



Protecting the Waters of Texas

Gulf Coast Authority, Texas

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

of the

**Gulf Coast Authority,
State of Texas**

For the Year Ended
December 31, 2021

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INTRODUCTORY SECTION





Gulf Coast Authority

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April 7, 2022

To the Board of Directors, Participants, and Customers
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, 2021.

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, 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, 2021, 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. Whitley Penn concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended December 31, 2021 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 report of the independent auditors.

Profile of the Authority

The Authority was created in 1969 by the Texas Legislature as a political subdivision of the State of Texas and is governed by a nine-member Board of Directors. The Authority provides services to assist governments and industries in managing their pollution control needs. These services include the operation of regional wastewater treatment facilities; involvement in community environmental projects; operation of industrial water systems; pollution control; and private activity bond financing of projects. The Authority's Act was amended in 1979 to enable GCA to enter into cooperative agreements with other local, state, and federal governments to expand GCA's powers to operate and maintain disposal systems outside the district and in 2013 to provide for the construction and operation of water systems. In 2017 the Authority was officially renamed from Gulf Coast Waste Disposal Authority to Gulf Coast Authority. During 2021, the Authority's statutory authority was extended to provide bond financing services nationwide, as well as the ability to provide financial support in the PACE program.

The Authority operates under the leadership of the Board of Directors consisting of the Chairman and eight other members. The list of the Board of Directors and their respective appointing bodies are included in this introductory section. The Board of Directors is responsible, among other things, 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 staff, managers, and department heads.

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

During 2021, 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 that has consolidated most of the Authority's analytical services.

Factors Affecting Financial Condition

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

Local economy. Harris, Galveston and Chambers Counties form the primary jurisdictional area for the Authority. This area is located within the Houston-Sugar Land-Baytown Metropolitan Statistical Area (MSA). Harris is the largest county and Houston is the largest city in the MSA. Houston is home to major U.S. energy firms in every segment, including manufacturing, exploration, production, oil field service and supply, and development. About 4,600 energy-related companies lie within the Houston area. These companies plus the technically trained and experienced work force will 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. NASA's Johnson Space Center is located in the region and provides for advances in space and aeronautics technology with its highly trained work force. The region is also home to the Port of Houston, the country's fifth largest port.

Houston is also the world leader in the chemical industry, with nearly 40% of the nation's capacity for producing the basic chemicals that are used by downstream chemical operations. The industry consists of more than 400 plants and employs more than 36,000. Over 90% of the Authority's operating revenues come from this industry sector.

According to the U.S. Census Bureau the population of the region grew from 6.1 million to 7.1 million (16.3%) between 2010 and 2020. The Bureau of Labor Statistics reports the unemployment rate for the Houston MSA at 4.8% as of December 31, 2021, down 40% from a year ago which is a result of the recovery from the COVID-19 pandemic. It also reports that there are currently 3.18 million jobs, which is an increase of 108,800. According to the Greater Houston Partnership (GHP), the Houston area could add an additional 75,000 jobs during 2022.

Ector and Midland Counties make-up a secondary jurisdictional 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 estimated population of the region was 343,000 in 2020, with growth expected to continue in the future. The Bureau of Labor Statistics reports the unemployment rate at December 31, 2021 as 4.2% and 4.7% for the Midland MSA and Odessa MSA, respectively. The ODC is projecting that employment growth will add over 37,400 new jobs over the next 20 years.

Long-term financial planning. The Board of Directors and staff have developed a business plan that includes the expansion of current facilities, the addition of new facilities and expansion into new types of services such as wastewater reuse. The 5-Year Capital Projects Plan includes over \$153 million in planned additions to existing facilities. The Bayport Facility accounts for almost \$113.3 million of the total with additions to maintain reliability as well as to maintain compliance

with air and water permits. Other additions include \$10 million at the Blackhawk Facility; \$13.4 million at the Washburn Tunnel Facility; \$495,000 at the 40-Acre Facility; \$3.2 million at the Odessa facility; \$9.2 million at the Campbell Bayou Facility; \$2.1 million at the Central Lab Facility, and \$1.4 million at the Vince Bayou Receiving Station. Funding for these projects will be provided by the issuance of revenue bonds, the contribution of capital from the participants, and/or accumulated reserves.

Major initiatives. GCA recently underwent an extensive formal planning process culminating in the creation of the GCA Strategic Plan 2022-2026. This planning process was initiated by the Board of Directors and led by the CEO/GM. A Staff Strategic Planning Committee was organized from senior leadership, facility management, and economic development teams. The committee members served as ambassadors to collect and share input with all GCA employees. The Strategic Plan supports five initiatives over the next 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. The Strategic Plan 2022-2026 was approved by the Board of Directors in December 2021.

