

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: Gulf Coast Water Authority

Issue(s):

\$ 4,320,000 Water System Contract Revenue Refunding Bonds, Series 2011E (Galveston)

Filing Format electronic ___ paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (see following page(s)):

___ Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR

Financial Information & Operating Data

___ Other (describe) _____

Fiscal Period Covered: FYE 2015

___ Monthly ___ Quarterly Annual ___ Other: _____

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Bob Webb

Name: Bob Webb Title: Business Administrator

Employer: Gulf Coast Water Authority

Voice Telephone Number: (409) 935-2438

Email Address: bwebb@gcwater.org

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

Water System Contract Revenue Refunding Bonds, Series 2011E (Galveston)

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/16	\$ 755,000	40223N LK0
08/15/17	795,000	40223N LL8
	<u>\$ 1,550,000</u>	

AMENDED
CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED AUGUST 31, 2015

GULF COAST WATER AUTHORITY

GCWA DEBT - GALVESTON DEBT

This report has been amended with audited financial information.



FSC Continuing Disclosure Services
A Division of Hilltop Securities.

FINANCIAL STATEMENTS

The audited financial statements for the Authority for the fiscal year ended August 31, 2015 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the Authority and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described.

GULF COAST WATER AUTHORITY

/s/ Bob Webb

Bob Webb

Business Administrator

Approved for Submission:

02/29/2016

Date

07/12/2016

Amended

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Gulf Coast Water Authority with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

FSC Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Kristin Blomquist

**GULF COAST WATER AUTHORITY
CITY OF GALVESTON
2015 CONTRACT REVENUE DEBT REPORT
AMENDED**

TABLE 1 – CITY OF GALVESTON DEBT SERVICE REQUIREMENTS ⁽¹⁾

Fiscal Year Ending August 31	Series 2006 ⁽²⁾	Series 2011A ⁽³⁾	Series 2011E ⁽⁴⁾	Series 2012 ⁽⁵⁾	Total Debt Service Requirements
2016	\$ 442,631	\$ 1,520,638	\$ 812,625	\$ 859,623	\$ 3,635,516
2017	441,289	2,474,906	814,875	852,939	4,584,008
2018		2,421,983		861,027	3,283,010
2019		2,417,702		858,548	3,276,250
2020		2,419,648		855,729	3,275,377
2021		2,418,748		857,569	3,276,317
2022		2,420,937		853,955	3,274,892
	<u>\$ 883,920</u>	<u>\$16,094,563</u>	<u>\$ 1,627,500</u>	<u>\$ 5,999,388</u>	<u>\$ 24,605,370</u>

- (1) The Authority is the sole source of the City’s supply of treated water and has issued bonds on the City’s behalf to finance transmission and distribution facilities related thereto. In addition, the City has issued bonds directly for non-water related municipal purposes. The Series 2006 Bonds, Series 2011A Bonds, Series 2011E Bonds and Series 2012 Bonds are all payable by the City out of the revenues of its waterworks and sewer system without preference of priority. However, the City’s obligations with respect to each series is contained in separate but similar water facilities financing agreements and such series are not technically parity bonds secured by a single resolution and supplements thereto.
- (2) Represents the City’s agreement to pay a portion of the total debt service on the Authority’s Contract Revenue Bonds, Series 2006 (the “Series 2006 Bonds”). The Cities of Pearland, Galveston, and Texas City executed Interim Water Supply Contracts with the Authority to facilitate its issuance of the Series 2006 Bonds, which financed the purchase of the Chocolate Bayou Water Company.
- (3) Represents the City’s agreement to pay 97.73% of the total debt service on the Authority’s Water System Contract Revenue Refunding Bonds (South Project) Series 2011A (the “Series 2011A Bonds”). This percentage is estimated based on current construction costs. Several other municipalities and governmental entities that purchase potable water from the Authority pay for the remaining portion of the debt service on the Series 2011A Bonds and pay all of the debt service on the Authority’s Water System Contract Revenue Refunding Bonds (South Project) Series 2011B (the “Series 2011B Bonds”). The City and those entities are jointly and severally obligated on the debt service on both of the Series 2011A Bonds and the Series 2011B Bonds. The currently outstanding principal amount of the Series 2011B Bonds is \$2,560,000. The Series 2011A Bonds and Series 2011B Bonds refunded the Authority’s outstanding Water System Contract Revenue Bonds (South Project) Series 1998A Bonds and Water System Contract Revenue Bonds (South Project) Series 1998B Bonds, respectively, which financed the South Project, an expansion of the Authority’s Mackey Plant and related transmission facilities from such Mackey Plant to bring potable water to the City and certain public entities on the mainland which formerly purchased potable water from the City.
- (4) Represents the City’s agreement to pay the total debt service on the Authority’s Water System Contract Revenue Refunding Bonds (City of Galveston Project) Series 2011E (the “Series 2011E Bonds”). The Series 2011E Bonds refunded the Authority’s Water System Contract Revenue Bonds, Series 1997, which financed facilities for potable water transportation to and within the City.
- (5) Represents the City’s agreement to pay the total debt service on the Authority’s Water System Contract Revenue Refunding Bonds (City of Galveston Project) Series 2012 (the “Series 2012 Bonds”). The Series 2012 Bonds refunded the Authority’s Water System Contract Revenue Bonds, Series 2002, which financed facilities for potable water transportation to and within the City.

