgeted level by \$15,119.
- Governmental relations costs are \$2,641 which is below budget by \$8,936 or 77% due to timing of government related travel.
- Community events are \$113,027 which is above budgeted levels \$64,639 or 134%. This is due to the timing of events such as the Centennial Celebration.
- Technical training is \$16,834 which is \$29,810 or 64% under budget due to timing or postponement of training and onboarding personnel.

**Supplies** are \$72,835 which is below the budget by \$3,651 or 5%.

**Utilities** are \$544,785, which is \$116,121 or 27% above budget. This is due to the timing of pass through invoices being issued to customers.

**Business insurance** is \$831,360 which is \$149,492 or 15% below budgeted levels.

**Other services and charges** at \$217,904 are \$41,615 or 16% below budget.

**Maintenance and repair** expenses at \$526,959 are \$90,393 or 21% above budget. Following is a brief explanation of some of the repairs by facility/equipment type:

- Planned maintenance of the drives on cranes 1 and 2, \$98,680.
- Air processor repair kit ordered in July of 25, and received January 2026 \$10,303.

**Depreciation** expense at \$4,160,975 is \$780,553 or 16% below budget.

**Operating income** is \$10,408,224 compared to the January 2026 budget of \$8,680,715. Twenty percent above budget.

**NON-OPERATING REVENUES (EXPENSES)**

**Ad Valorem tax collections** are budgeted at zero for FY2025 due to the resolution taking the debt service tax rate to zero. The expenses budgeted here are appraisal district, assessor, and collector fees. For the period through January 31, 2026, the net revenue of ad valorem taxes collected was \$11,231.

**Investment income** is \$1,444,742, which is below budget by 2% due to changes in fair market values, funds invested in capital projects, and interest rates.

**Debt interest and fees** are \$3,973,542 which is \$65,039 or 2% above budgeted levels.

**Capital Contributions to Others** There are no planned capital contributions to other in the fiscal year 2026 budget. \$15,850 has been spent year to date on Berth 3 floodwall modifications.

**Grant Revenue** budgeted through January of fiscal year 2026 is \$3,473,607. The grant revenue is funded on a reimbursement basis, so the capital contributions are recorded when the expenditures for each project are reported quarterly. \$3,218,202 has been received from partners such as FEMA and TxDot.

**Extraordinary Item** is emergency recovery efforts from the July 2024 Hurricane Beryl damages. Repair efforts are complete. Total expense in fiscal year 2025 are \$4,385,365 including repairs to the cranes and port buildings. Fiscal year 2026 expenses are \$22,420 for the period ending January 31, 2026. FEMA has committed to reimburse an additional \$2,307,116.

**PORT FREEPORT  
BALANCE SHEET**

|   | <u>1/31/2026</u>      | <u>9/30/2025</u>      |
|---|-----------------------|-----------------------|
| <b>ASSETS</b>   |                       |                       |
| <b>CURRENT ASSETS:</b>                                  |                       |                       |
| CASH AND CASH EQUIVALENTS                               | \$ 32,390,799         | \$ 29,134,908         |
| INVESTMENTS   |                       |                       |
| RECEIVABLES (net of allowance for uncollectibles):      |                       |                       |
| TRADE ACCOUNTS  | 6,659,866             | 6,665,489             |
| PROPERTY TAXES  | 18,765                | 20,905                |
| LEASE RECEIVABLE  | 180,260,753           | 180,260,753           |
| OTHER   | (97,751)              | (235,929)             |
| OTHER GOVERNMENTS                                       | 893,967               | 880,287               |
| ACCRUED INTEREST  | 0                     | 0                     |
| PREPAIDS  | 789,738               | 959,055               |
| INVENTORY   | 1,694,633             | 1,693,965             |
| <b>TOTAL UNRESTRICTED CURRENT ASSETS</b>                | <b>\$ 222,610,771</b> | <b>\$ 219,379,433</b> |
| <b>RESTRICTED ASSETS:</b>                               |                       |                       |
| CASH AND CASH EQUIVALENTS                               | 40,131,494            | 50,161,240            |
| INVESTMENTS   | 45,039,976            | 44,447,016            |
| RECEIVABLES (net of allowance for uncollectibles):      |                       |                       |
| PROPERTY TAXES  | 27,562                | 32,542                |
| OTHER   | -                     | (1,783)               |
| ACCRUED INTEREST  | 106,124               | 59,101                |
| BOND DISCOUNTS AND ISSUANCE COSTS                       | 3,116                 | 3,116                 |
| <b>TOTAL RESTRICTED ASSETS</b>                          | <b>85,308,271</b>     | <b>94,701,232</b>     |
| <b>TOTAL CURRENT ASSETS</b>                             | <b>307,919,041</b>    | <b>314,080,666</b>    |
| <b>PROPERTY, PLANT, AND EQUIPMENT:</b>                  |                       |                       |
| PROPERTY, PORT, AND FACILITIES                          | 632,962,554           | 619,832,717           |
| LESS ACCUMULATED DEPRECIATION                           | (134,888,727)         | (130,727,752)         |
| PROPERTY, PLANT, AND EQUIPMENT NET                      | 498,073,828           | 489,104,965           |
| <b>TOTAL ASSETS</b>                                     | <b>\$ 805,992,869</b> | <b>\$ 803,185,631</b> |
| <b>LIABILITIES</b>                                      |                       |                       |
| <b>CURRENT LIABILITIES:</b>                             |                       |                       |
| ACCOUNTS PAYABLE  | \$ 2,840,989          | \$ 5,465,838          |
| EQUIPMENT LEASE PAYABLE                                 | -                     | -                     |
| ACCRUED COMPENSATED ABSENCES                            | 0                     | 144,548               |
| UNEARNED LEASE INCOME                                   | 1,636,546             | 4,763,160             |
| <b>TOTAL CURRENT LIABILITIES</b>                        | <b>\$ 4,477,535</b>   | <b>\$ 10,373,546</b>  |
| <b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS:</b>      |                       |                       |
| ACCRUED BOND INTEREST PAYABLE                           | 1,412,344             | 3,491,349             |
| BONDS PAYABLE   | 7,590,000             | 7,590,000             |
| <b>TOTAL CURRENT LIABILITIES FROM RESTRICTED ASSETS</b> | <b>9,002,344</b>      | <b>11,081,349</b>     |
| <b>NON-CURRENT LIABILITIES</b>                          |                       |                       |
| BONDS PAYABLE   | 303,775,000           | 303,775,000           |
| BOND PREMIUMS   | 20,342,319            | 20,630,652            |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                    | <b>324,117,319</b>    | <b>324,405,652</b>    |
| <b>TOTAL LIABILITIES</b>                                | <b>\$ 337,597,198</b> | <b>\$ 345,860,548</b> |
| <b>DEFERRED INFLOW OF RESOURCES</b>                     |                       |                       |
| DEFERRED INFLOW OF RESOURCES                            | 164,224,887           | 164,224,887           |
| <b>TOTAL DEFERRED INFLOW OF RESOURCES</b>               | <b>\$ 164,224,887</b> | <b>\$ 164,224,887</b> |
| <b>NET ASSETS</b>                                       |                       |                       |
| NET INVESTMENT IN CAPITAL ASSETS                        | \$ 296,653,972        | \$ 295,802,273        |
| RESTRICTED-DEBT SERVICE                                 | 19,254,651            | 16,746,235            |
| RESTRICTED-CAPITAL PROJECTS (Corps)                     | 12,216                | 12,242                |
| RESTRICTED CONTRIBUTED TO OTHERS                        | 48,223,734            | 47,707,974            |
| RESERVE FOR CAPITAL IMPROVEMENTS                        | 13,393,934            | 13,272,355            |
| UNRESTRICTED DEBT CONTRIBUTED TO OTHERS                 | (127,145,689)         | (127,218,419)         |
| UNRESTRICTED  | 53,777,964            | 46,777,536            |
| <b>TOTAL NET ASSETS</b>                                 | <b>\$ 304,170,783</b> | <b>\$ 293,100,196</b> |

**PORT FREEPORT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
January 31, 2026

|   | YEAR TO DATE         | PRIOR YEAR TO DATE  | % OVER (UNDER) | 4 MONTHS BUDGET     | OVER (UNDER)        | % OVER (UNDER) | TOTAL 2025/2026 BUDGET |
|---|----------------------|---------------------|----------------|---------------------|---------------------|----------------|------------------------|
| <b>OPERATING REVENUES:</b>  |                      |                     |                |                     |                     |                |                        |
| Wharfage  | \$ 7,227,335         | \$ 6,692,856        | 8%             | \$ 7,147,316        | \$ 80,019           | 1%             | \$ 21,441,953          |
| Dockage & deep water berth  | 3,825,437            | 3,634,021           | 5%             | 3,891,052           | (65,615)            | -2%            | 11,673,160             |
| Equipment & pallet use fees   | 825,427              | 810,981             | 2%             | 863,676             | (38,249)            | -4%            | 2,591,025              |
| Facility use fees   | 964,002              | 797,463             | 21%            | 764,848             | 199,154             | 26%            | 2,294,545              |
| Security Fees   | 1,549,251            | 1,390,620           | 11%            | 1,283,836           | 265,415             | 21%            | 3,851,515              |
| Other Customer Service Fees   | 676,265              | 637,153             | 6%             | 737,424             | (61,159)            | -8%            | 2,182,675              |
| Ground leases   | 4,582,926            | 4,625,893           | -1%            | 4,736,584           | (153,658)           | -3%            | 14,209,747             |
| Other leases  | 310,033              | 302,659             | 2%             | 290,956             | 19,077              | 7%             | 881,373                |
| GASB 87 Lease recognition   | -                    | -                   | 0%             | -                   | -                   | 0%             | -                      |
| Other revenue   | 535                  | 8,392               | -94%           | 246,332             | (245,798)           | -100%          | 739,000                |
| Business interruption Claim   | -                    | -                   | 0%             | -                   | -                   | 0%             | -                      |
| <b>Total Operating Revenues</b>                                     | <b>19,961,210</b>    | <b>18,900,038</b>   | <b>6%</b>      | <b>19,962,024</b>   | <b>(814)</b>        | <b>0%</b>      | <b>59,864,993</b>      |
| <b>OPERATING EXPENSES:</b>  |                      |                     |                |                     |                     |                |                        |
| Port salaries/wages   | 1,334,703            | 1,288,447           | 4%             | 1,789,267           | (454,564)           | -25%           | 5,287,826              |
| Port employee benefits  | 478,834              | 420,559             | 14%            | 522,039             | (43,205)            | -8%            | 1,791,996              |
| Professional services   | 1,114,168            | 1,169,810           | -5%            | 1,475,373           | (361,205)           | -24%           | 4,446,506              |
| Training, travel, and promotional                                   | 270,463              | 269,668             | 0%             | 371,015             | (100,552)           | -27%           | 973,992                |
| Supplies  | 72,835               | 72,997              | 0%             | 76,486              | (3,651)             | -5%            | 235,400                |
| Utilities   | 544,785              | 325,189             | 68%            | 428,664             | 116,121             | 27%            | 1,286,013              |
| Business Insurance  | 831,360              | 933,946             | -11%           | 980,852             | (149,492)           | -15%           | 2,942,554              |
| Other services & charges  | 217,904              | 134,163             | 62%            | 259,519             | (41,615)            | -16%           | 799,432                |
| Maintenance & repair  | 526,959              | 479,994             | 10%            | 436,566             | 90,393              | 21%            | 1,388,618              |
| Depreciation  | 4,160,975            | 4,056,388           | 3%             | 4,941,528           | (780,553)           | -16%           | 14,824,585             |
| <b>Total Operating Expenses</b>                                     | <b>9,552,986</b>     | <b>9,151,162</b>    | <b>4%</b>      | <b>11,281,309</b>   | <b>(1,728,323)</b>  | <b>-15%</b>    | <b>33,976,922</b>      |
| <b>OPERATING INCOME (LOSS)</b>                                      | <b>10,408,224</b>    | <b>9,748,876</b>    | <b>7%</b>      | <b>8,680,715</b>    | <b>1,727,509</b>    | <b>20%</b>     | <b>25,888,071</b>      |
|   | 52%                  | 52%                 |                | 43%                 |                     |                | 43%                    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                            |                      |                     |                |                     |                     |                |                        |
| Ad Valorem tax collections  | 11,231               | (18,355)            | -161%          | -                   | 11,231              | -              | -                      |
| Investment income   | 1,444,742            | 1,839,123           | -21%           | 1,473,472           | (28,730)            | -2%            | 4,420,422              |
| Gain (loss) on sale of assets                                       | -                    | -                   | 0%             | -                   | -                   | 0%             | -                      |
| Debt interest and fees  | (3,973,542)          | (4,082,429)         | -3%            | (3,908,503)         | 65,039              | 2%             | (11,726,609)           |
| <b>CAPITAL CONTRIBUTIONS (TO) FROM OTHERS:</b>                      |                      |                     |                |                     |                     |                |                        |
| Freeport Harbor Improvement Project                                 | -                    | -                   | 0%             | -                   | -                   | -              | -                      |
| Berth 2 Floodwall Modifications                                     | (15,850)             | -                   | 0%             | -                   | -                   | -              | -                      |
| Contributed Capital-Other   | -                    | -                   | 0%             | 0                   | 0                   | 0%             | -                      |
| <b>OTHER:</b>   |                      |                     |                |                     |                     |                |                        |
| Dredge material placement fees                                      | -                    | -                   | 0%             | -                   | -                   | 0%             | -                      |
| <b>Total Non-Operating Revenue (Expenses)</b>                       | <b>(2,533,419)</b>   | <b>(2,261,661)</b>  | <b>12%</b>     | <b>(2,435,031)</b>  | <b>(98,388)</b>     | <b>4%</b>      | <b>(7,306,187)</b>     |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND EXTRAORDINARY EXPENSE</b> | <b>7,874,804</b>     | <b>7,487,215</b>    | <b>5%</b>      | <b>6,245,684</b>    | <b>1,629,120</b>    | <b>26%</b>     | <b>18,581,884</b>      |
| <b>CAPITAL CONTRIBUTIONS:</b>                                       |                      |                     |                |                     |                     |                |                        |
| Grants:   |                      |                     |                |                     |                     |                |                        |
| Grants Port-Freeport  | 3,218,202            | -                   | 0%             | 3,473,607           | (255,405)           | -7%            | 10,420,831             |
| <b>Total Capital Contributions-Grants</b>                           | <b>3,218,202</b>     | <b>-</b>            | <b>0%</b>      | <b>3,473,607</b>    | <b>(255,405)</b>    | <b>-7%</b>     | <b>10,420,831</b>      |
| <b>EXTRAORDINARY ITEM</b>   |                      |                     |                |                     |                     |                |                        |
| Emergency Recovery Efforts - Hurricane                              | (22,420)             | (568,070)           | -96%           | -                   | (22,420)            | 0%             | -                      |
| <b>Net Extraordinary Income (Expense)</b>                           | <b>(22,420)</b>      | <b>(568,070)</b>    | <b>-96%</b>    | <b>-</b>            | <b>(22,420)</b>     | <b>0%</b>      | <b>-</b>               |
| <b>CHANGE IN NET POSITION</b>                                       | <b>\$ 11,070,587</b> | <b>\$ 6,919,145</b> | <b>60%</b>     | <b>\$ 9,719,291</b> | <b>\$ 1,351,296</b> | <b>14%</b>     | <b>\$ 29,002,715</b>   |

**STATEMENT OF CASH FLOWS**  
January 31, 2026

|   | YEAR TO DATE          | PRIOR YEAR TO DATE    |
|---|-----------------------|-----------------------|
| <b>Cash Flows from Operating Activities:</b>  |                       |                       |
| Operating Income (Loss)   | \$ 10,408,224         | \$ 9,710,884          |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities: |                       |                       |
| Depreciation  | 4,160,974             | 4,056,388             |
| Dredge Material Placement Fees  | (15,850)              | -                     |
| Change in Assets and Liabilities:   |                       |                       |
| Trade receivables   | 5,623                 | 199,680               |
| Other receivables   | (138,178)             | 111,270               |
| Lease Receivable  | -                     | -                     |
| Deferred inflow of resources  | -                     | -                     |
| Inventories   | (668)                 | (568)                 |
| Prepaid and Other   | 167,534               | 786,775               |
| Accounts payable  | (2,624,849)           | 538,119               |
| Deferred lease income   | (3,126,614)           | (3,100,238)           |
| Accrued compensated absences  | (144,548)             | (146,828)             |
| <b>Total Cash Provided from (Used for) Operating Activities</b>                               | <b>8,691,648</b>      | <b>12,155,482</b>     |
| <b>Cash Flows from Non-capital Financing Activities:</b>                                      |                       |                       |
| Property tax receipts   | 18,352                | 12,295                |
| Property tax collection expense   | -                     | -                     |
| Emergency Recovery Efforts - Disaster Related   | (22,420)              | (568,070)             |
| <b>Total Cash Provided from (Used for) Non-capital Financing Activities</b>                   | <b>(4,068)</b>        | <b>(555,775)</b>      |
| <b>Cash Flows from Capital Financing Activities:</b>  |                       |                       |
| Principal payments under debt obligations   | -                     | -                     |
| Interest and fees paid under debt obligations   | (6,340,880)           | (6,478,993)           |
| Proceeds from sale of long-term debt obligations  | -                     | -                     |
| Land, capital improvement, and equipment purchases  | (13,129,837)          | (11,614,962)          |
| Other capital acquisition (costs) or recoveries, extraordinary                                | -                     | -                     |
| Capital contributions   | -                     | -                     |
| Grants received   | 3,204,522             | 892,695               |
| Proceeds from sale/disposal of capital assets   | -                     | -                     |
| <b>Total Cash Provided from (Used for) Capital Financing Activities</b>                       | <b>(16,266,195)</b>   | <b>(17,201,260)</b>   |
| <b>Cash Flows from Investing Activities:</b>  |                       |                       |
| Investment earnings   | 1,397,719             | 1,558,741             |
| Change in FMV of marketable investment securities   | -                     | -                     |
| <b>Total Cash Provided from (Used for) Investing Activities</b>                               | <b>1,397,719</b>      | <b>1,558,741</b>      |
| <b>Net Increase(Decrease) in Cash and Cash Equivalents</b>                                    | <b>(6,180,896)</b>    | <b>(4,042,813)</b>    |
| <b>Cash and Cash Equivalents at Beginning of Period</b>                                       | <b>123,743,164</b>    | <b>133,026,835</b>    |
| <b>Cash and Cash Equivalents at End of Period</b>   | <b>\$ 117,562,269</b> | <b>\$ 128,984,024</b> |

NOTES TO FINANCIAL STATEMENTS

**Note 1 - Accounts Receivable Aging**

|                              |                     |      |
|------------------------------|---------------------|------|
| 0 - 30 days                  | \$ 6,692,424.69     | 100% |
| 31 - 60 days                 | 1,065               | 0%   |
| 61 - 90 days                 | 3,384               | 0%   |
| Over 90 days                 | \$ 2,942            | 0%   |
| Allowance for uncollectibles | (39,949)            | -1%  |
| <b>Net Trade A/R</b>         | <b>\$ 6,659,867</b> |      |

**Note 2 - Accounts Payable Information**

|                          |                     |
|--------------------------|---------------------|
| Retainage Withheld       | \$ 1,450,551        |
| Corps of Engineers*      | 620,518             |
| Employee Payroll Related | 13,210              |
| Accounts Payable         | 756,710             |
| <b>Total A/P</b>         | <b>\$ 2,840,989</b> |

45' Project - \$620,518

**Note 3 - Debt Service Information**

|   | Original Amount<br>of Issue | Principal Paid       | Issue Outstanding     |
|---|-----------------------------|----------------------|-----------------------|
| General Obligation Bonds, Series 2019                 | \$ 31,795,000               | \$ 1,875,000         | \$ 29,210,000         |
| General Obligation Bonds, Series 2021                 | 37,135,000                  | -                    | 37,135,000            |
| General Obligation Bonds, Series 2023                 | 55,800,000                  | -                    | 55,420,000            |
| Senior Lien Revenue Refunding Bonds, Series 2013A     | 33,065,000                  | 22,740,000           | 7,860,000             |
| Senior Lien Revenue and Refunding Bonds, Series 2015A | 39,635,000                  | 7,260,000            | 31,430,000            |
| Senior Lien Revenue Refunding Bonds, Series 2018      | 32,865,000                  | 3,440,000            | 28,745,000            |
| Senior Lien Revenue Bonds, Series 2019A               | 45,200,000                  | 4,205,000            | 40,095,000            |
| Senior Lien Revenue Bonds, Series 2019B               | 29,480,000                  | 2,905,000            | 25,930,000            |
| Senior Lien Revenue Bonds, Series 2021                | 29,885,000                  | -                    | 29,885,000            |
| Senior Lien Revenue Bonds, Series 2024                | 25,655,000                  | -                    | 25,655,000            |
| 2014 Equipment Lease Payable                          | 14,100,000                  | 14,100,000           | -                     |
| <b>Total Bonds</b>                                    | <b>\$ 374,615,000</b>       | <b>\$ 56,525,000</b> | <b>\$ 311,365,000</b> |

|  |                |
|--|----------------|
| Less Current Portion of Long-Term Debt Payable | \$ 7,590,000   |
| Long-term Debt Payable                         | \$ 303,775,000 |

**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   |
| Fiscal Year 2023 Amount Funded | \$ 3,351,718   |
| Fiscal Year 2025 Withdrawn     | \$ (6,136,324) |

**PORT FREEPORT  
OPERATING EXPENSES BY DEPARTMENT  
January 31, 2026**

|                                 | YEAR<br>TO-DATE  | PRIOR YEAR<br>TO-DATE | PRIOR YEAR<br>% OVER<br>(UNDER) | 4<br>MONTHS<br>BUDGET | OVER<br>(UNDER) | BUDGET<br>% OVER<br>(UNDER) | TOTAL<br>2025/2026<br>BUDGET |
|---------------------------------|------------------|-----------------------|---------------------------------|-----------------------|-----------------|-----------------------------|------------------------------|
| <b>COMMISSIONERS</b>            |                  |                       |                                 |                       |                 |                             |                              |
| <b>OPERATING EXPENSES:</b>      |                  |                       |                                 |                       |                 |                             |                              |
| Port salaries/wages             | \$ 19,200        | \$ 19,200             | 0%                              | \$ 19,200             | -               | 0%                          | \$ 57,600                    |
| Port employee benefits          | 1,834            | 1,905                 | -4%                             | 2,014                 | (180)           | -9%                         | 4,974                        |
| Professional services           | -                | -                     | 0%                              | -                     | -               | 0%                          | -                            |
| Training, travel & promotional  | 18,116           | 26,782                | -32%                            | 34,660                | (16,544)        | -48%                        | 83,211                       |
| Supplies                        | 51               | 32                    | 59%                             | 200                   | (149)           | -75%                        | 600                          |
| Utilities                       | 3,356            | 3,016                 | 11%                             | 2,964                 | 392             | 13%                         | 8,900                        |
| <b>Total Operating Expenses</b> | <b>\$ 42,558</b> | <b>\$ 50,935</b>      | <b>-16%</b>                     | <b>\$ 59,038</b>      | <b>(16,480)</b> | <b>-28%</b>                 | <b>\$ 155,285</b>            |

**ADMINISTRATION & FOREIGN TRADE ZONE**

|                                 |                     |                     |           |                     |                    |             |                      |
|---------------------------------|---------------------|---------------------|-----------|---------------------|--------------------|-------------|----------------------|
| <b>OPERATING EXPENSES:</b>      |                     |                     |           |                     |                    |             |                      |
| Port salaries/wages             | \$ 447,803          | \$ 435,508          | 3%        | \$ 613,787          | (165,984)          | -27%        | \$ 1,761,351         |
| Port employee benefits          | 154,900             | 129,733             | 19%       | 158,317             | (3,417)            | -2%         | 562,126              |
| Professional services           | 130,485             | 115,687             | 13%       | 316,848             | (186,363)          | -59%        | 980,933              |
| Training, travel & promotional  | 129,974             | 90,132              | 44%       | 81,236              | 48,738             | 60%         | 237,274              |
| Supplies                        | 11,930              | 13,876              | -14%      | 9,662               | 2,268              | 23%         | 27,600               |
| Utilities                       | 26,241              | 22,852              | 15%       | 23,916              | 2,325              | 10%         | 71,740               |
| Business Insurance              | 831,360             | 933,946             | -11%      | 980,852             | (149,492)          | -15%        | 2,942,554            |
| Other services & charges        | 152,786             | 113,548             | 35%       | 173,859             | (21,073)           | -12%        | 525,385              |
| Maintenance & repair            | 37,016              | 34,594              | 7%        | 61,116              | (24,100)           | -39%        | 182,350              |
| Depreciation                    | 4,160,975           | 4,056,388           | 3%        | 4,941,528           | (780,553)          | -16%        | 14,824,585           |
| <b>Total Operating Expenses</b> | <b>\$ 6,083,470</b> | <b>\$ 5,946,264</b> | <b>2%</b> | <b>\$ 7,361,121</b> | <b>(1,277,651)</b> | <b>-17%</b> | <b>\$ 22,115,898</b> |

**ENGINEERING**

|                                 |                   |                   |             |                   |                  |             |                     |
|---------------------------------|-------------------|-------------------|-------------|-------------------|------------------|-------------|---------------------|
| <b>OPERATING EXPENSES:</b>      |                   |                   |             |                   |                  |             |                     |
| Port salaries/wages             | \$ 109,172        | \$ 135,922        | -20%        | \$ 156,723        | (47,551)         | -30%        | \$ 470,179          |
| Port employee benefits          | 39,794            | 50,628            | -21%        | 57,234            | (17,440)         | -30%        | 192,697             |
| Professional services           | 17,741            | 200,409           | -91%        | 288,800           | (271,059)        | -94%        | 866,400             |
| Training, travel & promotional  | 3,806             | 5,387             | -29%        | 10,787            | (6,981)          | -65%        | 31,915              |
| Supplies                        | 866               | 1,189             | -27%        | 1,972             | (1,106)          | -56%        | 5,900               |
| Utilities                       | 1,724             | 1,811             | -5%         | 2,272             | (548)            | -24%        | 6,822               |
| Other services & charges        | 2,362             | 2,217             | 7%          | 3,282             | (920)            | -28%        | 9,850               |
| Maintenance & repair            | 90                | 601               | -85%        | 168               | (78)             | -46%        | 500                 |
| <b>Total Operating Expenses</b> | <b>\$ 175,553</b> | <b>\$ 398,164</b> | <b>-56%</b> | <b>\$ 521,238</b> | <b>(345,685)</b> | <b>-66%</b> | <b>\$ 1,584,263</b> |

**OPERATIONS**

|                                 |                     |                     |            |                     |                |           |                     |
|---------------------------------|---------------------|---------------------|------------|---------------------|----------------|-----------|---------------------|
| <b>OPERATING EXPENSES:</b>      |                     |                     |            |                     |                |           |                     |
| Port salaries/wages             | \$ 582,280          | \$ 527,100          | 10%        | \$ 779,306          | (197,026)      | -25%      | \$ 2,337,933        |
| Port employee benefits          | 209,031             | 176,733             | 18%        | 231,903             | (22,872)       | -10%      | 785,403             |
| Professional services           | 3,591               | 4,276               | -16%       | 5,000               | (1,409)        | -28%      | 5,000               |
| Training, travel & promotional  | 7,011               | 8,182               | -14%       | 11,663              | (4,652)        | -40%      | 32,449              |
| Supplies                        | 35,180              | 35,008              | 0%         | 37,592              | (2,412)        | -6%       | 120,100             |
| Utilities                       | 496,703             | 283,272             | 75%        | 382,201             | 114,502        | 30%       | 1,146,593           |
| Other services & charges        | 35,541              | 39,730              | -11%       | 45,762              | (10,221)       | -22%      | 146,340             |
| Maintenance & repair            | 469,882             | 418,230             | 12%        | 351,446             | 118,436        | 34%       | 1,133,318           |
| <b>Total Operating Expenses</b> | <b>\$ 1,839,220</b> | <b>\$ 1,492,530</b> | <b>23%</b> | <b>\$ 1,844,873</b> | <b>(5,653)</b> | <b>0%</b> | <b>\$ 5,707,136</b> |

**PORT FREEPORT  
OPERATING EXPENSES BY DEPARTMENT  
December 31, 2024**

**BUSINESS DEVELOPMENT**

**OPERATING EXPENSES:**

| YEAR TO-DATE                    | PRIOR YEAR TO-DATE | PRIOR YEAR % OVER (UNDER) | 3 MONTHS BUDGET | OVER (UNDER)      | BUDGET % OVER (UNDER) | TOTAL 2024/2025 BUDGET |                     |
|---------------------------------|--------------------|---------------------------|-----------------|-------------------|-----------------------|------------------------|---------------------|
| \$ 80,971                       | \$ 99,046          | -18%                      | \$ 97,644       | (16,673)          | -17%                  | \$ 390,567             |                     |
| Port salaries/wages             | 22,445             | 31,999                    | -30%            | 39,781            | (17,336)              | -44%                   | 174,973             |
| Port employee benefits          | 100,000            | -                         | 0%              | -                 | 100,000               | 0%                     | -                   |
| Professional services           | 120,856            | 60,104                    | 101%            | 136,355           | (15,499)              | -11%                   | 411,511             |
| Training, travel & promotional  | 466                | 1,191                     | -61%            | 1,897             | (1,431)               | -75%                   | 5,200               |
| Supplies                        | 996                | 1,118                     | -11%            | 1,440             | (444)                 | -31%                   | 5,760               |
| Utilities                       | 2,495              | 5,788                     | -57%            | 7,758             | (5,263)               | -68%                   | 68,032              |
| Other services & charges        | -                  | -                         | 0%              | -                 | -                     | 0%                     | -                   |
| Maintenance & repair            | -                  | -                         | 0%              | -                 | -                     | 0%                     | -                   |
| <b>Total Operating Expenses</b> | <b>\$ 328,228</b>  | <b>\$ 199,245</b>         | <b>65%</b>      | <b>\$ 284,875</b> | <b>43,353</b>         | <b>15%</b>             | <b>\$ 1,056,043</b> |

**PROTECTIVE SERVICES**

**OPERATING EXPENSES:**

|                                 |                   |                   |            |                   |                 |            |                     |
|---------------------------------|-------------------|-------------------|------------|-------------------|-----------------|------------|---------------------|
| \$ 40,856                       | \$ 40,225         | 2%                | \$ 37,960  | 2,896             | 8%              | \$ 151,828 |                     |
| Port salaries/wages             | 17,993            | 17,529            | 3%         | 17,379            | 614             | 4%         | 83,841              |
| Port employee benefits          | 569,026           | 502,094           | 13%        | 598,608           | (29,582)        | -5%        | 2,394,430           |
| Professional services           | 225               | 4,094             | -95%       | 3,733             | (3,508)         | -94%       | 12,824              |
| Training, travel & promotional  | 12,987            | 12,101            | 7%         | 14,530            | (1,543)         | -11%       | 59,200              |
| Supplies                        | 9,158             | 9,779             | -6%        | 14,034            | (4,876)         | -35%       | 56,134              |
| Utilities                       | 10,092            | 11,123            | -9%        | 10,930            | (838)           | -8%        | 43,719              |
| Other services & charges        | 18,444            | 22,237            | -17%       | 17,526            | 918             | 5%         | 70,000              |
| Maintenance & repair            | -                 | -                 | -          | -                 | -               | -          | -                   |
| <b>Total Operating Expenses</b> | <b>\$ 678,782</b> | <b>\$ 619,182</b> | <b>10%</b> | <b>\$ 714,700</b> | <b>(35,918)</b> | <b>-5%</b> | <b>\$ 2,871,976</b> |

**CONSOLIDATED - TOTAL**

**OPERATING EXPENSES:**

|                                 |                     |                     |              |                     |                  |              |                      |
|---------------------------------|---------------------|---------------------|--------------|---------------------|------------------|--------------|----------------------|
| \$ 928,793                      | 903,021             | 3%                  | \$ 1,291,536 | (362,743)           | -28%             | \$ 5,046,049 |                      |
| Port salaries/wages             | 274,698             | 291,363             | -6%          | 405,636             | (130,938)        | -32%         | 1,845,284            |
| Port employee benefits          | 959,304             | 596,435             | 61%          | 854,886             | 104,418          | 12%          | 3,431,930            |
| Professional services           | 235,681             | 125,511             | 88%          | 247,464             | (11,783)         | -5%          | 794,545              |
| Training, travel & promotional  | 54,347              | 38,423              | 41%          | 48,863              | 5,484            | 11%          | 192,050              |
| Supplies                        | 254,434             | 327,639             | -22%         | 292,001             | (37,567)         | -13%         | 1,168,000            |
| Utilities                       | 701,505             | 843,373             | -17%         | 763,104             | (61,599)         | -8%          | 3,052,413            |
| Business Insurance              | 131,697             | 111,443             | 18%          | 156,916             | (25,219)         | -16%         | 678,605              |
| Other services & charges        | 408,123             | 295,943             | 38%          | 259,511             | 148,612          | 57%          | 1,030,440            |
| Maintenance & repair            | 3,044,287           | 2,948,368           | 3%           | 3,090,969           | (46,682)         | -2%          | 12,363,888           |
| Depreciation                    | -                   | -                   | -            | -                   | -                | -            | -                    |
| <b>Total Operating Expenses</b> | <b>\$ 6,992,868</b> | <b>\$ 6,481,519</b> | <b>8%</b>    | <b>\$ 7,410,886</b> | <b>(418,018)</b> | <b>-6%</b>   | <b>\$ 29,603,204</b> |

**PORT FREEPORT - VELASCO TERMINAL ONLY**

**STATEMENT OF REVENUES AND EXPENSES**

January 31, 2026

|   | YEAR TO DATE          | PRIOR YEAR TO DATE  | % OVER (UNDER) | 4 MONTHS BUDGET       | OVER (UNDER)      | % OVER (UNDER) | TOTAL 2026 BUDGET     |
|---|-----------------------|---------------------|----------------|-----------------------|-------------------|----------------|-----------------------|
| <b>OPERATING REVENUES:</b>  |                       |                     |                |                       |                   |                |                       |
| Wharfage  | \$ 834,554            | \$ 879,219          | -5%            | \$ 714,732            | \$ 119,822        | 17%            | \$ 2,144,196          |
| Dockage & deep water berth  | 288,940               | 321,361             | -10%           | 389,104               | (100,164)         | -26%           | 1,167,316             |
| Equipment & pallet use fees   | 727,531               | 728,745             | 0%             | 690,940               | 36,591            | 5%             | 2,072,820             |
| Facility use fees   | 68,825                | 124,041             | -45%           | -                     | 68,825            | 0%             | -                     |
| Security Fees   | 135,840               | 136,133             | 0%             | 128,380               | 7,460             | 6%             | 385,148               |
| Other Customer Service Fees   | 212,729               | 224,193             | -5%            | 354,288               | (141,559)         | -40%           | 1,062,867             |
| Ground leases   | 37,117                | 158,163             | -77%           | 94,732                | (57,615)          | -61%           | 284,196               |
| <b>Total Operating Revenues</b>                                     | <b>2,305,536</b>      | <b>2,571,854</b>    | <b>-10%</b>    | <b>2,372,176</b>      | <b>(66,640)</b>   | <b>-3%</b>     | <b>7,116,543</b>      |
| <b>OPERATING EXPENSES:</b>  |                       |                     |                |                       |                   |                |                       |
| Port salaries/wages   | 176,828               | 138,528             | 28%            | 160,425               | 16,403            | 10%            | 481,284               |
| Port employee benefits  | 44,063                | 34,125              | 29%            | 45,560                | (1,497)           | -3%            | 162,450               |
| Professional services   | -                     | -                   | 0%             | -                     | -                 | 0%             | -                     |
| Training, travel, and promotional                                   | -                     | -                   | 0%             | -                     | -                 | 0%             | -                     |
| Supplies  | 879                   | 132                 | 566%           | -                     | -                 | 0%             | -                     |
| Utilities   | 80,213                | 48,861              | 64%            | 57,489                | 22,724            | 40%            | 172,457               |
| Business Insurance  | 144,971               | 152,502             | -5%            | 196,170               | (51,199)          | -26%           | 588,511               |
| Maintenance & repair  | 307,356               | 254,631             | 21%            | 202,332               | 105,024           | 52%            | 607,000               |
| Depreciation  | 2,067,555             | 1,966,589           | 5%             | 2,374,936             | (304,381)         | -13%           | 7,115,801             |
| <b>Total Operating Expenses</b>                                     | <b>2,821,865</b>      | <b>2,595,368</b>    | <b>9%</b>      | <b>3,033,912</b>      | <b>(212,047)</b>  | <b>-7%</b>     | <b>9,127,503</b>      |
| <b>OPERATING INCOME (LOSS)</b>                                      | <b>(516,330)</b>      | <b>(23,514)</b>     | <b>-2096%</b>  | <b>(661,736)</b>      | <b>145,406</b>    | <b>22%</b>     | <b>(2,010,960)</b>    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                            |                       |                     |                |                       |                   |                |                       |
| Debt interest and fees  | (841,221)             | (869,213)           | -3%            | (1,308,678)           | 467,457           | 36%            | (3,927,189)           |
| <b>Total Non-Operating Revenue (Expenses)</b>                       | <b>(841,221)</b>      | <b>(869,213)</b>    | <b>-3%</b>     | <b>(1,308,678)</b>    | <b>467,457</b>    | <b>-36%</b>    | <b>(3,927,189)</b>    |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND EXTRAORDINARY EXPENSE</b> | <b>(1,357,550)</b>    | <b>(892,727)</b>    | <b>52%</b>     | <b>(1,970,414)</b>    | <b>612,864</b>    | <b>0%</b>      | <b>(5,938,149)</b>    |
| <b>CHANGE IN NET POSITION</b>                                       | <b>\$ (1,357,550)</b> | <b>\$ (892,727)</b> | <b>52%</b>     | <b>\$ (1,970,414)</b> | <b>\$ 612,864</b> | <b>-31%</b>    | <b>\$ (5,938,149)</b> |

**PORT FREEPORT**  
Port Improvement Projects Summary  
January 31, 2026

| Project  | Contract Award       | Change Orders    | Total Contract       | Current Year Budget  | Incurred to Date FY 2025 | CIP Prior Years      | Incurred to Date Total | Balance to Finish   |
|--|----------------------|------------------|----------------------|----------------------|--------------------------|----------------------|------------------------|---------------------|
| <b>Gate 12 RPM</b>   | <b>0.00</b>          | <b>0.00</b>      | <b>0.00</b>          | <b>0.00</b>          | <b>1,986.00</b>          | <b>0.00</b>          | <b>1,986.00</b>        | <b>(1,986.00)</b>   |
| EDSA   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 1,986.00                 | 0.00                 | 1,986.00               | (1,986.00)          |
| Construction   | 0.00                 | 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                   | 0.00                |
| <b>Dole Yard Sewer line Replacement</b>                      | <b>128,904.00</b>    | <b>0.00</b>      | <b>128,904.00</b>    | <b>128,904.00</b>    | <b>128,904.00</b>        | <b>0.00</b>          | <b>128,904.00</b>      | <b>0.00</b>         |
| EDSA   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| Construction   | 128,904.00           | 0.00             | 128,904.00           | 128,904.00           | 128,904.00               | 0.00                 | 128,904.00             | 0.00                |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| <b>Cross Dock 2-Cold Storage</b>                             | <b>1,258,000.00</b>  | <b>0.00</b>      | <b>1,258,000.00</b>  | <b>1,258,000.00</b>  | <b>219,500.00</b>        | <b>0.00</b>          | <b>219,500.00</b>      | <b>1,038,500.00</b> |
| EDSA   | 1,258,000.00         | 0.00             | 1,258,000.00         | 1,258,000.00         | 219,500.00               | 0.00                 | 219,500.00             | 1,038,500.00        |
| Construction   | 0.00                 | 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                   | 0.00                |
| <b>24/25 Port Network Upgrades</b>                           | <b>150,000.00</b>    | <b>0.00</b>      | <b>150,000.00</b>    | <b>150,000.00</b>    | <b>0.00</b>              | <b>18,638.71</b>     | <b>18,638.71</b>       | <b>131,361.29</b>   |
| EDSA   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| Construction   | 150,000.00           | 0.00             | 150,000.00           | 150,000.00           | 0.00                     | 18,638.71            | 18,638.71              | 131,361.29          |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| <b>DSMA Act Software Upgrade</b>                             | <b>237,000.00</b>    | <b>0.00</b>      | <b>237,000.00</b>    | <b>237,000.00</b>    | <b>87,370.00</b>         | <b>111,780.00</b>    | <b>199,150.00</b>      | <b>37,850.00</b>    |
| EDSA   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| Construction   | 237,000.00           | 0.00             | 237,000.00           | 237,000.00           | 87,370.00                | 111,780.00           | 199,150.00             | 37,850.00           |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| <b>VT-North Gate Entrance</b>                                | <b>760,847.52</b>    | <b>0.00</b>      | <b>760,847.52</b>    | <b>720,847.52</b>    | <b>0.00</b>              | <b>782,011.66</b>    | <b>782,011.66</b>      | <b>(21,164.14)</b>  |
| EDSA   | 356,684.00           | 0.00             | 356,684.00           | 356,684.00           | 0.00                     | 356,666.41           | 356,666.41             | 17.59               |
| Construction   | 363,469.00           | 0.00             | 363,469.00           | 363,469.00           | 0.00                     | 395,090.75           | 395,090.75             | (31,621.75)         |
| Other not in contract  | 40,694.52            | 0.00             | 40,694.52            | 40,694.52            | 0.00                     | 30,254.50            | 30,254.50              | 10,440.02           |
| <b>VT- Access Project</b>                                    | <b>13,159,432.83</b> | <b>70,000.00</b> | <b>13,229,432.83</b> | <b>13,229,432.83</b> | <b>129,559.00</b>        | <b>12,327,089.63</b> | <b>12,456,648.63</b>   | <b>772,784.20</b>   |
| EDSA   | 1,218,718.00         | 70,000.00        | 1,288,718.00         | 1,288,718.00         | 0.00                     | 1,184,981.61         | 1,184,981.61           | 103,736.39          |
| Construction   | 11,929,297.00        | 0.00             | 11,929,297.00        | 11,929,297.00        | 129,559.00               | 11,130,690.19        | 11,260,249.19          | 669,047.81          |
| Other not in contract  | 11,417.83            | 0.00             | 11,417.83            | 11,417.83            | 0.00                     | 11,417.83            | 11,417.83              | 0.00                |
| <b>VT- Refrigerated Cross Dock</b>                           | <b>1,332,908.38</b>  | <b>0.00</b>      | <b>1,332,908.38</b>  | <b>500,000.00</b>    | <b>500.00</b>            | <b>74,916.76</b>     | <b>75,416.76</b>       | <b>1,257,491.62</b> |
| EDSA   | 1,332,900.00         | 0.00             | 1,332,900.00         | 500,000.00           | 500.00                   | 74,908.38            | 75,408.38              | 1,257,491.62        |
| Construction   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| Other not in contract  | 8.38                 | 0.00             | 8.38                 | 0.00                 | 0.00                     | 8.38                 | 8.38                   | 0.00                |
| <b>VT Backlands Area V Phase II</b>                          | <b>19,375,578.35</b> | <b>0.00</b>      | <b>19,375,578.35</b> | <b>20,500,000.00</b> | <b>1,774,183.94</b>      | <b>17,685,432.65</b> | <b>19,459,616.59</b>   | <b>(84,038.24)</b>  |
| EDSA   | 849,800.00           | 0.00             | 849,800.00           | 1,399,958.63         | 1,399,958.63             | 581,834.00           | 721,792.63             | 128,007.37          |
| Construction   | 18,508,603.35        | 0.00             | 18,508,603.35        | 1,634,225.31         | 17,086,423.65            | 18,720,648.96        | 18,720,648.96          | (212,045.61)        |
| Other not in contract  | 17,175.00            | 0.00             | 17,175.00            | 0.00                 | 0.00                     | 17,175.00            | 17,175.00              | 0.00                |
| <b>VT East 5th Reconstruction</b>                            | <b>2,263,318.31</b>  | <b>0.00</b>      | <b>2,263,318.31</b>  | <b>500,000.00</b>    | <b>1,613,899.86</b>      | <b>673,095.95</b>    | <b>2,286,995.81</b>    | <b>(23,677.50)</b>  |
| EDSA   | 84,272.00            | 0.00             | 84,272.00            | 18,262.00            | 84,828.00                | 103,090.00           | 103,090.00             | (18,818.00)         |
| Construction   | 2,179,046.31         | 0.00             | 2,179,046.31         | 1,595,637.86         | 588,267.95               | 2,183,905.81         | 2,183,905.81           | (4,859.50)          |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| <b>VT -Utility Relocation of Land Acquisition &amp; Land</b> | <b>582,805.28</b>    | <b>3,525.00</b>  | <b>586,330.28</b>    | <b>1,800,000.00</b>  | <b>0.00</b>              | <b>667,081.55</b>    | <b>667,081.55</b>      | <b>(80,751.27)</b>  |
| EDSA   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| Construction   | 72,436.13            | 3,525.00         | 75,961.13            | 1,800,000.00         | 0.00                     | 150,113.10           | 150,113.10             | (77,656.97)         |
| Other not in contract  | 510,369.15           | 0.00             | 510,369.15           | 0.00                 | 0.00                     | 516,968.45           | 516,968.45             | (3,094.30)          |
| <b>Pumpstation 1400 E Floodgate &amp; P14 Drainage</b>       | <b>1,446,405.61</b>  | <b>0.00</b>      | <b>1,446,405.61</b>  | <b>1,440,000.00</b>  | <b>0.00</b>              | <b>1,446,405.61</b>  | <b>1,446,405.61</b>    | <b>0.00</b>         |
| EDSA   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| Construction   | 1,442,485.00         | 0.00             | 1,442,485.00         | 1,440,000.00         | 0.00                     | 1,442,485.00         | 1,442,485.00           | 0.00                |
| Other not in contract  | 3,920.61             | 0.00             | 3,920.61             | 0.00                 | 0.00                     | 3,920.61             | 3,920.61               | 0.00                |
| <b>Non-TWIC Lot Precheck Gate Electrical</b>                 | <b>1,892.00</b>      | <b>0.00</b>      | <b>1,892.00</b>      | <b>10,000.00</b>     | <b>0.00</b>              | <b>1,892.00</b>      | <b>1,892.00</b>        | <b>0.00</b>         |
| EDSA   | 0.00                 | 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                   | 0.00                |
| Other not in contract  | 1,892.00             | 0.00             | 1,892.00             | 0.00                 | 0.00                     | 1,892.00             | 1,892.00               | 0.00                |
| <b>EOC Additional Parking</b>                                | <b>0.00</b>          | <b>0.00</b>      | <b>0.00</b>          | <b>25,000.00</b>     | <b>0.00</b>              | <b>0.00</b>          | <b>0.00</b>            | <b>0.00</b>         |
| EDSA   | 0.00                 | 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                   | 0.00                |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| <b>EOC HVAC Upgrade/Replacement</b>                          | <b>534,795.00</b>    | <b>0.00</b>      | <b>534,795.00</b>    | <b>500,000.00</b>    | <b>0.00</b>              | <b>24,355.00</b>     | <b>24,355.00</b>       | <b>510,440.00</b>   |
| EDSA   | 20,070.00            | 0.00             | 20,070.00            | 0.00                 | 0.00                     | 10,035.00            | 10,035.00              | 10,035.00           |
| Construction   | 514,725.00           | 0.00             | 514,725.00           | 24,355.00            | 0.00                     | 14,320.00            | 14,320.00              | 500,405.00          |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| <b>Gate 4 Access Road Widening</b>                           | <b>1,215,132.58</b>  | <b>0.00</b>      | <b>1,215,132.58</b>  | <b>1,215,132.58</b>  | <b>93,002.50</b>         | <b>27,658.38</b>     | <b>120,660.88</b>      | <b>1,094,471.70</b> |
| EDSA   | 66,137.00            | 0.00             | 66,137.00            | 0.00                 | 0.00                     | 27,650.00            | 27,650.00              | 38,487.00           |
| Construction   | 1,148,987.20         | 0.00             | 1,148,987.20         | 1,215,132.58         | 93,002.50                | 0.00                 | 93,002.50              | 1,055,984.70        |
| Other not in contract  | 8.38                 | 0.00             | 8.38                 | 0.00                 | 0.00                     | 8.38                 | 8.38                   | 0.00                |
| <b>Greenbelt with Port Expansion Area Tribute</b>            | <b>0.00</b>          | <b>0.00</b>      | <b>0.00</b>          | <b>50,000.00</b>     | <b>0.00</b>              | <b>0.00</b>          | <b>0.00</b>            | <b>0.00</b>         |
| EDSA   | 0.00                 | 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                   | 0.00                |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| <b>M &amp; R - Joint Repairs</b>                             | <b>0.00</b>          | <b>0.00</b>      | <b>0.00</b>          | <b>20,000.00</b>     | <b>11,553.00</b>         | <b>0.00</b>          | <b>11,553.00</b>       | <b>(11,553.00)</b>  |
| EDSA   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |
| Construction   | 0.00                 | 0.00             | 0.00                 | 0.00                 | 11,553.00                | 0.00                 | 11,553.00              | (11,553.00)         |
| Other not in contract  | 0.00                 | 0.00             | 0.00                 | 0.00                 | 0.00                     | 0.00                 | 0.00                   | 0.00                |

**PORT FREEPORT**  
Port Improvement Projects Summary  
January 31, 2026

| Project                                       | Contract Award    | Change Orders    | Total Contract    | Current Year Budget | Incurred to Date FY 2025 | CIP Prior Years   | Incurred to Date Total | Balance to Finish |
|---|-------------------|------------------|-------------------|---------------------|--------------------------|-------------------|------------------------|-------------------|
| <b>M &amp; R - Railroad Track Renovations</b> | <b>0.00</b>       | <b>0.00</b>      | <b>75,000.00</b>  | <b>75,000.00</b>    | <b>0.00</b>              | <b>11,320.00</b>  | <b>11,320.00</b>       | <b>63,680.00</b>  |
| EDSA  | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| Construction                                  | 0.00              | 0.00             | 75,000.00         | 75,000.00           | 0.00                     | 11,320.00         | 11,320.00              | 63,680.00         |
| Other not in contract                         | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| <b>M &amp; R - Roads</b>                      | <b>0.00</b>       | <b>0.00</b>      | <b>0.00</b>       | <b>200,000.00</b>   | <b>0.00</b>              | <b>0.00</b>       | <b>0.00</b>            | <b>0.00</b>       |
| EDSA  | 0.00              | 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                   | 0.00              |
| Other not in contract                         | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| <b>M &amp; R Transformer Yard Replacement</b> | <b>4,078.00</b>   | <b>0.00</b>      | <b>4,078.00</b>   | <b>200,000.00</b>   | <b>0.00</b>              | <b>4,078.00</b>   | <b>4,078.00</b>        | <b>0.00</b>       |
| EDSA  | 4,078.00          | 0.00             | 4,078.00          | 0.00                | 0.00                     | 4,078.00          | 4,078.00               | 0.00              |
| Construction                                  | 0.00              | 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                   | 0.00              |
| <b>M &amp; R Fence Razor Wire Upgrade</b>     | <b>23,350.00</b>  | <b>0.00</b>      | <b>23,350.00</b>  | <b>23,350.00</b>    | <b>0.00</b>              | <b>0.00</b>       | <b>0.00</b>            | <b>23,350.00</b>  |
| EDSA  | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| Construction                                  | 23,350.00         | 0.00             | 23,350.00         | 23,350.00           | 0.00                     | 0.00              | 0.00                   | 23,350.00         |
| Other not in contract                         | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| <b>M &amp; R Inner Harbor Berth Repairs</b>   | <b>191,000.00</b> | <b>12,023.80</b> | <b>203,023.80</b> | <b>300,000.00</b>   | <b>0.00</b>              | <b>168,760.00</b> | <b>168,760.00</b>      | <b>34,263.80</b>  |
| EDSA  | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| Construction                                  | 191,000.00        | 12,023.80        | 203,023.80        | 300,000.00          | 0.00                     | 168,760.00        | 168,760.00             | 34,263.80         |
| Other not in contract                         | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| <b>Chiquita Asphalt 2024</b>                  | <b>250,000.00</b> | <b>0.00</b>      | <b>250,000.00</b> | <b>250,000.00</b>   | <b>0.00</b>              | <b>200,758.62</b> | <b>200,758.62</b>      | <b>49,241.38</b>  |
| EDSA  | 0.00              | 0.00             | 0.00              | 0.00                | 0.00                     | 0.00              | 0.00                   | 0.00              |
| Construction                                  | 250,000.00        | 0.00             | 250,000.00        | 250,000.00          | 0.00                     | 200,758.62        | 200,758.62             | 49,241.38         |
| Other not in contract                         | 0.00              | 0.00             | 0.00              |                     |                          |                   |                        |                   |

PORT FREEPORT  
 QUARTERLY INVESTMENT SUMMARY  
 December 31, 2025

**Unrestricted Resources:** The \$24.46 million portfolio (market value) of unrestricted resources is structured to have funds available to meet anticipated capital expenditures and monthly Port operating requirements, if needed. In the current portfolio one-hundred percent of the investments have maturities of less than one month. The portfolio composition is primarily money market funds. Investments have been made with the intent to be liquid.

