

SECURITIES AND EXCHANGE COMMISSION

FORM 11-K

Annual report of employee stock purchase, savings and similar plans

Filing Date: **1994-03-18** | Period of Report: **1993-12-31**
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FILER

COASTAL CORP

CIK: **21267** | IRS No.: **741734212** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **4922** Natural gas transmission

Business Address
COASTAL TWR
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1993

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number 33-42696

COASTAL ARUBA REFINING COMPANY N.V.
THRIFT PLAN
(Full title of the plan)

THE COASTAL CORPORATION
Coastal Tower
Nine Greenway Plaza
Houston, Texas 77046-0995
(Name of issuer of the securities held pursuant to the
plan and address of its principal executive office)

INDEPENDENT AUDITORS' REPORT

Administrator
Coastal Aruba Refining Company N.V. Thrift Plan
Houston, Texas

We have audited the accompanying statement of net assets available for Plan benefits of Coastal Aruba Refining Company N.V. Thrift Plan (the "Plan") as of December 31, 1993 and 1992, and the related statement of changes in net assets available for Plan benefits for each of the three years in the period ended December 31, 1993. Our audits also included the financial statement schedules on pages 7 through 10. These financial statements and financial statement schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, net assets available for Plan benefits as of December 31, 1993 and 1992, and the changes in net assets available for Plan benefits for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE

Houston, Texas
March 15, 1994

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COASTAL ARUBA REFINING COMPANY N.V. THRIFT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

<TABLE>

<S>
ASSETS:

December 31,	
1993	1992
-----	-----
<C>	<C>

Investments, at market:		
Securities of The Coastal Corporation:		
Common stock (cost: 1993-\$340,351; 1992-\$120,503)	\$ 356,091	\$ 109,323
Other	27,010	9,567
	-----	-----
Total Investments	383,101	118,890
	-----	-----
Receivables:		
Dividends	821	296
Contributions	42,070	1,263
	-----	-----
Total Receivables	42,891	1,559
	-----	-----
Cash	-	8,732
	-----	-----
TOTAL ASSETS	425,992	129,181
	-----	-----
LIABILITIES:		
Payable to participants	2,885	-
Other	903	104
	-----	-----
TOTAL LIABILITIES	3,788	104
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ 422,204	\$ 129,077
	-----	-----
	-----	-----

</TABLE>

See Notes and Schedules to Financial Statements.

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COASTAL ARUBA REFINING COMPANY N.V. THRIFT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

	For the Years Ended December 31,		
	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
ADDITIONS:			
Investment income:			
Dividends	\$ 2,299	\$ 796	\$ -

Interest	802	327	9
Total investment income	3,101	1,123	9
Net change in appreciation (depreciation) of investments (Note 6) .	26,920	(10,211)	(969)
Contributions:			
Employer	95,435	43,715	8,985
Employees	184,856	78,509	15,927
Total contributions	280,291	122,224	24,912
DEDUCTIONS:			
Withdrawals	17,185	8,011	-
Increase in net assets available for Plan benefits	293,127	105,125	23,952
NET ASSETS, JANUARY 1	129,077	23,952	-
NET ASSETS, DECEMBER 31	\$ 422,204	\$ 129,077	\$ 23,952

</TABLE>

See Notes and Schedules to Financial Statements.

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COASTAL ARUBA REFINING COMPANY N.V. THRIFT PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of the Plan

General

Coastal Aruba Refining Company N.V. Thrift Plan (the "Plan") is primarily an employee stock purchase plan, registered under the Securities Act of 1933, as amended, designed to provide a systematic means whereby the contributions of eligible employees of Coastal Aruba Refining Company N.V. and certain affiliates ("Coastal" or "Company") may be invested for the benefit of the participating employees. The Plan is administered by the Management Board of the Coastal Aruba Thrift Foundation (the "Foundation"). The effective date of the Plan was December 1, 1990; contributions for the full year of participation commenced September 11, 1991. All employees eligible for participation in the Plan receive a prospectus containing a general description of the Plan. All participants are furnished a Plan prospectus which may be updated by supplements from time to time. The Foundation holds the investment assets of the Plan and Caribbean Mercantile Bank N.V. and Smith Barney Shearson execute transactions relating thereto.

Amendment or Termination of the Plan

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event of Plan termination, participants will become 100 percent vested in their Company matching accounts. The Management Board of the Foundation, upon recommendation of the Company, may amend the Plan at any time.

2. Summary of Significant Accounting Policies

Accounting Basis

The financial statements of the Plan are prepared on the accrual basis of accounting.

Marketable Securities

Securities valuations are based on the last recorded sales price at December 31, 1993 and 1992, respectively, as reported by the principal securities exchange on which the security is traded, or the average of the bid and the asked price if sold over the counter. Realized gains and losses reported on the sale or withdrawal of securities by participants are based on the difference between market values of the securities sold and/or issued at the effective dates and the market value at the beginning of the year and cost of securities purchased during the year.