TABLE 2 – ADDITIONAL CITY OF GALVESTON WATER SYSTEM DEBT

Fiscal Year Ended	Total ⁽¹⁾		
	9/30	Principal	Interest
2016	\$ 2,255,000	\$ 1,229,760	\$ 3,484,760
2017	2,320,000	1,162,445	3,482,445
2018	2,400,000	1,082,345	3,482,345
2019	2,490,000	998,500	3,488,500
2020	2,585,000	901,700	3,486,700
2021	1,865,000	794,100	2,659,100
2022	1,945,000	714,950	2,659,950
2023	2,035,000	632,300	2,667,300
2024	1,340,000	545,750	1,885,750
2025	1,405,000	478,750	1,883,750
2026	1,480,000	408,500	1,888,500
2027	1,555,000	334,500	1,889,500
2028	1,630,000	256,750	1,886,750
2029	1,710,000	175,250	1,885,250
2030	1,795,000	89,750	1,884,750
	<u>\$ 28,810,000</u>	<u>\$ 9,805,350</u>	<u>\$ 38,615,350</u>

(1) Represents the City of Galveston, Texas Waterworks and Sewer System Revenue Bonds, Series 2003, the City of Galveston, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2006 and the City of Galveston, Texas Waterworks and Sewer System Revenue Refunding Bonds, Series 2012.

FUND BALANCES

The ordinance for the issuance of the City of Galveston Waterworks and Sewer System Revenue Bonds requires the City to maintain certain separate funds related to all such outstanding bonds. The unaudited balances of these funds as of December 31, 2015 are shown below:

TABLE 3 – FUND BALANCES

Water Debt Service Fund.....	\$ 1,872,436
Sewer Debt Service Fund.....	\$ 2,581,356
Water Debt Reserve Fund.....	\$ 1,418,795
Sewer Debt Reserve Fund.....	\$ 2,075,930

TABLE 4 – CURRENT INVESTMENTS

As of November 30, 2015, the City’s investable funds were invested in the following categories:

Description	Percent of Total	Book Value	Market Value
TexPool	5.29%	\$5,097,397	\$5,097,397
Investments at Par	94.71%	91,312,470	91,312,470
	<u>100.00%</u>	<u>\$96,409,867</u>	<u>\$96,409,867</u>

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

HISTORICAL WATER CONSUMPTION (GALLONS)

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Number of Customers ⁽²⁾	Water Usage (MG)			Total Usage	Total Revenue
			Average Day Usage	Peak Day Usage	Peak Month Usage		
2011	47,473	21,910	15.176	19.196	539.037	5,979.434	\$ 15,412,157
2012	48,444	21,323	14.666	18.118	525.510	5,778.564	16,319,290
2013	47,762	20,595	14.570	20.805	564.648	5,318.301	17,026,926
2014	48,733	23,435	15.703	19.930	546.490	5,731.710	16,971,871
2015	47,743	23,798	14.270	20.135	553.042	5,208.939	16,411,777

(1) Source: U.S. Census Bureau for 2009. Texas State Data Center for 2010.

(2) Source: The City of Galveston, Texas.