**Restricted Resources:** The \$86.1 million portfolio (market value) includes bond reserve requirements of \$22.1 million, restricted funds of \$12.2 thousand in the U.S. Army Corps of Engineers (Corps) escrow accounts, \$13.4 million of capital improvements reserve, \$2.7 million in 2024 Revenue Bond project funds, and \$48 million in 2023 General Obligation Bond project funds. The portfolio of restricted resources is structured to provide the liquidity needed to make scheduled bond payments from interest and sinking accounts, commission approved capital improvements, and to meet the requirements of the Corps projects. The current portfolio has ninety-three percent of the investments having maturities less than six months and seven percent maturing in over six months. The portfolio composition is primarily Federal Treasury & Agency securities, and money market funds. Investments have been made with the intent to hold them until maturity. The Series 2013, 2015, 2018, 2019A, 2019B, 2021, and 2024 revenue bond interest payments were made on November 20<sup>th</sup> in the amount of \$4,099,982. Following is a summary of the total portfolio activity for the quarter ended December 31, 2025:

| PORT FREEPORT<br>QUARTERLY INVESTMENT REPORT<br>12/31/2025 |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
|--|-------------|----------------------|---------------|---------------|-------|----------------------|--------------------------|-----------------------------|---------------------|-------------------|-----------------------|-------------------------------|---------------------------|------------------------------|
| Type   | Broker Code | Purchase Date        | Maturity Date | Interest Rate | Yield | 9/30/2025 Face Value | 9/30/2025 Amortized Cost | 9/30/2025 Fair Market Value | Purchases           | Sales/ Maturities | 12/31/2025 Face Value | 12/31/2025 (Discount) Premium | 12/31/2025 Amortized Cost | 12/31/2025 Fair Market Value |
| <b>OPERATING FUNDS:</b>                                    |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| MM   | HS          | -                    | -             | 3.033         | 3.033 | 5,626.61             | 5,626.61                 | 5,626.61                    | 2.57                |                   | 5,629.18              | N/A                           | 5,629.18                  | 5,629.18                     |
| MM   | TP          | -                    | -             | 3.847         | 3.847 | 16,790,622.05        | 16,790,622.05            | 16,790,622.05               | 5,219,073.65        |                   | 22,009,695.70         | N/A                           | 22,009,695.70             | 22,009,695.70                |
| MM   | TP          | -                    | -             | 3.847         | 3.847 | 813,738.54           | 813,738.54               | 813,738.54                  | 1,827,572.72        |                   | 2,441,311.26          | N/A                           | 2,441,311.26              | 2,441,311.26                 |
| <b>TOTAL ENTERPRISE FUND-UNRESTRICTED</b>                  |             |                      |               |               |       | <b>17,409,987.20</b> | <b>17,409,987.20</b>     | <b>17,409,987.20</b>        | <b>7,046,646.94</b> | <b>0.00</b>       | <b>24,456,636.14</b>  | <b>0.00</b>                   | <b>24,456,636.14</b>      | <b>24,456,636.14</b>         |
| <b>INVESTMENT SUMMARY:</b>                                 |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| MM   |             | 24,456,636.14        | 100.00%       |               |       |                      |                          |                             |                     |                   | 0-1 MONTH             | 24,456,636.14                 | 100.00%                   |                              |
| C.D.   |             | 0.00                 | 0.00%         |               |       |                      |                          |                             |                     |                   | 1-6 MONTHS            | 0.00                          | 0.00%                     |                              |
| TREASURY   |             | 0.00                 | 0.00%         |               |       |                      |                          |                             |                     |                   | 6-12 MONTHS           | 0.00                          | 0.00%                     |                              |
| AGENCY   |             | 0.00                 | 0.00%         |               |       |                      |                          |                             |                     |                   | OVER 12 MONTHS        | 0.00                          | 0.00%                     |                              |
| TX MUNICIPAL   |             | 0.00                 | 0.00%         |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
|  |             | <u>24,456,636.14</u> |               |               |       |                      |                          |                             |                     |                   |                       | <u>24,456,636.14</u>          |                           |                              |
| <b>WEIGHTED AVERAGE YIELD</b>                              |             |                      |               | <b>3.85 %</b> |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| <b>BENCHMARK - 3 MO. TBILL</b>                             |             |                      |               | <b>3.91 %</b> |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| <b>LIQUIDITY SUMMARY:</b>                                  |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
|  |             |                      |               |               |       |                      |                          |                             |                     |                   | 0-1 MONTH             | 24,456,636.14                 | 100.00%                   |                              |
|  |             |                      |               |               |       |                      |                          |                             |                     |                   | 1-6 MONTHS            | 0.00                          | 0.00%                     |                              |
|  |             |                      |               |               |       |                      |                          |                             |                     |                   | 6-12 MONTHS           | 0.00                          | 0.00%                     |                              |
|  |             |                      |               |               |       |                      |                          |                             |                     |                   | OVER 12 MONTHS        | 0.00                          | 0.00%                     |                              |
|  |             |                      |               |               |       |                      |                          |                             |                     |                   |                       | <u>24,456,636.14</u>          |                           |                              |
| <b>BROKER CODE:</b>  |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| HS = HILLTOP SECURITIES                                    |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| FNB = FIRST NATIONAL BANK                                  |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| FNB = TEXAS GULF BANK                                      |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |
| TP = TRIPOL  |             |                      |               |               |       |                      |                          |                             |                     |                   |                       |                               |                           |                              |

| Investments         | Face Value           | Market        | Ratio | Weighted Avg. Yield | Weighted Avg. Maturity (Days) | Benchmark Yield |
|---------------------|----------------------|---------------|-------|---------------------|-------------------------------|-----------------|
| Beginning of Period | \$112,652,227        | \$112,018,243 | .994  | 4.17%               | 91.76                         | 3.940%          |
| Purchases           | 11,347,893           |               |       |                     |                               |                 |
| Maturities          | 13,137,110           |               |       |                     |                               |                 |
| Sales               |                      |               |       |                     |                               |                 |
| End of Period       | <u>\$110,863,010</u> | \$110,568,987 | .997  | 4.20%               | 95.22                         | 3.591%          |

Total accrued interest at end of period: \$59,101

The fund portfolio is in compliance with the Port's investment policy, as amended July 24, 2025, and the Public Funds Investment Act. See attached supporting schedule of investments.

Rob Lowe, Chief Financial Officer

Amy O'Brien, Controller

| Type  | Booker                  | Purchase  | Maturity  | Interest | Yield | 9/30/2025     | 9/30/2025     | 9/30/2025     | Purchases  | Sales/         | 12/31/2025    | 12/31/2025   | 12/31/2025    | 12/31/2025    |
|---|-------------------------|-----------|-----------|----------|-------|---------------|---------------|---------------|------------|----------------|---------------|--------------|---------------|---------------|
| Sec.  | Code                    | Date      | Date      | Rate     |       | Face          | Amortized     | Fair Market   |            | Matrices       | Face          | (Discount)   | Amortized     | Fair Market   |
|   |                         |           |           |          |       | Value         | Cost          | Value         |            |                | Value         | Cost         | Value         | Value         |
| <b>RESTRICTED</b>   |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| <b>CAPITAL IMPROVEMENTS</b>   |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | HS                      | -         | -         | 0.75%    | 0.76% | 11,409,002    | 11,409,002    | 11,409,002    | 76.71      |                | 11,413,575    | N/A          | 11,413,575    | 11,413,575    |
| MM  | TP                      | -         | -         | 3.47     | 3.47  | 3,494,178.78  | 3,494,178.78  | 3,494,178.78  | 34,866.46  |                | 3,494,047.24  | N/A          | 3,494,047.24  | 3,494,047.24  |
| MM  | MM                      | -         | -         | 0.50     | 4.02  | 9,835,000.00  | 9,510,029.68  | 9,699,114.99  |            |                | 9,835,000.00  | (324,970.32) | 9,510,029.68  | 9,785,751.43  |
| TNOTE   | HS                      | 3/17/2025 | 2/28/2026 | 0.500    | 4.002 | 13,468,237.90 | 13,983,267.48 | 13,272,354.78 | 33,943.19  | 0.00           | 13,443,182.99 | (324,970.32) | 13,118,212.67 | 13,391,934.42 |
| <b>TOTAL CAPITAL IMPROVEMENTS</b>   |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | TCB                     | -         | -         | 0.000    | 0.000 | 10,101.24     | 10,101.24     | 10,101.24     |            |                | (25.93)       | 10,075.41    | N/A           | 10,075.41     |
| <b>TOTAL AS FOOT PROJECT FUNDS RESTRICTED</b>                                   |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | TCB                     | -         | -         | 0.000    | 0.000 | 10,101.24     | 10,101.24     | 10,101.24     |            |                | (25.93)       | 10,075.41    | N/A           | 10,075.41     |
| <b>FREEPORT HARBOR NAVIGATION PROJECT FEASIBILITY STUDY FUND RESTRICTED</b>     |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | FSB                     | -         | -         | 0.010    | 0.010 | 1,098.78      | 1,098.78      | 1,098.78      | 0.13       | 0.00           | 1,098.91      | N/A          | 1,098.91      | 1,098.91      |
| <b>TOTAL FREEPORT HARBOR NAVIGATION PROJECT FEASIBILITY STUDY FUND</b>          |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | FSB                     | -         | -         | 0.010    | 0.010 | 1,098.78      | 1,098.78      | 1,098.78      | 0.13       | 0.00           | 1,098.91      | N/A          | 1,098.91      | 1,098.91      |
| <b>FREEPORT HARBOR ASSUMPTION OF OPERATIONS AND MAINTENANCE FUND RESTRICTED</b> |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | FSB                     | -         | -         | 0.010    | 0.010 | 1,042.15      | 1,042.15      | 1,042.15      | 0.03       | 0.00           | 1,042.18      | N/A          | 1,042.18      | 1,042.18      |
| <b>TOTAL FREEPORT HARBOR ASSUMPTION OF OPS &amp; MAINTENANCE FUND</b>           |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | FSB                     | -         | -         | 0.010    | 0.010 | 1,042.15      | 1,042.15      | 1,042.15      | 0.03       | 0.00           | 1,042.18      | N/A          | 1,042.18      | 1,042.18      |
| <b>INTEREST &amp; SINKING</b>   |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  | TP2013A Debt Service    | -         | -         | 3.847    | 3.847 | 1,364,210.69  | 1,364,210.69  | 1,364,210.69  | 591,146.50 |                | 1,955,357.19  | N/A          | 1,955,357.19  | 1,955,357.19  |
| MM  | TP2024 Rev Debt Service | -         | -         | 3.847    | 3.847 | 410,214.98    | 410,214.98    | 410,214.98    |            |                | 112,331.40    | N/A          | 112,331.40    | 112,331.40    |
| MM  | TP-G16 Bond I & S       | -         | -         | 3.847    | 3.847 | 6,485,509.30  | 6,485,509.30  | 6,485,509.30  | 65,373.67  |                | 6,550,882.97  | N/A          | 6,550,882.97  | 6,550,882.97  |
| MM  | TP-1911 & S             | -         | -         | 3.847    | 3.847 | 1,666,880.89  | 1,666,880.89  | 1,666,880.89  |            |                | (125,237.03)  | 1,541,643.86 | N/A           | 1,541,643.86  |
| MM  | TP-151 & S              | -         | -         | 3.847    | 3.847 | 2,005,323.84  | 2,005,323.84  | 2,005,323.84  |            |                | (95,621.93)   | 1,909,701.91 | N/A           | 1,909,701.91  |
| MM  | TP-21 Rev Bond I & S    | -         | -         | 3.847    | 3.847 | 452,734.67    | 452,734.67    | 452,734.67    |            |                | (328,632.30)  | 124,142.37   | N/A           | 124,142.37    |
| MM  | TP-19A Rev Bond I & S   | -         | -         | 3.847    | 3.847 | 913,296.07    | 913,296.07    | 913,296.07    |            |                | (112,213.77)  | 721,082.30   | N/A           | 721,082.30    |
| MM  | TP-19B Rev Bond I & S   | -         | -         | 3.847    | 3.847 | 522,135.96    | 522,135.96    | 522,135.96    |            |                | (62,500.25)   | 459,635.71   | N/A           | 459,635.71    |
| <b>TOTAL INTEREST &amp; SINKING</b>   |                         |           |           |          |       |               |               |               |            |                |               |              |               |               |
| MM  |                         | -         | -         | 3.847    | 3.847 | 13,840,346.40 | 13,840,346.40 | 13,840,346.40 | 656,520.17 | (1,102,096.46) | 13,994,780.11 | 0.00         | 13,994,780.11 | 13,994,780.11 |

| Type   | Booker | Purchase | Maturity | Interest | Yield | 9/30/2025    | 9/30/2025    | 9/30/2025    | Purchases    | Sales/   | 12/31/2025     | 12/31/2025   | 12/31/2025   | 12/31/2025   |
|--|--------|----------|----------|----------|-------|--------------|--------------|--------------|--------------|----------|----------------|--------------|--------------|--------------|
| Sec.   | Code   | Date     | Date     | Rate     |       | Face         | Amortized    | Fair Market  |              | Matrices | Face           | (Discount)   | Amortized    | Fair Market  |
|  |        |          |          |          |       | Value        | Cost         | Value        |              |          | Value          | Cost         | Value        | Value        |
| <b>2019 SENIOR LIEN REVENUE BOND RESERVE FUND - RESTRICTED</b>     |        |          |          |          |       |              |              |              |              |          |                |              |              |              |
| MM   | HS     | -        | -        | 0.75%    | 0.76% | 10,188.93    | 10,188.93    | 10,188.93    |              |          | (8,840.63)     | 1,508.30     | N/A          | 1,508.30     |
| TNOTE  | HS     | 05/29/22 | 11/30/25 | 0.375    | 2.550 | 525,000.00   | 512,306.61   | 521,863.13   |              |          | (252,000.00)   | 0.00         | 0.00         | 0.00         |
| TNOTE  | HS     | 04/01/21 | 02/28/26 | 0.500    | 0.877 | 247,000.00   | 245,684.70   | 243,507.38   |              |          | 247,000.00     | (1,115.50)   | 245,884.70   | 243,763.15   |
| TNOTE  | HS     | 11/03/21 | 10/31/26 | 1.375    | 4.099 | 505,000.00   | 444,891.68   | 472,920.96   |              |          | 505,000.00     | (60,506.32)  | 444,491.68   | 475,342.30   |
| TNOTE  | HS     | 12/31/25 | 12/31/30 | 3.625    | 3.686 | 0.00         | 0.00         | 0.00         | 540,000.00   |          |                | (1,371.54)   | 538,628.46   | 538,628.46   |
| <b>2019 SENIOR LIEN REVENUE &amp; REFUNDING BONDS - RESTRICTED</b> |        |          |          |          |       |              |              |              |              |          |                |              |              |              |
| MM   | HS     | -        | -        | 0.476    | 0.476 | 7,202.72     | 7,202.72     | 7,202.72     |              |          | (6,824.77)     | 377.95       | N/A          | 377.95       |
| TNOTE  | HS     | 05/31/21 | 12/31/25 | 0.375    | 0.874 | 227,000.00   | 225,585.22   | 225,003.04   |              |          | (227,000.00)   | 0.00         | 0.00         | 0.00         |
| TNOTE  | HS     | 11/03/21 | 11/30/27 | 0.625    | 4.683 | 1,012,000.00 | 885,013.20   | 996,135.40   |              |          | 1,012,000.00   | (126,996.80) | 885,013.20   | 957,996.20   |
| TNOTE  | HS     | 12/31/25 | 12/31/30 | 3.625    | 3.686 | 0.00         | 0.00         | 0.00         | 238,000.00   |          |                | (883.27)     | 237,116.73   | 237,116.73   |
| <b>2019 SENIOR LIEN REVENUE REFUNDING BONDS - RESTRICTED</b>       |        |          |          |          |       |              |              |              |              |          |                |              |              |              |
| MM   | HS     | -        | -        | 0.468    | 0.468 | 1,643.69     | 1,643.69     | 1,643.69     | 4,557.41     |          | 6,201.10       | N/A          | 6,201.10     | 6,201.10     |
| TNOTE  | HS     | 07/31/25 | 10/30/25 | 4.314    | 4.314 | 1,031,000.00 | 1,020,176.03 | 1,027,506.21 |              |          | (1,031,000.00) | 0.00         | 0.00         | 0.00         |
| TNOTE  | HS     | 11/03/25 | 03/12/26 | 3.672    | 3.672 | 0.00         | 0.00         | 0.00         | 1,040,000.00 |          |                | (12,497.60)  | 1,027,502.40 | 1,032,415.16 |
| TNOTE  | HS     | 11/03/21 | 11/30/27 | 0.625    | 4.683 | 97,000.00    | 84,580.62    | 91,070.29    |              |          |                |              | 84,580.62    | 91,823.75    |
| <b>2019 SENIOR LIEN REVENUE BONDS - RESTRICTED</b>                 |        |          |          |          |       |              |              |              |              |          |                |              |              |              |
| MM   | HS     | -        | -        | 0.577    | 0.577 | 197,586.35   | 197,586.35   | 197,586.35   |              |          | (196,622.81)   | 963.54       | N/A          | 963.54       |
| TNOTE  | HS     | 01/08/20 | 12/31/25 | 2.625    | 1.671 | 1,312,000.00 | 1,326,907.06 | 1,307,694.66 |              |          | (1,312,000.00) | 0.00         | 0.00         | 0.00         |
| TNOTE  | HS     | 12/31/25 | 12/31/30 | 3.625    | 3.686 | 0.00         | 0.00         | 0.00         | 1,530,000.00 |          |                | (3,963.89)   | 1,526,036.11 | 1,526,036.11 |

| Type  | Booker | Purchase  | Maturity  | Interest | Yield | 9/30/2025     | 9/30/2025     | 9/30/2025     | Purchases | Sales/   | 12/31/2025    | 12/31/2025   | 12/31/2025    | 12/31/2025    |
|---|--------|-----------|-----------|----------|-------|---------------|---------------|---------------|-----------|----------|---------------|--------------|---------------|---------------|
| Sec.  | Code   | Date      | Date      | Rate     |       | Face          | Amortized     | Fair Market   |           | Matrices | Face          | (Discount)   | Amortized     | Fair Market   |
|   |        |           |           |          |       | Value         | Cost          | Value         |           |          | Value         | Cost         | Value         | Value         |
| <b>2019 SENIOR LIEN REVENUE BONDS - RESTRICTED</b>  |        |           |           |          |       |               |               |               |           |          |               |              |               |               |
| MM  | HS     | -         | -         | 0.75%    | 0.76% | 11,409,002    | 11,409,002    | 11,409,002    | 76.71     |          | 11,413,575    | N/A          | 11,413,575    | 11,413,575    |
| TNOTE   | HS     | 3/17/2025 | 2/28/2026 | 0.500    | 4.002 | 13,468,237.90 | 13,983,267.48 | 13,272,354.78 | 33,943.19 | 0.00     | 13,443,182.99 | (324,970.32) | 13,118,212.67 | 13,391,934.42 |
| <b>TOTAL SENIOR LIEN REVENUE BONDS - RESTRICTED</b> |        |           |           |          |       |               |               |               |           |          |               |              |               |               |
| MM  | HS     | -         | -         | 0.75%    | 0.76% | 11,409,002    | 11,409,002    | 11,409,002    | 76.71     |          | 11,413,575    | N/A          | 11,413,575    | 11,413,575    |
| TNOTE   | HS     | 3/17/2025 | 2/28/2026 | 0.500    | 4.002 | 13,468,237.90 | 13,983,267.48 | 13,272,354.78 | 33,943.19 | 0.00     | 13,443,182.99 | (324,970.32) | 13,118,212.67 | 13,391,934.42 |
| <b>TOTAL SENIOR LIEN REVENUE BONDS - RESTRICTED</b> |        |           |           |          |       |               |               |               |           |          |               |              |               |               |
| MM  | HS     | -         | -         | 0.75%    | 0.76% | 11,409,002    | 11,409,002    | 11,409,002    | 76.71     |          | 11,413,575    | N/A          | 11,413,575    | 11,413,575    |
| TNOTE   | HS     | 3/17/2025 | 2/28/2026 | 0.500    | 4.002 | 13,468,237.90 | 13,983,267.48 | 13,272,354.78 | 33,943.19 | 0.00     | 13,443,182.99 | (324,970.32) | 13,118,212.67 | 13,391,934.42 |
| <b>TOTAL SENIOR LIEN REVENUE BONDS - RESTRICTED</b> |        |           |           |          |       |               |               |               |           |          |               |              |               |               |

| Type  | Booker                 | Purchase  | Maturity  | Interest | Yield | 9/30/2025     | 9/30/2025     | 9/30/2025     | Purchases  | Sales/   | 12/31/2025     | 12/31/2025   | 12/31/2025    | 12/31/2025    |
|---|------------------------|-----------|-----------|----------|-------|---------------|---------------|---------------|------------|----------|----------------|--------------|---------------|---------------|
| Sec.  | Code                   | Date      | Date      | Rate     |       | Face          | Amortized     | Fair Market   |            | Matrices | Face           | (Discount)   | Amortized     | Fair Market   |
|   |                        |           |           |          |       | Value         | Cost          | Value         |            |          | Value          | Cost         | Value         | Value         |
| <b>BOND PROJECT FUNDS RESTRICTED FOR CAPITAL IMPROVEMENTS</b> |                        |           |           |          |       |               |               |               |            |          |                |              |               |               |
| MM  | HS                     | -         | -         | 0.574    | 0.574 | 71,423.44     | 71,423.44     | 71,423.44     | 48.00      |          | 71,423.44      | N/A          | 71,423.44     | 71,423.44     |
| MM  | HS                     | -         | -         | 3.847    | 3.847 | 20,832,076.52 | 20,832,076.52 | 20,832,076.52 | 209,986.00 |          | 21,042,063.12  | N/A          | 21,042,063.12 | 21,042,063.12 |
| MM  | TP-2021 G16 BOND FUNDS | -         | -         | 3.847    | 3.847 | 11,471,424.84 | 11,471,424.84 | 11,471,424.84 |            |          | (8,727,869.11) | 2,743,555.73 | N/A           | 2,743,555.73  |
| MM  | TP-2024 REV BOND FUNDS | -         | -         | 3.847    | 3.847 | 11,471,424.84 | 11,471,424.84 | 11,471,424.84 |            |          |                |              | 2,743,555.73  | 2,743,555.73  |
| TNOTE   | HS-21 G16 Bond         | 2/28/2025 | 2/28/2026 | 0.500    | 4.216 | 26,810,000.00 | 25,848,424.09 | 26,439,950.90 |            |          | 26,810,000.00  | (961,575.81) | 25,848,424.09 | 26,675,746.46 |
| TNOTE   | HS-21 G16 Bond         | 3/19/2025 | 2/28/2026 | 0.500    | 4.099 | 370,000.00    | 357,870.77    | 364,847.98    |            |          | 370,000.00     | (12,129.23)  | 357,870.77    | 368,147.23    |
| <b>TOTAL BOND PROJECT FUNDS</b>                               |                        |           |           |          |       |               |               |               |            |          |                |              |               |               |
| MM  | HS                     | -         | -         | 0.574    | 0.574 | 71,423.44     | 71,423.44     | 71,423.44     | 48.00      |          | 71,423.44      | N/A          | 71,423.44     | 71,423.44     |
| MM  | HS                     | -         | -         | 3.847    | 3.847 | 20,832,076.52 | 20,832,076.52 | 20,832,076.52 | 209,986.00 |          | 21,042,063.12  | N/A          | 21,042,063.12 | 21,042,063.12 |
| MM  | TP-2021 G16 BOND FUNDS | -         | -         | 3.847    | 3.847 | 11,471,424.84 | 11,471,424.84 | 11,471,424.84 |            |          | (8,727,869.11) | 2,743,555.73 | N/A           | 2,743,555.73  |
| MM  | TP-2024 REV BOND FUNDS | -         | -         | 3.847    | 3.847 | 11,471,424.84 | 11,471,424.84 | 11,471,424.84 |            |          |                |              | 2,743,555.73  | 2,743,555.73  |
| TNOTE   | HS-21 G16 Bond         | 2/28/2025 | 2/28/2026 | 0.500    | 4.216 | 26,810,000.00 | 25,848,424.09 | 26,439,950.90 |            |          | 26,810,000.00  | (961,575.81) | 25,848,424.09 | 26,675,746.46 |
| TNOTE   | HS-21 G16 Bond         | 3/19/2025 | 2/28/2026 | 0.500    | 4.099 | 370,000.00    | 357,870.77    | 364,847.98    |            |          | 370,000.00     | (12,129.23)  | 357,870.77    | 368,147.23    |
| <b>TOTAL BOND PROJECT FUNDS</b>                               |                        |           |           |          |       |               |               |               |            |          |                |              |               |               |
| MM  | HS                     | -         | -         | 0.574    | 0.574 | 71,423.44     | 71,423.44     | 71,423.44     | 48.00      |          | 71,423.44      | N/A          | 71,423.44     |               |

**Vendor Expenditure**  
 Period: 01/01/26..01/31/26  
 Port Freeport

Thursday, February 19, 2026  
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 FREEPORT/OBRIEN

This report also includes bank accounts that only have balances.  
 Bank Account: Date Filter: 01/01/26..01/31/26  
 Check Ledger Entry:

| Check No.    | Check Date      | Vendor No.      | Vendor Name                                 | Check Amount    | Line Amount |
|--------------|-----------------|-----------------|---|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                            |                 |             |
| <b>98802</b> | <b>01/06/26</b> | <b>V01135</b>   | <b>Amazon Capital Services</b>              | <b>419.20</b>   |             |
| 136478       | 133308          |                 | Office Supplies                             | 39.44           |             |
| 136478       | 133308          |                 | Office Supplies                             | 8.55            |             |
| 136478       | 133308          |                 | Office Supplies                             | 44.86           |             |
| 136478       | 133308          |                 | Office Supplies                             | 2.18            |             |
| 136478       | 133308          |                 | Office Supplies                             | 23.89           |             |
| 136478       | 133308          |                 | Office Supplies                             | 11.07           |             |
| 136478       | 133308          |                 | Office Supplies                             | 3.27            |             |
| 136478       | 133308          |                 | Office Supplies                             | 6.42            |             |
| 136478       | 133308          |                 | Office Supplies                             | 8.61            |             |
| 136478       | 133308          |                 | Office Supplies                             | 117.80          |             |
| 136478       | 133308          |                 | M&R TOE-General, Terminal Ops Equip & Tools | 55.98           |             |
| 136478       | 133308          |                 | Badge Supplies                              | 97.13           |             |
|              |                 |                 | Line Amount Total                           |                 | 419.20      |
| <b>98803</b> | <b>01/06/26</b> | <b>V00115</b>   | <b>AT&amp;T:979-373-0021 663 4</b>          | <b>790.46</b>   |             |
| 136509       | 133339          |                 | Telephone                                   | 274.95          |             |
| 136509       | 133339          |                 | Telephone                                   | 137.47          |             |
| 136509       | 133339          |                 | Telephone                                   | 34.37           |             |
| 136509       | 133339          |                 | Telephone                                   | 103.10          |             |
| 136509       | 133339          |                 | Telephone                                   | 103.10          |             |
| 136509       | 133339          |                 | Telephone                                   | 137.47          |             |
|              |                 |                 | Line Amount Total                           |                 | 790.46      |
| <b>98804</b> | <b>01/06/26</b> | <b>V00256</b>   | <b>Blueline Shop &amp; Copy Center</b>      | <b>90.43</b>    |             |
| 136479       | 133304          |                 | M&R Security Equipment-Security Sign        | 90.43           |             |
|              |                 |                 | Line Amount Total                           |                 | 90.43       |
| <b>98805</b> | <b>01/06/26</b> | <b>V00049</b>   | <b>Brazos Fasteners, Inc</b>                | <b>10.00</b>    |             |
| 136468       | 133297          |                 | Maint and Operations Supplies               | 10.00           |             |
|              |                 |                 | Line Amount Total                           |                 | 10.00       |
| <b>98806</b> | <b>01/06/26</b> | <b>V00039</b>   | <b>Brazosport Tire</b>                      | <b>1,166.10</b> |             |
| 136469       | 133294          |                 | M&R Other-Tire Removal                      | 672.00          |             |
| 136470       | 133293          |                 | M&R TOE-John Deere Gator                    | 494.10          |             |
|              |                 |                 | Line Amount Total                           |                 | 1,166.10    |
| <b>98807</b> | <b>01/06/26</b> | <b>V00096</b>   | <b>CenterPoint Energy</b>                   | <b>47.20</b>    |             |
| 136510       | 133338          |                 | Water & Gas                                 | 47.20           |             |
|              |                 |                 | Line Amount Total                           |                 | 47.20       |
| <b>98808</b> | <b>01/06/26</b> | <b>V01011</b>   | <b>Charles Gryseels III</b>                 | <b>113.64</b>   |             |
| 136490       | 133327          |                 | Telephone                                   | 75.00           |             |
| 136490       | 133327          |                 | Automobile Expense                          | 38.64           |             |
|              |                 |                 | Line Amount Total                           |                 | 113.64      |
| <b>98809</b> | <b>01/06/26</b> | <b>V00539</b>   | <b>Cintas</b>                               | <b>327.19</b>   |             |
| 136491       | 133316          |                 | Office Supplies                             | 327.19          |             |
|              |                 |                 | Line Amount Total                           |                 | 327.19      |
| <b>98810</b> | <b>01/06/26</b> | <b>V01086</b>   | <b>Clinton Woodson</b>                      | <b>382.73</b>   |             |
| 136492       | 133328          |                 | Telephone - Nov                             | 75.00           |             |
| 136492       | 133328          |                 | Sales/Promotion Travel                      | 161.35          |             |

**Vendor Expenditure**  
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| Check No.    | Check Date      | Vendor No.      | Vendor Name  | Check Amount     | Line Amount |
|--------------|-----------------|-----------------|--|------------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description   |                  |             |
|              | 136492          | 133328          | Commercial Events  |                  | 146.38      |
|              |                 |                 | Line Amount Total  |                  | 382.73      |
| <b>98811</b> | <b>01/06/26</b> | <b>V00097</b>   | <b>Comcast</b>   | <b>1,434.86</b>  |             |
| 136502       | 133323          |                 | Contract Services  |                  | 1,434.86    |
|              |                 |                 | Line Amount Total  |                  | 1,434.86    |
| <b>98812</b> | <b>01/06/26</b> | <b>V00517</b>   | <b>Covenant K9 Detection Services</b>                                  | <b>8,250.00</b>  |             |
| 136489       | 132480          |                 | Security Service Fees  |                  | 8,250.00    |
| 136489       | 132480          |                 | Hourly Rate for K9 Detection Services for 360 Hrs                      |                  |             |
|              |                 |                 | Line Amount Total  |                  | 8,250.00    |
| <b>98813</b> | <b>01/06/26</b> | <b>V01153</b>   | <b>Crawford Electric Supply</b>  | <b>8.15</b>      |             |
| 136488       | 133310          |                 | M&R Warehouse-Warehouse 51   |                  | 8.15        |
|              |                 |                 | Line Amount Total  |                  | 8.15        |
| <b>98814</b> | <b>01/06/26</b> | <b>V00668</b>   | <b>DARE Capital Partners, LLC</b>                                      | <b>3,408.00</b>  |             |
| 136485       | 133312          |                 | M&R TOE-Gantry Crane #1  |                  | 340.80      |
| 136485       | 133312          |                 | M&R TOE-Gantry Crane #2  |                  | 340.80      |
| 136485       | 133312          |                 | M&R Other-Mowing, Weed Control Etc                                     |                  | 681.60      |
| 136486       | 133311          |                 | M&R TOE-Gantry Crane #1  |                  | 454.40      |
| 136486       | 133311          |                 | M&R TOE-Gantry Crane #2  |                  | 454.40      |
| 136486       | 133311          |                 | M&R Other-Mowing, Weed Control Etc                                     |                  | 1,136.00    |
|              |                 |                 | Line Amount Total  |                  | 3,408.00    |
| <b>98815</b> | <b>01/06/26</b> | <b>V00221</b>   | <b>Dynamics Southwest, Inc.</b>  | <b>15,283.75</b> |             |
| 136477       | 130752          |                 | Construction in Progress   |                  | 12,757.50   |
| 136477       | 130752          |                 | Construction in Progress   |                  |             |
| 136477       | 130752          |                 | Construction in Progress   |                  |             |
| 136484       | 130752          |                 | Construction in Progress   |                  | 2,526.25    |
| 136484       | 130752          |                 | Construction in Progress   |                  |             |
| 136484       | 130752          |                 | Construction in Progress   |                  |             |
|              |                 |                 | Line Amount Total  |                  | 15,283.75   |
| <b>98816</b> | <b>01/06/26</b> | <b>V00863</b>   | <b>Enrico Arbolante</b>  | <b>105.00</b>    |             |
| 136459       | 133291          |                 | Telephone - Dec  |                  | 75.00       |
| 136459       | 133291          |                 | Subscriptions  |                  | 30.00       |
|              |                 |                 | Line Amount Total  |                  | 105.00      |
| <b>98817</b> | <b>01/06/26</b> | <b>V01078</b>   | <b>Everon, LLC</b>   | <b>934.97</b>    |             |
| 136480       | 133303          |                 | Badge Supplies   |                  | 934.97      |
|              |                 |                 | Line Amount Total  |                  | 934.97      |
| <b>98818</b> | <b>01/06/26</b> | <b>V00012</b>   | <b>FedEx</b>   | <b>8.85</b>      |             |
| 136511       | 133341          |                 | Postage and Freight  |                  | 8.85        |
|              |                 |                 | Line Amount Total  |                  | 8.85        |
| <b>98819</b> | <b>01/06/26</b> | <b>V00400</b>   | <b>Four Seasons Hotel</b>  | <b>3,750.00</b>  |             |
| 136503       | 133257          |                 | Commerical Event-JOC Breakbulk-Business Developmen                     |                  | 3,750.00    |
| 136503       | 133257          |                 | Breakbulk Reception: Four Seasons Toro Toro Room Sept 23,2026 4-7 p.m. |                  |             |
| 136503       | 133257          |                 | Board Approval 11/20/2025  |                  |             |
|              |                 |                 | Line Amount Total  |                  | 3,750.00    |
| <b>98820</b> | <b>01/06/26</b> | <b>V00904</b>   | <b>International Fresh Produce Association</b>                         | <b>10,820.00</b> |             |
| 136516       | 133125          |                 | Dues & Memberships & Licenses  |                  | 10,820.00   |

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| Check No.    | Check Date      | Vendor No.         | Vendor Name                         | Check Amount                                       | Line Amount                        |
|--------------|-----------------|--------------------|-------------------------------------|--|------------------------------------|
|              |                 | <b>Invoice No.</b> | <b>PO No.</b>                       | <b>GL Account Name</b>                             | <b>Line Description</b>            |
|              |                 | 136516             | 133125                              |  | Port Freeport Corporate Membership |
|              |                 |                    |                                     | Line Amount Total                                  | 10,820.00                          |
| <b>98821</b> | <b>01/06/26</b> | <b>V00083</b>      | <b>Jason Hull</b>                   | <b>136.75</b>                                      |                                    |
|              |                 | 136494             | 133326                              | Telephone  | 136.75                             |
|              |                 |                    |                                     | Line Amount Total                                  | 136.75                             |
| <b>98822</b> | <b>01/06/26</b> | <b>V00119</b>      | <b>JH Sanchez Holding Company</b>   | <b>6,605.00</b>                                    |                                    |
|              |                 | 136487             | 129814                              | Janitorial Services February 2025-January 2026     |                                    |
|              |                 | 136487             | 129814                              | M&R Bldgs-Admin Bldg 1100 Cherry St                | 2,723.00                           |
|              |                 | 136487             | 129814                              | M&R Bldgs-Operations Bldg                          | 889.00                             |
|              |                 | 136487             | 129814                              | M&R Bldgs-Security Bldg                            | 651.00                             |
|              |                 | 136487             | 129814                              | M&R Bldgs-Security Bldg-Customs                    | 880.00                             |
|              |                 | 136487             | 129814                              | M&R Bldgs-Buildings VT Berth 7                     | 890.00                             |
|              |                 | 136487             | 129814                              | M&R Bldgs-Maintenance Bldg-Maint Shop (WH3)        | 110.00                             |
|              |                 | 136487             | 129814                              | M&R Transit Shed-T.S. 3                            | 91.00                              |
|              |                 | 136487             | 129814                              | M&R Bldgs-Gate 4                                   | 20.00                              |
|              |                 | 136487             | 129814                              | 3 Year Contract with 2 one year options-Second Yr  |                                    |
|              |                 | 136487             | 129814                              | M&R Bldgs-Gate 4                                   | 351.00                             |
|              |                 | 136487             | 129814                              | Board Approval 12/14/2023                          |                                    |
|              |                 | 136487             | 129814                              | Change Order for \$4,212 Board Approval 01/30/2025 |                                    |
|              |                 |                    |                                     | Line Amount Total                                  | 6,605.00                           |
| <b>98823</b> | <b>01/06/26</b> | <b>V00249</b>      | <b>JOC Group Inc.</b>               | <b>2,862.21</b>                                    |                                    |
|              |                 | 136515             | 133307                              | Subscriptions-Dec                                  | 238.52                             |
|              |                 | 136515             | 133307                              | Subscriptions Jan - Nov                            | 2,623.69                           |
|              |                 |                    |                                     | Line Amount Total                                  | 2,862.21                           |
| <b>98824</b> | <b>01/06/26</b> | <b>V01110</b>      | <b>Language Line Services, Inc.</b> | <b>16.47</b>                                       |                                    |
|              |                 | 136512             | 133324                              | Subscriptions                                      | 16.47                              |
|              |                 |                    |                                     | Line Amount Total                                  | 16.47                              |
| <b>98825</b> | <b>01/06/26</b> | <b>V00739</b>      | <b>Port53 Technologies Inc</b>      | <b>993.60</b>                                      |                                    |
|              |                 | 136513             | 133340                              | Contract Services                                  | 993.60                             |
|              |                 |                    |                                     | Line Amount Total                                  | 993.60                             |
| <b>98826</b> | <b>01/06/26</b> | <b>V00067</b>      | <b>Quill LLC</b>                    | <b>544.69</b>                                      |                                    |
|              |                 | 136460             | 133302                              | Office Supplies                                    | 27.54                              |
|              |                 | 136461             | 133301                              | Office Supplies                                    | 30.60                              |
|              |                 | 136461             | 133301                              | Office Supplies                                    | 15.30                              |
|              |                 | 136461             | 133301                              | Office Supplies                                    | 3.83                               |
|              |                 | 136461             | 133301                              | Office Supplies                                    | 11.48                              |
|              |                 | 136461             | 133301                              | Office Supplies                                    | 11.48                              |
|              |                 | 136461             | 133301                              | Office Supplies                                    | 15.29                              |
|              |                 | 136462             | 133300                              | Office Supplies                                    | 7.22                               |
|              |                 | 136463             | 133290                              | Office Supplies                                    | 9.85                               |
|              |                 | 136471             | 133285                              | Office Supplies                                    | 94.99                              |
|              |                 | 136472             | 133284                              | Office Supplies                                    | 22.09                              |
|              |                 | 136473             | 133283                              | Office Supplies                                    | 29.73                              |
|              |                 | 136474             | 133281                              | Office Supplies                                    | 178.40                             |
|              |                 | 136495             | 133299                              | Office Supplies                                    | 86.89                              |
|              |                 |                    |                                     | Line Amount Total                                  | 544.69                             |
| <b>98827</b> | <b>01/06/26</b> | <b>V00977</b>      | <b>Randi Northup</b>                | <b>191.00</b>                                      |                                    |
|              |                 | 136496             | 133322                              | Telephone - Dec                                    | 75.00                              |

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|--------------|-----------------|--------------------|--|--|-------------------------|
|              |                 | <b>Invoice No.</b> | <b>PO No.</b>                                    | <b>GL Account Name</b>                 | <b>Line Description</b> |
|              |                 | 136496             | 133322   |  | Employment Related      |
|              |                 |                    |  | Line Amount Total                      | 116.00                  |
| <b>98828</b> | <b>01/06/26</b> | <b>V00118</b>      | <b>Second Street Properties, LLC</b>             | <b>163.50</b>                          |                         |
|              |                 | 136497             | 133314   | Fuel/Oil                               | 163.50                  |
|              |                 |                    |  | Line Amount Total                      | 163.50                  |
| <b>98829</b> | <b>01/06/26</b> | <b>V00010</b>      | <b>Specialties Company</b>                       | <b>410.26</b>                          |                         |
|              |                 | 136518             | 133335   | M&R TOE-Yale Forklift                  | 312.52                  |
|              |                 | 136519             | 133334   | Maint and Operations Supplies          | 97.74                   |
|              |                 |                    |  | Line Amount Total                      | 410.26                  |
| <b>98830</b> | <b>01/06/26</b> | <b>V00053</b>      | <b>Stericycle, Inc</b>                           | <b>249.37</b>                          |                         |
|              |                 | 136236             | 133069   | Office Supplies                        | 41.99                   |
|              |                 | 136236             | 133069   | Office Supplies                        | 21.00                   |
|              |                 | 136236             | 133069   | Office Supplies                        | 110.23                  |
|              |                 | 136236             | 133069   | Office Supplies                        | 5.24                    |
|              |                 | 136236             | 133069   | Office Supplies                        | 15.79                   |
|              |                 | 136236             | 133069   | Office Supplies                        | 10.50                   |
|              |                 | 136236             | 133069   | Office Supplies                        | 7.86                    |
|              |                 | 136236             | 133069   | Office Supplies                        | 15.76                   |
|              |                 | 136236             | 133069   | Office Supplies                        | 21.00                   |
|              |                 |                    |  | Line Amount Total                      | 249.37                  |
| <b>98831</b> | <b>01/06/26</b> | <b>V00098</b>      | <b>Suburban Propane</b>                          | <b>799.57</b>                          |                         |
|              |                 | 136481             | 133313   | Fuel/Oil                               | 799.57                  |
|              |                 |                    |  | Line Amount Total                      | 799.57                  |
| <b>98832</b> | <b>01/06/26</b> | <b>V00054</b>      | <b>Summit Electric Supply</b>                    | <b>1,642.57</b>                        |                         |
|              |                 | 136475             | 133296   | M&R Transit Shed-T.S. 1                | 765.06                  |
|              |                 | 136476             | 133295   | M&R Docks-Dock Berth 2                 | 744.75                  |
|              |                 | 136482             | 133309   | M&R Transit Shed-T.S. 1                | 13.76                   |
|              |                 | 136483             | 133298   | M&R Transit Shed-T.S. Sprinkler System | 119.00                  |
|              |                 |                    |  | Line Amount Total                      | 1,642.57                |
| <b>98833</b> | <b>01/06/26</b> | <b>V00821</b>      | <b>Summit Fire &amp; Security, LLC</b>           | <b>377.00</b>                          |                         |
|              |                 | 136517             | 133336   | M&R Bldgs-Admin Bldg 1100 Cherry St    | 377.00                  |
|              |                 |                    |  | Line Amount Total                      | 377.00                  |
| <b>98834</b> | <b>01/06/26</b> | <b>V00101</b>      | <b>Sunstates Security, LLC</b>                   | <b>54,998.51</b>                       |                         |
|              |                 | 136498             | 133319   | Security Service Fees                  | 715.00                  |
|              |                 | 136499             | 133318   | Security Service Fees                  | 250.25                  |
|              |                 | 136505             | 133321   | Security Service Fees                  | 1,115.05                |
|              |                 | 136506             | 133320   | Security Service Fees                  | 52,918.21               |
|              |                 |                    |  | Line Amount Total                      | 54,998.51               |
| <b>98835</b> | <b>01/06/26</b> | <b>V00462</b>      | <b>Texas Commission on Environmental Quality</b> | <b>200.00</b>                          |                         |
|              |                 | 136464             | 133287   | M&R Other-Stormwater Outfall/Drainage  | 200.00                  |
|              |                 |                    |  | Line Amount Total                      | 200.00                  |
| <b>98836</b> | <b>01/06/26</b> | <b>V00040</b>      | <b>The Brazosport Facts</b>                      | <b>103.50</b>                          |                         |
|              |                 | 136500             | 133325   | Community Advertising                  | 103.50                  |
|              |                 |                    |  | Line Amount Total                      | 103.50                  |
| <b>98837</b> | <b>01/06/26</b> | <b>V00270</b>      | <b>The Bulletin</b>                              | <b>820.00</b>                          |                         |
|              |                 | 136465             | 133289   | Community Advertising                  | 820.00                  |
|              |                 |                    |  | Line Amount Total                      | 820.00                  |

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|--------------|-----------------|-----------------|---|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                                  |                 |             |
| <b>98838</b> | <b>01/06/26</b> | <b>V00809</b>   | <b>Thomson Reuters - West</b>                     | <b>481.75</b>   |             |
| 135382       | 129050          |                 | Subscriptions                                     |                 | 235.00      |
| 135382       | 129050          |                 | CLEAR Government Investigations Advanced Software |                 |             |
| 135382       | 129050          |                 | w/ Arrest Records                                 |                 |             |
| 136507       | 132788          |                 | Subscriptions - Oct                               |                 |             |
| 136507       | 132788          |                 | Subscriptions- new rate FY 2026                   | 246.75          |             |
| 136507       | 132788          |                 | CLEAR Govt Investigations Advanced                |                 |             |
| 136507       | 132788          |                 | CLEAR Criminal Justice Arrest Gateway Pro         |                 |             |
| 136507       | 132788          |                 | ENCLR Pro Alert Premium Band                      |                 |             |
|              |                 |                 | Line Amount Total                                 | 481.75          |             |
| <b>98839</b> | <b>01/06/26</b> | <b>V00112</b>   | <b>Tricia Vela</b>                                | <b>125.61</b>   |             |
| 136466       | 133288          |                 | Telephone - Dec                                   |                 | 75.00       |
| 136466       | 133288          |                 | Community Events                                  |                 | 25.76       |
| 136466       | 133288          |                 | Community Events                                  |                 | 24.01       |
| 136466       | 133288          |                 | Automobile Expense                                |                 | 0.84        |
|              |                 |                 | Line Amount Total                                 | 125.61          |             |
| <b>98840</b> | <b>01/06/26</b> | <b>V00071</b>   | <b>Verizon Wireless</b>                           | <b>493.10</b>   |             |
| 136522       | 133342          |                 | Telephone   |                 | 37.99       |
| 136522       | 133342          |                 | Telephone   |                 | 75.21       |
| 136522       | 133342          |                 | Telephone   |                 | 303.92      |
| 136522       | 133342          |                 | Telephone   |                 | 75.98       |
|              |                 |                 | Line Amount Total                                 | 493.10          |             |
| <b>98841</b> | <b>01/06/26</b> | <b>V00075</b>   | <b>Vicki L. Smith</b>                             | <b>75.00</b>    |             |
| 136514       | 133337          |                 | Telephone - Jan                                   |                 | 75.00       |
|              |                 |                 | Line Amount Total                                 | 75.00           |             |
| <b>98842</b> | <b>01/13/26</b> | <b>V01194</b>   | <b>Fermin Mendoza</b>                             | <b>1,632.00</b> |             |
| 136588       | 133376          |                 | Other Receivables-Re-Bill to ZPMC                 |                 | 1,632.00    |
|              |                 |                 | Line Amount Total                                 | 1,632.00        |             |
| <b>98843</b> | <b>01/13/26</b> | <b>V01195</b>   | <b>Michael Harris</b>                             | <b>1,632.00</b> |             |
| 136589       | 133365          |                 | Other Receivables-Re-bill to ZPMC                 |                 | 1,632.00    |
|              |                 |                 | Line Amount Total                                 | 1,632.00        |             |
| <b>98844</b> | <b>01/14/26</b> | <b>V00102</b>   | <b>ABB, Inc</b>                                   | <b>9,517.65</b> |             |
| 136564       | 132648          |                 | M&R TOE-Gantry Crane                              |                 | 4,758.83    |
| 136564       | 132648          |                 | M&R TOE-Gantry Crane                              |                 | 4,758.82    |
| 136564       | 132648          |                 | Drive filter LCL Module-DSW STD Repair ALCL-25-5  |                 |             |
|              |                 |                 | Line Amount Total                                 | 9,517.65        |             |
| <b>98845</b> | <b>01/14/26</b> | <b>V00976</b>   | <b>Air Comm</b>                                   | <b>204.00</b>   |             |
| 136569       | 133410          |                 | M&R Other-Radio Parts                             |                 | 204.00      |
|              |                 |                 | Line Amount Total                                 | 204.00          |             |
| <b>98846</b> | <b>01/14/26</b> | <b>V00663</b>   | <b>B&amp;K Motor Parts, Inc</b>                   | <b>1,772.27</b> |             |
| 136539       | 133358          |                 | M&R TOE-General, Terminal Ops Equip & Tools       |                 | 980.38      |
| 136539       | 133358          |                 | M&R TOE-Yale Forklift                             |                 | 42.32       |
| 136539       | 133358          |                 | M&R TOE-Toyota Forklift                           |                 | 200.99      |
| 136539       | 133358          |                 | M&R TOE-2017 Atlas Light Tower V5+                |                 | 136.01      |
| 136539       | 133358          |                 | M&R TOE-2018 Generic Light Tower                  |                 | 223.95      |
| 136539       | 133358          |                 | M&R Vehicles-Chevy Tahoe                          |                 | 98.68       |
| 136539       | 133358          |                 | M&R Vehicles-Ford Truck                           |                 | 89.94       |
|              |                 |                 | Line Amount Total                                 | 1,772.27        |             |