GCA also recently approved the development of the GCA RailPort Facility in North Texas located in Midlothian, Texas. This is the first facility in 25 years to be developed/acquired by the Authority. It introduces GCA into a new geographical area, the Dallas Forth Worth Metroplex, and the addition of this facility highlight's GCA's "design for purpose" approach for an increasing need in wastewater and water reuse in data and processing centers. The RailPort Facility in North Texas was approved by the Board of Directors in October 2021.

Further, as previously mentioned, the 87th Texas Legislature (2021) enacted legislation to enable GCA the ability to act as a governmental conduit for bond financing nationwide, as well as the ability to provide financial support in the PACE program. In order to better provide bond conduit services, GCA underwent a comprehensive Request for Qualifications (RFQ) for the selection of Financial Advisor, Bond Counsel, and an Underwriter Pool in June/July 2021. The GCA Financial Director is currently working to redevelop the GCA website on financial services, as well as supporting written informational materials.

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

The Authority's Bayport, 40-Acre, Odessa South, and Blackhawk Facilities received a Gold Award, and the Washburn Tunnel Facility received a Silver Award for their permit compliance achievements during the 2020 operational year by the National Association of Clean Water Agencies.

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, 2021. This was the 34th consecutive year that the Authority has 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.

The preparation of this report could not be accomplished on a timely basis without the efficient and dedicated services of the entire staff of the Leadership Team, especially the Accounting and Finance Department, and our independent auditor. We would like to express our sincere appreciation to all employees who contributed to its preparation. We would also like to thank the Board of Directors for its support in planning and conducting the financial operations of the Authority in a responsible and progressive manner and the Audit and Budget Committee for its role in overseeing the audit process.

Respectfully submitted,



Elizabeth Fazio Hale
General Manager/CEO



Carrie Latimer
Financial Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Gulf Coast Authority
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