WATERWORKS SYSTEM STATEMENT OF NET ASSETS

Assets	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Current Assets:					
Cash and Temporary Investments	\$ 3,866,738	\$ 5,745,326	\$ 7,420,900	\$ 6,372,642	\$ 5,571,419
Accounts Receivable ⁽¹⁾	3,383,204	2,923,447	3,175,177	3,348,559	3,197,700
Due From Funds		-	420,499	370,499	370,499
Inventories	70,935	71,004	60,334	42,544	12,267
Prepaid Expenses	236,270	-	-	5,861	16,907
Restricted Assets:					
Cash and Investments	6,994,965	8,379,978	7,539,066	11,760,769	13,373,584
Investments With Trustee	-	-	-	4,251,179	4,699,908
Total Current Assets	\$ 14,552,112	\$ 17,119,755	\$ 18,615,976	\$ 26,152,053	\$ 27,242,284
Noncurrent Assets:					
Deferred Charges	\$ -	\$ -	\$ 831,357	\$ 960,120	\$ 1,044,695
Capital Assets, Not Being Depreciated	6,330,158	6,255,604	17,081,792	12,264,047	20,541,519
Capital Assets, Net of Depreciation	96,341,628	97,070,501	88,610,531	87,698,306	73,373,499
Total Noncurrent Assets	\$ 102,671,786	\$ 103,326,105	\$ 106,523,680	\$ 100,922,473	\$ 94,959,713
Total Assets	\$ 117,223,898	\$ 120,445,860	\$ 125,139,656	\$ 127,074,526	\$ 122,201,997
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Expenses	\$ 1,513,101	\$ 1,014,496	\$ 1,832,295	\$ 1,205,721	\$ 668,094
Accrued Interest Payable	373,958	393,521	426,500	648,612	602,795
Due to Other Governments	152,036	152,036	152,036	5,730	7,174
Due to Other Funds	27,443	41,298	-	-	-
Customer Deposits	1,138,456	1,140,642	1,111,327	1,162,900	1,134,873
Unearned Revenue	-	290,447	1,124,464	776,585	776,524
Long-Term Debt, Current Portion:					
Compensated Absences	-	22,000	22,000	6,006	6,006
Capital Lease Obligation	-	-	-	-	-
Contracts Payable	-	2,055,674	1,992,885	2,976,629	2,889,183
Notes Payable	-	574,854	557,928	541,500	525,555
Bonds and Certificates of Obligation Payable	-	1,836,224	1,779,761	1,040,348	1,004,087
Total Current Liabilities	\$ 3,204,994	\$ 7,521,192	\$ 8,999,196	\$ 8,364,031	\$ 7,614,291
Non-Current Liabilities:					
Long-Term Debt, Non-Current Portion:					
Due within one year	\$ 4,375,006	\$ -	\$ -	\$ -	\$ -
Due within more than one year	38,580,551	-	-	-	-
Net Pension Liability	870,400	-	-	-	-
Compensated Absences	-	197,897	169,480	204,319	191,790
Contracts Payable	-	22,423,895	25,342,981	30,167,424	33,260,684
Notes Payable	-	386,895	961,739	5,019,656	5,561,147
Bonds and Certificates of Obligation Payable	-	19,764,194	20,870,954	21,936,251	22,962,135
Total Non-Current Liabilities	43,825,957	42,772,881	47,345,154	57,327,650	61,975,756
Total Liabilities	\$ 47,030,951	\$ 50,294,073	\$ 56,344,350	\$ 65,691,681	\$ 69,590,047
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	60,353,920	57,246,119	56,537,099	46,533,074	37,675,100
Restricted for Debt Service	3,203,593	3,271,301	3,310,074	7,129,301	7,577,626
Restricted for Other Purposes	2,652,916	3,968,035	3,117,665	-	-
Unrestricted	4,111,418	5,666,332	5,830,468	7,720,470	7,359,224
Total Net Assets	\$ 70,321,847	\$ 70,151,787	\$ 68,795,306	\$ 61,382,845	\$ 52,611,950

