



Protecting the Waters of Texas

**Gulf Coast Authority, Texas**

# Annual Comprehensive Financial Report

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**





ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
of the  
**Gulf Coast Authority,  
State of Texas**

**For the Year Ended  
December 31, 2023**

Prepared by:

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Financial Director

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Accounting and Audit Manager

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Accountant

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Accountant

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Accounting Clerk

**Parker Knupp**  
Accounting Clerk

Please visit us at our website: [www.gcatx.org](http://www.gcatx.org)



**GULF COAST AUTHORITY**  
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## **INTRODUCTORY SECTION**







**Gulf Coast Authority**

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April 18, 2024

Board of Directors, Participants, Customers, and Stakeholders of Gulf Coast Authority:

The Texas Water Code, Chapter 49, requires the Gulf Coast Authority (Authority) to publish within 135 days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Gulf Coast Authority for the fiscal year ended December 31, 2023.

In addition, the Texas Water Code, Chapter 49, requires that the Authority submit a copy of the Annual Comprehensive Financial Report to the Texas Commission on Environmental Quality (TCEQ) within 135 days of the close of each fiscal year along with annual filing affidavits stating that copies of the Annual Comprehensive Financial Report have been filed with the County Clerks' offices in the three counties of the Authority's statutory district. The Authority's statutory district is within the State of Texas and includes Harris, Galveston, and Chambers Counties. A copy of the Annual Comprehensive Financial Report must also be filed with the Governor's Office, Auditor's Office, and the Pension Review Board of the State of Texas. These filing requirements will be met.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in the Annual Comprehensive Financial Report. To provide a reasonable basis for making these representations, the management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this Annual Comprehensive Financial Report is complete and reliable in all material respects.

The Authority's financial statements have been audited by Whitley Penn, a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, Whitley Penn concluded that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the independent auditors' report.

## **Profile of the Authority**

Gulf Coast Authority (GCA) is a political subdivision of the State of Texas created in 1969 by the Texas Legislature to clean-up Galveston Bay. Since that time, our ability to provide safe, reliable, cost-effective, and complaint regional wastewater and water services has expanded across the State of Texas. The Authority provides services to assist industries and communities in managing their pollution control needs. These services include the operation of regional wastewater treatment facilities; operation of industrial water reuse systems; involvement in community environmental projects; and national conduit bond financing of projects. In 1979, the Texas Legislature amended the Authority's Act to enable GCA to enter into cooperative agreements with other local, state, and federal governments to operate and maintain waste and wastewater disposal systems in adjacent counties outside the district, and again in 1990 outside of the boundaries of the district and outside adjacent counties. In 2013, GCA's statute was further updated to provide for the construction and operation of water systems with a focus on water reuse. In 2017, the Authority was officially renamed from Gulf Coast Waste Disposal Authority to Gulf Coast Authority. Finally, in 2021, the Authority's statutory authority was extended to provide conduit bond financing services nationwide, as well as the ability to provide bond financing services to support the PACE program.

Ultimately, GCA is a key component in creating and sustaining jobs and economic growth by providing essential centralized industrial and municipal wastewater and water services so that our customers can focus their attention and efforts on their core business purposes while ensuring their environmental compliance. Additionally, GCA and/or GCIDA may act as a national conduit financing entity for the issuance of bonds for qualified projects, including PACE bond financing.

A nine-member Board of Directors consisting of the Chair and eight other members from Harris, Galveston, and Chambers Counties provide oversight of the Authority. A list of the Board of Directors and their respective appointing bodies are included in this introductory section. The Board of Directors is responsible for setting policy, passing resolutions, adopting budgets, and hiring the General Manager/Chief Executive Officer. The General Manager is responsible for carrying out the policies of the Board of Directors; overseeing the day-to-day operations of the Authority; and hiring all personnel to accomplish the mission of the Authority.

In accordance with the Texas Water Code, Chapter 49, the Authority's Board of Directors adopts annual budgets for the General Fund, Bayport Industrial Wastewater Treatment Facility, Central Laboratory, Odessa South Industrial Wastewater Treatment Facility, and the Vince Bayou Receiving Station Facility. Participants approve the annual budgets for the Blackhawk Regional Wastewater Treatment Facility, Campbell Bayou Solid Waste Management Facility, 40-Acre Industrial Wastewater Treatment Facility, RailPort Facility, and Washburn Tunnel Wastewater Treatment Facility. Annual budgets are not legal spending limits but rather management tools for evaluating program efficiency and effective use of resources. Accordingly, these financial plans are non-appropriated budgets.

During 2023, the Authority operated four industrial wastewater treatment plants, one municipal sewage treatment plant, an industrial solid waste landfill, and two receiving stations for the collection of trucked-in wastewater. In addition, the Authority operated a Central Laboratory, which has consolidated most of the Authority's analytical services.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood from the broader perspective of the specific environment within which the Gulf Coast Authority operates.

**Harris, Galveston, and Chambers Counties** form the original jurisdictional area for the Authority. This area is within the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (MSA). Harris is the largest county and Houston is the largest city in the MSA. Houston is home to major U.S. energy firms in every segment, including manufacturing, exploration, production, oil field service and supply, and development. About 4,600 energy-related companies lie within the Houston area. These companies, plus the technically trained and experienced workforce, keep Houston as the center of the energy industry in the United States.

The region also has a diverse industrial base in manufacturing, aeronautics, and technology. In addition, NASA's Johnson Space Center is located in the region and provides advances in space and aeronautics technology with its highly-skilled workforce. The region is also home to the Port of Houston, the fifth busiest port in North America.

Houston is also the world leader in the chemical industry, with nearly 44% of the nation's capacity for producing the primary chemicals used by downstream chemical operations. The industry consists of more than 600 plants and employs more than 39,700. Over 90% of the Authority's operating revenues come from this industry sector.

According to the U.S. Census Bureau, the region's population grew from 6.1 million to 7.1 million (16.3%) between 2010 and 2020. The Texas Workforce Commission reports the unemployment rate for the Houston MSA at 3.8% as of December 31, 2023. It also reports that there was an increase of 102,900 jobs during 2023. According to the Greater Houston Partnership (GHP), the Houston area could add 57,600 jobs during 2024 which would bring its employment to a record 3.4 million jobs.

**Ector and Midland Counties** make-up a secondary operational area for the Authority, added in 1997. This area is located within the Midland-Odessa Combined Statistical Area (CSA), which is made up of two MSAs (Midland MSA and Odessa MSA).

The region's economy is heavily dependent on the petroleum industry and includes the Permian Basin, which is the source of the West Texas Intermediate crude oil benchmark and the top producer of oil and gas in the United States. The region is also a major distribution center for international goods, and several companies have large distribution centers there.

The region also has a base in technology, manufacturing, and medicine. Odessa has become a hub for the critical manufacturing needs of the region's energy industry with its infrastructure and skilled workforce.

According to the Odessa Development Corporation (ODC), the region's estimated population was 343,000 in 2020, with growth expected to continue in the future. The Texas Workforce Commission reports the unemployment rate on December 31, 2023, as 2.1% and 2.9% for the Midland MSA and Odessa MSA, respectively. The ODC projects that employment growth will add over 37,400 new jobs over the next 20 years.

**Ellis County** is another secondary operational area for the Authority, approved in 2021. In addition, the Authority expects a new facility to be designed, built, and operational by 2025 in Midlothian, Texas. This area is located within the Dallas-Fort Worth-Arlington MSA.

The Dallas area depends heavily on professional and business services, financial activities, and the information sector; Fort Worth is more dependent on trade, transportation, utilities, mining, logging, construction, and manufacturing.

According to the 2020 Census, the Dallas-Fort Worth population was almost 7.7 million, a 20.4% increase from 2010. The area is expected to surpass the Chicago region as the third-largest metropolitan area in the U.S. by 2040. The Texas Workforce Commission reports the unemployment rate on December 31, 2023, as 3.3%. According to the Dallas Regional Chamber, the area had year-over-year job growth at 3.2% as of December 2023 with the metro area adding 134,200 jobs during 2023.

## **Long-term Financial Planning**

The Authority maintains a 5-year Capital Improvement Projects Plan (CIP Plan) as part of its annual budget process. The 2023 CIP Plan included over \$171.8 million in planned additions to existing facilities. The Bayport Facility accounts for almost \$116.7 million of the total, with additions to maintain reliability and compliance with air and water permits. Other additions include \$23.9 million at the Blackhawk Facility; \$15.9 million at the Washburn Tunnel Facility; \$1.0 million at the 40-Acre Facility; \$3.4 million at the Odessa facility; \$4.0 million at the Campbell Bayou Facility; \$5.6 million at the Central Lab Facility; \$646,000 at the Vince Bayou Receiving Station; and, \$698,000 in the General Services Division.

## **Major Initiatives**

In 2023, the Authority continued to implement the second year of its GCA Strategic Plan 2022-2026, supporting five initiatives over five years including: 1) Maintain and Better Our People and Business Practices; 2) Manage and Develop Our Regional Facilities; 3) Strengthen Our Relations and Partnerships; 4) Become a Leader in Providing Our Financial Services; and 5) Educate and Engage Our Stakeholders.

In 2023, the Authority achieved the following:

### **Strategic Planning:**

- *Branding* – Updated GCA seal; updated facility and employee photos for all facilities, finalizing for placement in GCA photo library;
- *Communications* – Created and completed transfer of HR and finance policies from old GCA intranet site (obsolete) to new GCA employee portal accessible onsite and remote;
- *ERP* – Completed the RFQ process to select a vendor(s) for product software and implementation; continued to hold staff meetings to refine Authority scope and timeline; created and negotiated budget for ERP process and received Board approval to proceed; kicked-off ERP implementation on October 1, 2023; and onboarded Project Manager for ERP transition;
- *Master Planning* – Selected consultant for mastering planning for all GCA facilities, refined scope, and moved into Phase I implementation in early 2023 (very large initiative from people and financial resources standpoint); and conducted site visits for all facilities to review aging infrastructure;
- *Policy Review* – Reviewed ~50 policies for 2022; created presentations; and trained leadership team on all 2022 policy revisions; reviewed another ~30 policies for 2023, soliciting feedback from employees, reviewing, and revising policies, as needed; half have been reviewed and trained upon for 2023; and specifically, we instituted a new policy incentive for achieving and maintaining wastewater and water licensure for operators/maintenance; and
- *Stewardship* – 2022 Salvation Army and Pasadena Police Department Holiday Toy Drives; 2023 Trash Bash; 2023 Fill the Bus / Back to School Supply Drives – Pasadena and La Porte ISDs; and Attendance and participation in monthly, quarterly, bi-annual participant, customer, and environmental meetings;

### **Business Development:**

- Executed a development agreement to evaluate a greenfield project for a produced water wastewater treatment facility. This facility would be one of the first of its kind in the state; and
- Continued communications with Central and North Texas on wastewater treatment for semiconductor facilities and supporting industry;

**Compliance:**

- Successfully completed Bayport 5-year pretreatment and air permit;
- Conducted over 85 inspections on users by end of the year;
- Updated Odessa's program from the 2012 submittal to align with 2023 TCEQ requirements;
- Received RailPort TPDES draft permit, approved by GCA February 10, 2023; and
- Submitted renewal for Blackhawk TPDES permit on September 18, 2023;

**Contracts (Renewals):**

- Completed review with Participants of Washburn Tunnel bond reserves account and final agreement to disburse funds resulting in a First Amendment to the Washburn Tunnel Facility Agreement;
- Reviewed, revised, and renewed Washburn Tunnel Customer Contracts at WT and Odessa;
- Reviewed, revised, and renewed numerous IT Contracts;

**Finance and Accounting:**

- Finalized 2022 Audit in March with no audit findings or management recommendations; and
- Performed tens of thousands of transactional items;

**GCIDA:**

- Updated fee schedule effective June 2023; and
- Executed Inducement Resolution 2023-01 for ExxonMobil Oil Corporation;

**HR/ Administrative Achievement:**

- Recruited, hired, onboarded approximately 18 new employees at all facilities to-date;
- Recognized approximately four retirements of long-term GCA employees;
- Administered new 2023 benefit plans, providers, and costs for employees/retirees with and under 3% rate increase; and
- Approved a 3.4% COLA for 2024;

**Information Technology:**

- Created and implemented new onboarding processes, purchasing and warranty standards, communications procedures for incident and outage notifications; new IT inventory and application deployment software to allow for efficient deployment of critical security upgrades for applications; security incident documentation based on NIST guidelines;
- Completed Authority-wide upgrade of all wireless network equipment to a modern WIFI platform;
- Installed and implemented various firewall, VPN, malware, etc. programs;
- Audited all IT server hardware to determine performance requirements for future planning and hardware replacements;
- Increased disaster recovery capabilities to expand both storage and backup availability in the event of a major outage or DR event; and
- Replaced over sixty outdated desktop and laptop computers throughout all facilities;

**Purchasing and Procurement:**

- Completed seven sealed bid packages and 24 requests for quotes;
- Issued 26 Board approved contracts;
- Audited 155 purchase orders for compliance with competitive purchase requirements;
- Reviewed, updated, and presented Purchasing and Surplus Policy for approval by the Board to incorporate changes in Texas procurement laws; and
- Monitored 76 purchase card users and 131 cell phone users and contracts;

**Safety:**

- No lost-time safety accidents at Blackhawk, Central Lab, Forty-Acre/Campbell Bayou, and Odessa in 2023; and
- No major injuries to GCA staff, contractors, or public; no major fires or explosions; no major incidents with heavy equipment or fleet;

**Tech Services and Facility Major Projects (completed or underway):**

*Bayport*

- Completed preventative maintenance overhauls (and Recirculation Piping Valves Project work) on Tanks 2001, 2003, & 2004 (T-2002 was completed in 2022 and start-up of T-2005 was in 2022);
- Replaced Biosan Pipeline, a \$27 million project increasing reliability and capacity of high-organics line. This included an incredibly complex tie-in at the Main Lift Station, which was executed with nearly zero down time to GCA's customers. Also, decommissioned old Biosan pipeline including isolation of all customer connections from it;
- Navigated execution of several customer line replacements concurrent with Biosan replacement;
- Added two new customer connections to Bayport facility, while supporting existing customer expansion activities;
- Completed Stage 1 study for Bayport's Clean Stream channel, which conveys low-organic wastewater to the facility, and started the Stage 2 Process Design;
- Conducted several improvements for Bayport's belt filter presses, including the replacement of Belt Filter Press 830, the replacement of the sludge cake conveyors, and a consolidation of the programmable logic controllers (PLCs);
- Continued MLS Pump overhauls (three of the six are complete with the fourth scheduled to be pulled after hurricane season);
- Barricades installed along the channel road to protect exposed pipelines from potential damage;
- Upgraded CWA backflow prevention in order to meet 2022 contract requirements; and
- Purchased backup power generators for both the Main Lift Station and the Discharge to Bay Pump Station. Currently executing detailed design for installation;

### *Blackhawk*

- Completed on-site reconditioning of Belt Press 802. Newly designed and improved main and local control panels for Belt Press 801 and 802 have anticipated installation dates;
- Completed Sandfilter 503 rebuild to improve filtration for downstream UV disinfection. Sandfilter 505 rebuild is in progress;
- Continued aeration and hydraulics improvement design project nearing 60% deliverable. This major project includes improvements in aeration, hydraulics and solids distribution;
- Repaired (emergency) 24-inch force main underneath a major roadway. An upgraded design that included 550 feet of 30-inch HDPE force main was utilized to upgrade the reliability and longevity of the pipeline; and
- Completed RFP package for backup power generation;

### *Central Lab*

- Central Lab's Quality Assurance Officer (QAO) co-wrote and published a paper "The Municipal Laboratory and Operations: Bridging the Gaps to Meet Treatment Goals." This is found in Texas Wet Issue 2 for 2023;
- Developed 12-month safety training program. Implemented weekly toolbox topic safety discussions; Implemented daily and weekly safety shower and eyewash maintenance schedule; Conducted permit writing training; Implemented PPE upgrades; and Coordinators completed OSHA 30 class;
- Developed and adopted a new Quality Manual for CL;
- Developed and adopted a new Ethics and Data Integrity training presentation;
- Completed 80% SOP revisions;
- Completed 2023 Internal Audit September 2023 with no systemic issues found,
- Passed proficiency tests for January 2023: 100% Conventional, 97% Metals, and 92.5% Organics;
- Passed proficiency tests for July 2023: 100% Conventional, 97% Metals, and 98.7% Organics. Overall passing for CL: 94% for January and 98.7% for July; and
- Purchased backup power generator for the entire laboratory Currently executing detailed design;

### *40-Acre and Campbell Bayou*

- Replaced oxygen aeration units at the end of their useful life and greatly improved mixing in the aeration basin;
- Collaborated with Participants on new ideas for creating efficiency in the system and funding those potential projects; and
- Onboarded new compliance coordinator and Facility Manager;

### *Washburn Tunnel and Vince Bayou*

- Reconditioned T-518 for return to service;
- Removed aeration basin T-319 from service and conducted extensive rehabilitation work, which included sandblasting and repairing the surface aerator baffles;
- Completed major maintenance of the vortex breaker system in T-319, including changing out two gear boxes;
- Completed project to remove blockage from Vince Bayou to Washburn Tunnel and improved system including air relief valves to minimize future flow issues;
- Upgraded major security with state-of-the-art recognition multi-camera system;
- Added new radio transmission system for operations from VB to WT; and
- Attended and obtained forklift operation training and certification;

## Odessa

- Increased trucked-in waste volume (and revenue);
- Completed renewal of trucked-in waste contracts (60+ customers);
- Onboarded new maintenance contractor (PACE Field Services);
- Completed wastewater permit amendment and increased the aluminum limit (expires March 17, 2025);
- Updated SOP update and review 57 out of 74 SOPs;
- Updated the Right to Know Program;
- Established a plan for PLC upgrades and began execution of that plan; and
- Replaced three aged A/C units;
- Overhauled critical piping and valves. (Pending x-ray of headworks piping and installation of 30' of 14" pipe);
- Installed 408 linear feet of security fence on the west side of the facility;
- Received (2) new Muffin Monster Grinders to replace Muffin Monster Grinder 201 at the headworks and SG-800 on the belt press feed line;
- Replaced motor in blower 334 skid and properly aligned three (3) other blower skids;
- Replaced auger at the influent screen, which assists in removing solids from the influent; and
- Continued repair of localized deterioration on blower gallery walls and ceiling (ongoing inspection completed, initiated process to perform a Schmidt Hammer Test, pending application of corrosion inhibitor and recoating top surface).

Finally, the Board of Directors, staff, and consultants continue to monitor local, state, and federal regulations which impact the Authority's ability to expand and continue operations. Currently, those issues include but are not limited to the following: emerging contaminants, water use and reuse; job retention; and are currently working with other public and private entities across the United States as well as national associations to monitor federal laws for allowing tax-exempt financing of certain water, wastewater, and air pollution control facilities.

### **Awards and Acknowledgments**

In 2023, several of the Authority's facilities received a Peak Performance Award for their permit compliance achievements during the 2022 operational year by the National Association of Clean Water Agencies:

- Odessa South Municipal and Industrial Wastewater Treatment Facility – Gold;
- Washburn Tunnel Industrial Wastewater Treatment Facility – Silver;
- Bayport Industrial Wastewater Treatment Facility – Silver; and
- Blackhawk Municipal Wastewater Treatment Facility – Silver.

Also, in 2023:

- Water Environment Association of Texas (WEAT) Industrial Wastewater Treatment of the Year Award for Odessa South Wastewater Treatment Facility;
- Water Environment Federation (WEF) George W. Burke, Jr. Award for 40-Acre Industrial Wastewater Treatment Facility;
- WaterReuse Recognized Odessa South Wastewater Treatment Facility for Innovative Wastewater ReUse Award;
- Texas Water Conservation Association (TWCA) Risk Management Fund 2023 Award for Outstanding Safety Liability;
- Former Chief Technical Officer, Gordon Pederson received the 2023 National Environmental Achievement Award (NEAA) Distinguished Service Award from the National Association of Clean Water Agency (NACWA) and the 2023 Water Environment Federation (WEF) Lifetime Membership Award; and
- 5S Award (Select Society of Sanitary Sludge Shovelers) to CEO/GM, Elizabeth Fazio Hale.



Finally, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to Gulf Coast Authority for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the 36th consecutive year that the Authority received this prestigious award. In order to be awarded a Certificate of Achievement, the Authority had to publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles, applicable legal requirements, and published criteria.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Conclusion**

The preparation of this report could only have been accomplished on a timely basis with the efficient and dedicated services of the entire staff of the Leadership Team, especially the Accounting and Finance Department and our independent auditor. We want to express our sincere appreciation to all employees who contributed to its preparation. We would also like to thank the Board of Directors for supporting the financial operations of the Authority in a responsible and responsive manner and the Audit and Budget Committee for its role in overseeing the audit process.

