



Gulf Coast Authority  
Protecting the Waters of Texas

**Gulf Coast Authority, Texas**

# **Annual Comprehensive Financial Report**

**FOR THE YEAR ENDED DECEMBER 31, 2024**





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

**For the Year Ended  
December 31, 2024**

Prepared by:

**Elizabeth Fazio Hale, JD, LLM**  
General Manager/CEO

**Carrie Latimer, DFCP**  
Chief Financial Officer

**Thuy Doan**  
Financial Administrator

**Alexa Macias-Castro**  
Accountant

**Veronica Rocha**  
Accountant

**Chris Townsend**  
Accountant

**Amber Salinas**  
Accounting Clerk

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



**GULF COAST AUTHORITY**  
**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Introductory Section</b>	
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	ix
Organizational Chart	x
Board of Directors	xi
Committee/Board Assignments	xii
Senior Staff and Consultants	xiii
<b>Financial Section</b>	
<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis</b>	5
<b>Basic Financial Statements:</b>	
Proprietary Fund:	
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Fund Net Position	14
Statement of Cash Flows	15
Fiduciary Funds:	
Statement of Fiduciary Net Position	16
Statement of Changes in Fiduciary Net Position	17
Notes to Financial Statements	19
<b>Required Supplementary Information:</b>	
Required Other Post Employment Benefit Supplementary Information	
Schedule of Changes in Net OPEB Liability and Related Ratios	47
Schedule of Employer Contributions	48
<b>Other Supplementary Information:</b>	
Combining Information and Statements:	
Proprietary Fund:	
Combining Information by Division - Net Position	54
Combining Information by Division - Revenues, Expenses, and Changes in Net Position	58
Combining Information by Division - Cash Flows	62
Pension and Other Post-Employment Benefit Trust Funds:	
Combining Statement of Fiduciary Net Position	68
Combining Statement of Changes in Fiduciary Net Position	69
Industrial Projects - Private Activity Revenue Bonds Issued and Outstanding	70
Gulf Coast Industrial Development Authority - Industrial Development Revenue Bonds Issued and Outstanding	72
<b>Statistical Section</b>	
Net Position by Component - Last Ten Years	76
Changes in Net Position - Last Ten Years	78
Bayport Major Customers - Current Year and Nine Years Ago	81
Bayport Area Revenue Bonds Debt Service Coverage of the Pledged Revenues - Last Ten Years	82
Ratio of Outstanding Debt by Type - Last Ten Years	84
Active Industrial and Municipal Customers - Last Ten Years	85
Full-Time Equivalent Authority Employees by Function/Program - Last Ten Years	86
Operating Indicators by Function/Program - Last Ten Years	87
Capital Asset Statistics by Function/Program - Last Ten Years	88

**GULF COAST AUTHORITY**  
**TABLE OF CONTENTS** *(continued)*

	<b><u>Page</u></b>
<b>Texas Supplementary Information Section</b>	
TSI-1 Services and Rates	91
TSI-2 Schedule of Expenses	92
TSI-3 Schedule of Temporary Investments	93
TSI-4 Analysis of Taxes Levied and Receivable	N/A
TSI-5 Long-Term Debt Service Requirements by Years	94
TSI-6 Changes in Long-Term Bonded Debt	99
TSI-7 Schedule of Revenues and Expenses – Proprietary Fund	100
TSI-8 Board Members and Administrative Personnel	102

## **INTRODUCTORY SECTION**







## **Gulf Coast Authority**

910 Bay Area Boulevard • Houston, Texas 77058  
Phone: 281.488.4115 • Fax: 281.488.3331 • [www.gcatx.org](http://www.gcatx.org)

April 10, 2025

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, 2024.

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, 2024, 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, 2024, 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 water and reclamation district of the state created in 1969 by the Texas Legislature to clean-up Galveston Bay. Since that time, our ability to provide safe, reliable, cost-effective, and compliant 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 Gulf Coast Authority (previously, Gulf Coast Waste Disposal 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 Property Assessed Clean Energy (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 provides 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 of North Texas, 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 2024, 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. The Authority also actively pursued the build-out of an additional industrial facility in Midlothian, Texas, which is expected to be operational in 2025.

## **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 sector, 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 nation's largest port for waterborne tonnage.

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 4.0% as of December 31, 2024. It also reports that there was an increase of 187,700 jobs during 2024. According to the Greater Houston Partnership (GHP), the Houston area could add 76,100 jobs during 2025 which would bring its employment to a record 3.5 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, 2024, as 2.6% and 3.2% for the Midland MSA and Odessa MSA, respectively.

**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, 2024, as 3.5%. According to the Dallas Regional Chamber, the area had year-over-year job growth at 3.3% as of December 2024 with the metro area adding 53,200 jobs during 2024.

## **Long-term Financial Planning**

The Authority maintains a 5-year Capital Improvement Projects Plan (CIP Plan) as part of its annual budget process. The 2025 - 2029 CIP Plan includes over \$162.4 million in planned additions to existing facilities. The Bayport Facility accounts for almost \$110.9 million of the total, with additions to maintain reliability and compliance with air and water permits. Other additions include \$11.6 million at the Blackhawk Facility; \$16.3 million at the Washburn Tunnel Facility; \$1.1 million at the 40-Acre Facility; \$9.2 million at the Odessa facility; \$4.0 million at the Campbell Bayou Facility; \$5.6 million at the Central Lab Facility; \$2.2 at the Vince Bayou Receiving Station; and, \$1.5 million in the General Services Division.

## **Major Initiatives**

In 2024, the Authority continued to implement the third 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 2024, the Authority achieved the following:

### **Strategic Planning:**

- *Branding* – Updated GCA Seal; Placed New Seal on GCA Vehicles and materials; Updated GCA Branding Guide;
- *Communications* – Completed Leadership Team Media Training in May 2024; Created GCA Strategic Communications Plan published and trained on in August 2024; Produced news and announcements, press releases, and Fall 55th Anniversary Clarifier document;
- *ERP* – Hired additional consultants and staff for ERP implementation; Began implementation of ERP – end-to-end testing; Continued staff meeting on project progress; On schedule for March 2025 Go Live;
- *Master Planning* – Continued facility evaluations and master planning; Ongoing engagement with each of the wastewater treatment plant staff; Completed consequence of failure analysis; Scheduled completion for January/February 2025; and
- *Policy Review* – Continued to review ~50 policies for 2023-2024; created presentations; and trained leadership team on all 2023-2024 policy revisions; Began process for review of another ~30 policies for 2025, soliciting feedback from employees, reviewing, and revising policies, as needed;

### **Business Development:**

- Continued to support current facilities in growth and development, exploring new customers and participants through new treatment streams and water reuse technologies; and
- Continued communications with Central, North, and West Texas regions on wastewater treatment for semiconductors, data treatment, and produced water industries;

### **Compliance:**

- Completed approximately 110 wastewater Discharge Monitoring Reports (DMRs);
- Submitted all air compliance reporting on time;
- Conducted over 85 inspections on users by end of the year; and
- Submitted renewal for Odessa TPDES permit on September 2024;

**Finance and Accounting:**

- Finalized 2023 Audit in March with no audit findings or management recommendations; and
- Performed tens of thousands of transactional items;

**GCIDA:**

- Continued meeting with potential project users for bond financing services;

**HR/ Administrative Achievement:**

- Recruited, hired, and onboarded approximately 30 new employees at all facilities to-date;
- Recognized approximately seven retirements of long-term GCA employees;
- Administered new 2024-2025 benefit plans, providers, and costs for employees/retirees; and
- Approved 3.5% COLA for 2024;

**Information Technology:**

- Created incident action plan to help standardize and optimize the process utilized when responding to critical IT security and technical incidents;
- Worked with Senior management to deploy an AI guidance policy for GCA;
- Continued improving communication procedures for IT incident and outage notifications as well those relating to cybersecurity and training updates;
- Migrated our existing evaluations to the latest NIST framework guidance for security and technical documentation processes;
- Continued implementation of GCA employee portal adding Records, Reliability, and Safety departments to the site as well as provided updates to both the “Branding and Communications” and “Response Plans” sections of the portal; and
- Performed data conversion and worked with functional teams for the ERP migration;

**Purchasing and Procurement:**

- 2,931 purchase orders issued;
- 6,787 receiving's processed;
- 3,430 purchasing card transactions; and
- Bid and awarded six new contracts in compliance with GCA Purchasing policy;

**Safety:**

- Hired and onboarded new Safety Director in September 2024;
- Updated Hurricane Plans across the Authority;
- No lost-time injuries at Bayport, Blackhawk, Central Lab, 40-Acre/Campbell Bayou, and Odessa in 2024; and
- No major fires or explosions; no major incidents involving heavy equipment; and
- Improved engagement during safety meetings by preparing meetings agendas, GCA branded PowerPoint presentations, and various visual aid;

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

- Completed major overhaul projects on 2<sup>nd</sup> Step Basins, Clarifiers, Belt Presses, Buildings, Piping, RTOs, Aeration Basins, Lit Stations, Chemical Upgrades, Switch Gear Systems, HVAC, etc;
- Hosted numerous school and industry tours at facilities;
- Developed and implemented new laboratory workflows to increase visibility and tracking and improve turnaround time for the following: data review, calibration tracking, standard and reagent documentation, and customer reporting;
- Completed successful A2LA and TCEQ external audits;
- Completed revision updates all lab SOP's and GOP's;
- Reorganized a couple teams to improve and streamline operating procedures;
- Onboarded two new Facility Managers;
- Expanded trucked-in waste number of customers;
- Provides support for the research and development of new and current facilities; and
- Provided tremendous support for the creation of an Authority-wide Master Plan 1.0 on Infrastructure at each of the facilities (to be completed in 2025).

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 2024, several of the Authority's facilities received a Peak Performance Award for their permit compliance achievements during the 2023 operational year by the National Association of Clean Water Agencies:

- Odessa South Municipal and Industrial Wastewater Treatment Facility – Platinum;
- Bayport Industrial Wastewater Treatment Facility – Silver;
- Blackhawk Municipal Wastewater Treatment Facility – Silver;
- 40-Acre Industrial Wastewater Treatment Facility – Silver; and
- Washburn Tunnel Industrial Wastewater Treatment Facility – Silver;

Also, in 2024:

- Water Environment Association of Texas (WEAT) Industrial Wastewater Treatment of the Year Award for Washburn Tunnel Wastewater Treatment Facility;
- Water Environment Association of Texas (WEAT) William D. Hatfield Award, Greg N. Seay;
- Water Environment Association of Texas (WEAT) Clean Water Service Award, Diane Maloy; and
- Texas Water Conservation Association (TWCA) Risk Management Fund 2024 Award for Outstanding Safety Liability;

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, 2023. This was the 37th 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  
Chief Financial Officer







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

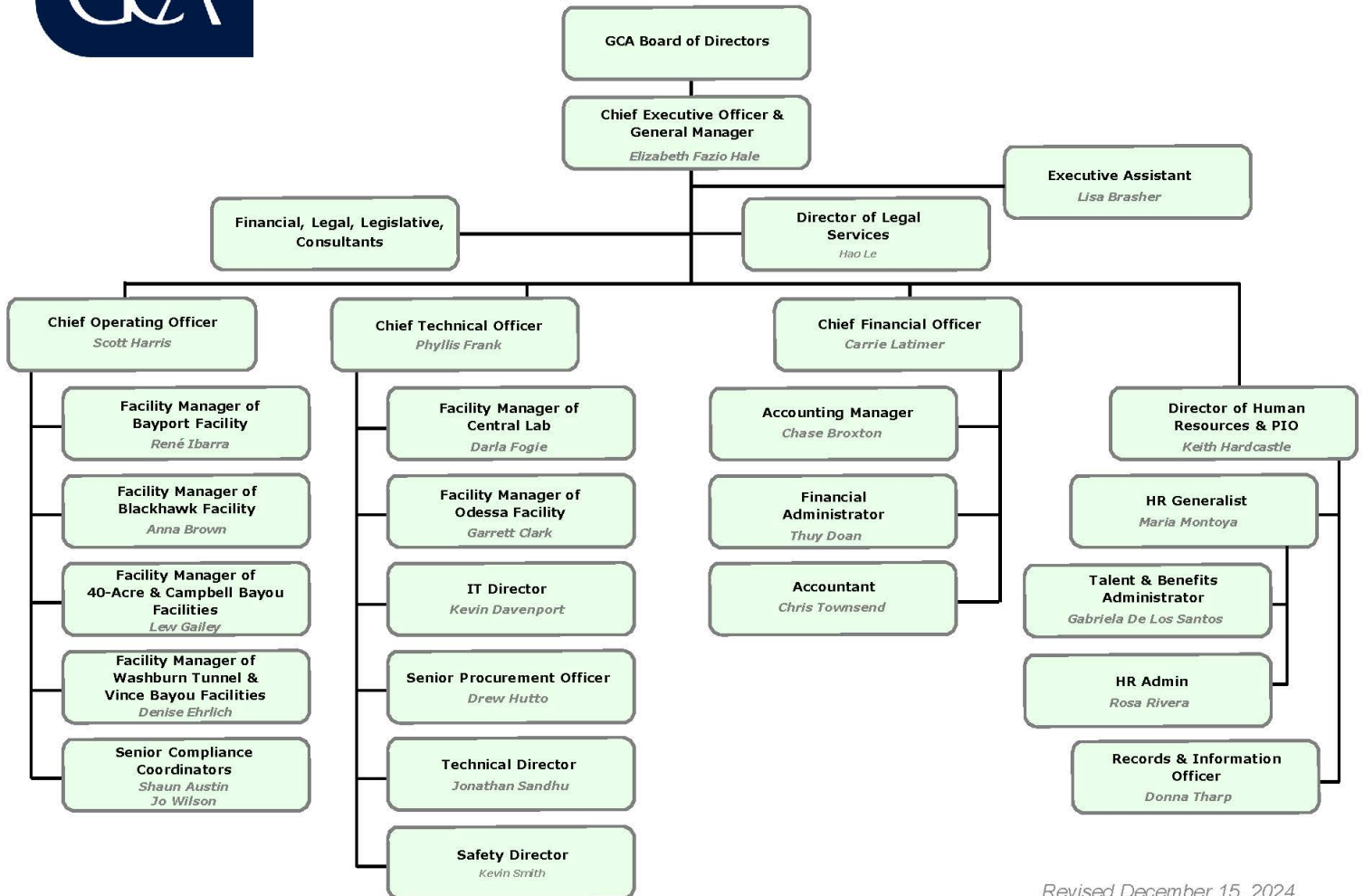
December 31, 2023

*Christopher P. Morill*

Executive Director/CEO



# Gulf Coast Authority Organizational Chart



Revised December 15, 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***

Kevin M. Scott  
Representing Galveston County

Appointed by Governor

***Vice Chairman***

Amber Batson  
Representing Harris 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***

Stephanie Farner  
Representing Chambers County

Appointed by Consortium of Mayors

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

Appointed by County Commissioners Court

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 \***

**EXECUTIVE COMMITTEE**

**Kevin M. Scott, Chair**

Amber Batson, Vice Chair

Billy J. Enochs, Secretary

Mark Schulz, Treasurer

**AUDIT & BUDGET COMMITTEE**

**Robert Swanson, Chair**

Lamont E. Meaux

Jacqueline Peden

Franklin D.R. Jones, Jr.