(1) Net of Allowance for Doubtful Accounts

WATERWORKS SYSTEM BALANCE SHEET ⁽¹⁾

	Fiscal Year Ended September 30,			
	2003	2002	2001	2000
Current Assets				
Equity in Pooled Cash and Investments	\$ 189,941	\$ 342,137	\$ 2,148,708	\$ 3,345,472
Investments with Trustee	-	-	-	-
Receivables:				
Interest	4,496	4,244	36,258	42,644
Utility Accounts	1,746,493	2,524,247	1,346,124	1,648,495
Accounts	-	-	195,951	88,973
Due from Other Funds	1,012,026	863,282	-	3,383,608
Due from Other Governments	241,128	29,972	-	-
Advances	-	-	-	9,256
Prepaid Items	214,130	214,130	-	-
Inventory, at Cost	128,916	223,290	19,224	19,224
Total Current Assets	\$ 3,537,130	\$ 4,201,302	\$ 3,746,265	\$ 8,537,672
Restricted Assets				
Equity in Pooled Cash and Investments:	\$ 2,893,513	2,871,125	\$ -	\$ -
Customer Deposits	-	-	879,249	821,736
Revenue Bond Construction Account	-	-	1,564,097	-
Revenue Bond Current Debt Service Account	-	-	670,997	168,088
Revenue Bond Future Debt Service Account	-	-	501,969	504,186
Other Assets with Trustee	12,338,607	15,568,292	12,577,021	4,558,986
Total Restricted Assets	\$ 15,232,120	\$ 18,439,417	\$ 16,193,333	\$ 6,052,996
Deferred Charges	1,938,769	1,936,551	469,532	594,926
Contractual Rights to Water Supply	19,758,713	19,706,929	24,640,000	24,640,000
Fixed Assets				
Land	\$ 517,100	\$ 517,100	\$ 494,250	\$ 494,250
Buildings	7,933,202	7,933,202	7,750,511	4,378,156
Improvements Other Than Buildings	34,448,744	33,881,920	33,047,301	46,706,558
Equipment	2,057,342	1,982,982	1,616,327	1,320,524
Construction in Progress	10,349,065	8,389,808	8,915,923	9,283,579
Total Fixed Assets	55,305,453	52,705,012	51,824,312	62,183,067
Less Accumulated Depreciation	21,366,605	20,259,354	19,195,730	20,679,920
Net Fixed Assets	33,938,848	32,445,658	32,628,582	41,503,147
TOTAL ASSETS	\$ 74,405,580	\$ 76,729,857	\$ 77,677,712	\$ 81,328,741

(1) This table is no longer updated due to the implementation of GASB 34.

WATERWORKS SYSTEM BALANCE SHEET ⁽¹⁾ (CONTINUED)

	Fiscal Year Ended September 30,			
	2003	2002	2001	2000
<u>Current Liabilities</u>				
Salaries Payable	\$ 30,542	\$ 51,091	\$ 27,202	\$ 27,541
Accounts Payable	267,296	1,313,427	135,634	18,390
Compensated Absences Payable	5,100	54,468	45,135	53,491
Contracts Payable	303,747	-	940,278	552,438
Advance Deposits	-	-	-	9,256
Advance Rentals and Fees	-	-	-	-
General Obligation Bonds Payable - Current	-	-	-	-
Accrued Pension and Fringe Benefits Payable	-	-	7,858	-
Accrued Interest Payable	-	-	-	4,764
Long Term Contracts Payable	-	-	778,950	545,000
Estimated Liability Claims - Workers' Comp.	833	2,796	10,019	10,019
Voluntary Cash Donations for Distribution	-	-	2,898	1,362
Total Current Liabilities	\$ 607,518	\$ 1,421,782	\$ 1,947,974	\$ 1,222,261
<u>Current Liabilities - Restricted</u>				
Long-term contracts payable	\$ -	\$ -	\$ 10,790,000	\$ -
Current Portion of Contract Payable	1,082,515	1,028,129	-	-
Revenue Bonds Payable - Current	105,300	428,820	408,960	495,000
Accrued Revenue Bond Interest	333,329	423,002	91,490	17,857
Deposits	1,000,104	991,174	879,249	1,017,133
Deferred Revenues	-	-	-	7,251,500
Total Current Liabilities - Restricted	\$ 2,521,248	\$ 2,871,125	\$ 12,169,699	\$ 8,781,490
<u>Noncurrent Liabilities</u>				
Compensated Absences Payable	\$ 154,654	\$ 292,136	\$ 240,366	\$ 259,997
Revenue Bonds	2,878,740	2,983,286	3,411,352	3,711,408
Long-term Contracts Payable	44,388,474	45,470,981	35,480,668	44,115,000
Estimated Liability Claims-Workers' Comp.	52,852	69,505	153,645	154,467
Total Noncurrent Liabilities	47,474,720	48,815,908	39,286,031	48,240,872
Total Liabilities	\$ 50,603,486	\$ 53,108,815	\$ 53,403,704	58,244,623
<u>Fund Equity</u>				
Contributed Capital	11,237,717	10,283,738	10,491,728	10,640,093
Retained Earnings:				
Retained Earnings	12,564,377	13,337,304	-	-
Reserved for Revenue Bond Indentures	-	-	504,024	488,007
Unreserved - Designated for Improvements	-	-	1,564,097	2,325,165
Unreserved - Undesignated	-	-	11,714,159	9,630,853
Retained Earnings	12,564,377	13,337,304	13,782,280	12,444,025
Total Fund Equity	23,802,094	23,621,042	24,274,008	23,084,118
TOTAL LIABILITIES & FUND EQUITY	\$ 74,405,580	\$ 76,729,857	\$ 77,677,712	\$ 81,328,741