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|--------------|-----------------|-----------------|--|-------------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                               |                   |             |
| <b>98847</b> | <b>01/14/26</b> | <b>V00256</b>   | <b>Blueline Shop &amp; Copy Center</b>         | <b>634.23</b>     |             |
| 136528       | 133346          |                 | M&R TOE-Gantry Crane #3                        |                   | 317.12      |
| 136528       | 133346          |                 | M&R TOE-Gantry Crane #4                        |                   | 317.11      |
|              |                 |                 | Line Amount Total                              | 634.23            |             |
| <b>98848</b> | <b>01/14/26</b> | <b>V00187</b>   | <b>Brazoria County Septic Service</b>          | <b>422.00</b>     |             |
| 136527       | 133356          |                 | Contract Services                              |                   | 422.00      |
|              |                 |                 | Line Amount Total                              | 422.00            |             |
| <b>98849</b> | <b>01/14/26</b> | <b>V00452</b>   | <b>Breakbulk US OPCO Inc.</b>                  | <b>6,220.00</b>   |             |
| 136501       | 133052          |                 | Commerical Event-JOC Breakbulk-Business Dev    |                   | 6,000.00    |
| 136501       | 133052          |                 | Breakbulk Americas 2026 September 22-24 Booth  |                   |             |
| 136501       | 133052          |                 | Insurance Participation Fee                    |                   |             |
| 136501       | 133052          |                 | Board Approval on 11/20/2025                   |                   |             |
| 136537       | 133052          |                 | Commerical Event-JOC Breakbulk-Business Dev    |                   |             |
| 136537       | 133052          |                 | Breakbulk Americas 2026 September 22-24 Booth  |                   |             |
| 136537       | 133052          |                 | Insurance Participation Fee                    |                   | 220.00      |
| 136537       | 133052          |                 | Board Approval on 11/20/2025                   |                   |             |
|              |                 |                 | Line Amount Total                              | 6,220.00          |             |
| <b>98850</b> | <b>01/14/26</b> | <b>V00037</b>   | <b>Briggs Equipment</b>                        | <b>171,517.00</b> |             |
| 136536       | 132976          |                 | 2021 HYSTER H360XD FORKLIFT                    |                   | 171,517.00  |
| 136536       | 132976          |                 | 36,000 LB Forklift                             |                   |             |
| 136536       | 132976          |                 | Serial No NO199EO1706V                         |                   |             |
| 136536       | 132976          |                 | ***Trade in 1979 H150 Forklift \$650.00***     |                   |             |
| 136536       | 132976          |                 | ***Trade in 1992 H440FS Forklift \$5,600.00*** |                   |             |
| 136536       | 132976          |                 | Board Approval 11/20/2025                      |                   |             |
|              |                 |                 | Line Amount Total                              | 171,517.00        |             |
| <b>98851</b> | <b>01/14/26</b> | <b>V00124</b>   | <b>Carriage House Partners</b>                 | <b>5,000.00</b>   |             |
| 136603       | 129818          |                 | Consultant Fees - Other                        |                   | 5,000.00    |
| 136603       | 129818          |                 | Government Liason Service Agreement Jan 2025-  |                   |             |
| 136603       | 129818          |                 | December 2027                                  |                   |             |
| 136603       | 129818          |                 | Board Approval 12/19/2024                      |                   |             |
|              |                 |                 | Line Amount Total                              | 5,000.00          |             |
| <b>98852</b> | <b>01/14/26</b> | <b>V00421</b>   | <b>Choctaw Construction Services, LLC</b>      | <b>10,642.06</b>  |             |
| 136547       | 132387          |                 | M&R Parcel 14 Rail                             |                   | 4,696.25    |
| 136547       | 132387          |                 | Track Inspection & Switch Maintenance          |                   |             |
| 136547       | 132387          |                 | October 2025-Sept 2026                         |                   |             |
| 136548       | 133372          |                 | M&R Rail-Other                                 |                   | 5,945.81    |
|              |                 |                 | Line Amount Total                              | 10,642.06         |             |
| <b>98853</b> | <b>01/14/26</b> | <b>V00880</b>   | <b>Christine Lewis</b>                         | <b>133.41</b>     |             |
| 136523       | 133344          |                 | Telephone - Dec                                |                   | 75.00       |
| 136523       | 133344          |                 | Safety Supplies                                |                   | 58.41       |
|              |                 |                 | Line Amount Total                              | 133.41            |             |
| <b>98854</b> | <b>01/14/26</b> | <b>V00398</b>   | <b>City of Clute</b>                           | <b>1,150.00</b>   |             |
| 136604       | 133360          |                 | Community Events                               |                   | 1,150.00    |
| 136604       | 133360          |                 | Reservation Fee (\$250.00) & Deposit \$350.00) |                   |             |
| 136604       | 133360          |                 | Clean up Fee (\$300.00)                        |                   |             |
| 136604       | 133360          |                 | Podium Rental                                  |                   |             |
| 136604       | 133360          |                 | Projector Rental                               |                   |             |
| 136604       | 133360          |                 | Event set up and breakdown fee (250.00)        |                   |             |
|              |                 |                 | Line Amount Total                              | 1,150.00          |             |



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|--------------|-----------------|-----------------|--|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                               |                 |             |
| 136587       |                 | 133413          | M&R TOE-Gantry Crane #2                        |                 | 242.50      |
|              |                 |                 | Line Amount Total                              |                 | 595.89      |
| <b>98865</b> | <b>01/14/26</b> | <b>V00172</b>   | <b>Lincoln National Life Insurance Company</b> | <b>1,661.74</b> |             |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 314.98      |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 149.51      |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 479.90      |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 13.35       |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 137.64      |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 106.11      |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 16.89       |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 133.93      |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 134.31      |
| 136551       |                 | 133374          | Retirement Expense                             |                 | 111.30      |
| 136551       |                 | 133374          | B. Knapp Adj                                   |                 | 63.82       |
|              |                 |                 | Line Amount Total                              |                 | 1,661.74    |
| <b>98866</b> | <b>01/14/26</b> | <b>V00250</b>   | <b>Lincoln National Life Insurance Company</b> | <b>3,165.20</b> |             |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 333.39      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 281.19      |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 133.54      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 114.78      |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 555.94      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 388.02      |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 21.16       |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 12.78       |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 145.31      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 129.86      |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 102.58      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 85.69       |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 51.60       |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 32.65       |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 139.47      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 114.31      |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 143.09      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 89.51       |
| 136550       |                 | 133373          | Group STD Insurance                            |                 | 192.16      |
| 136550       |                 | 133373          | Group LTD Insurance                            |                 | 142.57      |
| 136550       |                 | 133373          | S Davis Adj                                    |                 | -27.66      |
| 136550       |                 | 133373          | S Davis Adj                                    |                 | -16.74      |
|              |                 |                 | Line Amount Total                              |                 | 3,165.20    |
| <b>98867</b> | <b>01/14/26</b> | <b>V00026</b>   | <b>Lowe's</b>                                  | <b>867.01</b>   |             |
| 136557       |                 | 133377          | M&R Bldgs-Scale House                          |                 | 214.47      |
| 136557       |                 | 133377          | M&R Bldgs-Maintenance Bldg                     |                 | 238.44      |
| 136557       |                 | 133377          | M&R TOE-Gantry Crane #3                        |                 | 58.40       |
| 136557       |                 | 133377          | M&R TOE-Gantry Crane #4                        |                 | 58.40       |
| 136557       |                 | 133377          | M&R TOE-Gantry Crane #3                        |                 | 12.69       |
| 136557       |                 | 133377          | M&R TOE-Gantry Crane #4                        |                 | 12.69       |
| 136557       |                 | 133377          | M&R Warehouse-Warehouse 51                     |                 | 271.92      |
|              |                 |                 | Line Amount Total                              |                 | 867.01      |
| <b>98868</b> | <b>01/14/26</b> | <b>V00593</b>   | <b>McAllen Signal and Boring , LLC</b>         | <b>525.00</b>   |             |
| 136582       |                 | 132318          | M&R Rail-Other                                 |                 | 525.00      |
| 136582       |                 | 132318          | Hwy 36 Crossing Inspection                     |                 |             |

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|--------------|-----------------|-----------------|--|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                             |                 |             |
| 136582       |                 | 132318          | October 2025 - Sept 2026                     |                 |             |
|              |                 |                 | Line Amount Total                            |                 | 525.00      |
| <b>98869</b> | <b>01/14/26</b> | <b>V00006</b>   | <b>Michaela Bevers</b>                       | <b>81.72</b>    |             |
| 136596       |                 | 133423          | Telephone - Dec                              |                 | 75.00       |
| 136596       |                 | 133423          | Community Events                             |                 | 6.72        |
|              |                 |                 | Line Amount Total                            |                 | 81.72       |
| <b>98870</b> | <b>01/14/26</b> | <b>V00050</b>   | <b>Northern Tool Commercial Account</b>      | <b>1,026.00</b> |             |
| 136532       |                 | 133354          | M&R TOE-Gantry Crane #3                      |                 | 135.00      |
| 136532       |                 | 133354          | M&R TOE-Gantry Crane #4                      |                 | 135.00      |
| 136533       |                 | 133352          | M&R TOE-Gantry Crane #3                      |                 | 378.00      |
| 136533       |                 | 133352          | M&R TOE-Gantry Crane #4                      |                 | 378.00      |
|              |                 |                 | Line Amount Total                            |                 | 1,026.00    |
| <b>98871</b> | <b>01/14/26</b> | <b>V00499</b>   | <b>Occupational Health Centers</b>           | <b>256.00</b>   |             |
| 136595       |                 | 133424          | Employment Related                           |                 | 256.00      |
|              |                 |                 | Line Amount Total                            |                 | 256.00      |
| <b>98872</b> | <b>01/14/26</b> | <b>V00067</b>   | <b>Quill LLC</b>                             | <b>223.72</b>   |             |
| 136592       |                 | 133375          | Office Supplies                              |                 | 223.72      |
|              |                 |                 | Line Amount Total                            |                 | 223.72      |
| <b>98873</b> | <b>01/14/26</b> | <b>V00285</b>   | <b>Shoppa's Farm Supply</b>                  | <b>398.66</b>   |             |
| 136542       |                 | 133362          | M&R TOE-2020 John Deere HPX615E              |                 | 97.80       |
| 136577       |                 | 133409          | M&R Groundskeeping Equipment-5510 John Deere |                 | 300.86      |
|              |                 |                 | Line Amount Total                            |                 | 398.66      |
| <b>98874</b> | <b>01/14/26</b> | <b>V00010</b>   | <b>Specialties Company</b>                   | <b>309.44</b>   |             |
| 136559       |                 | 133382          | M&R TOE-Yale Forklift                        |                 | 234.42      |
| 136560       |                 | 133381          | M&R TOE-Yale Forklift                        |                 | 75.02       |
|              |                 |                 | Line Amount Total                            |                 | 309.44      |
| <b>98875</b> | <b>01/14/26</b> | <b>V00053</b>   | <b>Stericycle, Inc</b>                       | <b>249.37</b>   |             |
| 136520       |                 | 133332          | Office Supplies                              |                 | 41.99       |
| 136520       |                 | 133332          | Office Supplies                              |                 | 21.00       |
| 136520       |                 | 133332          | Office Supplies                              |                 | 110.23      |
| 136520       |                 | 133332          | Office Supplies                              |                 | 5.24        |
| 136520       |                 | 133332          | Office Supplies                              |                 | 15.79       |
| 136520       |                 | 133332          | Office Supplies                              |                 | 10.50       |
| 136520       |                 | 133332          | Office Supplies                              |                 | 7.86        |
| 136520       |                 | 133332          | Office Supplies                              |                 | 15.76       |
| 136520       |                 | 133332          | Office Supplies                              |                 | 21.00       |
|              |                 |                 | Line Amount Total                            |                 | 249.37      |
| <b>98876</b> | <b>01/14/26</b> | <b>V00054</b>   | <b>Summit Electric Supply</b>                | <b>338.26</b>   |             |
| 136534       |                 | 133349          | M&R IT Equipment                             |                 | 18.59       |
| 136535       |                 | 133348          | M&R IT Equipment                             |                 | 224.97      |
| 136541       |                 | 133364          | M&R Warehouse-Warehouse 51                   |                 | 43.68       |
| 136579       |                 | 133406          | M&R Leased Facilities-T.S. 5 Offices         |                 | 51.02       |
|              |                 |                 | Line Amount Total                            |                 | 338.26      |
| <b>98877</b> | <b>01/14/26</b> | <b>V00821</b>   | <b>Summit Fire &amp; Security, LLC</b>       | <b>1,686.00</b> |             |
| 136552       |                 | 133386          | M&R Bldgs-Admin Bldg 1100 Cherry St          |                 | 843.00      |
| 136580       |                 | 133405          | M&R Transit Shed-T.S. Sprinkler System       |                 | 843.00      |
|              |                 |                 | Line Amount Total                            |                 | 1,686.00    |

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|--------------|-----------------|-----------------|---|-------------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                              |                   |             |
| <b>98878</b> | <b>01/14/26</b> | <b>V00101</b>   | <b>Sunstates Security, LLC</b>                | <b>150,234.10</b> |             |
| 136561       | 133390          |                 | Security Service Fees                         | 802.32            |             |
| 136563       | 133392          |                 | Security Service Fees                         | 393.25            |             |
| 136566       | 133391          |                 | Security Service Fees                         | 48,720.23         |             |
| 136567       | 133389          |                 | Security Service Fees                         | 1,124.53          |             |
| 136568       | 133387          |                 | Security Service Fees                         | 49,044.56         |             |
| 136581       | 133395          |                 | Security Service Fees                         | 859.18            |             |
| 136583       | 133397          |                 | Security Service Fees                         | 1,662.38          |             |
| 136584       | 133396          |                 | Security Service Fees                         | 47,627.65         |             |
|              |                 |                 | Line Amount Total                             | 150,234.10        |             |
| <b>98879</b> | <b>01/14/26</b> | <b>V01116</b>   | <b>Texas Mutual Insurance Company</b>         | <b>19,270.00</b>  |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 64.22             |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 32.12             |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 706.57            |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 160.58            |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 353.28            |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 16.06             |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 32.12             |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 16.06             |             |
| 136608       | 133422          |                 | Worker's Compensation - Jan                   | 224.82            |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 706.58            |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 353.28            |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 7,772.23          |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 1,766.42          |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 3,886.12          |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 176.64            |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 353.28            |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 176.64            |             |
| 136608       | 133422          |                 | Worker's Compensation - Feb - Dec             | 2,472.98          |             |
|              |                 |                 | Line Amount Total                             | 19,270.00         |             |
| <b>98880</b> | <b>01/14/26</b> | <b>V00376</b>   | <b>The Goodman Corporation</b>                | <b>5,006.00</b>   |             |
| 136546       | 131840          |                 | Consultant Fees - Other - EPA Clean Air Grant | 5,006.00          |             |
| 136546       | 131840          |                 | Management                                    |                   |             |
| 136546       | 131840          |                 | Board Approval on 05/29/2025                  |                   |             |
|              |                 |                 | Line Amount Total                             | 5,006.00          |             |
| <b>98881</b> | <b>01/14/26</b> | <b>V00864</b>   | <b>Visual Edge IT, Inc.</b>                   | <b>193.02</b>     |             |
| 136526       | 133357          |                 | Maint & Repair - Office Equipment             | 193.02            |             |
|              |                 |                 | Line Amount Total                             | 193.02            |             |
| <b>98882</b> | <b>01/14/26</b> | <b>V00178</b>   | <b>Waypoint</b>                               | <b>208.20</b>     |             |
| 136521       | 133333          |                 | Contract Services                             | 208.20            |             |
|              |                 |                 | Line Amount Total                             | 208.20            |             |
| <b>98883</b> | <b>01/14/26</b> | <b>V00091</b>   | <b>Wells Fargo</b>                            | <b>18,719.14</b>  |             |
| 136508       | 133317          |                 | Other Accounts Payable (JE)                   | 18,719.14         |             |
|              |                 |                 | Line Amount Total                             | 18,719.14         |             |
| <b>98884</b> | <b>01/16/26</b> | <b>V00058</b>   | <b>Ravi K. Singhania</b>                      | <b>240.14</b>     |             |
| 136617       | 133440          |                 | Community Events                              | 240.14            |             |
|              |                 |                 | Line Amount Total                             | 240.14            |             |
| <b>98885</b> | <b>01/22/26</b> | <b>V00102</b>   | <b>ABB, Inc</b>                               | <b>10,303.20</b>  |             |
| 136648       | 131903          |                 | M&R TOE-Gantry Crane                          | 5,151.60          |             |
| 136648       | 131903          |                 | M&R TOE-Gantry Crane                          | 5,151.60          |             |

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| Invoice No.  | PO No.          | GL Account Name | Line Description                                   |                 |             |
|              |                 |                 | Repair Processor Unit Kit                          |                 |             |
|              |                 |                 | Line Amount Total                                  |                 | 10,303.20   |
| <b>98886</b> | <b>01/22/26</b> | <b>V01175</b>   | <b>Alsco Uniforms</b>                              | <b>75.54</b>    |             |
| 136671       | 132657          |                 | Maint and Operations Supplies                      |                 |             |
| 136671       | 132657          |                 | M&R Bldgs-Operations Bldg                          |                 |             |
| 136671       | 132657          |                 | M&R Bldgs-Admin Bldg 1100 Cherry St                |                 | 75.54       |
| 136671       | 132657          |                 | M&R Bldgs-Security Bldg                            |                 |             |
| 136671       | 132657          |                 | Maint and Operations Supplies                      |                 |             |
|              |                 |                 | Line Amount Total                                  |                 | 75.54       |
| <b>98887</b> | <b>01/22/26</b> | <b>V00957</b>   | <b>AT&amp;T:831-001-2806-788</b>                   | <b>344.95</b>   |             |
| 136618       | 133475          |                 | Telephone  |                 | 164.97      |
| 136618       | 133475          |                 | Telephone  |                 | 90.00       |
| 136618       | 133475          |                 | Telephone  |                 | 89.98       |
|              |                 |                 | Line Amount Total                                  |                 | 344.95      |
| <b>98888</b> | <b>01/22/26</b> | <b>V00389</b>   | <b>Austin Seth</b>                                 | <b>168.21</b>   |             |
| 136672       | 133481          |                 | Sales/Promotion Travel                             |                 | 168.21      |
|              |                 |                 | Line Amount Total                                  |                 | 168.21      |
| <b>98889</b> | <b>01/22/26</b> | <b>V00187</b>   | <b>Brazoria County Septic Service</b>              | <b>1,266.00</b> |             |
| 136646       | 133444          |                 | Contract Services-Emergency Request                |                 | 1,266.00    |
|              |                 |                 | Line Amount Total                                  |                 | 1,266.00    |
| <b>98890</b> | <b>01/22/26</b> | <b>V00049</b>   | <b>Brazos Fasteners, Inc</b>                       | <b>54.20</b>    |             |
| 136597       | 133416          |                 | M&R TOE-Street Sweeper                             |                 | 6.05        |
| 136610       | 133434          |                 | M&R TOE-Gantry Crane #1                            |                 | 12.04       |
| 136610       | 133434          |                 | M&R TOE-Gantry Crane #2                            |                 | 12.04       |
| 136610       | 133434          |                 | M&R TOE-Gantry Crane #3                            |                 | 12.03       |
| 136610       | 133434          |                 | M&R TOE-Gantry Crane #4                            |                 | 12.04       |
|              |                 |                 | Line Amount Total                                  |                 | 54.20       |
| <b>98891</b> | <b>01/22/26</b> | <b>V01086</b>   | <b>Clinton Woodson</b>                             | <b>312.44</b>   |             |
| 136631       | 133441          |                 | Telephone - Dec                                    |                 | 75.00       |
| 136631       | 133441          |                 | Sales/Promotion Travel                             |                 | 213.29      |
| 136631       | 133441          |                 | Commercial Events                                  |                 | 24.15       |
|              |                 |                 | Line Amount Total                                  |                 | 312.44      |
| <b>98892</b> | <b>01/22/26</b> | <b>V00260</b>   | <b>CMT Technical Services</b>                      | <b>4,315.50</b> |             |
| 136653       | 128251          |                 | Construction in Progress                           |                 | 4,315.50    |
| 136653       | 128251          |                 | Professional Services for the                      |                 |             |
| 136653       | 128251          |                 | East 5th St Geotechnical and Materials Testing SCP |                 |             |
| 136653       | 128251          |                 | Board Approval 06/27/2024                          |                 |             |
|              |                 |                 | Line Amount Total                                  |                 | 4,315.50    |
| <b>98893</b> | <b>01/22/26</b> | <b>V00668</b>   | <b>DARE Capital Partners, LLC</b>                  | <b>1,583.30</b> |             |
| 136647       | 133446          |                 | M&R TOE-Gantry Crane #1                            |                 | 227.20      |
| 136647       | 133446          |                 | M&R TOE-Gantry Crane #2                            |                 | 227.20      |
| 136647       | 133446          |                 | M&R TOE-Gantry Crane #3                            |                 | 227.20      |
| 136647       | 133446          |                 | M&R TOE-Gantry Crane #4                            |                 | 227.20      |
| 136647       | 133446          |                 | M&R Other-Mowing, Weed Control Etc                 |                 | 674.50      |
|              |                 |                 | Line Amount Total                                  |                 | 1,583.30    |
| <b>98894</b> | <b>01/22/26</b> | <b>V00070</b>   | <b>Darlene Winkler</b>                             | <b>188.40</b>   |             |
| 136632       | 133455          |                 | Community Events                                   |                 | 129.62      |



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|--------------|-----------------|-----------------|--|-------------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description   |                   |             |
| <b>98911</b> | <b>01/22/26</b> | <b>V00499</b>   | <b>Occupational Health Centers</b>   | <b>275.00</b>     |             |
| 136666       | 133478          |                 | Employment Related   |                   | 275.00      |
|              |                 |                 | Line Amount Total  |                   | 275.00      |
| <b>98912</b> | <b>01/22/26</b> | <b>V00023</b>   | <b>Patrick's Enterprises, Inc.</b>   | <b>27.90</b>      |             |
| 136643       | 133448          |                 | M&R Bldgs-Gate 4   |                   | 27.90       |
|              |                 |                 | Line Amount Total  |                   | 27.90       |
| <b>98913</b> | <b>01/22/26</b> | <b>V00005</b>   | <b>Phyllis Saathoff</b>  | <b>632.60</b>     |             |
| 136670       | 133480          |                 | Telephone Nov  |                   | 136.75      |
| 136670       | 133480          |                 | Governmental Relations Travel  |                   | 363.78      |
| 136670       | 133480          |                 | Dues & Memberships & Licenses  |                   | 118.00      |
| 136670       | 133480          |                 | Community Events   |                   | -134.93     |
| 136670       | 133480          |                 | Subscriptions  |                   | 149.00      |
|              |                 |                 | Line Amount Total  |                   | 632.60      |
| <b>98914</b> | <b>01/22/26</b> | <b>V01176</b>   | <b>Pranger Group Inc</b>   | <b>219,000.00</b> |             |
| 136657       | 132699          |                 | Construction in Progress   |                   | 219,000.00  |
| 136657       | 132699          |                 | Professional services for Cross Dock 2   |                   |             |
| 136657       | 132699          |                 | Board Approval 10/23/2025  |                   |             |
|              |                 |                 | Line Amount Total  |                   | 219,000.00  |
| <b>98915</b> | <b>01/22/26</b> | <b>V00067</b>   | <b>Quill LLC</b>   | <b>87.98</b>      |             |
| 136623       | 133469          |                 | Office Supplies  |                   | 87.98       |
|              |                 |                 | Line Amount Total  |                   | 87.98       |
| <b>98916</b> | <b>01/22/26</b> | <b>V01051</b>   | <b>Rail Link, Inc.</b>   | <b>56,225.00</b>  |             |
| 136668       | 133479          |                 | Re-Bill to VW  |                   | 56,225.00   |
|              |                 |                 | Line Amount Total  |                   | 56,225.00   |
| <b>98917</b> | <b>01/22/26</b> | <b>V00044</b>   | <b>Ready Refresh</b>   | <b>788.38</b>     |             |
| 136638       | 133450          |                 | Office Supplies  |                   | 66.20       |
| 136638       | 133450          |                 | Office Supplies  |                   | 33.11       |
| 136638       | 133450          |                 | Office Supplies  |                   | 8.28        |
| 136638       | 133450          |                 | Office Supplies  |                   | 24.83       |
| 136638       | 133450          |                 | Office Supplies  |                   | 598.02      |
| 136638       | 133450          |                 | Office Supplies  |                   | 24.83       |
| 136638       | 133450          |                 | Office Supplies  |                   | 33.11       |
|              |                 |                 | Line Amount Total  |                   | 788.38      |
| <b>98918</b> | <b>01/22/26</b> | <b>V00010</b>   | <b>Specialties Company</b>   | <b>750.24</b>     |             |
| 136599       | 133418          |                 | M&R TOE-Gantry Crane #1  |                   | 1.34        |
| 136599       | 133418          |                 | M&R TOE-Gantry Crane #2  |                   | 1.34        |
| 136644       | 133445          |                 | M&R TOE-Yale Forklift  |                   | 157.56      |
| 136645       | 133442          |                 | M&R TOE-Yale Forklift  |                   | 590.00      |
|              |                 |                 | Line Amount Total  |                   | 750.24      |
| <b>98919</b> | <b>01/22/26</b> | <b>V01120</b>   | <b>Starling Solutions, LLC</b>   | <b>16,500.00</b>  |             |
| 136607       | 133204          |                 | Consultant Fees - Other  |                   | 16,500.00   |
| 136607       | 133204          |                 | Owner's Cold Storage Industry Representative: Monthly fee of \$16,500.00, not to exceed \$100,000.00 |                   |             |
|              |                 |                 | Line Amount Total  |                   | 16,500.00   |
| <b>98920</b> | <b>01/22/26</b> | <b>V00054</b>   | <b>Summit Electric Supply</b>  | <b>335.49</b>     |             |
| 136600       | 133417          |                 | M&R Warehouse-Warehouse 51   |                   | 335.49      |
|              |                 |                 | Line Amount Total  |                   | 335.49      |

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| Check No.    | Check Date      | Vendor No.      | Vendor Name   | Check Amount      | Line Amount |
|--------------|-----------------|-----------------|---|-------------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description  |                   |             |
| <b>98921</b> | <b>01/22/26</b> | <b>V00101</b>   | <b>Sunstates Security, LLC</b>  | <b>49,695.61</b>  |             |
| 136624       | 133466          |                 | Security Service Fees   |                   | 214.50      |
| 136658       | 133465          |                 | Security Service Fees   |                   | 1,171.92    |
| 136659       | 133464          |                 | Security Service Fees   |                   | 48,309.19   |
|              |                 |                 | Line Amount Total   |                   | 49,695.61   |
| <b>98922</b> | <b>01/22/26</b> | <b>V00956</b>   | <b>Texas A&amp;M University-Corpus Christi</b>  | <b>11,263.00</b>  |             |
| 136549       | 132197          |                 | Contract Services   |                   | 11,263.00   |
| 136549       | 132197          |                 | Professional Services for annual maintenance of the NOAA Port Sensors   |                   |             |
| 136549       | 132197          |                 |   |                   |             |
|              |                 |                 | Line Amount Total   |                   | 11,263.00   |
| <b>98923</b> | <b>01/22/26</b> | <b>V01187</b>   | <b>Texas International Produce Association</b>  | <b>15,000.00</b>  |             |
| 136662       | 133452          |                 | Commercial Events   |                   | 15,000.00   |
| 136662       | 133452          |                 | Viva Fresh Gold Sponsorship April 16-18, 2026   |                   |             |
| 136662       | 133452          |                 | Company logo featured sponsor on website and app. use of TIPA/VIVA  |                   |             |
| 136662       | 133452          |                 | Fresh logo throughout the year. Premium exhibit space on either sponsors row  |                   |             |
| 136662       | 133452          |                 | (space permitting or premium end-cap) 4 Expo badges, including VIP reception  |                   |             |
| 136662       | 133452          |                 | with retail and food service attendees. Company logo/name on select   |                   |             |
| 136662       | 133452          |                 | Viva Fresh signage, booth fee waived, *Note that we will not be exhibiting*   |                   |             |
| 136662       | 133452          |                 | Ballroom Entrance LED banner - \$7,500.00   |                   |             |
| 136662       | 133452          |                 | Keynote Luncheon Meal - \$7,500.00  |                   |             |
|              |                 |                 | Line Amount Total   |                   | 15,000.00   |
| <b>98924</b> | <b>01/22/26</b> | <b>V00487</b>   | <b>Tex-Con Construction Services, LLC</b>   | <b>114,676.20</b> |             |
| 136660       | 132986          |                 | Construction in Progress  |                   | 11,553.00   |
| 136660       | 132986          |                 | Furnish labor, materials, equipment and insurance for the Gate 8 Traffic Barrier Removal project (will be put in Joint Repairs budget item) |                   |             |
| 136660       | 132986          |                 | Construction in Progress  |                   | 103,123.20  |
| 136661       | 132698          |                 | furnish labor, materials, equipment and insurance for the Dole Yard 10" Sewer Line Replacement  |                   |             |
| 136661       | 132698          |                 | Board Approval 10/23/2025   |                   |             |
|              |                 |                 | Line Amount Total   |                   | 114,676.20  |
| <b>98925</b> | <b>01/22/26</b> | <b>V00200</b>   | <b>The Chamber Brazosport Area</b>  | <b>120.00</b>     |             |
| 136625       | 133474          |                 | Community Events  |                   | 120.00      |
|              |                 |                 | Line Amount Total   |                   | 120.00      |
| <b>98926</b> | <b>01/22/26</b> | <b>V00166</b>   | <b>Van Scoyoc Associates</b>  | <b>8,502.69</b>   |             |
| 136667       | 130475          |                 | Consultant Fees - 12/2025   |                   | 8,500.00    |
| 136667       | 130475          |                 | Expenses incurred - Not to exceed \$2,000.00 over the course of the 1-year contract   |                   | 2.69        |
| 136667       | 130475          |                 |   |                   |             |
|              |                 |                 | Line Amount Total   |                   | 8,502.69    |
| <b>98927</b> | <b>01/22/26</b> | <b>V00141</b>   | <b>Vernor Material &amp; Equipment Co., Inc.</b>  | <b>874.51</b>     |             |
| 136601       | 133415          |                 | M&R Terminal Facilities-Other   |                   | 874.51      |
|              |                 |                 | Line Amount Total   |                   | 874.51      |
| <b>98928</b> | <b>01/22/26</b> | <b>V00864</b>   | <b>Visual Edge IT, Inc.</b>   | <b>258.48</b>     |             |
| 136639       | 133437          |                 | Maint & Repair - Office Equipment   |                   | 189.96      |
| 136640       | 133425          |                 | Maint & Repair - Office Equipment   |                   | 68.52       |
|              |                 |                 | Line Amount Total   |                   | 258.48      |

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| Check No.    | Check Date      | Vendor No.      | Vendor Name                                  | Check Amount     | Line Amount |
|--------------|-----------------|-----------------|--|------------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                             |                  |             |
| <b>98929</b> | <b>01/22/26</b> | <b>V00178</b>   | <b>Waypoint</b>                              | <b>14,287.40</b> |             |
| 136627       | 133472          |                 | Subscriptions - Jan                          | 72.00            |             |
| 136627       | 133472          |                 | Subscriptions Feb - Dec                      | 792.00           |             |
| 136663       | 133439          |                 | Consultant Fees - Other                      | 1,000.00         |             |
| 136664       | 133345          |                 | Contract Services                            | 12,423.40        |             |
| 136664       | 133345          |                 | Aurora Managed Endpoint Defense              |                  |             |
| 136664       | 133345          |                 | Premium Support                              |                  |             |
|              |                 |                 | Line Amount Total                            |                  | 14,287.40   |
| <b>98930</b> | <b>01/22/26</b> | <b>V00469</b>   | <b>West Gulf Maritime Association</b>        | <b>3,000.00</b>  |             |
| 136665       | 133467          |                 | Dues & Memberships & Licenses Jan            | 250.00           |             |
| 136665       | 133467          |                 | Dues & Memberships & Licenses Feb - Dec      | 2,750.00         |             |
|              |                 |                 | Line Amount Total                            |                  | 3,000.00    |
| <b>98931</b> | <b>01/22/26</b> | <b>V00203</b>   | <b>ZPMC USA Inc.</b>                         | <b>60,000.00</b> |             |
| 136609       | 133242          |                 | M&R TOE-Gantry Crane #1-Trolley Rail Repairs | 30,000.00        |             |
| 136609       | 133242          |                 | M&R TOE-Gantry Crane #2-Trolley Rail Repairs | 30,000.00        |             |
| 136609       | 133242          |                 | Board Approval on 12/18/2025                 |                  |             |
|              |                 |                 | Line Amount Total                            |                  | 60,000.00   |
| <b>98932</b> | <b>01/28/26</b> | <b>V01175</b>   | <b>Alsco Uniforms</b>                        | <b>110.90</b>    |             |
| 136684       | 132657          |                 | Maint and Operations Supplies                | 110.90           |             |
| 136684       | 132657          |                 | M&R Bldgs-Operations Bldg                    |                  |             |
| 136684       | 132657          |                 | M&R Bldgs-Admin Bldg 1100 Cherry St          |                  |             |
| 136684       | 132657          |                 | M&R Bldgs-Security Bldg                      |                  |             |
| 136684       | 132657          |                 | Maint and Operations Supplies                |                  |             |
| 136684       | 132657          |                 | Maint and Operations Supplies                | 110.90           |             |
| 136684       | 132657          |                 | M&R Bldgs-Operations Bldg                    |                  |             |
| 136684       | 132657          |                 | M&R Bldgs-Admin Bldg 1100 Cherry St          |                  |             |
| 136684       | 132657          |                 | M&R Bldgs-Security Bldg                      |                  |             |
| 136684       | 132657          |                 | Maint and Operations Supplies                |                  |             |
|              |                 |                 | Line Amount Total                            |                  | 332.70      |
| <b>98933</b> | <b>01/28/26</b> | <b>V00062</b>   | <b>AT&amp;T Mobility</b>                     | <b>826.60</b>    |             |
| 136686       | 133503          |                 | Telephone                                    | 151.06           |             |
| 136686       | 133503          |                 | Telephone                                    | 157.67           |             |
| 136686       | 133503          |                 | Telephone                                    | 366.81           |             |
| 136686       | 133503          |                 | Telephone                                    | 151.06           |             |
| 136686       | 133503          |                 | Telephone                                    | 151.06           |             |
| 136686       | 133503          |                 | Telephone                                    | 157.67           |             |
| 136686       | 133503          |                 | Telephone                                    | 366.81           |             |
| 136686       | 133503          |                 | Telephone                                    | 151.06           |             |
| 136686       | 133503          |                 | Telephone                                    | 151.06           |             |
| 136686       | 133503          |                 | Telephone                                    | 157.67           |             |
| 136686       | 133503          |                 | Telephone                                    | 366.81           |             |
| 136686       | 133503          |                 | Telephone                                    | 151.06           |             |
|              |                 |                 | Line Amount Total                            |                  | 2,479.80    |
| <b>98934</b> | <b>01/28/26</b> | <b>V00114</b>   | <b>AT&amp;T:171-799-3737 001</b>             | <b>756.38</b>    |             |
| 136701       | 133521          |                 | Telephone                                    | 127.37           |             |
| 136701       | 133521          |                 | Telephone                                    | 63.69            |             |

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| Check No.    | Check Date      | Vendor No.      | Vendor Name  | Check Amount    | Line Amount |
|--------------|-----------------|-----------------|--|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description   |                 |             |
| 136701       | 133521          |                 | Telephone  |                 | 334.40      |
| 136701       | 133521          |                 | Telephone  |                 | 15.88       |
| 136701       | 133521          |                 | Telephone  |                 | 47.88       |
| 136701       | 133521          |                 | Telephone  |                 | 31.84       |
| 136701       | 133521          |                 | Telephone  |                 | 23.83       |
| 136701       | 133521          |                 | Telephone  |                 | 47.80       |
| 136701       | 133521          |                 | Telephone  |                 | 63.69       |
| 136701       | 133521          |                 | Telephone  |                 | 127.37      |
| 136701       | 133521          |                 | Telephone  |                 | 63.69       |
| 136701       | 133521          |                 | Telephone  |                 | 334.40      |
| 136701       | 133521          |                 | Telephone  |                 | 15.88       |
| 136701       | 133521          |                 | Telephone  |                 | 47.88       |
| 136701       | 133521          |                 | Telephone  |                 | 31.84       |
| 136701       | 133521          |                 | Telephone  |                 | 23.83       |
| 136701       | 133521          |                 | Telephone  |                 | 47.80       |
| 136701       | 133521          |                 | Telephone  |                 | 63.69       |
| 136701       | 133521          |                 | Telephone  |                 | 127.37      |
| 136701       | 133521          |                 | Telephone  |                 | 63.69       |
| 136701       | 133521          |                 | Telephone  |                 | 334.40      |
| 136701       | 133521          |                 | Telephone  |                 | 15.88       |
| 136701       | 133521          |                 | Telephone  |                 | 47.88       |
| 136701       | 133521          |                 | Telephone  |                 | 31.84       |
| 136701       | 133521          |                 | Telephone  |                 | 23.83       |
| 136701       | 133521          |                 | Telephone  |                 | 47.80       |
| 136701       | 133521          |                 | Telephone  |                 | 63.69       |
| 136701       | 133521          |                 | Telephone  |                 | 127.37      |
| 136701       | 133521          |                 | Telephone  |                 | 63.69       |
| 136701       | 133521          |                 | Telephone  |                 | 334.40      |
| 136701       | 133521          |                 | Telephone  |                 | 15.88       |
| 136701       | 133521          |                 | Telephone  |                 | 47.88       |
| 136701       | 133521          |                 | Telephone  |                 | 31.84       |
| 136701       | 133521          |                 | Telephone  |                 | 23.83       |
| 136701       | 133521          |                 | Telephone  |                 | 47.80       |
| 136701       | 133521          |                 | Telephone  |                 | 63.69       |
|              |                 |                 | Line Amount Total  |                 | 2,269.14    |
| <b>98935</b> | <b>01/28/26</b> | <b>V00445</b>   | <b>BP Equipment</b>  | <b>1,507.00</b> |             |
| 136687       | 133519          |                 | Re-Bill -Jetco   |                 | 722.00      |
| 136689       | 133516          |                 | M&R Roads-Parcel 14 Road   |                 | 785.00      |
| 136687       | 133519          |                 | Re-Bill -Jetco   |                 | 722.00      |
| 136689       | 133516          |                 | M&R Roads-Parcel 14 Road   |                 | 785.00      |
| 136687       | 133519          |                 | Re-Bill -Jetco   |                 | 722.00      |
| 136689       | 133516          |                 | M&R Roads-Parcel 14 Road   |                 | 785.00      |
|              |                 |                 | Line Amount Total  |                 | 4,521.00    |
| <b>98936</b> | <b>01/28/26</b> | <b>V00286</b>   | <b>Brazoria Heritage Foundation</b>                                      | <b>200.00</b>   |             |
| 136688       | 133506          |                 | Community Events   |                 | 200.00      |
| 136688       | 133506          |                 | Community Events   |                 | 200.00      |
| 136688       | 133506          |                 | Community Events   |                 | 200.00      |
|              |                 |                 | Line Amount Total  |                 | 600.00      |
| <b>98937</b> | <b>01/28/26</b> | <b>V00049</b>   | <b>Brazos Fasteners, Inc</b>   | <b>9.18</b>     |             |
| 136674       | 133489          |                 | M&R TOE-Gantry Crane #3  |                 | 4.59        |
| 136674       | 133489          |                 | M&R TOE-Gantry Crane #4  |                 | 4.59        |
| 136674       | 133489          |                 | M&R TOE-Gantry Crane #3  |                 | 4.59        |
| 136674       | 133489          |                 | M&R TOE-Gantry Crane #4  |                 | 4.59        |
| 136674       | 133489          |                 | M&R TOE-Gantry Crane #3  |                 | 4.59        |
| 136674       | 133489          |                 | M&R TOE-Gantry Crane #4  |                 | 4.59        |
|              |                 |                 | Line Amount Total  |                 | 27.54       |
| <b>98938</b> | <b>01/28/26</b> | <b>V00246</b>   | <b>Brian's Bar-B-Q</b>   | <b>1,398.00</b> |             |
| 136649       | 133454          |                 | Community Events   |                 | 1,398.00    |
| 136649       | 133454          |                 | Community Advisory Panel Meeting Feb 2026                                |                 |             |
| 136649       | 133454          |                 | 80 Individually Boxed Chopped Beef Sandwiches,<br>Potato Salad and Beans |                 |             |

| Check No.    | Check Date      | Vendor No.      | Vendor Name   | Check Amount     | Line Amount |
|--------------|-----------------|-----------------|---|------------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description  |                  |             |
| 136649       |                 | 133454          | 2 Individually boxed Chicken Sandwiches, Potato Salad and Beans       |                  |             |
| 136649       |                 | 133454          | 80 Banana Pudding   |                  |             |
| 136649       |                 | 133454          | Ice   |                  |             |
| 136649       |                 | 133454          | Delivery Fee  |                  |             |
| 136649       |                 | 133454          | Community Events  |                  | 1,398.00    |
| 136649       |                 | 133454          | Community Advisory Panel Meeting Feb 2026                             |                  |             |
| 136649       |                 | 133454          | 80 Individually Boxed Chopped Beef Sandwiches, Potato Salad and Beans |                  |             |
| 136649       |                 | 133454          | 2 Individually boxed Chicken Sandwiches, Potato Salad and Beans       |                  |             |
| 136649       |                 | 133454          | 80 Banana Pudding   |                  |             |
| 136649       |                 | 133454          | Ice   |                  |             |
| 136649       |                 | 133454          | Delivery Fee  |                  |             |
| 136649       |                 | 133454          | Community Events  |                  | 1,398.00    |
| 136649       |                 | 133454          | Community Advisory Panel Meeting Feb 2026                             |                  |             |
| 136649       |                 | 133454          | 80 Individually Boxed Chopped Beef Sandwiches, Potato Salad and Beans |                  |             |
| 136649       |                 | 133454          | 2 Individually boxed Chicken Sandwiches, Potato Salad and Beans       |                  |             |
| 136649       |                 | 133454          | 80 Banana Pudding   |                  |             |
| 136649       |                 | 133454          | Ice   |                  |             |
| 136649       |                 | 133454          | Delivery Fee  |                  |             |
|              |                 |                 | Line Amount Total   |                  | 4,194.00    |
| <b>98939</b> | <b>01/28/26</b> | <b>V00201</b>   | <b>CDW Government</b>   | <b>552.76</b>    |             |
| 136690       |                 | 133518          | Maint & Repair - Office Equipment                                     |                  | 19.98       |
| 136691       |                 | 133498          | Maint & Repair - Office Equipment                                     |                  | 121.60      |
| 136692       |                 | 133500          | Maint & Repair - Office Equipment                                     |                  | 76.29       |
| 136693       |                 | 133499          | Maint & Repair - Office Equipment                                     |                  | 334.89      |
| 136690       |                 | 133518          | Maint & Repair - Office Equipment                                     |                  | 19.98       |
| 136691       |                 | 133498          | Maint & Repair - Office Equipment                                     |                  | 121.60      |
| 136692       |                 | 133500          | Maint & Repair - Office Equipment                                     |                  | 76.29       |
| 136693       |                 | 133499          | Maint & Repair - Office Equipment                                     |                  | 334.89      |
| 136690       |                 | 133518          | Maint & Repair - Office Equipment                                     |                  | 19.98       |
| 136691       |                 | 133498          | Maint & Repair - Office Equipment                                     |                  | 121.60      |
| 136692       |                 | 133500          | Maint & Repair - Office Equipment                                     |                  | 76.29       |
| 136693       |                 | 133499          | Maint & Repair - Office Equipment                                     |                  | 334.89      |
|              |                 |                 | Line Amount Total   |                  | 1,658.28    |
| <b>98940</b> | <b>01/28/26</b> | <b>V00004</b>   | <b>City of Freeport</b>   | <b>63,291.16</b> |             |
| 136628       |                 | 133463          | Water & Gas   |                  | 200.04      |
| 136629       |                 | 133459          | Water & Gas   |                  | 88.72       |
| 136630       |                 | 133458          | Water & Gas   |                  | 208.59      |
| 136650       |                 | 133462          | Re-Bill to VW   |                  | 1,903.19    |
| 136651       |                 | 133460          | Water & Gas   |                  | 59,220.36   |
| 136652       |                 | 133457          | Re-Bill to VW   |                  | 1,670.26    |
| 136628       |                 | 133463          | Water & Gas   |                  | 200.04      |
| 136629       |                 | 133459          | Water & Gas   |                  | 88.72       |
| 136630       |                 | 133458          | Water & Gas   |                  | 208.59      |
| 136650       |                 | 133462          | Re-Bill to VW   |                  | 1,903.19    |
| 136651       |                 | 133460          | Water & Gas   |                  | 59,220.36   |
| 136652       |                 | 133457          | Re-Bill to VW   |                  | 1,670.26    |
| 136628       |                 | 133463          | Water & Gas   |                  | 200.04      |
| 136629       |                 | 133459          | Water & Gas   |                  | 88.72       |
| 136630       |                 | 133458          | Water & Gas   |                  | 208.59      |
| 136650       |                 | 133462          | Re-Bill to VW   |                  | 1,903.19    |

| Check No.    | Check Date      | Vendor No.      | Vendor Name  | Check Amount    | Line Amount |
|--------------|-----------------|-----------------|--|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description   |                 |             |
| 136651       |                 | 133460          | Water & Gas  |                 | 59,220.36   |
| 136652       |                 | 133457          | Re-Bill to VW  |                 | 1,670.26    |
|              |                 |                 | Line Amount Total  |                 | 189,873.48  |
| <b>98941</b> | <b>01/28/26</b> | <b>V00221</b>   | <b>Dynamics Southwest, Inc.</b>                          | <b>4,792.50</b> |             |
| 136705       |                 | 130752          | Construction in Progress                                 |                 | 4,792.50    |
| 136705       |                 | 130752          | Construction in Progress                                 |                 |             |
| 136705       |                 | 130752          | Construction in Progress                                 |                 |             |
| 136705       |                 | 130752          | Construction in Progress                                 |                 | 4,792.50    |
| 136705       |                 | 130752          | Construction in Progress                                 |                 |             |
| 136705       |                 | 130752          | Construction in Progress                                 |                 |             |
| 136705       |                 | 130752          | Construction in Progress                                 |                 | 4,792.50    |
| 136705       |                 | 130752          | Construction in Progress                                 |                 |             |
| 136705       |                 | 130752          | Construction in Progress                                 |                 |             |
| 136705       |                 | 130752          | Construction in Progress                                 |                 | 4,792.50    |
|              |                 |                 | Line Amount Total  |                 | 14,377.50   |
| <b>98942</b> | <b>01/28/26</b> | <b>V00608</b>   | <b>Economic Development Alliance for Brazoria County</b> | <b>175.00</b>   |             |
| 136694       |                 | 133507          | Community Events   |                 | 70.00       |
| 136694       |                 | 133507          | Community Events   |                 | 105.00      |
| 136694       |                 | 133507          | Community Events   |                 |             |
| 136694       |                 | 133507          | Community Events   |                 | 70.00       |
| 136694       |                 | 133507          | Community Events   |                 | 105.00      |
| 136694       |                 | 133507          | Community Events   |                 |             |
| 136694       |                 | 133507          | Community Events   |                 | 70.00       |
| 136694       |                 | 133507          | Community Events   |                 | 105.00      |
|              |                 |                 | Line Amount Total  |                 | 525.00      |
| <b>98943</b> | <b>01/28/26</b> | <b>V00921</b>   | <b>Edge Engineering &amp; Science LLC</b>                | <b>1,660.16</b> |             |
| 136706       |                 | 130005          | Consultant Fees - Other                                  |                 | 1,660.16    |
| 136706       |                 | 130005          | Professional Services for                                |                 |             |
| 136706       |                 | 130005          | 2025 Environmental Regulatory Compliance Svcs            |                 |             |
| 136706       |                 | 130005          | Consultant Fees - Other                                  |                 | 1,660.16    |
| 136706       |                 | 130005          | Professional Services for                                |                 |             |
| 136706       |                 | 130005          | 2025 Environmental Regulatory Compliance Svcs            |                 |             |
| 136706       |                 | 130005          | Consultant Fees - Other                                  |                 | 1,660.16    |
| 136706       |                 | 130005          | Professional Services for                                |                 |             |
| 136706       |                 | 130005          | 2025 Environmental Regulatory Compliance Svcs            |                 |             |
|              |                 |                 | Line Amount Total  |                 | 4,980.48    |
| <b>98944</b> | <b>01/28/26</b> | <b>V00189</b>   | <b>Energia Resources, Inc.</b>                           | <b>1,115.00</b> |             |
| 136675       |                 | 133488          | M&R TOE-Yale Forklift                                    |                 | 49.00       |
| 136676       |                 | 133486          | M&R TOE-Gantry Crane #1                                  |                 | 437.50      |
| 136676       |                 | 133486          | M&R TOE-Gantry Crane #2                                  |                 | 437.50      |
| 136683       |                 | 133487          | M&R TOE-Gantry Crane #3                                  |                 | 95.50       |
| 136683       |                 | 133487          | M&R TOE-Gantry Crane #4                                  |                 | 95.50       |
| 136675       |                 | 133488          | M&R TOE-Yale Forklift                                    |                 | 49.00       |
| 136676       |                 | 133486          | M&R TOE-Gantry Crane #1                                  |                 | 437.50      |
| 136676       |                 | 133486          | M&R TOE-Gantry Crane #2                                  |                 | 437.50      |
| 136683       |                 | 133487          | M&R TOE-Gantry Crane #3                                  |                 | 95.50       |
| 136683       |                 | 133487          | M&R TOE-Gantry Crane #4                                  |                 | 95.50       |
| 136675       |                 | 133488          | M&R TOE-Yale Forklift                                    |                 | 49.00       |
| 136676       |                 | 133486          | M&R TOE-Gantry Crane #1                                  |                 | 437.50      |
| 136676       |                 | 133486          | M&R TOE-Gantry Crane #2                                  |                 | 437.50      |
| 136683       |                 | 133487          | M&R TOE-Gantry Crane #3                                  |                 | 95.50       |