**ECONOMIC DEVELOPMENT COMMITTEE**

**Amber Batson, Chair**

Billy J. Enochs

Stephanie Farner

Jacqueline Peden

**GOVERNANCE AND NOMINATING COMMITTEE**

**Billy J. Enochs, Chair**

Amber Batson

Stephanie Farner

Mark Schultz

**LEGISLATIVE COMMITTEE**

**Mark Schultz, Chair**

Lamont E. Meaux

Franklin D.R. Jones, Jr.

Robert Swanson

**INDUSTRIAL DEVELOPMENT BOARD**

**Kevin M. Scott, President**

Elizabeth Fazio Hale, Vice President

Carrie Latimer, Secretary

Phyllis Frank

Franklin D.R. Jones, Jr.

Robert Swanson

**\*The Chairman of the Board of Directors, Kevin M. Scott., is an ex-officio member of all committees with the right to discuss all matters before the committee at its called meeting.**

Revised: 2024-Dec

**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

**Chief Financial Officer**

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 financial statements of the business-type activities and aggregate remaining fund information of Gulf Coast Authority (the "Authority"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of the Authority, as of December 31, 2024, 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***

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information and Texas supplementary information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and Texas supplementary information sections are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual 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.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas  
April 10, 2025



## **GULF COAST AUTHORITY**

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

As management of Gulf Coast Authority (the "Authority"), we offer the readers of the Authority's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the Authority for the year ended December 31, 2024, focusing on why amounts changed from the prior year. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i of this report.

#### **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.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Authority can be divided into two categories: proprietary funds and fiduciary funds.

**Proprietary Funds.** The Authority maintains one type of proprietary fund. Enterprise funds are to account for the Authority's operations.

**Fiduciary Funds.** Fiduciary funds are used to account for resources for which the Authority acts as a trustee or custodian. Resources held in fiduciary funds are not available to support the Authority's own programs and therefore are not reported in the proprietary fund financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The Authority maintains two different types of fiduciary funds. The pension and other post-employment benefit trust funds are used to report resources held in trust for retirees and beneficiaries. The custodial fund reports resources, not in a trust, which are held by the Authority for other parties outside of Authority's reporting entity.

The fiduciary fund financial statements can be found on pages 16-17 of this report.

**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.

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

**Other information.** Immediately following the Notes to Financial Statements are the (1) Required Supplementary Information for the Other Post-Employment Benefits, (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.

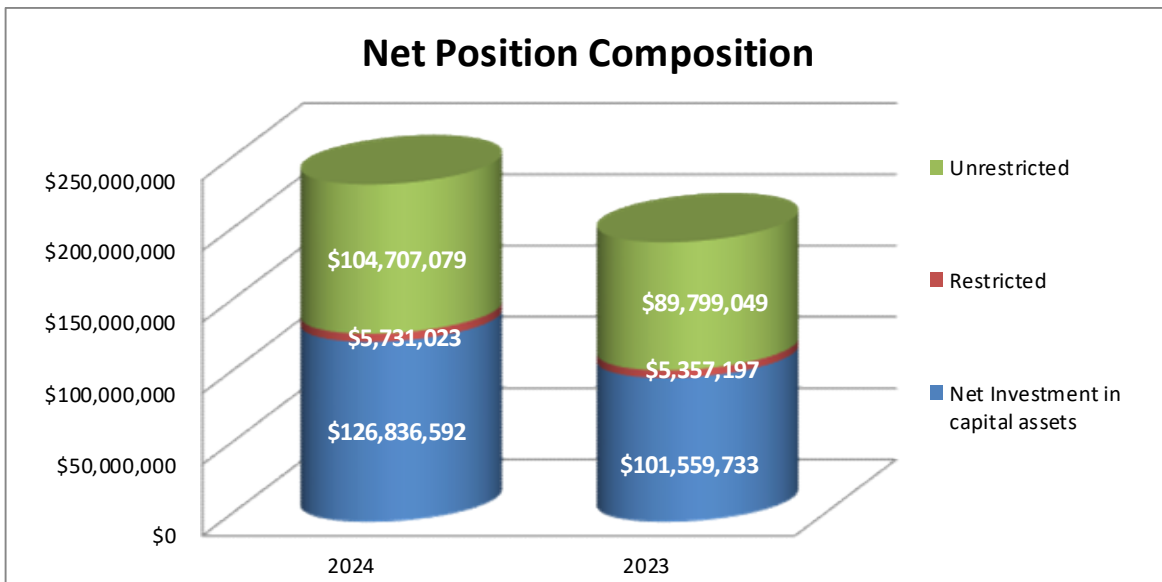
**Financial Summary and Detailed Analysis**

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 \$237.3 million at the close of the 2024 year.

**Net Position**  
**December 31, 2024 and 2023**

	2024	2023	Increase / (Decrease)	
			\$	%
Current and other assets	\$ 170,728,458	\$ 161,664,268	\$ 9,064,190	5.6%
Capital assets	194,859,679	176,361,067	18,498,612	10.5%
<b>Total Assets</b>	<b>365,588,137</b>	<b>338,025,335</b>	<b>27,562,802</b>	<b>8.2%</b>
<b>Total Deferred Outflows of Resources</b>	<b>205,995</b>	<b>849,333</b>	<b>(643,338)</b>	<b>-75.7%</b>
Long term liabilities	80,344,293	87,820,341	(7,476,048)	-8.5%
Other liabilities	41,672,005	49,968,340	(8,296,335)	-16.6%
<b>Total Liabilities</b>	<b>122,016,298</b>	<b>137,788,681</b>	<b>(15,772,383)</b>	<b>-11.4%</b>
<b>Total Deferred Inflows of Resources</b>	<b>6,503,140</b>	<b>4,370,008</b>	<b>2,133,132</b>	<b>48.8%</b>
<b>Net Position:</b>				
Net Investment in capital assets	126,836,592	101,559,733	25,276,859	24.9%
Restricted	5,731,023	5,357,197	373,826	7.0%
Unrestricted	104,707,079	89,799,049	14,908,030	16.6%
<b>Total Net Position</b>	<b>\$ 237,274,694</b>	<b>\$ 196,715,979</b>	<b>\$ 40,558,715</b>	<b>20.6%</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 \$126.8 million of net investment in capital assets. This amount represents the Authority's capital assets, 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.

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 \$104.7 million, representing a 16.6% increase from 2023. Unrestricted net position may be used to meet the Authority's ongoing liabilities.

The \$18.5 million increase in capital assets is primarily due to additions to capital assets of \$35.1 million. The increase is mainly comprised of the \$21.2 million in construction of the RailPort Wastewater Treatment Plant. This was offset by the approximately \$13.2 million recognized in 2024 for depreciation/amortization expense on capital assets previously placed in service.

Current and other assets increased \$9.1 million in 2024. This is due to an increase in unrestricted cash and cash equivalents resulting from the Authority investing in additional state pools in 2024.

Long term liabilities decreased \$7.5 million in 2024. The decrease is due to scheduled principal payments made on the bonds. Other liabilities decreased \$8.3 million in 2024. This is due to a decrease in unearned revenue as project activity occurred at the Blackhawk Facility and revenue was recognized in the current year.

Total net position increased by \$40.6 million in 2024. The components of the changes are as follows:

	<b>2024</b>	<b>2023</b>	<b>Increase / (Decrease)</b>	
			<b>\$</b>	<b>%</b>
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 94,131,351	\$ 86,036,640	\$ 8,094,711	9.4%
Services to municipalities	4,560,471	8,105,218	(3,544,747)	-43.7%
Other	1,620,772	1,742,044	(121,272)	-7.0%
<b>Total Operating Revenues</b>	<b>100,312,594</b>	<b>95,883,902</b>	<b>4,428,692</b>	<b>4.6%</b>
<b>Operating Expenses</b>				
Costs of sales and services	60,049,795	59,997,652	52,143	0.1%
Administration	9,480,208	3,606,136	5,874,072	162.9%
Depreciation/amortization	13,158,774	12,281,172	877,602	7.1%
<b>Total Expenses</b>	<b>82,688,777</b>	<b>75,884,960</b>	<b>6,803,817</b>	<b>9.0%</b>
<b>Operating Income (Loss)</b>	<b>17,623,817</b>	<b>19,998,942</b>	<b>(2,375,125)</b>	<b>-11.9%</b>
<b>Nonoperating Revenues (Expenses)</b>	<b>2,735,790</b>	<b>1,928,305</b>	<b>807,485</b>	<b>41.9%</b>
<b>Capital Contributions</b>	<b>20,199,108</b>	<b>4,171,637</b>	<b>16,027,471</b>	<b>384.2%</b>
Change in Net Position	40,558,715	26,098,884	14,459,831	55.4%
<b>Beginning Net Position</b>	<b>196,715,979</b>	<b>170,617,095</b>	<b>26,098,884</b>	<b>15.3%</b>
<b>Ending Net Position</b>	<b>\$ 237,274,694</b>	<b>\$ 196,715,979</b>	<b>\$ 40,558,715</b>	<b>20.6%</b>

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

Charges for services increased \$4.4 million due to earned income in the RailPort Division as deferred revenue was recognized and due to increased revenue from participants in the Bayport Facility. Nonoperating revenues increased \$0.8 million due to more favorable investment performance. Operating expenses increased \$6.8 million due to an increase in administration costs of \$5.9 million resulting from additional activity in the General Services Division.

**Significant Capital Asset and Long-term Financing Activity**

**Capital assets.** The Authority's total capital assets as of December 31, 2024, totaled \$194.9 million (net of accumulated depreciation/amortization). These investments include land, buildings, waste treatment facilities and equipment, administrative furniture and equipment, construction in progress, development in progress, and right-to-use assets. The total increase in the Authority's capital assets for the current year was 10.5%. Depreciation/amortization expense for the year was \$13.2 million. Construction in progress increased \$14.6 million. Capital assets (net of depreciation/amortization) as of December 31, 2024 with comparative totals for 2023 are as follows:

	<b>2024</b>	<b>2023</b>	<b>Increase/(Decrease)</b>	
			<b>\$</b>	<b>%</b>
Land	\$ 5,174,541	\$ 5,174,541	\$ -	-
Buildings	552,574	604,859	(52,285)	-8.6%
Waste treatment facilities and equipment	132,087,543	131,607,964	479,579	0.4%
Administrative furniture and equipment	2,776,001	1,949,941	826,060	42.4%
Construction in progress	50,738,707	36,097,535	14,641,172	40.6%
Development in progress	2,927,924	-	2,927,924	100.0%
Right-to-use assets	602,389	926,227	(323,838)	-35.0%
	<u>\$ 194,859,679</u>	<u>\$ 176,361,067</u>	<u>\$ 18,498,612</u>	<u>10.5%</u>

Major capital asset outlays during the year 2024 included the following:

<b>Capital Outlay Description</b>	<b>Capital Outlay</b>
Equipment Services	
Genie Telehandler	\$ 172,713
Grove Rough Terrain Crane	630,950
Plant improvement at Central Laboratory	
Fume Hood Addition	647,081
Generator Project	814,184
Construction of RailPort Wastewater Treatment Plant	
Wastewater Treatment Plant	21,223,557
Plant improvements at the Bayport Facility	
Back Up Power Supply	723,615
First and Second Steps Recirculated Pumps and Piping	755,381
Pipeline Integrity	1,392,689
	<u>\$ 26,360,170</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)**

**Long-term Financing**

At the end of the current year, the Authority had \$70 million in bonds outstanding compared to \$75 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.

Both leases and subscription-based information technology arrangements (SBITA) are intangible, right-to-use assets. The Authority does not own these assets, but rather has the right to use them in operations, as specified in their respective contracts. When entering into a lease or SBITA contract, a liability is also recognized, which is included as part of long-term financings discussion below.

	<b>December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>Increase/ (Decrease)</b>
Bayport area system revenue bonds	\$ 69,820,000	\$ 75,095,000	\$ (5,275,000)
Premium	6,557,978	7,101,237	(543,259)
Arbitrage payable	726,227	338,202	388,025
Leases	316,635	431,248	(114,613)
Subscriptions	201,891	388,396	(186,505)
	<u>\$ 77,622,731</u>	<u>\$ 83,354,083</u>	<u>\$ (5,731,352)</u>

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

**Currently known facts, decisions or conditions**

The Greater Houston Partnership (GHP) forecasts the 12-county Houston metro area will add 76,100 jobs in 2025 which will bring its employment to a record 3.5 million jobs. Houston's unemployment rate has averaged 4.4 percent over the year. Initial claims for unemployment benefits have fallen to prepandemic levels. Construction has picked up. And people and businesses continue to flock to the region.

According to the Texas Workforce Commission, December 2024 unemployment rate for the Houston Area is 4.1%. While a increase from the prior year rate of 3.8%, this is slightly higher than the national rate of 3.8% and the Texas rate of 3.7%.

Both the U.S. and Houston are poised for growth in 2025. Whether that growth stalls or accelerates depends on the path of inflation, the level of U.S. interest rates, consumer confidence, and actions taken by Congress in the spring.

The Board of Directors approved a rate increase for the Bayport Area System Facility Division for fiscal year 2025 that increases projected revenue by 9.2%.

**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 Chief Financial Officer, 910 Bay Area Boulevard, Houston, Texas 77058.