(1) This table is no longer updated due to the implementation of GASB 34.

SEWER SYSTEM STATEMENT OF NET ASSETS

Assets	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Current Assets:					
Cash and Cash Equivalents	\$ 4,698,047	\$ 4,937,701	\$ 3,457,880	\$ 2,745,618	\$ 2,539,499
Accounts Receivable ⁽¹⁾	3,118,680	3,161,903	3,017,940	3,088,501	3,323,333
Due from Other Funds	29,249	29,250	1,043,410	1,043,410	1,057,907
Inventories	70,935	71,004	60,334	42,544	12,267
Prepaid Expenses	285,326	-	-	5,861	16,907
Restricted Assets:					
Cash and Investments	11,349,035	13,245,399	18,084,062	20,260,789	19,148,196
Total Current Assets	\$ 19,551,272	\$ 21,445,257	\$ 25,663,626	\$ 27,186,723	\$ 26,098,109
Noncurrent Assets:					
Deferred Charges	\$ -	-	\$ 764,655	\$ 836,915	\$ 447,900
Capital Assets Not Being Depreciated	93,529,594	77,481,263	49,268,650	24,126,805	10,039,019
Capital Assets (Net of Depreciation)	46,072,685	44,992,290	46,848,898	47,993,768	49,064,796
Total Noncurrent Assets	\$ 139,602,279	\$ 122,473,553	\$ 96,882,203	\$ 72,957,488	\$ 59,551,715
Total Assets	\$ 159,153,551	\$ 143,918,810	\$ 122,545,829	\$ 100,144,211	\$ 85,649,824
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Expenses	\$ 884,492	\$ 633,769	\$ 861,371	\$ 341,004	\$ 137,915
Accrued Interest Payable	442,636	436,228	459,314	430,851	521,218
Due to Other Governments	-	-	-	300	300
Due to Other Funds	-	205,358	-	-	-
Customer Deposits	1,138,456	1,140,642	1,111,326	1,162,894	1,141,375
Unearned Revenue	5,000	5,000	2,490	325	250
Compensated Absences	-	40,000	40,000	33,435	33,435
Notes Payable	-	574,844	557,917	541,490	525,545
Bonds and Certificates of Obligation Payable	-	1,652,076	1,593,039	1,586,052	1,436,813
Total Current Liabilities	\$ 2,470,584	\$ 4,687,917	\$ 4,625,457	\$ 4,096,351	\$ 3,796,851
Non-Current Liabilities:					
Due within one year	\$ 2,074,037	\$ -	\$ -	\$ -	\$ -
Due within more than one year	23,403,684	-	-	-	-
Net Pension Liability	1,853,700	-	-	-	-
Compensated Absences	-	465,390	452,679	382,993	405,007
Notes Payable	-	386,895	961,739	1,519,656	2,061,147
Bonds and Certificates of Obligation Payable	-	24,362,720	26,019,738	27,619,563	28,778,982
Total Non-Current Liabilities	27,331,421	25,215,005	27,434,156	29,522,212	31,245,136
Total Liabilities	\$ 29,802,005	\$ 29,902,922	\$ 32,059,613	\$ 33,618,563	\$ 35,041,987
Net Assets					
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	\$ 114,999,602	\$ 96,458,757	\$ 69,269,426	\$ 5,575,574	\$ 40,491,468
Restricted for Other Purposes	4,441,410	4,577,346	5,113,805	4,673,129	4,194,170
Unrestricted	5,769,169	7,527,411	11,858,931	-	-
	4,415,865	5,452,375	4,244,054	56,276,945	5,922,199
Total Net Assets	\$ 129,626,046	\$ 114,015,889	\$ 90,486,216	\$ 66,525,648	\$ 50,607,837

(1) Net of Allowance for Doubtful Accounts.