Taxes

The Plan is not a qualified plan for purposes of the laws of the United States of America pursuant to Section 401(a) of the Internal Revenue Code of 1986, as amended, nor is it subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

The Plan has been reviewed by the Centrale Bank van Aruba (the "Bank") which concluded that the Plan is not subject to the prudential supervision of the Bank because it is designed in accordance with United States customs and does not conform to the requirements for a savings plan in Aruba.

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Under the present United States tax laws, the purchase and sale of common stock of The Coastal Corporation ("Coastal Common Stock") by the Foundation is not subject to income or withholding tax. However, dividends paid on Coastal Common Stock are subject to withholding tax at a rate of 31% of the amount of the dividend.

3. Contributions to the Plan

Employee Contributions

Upon enrollment, a participant may elect to contribute to the Plan, by means of regular payroll deductions, from two percent (2%) to eight percent (8%), in increments of one percent (1%) of the participant's basic compensation. Basic compensation means fixed salaries or wages per hour which are paid by the Company to the participant, excluding compensation for bonuses, overtime, commissions and incentive compensation.

Employer Contributions

The Company will make Company matching contributions for the account of the participant at an amount equal to the employee contributions subject to a maximum rate of 2% of the employee's basic compensation (as defined above) during the first and second year of active participation in the Plan; thereafter, the Company matching contributions are increased to not more than 4% during the third and fourth years of active participation, 6% during the fifth and sixth years of active participation and 8% after six years of active participation in the Plan.

4. Investment Programs

Funds in which current employee contributions are invested:

The Coastal Common Stock Fund is a fund invested in Coastal Common Stock. Cash dividends thereon are reinvested in Coastal Common Stock.

The Interest Income Fund is an unsegregated fund invested in interest bearing investments such as bonds, notes, debentures, savings accounts, savings certificates, commercial paper, deposit accounts maintained by one or more legal reserve life insurance companies which provide for the payment of fixed or variable rates of interest for specified periods of time, and other similar types of investments. A portion of the Interest Income Fund may be retained in cash.

The Diversified Fund is an unsegregated fund invested in capital stocks of issuers (other than Coastal Common Stock), notes, bonds, debentures, and other similar types of investments. A portion of the Diversified Fund may be retained in cash or invested temporarily in commercial paper, certificates of deposit or savings accounts.

Currently, the contributions attributable to the Interest Income Fund and the Diversified Fund are temporarily held in interest bearing accounts at the Caribbean Mercantile Bank N.V. See "SCHEDULE I-2 - OTHER", page 7 hereof. Such contributions will remain in such accounts pending a determination by the investment manager that sufficient funds have accumulated to warrant investments as described above for each fund.

All employer matched contributions are invested in the Coastal Common Stock Fund only.

5. Expenses of the Plan

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Reasonable compensation or expenses of administering the Plan which are not paid by the Company will be paid out of Plan assets. The Company reimburses the Foundation for all brokerage fees, transfer taxes, and expenses which are paid or incurred in connection with the purchase or sale of any securities. All taxes which may be levied or assessed under future laws upon the assets or the income of the Plan will be paid by the Plan.

6. Net Changes in Appreciation (Depreciation) of Investments

During 1993 and 1992, the fair value of investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) as follows:

<TABLE>

	Coastal Common Stock Fund

<S>	<C>
Balance at December 31, 1991	\$ (969)
Change during 1992	(10,211)

Balance at December 31, 1992	(11,180)
Change during 1993	26,920

Balance at December 31, 1993	\$ 15,740

</TABLE>

7. Unit Values

The number of units and unit values are set forth in the following

table:

<TABLE>

	December 31, 1993		
	Number of Employees	Units Outstanding	Net Asset Value per Unit
<S>	<C>	<C>	<C>
Interest Income Fund	73	14,296	\$ 1.00
Diversified Fund	64	12,318	\$ 1.00

</TABLE>

<TABLE>

	December 31, 1992		
	Number of Employees	Units Outstanding	Net Asset Value per Unit
<S>	<C>	<C>	<C>
Interest Income Fund	22	5,058	\$ 1.00
Diversified Fund	24	5,044	\$ 1.00

</TABLE>

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COASTAL ARUBA REFINING COMPANY N.V. THRIFT PLAN
 SCHEDULE I-1 - INVESTMENTS
 COASTAL COMMON STOCK FUND

<TABLE>

Security	Shares	Cost	Market Value
<S>	<C>	<C>	<C>
The Coastal Corporation Common Stock			
December 31, 1993	12,605	\$ 340,351	\$ 356,091
December 31, 1992	4,579	\$ 120,503	\$ 109,323

</TABLE>

SCHEDULE I-2 - OTHER

<TABLE>

	Market Value
<S>	<C>
December 31, 1993:	
Short Term Investments of Caribbean Mercantile Bank N.V.:	
Interest Income Fund	\$ 13,394
Diversified Fund	11,298