## **BASIC FINANCIAL STATEMENTS**



**GULF COAST AUTHORITY**  
**STATEMENT OF NET POSITION**  
**December 31, 2024**

**Assets**

**Current Assets:**

Cash and cash equivalents	\$	71,588,519
Marketable securities		63,374,908
Receivables, net		15,905,673
Prepays		1,433,138
Restricted assets:		
Cash and cash equivalents		17,855,778
Marketable securities		570,442
<b>Total Current Assets</b>		<b>170,728,458</b>

**Noncurrent Assets:**

Capital assets:		
Land		5,174,541
Construction in progress		50,738,707
Development in progress		2,927,924
Plant and equipment		384,230,786
Right-to-use assets		1,196,880
Less accumulated depreciation/amortization		(249,409,159)
Total capital assets (net of accumulated depreciation)		194,859,679
<b>Total Noncurrent Assets</b>		<b>194,859,679</b>

**Total Assets**

**365,588,137**

**Deferred Outflows of Resources**

OPEB related		205,995
<b>Total Deferred Outflows of Resources</b>		<b>205,995</b>

**Liabilities**

**Current Liabilities:**

Accounts payable		11,332,532
Wages payable		802,719
Other payables		58,814
Accrued bond interest		787,756
Current portion of accrued compensated absences		1,676,716
Current portion of lease payable		120,712
Current portion of SBITA payable		201,891
Current portion of bonds payable		3,760,000
Unearned revenue		22,930,865
<b>Total Current Liabilities</b>		<b>41,672,005</b>

**Noncurrent Liabilities:**

Accrued compensated absences		880,202
Lease payable		195,923
Bonds payable		73,344,205
Net OPEB liability		3,265,607
Working capital deposits		2,658,356
<b>Total Noncurrent Liabilities</b>		<b>80,344,293</b>

**Total Liabilities**

**122,016,298**

**Deferred Inflows of Resources**

Deferred gain on refunding		2,009,930
OPEB related		4,493,210
<b>Total Deferred Inflows of Resources</b>		<b>6,503,140</b>

**Net Position**

Net investment in capital assets		126,836,592
Restricted for:		
Debt service		5,731,023
Unrestricted		104,707,079
<b>Total Net Position</b>	\$	<b>237,274,694</b>

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

**GULF COAST AUTHORITY****STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION****For the Year Ended December 31, 2024****Operating Revenues**

Charges for sales and services:	
Services to industries	\$ 94,131,351
Services to municipalities	4,560,471
Other	1,620,772
<b>Total Operating Revenues</b>	<u>100,312,594</u>

**Operating Expenses**

Costs of sales and services	60,049,795
General and administrative	9,480,208
Depreciation/amortization	13,158,774
<b>Total Operating Expenses</b>	<u>82,688,777</u>

<b>Operating Income (Loss)</b>	<u>17,623,817</u>
--------------------------------	-------------------

**Nonoperating Revenues (Expenses)**

Investment income	6,653,511
Unrealized gain/(loss)	(327,252)
Interest expense	(2,637,025)
Gain (loss) on disposal of capital assets	(953,444)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>2,735,790</u>

<b>Income (Loss) before Contributions</b>	20,359,607
---	------------

Capital Contributions	20,199,108
<b>Income (loss) after contributions</b>	<u>40,558,715</u>

Changes in Net Position	40,558,715
-------------------------	------------

<b>Beginning Net Position</b>	196,715,979
<b>Ending Net Position</b>	<u>\$ 237,274,694</u>

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

**GULF COAST AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2024**

**Cash Flows from Operating Activities**

Receipts from customers and users	\$	92,190,010
Payments to suppliers		(39,862,708)
Payments to employees		(28,063,365)
<b>Net Cash Provided (Used) by Operating Activities</b>		<b>24,263,937</b>

**Cash Flows from Capital and Related Financing Activities**

Acquisition and construction of capital assets		(32,610,830)
Capital contributions		20,199,108
Principal paid on bonds		(5,275,000)
Principal payments on lease		(114,613)
Principal payments on SBITA		(186,505)
Interest paid on capital related debt		(3,087,903)
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>		<b>(21,075,743)</b>

**Cash Flows from Investing Activities**

Maturity (purchase) of investments		20,818
Interest received (paid)		6,653,511
<b>Net Cash Provided (Used) by Investing Activities</b>		<b>6,674,329</b>

**Net Increase (Decrease) in Cash and Cash Equivalents**

		9,862,523
<b>Beginning Cash and Cash Equivalents</b>		<b>79,581,774</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$</b>	<b>89,444,297</b>

**Ending Cash and Cash Equivalents**

Unrestricted cash and cash equivalents	\$	71,588,519
Restricted cash and cash equivalents		17,855,778
	<b>\$</b>	<b>89,444,297</b>

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities**

Operating income (loss)	\$	17,623,817
Adjustment to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation		13,158,774
Changes in Operating Assets and Liabilities:		
(Increase) decrease in assets		
Accounts receivable, net		(247,061)
Due from other funds/divisions		1,561,362
Prepays		697,324
Increase (decrease) in liabilities:		
Wages payable		152,263
Accounts payable		1,691,290
Other payables		58,814
Due to other funds/divisions		(1,561,362)
Net OPEB liability and related amounts		(1,162,303)
Unearned revenue		(8,123,621)
Compensated absences		166,542
Working capital deposits		248,098

<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$</b>	<b>24,263,937</b>
---	-----------	-------------------

**Noncash Investing, Capital, and Financing Activities**

Gain (loss) on disposition of capital assets	\$	(953,444)
--	----	-----------

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

**GULF COAST AUTHORITY**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**December 31, 2024**

	<b>Pension and Other Post-Employment Benefit Trust Funds</b>	<b>Custodial Fund Employee Flexible Spending Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 100,696	\$ 332,567
Investments, at fair value:		
Stable Value/Cash Management	17,148,270	-
Bonds	2,757,700	-
Guaranteed Lifetime Income	7,093,960	-
Balanced/Asset Allocation	12,073,429	-
U.S. Stock	16,737,082	-
International/Global Stock	3,306,621	-
Specialty	285,310	-
Domestic Equities	8,190,481	-
Fixed Income	5,328,767	-
Private Equity	1,518,561	-
Other	1,692,250	-
<b>Total Assets</b>	<b>\$ 76,233,127</b>	<b>\$ 332,567</b>
<b>Net Position</b>		
Restricted for:		
Pensions	\$ 59,991,838	\$ -
Other post-employment benefits	16,241,289	-
Individuals	-	332,567
<b>Total Net Position</b>	<b>\$ 76,233,127</b>	<b>\$ 332,567</b>

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



**GULF COAST AUTHORITY****STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS***For the Year Ended December 31, 2024*

	<b>Pension and Other Post-Employment Benefit Trust Funds</b>	<b>Custodial Fund Employee Flexible Spending Fund</b>
<b>Additions</b>		
<b>Contributions:</b>		
Employers	\$ 3,464,030	\$ 132,732
<b>Total Contributions</b>	<u>3,464,030</u>	<u>132,732</u>
<b>Investment earnings:</b>		
Unrealized gain/(loss)	<u>7,568,228</u>	<u>3,197</u>
<b>Net investment earnings</b>	<u>7,568,228</u>	<u>3,197</u>
<b>Other Additions:</b>		
Interest and dividends	276,487	-
Miscellaneous credits	96,741	-
<b>Total Other Additions</b>	<u>373,228</u>	<u>-</u>
<b>Total Additions</b>	<u>11,405,486</u>	<u>135,929</u>
<b>Deductions:</b>		
Benefit payments	5,110,314	-
Beneficiary transfers	-	118,588
Forfeiture debits	88,654	-
Administrative expense	39,872	-
<b>Total Deductions</b>	<u>5,238,840</u>	<u>118,588</u>
Change in Net Position	6,166,646	17,341
<b>Beginning Net Position</b>	<u>70,066,481</u>	<u>315,226</u>
<b>Ending Net Position</b>	<u>\$ 76,233,127</u>	<u>\$ 332,567</u>

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



# **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, net position, 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 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 proprietary fund 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.

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

The proprietary and fiduciary 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.

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 deposits and investments as of December 31, 2024, classified by credit rating from a national rating agency As of December 31, 2024:

	<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>
<b>Cash and Cash Equivalents</b>				
Demand Deposits	\$ 27,847,420			
State Pools:				
TexPool	582,102	0%	37	AAAm
Texas Range	54,364,778	43%	40	AAAm
Texas CLASS	6,649,997	5%	46	AAAm
Total State Pools	<u>61,596,877</u>			
<b>Total Cash and Cash Equivalents</b>	<u>\$ 89,444,297</u>			
<b>Marketable Securities</b>				
U.S. Agencies				
FNMA	1,583,371	1%	784	AA+
FHLMC	4,875,793	4%	493	AA+
FFCB	1,003,870	1%	591	AA+
FHLB	576,186	0%	447	AA+
U.S. Treasury Notes	51,753,974	41%	712	AA+
National Agency Bonds	3,632,098	3%	536	AAA
Municipal Securities	<u>520,058</u>	0%	516	AA
<b>Total Marketable Securities</b>	<u>63,945,350</u>			
<b>Total Fair Value of State Pools and Marketable Securities</b>	<u>\$ 125,542,227</u>	<u>100%</u>		
Portfolio weighted average maturity			367	
<b>Total Deposits and Investments</b>	<u><u>\$ 153,389,647</u></u>			
<b>Reconciliation to Statement of Net Position</b>				
Cash and Cash Equivalents	\$ 71,588,519			
Marketable Securities	63,374,908			
Restricted Assets:				
Cash and Cash Equivalents	17,855,778			
Marketable Securities	<u>570,442</u>			
<b>Total Cash, Cash Equivalents, and Marketable Securities</b>	<u><u>\$ 153,389,647</u></u>			

The Authority's investments fair value measurements are as follows as December 31, 2024:

<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	\$ 8,039,220	\$ -	\$ 8,039,220	\$ -
U.S. Treasury Notes	51,753,974	51,753,974	-	-
National Agency Bonds	3,632,098	-	3,632,098	-
Municipal Securities	520,058	-	520,058	-
	<u>\$ 63,945,350</u>	<u>\$ 51,753,974</u>	<u>\$ 12,191,376</u>	<u>\$ -</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, 2024, 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, 2024, 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 and Unearned Revenue**

Receivables at year-end consist of the following:

	<b>Business Type Activities Current</b>
Accounts receivable	\$ 9,113,862
Unbilled receivables	16,533
Accrued revenue	6,919,190
Other receivables	737
Gross receivables	16,050,322
Less: allowance for doubtful accounts	(144,649)
<b>Net Receivables</b>	<b>\$ 15,905,673</b>

Unearned revenue as of December 31, 2024 by Division, is as follows:

	<b>Unearned Revenue</b>
General Services	\$ 1,100
Bayport Facility	59,047
Blackhawk Facility	11,680,352
East Battleground Facility	114,158
40-Acre Facility	202,083
Odessa South Facility	1,141,920
Washburn Tunnel Facility	613,345
RailPort Facility	9,118,860
<b>Total</b>	<b>\$ 22,930,865</b>

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

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

**C. Restricted Assets**

Restricted assets as reported on the Statement of Net Position as of December 31, 2024, are as follows:

<b>Restricted Assets:</b>		
Cash and cash equivalents	\$	17,855,778
Marketable securities		570,442
	\$	<u>18,426,220</u>
<b>Assets Restricted For:</b>		
Debt service <sup>1</sup>	\$	6,518,779
Capital projects		10,883,347
Contingency reserve		1,024,094
	\$	<u>18,426,220</u>

<sup>1</sup> Difference between assets restricted for debt service and net position  
restricted for debt service is accrued interest of \$787,756

**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, 2024</b>	\$	6,518,779
Average annual debt service		<u>5,327,309</u>
<b>Balance of Reserve Fund Over/(Under) Average Annual Debt Service</b>	\$	<u>1,191,470</u>

**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, 2024, the increase to the reserve was \$84,890 from the participants. The restricted assets as reported on the Statement of Net Position as of December 31, 2024 was \$1,024,094.

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

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

**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	36,097,535	29,895,017	(2,442,295)	(12,811,550)	50,738,707
Development in progress	-	2,927,924	-	-	2,927,924
<b>Total Capital Assets Not Being Depreciated/Amortized</b>	<b>41,272,076</b>	<b>32,822,941</b>	<b>(2,442,295)</b>	<b>(12,811,550)</b>	<b>58,841,172</b>
<b>Capital Assets Being Depreciated/Amortized:</b>					
Waste treatment facilities and equipment	364,615,033	842,965	(4,384,743)	12,811,550	373,884,805
Office buildings	1,784,753	-	(17,984)	-	1,766,769
Administrative furniture and equipment	8,174,895	1,387,219	(982,902)	-	8,579,212
Right-to-use lease equipment	589,937	-	-	-	589,937
Right-to-use subscription assets	606,943	-	-	-	606,943
<b>Total Capital Assets Being Depreciated/Amortized</b>	<b>375,771,561</b>	<b>2,230,184</b>	<b>(5,385,629)</b>	<b>12,811,550</b>	<b>385,427,666</b>
<b>Less Accumulated Depreciation/Amortization For:</b>					
Waste treatment facilities and equipment	(233,007,069)	(12,224,564)	3,434,371	-	(241,797,262)
Office buildings	(1,179,894)	(49,213)	14,912	-	(1,214,195)
Administrative furniture and equipment	(6,224,954)	(561,159)	982,902	-	(5,803,211)
Right-to-use lease equipment	(169,496)	(121,524)	-	-	(291,020)
Right-to-use subscription assets	(101,157)	(202,314)	-	-	(303,471)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(240,682,570)</b>	<b>(13,158,774)</b>	<b>4,432,185</b>	<b>-</b>	<b>(249,409,159)</b>
<b>Total Capital Assets Being Depreciated/Amortized, Net</b>	<b>135,088,991</b>	<b>(10,928,590)</b>	<b>(953,444)</b>	<b>12,811,550</b>	<b>136,018,507</b>
<b>Capital Assets, Net</b>	<b>\$ 176,361,067</b>	<b>\$ 21,894,351</b>	<b>\$ (3,395,739)</b>	<b>\$ -</b>	<b>\$ 194,859,679</b>

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

**Business-type Activities:**

General services	\$ 812,686
Wastewater treatment	12,341,396
Solid waste disposal	4,692
<b>Total Depreciation/Amortization Expense</b>	<b>\$ 13,158,774</b>

**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	\$ 98,217	\$ 2,183
<b>Blackhawk Facility</b>			
Master Planning	191,600	187,433	4,167
Belt Press Control Upgrade	270,000	236,143	33,857
BH Detailed Design for Aeration	12,633,173	1,146,877	11,486,296
<b>Washburn Tunnel</b>			
T-319/T-320 Aeration Platform	260,000	237,839	22,161
Low Lift Pumps	375,000	2,000	373,000
Master Planning	465,600	455,475	10,125
T-110 Aeration Basin	554,400	156,330	398,070
<b>40 Acre</b>			
Master Planning	168,800	165,129	3,671
<b>Odessa South</b>			
Blower Gallery Repairs <sup>1</sup>	275,000	347,127	(72,127)
Master Planning	235,600	230,477	5,123
<b>North Texas</b>			
RailPort Wastewater Treatment Plant	35,602,218	28,452,159	7,150,059
<b>Campbell Bayou Facility</b>			
Master Planning	21,100	20,548	552
<b>Bayport Facility</b>			
Centauri New User Line	20,072	20,072	-
Fence Repairs and Replacement	120,000	16,957	103,043
MLS Offgas to 2nd Step Pipeline Replacement	100,000	31,208	68,792
Clarifier 2 Suction Piping Replacement	400,000	41,360	358,640
Belt Press Building Corrosion Improvement	400,000	31,765	368,235
Umincore New User Line	363,000	321,041	41,959
2ND Step Basin Overhaul and Air Line Concrete	600,000	376,048	223,952
Flood Mitigation Evaluation <sup>1</sup>	600,000	603,728	(3,728)
Master Planning	756,800	740,342	16,458
PLC Upgrades - Belt Presses	850,000	714,328	135,672
Spare MLS Pump	1,050,000	676,041	373,959
Backup Power Supply	3,200,000	1,211,326	1,988,674
Belt Press Building and Equipment Corrosion Repair	3,425,000	3,335,081	89,919
Clean Stream Channel Upgrade	3,700,000	1,063,937	2,636,063
1st & 2nd Step Recirculated Pumps & Piping	8,400,000	7,904,027	495,973
<b>Central Laboratory</b>			
Master Planning	24,400	23,869	531
ADA Compliance Review	80,000	12,190	67,810
Generator Project	1,600,000	1,155,134	444,866
Fume Hood System Additions	2,000,000	652,809	1,347,191
<b>Vince Bayou</b>			
Master Planning	31,400	30,717	683
VB- 3 Tank	275,000	40,973	234,027
<b>Totals</b>	<u>\$ 79,148,563</u>	<u>\$ 50,738,707</u>	<u>\$ 28,409,856</u>

<sup>1</sup> Project exceeded authorized contract but remains in progress as of December 31, 2024.