Respectfully submitted,



Elizabeth Fazio Hale  
General Manager/CEO



Carrie Latimer  
Financial Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Gulf Coast Authority  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

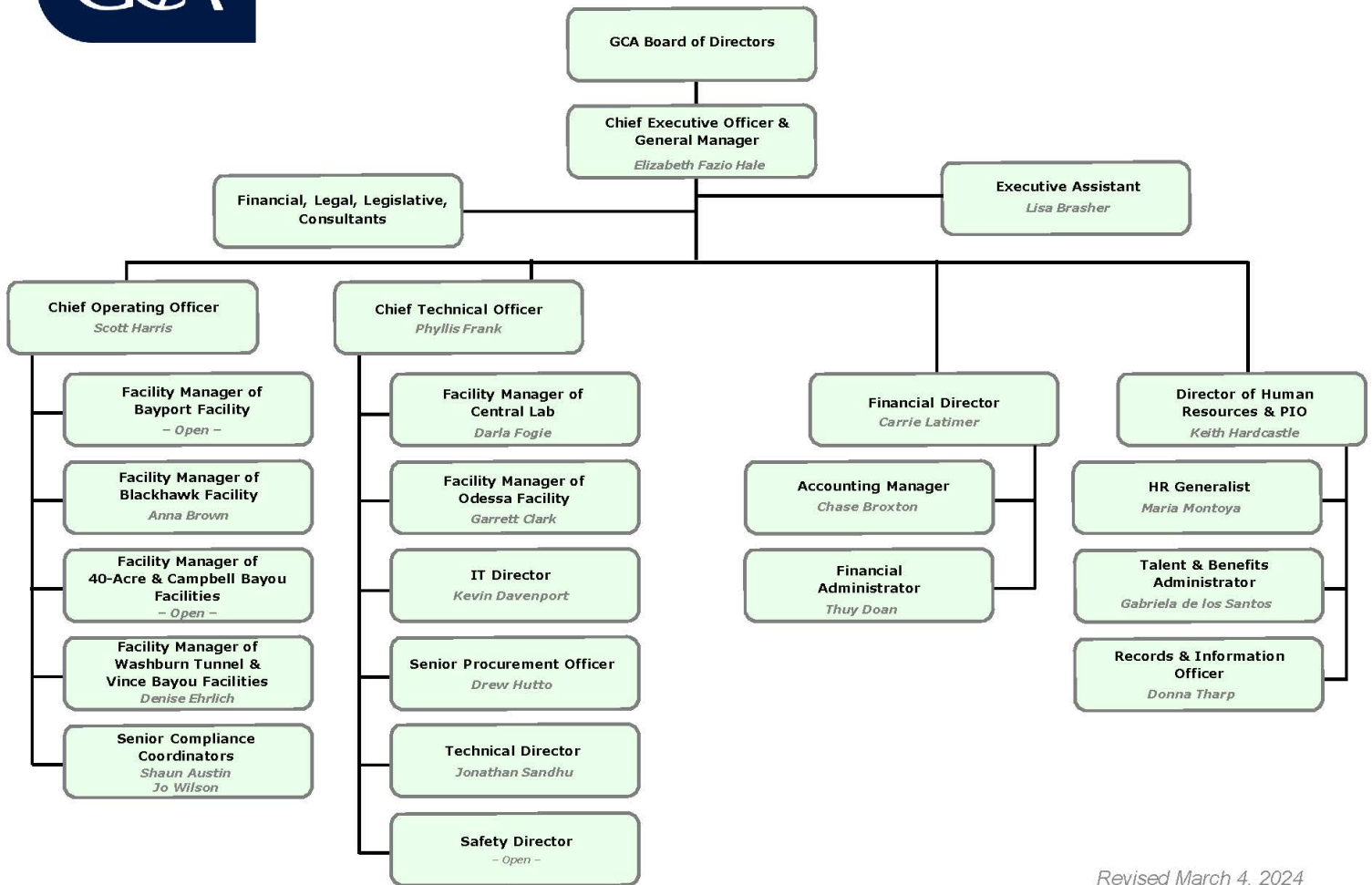
December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



# Gulf Coast Authority Organizational Chart



Revised March 4, 2024

\*This org chart excludes other administrative and/or assistant positions who might also report to Senior Management.

**GULF COAST AUTHORITY**  
**BOARD OF DIRECTORS**

***Chairman***

Franklin D. R. Jones, Jr.  
Representing Harris County

Appointed by County Commissioners Court

***Vice Chairman***

Kevin M. Scott  
Representing Galveston County

Appointed by Governor

***Treasurer***

J.M. "Mark" Schultz  
Representing Chambers County

Appointed by County Commissioners Court

***Secretary***

Billy J. Enochs  
Representing Galveston County

Appointed by Consortium of Mayors

***Directors***

Amber Batson  
Representing Harris County

Appointed by Governor

Stephanie Farner  
Representing Chambers County

Appointed by Consortium of Mayors

Lamont E. Meaux  
Representing Chambers County

Appointed by Governor

Jacqueline Peden  
Representing Galveston County

Appointed by County Commissioners Court

Robert Swanson  
Representing Harris County

Appointed by Consortium of Mayors

**GULF COAST AUTHORITY**  
**COMMITTEE/BOARD ASSIGNMENTS \***

**INDUSTRIAL DEVELOPMENT BOARD**

**Kevin Scott, President**  
Elizabeth Fazio Hale, Vice President  
Carrie Latimer, Secretary  
Phyllis Frank  
Robert Swanson

**GOVERNANCE AND NOMINATING COMMITTEE**

**Billy J. Enochs, Chair**  
Amber Batson  
Stephanie Farner  
Mark Schultz

**AUDIT & BUDGET COMMITTEE**

**Robert Swanson, Chair**  
Billy J. Enochs  
Lamont E. Meaux  
Kevin Scott

**ECONOMIC DEVELOPMENT COMMITTEE**

**Amber Batson, Chair**  
Billy J. Enochs  
Stephanie Farner  
Jacqueline Peden  
Mark Schultz

**LEGISLATIVE COMMITTEE**

**Mark Schultz, Chair**  
Lamont E. Meaux  
Jacqueline Peden  
Kevin Scott  
Robert Swanson

**\*The Chairman, Franklin D. R. Jones, JR., is an ex-officio member of all committees with the right to discuss all matters before the committee at its called meeting.**

Revised: 2023-Feb

**GULF COAST AUTHORITY**  
**SENIOR STAFF AND CONSULTANTS**

**Chief Executive Officer/General Manager**

Elizabeth Fazio Hale, J.D., LL.M.

**Chief Operating Officer**

Scott Harris

**Chief Technical Officer**

Phyllis Frank

**Financial Director**

Carrie Latimer, DFCP

**General Counsel**

Olson & Olson, LLP  
Houston, Texas

**Bond Counsel**

McCall, Parkhurst & Horton  
Dallas, Texas

**Financial Advisor**

Estrada Hinojosa & Company, Inc.  
Austin, Texas

**Auditors**

Whitley Penn, LLP  
Houston, Texas

**General Office**

Gulf Coast Authority  
910 Bay Area Boulevard  
Houston, Texas 77058





## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Audit Committee and Board of Directors  
Gulf Coast Authority  
Houston, Texas

### **Opinions**

We have audited the accompanying financial statements of Gulf Coast Authority (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2023, and the respective changes in financial position, and where applicable, the results of cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our ethical responsibilities, in accordance with the relevant ethical requirement relating to our audits. 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**

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

***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 GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

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

To the Audit Committee and Board of Directors  
Gulf Coast Authority

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory, statistical, other supplementary and Texas supplementary information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information in the other supplementary and Texas supplementary information sections 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in the other supplementary and Texas supplementary information sections 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.



Houston, Texas  
April 18, 2024



## **GULF COAST AUTHORITY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Gulf Coast Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of Gulf Coast Authority for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have provided in our letter of transmittal, starting on page i of this report.

#### **Financial Highlights**

- The Authority's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$196.7 million. Of this amount, \$101.6 million represents net investment in capital assets; \$5.4 million is restricted net position and the remaining \$89.8 million represents unrestricted net position.
- The Authority's total net position increased by \$24.2 million from \$170.6 million at the end of the prior year to an ending net position of \$196.7 million at December 31, 2023. The increase is primarily due to charges for services received in the amount of \$90.2 million.
- Expenses for the Authority were \$75.9 million and were less than the revenues by \$24.2 million.

#### **Overview of the Financial Statements**

The Management Discussion and Analysis is intended to serve as an introduction to the Authority's basic financial statements which consist of the following: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The statement of net position presents as of a specific date information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Since the Authority follows enterprise fund accounting and reporting requirements, there is a statement of cash flows. The accompanying notes to the financial statements provide required disclosures and other information that is essential to a full understanding of data provided in the statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements and can be found starting on page 19.

**Other information.** Immediately following the Notes to Financial Statements are the (1) Required Supplemental Information for the Other Post-Employment Benefits Trust, (2) Other Supplementary Information including combining financial statements by division and schedules of conduit debt issued and outstanding, (3) the Statistical Section and (4) the required Texas Supplementary Information.

**GULF COAST AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

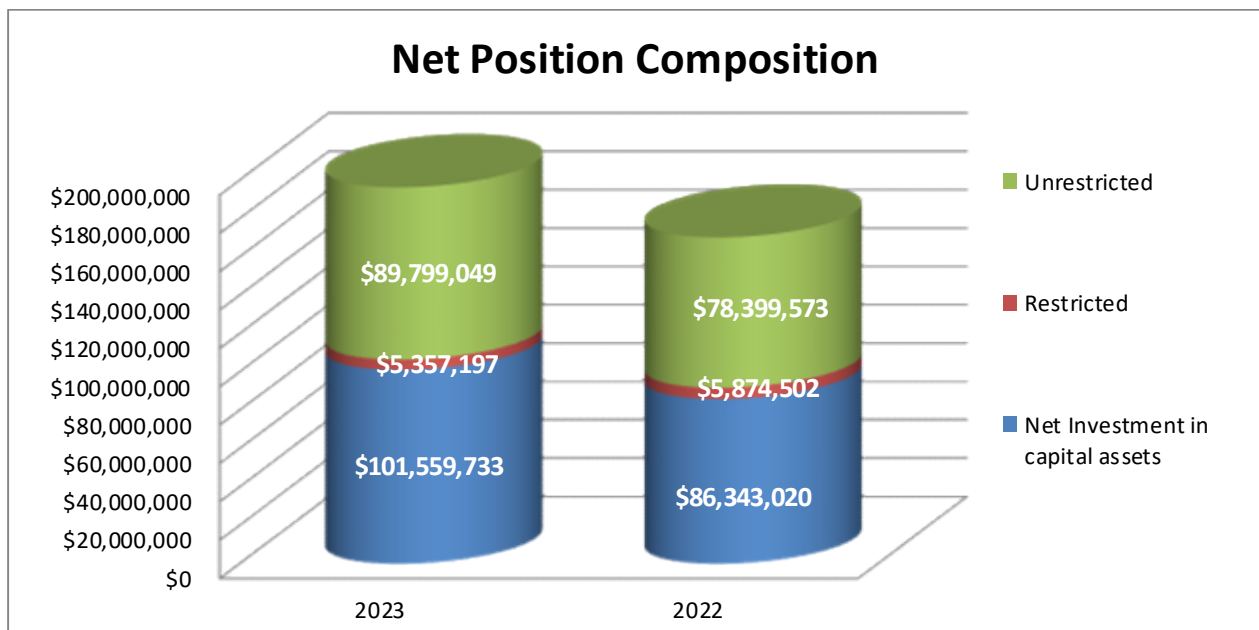
**Financial Analysis**

As noted earlier, net position may serve as an indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$196.7 million at the close of the 2023 year.

**Net Position**  
**December 31, 2023 with comparative totals for December 31, 2022**

	2023	2022	Increase / (Decrease)	
			\$	%
Current and other assets	\$ 161,664,268	\$ 130,124,537	\$ 31,539,731	24.24%
Capital assets	176,361,067	168,049,047	8,312,020	4.95%
<b>Total Assets</b>	<b>338,025,335</b>	<b>298,173,584</b>	<b>39,851,751</b>	<b>13.37%</b>
<b>Total Deferred Outflows of Resources</b>	<b>849,333</b>	<b>2,387,991</b>	<b>(1,538,658)</b>	<b>-64.43%</b>
Long term liabilities	87,820,341	101,049,590	(13,229,249)	-13.09%
Other liabilities	49,968,340	23,638,331	26,330,009	111.39%
<b>Total Liabilities</b>	<b>137,788,681</b>	<b>124,687,921</b>	<b>13,100,760</b>	<b>10.51%</b>
<b>Total Deferred Inflows of Resources</b>	<b>4,370,008</b>	<b>5,256,559</b>	<b>(886,551)</b>	<b>-16.87%</b>
<b>Net Position:</b>				
Net Investment in capital assets	101,559,733	86,343,020	15,216,713	17.62%
Restricted	5,357,197	5,874,502	(517,305)	-8.81%
Unrestricted	89,799,049	78,399,573	11,399,476	14.54%
<b>Total Net Position</b>	<b>\$ 196,715,979</b>	<b>\$ 170,617,095</b>	<b>\$ 26,098,884</b>	<b>15.30%</b>

The following chart depicts the composition of the Authority's net position as of December 31:





**GULF COAST AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The majority of the Authority's net position consists of \$101.6 million of net investment in capital assets. This amount represents the Authority's capital assets (e.g., land, buildings, machinery, and equipment), less any remaining debt used to acquire those assets. The Authority's capital assets are used in operations to provide services to customers, participants and other governments; consequently, these assets are not available for future spending.

The 17.6% increase in net position invested in capital assets is primarily due to additions to capital assets of \$20.7 million. This was offset by the approximately \$12.3 million recognized in 2023 for depreciation/amortization expense on capital assets previously placed in service.

Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Authority's remaining net position is classified as restricted and unrestricted. Restricted net position is subject to restrictions for debt service, a contingency reserve, and capital projects. At year end, unrestricted net position was \$89.8 million, representing a 14.5% increase from 2022. Unrestricted net position may be used to meet the Authority's ongoing liabilities.

Current and other assets increased \$31.5 million in 2023. This increase is due to an increase in unrestricted cash and cash equivalents.

The \$13.1 million (10.5%) increase in total liabilities is due to the increase in unearned revenue.

Total net position increased by \$26.1 million in 2023. The components of the changes are as follows:

	2023	2022	Increase / (Decrease)	
			\$	%
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 90,208,277	\$ 82,485,565	\$ 7,722,712	9.4%
Services to municipalities	8,105,218	6,102,036	2,003,182	32.8%
Other	1,742,044	1,598,349	143,695	9.0%
<b>Total Operating Revenues</b>	<b>100,055,539</b>	<b>90,185,950</b>	<b>9,869,589</b>	<b>10.9%</b>
<b>Operating Expenses</b>				
Costs of sales and services	59,997,652	61,731,088	(1,733,436)	-2.8%
Administration	3,606,136	3,822,606	(216,470)	-5.7%
Depreciation/amortization	12,281,172	10,641,872	1,639,300	15.4%
<b>Total Expenses</b>	<b>75,884,960</b>	<b>76,195,566</b>	<b>(310,606)</b>	<b>-0.4%</b>
<b>Operating Income (Loss)</b>	<b>24,170,579</b>	<b>13,990,384</b>	<b>10,180,195</b>	<b>72.8%</b>
<b>Nonoperating Revenues (Expenses)</b>	<b>1,928,305</b>	<b>(5,032,892)</b>	<b>6,961,197</b>	<b>138.3%</b>
Change in Net Position	26,098,884	8,957,492	17,141,392	191.4%
<b>Beginning Net Position</b>	<b>170,617,095</b>	<b>161,659,603</b>	<b>8,957,492</b>	<b>5.5%</b>
<b>Ending Net Position</b>	<b>\$ 196,715,979</b>	<b>\$ 170,617,095</b>	<b>\$ 26,098,884</b>	<b>15.3%</b>

**GULF COAST AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Charges for services increased \$9.8 million due to earned income in the RailPort Division as deferred revenue was recognized and due to increased revenue from participants in the Blackhawk Division from major repair related cost-reimbursements. Nonoperating revenues increased \$7.0 million due to more favorable investment performance.

**Capital Asset and Debt Administration**

**Capital assets.** The Authority's total capital assets as of December 31, 2023, totaled \$176.4 million (net of accumulated depreciation/amortization). These investments include land, buildings, waste treatment facilities and equipment, administrative furniture and equipment, construction in progress, and right-to-use assets. The total increase in the Authority's capital assets for the current year was 4.9%. Depreciation/amortization expense for the year was \$12.3 million. Construction in progress decreased \$11.1 million. Capital assets (net of depreciation/amortization) as of December 31, 2023 with comparative totals for December 31, 2022 are as follows:

	2023	2022	Increase/(Decrease)	
			\$	%
Land	\$ 5,174,541	\$ 5,174,541	\$ -	-
Buildings	604,859	636,676	(31,817)	-5.0%
Waste treatment facilities and equipment	131,607,964	112,719,685	18,888,279	16.8%
Administrative furniture and equipment	1,949,941	2,069,080	(119,139)	-5.8%
Construction in progress	36,097,535	47,240,250	(11,142,715)	-23.6%
Right-to-use assets	926,227	208,815	717,412	343.6%
	<u>\$ 176,361,067</u>	<u>\$ 168,049,047</u>	<u>\$ 8,312,020</u>	<u>4.9%</u>

Major capital asset outlays during the year 2023 included the following:

Capital Outlay Description	Capital Outlay
Plant improvements at Blackhawk Facility:	
Aeration Upgrade	\$ 840,972
Force Main Repair	2,940,645
RailPort Wastewater Treatment Plant	
Wastewater Treatment Plant	4,253,388
Plant improvements at the Bayport Facility:	
Back Up Power Supply	407,773
Belt Press 830 & 840 Rebuild	426,446
Biosan Pipeline Assessment and Upgrade	1,297,053
First and Second Steps Recirculated Pumps and Piping	3,100,112
	<u>\$ 13,266,389</u>

Additional information on the Authority's capital assets can be found in Note III D in the Notes to the Financial Statements of this report.

**GULF COAST AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Debt**

At the end of the current year, the Authority had \$75 million in debt outstanding compared to \$80 million last year. The decrease is due to payments toward the principal balance of bonds.

The Authority's Bayport area system revenue bonds have an "AA" rating by Standard & Poor's.

Additional information on the Authority's long-term debt and capital leases can be found in Note III F in the Notes to the Financial Statements of this report.

**Economic Factors and Next Year's Rates**

According to the Texas Workforce Commission, the current unemployment rate for the Houston Area is 3.8%. While a decrease from the prior year rate of 3.9%, this is slightly higher than the national rate of 3.5% and the Texas rate of 3.5%. The Greater Houston Partnership (GHP) forecasts the 10-county Houston metro area will add 57,600 jobs in 2024 which will bring its employment to a record 3.4 million jobs. However, GHP also forecasts a slowdown in growth in 2024 compared to 2023, partly due to a slowdown in the United States as a whole due to high interest rates and a continued labor shortage.

The Board of Directors approved a rate increase for the Bayport Area System Facility Division for fiscal year 2024 that increases projected revenue by 2.8%.

**Requests for Information**

This financial report is designed to provide a general overview of the Gulf Coast Authority's finances for anyone with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Director, 910 Bay Area Boulevard, Houston, Texas 77058.



## **BASIC FINANCIAL STATEMENTS**



**GULF COAST AUTHORITY**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

**Assets**

**Current Assets:**

Cash and cash equivalents	\$	61,609,318
Marketable securities		63,682,515
Receivables, net		15,658,612
Prepays		2,130,462
Restricted assets:		
Cash and cash equivalents		17,972,456
Marketable securities		610,905
<b>Total Current Assets</b>		<u>161,664,268</u>

**Noncurrent Assets:**

Capital assets:		
Land		5,174,541
Construction in progress		36,097,535
Plant and equipment		374,574,681
Right-to-use assets		1,196,880
Less accumulated depreciation/amortization		(240,682,570)
Total capital assets (net of accumulated depreciation)		<u>176,361,067</u>

**Total Noncurrent Assets**

176,361,067

**Total Assets**

338,025,335

**Deferred Outflows of Resources**

OPEB related	849,333
<b>Total Deferred Outflows of Resources</b>	<u>849,333</u>

**Liabilities**

**Current Liabilities:**

Accounts payable	9,641,242
Wages payable	650,456
Accrued bond interest	853,694
Current portion of accrued compensated absences	1,649,085
Current portion of lease payable	114,613
Current portion of SBITA payable	186,505
Current portion of bonds payable	5,818,259
Unearned revenue	31,054,486
<b>Total Current Liabilities</b>	<u>49,968,340</u>

**Noncurrent Liabilities:**

Accrued compensated absences	741,291
Lease payable	316,635
SBITA payable	201,891
Bonds payable	76,716,180
Net OPEB liability	7,434,086
Working capital deposits	2,410,258
<b>Total Noncurrent Liabilities</b>	<u>87,820,341</u>

**Total Liabilities**

137,788,681

**Deferred Inflows of Resources**

Deferred gain on refunding	2,239,636
OPEB related	2,130,372
<b>Total Deferred Inflows of Resources</b>	<u>4,370,008</u>

**Net Position**

Net investment in capital assets	101,559,733
Restricted for:	
Debt service	5,357,197
Unrestricted	89,799,049
<b>Total Net Position</b>	<u>\$ 196,715,979</u>

**GULF COAST AUTHORITY**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION**  
*For the Year Ended December 31, 2023*

**Operating Revenues**

Charges for sales and services:

Services to industries	\$ 90,208,277
Services to municipalities	8,105,218
Other	1,742,044

<b>Total Operating Revenues</b>	<u>100,055,539</u>
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**Operating Expenses**

Costs of sales and services	59,997,652
General and administrative	3,606,136
Depreciation/amortization	12,281,172

<b>Total Operating Expenses</b>	<u>75,884,960</u>
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<b>Operating Income (Loss)</b>	<u>24,170,579</u>
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**Nonoperating Revenues (Expenses)**

Investment income	3,394,620
Unrealized gain/(loss)	2,325,805
Interest expense	(2,854,033)
Gain (loss) on disposal of capital assets	(939,310)
Insurance Proceeds	1,223

<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,928,305</u>
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Changes in Net Position	26,098,884
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<b>Beginning Net Position</b>	<u>170,617,095</u>
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<b>Ending Net Position</b>	<u><u>\$ 196,715,979</u></u>
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**GULF COAST AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2023

<b>Cash Flows from Operating Activities</b>	
Receipts from customers and users	\$ 119,003,272
Payments to suppliers	(37,130,282)
Payments to employees	(26,885,211)
Payments to intragovernmental suppliers	(1,436,516)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>53,551,263</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(20,612,810)
Principal paid on bonds	(4,777,227)
Principal payments on lease	(92,445)
Principal payments on SBITA	(218,547)
Interest paid on capital related debt	(3,599,382)
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(29,300,411)</u>
<b>Cash Flows from Investing Activities</b>	
Maturity (purchase) of investments	2,363,348
Interest received (paid)	3,394,620
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>5,757,968</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	30,008,820
<b>Beginning Cash and Cash Equivalents</b>	49,572,954
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 79,581,774</u>
<b>Ending Cash and Cash Equivalents</b>	
Unrestricted cash and cash equivalents	\$ 61,609,318
Restricted cash and cash equivalents	17,972,456
	<u>\$ 79,581,774</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating income (loss)	\$ 24,170,579
Adjustment to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	12,281,172
Changes in Operating Assets and Liabilities:	
(Increase) decrease in assets	
Accounts receivable, net	(769,114)
Due from other funds/divisions	(154,815)
Prepays	(799,340)
Increase (decrease) in liabilities:	
Wages payable	(501,936)
Accounts payable	(97,673)
Due to other funds/divisions	154,815
Net OPEB liability and related amounts	(360,069)
Unearned revenue	19,223,968
Compensated absences	(89,203)
Working capital deposits	492,879
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 53,551,263</u>

**GULF COAST AUTHORITY**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**December 31, 2023**

	<b>Other Pension and Post-Employment Benefit Trust Funds</b>	<b>Custodial Fund Employee Flexible Spending Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 315,226
Investments, at fair value:		
Stable Value/Cash Management	17,014,266	-
Bonds	3,260,178	-
Guaranteed Lifetime Income	7,112,311	-
Balanced/Asset Allocation	9,784,732	-
U.S. Stock	15,055,884	-
International/Global Stock	3,152,513	-
Specialty	351,089	-
Domestic Equities	7,077,513	-
Fixed Income	4,545,967	-
Private Equity	1,296,273	-
Other	1,415,755	-
<b>Total Assets</b>	<b>\$ 70,066,481</b>	<b>\$ 315,226</b>
<b>Net Position</b>		
Restricted for:		
Pensions	\$ 56,202,597	\$ -
Other post-employment benefits	13,863,884	-
Individuals	-	315,226
<b>Total Net Position</b>	<b>\$ 70,066,481</b>	<b>\$ 315,226</b>

**GULF COAST AUTHORITY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**

*For the Year Ended December 31, 2023*

	<b>Other Pension and Post-Employment Benefit Trust Funds</b>	<b>Custodial Fund Employee Flexible Spending Fund</b>
<b>Additions</b>		
<b>Contributions:</b>		
Employers	\$ 3,329,346	\$ 130,576
<b>Total Contributions</b>	<b>3,329,346</b>	<b>130,576</b>
<b>Investment earnings:</b>		
Net increase/(decrease) in fair value of investments	8,435,591	3,132
<b>Net investment earnings</b>	<b>8,435,591</b>	<b>3,132</b>
<b>Other Additions:</b>		
Interest and dividends	203,313	-
Miscellaneous credits	62,017	-
<b>Total Other Additions</b>	<b>265,330</b>	<b>-</b>
<b>Total Additions</b>	<b>12,030,267</b>	<b>133,708</b>
<b>Deductions:</b>		
Benefit payments	4,353,939	-
Beneficiary transfers	-	156,182
Forfeiture debits	56,565	-
Administrative expense	35,817	-
<b>Total Deductions</b>	<b>4,446,321</b>	<b>156,182</b>
Change in Net Position	7,583,946	(22,474)
<b>Beginning Net Position</b>	<b>62,482,535</b>	<b>337,700</b>
<b>Ending Net Position</b>	<b>\$ 70,066,481</b>	<b>\$ 315,226</b>



# GULF COAST AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### I. Summary of Significant Accounting Policies

#### A. Reporting Entity

The Gulf Coast Authority (the "Authority") is a separate self-supporting governmental unit, a political subdivision and special district of the state of Texas. The Authority was established in 1969 by the State Legislature under Article XVI, Section 59, of the Texas Constitution as a conservation and reclamation district. The Authority is governed by a nine-member Board of Directors comprised of appointees from Harris, Galveston, and Chambers Counties, the three counties in the Authority's statutory district.