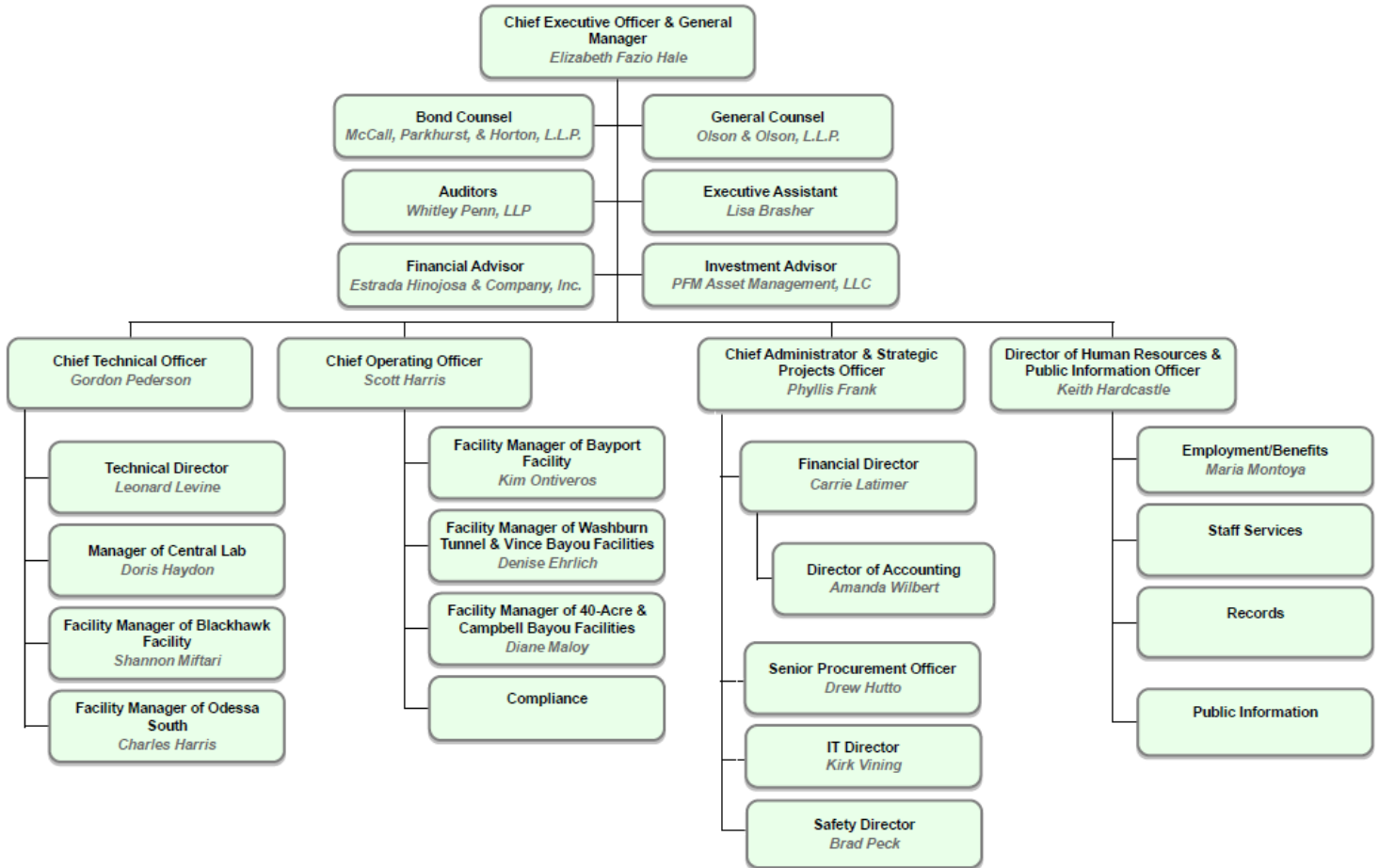
December 31, 2020

Christopher P. Morill

Executive Director/CEO



Gulf Coast Authority Organizational Chart



November 1, 2021

GULF COAST AUTHORITY
BOARD OF DIRECTORS

Chairman

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

Appointed by County Commissioners Court

Vice Chairman

Rita Standridge
Representing Chambers County

Appointed by Consortium of Mayors

Treasurer

Kevin Scott
Representing Galveston County

Appointed by Governor

Secretary

W. Chris Peden, CPA
Representing Galveston County

Appointed by County Commissioners Court

Directors

Vacant
Representing Harris County

Appointed by Consortium of Mayors

Billy J. Enochs
Representing Galveston County

Appointed by Consortium of Mayors

J. Mark Schultz
Representing Chambers County

Appointed by County Commissioners Court

Amber Batson
Representing Harris County

Appointed by Governor

Lamont E. Meaux
Representing Chambers County

Appointed by Governor

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

INDUSTRIAL DEVELOPMENT BOARD

W. Chris Peden, President
Elizabeth Fazio Hale, Vice President
Gordon Pederson, Secretary

GOVERNANCE AND NOMINATING COMMITTEE

W. Chris Peden, Chairman
Amber Batson
Mark Schultz
Rita Standridge

AUDIT & BUDGET COMMITTEE

Kevin Scott, Chairman
Billy Enochs
Lamont E. Meaux
W. Chris Peden
-Open-

ECONOMIC DEVELOPMENT COMMITTEE

Rita Standridge, Chairman
Billy J. Enochs
Amber Batson
Mark Schultz
Kevin Scott

LEGISLATIVE COMMITTEE

Mark Schultz, Chairman
Lamont E. Meaux
Kevin Scott
Rita Standridge
-Open-

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

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

Gordon Pederson

Chief Administrative and Strategic Projects Officer

Phyllis Frank

Financial Director

Carrie Latimer, DFCP

Director of Accounting

Amanda Wilbert, CPA, CGFO, CFE

General Counsel

Olson & Olson, LLP

Houston, Texas

Bond Counsel

McCall, Parkhurst & Horton

Dallas, Texas

Financial Advisor

Estrada Hinojosa & Company, Inc.

Austin, Texas

Auditors

Whitley Penn, LLP

Houston, Texas

General Office

Gulf Coast Authority
910 Bay Area Boulevard
Houston, Texas 77058

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the business type activities, the major fund, and the aggregate remaining fund information of the Gulf Coast Authority (the "Authority") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the major fund, and the aggregate remaining fund information of the Gulf Coast Authority, as of December 31, 2021, and the respective changes in financial position, and where applicable, the results of cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our ethical responsibilities, in accordance with the relevant ethical requirement relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

To the Audit Committee and Board of Directors
Gulf Coast Authority

The information in the other supplementary and Texas supplementary information sections is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in the other supplementary and Texas supplementary information sections is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Houston, Texas
April 7, 2022



GULF COAST AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gulf Coast Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of Gulf Coast Authority for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have provided in our letter of transmittal, starting on page i of this report.

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. These financial statements are comprised of three components: (1) the basic financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Financial Highlights

- The Authority's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$161.7 million. Of this amount, \$77.7 million represents net investment in capital assets; \$6.3 million is restricted net position and the remaining \$77.7 million represents unrestricted net position.
- The Authority's total net position increased by \$5.7 million from \$155.9 million at the end of the prior year to an ending net position of \$161.7 million at December 31, 2021. The increase is primarily due to charges for services received in the amount of \$78.7 million.
- Expenses for the Authority were \$72.8 million and were less than the revenues by \$5.7 million .

Overview of the Financial Statements

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, presented in a manner similar to that of a private-sector business.

The statement of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, 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 activities presents information showing how the Authority's net position changed during the most recent 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future years (e.g., earned but unused vacation leave).