**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, 2024, 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; (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; (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>
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>\$ 69,820,000</b>	<b>\$ 26,071,557</b>	<b>\$ 95,891,557</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, 2024, 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, 2024	\$ 14,315,137
Add-Items not includable in current expenses of the System:	
Bond interest expense	2,579,273
Depreciation	8,391,984
Management fee	<u>2,130,996</u>
Pledged revenues	<u>\$ 27,417,390</u>
Average annual debt service for bonds	<u>\$ 5,327,309</u>
Debt service coverage average annual debt service	5.15
Actual debt service for bonds	<u>\$ 8,689,776</u>
Debt service coverage actual debt service	3.16

"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.

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The Authority has estimated that it has an arbitrage liability in the amount of \$726,227 as of December 31, 2024.

**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>						
Compensated absences	\$ 2,390,376	\$ 166,542	\$ -	\$ 2,556,918	\$ 1,676,716	\$ 880,202
Leases	431,248	-	(114,613)	316,635	120,712	195,923
Subscriptions	388,396	-	(186,505)	201,891	201,891	-
<b>Bonds Payable:</b>						
Series 2015	18,210,000	-	(1,145,000)	17,065,000	1,205,000	15,860,000
Series 2018	33,185,000	-	(615,000)	32,570,000	1,205,000	31,365,000
Series 2022A	9,135,000	-	(305,000)	8,830,000	320,000	8,510,000
Series 2022B	14,565,000	-	(3,210,000)	11,355,000	1,030,000	10,325,000
Premium	7,101,237	-	(543,259)	6,557,978	-	6,557,978
<b>Total Bonds Payable</b>	<b>82,196,237</b>	<b>-</b>	<b>(5,818,259)</b>	<b>76,377,978</b>	<b>3,760,000</b>	<b>72,617,978</b>
Arbitrage Payable	338,202	388,025	-	726,227	-	726,227
<b>Total Long Term Debt</b>	<b>\$ 85,744,459</b>	<b>\$ 554,567</b>	<b>\$ (6,119,377)</b>	<b>\$ 80,179,649</b>	<b>\$ 5,759,319</b>	<b>\$ 74,420,330</b>

**F. Leases**

*Lease Payable*

In 2023, 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 during 2023. 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, 2024, the value of the lease liability was \$316,635. 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 \$291,020.

The future principal and interest lease payments as of December 31, 2024, were as follows:

<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 120,712	\$ 19,609	\$ 140,321
2026	51,764	14,236	66,000
2027	56,201	9,799	66,000
2028	61,016	4,984	66,000
2029	26,942	558	27,500
<b>Totals</b>	<b>\$ 316,635</b>	<b>\$ 49,186</b>	<b>\$ 365,821</b>

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

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

**G. Subscriptions**

*SBITAs Payable*

In 2023, 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 2023. As of December 31, 2024, the value of the SBITA liability was \$201,891. 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 \$303,471.

The future principal and interest SBITA payments as of December 31, 2024, were as follows:

<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 201,891	\$ 16,656	\$ 218,547
<b>Totals</b>	<b>\$ 201,891</b>	<b>\$ 16,656</b>	<b>\$ 218,547</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, 2024 is as follows:

	<b>Capital Assets Net of Depreciation/ Amortization</b>	<b>Unspent Bond Proceeds</b>	<b>Capital Related Debt<sup>1</sup></b>	<b>Net Investment in Capital Assets</b>
<b>Enterprise Fund Division:</b>				
General Services	\$ 6,711,988	\$ -	\$ (201,891)	\$ 6,510,097
Bayport Facility	117,768,396	10,883,347	(78,387,908)	50,263,835
Blackhawk Facility	12,474,120	-	-	12,474,120
Industrial Solid Waste Facility	704,903	-	-	704,903
Central Laboratory	4,472,867	-	-	4,472,867
40-Acre Facility	5,502,097	-	(243,605)	5,258,492
Odessa South Facility	2,023,622	-	-	2,023,622
Vince Bayou Facility	1,121,129	-	-	1,121,129
Washburn Tunnel Facility	15,628,402	-	(73,030)	15,555,372
RailPort Facility	28,452,155	-	-	28,452,155
<b>Total Enterprise Funds</b>	<b>\$ 194,859,679</b>	<b>\$ 10,883,347</b>	<b>\$ (78,906,434)</b>	<b>\$ 126,836,592</b>

<sup>1</sup> Includes premium, deferred gains/losses on refunding, leases payable, and subscriptions payable.

**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	\$ 147,000,000
Industrial development projects	325,000,000
<b>Total Conduit Bonds</b>	<u><u>\$ 472,000,000</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 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 plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan is a qualified 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, 2024 the total plan assets were \$59,991,838. These assets were allocated as follows:

<b>Asset Category</b>	<b>Balance</b>	<b>Percent of Assets</b>
Stable Value/Money Market Funds	\$ 17,148,270	29%
Bond Funds	2,757,700	5%
Guaranteed Lifetime Income	7,093,960	12%
Balanced Funds	12,073,429	20%
U.S. Stock Funds	16,737,082	28%
International Stock Funds	3,306,621	6%
Specialty	285,310	0%
Other	589,466	1%
<b>Total Assets</b>	<b>\$ 59,991,838</b>	<b>100.00%</b>

The Authority's contribution for the year ended December 31, 2024 was \$1,984,117 which represents the required 12.5 percent of covered payroll. The employees' contribution was \$793,647 which equals 5 percent of covered payroll and there were no additional voluntary contributions. The Authority recognized an expense of \$1,984,117 during the year. As of December 31, 2024 there were 172 active participants, 83 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 \$102.26 (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 2024. 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, 2024, measurement date, the following employees were covered by the benefit terms:

<b>Membership</b>	
Retirees and beneficiaries	83
Inactive, nonretired members	-
Active members	89
<b>Total</b>	<b>172</b>

**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 2024, the Authority contributed a total of \$335,528 to the plan for benefit payments.

**Net OPEB Liability**

The net OPEB liability is based upon a January 1, 2024 valuation date. Year-end liabilities were projected forward to December 31, 2024, using a standard roll-forward technique.

**Actuarial Assumptions**

Valuation date	January 1, 2024
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 6.21% fluctuating between 6.21% and 4.24% for 21 years until reaching an ultimate rate of 4.14% Post-65: Initial rate of 6.21% fluctuating between 6.21% 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, 2024, 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%	6.70%
Foreign Equity	9%	7.20%
Fixed Income	33%	5.50%
Cash	1%	3.10%
Other	7%	9.90%
<b>Total</b>	<b>100%</b>	<b>6.55%</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, 2023</b>	<b>\$ 21,297,970</b>	<b>\$ 13,863,884</b>	<b>\$ 7,434,086</b>
Service cost	515,209	-	515,209
Interest	990,359	-	990,359
Difference between expected and actual experience	(1,838,245)	-	(1,838,245)
Changes of assumptions	(1,122,869)	-	(1,122,869)
Contributions - employer	-	716,918	(716,918)
Net investment income	-	1,660,487	(1,660,487)
Benefit payments	(335,528)	-	(335,528)
Net changes	(1,791,074)	2,377,405	(4,168,479)
<b>Balance at December 31, 2024</b>	<b>\$ 19,506,896</b>	<b>\$ 16,241,289</b>	<b>\$ 3,265,607</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 point higher than the current rate:

<b>1% Decrease (4.00%)</b>	<b>Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
\$ 6,139,851	\$ 3,265,607	\$ 907,160

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 (5.51%)</b>	<b>Current Healthcare Cost Trend Rate Assumption (6.51%)</b>	<b>1% Increase (7.51%)</b>
\$ 712,891	\$ 3,265,607	\$ 5,354,213



**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	\$ 100,696
Investments:	
Domestic equities	8,190,481
Fixed income	5,328,767
Private equity	1,518,561
Other	1,102,784
Total investments	<u>16,140,593</u>
<b>Total Assets</b>	<u>16,241,289</u>
<b>Net Position Restricted for OPEB</b>	<u><u>\$ 16,241,289</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	\$ 716,918
<b>Total Contributions</b>	<u>716,918</u>
<b>Investment Earnings:</b>	
Unrealized gain/(loss)	<u>1,660,487</u>
<b>Net Investment Earnings</b>	<u>1,660,487</u>
<b>Total Additions</b>	<u>2,377,405</u>
<b>Deductions:</b>	
Administrative expense	<u>-</u>
<b>Total Deductions</b>	<u>-</u>
Change in Net Position	2,377,405
<b>Beginning Net Position</b>	<u>13,863,884</u>
<b>Ending Net Position</b>	<u><u>\$ 16,241,289</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, 2024, the Authority recognized a negative OPEB expense of \$109,857. The reduction from last year is due to favorable experience across demographics and asset performance. At December 31, 2024, 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	\$ -	\$ (2,480,622)
Changes of assumptions	205,995	(1,334,109)
Net Difference between projected and actual earnings on OPEB plan investments	-	(678,479)
	<u>\$ 205,995</u>	<u>\$ (4,493,210)</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>	
2025	\$ (1,186,787)
2026	(917,404)
2027	(1,400,678)
2028	(781,846)
	<u>\$ (4,286,715)</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 balance in the GSD at year end was \$425,746.

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 \$8,936,500. Of this amount, \$3,306,505 and \$1,787,300 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 93.2%, and \$3,842,695 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 \$3,581,392. The total accrued closure and post-closure care costs at year end for the entire site are \$8,675,197. The remaining accrued costs to be recognized are \$261,303. 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 two to three years as of 2024.

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, 2024, 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 issued Statement No. 101, Compensated Absences, was issued in June 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in 2024 and did not have a material impact on the financial statements.

## **REQUIRED SUPPLEMENTAL INFORMATION**



# GULF COAST AUTHORITY

## REQUIRED OTHER POST EMPLOYMENT BENEFIT SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

#### Gulf Coast Authority Other Post-Employment Benefits Trust

#### For the Last Seven Years

	Year Ended December 31,						
	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>							
Service cost	\$ 424,295	\$ 766,029	\$ 798,197	\$ 772,547	\$ 532,228	\$ 561,186	\$ 515,209
Interest on the total OPEB liability	926,731	890,437	936,902	961,233	946,647	1,023,256	990,359
Difference in expected and actual experience	(923,598)	-	(772,706)	-	(1,440,518)	-	(1,838,245)
Change of assumptions	4,022,699	(596,408)	(934,972)	-	411,990	-	(1,122,869)
Benefit payments, including refunds of employee contributions	(200,210)	(295,418)	(280,871)	(294,847)	(394,480)	(380,801)	(335,528)
<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>(1,791,074)</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>21,297,970</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>\$ 19,506,896</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 576,917	\$ 557,999	\$ 585,999	\$ 608,575	\$ 659,107	\$ 686,880	\$ 716,918
Net investment income	(378,381)	1,332,894	1,244,515	1,457,516	(1,770,221)	1,758,643	1,660,487
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>2,377,405</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>13,863,884</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>\$ 16,241,289</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>\$ 3,265,607</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>38.09%</b>	<b>46.35%</b>	<b>56.57%</b>	<b>62.53%</b>	<b>56.82%</b>	<b>65.09%</b>	<b>83.26%</b>
<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>\$ 19,467,961</b>
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>74.22%</b>	<b>64.96%</b>	<b>48.98%</b>	<b>43.78%</b>	<b>47.19%</b>	<b>39.88%</b>	<b>16.77%</b>

#### 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

#### Gulf Coast Authority Other Post-Employment Benefits Trust

#### For the Last Seven Years

	For the Year Ended December 31,						
	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 941,305	\$ 1,050,066	\$ 1,445,792	\$ 1,336,693	\$ 953,602	\$ 1,153,629	\$ 904,987
Contributions in relation to the actuarially determined contribution	777,127	853,417	866,870	903,422	1,053,587	1,067,681	1,052,446
Contribution deficiency (excess)	<u>\$ 164,178</u>	<u>\$ 196,649</u>	<u>\$ 578,922</u>	<u>\$ 433,271</u>	<u>\$ (99,985)</u>	<u>\$ 85,948</u>	<u>\$ (147,459)</u>
Covered payroll	\$ 15,086,318	\$ 15,569,170	\$ 16,494,690	\$ 17,151,722	\$ 18,384,960	\$ 18,641,629	\$ 19,467,961
Contributions as a percentage of payroll	5.15%	5.48%	5.26%	5.27%	5.73%	5.73%	5.41%
Expected rate of return as of the beginning of the period	7.00%	7.00%	5.00%	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, 2024 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)	6.51% / 6.51% 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	70.0
Mortality	In 2024, 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**  
**PROPRIETARY FUND**  
**December 31, 2024**

**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.

**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.

**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.

**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**  
**PROPRIETARY FUND (continued)**  
**December 31, 2024**

**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**  
**PROPRIETARY FUND**  
**December 31, 2024**

Page 1 of 4

	General Services	Bayport Facility	Blackhawk Facility	Central Lab
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 11,159,282	\$ 23,061,441	\$ 11,555,828	\$ 5,337,128
Marketable securities	14,029,642	28,996,311	744,831	6,708,998
Receivables, net	182,215	11,402,166	705,476	11,554
Due from other divisions	614,797	-	-	-
Prepays	719,652	347,444	67,743	18,819
Restricted assets:				
Cash and cash equivalents	-	17,402,126	453,652	-
Marketable securities	-	-	570,442	-
<b>Total Current Assets</b>	<b>26,705,588</b>	<b>81,209,488</b>	<b>14,097,972</b>	<b>12,076,499</b>
<b>Noncurrent Assets:</b>				
Capital assets:				
Land	53,800	907,489	200,000	-
Construction in progress	98,217	17,087,261	1,570,455	1,844,003
Development in progress	2,927,924	-	-	-
Plant and equipment	10,345,981	223,266,461	29,895,471	10,256,469
Right-to-use assets	606,943	-	-	-
Less accumulated depreciation/amortization	(7,320,877)	(123,492,815)	(19,191,806)	(7,627,605)
Total capital assets (net of accumulated depreciation/amortization)	<b>6,711,988</b>	<b>117,768,396</b>	<b>12,474,120</b>	<b>4,472,867</b>
<b>Total Noncurrent Assets</b>	<b>6,711,988</b>	<b>117,768,396</b>	<b>12,474,120</b>	<b>4,472,867</b>
<b>Total Assets</b>	<b>33,417,576</b>	<b>198,977,884</b>	<b>26,572,092</b>	<b>16,549,366</b>
<b>Deferred Outflows of Resources</b>				
OPEB related	205,995	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>205,995</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	792,996	2,562,166	146,596	627,335
Wages payable	802,719	-	-	-
Other payables	-	-	-	58,814
Due to other divisions	-	235,742	58,533	7,469
Accrued bond interest	-	787,756	-	-
Current portion of accrued compensated absences	1,676,716	-	-	-
Current portion of lease payable	-	-	-	-
Current portion of SBITA payable	201,891	-	-	-
Current portion of bonds payable	-	3,760,000	-	-
Unearned revenue	1,100	59,047	11,680,352	-
<b>Total Current Liabilities</b>	<b>3,475,422</b>	<b>7,404,711</b>	<b>11,885,481</b>	<b>693,618</b>
<b>Noncurrent Liabilities:</b>				
Accrued compensated absences	880,202	-	-	-
Lease payable	-	-	-	-
Bonds payable	-	73,344,205	-	-
Net OPEB liability	3,265,607	-	-	-
Working capital deposits	-	-	1,110,025	-
<b>Total Noncurrent Liabilities</b>	<b>4,145,809</b>	<b>73,344,205</b>	<b>1,110,025</b>	<b>-</b>
<b>Total Liabilities</b>	<b>7,621,231</b>	<b>80,748,916</b>	<b>12,995,506</b>	<b>693,618</b>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	-	2,009,930	-	-
OPEB related	4,493,210	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>4,493,210</b>	<b>2,009,930</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	6,510,097	50,263,835	12,474,120	4,472,867
Restricted for:				
Debt service	-	5,731,023	-	-
Unrestricted	14,999,033	60,224,180	1,102,466	11,382,881
<b>Total Net Position</b>	<b>\$ 21,509,130</b>	<b>\$ 116,219,038</b>	<b>\$ 13,576,586</b>	<b>\$ 15,855,748</b>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - NET POSITION**  
**PROPRIETARY FUND**  
**December 31, 2024**