The following summary of the Authority's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies conform to generally accepted accounting principles in the United States of America ("GAAP") as applicable to governments and should be viewed as an integral part of the accounting financial statements. GAAP for state and local governments is promulgated by the Governmental Accounting Standards Board ("GASB"), and the Financial Accounting Standards Board ("FASB"), where applicable.

**Blended Component Unit.** For financial reporting purposes, the Authority includes all funds and the Gulf Coast Industrial Development Authority ("GCIDA") for which the Authority Board of Directors is financially accountable. In compliance with GASB Statement No. 14, *The Financial Reporting Entity* and No. 39, *Determining Whether Certain Organizations Are Component Units*, the financial statements of the reporting entity include those of the Authority (the primary government) and its blended component unit, GCIDA.

GCIDA was created by the Authority in 1979 under the provisions of the Development Corporation Act of 1979. As stated in its Articles of Incorporation, "GCIDA was organized exclusively for the purposes of benefiting and accomplishing the public purposes of, and to act on behalf of, the Gulf Coast Authority and the specific purposes for which the Corporation was created."

The Board of Directors of the Authority appoints the entire five-member GCIDA Board of Directors and may, for cause or at will, remove the Corporation's five-member governing board. The GCIDA Board of Directors appointed by the Authority has always been comprised entirely of the Authority's Board members and management. Accordingly, the governing bodies of both entities are "substantially the same" providing the Authority sufficient representation to allow complete control of GCIDA. In addition, the Authority has operational responsibilities for the component unit; the Authority approves all specific transactions of GCIDA and has the authority to amend GCIDA's Bylaws and Articles of Incorporation, terminate, or dissolve the Corporation. GCIDA is reported as a blended component unit.

#### B. Financial Statements

The financial statements of the Authority are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses.

The Authority reports the following proprietary fund:

The Authority reports one fund which includes the following divisions of the Authority: the General Services Division, Bayport Facility Division, Blackhawk Facility Division, Campbell Bayou Facility Division, Central Laboratory Division, East Battleground Facility Division, 40-Acre Facility Division, Odessa South Facility Division, Vince Bayou Facility Division, Washburn Tunnel Facility Division, Washburn Tunnel Pipeline Services Division, RailPort Facility Division, Red Bluff Division, and the Gulf Coast Industrial Development Authority ("GCIDA").

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Financial Statements (continued)**

Additionally, the Authority reports the following fiduciary fund types:

**Pension and Other Post-Employment Benefit Trust Funds.** These funds were established to accumulate money needed to pay pension and other post-employment benefits to the Authority's retirees and beneficiaries covered by the *Gulf Coast Authority 401(a) Money Purchase Plan* and the *Gulf Coast Authority Other Post-Employment Benefit Trust*. The funds are administered by the MissionSquare Retirement.

**Custodial Fund.** This fund was established to hold amounts on behalf of employees for the balance of the employee's flexible spending accounts. Employees contribute to the fund each pay period and can spend their full annual contributions at any time during the year. Therefore, the Authority has contributed \$300,000 to the fund to cover payments during the year that exceed the year-to-date contributions. The fund is administered by Flores & Associates.

Fiduciary fund financial statements include a statement of net position and a statement of changes in fiduciary net position. The Authority uses trust funds to account for resources held for the benefit of parties outside the Authority. The fiduciary funds are presented using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. The Authority reports fiduciary activities in accordance with GASB Statement No. 84, *Fiduciary Activities*.

This Statement establishes standards of accounting and financial reporting for fiduciary activities and criteria for identifying fiduciary activities with a focus generally on (1) whether an Authority controls the assets of the fiduciary activities and (2) the beneficiaries with whom a fiduciary relationship exists. Additional criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Authority had two types of activities that met the criteria to be reported as a fiduciary fund in the basic financial statements: (1) the Pension and Other Post-Employee Benefit Trust Funds and (2) the Custodial Fund. A restatement to the beginning net position was required due to the inclusion of the Gulf Coast Authority 401(a) Money Purchase Plan and Trust.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The enterprise and trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Fund equity is classified as net position.

All primary sources of the Authority's revenue are susceptible to accrual. Examples of revenue accrued are fees for services, charges to participants based on cost-reimbursement contracts, and earnings from investments. The Authority receives no revenue from taxes. Unbilled receivables are recorded for services rendered but not yet invoiced as of the end of each accounting period. For those divisions where services are rendered on a cost-reimbursement basis, unbilled receivables consist primarily of variances between periodic budget billings and actual expenditures. These include the Blackhawk Facility Division, Campbell Bayou Facility Division, 40-Acre Facility Division and Washburn Tunnel Facility Division. For those divisions whose services are rendered on a fee basis, unbilled receivables consist primarily of charges for services performed in the current month which are invoiced the following month. The General Services Division, Bayport Facility Division, Central Laboratory Division, Odessa South Facility Division, and Vince Bayou Division make up this category.

Unearned revenues arise when resources are received before earned. Billings in the current year for budgeted expenditures of pollution control facilities operated on a cost-reimbursement basis are not earned until the expenditures are incurred. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has earned the resources, the liability for unearned revenue is reduced accordingly and revenue is recognized.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary division's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services along with penalties and fees. Operating expenses include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash, Cash Equivalents and Investments**

Cash is defined as currency, demand deposits with banks and other financial institutions, and any other kind of account that has the general characteristics of demand deposits where funds may be added or withdrawn at any time without penalty or prior notice. Cash equivalents are defined as liquid investments that are both readily convertible to known amounts of cash and so near their maturity they present insignificant risk or changes in value because of changes in interest rates. Only investments with original maturities of three months or less qualify under this definition.

The Authority reports all investments at fair-value, except for investment positions in external investment pools, such as Texas CLASS, which are reported at amortized cost. The Texas CLASS Board of Trustees, which is comprised of active members of the pool and elected by the participants guided by the Advisory Board, oversees the management of Texas CLASS. The State Comptroller of Public Accounts oversees TexPool. Texas Range is directed by an advisory board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services. Federated Investors is the full-service provider to the pools managing the assets providing participant services and arranging for all custody and other functions in support of the pool's operations under contract with the Comptroller.

The Authority's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

The Authority reports all investments, except external investment pools, at fair value based on quoted market prices at year-end date. The Authority categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**2. Interfund Receivables/Payables**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund loan receivable and payables on the statement of net position.

**3. Inventories**

The Authority's facilities maintain inventories of parts and supplies available as needed for operation of the facilities. Any equipment included in those inventories is subject to the Authority's capitalization policy and is included as capital assets in the statement of net position. There is no other significant inventory and; therefore, no inventory is recorded on the balance sheet or statement of net position.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**4. Prepayments**

Prepayments for services and insurance that will benefit periods beyond the current period are reflected as prepaid expenses.

**5. Capital Assets**

Capital assets are recorded at historical cost (except for intangible right-to-use lease and SBITA assets) and depreciated/amortized over estimated useful lives unless they are inexhaustible, such as land. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate asset class. Depreciation/amortization expense is reported in the statement of revenues, expenses, and changes in fund net position.

Capital assets are defined as items of property that:

- a. Are tangible in nature;
- b. Have an economic useful life longer than two years;
- c. Maintain their identities throughout their useful lives, either as separate entities or as identifiable components; and
- d. Have an original cost of \$5,000 or more.

Depreciation/amortization is recorded using the straight-line method over the estimated service lives as follows:

Right-to-use SBITA assets	Subscription Term
Computers and computer equipment	3-5 Years
Cranes, mobile units, motor vehicles, and other equipment	3-10 Years
Aerators, pumps, and electrical equipment	5-10 Years
Right-to-use leased equipment	5-10 Years
Pipelines	10-20 Years
Buildings, roads and fences	10-30 Years
Ponds, basins, lift stations, clarifiers, dikes, and channels	10-40 Years
Tanks	15-20 Years

**6. Leases**

The Authority is a lessee for a noncancellable lease of equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Authority recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.



**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**6. Leases (continued)**

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**7. Subscription-Based Information Technology Arrangements**

The Authority is under contract for SBITA for software. The agreement/contract are noncancellable and the Authority recognizes a SBITA liability and an intangible right-to-use SBITA asset. The Authority recognizes SBITA liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a SBITA, the Authority initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the Authority determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The Authority uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the Authority is reasonable certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**8. Compensated Absences**

Vacation is granted in varying amounts depending upon length of service. Employees must take two weeks of vacation each year after the second year of employment. Employees may carry over a maximum of 360 hours of vacation from one calendar year to the next. Once an employee reaches the maximum, he/she will be allowed to accrue time in the next year, with any hours in excess of the 360 being paid to the employee's Retirement Health Savings Account.

Leave is granted at the rate of 15 days per year and may be accumulated up to a total of 90 days. When the maximum has been reached, the employee is paid in January of each year for the number of leave hours exceeding 720 (90 days). Active employees are eligible to be paid for one-half of accrued hours in excess of 720 at their current pay rate. An employee who terminates employment after six months of service or who retires will be compensated for one-half of total accrued hours at the employee's termination date.

The General Services Division is used to hold money accumulated to pay liabilities for compensated absences. The total vested liability to all Authority employees for vacation and leave is recorded in this fund. Every pay period, the other divisions make payments to the General Services Division for their share of the current value of the accrued absences earned by the employees during that pay period.

**9. Net Position Flow Assumption**

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**10. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as, reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, allowance for doubtful accounts, net OPEB liability and other accounts. Actual results may differ from these estimates.

**11. 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 a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has one item that qualifies for reporting in this category, the deferred amounts related to OPEB. The deferred amounts related to OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other OPEB related changes.

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 a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. It is the deferred charge on refunding reported in the statement of net position and deferred amounts related to OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**12. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the Fiduciary Net Position of the MissionSquare Retirement Plan and additions to/deductions from MissionSquare Retirement's Fiduciary Net Position have been determined on the same basis as they are reported by MissionSquare Retirement. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**II. Stewardship and Accountability**

**A. Financial Plan**

The estimates of revenues and expenses for the Authority's operating divisions are presented annually to the Authority's Board of Directors for adoption. In the case of the Bayport Facility Division and the Odessa South Facility Division, the Board establishes rates for the treatment of waste received from the facilities customers. Although the Bayport Facility Division and the Odessa South Facility Division budgets are presented annually to all the participants of those facilities for their review, the financial plan does not become a legal document. Additionally, the financial plan of the Blackhawk Facility Division, Campbell Bayou Facility Division, 40-Acre Facility Division and Washburn Tunnel Facility Division are approved by the industries or municipalities that the facilities serve; however, the financial plan is only a management tool and does not become a legal document. These non-appropriated financial plans are prepared for management control and are not presented in these financial statements.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

The table below presents the Authority's investments as of December 31, 2023, classified by credit rating from a national rating agency As of December 31, 2023:

<u>Investment Type</u>	<u>Fair Value / Amortized Cost</u>	<u>Percentage of Portfolio</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating Standard &amp; Poor's</u>
U.S. Agencies				
FNMA	\$ 698,086	1%	1,030	AA+
FHLMC	7,479,321	6%	585	AA+
FFCB	1,008,670	1%	957	AA+
FHLB	557,460	0%	813	AA+
U.S. Treasury Notes	50,121,150	43%	700	AA+
National Agency Bonds	3,241,554	3%	712	AAA+
Municipal Securities	1,187,179	1%	338	A to AAA
State Pools:				
TexPool	552,818	0%	39	AAAm
Texas Range	46,213,587	40%	40	AAAm
Texas CLASS	6,306,722	5%	50	AAAm
Total fair value	<u>\$ 117,366,547</u>	<u>100%</u>		
Portfolio weighted average maturity			399	
<b>Reconciliation to Statement of Net Position</b>				
Total Investments Above	\$ 117,366,547			
Demand Deposits	<u>26,508,647</u>			
<b>Total Cash, Cash Equivalents, and Marketable Securities</b>	<u>\$ 143,875,194</u>			

The Authority's investments fair value measurements are as follows as December 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
U.S. Agencies	\$ 9,743,537	\$ -	\$ 9,743,537	\$ -
U.S. Treasury Notes	50,121,150	50,121,150	-	-
National Agency Bonds	3,241,554	-	3,241,554	-
Municipal Securities	1,187,179	-	1,187,179	-
	<u>\$ 64,293,420</u>	<u>\$ 50,121,150</u>	<u>\$ 14,172,270</u>	<u>\$ -</u>
<b>Reconciliation to Statement of Net Position</b>				
Total Investments Above	\$ 64,293,420			
Demand Deposits	26,508,647			
State Pools	<u>53,073,127</u>			
Total Cash, Cash Equivalents, and Marketable Securities	<u>\$ 143,875,194</u>			

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

*Interest rate risk.* In accordance with its investment policy, the Authority manages exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

*Credit risk.* State law and the Authority's investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. Further, commercial paper must be rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies. As of December 31, 2023, the Authority's investments were in compliance with State law and the Authority's investment policy.

*Concentration of credit risk.* The Authority's investment policy does not allow for an investment in any one issue that is in excess of 50% of the portfolio's total investments.

*Custodial credit risk - deposits.* In the case of deposits, the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective market value of at least 102 percent. As of December 31, 2023, the bank balances were covered by \$250,000 of FDIC insurance and the remaining was covered by pledged securities or swept into overnight money market mutual funds.

*Custodial credit risk - investments.* For an investment, the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that is in the possession of an outside party. The Authority's investment policy requires that it will seek to safe keep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the Authority's safekeeping account prior to the release of funds.

*Fair value of investments.* The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments classified as Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**B. Receivables**

Receivables at year-end consist of the following:

	<b>Business Type Activities</b>
	<b>Current</b>
Accounts receivable	\$ 9,618,442
Unbilled receivables	15,283
Accrued revenue	6,169,253
Other receivables	283
Gross receivables	<u>15,803,261</u>
Less: allowance for doubtful accounts	(144,649)
Net receivables	<u><u>\$ 15,658,612</u></u>

**C. Restricted Assets**

Restricted assets as reported on the Statement of Net Position as of December 31, 2023, are as follows:

<b>Restricted Assets:</b>	
Cash and cash equivalents	\$ 17,972,456
Marketable securities	610,905
	<u>\$ 18,583,361</u>
<b>Assets Restricted For:</b>	
Debt service <sup>1</sup>	\$ 6,210,891
Capital projects	11,433,266
Contingency reserve	939,204
	<u>\$ 18,583,361</u>

<sup>1</sup>Difference between assets restricted for debt service and net position restricted for debt service is accrued interest of \$853,694

**Bayport Area System**

The Bayport Area System Revenue Bonds Series 1996 Resolution requires that the "Pledged Revenues of the System" (the "System") shall be deposited into the revenue fund. The System is required to maintain a reserve fund in an amount equal to the average annual debt service requirements of all the outstanding bonds. Whenever the fund contains less than the required amount, the System shall transfer monthly from the revenue fund a sum of at least 1/60th of the balance of the required amount until the reserve fund requirement is attained. At year-end, reserve fund assets were invested in a U.S. government securities mutual fund.

<b>Balance of Reserve Fund as of December 31, 2023</b>	\$ 6,210,891
Average annual debt service	5,504,281
<b>Balance of Reserve Fund Over/(Under) Average Annual Debt Service</b>	<u><u>\$ 706,610</u></u>

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**C. Restricted Assets (continued)**

***Blackhawk Regional Wastewater Treatment***

The Regional Waste Disposal Facility Contract between the participants of the Blackhawk Facility and the Authority establishes a contingency reserve to cover ordinary and extraordinary repairs, capital replacement costs, improvements or betterments of the plant. The reserve is increased on a yearly basis by an amount equal to 1% of the participant's share of the operating expenditures. During the year ended December 31, 2023, the increase to the reserve was \$83,446 from the participants. The restricted assets as reported on the Statement of Net Position as of December 31, 2023 was \$939,204.

**D. Capital Assets**

Capital asset activity for the year ended is as shown below:

	Beginning Balance	Increases	Decreases	Reclassifications/ Transfers	Ending Balance
<b>Capital Assets Not being Depreciated/Amortized:</b>					
Land	\$ 5,174,541	\$ -	\$ -	\$ -	\$ 5,174,541
Construction in progress	47,240,250	18,330,927	(874,324)	(28,599,318)	36,097,535
<b>Total Capital Assets Not being Depreciated/Amortized</b>	<u>52,414,791</u>	<u>18,330,927</u>	<u>(874,324)</u>	<u>(28,599,318)</u>	<u>41,272,076</u>
<b>Capital Assets being Depreciated/Amortized:</b>					
Waste treatment facilities and equipment	335,146,900	1,916,489	(1,047,674)	28,599,318	364,615,033
Office buildings	1,766,303	18,450	-	-	1,784,753
Administrative furniture and equipment	7,918,525	348,176	(91,806)	-	8,174,895
Right-to-use lease assets	278,420	311,517	-	-	589,937
Right-to-use subscription assets	-	606,943	-	-	606,943
<b>Total Capital Assets being Depreciated/Amortized</b>	<u>345,110,148</u>	<u>3,201,575</u>	<u>(1,139,480)</u>	<u>28,599,318</u>	<u>375,771,561</u>
<b>Less Accumulated Depreciation/Amortization For:</b>					
Waste treatment facilities and equipment	(222,427,215)	(11,562,542)	982,688	-	(233,007,069)
Office buildings	(1,129,627)	(50,267)	-	-	(1,179,894)
Administrative furniture and equipment	(5,849,445)	(467,315)	91,806	-	(6,224,954)
Right-to-use lease assets	(69,605)	(99,891)	-	-	(169,496)
Right-to-use subscription assets	-	(101,157)	-	-	(101,157)
<b>Total Accumulated Depreciation/Amortization</b>	<u>(229,475,892)</u>	<u>(12,281,172)</u>	<u>1,074,494</u>	<u>-</u>	<u>(240,682,570)</u>
<b>Total Capital Assets Being Depreciated/Amortized, Net</b>	<u>115,634,256</u>	<u>(9,079,597)</u>	<u>(64,986)</u>	<u>28,599,318</u>	<u>135,088,991</u>
<b>Capital Assets, Net</b>	<u>\$ 168,049,047</u>	<u>\$ 9,251,330</u>	<u>\$ (939,310)</u>	<u>\$ -</u>	<u>\$ 176,361,067</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

<b>Business-type Activities:</b>	
General services	\$ 618,739
Wastewater treatment	11,657,285
Solid waste disposal	5,148
<b>Total Depreciation/Amortization Expense</b>	<u>\$ 12,281,172</u>

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Capital Assets (continued)**

Construction in progress and remaining commitments under related construction contracts at year-end were as follows:

Project Description	Authorized Contract	Contract Expenditures	Remaining Commitment
<b>General Fund</b>			
Master Planning	\$ 100,400	\$ 61,073	\$ 39,327
<b>Blackhawk Facility</b>			
Belt Press #1 Control Panel Upgrade	80,000	1,127	78,873
Belt Press #2 Rebuilt and PLC Upgrade	170,000	117,864	52,136
BH Detailed Design for Aeration	861,873	840,972	20,901
Force Main Repair	3,155,527	2,940,645	214,882
Master Planning	191,600	116,550	75,050
<b>Washburn Tunnel</b>			
T-80 Tank Replacement	200,000	181,321	18,679
T-110 Oxygen ISO Mixer	208,100	208,100	-
Master Planning	465,600	283,225	182,375
MCC Electrical Switchgear Upgrade	1,350,000	327,562	1,022,438
T-110 Aeration Basin	1,600,000	20,923	1,579,077
<b>40 Acre</b>			
Master Planning	168,800	102,681	66,119
<b>Odessa South</b>			
Blower Repairs	65,000	36,847	28,153
Blower Gallery Repairs	75,000	53,711	21,289
Master Planning	235,600	143,316	92,284
<b>East Battleground Facility</b>			
East Battleground Wastewater Treatment Plant	2,051,120	1,759,188	291,932
<b>North Texas</b>			
RailPort Wastewater Treatment Plant	31,724,557	7,228,598	24,495,959
<b>Campbell Bayou Facility</b>			
Master Planning	21,100	11,151	9,949
Cells Expansion at Campbell Bayou	707,700	683,107	24,593
<b>Bayport Facility</b>			
Centauri New User Line	13,962	13,962	-
Fence Repairs and Replacement	120,000	16,957	103,043
Belt Press Building Corrosion Improvement	200,000	28,757	171,243
Umincore New User Line	363,000	104,434	258,566
Fiber Optic Upgrade	200,000	171,447	28,553
Master Planning	756,800	460,363	296,437
Cooling Tower Controls Upgrade	500,000	99,710	400,290
2ND Step Basin Overhaul and Air Line Concrete	500,000	107,807	392,193
Spare MLS Pump	650,000	478,068	171,932
Flood Mitigation Evaluation	600,000	603,728	(3,728)
PLC Upgrades - Belt Presses	850,000	666,235	183,765
Belt Press 830 & 840 Rebuild	1,425,000	1,213,615	211,385
Backup Power Supply	1,800,000	487,711	1,312,289
RAS Piping Integrity	2,200,000	359,529	1,840,471
Belt Press Building and Equipment Corrosion Repair	3,425,000	3,335,081	89,919
Clean Stream Channel Upgrade	3,700,000	759,010	2,940,990
DTB Pumps Upgrade	4,170,000	4,160,351	9,649
1st & 2nd Step Recirculated Pumps & Piping	8,400,000	7,148,646	1,251,354
<b>Central Laboratory</b>			
Master Planning	24,400	14,842	9,558
ADA Compliance Review	80,000	12,190	67,810
Generator Project	820,000	340,950	479,050
Fume Hood System Additions	2,000,000	5,728	1,994,272
<b>Computer &amp; Network Services</b>			
Master Planning	31,400	19,101	12,299
VBRS Septic Unit	173,160	163,620	9,540
VB- 2 Tank	1,122,000	207,732	914,268
<b>Totals</b>	<b>\$ 77,556,699</b>	<b>\$ 36,097,535</b>	<b>\$ 41,459,164</b>