	----- \$ 24,692
Smith Barney Shearson Money Market Fund:	
Coastal Common Stock Fund	\$ 2,318
	\$ 2,318
Total	\$ 27,010
	----- -----

December 31, 1992:	
Short Term Investments of Caribbean Mercantile Bank N.V.:	
Interest Income Fund	\$ 4,797
Diversified Fund	4,770

Total	\$ 9,567
	----- -----

</TABLE>

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COASTAL ARUBA REFINING COMPANY N.V. THRIFT PLAN
SCHEDULE II
ALLOCATION OF PLAN ASSETS AND LIABILITIES TO INVESTMENT PROGRAMS

<TABLE>	December 31, 1993			
	-----	-----	-----	-----
	Total	Coastal	Interest	Diversified
PLAN ASSETS	Plan	Common	Income	Fund
-----	-----	Stock Fund	Fund	Fund
<S>	<C>	<C>	<C>	<C>
INVESTMENTS, at market:				
Securities of The Coastal Corporation				
Common Stock (Schedule I-1) (Cost \$340,351) . .	\$ 356,091	\$ 356,091	\$ -	\$ -
Other (Schedule I-2)	27,010	2,318	13,394	11,298
	-----	-----	-----	-----
	383,101	358,409	13,394	11,298
	-----	-----	-----	-----
RECEIVABLES:				
Dividends	821	821	-	-
Contributions	42,070	39,131	1,547	1,392
	-----	-----	-----	-----
	42,891	39,952	1,547	1,392
	-----	-----	-----	-----
LIABILITIES:				
Payable to Participants	2,885	2,771	-	114
Other	903	-	645	258
	-----	-----	-----	-----
	3,788	2,771	645	372
	-----	-----	-----	-----
Net Assets Available for Plan Benefits	\$ 422,204	\$ 395,590	\$ 14,296	\$ 12,318
	-----	-----	-----	-----
	-----	-----	-----	-----

</TABLE>

<TABLE>	December 31, 1992			
	-----	-----	-----	-----
	Total	Coastal	Interest	Diversified
		Common	Income	

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COASTAL ARUBA REFINING COMPANY N.V. THRIFT PLAN
 SCHEDULE III - STATEMENT OF CHANGES
 IN NET ASSETS AVAILABLE FOR PLAN
 BENEFITS BY FUND

<TABLE>

	For the Year Ended December 31, 1993			
	Total Plan	Coastal Common Stock Fund	Interest Income Fund	Diversified Fund
<S>	<C>	<C>	<C>	<C>
Investment Income:				
Dividends	\$ 2,299	\$ 2,299	\$ -	\$ -
Interest	802	34	398	370
	3,101	2,333	398	370
Appreciation on Common Stock:				
The Coastal Corporation	26,920	26,920	-	-
Contributions:				
Employer	95,435	95,435	-	-
Employees	184,856	168,096	9,485	7,275
Total	280,291	263,531	9,485	7,275
Withdrawals	17,185	16,169	645	371
Net Change	293,127	276,615	9,238	7,274
Net Assets Available for Plan Benefits:				
Beginning of Year	129,077	118,975	5,058	5,044
End of Year	\$ 422,204	\$ 395,590	\$ 14,296	\$ 12,318

</TABLE>

<TABLE>

	For the Year Ended December 31, 1992			
	Total Plan	Coastal Common Stock Fund	Interest Income Fund	Diversified Fund
<S>	<C>	<C>	<C>	<C>
Investment Income:				
Dividends	\$ 796	\$ 796	\$ -	\$ -

COASTAL ARUBA REFINING COMPANY N.V. THRIFT PLAN
 SCHEDULE III - STATEMENT OF CHANGES
 IN NET ASSETS AVAILABLE FOR PLAN
 BENEFITS BY FUND

<TABLE>

	For the Year Ended December 31, 1991			
	Total Plan	Coastal Common Stock Fund	Interest Income Fund	Diversified Fund
<S>	<C>	<C>	<C>	<C>
Investment Income:				
Interest	\$ 9	\$ -	\$ 4	\$ 5
Depreciation on Common Stock:				
The Coastal Corporation	(969)	(969)	-	-
Contributions:				
Employer	8,985	8,985	-	-
Employees	15,927	13,547	1,162	1,218
Total	24,912	22,532	1,162	1,218
Net Change	23,952	21,563	1,166	1,223
Net Assets Available for Plan Benefits:				
Beginning of Year	-	-	-	-
End of Year	\$ 23,952	\$ 21,563	\$ 1,166	\$ 1,223

</TABLE>

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Management Board of the Coastal Aruba Thrift Foundation, as Administrator, has duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

MANAGEMENT
BOARD OF THE COASTAL
ARUBA THRIFT FOUNDATION,
AS ADMINISTRATOR OF
COASTAL ARUBA REFINING COMPANY N.V.
THRIFT PLAN

Date: March ____, 1994

By: RONALD A. BROWNLEE

Ronald A. Brownlee
Chairman