Page 2 of 4

	<u>Campbell Bayou Facility Division</u>			
	<u>Industrial Solid Waste Facility</u>	<u>Closure/Post Closure</u>	<u>East Battleground Facility</u>	<u>40-Acre Facility</u>
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 18,946	\$ 72,627	\$ 59,358	\$ 142,294
Marketable securities	23,572	91,324	74,640	176,790
Receivables, net	-	-	-	706,208
Due from other divisions	-	-	-	-
Prepays	3,136	1,754	-	36,643
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Marketable securities	-	-	-	-
<b>Total Current Assets</b>	<u>45,654</u>	<u>165,705</u>	<u>133,998</u>	<u>1,061,935</u>
<b>Noncurrent Assets:</b>				
Capital assets:				
Land	671,966	-	-	1,427,965
Construction in progress	20,548	-	-	165,129
Development in progress	-	-	-	-
Plant and equipment	5,574,477	-	-	34,382,546
Right-to-use assets	-	-	-	311,517
Less accumulated depreciation/amortization	(5,562,088)	-	-	(30,785,060)
Total capital assets (net of accumulated depreciation/amortization)	<u>704,903</u>	<u>-</u>	<u>-</u>	<u>5,502,097</u>
<b>Total Noncurrent Assets</b>	<u>704,903</u>	<u>-</u>	<u>-</u>	<u>5,502,097</u>
<b>Total Assets</b>	<u>750,557</u>	<u>165,705</u>	<u>133,998</u>	<u>6,564,032</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	655	36,532	-	338,945
Wages payable	-	-	-	-
Other payables	-	-	-	-
Due to other divisions	7,848	-	-	52,529
Accrued bond interest	-	-	-	-
Current portion of accrued compensated absences	-	-	-	-
Current portion of lease payable	-	-	-	47,682
Current portion of SBITA payable	-	-	-	-
Current portion of bonds payable	-	-	-	-
Unearned revenue	-	-	114,158	202,083
<b>Total Current Liabilities</b>	<u>8,503</u>	<u>36,532</u>	<u>114,158</u>	<u>641,239</u>
<b>Noncurrent Liabilities:</b>				
Accrued compensated absences	-	-	-	-
Lease payable	-	-	-	195,923
Bonds payable	-	-	-	-
Net OPEB liability	-	-	-	-
Working capital deposits	251,018	-	-	820,325
<b>Total Noncurrent Liabilities</b>	<u>251,018</u>	<u>-</u>	<u>-</u>	<u>1,016,248</u>
<b>Total Liabilities</b>	<u>259,521</u>	<u>36,532</u>	<u>114,158</u>	<u>1,657,487</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	704,903	-	-	5,258,492
Restricted for:				
Debt service	-	-	-	-
Unrestricted	(213,867)	129,173	19,840	(351,947)
<b>Total Net Position</b>	<u>\$ 491,036</u>	<u>\$ 129,173</u>	<u>\$ 19,840</u>	<u>\$ 4,906,545</u>

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - NET POSITION**  
**PROPRIETARY FUND**  
**December 31, 2024**

Page 3 of 4

	Odessa South Facility	Vince Bayou Facility	Washburn Tunnel Facility	Washburn Tunnel Pipeline Services
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 3,917,180	\$ 4,062,860	\$ 667,479	\$ -
Marketable securities	4,925,380	5,108,815	104,842	-
Receivables, net	271,622	533,864	2,059,266	-
Due from other divisions	-	-	-	-
Prepays	46,609	4,143	187,195	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Marketable securities	-	-	-	-
<b>Total Current Assets</b>	<b>9,160,791</b>	<b>9,709,682</b>	<b>3,018,782</b>	<b>-</b>
<b>Noncurrent Assets:</b>				
Capital assets:				
Land	76,161	100,611	1,736,549	-
Construction in progress	577,603	71,691	851,645	-
Development in progress	-	-	-	-
Plant and equipment	16,919,673	2,853,700	50,719,361	16,647
Right-to-use assets	-	-	278,420	-
Less accumulated depreciation/amortization	(15,549,815)	(1,904,873)	(37,957,573)	(16,647)
Total capital assets (net of accumulated depreciation/amortization)	2,023,622	1,121,129	15,628,402	-
<b>Total Noncurrent Assets</b>	<b>2,023,622</b>	<b>1,121,129</b>	<b>15,628,402</b>	<b>-</b>
<b>Total Assets</b>	<b>11,184,413</b>	<b>10,830,811</b>	<b>18,647,184</b>	<b>-</b>
<b>Deferred Outflows of Resources</b>				
OPEB related	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	403,612	30,083	2,258,206	-
Wages payable	-	-	-	-
Other payables	-	-	-	-
Due to other divisions	72,477	9,717	145,075	-
Accrued bond interest	-	-	-	-
Current portion of accrued compensated absences	-	-	-	-
Current portion of lease payable	-	-	73,030	-
Current portion of SBITA payable	-	-	-	-
Current portion of bonds payable	-	-	-	-
Unearned revenue	1,141,920	-	613,345	-
<b>Total Current Liabilities</b>	<b>1,618,009</b>	<b>39,800</b>	<b>3,089,656</b>	<b>-</b>
<b>Noncurrent Liabilities:</b>				
Accrued compensated absences	-	-	-	-
Lease payable	-	-	-	-
Bonds payable	-	-	-	-
Net OPEB liability	-	-	-	-
Working capital deposits	456,353	-	20,635	-
<b>Total Noncurrent Liabilities</b>	<b>456,353</b>	<b>-</b>	<b>20,635</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,074,362</b>	<b>39,800</b>	<b>3,110,291</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Deferred gain on refunding	-	-	-	-
OPEB related	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	2,023,622	1,121,129	15,555,372	-
Restricted for:				
Debt service	-	-	-	-
Unrestricted	7,086,429	9,669,882	(18,479)	-
<b>Total Net Position</b>	<b>\$ 9,110,051</b>	<b>\$ 10,791,011</b>	<b>\$ 15,536,893</b>	<b>\$ -</b>



**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - NET POSITION**  
**PROPRIETARY FUND**  
**December 31, 2024**

Page 4 of 4

	Gulf Coast Industrial Development Authority	RailPort Facility Division	Red Bluff Division	Eliminations	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 302,099	\$ 11,231,997	\$ -	\$ -	\$ 71,588,519
Marketable securities	379,873	2,009,890	-	-	63,374,908
Receivables, net	1,000	5,051	27,251	-	15,905,673
Due from other divisions	-	-	-	(614,797)	-
Prepays	-	-	-	-	1,433,138
Restricted assets:					
Cash and cash equivalents	-	-	-	-	17,855,778
Marketable securities	-	-	-	-	570,442
<b>Total Current Assets</b>	<b>682,972</b>	<b>13,246,938</b>	<b>27,251</b>	<b>(614,797)</b>	<b>170,728,458</b>
<b>Noncurrent Assets:</b>					
Capital assets:					
Land	-	-	-	-	5,174,541
Construction in progress	-	28,452,155	-	-	50,738,707
Development in progress	-	-	-	-	2,927,924
Plant and equipment	-	-	-	-	384,230,786
Right-to-use assets	-	-	-	-	1,196,880
Less accumulated depreciation/amortization	-	-	-	-	(249,409,159)
Total capital assets (net of accumulated depreciation/amortization)	-	28,452,155	-	-	194,859,679
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>28,452,155</b>	<b>-</b>	<b>-</b>	<b>194,859,679</b>
<b>Total Assets</b>	<b>682,972</b>	<b>41,699,093</b>	<b>27,251</b>	<b>(614,797)</b>	<b>365,588,137</b>
<b>Deferred Outflows of Resources</b>					
OPEB related	-	-	-	-	205,995
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,995</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	-	4,130,726	4,680	-	11,332,532
Wages payable	-	-	-	-	802,719
Other payables	-	-	-	-	58,814
Due to other divisions	-	-	25,407	(614,797)	-
Accrued bond interest	-	-	-	-	787,756
Current portion of accrued compensated absences	-	-	-	-	1,676,716
Current portion of lease payable	-	-	-	-	120,712
Current portion of SBITA payable	-	-	-	-	201,891
Current portion of bonds payable	-	-	-	-	3,760,000
Unearned revenue	-	9,118,860	-	-	22,930,865
<b>Total Current Liabilities</b>	<b>-</b>	<b>13,249,586</b>	<b>30,087</b>	<b>(614,797)</b>	<b>41,672,005</b>
<b>Noncurrent Liabilities:</b>					
Accrued compensated absences	-	-	-	-	880,202
Lease payable	-	-	-	-	195,923
Bonds payable	-	-	-	-	73,344,205
Net OPEB liability	-	-	-	-	3,265,607
Working capital deposits	-	-	-	-	2,658,356
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,344,293</b>
<b>Total Liabilities</b>	<b>-</b>	<b>13,249,586</b>	<b>30,087</b>	<b>(614,797)</b>	<b>122,016,298</b>
<b>Deferred Inflows of Resources</b>					
Deferred gain on refunding	-	-	-	-	2,009,930
OPEB related	-	-	-	-	4,493,210
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,503,140</b>
<b>Net Position</b>					
Net investment in capital assets	-	28,452,155	-	-	126,836,592
Restricted for:					
Debt service	-	-	-	-	5,731,023
Unrestricted	682,972	(2,648)	(2,836)	-	104,707,079
<b>Total Net Position</b>	<b>\$ 682,972</b>	<b>\$ 28,449,507</b>	<b>\$ (2,836)</b>	<b>\$ -</b>	<b>\$ 237,274,694</b>

**GULF COAST AUTHORITY**

Page 1 of 4

**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**
**IN NET POSITION**
**PROPRIETARY FUND**
**For the Year Ended December 31, 2024**

	General Services	Bayport Facility	Blackhawk Facility	Central Lab
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 2,662,631	\$ 60,404,478	\$ -	\$ 81,795
Services to municipalities	-	-	4,324,529	25,942
Intragovernmental	14,838,635	-	-	7,768,402
Other	972,233	22,675	49,939	-
<b>Total Operating Revenues</b>	<b>18,473,499</b>	<b>60,427,153</b>	<b>4,374,468</b>	<b>7,876,139</b>
<b>Operating Expenses</b>				
Costs of sales and services	9,068,924	35,133,967	3,869,705	7,889,780
General and administrative	4,729,804	1,736,628	193,817	169,293
Depreciation/amortization	812,686	8,391,984	848,817	345,239
<b>Total Operating Expenses</b>	<b>14,611,414</b>	<b>45,262,579</b>	<b>4,912,339</b>	<b>8,404,312</b>
<b>Operating Income (Loss)</b>	<b>3,862,085</b>	<b>15,164,574</b>	<b>(537,871)</b>	<b>(528,173)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	1,005,057	2,829,836	437,082	515,706
Unrealized gain/(loss)	(69,950)	(149,628)	(6,901)	(34,993)
Interest expense	(32,043)	(2,579,273)	-	-
Gain (loss) on disposal of capital assets	(3,072)	(950,372)	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>899,992</b>	<b>(849,437)</b>	<b>430,181</b>	<b>480,713</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>4,762,077</b>	<b>14,315,137</b>	<b>(107,690)</b>	<b>(47,460)</b>
Capital Contributions	-	-	-	-
Transfers in	52,233	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	4,814,310	14,315,137	(107,690)	(47,460)
<b>Beginning Net Position</b>	<b>16,694,820</b>	<b>101,903,901</b>	<b>13,684,276</b>	<b>15,903,208</b>
<b>Ending Net Position</b>	<b>\$ 21,509,130</b>	<b>\$ 116,219,038</b>	<b>\$ 13,576,586</b>	<b>\$ 15,855,748</b>

**GULF COAST AUTHORITY**

Page 2 of 4

**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**
**IN NET POSITION**
**PROPRIETARY FUND**
**For the Year Ended December 31, 2024**
**Campbell Bayou Facility Division**

	<b>Industrial Solid Waste Facility</b>	<b>Closure/Post Closure</b>	<b>East Battleground Facility</b>	<b>40-Acre Facility</b>
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 398,131	\$ 458,481	\$ -	\$ 5,074,670
Services to municipalities	-	-	-	-
Intragovernmental	-	-	-	48,000
Other	-	-	-	3,300
<b>Total Operating Revenues</b>	<u>398,131</u>	<u>458,481</u>	<u>-</u>	<u>5,125,970</u>
<b>Operating Expenses</b>				
Costs of sales and services	996,976	363,989	1,759,188	4,215,955
General and administrative	86,488	100,280	-	672,048
Depreciation/amortization	4,692	-	-	1,043,620
<b>Total Operating Expenses</b>	<u>1,088,156</u>	<u>464,269</u>	<u>1,759,188</u>	<u>5,931,623</u>
<b>Operating Income (Loss)</b>	<u>(690,025)</u>	<u>(5,788)</u>	<u>(1,759,188)</u>	<u>(805,653)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	10,682	-	-	9,643
Unrealized gain/(loss)	(182)	(567)	-	(992)
Interest expense	-	-	-	(22,086)
Gain (loss) on disposal of capital assets	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>10,500</u>	<u>(567)</u>	<u>-</u>	<u>(13,435)</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>(679,525)</u>	<u>(6,355)</u>	<u>(1,759,188)</u>	<u>(819,088)</u>
Capital Contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	<u>(679,525)</u>	<u>(6,355)</u>	<u>(1,759,188)</u>	<u>(819,088)</u>
<b>Beginning Net Position</b>	<u>1,170,561</u>	<u>135,528</u>	<u>1,779,028</u>	<u>5,725,633</u>
<b>Ending Net Position</b>	<u>\$ 491,036</u>	<u>\$ 129,173</u>	<u>\$ 19,840</u>	<u>\$ 4,906,545</u>