The government-wide financial statements show the activities of the Authority that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The activities of the Authority include general services, wastewater treatment, and solid waste disposal. The government-wide financial statements can be found beginning on page 13.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Authority can be divided into two categories: proprietary funds and fiduciary funds.

GULF COAST AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary funds. The Authority maintains two different types of proprietary funds: enterprise funds and internal service funds. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Enterprise Fund

An enterprise fund is used to report the functions that are business-type activities. The Authority has one enterprise fund that is divided into thirteen divisions. These divisions are the General Services Division, Bayport Area System Facility Division, Blackhawk Regional Wastewater Treatment Facility Division, Fulshear Wastewater Treatment Plant, Campbell Bayou Facility Division, Central Laboratory Division, East Battleground Facility Division, 40-Acre Facility Division, Municipal Operations Division, Odessa South Regional Facility Division, Vince Bayou Division, Washburn Tunnel Facility Division, Washburn Tunnel Pipeline Services Division, RailPort Facility Division, and the Gulf Coast Industrial Development Authority ("GCIDA").

Internal Service Funds

Internal service funds are used to accumulate and allocate costs internally amongst the Authority's various divisions. The Authority uses internal service funds to account for payment of deductible amounts on casualty insurance claims, compensated absences, data processing, medical and dental benefits to Authority employees, participating dependents, and eligible retirees; equipment services; and governmental relations services regarding pretreatment legislation.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Combining Information and Statements section of this report.

The basic proprietary fund financial statements can be found starting page 15 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. 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 covered by the *Gulf Coast Authority 401(a) Money Purchase Plan* and the *Gulf Coast Authority Other Post-Employment Benefit Trust*. The Custodial Fund reports resources held by the Authority in a custodial capacity for individuals participating in the flexible spending account program.

The fiduciary fund financial statements can be found starting on page 18 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 21.

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

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

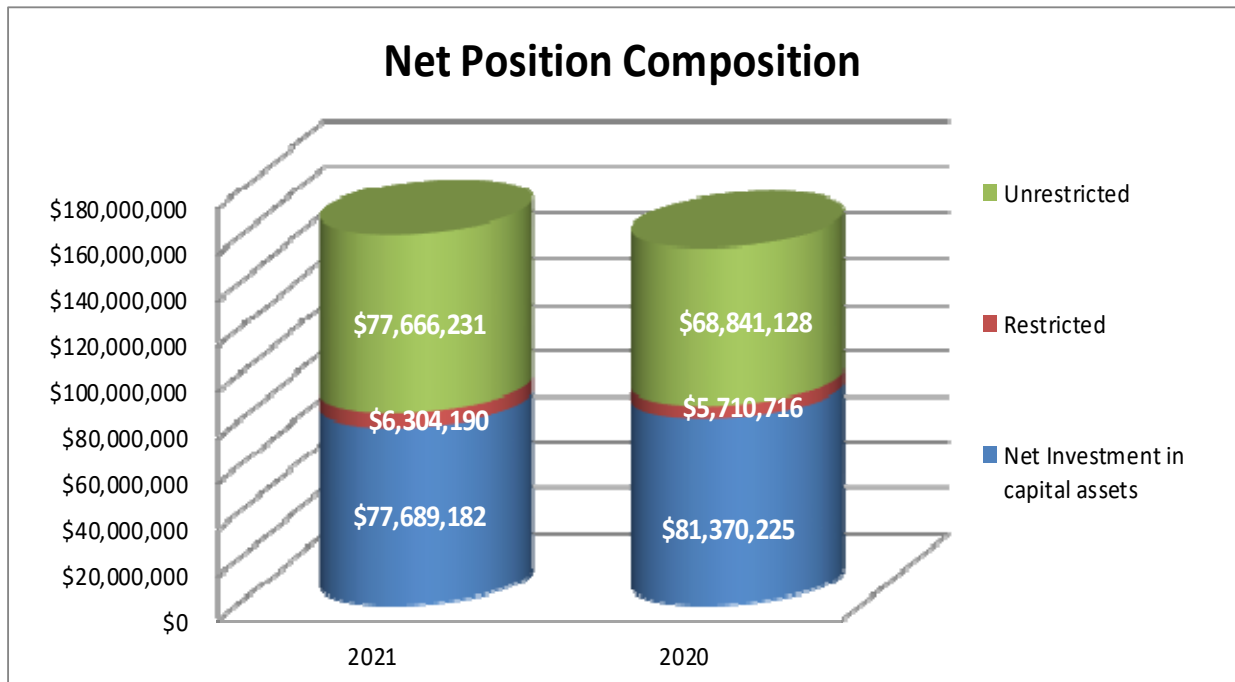
Government-wide Financial Analysis

As noted earlier, net position may serve as an indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$161.7 million at the close of the 2021 year.