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| Check No.    | Check Date      | Vendor No.      | Vendor Name  | Check Amount    | Line Amount |
|--------------|-----------------|-----------------|--|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description   |                 |             |
| 136683       |                 | 133487          | M&R TOE-Gantry Crane #4                                  | 95.50           |             |
|              |                 |                 | Line Amount Total  |                 | 3,345.00    |
| <b>98945</b> | <b>01/28/26</b> | <b>V00041</b>   | <b>Evco Industrial Hardware</b>                          | <b>292.72</b>   |             |
| 136493       |                 | 133315          | M&R TOE-General, Terminal Ops Equip & Tools              | 59.26           |             |
| 136677       |                 | 133483          | M&R TOE-Gantry Crane #3                                  | 116.73          |             |
| 136677       |                 | 133483          | M&R TOE-Gantry Crane #4                                  | 116.73          |             |
| 136493       |                 | 133315          | M&R TOE-General, Terminal Ops Equip & Tools              | 59.26           |             |
| 136677       |                 | 133483          | M&R TOE-Gantry Crane #3                                  | 116.73          |             |
| 136677       |                 | 133483          | M&R TOE-Gantry Crane #4                                  | 116.73          |             |
| 136493       |                 | 133315          | M&R TOE-General, Terminal Ops Equip & Tools              | 59.26           |             |
| 136677       |                 | 133483          | M&R TOE-Gantry Crane #3                                  | 116.73          |             |
| 136677       |                 | 133483          | M&R TOE-Gantry Crane #4                                  | 116.73          |             |
|              |                 |                 | Line Amount Total  |                 | 878.16      |
| <b>98946</b> | <b>01/28/26</b> | <b>V01078</b>   | <b>Everon, LLC</b>                                       | <b>8,800.00</b> |             |
| 136707       |                 | 133330          | Badge Supplies   | 8,800.00        |             |
| 136707       |                 | 133330          | iClass Contactless Smart Cards (2000PGGMN)               |                 |             |
| 136707       |                 | 133330          | Badge Supplies   | 8,800.00        |             |
| 136707       |                 | 133330          | iClass Contactless Smart Cards (2000PGGMN)               |                 |             |
| 136707       |                 | 133330          | Badge Supplies   | 8,800.00        |             |
| 136707       |                 | 133330          | iClass Contactless Smart Cards (2000PGGMN)               |                 |             |
|              |                 |                 | Line Amount Total  |                 | 26,400.00   |
| <b>98947</b> | <b>01/28/26</b> | <b>V00012</b>   | <b>FedEx</b>   | <b>16.97</b>    |             |
| 136702       |                 | 133514          | Other Receivables-NB FedEx                               | 16.97           |             |
| 136702       |                 | 133514          | Other Receivables-NB FedEx                               | 16.97           |             |
| 136702       |                 | 133514          | Other Receivables-NB FedEx                               | 16.97           |             |
|              |                 |                 | Line Amount Total  |                 | 50.91       |
| <b>98948</b> | <b>01/28/26</b> | <b>V00193</b>   | <b>Grainger</b>  | <b>303.16</b>   |             |
| 136678       |                 | 133485          | M&R TOE-Gantry Crane #3                                  | 52.60           |             |
| 136678       |                 | 133485          | M&R TOE-Gantry Crane #4                                  | 52.60           |             |
| 136679       |                 | 133484          | M&R TOE-Gantry Crane #3                                  | 98.98           |             |
| 136679       |                 | 133484          | M&R TOE-Gantry Crane #4                                  | 98.98           |             |
| 136678       |                 | 133485          | M&R TOE-Gantry Crane #3                                  | 52.60           |             |
| 136678       |                 | 133485          | M&R TOE-Gantry Crane #4                                  | 52.60           |             |
| 136679       |                 | 133484          | M&R TOE-Gantry Crane #3                                  | 98.98           |             |
| 136679       |                 | 133484          | M&R TOE-Gantry Crane #4                                  | 98.98           |             |
| 136678       |                 | 133485          | M&R TOE-Gantry Crane #3                                  | 52.60           |             |
| 136678       |                 | 133485          | M&R TOE-Gantry Crane #4                                  | 52.60           |             |
| 136679       |                 | 133484          | M&R TOE-Gantry Crane #3                                  | 98.98           |             |
| 136679       |                 | 133484          | M&R TOE-Gantry Crane #4                                  | 98.98           |             |
|              |                 |                 | Line Amount Total  |                 | 909.48      |
| <b>98949</b> | <b>01/28/26</b> | <b>V00147</b>   | <b>Greater Angleton Chamber of Commerce</b>              | <b>70.00</b>    |             |
| 136716       |                 | 133522          | Community Events   | 70.00           |             |
| 136716       |                 | 133522          | Community Events   | 70.00           |             |
| 136716       |                 | 133522          | Community Events   | 70.00           |             |
|              |                 |                 | Line Amount Total  |                 | 210.00      |
| <b>98950</b> | <b>01/28/26</b> | <b>V01010</b>   | <b>Imperial Bag &amp; Paper Co LLC dba Imperial Dade</b> | <b>459.84</b>   |             |
| 136695       |                 | 133517          | Office Supplies  | 459.84          |             |
| 136695       |                 | 133517          | Office Supplies  | 459.84          |             |
| 136695       |                 | 133517          | Office Supplies  | 459.84          |             |
|              |                 |                 | Line Amount Total  |                 | 1,379.52    |

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| Check No.    | Check Date      | Vendor No.      | Vendor Name                                 | Check Amount    | Line Amount |
|--------------|-----------------|-----------------|---|-----------------|-------------|
| Invoice No.  | PO No.          | GL Account Name | Line Description                            |                 |             |
| <b>98951</b> | <b>01/28/26</b> | <b>V00143</b>   | <b>ITMA</b>                                 | <b>3,500.00</b> |             |
| 136708       |                 | 133453          | Commercial Events                           |                 | 3,500.00    |
| 136708       |                 | 133453          | Platinum Sponsor Golf Tournament            |                 |             |
| 136708       |                 | 133453          | March 23, 2026                              |                 |             |
| 136708       |                 | 133453          | Commercial Events                           |                 | 3,500.00    |
| 136708       |                 | 133453          | Platinum Sponsor Golf Tournament            |                 |             |
| 136708       |                 | 133453          | March 23, 2026                              |                 |             |
| 136708       |                 | 133453          | Commercial Events                           |                 | 3,500.00    |
| 136708       |                 | 133453          | Platinum Sponsor Golf Tournament            |                 |             |
| 136708       |                 | 133453          | March 23, 2026                              |                 |             |
|              |                 |                 | Line Amount Total                           |                 | 10,500.00   |
| <b>98952</b> | <b>01/28/26</b> | <b>V00110</b>   | <b>Jason Miura</b>                          | <b>756.83</b>   |             |
| 136703       |                 | 133515          | Commercial Events                           |                 | 233.83      |
| 136703       |                 | 133515          | Commercial Events                           |                 | 523.00      |
| 136703       |                 | 133515          | Commercial Events                           |                 | 233.83      |
| 136703       |                 | 133515          | Commercial Events                           |                 | 523.00      |
| 136703       |                 | 133515          | Commercial Events                           |                 | 233.83      |
| 136703       |                 | 133515          | Commercial Events                           |                 | 523.00      |
|              |                 |                 | Line Amount Total                           |                 | 2,270.49    |
| <b>98953</b> | <b>01/28/26</b> | <b>V00045</b>   | <b>Leo Martin Chevrolet</b>                 | <b>1,664.07</b> |             |
| 136685       |                 | 133292          | M&R Vehicles-2020 Chev PU                   |                 | 1,664.07    |
| 136685       |                 | 133292          | Steering Gearbox Replacement and Alignment  |                 |             |
| 136685       |                 | 133292          | M&R Vehicles-2020 Chev PU                   |                 | 1,664.07    |
| 136685       |                 | 133292          | Steering Gearbox Replacement and Alignment  |                 |             |
| 136685       |                 | 133292          | M&R Vehicles-2020 Chev PU                   |                 | 1,664.07    |
| 136685       |                 | 133292          | Steering Gearbox Replacement and Alignment  |                 |             |
|              |                 |                 | Line Amount Total                           |                 | 4,992.21    |
| <b>98954</b> | <b>01/28/26</b> | <b>V00214</b>   | <b>McFarland PLLC</b>                       | <b>8,287.50</b> |             |
| 136704       |                 | 133510          | Legal Fees                                  |                 | 362.50      |
| 136709       |                 | 133511          | Legal Fees                                  |                 | 7,925.00    |
| 136704       |                 | 133510          | Legal Fees                                  |                 | 362.50      |
| 136709       |                 | 133511          | Legal Fees                                  |                 | 7,925.00    |
| 136704       |                 | 133510          | Legal Fees                                  |                 | 362.50      |
| 136709       |                 | 133511          | Legal Fees                                  |                 | 7,925.00    |
|              |                 |                 | Line Amount Total                           |                 | 24,862.50   |
| <b>98955</b> | <b>01/28/26</b> | <b>V00291</b>   | <b>Moore Supply</b>                         | <b>367.20</b>   |             |
| 136680       |                 | 133490          | M&R Leased Facilities-HTS- (Parcel 19 & 25) |                 | 42.72       |
| 136681       |                 | 133491          | M&R Bldgs-Buildings VT Berth 7              |                 | 290.00      |
| 136682       |                 | 133492          | M&R Transit Shed-T.S. 1                     |                 | 17.24       |
| 136682       |                 | 133492          | M&R Transit Shed-T.S. 3                     |                 | 17.24       |
| 136680       |                 | 133490          | M&R Leased Facilities-HTS- (Parcel 19 & 25) |                 | 42.72       |
| 136681       |                 | 133491          | M&R Bldgs-Buildings VT Berth 7              |                 | 290.00      |
| 136682       |                 | 133492          | M&R Transit Shed-T.S. 1                     |                 | 17.24       |
| 136682       |                 | 133492          | M&R Transit Shed-T.S. 3                     |                 | 17.24       |
| 136680       |                 | 133490          | M&R Leased Facilities-HTS- (Parcel 19 & 25) |                 | 42.72       |
| 136681       |                 | 133491          | M&R Bldgs-Buildings VT Berth 7              |                 | 290.00      |
| 136682       |                 | 133492          | M&R Transit Shed-T.S. 1                     |                 | 17.24       |
| 136682       |                 | 133492          | M&R Transit Shed-T.S. 3                     |                 | 17.24       |
|              |                 |                 | Line Amount Total                           |                 | 1,101.60    |
| <b>98956</b> | <b>01/28/26</b> | <b>V00080</b>   | <b>On Hold Marketing Works</b>              | <b>468.00</b>   |             |
| 136697       |                 | 133496          | Lease Expense - Jan                         |                 | 39.00       |

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| Check No.    | Check Date      | Vendor No.         | Vendor Name                               | Check Amount  | Line Amount             |
|--------------|-----------------|--------------------|---|---|-------------------------|
|              |                 | <b>Invoice No.</b> | <b>PO No.</b>                             | <b>GL Account Name</b>  | <b>Line Description</b> |
|              |                 | 136697             | 133496                                    | Lease Expense - Feb - Dec   | 429.00                  |
|              |                 | 136697             | 133496                                    | Lease Expense - Jan   | 39.00                   |
|              |                 | 136697             | 133496                                    | Lease Expense - Feb - Dec   | 429.00                  |
|              |                 | 136697             | 133496                                    | Lease Expense - Jan   | 39.00                   |
|              |                 | 136697             | 133496                                    | Lease Expense - Feb - Dec   | 429.00                  |
|              |                 |                    |   | Line Amount Total   | 1,404.00                |
| <b>98957</b> | <b>01/28/26</b> | <b>V00909</b>      | <b>Randle Law Office Ltd.</b>             | <b>7,759.00</b>   |                         |
|              |                 | 136710             | 133508                                    | Legal Fees  | 3,759.00                |
|              |                 | 136711             | 133509                                    | Legal Fees  | 4,000.00                |
|              |                 | 136710             | 133508                                    | Legal Fees  | 3,759.00                |
|              |                 | 136711             | 133509                                    | Legal Fees  | 4,000.00                |
|              |                 | 136710             | 133508                                    | Legal Fees  | 3,759.00                |
|              |                 | 136711             | 133509                                    | Legal Fees  | 4,000.00                |
|              |                 |                    |   | Line Amount Total   | 23,277.00               |
| <b>98958</b> | <b>01/28/26</b> | <b>V01104</b>      | <b>Select Cybersecurity, LLC</b>          | <b>1,350.42</b>   |                         |
|              |                 | 136712             | 133497                                    | Contract Services   | 1,350.42                |
|              |                 | 136712             | 133497                                    | Contract Services   | 1,350.42                |
|              |                 | 136712             | 133497                                    | Contract Services   | 1,350.42                |
|              |                 |                    |   | Line Amount Total   | 4,051.26                |
| <b>98959</b> | <b>01/28/26</b> | <b>V00101</b>      | <b>Sunstates Security, LLC</b>            | <b>393.25</b>   |                         |
|              |                 | 136717             | 133523                                    | Security Service Fees   | 393.25                  |
|              |                 | 136717             | 133523                                    | Security Service Fees   | 393.25                  |
|              |                 | 136717             | 133523                                    | Security Service Fees   | 393.25                  |
|              |                 |                    |   | Line Amount Total   | 1,179.75                |
| <b>98960</b> | <b>01/28/26</b> | <b>V00487</b>      | <b>Tex-Con Construction Services, LLC</b> | <b>25,780.80</b>  |                         |
|              |                 | 136713             | 132698                                    | Construction in Progress  | 25,780.80               |
|              |                 | 136713             | 132698                                    | furnish labor, materials, equipment and insurance   |                         |
|              |                 | 136713             | 132698                                    | for the Dole Yard 10" Sewer Line Replacement  |                         |
|              |                 | 136713             | 132698                                    | Board Approval 10/23/2025   |                         |
|              |                 | 136713             | 132698                                    | Construction in Progress  | 25,780.80               |
|              |                 | 136713             | 132698                                    | furnish labor, materials, equipment and insurance   |                         |
|              |                 | 136713             | 132698                                    | for the Dole Yard 10" Sewer Line Replacement  |                         |
|              |                 | 136713             | 132698                                    | Board Approval 10/23/2025   |                         |
|              |                 | 136713             | 132698                                    | Construction in Progress  | 25,780.80               |
|              |                 | 136713             | 132698                                    | furnish labor, materials, equipment and insurance   |                         |
|              |                 | 136713             | 132698                                    | for the Dole Yard 10" Sewer Line Replacement  |                         |
|              |                 | 136713             | 132698                                    | Board Approval 10/23/2025   |                         |
|              |                 |                    |   | Line Amount Total   | 77,342.40               |
| <b>98961</b> | <b>01/28/26</b> | <b>V00200</b>      | <b>The Chamber Brazosport Area</b>        | <b>1,000.00</b>   |                         |
|              |                 | 136714             | 133135                                    | Community Events-Annual Award Luncheon (Brazosport Chamber Event)                                 | 1,000.00                |
|              |                 | 136714             | 133135                                    | February 18, 2026   |                         |
|              |                 | 136714             | 133135                                    | Event Sponsorship (Advertisement & Table 8 Seats)   |                         |
|              |                 | 136714             | 133135                                    | Advertising in Event Program, All Social Media, Chamber Website for 1 Year, All Marketing Mediums |                         |
|              |                 | 136714             | 133135                                    | Community Events-Annual Award Luncheon (Brazosport Chamber Event)                                 | 1,000.00                |
|              |                 | 136714             | 133135                                    | February 18, 2026   |                         |
|              |                 | 136714             | 133135                                    | Event Sponsorship (Advertisement & Table 8 Seats)   |                         |
|              |                 | 136714             | 133135                                    | Advertising in Event Program, All Social Media, Chamber Website for 1 Year, All Marketing Mediums |                         |
|              |                 | 136714             | 133135                                    | Community Events-Annual Award Luncheon (Brazosport Chamber Event)                                 | 1,000.00                |

| Check No.    | Check Date      | Vendor No.         | Vendor Name                          | Check Amount  | Line Amount             |
|--------------|-----------------|--------------------|--------------------------------------|---|-------------------------|
|              |                 | <b>Invoice No.</b> | <b>PO No.</b>                        | <b>GL Account Name</b>  | <b>Line Description</b> |
|              |                 | 136714             | 133135                               | February 18, 2026   |                         |
|              |                 | 136714             | 133135                               | Event Sponsorship (Advertisement & Table 8 Seats)   |                         |
|              |                 | 136714             | 133135                               | Advertising in Event Program, All Social Media, Chamber Website for 1 Year, All Marketing Mediums |                         |
|              |                 |                    |                                      | Line Amount Total   | 3,000.00                |
| <b>98962</b> | <b>01/28/26</b> | <b>V00112</b>      | <b>Tricia Vela</b>                   | <b>191.00</b>   |                         |
|              |                 | 136698             | 133513                               | Telephone -Jan  | 75.00                   |
|              |                 | 136698             | 133513                               | Employment Related  | 116.00                  |
|              |                 | 136698             | 133513                               | Telephone -Jan  | 75.00                   |
|              |                 | 136698             | 133513                               | Employment Related  | 116.00                  |
|              |                 | 136698             | 133513                               | Telephone -Jan  | 75.00                   |
|              |                 | 136698             | 133513                               | Employment Related  | 116.00                  |
|              |                 |                    |                                      | Line Amount Total   | 573.00                  |
| <b>98963</b> | <b>01/28/26</b> | <b>V00392</b>      | <b>United Way of Brazoria County</b> | <b>3,470.00</b>   |                         |
|              |                 | 136715             | 133520                               | United Way Payable  | 3,470.00                |
|              |                 | 136715             | 133520                               | United Way Payable  | 3,470.00                |
|              |                 | 136715             | 133520                               | United Way Payable  | 3,470.00                |
|              |                 |                    |                                      | Line Amount Total   | 10,410.00               |
| <b>98964</b> | <b>01/28/26</b> | <b>V00864</b>      | <b>Visual Edge IT, Inc.</b>          | <b>166.71</b>   |                         |
|              |                 | 136699             | 133512                               | Maint & Repair - Office Equipment   | 166.71                  |
|              |                 | 136699             | 133512                               | Maint & Repair - Office Equipment   | 166.71                  |
|              |                 | 136699             | 133512                               | Maint & Repair - Office Equipment   | 166.71                  |
|              |                 |                    |                                      | Line Amount Total   | 500.13                  |
| <b>98965</b> | <b>01/28/26</b> | <b>V00178</b>      | <b>Waypoint</b>                      | <b>1,101.40</b>   |                         |
|              |                 | 136626             | 133476                               | Contract Services   | 976.40                  |
|              |                 | 136700             | 133495                               | Consultant Fees - Other   | 125.00                  |
|              |                 | 136626             | 133476                               | Contract Services   | 976.40                  |
|              |                 | 136700             | 133495                               | Consultant Fees - Other   | 125.00                  |
|              |                 | 136626             | 133476                               | Contract Services   | 976.40                  |
|              |                 | 136700             | 133495                               | Consultant Fees - Other   | 125.00                  |
|              |                 |                    |                                      | Line Amount Total   | 3,304.20                |
|              |                 |                    |                                      | <b>Texas Gulf Bank Accounts Payable</b>   | <b>2,165,636.01</b>     |

## RESOLUTION

**WHEREAS**, Port Freeport of Brazoria County, Texas, has received authority from the Legislature of the State of Texas to apply for a Grant of Permit to Establish and Operate a United States Foreign-Trade Zone at the Port of Entry at Freeport, Texas; and

**WHEREAS**, the intended Grantee of said Permit shall be Port Freeport of Brazoria County, Texas, a governmental agency and body politic of the State of Texas; and

**WHEREAS**, Port Freeport of Brazoria County, Texas has been given a grant of authority by the United States Foreign-Trade Zones Board to establish and operate Foreign-Trade Zone No. 149 at Port Freeport, Texas;

**WHEREAS**, Animal Nutrition & Health, LLC (ANH) of Brazoria County, Texas has applied for manufacturing authority and a grant of authority by the United States Foreign-Trade Zones Board to establish and operate Foreign-Trade Subzone located in Brazoria County, Texas;

**NOW, THEREFORE BE IT RESOLVED** by the Port Commission of Port Freeport of Brazoria, County, Texas that the Executive Director/CEO Phyllis Saathoff, or her designee, is hereby authorized on behalf of Port Freeport of Brazoria County, Texas to execute and file an application for Animal Nutrition & Health, LLC (ANH) for the establishment of a Subzone site before the United States Foreign-Trade Zones Board in Washington, DC, in full compliance with the requirements of 15 CFR, Part 400 of the Foreign-Trade Zone Regulations under the U. S. Foreign-Trade Zone Act of 1934, as amended, and to execute and file such other documents as may be necessary or helpful to the filing and processing of said application.

I, **Kim Kincannon**, Secretary of the Port Commission of Port Freeport of Brazoria County, Texas do hereby certify that the foregoing is a true and correct copy of the Resolution adopted by said Port Commission at a meeting held on February 26th, a quorum being present, and that the same has not been altered, amended or rescinded, and is in force and effect, to certify which witness my hand and the seal of said Port Commission, on this 26th day of February, 2026.

---

Kim Kincannon, Secretary

## **RESOLUTION URGING TXDOT AND H-GAC TO ACCELERATE 36A IN THE RTP PLANNING PROCESS AND ULTIMATE INCLUSION IN THE UTP**

At a regular meeting of the Port Commission of Port Freeport (“Port”) held at the office of said District at 1100 Cherry Street, Freeport, Texas, on the 26th day of February 2026, among other business, on motion duly made and seconded, the following Resolution was passed and adopted:

**WHEREAS**, the Highway 36A Coalition is an advocate for the development of regional transportation infrastructure from the Brazosport area to Hempstead and beyond.

**WHEREAS**, the 36A corridor has been included in the Houston/Galveston Council of Governments 2045 Regional Transportation Plan because of its potential to provide an efficient and expanded transportation and freight route from Port Freeport to US 290, with a southern segment from the Rosenberg/Needville area stretching to I-10; and a northern segment proposed to connect I-10 to US 290 in Waller County.

**WHEREAS**, the proposed 36A corridor is necessary for a variety of pressing needs, including:

- **Enhanced hurricane evacuation** - State Highway 36 is a primary evacuation route for Southern Brazoria County.
- **Enhanced regional mobility** - Current population growth and additional housing development threatens to overwhelm existing infrastructure in the future unless capacity is added now; H-GAC forecasts that the 8-county region will add an additional 3.6 million people by 2050; Fort Bend County alone is projected to add more than 600,000 – an increase of 76 percent; Waller County is projected to grow an astounding 214 percent and Brazoria County’s population is projected to surge by 51 percent. (HGAC 2024 Regional Growth Forecast)
- **Efficient freight movement and safety** - One of the region’s current and future needs as identified by H-GAC is expanded freight mobility to route traffic outside the metropolitan core. The Houston-Galveston Area Council’s 2023 Regional Goods Movement Plan is a Long-Range Plan for the movement of goods within the region. Part of that plan includes the Urban Core Relief Route concept to remove freight traffic from the urban core of the Houston Metropolitan area – which this project would help accomplish.
- In addition, TxDOT leadership has included the 36A corridor in its Strategic Corridor Plan because of its importance to the movement of freight throughout the state.
- In addition, the Freeport Harbor Channel Improvement Project at Port Freeport makes the port the deepest on the Texas Gulf Coast, which will contribute to a dramatic increase in port traffic and freight volumes in coming years. The Port of Freeport currently generates annual truck traffic of 214,000 (TxDOT 2023). With the completion of the channel improvement project, expansion of the container terminal, and the addition of two new super post-Panamax ship-to-shore gantry cranes, the port is anticipating an increase in containers from 94,000 to 300,000 (600,000 TEUs) or more in 2035, which is an increase of more than 300 percent. We need to ensure transportation and freight mobility helps move that additional freight on a corridor that avoids the Houston Urban Core and does not crowd existing roadways with truck traffic.
- **Economic Development** – Population growth when supported by strong infrastructure development creates economic development as major retailers, manufacturers and service

industries recognize the opportunity to serve a growing population. Port Freeport's channel harbor improvement project and its growing importance as a destination for container traffic potentially could spur the creation of 15,000 - 30,000 jobs in the SH 36A corridor, mostly consisting of distribution and industrial jobs, according to a 2016 Transportation and Economics Managements Systems study.

Counties must grow their commercial tax base in order to support the demands of a growing population. Strong infrastructure helps attract commercial and industrial investments to establish and expand employment centers. The SH 36A project will support the development of such centers, as well as complementary business clusters along its corridor. As freight-dependent businesses locate here, they will generate demand for supporting services and related industries, thereby generating thousands of well-paying jobs that will further strengthen Texas's global position in trade and logistics. The diversification of Fort Bend County's economic base will thereby reduce its outsized reliance on residential property taxes.

**WHEREAS**, the Highway 36A Coalition is a 501(c)4 nonprofit consisting of local governments, elected officials, private businesses, and individuals working together to advocate for the responsible development of a regional transportation corridor connecting Port Freeport and the Brazosport area to north Texas and beyond without adding to the congestion in the Houston metropolitan area. Their mission includes improving hurricane evacuation, efficient mobility, and economic development for the region and the state.

**WHEREAS**, the H-GAC Regional Transportation Plan and TxDOT UTP are hugely important to the future planning of regional mobility, congestion mitigation, quality of life, safety, and efficient movement of goods. TxDOT is currently underway with a 2 to 4 lane expansion from Port Freeport to Rosenberg. TxDOT is currently developing an individual Environmental Impact Statement (EIS) for each segment of the proposed 36A corridor to support the proposed development of the corridor; the EIS is funded for each segment and work is proceeding according to agreed timetables.

**WHEREAS**, TxDOT and H-GAC knows well that planning is the key to ensuring the most effective routes at the most reasonable costs to achieve their goals. Doing so before development occurs expands options and reduces costs. For this reason, we respectfully request TxDOT to pursue completion of its EIS process for 36A as soon as possible to support the development of the 36A corridor and support enhanced evacuation, safety, freight mobility and commerce throughout the region. Furthermore, since the EIS process is now proceeding according to timetable and will conclude by 2029 at the latest, we urge H-GAC to advance 36A in the Regional Transportation Plan with an eye toward including it in the TxDOT Unified Transportation Plan at the earliest possible date.

**NOW, THEREFORE, BE IT RESOLVED** that the Port Commission of Port Freeport hereby offers its strong support for the completion of the EIS study for 36A, acceleration of the project in the RTP, and ultimate inclusion in the UTP at the earliest possible date.

---

Rob Giesecke, Chairman

---

Dan Croft, Asst. Secretary

---

Rudy Santos, Vice Chairman

---

Barbara Fratila, Commissioner

---

Kim Kincannon, Secretary

---

Ravi K. Singhania, Commissioner

# Annual Comprehensive Financial Report For the Fiscal Years Ended September 30, 2025 and 2024



**Port Freeport  
Freeport, Texas**  
Annual Comprehensive Financial Report  
For the Fiscal Years Ended  
September 30, 2025 and 2024

Prepared by:

Rob Lowe  
Chief Financial Officer

Amy O'Brien  
Controller

**PORT FREEPORT**

Freeport, Texas

**Annual Comprehensive Financial Report  
Fiscal Years Ended September 30, 2025 and 2024**

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**PORT FREEPORT**

Freeport, Texas

**Annual Comprehensive Financial Report  
Fiscal Years Ended September 30, 2025 and 2024**

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Government Finance Officers Association

**Certificate of  
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for Excellence  
in Financial  
Reporting**

Presented to

**Port Freeport  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*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 super post-Panamax gantry cranes.*

***Development of Rail-served  
Warehousing, Processing, and  
Distribution Facilities***

*The project at full buildout will include a 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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WWW.PORTFREEPORT.COM

STATE OF THE PORT

January 15, 2026

MEMBERS OF THE PORT COMMISSION  
PORT FREEPORT  
FREEPORT, TEXAS

Re: A Century of Progress Advancing the Next Era of Opportunity

Ladies and Gentlemen,

As Port Freeport concludes its centennial year, we are reminded that meaningful progress is built by many hands across generations. The Freeport Harbor Channel has been modernized, strategic facility investments have been made, cargo has diversified, vessel calls have increased, our partnerships with industry, labor, and government have strengthened, and our communities have prospered. These achievements reflect the collaboration and shared belief in the essential role Port Freeport plays across Texas and the nation.

The year 2025 was filled with gratitude for the vision that established Port Freeport 100 years ago with a focus on the responsibility and opportunities ahead. For the first time in our 100-year history, Port Freeport began fiscal year 2025 operating entirely as a self-reliant entity with no tax assessment and will remain a zero-tax Port through disciplined financial stewardship and strategic planning. Port Freeport is well positioned for ongoing growth, resilience, and competitiveness in the decades to come.

In 2025, Port Freeport demonstrated strong operational performance across its diverse portfolio. The port recorded 1,305 vessel calls, reflecting steady global demand and the strength of our customer base. Throughout the year, Port Freeport handled 198,475 vehicles, highlighting its importance as a key gateway for automotive trade. Container activity remained a significant driver of growth with 93,990 containers handled, totaling 187,920 twenty-foot equivalent units. Additionally, rail operations reached new levels of activity, handling 12,510 railcars, further emphasizing the significance of Port Freeport's multimodal capabilities. These results highlight the Port's long-term investments and the continued trust of our tenants and partners. A significant milestone in 2025 was the substantial completion of the Freeport Harbor Channel Improvement Project. This \$295 million initiative represents one of the largest infrastructure investments in Port Freeport's history, backed by \$207 million in federal funding. The project involved years of planning, coordination, and collaboration among local and federal partners. The remaining work is expected to be finished in the second quarter of 2026 making Port Freeport the deepest port on the Gulf Coast with authorized depths between 51 and 56 feet. This enhancement will improve navigational efficiency and safety, allowing the port to accommodate larger, modern vessels and support long-term growth in global trade.

In recent years, Port Freeport has invested approximately \$250 million in infrastructure improvements at and around the Velasco Container Terminal to support expanded operations and enhance long-term capacity. These enhancements included the construction of Berth 8, which features a 927-foot dock extension and an 85-foot roll-on/roll-off platform. Projects completed this year that have enhanced access to the container terminal and operation efficiency included upgrades to container storage areas, a new security gate, and roadway access improvements.

In September 2025, Port Freeport achieved a significant milestone with the delivery of two Super Post-Panamax ship-to-shore gantry cranes. These cranes improve the port's container handling capabilities and reflect a strategic commitment to long-term competitiveness. Ongoing improvements to landside operations and the expansion of port

[PORT COMMISSION](#)

[ROB GIESECKE](#), CHAIRMAN; [RUDY SANTOS](#), VICE CHAIRMAN; [KIM KINCANNON](#), SECRETARY; [DAN CROFT](#), ASST. SECRETARY;  
[BARBARA FRATILA](#), COMMISSIONER; [RAVI K. SINGHANIA](#), COMMISSIONER; [PHYLLIS SAATHOFF](#), EXECUTIVE DIRECTOR/CEO



# PORT FREEPORT

facilities, including the introduction of the first cross-dock facility, support increased operations and provide essential infrastructure for both current and future tenants.

Port Freeport's growth is propelled by a diverse range of industries and strong, long-term partnerships. The automotive sector has expanded, with ongoing activities related to Amports and the Volkswagen Group of America continuing to expand at the port. In the fresh produce sector, the growing operations of the three major fresh fruit importers, Chiquita Brands International, Dole Fresh Fruit, and Fresh Del Monte Produce, have further established Port Freeport as a key Gulf Coast gateway for perishable cargo. Meanwhile, energy, manufacturing, steel and agricultural exports remain essential elements of the port's overall cargo mix, providing stability and resilience in a dynamic global market.

As the port has expanded, its commitment to sustainability and community engagement has also increased. Throughout 2025, Port Freeport continued to implement initiatives focused on environmental stewardship, operational responsibility, and workforce development. The Port Commission's Environmental, Social, Governance, and Sustainability Committee played a crucial role in guiding these efforts, ensuring that growth is balanced with accountability.

Community engagement has always been a fundamental part of Port Freeport's mission. The port recently hosted the 25th annual Take-A-Child Fishing Tournament, attracting hundreds of young anglers and their families for a day dedicated to inclusion and opportunity. Additionally, the annual Port Freeport Golf Tournament continued to support the Texas Port Ministry, which provides care and services to seafarers, truck drivers, and port workers who are essential to global commerce. These initiatives demonstrate the port's belief that economic success and community impact are closely intertwined.

The centennial year provided an opportunity to reflect on a pivotal decision made by Brazoria County voters on December 4, 1925, which established the Brazos River Harbor Navigation District. This decision laid the foundation for what Port Freeport has become today: a modern, deepwater port that serves regional, state, national, and global markets. As we close this historic chapter, we express our gratitude for the leadership, partnerships, and public trust that have guided the port over the past 100 years.

Looking ahead, Port Freeport enters its next century with momentum and purpose. The investments we have completed and those currently underway, along with our strong financial position and the dedication of our employees and partners, position the port to continue delivering opportunities, economic impact, and service to the community.

On behalf of the Port Freeport team, I would like to extend my sincere appreciation to the Port Commission for its leadership and guidance, as well as to our tenants, customers, and community partners for their ongoing support. We look forward to building on a century of progress as we confidently advance into the next 100 years of Port Freeport.

With sincere appreciation,



Phyllis Saathoff, CPA, PPM®  
Executive Director/CEO

## Directory of Officials

### Port Commission



Rob Giesecke  
Chairman



Rudy Santos  
Vice Chairman



Kim Kincannon  
Secretary



Dan Croft  
Assistant Secretary



Barbara Fratila  
Commissioner



Ravi Singhania  
Commissioner

Directory of Officials  
Executive Staff



Phyllis Saathoff  
 Executive Director/CEO



Rob Lowe  
 Chief Financial Officer



Jason Hull  
 Director of Engineering



Jesse Hibbetts  
 Director of Operations



Jason Miura  
 Director of Business and  
 Economic Development



Chris Hogan  
 Director of Protective  
 Services



Brandon Robertson  
 Director of Information  
 Technology



Amy O'Brien  
 Controller



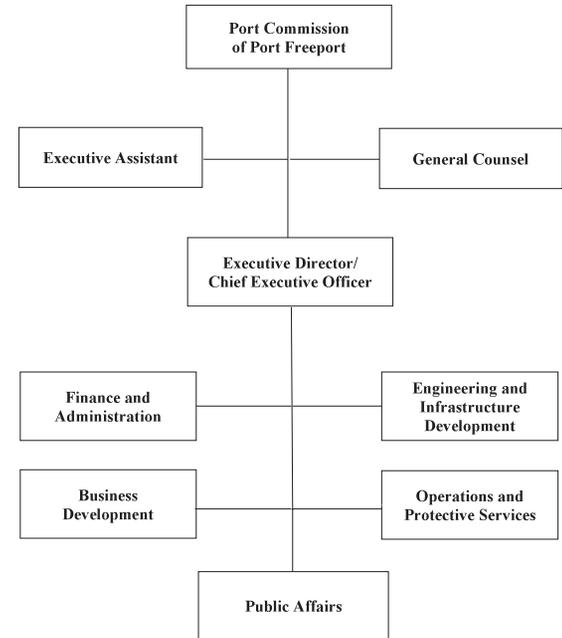
Amanda Veliz  
 Public Affairs Manager



Missy Bevers  
 Executive Assistant

**PORT FREEPORT**

Organizational Chart





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## LETTER OF TRANSMITTAL

January 26, 2026

### COMMISSIONERS AND CITIZENS OF PORT FREEPORT PORT FREEPORT FREEPORT, TEXAS

The Annual Comprehensive Financial Report for Port Freeport (Port) for the year ended September 30, 2025, 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. There has been in excess of \$ 31 billion in industrial developments in Brazoria County since 2013. The Brazoria County Index of Leading Economic indicators decreased .24 percent from September 2024 to September 2025. The Leading Economic Index is designed to forecast the economic performance of the county over the next three to six months. The index had fallen below the six-month moving average for four consecutive months but reversed course and exceeded the moving average in August and September. A sustained period in which the leading index consistently exceeds the moving average signals that the local economy is growing or beginning a period of growth. (Brazosport College Economic Forecasting Center, 2024). 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 15 on page 61.

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

### [PORT COMMISSION](#)

ROB GIESECKE, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; KIM KINCANNON, SECRETARY; DAN CROFT, ASST. SECRETARY;  
BARBARA FRATILA, COMMISSIONER; RAVI K. SINGHANIA, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

commissioner positions held each uneven-numbered year. 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, 2025.

**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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. 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 annual comprehensive financial report, whose contents conform to program standards. Such annual comprehensive 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-six 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

2025. 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 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.

Two super post panamax ship to shore gantry cranes were delivered in September of 2025 while the construction of the Velasco Terminal Access and North Gate Entrance projects were completed at a combined cost of \$ 12.3 million. Backland development to support the Velasco Terminal continued with a \$20.5 million project to add 15 acres of concrete and is scheduled to be completed in early 2026. Additionally, an 80,000 square foot chilled cross dock was completed with the cost of that project borne by the developer.

**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. Additional Federal Government funding has been appropriated and all voter authorized bond issuances have been made providing the combined funds to fund the project to completion. 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. The final contract has been awarded by the USCOE and the project is on schedule to be completed in 2026.

There are active projects to reconstruct East 5<sup>th</sup> Street and to expand the access roads to Gate 4 to four lanes with both providing improved efficiency for port traffic. A new refrigerated cross dock and storage facility is in the engineering phase with construction expected to begin in FY2026. Total costs associated with the continued build out of the Velasco Terminal and related infrastructure are estimated at \$ 130 million over the next five years. These projects will be funded through a combination of operating income, grants, and bond revenues. 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

## PORT FREEPORT Economic Impact

*The results of the 2022 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**

*109,800 jobs  
\$8.8 billion state and local tax revenues  
\$84.3 billion total economic output*

### **Nationwide Annual Economic Impact**

*266,300 jobs  
\$5.4 billion federal tax revenues  
\$157.3 billion total economic output*

*The impacts of the study are based upon 2021 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 Audit of the Financial Statements**

*Opinions*

We have audited the accompanying financial statements of Port Freeport ("the Port"), as of and for the year ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

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, 2025 and 2024 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port'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

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979-297-4075

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979-543-6836

**Angleton**  
2801 N. Velasco, Suite C  
Angleton, TX 77515  
979-849-8297

**Bay City**  
2245 Avenue G  
Bay City, TX 77414  
979-245-9236



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 the Port'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 the Port'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 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 the Port's basic financial statements. The accompanying schedule of expenditures of state awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 February 11, 2026 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 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'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 Port's internal control over financial reporting and compliance.

## ***KM&L, LLC***

Lake Jackson, Texas  
February 11, 2026

## 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, 2025, 2024 and 2023. 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, 2025

- Total Net Position increased by \$ 36.6 million.
- Total Assets increased by \$ 22.7 million primarily due to an increase in cash and cash equivalents of \$ 8.9 million and an increase of construction in progress of \$ 44.6 million.
- Total Liabilities decreased by \$ 5.1 million mainly due to the reduction in bonds payable.
- Increase in Net Position was primarily due to grant funds received and an increase in harbor operations revenue.

##### September 30, 2024

- Total Net Position increased by \$ 24.4 million.
- Total Assets increased by \$ 53.3 million primarily due to an increase in investments of \$ 48.8 million and an increase of lease receivables of \$ 12.8 million.
- Total Liabilities increased by \$ 20.0 million mainly due to issuance of bonds.
- Increase in Net Position was primarily due to an increase in harbor operations revenue and a reduction in amount paid for non-federal share of Freeport Harbor Channel Improvement Project.

##### September 30, 2023

- Total Net Position increased by \$ 8.1 million.
- Total Assets increased by \$ 35.9 million primarily due to an increase in property, plant and equipment of \$30.0 million from purchases of land, Port improvements, and equipment, an increase in cash and cash equivalents of \$ 18.2 million and a decrease in investments of \$ 2.8 million primarily driven from bonds issued and cost paid for non-federal share of Freeport Harbor Channel Improvement Project.
- Total Liabilities increased by \$ 39.1 million mainly due to bonds issued.
- Increase in Net Position was primarily due to grant funds received and reduction in amount paid for non-federal share of Freeport Harbor Channel Improvement Project.

#### 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, 2025, 2024 and 2023, the Port's net position increased by 14 percent, 11 percent, and 4 percent, to \$ 293.1 million, \$ 256.5 million, and \$ 232.1 million, respectively.

Net investment in capital assets at September 30, 2025, 2024 and 2023, was \$295.8 million, \$ 260.8 million, and \$ 256.7 million, or 101 percent, 102 percent, and 111 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, 2025, 2024 and 2023, is divided into three categories: restricted for debt service, \$ 18.4 million, \$ 19.8 million, and \$ 14.6 million, restricted for capital projects, \$ 12 thousand, \$ 12 thousand, and \$ 12 thousand; and unrestricted net position deficits of \$ 21.1 million, \$ 24.1 million, and \$ 39.2 million, respectively. Restrictions do not significantly affect the availability of resources for future use. As the non-federal sponsor of the Freeport Harbor Channel, the Port is responsible for funding the non-federal share of the Freeport Harbor Channel Improvement Project. The non-federal sponsor share is funded by the issuance of General Obligation Bonds. As a result, the Port has recognized substantial liabilities in the financial statements for these bonds. As of September 30, 2025 the Port has issued \$ 130 million of project related bonds which have caused the deficit balances in unrestricted net position.

The Port's total net position increased by \$ 36.6 million in 2025, \$ 24.4 million in 2024, and \$ 8.1 million in 2023. These changes were provided by operating income (including depreciation) of \$ 32.7 million, \$ 26.0 million, and \$ 23.1 million; \$ (6.4) million, \$ (2.4) million, and \$ (20.4) million in non-operating net revenues (expenses) including ad valorem taxes, net of collection expenses of \$ (33.2) thousand, \$ 3.6 million, and \$ 6.6 million, and capital contributions of \$ 14.7 million, \$ 1.0 million, and \$ 5.5 million, respectively.

|   | Condensed Statements of Net Position |            |            |
|---|--------------------------------------|------------|------------|
|   | (in thousands)                       |            |            |
|   | 2025                                 | 2024       | 2023       |
| Current assets                                      | \$ 314,078                           | \$ 330,762 | \$ 278,729 |
| Capital assets, net of depreciation                 | 489,105                              | 449,775    | 448,546    |
| Total assets  | 803,183                              | 780,537    | 727,275    |
| Deferred outflows of resources – refunding costs    | 3                                    | 4          | 5          |
| Total deferred outflows of resources                | 3                                    | 4          | 5          |
| Current liabilities                                 | 22,247                               | 18,938     | 18,112     |
| Non-current liabilities                             | 323,614                              | 332,063    | 312,852    |
| Total liabilities                                   | 345,861                              | 351,001    | 330,964    |
| Deferred inflows of resources                       | 164,225                              | 173,036    | 164,200    |
| Total deferred inflows of resources – lease related | 164,225                              | 173,036    | 164,200    |
| Net investment in capital assets                    | 295,802                              | 260,794    | 256,736    |
| Restricted for debt service                         | 18,387                               | 19,806     | 14,584     |
| Restricted for capital projects                     | 12                                   | 12         | 12         |
| Unrestricted  | ( 21,101 )                           | ( 24,108 ) | ( 39,216 ) |
| Total net position                                  | \$ 293,100                           | \$ 256,504 | \$ 232,116 |

## PORT FREEPORT

### Management Discussion and Analysis

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

|  | 2025       | 2024       | 2023       |
|--|------------|------------|------------|
| <b>Operating revenues:</b>                                     |            |            |            |
| Harbor operations  | \$ 43,859  | \$ 34,804  | \$ 26,315  |
| Lease income   | 17,786     | 17,932     | 17,676     |
| Miscellaneous  | 30         | 1,404      | 2,111      |
| Total operating revenues                                       | 61,675     | 54,140     | 46,102     |
| <b>Operating expenses:</b>                                     |            |            |            |
| Payroll and related  | 6,271      | 5,813      | 5,713      |
| Professional services  | 4,050      | 3,152      | 3,135      |
| Supplies and other   | 4,329      | 4,252      | 3,161      |
| Utilities, maintenance and repairs                             | 2,168      | 2,413      | 2,135      |
| Depreciation   | 12,182     | 12,464     | 8,883      |
| Total operating expenses                                       | 29,000     | 28,094     | 23,027     |
| Operating income   | 32,675     | 26,046     | 23,075     |
| <b>Non-operating revenues (expenses):</b>                      |            |            |            |
| Ad valorem tax, net of collection expenses                     | (33)       | 3,591      | 6,611      |
| Investment income  | 5,606      | 6,291      | 4,186      |
| Dredge material placement fees                                 | -          | 271        | -          |
| Gain on sale of capital assets and other                       | 33         | 3          | 44         |
| Debt interest and fees   | (12,025)   | (12,507)   | (10,955)   |
| Other  | (4)        | (70)       | (20,330)   |
| Total non-operating revenues (expenses)                        | (6,423)    | (2,421)    | (20,444)   |
| Income before capital contributions and extraordinary expenses | 26,252     | 23,625     | 2,631      |
| Capital contributions - grants                                 | 14,729     | 1,019      | 5,487      |
| Extraordinary expenses - emergency recovery expenses           | (4,385)    | (256)      | -          |
| Change in net position   | 36,596     | 24,388     | 8,118      |
| Total net position - beginning                                 | 256,504    | 232,116    | 223,998    |
| Total net position - ending                                    | \$ 293,100 | \$ 256,504 | \$ 232,116 |

Total revenues, including capital contributions, have increased in 2025 compared to 2024 and increased in 2024 compared to 2023. Total revenues for 2025, 2024, and 2023, were \$ 82 million, \$ 65.3 million, and \$ 62.4 million, respectively. Operating revenues increased by \$ 7.5 million in 2025 to \$ 61.7 million, \$ 8.0 million in 2024 to \$ 54.1 million, and decreased in 2023 by \$ 1.2 million to \$ 46.1 million. Harbor operating revenues are primarily driven by commodity tonnages and ship calls. Tonnage overall increased 26 percent to 20.9 million tons in 2025 while ship calls increased 17 percent and barge calls increased 58 percent. Tonnage overall increased 45 percent to 16.6 million tons in 2024 while ship calls increased 31 percent and barge calls increased 17 percent. Tonnage overall decreased 12 percent to 11.4 million tons in 2023 while ship calls decreased 12 percent and barge calls remained the same. Miscellaneous revenues decreased in 2025 by \$ 1.4 million, decreased in 2024 by \$ 707 thousand, and decreased by \$ 2.4 million in 2023 due to business interruption insurance claim proceeds received in 2024.

## PORT FREEPORT

### Management Discussion and Analysis

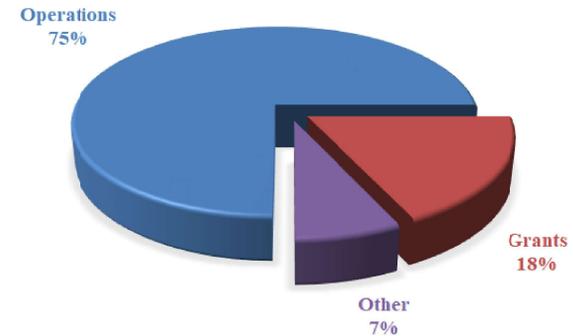
The following is the detailed tonnage comparison for the fiscal year 2025, 2024, and 2023:

| Commodity            | Fiscal Year 2025 Tonnage (In thousands) | Change From prior Year | Fiscal Year 2024 Tonnage (In thousands) | Change from prior year | Fiscal Year 2023 Tonnage (In thousands) | Change from prior year |
|----------------------|---|------------------------|---|------------------------|---|------------------------|
| Rice                 | 348                                     | 27%                    | 273                                     | 7%                     | 254                                     | -8%                    |
| Bananas/Misc Fruit   | 921                                     | 66%                    | 555                                     | 39%                    | 399                                     | 9%                     |
| Misc./General Cargo  | 680                                     | 51%                    | 449                                     | 16%                    | 386                                     | 8%                     |
| Dry Bulk Material    | 127                                     | -42%                   | 218                                     | -22%                   | 280                                     | -38%                   |
| Liquid Bulk Material | 17,227                                  | 27%                    | 13,580                                  | 53%                    | 8,892                                   | -14%                   |
| Project Cargo        | 4                                       | -20%                   | 5                                       | -55%                   | 11                                      | -84%                   |
| Steel Products       | 972                                     | 2%                     | 952                                     | 19%                    | 797                                     | 8%                     |
| RoRo Cargo           | 631                                     | 16%                    | 546                                     | 36%                    | 401                                     | -3%                    |
| Total                | 20,910                                  | 26%                    | 16,578                                  | 45%                    | 11,420                                  | -12%                   |

Total lease revenue decreased 0.8 percent in 2025, increased 1.4 percent in 2024, and increased 2.7 percent in 2023. Ground lease revenue increased by \$ 895 thousand in 2025, increased \$ 490 thousand in 2024, and increased \$ 1.0 million in 2023. Other leases decreased \$ 42 thousand in 2025, increased \$ 8 thousand in 2024, and increased \$ 16 thousand in 2023. Lease revenue decrease in 2025 due to ongoing construction in previously leased areas. Lease revenue increased in 2024 and 2023 due to increased area utilized by RoRo tenant and CPI increases.