**GULF COAST AUTHORITY**

Page 3 of 4

**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**
**IN NET POSITION**
**PROPRIETARY FUND**
**For the Year Ended December 31, 2024**

	<b>Odessa South Facility</b>	<b>Vince Bayou Facility</b>	<b>Washburn Tunnel Facility</b>	<b>Washburn Tunnel Pipeline Services</b>
<b>Operating Revenues</b>				
Charges for sales and services:				
Services to industries	\$ 6,832,574	\$ 2,314,153	\$ 15,904,438	\$ -
Services to municipalities	210,000	-	-	-
Intragovernmental	-	-	182,499	-
Other	554,261	13,646	4,718	-
<b>Total Operating Revenues</b>	<b>7,596,835</b>	<b>2,327,799</b>	<b>16,091,655</b>	<b>-</b>
<b>Operating Expenses</b>				
Costs of sales and services	4,968,948	829,088	13,671,241	-
General and administrative	745,840	70,327	974,944	-
Depreciation/amortization	232,595	109,215	1,369,926	-
<b>Total Operating Expenses</b>	<b>5,947,383</b>	<b>1,008,630</b>	<b>16,016,111</b>	<b>-</b>
<b>Operating Income (Loss)</b>	<b>1,649,452</b>	<b>1,319,169</b>	<b>75,544</b>	<b>-</b>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	301,387	343,310	29,223	-
Unrealized gain/(loss)	(23,258)	(26,293)	(1,273)	-
Interest expense	-	-	(3,623)	-
Gain (loss) on disposal of capital assets	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>278,129</b>	<b>317,017</b>	<b>24,327</b>	<b>-</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>1,927,581</b>	<b>1,636,186</b>	<b>99,871</b>	<b>-</b>
Capital Contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	1,927,581	1,636,186	99,871	-
<b>Beginning Net Position</b>	<b>7,182,470</b>	<b>9,154,825</b>	<b>15,437,022</b>	<b>-</b>
<b>Ending Net Position</b>	<b>\$ 9,110,051</b>	<b>\$ 10,791,011</b>	<b>\$ 15,536,893</b>	<b>\$ -</b>

**GULF COAST AUTHORITY**

Page 4 of 4

**COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES**
**IN NET POSITION**
**PROPRIETARY FUND**
**For the Year Ended December 31, 2024**

	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	\$ -	\$ -	\$ -	\$ -	\$ 94,131,351
Services to municipalities	-	-	-	-	4,560,471
Intragovernmental	-	-	-	(22,837,536)	-
Other	-	-	-	-	1,620,772
<b>Total Operating Revenues</b>	-	-	-	(22,837,536)	100,312,594
<b>Operating Expenses</b>					
Costs of sales and services	54	68	119,448	(22,837,536)	60,049,795
General and administrative	9	730	-	-	9,480,208
Depreciation/amortization	-	-	-	-	13,158,774
<b>Total Operating Expenses</b>	63	798	119,448	(22,837,536)	82,688,777
<b>Operating Income (Loss)</b>	(63)	(798)	(119,448)	-	17,623,817
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	28,498	1,144,697	(1,610)	-	6,653,511
Unrealized gain/(loss)	(1,971)	(11,315)	71	-	(327,252)
Interest expense	-	-	-	-	(2,637,025)
Gain (loss) on disposal of capital assets	-	-	-	-	(953,444)
				-	-
<b>Total Nonoperating Revenues (Expenses)</b>	26,527	1,133,382	(1,539)	-	2,735,790
<b>Income (Loss) before Contributions and Transfers</b>	26,464	1,132,584	(120,987)	-	20,359,607
Capital Contributions	-	20,079,660	119,448	-	20,199,108
Transfers in	-	-	-	(52,233)	-
Transfers out	(52,233)	-	-	52,233	-
Changes in Net Position	(25,769)	21,212,244	(1,539)	-	40,558,715
<b>Beginning Net Position</b>	708,741	7,237,263	(1,297)	-	196,715,979
<b>Ending Net Position</b>	\$ 682,972	\$ 28,449,507	\$ (2,836)	\$ -	\$ 237,274,694

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2024**

Page 1 of 4

	General Services	Bayport Facility	Blackhawk Facility	Central Lab
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 3,770,999	\$ 58,391,862	\$ 16,432,184	\$ 127,064
Receipts from intragovernmental users	14,838,635	-	-	7,768,402
Payments to suppliers	(3,005,983)	(20,873,006)	(2,644,404)	(1,821,137)
Payments to employees	(7,951,622)	(6,725,647)	(1,135,991)	(4,151,540)
Payments to intragovernmental suppliers	(3,656,772)	(10,116,414)	(769,124)	(1,610,476)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,995,257</b>	<b>20,676,795</b>	<b>11,882,665</b>	<b>312,313</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intragovernmental transfers in	52,233	-	-	-
Intragovernmental transfers (out)	-	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>52,233</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(4,352,287)	(4,842,863)	(511,873)	(1,655,186)
Capital contributions	-	-	-	-
Principal paid on bonds	-	(5,275,000)	-	-
Principal payments on lease	-	-	-	-
Principal payments on SBITA	(186,505)	-	-	-
Interest paid on capital related debt	(32,043)	(3,030,151)	-	-
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(4,570,835)</b>	<b>(13,148,014)</b>	<b>(511,873)</b>	<b>(1,655,186)</b>
<b>Cash Flows from Investing Activities</b>				
Maturity (purchase) of investments	2,015,392	(2,083,979)	(332,138)	1,651,088
Interest received (paid)	1,005,057	2,829,836	437,082	515,706
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>3,020,449</b>	<b>745,857</b>	<b>104,944</b>	<b>2,166,794</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,497,104</b>	<b>8,274,638</b>	<b>11,475,736</b>	<b>823,921</b>
<b>Beginning Cash and Cash Equivalents</b>	<b>8,662,178</b>	<b>32,188,929</b>	<b>533,744</b>	<b>4,513,207</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 11,159,282</b>	<b>\$ 40,463,567</b>	<b>\$ 12,009,480</b>	<b>\$ 5,337,128</b>
<b>Ending Cash and Cash Equivalents</b>				
Unrestricted cash and cash equivalents	\$ 11,159,282	\$ 23,061,441	\$ 11,555,828	\$ 5,337,128
Restricted cash and cash equivalents	-	17,402,126	453,652	-
	<b>\$ 11,159,282</b>	<b>\$ 40,463,567</b>	<b>\$ 12,009,480</b>	<b>\$ 5,337,128</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 3,862,085	\$ 15,164,574	\$ (537,871)	\$ (528,173)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation/amortization	812,686	8,391,984	848,817	345,239
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	136,535	(1,818,683)	419,982	19,327
Due from other funds/divisions	1,561,362	-	-	-
Prepays	741,851	(31,349)	(2,780)	(874)
Increase (decrease) in liabilities:				
Wages payable	152,263	-	-	-
Accounts payable	(845,364)	(840,803)	(489,099)	417,154
Other payables	-	-	-	58,814
Due to other funds/divisions	(1,430,000)	27,680	5,882	826
Net OPEB liability and related amounts	(1,162,303)	-	-	-
Unearned revenue	(400)	(216,608)	11,596,259	-
Compensated absences	166,542	-	-	-
Working capital deposits	-	-	41,475	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,995,257</b>	<b>\$ 20,676,795</b>	<b>\$ 11,882,665</b>	<b>\$ 312,313</b>
<b>Noncash Investing, Capital, and Financing Activities</b>				
Gain (loss) on disposition of capital assets	\$ (3,072)	\$ (950,372)	\$ -	\$ -

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2024**

Page 2 of 4

	<u>Campbell Bayou Facility Division</u>			
	<u>Industrial Solid Waste Facility</u>	<u>Closure/Post Closure</u>	<u>East Battleground Facility</u>	<u>40-Acre Facility</u>
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 398,129	\$ 458,482	\$ -	\$ 5,381,453
Receipts from intragovernmental users	-	-	-	48,000
Payments to suppliers	(918,578)	(204,414)	(1,759,188)	(1,771,476)
Payments to employees	(85,820)	(130,002)	-	(1,607,186)
Payments to intragovernmental suppliers	(140,010)	(122,622)	-	(1,492,410)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(746,279)</u>	<u>1,444</u>	<u>(1,759,188)</u>	<u>558,381</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	673,710	-	1,759,188	(183,648)
Capital contributions	-	-	-	-
Principal paid on bonds	-	-	-	-
Principal payments on lease	-	-	-	(43,914)
Principal payments on SBITA	-	-	-	-
Interest paid on capital related debt	-	-	-	(22,086)
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<u>673,710</u>	<u>-</u>	<u>1,759,188</u>	<u>(249,648)</u>
<b>Cash Flows from Investing Activities</b>				
Maturity (purchase) of investments	44,144	14,180	12,519	(177,782)
Interest received (paid)	10,682	-	-	9,643
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>54,826</u>	<u>14,180</u>	<u>12,519</u>	<u>(168,139)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(17,743)</u>	<u>15,624</u>	<u>12,519</u>	<u>140,594</u>
<b>Beginning Cash and Cash Equivalents</b>	<u>36,689</u>	<u>57,003</u>	<u>46,839</u>	<u>1,700</u>
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 18,946</u>	<u>\$ 72,627</u>	<u>\$ 59,358</u>	<u>\$ 142,294</u>
<b>Ending Cash and Cash Equivalents</b>				
Unrestricted cash and cash equivalents	\$ 18,946	\$ 72,627	\$ 59,358	\$ 142,294
Restricted cash and cash equivalents	-	-	-	-
	<u>\$ 18,946</u>	<u>\$ 72,627</u>	<u>\$ 59,358</u>	<u>\$ 142,294</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (690,025)	\$ (5,788)	\$ (1,759,188)	\$ (805,653)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation/amortization	4,692	-	-	1,043,620
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	(2)	1	-	96,860
Due from other funds/divisions	-	-	-	-
Prepays	(44)	122	-	2,369
Increase (decrease) in liabilities:				
Wages payable	-	-	-	-
Accounts payable	(61,797)	7,109	-	162,494
Other payables	-	-	-	-
Due to other funds/divisions	897	-	-	(147,932)
Net OPEB liability and related amounts	-	-	-	-
Unearned revenue	-	-	-	-
Compensated absences	-	-	-	-
Working capital deposits	-	-	-	206,623
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (746,279)</u>	<u>\$ 1,444</u>	<u>\$ (1,759,188)</u>	<u>\$ 558,381</u>
<b>Noncash Investing, Capital, and Financing Activities</b>				
Gain (loss) on disposition of capital assets	\$ -	\$ -	\$ -	\$ -

**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2024**

Page 3 of 4

	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	\$ 8,820,121	\$ 2,366,831	\$ 15,501,923	\$ -
Receipts from intragovernmental users	-	-	182,499	-
Payments to suppliers	(2,867,450)	(128,116)	(6,431,279)	-
Payments to employees	(1,743,306)	(270,945)	(4,261,306)	-
Payments to intragovernmental suppliers	(997,846)	(505,199)	(3,382,021)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,211,519</b>	<b>1,462,571</b>	<b>1,609,816</b>	<b>-</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	(650,086)	(206,806)	(1,417,422)	-
Capital contributions	-	-	-	-
Principal paid on bonds	-	-	-	-
Principal payments on lease	-	-	(70,699)	-
Principal payments on SBITA	-	-	-	-
Interest paid on capital related debt	-	-	(3,623)	-
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(650,086)</b>	<b>(206,806)</b>	<b>(1,491,744)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>				
Maturity (purchase) of investments	(1,044,123)	(192,414)	(59,620)	-
Interest received (paid)	301,387	343,310	29,223	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(742,736)</b>	<b>150,896</b>	<b>(30,397)</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,818,697</b>	<b>1,406,661</b>	<b>87,675</b>	<b>-</b>
<b>Beginning Cash and Cash Equivalents</b>	<b>2,098,483</b>	<b>2,656,199</b>	<b>579,804</b>	<b>-</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 3,917,180</b>	<b>\$ 4,062,860</b>	<b>\$ 667,479</b>	<b>\$ -</b>
<b>Ending Cash and Cash Equivalents</b>				
Unrestricted cash and cash equivalents	\$ 3,917,180	\$ 4,062,860	\$ 667,479	\$ -
Restricted cash and cash equivalents	-	-	-	-
	<b>\$ 3,917,180</b>	<b>\$ 4,062,860</b>	<b>\$ 667,479</b>	<b>\$ -</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 1,649,452	\$ 1,319,169	\$ 75,544	\$ -
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation/amortization	232,595	109,215	1,369,926	-
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	1,248,018	39,032	(436,517)	-
Due from other funds/divisions	-	-	-	-
Prepays	(3,834)	(206)	(7,931)	-
Increase (decrease) in liabilities:				
Wages payable	-	-	-	-
Accounts payable	102,259	(5,755)	562,460	-
Other payables	-	-	-	-
Due to other funds/divisions	7,761	1,116	17,050	-
Net OPEB liability and related amounts	-	-	-	-
Unearned revenue	(24,732)	-	29,284	-
Compensated absences	-	-	-	-
Working capital deposits	-	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,211,519</b>	<b>\$ 1,462,571</b>	<b>\$ 1,609,816</b>	<b>\$ -</b>
<b>Noncash Investing, Capital, and Financing Activities</b>				
Gain (loss) on disposition of capital assets	\$ -	\$ -	\$ -	\$ -



**GULF COAST AUTHORITY**  
**COMBINING INFORMATION BY DIVISION - CASH FLOWS**  
**PRORIETARY FUND**  
**For the Year Ended December 31, 2024**