Net Position
December 31, 2021 with comparative totals for December 31, 2020

	2021	2020	Increase / (Decrease)	
			\$	%
Current and other assets	\$ 114,349,153	\$ 119,618,628	\$ (5,269,475)	-4.41%
Capital assets	164,478,732	159,123,296	5,355,436	3.37%
Total Assets	278,827,885	278,741,924	85,961	0.03%
Total Deferred Outflows of Resources	1,971,690	2,636,425	(664,735)	-25.21%
Long term liabilities	96,625,023	102,236,921	(5,611,898)	-5.49%
Other liabilities	19,125,876	19,982,200	(856,324)	-4.29%
Total Liabilities	115,750,899	122,219,121	(6,468,222)	-5.29%
Total Deferred Inflows of Resources	3,389,073	3,237,159	151,914	4.69%
Net Position:				
Net Investment in capital assets	77,689,182	81,370,225	(3,681,043)	-4.52%
Restricted	6,304,190	5,710,716	593,474	10.39%
Unrestricted	77,666,231	68,841,128	8,825,103	12.82%
Total Net Position	\$ 161,659,603	\$ 155,922,069	\$ 5,737,534	3.68%

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 \$77.7 million of net investment in capital assets. This amount represents the Authority's capital assets (e.g., land, buildings, machinery, and equipment), less any remaining debt used to acquire those assets. The Authority's capital assets are used in operations to provide services to customers, participants and other governments; consequently, these assets are not available for future spending.

The 4.5% decrease in net position invested in capital assets is primarily due to additions to capital assets of \$16.0 million. This was offset by the approximately \$10.5 million recognized in 2021 for depreciation expense on capital assets previously placed in service.

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

The Authority's remaining net position is classified as restricted and unrestricted. Restricted net position is subject to restrictions for debt service, a contingency reserve, and capital projects. At year end, unrestricted net position was \$77.7 million, representing a 12.8% increase from 2020. Unrestricted net position may be used to meet the Authority's ongoing liabilities.

Current and other assets decreased \$5.3 million in 2021. This decrease is due to a decrease in cash equivalents resulting from spending down bond proceeds during the current year.

The \$6.5 million (5.3%) decrease in total liabilities is due to a reduction in outstanding bonds payable after making scheduled debt payments during the year.

Total net position increased by \$5.7 million in 2021. The components of the changes are as follows:

	2021	2020	Increase / (Decrease)	
			\$	%
Revenues:				
Program revenues				
Charges for services	\$ 78,684,258	\$ 73,892,421	\$ 4,791,837	6.5%
Operating grants and contributions	-	5,961	(5,961)	100.0%
Capital grants and contributions	162,700	318,154	(155,454)	-48.9%
Total program revenues	<u>78,846,958</u>	<u>74,216,536</u>	<u>4,630,422</u>	<u>6.2%</u>
Unrestricted investment earnings (loss)	(426,276)	2,259,735	(2,686,011)	-118.9%
Insurance proceeds	129,155	251,765	(122,610)	-48.7%
Total Revenues	<u>78,549,837</u>	<u>76,728,036</u>	<u>1,821,801</u>	<u>2.4%</u>
Expenses:				
General services	1,839,119	1,031,083	808,036	78.4%
Wastewater treatment	70,068,723	68,281,152	1,787,571	2.6%
Solid waste disposal	904,461	993,101	(88,640)	-8.9%
Total Expenses	<u>72,812,303</u>	<u>70,305,336</u>	<u>2,506,967</u>	<u>3.6%</u>
Change in Net Position	5,737,534	6,422,700	(685,166)	-10.7%
Beginning Net Position	<u>155,922,069</u>	<u>149,499,369</u>	<u>6,422,700</u>	<u>4.3%</u>
Ending Net Position	<u>\$ 161,659,603</u>	<u>\$ 155,922,069</u>	<u>\$ 5,737,534</u>	<u>3.7%</u>

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

Capital grants and contributions decreased in 2021 by \$0.2 million due to decrease in capital projects during the current year. Charges for services increased by \$4.8 million due primarily due to a rate increase at the Bayport Area System Facility Division in 2021. Unrestricted investment earnings decreased by \$2.7 million due to less favorable investment performance during 2021. Total expenses increased by \$2.5 million during 2021 due to gradual increases in the cost of personnel and services.