**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-Term Debt**

*Bayport Area System Revenue Bonds*

The bonds outstanding at December 31, 2023, consist of: (a) Revenue Bonds, Series 2015, maturing October 1, 2035, with an interest rate of two percent to five percent, originally issued at \$25,770,000; and (b) Revenue Bonds, Series 2018 maturing October 1, 2042, with an interest rate of three and a half to five percent, originally issued at \$33,770,000; and (c) Revenue Bonds, Series 2022A maturing October 1, 2042, with an interest rate of five percent, originally issued at \$9,425,000; and (d) Revenue Refunding Bonds, Series 2022B maturing October 1, 2033, with an interest rate of five percent, originally issued at \$17,625,000. The annual requirements to amortize all outstanding Bayport Area System Revenue Bonds as of year-end, including interest payments, are as follows:

<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 5,275,000	\$ 3,414,775	\$ 8,689,775
2025	3,760,000	3,151,025	6,911,025
2026	3,945,000	2,963,025	6,908,025
2027	4,135,000	2,765,775	6,900,775
2028	4,355,000	2,559,025	6,914,025
2029	4,555,000	2,341,275	6,896,275
2030	4,790,000	2,113,525	6,903,525
2031	5,025,000	1,874,025	6,899,025
2032	5,290,000	1,622,775	6,912,775
2033	5,545,000	1,358,275	6,903,275
2034	4,200,000	1,107,725	5,307,725
2035	4,360,000	950,969	5,310,969
2036	2,515,000	788,150	3,303,150
2037	2,615,000	687,550	3,302,550
2038	2,720,000	582,950	3,302,950
2039	2,830,000	474,150	3,304,150
2040	2,940,000	360,950	3,300,950
2041	3,060,000	245,350	3,305,350
2042	3,180,000	125,038	3,305,038
<b>Total</b>	<b>\$ 75,095,000</b>	<b>\$ 29,486,332</b>	<b>\$ 104,581,332</b>

The bonds outstanding are special obligations of the Authority which are secured by a first lien on the "Pledged Revenues of the Bayport Area System Facility," as defined below. The bonds are also secured by all monies in the Bond Fund and the Reserve Fund, subject to the use of such funds for the purposes specified in the Bond Resolution. The holder of the bonds shall never have the right to demand payment of the bonds from monies derived or to be derived from taxation or any other revenues except the Pledged Revenues. Neither the facilities owned by the Authority nor any other property of the Authority is encumbered by any lien for the benefit of the holder of the bonds. The bonds are payable solely from revenues pledged to their payment and shall not be considered as general obligations of the Authority, the governing body of the Authority or the State of Texas.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

*Bayport Area System Revenue Bonds (continued)*

The "Pledged Revenues" are defined as the "Net Revenues of the System" and any additional revenues, income receipts, deposits, or other resources which the Authority may at its option include. The "Net Revenues of the System" are defined as the "Gross Revenues of the System" less the "Current Expenses of the System."

The "Gross Revenues of the System" include all of the revenues of every nature derived from the operations of the System including all investment income for any fund created by the Bond Resolution to the extent such income is credited to the "Gross Revenues of the System" as required by the Bond Resolution. The "Current Expenses of the System" includes all necessary current operating and maintenance expenses, and the Authority's actual overhead and management costs relating to the System, but does not include depreciation, debt service of the bonds, and management fees to the General Services Division.

The debt service coverage of the pledged revenues for the year ended December 31, 2023, for the Series Bayport Area System Revenue Bonds is computed in the following schedule:

Net revenues of the system for the year ended December 31, 2023	\$ 12,155,897
Add-Items not includable in current expenses of the System:	
Bond interest expense	2,833,648
Depreciation	7,545,498
Management fee	1,839,996
	<u>12,219,142</u>
Pledged revenues	<u>\$ 24,375,039</u>
Average annual debt service for bonds	<u>\$ 5,504,281</u>
Debt service coverage average annual debt service	4.43
Actual debt service for bonds	<u>\$ 8,691,025</u>
Debt service coverage actual debt service	2.80

"Pledged Revenues" are also deposited in the Bond Fund and the Reserve Fund. Any surplus revenues are to be used for paying the annual management fee to the General Services Division or for any other lawful purpose.

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986 calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is to be rebated to the federal government.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

*Bayport Area System Revenue Bonds (continued)*

Long-term debt activity for the year ended is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>	<b>Due In More Than One Year</b>
<b>Business-type Activities:</b>						
Accrued compensated absences	\$ 2,479,579	\$ 1,612,070	\$ (1,701,273)	\$ 2,390,376	\$ 1,649,085	\$ 741,291
Leases	212,167	311,517	(92,436)	431,248	114,613	316,635
Subscriptions	-	388,396	-	388,396	186,505	201,891
<b>Bonds Payable:</b>						
Series 2015	19,300,000	-	(1,090,000)	18,210,000	1,145,000	17,065,000
Series 2018	33,770,000	-	(585,000)	33,185,000	615,000	32,570,000
Series 2022A	9,425,000	-	(290,000)	9,135,000	305,000	8,830,000
Series 2022B	17,625,000	-	(3,060,000)	14,565,000	3,210,000	11,355,000
Premium	7,644,497	-	(543,260)	7,101,237	543,259	6,557,978
Arbitrage Payable	-	338,202	-	338,202	-	338,202
<b>Total Long Term Debt</b>	<b>\$ 90,456,243</b>	<b>\$ 2,650,185</b>	<b>\$ (7,361,969)</b>	<b>\$ 85,744,459</b>	<b>\$ 7,768,462</b>	<b>\$ 77,975,997</b>

**F. Leases**

*Lease Payable*

During the current fiscal year, the Authority entered into a six-year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$311,517. In 2021, the Authority entered into a five-year agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$278,420 during 2021. As of December 31, 2023, the value of the lease liability was \$431,248. The Authority is required to make monthly principal and interest payments of \$5,500 and \$6,193 respectively. The leases have an interest rate of 8.25% and 3.25%. The equipment has a six-year and five-year estimated useful life. The value of the right-to-use assets as of the end of the current fiscal year was \$589,937 and had accumulated amortization of \$169,496.

The future principal and interest lease payments as of December 31, 2023, were as follows:

<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 114,613	\$ 25,709	\$ 140,322
2025	120,713	19,609	140,322
2026	51,764	14,236	66,000
2027	56,201	9,799	66,000
2028	61,016	4,984	66,000
2029	26,941	558	27,499
<b>Totals</b>	<b>\$ 431,248</b>	<b>\$ 74,895</b>	<b>\$ 506,143</b>

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Subscriptions**

*SBITAs Payable*

During the current fiscal year, the Authority entered into a three-year SBITA agreement for the acquisition of software. An initial SBITA liability was recorded in the amount of \$388,396 during the current fiscal year. As of December 31, 2023, the value of the SBITA liability was \$388,396. There are no variable payments. The Authority is required to make monthly principal and interest payments of \$16,860. The SBITA has an interest rate of 8.25%. The software has a three-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$606,943 and had accumulated amortization of \$101,157.

The future principal and interest SBITA payments as of December 31, 2023, were as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 186,505	\$ 32,043	\$ 218,548
2025	201,891	16,656	218,547
<b>Totals</b>	<b>\$ 388,396</b>	<b>\$ 48,699</b>	<b>\$ 437,095</b>

**H. Net Investments in Capital Assets**

Net investments in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent bond proceeds.

A summary of net investment in capital assets by division as of December 31, 2023 is as follows:

	<b>Capital Assets Net of Depreciation/ Amortization</b>	<b>Unspent Bond Proceeds</b>	<b>Capital Related Bonds Payable<sup>1</sup></b>	<b>Other Capital Related Liabilities<sup>2</sup></b>	<b>Net Investment in Capital Assets</b>
<b>Enterprise Fund Division:</b>					
General Services	\$ 3,175,459	\$ -	\$ -	\$ (388,396)	\$ 2,787,063
Bayport Facility	122,267,889	11,433,266	(84,774,075)	(640,881)	48,286,199
Blackhawk Facility	12,811,064	-	-	-	12,811,064
Campbell Bayou Facility	1,383,305	-	-	-	1,383,305
Central Laboratory	3,162,920	-	-	-	3,162,920
East Battleground Facility	1,759,188	-	-	-	1,759,188
40-Acre Facility	6,362,069	-	-	(287,519)	6,074,550
Odessa South Facility	1,606,131	-	-	-	1,606,131
Vince Bayou Facility	1,023,538	-	-	-	1,023,538
Washburn Tunnel Facility	15,580,906	-	(143,729)	-	15,437,177
RailPort Facility	7,228,598	-	-	-	7,228,598
<b>Total Enterprise Funds</b>	<b>\$ 176,361,067</b>	<b>\$ 11,433,266</b>	<b>\$ (84,917,804)</b>	<b>\$ (1,316,796)</b>	<b>\$ 101,559,733</b>

<sup>1</sup> Includes premium and deferred gains/losses on refunding

<sup>2</sup> Includes accounts payable and retainage payable related to capital activities.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Private Activity, Contract and Industrial Development Revenue Bonds (Conduit Debt)**

To accomplish its purposes, the Authority is empowered to issue private activity bonds to finance the acquisition, construction or improvement of pollution control, and solid waste disposal facilities (the "Project", as defined in the bond documents).

The Authority is also authorized to sell the Project that is acquired, constructed, or improved to the entities that the pollution control or solid waste facilities serve (the "Users"). The bonds are secured by a pledge of the monies to be received by the Authority from the Users pursuant to the agreements. Debt service on the bonds, including principal and interest when due, is secured and paid from revenues in accordance with agreements made by the Authority with the Users.

The holders of the bonds shall never have the right to demand payment of the bonds from monies derived or to be derived by taxation or any other revenues of the Authority except those revenues pledged, which are debt service charges or payments made under the Installment Sale Agreements, as defined. Neither the facilities owned by the Authority nor any other property of the Authority is encumbered by a lien for the benefit of the holders of the bonds. The bonds are payable solely from revenues pledged to their payment and shall not be considered as general obligations of the Authority, the governing body of the Authority, or the state of Texas.

GCIDA may issue bonds with the approval of the Authority for the promotion and development of commercial, industrial, and manufacturing enterprises to promote and encourage employment and the public welfare. These bonds, like the Authority private activity bonds, fall into the category of "conduit" debt obligations.

Although conduit debt obligations bear the name of the Authority or GCIDA, the resources are provided through the third party on whose behalf they are issued. As conduit debts are the responsibilities of the third parties, and no revenues are discussed above, the Authority and GCIDA conduit bonds are not included in the Authority's financial statements.

Aggregate totals of amounts outstanding at year end as presented in detail in the "Other Supplementary Information" are as follows:

Industrial pollution projects private activity bonds	\$ 171,700,000
Industrial development projects	325,000,000
<b>Total Private Activity Bonds</b>	<u><u>\$ 496,700,000</u></u>

**J. Ownership of Wastewater Treatment Facilities**

Generally, the Authority becomes the owner of the industrial wastewater treatment facilities it constructs or acquires from the proceeds of bonds issued. Municipal wastewater treatment plants owned by the Authority are financed through contributions received from municipalities and land developers, as well as bond issues.

The construction of the 40-Acre Facility was financed through the issuance of Union Carbide Corporation Project Revenue Bonds and through additional contributions made by Union Carbide. Under the Facilities Agreement, Union Carbide has the option of purchasing the facility at appraised values, as defined. However, Union Carbide may not exercise its option to purchase if other corporations are also using the facilities.

Effective January 6, 2006, the participants of the Washburn Tunnel Facility terminated the Joint Venture Agreement and delivered to the Authority a quitclaim deed, quitclaiming to the Authority any and all right, title and interest or reversionary interest they may have had in the Washburn Tunnel Facility.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information**

**A. Defined Contribution Pension Plan**

The Authority's Board of Directors adopted a resolution establishing the Gulf Coast Authority 401(a) Money Purchase Plan, a defined contribution money purchase plan and trust agreement (the "Plan") effective January 1, 1990. In a defined contribution pension plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan is a qualified pension plan under Section 401 (a) of the Internal Revenue Code with MissionSquare Retirement (MissionSquare) serving as the Plan administrator. The Plan qualifies as a fiduciary activity under GASB 84, Fiduciary Activities, due to the Authority's control over the funds of the Plan. Control by the Authority was determined as a portion of the funds are not fully vested until certain requirements are met. At December 31, 2023 the total plan assets were \$56,202,597. These assets were allocated as follows:

<u>Asset Category</u>	<u>Balance</u>	<u>Percent of Assets</u>
Stable Value/Money Market Funds	\$ 17,014,266	30%
Bond Funds	3,260,178	6%
Guaranteed Lifetime Income	7,112,311	13%
Balanced Funds	9,784,732	17%
U.S. Stock Funds	15,055,884	27%
International Stock Funds	3,152,513	6%
Specialty	351,089	1%
Other	471,624	1%
<b>Total Assets</b>	<b>\$ 56,202,597</b>	<b>100.00%</b>

The Authority's contribution for the year ended December 31, 2023 was \$1,886,174 which represents the required 12.5 percent of covered payroll. The employees' contribution was \$754,470 which equals 5 percent of covered payroll and there were no additional voluntary contributions. The Authority recognized pension expense of \$1,886,174 during the year. As of December 31, 2023 there were 180 active participants, 103 inactive participants are retired or terminated participants with balances in the plan.

**Plan Provisions**

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Authority's Board of Directors. All employees whose customary employment is for at least 24 hours per week are eligible to participate in the Plan from the date of employment. Normal retirement age is 65. The Authority contributes on behalf of each participant 12.5 percent of each pay period earnings. Earnings are defined as W-2 earnings less overtime, shift differential, auto allowance, taxable fringe benefits, and other non-routine portions of employee's compensation, plus compensation voluntarily deferred under an eligible deferred compensation plan under Section 457, a flexible compensation plan under Section 125 of the Internal Revenue Code, or a Retirement Health Savings Plan. Also included in earnings is the tax deferred mandatory employee contribution made each pay period, as authorized by the Authority's Board of Directors in amendments to the Plan.

Participants may also make voluntary, after-tax contributions. Mandatory and voluntary contributions are 100 percent vested. Contributions made by the Authority are 20 percent vested after three years of service, increasing 20 percent each year to 100 percent after seven years of service. Non-vested Authority contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the Authority's required contributions. A participant may direct the investment of the money contributed by the Authority on his/her behalf in any of the available MissionSquare investment options. There is no investment restriction on the mandatory 5 percent contribution or on any voluntary contribution made by each employee.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information (continued)**

**B. Deferred Compensation Plan**

The Authority maintains a deferred compensation plan, which is available to all employees. The plan complies with Section 457 of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments). MissionSquare is the independent administrator of the plan. The Plan does not qualify as a fiduciary activity under GASB 84, Fiduciary Activities, as the Authority does not have control over the funds deposited into the deferred compensation plan.

**C. Retirement Health Savings Plan**

During 2005, the Authority adopted the Vantage Care Retirement Health Savings ("RHS") plan. This plan established by private letter rulings and Treasury Regulation 301.7701-1 (a) (3) allows employees to accumulate assets on a pre-tax basis to pay for medical expenses upon separation of employment with the Authority. The plan is open to all employees whose regular work schedule is for at least twenty hours per week. MissionSquare is the independent administrator of the plan. The Plan does not qualify as a fiduciary activity under GASB 84, *Fiduciary Activities*, as the Authority does not have control over the funds deposited into the RHS plan.

**D. Other Post-Employment Benefits**

***Plan description***

The Gulf Coast Authority Other Post Employment Benefit Trust (GCAOPEBT) is a single employer trust established in 2008 to provide one or more retirement welfare benefit plans, programs, or arrangements to provide medical and life insurance coverage for qualified retirees in accordance with its personnel policy. The Trust is held by MissionSquare Retirement who is also the administrator of the Plan. Assets held by the Trust are valued at fair value. In order to qualify for coverage as a "retiree" under the Authority's medical and life insurance plans an employee must accumulate a minimum number of years of service and chronological age in some combination that equate to "80" (Rule of 80). Employees hired on or after January 1, 2019 must also have reached age 60. The Authority has no statutory or contractual obligation to continue to offer these post-retirement benefits. The plan is a prefunded defined benefit OPEB plan. Separate audited financial statements are not available for the Plan. The Plan's provisions and funding requirements are established and can be amended by the Management of the Authority. A separate, audited GAAP basis postemployment benefit plan report is not available.

***Funding policy***

For employees hired before January 1, 2019, it is the Authority's current administrative policy to pay all but \$70.00 (which is paid by the retiree) of the monthly premium for each pre-Medicare retiree under age 65. For employees hired on or after that date, the retiree will be responsible for paying a percentage of the monthly premium. The Authority pays supplemental health insurance for each retiree eligible for Medicare at a cost ranging from \$126 to \$337 per month, dependent on the Medicare supplement plan chosen by the retiree. The Authority continues to provide dental coverage to the retiree after they have reached age 65. The retiree pays \$15.00 for this coverage. In addition, the Authority pays premiums for term life insurance for retirees. The amount of insurance coverage is 75 percent of the retired employee's base salary at termination, rounded to the next \$1,000, with a maximum coverage of \$50,000 for employees hired before January 1, 2019 and \$20,000 for employees hired after that date.

The Plan uses the cash basis of accounting; therefore, contributions, benefits and refunds related to the Plan are recognized when they are made to the Plan or received from the Plan. No benefits were paid out of the GCAOPEBT in 2023. Instead, costs were paid on a "pay-as-you-go" basis from the Authority's General Services Division.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information (continued)**

**D. Other Post-Employment Benefits (continued)**

**Funding policy (continued)**

At December 31, 2022, measurement date, the following employees were covered by the benefit terms:

<u>Membership</u>	
Retirees and beneficiaries	88
Inactive, nonretired members	0
Active members	<u>104</u>
<b>Total</b>	<u><u>192</u></u>

**Contributions**

The contribution requirements of plan members and the Authority are established and amended by the Board of Directors. The required contribution is based on projected pay-as-you go financing requirements. For the year 2023, the Authority contributed a total of \$686,880 to the plan for benefit payments.

**Net OPEB Liability**

The net OPEB liability is based upon a January 1, 2022 valuation date. Year-end liabilities were projected forward to December 31, 2023, using a standard roll-forward technique.

**Actuarial Assumptions**

Valuation date	January 1, 2022
Actuarial cost method	Individual Entry Age
Single Discount Rate	5.00%, per annum
Inflation	2.25%, per annum
Salary Increases	3.00%, per annum
Demographic Assumptions	Current valuation relies heavily upon the demographic assumptions for disability, termination and retirement as used by the prior plan actuary. The per capita claims costs and how these costs are expected to escalate in the future were set by HUB international.
Mortality	Sex distinct PUB 2010 retiree headcount weighted mortality table with mortality improvement scale MP-2021 for annuitants and non-annuitants
Health Care Trend Rate	Pre-65: Initial rate of 7.10% fluctuating between 7.10% and 4.24% for 21 years until reaching an ultimate rate of 4.14% Post-65: Initial rate of 7.10% fluctuating between 7.10% and 4.24% for 21 years until reaching an ultimate rate of 4.14%
Participation Rates	100% of participants eligible for retiree welfare coverage upon retirement are assumed to elect coverage No retirees are assumed to drop coverage once electing as a retiree



**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information (continued)**

**D. Other Post-Employment Benefits (continued)**

**Discount Rate**

The single discount rate as of December 31, 2023, for GASB 75 accounting purposes is 5.00% which is based upon the below information:

	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	50%	7.00%
Foreign Equity	9%	8.80%
Fixed Income	33%	5.94%
Cash	1%	2.90%
Other	7%	9.70%
<b>Total</b>	<b>100%</b>	<b>6.98%</b>

**Changes in Net OPEB Liability**

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
<b>Balance at December 31, 2022</b>	\$ 20,094,329	\$ 11,418,361	\$ 8,675,968
Service cost	561,186	-	561,186
Interest	1,023,256	-	1,023,256
Contributions - employer	-	686,880	(686,880)
Net investment income	-	1,758,643	(1,758,643)
Benefit payments	(380,801)	-	(380,801)
Net changes	1,203,641	2,445,523	(1,241,882)
<b>Balance at December 31, 2023</b>	<b>\$ 21,297,970</b>	<b>\$ 13,863,884</b>	<b>\$ 7,434,086</b>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate**

The following presents the net OPEB liability of the Authority, calculated using the discount rate as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher than the current rate:

<b>1% Decrease (4.00%)</b>	<b>Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
\$ 9,476,278	\$ 7,434,086	\$ 4,249,503

The following presents the net OPEB liability of the Authority, calculated using the healthcare cost trend rate, as well as what the Authority's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate assumption:

<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
\$ 4,738,818	\$ 7,434,086	\$ 10,533,295

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information (continued)**

**D. Other Post-Employment Benefits (continued)**

**OPEB Plan Fiduciary Net Position**

The following is the allocation of the assets held by the OPEB Trust Program for the Authority:

<b>Assets</b>	
Cash and deposits	\$ 87,342
Investments:	
Domestic equities	6,990,171
Fixed income	4,545,967
Private equity	1,296,273
Other	944,131
Total investments	<u>13,776,542</u>
<b>Total assets</b>	<u>13,863,884</u>
Net position restricted for OPEB	<u><u>\$ 13,863,884</u></u>

**OPEB Plan Statement of Changes in Fiduciary Net Position**

The following presents the changes in Fiduciary Net Position related to the OPEB Trust Program for the Authority:

	<b>Gulf Coast Authority Other Post-Employment Benefit Trust</b>
<b>Additions</b>	
<b>Contributions:</b>	
Employers	\$ 686,880
<b>Total contributions</b>	<u>686,880</u>
<b>Investment earnings:</b>	
Net increase/(decrease) in fair value of investments	1,758,643
<b>Net investment earnings</b>	<u>1,758,643</u>
<b>Total Additions</b>	<u>2,445,523</u>
<b>Deductions:</b>	
Administrative expense	-
<b>Total Deductions</b>	<u>-</u>
Change in Net Position	2,445,523
<b>Beginning Net Position</b>	11,418,361
<b>Ending Net Position</b>	<u><u>\$ 13,863,884</u></u>

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information (continued)**

**D. Other Post-Employment Benefits (continued)**

**OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended December 31, 2023, the Authority recognized OPEB expense of \$707,612. At December 31, 2023, the Authority reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference in assumption changes	\$ 849,333	\$ (637,887)
Differences between expected and actual experience	-	(1,478,640)
Net Difference between projected and actual earnings on OPEB plan investments	-	(13,845)
	<u>\$ 849,333</u>	<u>\$ (2,130,372)</u>

The amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

<b>Year Ended December 31,</b>	
2024	\$ (121,208)
2025	(404,941)
2026	(136,058)
2027	(618,832)
	<u>\$ (1,281,039)</u>

**E. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority self-insures, participates in a public entity risk pool, and purchases commercial insurance. The Authority has not significantly reduced insurance coverage amounts or had settlements that exceeded coverage amounts for the past three years.