SEWER SYSTEM BALANCE SHEET ⁽¹⁾

	Fiscal Year Ended September 30,			
	2003	2002	2001	2000
<u>Current Assets</u>				
Equity in Pooled Cash and Investments	\$ 10,456,529	\$ 9,121,720	\$ 3,532,127	\$ 4,893,325
Receivables:				
Interest	4,549	12,131	33,458	34,165
Utility Accounts	1,360,623	1,196,698	-	1,399,826
Accounts	-	-	1,444,595	113,956
Prepaid Items	3,750	4,115	-	-
Due from other funds	-	-	3,545,420	-
Total Current Assets	\$ 11,825,451	\$ 10,334,664	\$ 8,555,600	\$ 6,441,272
<u>Restricted Assets</u>				
Equity in Pooled Cash and Investments:				
Cash and temporary investments	\$ 8,195,855	\$ 2,316,889	\$ 6,191,027	\$ -
Customer Deposits	-	-	-	821,736
Revenue Bond Construction Account	-	-	-	6,861,693
Revenue Bond Current Debt Service Account	-	-	-	1,151,640
Revenue Bond Future Debt Service Account	-	-	-	1,203,273
Interest receivable	-	-	80,436	24,080
Total Restricted Assets	\$ 8,195,855	\$ 2,316,889	\$ 6,271,463	\$ 10,062,422
Deferred Charges	\$ 209,086	\$ 130,074	\$ 167,839	\$ 202,782
Interfund note receivable	-	-	-	1,230,260
<u>Fixed Assets</u>				
Land	\$ 168,011	\$ 168,011	\$ 157,091	\$ 116,898
Buildings	16,015,238	16,088,778	16,020,721	15,987,358
Improvements Other Than Buildings	30,792,219	28,348,511	24,426,931	23,952,053
Equipment	3,064,367	3,122,867	2,855,546	2,371,343
Construction in Progress	5,251,580	3,151,140	3,936,520	264,523
Total Fixed Assets	55,291,415	50,879,307	47,396,809	42,692,175
Less Accumulated Depreciation	18,233,397	17,146,966	15,939,666	14,947,217
Net Fixed Assets	37,058,018	33,732,341	31,457,143	27,744,958
TOTAL ASSETS	\$ 57,288,410	\$ 46,513,968	\$ 46,452,045	\$ 45,681,694

(1) This table is no longer updated due to the implementation of GASB 34.

SEWER SYSTEM BALANCE SHEET ⁽¹⁾ (CONTINUED)

	Fiscal Year Ended September 30,			
	2003	2002	2001	2000
<u>Current Liabilities</u>				
Salaries Payable	\$ 70,424	\$ 55,446	\$ 168,055	\$ 26,984
Accounts Payable	183,729	330,511	787,152	55,510
Compensated Absences Payable	5,101	37,115	-	38,047
Accrued Pension and Fringe Benefits Payable	-	-	-	3,373
Contracts Payable	22,830	-	-	32,506
Interfund Payable	-	-	-	-
Estimated Liability Claims - Workers' Comp.	17,694	12,136	3,386	3,386
Total Current Liabilities	\$ 299,778	\$ 435,208	\$ 958,593	\$ 159,806
<u>Current Liabilities - Restricted</u>				
Revenue Bonds Payable - Current	\$ 1,517,662	\$ 1,082,917	\$ 1,039,072	\$ 943,989
Accrued Revenue Bond Interest	365,643	247,049	266,374	361,374
Deposits	1,007,355	986,923	870,229	821,736
Total Current Liabilities - Restricted	\$ 2,890,660	\$ 2,316,889	\$ 2,175,675	\$ 2,127,099
<u>Noncurrent Liabilities</u>				
Revenue Bonds	\$ 17,592,384	\$ 8,092,184	\$ 9,173,316	\$ 10,183,702
Compensated Absences Payable	331,518	184,020	199,778	189,999
Estimated Liability Claims-Workers' Comp.	52,852	68,320	83,203	52,202
Total Noncurrent Liabilities	\$ 17,976,754	\$ 8,344,524	\$ 9,456,297	\$ 10,425,903
Total Liabilities	\$ 21,167,192	\$ 11,096,621	\$ 12,590,565	\$ 12,712,808
<u>Fund Equity</u>				
Contributed Capital	13,486,520	11,498,693	11,388,437	11,671,809
Retained Earnings:				
Retained Earnings	\$ 22,634,698	\$ 23,918,654	\$ 22,473,043	\$ -
Reserved for Revenue Bond Indentures	-	-	-	1,049,550
Unreserved - Designated for Improvements	-	-	-	2,922,366
Unreserved - Undesignated	-	-	-	17,325,161
Retained Earnings	22,634,698	23,918,654	22,473,043	21,297,077
Total Fund Equity	36,121,218	35,417,347	33,861,480	32,968,886
TOTAL LIABILITIES & FUND EQUITY	\$ 57,288,410	\$ 46,513,968	\$ 46,452,045	\$ 45,681,694