Page 4 of 4

	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	\$ -	\$ (19,500,539)	\$ 41,501	\$ -	\$ 92,190,010
Receipts from intragovernmental users	-	-	-	(22,837,536)	-
Payments to suppliers	(63)	2,677,154	(114,768)	-	(39,862,708)
Payments to employees	-	-	-	-	(28,063,365)
Payments to intragovernmental suppliers	-	-	(44,642)	22,837,536	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(63)</b>	<b>(16,823,385)</b>	<b>(117,909)</b>	<b>-</b>	<b>24,263,937</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Intragovernmental transfers in	-	-	-	(59,215)	(6,982)
Intragovernmental transfers (out)	(52,233)	-	-	59,215	6,982
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(52,233)</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	-	(21,223,557)	-	-	(32,610,830)
Capital contributions	-	20,079,660	119,448	-	20,199,108
Principal paid on bonds	-	-	-	-	(5,275,000)
Principal payments on lease	-	-	-	-	(114,613)
Principal payments on SBITA	-	-	-	-	(186,505)
Interest paid on capital related debt	-	-	-	-	(3,087,903)
<b>Net cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(1,143,897)</b>	<b>119,448</b>	<b>-</b>	<b>(21,075,743)</b>
<b>Cash Flows from Investing Activities</b>					
Maturity (purchase) of investments	78,506	94,974	71	-	20,818
Interest received (paid)	28,498	1,144,697	(1,610)	-	6,653,511
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>107,004</b>	<b>1,239,671</b>	<b>(1,539)</b>	<b>-</b>	<b>6,674,329</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>54,708</b>	<b>(16,727,611)</b>	<b>-</b>	<b>-</b>	<b>9,862,523</b>
<b>Beginning 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>	<b>\$ 302,099</b>	<b>\$ 11,231,997</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,444,297</b>
<b>Ending Cash and Cash Equivalents</b>					
Unrestricted cash and cash equivalents	\$ 302,099	\$ 11,231,997	\$ -	\$ -	\$ 71,588,519
Restricted cash and cash equivalents	-	-	-	-	17,855,778
	<b>\$ 302,099</b>	<b>\$ 11,231,997</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,444,297</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ (63)	\$ (798)	\$ (119,448)	\$ -	\$ 17,623,817
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation/amortization	-	-	-	-	13,158,774
Changes in Operating Assets and Liabilities:					
(Increase) decrease in assets					
Accounts receivable, net	-	6,885	41,501	-	(247,061)
Due from other funds/divisions	-	-	-	-	1,561,362
Prepays	-	-	-	-	697,324
Increase (decrease) in liabilities:					
Wages payable	-	-	-	-	152,263
Accounts payable	-	2,677,952	4,680	-	1,691,290
Other payables	-	-	-	-	58,814
Due to other funds/divisions	-	-	(44,642)	-	(1,561,362)
Net OPEB liability and related amounts	-	-	-	-	(1,162,303)
Unearned revenue	-	(19,507,424)	-	-	(8,123,621)
Compensated absences	-	-	-	-	166,542
Working capital deposits	-	-	-	-	248,098
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (63)</b>	<b>\$ (16,823,385)</b>	<b>\$ (117,909)</b>	<b>\$ -</b>	<b>\$ 24,263,937</b>
<b>Noncash Investing, Capital, and Financing Activities</b>					
Gain (loss) on disposition of capital assets	\$ -	\$ -	\$ -	\$ -	\$ (953,444)



**GULF COAST AUTHORITY**  
**PENSION AND OTHER POST-EMPLOYMENT**  
**BENEFIT TRUST FUNDS**  
**December 31, 2024**

**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, 2024**

	<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>			
Cash and cash equivalents	\$ -	\$ 100,696	\$ 100,696
Investments, at Fair Value:			
Stable Value/Cash Management	17,148,270	-	17,148,270
Bonds	2,757,700	-	2,757,700
Guaranteed Lifetime Income	7,093,960	-	7,093,960
Balanced/Asset Allocation	12,073,429	-	12,073,429
U.S. Stock	16,737,082	-	16,737,082
International/Global Stock	3,306,621	-	3,306,621
Specialty	285,310	-	285,310
Domestic Equities	-	8,190,481	8,190,481
Fixed Income	-	5,328,767	5,328,767
Private Equity	-	1,518,561	1,518,561
Other	589,466	1,102,784	1,692,250
<b>Total Assets</b>	<b>\$ 59,991,838</b>	<b>\$ 16,241,289</b>	<b>\$ 76,233,127</b>
<b>Net Position</b>			
Restricted for:			
Pensions	\$ 59,991,838	\$ -	\$ 59,991,838
Other Post-Employment Benefits	-	16,241,289	16,241,289
<b>Total Net Position</b>	<b>\$ 59,991,838</b>	<b>\$ 16,241,289</b>	<b>\$ 76,233,127</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, 2024**

	<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>Additions</b>			
<b>Contributions:</b>			
Employers	\$ 2,747,112	\$ 716,918	\$ 3,464,030
<b>Total Contributions</b>	<u>2,747,112</u>	<u>716,918</u>	<u>3,464,030</u>
<b>Investment Earnings:</b>			
Unrealized gain/(loss)	5,907,741	1,660,487	7,568,228
<b>Net Investment Earnings</b>	<u>5,907,741</u>	<u>1,660,487</u>	<u>7,568,228</u>
<b>Other Additions:</b>			
Roll-ins	276,487	-	276,487
Miscellaneous credits	96,741	-	96,741
<b>Total Other Additions</b>	<u>373,228</u>	<u>-</u>	<u>373,228</u>
<b>Total Additions</b>	<u>9,028,081</u>	<u>2,377,405</u>	<u>11,405,486</u>
<b>Deductions:</b>			
Benefit payments	5,110,314	-	5,110,314
Forfeiture debits	88,654	-	88,654
Administrative expense	39,872	-	39,872
<b>Total Deductions</b>	<u>5,238,840</u>	<u>-</u>	<u>5,238,840</u>
Change in Net Position	3,789,241	2,377,405	6,166,646
<b>Beginning Net Position</b>	<u>56,202,597</u>	<u>13,863,884</u>	<u>70,066,481</u>
<b>Ending Net Position</b>	<u>\$ 59,991,838</u>	<u>\$ 16,241,289</u>	<u>\$ 76,233,127</u>

**GULF COAST AUTHORITY**  
**INDUSTRIAL PROJECTS - PRIVATE ACTIVITY REVENUE**  
**BONDS ISSUED AND OUTSTANDING**  
**December 31, 2024**

Page 1 of 2

	<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>				

\* Variable rate

**GULF COAST AUTHORITY**  
**INDUSTRIAL PROJECTS - PRIVATE ACTIVITY REVENUE**  
**BONDS ISSUED AND OUTSTANDING**  
**December 31, 2024**

Page 2 of 2

	<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	12,000,000	-	12,000,000
<b>Totals</b>		<u>\$ 171,700,000</u>	<u>\$ 24,700,000</u>	<u>\$ 147,000,000</u>

\* Variable rate

**GULF COAST AUTHORITY**  
**GULF COAST INDUSTRIAL DEVELOPMENT AUTHORITY - INDUSTRIAL**  
**DEVELOPMENT REVENUE BONDS ISSUED AND OUTSTANDING**  
**December 31, 2024**

	<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%	\$ 25,000,000	\$ -	\$ 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>\$ 325,000,000</u>	<u>\$ -</u>	<u>\$ 325,000,000</u>

\*\* Variable rate bond



## **STATISTICAL SECTION**



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.

	<b><u>Page</u></b>
<b>Financial Trends</b>	76
These schedules contain trend information to help the reader understand how the Authority’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	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.	
<b>Debt Capacity</b>	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.	
<b>Demographic and Economic Information</b>	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.	
<b>Operating Information</b>	87
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**

**Page 1 of 2**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 62,566,534	\$ 65,537,570	\$ 68,936,131	\$ 73,391,834	\$ 79,801,363
Restricted	5,547,022	4,852,486	4,982,459	5,382,927	5,590,991
Unrestricted	50,087,934	55,469,080	62,236,675	62,301,382	64,107,015
<b>Total Primary Government</b>					
<b>Net Position</b>	<u>\$ 118,201,490</u>	<u>\$ 125,859,136</u>	<u>\$ 136,155,265</u>	<u>\$ 141,076,143</u>	<u>\$ 149,499,369</u>

**GULF COAST AUTHORITY**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS**

**Page 2 of 2**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 81,370,225	\$ 77,689,182	\$ 86,343,020	\$ 101,559,733	\$ 126,836,592
Restricted	5,710,716	6,304,190	5,874,502	5,357,197	5,731,023
Unrestricted	68,848,128	77,666,231	78,399,573	89,799,049	104,707,079
<b>Total Primary Government</b>					
<b>Net Position</b>	<u>\$ 155,929,069</u>	<u>\$ 161,659,603</u>	<u>\$ 170,617,095</u>	<u>\$ 196,715,979</u>	<u>\$ 237,274,694</u>

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

Page 1 of 2

	2015	2016	2017	2018	2019
<b>Operating Revenues</b>					
Charges for sales and services:					
Services to industries	\$ 59,573,997	\$ 59,992,734	\$ 62,969,599	\$ 67,775,496	\$ 65,792,014
Services to municipalities	2,769,723	2,705,221	2,816,964	3,050,025	4,111,071
Other	582,083	986,314	1,783,197	1,076,922	1,249,125
<b>Total Operating Revenues</b>	<u>62,925,803</u>	<u>63,684,269</u>	<u>67,569,760</u>	<u>71,902,443</u>	<u>71,152,210</u>
<b>Operating Expenses</b>					
Costs of sales and services	46,555,115	45,664,574	48,436,979	50,493,612	52,770,941
General and administrative	1,368,598	1,786,606	2,091,707	2,516,935	2,102,865
Depreciation/amortization	8,242,054	9,446,566	8,458,312	8,217,128	9,105,685
<b>Total Operating Expenses</b>	<u>56,165,767</u>	<u>56,897,746</u>	<u>58,986,998</u>	<u>61,227,675</u>	<u>63,979,491</u>
<b>Operating Income (Loss)</b>	<u>6,760,036</u>	<u>6,786,523</u>	<u>8,582,762</u>	<u>10,674,768</u>	<u>7,172,719</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	372,414	778,903	933,371	2,075,860	2,853,219
Unrealized gain/(loss)	(56,543)	2,752	(258,740)	58,830	874,301
Interest expense	(2,786,606)	(2,703,674)	(2,573,398)	(3,755,094)	(3,585,948)
Gain (loss) on disposal of capital assets	21,214	(77,768)	100,701	(40,923)	(157,500)
Insurance Proceeds	94,623	-	814	57,366	4,197
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(2,354,898)</u>	<u>(1,999,787)</u>	<u>(1,797,252)</u>	<u>(1,603,961)</u>	<u>(11,731)</u>
<b>Income (Loss) before Contributions</b>	<u>4,405,138</u>	<u>4,786,736</u>	<u>6,785,510</u>	<u>9,070,807</u>	<u>7,160,988</u>
Capital Contributions	8,312,075	2,870,910	3,510,619	764,228	1,262,238
<b>Changes in Net Position</b>	<u>\$ 12,717,213</u>	<u>\$ 7,657,646</u>	<u>\$ 10,296,129</u>	<u>\$ 9,835,035</u>	<u>\$ 8,423,226</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>**

Page 2 of 2

	2020	2021	2022	2023	2024
<b>Operating Revenues</b>					
Charges for sales and services:					
Services to industries	\$ 69,382,664	\$ 73,312,340	\$ 82,485,565	\$ 86,036,640	\$ 94,131,351
Services to municipalities	3,446,688	4,057,533	6,102,036	8,105,218	4,560,471
Other	1,069,030	1,314,385	1,598,349	1,742,044	1,620,772
<b>Total Operating Revenues</b>	<u>73,898,382</u>	<u>78,684,258</u>	<u>90,185,950</u>	<u>95,883,902</u>	<u>100,312,594</u>
<b>Operating Expenses</b>					
Costs of sales and services	55,282,913	57,359,423	63,615,012	59,997,652	60,049,795
General and administrative	1,777,770	2,090,041	2,110,077	3,606,136	9,480,208
Depreciation/amortization	9,850,539	10,131,273	10,637,260	12,281,172	13,158,774
<b>Total Operating Expenses</b>	<u>66,911,222</u>	<u>69,580,737</u>	<u>76,362,349</u>	<u>75,884,960</u>	<u>82,688,777</u>
<b>Operating Income (Loss)</b>	<u>6,987,160</u>	<u>9,103,521</u>	<u>13,823,601</u>	<u>19,998,942</u>	<u>17,623,817</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	1,919,033	710,598	661,147	3,394,620	6,653,511
Unrealized gain/(loss)	340,702	(1,099,356)	(2,147,401)	2,325,805	(327,252)
Interest expense	(3,389,373)	(3,181,292)	(3,376,985)	(2,854,033)	(2,637,025)
Gain (loss) on disposal of capital assets	(4,741)	(87,792)	(2,870)	(939,310)	(953,444)
Insurance Proceeds	251,765	129,155	-	1,223	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(882,614)</u>	<u>(3,528,687)</u>	<u>(4,866,109)</u>	<u>1,928,305</u>	<u>2,735,790</u>
<b>Income (Loss) before Contributions</b>	<u>6,104,546</u>	<u>5,574,834</u>	<u>8,957,492</u>	<u>21,927,247</u>	<u>20,359,607</u>
Capital Contributions	318,154	162,700	-	4,171,637	20,199,108
<b>Changes in Net Position</b>	<u>\$ 6,422,700</u>	<u>\$ 5,737,534</u>	<u>\$ 8,957,492</u>	<u>\$ 26,098,884</u>	<u>\$ 40,558,715</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	2024			2015		
	Total Sales	Rank	% of Total Sales	Total Sales	Rank	% of Total Sales
Lyondell Chemical Company	\$ 10,832,001	1	17.8%	\$ 4,940,945	1	14.4%
Celanese LTD	8,798,696	2	14.5%	4,729,846	2	13.8%
Ketjen LLC	7,407,809	3	12.2%			
Kaneka North America	6,036,640	4	9.9%	4,232,231	3	12.3%
Kuraray America	4,042,055	5	6.7%	1,665,306	6	4.8%
Carpenter Company	3,070,015	6	5.1%	1,359,964	7	4.0%
American Acryl, LP	1,681,096	7	2.8%	795,171	9	2.3%
Dixie Chemical Company, Inc.	1,335,293	8	2.2%	1,436,460	5	4.2%
Noltex, LLC	1,323,465	9	2.2%			
Lonestar Ecolog	1,277,152	10	2.1%			
Albemarle Corporation				3,995,194	4	11.6%
Intergulf Corp				968,444	8	2.8%
Goodyear Tire & Rubber Company				772,239	10	2.2%
<b>Subtotal</b>	<u>45,804,222</u>		<u>75.44%</u>	<u>24,895,800</u>		<u>72.42%</u>
Other customers	<u>14,909,948</u>		<u>24.56%</u>	<u>9,481,212</u>		<u>27.58%</u>
<b>Total</b>	<u><u>\$ 60,714,170</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 34,377,012</u></u>		<u><u>100.00%</u></u>

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

Page 1 of 2

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Income (loss)	\$ 4,679,665	\$ 5,007,053	\$ 7,524,313	\$ 6,877,577	\$ 4,029,106
Add items not includable in current expenses:					
Bond interest expense	2,788,107	2,704,239	2,573,376	3,755,094	3,585,948
Depreciation	4,478,265	4,950,344	4,135,186	4,160,631	4,713,913
Management fees	1,047,900	1,077,900	1,177,896	1,237,896	1,287,900
Pledge revenues	12,993,937	13,739,536	15,410,771	16,031,198	13,616,867
Average annual debt service on outstanding bonds	<u>\$ 4,845,390</u>	<u>\$ 4,748,064</u>	<u>\$ 4,640,346</u>	<u>\$ 5,329,072</u>	<u>\$ 5,438,341</u>
Actual debt service on outstanding bonds	<u>\$ 5,469,828</u>	<u>\$ 6,694,588</u>	<u>\$ 6,686,988</u>	<u>\$ 7,326,006</u>	<u>\$ 8,144,963</u>
Coverage by pledged revenues of average annual debt service on outstanding bonds	2.68	2.89	3.32	3.01	2.50
Coverage by pledged revenues of actual debt service on outstanding bonds	2.38	2.05	2.30	2.19	1.67