The Authority self-insures a portion of its risks by maintaining higher than average deductibles on its insurance policies for the purposes of reducing insurance premiums. The General Services Division (GSD) accounts for these activities and made an initial contribution of \$200,000. The GSD provides the first dollar coverage of claims up to the casualty insurance policy's deductible amounts. On average, investment earnings have exceeded policy deductibles thereby increasing the reserve for losses. There were no material outstanding claims at year end. The restated balance in the GSD at year end was \$409,859.

The Authority has further managed its risk by its participation in the Texas Water Conservation Association Risk Management Fund (the Risk Pool), a public entity risk pool. Members of the Texas Water Conservation Association established the Risk Pool for the purposes of (a) formulating, developing and administering a program of self-insurance, (b) obtaining lower costs for workers' compensation, property, liability and group health coverage, and (c) developing a comprehensive safety program for participants in the Risk Pool. The Authority participates in the Risk Pool through an interlocal cooperation agreement with 75 other water districts and authorities. The Risk Pool purchases commercial insurance to reinsure risks in excess of the Risk Pool's retention for each accident, occurrence or claim. The Authority has no additional risk or responsibility to the Risk Pool outside of payment of insurance premiums. The Authority purchases commercial insurance when coverage is not available through the Risk Pool.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information (continued)**

**F. Compensated Absences**

The Authority accounts for the liability to its employees for accrued vacation, special leave, and sick leave in the General Services Division. On each pay period, the vested amount accrued by each employee is paid from the applicable division into the General Services Division. When the employee takes vacation or sick leave, the total vested portion is drawn from the General Services Division.

**G. Contingencies**

***Regulations***

The Authority is subject to both state and federal regulations, primarily enforced by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). The Authority must comply with such laws and regulations to maintain the necessary licenses and permits to operate waste disposal facilities.

***Landfill Closure and Post-Closure Costs***

The Authority owns and operates the Campbell Bayou Facility, which is permitted for non-hazardous and hazardous solid waste, although hazardous waste has not been accepted since 1993.

The TCEQ and EPA regulations require that a final cover be placed on the landfill when closed and that certain maintenance and monitoring functions be performed at the site for thirty years after closure. The Authority has previously certified closure of an inactive portion of the landfill. The Y-Cell is the remaining active cell that is subject to both closure and post-closure activities. Accordingly, a contingent liability exists for future closure of the Y-Cell and post-closure care costs for the entire landfill that will be incurred near or after the date of closure.

The estimated total cost of the landfill closure and post-closure care was developed by engineering estimates. These estimates take into account the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of year-end. However, the actual cost of closure and post-closure care may vary due to inflation, changes in technology, or changes in laws and regulations.

The estimated total cost of closure and post-closure for the current site at year end is \$8,625,900. Of this amount, \$3,191,583 and \$1,725,180 are for landfill cells and land farm, respectively, which are no longer accepting waste, and final closure has been certified. As of year-end, the estimated utilized capacity of the Y-Cell is estimated at 95.14%, and \$3,709,137 is the estimated total cost for closure and post-closure. Accordingly, the accrued closure and post-closure care cost liability at year end for the Y-Cell is \$3,528,873. The total accrued closure and post-closure care costs at year end for the entire site are \$8,445,636. The remaining accrued costs to be recognized are \$180,264. The rate of fill for the Y-cell has slowed down resulting in a longer projected life. At the current rate of fill the life of the Y-cell has been estimated to be another one year as of 2023.

The Authority is responsible for the operations of the landfill and the site. The Authority has contracts with corporate participants for the construction and operation of the facility and for its operation. In addition, the participants have acknowledged financial responsibility for the cost of closure and post closure activities. The participants have elected to demonstrate financial assurance through an irrevocable letter of credit. The Closure and Post Closure Trust Fund is available in case the line of credit is called upon in order to pay closure and post-closure costs. The balance in the fund at year-end was \$5.

The Authority considers the participants to be financially capable of meeting closure and post-closure care obligations when they are due. Accordingly, the Authority has not recorded a liability in connection with closure and post-closure care costs.

**GULF COAST AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**IV. Other Information (continued)**

**G. Contingencies (continued)**

***Legal Matters***

During the normal course of business, the Authority becomes a party to disputes and various legal matters. The ultimate outcome of pending or potential disputes, lawsuits, or arbitration cannot be estimated with reasonable accuracy. However, management believes that the ultimate liability, if any, would not have a material effect on the financial condition of the Authority. As of December 31, 2023, the Authority had no outstanding litigation which would have a material effect on the financial condition of the Authority.

**H. Pollution Remediation**

During the course of business, regulatory discharge permits are occasionally violated. The Authority is required to report these violations to the Texas Commission on Environmental Quality (TCEQ). The infrequency of these violations in the past year has resulted in either notification of a violation by the TCEQ or an immaterial penalty. It is the opinion of management that there will be no material penalties assessed against the Authority as a result of any currently known permit violation.

**I. Implementation of New Accounting Standards**

GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. As such the Authority has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.



**REQUIRED SUPPLEMENTAL INFORMATION**





**GULF COAST AUTHORITY**  
**REQUIRED OTHER POST EMPLOYMENT BENEFIT SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (Unaudited)**  
**Gulf Coast Authority Other Post-Employment Benefits Trust**  
**For the Last Six Years**

	Year Ending December 31,					
	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>						
Service cost	\$ 424,295	\$ 766,029	\$ 798,197	\$ 772,547	\$ 532,228	\$ 561,186
Interest on the total OPEB liability	926,731	890,437	936,902	961,233	946,647	1,023,256
Difference in expected and actual experience	(923,598)	-	(772,706)	-	(1,440,518)	-
Change of assumptions	4,022,699	(596,408)	(934,972)	-	411,990	-
Benefit payments, including refunds of employee contributions	(200,210)	(295,418)	(280,871)	(294,847)	(394,480)	(380,801)
<b>Net Change in Total OPEB Liability</b>	<b>4,249,917</b>	<b>764,640</b>	<b>(253,450)</b>	<b>1,438,933</b>	<b>55,867</b>	<b>1,203,641</b>
<b>Total OPEB Liability - Beginning</b>	<b>13,838,422</b>	<b>18,088,339</b>	<b>18,852,979</b>	<b>18,599,529</b>	<b>20,038,462</b>	<b>20,094,329</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 18,088,339</b>	<b>\$ 18,852,979</b>	<b>\$ 18,599,529</b>	<b>\$ 20,038,462</b>	<b>\$ 20,094,329</b>	<b>\$ 21,297,970</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 576,917	\$ 557,999	\$ 585,999	\$ 608,575	\$ 659,107	\$ 686,880
Net investment income	(378,381)	1,332,894	1,244,515	1,457,516	(1,770,221)	1,758,643
Administrative expense	-	(42,786)	(48,152)	(57,623)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>198,536</b>	<b>1,848,107</b>	<b>1,782,362</b>	<b>2,008,468</b>	<b>(1,111,114)</b>	<b>2,445,523</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>6,692,002</b>	<b>6,890,538</b>	<b>8,738,645</b>	<b>10,521,007</b>	<b>12,529,475</b>	<b>11,418,361</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 6,890,538</b>	<b>\$ 8,738,645</b>	<b>\$ 10,521,007</b>	<b>\$ 12,529,475</b>	<b>\$ 11,418,361</b>	<b>\$ 13,863,884</b>
<b>Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ 11,197,801</b>	<b>\$ 10,114,334</b>	<b>\$ 8,078,522</b>	<b>\$ 7,508,987</b>	<b>\$ 8,675,968</b>	<b>\$ 7,434,086</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	38.09%	46.35%	56.57%	62.53%	56.82%	65.09%
<b>Covered Payroll</b>	<b>\$ 15,086,318</b>	<b>\$ 15,569,170</b>	<b>\$ 16,494,690</b>	<b>\$ 17,151,722</b>	<b>\$ 18,384,960</b>	<b>\$ 18,641,629</b>
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	74.22%	64.96%	48.98%	43.78%	47.19%	39.88%

**Notes to Schedule:**

*Benefit Changes.* Since the prior valuation, there have been no benefit changes to the OPEB plan.

*Assumption Changes.* Since the prior valuation, there have been no assumption changes to the OPEB plan.

Ten years of data should be presented in this schedule, but data was unavailable prior to 2018.

**GULF COAST AUTHORITY**  
**REQUIRED OTHER POST EMPLOYMENT BENEFIT SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited)**  
**Gulf Coast Authority Other Post-Employment Benefits Trust**  
**For the Last Six Years**

	For the Year Ended December 31,					
	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 941,305	\$ 1,050,066	\$ 1,445,792	\$ 1,336,693	\$ 953,602	\$ 1,153,629
Contributions in relation to the actuarially determined contribution	777,127	853,417	866,870	903,422	1,053,587	1,067,681
Contribution deficiency (excess)	\$ 164,178	\$ 196,649	\$ 578,922	\$ 433,271	\$ (99,985)	\$ 85,948
Covered payroll	\$ 15,086,318	\$ 15,569,170	\$ 16,494,690	\$ 17,151,722	\$ 18,384,960	\$ 18,641,629
Contributions as a percentage of payroll	5.15%	5.48%	5.26%	5.27%	5.73%	5.73%
Expected rate of return as of the beginning of the period	7.00%	7.00%	5.00%	5.00%	5.00%	5.00%

**Notes to Schedule**

**Valuation date:**

Actuarially determined contribution rates are based upon a valuation date of January 1, 2022 with a measurement date as of the end of the fiscal year shown.

**Methods and Assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal (as a level percentage of salary)
Amortization method	Level dollar / Open Amortization Period
Asset valuation method	Market value of assets
Inflation	2.25 percent
Healthcare cost trend rates (pre-65 / post-65) (1)	7.10% / 7.10% initial medical trend rate for retirees' ultimate rate of 4.14% / 4.14% in the year 2042 / 2042
Salary increases	2.50%, including inflation rate of 2.25%
Investment rate of return	5.00 percent, net of OPEB plan investment expense
Average retirement age	69.6
Mortality	In 2022, assumption based upon Sex distinct PUB 2010 retiree headcount weighted mortality table with mortality improvement scale MP-2021

Ten years of data should be presented in this schedule, but data was unavailable prior to 2018.

## **OTHER SUPPLEMENTARY INFORMATION**



## **COMBINING INFORMATION AND STATEMENTS**

**GULF COAST AUTHORITY**  
**ENTERPRISE FUND**  
**December 31, 2023**

**General Services Division**

This division provides various support activities to the facilities, including management, engineering, accounting, information technology support, administrative support staff and human resources. User charges, management fees and bond issuance financing fees provide the major sources of revenues.

**Bayport Facility Division**

This division accounts for the operations of a wastewater treatment facility serving industrial companies in the Bayport Industrial Complex. Revenues to operate this facility are provided by the industries and municipalities in the area in accordance with the rate order approved by the Board of Directors.

**Blackhawk Facility Division**

This division accounts for the operations of a wastewater treatment facility serving two municipal utility districts and two cities. Revenues to operate this facility are provided by the customers it serves through written contracts for pollution control services. These agreements provide for the participants' payment of costs on a monthly basis by reimbursement of actual costs plus contributions to the contingency reserve for capital equipment replacement pursuant to the facility contract.

**Campbell Bayou Facility Division**

This division accounts for the operations of an industrial landfill and land treatment as well as disposal of nonhazardous solid wastes. The division also accounts for closure operations and post-closure monitoring and maintenance of closed hazardous and nonhazardous cells of the industrial landfill. The agreement with participants provides for the participants' payment of cost through quarterly revenue billings to cover budgeted expenses followed by quarterly variance adjustments. The landfill is permitted and operates under the regulations of the Resource Conservation and Recovery Act Subtitle C for the receipt of defined industrial wastes.

**Central Laboratory Division**

This division accounts for the operations of the Authority's Central Laboratory. This facility provides laboratory analysis for all of the Authority's treatment facilities and some industrial and municipal customers on an as needed basis. Revenue is received from interdivisional transfers from the facilities for lab work provided and fees charged for lab tests performed for external customers.

**East Battleground Facility Division**

This division accounts for the activities related to developing a project plan, feasibility evaluations, and cost estimates for the potential construction of facilities to be owned and operated by the Authority for the treatment of industrial participants' wastewater. This division was created in 2017 to allow the Authority and the participants to jointly investigate the potential of participation in the acquisition, construction, or development of such facilities. A development agreement provides for all costs to the Authority to be covered by the participants.

**40-Acre Facility Division**

This division accounts for the operations of the wastewater treatment facility in Texas City, Texas. Revenues to operate this facility are provided by the industries with which the Authority has written contracts for pollution control services. The agreement provides for the participants' payment of costs through quarterly revenue billings to cover budgeted expenses followed by periodic variance adjustments for reimbursement of actual costs.

**GULF COAST AUTHORITY**  
**ENTERPRISE FUND (continued)**  
**December 31, 2023**

**Odessa South Facility Division**

This division accounts for the operations of the wastewater treatment facility in Odessa, Texas. Revenues to operate this facility are provided by the industries and the City of Odessa in accordance with the rate order approved by the Board of Directors. In addition, this division accounts for the revenues and expenses of the operations of a trucked in wastewater receiving and pumping station as well as the sale of treated wastewater for reuse.

**Vince Bayou Facility Division**

This division accounts for the revenues and expenses of the operations of a trucked in wastewater receiving station located near the Washburn Tunnel Industrial Wastewater Treatment Facility. Contracts and agreements between the Authority and liquid waste hauling companies provide for receiving and testing of the wastewater at the Vince Bayou Facility and pumping it to the Washburn Tunnel Industrial Wastewater Facility for treatment.

**Washburn Tunnel Facility Division**

This division accounts for the operations of the wastewater treatment facility adjacent to the Houston Ship Channel. Revenues to operate this facility are provided by the City of Pasadena and industries with which the Authority has written contracts for pollution control services. The agreements provide for the participants' payment of costs through monthly revenue billings to cover budgeted expenses followed by monthly variance adjustments for reimbursement for actual costs.

**Washburn Tunnel Pipeline Services Division**

This division accounts for the acquisition, operation, and maintenance of various pipelines for transport of industrial waste to the Washburn Tunnel Facility for treatment. This division was created in 2003 to help the industries in the Houston Ship Channel area with waste transportation needs. This division operated no pipelines as of year-end.

**Component Unit – GCIDA**

GCIDA was created by the Authority in 1979 under the provisions of the Development Corporation Act of 1979. As stated in its Articles of Incorporation, "GCIDA was organized exclusively for the purpose of benefiting and accomplishing the public purposes of, and to act on behalf of, the Gulf Coast Authority and the specifics for which the Corporation was created."

**RailPort Facility Division**

This division accounts for the activities related to developing a project plan, feasibility evaluations, and cost estimates for the potential construction of facilities to be owned and operated by the Authority for the treatment of industrial participants' wastewater in north Texas. This division was created in 2020 to allow the Authority and the participants to jointly investigate the potential of participation in the acquisition, construction, or development of such facilities. A development agreement provides for all costs to the Authority to be covered by the participants.

**Red Bluff Division**

This division accounts for the activities related to developing a project plan, feasibility evaluations, and cost estimates for the potential construction of facilities to be owned and operated by the Authority for the treatment of industrial participants' wastewater in west Texas. This division was created in 2023 to allow the Authority and the participants to jointly investigate the potential of participation in the acquisition, construction, or development of such facilities. A development agreement provides for all costs to the Authority to be covered by the participants.

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - NET POSITION**  
**ENTERPRISE FUND**  
**December 31, 2023**

	General Services	Bayport Facility	Blackhawk Facility	Campbell Bayou Facility
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 8,662,178	\$ 14,544,772	\$ 205,445	\$ 36,689
Marketable securities	16,114,984	27,061,960	379,131	67,898
Receivables, net	318,750	9,583,483	1,125,458	(2)
Due from other divisions	746,159	-	-	-
Prepays	1,461,503	316,095	64,963	3,092
Restricted assets:				
Cash and cash equivalents	-	17,644,157	328,299	-
Marketable securities	-	-	610,905	-
<b>Total Current Assets</b>	<u>27,303,574</u>	<u>69,150,467</u>	<u>2,714,201</u>	<u>107,677</u>
<b>Noncurrent Assets:</b>				
Capital assets:				
Land	53,800	907,489	200,000	671,966
Construction in progress	61,073	20,215,410	4,017,158	694,258
Plant and equipment	9,959,648	218,496,148	26,936,893	5,574,477
Right-to-use assets	606,943	-	-	-
Less accumulated depreciation/amortization	(7,506,005)	(117,351,158)	(18,342,987)	(5,557,396)
Total capital assets (net of accumulated depreciation/amortization)	<u>3,175,459</u>	<u>122,267,889</u>	<u>12,811,064</u>	<u>1,383,305</u>
<b>Total Noncurrent Assets</b>	<u>3,175,459</u>	<u>122,267,889</u>	<u>12,811,064</u>	<u>1,383,305</u>
<b>Total Assets</b>	<u>30,479,033</u>	<u>191,418,356</u>	<u>15,525,265</u>	<u>1,490,982</u>
<b>Deferred Outflows of Resources</b>				
OPEB related	849,333	-	-	-
<b>Total Deferred Outflows of Resources</b>	<u>849,333</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	1,638,360	3,402,969	635,695	62,452
Wages payable	650,456	-	-	-
Due to other divisions	-	208,062	52,651	6,951
Accrued bond interest	-	853,694	-	-
Current portion of accrued compensated absences	1,649,085	-	-	-
Current portion of lease payable	-	-	-	-
Current portion of SBITA payable	186,505	-	-	-
Current portion of bonds payable	-	5,818,259	-	-
Unearned revenue	1,500	275,655	84,093	-
<b>Total Current Liabilities</b>	<u>4,125,906</u>	<u>10,558,639</u>	<u>772,439</u>	<u>69,403</u>
<b>Noncurrent Liabilities:</b>				
Accrued compensated absences	741,291	-	-	-
Lease payable	-	-	-	-
SBITA payable	201,891	-	-	-
Bonds payable	-	76,716,180	-	-
Net OPEB liability	7,434,086	-	-	-
Working capital deposits	-	-	1,068,550	251,018
<b>Total Noncurrent Liabilities</b>	<u>8,377,268</u>	<u>76,716,180</u>	<u>1,068,550</u>	<u>251,018</u>
<b>Total Liabilities</b>	<u>12,503,174</u>	<u>87,274,819</u>	<u>1,840,989</u>	<u>320,421</u>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	-	2,239,636	-	-
OPEB related	2,130,372	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>2,130,372</u>	<u>2,239,636</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	2,787,063	48,286,199	12,811,064	1,383,305
Restricted for:				
Debt service	-	5,357,197	-	-
Unrestricted	13,907,757	48,260,505	873,212	(212,744)
<b>Total Net Position</b>	<u>\$ 16,694,820</u>	<u>\$ 101,903,901</u>	<u>\$ 13,684,276</u>	<u>\$ 1,170,561</u>



**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - NET POSITION**  
**ENTERPRISE FUND**  
**December 31, 2023**

	Campbell Bayou Post Closure	Central Lab	East Battleground Facility	40 Acre Facility
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 57,003	\$ 4,513,207	\$ 46,839	\$ 1,700
Marketable securities	106,071	8,395,079	87,159	-
Receivables, net	1	30,881	-	803,068
Due from other divisions	-	-	-	-
Prepays	1,876	17,945	-	39,012
<b>Restricted assets:</b>				
Cash and cash equivalents	-	-	-	-
Marketable securities	-	-	-	-
<b>Total Current Assets</b>	<u>164,951</u>	<u>12,957,112</u>	<u>133,998</u>	<u>843,780</u>
<b>Noncurrent Assets:</b>				
<b>Capital assets:</b>				
Land	-	-	-	1,427,965
Construction in progress	-	373,711	1,759,188	102,681
Plant and equipment	-	10,071,575	-	35,445,390
Right-to-use assets	-	-	-	311,517
Less accumulated depreciation/amortization	-	(7,282,366)	-	(30,925,484)
Total capital assets (net of accumulated depreciation/amortization)	-	<u>3,162,920</u>	<u>1,759,188</u>	<u>6,362,069</u>
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>3,162,920</u>	<u>1,759,188</u>	<u>6,362,069</u>
<b>Total Assets</b>	<u>164,951</u>	<u>16,120,032</u>	<u>1,893,186</u>	<u>7,205,849</u>
<b>Deferred Outflows of Resources</b>				
OPEB related	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	29,423	210,181	-	176,451
Wages payable	-	-	-	-
Due to other divisions	-	6,643	-	200,461
Accrued bond interest	-	-	-	-
Current portion of accrued compensated absences	-	-	-	-
Current portion of lease payable	-	-	-	43,914
Current portion of SBITA payable	-	-	-	-
Current portion of bonds payable	-	-	-	-
Unearned revenue	-	-	114,158	202,083
<b>Total Current Liabilities</b>	<u>29,423</u>	<u>216,824</u>	<u>114,158</u>	<u>622,909</u>
<b>Noncurrent Liabilities:</b>				
Accrued compensated absences	-	-	-	-
Lease payable	-	-	-	243,605
SBITA payable	-	-	-	-
Bonds payable	-	-	-	-
Net OPEB liability	-	-	-	-
Working capital deposits	-	-	-	613,702
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>857,307</u>
<b>Total Liabilities</b>	<u>29,423</u>	<u>216,824</u>	<u>114,158</u>	<u>1,480,216</u>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	-	-	-	-
OPEB related	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	-	3,162,920	1,759,188	6,074,550
<b>Restricted for:</b>				
Debt service	-	-	-	-
Unrestricted	135,528	12,740,288	19,840	(348,917)
<b>Total Net Position</b>	<u>\$ 135,528</u>	<u>\$ 15,903,208</u>	<u>\$ 1,779,028</u>	<u>\$ 5,725,633</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - NET POSITION**  
**ENTERPRISE FUND**  
**December 31, 2023**