(1) This table is no longer updated due to the implementation of GASB 34.

WATERWORKS SYSTEM COMPARATIVE STATEMENT OF REVENUES AND EXPENSES; CUSTOMER COUNT

	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Revenues:					
Charges for Sales & Services	\$ 17,326,455	\$ 17,479,081	\$ 17,447,689	\$ 16,801,988	\$ 16,138,095
Interest and Investment Revenue	68,223	19,067	57,668	52,523	98,581
Total Revenues	\$ 17,394,678	\$ 17,498,148	\$ 17,505,357	\$ 16,854,511	\$ 16,236,676
Operating Expenses:					
Personnel Services	\$ 2,131,912	\$ 1,794,870	\$ 1,671,936	\$ 1,561,696	\$ 1,500,300
Contractual Services	1,132,090	872,690	945,507	943,402	869,601
Supplies and Materials	1,049,999	1,148,350	881,992	941,207	915,607
Surface Water Contract	5,871,645	5,147,230	4,029,515	4,485,455	5,956,653
Other Expenses	1,061,265	449,823	471,708	407,327	479,742
Administrative Charge	656,252	637,138	628,335	616,015	603,940
Non-Operating Interest Expense	1,080,592	871,985	1,064,903	1,180,341	1,231,682
Payment in Lieu of Taxes	200,000	200,000	200,000	200,000	200,000
	\$ 13,183,755	\$ 11,122,086	\$ 9,893,896	\$ 10,335,443	\$ 11,757,525
Net Revenue From Operations	\$ 4,210,923	\$ 6,376,062	\$ 7,611,461	\$ 6,519,068	\$ 4,479,151
System Customers	20,079	23,435	20,595	21,323	21,910

SEWER SYSTEM COMPARATIVE STATEMENT OF AUDITED OPERATIONS

	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
Revenues:					
Operating Revenues	\$ 11,908,379	\$ 13,015,015	\$ 12,967,850	\$ 12,365,131	\$ 12,108,105
Interest and Investment Revenue	86,901	1,714	36,630	33,173	43,431
Insurance Proceeds	-	-	-	-	77,469
Total Revenues	\$ 11,995,280	\$ 13,016,729	\$ 13,004,480	\$ 12,398,304	\$ 12,229,005
Expenses:					
Personnel Services	\$ 4,288,447	\$ 3,772,818	\$ 3,751,753	\$ 3,348,494	\$ 3,296,845
Contractual Services	1,659,504	1,613,872	1,511,235	1,669,232	1,650,527
Supplies and Materials	1,570,114	1,425,040	1,664,392	1,439,344	1,263,803
Other Expenses	572,793	487,538	494,376	484,759	591,638
Administrative Charge	400,535	388,869	383,497	375,976	368,600
Non-Operating Interest Expense	1,322,069	2,622,255	2,695,311	1,292,827	1,431,512
Payment in Lieu of Taxes	200,000	200,000	200,000	200,000	200,000
Total Expenses	\$ 10,013,462	\$ 10,510,392	\$ 10,700,564	\$ 8,810,632	\$ 8,802,925
Net Revenue From Operations	\$ 1,981,818	\$ 2,506,337	\$ 2,303,916	\$ 3,587,672	\$ 3,426,080