Ad valorem tax revenue was eliminated for 2025, and was \$ 3.6 million and \$ 6.6 million during 2024 and 2023, respectively. The tax rate was 1.6007 cents per hundred-dollar valuation in 2024, and 3.50 cents per hundred-dollar valuation in 2023. Investment income decreased by \$ 685 thousand in 2025 due to decreased funds invested and changes in fair value, increased by \$ 2.1 million in 2024 due to increased funds invested as well as changes in interest rates and fair value, and increased by \$ 4.0 million in 2023 due to changes in interest rates and fair value. Grant revenues increased in 2025 to \$ 13.7 million, decreased in 2024 to \$ 1.0 million, and increased in 2023 to \$ 5.6 million. Other non-operating expenses of \$ 4 thousand, \$ 70 thousand, and \$ 20.3 million, in 2025, 2024, and 2023 were mainly related to contributions of non-federal share of Freeport Harbor Channel Improvement Project.

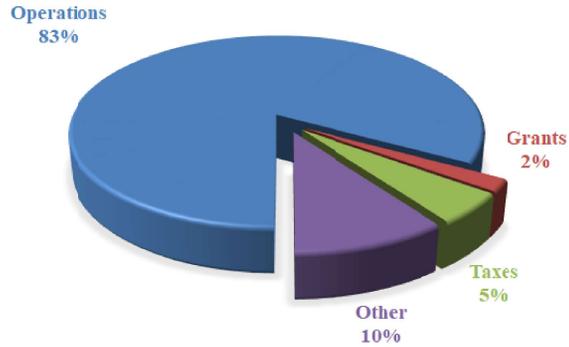
## 2025 REVENUE



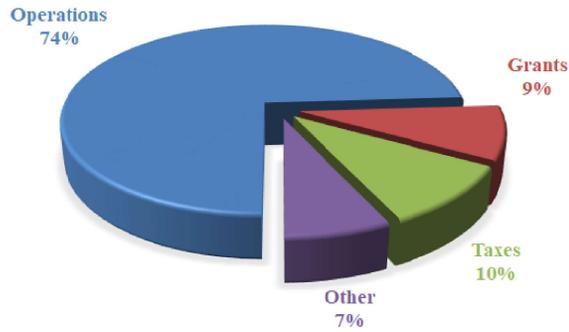
**PORT FREEPORT**

Management Discussion and Analysis

**2024 REVENUE**



**2023 REVENUE**



**PORT FREEPORT**

Management Discussion and Analysis

Total expenses increased 11 percent to 45.4 million in 2025 from 40.9 million in 2024, decreased 24.6 percent to 40.9 million in 2024 from 54.3 million in 2023, and decreased 27.8 percent to 54.3 million in 2023 from 75.2 million in 2022. Operating expenses, including depreciation, were \$ 29.0 million in 2025 increasing \$ 906 thousand or 3.2 percent, \$ 28.1 million in 2024 increasing \$ 5.1 million or 22.0 percent, and \$ 23.0 million in 2023 increasing \$ 2.9 million or 14.4 percent from 2022. Payroll and related expenses increased by \$ 459 thousand or 7.9 percent in 2025 due to additional headcount, salary increases, and remained consistent during both 2024 and 2023. Professional services expense increased by \$ 898 thousand or 28.5 percent in 2025 due increased consulting and security fees, and remained consistent during both 2024 and 2023. Supplies and other expenses remained consistent in 2025 compared to 2024, increased by \$ 1.1 million or 34.5 percent during 2024 and remained consistent in 2023 compared to 2022. Utilities, maintenance and repairs expenses decreased by \$245 thousand in 2025 compared to 2024, increased \$ 278 thousand in 2024 compared to 2023, and increased \$ 306 thousand in 2023 compared to 2022. Depreciation expense decreased by \$ 282 thousand in 2025, increased by \$ 3.6 million in 2024, and increased by \$ 969 thousand in 2023.

Debt interest and fees on outstanding debt payments were \$12.0 million, \$ 12.5 million, and \$ 10.9 million in 2025, 2024 and 2023, respectively. Other expenses of \$ 4 thousand in 2025, \$ 70 thousand in 2024 and \$ 20.3 million were capital contributions made for the non-federal share of the Freeport Harbor Channel Improvement Project. Extraordinary expenses were \$ 4.4 million in 2025 due primarily to emergency recovery efforts associated with the impact of hurricane Beryl.

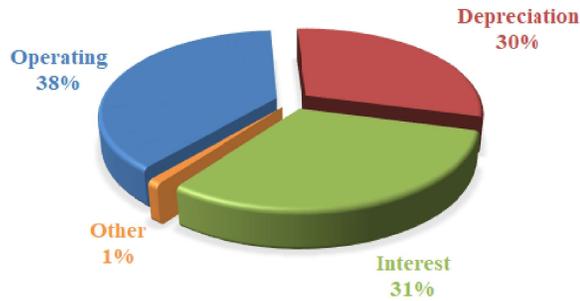
**2025 EXPENSES**



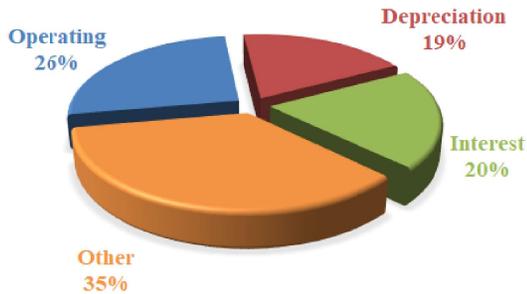
**PORT FREEPORT**

Management Discussion and Analysis

**2024 EXPENSES**



**2023 EXPENSES**



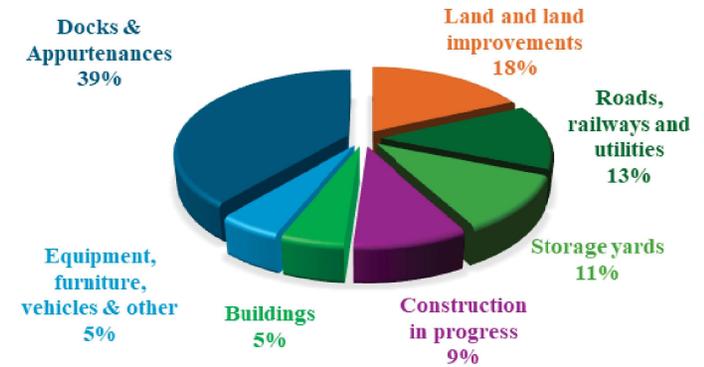
**PORT FREEPORT**

Management Discussion and Analysis

**Capital Assets**

The Port's capital assets are \$ 489.1 million, \$ 449.8 million, and \$ 448.5 million, net of depreciation, as of September 30, 2025, 2024 and 2023, respectively. Capital assets include land and land improvements, docks and appurtenances, buildings, storage yards, equipment, roads and railways, utilities, and construction in progress. In 2025, 2024 and 2023 there were additions of \$ 51.5 million, \$ 13.7 million, and \$ 38.9 million, (net of construction in progress placed in service) with depreciation of \$ 12.2 million, \$ 12.5 million, and \$ 8.9 million, respectively. There were no land and improvement additions made in 2025. Land and improvement additions of \$ 32 thousand were made in 2024, and \$ 7.9 million in 2023, primarily related to land acquisitions of properties adjacent to the Port. Gross additions to construction in progress were \$ 50.8 million in 2025, \$ 13.2 million in 2024, and \$ 2.1 million in 2023, related primarily to Velasco Terminal and Freeport Channel improvements. Construction in progress placed in service totaled \$ 6.3 million in 2025, \$ 12.1 million in 2024, and \$ 125.1 million in 2023, which included cathodic protection in 2025, the completion of pump station work, pavement repairs, and work on the Backlands Area 3 in 2024, the completion of Berth 8 and the Ro-ro ramp in 2023, at a cost of \$ 143.8 million. Building additions totaled \$ 371 thousand in 2025 and \$ 176 thousand in 2024. Equipment, furniture, vehicles, and other additions totaled \$ 363 thousand in 2025, \$ 281 thousand in 2024, and \$ 364 thousand in 2023, due to purchases of software, tools and equipment.

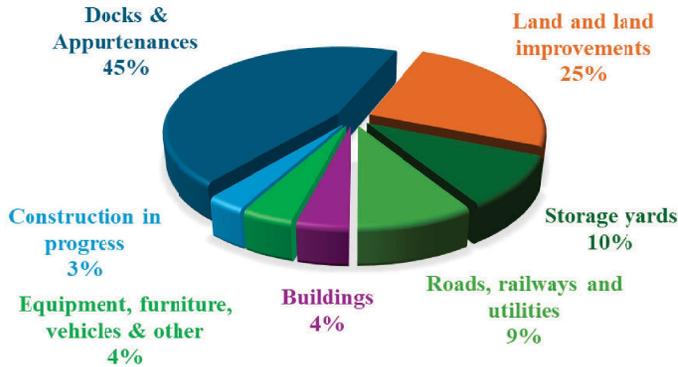
**2025 NET CAPITAL ASSETS**



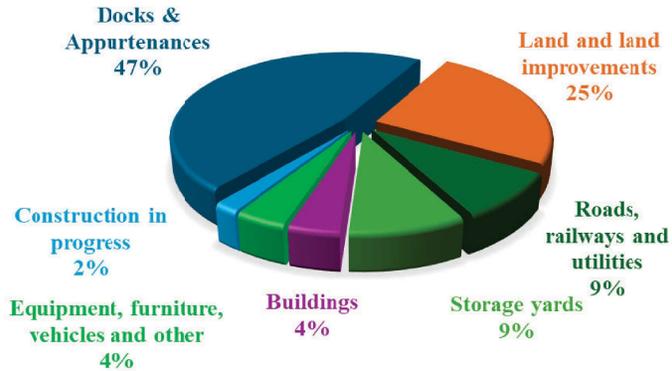
**PORT FREEPORT**

Management Discussion and Analysis

**2024 NET CAPITAL ASSETS**



**2023 NET CAPITAL ASSETS**



**PORT FREEPORT**

Management Discussion and Analysis

**Long Term Debt**

Total bonds payable are \$ 311.4 million, \$ 318.1 million, and \$ 298.0 million at September 30, 2025, 2024, and 2023 respectively.

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 2019B 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.

On February 13, 2024, the Port issued \$ 25,655,000 of Senior Lien Revenue Bonds, Series 2024. The proceeds of issuances of Series 2024 bonds were used to finance all or a portion of (i) the costs of the design, construction, development, improvement, and equipment of Port Facilities, (a) improvements to the Velasco terminal and other entry points into Port facilities, (b) the acquisition of two ship-to-shore cranes and (c) the installation of cathodic protection systems (ii) make a deposit to a debt service reserve account, and (iii) pay the costs of issuing the bonds. The Series 2024 bonds have a final maturity date of June 1, 2043.

As of September 30, 2025, 2024, and 2023, revenue bonds outstanding equaled \$ 189.6 million, \$ 195.2 million, and \$ 175.0 million respectively. The debt service for these bonds is paid from the Port's operating revenues.

In 2019, General Obligation Bonds, Series 2019 were issued to provide for use to finance the contribution of non-federal share for 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 (Freeport Harbor Channel Improvement Project). In 2021, General Obligation Bonds, Series 2021, and in 2023, General Obligation Bonds, Series 2023 were issued for the next phase of the Freeport Harbor Channel Improvement Project. As of September 30, 2025, the Port had general obligation bonds payable of \$ 121.8 million, \$ 122.9 million, and \$ 123.0 million respectively. The final maturity for these general obligation bonds is 2053. The debt service for these bonds is paid from ad valorem tax revenue.

## PORT FREEPORT

### Management Discussion and Analysis

#### Outlook

Significant developments continue at the port which will affect the future financial performance, both in the near and long -term time periods. With two Super Post Panamax ship to shore gantry cranes recently added to the Velasco Container Terminal the port now has four ship to shore cranes supporting the two berths. The port also opened a new gate that will allow more efficient use of the Velasco Container Terminal where improved container storage will be supported by surrounding roadway improvements. These additions and improvements will keep Port Freeport positioned to continue its growth, creating additional opportunities for existing tenants 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. A New Start designation was granted, and the first phase was appropriated by Congress 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. Federal funding through fiscal year end totaled \$ 207.7 million providing the federal funding needed to complete the project. As non-federal sponsor, Port Freeport is contributing \$ 130 million, funded by the 2018 voter-approved bond package. Project construction was substantially completed in 2025 which 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 continued build-out of Velasco Container Terminal. Estimated future costs associated with the completion of the backland development, additional cross docking facilities and landside access are \$ 130 million, scheduled over the next five years. A combination of operating income, grants and revenue debt issuance is anticipated to fund this project.

Future development plans include further development of port owned land for container storage, project cargo, automotive and heavy equipment, as well as additional on site rail development supporting the construction of warehousing, processing, and distribution facilities.

Lastly, with the expansion of domestic oil and gas production, the Freeport, Texas 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, 2025 and 2024

|  | <u>2025</u>            | <u>2024</u>            |
|--|------------------------|------------------------|
| <u>Assets:</u>   |                        |                        |
| Current Assets:  |                        |                        |
| Cash and cash equivalents  | \$ 28,521,171          | \$ 14,209,945          |
| Investments  | -                      | 10,137,957             |
| Receivables:   |                        |                        |
| Trade accounts (less allowance for uncollectible accounts - 2025, \$ 39,949; 2024, \$ 39,949)              | 6,429,555              | 6,922,828              |
| Property taxes (less allowance for uncollectible accounts - 2025, \$ 27,377; 2024, \$ 27,987)              | 20,905                 | 40,674                 |
| Lease  | 180,260,753            | 186,105,987            |
| Other  | -                      | 4,935                  |
| Other governments  | 880,287                | 1,537,192              |
| Prepaid items  | 959,055                | 1,528,764              |
| Inventory  | <u>1,693,965</u>       | <u>1,408,227</u>       |
| <br>Total unrestricted current assets  | <br><u>218,765,691</u> | <br><u>221,896,509</u> |
| Restricted Current Assets:   |                        |                        |
| Cash and cash equivalents  | 50,774,981             | 56,121,710             |
| Investments  | 44,447,017             | 52,557,224             |
| Receivables:   |                        |                        |
| Property taxes (less allowance for uncollectible accounts - 2025, \$ 11,081; 2024, \$ 11,267)              | 30,760                 | 75,697                 |
| Accrued interest   | 59,101                 | 108,480                |
| Other  | <u>-</u>               | <u>2,372</u>           |
| <br>Total restricted current assets  | <br><u>95,311,859</u>  | <br><u>108,865,483</u> |
| <br>Total current assets   | <br><u>314,077,550</u> | <br><u>330,761,992</u> |
| Land and land improvement, and construction in progress  | 169,320,217            | 124,800,846            |
| Property, plant and equipment (less accumulated depreciation - 2025, \$ 130,727,752; 2024, \$ 118,860,120) | <u>319,784,748</u>     | <u>324,974,197</u>     |
| <br>Total non-current assets   | <br><u>489,104,965</u> | <br><u>449,775,043</u> |
| <br>Total assets   | <br><u>803,182,515</u> | <br><u>780,537,035</u> |
| <br><u>Deferred Outflows of Resources:</u>   |                        |                        |
| Deferred outflows of resources – Refunding costs   | <u>3,116</u>           | <u>4,279</u>           |
| <br>Total deferred outflows of resources   | <br><u>3,116</u>       | <br><u>4,279</u>       |

(continued)

**PORT FREEPORT**

Statements of Net Position

September 30, 2025 and 2024

|  | <u>2025</u>               | <u>2024</u>               |
|--|---------------------------|---------------------------|
| <u>Liabilities:</u>  |                           |                           |
| Current Liabilities:   |                           |                           |
| Accounts payable and accrued expenses                          | \$ 5,465,841              | \$ 3,009,601              |
| Unearned lease income  | 4,763,160                 | 4,698,865                 |
| Accrued compensated absences                                   | <u>71,070</u>             | <u>79,473</u>             |
| <br>Total current liabilities payable from unrestricted assets | <br><u>10,300,071</u>     | <br><u>7,787,939</u>      |
| Current Liabilities Payable from Restricted Assets:            |                           |                           |
| Accrued bond interest payable                                  | 3,491,348                 | 3,560,504                 |
| Bonds payable  | <u>8,454,949</u>          | <u>7,589,949</u>          |
| <br>Total current liabilities payable from restricted assets   | <br><u>11,946,297</u>     | <br><u>11,150,453</u>     |
| <br>Total current liabilities                                  | <br><u>22,246,368</u>     | <br><u>18,938,392</u>     |
| Non-current Liabilities:                                       |                           |                           |
| Bonds payable  | 323,540,703               | 331,995,704               |
| Accrued compensated absences                                   | <u>73,477</u>             | <u>67,355</u>             |
| <br>Total non-current liabilities                              | <br><u>323,614,180</u>    | <br><u>332,063,059</u>    |
| <br>Total liabilities  | <br><u>345,860,548</u>    | <br><u>351,001,451</u>    |
| <br><u>Deferred Inflows of Resources:</u>                      |                           |                           |
| Deferred inflows of resources – lease related                  | <u>164,224,887</u>        | <u>173,036,011</u>        |
| <br>Total deferred inflows of resources                        | <br><u>164,224,887</u>    | <br><u>173,036,011</u>    |
| <br><u>Net Position:</u>                                       |                           |                           |
| Net investment in capital assets                               | 295,802,273               | 260,793,928               |
| Restricted:  |                           |                           |
| Debt service   | 18,386,845                | 19,805,666                |
| Capital projects   | 12,242                    | 12,301                    |
| Unrestricted   | <u>( 21,101,164)</u>      | <u>( 24,108,043)</u>      |
| <br>Total net position   | <br><u>\$ 293,100,196</u> | <br><u>\$ 256,503,852</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, 2025 and 2024

|  | 2025           | 2024           |
|--|----------------|----------------|
| Operating Revenues:  |                |                |
| Harbor Operations:   |                |                |
| Wharfage   | \$ 20,680,192  | \$ 16,586,339  |
| Dockage  | 11,398,344     | 9,286,192      |
| Service, facility use and other fees                           | 11,780,754     | 8,931,069      |
| Lease income   | 17,786,149     | 17,931,761     |
| Business interruption claim                                    | -              | 1,400,000      |
| Miscellaneous  | 30,029         | 4,406          |
| Total operating revenues                                       | 61,675,468     | 54,139,767     |
| Operating Expenses:  |                |                |
| Payroll and related  | 6,271,559      | 5,812,948      |
| Professional services  | 4,049,587      | 3,151,985      |
| Supplies and other   | 4,328,726      | 4,251,767      |
| Utilities  | 886,180        | 1,055,624      |
| Maintenance and repairs  | 1,281,328      | 1,357,231      |
| Depreciation   | 12,182,448     | 12,464,360     |
| Total operating expenses                                       | 28,999,828     | 28,093,915     |
| Operating income   | 32,675,640     | 26,045,852     |
| Non-Operating Revenues (Expenses):                             |                |                |
| Ad valorem tax, net of collection expenses                     | ( 33,185)      | 3,591,264      |
| Investment income  | 5,605,531      | 6,290,932      |
| Dredge material placement fees                                 | -              | 270,916        |
| Gain on sale of capital assets                                 | 33,289         | 2,500          |
| Debt interest and fees   | ( 12,025,192)  | ( 12,506,750)  |
| Other  | ( 4,000)       | ( 69,517)      |
| Total non-operating revenues (expenses)                        | ( 6,423,557)   | ( 2,420,655)   |
| Income before capital contributions and extraordinary expenses | 26,252,083     | 23,625,197     |
| Capital contributions - grants                                 | 14,729,626     | 1,019,435      |
| Extraordinary expenses - emergency recovery                    | ( 4,385,365)   | ( 256,871)     |
| Change in net position   | 36,596,344     | 24,387,761     |
| Total net position - beginning                                 | 256,503,852    | 232,116,091    |
| Total net position - ending                                    | \$ 293,100,196 | \$ 256,503,852 |

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, 2025 and 2024

|  | <u>2025</u>          | <u>2024</u>          |
|--|----------------------|----------------------|
| Cash Flows from Operating Activities:  |                      |                      |
| Cash received from customers   | \$ 61,977,057        | \$ 48,211,300        |
| Cash paid to suppliers for goods and services  | ( 9,781,189)         | ( 9,491,636)         |
| Cash paid to employees for services and benefits   | ( 6,241,017)         | ( 5,804,435)         |
| Net cash provided by operating activities  | <u>45,954,851</u>    | <u>32,915,229</u>    |
| Cash Flows from Non-capital Financing Activities:  |                      |                      |
| Property tax receipts  | -                    | 3,622,397            |
| Property tax collection expenses   | ( 5,920)             | ( 43,374)            |
| Contribution to others   | ( 4,000)             | ( 69,517)            |
| Net cash provided (used) by non-capital financing activities   | <u>( 9,920)</u>      | <u>3,509,506</u>     |
| Cash Flows from Capital and Related Financing Activities:  |                      |                      |
| Proceeds from issuance of bonds  | -                    | 26,836,730           |
| Principal payments under bond obligations  | ( 6,725,000)         | ( 5,535,000)         |
| Principal payments under purchase financing note obligations Interest and fees paid under debt obligations | ( 12,084,949)        | ( 12,822,324)        |
| Land & equipment purchases   | ( 51,626,218)        | ( 13,585,006)        |
| Grants received  | 14,729,626           | 1,019,435            |
| Proceeds from the sale of capital assets   | <u>66,258</u>        | <u>2,500</u>         |
| Net cash provided (used) by capital and related financing activities                                       | <u>( 55,640,283)</u> | <u>( 5,642,655)</u>  |
| Cash Flows from Investing Activities:  |                      |                      |
| Purchase of investments  | ( 1,020,176)         | ( 53,055,506)        |
| Proceeds from sale and maturity of investments   | 15,601,011           | 5,125,000            |
| Investment earnings  | <u>4,079,014</u>     | <u>4,780,244</u>     |
| Net cash provided (used) by investing activities   | <u>18,659,849</u>    | <u>( 43,150,262)</u> |
| Change in cash and cash equivalents  | 8,964,497            | ( 12,368,182)        |
| Cash and cash equivalents, October 1,  | <u>70,331,655</u>    | <u>82,699,837</u>    |
| Cash and cash equivalents, September 30,   | <u>\$ 79,296,152</u> | <u>\$ 70,331,655</u> |

(continued)

**PORT FREEPORT**

Statements of Cash Flows - Continued  
For the Years Ended September 30, 2025 and 2024

|   | <u>2025</u>          | <u>2024</u>          |
|---|----------------------|----------------------|
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities:        |                      |                      |
| Operating income  | \$ 32,675,640        | \$ 26,045,852        |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: |                      |                      |
| Depreciation  | 12,182,448           | 12,464,360           |
| Gain on sale of assets  | ( 47,591)            | -                    |
| Change in assets and liabilities:   |                      |                      |
| Accounts receivable   | 7,063,270            | ( 14,383,658)        |
| Other receivables   | -                    | ( 836,495)           |
| Inventory   | ( 285,738)           | ( 130,735)           |
| Prepaid items   | 569,709              | ( 130,817)           |
| Other current assets  | ( 2,281)             | 529,988              |
| Deferred inflow of resource   | ( 8,809,961)         | 8,836,289            |
| Accounts payable and accrued expenses   | 2,542,779            | 238,964              |
| Unearned lease income   | 64,295               | 272,968              |
| Accrued compensated absences  | <u>2,281</u>         | <u>8,513</u>         |
| Net cash provided by operating activities   | <u>\$ 45,954,851</u> | <u>\$ 32,915,229</u> |
| Non-cash Transactions Affecting Financial Position:                                     |                      |                      |
| Change in value of investments – from cost to fair value                                | \$ 1,694,088         | \$ 1,310,688         |
| Net effect of non-cash transactions   | <u>\$ 1,694,088</u>  | <u>\$ 1,310,688</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, 2025 and 2024

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**PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

**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.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### 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 non-operating revenues and expenses.

#### C. RECLASSIFICATIONS

Restricted capital contributions in the prior year statement of position have been classified into unrestricted within the current year statement of net position to conform with GASB financial reporting standards.

#### D. NEW PRONOUNCEMENTS

GASB issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

GASB Statement No. 105 "Subsequent Events" was issued in December 2025. The requirements of this statement are effective for fiscal years beginning after June 15, 2026.

GASB Statement No. 103 "Financial Reporting Model Improvements" was issued in April 2024. 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, 2025.

GASB Statement No. 104 "Disclosure of Certain Capital Assets" was issued in September 2024. 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, 2025.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### 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 AND PREPAID ITEMS

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, 2025 and 2024.

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

#### 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.

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

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

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### H. INTEREST CAPITALIZATION

Interest cost incurred before the end of a construction period are 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. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Port has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Port has one item that qualifies for reporting in this category. It is the deferred amount related to leases as lessor.

#### J. NET POSITION

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

#### 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, 2025 and 2024 were \$ 144,548 and \$ 146,828, 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.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

#### M. LEASES

**Lessor:** The Port is a lessor for noncancellable leases of various types of property. The Port recognizes a lease receivable and a deferred inflow of resources in the financial statements.

The Port will not recognize a lease receivable and a deferred inflow of resources for leases with a non-cancellable term of less than 12 months, and income is recognized as earned in the period received.

At the commencement of a lease, the Port initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Port determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Port uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

#### N. 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 year ended September 30, 2025, the Commission levied no taxes, and for the year ended September 30, 2024 levied taxes at a rate of \$ 0.016007 for debt service and a rate of \$ 0.0 for operation and maintenance, for a total tax rate of \$ 0.016007 per \$ 100 assessed valuation.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### 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, 2025 and 2024, are as follows:

| <u>September 30, 2025</u>            | <u>Unrestricted</u>  | <u>Restricted</u>    | <u>Total</u>         |
|--------------------------------------|----------------------|----------------------|----------------------|
| Cash and temporary investments:      |                      |                      |                      |
| Cash (petty cash accounts)           | \$ 1,440             | \$ -                 | \$ 1,440             |
| Financial institution deposits       | 11,729,109           | 558,214              | 12,287,323           |
| Local government investment pool     | <u>16,790,622</u>    | <u>50,216,767</u>    | <u>67,007,389</u>    |
| Total cash and temporary investments | <u>\$ 28,521,171</u> | <u>\$ 50,774,981</u> | <u>\$ 79,296,152</u> |
| Investments:                         |                      |                      |                      |
| Investments held by broker-dealers:  |                      |                      |                      |
| U.S. agencies                        | \$ -                 | \$ 44,447,017        | \$ 44,447,017        |
| Total investments                    | <u>\$ -</u>          | <u>\$ 44,447,017</u> | <u>\$ 44,447,017</u> |
| <br>                                 |                      |                      |                      |
| <u>September 30, 2024</u>            | <u>Unrestricted</u>  | <u>Restricted</u>    | <u>Total</u>         |
| Cash and temporary investments:      |                      |                      |                      |
| Cash (petty cash accounts)           | \$ 1,440             | \$ -                 | \$ 1,440             |
| Financial institution deposits       | 5,379,028            | 321,409              | 5,700,437            |
| Local government investment pool     | <u>8,829,477</u>     | <u>55,800,301</u>    | <u>64,629,778</u>    |
| Total cash and temporary investments | <u>\$ 14,209,945</u> | <u>\$ 56,121,710</u> | <u>\$ 70,331,655</u> |
| Investments:                         |                      |                      |                      |
| Investments held by broker-dealers:  |                      |                      |                      |
| U.S. agencies                        | \$ 10,137,957        | \$ 52,557,224        | \$ 62,695,181        |
| Total investments                    | <u>\$ 10,137,957</u> | <u>\$ 52,557,224</u> | <u>\$ 62,695,181</u> |

**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, 2025, the carrying amount of the Port's deposits was \$ 12,287,323 while the financial institution balances totaled \$ 12,347,754. Of the financial institution balances, \$ 262,300 was covered by federal deposit insurance, \$ 500,000 was covered by the Securities Investor Protection Corporation insurance, and \$ 11,585,454 was covered by collateral held by the Port's agent in the Port's name.

At September 30, 2024, the carrying amount of the Port's deposits was \$ 5,700,437 while the financial institution balances totaled \$ 6,795,700. Of the financial institution balances, \$ 262,300 was covered by federal deposit insurance, \$ 313,436 was covered by the Securities Investor Protection Corporation insurance, and \$ 6,219,964 was covered by collateral held by the Port's agent in the Port's name.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 2. DEPOSITS AND INVESTMENTS - Continued

**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.

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, 2025 and 2024 TexPool had a weighted average maturity of 44 and 35, respectively. Although TexPool portfolios had a weighted average maturity of 44 and 35 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.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 2. DEPOSITS AND INVESTMENTS - Continued

#### Investments - Continued

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, 2025 and 2024.

| Investment Type                  | September 30, 2025 |               |                |
|----------------------------------|--------------------|---------------|----------------|
|                                  | Unrestricted       | Restricted    | Total          |
| Local government investment pool | \$ 16,790,622      | \$ 50,216,767 | \$ 67,007,389  |
| U.S. Treasuries                  | -                  | 43,270,651    | 43,270,651     |
| U.S. government bonds            | -                  | 1,176,366     | 1,176,366      |
| Total investments                | \$ 16,790,622      | \$ 94,663,784 | \$ 111,454,406 |

| Investment Type                  | September 30, 2024 |                |                |
|----------------------------------|--------------------|----------------|----------------|
|                                  | Unrestricted       | Restricted     | Total          |
| Local government investment pool | \$ 8,829,477       | \$ 55,800,301  | \$ 64,629,778  |
| U.S. Treasuries                  | 10,137,957         | 50,348,054     | 60,486,011     |
| U.S. government bonds            | -                  | 2,209,170      | 2,209,170      |
| Total investments                | \$ 18,967,434      | \$ 108,357,525 | \$ 127,324,959 |

#### Unrestricted Funds

As of September 30, 2025, the Port's unrestricted funds had the following investments:

| Investment Type                  | Fair Value    | Weighted Average Maturity (Days) |
|----------------------------------|---------------|----------------------------------|
| Local government investment pool | \$ 16,790,622 | 44                               |
|                                  | \$ 16,790,622 | 44                               |

As of September 30, 2024, the Port's unrestricted funds had the following investments:

| Investment Type                  | Fair Value    | Weighted Average Maturity (Days) |
|----------------------------------|---------------|----------------------------------|
| Local government investment pool | \$ 8,829,477  | 35                               |
| U.S. Treasuries                  | 10,137,957    | 619                              |
|                                  | \$ 18,967,434 | 344                              |

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 2. DEPOSITS AND INVESTMENTS - Continued

#### Unrestricted Funds - Continued

Credit Risk - As of September 30, 2025, the LGIP (which represents approximately 100% of the unrestricted portfolio) is rated AAAM by Standard and Poor's. As of September 30, 2024, the LGIP (which represent approximately 47% of the unrestricted portfolio) is rated AAAM by Standard and Poor's. The remaining portfolio is U.S. Treasuries (which represent approximately 53% 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.

#### Restricted Funds

As of September 30, 2025, the Port's restricted funds had the following investments:

| Investment Type                  | Fair Value    | Weighted Average Maturity (Days) |
|----------------------------------|---------------|----------------------------------|
| Local government investment pool | \$ 50,216,767 | 44                               |
| U.S. Treasuries                  | 43,270,651    | 222                              |
| U.S. government bonds            | 1,176,366     | 48                               |
|                                  | \$ 94,663,784 | 125                              |

As of September 30, 2024, the Port's restricted funds had the following investments:

| Investment Type                  | Fair Value     | Weighted Average Maturity (Days) |
|----------------------------------|----------------|----------------------------------|
| Local government investment pool | \$ 55,800,301  | 35                               |
| U.S. Treasuries                  | 50,348,054     | 619                              |
| U.S. government bonds            | 2,209,170      | 1,228                            |
|                                  | \$ 108,357,525 | 330                              |

Credit Risk - As of September 30, 2025, 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 U.S. Treasuries (which represent approximately 46% 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. As of September 30, 2024, the LGIP (which represents approximately 52% of the restricted portfolio) is rated AAAM by Standard and Poor's. The remaining portfolio is made up of U.S. Treasuries (which represent approximately 46% 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.

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.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 2. DEPOSITS AND INVESTMENTS - Continued

#### Investments - Continued

Calculation of the net increase (decrease) in fair value of investments as of September 30, 2025 and 2024 utilizing the aggregate method is as follows:

|  | 2025          |               |               |
|--|---------------|---------------|---------------|
|  | Unrestricted  | Restricted    | Total         |
| Fair value at September 30, 2025   | \$ -          | \$ 44,447,017 | \$ 44,447,017 |
| Add: Proceeds of investments sold  | 10,565,000    | 49,185,000    | 59,750,000    |
| Less: Cost of investments purchased  | ( 6,353)      | (39,801,396)  | (39,807,749)  |
| Less: Fair value at September 30, 2024                                     | (10,137,957)  | (52,557,223)  | (62,695,181)  |
| Changes in fair value of investments for the year ended September 30, 2025 | \$ 420,690    | \$ 1,273,398  | \$ 1,694,088  |
|  | 2024          |               |               |
|  | Unrestricted  | Restricted    | Total         |
| Fair value at September 30, 2024   | \$ 10,137,957 | \$ 52,557,224 | \$ 62,695,181 |
| Add: Proceeds of investments sold  | 5,125,000     | -             | 5,125,000     |
| Less: Cost of investments purchased  | (15,122,996)  | (37,324,616)  | (52,447,612)  |
| Less: Fair value at September 30, 2023                                     | -             | (13,861,881)  | (13,861,881)  |
| Changes in fair value of investments for the year ended September 30, 2024 | \$ 139,961    | \$ 1,370,727  | \$ 1,510,688  |

These changes in fair value for the years ended September 30, 2025 and 2024 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.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### 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 investments of \$ 44.5 million at September 30, 2025 and \$ 62.7 million at September 30, 2024 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 uncollectible taxes as of September 30, 2025 and 2024 was \$ 38,458 and \$ 39,254, respectively.

**Trade Receivables:** The allowance for uncollectible 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 uncollectible receivables related to Port services at September 30, 2025 and 2024 was \$ 39,949 and \$ 39,949, respectively.

### NOTE 4. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2025:

|   | Useful Life<br>in Years | Balance<br>10-01-24 | Additions  | Adjustment/<br>Deletions | Balance<br>9-30-25 |
|---|-------------------------|---------------------|------------|--------------------------|--------------------|
| <b>Capital assets, not being depreciated:</b> |                         |                     |            |                          |                    |
| Land & improvements                           |                         | \$ 112,930,138      | \$ -       | \$( 32,969)              | \$112,897,169      |
| Construction in progress                      |                         | 11,870,707          | 50,811,080 | ( 6,258,739)             | 56,423,048         |
| Total capital assets, not being depreciated   |                         | 124,800,845         | 50,811,080 | ( 6,291,708)             | 169,320,217        |
| <b>Capital assets, being depreciated:</b>     |                         |                     |            |                          |                    |
| Buildings                                     | 50                      | 31,946,238          | 371,401    | 531,646                  | 32,849,285         |
| Docks & appurtenances                         | 5-50                    | 234,129,679         | -          | 4,622,696                | 238,752,375        |
| Utilities                                     | 20-50                   | 27,397,545          | -          | 665,144                  | 28,062,689         |
| Roads, lots & railways                        | 50                      | 52,067,795          | -          | 140,000                  | 52,207,795         |
| Storage yards                                 | 50                      | 70,198,662          | -          | 151,709                  | 70,350,371         |
| Equipment, furniture & vehicles               | 5-50                    | 26,555,062          | 339,510    | (314,817)                | 26,579,755         |
| Other   | 10-50                   | 1,539,337           | 23,350     | 147,542                  | 1,710,229          |
| Total capital assets, being depreciated       |                         | 443,834,318         | 734,261    | 5,943,920                | 450,512,499        |

(continued)

**PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

**NOTE 4. CAPITAL ASSETS – Continued**

|  | Useful Life<br>in Years | Balance<br>10-01-24   | Additions            | Adjustments/<br>Deletions | Balance<br>9-30-25   |
|--|-------------------------|-----------------------|----------------------|---------------------------|----------------------|
| <b>Accumulated depreciation:</b>             |                         |                       |                      |                           |                      |
| Buildings                                    |                         | \$ 16,393,364         | \$ 835,260           | \$ -                      | \$ 17,228,624        |
| Docks & appurtenances                        |                         | 30,795,845            | 5,260,765            | -                         | 35,056,610           |
| Utilities                                    |                         | 15,750,669            | 1,213,436            | -                         | 16,964,105           |
| Roads, lots & railways                       |                         | 10,241,928            | 1,444,570            | -                         | 11,686,498           |
| Storage yards                                |                         | 25,547,008            | 2,324,627            | -                         | 27,871,635           |
| Equipment, furniture & vehicles              |                         | 18,683,947            | 1,067,743            | ( 314,817)                | 19,436,873           |
| Other  |                         | 1,447,359             | 36,047               | -                         | 1,483,406            |
| Total accumulated depreciation               |                         | <u>118,860,120</u>    | <u>12,182,448</u>    | <u>( 314,817)</u>         | <u>130,727,751</u>   |
| Total capital assets, being depreciated, net |                         | <u>324,974,198</u>    | <u>(11,448,187)</u>  | <u>6,888,373</u>          | <u>319,784,748</u>   |
| Total capital assets, net                    |                         | <u>\$ 449,775,043</u> | <u>\$ 39,362,893</u> | <u>\$ 596,665</u>         | <u>\$489,104,965</u> |

The following is a summary of capital asset activity for the year ended September 30, 2024:

|   | Useful Life<br>in Years | Balance<br>10-01-23 | Additions         | Adjustment/<br>Deletions | Balance<br>9-30-24 |
|---|-------------------------|---------------------|-------------------|--------------------------|--------------------|
| <b>Capital assets, not being depreciated:</b> |                         |                     |                   |                          |                    |
| Land & improvements                           |                         | \$ 112,898,260      | \$ 31,878         | \$ -                     | \$ 112,930,138     |
| Construction in progress                      |                         | <u>10,854,266</u>   | <u>13,156,501</u> | <u>(12,140,060)</u>      | <u>11,870,707</u>  |
| Total capital assets, not being depreciated   |                         | <u>123,752,526</u>  | <u>13,188,379</u> | <u>(12,140,060)</u>      | <u>124,800,845</u> |
| <b>Capital assets, being depreciated:</b>     |                         |                     |                   |                          |                    |
| Buildings                                     | 50                      | 31,571,092          | 176,368           | 198,778                  | 31,946,238         |
| Docks & appurtenances                         | 5-50                    | 234,129,679         | -                 | -                        | 234,129,679        |
| Utilities                                     | 20-50                   | 25,370,154          | -                 | 2,027,391                | 27,397,545         |
| Roads, lots & railways                        | 50                      | 47,252,287          | -                 | 4,815,508                | 52,067,795         |
| Storage yards                                 | 50                      | 65,100,279          | -                 | 5,098,383                | 70,198,662         |
| Equipment, furniture & vehicles               | 5-50                    | 26,382,368          | 281,075           | ( 108,381)               | 26,555,062         |
| Other   | 10-50                   | 1,491,773           | 47,564            | -                        | 1,539,337          |
| Total capital assets, being depreciated       |                         | <u>431,297,632</u>  | <u>505,007</u>    | <u>12,031,679</u>        | <u>443,834,318</u> |

|  |  |                       |                     |                   |                       |
|--|--|-----------------------|---------------------|-------------------|-----------------------|
| <b>Accumulated depreciation:</b>             |  |                       |                     |                   |                       |
| Buildings                                    |  | \$ 15,601,582         | \$ 791,782          | \$ -              | \$ 16,393,364         |
| Docks & appurtenances                        |  | 25,516,914            | 5,278,931           | -                 | 30,795,845            |
| Utilities                                    |  | 14,597,303            | 1,153,366           | -                 | 15,750,669            |
| Roads, lots & railways                       |  | 8,884,460             | 1,357,468           | -                 | 10,241,928            |
| Storage yards                                |  | 22,820,683            | 2,726,325           | -                 | 25,547,008            |
| Equipment, furniture & vehicles              |  | 17,642,380            | 1,149,948           | ( 108,381)        | 18,683,947            |
| Other  |  | 1,440,820             | 6,539               | -                 | 1,447,359             |
| Total accumulated depreciation               |  | <u>106,504,142</u>    | <u>12,464,359</u>   | <u>( 108,381)</u> | <u>118,860,120</u>    |
| Total capital assets, being depreciated, net |  | <u>324,793,490</u>    | <u>(11,959,352)</u> | <u>12,140,060</u> | <u>324,974,198</u>    |
| Total capital assets, net                    |  | <u>\$ 448,546,016</u> | <u>\$ 1,229,027</u> | <u>\$ -</u>       | <u>\$ 449,775,043</u> |

**PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

**NOTE 4 CAPITAL ASSETS - Continued**

The Port has entered into contracts for construction as of September 30, 2025 as follows:

|                              | Project<br>Authori-<br>zation | Expended<br>To Date  | Remaining<br>Commitment | Required<br>Further<br>Financing |
|------------------------------|-------------------------------|----------------------|-------------------------|----------------------------------|
| Velasco Terminal Development | \$ 29,625,121                 | \$ 24,862,966        | \$ 4,762,155            | \$ -                             |
| Portwide Pavement Repairs    | 4,778,772                     | 4,778,772            | -                       | -                                |
| Catholic Protection          | 4,026,577                     | 3,829,923            | 196,654                 | -                                |
| East 5 <sup>th</sup> /Gate 4 | 3,384,088                     | 577,641              | 2,806,447               | -                                |
| EOC HVAC Replacement         | 534,795                       | 534,795              | -                       | -                                |
| Total                        | <u>\$ 42,349,353</u>          | <u>\$ 34,584,097</u> | <u>\$ 7,765,256</u>     | <u>\$ -</u>                      |

The Port has entered into contracts for construction as of September 30, 2024 as follows:

|                                     | Project<br>Authori-<br>zation | Expended<br>To Date  | Remaining<br>Commitment | Required<br>Further<br>Financing |
|-------------------------------------|-------------------------------|----------------------|-------------------------|----------------------------------|
| Velasco Terminal Development        | \$ 13,568,149                 | \$ 2,759,765         | \$ 10,808,384           | \$ -                             |
| Freeport Harbor Channel Improvement | 7,220,000                     | 7,220,000            | -                       | -                                |
| Portwide Pavement Repairs           | 4,778,772                     | 4,755,422            | 23,350                  | -                                |
| Catholic Protection                 | 4,659,121                     | 241,505              | 4,417,616               | -                                |
| East 5 <sup>th</sup> /Gate 4        | 150,417                       | 19,968               | 130,449                 | -                                |
| EOC HVAC Replacement                | 534,795                       | 24,355               | 510,440                 | -                                |
| Other                               | <u>3,021,303</u>              | <u>2,324,008</u>     | <u>697,295</u>          | <u>-</u>                         |
| Total                               | <u>\$ 33,932,557</u>          | <u>\$ 17,345,023</u> | <u>\$16,587,534</u>     | <u>\$ -</u>                      |

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

Non-current liabilities activity for the year ended September 30, 2025 was as follows:

|                               | Balance<br>10-01-24  | Additions         | Reductions          | Balance<br>9-30-25   | Due Within<br>One Year |
|-------------------------------|----------------------|-------------------|---------------------|----------------------|------------------------|
| General obligation bonds      | \$122,855,000        | \$ -              | \$ 1,090,000        | \$121,765,000        | \$ 1,725,000           |
| Revenue bonds                 | 195,235,000          | -                 | 5,635,000           | 189,600,000          | 5,865,000              |
| Premium on bonds              | 21,495,653           | -                 | 865,001             | 20,630,652           | 864,949                |
| Compensated absences          | 146,828              | 177,205           | 179,486             | 144,547              | 71,070                 |
| Total non-current liabilities | <u>\$339,732,481</u> | <u>\$ 177,205</u> | <u>\$ 7,769,487</u> | <u>\$332,140,199</u> | <u>\$ 8,526,019</u>    |

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

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

Non-current liabilities activity for the year ended September 30, 2024 was as follows:

|                                  | Balance<br>10-01-23  | Additions            | Reductions          | Balance<br>9-30-24   | Due Within<br>One Year |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|------------------------|
| General obligation bonds         | \$122,980,000        | \$ -                 | \$ 125,000          | \$122,855,000        | \$ 1,090,000           |
| Revenue bonds                    | 174,990,000          | 25,655,000           | 5,410,000           | 195,235,000          | 5,635,000              |
| Purchase financing note (Note 6) | 1,558,990            | -                    | 1,558,990           | -                    | -                      |
| Premium on bonds                 | 21,156,457           | 1,181,730            | 842,534             | 21,495,653           | 864,949                |
| Compensated absences             | 138,315              | 155,595              | 147,082             | 146,828              | 79,473                 |
| Total non-current liabilities    | <u>\$320,823,762</u> | <u>\$ 26,992,325</u> | <u>\$ 8,083,606</u> | <u>\$339,732,481</u> | <u>\$ 7,669,422</u>    |

#### General Obligation Bonds Payable:

The General Obligation Bonds, Series 2019, were issued in 2019 in the amount of \$ 31,795,000 to finance the contribution of the non-federal share for the Freeport Harbor Channel Improvement Project. 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 the contribution of the non-federal share for the Freeport Harbor Channel Improvement Project 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 General Obligation Bonds, Series 2023, were issued in 2023 in the amount of \$ 55,800,000 to finance the contribution of the non-federal share for the Freeport Harbor Channel Improvement Project with a final maturity of August 1, 2053 and bear interest ranging from 4.0% to 5.50% 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 year ended September 30, 2025 ad valorem taxes were eliminated, while the debt service requirements for principal and interest was \$ 5,612,950 which utilized a portion of existing net position. For the year ended September 30, 2024, the amount of ad valorem taxes collected for interest and sinking was \$ 3,430,139, while the debt service requirements for principal and interest were \$ 2,193,850 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.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

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

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

| Fiscal Year<br>Ending<br>September 30 | Principal             | Interest             | Total<br>Principal<br>and Interest |
|---------------------------------------|-----------------------|----------------------|------------------------------------|
| 2026                                  | \$ 1,725,000          | \$ 4,480,750         | \$ 6,205,750                       |
| 2027                                  | 2,860,000             | 4,389,524            | 7,249,524                          |
| 2028                                  | 2,995,000             | 4,251,674            | 7,246,674                          |
| 2029                                  | 3,135,000             | 4,112,724            | 7,247,724                          |
| 2030                                  | 3,275,000             | 3,967,224            | 7,242,224                          |
| 2031-2035                             | 18,545,000            | 17,685,610           | 36,230,610                         |
| 2036-2040                             | 22,320,000            | 13,907,210           | 36,227,210                         |
| 2041-2045                             | 26,355,000            | 9,864,810            | 36,219,810                         |
| 2046-2050                             | 29,250,000            | 5,061,536            | 34,311,536                         |
| 2051-2053                             | <u>11,305,000</u>     | <u>824,850</u>       | <u>12,129,850</u>                  |
| Total                                 | <u>\$ 121,765,000</u> | <u>\$ 68,545,912</u> | <u>\$ 190,310,912</u>              |

#### 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%.

**PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

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

**Revenue Bonds Payable – Continued**

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%.

On February 13, 2024, the Port issued \$ 25,655,000 of Senior Lien Revenue Bonds, Series 2024. The proceeds of issuances of Series 2024 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 2024 bonds have a final maturity date of June 1, 2043 and bear interest yearly at 4.20%.