Financial Analysis of the Authority's Funds. The proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Capital Asset and Debt Administration

Capital assets. The Authority's total capital assets as of December 31, 2021, totaled \$164.5 million (net of accumulated depreciation). These investments include land, buildings, waste treatment facilities and equipment, administrative furniture and equipment and construction in progress. The total increase in the Authority's capital assets for the current year was 3.4%. Depreciation expense for the year was \$10.5 million. Construction in progress increased \$11.0 million. Capital assets (net of depreciation) as of December 31, 2021 with comparative totals for December 31, 2020 are as follows:

	2021	2020	Increase/(Decrease)	
			\$	%
Land	\$ 5,174,541	\$ 5,174,541	\$ -	-
Buildings	637,861	688,334	(50,473)	-
Waste treatment facilities and equipment	94,227,700	99,936,419	(5,708,719)	-5.7%
Administrative furniture and equipment	1,933,465	1,780,243	153,222	8.6%
Construction in progress	62,505,165	51,543,759	10,961,406	21.3%
	<u>\$ 164,478,732</u>	<u>\$ 159,123,296</u>	<u>\$ 5,355,436</u>	<u>3.4%</u>

Major capital asset outlays during the year 2021 included the following:

<u>Capital Outlay Description</u>	<u>Capital Outlay</u>
Plant improvements at the RailPort Facility	
RailPort Wastewater Treatment Plant	\$ 690,245
Plant improvements at the Bayport Facility:	
Organic Capacity Evaluation and Upgrade	1,667,183
Biosan Pipeline Assessment and Upgrade	8,176,273
First Step Blower Replacements	668,234
Belt Press Building & Equipment Corrosion Repair	516,444
1st & 2nd Steps Recirculated Pumps & Piping	581,481
	<u>\$ 12,299,860</u>

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

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

Debt

At the end of the current year, the Authority had \$77 million in debt outstanding compared to \$82 million last year. The decrease is due to payments on the bonds during the year.

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

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

Economic Factors and Next Year's Rates

In early 2020, the world experienced an onset of COVID-19 which led to the worst economic downturn since the 1920s. However, in 2021 Houston set a record for job growth, recovering almost 90% of jobs lost during the pandemic, according to the Greater Houston Partnership. The Partnership forecasts that job growth could exceed 75,000 during 2022.

According to the Texas Workforce Commission, the unemployment rate as of December 31, 2021 for the Houston Area was 4.8%. Though a significant improvement over the prior year, that is higher than the national rate of 3.7% and the Texas rate of 4.3%.

The Board of Directors approved a rate increase for the Bayport Area System Facility Division for fiscal year 2022 that increases projected revenue by 10%.

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 Director of Accounting, 910 Bay Area Boulevard, Houston, Texas 77058.

BASIC FINANCIAL STATEMENTS



GULF COAST AUTHORITY
STATEMENT OF NET POSITION
December 31, 2021

	Business Type Activities
Assets	
Cash and cash equivalents	\$ 22,833,042
Marketable securities	68,245,271
Receivables, net	15,043,131
Prepays	1,059,866
Restricted assets:	
Cash and cash equivalents	6,540,486
Marketable securities	627,357
Capital assets not being depreciated:	
Land	5,174,541
Construction in progress	62,505,165
Capital assets net of accumulated depreciation:	
Plant and equipment	96,799,026
Total Assets	278,827,885
Deferred Outflows of Resources	
Deferred loss on refunding	247,675
Deferred outflows - OPEB	1,724,015
Total Deferred Outflows of Resources	1,971,690
Liabilities	
Current liabilities:	
Accounts payable	8,107,318
Wages payable	1,090,060
Accrued bond interest	863,653
Unearned revenue	9,064,845
Noncurrent liabilities:	
Due within one year	6,863,476
Due in more than one year	80,576,859
Net OPEB liability	7,508,987
Working capital deposits	1,675,701
Total Liabilities	115,750,899
Deferred Inflows of Resources	
Deferred inflows - OPEB	3,389,073
Total Deferred Inflows of Resources	3,389,073
Net Position	
Net investment in capital assets	77,689,182
Restricted:	
Debt service	4,949,548
Contingency reserve	836,945
Capital projects	517,697
Unrestricted	77,666,231
Total Net Position	\$ 161,659,603

GULF COAST AUTHORITY
STATEMENT ACTIVITIES - BUSINESS TYPE ACTIVITIES
For the Year Ended December 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General services	\$ 1,839,119	\$ 2,095,046	\$ -	\$ -	\$ 255,927
Wastewater treatment	70,068,723	75,687,746	-	162,700	5,781,723
Solid waste disposal	904,461	901,466	-	-	(2,995)
	<u>\$ 72,812,303</u>	<u>\$ 78,684,258</u>	<u>\$ -</u>	<u>\$ 162,700</u>	<u>6,034,655</u>
					Unrestricted investment earnings (426,276)
					Miscellaneous 129,155
					<u>Total general revenues (297,121)</u>
					Change in Net Position 5,737,534
					<u>Beginning Net Position 155,922,069</u>
					<u>Ending Net Position \$ 161,659,603</u>