	Odessa South Facility	Vince Bayou Facility	Washburn Tunnel Facility	Washburn Tunnel Pipeline Services
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 2,098,483	\$ 2,656,199	\$ 579,804	\$ -
Marketable securities	3,904,515	4,942,694	46,495	-
Receivables, net	1,519,640	572,896	1,622,749	-
Due from other divisions	-	-	-	-
Prepays	42,775	3,937	179,264	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Marketable securities	-	-	-	-
<b>Total Current Assets</b>	<u>7,565,413</u>	<u>8,175,726</u>	<u>2,428,312</u>	<u>-</u>
<b>Noncurrent Assets:</b>				
Capital assets:				
Land	76,161	100,611	1,736,549	-
Construction in progress	233,873	390,453	1,021,132	-
Plant and equipment	16,613,318	2,328,133	49,132,452	16,647
Right-to-use assets	-	-	278,420	-
Less accumulated depreciation/amortization	(15,317,221)	(1,795,659)	(36,587,647)	(16,647)
Total capital assets (net of accumulated depreciation/amortization)	<u>1,606,131</u>	<u>1,023,538</u>	<u>15,580,906</u>	<u>-</u>
<b>Total Noncurrent Assets</b>	<u>1,606,131</u>	<u>1,023,538</u>	<u>15,580,906</u>	<u>-</u>
<b>Total Assets</b>	<u>9,171,544</u>	<u>9,199,264</u>	<u>18,009,218</u>	<u>-</u>
<b>Deferred Outflows of Resources</b>				
OPEB related	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	301,353	35,838	1,695,746	-
Wages payable	-	-	-	-
Due to other divisions	64,716	8,601	128,025	-
Accrued bond interest	-	-	-	-
Current portion of accrued compensated absences	-	-	-	-
Current portion of lease payable	-	-	70,699	-
Current portion of SBITA payable	-	-	-	-
Current portion of bonds payable	-	-	-	-
Unearned revenue	1,166,652	-	584,061	-
<b>Total Current Liabilities</b>	<u>1,532,721</u>	<u>44,439</u>	<u>2,478,531</u>	<u>-</u>
<b>Noncurrent Liabilities:</b>				
Accrued compensated absences	-	-	-	-
Lease payable	-	-	73,030	-
SBITA payable	-	-	-	-
Bonds payable	-	-	-	-
Net OPEB liability	-	-	-	-
Working capital deposits	456,353	-	20,635	-
<b>Total Noncurrent Liabilities</b>	<u>456,353</u>	<u>-</u>	<u>93,665</u>	<u>-</u>
<b>Total Liabilities</b>	<u>1,989,074</u>	<u>44,439</u>	<u>2,572,196</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	-	-	-	-
OPEB related	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	1,606,131	1,023,538	15,437,177	-
Restricted for:				
Debt service	-	-	-	-
Unrestricted	5,576,339	8,131,287	(155)	-
<b>Total Net Position</b>	<u>\$ 7,182,470</u>	<u>\$ 9,154,825</u>	<u>\$ 15,437,022</u>	<u>\$ -</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - NET POSITION**  
**ENTERPRISE FUND**  
**December 31, 2023**

	Gulf Coast Industrial Development Authority	RailPort Facility Division	Red Bluff Division	Eliminations	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 247,391	\$ 27,959,608	\$ -	\$ -	\$ 61,609,318
Marketable securities	460,350	2,116,179	-	-	63,682,515
Receivables, net	1,000	11,936	68,752	-	15,658,612
Due from other divisions	-	-	-	(746,159)	-
Prepays	-	-	-	-	2,130,462
<b>Restricted assets:</b>					
Cash and cash equivalents	-	-	-	-	17,972,456
Marketable securities	-	-	-	-	610,905
<b>Total Current Assets</b>	<u>708,741</u>	<u>30,087,723</u>	<u>68,752</u>	<u>(746,159)</u>	<u>161,664,268</u>
<b>Noncurrent Assets:</b>					
<b>Capital assets:</b>					
Land	-	-	-	-	5,174,541
Construction in progress	-	7,228,598	-	-	36,097,535
Plant and equipment	-	-	-	-	374,574,681
Right-to-use assets	-	-	-	-	1,196,880
Less accumulated depreciation/amortization	-	-	-	-	(240,682,570)
Total capital assets (net of accumulated depreciation/amortization)	-	<u>7,228,598</u>	-	-	<u>176,361,067</u>
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>7,228,598</u>	<u>-</u>	<u>-</u>	<u>176,361,067</u>
<b>Total Assets</b>	<u>708,741</u>	<u>37,316,321</u>	<u>68,752</u>	<u>(746,159)</u>	<u>338,025,335</u>
<b>Deferred Outflows of Resources</b>					
OPEB related	-	-	-	-	849,333
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,333</u>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	-	1,452,774	-	-	9,641,242
Wages payable	-	-	-	-	650,456
Due to other divisions	-	-	70,049	(746,159)	-
Accrued bond interest	-	-	-	-	853,694
Current portion of accrued compensated absences	-	-	-	-	1,649,085
Current portion of lease payable	-	-	-	-	114,613
Current portion of SBITA payable	-	-	-	-	186,505
Current portion of bonds payable	-	-	-	-	5,818,259
Unearned revenue	-	28,626,284	-	-	31,054,486
<b>Total Current Liabilities</b>	<u>-</u>	<u>30,079,058</u>	<u>70,049</u>	<u>(746,159)</u>	<u>49,968,340</u>
<b>Noncurrent Liabilities:</b>					
Accrued compensated absences	-	-	-	-	741,291
Lease payable	-	-	-	-	316,635
SBITA payable	-	-	-	-	201,891
Bonds payable	-	-	-	-	76,716,180
Net OPEB liability	-	-	-	-	7,434,086
Working capital deposits	-	-	-	-	2,410,258
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,820,341</u>
<b>Total Liabilities</b>	<u>-</u>	<u>30,079,058</u>	<u>70,049</u>	<u>(746,159)</u>	<u>137,788,681</u>
<b>Deferred Inflows of Resources</b>					
Deferred gain on refunding	-	-	-	-	2,239,636
OPEB related	-	-	-	-	2,130,372
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,370,008</u>
<b>Net Position</b>					
Net investment in capital assets	-	7,228,598	-	-	101,559,733
<b>Restricted for:</b>					
Debt service	-	-	-	-	5,357,197
Unrestricted	708,741	8,665	(1,297)	-	89,799,049
<b>Total Net Position</b>	<u>\$ 708,741</u>	<u>\$ 7,237,263</u>	<u>\$ (1,297)</u>	<u>\$ -</u>	<u>\$ 196,715,979</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**  
**IN NET POSITION**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	<u>General Services</u>	<u>Bayport Facility</u>	<u>Blackhawk Facility</u>	<u>Campbell Bayou Facility</u>
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 2,651,380	\$ 53,914,786	\$ -	\$ 356,908
Services to municipalities	-	-	7,889,543	-
Intragovernmental	9,242,583	-	-	-
Other	957,241	402,768	74,674	-
<b>Total Operating Revenues</b>	<u>12,851,204</u>	<u>54,317,554</u>	<u>7,964,217</u>	<u>356,908</u>
<b>Operating Expenses</b>				
Costs of sales and services	8,063,626	33,064,008	3,374,605	286,598
General and administrative	1,266,825	1,523,325	190,424	71,721
Depreciation/amortization	618,739	7,545,498	783,463	5,148
<b>Total Operating Expenses</b>	<u>9,949,190</u>	<u>42,132,831</u>	<u>4,348,492</u>	<u>363,467</u>
<b>Operating Income (Loss)</b>	<u>2,902,014</u>	<u>12,184,723</u>	<u>3,615,725</u>	<u>(6,559)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	569,137	1,830,738	55,302	5,608
Unrealized gain/(loss)	559,864	974,084	41,225	2,863
Interest expense	-	(2,833,648)	-	-
Gain (loss) on disposal of capital assets	(874,324)	-	-	-
Insurance Proceeds	-	-	1,223	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>254,677</u>	<u>(28,826)</u>	<u>97,750</u>	<u>8,471</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>3,156,691</u>	<u>12,155,897</u>	<u>3,713,475</u>	<u>1,912</u>
Transfers in	59,215	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	3,215,906	12,155,897	3,713,475	1,912
<b>Beginning Net Position</b>	<u>13,478,914</u>	<u>89,748,004</u>	<u>9,970,801</u>	<u>1,168,649</u>
<b>Ending Net Position</b>	<u>\$ 16,694,820</u>	<u>\$ 101,903,901</u>	<u>\$ 13,684,276</u>	<u>\$ 1,170,561</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**  
**IN NET POSITION**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	<b>Campbell Bayou Post Closure</b>	<b>Central Lab</b>	<b>East Battleground Facility</b>	<b>40 Acre Facility</b>
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 524,731	\$ 88,360	\$ -	\$ 4,928,877
Services to municipalities	-	15,675	-	-
Intragovernmental	-	6,969,534	-	48,000
Other	-	-	-	21,113
<b>Total Operating Revenues</b>	<u>524,731</u>	<u>7,073,569</u>	<u>-</u>	<u>4,997,990</u>
<b>Operating Expenses</b>				
Costs of sales and services	456,082	7,166,523	25	4,229,670
General and administrative	68,649	165,122	-	565,944
Depreciation/amortization	-	437,195	-	1,212,758
<b>Total Operating Expenses</b>	<u>524,731</u>	<u>7,768,840</u>	<u>25</u>	<u>6,008,372</u>
<b>Operating Income (Loss)</b>	<u>-</u>	<u>(695,271)</u>	<u>(25)</u>	<u>(1,010,382)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	-	306,264	-	(2,242)
Unrealized gain/(loss)	4,446	296,284	-	2,382
Interest expense	-	-	-	(14,502)
Gain (loss) on disposal of capital assets	-	-	-	-
Insurance Proceeds	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>4,446</u>	<u>602,548</u>	<u>-</u>	<u>(14,362)</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>4,446</u>	<u>(92,723)</u>	<u>(25)</u>	<u>(1,024,744)</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	4,446	(92,723)	(25)	(1,024,744)
<b>Beginning Net Position</b>	<u>131,082</u>	<u>15,995,931</u>	<u>1,779,053</u>	<u>6,750,377</u>
<b>Ending Net Position</b>	<u>\$ 135,528</u>	<u>\$ 15,903,208</u>	<u>\$ 1,779,028</u>	<u>\$ 5,725,633</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**  
**IN NET POSITION**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	Odessa South Facility	Vince Bayou Facility	Washburn Tunnel Facility	Washburn Tunnel Pipeline Services
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 6,628,872	\$ 1,964,052	\$ 14,975,174	\$ -
Services to municipalities	200,000	-	-	-
Intragovernmental	-	-	144,506	-
Other	209,901	5,175	71,172	-
<b>Total Operating Revenues</b>	<u>7,038,773</u>	<u>1,969,227</u>	<u>15,190,852</u>	<u>-</u>
<b>Operating Expenses</b>				
Costs of sales and services	4,221,101	1,068,604	12,624,449	-
General and administrative	589,562	61,002	860,743	-
Depreciation/amortization	258,269	120,995	1,299,107	-
<b>Total Operating Expenses</b>	<u>5,068,932</u>	<u>1,250,601</u>	<u>14,784,299</u>	<u>-</u>
<b>Operating Income (Loss)</b>	<u>1,969,841</u>	<u>718,626</u>	<u>406,553</u>	<u>-</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	125,296	177,198	197,460	-
Unrealized gain/(loss)	142,679	177,225	14,587	-
Interest expense	-	-	(5,883)	-
Gain (loss) on disposal of capital assets	(1,363)	(63,623)	-	-
Insurance Proceeds	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>266,612</u>	<u>290,800</u>	<u>206,164</u>	<u>-</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>2,236,453</u>	<u>1,009,426</u>	<u>612,717</u>	<u>-</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	2,236,453	1,009,426	612,717	-
<b>Beginning Net Position</b>	<u>4,946,017</u>	<u>8,145,399</u>	<u>14,824,305</u>	<u>-</u>
<b>Ending Net Position</b>	<u>\$ 7,182,470</u>	<u>\$ 9,154,825</u>	<u>\$ 15,437,022</u>	<u>\$ -</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**  
**IN NET POSITION**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	Gulf Coast Industrial Development Authority	RailPort Facility Division	Red Bluff Division	Eliminations	Total
<b>Operating Revenues</b>					
Charges for sales and services:					
Services to industries	\$ 3,500	\$ 4,082,885	\$ 88,752	\$ -	\$ 90,208,277
Services to municipalities	-	-	-	-	8,105,218
Intragovernmental	-	-	-	(16,404,623)	-
Other	-	-	-	-	1,742,044
<b>Total Operating Revenues</b>	<u>3,500</u>	<u>4,082,885</u>	<u>88,752</u>	<u>(16,404,623)</u>	<u>100,055,539</u>
<b>Operating Expenses</b>					
Costs of sales and services	955	77	88,752	(14,647,423)	59,997,652
General and administrative	19	-	-	(1,757,200)	3,606,136
Depreciation/amortization	-	-	-	-	12,281,172
<b>Total Operating Expenses</b>	<u>974</u>	<u>77</u>	<u>88,752</u>	<u>(16,404,623)</u>	<u>75,884,960</u>
<b>Operating Income (Loss)</b>	<u>2,526</u>	<u>4,082,808</u>	<u>-</u>	<u>-</u>	<u>24,170,579</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	17,222	112,754	(117)	-	3,394,620
Unrealized gain/(loss)	16,640	94,706	(1,180)	-	2,325,805
Interest expense	-	-	-	-	(2,854,033)
Gain (loss) on disposal of capital assets	-	-	-	-	(939,310)
Insurance Proceeds	-	-	-	-	1,223
<b>Total Nonoperating Revenues (Expenses)</b>	<u>33,862</u>	<u>207,460</u>	<u>(1,297)</u>	<u>-</u>	<u>1,928,305</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>36,388</u>	<u>4,290,268</u>	<u>(1,297)</u>	<u>-</u>	<u>26,098,884</u>
Transfers in	-	-	-	(59,215)	-
Transfers out	(59,215)	-	-	59,215	-
Changes in Net Position	(22,827)	4,290,268	(1,297)	-	26,098,884
<b>Beginning Net Position</b>	<u>731,568</u>	<u>2,946,995</u>	<u>-</u>	<u>-</u>	<u>170,617,095</u>
<b>Ending Net Position</b>	<u>\$ 708,741</u>	<u>\$ 7,237,263</u>	<u>\$ (1,297)</u>	<u>\$ -</u>	<u>\$ 196,715,979</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	General Services	Bayport Facility	Blackhawk Facility	Campbell Bayou Facility
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 3,607,203	\$ 53,791,780	\$ 6,983,409	\$ 356,910
Receipts from intragovernmental users	9,242,583	-	-	-
Payments to suppliers	(1,771,626)	(21,565,034)	(1,334,776)	(64,675)
Payments to employees	(7,248,955)	(6,450,715)	(1,096,745)	(130,551)
Payments to intragovernmental suppliers	(1,053,102)	(8,633,770)	(717,614)	(126,127)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,776,103</b>	<b>17,142,261</b>	<b>3,834,274</b>	<b>35,557</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intragovernmental transfers in	59,215	-	-	-
Intragovernmental transfers (out)	-	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>59,215</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(427,699)	(7,895,344)	(4,437,737)	(11,151)
Principal paid on bonds	-	(4,777,227)	-	-
Principal payments on lease	-	-	-	-
Principal payments on SBITA	(218,547)	-	-	-
Interest paid on capital related debt	-	(3,578,997)	-	-
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(646,246)</b>	<b>(16,251,568)</b>	<b>(4,437,737)</b>	<b>(11,151)</b>
<b>Cash Flows from Investing Activities</b>				
Maturity (purchase) of investments	(1,340,152)	(405,569)	395,379	(17,661)
Interest received (paid)	569,137	1,830,738	55,302	5,608
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(771,015)</b>	<b>1,425,169</b>	<b>450,681</b>	<b>(12,053)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,418,057</b>	<b>2,315,862</b>	<b>(152,782)</b>	<b>12,353</b>
<b>Beginning Cash and Cash Equivalents</b>	<b>7,244,121</b>	<b>29,873,067</b>	<b>686,526</b>	<b>24,336</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 8,662,178</b>	<b>\$ 32,188,929</b>	<b>\$ 533,744</b>	<b>\$ 36,689</b>
<b>Ending Cash and Cash Equivalents</b>				
Unrestricted cash and cash equivalents	\$ 8,662,178	\$ 14,544,772	\$ 205,445	\$ 36,689
Restricted cash and cash equivalents	-	17,644,157	328,299	-
	<b>\$ 8,662,178</b>	<b>\$ 32,188,929</b>	<b>\$ 533,744</b>	<b>\$ 36,689</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 2,902,014	\$ 12,184,723	\$ 3,615,725	\$ (6,559)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation/amortization	618,739	7,545,498	783,463	5,148
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	(2,918)	(579,365)	(305,782)	2
Due from other funds/divisions	(154,815)	-	-	-
Prepays	(740,505)	(48,844)	2,834	213
Increase (decrease) in liabilities:				
Wages payable	(501,936)	-	-	-
Accounts payable	1,103,296	(2,221,404)	360,409	29,802
Due to other funds/divisions	-	208,062	52,651	6,951
Net OPEB liability and related amounts	(360,069)	-	-	-
Unearned revenue	1,500	53,591	(781,617)	-
Compensated absences	(89,203)	-	-	-
Working capital deposits	-	-	106,591	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,776,103</b>	<b>\$ 17,142,261</b>	<b>\$ 3,834,274</b>	<b>\$ 35,557</b>



**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	Campbell Bayou Post Closure	Central Lab	East Battleground Facility	40 Acre Facility
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 582,092	\$ 98,487	\$ -	\$ 5,393,096
Receipts from intragovernmental users	-	6,969,534	-	48,000
Payments to suppliers	(188,161)	(1,688,132)	(25)	(2,280,232)
Payments to employees	(200,206)	(4,058,932)	-	(1,611,824)
Payments to intragovernmental suppliers	(118,423)	(1,555,390)	-	(1,302,667)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>75,302</b>	<b>(234,433)</b>	<b>(25)</b>	<b>246,373</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intragovernmental transfers in	-	-	-	-
Intragovernmental transfers (out)	-	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	-	(447,358)	-	(208,004)
Principal paid on bonds	-	-	-	-
Principal payments on lease	-	-	-	(24,007)
Principal payments on SBITA	-	-	-	-
Interest paid on capital related debt	-	-	-	(14,502)
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(447,358)</b>	<b>-</b>	<b>(246,513)</b>
<b>Cash Flows from Investing Activities</b>				
Maturity (purchase) of investments	(46,423)	504,103	1,629	2,382
Interest received (paid)	-	306,264	-	(2,242)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(46,423)</b>	<b>810,367</b>	<b>1,629</b>	<b>140</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>28,879</b>	<b>128,576</b>	<b>1,604</b>	<b>-</b>
<b>Beginning Cash and Cash Equivalents</b>	<b>28,124</b>	<b>4,384,631</b>	<b>45,235</b>	<b>1,700</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 57,003</b>	<b>\$ 4,513,207</b>	<b>\$ 46,839</b>	<b>\$ 1,700</b>
<b>Ending Cash and Cash Equivalents</b>				
Unrestricted cash and cash equivalents	\$ 57,003	\$ 4,513,207	\$ 46,839	\$ 1,700
Restricted cash and cash equivalents	-	-	-	-
	<b>\$ 57,003</b>	<b>\$ 4,513,207</b>	<b>\$ 46,839</b>	<b>\$ 1,700</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ -	\$ (695,271)	\$ (25)	\$ (1,010,382)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation/amortization	-	437,195	-	1,212,758
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	57,361	(5,548)	-	56,818
Due from other funds/divisions	-	-	-	-
Prepays	273	(829)	-	(3,002)
Increase (decrease) in liabilities:				
Wages payable	-	-	-	-
Accounts payable	17,668	23,377	-	(5,224)
Due to other funds/divisions	-	6,643	-	(390,883)
Net OPEB liability and related amounts	-	-	-	-
Unearned revenue	-	-	-	-
Compensated absences	-	-	-	-
Working capital deposits	-	-	-	386,288
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 75,302</b>	<b>\$ (234,433)</b>	<b>\$ (25)</b>	<b>\$ 246,373</b>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	Odessa South Facility	Vince Bayou Facility	Washburn Tunnel Facility	Washburn Tunnel Pipeline Services
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 7,064,154	\$ 1,708,889	\$ 7,954,332	\$ -
Receipts from intragovernmental users	-	-	144,506	-
Payments to suppliers	(2,270,815)	(464,975)	(6,444,694)	-
Payments to employees	(1,572,092)	(330,175)	(4,185,016)	-
Payments to intragovernmental suppliers	(906,736)	(416,336)	(3,081,023)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>2,314,511</u>	<u>497,403</u>	<u>(5,611,895)</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intragovernmental transfers in	-	-	-	-
Intragovernmental transfers (out)	-	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(376,861)	(598,442)	(1,956,826)	-
Principal paid on bonds	-	-	-	-
Principal payments on lease	-	-	(68,438)	-
Principal payments on SBITA	-	-	-	-
Interest paid on capital related debt	-	-	(5,883)	-
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(376,861)</u>	<u>(598,442)</u>	<u>(2,031,147)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Maturity (purchase) of investments	(1,246,271)	100,810	5,304,592	-
Interest received (paid)	125,296	177,198	197,460	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(1,120,975)</u>	<u>278,008</u>	<u>5,502,052</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	816,675	176,969	(2,140,990)	-
<b>Beginning Cash and Cash Equivalents</b>	1,281,808	2,479,230	2,720,794	-
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 2,098,483</u>	<u>\$ 2,656,199</u>	<u>\$ 579,804</u>	<u>\$ -</u>
<b>Ending Cash and Cash Equivalents</b>				
Unrestricted cash and cash equivalents	\$ 2,098,483	\$ 2,656,199	\$ 579,804	\$ -
Restricted cash and cash equivalents	-	-	-	-
	<u>\$ 2,098,483</u>	<u>\$ 2,656,199</u>	<u>\$ 579,804</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 1,969,841	\$ 718,626	\$ 406,553	\$ -
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation/amortization	258,269	120,995	1,299,107	-
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	(140,831)	(260,338)	486,111	-
Due from other funds/divisions	-	-	-	-
Prepays	(4,551)	(379)	(4,550)	-
Increase (decrease) in liabilities:				
Wages payable	-	-	-	-
Accounts payable	855	(90,102)	(349,016)	-
Due to other funds/divisions	64,716	8,601	128,025	-
Net OPEB liability and related amounts	-	-	-	-
Unearned revenue	166,212	-	(7,578,125)	-
Compensated absences	-	-	-	-
Working capital deposits	-	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 2,314,511</u>	<u>\$ 497,403</u>	<u>\$ (5,611,895)</u>	<u>\$ -</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	Gulf Coast Industrial Development Authority	RailPort Facility Division	Red Bluff Division	Eliminations	Total
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 3,500	\$ 31,439,420	\$ 20,000	\$ -	\$ 119,003,272
Receipts from intragovernmental users	-	-	-	(16,404,623)	-
Payments to suppliers	(3,416)	1,035,031	(88,752)	-	(37,130,282)
Payments to employees	-	-	-	-	(26,885,211)
Payments to intragovernmental suppliers	-	-	70,049	16,404,623	(1,436,516)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>84</b>	<b>32,474,451</b>	<b>1,297</b>	<b>-</b>	<b>53,551,263</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Intragovernmental transfers in	-	-	-	(59,215)	-
Intragovernmental transfers (out)	(59,215)	-	-	59,215	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(59,215)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	-	(4,253,388)	-	-	(20,612,810)
Principal paid on bonds	-	-	-	-	(4,777,227)
Principal payments on lease	-	-	-	-	(92,445)
Principal payments on SBITA	-	-	-	-	(218,547)
Interest paid on capital related debt	-	-	-	-	(3,599,382)
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(4,253,388)</b>	<b>-</b>	<b>-</b>	<b>(29,300,411)</b>
<b>Cash Flows from Investing Activities</b>					
Maturity (purchase) of investments	41,897	(930,188)	(1,180)	-	2,363,348
Interest received (paid)	17,222	112,754	(117)	-	3,394,620
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>59,119</b>	<b>(817,434)</b>	<b>(1,297)</b>	<b>-</b>	<b>5,757,968</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(12)</b>	<b>27,403,629</b>	<b>-</b>	<b>-</b>	<b>30,008,820</b>
<b>Beginning Cash and Cash Equivalents</b>	<b>247,403</b>	<b>555,979</b>	<b>-</b>	<b>-</b>	<b>49,572,954</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 247,391</b>	<b>\$ 27,959,608</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,581,774</b>
<b>Ending Cash and Cash Equivalents</b>					
Unrestricted cash and cash equivalents	\$ 247,391	\$ 27,959,608	\$ -	\$ -	\$ 61,609,318
Restricted cash and cash equivalents	-	-	-	-	17,972,456
	<b>\$ 247,391</b>	<b>\$ 27,959,608</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,581,774</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ 2,526	\$ 4,082,808	\$ -	\$ -	\$ 24,170,579
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation/amortization	-	-	-	-	12,281,172
Changes in Operating Assets and Liabilities:					
(Increase) decrease in assets					
Accounts receivable, net	-	(5,872)	(68,752)	-	(769,114)
Due from other funds/divisions	-	-	-	-	(154,815)
Prepays	-	-	-	-	(799,340)
Increase (decrease) in liabilities:					
Wages payable	-	-	-	-	(501,936)
Accounts payable	(2,442)	1,035,108	-	-	(97,673)
Due to other funds/divisions	-	-	70,049	-	154,815
Net OPEB liability and related amounts	-	-	-	-	(360,069)
Unearned revenue	-	27,362,407	-	-	19,223,968
Compensated absences	-	-	-	-	(89,203)
Working capital deposits	-	-	-	-	492,879
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 84</b>	<b>\$ 32,474,451</b>	<b>\$ 1,297</b>	<b>\$ -</b>	<b>\$ 53,551,263</b>