**CONDENSED STATEMENT OF OPERATIONS OF THE COMBINED WATERWORKS
AND SEWER SYSTEM, AND COMBINED COVERAGE TABLE**

	Budgeted Fiscal Year	Actual Fiscal Year
	<u>Ending 9/30/16</u>	<u>Ending 9/30/15</u>
<u>Revenues:</u>		
Sales and Services	\$ 37,751,643	\$ 29,234,834
Insurance Proceeds	-	
Interest Earned	37,874	155,124
Total Revenues	<u>\$ 37,789,517</u>	<u>\$ 29,389,958</u>
<u>Operating Expenses:</u>		
Combined Operating Expenses	\$ 18,304,870	\$ 19,337,769
Administrative Service Charge	1,064,798	1,056,787
Payment in Lieu of Taxes	400,000	400,000
Total Expenses	<u>\$ 19,769,668</u>	<u>\$ 20,794,556</u>
Net Revenue From Operations	<u>\$ 18,019,849</u>	<u>\$ 8,595,402</u>
2016 Principal and Interest Requirements.....	\$ 3,484,760	
Coverage of 2015 Principal and Interest Requirements Net Income.....	5.17X	2.47X
Average Annual Principal and Interest Requirements (2016-2030)....	\$ 2,574,357	
Coverage of Average Principal and Interest Requirements Net Income.....	7.00X	3.34X

MONTHLY RATES (EFFECTIVE OCTOBER 1, 2011)

Water Rate

Inside City	
<u>Quantity</u>	<u>Rates</u>
First 200 Cubic Feet	\$11.92 Minimum
Next 3,800 Cubic Feet	3.12/100 CF
Next 46,000 Cubic Feet	3.32/100 CF
Next 950,000 Cubic Feet	3.37/100 CF
All over 1,000,000 Cubic Feet	4.05/100 CF
Outside City	
<u>Quantity</u>	<u>Rates</u>
First 200 Cubic Feet	\$23.82 Minimum
Next 3,800 Cubic Feet	6.22/100 CF
Next 46,000 Cubic Feet	6.63/100 CF
Next 950,000 Cubic Feet	6.77/100 CF
All over 1,000,000 Cubic Feet	7.39/100 CF

Sewer Rate

<u>Quantity</u>	<u>Rates</u>
First 500 Cubic Feet	\$18.09 Minimum
Over 500 Cubic Feet	3.63/100 CF

TEN LARGEST WATER CUSTOMERS (BASED ON GALLONS CONSUMED)

Customer	Type of Business	Estimated	Estimated
		Fiscal Year 2015 Water Usage In Gallons	% of Total Water Usage
UTMB	Commerical Hospital	433,864,176	9.50%
Moody Gardens/ Hope Charties	Commerical Entertainment	74,182,821	1.62%
Village of Jamaica Beach	Commerical/Subdivision	65,463,527	1.43%
San Luis Hotel & Conminiums	Commerical Enterainment	55,400,731	1.21%
Port of Galveston	Commercial Port /Cruise Ship	52,270,134	1.14%
Gulfur Services LTD., LLP	Commerical	43,240,398	0.95%
Galveston Wharves	Local Government	41,074,787	0.90%
City of Galveston Park Rec	Local Government	40,124,964	0.88%
SCHLITTERBAHN WATER PARK	Commerical	31,149,633	0.68%
Silver Leaf Condos	Commerical	16,207,295	0.35%
		<u>852,978,465</u>	<u>18.67%</u>

Source: The City.

TEN LARGEST WASTEWATER CUSTOMERS

Customer	Type of Business	Estimated	Estimated
		Fiscal Year 2015 Wastewater Usage Measured by Revenues	% of Total Water Usage
UTMB	Commercial Hospital	\$ 943,273	7.89%
Moody Gardens/ Hope Charities	Commercial Entertainment	355,493	2.97%
San Luis Hotel & Conminiums	Commercial Entertainment	179,570	1.50%
Schlitterbahn Waterpark	Commercial Entertainment	148,803	1.24%
Sandpiper Cove Apartments	Commercial	112,146	0.94%
Silver Leaf Condos	Commercial	79,315	0.66%
Lake Side at Campeche Apartments	Commercial	69,443	0.58%
Galveston Housing	Local Government	66,611	0.56%
Landry's Restaurant	Commercial	52,555	0.44%
Village By The Sea APTS	Commercial	53,224	0.45%
		<u>\$ 2,060,432</u>	<u>17.24%</u>

Source: The City