GULF COAST AUTHORITY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2021

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 20,611,853	\$ 2,221,189
Marketable securities	61,596,596	6,648,675
Receivables, net	15,024,683	18,448
Prepays	701,649	358,217
Restricted assets:		
Cash and cash equivalents	6,540,486	-
Marketable securities	627,357	-
Total Current Assets	<u>105,102,624</u>	<u>9,246,529</u>
Noncurrent Assets:		
Capital assets:		
Land	5,174,541	-
Construction in progress	61,630,841	874,324
Plant and equipment	309,316,807	7,290,105
Less accumulated depreciation	(214,328,750)	(5,479,136)
Total capital assets (net of accumulated depreciation)	<u>161,793,439</u>	<u>2,685,293</u>
Total Noncurrent Assets	<u>161,793,439</u>	<u>2,685,293</u>
Total Assets	<u>\$ 266,896,063</u>	<u>\$ 11,931,822</u>
Deferred Outflows of Resources		
Deferred loss on refunding	\$ 247,675	\$ -
Deferred outflows - OPEB	-	1,724,015
Total Deferred Outflows of Resources	<u>\$ 247,675</u>	<u>\$ 1,724,015</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 7,973,759	\$ 133,559
Wages payable	1,090,060	-
Accrued bond interest	863,653	-
Current portion of accrued compensated absences	-	1,640,905
Current portion of bonds payable	5,222,571	-
Unearned revenue	9,064,845	-
Total Current Liabilities	<u>24,214,888</u>	<u>1,774,464</u>
Noncurrent Liabilities:		
Accrued compensated absences	-	909,831
Net OPEB liability	-	7,508,987
Bonds payable (net of unamortized premium)	79,667,028	-
Working capital deposits	1,675,701	-
Total Noncurrent Liabilities	<u>81,342,729</u>	<u>8,418,818</u>
Total Liabilities	<u>105,557,617</u>	<u>10,193,282</u>
Deferred Inflows of Resources		
Deferred inflows - OPEB	-	3,389,073
Total Deferred Inflows of Resources	<u>-</u>	<u>3,389,073</u>
Net Position		
Net investment in capital assets	75,003,889	2,685,293
Restricted:		
Debt service	4,949,548	-
Contingency reserve	836,945	-
Capital projects	517,697	-
Unrestricted	<u>80,278,042</u>	<u>(2,611,811)</u>
Total Net Position	<u>161,586,121</u>	<u>\$ 73,482</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>73,482</u>	
Net Position of the business-type activities	<u>\$ 161,659,603</u>	

GULF COAST AUTHORITY
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating Revenues		
Charges for sales and services		
Services to industries	\$ 73,312,340	\$ -
Services to municipalities	4,057,533	-
Intragovernmental	-	4,802,256
Other	1,314,385	758,345
Total Operating Revenues	<u>78,684,258</u>	<u>5,560,601</u>
Operating Expenses		
Costs of sales and services	55,467,021	1,636,105
Administration	3,973,970	3,552,139
Depreciation	10,130,521	376,608
Total Operating Expenses	<u>69,571,512</u>	<u>5,564,852</u>
Operating income (loss)	<u>9,112,746</u>	<u>(4,251)</u>
Nonoperating Revenues (Expenses)		
Investment income (loss)	(388,758)	(37,518)
Interest expense	(3,181,248)	-
Gain (loss) on disposal of capital assets	(87,792)	32,500
Insurance proceeds	129,155	-
Total Nonoperating Revenues (Expenses)	<u>(3,528,643)</u>	<u>(5,018)</u>
Income (loss) before contributions and transfers	5,584,103	(9,269)
Capital contributions	162,700	-
Transfers in	318	-
Transfers out	(318)	-
Changes in Net Position	5,746,803	(9,269)
Beginning Net Position	<u>155,839,318</u>	<u>82,751</u>
Ending Net Position	<u>\$ 161,586,121</u>	<u>\$ 73,482</u>
Change in Net Position of enterprise fund	\$ 5,746,803	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>(9,269)</u>	
Change in net position of business-type activities	<u>\$ 5,737,534</u>	