**GULF COAST AUTHORITY**  
**PENSION AND OTHER POST-EMPLOYMENT**  
**BENEFIT TRUST FUNDS**  
*December 31, 2023*

**Gulf Coast Authority 401(a) Money Purchase Plan and Trust Fund**

This fund is used to accumulate money needed to pay benefits to the Authority's retirees and beneficiaries covered by the *Gulf Coast Authority 401(a) Money Purchase Plan*. The fund is administered by MissionSquare Retirement.

**Gulf Coast Authority Other Post-Employment Benefit Trust Fund**

This fund is used to accumulate money needed to pay benefits to the Authority's retirees and beneficiaries covered by the *Gulf Coast Authority Other Post-Employment Benefit Trust Fund*. The fund is administered by MissionSquare Retirement.

**GULF COAST AUTHORITY**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS**  
**December 31, 2023**

	<b>Gulf Coast Authority 401(a) Money Purchase Plan and Trust</b>	<b>Gulf Coast Authority Other Post-Employment Benefit Trust</b>	<b>Total Pension and Other Post- Employment Benefit Trust Funds</b>
<b>Assets</b>			
Investments, at Fair Value:			
Stable Value/Cash Management	\$ 17,014,266	\$ -	\$ 17,014,266
Bonds	3,260,178	-	3,260,178
Guaranteed Lifetime Income	7,112,311	-	7,112,311
Balanced/Asset Allocation	9,784,732	-	9,784,732
U.S. Stock	15,055,884	-	15,055,884
International/Global Stock	3,152,513	-	3,152,513
Specialty	351,089	-	351,089
Domestic Equities	-	7,077,513	7,077,513
Fixed Income	-	4,545,967	4,545,967
Private Equity	-	1,296,273	1,296,273
Other	471,624	944,131	1,415,755
<b>Total Assets</b>	<b>\$ 56,202,597</b>	<b>\$ 13,863,884</b>	<b>\$ 70,066,481</b>
<b>Net Position</b>			
Restricted for:			
Pensions	\$ 56,202,597	\$ -	\$ 56,202,597
Other Post-Employment Benefits	-	13,863,884	13,863,884
<b>Total Net Position</b>	<b>\$ 56,202,597</b>	<b>\$ 13,863,884</b>	<b>\$ 70,066,481</b>

**GULF COAST AUTHORITY**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS**  
**For the Year Ended December 31, 2023**

	Gulf Coast Authority 401(a) Money Purchase Plan and Trust	Gulf Coast Authority Other Post-Employment Benefit Trust	Total Pension and Other Post- Employment Benefit Trust Funds
<b>Additions</b>			
<b>Contributions:</b>			
Employers	\$ 2,642,466	\$ 686,880	\$ 3,329,346
<b>Total Contributions</b>	<b>2,642,466</b>	<b>686,880</b>	<b>3,329,346</b>
<b>Investment Earnings:</b>			
Net increase/(decrease) in fair value of investments	6,676,948	1,758,643	8,435,591
<b>Net Investment Earnings</b>	<b>6,676,948</b>	<b>1,758,643</b>	<b>8,435,591</b>
<b>Other Additions:</b>			
Roll-ins	203,313	-	203,313
Miscellaneous credits	62,017	-	62,017
<b>Total Other Additions</b>	<b>265,330</b>	<b>-</b>	<b>265,330</b>
<b>Total Additions</b>	<b>9,584,744</b>	<b>2,445,523</b>	<b>12,030,267</b>
<b>Deductions:</b>			
Benefit payments	4,353,939	-	4,353,939
Forfeiture debits	56,565	-	56,565
Administrative expense	35,817	-	35,817
<b>Total Deductions</b>	<b>4,446,321</b>	<b>-</b>	<b>4,446,321</b>
Change in Net Position	5,138,423	2,445,523	7,583,946
<b>Beginning Net Position</b>	<b>51,064,174</b>	<b>11,418,361</b>	<b>62,482,535</b>
<b>Ending Net Position</b>	<b>\$ 56,202,597</b>	<b>\$ 13,863,884</b>	<b>\$ 70,066,481</b>

**GULF COAST AUTHORITY**  
**INDUSTRIAL PROJECTS - PRIVATE ACTIVITY REVENUE**  
**BONDS ISSUED AND OUTSTANDING**  
**December 31, 2023**

	<b>Series</b>	<b>Date Issued</b>	<b>Final Maturity</b>	<b>Interest Rate</b>
Exxon Pollution Control Project Revenue Refunding Bonds	1989	10/01/89	2024	**
ExxonMobil Project Environmental Facilities Revenue Bonds	2000	05/31/00	2030	**
ExxonMobil Environmental Fac Rev Bonds Series 2001A	2001A	04/23/01	2030	**
ExxonMobil Environmental Fac Rev Bonds Series 2001B	2001B	04/23/01	2025	**
ExxonMobil Project Environmental Facilities Revenue Bonds Series 2002	2002	02/01/02	2025	**
Exxon Mobil Environmental Facilities Revenue Bonds	2003	04/01/03	2025	**
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003B	04/01/03	2028	0.850%
American Acryl L.P. Environmental Facilities Revenue Bonds	2003	05/01/03	2038	**
<b>Totals</b>				

\* Rate as of 12/31/13, adjusted rate bonds

\*\* Variable rate



**GULF COAST AUTHORITY**  
**INDUSTRIAL PROJECTS - PRIVATE ACTIVITY REVENUE**  
**BONDS ISSUED AND OUTSTANDING**  
**December 31, 2023**

	<u>Purpose</u>	<u>Total</u>	<u>Amount Retired</u>	<u>Amount Outstanding</u>
Exxon Pollution Control Project Revenue Refunding Bonds	Air Pollution Control, Water Pollution Facilities	\$ 24,700,000	\$ -	\$ 24,700,000
ExxonMobil Project Environmental Facilities Revenue Bonds	Environmental Improvement	25,000,000	-	25,000,000
ExxonMobil Environmental Fac Rev Bonds Series 2001A	Environmental Improvement	25,000,000	-	25,000,000
ExxonMobil Environmental Fac Rev Bonds Series 2001B	Environmental Improvement	25,000,000	-	25,000,000
ExxonMobil Project Environmental Facilities Revenue Bonds Series 2002	Environmental Improvement	25,000,000	-	25,000,000
Exxon Mobil Environmental Facilities Revenue Bonds	Environmental Improvement	25,000,000	-	25,000,000
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	Solid Waste Disposal	10,000,000	-	10,000,000
American Acryl L.P. Environmental Facilities Revenue Bonds	Environmental Improvement	19,000,000	7,000,000	12,000,000
<b>Totals</b>		<u>\$ 178,700,000</u>	<u>\$ 7,000,000</u>	<u>\$ 171,700,000</u>

\* Rate as of 12/31/13, adjusted rate bonds

\*\* Variable rate

**GULF COAST AUTHORITY**  
**GULF COAST INDUSTRIAL DEVELOPMENT AUTHORITY - INDUSTRIAL**  
**DEVELOPMENT REVENUE BONDS ISSUED AND OUTSTANDING**  
*December 31, 2023*

	<u>Series</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Amount Outstanding</u>
CITGO Petroleum Environmental Facilities Revenue Bonds	1998	08/01/98	2028	8.000%	\$100,000,000	\$75,000,000	\$ 25,000,000
CITGO Petroleum Corporation Project	2004	05/01/04	2032	**	25,000,000	-	25,000,000
ExxonMobil Project Revenue Bonds	2012	11/01/12	2041	**	275,000,000	-	275,000,000
<b>Totals</b>					<u>\$ 400,000,000</u>	<u>\$ 75,000,000</u>	<u>\$ 325,000,000</u>

\*\* Variable rate bond

## **STATISTICAL SECTION**



**GULF COAST AUTHORITY**  
**STATISTICAL SECTION**  
**December 31, 2023**

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the Authority's overall financial health.

**Page**

**Financial Trends**

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These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

**Revenue Capacity**

81

These schedules contain information to help the reader assess the Authority's most significant local revenue source – fees from the customers of its largest facility – Bayport.

**Debt Capacity**

82

This schedule presents information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

**Demographic and Economic Information**

86

These schedules offer the reader an indicator to help the reader understand the environment within which the Authority operates. Other demographic and economic indicators such as per capita or population statics are irrelevant to the Authority as the Authority's revenue base is completely from industrial, municipal and special districts.

**Operating Information**

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These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

**GULF COAST AUTHORITY**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS <sup>1</sup>**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 52,785,531	\$ 62,566,534	\$ 65,537,570	\$ 68,936,131	\$ 73,391,834
Restricted	3,983,207	5,547,022	4,852,486	4,982,459	5,382,927
Unrestricted	38,958,377	50,087,934	55,469,080	62,236,675	62,301,382
<b>Total Primary Government</b>					
<b>Net Position</b>	<u>\$ 95,727,115</u>	<u>\$ 118,201,490</u>	<u>\$ 125,859,136</u>	<u>\$ 136,155,265</u>	<u>\$ 141,076,143</u>

<sup>1</sup> The Authority implemented GASB Statement No. 75 in 2018.

**GULF COAST AUTHORITY**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS <sup>1</sup>**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 79,801,363	\$ 81,370,225	\$ 77,689,182	\$ 86,343,020	\$ 101,559,733
Restricted	5,590,991	5,710,716	6,304,190	5,874,502	5,357,197
Unrestricted	64,107,015	68,848,128	77,666,231	78,399,573	89,799,049
<b>Total Primary Government</b>					
<b>Net Position</b>	<u>\$ 149,499,369</u>	<u>\$ 155,929,069</u>	<u>\$ 161,659,603</u>	<u>\$ 170,617,095</u>	<u>\$ 196,715,979</u>

<sup>1</sup> The Authority implemented GASB Statement No. 75 in 2018.

**GULF COAST AUTHORITY**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS <sup>1</sup>**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Operating Revenues</b>					
Charges for sales and services:					
Services to industries	\$ 55,570,104	\$ 59,573,997	\$ 59,992,734	\$ 62,969,599	\$ 67,775,496
Services to municipalities	3,321,798	2,769,723	2,705,221	2,816,964	3,050,025
Other	448,134	582,083	986,314	1,783,197	1,076,922
<b>Total Operating Revenues</b>	<u>59,340,036</u>	<u>62,925,803</u>	<u>63,684,269</u>	<u>67,569,760</u>	<u>71,902,443</u>
<b>Operating Expenses</b>					
Costs of sales and services	45,737,857	46,555,115	45,664,574	48,436,979	50,493,612
General and administrative	1,609,202	1,368,598	1,786,606	2,091,707	2,516,935
Depreciation/amortization	8,197,555	8,242,054	9,446,566	8,458,312	8,217,128
<b>Total Operating Expenses</b>	<u>55,544,614</u>	<u>56,165,767</u>	<u>56,897,746</u>	<u>58,986,998</u>	<u>61,227,675</u>
<b>Operating Income (Loss)</b>	<u>3,795,422</u>	<u>6,760,036</u>	<u>6,786,523</u>	<u>8,582,762</u>	<u>10,674,768</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	338,301	372,414	778,903	933,371	2,075,860
Unrealized gain/(loss)	63,305	(56,543)	2,752	(258,740)	58,830
Interest expense	(1,878,534)	(2,786,606)	(2,703,674)	(2,573,398)	(3,755,094)
Gain (loss) on disposal of capital assets	(51,237)	21,214	(77,768)	100,701	(40,923)
Insurance Proceeds	10,954	94,623	-	814	57,366
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(1,517,211)</u>	<u>(2,354,898)</u>	<u>(1,999,787)</u>	<u>(1,797,252)</u>	<u>(1,603,961)</u>
<b>Income (Loss) before Contributions</b>	<u>2,278,211</u>	<u>4,405,138</u>	<u>4,786,736</u>	<u>6,785,510</u>	<u>9,070,807</u>
Capital Contributions	7,064,990	8,312,075	2,870,910	3,510,619	764,228
<b>Changes in Net Position</b>	<u>\$ 9,343,201</u>	<u>\$ 12,717,213</u>	<u>\$ 7,657,646</u>	<u>\$ 10,296,129</u>	<u>\$ 9,835,035</u>

<sup>1</sup> The Authority implemented GASB Statement No. 75 in 2018



**GULF COAST AUTHORITY**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS <sup>1</sup>**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Operating Revenues</b>					
Charges for sales and services:					
Services to industries	\$ 65,792,014	\$ 69,382,664	\$ 73,312,340	\$ 82,485,565	\$ 90,208,277
Services to municipalities	4,111,071	3,446,688	4,057,533	6,102,036	8,105,218
Other	1,249,125	1,069,030	1,314,385	1,598,349	1,742,044
<b>Total Operating Revenues</b>	<u>71,152,210</u>	<u>73,898,382</u>	<u>78,684,258</u>	<u>90,185,950</u>	<u>100,055,539</u>
<b>Operating Expenses</b>					
Costs of sales and services	52,770,941	55,282,913	57,359,423	63,615,012	59,997,652
General and administrative	2,102,865	1,777,770	2,090,041	2,110,077	3,606,136
Depreciation/amortization	9,105,685	9,850,539	10,131,273	10,637,260	12,281,172
<b>Total Operating Expenses</b>	<u>63,979,491</u>	<u>66,911,222</u>	<u>69,580,737</u>	<u>76,362,349</u>	<u>75,884,960</u>
<b>Operating Income (Loss)</b>	<u>7,172,719</u>	<u>6,987,160</u>	<u>9,103,521</u>	<u>13,823,601</u>	<u>24,170,579</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	2,853,219	1,919,033	710,598	661,147	3,394,620
Unrealized gain/(loss)	874,301	340,702	(1,099,356)	(2,147,401)	2,325,805
Interest expense	(3,585,948)	(3,389,373)	(3,181,292)	(3,376,985)	(2,854,033)
Gain (loss) on disposal of capital assets	(157,500)	(4,741)	(87,792)	(2,870)	(939,310)
Insurance Proceeds	4,197	251,765	129,155	-	1,223
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(11,731)</u>	<u>(882,614)</u>	<u>(3,528,687)</u>	<u>(4,866,109)</u>	<u>1,928,305</u>
<b>Income (Loss) before Contributions</b>	<u>7,160,988</u>	<u>6,104,546</u>	<u>5,574,834</u>	<u>8,957,492</u>	<u>26,098,884</u>
Capital Contributions	1,262,238	318,154	162,700	-	-
<b>Changes in Net Position</b>	<u>\$ 8,423,226</u>	<u>\$ 6,422,700</u>	<u>\$ 5,737,534</u>	<u>\$ 8,957,492</u>	<u>\$ 26,098,884</u>

<sup>1</sup> The Authority implemented GASB Statement No. 75 in 2018



**GULF COAST AUTHORITY**  
**BAYPORT MAJOR CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Customer	2023			2014		
	Total Sales	Rank	% of Total Sales	Total Sales	Rank	% of Total Sales
Lyondell Chemical Company	\$ 9,269,112	1	17.0%	\$ 2,861,490	4	9.1%
Celanese LTD	7,366,340	2	13.5%	4,042,985	1	12.8%
Albemarle Corporation	7,138,374	3	13.1%	3,469,508	2	11.0%
Kaneka North America	5,391,240	4	9.9%	3,360,245	3	10.6%
Kuraray America	3,809,465	5	7.0%	1,460,728	6	4.6%
Carpenter Company	2,464,827	6	4.5%	1,355,456	7	4.3%
Noltex, LLC	1,565,287	7	2.9%			
American Acryl, LP	1,536,251	8	2.8%	926,618	9	2.9%
Goodyear Tire & Rubber Company	1,461,620	9	2.7%			
Dixie Chemical Company, Inc.	1,450,171	10	2.7%	1,794,859	5	5.7%
Intergulf Corp		n/a		1,113,131	8	3.5%
Baker Petrolite, LLC		n/a		809,772	10	2.6%
<b>Subtotal</b>	<u>41,452,687</u>		<u>76.08%</u>	<u>21,194,792</u>		<u>67.14%</u>
Other customers	<u>13,035,539</u>		<u>23.92%</u>	<u>10,371,021</u>		<u>32.86%</u>
<b>Total</b>	<u>\$ 54,488,226</u>		<u>100.00%</u>	<u>\$ 31,565,813</u>		<u>100.00%</u>

Source: GCA General Ledger for Current Year and Nine Years Ago

**GULF COAST AUTHORITY**  
**BAYPORT AREA REVENUE BONDS DEBT SERVICE**  
**COVERAGE OF THE PLEDGED REVENUES**  
**LAST TEN YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Net Income (loss)	\$ 3,877,727	\$ 4,679,665	\$ 5,007,053	\$ 7,524,313	\$ 6,877,577
Add items not includable in current expenses:					
Bond interest expense	1,879,274	2,788,107	2,704,239	2,573,376	3,755,094
Depreciation	4,395,904	4,478,265	4,950,344	4,135,186	4,160,631
Management fees	998,004	1,047,900	1,077,900	1,177,896	1,237,896
Pledge revenues	11,150,909	12,993,937	13,739,536	15,410,771	16,031,198
Average annual debt service on outstanding bonds	<u>\$ 3,254,134</u>	<u>\$ 4,845,390</u>	<u>\$ 4,748,064</u>	<u>\$ 4,640,346</u>	<u>\$ 5,329,072</u>
Actual debt service on outstanding bonds	<u>\$ 5,573,038</u>	<u>\$ 5,469,828</u>	<u>\$ 6,694,588</u>	<u>\$ 6,686,988</u>	<u>\$ 7,326,006</u>
Coverage by pledged revenues of average annual debt service on outstanding bonds	3.43	2.68	2.89	3.32	3.01
Coverage by pledged revenues of actual debt service on outstanding bonds	2.00	2.38	2.05	2.30	2.19

**GULF COAST AUTHORITY**  
**BAYPORT AREA REVENUE BONDS DEBT SERVICE**  
**COVERAGE OF THE PLEDGED REVENUES**  
**LAST TEN YEARS**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net Income (loss)	\$ 4,029,106	\$ 5,042,073	\$ 6,247,240	\$ 9,913,610	\$ 12,494,099
Add items not includable in current expenses:					
Bond interest expense	3,585,948	3,389,373	3,181,248	3,370,727	2,833,648
Depreciation	4,713,913	5,343,578	5,543,183	6,265,241	7,545,498
Management fees	1,287,900	1,362,900	1,362,900	1,362,900	1,839,996
Pledge revenues	13,616,867	15,137,924	16,334,571	20,912,478	24,713,241
Average annual debt service on outstanding bonds	<u>\$ 5,438,341</u>	<u>\$ 5,315,738</u>	<u>\$ 5,181,613</u>	<u>\$ 5,663,618</u>	<u>\$ 5,504,281</u>
Actual debt service on outstanding bonds	<u>\$ 8,144,963</u>	<u>\$ 8,136,613</u>	<u>\$ 8,132,363</u>	<u>\$ 8,134,283</u>	<u>\$ 8,691,025</u>
Coverage by pledged revenues of average annual debt service on outstanding bonds	2.50	2.98	3.15	3.69	4.49
Coverage by pledged revenues of actual debt service on outstanding bonds	1.67	1.86	2.01	2.57	2.84

**GULF COAST AUTHORITY**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN YEARS**  
*(dollars in thousands)*

Fiscal Year	Business-Type Activities			Total Primary Government	Total Operating Revenue	Percent of Total Revenue
	Revenue Bonds	Refunding Bonds	Unamortized Premium			
2014	\$ 24,665	\$ 20,120	\$ 5,594	\$ 50,379	\$ 59,340	84.90%
2015 (1)	47,485	20,120	8,310	75,915	62,926	120.64%
2016	45,840	18,155	7,859	71,854	63,684	112.83%
2017	44,150	16,115	7,408	67,673	67,570	100.15%
2018 (2)	76,170	13,985	9,142	99,297	71,902	138.10%
2019	74,340	11,745	8,600	94,685	71,152	133.07%
2020	72,430	9,400	8,057	89,887	73,898	121.64%
2021	70,435	6,940	7,515	84,890	78,973	107.49%
2022 (3)	62,855	17,265	7,644	87,764	90,186	97.31%
2023	60,530	14,565	7,101	82,196	99,992	82.20%

Note: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

(1) In 2015 the Authority issued the Gulf Coast Waste Disposal Authority Bayport Area System Revenue Bonds, Series 2015.