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

Series 2013A:

| Fiscal Year<br>Ending<br>September 30 | Principal           | Interest          | Total<br>Principal<br>and Interest |
|---------------------------------------|---------------------|-------------------|------------------------------------|
| 2026                                  | \$ 2,540,000        | \$ 242,088        | \$ 2,782,088                       |
| 2027                                  | 2,620,000           | 163,856           | 2,783,856                          |
| 2028                                  | 2,700,000           | 83,160            | 2,783,160                          |
|                                       | <u>\$ 7,860,000</u> | <u>\$ 489,104</u> | <u>\$ 8,349,104</u>                |

**PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

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

**Revenue Bonds Payable – Continued**

Series 2015A:

| Fiscal Year<br>Ending<br>September 30 | Principal            | Interest             | Total<br>Principal<br>and Interest |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| 2026                                  | \$ 990,000           | \$ 1,451,838         | \$ 2,441,838                       |
| 2027                                  | 1,035,000            | 1,402,338            | 2,437,338                          |
| 2028                                  | 1,090,000            | 1,350,588            | 2,440,588                          |
| 2029                                  | 1,145,000            | 1,296,088            | 2,441,088                          |
| 2030                                  | 1,200,000            | 1,238,838            | 2,438,838                          |
| 2031-2035                             | 6,790,000            | 5,411,964            | 12,204,964                         |
| 2036-2040                             | 8,470,000            | 3,721,000            | 12,191,000                         |
| 2014-2045                             | <u>10,710,000</u>    | <u>1,488,602</u>     | <u>12,198,602</u>                  |
|                                       | <u>\$ 31,430,000</u> | <u>\$ 17,361,256</u> | <u>\$ 48,791,256</u>               |

Series 2018:

| Fiscal Year<br>Ending<br>September 30 | Principal            | Interest             | Total<br>Principal<br>and Interest |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| 2026                                  | \$ 710,000           | \$ 1,275,950         | \$ 1,985,950                       |
| 2027                                  | 750,000              | 1,240,450            | 1,990,450                          |
| 2028                                  | 785,000              | 1,202,950            | 1,987,950                          |
| 2029                                  | 825,000              | 1,163,700            | 1,988,700                          |
| 2030                                  | 865,000              | 1,122,450            | 1,987,450                          |
| 2031-2035                             | 5,020,000            | 4,918,250            | 9,938,250                          |
| 2036-2040                             | 6,400,000            | 3,544,200            | 9,944,200                          |
| 2041-2045                             | 7,870,000            | 2,073,000            | 9,943,000                          |
| 2046-2048                             | <u>5,520,000</u>     | <u>447,200</u>       | <u>5,967,200</u>                   |
|                                       | <u>\$ 28,745,000</u> | <u>\$ 16,988,150</u> | <u>\$ 45,733,150</u>               |

Series 2019A:

| Fiscal Year<br>Ending<br>September 30 | Principal            | Interest             | Total<br>Principal<br>and Interest |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| 2026                                  | \$ 945,000           | \$ 1,828,350         | \$ 2,773,350                       |
| 2027                                  | 995,000              | 1,781,100            | 2,776,100                          |
| 2028                                  | 1,045,000            | 1,731,350            | 2,776,350                          |
| 2029                                  | 1,095,000            | 1,679,100            | 2,774,100                          |
| 2030                                  | 1,150,000            | 1,624,350            | 2,774,350                          |
| 2031-2035                             | 6,680,000            | 7,198,750            | 13,878,750                         |
| 2036-2040                             | 8,275,000            | 5,601,350            | 13,876,350                         |
| 2041-2044                             | 10,070,000           | 3,808,550            | 13,878,550                         |
| 2046-2049                             | <u>9,840,000</u>     | <u>1,260,000</u>     | <u>11,100,000</u>                  |
|                                       | <u>\$ 40,095,000</u> | <u>\$ 26,512,900</u> | <u>\$ 66,607,900</u>               |

**PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

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

**Revenue Bonds Payable – Continued**

Series 2019B:

| Fiscal Year<br>Ending<br>September 30 | Principal            | Interest             | Total<br>Principal<br>and Interest |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| 2026                                  | \$ 680,000           | \$ 870,300           | \$ 1,550,300                       |
| 2027                                  | 715,000              | 836,300              | 1,551,300                          |
| 2028                                  | 750,000              | 800,550              | 1,550,550                          |
| 2029                                  | 785,000              | 763,050              | 1,548,050                          |
| 2030                                  | 825,000              | 723,800              | 1,548,800                          |
| 2031-2035                             | 4,670,000            | 3,072,800            | 7,742,800                          |
| 2036-2040                             | 5,440,000            | 2,309,100            | 7,749,100                          |
| 2041-2045                             | 6,305,000            | 1,442,700            | 7,747,700                          |
| 2046-2049                             | 5,760,000            | 438,450              | 6,198,450                          |
|                                       | <u>\$ 25,930,000</u> | <u>\$ 11,257,050</u> | <u>\$ 37,187,050</u>               |

Series 2021:

| Fiscal Year<br>Ending<br>September 30 | Principal            | Interest             | Total<br>Principal<br>and Interest |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| 2026                                  | \$ -                 | \$ 1,326,850         | \$ 1,326,850                       |
| 2027                                  | -                    | 1,326,850            | 1,326,850                          |
| 2028                                  | -                    | 1,326,850            | 1,326,850                          |
| 2029                                  | 735,000              | 1,326,850            | 2,061,850                          |
| 2030                                  | 775,000              | 1,290,100            | 2,065,100                          |
| 2031-2035                             | 4,560,000            | 5,827,000            | 10,387,000                         |
| 2036-2040                             | 5,745,000            | 4,570,500            | 10,315,500                         |
| 2041-2045                             | 7,255,000            | 3,070,700            | 10,325,700                         |
| 2046-2050                             | 8,835,000            | 1,484,200            | 10,319,200                         |
| 2051                                  | 1,980,000            | 79,200               | 2,059,200                          |
|                                       | <u>\$ 29,885,000</u> | <u>\$ 21,629,100</u> | <u>\$ 51,514,100</u>               |

Series 2024:

| Fiscal Year<br>Ending<br>September 30 | Principal            | Interest             | Total<br>Principal<br>and Interest |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| 2026                                  | \$ -                 | \$ 1,202,438         | \$ 1,202,438                       |
| 2027                                  | -                    | 1,202,438            | 1,202,438                          |
| 2028                                  | -                    | 1,202,438            | 1,202,438                          |
| 2029                                  | 1,165,000            | 1,202,438            | 2,367,438                          |
| 2030                                  | 1,235,000            | 1,132,538            | 2,637,538                          |
| 2031-2035                             | 7,390,000            | 4,456,988            | 11,846,988                         |
| 2036-2040                             | 9,320,000            | 2,524,488            | 11,844,488                         |
| 2041-2043                             | 6,545,000            | 555,694              | 7,100,694                          |
|                                       | <u>\$ 25,655,000</u> | <u>\$ 13,479,460</u> | <u>\$ 39,134,460</u>               |

**PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

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

**Revenue Bonds Payable – Continued**

Total Revenue Bonds:

| Fiscal Year<br>Ending<br>September 30 | Principal             | Interest              | Total<br>Principal<br>and Interest |
|---------------------------------------|-----------------------|-----------------------|------------------------------------|
| 2026                                  | \$ 5,865,000          | \$ 8,197,814          | \$ 14,062,814                      |
| 2027                                  | 6,115,000             | 7,953,332             | 14,068,332                         |
| 2028                                  | 6,370,000             | 7,697,886             | 14,067,886                         |
| 2029                                  | 5,750,000             | 7,431,226             | 13,181,226                         |
| 2030                                  | 6,050,000             | 7,132,076             | 13,182,076                         |
| 2031-2035                             | 35,110,000            | 30,885,752            | 65,995,752                         |
| 2036-2040                             | 43,650,000            | 22,270,638            | 65,920,638                         |
| 2041-2045                             | 48,755,000            | 12,439,246            | 61,194,246                         |
| 2046-2050                             | 29,955,000            | 3,629,850             | 33,584,850                         |
| 2051-2054                             | 1,980,000             | 79,200                | 2,059,200                          |
|                                       | <u>\$ 189,600,000</u> | <u>\$ 107,717,020</u> | <u>\$ 297,317,020</u>              |

**NOTE 6. PURCHASE FINANCING NOTE**

On September 30, 2014, the Port entered into a Master Purchase Financing Agreement with Chase Bank in the amount of \$ 14,100,000 for financing two cranes purchased. The interest rate related to the note is 2.306% and the maturity date is September 2024. During the year ended September 30, 2024, \$ 1,558,990 of principal and \$ 35,950 of interest expenses related to the note were paid. As the lease was completed in prior year, there are no future minimum lease payments.

**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, 2025 nor 2024, respectively.

**NOTE 8. LITIGATION**

The Port began acquiring lots through direct purchases from a 29 block area adjacent to Port property over 20 years ago. The Port has pursued approximately 50 residential lots plus one additional tract totaling 2.6 acres through the condemnation process. Of those, only one property is pending litigation.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### 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, 2025 and 2024.

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, 2025 and 2024 were \$ 10,101 and \$ 10,160, 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 is 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

**Leases Receivable:** 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. The terms of the leases expire in various years through 2055. 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, 2025 and 2024 was \$ 101,456,364 and \$ 101,456,364, respectively, and accumulated depreciation was \$ 49,965,094 and \$ 47,049,312, respectively.

As of September 30, 2025, the Port's receivable for lease payments was \$ 180,260,753 and the balance of the deferred inflow of resources associated with these leases was \$ 164,224,887. The deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. The Port recognized \$14,820,260 in lease revenue and \$ 5,402,237 in interest revenue during the fiscal year 2025 related to these leases.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 10. LEASING OPERATIONS - Continued

As of September 30, 2024, the Port's receivable for lease payments was \$ 186,105,987 and the balance of the deferred inflow of resources associated with these leases was \$ 173,036,011. The deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. The Port recognized \$ 13,090,382 in lease revenue and \$ 5,310,509 in interest revenue during the fiscal year 2024 related to these leases.

Minimum future rentals to be received on noncancelable leases as of September 30, 2025 are as follows:

| Fiscal Year Ending<br>September 30 | Principal             |                      | Total Principal<br>and Interest |
|------------------------------------|-----------------------|----------------------|---------------------------------|
|                                    | Principal             | Interest             |                                 |
| 2026                               | \$ 7,088,788          | \$ 5,228,882         | \$ 12,317,670                   |
| 2027                               | 7,479,578             | 5,024,155            | 12,503,733                      |
| 2028                               | 7,812,647             | 4,803,379            | 12,616,026                      |
| 2029                               | 7,821,482             | 4,571,462            | 12,392,944                      |
| 2030                               | 7,583,883             | 4,332,477            | 11,916,360                      |
| 2031-2035                          | 41,948,703            | 18,164,205           | 60,112,908                      |
| 2036-2040                          | 53,784,821            | 11,331,078           | 65,115,899                      |
| 2041-2045                          | 34,483,289            | 3,473,098            | 37,956,387                      |
| 2046-2050                          | 5,679,702             | 1,399,760            | 7,079,462                       |
| 2051-2055                          | 6,577,860             | 454,286              | 7,032,146                       |
|                                    | <u>\$ 180,260,753</u> | <u>\$ 58,782,782</u> | <u>\$ 239,043,535</u>           |

### NOTE 11. GRANT REVENUE

The following is a schedule of port grant revenue for the years ended September 30, 2025 and 2024.

| Agency                                       | Grant Number      | Total<br>Entitlement | Revenue          | Revenue           | Remaining            |
|--|-------------------|----------------------|------------------|-------------------|----------------------|
|  |                   |                      | 9/30/2024        | 9/30/2025         | Project<br>9/30/2025 |
| <b>U.S. Environmental Protection Agency:</b> |                   |                      |                  |                   |                      |
| Climate and Clean Air Planning               | 02F79001-0-5Y     | 1,487,000            | -                | 10,121            | 1,476,879            |
| <b>US Department of Homeland Security:</b>   |                   |                      |                  |                   |                      |
| FEMA - Hurricane Beryl                       | DR-4798           | 2,503,850            | -                | 196,734           | 2,307,116            |
| FEMA   | 756353-Cat B      | -                    | 44,684           | -                 | -                    |
| FEMA   | 756355-Fencing    | -                    | 58,466           | -                 | -                    |
| Port Security                                | 2020-PU-00466     | -                    | 123,294          | -                 | -                    |
| Port Security                                | PU-05047          | 162,450              | -                | 130,584           | 31,866               |
| Port Security                                | PU-00500          | 529,500              | -                | 44,142            | 485,358              |
| <b>Texas Department of Transportation:</b>   |                   |                      |                  |                   |                      |
| Rider 37 Grant                               | 0912-31-337       | 6,228,128            | 792,991          | 5,435,137         | -                    |
| Seaport Connectivity                         | 9400-00-011 & 012 | 3,802,189            | -                | 537,474           | 3,264,715            |
| Port Capital Plan                            | 9400-00-015       | 11,565,621           | -                | 8,375,434         | 3,190,187            |
| <b>Totals</b>                                |                   | <u>26,278,738</u>    | <u>1,019,435</u> | <u>14,729,626</u> | <u>10,756,121</u>    |

Accounts receivable related to these grants as of September 30, 2025 and 2024 totaled \$ 239,236 and \$ 937,878, respectively and are included in the receivables from other governments line item in the accompanying Statements of Net Position.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### 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, 2025 and 2024, respectively. The Port provides a commercial medical insurance program for its employees.

### NOTE 13. RETIREMENT PLANS

**Profit Sharing Plan:** The Port provides a flexible, non-standardized safe harbor profit sharing plan (Plan), defined contribution type, for the benefit of its employees that is administered by Empower. 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 \$ 325,478 (\$ 169,617 calendar year 2025 and \$ 155,861 for calendar 2024) to the plan for the year ended September 30, 2025. The Port contributed \$ 215,918 (\$ 155,861 calendar year 2024 and \$ 60,057 for calendar 2023) to the plan for the year ended September 30, 2024. 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 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 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 Empower 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.

## PORT FREEPORT

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### NOTE 13. RETIREMENT PLANS - Continued

The 457 Plan became effective October 1, 2002 and maintains a calendar year-end. The Port contributed \$ 86,617 and \$ 86,668 to the 457 Plan for the years ended September 30, 2025 and 2024, 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.

**Fees and Forfeitures:** The amount of plan fees and expenses were \$ 1,200, and the amount of forfeitures was \$ 8,984 as of September 30, 2025. The amount of plan fees and expenses were \$ 1,200, and the amount of forfeitures was \$ 8,440 as of September 30, 2024. There is no outstanding pension liability as of September 30, 2025 and 2024 since the Port made 100% of required contribution during the year.

### NOTE 14. ECONOMIC DEPENDENCY

**Operating Revenues:** During the year ended September 30, 2025, five customers represented approximately 53%, 9%, 8%, 7% and 7% of the Port's operating revenue. During the year ended September 30, 2024, five customers represented approximately 54%, 13%, 8%, 6% and 5% 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 year ended September 30, 2025, one taxpayer represented approximately 17% of the total assessed valuation.

### NOTE 15. 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.

## **PORT FREEPORT**

Notes to Financial Statements  
For the Years Ended September 30, 2025 and 2024

### **NOTE 15. TAX ABATEMENTS - Continued**

On September 9, 2025, the Port Freeport Commission set the fiscal year 2025 tax rate to zero dollars. As such, no tax amounts were abated for the period ending September 30, 2025.

### **NOTE 16. EVALUATION OF SUBSEQUENT EVENTS**

The Port has evaluated subsequent events through February 11, 2026, the date which the financial statements were available to be issued.



# 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 FY 2025, the Freeport Harbor Channel received 1,305 vessel arrivals, transporting approximately 36.2 million tons.*

### ***Rankings***

*Port Freeport currently ranks 6<sup>th</sup> in chemicals, 10<sup>th</sup> in total foreign waterborne export tonnage, and 26<sup>th</sup> 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, 2025 and 2024

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## PORT FREEPORT

Ten Year Cargo Quantities Analysis<sup>Ⓞ</sup>  
for the Fiscal Years Ended September 30, 2016 through 2025

TABLE 1

|                                   | Cargo Quantities<br>Short Tons | Percent Total<br>Port Tonnage |
|-----------------------------------|--------------------------------|-------------------------------|
| Rice                              | 2,114,880                      | 2.16 %                        |
| Bananas/Misc. Fruit <sup>Ⓞ</sup>  | 4,091,919                      | 4.19                          |
| Misc./General Cargo <sup>Ⓞ</sup>  | 4,990,832                      | 5.09                          |
| Dry Bulk Material <sup>Ⓞ</sup>    | 6,212,820                      | 6.34                          |
| Liquid Bulk Material <sup>Ⓞ</sup> | 71,702,160                     | 73.18                         |
| Project Cargo <sup>Ⓞ</sup>        | 249,156                        | 0.25                          |
| Steel Products                    | 5,010,328                      | 5.11                          |
| RoRo <sup>Ⓞ</sup>                 | 3,607,194                      | 3.68                          |
|                                   | 97,979,289                     | 100 %                         |

- Ⓞ Source-Port Freeport
- Ⓞ Components: Containerized Fruit/Palletized Fruit
- Ⓞ Misc./General Cargoes - Components: Roll Paper, Cotton, Empty Containers, Nickel Ore
- Ⓞ Components: Aggregate
- Ⓞ Components: Liquefied Natural Gas, Liquid Bulk Naptha
- Ⓞ Components: Windpower Components, Industry Project Components
- Ⓞ Components: Automobiles, Equipment

Container Traffic Statistics<sup>Ⓞ</sup>  
Twenty-Foot Equivalent Units (T.E.U.)  
for the Fiscal Years Ended September 30, 2016 through 2025

TABLE 2

| Fiscal<br>Year | Inbound<br>T.E.U. | Outbound<br>T.E.U. | Total   | Percent<br>Growth/(Reduction)<br>From Prior Year |
|----------------|-------------------|--------------------|---------|--|
| 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)  |
| 2022           | 41,268            | 44,362             | 85,630  | (2.44)   |
| 2023           | 46,720            | 49,286             | 96,006  | 12.12  |
| 2024           | 59,178            | 57,661             | 116,839 | 21.70  |
| 2025           | 94,492            | 93,428             | 187,920 | 60.84  |

- Ⓞ Source-Port Freeport

## PORT FREEPORT

Cargo Traffic Statistics<sup>Ⓞ</sup>  
for the Fiscal Years Ended September 30, 2016 through 2025

|   | 2025              |              | 2024              |              | 2023              |              | 2022              |              |
|---|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| 1. Rice   | 347,771           | 2 %          | 273,044           | 2 %          | 254,006           | 2 %          | 275,988           | 2 %          |
| 2. Bananas/Misc. Fruit <sup>Ⓞ</sup>                 | 921,428           | 4            | 555,256           | 3            | 398,573           | 4            | 364,390           | 3            |
| 3. Misc./General Cargo <sup>Ⓞ</sup>                 | 679,887           | 3            | 449,344           | 3            | 385,931           | 3            | 355,983           | 3            |
| 4. Dry Bulk Material <sup>Ⓞ</sup>                   | 127,075           | 1            | 217,678           | 1            | 279,819           | 2            | 448,346           | 3            |
| 5. Liquid Bulk Material <sup>Ⓞ</sup>                | 17,227,443        | 82           | 13,579,778        | 82           | 8,892,135         | 78           | 10,331,027        | 80           |
| 6. Project Cargo <sup>Ⓞ</sup>                       | 4,373             | 0            | 4,720             | 0            | 11,092            | 0            | 67,962            | 0            |
| 7. Steel Products                                   | 971,730           | 5            | 951,608           | 6            | 797,446           | 7            | 735,992           | 6            |
| 8. RoRo <sup>Ⓞ</sup>                                | 630,853           | 3            | 546,016           | 3            | 400,814           | 4            | 415,073           | 3            |
| <b>Annual Port Tonnage <sup>Ⓞ</sup> -Short Tons</b> | <b>20,910,560</b> | <b>100 %</b> | <b>16,577,444</b> | <b>100 %</b> | <b>11,419,816</b> | <b>100 %</b> | <b>12,994,761</b> | <b>100 %</b> |
| Percent Export                                      | 85.61 %           |              | 84.84 %           |              | 83.23 %           |              | 83.87 %           |              |
| Percent Import                                      | 13.14             |              | 13.97             |              | 15.04             |              | 14.55             |              |
| Percent Domestic                                    | 1.24              |              | 1.19              |              | 1.73              |              | 1.59              |              |

- Ⓞ Source-Port Freeport
- Ⓞ Components: Containerized Fruit/Palletized Fruit
- Ⓞ Misc./General Cargoes - Components: Roll Paper, Cotton, Empty Containers, Nickel Ore
- Ⓞ Components: Aggregate
- Ⓞ Components: Liquefied Natural Gas, Liquid Bulk Naptha
- Ⓞ Components: Windpower Components, Industry Project Components
- Ⓞ Components: Automobiles, Equipment
- Ⓞ TARE weight not included

**PORT FREEPORT**

Net Position by Component  
For The Years 2016 Through 2025

|                                  | 2025                  | 2024                  | 2023                  | 2022                  |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net Position:                    |                       |                       |                       |                       |
| Net investment in capital assets | \$ 295,802,273        | \$ 260,793,928        | \$ 256,735,808        | \$ 219,424,654        |
| Restricted:                      |                       |                       |                       |                       |
| Debt Service                     | 18,386,845            | 19,805,666            | 14,583,736            | 12,959,784            |
| Capital Projects                 | 12,242                | 12,301                | 12,274                | 12,346                |
| Unrestricted                     | (21,101,164)          | (24,108,043)          | (39,215,727)          | (8,398,464)           |
| Total net position               | <u>\$ 293,100,196</u> | <u>\$ 256,503,852</u> | <u>\$ 232,116,091</u> | <u>\$ 223,998,320</u> |

TABLE 3

| 2021             | 2020            | 2019            | 2018            | 2017            | 2016            |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 117,648 1 %      | 143,450 2 %     | 128,993 5 %     | 150,410 7 %     | 213,005 10 %    | 210,565 8 %     |
| 282,584 2        | 264,253 3       | 320,093 11      | 335,275 14      | 305,573 14      | 344,494 11      |
| 471,072 3        | 664,259 8       | 606,247 22      | 395,046 18      | 485,095 23      | 497,968 16      |
| 441,269 3        | 652,690 7       | 967,173 34      | 866,163 37      | 806,915 38      | 1,405,692 46    |
| 14,877,655 87    | 6,325,056 73    | 140,773 5       | 7,815 0         | 0 0             | 320,478 10      |
| 10,816 0         | 54,848 1        | 6,127 0         | 33,420 1        | 39,641 2        | 16,157 1        |
| 423,443 2        | 308,787 3       | 378,782 13      | 305,143 13      | 95,741 4        | 41,656 1        |
| 411,442 2        | 288,857 3       | 274,224 10      | 233,675 10      | 182,505 9       | 223,735 7       |
| 17,035,929 100 % | 8,702,200 100 % | 2,822,412 100 % | 2,326,947 100 % | 2,128,475 100 % | 3,060,745 100 % |
| 41.87 %          | 81.98 %         | 31.53 %         | 24.44 %         | 32.59 %         | 27.67 %         |
| 8.47             | 16.59           | 65.83           | 71.05           | 61.91           | 67.34           |
| 0.73             | 1.44            | 2.65            | 4.51            | 5.50            | 5.00            |

## PORT FREEPORT

Summary of Revenues, Expenses and Changes in Net Position  
For The Years 2016 Through 2025

TABLE 4

| 2021                  | 2020<br>(Restated)    | 2019                  | 2018                  | 2017<br>(Restated)    | 2016                  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 190,667,139        | \$ 173,876,773        | \$ 169,756,789        | \$ 182,374,412        | \$ 165,384,639        | \$ 160,808,124        |
| 13,774,098            | 12,458,787            | 6,500,048             | 5,267,264             | 3,758,737             | 997,405               |
| 12,799                | 13,297                | 15,744,220            | 11,125,416            | 7,091,771             | 3,456,647             |
| 40,504,125            | 55,284,914            | 41,289,997            | 22,141,241            | 32,959,629            | 37,235,517            |
| <u>\$ 244,958,161</u> | <u>\$ 241,633,771</u> | <u>\$ 233,291,054</u> | <u>\$ 220,908,333</u> | <u>\$ 209,194,776</u> | <u>\$ 202,497,693</u> |

|  | 2025                 | 2024                 | 2023                 | 2022                   |
|--|----------------------|----------------------|----------------------|------------------------|
| <b>Operating Revenues:</b>                             |                      |                      |                      |                        |
| <b>Harbor Operations:</b>                              |                      |                      |                      |                        |
| Wharfage   | \$ 20,680,192        | \$ 16,586,339        | \$ 13,826,006        | \$ 11,642,336          |
| Dockage  | 11,398,344           | 9,286,192            | 5,854,458            | 6,927,659              |
| Service, facility use and other fees                   | 11,780,754           | 8,931,069            | 6,635,363            | 6,978,611              |
| Lease income   | 17,786,150           | 17,931,761           | 17,675,895           | 17,211,374             |
| Miscellaneous  | 30,029               | 1,404,406            | 2,110,261            | 4,524,289              |
| Total operating revenues                               | <u>61,675,468</u>    | <u>54,139,767</u>    | <u>46,101,983</u>    | <u>47,284,269</u>      |
| <b>Operating Expenses:</b>                             |                      |                      |                      |                        |
| Payroll and related                                    | 6,271,559            | 5,812,948            | 5,712,967            | 4,945,664              |
| Professional services                                  | 4,049,587            | 3,151,985            | 3,134,753            | 2,764,373              |
| Supplies and other                                     | 4,328,726            | 4,251,767            | 3,160,549            | 2,678,568              |
| Utilities  | 886,180              | 1,055,624            | 959,634              | 719,222                |
| Maintenance and repairs                                | 1,281,328            | 1,357,231            | 1,176,459            | 1,109,624              |
| Depreciation   | 12,182,448           | 12,464,360           | 8,882,682            | 7,914,177              |
| Total operating expenses                               | <u>28,999,828</u>    | <u>28,093,915</u>    | <u>23,027,044</u>    | <u>20,131,628</u>      |
| Operating income (loss)                                | <u>32,675,640</u>    | <u>26,045,852</u>    | <u>23,074,939</u>    | <u>27,152,641</u>      |
| <b>Non-Operating Revenues (Expenses):</b>              |                      |                      |                      |                        |
| Ad valorem tax collections, net of collection expenses | (33,185)             | 3,591,264            | 6,610,936            | 6,430,433              |
| Investment income                                      | 5,605,531            | 6,290,932            | 4,185,741            | 153,341                |
| Gain (loss) on sale of capital assets                  | 33,289               | 2,500                | 44,503               | 271,813                |
| Debt interest and fees                                 | ( 12,025,192)        | ( 12,506,750)        | ( 10,954,604)        | ( 9,300,161)           |
| Other  | ( 4,000)             | 201,399              | ( 20,330,383)        | ( 45,619,399)          |
| Total non-operating revenues (expenses)                | <u>( 6,423,557)</u>  | <u>( 2,420,655)</u>  | <u>( 20,443,807)</u> | <u>( 48,063,973)</u>   |
| Income (loss) before capital contributions             | 26,252,083           | 23,625,197           | 2,631,132            | (20,911,332)           |
| <b>Capital contributions -grants</b>                   |                      |                      |                      |                        |
| Total capital contributions                            | <u>14,729,626</u>    | <u>1,019,435</u>     | <u>5,486,639</u>     | <u>143,492</u>         |
| <b>Extraordinary Revenues (Expenses):</b>              |                      |                      |                      |                        |
| Emergency Recovery                                     | ( 4,385,365)         | ( 256,871)           | 0                    | ( 192,001)             |
| Total extraordinary revenues (expenses)                | <u>( 4,385,365)</u>  | <u>( 256,871)</u>    | <u>0</u>             | <u>( 192,001)</u>      |
| Change in net position                                 | <u>\$ 36,596,344</u> | <u>\$ 24,387,761</u> | <u>\$ 8,117,771</u>  | <u>\$ (20,959,841)</u> |

## PORT FREEPORT

Property Tax Rates<sup>Ⓢ</sup>  
Direct and Overlapping Governments  
for the Levy Years 2015 through 2024<sup>ⓈⓉ</sup>

|    | 2020                 |                     | 2019              |                     | 2018                |  | 2017       |  |
|----|----------------------|---------------------|-------------------|---------------------|---------------------|--|------------|--|
|    | (Restated)           |                     |                   |                     |                     |  | (Restated) |  |
| \$ | 13,526,823           | \$ 10,853,640       | \$ 7,886,541      | \$ 7,274,790        | \$ 4,847,411        |  |            |  |
|    | 7,356,823            | 4,181,863           | 1,958,714         | 1,773,794           | 1,246,826           |  |            |  |
|    | 5,800,876            | 5,140,745           | 3,632,402         | 2,957,490           | 2,571,349           |  |            |  |
|    | 12,970,196           | 13,388,187          | 14,430,007        | 14,044,382          | 13,359,626          |  |            |  |
|    | 8,303                | 8,880               | 37,478            | 283,391             | 58,580              |  |            |  |
|    | <u>39,663,021</u>    | <u>33,573,315</u>   | <u>27,945,142</u> | <u>26,333,847</u>   | <u>22,083,792</u>   |  |            |  |
|    |                      |                     |                   |                     |                     |  |            |  |
|    | 5,109,892            | 5,068,205           | 4,775,413         | 4,214,936           | 4,022,319           |  |            |  |
|    | 2,212,827            | 2,163,290           | 2,094,856         | 2,119,928           | 1,886,579           |  |            |  |
|    | 2,214,841            | 2,111,176           | 2,194,173         | 1,867,377           | 1,653,856           |  |            |  |
|    | 741,203              | 636,683             | 554,231           | 490,982             | 531,284             |  |            |  |
|    | 907,606              | 973,834             | 1,165,766         | 630,215             | 722,055             |  |            |  |
|    | <u>8,192,602</u>     | <u>7,592,533</u>    | <u>6,797,897</u>  | <u>6,875,049</u>    | <u>7,161,321</u>    |  |            |  |
|    | 19,378,971           | 18,545,721          | 17,582,336        | 16,198,487          | 15,977,414          |  |            |  |
|    | <u>20,284,050</u>    | <u>15,027,594</u>   | <u>10,362,806</u> | <u>10,135,360</u>   | <u>6,106,378</u>    |  |            |  |
|    |                      |                     |                   |                     |                     |  |            |  |
|    | 6,190,447            | 5,623,026           | 5,400,964         | 5,173,826           | 4,841,680           |  |            |  |
|    | 87,667               | 2,095,520           | 2,010,440         | 598,893             | 414,302             |  |            |  |
|    | 460,696              |                     |                   |                     | ( 25,722)           |  |            |  |
|    | ( 8,794,637)         | ( 7,862,024)        | ( 4,640,871)      | ( 3,165,919)        | ( 2,957,986)        |  |            |  |
|    | <u>( 14,906,065)</u> | <u>( 6,681,232)</u> | <u>( 846,159)</u> | <u>( 1,276,769)</u> | <u>( 1,764,954)</u> |  |            |  |
|    | ( 16,961,892)        | ( 6,824,710)        | 1,924,374         | 1,330,031           | 507,320             |  |            |  |
|    | 3,322,158            | 8,202,884           | 12,287,180        | 11,465,391          | 6,613,698           |  |            |  |
|    | <u>11,092</u>        | <u>139,833</u>      | <u>95,541</u>     | <u>248,166</u>      | <u>83,385</u>       |  |            |  |
|    | <u>11,092</u>        | <u>139,833</u>      | <u>95,541</u>     | <u>248,166</u>      | <u>83,385</u>       |  |            |  |
|    |                      |                     |                   |                     |                     |  |            |  |
|    | ( 8,860)             |                     |                   |                     |                     |  |            |  |
|    | ( 8,860)             | 0                   | 0                 | 0                   | 0                   |  |            |  |
| \$ | <u>3,324,390</u>     | <u>8,342,717</u>    | <u>12,382,721</u> | <u>11,713,557</u>   | <u>6,697,083</u>    |  |            |  |

|  | 2024        | 2023        | 2022        |
|--|-------------|-------------|-------------|
| Port Freeport                                  | \$ 0.000000 | \$ 0.016007 | \$ 0.035000 |
| <b>Overlapping Governments:</b>                |             |             |             |
| Alvin I.S.D.                                   | 1.170000    | 1.192300    | 1.377700    |
| Alvin Community College                        | 0.155988    | 0.151264    | 0.164145    |
| Angleton, City of                              | 0.492858    | 0.523010    | 0.618760    |
| Angleton Drainage District                     | 0.052816    | 0.053817    | 0.070000    |
| Angleton I.S.D.                                | 1.031900    | 1.034200    | 1.229600    |
| Angleton-Danbury Hospital                      | 0.083997    | 0.088875    | 0.160943    |
| Brazoria, City of                              | 0.609682    | 0.596533    | 0.680476    |
| Brazoria County                                | 0.261625    | 0.313948    | 0.341106    |
| Brazoria County FWSD #2                        | 0.235938    | 0.241091    | 0.172165    |
| Brazoria County MUD #31                        | 0.760000    | 0.750000    | 0.720000    |
| Brazoria County MUD #32                        | 1.350000    | 1.350000    | 1.350000    |
| Brazoria County MUD #44                        | 0.860000    | 1.500000    | 1.000000    |
| Brazoria County MUD #53                        | 1.350000    | 1.350000    | 1.350000    |
| Brazoria County MUD #55                        | 0.885000    | 0.885000    | 0.885000    |
| Brazosport College                             | 0.268793    | 0.264831    | 0.285895    |
| Brazosport I.S.D.                              | 0.950800    | 0.953300    | 1.133000    |
| Clute, City of                                 | 0.465000    | 0.466637    | 0.594799    |
| Columbia/Brazoria I.S.D.                       | 0.955800    | 0.899500    | 1.054940    |
| Commodore Cove I.D.                            | 0.144275    | 0.144224    | 0.155157    |
| Danbury, City of                               | 0.381644    | 0.381644    | 0.584277    |
| Brazoria County Drainage District #8 (Danbury) | 0.150000    | 0.150000    | 0.170000    |
| Danbury I.S.D.                                 | 1.086100    | 1.088400    | 1.273800    |
| Freeport, City of                              | 0.514967    | 0.533000    | 0.600000    |
| Jones Creek, Village of                        | 0.320000    | 0.330000    | 0.394925    |
| Lake Jackson, City of                          | 0.325929    | 0.327173    | 0.323121    |
| Liverpool, City of                             | 0.114359    | 0.114452    | 0.142600    |
| Oak Manor U.D.                                 | 0.450000    | 0.390000    | 0.410000    |
| Oyster Creek, City of                          | 0.157431    | 0.173941    | 0.217576    |
| Quintana, Town of                              | 0.012561    | 0.013079    | 0.015711    |
| Richwood, City of                              | 0.535799    | 0.540587    | 0.606810    |
| Surfside, Village of                           | 0.279199    | 0.281508    | 0.334846    |
| Sweeny, City of                                | 0.635481    | 0.607158    | 0.730954    |
| Sweeny Hospital District                       | 0.368068    | 0.387962    | 0.441100    |
| Sweeny I.S.D.                                  | 0.873100    | 0.873100    | 1.016300    |
| Treasure Island M.U.D.                         | 0.237396    | 0.229638    | 0.302952    |
| Varner Creek Utility District                  | 0.364000    | 0.390000    | 0.480000    |
| Velasco Drainage District                      | 0.071200    | 0.067288    | 0.074490    |
| West Brazoria County Drainage District #11     | 0.014530    | 0.014690    | 0.017991    |
| West Columbia, City of                         | 0.617205    | 0.613716    | 0.715000    |

<sup>Ⓢ</sup>Source - Brazoria County Appraisal District  
<sup>ⓈⓉ</sup>Property taxes are levied annually in October.

<sup>Ⓢ</sup>Property tax rates are per \$100 taxable valuation.

**PORT FREEPORT**

Valuation, Exemptions and General Obligation Debt  
for Fiscal Year Ended September 30, 2025  
(In Thousands)

TABLE 7

| 2024 Market Valuation: <sup>⓪</sup> (excluding totally exempt property) |                      |
|---|----------------------|
| Land, Homesite  | \$ 2,939,111         |
| Land, Non Homesite  | 2,689,903            |
| Land, Ag and Timber Market  | 2,642,621            |
| Improvement, Homesite   | 10,126,959           |
| Improvement, Non-Homesite   | 25,723,646           |
| Non Real, Personal Property   | 4,685,767            |
| Non Real, Mineral   | 16,157               |
| <b>Total Market Value Before Exemptions</b>                             | <b>\$ 48,824,164</b> |
| Less Exemptions/Reductions at 100% Market Value:                        |                      |
| Homestead Exemptions  | \$ 3,020,563         |
| Over 65 Homesteads Exemptions   | 2,369,339            |
| Disabled Exemptions   | 147,386              |
| Abatements  | 11,663,541           |
| Freeport Loss   | 744,889              |
| Pollution Control   | 2,184,399            |
| Productivity Loss   | 2,606,858            |
| Tax Exempt  | 2,458,500            |
| Other   | 59,813               |
| <b>Total Exemptions</b>   | <b>\$ 25,255,288</b> |
| <b>Net 2024 Taxable Valuation</b>                                       | <b>\$ 23,568,876</b> |

<sup>⓪</sup>Source - 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.

TABLE 6

| 2021     | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
|----------|-------------|-------------|-------------|-------------|-------------|-------------|
| 0.040000 | \$ 0.040100 | \$ 0.040100 | \$ 0.040100 | \$ 0.040100 | \$ 0.040100 | \$ 0.041304 |
| 1.397700 | 1.397700    | 1.397700    | 1.450000    | 1.450000    | 1.450000    | 1.417000    |
| 0.183211 | 0.183443    | 0.185862    | 0.187775    | 0.180750    | 0.191744    | 0.204009    |
| 0.633041 | 0.665144    | 0.697580    | 0.697580    | 0.707598    | 0.707598    | 0.717598    |
| 0.091153 | 0.109962    | 0.130352    | 0.131182    | 0.146855    | 0.155164    | 0.166619    |
| 1.267000 | 1.331300    | 1.385200    | 1.455200    | 1.455200    | 1.455200    | 1.455200    |
| 0.192505 | 0.205909    | 0.242259    | 0.258328    | 0.273681    | 0.302817    | 0.321751    |
| 0.680476 | 0.680476    | 0.680476    | 0.721976    | 0.721976    | 0.790700    | 0.790700    |
| 0.336530 | 0.342017    | 0.365233    | 0.367914    | 0.380234    | 0.457405    | 0.426000    |
| 0.710000 | 0.710000    | 1.220000    | 1.220000    | 1.220000    | 1.220000    | 1.250000    |
| 0.289305 | 0.326000    | 0.326000    | 0.365000    | 0.000000    | 0.000000    | 0.000000    |
| 1.350000 | 1.350000    | 1.350000    | 1.350000    | 0.000000    | 0.000000    | 0.000000    |
| 1.000000 | 0.000000    | 0.000000    | 0.000000    | 0.000000    | 0.000000    | 0.000000    |
| 1.350000 | 1.350000    | 0.000000    | 0.000000    | 0.000000    | 0.000000    | 0.000000    |
| 0.885000 | 0.885000    | 0.885000    | 0.885000    | 0.885000    | 0.850000    | 1.000000    |
| 0.309341 | 0.297866    | 0.300177    | 0.298500    | 0.303249    | 0.285040    | 0.277510    |
| 1.178700 | 1.181700    | 1.185300    | 1.255300    | 1.255300    | 1.255300    | 1.255300    |
| 0.625000 | 0.595392    | 0.625000    | 0.625000    | 0.625000    | 0.643000    | 0.659000    |
| 1.072340 | 1.088140    | 1.170340    | 1.258059    | 1.269500    | 1.284700    | 1.284700    |
| 0.208800 | 0.201468    | 0.202349    | 0.208164    | 0.204235    | 0.205984    | 0.399327    |
| 0.659094 | 0.697258    | 0.773569    | 0.816924    | 0.765672    | 0.768701    | 0.799313    |
| 0.209000 | 0.209378    | 0.232948    | 0.252063    | 0.252063    | 0.276115    | 0.307812    |
| 1.291200 | 1.392720    | 1.468350    | 1.604700    | 1.250700    | 1.256600    | 1.255000    |
| 0.600000 | 0.615859    | 0.628005    | 0.628005    | 0.628005    | 0.628005    | 0.645642    |
| 0.440000 | 0.440000    | 0.411289    | 0.462691    | 0.410000    | 0.410000    | 0.410000    |
| 0.339000 | 0.328977    | 0.348200    | 0.335200    | 0.337500    | 0.337500    | 0.360000    |
| 0.147730 | 0.164649    | 0.189288    | 0.189288    | 0.189288    | 0.193770    | 0.215304    |
| 0.540000 | 0.540000    | 0.600000    | 0.700000    | 0.500000    | 0.500000    | 0.540000    |
| 0.238518 | 0.238518    | 0.293346    | 0.258976    | 0.303816    | 0.303816    | 0.332273    |
| 0.015423 | 0.013426    | 0.014898    | 0.014898    | 0.013830    | 0.012938    | 0.013046    |
| 0.652278 | 0.627470    | 0.670204    | 0.670204    | 0.634444    | 0.672580    | 0.735680    |
| 0.334846 | 0.334846    | 0.353778    | 0.359506    | 0.359506    | 0.359506    | 0.375204    |
| 0.747062 | 0.701553    | 0.747062    | 0.747062    | 0.747062    | 0.747062    | 0.842869    |
| 0.537930 | 0.541299    | 0.541299    | 0.548211    | 0.516523    | 0.527302    | 0.510351    |
| 1.036400 | 1.036400    | 1.141700    | 1.211700    | 1.211700    | 1.211700    | 1.211700    |
| 0.382272 | 0.423660    | 0.450318    | 0.535735    | 0.531270    | 0.503878    | 0.518997    |
| 0.530000 | 0.570000    | 0.600000    | 0.640000    | 0.650000    | 0.710000    | 0.760000    |
| 0.083553 | 0.078150    | 0.084550    | 0.084120    | 0.085000    | 0.091501    | 0.093878    |
| 0.019887 | 0.019695    | 0.020000    | 0.020000    | 0.020000    | 0.020000    | 0.020000    |
| 0.770000 | 0.731770    | 0.820000    | 0.820000    | 0.820000    | 0.830000    | 0.830000    |

**PORT FREEPORT**

Taxable and Estimated Valuation of Properties Located  
Within the Port Taxing District <sup>Ⓐ</sup> for the Fiscal Years 2016 through 2025  
(In Thousands)

| Fiscal Year                 | Estimated Market Value |                   | Less: Tax-Exempt Property | Taxable Valuation | Percent Growth (Reduction) From Prior Year | Total Direct Tax Rate <sup>Ⓐ</sup> |
|-----------------------------|------------------------|-------------------|---------------------------|-------------------|--|------------------------------------|
|                             | Real Property          | Personal Property |                           |                   |  |                                    |
| 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                           |
| 2022                        | 33,670,681             | 3,955,198         | 22,120,276                | 15,505,603        | 3.80                                       | 0.040000                           |
| 2023                        | 37,671,210             | 4,394,678         | 23,593,014                | 18,472,874        | 19.14                                      | 0.035000                           |
| 2024                        | 42,502,828             | 4,806,511         | 26,012,831                | 21,296,508        | 15.29                                      | 0.016007                           |
| 2025                        | 44,122,239             | 4,701,925         | 25,255,288                | 23,568,876        | 10.67                                      | 0.000000                           |
| Taxable Valuation 2016-2025 |                        |                   |                           |                   | 112.79                                     |                                    |

<sup>Ⓐ</sup>Source - Brazoria County Appraisal District  
<sup>Ⓐ</sup>Property tax rates are per \$100 taxable valuation.

**PORT FREEPORT**

Property Tax Levies and Collections <sup>Ⓐ</sup>  
for the Fiscal Years 2016 through 2025

| Fiscal Year | Total <sup>Ⓐ</sup> 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 |
|-------------|--------------------------------|------------------|----------------------|--------------------------------|-------------------------------------|----------------------------|-------------------------|------------------------------|
| 2016        | 4,701,834                      | 126,869          | 4,574,965            | 4,659,846                      | 99.11                               | 62,618                     | 4,722,464               | 100.44                       |
| 2017        | 4,716,780                      | 141,011          | 4,575,769            | 4,806,562                      | 101.90                              | 80,923                     | 4,887,485               | 103.62                       |
| 2018        | 5,040,346                      | 144,429          | 4,895,917            | 5,129,495                      | 101.77                              | 87,072                     | 5,216,567               | 103.50                       |
| 2019        | 5,443,667                      | 13,570           | 5,430,097            | 5,381,510                      | 98.86                               | 101,519                    | 5,483,029               | 100.72                       |
| 2020        | 5,604,169                      | 37,700           | 5,641,869            | 5,590,018                      | 99.75                               | 91,465                     | 5,681,483               | 101.38                       |
| 2021        | 5,990,048                      | 230,845          | 6,220,893            | 6,172,165                      | 103.04                              | 87,179                     | 6,259,344               | 104.50                       |
| 2022        | 6,202,346                      | 243,024          | 6,445,370            | 6,386,489                      | 102.97                              | 49,727                     | 6,436,216               | 103.77                       |
| 2023        | 6,468,833                      | 171,508          | 6,565,734            | 6,577,440                      | 101.68                              | 122,403                    | 6,699,843               | 103.57                       |
| 2024        | 3,410,139                      | 172,398          | 3,582,537            | 3,532,378                      | 103.58                              | 70,782                     | 3,603,160               | 105.66                       |
| 2025        | -                              | -                | -                    | -                              | n/a                                 | -                          | -                       | n/a                          |

<sup>Ⓐ</sup>Total 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 collections reported on this schedule will not necessarily represent the total revenue reported in the financial statements.

<sup>Ⓐ</sup>Amounts shown are original levy amounts and exclude any subsequent supplemental assessments, and therefore collections may exceed total levy amount.

**PORT FREEPORT**

Principal Taxpayers<sup>①</sup>  
Current Year and Nine Years Ago

September 30, 2025  
(In Thousands)

TABLE 10

| Entity                            | 2024                 |                                   | 2024 <sup>②</sup>   |                                    |
|-----------------------------------|----------------------|-----------------------------------|---------------------|------------------------------------|
|                                   | Market Valuation     | Percent of Total Market Valuation | Taxable Valuation   | Percent of Total Taxable Valuation |
| Dow Chemical Company              | \$ 5,148,218         | 10.54 %                           | \$ 4,108,465        | 17.43 %                            |
| Phillips 66 Company               | 3,493,544            | 7.16                              | 897,833             | 3.81                               |
| Olin Chlorine #7 LLC              | 572,629              | 1.17                              | 555,627             | 2.36                               |
| Blue Cube Operations LLC          | 744,578              | 1.53                              | 527,060             | 2.24                               |
| Chevron Phillips Chemical Company | 1,952,043            | 4.00                              | 379,892             | 1.61                               |
| BASF Corp. Chemicals Div.         | 395,333              | 0.81                              | 274,712             | 1.17                               |
| YARA Freeport LLC                 | 261,185              | 0.53                              | 261,185             | 1.11                               |
| Seaway Crude Pipeline             | 269,340              | 0.55                              | 261,383             | 1.11                               |
| Myrtle Solar LLC                  | 276,098              | 0.57                              | 276,098             | 1.17                               |
| Phillips 66 Company               | 534,539              | 1.09                              | 253,100             | 1.07                               |
| <b>TOTAL</b>                      | <b>\$ 13,647,507</b> | <b>27.95 %</b>                    | <b>\$ 7,795,355</b> | <b>33.08 %</b>                     |

September 30, 2016  
(In Thousands)

TABLE 10

| Entity                            | 2015 <sup>②</sup>   |                                   | 2015                |                                    |
|-----------------------------------|---------------------|-----------------------------------|---------------------|------------------------------------|
|                                   | Market Valuation    | Percent of Total Market Valuation | Taxable Valuation   | Percent of Total Taxable Valuation |
| Dow Chemical Company              | \$ 3,044,725        | 17.71 %                           | \$ 2,339,300        | 21.12 %                            |
| Phillips 66 Company               | 1,140,880           | 6.64                              | 609,486             | 5.50                               |
| Chevron Phillips Chemical Company | 599,813             | 3.49                              | 502,786             | 4.54                               |
| BASF Corp. Chemicals Div.         | 706,512             | 4.11                              | 493,754             | 4.46                               |
| Freeport LNG                      | 206,082             | 1.20                              | 163,202             | 1.47                               |
| Shintech, Inc.                    | 160,809             | 0.94                              | 125,979             | 1.14                               |
| Air Liquide Large Industries      | 114,972             | 0.67                              | 113,836             | 1.03                               |
| Freeport Energy Center            | 104,859             | 0.61                              | 104,859             | 0.95                               |
| Seaway Crude Pipeline             | 107,099             | 0.62                              | 101,709             | 0.92                               |
| Sweeny Cogenerations Ltd          | 99,626              | 0.58                              | 93,145              | 0.84                               |
| <b>TOTAL</b>                      | <b>\$ 6,285,377</b> | <b>36.57 %</b>                    | <b>\$ 4,648,056</b> | <b>41.97 %</b>                     |

<sup>①</sup>Source - Brazoria County Appraisal District

<sup>②</sup>Property taxes levied for the 2024 fiscal year were based on 2023 taxable valuations.

<sup>③</sup>Property taxes levied for the 2015 fiscal year were based on 2014 taxable valuations.