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

Page 2 of 2

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net Income (loss)	\$ 5,042,073	\$ 6,247,240	\$ 9,913,610	\$ 12,494,099	\$ 14,315,137
Add items not includable in current expenses:					
Bond interest expense	3,389,373	3,181,248	3,370,727	2,833,648	2,579,273
Depreciation	5,343,578	5,543,183	6,265,241	7,545,498	8,391,984
Management fees	1,362,900	1,362,900	1,362,900	1,839,996	2,130,996
Pledge revenues	15,137,924	16,334,571	20,912,478	24,713,241	27,417,390
Average annual debt service on outstanding bonds	<u>\$ 5,315,738</u>	<u>\$ 5,181,613</u>	<u>\$ 5,663,618</u>	<u>\$ 5,504,281</u>	<u>\$ 5,327,309</u>
Actual debt service on outstanding bonds	<u>\$ 8,136,613</u>	<u>\$ 8,132,363</u>	<u>\$ 8,134,283</u>	<u>\$ 8,691,025</u>	<u>\$ 8,689,776</u>
Coverage by pledged revenues of average annual debt service on outstanding bonds	2.98	3.15	3.69	4.49	5.15
Coverage by pledged revenues of actual debt service on outstanding bonds	1.86	2.01	2.57	2.84	3.16

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

	Business-Type Activities							Total	Percent of
Fiscal Year		Revenue	Refunding	Unamortized	Leases	Subscriptions	Total Primary	Operating	Total
		Bonds	Bonds	Premium	Payable	Payable	Government	Revenue	Revenue
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	212	-	87,976	90,186	97.55%
2023		60,530	14,565	7,101	431	388	83,015	99,992	83.02%
2024		58,465	11,355	6,558	317	202	76,897	120,512	63.81%

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>
2015	199
2016	203
2017	203
2018	221
2019	249
2020	248
2021	236
2022	232
2023	237
2024	244

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>
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
2024	44	140	0	184

Source: Human Resources

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Function/Program</b>					
Wastewater Treatment					
Wastewater treated (MGD)*	46.080	44.353	46.040	47.630	46.990
Permitted capacity (MGD)	91.950	88.050	84.950	84.950	87.450
 Solid Waste Disposal					
Nonhazardous waste					
received (cubic yards)	1,674	2,761	1,078	1,505	2,732
Permitted capacity					
(cubic yards)	95,000	95,000	95,000	95,000	95,000
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Function/Program</b>					
Wastewater Treatment					
Wastewater treated (MGD)*	46.590	47.320	45.530	48.650	48.981
Permitted capacity (MGD)	87.450	87.450	87.450	87.450	90.550
 Solid Waste Disposal					
Nonhazardous waste					
received (cubic yards)	2,732	1,341	1,133	498	374
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>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>	<u>2024</u>
<b>Function/Program</b>										
General Services:										
Administrative Building	1	1	1	1	1	1	1	1	1	1
Wastewater Treatment:										
Aeration basins	16	15	15	15	15	15	21	21	21	21
Aeration tanks	12	13	13	13	13	13	13	14	14	14
Aerobic digester basins	13	12	12	12	12	12	12	12	12	12
Anaerobic basins		1	1	1	1	1	1	1	1	1
Belt presses	11	11	11	11	11	11	11	11	11	11
Clarifiers	19	20	20	21	21	21	21	21	21	21
Equalization basins	8	8	8	8	8	8	8	8	8	8
Facultative basins	1	2	2	2	2	2	2	2	2	2
Gravity filters	8	8	8	8	8	8	7	7	7	7
Disinfect areas	7	5	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	1	1	1	1	1	1	1	1	1
Hazardous waste disposal cells	8	8	8	5	5	5	5	5	5	5
Non-hazardous waste disposal cells	4	4	4	4	4	4	5	5	5	5
	<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>	<u>120</u>

Source: Various Facilities



## **TEXAS SUPPLEMENTARY INFORMATION SECTION**



**GULF COAST AUTHORITY**  
***TSI-1. SERVICES AND RATES***  
***For the Year Ended December 31, 2024***

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, 2024**

Personnel services *	\$ 11,530,868
Materials and supplies	11,381,810
Utilities	4,537,890
Repairs and maintenance	8,724,086
Professional services	5,852,306
Contractual services	18,022,835
General and administrative	9,480,208
Depreciation/amortization	<u>13,158,774</u>
	<u><u>\$ 82,688,777</u></u>

\* Number of persons employed by the Authority: 184 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, 2024**

	Identification or Certificate Number	Effective Yield	Maturity Date	Balance at End of Year (Fair Value)
Texas CLASS	N/A	4.75%	N/A	\$ 6,649,997
Texas Range	N/A	4.57%	N/A	54,364,778
TexPool	N/A	4.56%	N/A	<u>582,102</u>
<b>Total Temporary Investments</b>				<u><u>\$ 61,596,877</u></u>

**GULF COAST AUTHORITY**

Page 1 of 5

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

December 31, 2024

Due During the Year Ending	Annual Requirements for All Series			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
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>\$ 69,820,000</u>	<u>\$ 13,035,784</u>	<u>\$ 13,035,773</u>	<u>\$ 95,891,557</u>

**GULF COAST AUTHORITY****TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS****(ALL BONDED DEBT SERVICES) – BY SERIES****December 31, 2024**

Due During the Year Ending	Series, 2015			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
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>\$ 17,065,000</u>	<u>\$ 2,488,947</u>	<u>\$ 2,488,947</u>	<u>\$ 22,042,894</u>

**GULF COAST AUTHORITY**

Page 3 of 5

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

December 31, 2024

Due During the Year Ending	Series, 2018			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
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>\$ 32,570,000</u>	<u>\$ 6,996,612</u>	<u>\$ 6,996,601</u>	<u>\$ 46,563,213</u>



**GULF COAST AUTHORITY**

Page 4 of 5

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

December 31, 2024

Due During the Year Ending	Series, 2022A			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
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>\$ 8,830,000</u>	<u>\$ 2,038,850</u>	<u>\$ 2,038,850</u>	<u>\$ 12,907,700</u>

**GULF COAST AUTHORITY****TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS****(ALL BONDED DEBT SERVICES) – BY SERIES****December 31, 2024**

Due During the Year Ending	Series, 2022B			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
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>\$ 11,355,000</u>	<u>\$ 1,511,375</u>	<u>\$ 1,511,375</u>	<u>\$ 14,377,750</u>

**GULF COAST AUTHORITY**  
**TSI-6. CHANGES IN LONG-TERM BONDED DEBT**  
**For the Year Ended December 31, 2024**

Revenue Bonds	Interest Rate	Bonds Outstanding 1/1/24	Bonds Sold During 2024	Bonds Refunded During 2024	Requirements 2024			Total	Bonds Outstanding 12/31/24
					Principal Due 10/01	Interest Due 04/01	Interest Due 10/01		
Series 2015 Revenue Bonds	2.0-5.0	\$ 18,210,000	\$ -	\$ -	\$ 1,145,000	\$ 429,125	\$ 429,125	\$ 2,003,250	\$ 17,065,000
Series 2018 Revenue Bonds	3.5-5.0	33,185,000	-	-	615,000	707,288	707,288	2,029,576	32,570,000
Series 2022A Revenue Bonds	3.5-5.0	9,135,000	-	-	305,000	206,850	206,850	718,700	8,830,000
Series 2022B Revenue and Refunding Bonds	3.5-5.0	14,565,000	-	-	3,210,000	364,125	364,125	3,938,250	11,355,000
		<u>\$ 75,095,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,275,000</u>	<u>\$ 1,707,388</u>	<u>\$ 1,707,388</u>	<u>\$ 8,689,776</u>	<u>\$ 69,820,000</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, 2024 \$ 6,518,779

Average Annual Debt Service payment (Principal and Interest) for remaining term of all debt \$ 5,327,309

**GULF COAST AUTHORITY**

Page 1 of 2

**TSI-7. SCHEDULE OF REVENUES AND EXPENSES - PROPRIETARY FUND**

For the Year Ended December 31, 2024

	Amounts				
	2024	2023	2022	2021	2020
<b>Operating Revenues</b>					
Charges for sales and services					
Services to industries	\$ 94,131,351	\$ 86,036,640	\$ 82,485,565	\$ 73,312,340	\$ 69,382,664
Services to municipalities	4,560,471	8,105,218	6,102,036	4,057,533	3,446,688
Other	1,620,772	1,742,044	1,598,349	1,314,385	1,069,030
<b>Total Revenues</b>	<u>100,312,594</u>	<u>95,883,902</u>	<u>90,185,950</u>	<u>78,684,258</u>	<u>73,898,382</u>
<b>Expenditures</b>					
Cost of sales and services	60,049,795	59,997,652	61,731,088	55,467,021	53,532,447
Administrative	9,480,208	3,606,136	4,063,505	3,973,970	3,532,496
Depreciation	13,158,774	12,281,172	10,641,872	10,130,521	9,851,082
<b>Total Expenditures</b>	<u>82,688,777</u>	<u>75,884,960</u>	<u>76,436,465</u>	<u>69,571,512</u>	<u>66,916,025</u>
<b>Operating income (loss)</b>	<u>17,623,817</u>	<u>19,998,942</u>	<u>13,749,485</u>	<u>9,112,746</u>	<u>6,982,357</u>
<b>Non-Operating Revenues (Expenses)</b>					
Interest income	6,653,511	3,394,620	(1,486,254)	(388,758)	2,060,020
Unrealized gain/(loss)	(327,252)	2,325,805	-	-	-
Interest expense	(2,637,025)	(2,854,033)	(3,378,795)	(3,181,248)	(3,389,373)
Gain (loss) on disposal of capital asset	(953,444)	(939,310)	(2,870)	(87,792)	(4,741)
Insurance proceeds	-	1,223	-	129,155	251,765
<b>Total Non-Operating Revenues (Expenses)</b>	<u>2,735,790</u>	<u>1,928,305</u>	<u>(4,867,919)</u>	<u>(3,528,643)</u>	<u>(1,082,329)</u>
<b>Income (loss) before contributions</b>	<u>20,359,607</u>	<u>21,927,247</u>	<u>8,881,566</u>	<u>5,584,103</u>	<u>5,900,028</u>
Capital Contributions, net	<u>20,199,108</u>	<u>4,171,637</u>	<u>-</u>	<u>162,700</u>	<u>318,154</u>
<b>Income (loss) before extraordinary items</b>	<u>40,558,715</u>	<u>26,098,884</u>	<u>8,881,566</u>	<u>5,746,803</u>	<u>6,218,182</u>
Change in Net Position	<u>\$ 40,558,715</u>	<u>\$ 26,098,884</u>	<u>\$ 8,881,566</u>	<u>\$ 5,746,803</u>	<u>\$ 6,218,182</u>
<b>Total Active Industrial and Municipal Participants</b>	<u>244</u>	<u>237</u>	<u>232</u>	<u>236</u>	<u>248</u>

**GULF COAST AUTHORITY**

Page 2 of 2

**TSI-7. SCHEDULE OF REVENUES AND EXPENSES - PROPRIETARY FUND**

For the Year Ended December 31, 2024

	Percent of Total Revenues				
	2024	2023	2022	2021	2020
<b>Operating Revenues</b>					
Charges for sales and services					
Services to industries	93.9%	89.7%	91.4%	93.1%	93.9%
Services to municipalities	4.5%	8.5%	6.8%	5.2%	4.7%
Other	1.6%	1.8%	1.8%	1.7%	1.4%
<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>Expenditures</b>					
Cost of sales and services	59.9%	62.6%	68.4%	70.5%	72.4%
Administrative	9.5%	3.8%	4.5%	5.1%	4.8%
Depreciation	13.1%	12.8%	11.8%	12.9%	13.3%
<b>Total Expenditures</b>	<b>82.5%</b>	<b>79.2%</b>	<b>84.7%</b>	<b>88.5%</b>	<b>90.5%</b>
<b>Operating income (loss)</b>	<b>17.5%</b>	<b>20.8%</b>	<b>15.3%</b>	<b>11.5%</b>	<b>9.5%</b>
<b>Non-Operating Revenues (Expenses)</b>					
Interest income	6.6%	3.5%	-1.6%	-0.5%	2.8%
Interest expense	-2.6%	-3.0%	-3.7%	-4.0%	-4.6%
Gain (loss) on disposal of capital asset	-1.0%	-1.0%		-0.1%	-
Insurance proceeds	-	-		0.2%	0.3%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>3.0%</b>	<b>-0.5%</b>	<b>-5.3%</b>	<b>-4.4%</b>	<b>-1.5%</b>
<b>Income (loss) before contributions</b>	<b>20.5%</b>	<b>20.3%</b>	<b>10.0%</b>	<b>7.1%</b>	<b>8.0%</b>
Capital Contributions, net	-	-		0.2%	0.4%
<b>Income (loss) before extraordinary items</b>	<b>20.5%</b>	<b>20.3%</b>	<b>10.0%</b>	<b>7.3%</b>	<b>8.4%</b>
Change in Net Position	20.5%	20.3%	10.0%	7.3%	8.4%

**GULF COAST AUTHORITY**  
**TSI-8. BOARD MEMBERS AND ADMINISTRATIVE PERSONNEL**  
**For the Year Ended December 31, 2024**

Complete District Mailing Address:	910 Bay Area Boulevard, Houston, Texas 77058
District Business Telephone Number:	(281) 488-4115
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	12/2024
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution - TWC Section 49.060)	\$13,260

Board Members	Term of Office or Date Hired *	Elected/ Appointed	Fees of office paid 12/31/24	Expenses reimbursed 12/31/24	Title at Year End
Kevin M. Scott	09/01/22 - 08/31/24	Appointed (1)	\$ 7,072	\$ 1,423	Chairman
Amber Batson	09/01/23 - 08/31/25	Appointed (1)	6,851	5,382	Vice Chair
Billy J. Enochs	09/01/23 - 08/31/25	Appointed (3)	7,293	3,153	Secretary
J. Mark Schultz	09/01/14 - 08/31/16	Appointed (2)	7,735	2,282	Treasurer
Stephanie Farner	09/18/22 - 08/31/24	Appointed (3)	4,420	3,183	Member
Franklin D.R. Jones, Jr.	09/01/13 - 08/31/15	Appointed (2)	5,967	3,033	Member
Lamont E. Meaux	09/01/22 - 08/31/24	Appointed (1)	2,210	888	Member
Jacqueline Peden	10/06/22 - 08/31/23	Appointed (2)	5,083	2,574	Member
Robert Swanson	09/01/21 - 08/31/23	Appointed (3)	6,851	3,386	Member

**Key Administrative Personnel:**

Elizabeth Fazio Hale	11/16/20	N/A	\$ 427,157	\$ 5,307	Chief Executive Officer
----------------------	----------	-----	------------	----------	-------------------------

**Consultants:**

Olson and Olson	01/01/80	N/A	\$ 29,757	\$ -	General Counsel
Whitley Penn, LLP	10/01/06	N/A	\$ 76,955	\$ -	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