(2) In 2018 the Authority issued the Gulf Coast Authority Bayport Area System Revenue Bonds, Series 2018.

(3) In 2022 the Authority issued the Gulf Coast Authority Bayport Area System Revenue and Refunding Bonds, Series 2022A and B.

**GULF COAST AUTHORITY**  
**ACTIVE INDUSTRIAL AND MUNICIPAL CUSTOMERS**  
**LAST TEN YEARS**

<b>Fiscal Year</b>	<b>Business-Type Activities</b>
2014	176
2015	199
2016	203
2017	203
2018	221
2019	249
2020	248
2021	236
2022	232
2023	237

Source: Facility operating records.

**GULF COAST AUTHORITY**  
**FULL-TIME EQUIVALENT AUTHORITY**  
**EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

<b>Year</b>	<b>General Services</b>	<b>Wastewater Treatment</b>	<b>Solid Waste Disposal</b>	<b>Total</b>
2014	29	119	2	150
2015	29	119	2	150
2016	34	121	2	157
2017	33	120	2	155
2018	33	125	1	159
2019	33	126	2	161
2020	35	130	2	167
2021	38	135	2	175
2022	34	135	2	171
2023	40	138	0	178

Source: Human Resources



**GULF COAST AUTHORITY**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

	2014	2015	2016	2017	2018
<b>Function/Program</b>					
Wastewater Treatment					
Wastewater treated (MGD)*	47.638	46.080	44.353	46.040	47.630
Permitted capacity (MGD)	91.250	91.950	88.050	84.950	84.950
Solid Waste Disposal					
Nonhazardous waste received (cubic yards)	1,005	1,674	2,761	1,078	1,505
Permitted capacity (cubic yards)	95,000	95,000	95,000	95,000	95,000
	2019	2020	2021	2022	2023
<b>Function/Program</b>					
Wastewater Treatment					
Wastewater treated (MGD)*	46.990	46.590	47.320	45.530	48.650
Permitted capacity (MGD)	87.450	87.450	87.450	87.450	87.450
Solid Waste Disposal					
Nonhazardous waste received (cubic yards)	2,732	695	1,341	1,133	498
Permitted capacity (cubic yards)	95,000	95,000	95,000	95,000	95,000

\*MGD = million gallons per day

Source: Facility operations records

Note: No operating indicators are available for the general services function/program.

**GULF COAST AUTHORITY**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Function/Program</b>										
General Services:										
Administrative Building	1	1	1	1	1	1	1	1	1	1
Wastewater Treatment:										
Aeration basins	18	16	15	15	15	15	15	21	21	21
Aeration tanks	10	12	13	13	13	13	13	13	14	14
Aerobic digester basins	13	13	12	12	12	12	12	12	12	12
Anaerobic basins			1	1	1	1	1	1	1	1
Belt presses	11	11	11	11	11	11	11	11	11	11
Clarifiers	19	19	20	20	21	21	21	21	21	21
Equalization basins	8	8	8	8	8	8	8	8	8	8
Facultative basins	1	1	2	2	2	2	2	2	2	2
Gravity filters	8	8	8	8	8	8	8	7	7	7
Disinfect areas	7	7	5	5	5	5	5	5	5	5
Sewerage acceptance units	3	3	3	3	3	3	3	3	3	3
Sludge surface disposal basins	3	3	3	3	3	3	3	3	3	3
Solid Waste Disposal:										
Land treatment units	2	2	1	1	1	1	1	1	1	1
Hazardous waste disposal cells	8	8	8	8	5	5	5	5	5	5
Non-hazardous waste disposal cells	4	4	4	4	4	4	4	5	5	5
	<u>116</u>	<u>116</u>	<u>115</u>	<u>115</u>	<u>113</u>	<u>113</u>	<u>113</u>	<u>119</u>	<u>120</u>	<u>120</u>

Source: Various Facilities

## **TEXAS SUPPLEMENTARY INFORMATION SECTION**



**GULF COAST AUTHORITY**  
**TSI-1. SERVICES AND RATES**  
***For the Year Ended December 31, 2023***

1. Services provided by the District:
  - A. Wastewater treatment (Industrial and Municipal)
  - B. Solid waste disposal (Industrial)
  - C. Water reuse (Industrial)
  - D. Trucked-in waste receiving
  - E. Laboratory services

**GULF COAST AUTHORITY**  
**TSI-2. SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2023**

Personnel services *	\$ 19,013,351
Materials and supplies	12,315,054
Utilities	5,128,882
Repairs and maintenance	5,898,834
Professional services	6,547,770
Contractual services	11,093,761
General and administrative	3,606,136
Depreciation/amortization	<u>12,281,172</u>
	<u><u>\$ 75,884,960</u></u>

\* Number of persons employed by the Authority: 178 Full-Time

(1) The TCEQ Water District Financial Management Guide specifies the above schedule to include the general fund and notes that if the Authority uses an enterprise fund, an alternative schedule should be used. Because the Authority only has one enterprise fund this schedule is prepared at government-wide level.

**GULF COAST AUTHORITY**  
**TSI-3. SCHEDULE OF TEMPORARY INVESTMENTS**  
**December 31, 2023**

	<b>Identification or Certificate Number</b>	<b>Effective Yield</b>	<b>Maturity Date</b>	<b>Balance at End of Year (Fair Value)</b>
Texas CLASS	N/A	5.57%	N/A	\$ 6,306,722
Texas Range	N/A	5.38%	N/A	46,213,587
Texpool	N/A	5.37%	N/A	<u>552,818</u>
<b>Total Temporary Investments</b>				<u><u>\$ 53,073,127</u></u>

**GULF COAST AUTHORITY****TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS****(ALL BONDED DEBT SERVICES) – BY SERIES**

December 31, 2023

Due During the Year Ending	Annual Requirements for All Series			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2024	\$ 5,275,000	\$ 1,707,388	\$ 1,707,387	\$ 8,689,775
2025	3,760,000	1,575,513	1,575,512	6,911,025
2026	3,945,000	1,481,513	1,481,512	6,908,025
2027	4,135,000	1,382,888	1,382,887	6,900,775
2028	4,355,000	1,279,513	1,279,512	6,914,025
2029	4,555,000	1,170,638	1,170,637	6,896,275
2030	4,790,000	1,056,763	1,056,762	6,903,525
2031	5,025,000	937,013	937,012	6,899,025
2032	5,290,000	811,388	811,387	6,912,775
2033	5,545,000	679,138	679,137	6,903,275
2034	4,200,000	553,863	553,862	5,307,725
2035	4,360,000	475,485	475,484	5,310,969
2036	2,515,000	394,075	394,075	3,303,150
2037	2,615,000	343,775	343,775	3,302,550
2038	2,720,000	291,475	291,475	3,302,950
2039	2,830,000	237,075	237,075	3,304,150
2040	2,940,000	180,475	180,475	3,300,950
2041	3,060,000	122,675	122,675	3,305,350
2042	3,180,000	62,519	62,519	3,305,038
	<u>\$ 75,095,000</u>	<u>\$ 14,743,172</u>	<u>\$ 14,743,160</u>	<u>\$ 104,581,332</u>



**GULF COAST AUTHORITY****TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS****(ALL BONDED DEBT SERVICES) – BY SERIES**

December 31, 2023

Due During the Year Ending	Series, 2015			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2024	\$ 1,145,000	\$ 429,125	\$ 429,125	\$ 2,003,250
2025	1,205,000	400,500	400,500	2,006,000
2026	1,265,000	370,375	370,375	2,005,750
2027	1,325,000	338,750	338,750	2,002,500
2028	1,395,000	305,625	305,625	2,006,250
2029	1,460,000	270,750	270,750	2,001,500
2030	1,535,000	234,250	234,250	2,003,500
2031	1,610,000	195,875	195,875	2,001,750
2032	1,695,000	155,625	155,625	2,006,250
2033	1,775,000	113,250	113,250	2,001,500
2034	1,865,000	68,875	68,875	2,002,750
2035	1,935,000	35,072	35,072	2,005,144
	<u>\$ 18,210,000</u>	<u>\$ 2,918,072</u>	<u>\$ 2,918,072</u>	<u>\$ 24,046,144</u>

**GULF COAST AUTHORITY**  
**TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS**  
**(ALL BONDED DEBT SERVICES) – BY SERIES**  
**December 31, 2023**

Due During the Year Ending	Series, 2018			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2024	\$ 615,000	\$ 707,288	\$ 707,287	\$ 2,029,575
2025	1,205,000	691,913	691,912	2,588,825
2026	1,265,000	661,788	661,787	2,588,575
2027	1,325,000	630,163	630,162	2,585,325
2028	1,395,000	597,038	597,037	2,589,075
2029	1,460,000	562,163	562,162	2,584,325
2030	1,535,000	525,663	525,662	2,586,325
2031	1,610,000	487,288	487,287	2,584,575
2032	1,695,000	447,038	447,037	2,589,075
2033	1,780,000	404,663	404,662	2,589,325
2034	1,840,000	373,513	373,512	2,587,025
2035	1,905,000	341,313	341,312	2,587,625
2036	1,970,000	307,975	307,975	2,585,950
2037	2,050,000	268,575	268,575	2,587,150
2038	2,130,000	227,575	227,575	2,585,150
2039	2,215,000	184,975	184,975	2,584,950
2040	2,305,000	140,675	140,675	2,586,350
2041	2,395,000	95,575	95,575	2,586,150
2042	2,490,000	48,719	48,719	2,587,438
	<u>\$ 33,185,000</u>	<u>\$ 7,703,900</u>	<u>\$ 7,703,888</u>	<u>\$ 48,592,788</u>

**GULF COAST AUTHORITY****TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS****(ALL BONDED DEBT SERVICES) – BY SERIES**

December 31, 2023

Due During the Year Ending	Series, 2022A			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2024	\$ 305,000	\$ 206,850	\$ 206,850	\$ 718,700
2025	320,000	199,225	199,225	718,450
2026	335,000	191,225	191,225	717,450
2027	350,000	182,850	182,850	715,700
2028	370,000	174,100	174,100	718,200
2029	385,000	164,850	164,850	714,700
2030	405,000	155,225	155,225	715,450
2031	425,000	145,100	145,100	715,200
2032	450,000	134,475	134,475	718,950
2033	470,000	123,225	123,225	716,450
2034	495,000	111,475	111,475	717,950
2035	520,000	99,100	99,100	718,200
2036	545,000	86,100	86,100	717,200
2037	565,000	75,200	75,200	715,400
2038	590,000	63,900	63,900	717,800
2039	615,000	52,100	52,100	719,200
2040	635,000	39,800	39,800	714,600
2041	665,000	27,100	27,100	719,200
2042	690,000	13,800	13,800	717,600
	<u>\$ 9,135,000</u>	<u>\$ 2,245,700</u>	<u>\$ 2,245,700</u>	<u>\$ 13,626,400</u>

**GULF COAST AUTHORITY**  
**TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS**  
**(ALL BONDED DEBT SERVICES) – BY SERIES**  
**December 31, 2023**

Due During the Year Ending	Series, 2022B			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2024	\$ 3,210,000	\$ 364,125	\$ 364,125	\$ 3,938,250
2025	1,030,000	283,875	283,875	1,597,750
2026	1,080,000	258,125	258,125	1,596,250
2027	1,135,000	231,125	231,125	1,597,250
2028	1,195,000	202,750	202,750	1,600,500
2029	1,250,000	172,875	172,875	1,595,750
2030	1,315,000	141,625	141,625	1,598,250
2031	1,380,000	108,750	108,750	1,597,500
2032	1,450,000	74,250	74,250	1,598,500
2033	1,520,000	38,000	38,000	1,596,000
	<u>\$ 14,565,000</u>	<u>\$ 1,875,500</u>	<u>\$ 1,875,500</u>	<u>\$ 18,316,000</u>

**GULF COAST AUTHORITY**  
**TSI-6. CHANGES IN LONG-TERM BONDED DEBT**  
**For the Year Ended December 31, 2023**

Revenue Bonds	Interest Rate	Bonds Outstanding 1/1/23	Bonds Sold During 2023	Bonds Refunded During 2023	Requirements 2023			Total	Bonds Outstanding 12/31/23
					Principal Due 10/01	Interest Due 04/01	Interest Due 10/01		
Series 2015 Revenue Bonds	2.0-5.0	\$ 19,300,000	\$ -	\$ -	\$ 1,090,000	\$ 456,375	\$ 456,375	\$ 2,002,750	\$ 18,210,000
Series 2018 Revenue Bonds	3.5-5.0	33,770,000	-	-	585,000	721,913	721,912	2,028,825	33,185,000
Series 2022A Revenue Bonds	3.5-5.0	9,425,000	-	-	290,000	214,100	214,100	718,200	9,135,000
Series 2022B Revenue and Refunding Bonds	3.5-5.0	17,625,000	-	-	3,060,000	440,625	440,625	3,941,250	14,565,000
		<u>\$80,120,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,025,000</u>	<u>\$ 1,833,013</u>	<u>\$ 1,833,012</u>	<u>\$ 8,691,025</u>	<u>\$ 75,095,000</u>

**Paying Agent's Name & City**

The Bank of New York Mellon Dallas, TX

Debt Service Reserve Fund cash and investments balances as of December 31, 2023 \$ 6,210,891

Average Annual Debt Service payment (Principal and Interest) for remaining term of all debt \$ 5,504,281

**GULF COAST AUTHORITY**

**TSI-7. SCHEDULE OF REVENUES AND EXPENSES - ENTERPRISE FUNDS**

For the Year Ended December 31, 2023

	Amounts					
	2023	2022	2021	2020	2019	2018
<b>Operating Revenues</b>						
Charges for sales and services						
Services to industries	\$ 90,208,277	\$ 82,485,565	\$ 73,312,340	\$ 69,382,664	\$ 65,792,014	\$ 67,775,496
Services to municipalities	8,105,218	6,102,036	4,057,533	3,446,688	4,111,071	3,050,025
Other	1,742,044	1,598,349	1,314,385	1,069,030	1,249,125	1,076,922
<b>Total Revenues</b>	<b>100,055,539</b>	<b>90,185,950</b>	<b>78,684,258</b>	<b>73,898,382</b>	<b>71,152,210</b>	<b>71,902,443</b>
<b>Expenditures</b>						
Cost of sales and services	59,997,652	61,731,088	55,467,021	53,532,447	50,253,488	48,707,216
Administrative	3,606,136	4,063,505	3,973,970	3,532,496	3,822,593	4,023,496
Depreciation	12,281,172	10,641,872	10,130,521	9,851,082	9,036,816	8,193,222
<b>Total Expenditures</b>	<b>75,884,960</b>	<b>76,436,465</b>	<b>69,571,512</b>	<b>66,916,025</b>	<b>63,112,897</b>	<b>60,923,934</b>
<b>Operating income (loss)</b>	<b>24,170,579</b>	<b>13,749,485</b>	<b>9,112,746</b>	<b>6,982,357</b>	<b>8,039,313</b>	<b>8,691,026</b>
<b>Non-Operating Revenues (Expenses)</b>						
Interest income	3,394,620	(1,486,254)	(388,758)	2,060,020	3,465,721	1,995,599
Interest expense	(2,854,033)	(3,378,795)	(3,181,248)	(3,389,373)	(3,585,948)	(3,755,074)
Gain (loss) on disposal of capital asset	(939,310)	(2,870)	(87,792)	(4,741)	(157,500)	(40,923)
Insurance proceeds	1,223	-	129,155	251,765	4,197	57,366
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(397,500)</b>	<b>(4,867,919)</b>	<b>(3,528,643)</b>	<b>(1,082,329)</b>	<b>(273,530)</b>	<b>(1,743,032)</b>
<b>Income (loss) before contributions</b>	<b>23,773,079</b>	<b>8,881,566</b>	<b>5,584,103</b>	<b>5,900,028</b>	<b>7,765,783</b>	<b>6,947,994</b>
Capital Contributions, net	-	-	162,700	318,154	1,262,238	764,228
<b>Change in Net Position</b>	<b>\$ 23,773,079</b>	<b>\$ 8,881,566</b>	<b>\$ 5,746,803</b>	<b>\$ 6,218,182</b>	<b>\$ 9,028,021</b>	<b>\$ 7,712,222</b>
<b>Total Active Industrial and Municipal Participants</b>	<b>237</b>	<b>232</b>	<b>236</b>	<b>248</b>	<b>249</b>	<b>221</b>

**GULF COAST AUTHORITY**

**TSI-7. SCHEDULE OF REVENUES AND EXPENSES - ENTERPRISE FUNDS**

For the Year Ended December 31, 2023

	Percent of Total Revenues					
	2023	2022	2021	2020	2019	2018
<b>Operating Revenues</b>						
Charges for sales and services						
Services to industries	90.2%	91.4%	93.3%	94.1%	92.8%	94.6%
Services to municipalities	8.1%	6.8%	5.2%	4.7%	5.8%	4.2%
Other	1.7%	1.8%	1.5%	1.2%	1.4%	1.2%
<b>Total Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Expenditures</b>						
Cost of sales and services	60.0%	68.4%	70.5%	72.4%	70.6%	67.7%
Administrative	3.6%	4.5%	5.1%	4.8%	5.4%	5.6%
Depreciation	12.3%	11.8%	12.9%	13.3%	12.7%	11.4%
<b>Total Expenditures</b>	<b>75.9%</b>	<b>84.7%</b>	<b>88.5%</b>	<b>90.5%</b>	<b>88.7%</b>	<b>84.7%</b>
<b>Operating income (loss)</b>	<b>24.1%</b>	<b>15.3%</b>	<b>11.5%</b>	<b>9.5%</b>	<b>11.3%</b>	<b>15.3%</b>
<b>Non-Operating Revenues (Expenses)</b>						
Interest income	3.4%	-1.6%	-0.5%	2.8%	4.9%	2.8%
Interest expense	-2.9%	-3.7%	-4.0%	-4.6%	-5.0%	-5.2%
Gain (loss) on disposal of capital asset	-0.9%	-	-0.1%	-	-0.2%	-0.1%
Insurance proceeds	-	-	0.2%	0.3%	-	0.1%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>-0.4%</b>	<b>-5.3%</b>	<b>-4.4%</b>	<b>-1.5%</b>	<b>-0.3%</b>	<b>-2.4%</b>
<b>Income (loss) before contributions</b>	<b>23.7%</b>	<b>10.0%</b>	<b>7.1%</b>	<b>8.0%</b>	<b>11.0%</b>	<b>12.9%</b>
Capital Contributions, net	-	-	0.2%	0.4%	1.8%	1.1%
<b>Change in Net Position</b>	<b>23.7%</b>	<b>10.0%</b>	<b>7.3%</b>	<b>8.4%</b>	<b>12.8%</b>	<b>14.0%</b>

**GULF COAST AUTHORITY**  
**TSI-8. BOARD MEMBERS AND ADMINISTRATIVE PERSONNEL**  
**For the Year Ended December 31, 2023**

<b>Complete District Mailing Address:</b>	<u>910 Bay Area Boulevard, Houston, Texas 77058</u>
<b>District Business Telephone Number:</b>	<u>(281) 488-4115</u>
<b>Submission Date of the most recent District Registration Form</b> (TWC Sections 36.054 and 49.054):	<u>10/2022</u>
<b>Limit on Fees of Office that a Director may receive during a fiscal year:</b> (Set by Board Resolution - TWC Section 49.060)	<u>\$13,260</u>

<b>Board Members</b>	<b>Term of Office or Date Hired *</b>	<b>Elected/ Appointed</b>	<b>Fees of office paid 12/31/23</b>	<b>Expenses reimbursed 12/31/23</b>	<b>Title at Year End</b>
Franklin D.R. Jones, Jr.	09/01/20 - 08/31/22	Appointed (2)	\$ 5,802	\$ 2,606	Chairman
Kevin M. Scott	09/01/20 - 08/31/22	Appointed (1)	5,431	1,608	Vice Chair
Billy J. Enochs	09/01/21 - 08/31/23	Appointed (3)	6,473	5,151	Secretary
J. Mark Schultz	09/01/20 - 08/31/22	Appointed (2)	7,594	2,644	Treasurer
Amber Batson	09/01/21 - 08/31/23	Appointed (1)	6,710	3,785	Member
Stephanie Farrer	09/18/22 - 08/31/24	Appointed (3)	3,339	593	Member
Lamont E. Meaux	09/01/20 - 08/31/22	Appointed (1)	2,242	1,318	Member
Jacqueline Peden	10/06/22 - 08/31/23	Appointed (2)	4,239	1,276	Member
Robert Swanson	09/01/21 - 08/31/23	Appointed (3)	5,139	940	Member

**Key Administrative Personnel:**

Elizabeth Fazio Hale	11/16/20	N/A	\$ 386,812	\$ 4,888	Chief Executive Officer
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**Consultants:**

Olson and Olson	01/01/80	N/A	\$ 68,976	\$ -	General Counsel
Whitley Penn, LLP	10/01/06	N/A	\$ 79,629	\$ -	External Auditors

\*Note: Under State law, Directors whose terms have expired continue to serve until they are reappointed or a replacement is appointed and qualified. Members are appointed by (1) Governor; (2) County Commissioners Court; or (3) Consortium of Mayors