**PORT FREEPORT**

Computation of Direct and Overlapping  
Bonded Debt of General Obligation Bond Issues  
September 30, 2025

TABLE 11

| Taxing Entity   | Net Bonded Debt Amount  | As of                             | Percent         |                         |
|---|-------------------------|-----------------------------------|-----------------|-------------------------|
|   |                         |                                   | Overlapping     | Amount Overlapping      |
| Alvin College   | \$ 17,050,000           | 9-30-25                           | 11.10 %         | \$ 1,892,550            |
| Alvin ISD   | 1,053,710,000           | 9-30-25                           | 11.05           | 116,434,955             |
| Alvin, City of  | 55,695,000              | 9-30-25                           | 0.59            | 328,601                 |
| Angleton ISD  | 313,010,000             | 9-30-25                           | 70.35           | 220,202,535             |
| Angleton, City of   | 38,868,000              | 9-30-25                           | 100.00          | 38,868,000              |
| Brazoria Co   | 226,118,313             | 9-30-25                           | 55.51           | 125,518,276             |
| Brazoria Co FWSD # 2  | 1,914,000               | 9-30-25                           | 100.00          | 1,914,000               |
| Brazoria Co MUD # 31  | 36,715,000              | 9-30-25 <sup>②</sup>              |                 | 0                       |
| Brazoria Co MUD # 32  | 38,065,000              | 9-30-25                           | 82.82           | 31,525,433              |
| Brazoria Co MUD # 44  | 12,030,000              | 9-30-25                           | 100.00          | 12,030,000              |
| Brazoria Co MUD # 53  | 51,650,000              | 9-30-25                           | 100.00          | 51,650,000              |
| Brazoria Co MUD # 55  | 96,230,000              | 9-30-25                           | 69.13           | 66,523,799              |
| Brazoria, City of   | 6,730,000               | 9-30-25                           | 100.00          | 6,730,000               |
| Brazosport College Dist   | 48,865,000              | 9-30-25                           | 100.00          | 48,865,000              |
| Brazosport ISD  | 271,605,000             | 9-30-25                           | 100.00          | 271,605,000             |
| Clute, City of  | 9,865,000               | 9-30-25                           | 100.00          | 9,865,000               |
| Columbia-Brazoria ISD   | 101,450,000             | 9-30-25                           | 100.00          | 101,450,000             |
| Damon ISD   | 215,000                 | 9-30-25                           | 100.00          | 215,000                 |
| Danbury ISD   | 14,095,000              | 9-30-25                           | 100.00          | 14,095,000              |
| Freeport, City of   | 10,560,000              | 9-30-25                           | 100.00          | 10,560,000              |
| Iowa Colony, City of  | 13,110,000              | 9-30-25                           | 45.00           | 5,899,500               |
| Lake Jackson, City of   | 61,850,000              | 9-30-25                           | 100.00          | 61,850,000              |
| Manvel, City of   | 95,610,000              | 9-30-25                           | 1.28            | 1,223,808               |
| Rancho Isabella MUD   | 8,690,000               | 9-30-25                           | 88.02           | 7,648,938               |
| Richwood, City of   | 7,695,000               | 9-30-25                           | 100.00          | 7,695,000               |
| Surfside Beach Village  | 1,111,000               | 9-30-25                           | 100.00          | 1,111,000               |
| Sweeny ISD  | 73,680,000              | 9-30-25                           | 79.47           | 58,553,496              |
| Sweeny, City of   | 7,495,000               | 9-30-25                           | 100.00          | 7,495,000               |
| Vamer Creek UD  | 5,235,000               | 9-30-25                           | 100.00          | 5,235,000               |
| Velasco DD  | 3,775,000               | 9-30-25                           | 100.00          | 3,775,000               |
| West Columbia, City of  | 5,380,000               | 9-30-25                           | 100.00          | 5,380,000               |
| <b>Sub-total Bonded Debt</b>  | <b>\$ 2,688,071,313</b> | <b>Sub-total Overlapping Debt</b> |                 | <b>\$ 1,296,139,891</b> |
| <b>Port Freeport</b>  | <b>\$ 121,765,000</b>   | <b>9-30-25</b>                    | <b>100.00 %</b> | <b>\$ 121,765,000</b>   |
| <b>Total Direct &amp; Overlapping General Obligation Issue Debt</b> | <b>\$ 2,809,836,313</b> |                                   |                 | <b>\$ 1,417,904,891</b> |

Ratio of Overlapping Debt to  
Direct 2023 Taxable Valuation

0.060 %

<sup>①</sup>Source: Municipal Advisory Council of Texas

**PORT FREEPORT**

Ratio of Outstanding Debt by Type  
for the Fiscal Years Ended September 30, 2016 through 2025  
(In Thousands)

TABLE 12

| Fiscal Year<br>Ending<br>September 30 | General<br>Obligation<br>Bonds | Revenue<br>Bonds | Purchase<br>Financing<br>Note | Total     | Estimated<br>Personal<br>Income <sup>Ⓞ</sup> | Estimated<br>County<br>Population <sup>Ⓞ</sup> | Percentage<br>of Personal<br>Income | Per<br>Capita |
|---------------------------------------|--------------------------------|------------------|-------------------------------|-----------|--|--|-------------------------------------|---------------|
| 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           |
| 2022                                  | 73,220                         | 196,037          | 3,083                         | 272,340   | 13,183,663                                   | 372  | 2.0657                              | 732           |
| 2023                                  | 128,870                        | 190,257          | 1,559                         | 320,686   | 13,846,250                                   | 372  | 2.3160                              | 862           |
| 2024                                  | 128,527                        | 211,059          | -                             | 339,586   | 15,506,624                                   | 372  | 2.1899                              | 913           |
| 2025                                  | 127,218                        | 204,777          | -                             | 331,996   | 17,197,539                                   | 413  | 1.9305                              | 805           |

<sup>Ⓞ</sup> Source United States Census Bureau

<sup>Ⓞ</sup> Source Texas State Data Center

**PORT FREEPORT**

Ratio of Net General Bonded Debt to Taxable Value  
and to Net Bonded Debt Per Capita<sup>Ⓞ2</sup>  
(In Thousands)  
For Fiscal Years 2016 through 2025

TABLE 13

| Fiscal<br>Year | Taxable<br>Valuation | Gross<br>Bonded Debt | Debt Service<br>Restricted<br>Cash | Net<br>General<br>Bonded Debt | Ratio of Net<br>Bonded Debt to<br>Taxable Value | Estimated<br>Population | Net<br>Bonded Debt<br>Per Capita |
|----------------|----------------------|----------------------|------------------------------------|-------------------------------|---|-------------------------|----------------------------------|
| 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                              |
| 2022           | 15,505,603           | 73,220               | 74                                 | 73,146                        | 0.0047  | 372                     | 197                              |
| 2023           | 18,472,874           | 128,870              | 1,033                              | 127,837                       | 0.0069  | 372                     | 344                              |
| 2024           | 21,296,508           | 128,527              | 569                                | 127,958                       | 0.0060  | 372                     | 344                              |
| 2025           | 23,568,876           | 127,218              | 6,486                              | 120,732                       | 0.0051  | 413                     | 292                              |

<sup>Ⓞ</sup> Source: Texas State Data Center

<sup>Ⓞ2</sup> 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.



## PORT FREEPORT

Pledged Revenue Bond Indebtedness Coverage  
for Fiscal Years 2016 through 2025  
(In Thousands)

|   | 2025      | 2024      | 2023      | 2022      |
|---|-----------|-----------|-----------|-----------|
| Operating Revenue   | \$ 61,675 | \$ 54,140 | \$ 46,102 | \$ 47,284 |
| Operating Expenses (Net of Depreciation)                          | ( 16,817) | ( 15,630) | ( 14,144) | ( 12,217) |
| Ad Valorem Tax Collections <sup>Ⓔ</sup>                           | ( 33)     | 3,591     | 3,409     | 3,779     |
| Investment Income   | 5,606     | 6,291     | 1,417     | 344       |
| Other Income  | 14,730    | 1,220     | 5,487     | 144       |
| Net Revenues Available for Debt Service<br>On Revenue Obligations | \$ 65,161 | \$ 49,612 | \$ 42,271 | \$ 39,334 |
| Annual Revenue Bonded Debt Service                                | \$ 14,063 | \$ 14,067 | \$ 12,864 | \$ 12,864 |
| Percent of Coverage   | 463%      | 353%      | 329%      | 306%      |
| Maximum Revenue Bond Debt Service                                 | \$ 14,068 | \$ 14,068 | \$ 12,866 | \$ 12,866 |
| Percent of Coverage <sup>Ⓔ</sup>                                  | 463%      | 353%      | 329%      | 306%      |

<sup>Ⓔ</sup>Indicates 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.

<sup>Ⓔ</sup>Net of collection expenses and debt service available for General Obligation bonds.

**PORT FREEPORT**

Summary of Annual Cash Requirements on Debt Outstanding  
September 30, 2025

TABLE 14

|    | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          |
|----|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 39,663        | \$ 33,573     | \$ 27,945     | \$ 26,334     | \$ 22,084     | \$ 21,685     |
|    | ( 11,186)     | ( 10,953)     | ( 10,784)     | ( 9,323)      | ( 8,816)      | ( 9,163)      |
|    | 4,167         | 4,129         | 4,236         | 3,992         | 3,675         | 3,519         |
|    | 36            | 601           | 1,020         | 596           | 409           | 287           |
|    | 257           |               |               |               |               | 382           |
| \$ | <u>32,937</u> | <u>27,350</u> | <u>22,417</u> | <u>21,599</u> | <u>17,352</u> | <u>16,710</u> |
| \$ | 12,578        | \$ 11,531     | \$ 7,204      | \$ 6,718      | \$ 5,215      | \$ 5,226      |
|    | 262%          | 237%          | 311%          | 322%          | 333%          | 320%          |
| \$ | 12,866        | \$ 11,539     | \$ 7,217      | \$ 7,217      | \$ 5,227      | \$ 5,227      |
|    | 256%          | 237%          | 311%          | 299%          | 332%          | 320%          |

| Fiscal Year<br>Ending<br>September 30 | General<br>Obligation<br>Bonds<br>Series 2019 | General<br>Obligation<br>Bonds<br>Series 2021 | General<br>Obligation<br>Bonds<br>Series 2023 | Senior Lien<br>Revenue<br>Refunding Bonds<br>Series 2013A | Senior Lien<br>Revenue and<br>Refunding Bonds<br>Series 2015A | Senior Lien<br>Revenue<br>Refunding Bonds<br>Series 2018 |
|---------------------------------------|---|---|---|---|---|--|
| 2026                                  | \$ 1,910,712                                  | \$ 894,250                                    | \$ 3,400,788                                  | \$ 2,782,088  | \$ 2,441,838  | \$ 1,985,950   |
| 2027                                  | 1,914,212                                     | 1,934,250                                     | 3,401,063                                     | 2,783,856   | 2,437,338   | 1,990,450  |
| 2028                                  | 1,910,712                                     | 1,932,650                                     | 3,403,313                                     | 2,783,160   | 2,440,588   | 1,987,950  |
| 2029                                  | 1,910,462                                     | 1,934,450                                     | 3,402,813                                     |   | 2,441,088   | 1,988,700  |
| 2030                                  | 1,913,212                                     | 1,929,450                                     | 3,399,563                                     |   | 2,438,838   | 1,987,450  |
| 2031                                  | 1,914,300                                     | 1,932,850                                     | 3,403,563                                     |   | 2,440,838   | 1,989,200  |
| 2032                                  | 1,913,800                                     | 1,934,250                                     | 3,399,313                                     |   | 2,439,276   | 1,988,700  |
| 2033                                  | 1,910,600                                     | 1,931,300                                     | 3,402,063                                     |   | 2,440,650   | 1,985,950  |
| 2034                                  | 1,911,000                                     | 1,932,300                                     | 3,401,313                                     |   | 2,438,062   | 1,985,950  |
| 2035                                  | 1,909,800                                     | 1,932,100                                     | 3,402,063                                     |   | 2,443,138   | 1,988,450  |
| 2036                                  | 1,912,000                                     | 1,929,500                                     | 3,404,063                                     |   | 2,440,450   | 1,988,200  |
| 2037                                  | 1,912,400                                     | 1,931,400                                     | 3,402,063                                     |   | 2,438,700   | 1,990,200  |
| 2038                                  | 1,912,600                                     | 1,932,700                                     | 3,401,063                                     |   | 2,438,200   | 1,989,200  |
| 2039                                  | 1,909,800                                     | 1,933,400                                     | 3,403,863                                     |   | 2,438,700   | 1,990,200  |
| 2040                                  | 1,910,200                                     | 1,933,500                                     | 3,398,663                                     |   | 2,434,950   | 1,986,400  |
| 2041                                  | 1,913,600                                     | 1,933,000                                     | 3,400,663                                     |   | 2,436,950   | 1,990,600  |
| 2042                                  | 1,909,800                                     | 1,931,900                                     | 3,399,463                                     |   | 2,438,976   | 1,987,400  |
| 2043                                  | 1,914,000                                     | 1,930,200                                     | 3,400,063                                     |   | 2,441,950   | 1,987,000  |
| 2044                                  | 1,910,800                                     | 1,932,900                                     | 3,402,263                                     |   | 2,440,650   | 1,989,200  |
| 2045                                  | 1,910,400                                     | 1,929,900                                     | 3,400,863                                     |   | 2,440,076   | 1,988,800  |
| 2046                                  | 1,912,600                                     | 1,931,300                                     | 3,400,863                                     |   |   | 1,990,800  |
| 2047                                  | 1,912,200                                     | 1,932,000                                     | 3,402,063                                     |   |   | 1,990,000  |
| 2048                                  | 1,909,200                                     | 1,932,000                                     | 3,399,263                                     |   |   | 1,986,400  |
| 2049                                  | 1,913,600                                     | 1,931,300                                     | 3,402,463                                     |   |   |  |
| 2050                                  |   | 1,929,900                                     | 3,402,788                                     |   |   |  |
| 2051                                  |   | 1,927,800                                     | 3,403,369                                     |   |   |  |
| 2052                                  |   |   | 3,399,000                                     |   |   |  |
| 2053                                  |   |   | 3,399,670                                     |   |   |  |
|                                       | \$ 45,882,010                                 | \$ 49,190,550                                 | \$ 95,238,352                                 | \$ 8,349,104  | \$ 48,791,256   | \$ 45,733,150  |

**PORT FREEPORT**

TABLE 15

| Senior Lien Revenue Bonds, Series 2019A | Senior Lien Revenue Bonds, Series 2019B | Senior Lien Revenue Bonds, Series 2021 | Senior Lien Revenue Bonds, Series 2024 | Total                 |
|---|---|--|--|-----------------------|
| \$ 2,773,350                            | \$ 1,550,300                            | \$ 1,326,850                           | \$ 1,202,438                           | \$ 20,268,563         |
| 2,776,100                               | 1,551,300                               | 1,326,850                              | 1,202,438                              | 21,317,856            |
| 2,776,350                               | 1,550,550                               | 1,326,850                              | 1,202,438                              | 21,314,560            |
| 2,774,100                               | 1,548,050                               | 2,061,850                              | 2,367,438                              | 20,428,950            |
| 2,774,350                               | 1,548,800                               | 2,065,100                              | 2,367,538                              | 20,424,300            |
| 2,776,850                               | 1,547,550                               | 2,061,350                              | 2,368,438                              | 20,434,938            |
| 2,776,350                               | 1,549,300                               | 2,065,850                              | 2,369,838                              | 20,436,676            |
| 2,772,850                               | 1,547,000                               | 2,063,100                              | 2,371,438                              | 20,424,950            |
| 2,776,350                               | 1,548,950                               | 2,123,350                              | 2,367,938                              | 20,485,212            |
| 2,776,350                               | 1,550,000                               | 2,073,350                              | 2,369,338                              | 20,444,588            |
| 2,777,550                               | 1,550,150                               | 2,063,350                              | 2,368,138                              | 20,433,400            |
| 2,776,350                               | 1,549,400                               | 2,061,350                              | 2,369,338                              | 20,431,200            |
| 2,772,750                               | 1,547,750                               | 2,061,850                              | 2,367,738                              | 20,423,850            |
| 2,776,750                               | 1,550,200                               | 2,064,600                              | 2,368,338                              | 20,435,850            |
| 2,772,950                               | 1,551,600                               | 2,064,350                              | 2,370,938                              | 20,423,550            |
| 2,776,550                               | 1,546,950                               | 2,066,100                              | 2,367,819                              | 20,432,231            |
| 2,777,150                               | 1,551,400                               | 2,064,600                              | 2,366,400                              | 20,427,089            |
| 2,774,750                               | 1,549,650                               | 2,063,800                              | 2,366,479                              | 20,427,884            |
| 2,774,350                               | 1,551,850                               | 2,065,800                              |  | 18,067,813            |
| 2,775,750                               | 1,547,850                               | 2,065,400                              |  | 18,059,039            |
| 2,777,000                               | 1,547,800                               | 2,062,600                              |  | 15,622,963            |
| 2,772,750                               | 1,551,550                               | 2,062,400                              |  | 15,622,963            |
| 2,773,000                               | 1,548,950                               | 2,064,600                              |  | 15,613,413            |
| 2,777,250                               | 1,550,150                               | 2,064,000                              |  | 13,638,763            |
|   |   | 2,065,600                              |  | 7,398,288             |
|   |   | 2,059,200                              |  | 7,390,369             |
|   |   |  |  | 3,399,000             |
|   |   |  |  | 3,399,681             |
| <b>\$ 66,607,900</b>                    | <b>\$ 37,187,050</b>                    | <b>\$ 51,514,100</b>                   | <b>\$ 39,134,460</b>                   | <b>\$ 487,627,939</b> |

**PORT FREEPORT**

Summary of Annual Cash Requirements on General Obligation Debt Outstanding September 30, 2025

TABLE 16

| Fiscal Year Ending September 30 | General Obligation Bonds Series 2019 | General Obligation Bonds Series 2021 | General Obligation Bonds Series 2023 | Total                 |
|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-----------------------|
| 2026                            | \$ 1,910,712                         | \$ 894,250                           | \$ 3,400,788                         | \$ 6,205,750          |
| 2027                            | 1,914,212                            | 1,934,250                            | 3,401,063                            | 7,249,525             |
| 2028                            | 1,910,712                            | 1,932,650                            | 3,403,313                            | 7,246,675             |
| 2029                            | 1,910,462                            | 1,934,450                            | 3,402,813                            | 7,247,725             |
| 2030                            | 1,913,212                            | 1,929,450                            | 3,399,563                            | 7,242,225             |
| 2031                            | 1,914,300                            | 1,932,850                            | 3,403,563                            | 7,250,713             |
| 2032                            | 1,913,800                            | 1,934,250                            | 3,399,313                            | 7,247,363             |
| 2033                            | 1,910,600                            | 1,931,300                            | 3,402,063                            | 7,243,963             |
| 2034                            | 1,911,000                            | 1,932,300                            | 3,401,313                            | 7,244,613             |
| 2035                            | 1,909,800                            | 1,932,100                            | 3,402,063                            | 7,243,963             |
| 2036                            | 1,912,000                            | 1,929,500                            | 3,404,063                            | 7,245,563             |
| 2037                            | 1,912,400                            | 1,931,400                            | 3,402,063                            | 7,245,863             |
| 2038                            | 1,912,600                            | 1,932,700                            | 3,401,063                            | 7,246,363             |
| 2039                            | 1,909,800                            | 1,933,400                            | 3,403,863                            | 7,247,063             |
| 2040                            | 1,910,200                            | 1,933,500                            | 3,398,663                            | 7,242,363             |
| 2041                            | 1,913,600                            | 1,933,000                            | 3,400,663                            | 7,247,263             |
| 2042                            | 1,909,800                            | 1,931,900                            | 3,399,463                            | 7,241,163             |
| 2043                            | 1,914,000                            | 1,930,200                            | 3,400,063                            | 7,244,263             |
| 2044                            | 1,910,800                            | 1,932,900                            | 3,402,263                            | 7,245,963             |
| 2045                            | 1,910,400                            | 1,929,900                            | 3,400,863                            | 7,241,163             |
| 2046                            | 1,912,600                            | 1,931,300                            | 3,400,863                            | 7,244,763             |
| 2047                            | 1,912,200                            | 1,932,000                            | 3,402,063                            | 7,246,263             |
| 2048                            | 1,909,200                            | 1,932,000                            | 3,399,263                            | 7,240,463             |
| 2049                            | 1,913,600                            | 1,931,300                            | 3,402,463                            | 7,247,363             |
| 2050                            |                                      | 1,929,900                            | 3,402,788                            | 5,332,688             |
| 2051                            |                                      | 1,927,800                            | 3,403,369                            | 5,331,169             |
| 2052                            |                                      |                                      | 3,399,000                            | 3,399,000             |
| 2053                            |                                      |                                      | 3,399,670                            | 3,399,681             |
|                                 | <b>\$ 45,882,010</b>                 | <b>\$ 49,190,550</b>                 | <b>\$ 95,238,352</b>                 | <b>\$ 190,310,912</b> |

**PORT FREEPORT**

General Obligation Bonds, Series 2019 (Non-AMT)  
September 30, 2025

TABLE 17

| Fiscal Year<br>Ending<br>September 30 | Coupon | Interest<br>Due<br>February 1 | Interest<br>Due<br>August 1 | Principal<br>Due<br>August 1 | Total<br>Principal &<br>Interest | Principal<br>Balance |
|---------------------------------------|--------|-------------------------------|-----------------------------|------------------------------|----------------------------------|----------------------|
|                                       |        |                               |                             |                              |                                  | 29,210,000           |
| 2026                                  | 5.00 % | \$ 590,356                    | \$ 590,356                  | \$ 730,000                   | \$ 1,910,712                     | 28,480,000           |
| 2027                                  | 5.00   | 572,106                       | 572,106                     | 770,000                      | 1,914,212                        | 27,710,000           |
| 2028                                  | 5.00   | 552,856                       | 552,856                     | 805,000                      | 1,910,712                        | 26,905,000           |
| 2029                                  | 5.00   | 532,731                       | 532,731                     | 845,000                      | 1,910,462                        | 26,060,000           |
| 2030                                  | 2.125  | 511,606                       | 511,606                     | 890,000                      | 1,913,212                        | 25,170,000           |
| 2031                                  | 5.00   | 502,150                       | 502,150                     | 910,000                      | 1,914,300                        | 24,260,000           |
| 2032                                  | 4.00   | 479,400                       | 479,400                     | 955,000                      | 1,913,800                        | 23,305,000           |
| 2033                                  | 4.00   | 460,300                       | 460,300                     | 990,000                      | 1,910,600                        | 22,315,000           |
| 2034                                  | 4.00   | 440,500                       | 440,500                     | 1,030,000                    | 1,911,000                        | 21,285,000           |
| 2035                                  | 4.00   | 419,900                       | 419,900                     | 1,070,000                    | 1,909,800                        | 20,215,000           |
| 2036                                  | 4.00   | 398,500                       | 398,500                     | 1,115,000                    | 1,912,000                        | 19,100,000           |
| 2037                                  | 3.00   | 376,200                       | 376,200                     | 1,160,000                    | 1,912,400                        | 17,940,000           |
| 2038                                  | 4.00   | 358,800                       | 358,800                     | 1,195,000                    | 1,912,600                        | 16,745,000           |
| 2039                                  | 4.00   | 334,900                       | 334,900                     | 1,240,000                    | 1,909,800                        | 15,505,000           |
| 2040                                  | 4.00   | 310,100                       | 310,100                     | 1,290,000                    | 1,910,200                        | 14,215,000           |
| 2041                                  | 4.00   | 284,300                       | 284,300                     | 1,345,000                    | 1,913,600                        | 12,870,000           |
| 2042                                  | 4.00   | 257,400                       | 257,400                     | 1,395,000                    | 1,909,800                        | 11,475,000           |
| 2043                                  | 4.00   | 229,500                       | 229,500                     | 1,455,000                    | 1,914,000                        | 10,020,000           |
| 2044                                  | 4.00   | 200,400                       | 200,400                     | 1,510,000                    | 1,910,800                        | 8,510,000            |
| 2045                                  | 4.00   | 170,200                       | 170,200                     | 1,570,000                    | 1,910,400                        | 6,940,000            |
| 2046                                  | 4.00   | 138,800                       | 138,800                     | 1,635,000                    | 1,912,600                        | 5,305,000            |
| 2047                                  | 4.00   | 106,100                       | 106,100                     | 1,700,000                    | 1,912,200                        | 3,605,000            |
| 2048                                  | 4.00   | 72,100                        | 72,100                      | 1,765,000                    | 1,909,200                        | 1,840,000            |
| 2049                                  | 4.00   | 36,800                        | 36,800                      | 1,840,000                    | 1,913,600                        | -                    |
|                                       |        | \$ 8,336,005                  | \$ 8,336,005                | \$ 29,210,000                | \$ 45,882,010                    |                      |

**PORT FREEPORT**

General Obligation Bonds, Series 2021 (Non-AMT)  
September 30, 2025

TABLE 18

| Fiscal Year<br>Ending<br>September 30 | Coupon | Interest<br>Due<br>February 1 | Interest<br>Due<br>August 1 | Principal<br>Due<br>August 1 | Total<br>Principal &<br>Interest | Principal<br>Balance |
|---------------------------------------|--------|-------------------------------|-----------------------------|------------------------------|----------------------------------|----------------------|
|                                       |        |                               |                             |                              |                                  | \$ 37,135,000        |
| 2026                                  |        | \$ 447,125                    | \$ 447,125                  | -                            | \$ 894,250                       | 37,135,000           |
| 2027                                  | 4.00 % | 447,125                       | 447,125                     | 1,040,000                    | 1,934,250                        | 36,095,000           |
| 2028                                  | 4.00   | 426,325                       | 426,325                     | 1,080,000                    | 1,932,650                        | 35,015,000           |
| 2029                                  | 4.00   | 404,725                       | 404,725                     | 1,125,000                    | 1,934,450                        | 33,890,000           |
| 2030                                  | 4.00   | 382,225                       | 382,225                     | 1,165,000                    | 1,929,450                        | 32,725,000           |
| 2031                                  | 4.00   | 358,925                       | 358,925                     | 1,215,000                    | 1,932,850                        | 31,510,000           |
| 2032                                  | 3.00   | 334,625                       | 334,625                     | 1,265,000                    | 1,934,250                        | 30,245,000           |
| 2033                                  | 3.00   | 315,650                       | 315,650                     | 1,300,000                    | 1,931,300                        | 28,945,000           |
| 2034                                  | 3.00   | 296,150                       | 296,150                     | 1,340,000                    | 1,932,300                        | 27,605,000           |
| 2035                                  | 2.00   | 276,050                       | 276,050                     | 1,380,000                    | 1,932,100                        | 26,225,000           |
| 2036                                  | 2.00   | 262,250                       | 262,250                     | 1,405,000                    | 1,929,500                        | 24,820,000           |
| 2037                                  | 2.00   | 248,200                       | 248,200                     | 1,435,000                    | 1,931,400                        | 23,385,000           |
| 2038                                  | 2.00   | 233,850                       | 233,850                     | 1,465,000                    | 1,932,700                        | 21,920,000           |
| 2039                                  | 2.00   | 219,200                       | 219,200                     | 1,495,000                    | 1,933,400                        | 20,425,000           |
| 2040                                  | 2.00   | 204,250                       | 204,250                     | 1,525,000                    | 1,933,500                        | 18,900,000           |
| 2041                                  | 2.00   | 189,000                       | 189,000                     | 1,555,000                    | 1,933,000                        | 17,345,000           |
| 2042                                  | 2.00   | 173,450                       | 173,450                     | 1,585,000                    | 1,931,900                        | 15,760,000           |
| 2043                                  | 2.00   | 157,600                       | 157,600                     | 1,615,000                    | 1,930,200                        | 14,145,000           |
| 2044                                  | 2.00   | 141,450                       | 141,450                     | 1,650,000                    | 1,932,900                        | 12,495,000           |
| 2045                                  | 2.00   | 124,950                       | 124,950                     | 1,680,000                    | 1,929,900                        | 10,815,000           |
| 2046                                  | 2.00   | 108,150                       | 108,150                     | 1,715,000                    | 1,931,300                        | 9,100,000            |
| 2047                                  | 2.00   | 91,000                        | 91,000                      | 1,750,000                    | 1,932,000                        | 7,350,000            |
| 2048                                  | 2.00   | 73,500                        | 73,500                      | 1,785,000                    | 1,932,000                        | 5,565,000            |
| 2049                                  | 2.00   | 55,650                        | 55,650                      | 1,820,000                    | 1,931,300                        | 3,745,000            |
| 2050                                  | 2.00   | 37,450                        | 37,450                      | 1,855,000                    | 1,929,900                        | 1,890,000            |
| 2051                                  | 2.00   | 18,900                        | 18,900                      | 1,890,000                    | 1,927,800                        | 0                    |
|                                       |        | \$ 6,027,775                  | \$ 6,027,775                | \$ 37,135,000                | \$ 49,190,550                    |                      |

**PORT FREEPORT**

General Obligation Bonds, Series 2023 (Non-AMT)  
September 30, 2025

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 |
|---------------------------------|---------|-------------------------|-----------------------|------------------------|----------------------------|-------------------|
|                                 |         |                         |                       |                        |                            | \$ 55,420,000     |
| 2026                            | 5.500 % | \$ 1,202,894            | \$ 1,202,894          | \$ 995,000             | \$ 3,400,788               | 54,425,000        |
| 2027                            | 5.500   | 1,175,531               | 1,175,531             | 1,050,000              | 3,401,063                  | 53,375,000        |
| 2028                            | 5.000   | 1,146,656               | 1,146,656             | 1,110,000              | 3,403,313                  | 52,265,000        |
| 2029                            | 5.000   | 1,118,906               | 1,118,906             | 1,165,000              | 3,402,813                  | 51,100,000        |
| 2030                            | 5.000   | 1,089,781               | 1,089,781             | 1,220,000              | 3,399,563                  | 49,880,000        |
| 2031                            | 5.000   | 1,059,281               | 1,059,281             | 1,285,000              | 3,403,563                  | 48,595,000        |
| 2032                            | 5.000   | 1,027,156               | 1,027,156             | 1,345,000              | 3,399,313                  | 47,250,000        |
| 2033                            | 5.000   | 993,531                 | 993,531               | 1,415,000              | 3,402,063                  | 45,835,000        |
| 2034                            | 5.000   | 958,156                 | 958,156               | 1,485,000              | 3,401,313                  | 44,350,000        |
| 2035                            | 5.000   | 921,031                 | 921,031               | 1,560,000              | 3,402,063                  | 42,790,000        |
| 2036                            | 5.000   | 882,031                 | 882,031               | 1,640,000              | 3,404,063                  | 41,150,000        |
| 2037                            | 5.000   | 841,031                 | 841,031               | 1,720,000              | 3,402,063                  | 39,430,000        |
| 2038                            | 4.000   | 798,031                 | 798,031               | 1,805,000              | 3,401,063                  | 37,625,000        |
| 2039                            | 4.000   | 761,931                 | 761,931               | 1,880,000              | 3,403,863                  | 35,745,000        |
| 2040                            | 4.000   | 724,331                 | 724,331               | 1,950,000              | 3,398,663                  | 33,795,000        |
| 2041                            | 4.000   | 685,331                 | 685,331               | 2,030,000              | 3,400,663                  | 31,765,000        |
| 2042                            | 4.000   | 644,731                 | 644,731               | 2,110,000              | 3,399,463                  | 29,655,000        |
| 2043                            | 4.000   | 602,531                 | 602,531               | 2,195,000              | 3,400,063                  | 27,460,000        |
| 2044                            | 4.000   | 558,631                 | 558,631               | 2,285,000              | 3,402,263                  | 25,175,000        |
| 2045                            | 4.000   | 512,931                 | 512,931               | 2,375,000              | 3,400,863                  | 22,800,000        |
| 2046                            | 4.000   | 465,431                 | 465,431               | 2,470,000              | 3,400,863                  | 20,330,000        |
| 2047                            | 4.000   | 416,031                 | 416,031               | 2,570,000              | 3,402,063                  | 17,760,000        |
| 2048                            | 4.000   | 364,631                 | 364,631               | 2,670,000              | 3,399,263                  | 15,090,000        |
| 2049                            | 4.125   | 311,231                 | 311,231               | 2,780,000              | 3,402,463                  | 12,310,000        |
| 2050                            | 4.125   | 253,894                 | 253,894               | 2,895,000              | 3,402,788                  | 9,415,000         |
| 2051                            | 4.125   | 194,184                 | 194,184               | 3,015,000              | 3,403,369                  | 6,400,000         |
| 2052                            | 4.125   | 132,000                 | 132,000               | 3,135,000              | 3,399,000                  | 3,265,000         |
| 2053                            | 4.125   | 67,341                  | 67,341                | 3,265,000              | 3,399,681                  | -                 |
|                                 |         | \$ 19,909,181           | \$ 19,909,181         | \$ 55,420,000          | \$ 95,238,363              |                   |

**PORT FREEPORT**

Summary of Annual Cash Requirements on Revenue Debt Outstanding  
September 30, 2025

TABLE 20

| Fiscal Year Ending September 30 | Senior Lien Revenue Refunding Bonds Series 2013A | Senior Lien Revenue 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 | Senior Lien Revenue Bonds, Series 2024 | Total         |                |
|---------------------------------|--|--|---|---|---|--|--|---------------|----------------|
| 2026                            | \$ 2,782,088                                     | \$ 2,441,838                                     | \$ 1,985,950                                    | \$ 2,773,350                            | \$ 1,550,300                            | \$ 1,326,850                           | \$ 1,202,438                           | \$ 14,062,814 |                |
| 2027                            | 2,783,856  | 2,437,338  | 1,990,450                                       | 2,776,100                               | 1,551,300                               | 1,326,850                              | 1,202,438                              | 14,068,332    |                |
| 2028                            | 2,783,160  | 2,440,588  | 1,987,950                                       | 2,776,350                               | 1,550,550                               | 1,326,850                              | 1,202,438                              | 14,067,886    |                |
| 2029                            |  | 2,441,088  | 1,988,700                                       | 2,774,100                               | 1,548,050                               | 2,061,850                              | 2,367,438                              | 13,181,226    |                |
| 2030                            |  | 2,438,838  | 1,987,450                                       | 2,774,350                               | 1,548,800                               | 2,065,100                              | 2,367,538                              | 13,182,076    |                |
| 2031                            |  | 2,440,838  | 1,989,200                                       | 2,776,850                               | 1,547,550                               | 2,061,350                              | 2,368,438                              | 13,184,226    |                |
| 2032                            |  | 2,439,276  | 1,988,700                                       | 2,776,350                               | 1,549,300                               | 2,065,850                              | 2,369,838                              | 13,189,314    |                |
| 2033                            |  | 2,440,650  | 1,985,950                                       | 2,772,850                               | 1,547,000                               | 2,063,100                              | 2,371,438                              | 13,180,988    |                |
| 2034                            |  | 2,438,062  | 1,985,950                                       | 2,776,350                               | 1,548,950                               | 2,123,350                              | 2,367,938                              | 13,240,600    |                |
| 2035                            |  | 2,443,138  | 1,988,450                                       | 2,776,350                               | 1,550,000                               | 2,073,350                              | 2,369,338                              | 13,200,626    |                |
| 2036                            |  | 2,440,450  | 1,988,200                                       | 2,777,550                               | 1,550,150                               | 2,063,350                              | 2,368,138                              | 13,187,838    |                |
| 2037                            |  | 2,438,700  | 1,990,200                                       | 2,776,350                               | 1,549,400                               | 2,061,350                              | 2,369,338                              | 13,185,338    |                |
| 2038                            |  | 2,438,200  | 1,989,200                                       | 2,772,750                               | 1,547,750                               | 2,061,850                              | 2,367,738                              | 13,177,488    |                |
| 2039                            |  | 2,438,700  | 1,990,200                                       | 2,776,750                               | 1,550,200                               | 2,064,600                              | 2,368,338                              | 13,188,788    |                |
| 2040                            |  | 2,434,950  | 1,986,400                                       | 2,772,950                               | 1,551,600                               | 2,064,350                              | 2,370,938                              | 13,181,188    |                |
| 2041                            |  | 2,436,950  | 1,990,600                                       | 2,776,550                               | 1,546,950                               | 2,066,100                              | 2,367,819                              | 13,184,969    |                |
| 2042                            |  | 2,438,976  | 1,987,400                                       | 2,777,150                               | 1,551,400                               | 2,064,600                              | 2,366,400                              | 13,185,926    |                |
| 2043                            |  | 2,441,950  | 1,987,000                                       | 2,774,750                               | 1,549,650                               | 2,063,800                              | 2,366,479                              | 13,182,629    |                |
| 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     |                |
|                                 |  | \$ 8,349,104                                     | \$ 48,791,256                                   | \$ 45,733,150                           | \$ 66,607,900                           | \$ 37,187,050                          | \$ 51,514,100                          | \$ 39,134,460 | \$ 297,317,020 |

**PORT FREEPORT**

Senior Lien Revenue Refunding Bonds, Series 2013A (AMT)  
September 30, 2025

TABLE 21

| Fiscal Year Ending | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|--------------------|--------|-------------------------|---------------------|----------------------|----------------------------|-------------------|
|                    |        |                         |                     |                      |                            | \$ 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                 |
|                    |        | \$ 244,552              | \$ 244,552          | \$ 7,860,000         | \$ 8,349,104               |                   |

**PORT FREEPORT**

Senior Lien Revenue and Refunding Bonds, Series 2015A (AMT)  
September 30, 2025

TABLE 22

| Fiscal Year Ending | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|--------------------|--------|-------------------------|---------------------|----------------------|----------------------------|-------------------|
|                    |        |                         |                     |                      |                            | \$ 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                 |
|                    |        | \$ 8,680,628            | \$ 8,680,628        | \$ 31,430,000        | \$ 48,791,256              |                   |

**PORT FREEPORT**

Senior Lien Revenue Refunding Bonds, Series 2018 (AMT)  
September 30, 2025

TABLE 23

| Fiscal Year<br>Ending<br>September 30 | Coupon | Interest<br>Due<br>December 1 | Interest<br>Due<br>June 1 | Principal<br>Due<br>June 1 | Total<br>Principal &<br>Interest | Principal<br>Balance |
|---------------------------------------|--------|-------------------------------|---------------------------|----------------------------|----------------------------------|----------------------|
|                                       |        |                               |                           |                            |                                  | \$ 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                        |                      |
|                                       |        | \$ 8,494,075                  | \$ 8,494,075              | \$ 28,745,000              | \$ 45,733,150                    |                      |

**PORT FREEPORT**

Senior Lien Revenue Bonds, Series 2019A (AMT)  
September 30, 2025

TABLE 24

| Fiscal Year<br>Ending<br>September 30 | Coupon  | Interest<br>Due<br>1-Dec | Interest<br>Due<br>1-Jun | Principal<br>Due<br>1-Jun | Total<br>Principal &<br>Interest | Principal<br>Balance |
|---------------------------------------|---------|--------------------------|--------------------------|---------------------------|----------------------------------|----------------------|
|                                       |         |                          |                          |                           |                                  | \$ 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                        |                      |
|                                       |         | \$ 13,256,450            | \$ 13,256,450            | \$ 40,095,000             | \$ 66,607,900                    |                      |

**PORT FREEPORT**

Senior Lien Revenue Bonds, Series 2019B (NON-AMT)  
September 30, 2025

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 |
|---------------------------------|---------|--------------------|--------------------|---------------------|----------------------------|-------------------|
|                                 |         |                    |                    |                     |                            | \$ 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                 |
|                                 |         | \$ 5,628,525       | \$ 5,628,525       | \$ 25,930,000       | \$ 37,187,050              |                   |

**PORT FREEPORT**

Senior Lien Revenue Bonds, Series 2021 (AMT)  
September 30, 2025

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     |
| 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                  |                   |
|                                 |         | \$ 10,814,550           | \$ 10,814,550       | \$ 29,885,000        | \$ 51,514,100              |                   |

**PORT FREEPORT**

Senior Lien Revenue Bonds, Series 2024 (AMT)  
September 30, 2025

TABLE 27

| Fiscal Year Ending | Coupon | Interest Due December 1 | Interest Due June 1 | Principal Due June 1 | Total Principal & Interest | Principal Balance |
|--------------------|--------|-------------------------|---------------------|----------------------|----------------------------|-------------------|
|                    |        |                         |                     |                      |                            | \$ 25,655,000     |
| 2026               | - %    | \$ 601,219              | \$ 601,219          | \$ -                 | \$ 1,202,438               | 25,655,000        |
| 2027               | -      | 601,219                 | 601,219             | -                    | 1,202,438                  | 25,655,000        |
| 2028               | -      | 601,219                 | 601,219             | -                    | 1,202,438                  | 25,655,000        |
| 2029               | 6.000  | 601,219                 | 601,219             | 1,165,000            | 2,367,438                  | 24,490,000        |
| 2030               | 6.000  | 566,269                 | 566,269             | 1,235,000            | 2,367,538                  | 23,255,000        |
| 2031               | 6.000  | 529,219                 | 529,219             | 1,310,000            | 2,368,438                  | 21,945,000        |
| 2032               | 6.000  | 489,919                 | 489,919             | 1,390,000            | 2,369,838                  | 20,555,000        |
| 2033               | 6.000  | 448,219                 | 448,219             | 1,475,000            | 2,371,438                  | 19,080,000        |
| 2034               | 6.000  | 403,969                 | 403,969             | 1,560,000            | 2,367,938                  | 17,520,000        |
| 2035               | 4.000  | 357,169                 | 357,169             | 1,655,000            | 2,369,338                  | 15,865,000        |
| 2036               | 4.000  | 324,069                 | 324,069             | 1,720,000            | 2,368,138                  | 14,145,000        |
| 2037               | 4.000  | 289,669                 | 289,669             | 1,790,000            | 2,369,338                  | 12,355,000        |
| 2038               | 4.000  | 253,869                 | 253,869             | 1,860,000            | 2,367,738                  | 10,495,000        |
| 2039               | 4.000  | 216,669                 | 216,669             | 1,935,000            | 2,368,338                  | 8,560,000         |
| 2040               | 4.125  | 177,969                 | 177,969             | 2,015,000            | 2,370,938                  | 6,545,000         |
| 2041               | 4.125  | 136,409                 | 136,409             | 2,095,000            | 2,367,819                  | 4,450,000         |
| 2042               | 4.125  | 93,200                  | 93,200              | 2,180,000            | 2,366,400                  | 2,270,000         |
| 2043               | 4.250  | 48,238                  | 48,238              | 2,270,000            | 2,366,475                  |                   |
|                    |        | \$ 6,739,728            | \$ 6,739,728        | \$ 25,655,000        | \$ 39,134,456              |                   |

**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.....  | 42   |
| Geographical Location.....  | Southwest Coast of Texas on the Gulf of Mexico   |
|   | Approximately 60 miles South of Houston  |
| Port Owned Property.....  | Approximately 900 acres developed  |
|   | Approximately 350 acres environmentally mitigated  |
|   | 1,800 acres identified for industrial development  |
| 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 <sup>th</sup> highest   |
| Port Freeport's Total Foreign Waterborne Tonnage ①.....   | 34.6 million   |
| (public and private facilities)   |  |
| Port Freeport's Container Handling Ranking  |  |
| Among U.S. Ports ②.....   | 26 <sup>th</sup> highest   |
| Total Containers.....   | 96,086 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 ③.....   | 11th highest without exemptions  |
| Brazoria County's Total Population Ranking  |  |
| Among All Texas Counties ③.....   | 14th highest   |
| Brazoria County's Total Area Ranking  |  |
| Among All Texas Counties ③.....   | 27 <sup>th</sup> 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 |

① Source - Port Freeport analysis of U.S. Census Bureau trade data for calendar year 2020.  
 ② Source - Port Freeport analysis of U.S. Census Bureau trade data for calendar year 2020.  
 ③ Source - Texas Demographic Center  
 ④ Source - Brazoria County Appraisal District

## PORT FREEPORT

### History of the Port

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 on the 4th day of December 1925 by an action of the voters who also 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 and to construct a bridge over the Diversion Channel. The Diversion Channel was completed in September 1929, making way for the District to dredge the old River Harbor Channel. On December 14, 1925, the Brazoria County Commissioners signed the order and appointed three commissioners to the Board of Navigation and Canal Commissioners.

In 1940, The Dow Chemical Company purchased a 640-acre tract at the bend of the River Harbor Channel, including three miles of harbor frontage, to construct Dow Plant A, the largest magnesium extraction plant in the world.

During World War II, the Government Defense Corporation constructed an aviation gasoline refinery at Sweeny and marine loading facilities at the Freeport Harbor. These facilities were later sold to Phillips Petroleum, now known as Phillips 66.

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 1960, the size of the elected number of Commissioners was increased from three to six positions by an act of the Texas Legislature.

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, as well as 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

## PORT FREEPORT

### History of the Port

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 1987, BASF Corporation completed a marine unloading facility for the import of ammonia to supply the BASF Freeport manufacturing site.

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 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, a 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.

## PORT FREEPORT

### History of the Port

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.

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.

The Feasibility Phase of the Freeport Harbor Improvement Project was completed and the USACE issued a Chief's Report to the U.S. Congress recommending the deepening of the Freeport Harbor Channel.

## PORT FREEPORT

### History of the Port

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 June of 2015, Hoegh Autoliners joined the Port's family of partners and created the first major import/export 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 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 roll-on/roll-off (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.

In 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 that 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 created 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.

The Port also received approval for 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 Port Houston and Port Freeport.

The State Legislature, in 2017, authorized the extension of the Port's HLC (Heavy-Lift Truck Corridor) by adding a 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 21,000 feet of lead and storage track 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 plastic 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 U.S. Ports for Exports by Forbes Magazine.

In 2018, the Port continued with its growth and expansion plans. New service lines were added with Sallaum Lines as well as Hoegh Autoliners offering 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 to the Freeport Harbor Channel Improvement Project. The total project is estimated to be \$ 295 million.

2019 delivered continued growth to Port Freeport. The Brazos Pilots Association reported 1,034 total deep

## PORT FREEPORT

### History of the Port

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 a railroad track on the Port's 262-acre Parcel 14 was completed.

2020 was a year of great change. In February 2020, the USACE 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 in June 2020. In September 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 automobile 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 to 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, adding one unit train of limestone a week to rail traffic.

In December of 2021, Port Freeport achieved another major milestone with the arrival of the M/V ZHONG GU FU a Transfar Shipping PTE. LTD., arriving from Singapore, making it the first direct all-water sailing from Asia to Port Freeport.

In 2021, Port Freeport received \$24.9 million in federal funding for the Freeport Harbor Channel Improvement Project (FHCIP). The first two phases of the project were completed by April 2022, and Port Freeport received \$163.816 million in additional federal funding in 2022 for the FHCIP making it fully funded.

In 2022 NYK Line, the largest Ro/Ro carrier in the world joined the Port Freeport family of carriers with the arrival of the M/V Opal Leader. The new monthly service will call Mexico, Panama, Colombia, and Brazil. A multi-year agreement was signed with Volkswagen Group of America to construct a 120-acre facility along SH 36 west to handle the import of 140,000 new cars and trucks to Port Freeport.

The \$ 9.5 million expansion of Port Freeport's rail terminal on the Parcel 14 multimodal site was completed in 2022. This 2<sup>nd</sup> phase of the rail terminal expansion added 4 ladder tracks to the existing 3 providing Port Freeport over 7 miles of total track.

2023 brought with it a great deal of growth in several areas. First, TxDOT is widening both SH36 and FM523/1495 which are our 2 main entrances.

Port Freeport's new Berth 8 was completed in May 2023. Berth 8 added 927 liner feet of dock plus an 85-foot Ro/Ro platform to provide Port Freeport over 1,800 linear feet of dock at Velasco Container Terminal. The new berth was designed to accommodate the largest ship-to-shore gantry cranes available today.

In 2023, the Port entered a long-term agreement with Del Monte Fresh Produce to provide a weekly container service at Port Freeport's Velasco Terminal in 2024. This solidifies Port Freeport's position as a leading Port for the import of green fruit and the only Port to have the top three fruit importers (Dole, Chiquita and Del Monte) in the United States of America.

On September 14, 2023 the Port Commission adopted a Maintenance and Operations Tax rate of \$0 marking the largest tax cut in the port's history.

## PORT FREEPORT

### History of the Port

<sup>®</sup>Historical data is summarized from the previous research of Glenn Heath and Nat Hickey

In March 2024, Port Freeport saw the arrival of MV WOLFSBURG, an LNG powered Ro/Ro vessel, named for the birthplace of Volkswagen, deliver the first import shipment of finished vehicles for Volkswagen Group of America to the port.

In June 2024, Port Freeport saw the first ship for Del Monte Fresh Produce deliver refrigerated containers to the port marking the commencement of Del Monte's operations at Port Freeport and also making Port Freeport the only port in the United States to have weekly vessel calls from the 3 largest fruit importers, namely Dole, Chiquita and Del Monte.

On September 12, 2024 the Port Commission adopted a total tax rate of \$0. This was enabled by designating port operating funds to the voter approved debt payments associated with the Freeport Harbor Channel project.

The Hoegh Aurora, the world's largest and most environmentally friendly auto carrier, made its inaugural visit to the port on March 4, 2025, highlighting a shared commitment to sustainability.

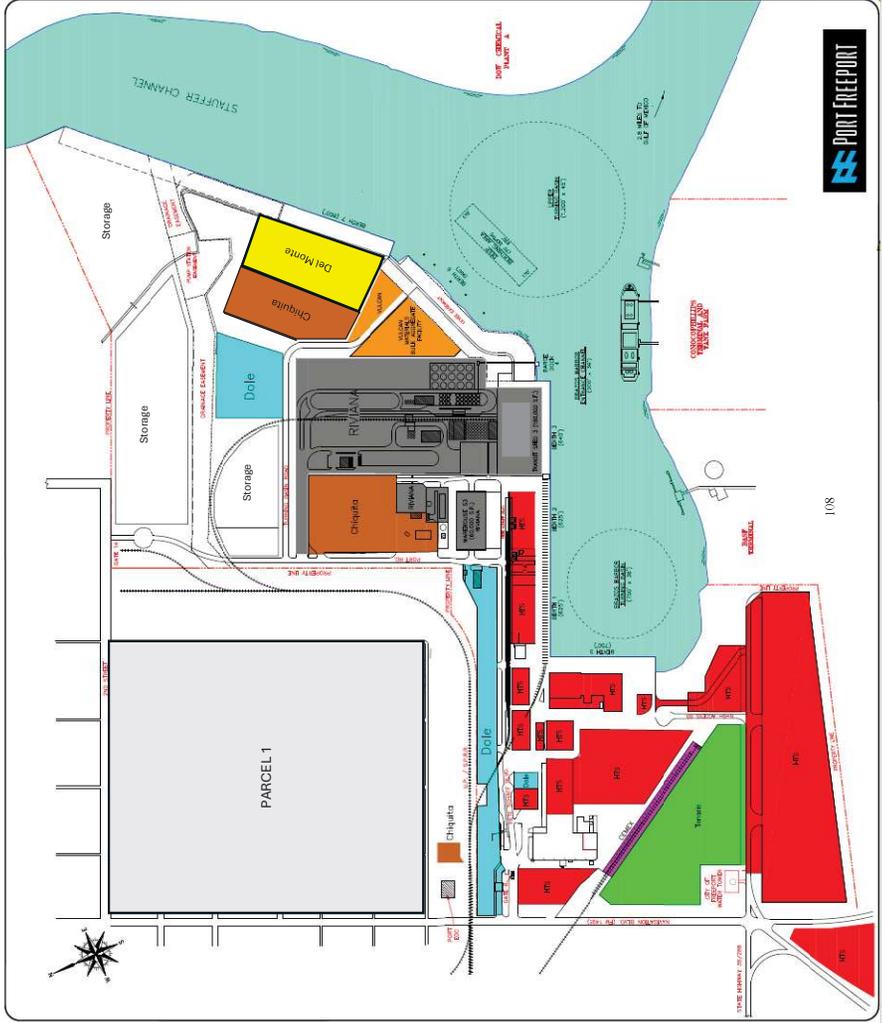
In May 2025, Freeport Warehouse LLC opened a new 80,000 square foot chilled cross dock facility to support the transloading of refrigerated cargo at Port Freeport.

The port held a ribbon cutting ceremony for Gate 12 on August 14, 2025. The new gate will serve the Velasco Terminal providing more efficient movement of cargo to and from the port.

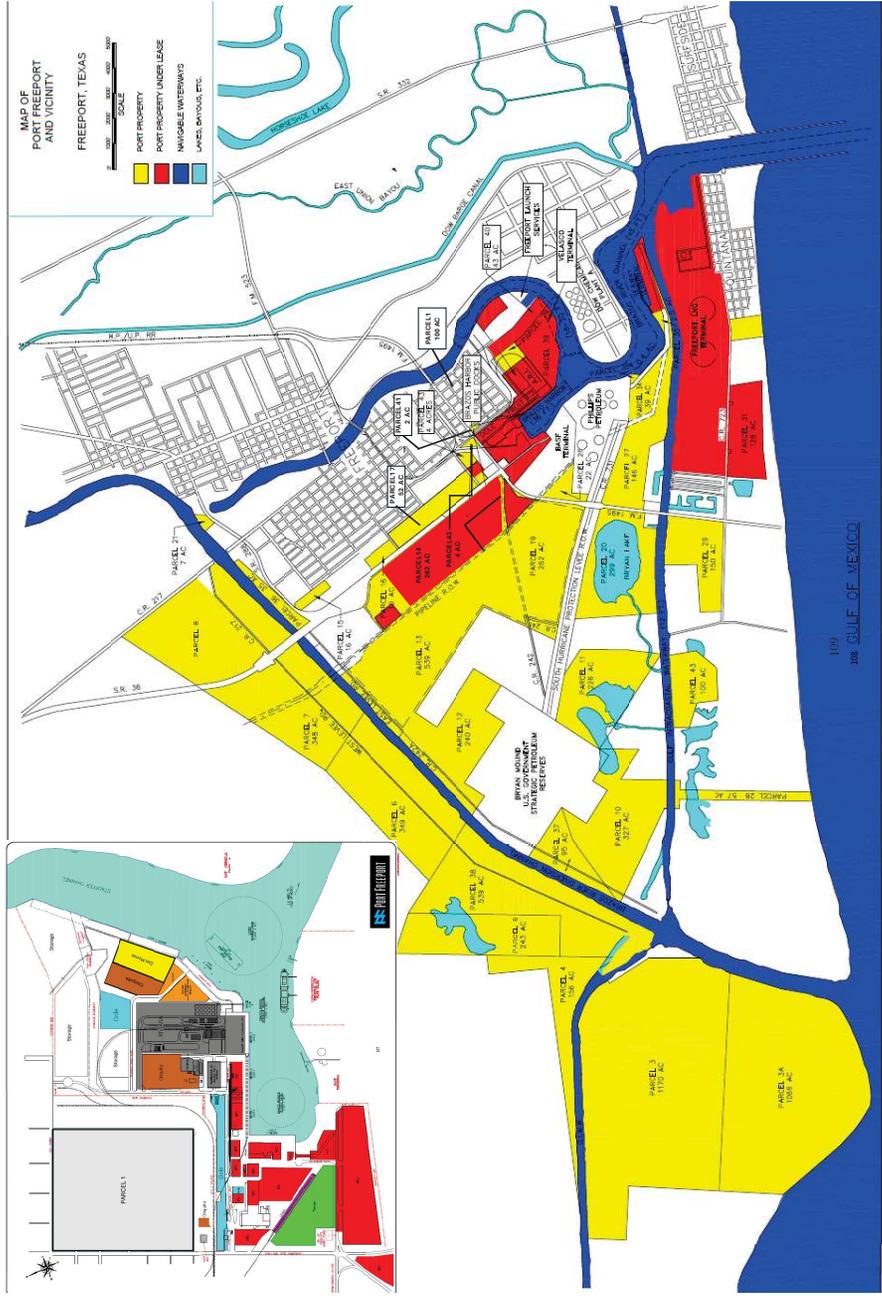
On September 22, 2025, the port welcomed the delivery of two new Super Post-Panamax Ship-to-Shore gantry cranes. The cranes are in excess of 300 feet tall with the ability to reach across 22 containers wide and will serve Berths 7 & 8 along with the two existing cranes.

Significant progress continued on the Freeport Harbor Channel Project with substantial completion on track for December 2025.

Port Freeport's 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.



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GULF OF MEXICO



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 Commissioners  
Port Freeport  
Freeport, Texas 77541

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, 2025 and 2024, 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 11, 2026.

**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 or significant deficiencies may exist that were not 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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**Bay City**  
2245 Avenue G  
Bay City, TX 77414  
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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 11, 2026



Independent Auditor's Report  
On Compliance for Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

To the Port Commissioners  
Port Freeport  
Freeport, Texas 77541

**Report on Compliance for Each Major Federal Program**

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

We have audited Port Freeport's (the "Port") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Port's major federal programs for the year ended September 30, 2025. The Port's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Port complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Port's

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compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Port's compliance with the requirements of each major federal program as a whole.

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

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

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

#### **Report on Internal Control over Compliance**

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

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

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

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

***KM&L, LLC***

Lake Jackson, Texas  
February 11, 2026

**PORT FREEPORT**  
*Schedule of Findings and Questioned Costs*  
*For the Year Ended September 30, 2024*

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control findings, required to be reported in this schedule, were disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None
4. No internal control findings, required to be reported in this schedule, were disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings, which are required to be reported in accordance with 2 CFR 200.516(a): No.
7. Major programs include:
  - Texas Department of Transportation Rider 37 Grant
  - Texas Department of Transportation Area 5 Storage Area Project
5. Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.
6. Low risk auditee: Yes.

II. Findings related to the financial statements

The audit disclosed no findings required to be reported.

III. Findings and questioned costs related to the federal awards

The audit disclosed no findings required to be reported.



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**PORT FREEPORT**

Schedule of Status of Prior Findings  
Year Ended September 30, 2025

In accordance with Texas Grant Management Standards 315(b), the auditee is responsible for follow-up and corrective action on all audit findings. The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs.
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

The schedule of status of prior audit findings is as follows:

None.

PORT COMMISSION

ROB GIESECKE, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; KIM KINCANNON, SECRETARY; DAN CROFT, ASST. SECRETARY;  
BARBARA FRATILA, COMMISSIONER; RAVI K. SINGHANIA, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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Corrective Action Plan  
 Year Ended September 30, 2025

In accordance with the Texas Grant Management Standards 315(b), the auditee must prepare, in a document separate from the auditor's findings described in 510(c) Audit Findings, a corrective action plan must be presented to address each finding included in the current year auditor's reports. The corrective action plan is as follows:

None.

**PORT FREEPORT**

Schedule of Expenditures of State Awards  
 Year Ended September 30, 2025

| <u>State of Texas Grantor/Pass-Through<br/>Grantor/Program Title</u>              | <u>Assistance<br/>Listing<br/>Number</u> | <u>Pass Through<br/>Entity<br/>Identifying<br/>Number</u> | <u>Expenditures<br/>Indirect Costs<br/>or Award<br/>Amount</u> |
|---|--|---|--|
| Texas Department of Transportation:   |  |   |  |
| Rider 37 Grant  |  |   | \$ 5,435,137   |
| Seaport Connectivity Grant – SPC 88<br>East 5 <sup>th</sup> Street Reconstruction |  |   | 373,487  |
| Port Capital Plan Grant – MIP 88<br>Area 5 Storage Area Project                   |  |   | <u>8,375,434</u>   |
| TOTAL TEXAS DEPARTMENT OF TRANSPORTATION  |  |   | <u>14,184,058</u>  |
| TOTAL STATE ASSISTANCE  |  |   | <u>\$ 14,184,058</u>   |

PORT COMMISSION

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 BARBARA FRATILA, COMMISSIONER; RAVI K. SINGHANIA, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

See notes to supplement Schedule of Expenditures of Federal Awards.

## PORT FREEPORT

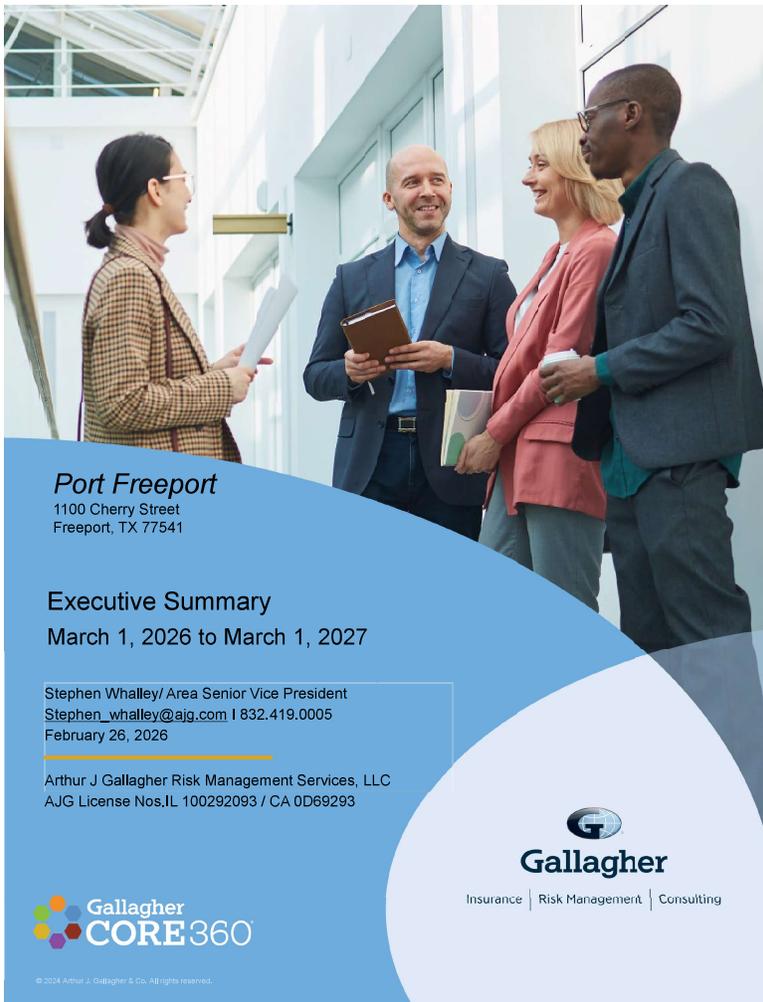
Notes on Accounting Policies for State Awards  
Year Ended September 30, 2025

1. The Port is reported as a single enterprise fund and accordingly follows all the requirements set forth in enterprise fund accounting and reporting, including the accrual basis of accounting and application of all GASB pronouncements as well as the Financial Accounting Standards Board ("FASB") pronouncements issued on or before November 30, 1989, unless those pronouncement conflict with or contradict GASB pronouncements. Federal and state financial assistance for the benefiting enterprise operations is accounted for in the single Enterprise Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
2. The Enterprise Fund Type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (net total assets) is segregated into net investment in capital assets, and restricted or unrestricted net position. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Federal grant funds were accounted for in the Enterprise Fund.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. Indirect Cost Rate - The Port did not elect to use the 10 percent de minimis indirect cost rate as covered in 2.CFR.200.414 and TxGMS. Uniform guidance 200.510(6) requires the Port to disclose whether or not it elected to use the 10 percent de minimis cost rate that 200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.
4. The Port did not meet the threshold for major program compliance auditing per requirements of Title 2 U.S.: *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance), and therefore no federal program award schedules are presented in this audit report.





## Port Freeport

1100 Cherry Street  
Freeport, TX 77541

### Executive Summary

March 1, 2026 to March 1, 2027

Stephen Whalley/ Area Senior Vice President  
Stephen\_whalley@ajg.com | 832.419.0005  
February 26, 2026

Arthur J Gallagher Risk Management Services, LLC  
AJG License Nos. IL 100292093 / CA 0D69293



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Insurance | Risk Management | Consulting

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- Overview
- CORE360® Stewardship Scorecard
- Insurance Premiums
- Long Term Agreement option
- Port Freeport comparison with peers
- Thank You for Your Business



# 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  |
|----------------------------------|--|--|---|
| <b>Primary Service Team</b>      |  |  |   |
| Stephen Whalley                  | 713.358.5744 office<br>832.419.0005 mobile | <a href="mailto:stephen_whalley@ajg.com">stephen_whalley@ajg.com</a>     | Area Senior Vice President                    |
| James Richardson, BA, ACIL       | 44 (0) 7887 775 427 cell                   | <a href="mailto:James_Richardson1@ajg.com">James_Richardson1@ajg.com</a> | London Executive Director – Ports & Terminals |
| Peter Blyth                      | 44 (0) 7729 071040 cell                    | <a href="mailto:Peter_Blyth@ajg.com">Peter_Blyth@ajg.com</a>             | Divisional Director – Ports & Terminals       |
| Leanne Serna                     | 713.722.1651 office<br>931.378.2233 mobile | <a href="mailto:leanette_serna@ajg.com">leanette_serna@ajg.com</a>       | Senior Client Manager                         |
| <b>Claims &amp; Loss Control</b> |  |  |   |
| Calvin Carroll                   | 972.663.6180 office                        | <a href="mailto:calvin_carroll@ajg.com">calvin_carroll@ajg.com</a>       | Claims Advocate Senior                        |
| Patrick Mikel                    | 972.663.6118 office                        | <a href="mailto:patrick_mikel@ajg.com">patrick_mikel@ajg.com</a>         | Property Claim Specialist                     |
| Troy Guidry                      | 281.655.6770 mobile                        | <a href="mailto:troy_guidry@ajg.com">troy_guidry@ajg.com</a>             | Loss Control Specialist                       |
| Ed Zabinski                      | 630.694.5486 mobile                        | <a href="mailto:ed_zabinski@ajg.com">ed_zabinski@ajg.com</a>             | Loss Control Managing Director                |

Port Freeport

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## Overview

Thank you for the opportunity to present this Executive Summary. The purpose of the report and this meeting is to lay out the results of the strategic review and the implementation for your upcoming Property, Third Party Liability, Auto Liability, D&O, Hull & Machinery, Protection & Indemnity, Maritime Employers Liability, Vessel Pollution, Boiler & Machinery, and Terrorism renewals. The intent of our CORE360® approach is to help you optimize your total cost of risk, thereby improving your profitability.

The report summarizes the key accomplishments from your last renewal (current program), our past results and any changes to your organization or risk appetite. It also challenges our past work and suggests future improvements.

We highlight each CORE360 cost driver, beginning with Insurance Premiums and ending with Contractual Liability. This will not only organize the document, but also ensure we are deliberate in driving value to each of your six cost drivers which represent your total cost of risk.



Port Freeport

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## CORE360® Stewardship Scorecard

Your CORE360 Stewardship Scorecard has been developed for you to get a quick snapshot of how we have impacted your total cost of risk over time, by monetizing the cost of risk changes by cost driver.



2025 What happened? ..... Total Program Cost for Property, Boiler & Machinery etc.

- \$2,397,594 (before mid term liability inclusion)

- The key metrics behind the Property increase are exposure and rate:

- Exposures increased 31.08% from \$355.3M to \$465.7M total insurable values; \$110M associated with "Berth 8."

- **Rate decreased 10.64%** from \$0.58 to \$0.51 per 100. Rate decrease achieved despite market in 2025 continuing to push rate increases of circa +5-10%

Mid-term Gallagher managed to roll in the Liability Insurances into the main property program achieving premium savings

Much of the success Gallagher managed to negotiate in 2025 came off the back of the 2023 "tour" Gallagher and Underwriters did. April 28, 2023 - Gallaher UK – Ports & Terminal & 11 London underwriters toured Port Freeport facility including Berth 8:

QBE (Lead Underwriter), Liberty, Markel, NAVIUM, Beazley, Munich RE, Indigo, AIG, TT Club, Axis, and Allianz

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## CORE360® Stewardship Scorecard



2026 Gallagher negotiated an overall reduction of **\$127,450** across all lines of business.

- ✓ Markets accepted increased exposures - \$493.5M Total Insurable Values

- ✓ Rate was is \$0.51 per \$100.

- The key metrics behind this renewal:

- ✓ Property Exposures increasing by 5.9% (much as a result of the 2 new ZPMC cranes) from \$465.7M to \$493.6M total insurable values. Revenues increased 37% from \$45.9M to \$62.9M

- ✓ Rate decrease offered of **5.63%** for the Property.

- ✓ Rate decrease offered of **37%** for the Liability

- Additional benefits

- ✓ Current property program has an uncapped "Named Storm" deductible of 1.5% which equates to \$6,931,323 (excluding business interruption). Business Interruption has a 21 day waiting period which multiplied by the daily indemnity is valued at circa \$3.57M. Giving a total deductible in respect of NWS of \$10.5M

- ✓ New terms quoted above have now included a maximum NWS deductible of \$5M (this covers both Property and BI). Therefore, renewal terms have reduced the exposed deductible by **52%**

- Continuity Credit valued at 10% is still included

Insurers are willing to offer Port Freeport the opportunity to have a "Long Term Deal" which would be for either 24 months or 36 months. Additional savings would be on offer for such a commitment from Port Freeport.

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## **A recap of what has been achieved:**

We have removed the separate BI day deductible.

### **Why is this important?**

For a Named Windstorm event, the BI deductible is now included into the Physical damage deductible

### **The NWS physical damage deductible has now been capped at \$5,000,000**

Rate reductions have been given on all options

The prior CC/Credit balance clause has been changed. It is now simplified to a Continuity Credit

### **Secured a Long Term Agreement (LTA) option for a two year policy period**

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## **Two Year Long Term Agreement**

- In the event the SOV increases between 5-10% by 2027 the guaranteed rate decrease of 2.50% doubles.
- The way we have addressed the Third Party Liability section in the Primary package is that the premium renews each year at \$50k.
- It will only increase in the event at one of the future years the revenues are more than 20% greater than those estimated in 2026. Any adjustment will only apply on the revenues excess of the 20%

All rates in the above spreadsheet calculated premiums are post the upfront CC.

Recommended:

**24 month policy period Year 1 Premium:  
\$2,327,714.30 in full**

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## How does Port Freeport compare?



| Port                 | State        | TIV Category                  | TIV Category Rating | Rate on Total Insured Values |
|----------------------|--------------|-------------------------------|---------------------|------------------------------|
| <b>Port Freeport</b> | <b>Texas</b> | 250,000,001 - 500,000,000     | 3                   | <b>0.51</b>                  |
| Port A               | Louisiana    | 500,000,001 - 1,000,000,000   | 4                   | 0.66                         |
| Port B               | Florida      | 50,000,001 - 250,000,000      | 2                   | 3.76                         |
| Port C               | Louisiana    | 1,000,000,001 - 2,000,000,000 | 5                   | 0.47                         |
| Port D               | Louisiana    | < 50,000,000                  | 1                   | 1.20                         |
| Port E               | Louisiana    | 250,000,001 - 500,000,000     | 3                   | 1.31                         |
| Port F               | Louisiana    | 500,000,001 - 1,000,000,000   | 4                   | 1.59                         |
| Port G               | Florida      | 500,000,001 - 1,000,000,000   | 4                   | 0.44                         |
| Port H               | Louisiana    | 50,000,001 - 250,000,000      | 2                   | 0.78                         |
| Port I               | Florida      | < 50,000,000                  | 1                   | 3.65                         |
| Port J               | Texas        | 50,000,001 - 250,000,000      | 2                   | 1.62                         |
| Port K               | Florida      | 50,000,001 - 250,000,000      | 2                   | 1.31                         |
| Port M               | Florida      | 1,000,000,001 - 2,000,000,000 | 5                   | 0.25                         |
| Port N               | Texas        | 50,000,001 - 250,000,000      | 2                   | 1.41                         |
| Port O               | Texas        | < 50,000,000                  | 1                   | 1.69                         |

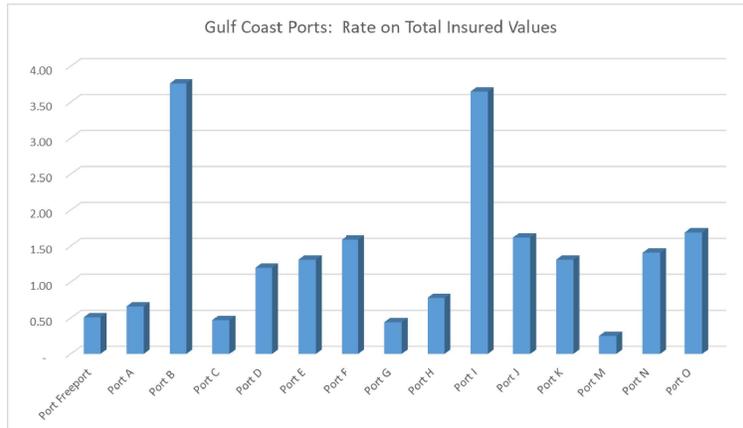
Compared with similar Gallagher ports on the gulf coast, the “Rate on Total Insured Value” (premium divided by total insurable values), Port Freeport continues to be one of the most competitive at \$0.51 rate

Port Freeport

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## Insurance Premiums & Peers



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| Port Freeport - Two year LTA Premium                         |                       |                       |                    |   |
|--|-----------------------|-----------------------|--------------------|---|
| London Package (Property & Business Interruption)            | 2025 Post CC          | 2026 Post CC          | 2027 Post CC       | Comment   |
| Premium (Property/BI & Primary \$5M)                         | \$2,174,569           | \$2,049,943           | \$1,998,694        |   |
| \$5M Primary Liability                                       | \$50,000              | \$50,000              | \$50,000           | 5% discount for two year                                |
| Taxes & Fees   | \$107,098             | \$102,687             | \$100,181          |   |
| Property Values including Piers, Wharves and BI              | \$465,799,337         | \$493,572,000         | \$542,929,200      | 2.50% rate reduction 2027 with upto 10% increase in SOV |
| Policy Limit - Section 1, 2, & 3                             | \$50,000,000          | \$50,000,000          | \$50,000,000       |   |
| Policy Limit - Section 4                                     | \$5,000,000           | \$5,000,000           | \$5,000,000        |   |
| Policy Limit - Section 5                                     | \$4,000,000           | \$4,000,000           | \$4,000,000        |   |
| Upfront Continuity Credit - 10%                              | Yes                   | Yes                   | Yes                |   |
| Rate per Hundred   | \$0.47                | \$0.42                | \$0.37             |   |
| All Other Peril Deductible                                   | \$100,000             | \$100,000             | \$100,000          |   |
| Business Interruption - Waiting Period                       | 10 days               | 10 days               | 10 days            |   |
| Named Storm Deductible - Waiting Period                      | 21 days               | N/A                   | N/A                |   |
| Named Storm Deductible - Percentage                          | 1.50%                 | 1.50%                 | 1.50%              |   |
| Named Storm Deductible - Maximum                             | \$5,000,000           | \$5,000,000           | \$5,000,000        |   |
| <b>\$20M Excess Bumbershoot</b>                              | <b>2025</b>           | <b>2026</b>           | <b>2027</b>        |   |
| Premium  | \$37,448.63           | \$40,000.00           | \$40,000.00        |   |
| Taxes and Fees   | \$1,844.35            | \$1,970.00            | \$1,970.00         |   |
| Limit  | \$20,000,000.00       | \$20,000,000.00       | \$20,000,000.00    |   |
| Deductible SIR   | \$10,000.00           | \$10,000.00           | \$10,000.00        |   |
| Subtotal Premium and tax                                     | <b>\$2,370,959</b>    | <b>\$2,244,600</b>    | <b>\$2,190,845</b> |   |
| <b>Annual Premium/Policies</b>                               | <b>Annual</b>         | <b>Annual</b>         |                    |   |
| <b>Boiler and Machinery</b>                                  | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$1,948               | \$6,413               |                    |   |
| Total Insurable Value  | \$182,295,347         | \$165,091,111         |                    |   |
| Policy Limit   | \$10,000,000          | \$10,000,000          |                    |   |
| Rate per Thousand  | \$0.00                | \$0.00                |                    |   |
| <b>Stand Alone Terrorism</b>                                 | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$17,400              | \$10,000              |                    |   |
| Taxes and Fees   | \$657                 | \$467                 |                    |   |
| Declared Values  | \$465,799,334         | \$493,572,000         |                    |   |
| Limit  | \$50,000,000          | \$50,000,000          |                    |   |
| Rate per Million   | \$3.68                | \$2.00                |                    |   |
| <b>Visual Pollution</b>                                      | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$600.00              | \$600.00              |                    |   |
| Taxes and Fees   | \$0.00                | \$0.00                |                    |   |
| Limit  | Per Visual            | Per Visual            |                    |   |
| <b>Auto</b>  | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$48,774.00           | \$51,941.00           |                    |   |
| Taxes and Fees   | \$0.00                | \$0.00                |                    |   |
| Recomp Fee   | \$1,000.00            | \$1,160.00            |                    |   |
| Vehicles   | 22                    | 22                    |                    |   |
| Liability Rate   | \$1,044.14            | \$1,028.16            |                    |   |
| PD Rate  | \$526.18              | \$597.00              |                    |   |
| Limit  | \$1M CS/100 Per Sched | \$1M CS/100 Per Sched |                    |   |
| <b>Boiler &amp; Machinery and Protection &amp; Indemnity</b> | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$4,350.00            | \$4,350.00            |                    |   |
| Taxes and Fees   | \$0.00                | \$0.00                |                    |   |
| \$M Limit  | \$125,000.00          | \$125,000.00          |                    |   |
| PL Limit   | \$1,000,000.00        | \$1,000,000.00        |                    |   |
| <b>Maritime Employers Liability</b>                          | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$1,150.00            | \$1,150.00            |                    |   |
| Taxes and Fees   | \$0.00                | \$0.00                |                    |   |
| Limit  | \$1,000,000.00        | \$1,000,000.00        |                    |   |
| <b>Warehouses &amp; Offices</b>                              | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$76,631.00           | \$76,630.00           |                    |   |
| Taxes and Fees   | \$1,302.26            | \$1,314.43            |                    |   |
| Limit  | \$5,000,000.00        | \$5,000,000.00        |                    |   |
| <b>D&amp;O \$5M vs \$1M</b>                                  | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$22,528.00           | \$22,848.00           |                    |   |
| Taxes and Fees   | \$0.00                | \$0.00                |                    |   |
| Limit  | \$5,000,000.00        | \$5,000,000.00        |                    |   |
| <b>D&amp;O \$5M vs \$10M</b>                                 | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$15,771.00           | \$15,994.00           |                    |   |
| Taxes and Fees   | \$0.00                | \$0.00                |                    |   |
| Limit  | \$5,000,000.00        | \$5,000,000.00        |                    |   |
| <b>Director's</b>  | <b>2025</b>           | <b>2026</b>           |                    |   |
| Premium  | \$1,776.00            | \$1,776.00            |                    |   |
| Taxes and Fees   | \$0.00                | \$0.00                |                    |   |
| Limit  | \$1,000,000.00        | \$1,000,000.00        |                    |   |
| <b>Sub Total Annual policies including Tax/Fees</b>          | <b>\$232,492.21</b>   | <b>\$242,294.43</b>   |                    |   |

| Port Freeport - Two year LTA Premium              |                    |                    |                    |   |
|---|--------------------|--------------------|--------------------|---|
| London Package (Property & Business Interruption) | 2025 Post CC       | 2026 Post CC       | 2027 Post CC       | Comment   |
| Premium (Property/BI & Primary \$5M)              | \$2,174,569        | \$2,049,943        | \$1,998,694        | 5% discount for two year                                |
| \$5M Primary Liability                            | \$50,000           | \$50,000           | \$50,000           |   |
| Taxes & Fees                                      | \$107,098          | \$102,687          | \$100,181          |   |
| Property Values including Piers, Wharves and BI   | \$465,799,337      | \$493,572,000      | \$542,929,200      | 2.50% rate reduction 2027 with upto 10% increase in SOV |
| Policy Limit - Section 1, 2, & 3                  | \$50,000,000       | \$50,000,000       | \$50,000,000       |   |
| Policy Limit - Section 4                          | \$5,000,000        | \$5,000,000        | \$5,000,000        |   |
| Policy Limit - Section 5                          | \$4,000,000        | \$4,000,000        | \$4,000,000        |   |
| Upfront Continuity Credit - 10%                   | Yes                | Yes                | Yes                |   |
| Rate per Hundred                                  | \$0.47             | \$0.42             | \$0.37             |   |
| All Other Peril Deductible                        | \$100,000          | \$100,000          | \$100,000          |   |
| Business Interruption - Waiting Period            | 10 days            | 10 days            | 10 days            |   |
| Named Storm Deductible - Waiting Period           | 21 days            | N/A                | N/A                |   |
| Named Storm Deductible - Percentage               | 1.50%              | 1.50%              | 1.50%              |   |
| Named Storm Deductible - Maximum                  | \$5,000,000        | \$5,000,000        | \$5,000,000        |   |
| <b>\$20M Excess Bumbershoot</b>                   | <b>2025</b>        | <b>2026</b>        | <b>2027</b>        |   |
| Premium   | \$37,448.63        | \$40,000.00        | \$40,000.00        |   |
| Taxes and Fees                                    | \$1,844.35         | \$1,970.00         | \$1,970.00         |   |
| Limit   | \$20,000,000.00    | \$20,000,000.00    | \$20,000,000.00    |   |
| Deductible SIR                                    | \$10,000.00        | \$10,000.00        | \$10,000.00        |   |
| Subtotal Premium and tax                          | <b>\$2,370,959</b> | <b>\$2,244,600</b> | <b>\$2,190,845</b> |   |

| Port Freeport  |                       |                       |  |
|--|-----------------------|-----------------------|--|
| Domestic Policies - Annual Renewal                         |                       |                       |  |
| Annual Premium/Policies                                    | Annual                | Annual                |  |
| <b>Boiler and Machinery</b>                                | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$9,343               | \$8,452               |  |
| Total Insurable Values                                     | \$182,299,347         | \$165,099,111         |  |
| Policy Limit   | \$150,000,000         | \$150,000,000         |  |
| Rate per Thousand  | \$0.05                | \$0.05                |  |
| <b>Stand Alone Terrorism</b>                               | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$17,400              | \$10,000              |  |
| Taxes and Fees   | \$857                 | \$489                 |  |
| Declared Values  | \$465,799,334         | \$493,572,200         |  |
| Limit  | \$50,000,000          | \$50,000,000          |  |
| Rate per Million   | \$340                 | \$300                 |  |
| <b>Vessel Pollution</b>                                    | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$600.00              | \$600.00              |  |
| Taxes and Fees   | \$0.00                | \$0.00                |  |
| Limit  | Per Vessel            | Per Vessel            |  |
| <b>Auto</b>  | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$48,774.00           | \$51,941.00           |  |
| Taxes and Fees   | \$0.00                | \$0.00                |  |
| Riscom Fee   | \$1,000.00            | \$2,160.00            |  |
| Vehicles   | 22                    | 22                    |  |
| Liability Rate   | \$1,949.14            | \$2,028.36            |  |
| PD Rate  | \$526.18              | \$597.00              |  |
| Limit  | \$1M CSL/PD Per Sched | \$1M CSL/PD Per Sched |  |
| <b>Hull &amp; Machinery and Protection &amp; Indemnity</b> | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$4,350.00            | \$4,350.00            |  |
| Taxes and Fees   | \$0.00                | \$0.00                |  |
| H&M Limit  | \$123,000.00          | \$123,000.00          |  |
| P&I Limit  | \$1,000,000.00        | \$1,000,000.00        |  |
| <b>Maritime Employers Liability</b>                        | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$3,150.00            | \$3,150.00            |  |
| Taxes and Fees   | \$0.00                | \$0.00                |  |
| Limit  | \$1,000,000.00        | \$1,000,000.00        |  |
| <b>Directors &amp; Officers</b>                            | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$26,631.00           | \$26,880.00           |  |
| Taxes and Fees   | \$1,302.26            | \$1,314.43            |  |
| Limit  | \$5,000,000.00        | \$5,000,000.00        |  |
| <b>D&amp;O SSM vs SSM</b>                                  | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$22,528.00           | \$22,848.00           |  |
| Taxes and Fees   | \$0.00                | \$0.00                |  |
| Limit  | \$5,000,000.00        | \$5,000,000.00        |  |
| <b>D&amp;O SSM vs S10M</b>                                 | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$15,771.00           | \$15,994.00           |  |
| Taxes and Fees   | \$0.00                | \$0.00                |  |
| Limit  | \$5,000,000.00        | \$5,000,000.00        |  |
| <b>Fiduciary</b>   | <b>2025</b>           | <b>2026</b>           |  |
| Premium  | \$1,776.00            | \$1,776.00            |  |
| Taxes and Fees   | \$0.00                | \$0.00                |  |
| Limit  | \$1,000,000.00        | \$1,000,000.00        |  |
| <b>Sub total Annual policies including tax /fees</b>       | <b>\$152,482.21</b>   | <b>\$147,794.43</b>   |  |

| Port Freeport - Two year LTA Premium          |                    |                    |                    |         |
|---|--------------------|--------------------|--------------------|---------|
|   | 2025 Post CC       | 2026 Post CC       | 2027 Post CC       | Comment |
| Sub total Premium and tax - London Package    | \$2,370,959        | \$2,244,600        | \$2,190,845        |         |
| Sub total Premium and tax - Domestic Policies | \$152,482.21       | \$147,794          |                    |         |
| <b>Total Premium Approval</b>                 | <b>\$2,523,442</b> | <b>\$2,392,394</b> | <b>\$2,190,845</b> |         |

## LTA Highlights

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Underwriters agree that this (re)insurance is for a period of 24 months effective from 12.01 a.m. 1st March 2026 and will continue to remain in force until 12.01 a.m. 1st March 2028 subject to an annual re-referencing at 1st January 2027.

Underwriters agree to continue this Insurance subject to the following premiums/rates:

**Sections 1, 2 and 3:** 1st Policy Period 1st March 2026 – 1st March 2027 As per policy \$2,277,714.30 in full. (Equivalent rate on declared Total Insured Values: 0.4615%)

1. 2nd Policy Period 1st March 2027 – 1st March 2028 In the event Total Insured Values declared 1st March 2027 exceed those declared 1st March 2026 by more than 5% up to and including 10% Underwriters agree Premium is to be calculated at a policy rate of 0.439%. (2.5% rate reduction)

Premium to be calculated at a policy rate of 0.45% based on Total Insured Values declared as at 1st March 2027 for the period 1st March 2027 – 1st March 2028 on the basis Total Insured Values declared 1st March 2027 remain within 5% of those declared 1st March 2026.

**Sections 4 and 5** 1st Policy Period 1st March 2026 – 1st March 2027 \$50,000 in full. 2nd Policy Period 1st March 2026 – 1st March 2027 \$50,000 in full. In the event revenues exceed 120% of the 2026 projected revenues (\$62,976,899) a rate of 0.079% shall apply to the revenues exceeding the Margin

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## Factors affecting the LTA

The above agreement by Underwriters for the 2nd policy period will only be subject to review if any of the following circumstances occur;

- The Incurred Net Loss Ratio exceeds: 50% for the period 1st March 2026 – 1st March 2027

The “Incurred Net Loss Ratio” shall mean the net claim payments made and/or outstanding, being gross claims less any applicable deductible, divided by the net premium (excluding any tax applicable to the premium), over the period of insurance multiplied by one hundred.  
and/or

There is a material change in the Assured's operations or exposure.

In respect of Sections 1, 2 and 3 a material change in exposure includes if there is a reduction in declared Total Insured Values greater than 5% against those values declared at inception 1st March 2026, or an increase in declared Total Insured Values greater than 10% against those values declared at inception 1st March 2026.  
and/or

Continued.....

Port Freeport

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## Factors affecting the LTA continued:

There is a material change to the availability of reinsurance required by Underwriters hereon for the purpose of entering into this contract of insurance.

If any of the above occur, underwriters have the option to amend the terms, conditions and/or premium for the applicable "Group". If the terms are not acceptable to the Insured, the Insured has the option not to take up the offer and coverage will expire 1st March 2027.

For the purposes of this clause "Group 1" shall be deemed as Sections 1, 2 and 3 and "Group 2" shall be deemed as Sections 4 and 5 with both "Groups" being treated in isolation.

In the event of cancellation of this Insurance by reason of the operation of this clause, a net return of any premium paid to the Underwriters in respect of the period subsequent to such cancellation shall be payable to the Assured.

## 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.

Stephen R. Whalley ACII  
Area senior Vice President  
Gallagher.



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## MEMORANDUM

**TO:** Commissioners  
Directors  
Legal Counsel

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

**DATE:** February 11, 2026

**SUBJECT:** **New Fenders Dock 1,2, and 3**

---

Bids were opened for the New Fenders on Docks 1,2, and 3 project 25-04 on February 10, at 2:00 P.M. This project has a budget of \$5,000,000.

Five contractors submitted a bid as shown in the attached bid tabulation sheet.

The contractor that submitted the lowest bid in addition to meeting all the requirements of the specifications was Taylor Marine Construction.

Taylor Marine Construction is a reputable contractor based in Kemah, Texas.

I recommend the Port move forward with this important project and award the contract to Taylor Marine Construction for an amount **not to exceed \$3,328,000.00**.

attachment

[PORT COMMISSION](#)

ROB GIESECKE, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; KIM KINCANNON, SECRETARY; DAN CROFT, ASST. SECRETARY;  
BARBARA FRATILA, COMMISSIONER; RAVI K. SINGHANIA, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

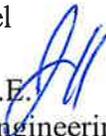




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## MEMORANDUM

**TO:** Commissioners  
Directors  
Legal Counsel

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

**DATE:** February 10, 2026

**SUBJECT:** **Consideration and Approval of a PSA with IAD Architects  
for Cross Dock 2 3<sup>rd</sup> Party Code Review and Code Inspections**

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I have selected IAD Architects based on demonstrated qualifications as the most qualified firm to provide 3<sup>rd</sup> party code review of the plans and inspection of the cross dock construction at various stages of construction.

I have reviewed the scope and fee and recommend approval of a PSA to IAD Architects for an amount **not to exceed \$43,600.00.**

PORT COMMISSION



1100 CHERRY ST. • FREEPORT, TX 77541  
(979) 233-2667 • 1 (800) 362-5743 • FAX: (979) 373-0023  
WWW.PORTFREEPORT.COM

## MEMORANDUM

**TO:** Commissioners  
Directors  
Legal Counsel

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

**DATE:** February 10, 2026

**SUBJECT:** **Consideration and Approval of a PSA with LJA Engineering, Inc. for preparation of plans & specifications for Velasco Terminal, Container Yard 6.**

---

I have selected LJA Engineers, Inc. based on demonstrated qualifications as the most qualified firm to prepare plans and specs for the Velasco Terminal Container Yard 6. It is believed that having a biddable set of plans and specs prepared will improve our success of receiving grant funding.

I have reviewed the scope and fee and recommend approval of a PSA to LJA Engineers, Inc. for an amount of **not to exceed \$669,000.00.**

PORT COMMISSION



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## MEMORANDUM

**TO:** Port Commissioners  
Phyllis Saathoff, Executive Director/CEO

**FROM:** Brandon Robertson, Director of IT

**DATE:** February 26, 2026

**SUBJECT:** Approval Request for VMware License Renewal – \$71,331.20 – Texas DIR

---

**Purpose:**

This memo requests approval for the renewal of VMware licenses in the amount of \$71,331.20 from CDW-G under a Texas DIR contract.

**Background:**

The VMware licenses are used to run all IT Servers, Storage and VDI Environment. The current license term expires in April, and renewal is required to maintain operational continuity, support our virtualization infrastructure, and ensure compliance.

**Recommendation:**

Staff recommends approving the expenditure of \$71,331.20 to renew the VMware licenses through CDW-G, utilizing their Texas DIR contract quote

[PORT COMMISSION](#)



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## MEMORANDUM

**TO:** Port Commission & Phyllis Saathoff, CPA/Executive Port Director/CEO

**FROM:** Jesse Hibbetts, Director of Operations

**DATE:** February 17, 2026

**SUBJECT:** Diesel Fire Pump Replacement

---

The Operations Department is requesting approval for Summit Fire to provide and install 1 New Fire Pump for Diesel Fire Protection System. After inspections it was determined that all the sleeves, bearings, rings and shafts need to be replaced. This pump is originally installed in November 1985. This equipment is the backup for the fire sprinkler system and since this pump needs replacement, we have a standby generator in place as the backup temporarily until a new pump can be installed. It is our recommendation to approve the purchase for \$42,930.00. This is not a budgeted item for a replacement.

### PORT COMMISSION

ROB GIESECKE, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; KIM KINCANNON, SECRETARY; DAN CROFT, ASST. SECRETARY;  
BARBARA FRÁTILA, COMMISSIONER; RAVI K. SINGHANIA, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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## MEMORANDUM

**TO:** Port Commission & Phyllis Saathoff, CPA/Executive Port Director/CEO

**FROM:** Jesse Hibbetts, Director of Operations

**DATE:** February 26, 2026

**SUBJECT:** Approval of Backup Generator for Fire Pumphouse

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The Operations Department is requesting approval for a purchase order not to exceed \$40,000 for rental of a backup generator to service the fire pumphouse as a backup while the diesel fire pump is being replaced. The diesel fire pump serves as a backup to the electric fire pump. This generator will now become the backup source if power was ever lost during this time. The expected time frame for the new diesel fire pump to be installed is 4 weeks out from today. Three months rental of the backup generator is \$39,792.82 from United Rentals. Multiple bids were received and this agenda item was presented to the Operations, Safety, and Security Committee on February 17, 2026

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### PORT COMMISSION

ROB GIESECKE, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; KIM KINCANNON, SECRETARY; DAN CROFT, ASST. SECRETARY;  
BARBARA FRATILA, COMMISSIONER; RAVI K. SINGHANIA, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO



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## MEMORANDUM

**TO:** Commissioners

**FROM:** Phyllis Saathoff, Executive Director/CEO

**DATE:** February 20, 2026

**SUBJECT:** Federal Consulting Services

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The Port has the option to extend its 1-year agreement for federal consulting services with Van Scoyoc & Associates that is coming up for renewal on March 1, 2026. It is important that Port Freeport remain engaged in federal maritime policy matters, funding of the USACE federal channel maintenance and construction budget funding, USCG and USCBP budget funding and staffing at Ports, maritime security matters, grant funding opportunities, and other matters as they relate to maritime ports. It is my recommendation that Port Freeport exercise the option to extend the agreement with Van Scoyoc & Associates for one year for federal consulting services based on the following terms:

Extension commencement – March 1, 2026

Term – 12 months with one 1-year option to extend remaining

Monthly retainer - \$8,500

Expenses – Annual reimbursement of expenses not to exceed \$2,000.

Option to terminate – Either party can terminate the agreement with or without cause, with thirty (30) days written notice.

[PORT COMMISSION](#)

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# Community Engagement Update

February 26, 2026

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

Agenda Item 21.A. - Slide 1

## Impact Overview

### Organizational

- Strengthened community relationships through consistent engagement
- Communications support for key infrastructure milestones
- Executed the Centennial year celebration plan

### Public Access & Digital

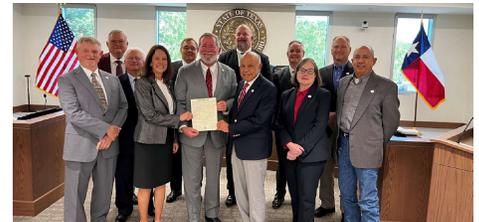
- Expanded public access through website redevelopment
- Increased digital reach and audience engagement



Agenda Item 21.A. - Slide 2

# Centennial Year Celebration Recognition & Institutional Impact

- Centennial executed as a coordinated year-long plan
- Official Centennial visual identity and logo development
- County, state, and federal recognitions
- Commemorative flags flown over government capitals
- Strengthened institutional visibility and historical record
- Expanded regional and industry awareness



Agenda Item 21.A. - Slide 3

# Centennial Year Celebration Engagement, Publications & Visibility

## Engagement Milestones

- Brazoria County Day — Centennial kickoff
- 25th Annual Take-A-Child Fishing Tournament
- Centennial Celebration Luncheon
- Centennial Community Port Tours

## Publications & Media Visibility

- Social Media Campaigns
- Press Release — Centennial Luncheon & Port Tours
- The Facts Giants Magazine — Centennial coverage
- The Bulletin — Special Centennial edition
- Port Bureau News — Quarter Four publication

## Visual Communications

- Centennial Documentary
- Centennial history & timeline website page
- Expanded visual narrative communications



Agenda Item 21.A. - Slide 4

# Communication Execution & Media Visibility

## Milestone Communications

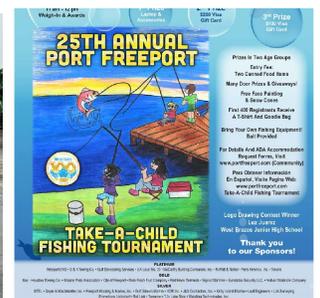
- 15 press releases supporting key milestones
- Consistent messaging aligned with organizational priorities

## Visual & Media Expansion

- Expanded visual narrative communications approach
- Increased use of video to improve public understanding
- Increased earned media visibility



Agenda Item 21.A. - Slide 5





## NOTICE TO BIDDERS

Please visit our website [www.portfreeport.com](http://www.portfreeport.com) for more information on how you can submit your bid.

### ARE YOU READY??

ONE WEEK TILL THE TOURNAMENT!

## BRING-A-FRIEND!

**25th Annual Take-A-Child Fishing Tournament**

## National Maritime Day

### May 22, 2025

**REMINDER**

Port Commission Meeting  
**Thursday, February 27, 2025 at 1:00PM**

See above for more information on how to join the meeting in-person or virtually!

## International Volunteer Week

## WE'RE HIRING!

# Congratulations!

## 14th Annual Port Freeport Golf Tournament

benefiting  
Texas Port Ministry

### WINNING TEAMS

**1st PLACE**  
BTEL

**2nd PLACE**  
Central Healthcare

**3rd PLACE**  
Toroz Logistics

Closest To The Pin  
 Women's: Krissy Kuikman, Enterprise Products  
 Men's: Chuck Baty, P66

Longest Drive  
 Women's: Shauna Johnson, Enterprise Products  
 Men's: Shawn Wheeler, ILA South Atlantic

## 14TH ANNUAL PORT FREEPORT GOLF TOURNAMENT

# Save The Date!

## October 27, 2025

BENEFITING:  
**TEXAS PORT MINISTRY**

The Wilderness Golf Course  
 Lake Jackson, Texas  
 (979) 233-2667

[www.portfreeport.com/community](http://www.portfreeport.com/community)  
 (979) 233-2667

**THE PEOPLE WHO BUILT PORT FREEPORT**

EMPLOYEES OF THE BRAZOS RIVER HARBOR NAVIGATION DISTRICT  
 FREEPORT, TEXAS (c.1950)

L TO R: Angel Galvanes — Ethenia Galvanes — Santos Rangil



First Responder Agencies Appreciation 2024



Safety Situational Awareness Tips from Port Freeport



25th Annual TACFT Recap



14th Annual Golf Tournament Recap



Cranes Arrival



Cranes Off-Load Timelapse



Crane Arrival Recap



Centennial Documentary



Centennial Documentary - Short Version



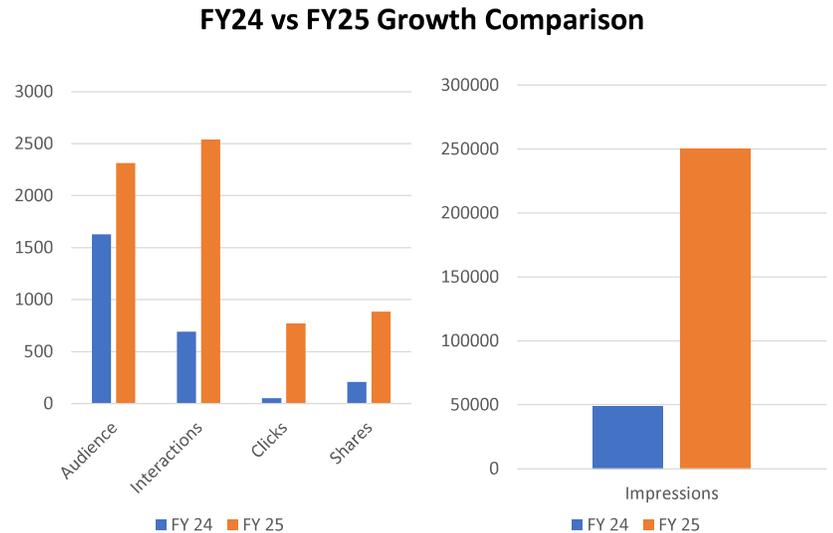
Centennial Celebration Luncheon Recap



Centennial Community Port Tour Day Recap

# Digital Engagement Growth & Communications Performance

- Audience growth across digital platforms
- Increased engagement and interaction rates
- Data-informed content strategy
- Alignment of digital messaging with milestones
- Continued growth trajectory expected



Agenda Item 21.A. - Slide 11

# Accessibility Integration in Community Engagement

## Planning & Implementation

- Accessibility built into program planning from inception
- ADA accommodations implemented across Centennial events
- Accessible transportation and seating coordinated for participants

## Participant Experience

- Direct outreach to confirm accessibility needs
- Inclusive participation supported through tailored accommodations
- Digital accessibility expanded through the website and online forms

Agenda Item 21.A. - Slide 12

## 2026 Priorities & Key Initiatives

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### Digital Engagement

- Website enhancements & accessibility
- Expanded digital engagement

### Port Milestone Events

- Area 5 and 5<sup>th</sup> Street Ribbon Cutting
- Freeport Harbor Channel Improvement Project Ribbon Cutting
- Crossdock #2 Groundbreaking

### Annual Port Sponsored Events

- Take-A-Child Fishing Tournament
- Golf Tournament benefiting Texas Port Ministry
- Community Port Tour day
- Community Advisory Panel (C.A.P.)

### New Community Initiatives

- Educational Pathways Plan
- Community Tribute

Agenda Item 21.A. - Slide 13

## Educational Pathways Plan

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- Downloadable curriculum resources
- Initial elementary-level focus for regional school districts and homeschool communities
- Phased implementation plan
- Dedicated landing page within the Community website section



Agenda Item 21.A. - Slide 14

# Community Tribute Initiative

## Purpose & Location

- Tribute recognizing Freeport East End history
- Located within the Buffer Zone along East 2<sup>nd</sup> Street

## Implementation & Next Steps

- Coordination with ongoing infrastructure & development timelines
- Initiating advisory committee engagement phase





# Compliance Update on Accessibility & Public Information Act

February 26, 2026

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# Public Requests

The port website has easy access to information and forms related to various public requests in addition to specific advertised efforts surrounding community events.

- **Public Information Requests**

- 2025 = 17 Requests – all request received timely responses
  - 7 Port Statistics
  - 4 Legal/Video
  - 2 RFP/Bid
  - 1 Tenant
  - 3 Non port owned data
- 2026 = 6 Requests – all request received timely responses.
  - 1 Port Statistics
  - 3 RFP/Bid
  - 2 Non port owned data

Members of the public may submit written requests to Port Freeport for public information using the online form below.

In addition to the online form, requests for public information may also be submitted in writing by one of the following methods:

[Public Information Request PDF](#) →

By United States Mail / In-Person  
Port Freeport  
1100 Cherry Street  
Freeport, Texas 77541

By E-mail  
[pir@portfreeport.com](mailto:pir@portfreeport.com)

Port Freeport complies with federal civil rights laws and is committed to providing programs and services free from discrimination.

The Port offers reasonable language assistance services free of charge to ensure satisfactory access to programs and information for persons with limited English proficiency. For assistance, call Missy Bevers at 979.233.2667 ext. 4326 or email: [bevers@portfreeport.com](mailto:bevers@portfreeport.com).

- **ADA and Language Assistance Requests**

- 2025 = 5 Requests – all request were accommodated
  - 4 Physical Accessibility
  - 1 Hearing Support
- 2026 = No Requests To Date



Discrimination  
Complaint  
Procedure

[Learn More](#) →



ADA  
Accommodations  
Requests

[Learn More](#) →



Policy and Notice  
of  
Nondiscrimination

[Learn More](#) →