GULF COAST AUTHORITY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 78,209,054	\$ 758,345
Receipts from intragovernmental users	-	4,798,642
Payments to suppliers	(35,135,589)	(4,920,891)
Payments to employees	(23,777,837)	(207,142)
Payments to intragovernmental suppliers	(2,422,531)	-
Net cash provided by operating activities	<u>16,873,097</u>	<u>428,954</u>
Cash Flows from Noncapital Financing Activities		
Intragovernmental transfers in	318	-
Intragovernmental transfers (out)	(318)	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(15,413,790)	(407,387)
Proceeds from sale of capital assets	-	32,500
Retirement of bonds	(4,455,000)	-
Interest paid on capital related debt	(3,677,362)	-
Capital contributions received from participants	162,700	-
Net cash provided (used) by capital and related financing activities	<u>(23,383,452)</u>	<u>(374,887)</u>
Cash Flows from Investing Activities		
Maturity (purchase) of investments	(11,631,562)	(952,642)
Interest received (paid)	(400,839)	(37,518)
Net cash provided (used) by investing activities	<u>(12,032,401)</u>	<u>(990,160)</u>
Net increase (decrease) in cash and cash equivalents	(18,542,756)	(936,093)
Beginning cash and cash equivalents	45,695,095	3,157,282
Ending cash and cash equivalents	<u>\$ 27,152,339</u>	<u>\$ 2,221,189</u>
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	\$ 20,611,853	\$ 2,221,189
Restricted cash and cash equivalents	6,540,486	-
	<u>\$ 27,152,339</u>	<u>\$ 2,221,189</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 9,112,746	\$ (4,251)
Adjustment to reconcile operating income to net cash provided by operating activities		
Depreciation	10,130,521	376,608
Changes in Operating Assets and Liabilities		
(Increase) decrease in assets:		
Accounts receivable, net	(1,655,538)	(3,614)
Due from other funds	(276,051)	-
Prepays	33,953	31
Increase (decrease) in liabilities:		
Wages payable	169,911	(82,976)
Accounts payable	(2,098,830)	(13,894)
Due to other funds	276,051	-
Net OPEB liability and related amounts	-	157,050
Unearned revenue	1,142,151	-
Working capital deposits	38,183	-
Net cash provided by operating activities	<u>\$ 16,873,097</u>	<u>\$ 428,954</u>

GULF COAST AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
December 31, 2021

	<u>Other Pension and Post-Employment Benefit Trust Funds</u>	<u>Custodial Fund Employee Flexible Spending Agency Fund</u>
Assets		
Cash and cash equivalents	\$ -	\$ 332,433
Investments, at fair value:		
Stable Value/Cash Management	16,830,863	-
Bonds	5,523,183	-
Guaranteed Lifetime Income	8,113,447	-
Balanced/Asset Allocation	9,070,026	-
U.S. Stock	16,975,722	-
International/Global Stock	2,928,415	-
Specialty	488,735	-
Domestic Equities	7,792,876	-
Fixed Income	3,255,148	-
Private Equity	1,481,451	-
Total Assets	<u>\$ 72,459,866</u>	<u>\$ 332,433</u>
Net Position		
Restricted for:		
Pensions	\$ 59,930,391	\$ -
Other post-employment benefits	12,529,475	-
Individuals	-	332,433
Total Net Position	<u>\$ 72,459,866</u>	<u>\$ 332,433</u>

GULF COAST AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

For the Year Ended December 31, 2021

	<u>Other Pension and Post-Employment Benefit Trust Funds</u>	<u>Custodial Fund Employee Flexible Spending Agency Fund</u>
Additions		
Contributions:		
Members	\$ 674,187	\$ -
Employers	1,856,513	109,180
Total Contributions	<u>2,530,700</u>	<u>109,180</u>
Investment earnings:		
Net increase/(decrease) in fair value of investments	7,193,843	510
Net investment earnings	<u>7,193,843</u>	<u>510</u>
Other Additions:		
Roll-ins	36,612	-
Loan repayments	429,306	-
Beneficiary transfers	942,734	-
Forfeiture credits	99,156	-
Miscellaneous credits	835	-
Total Other Additions	<u>1,508,643</u>	<u>-</u>
Total Additions	<u>11,233,186</u>	<u>109,690</u>
Deductions:		
Benefit payments	5,283,929	106,951
Beneficiary transfers	942,734	-
Loan issuances	208,153	-
Forfeiture debits	99,156	-
Miscellaneous debits	-	-
Administrative expense	91,088	-
Total Deductions	<u>6,625,060</u>	<u>106,951</u>
Change in Net Position	4,434,373	2,739
Beginning Net Position	68,025,493	329,694
Ending Net Position	<u>\$ 72,459,866</u>	<u>\$ 332,433</u>



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 three-member GCIDA Board of Directors and may, for cause or at will, remove the Corporation's three-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 Articles of Incorporation, terminate, or dissolve the Corporation. GCIDA is reported as a blended component unit.

B. Government-wide and Fund Financial Statements

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present the Business Type Activities for the Authority as a whole. Fiduciary Activities are not included in these statements. Internal service fund activity is eliminated to avoid duplicating revenues and expenses.

In the government-wide statement of net position, business-type activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Authority. Direct expenses are those that are specifically associated with a program or function and therefore, clearly identifiable to a particular function. Functional revenues include charges paid by the recipients for goods and services offered by the function. Revenues that are not classified as program revenues, such as investment earnings, are presented as general revenues.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

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

The Authority reports the following proprietary fund types:

Enterprise Fund. The Authority reports one enterprise fund which accounts for the operations of the Authority's three functions: general services, wastewater treatment and solid waste disposal. It includes the following divisions of the Authority: the General Services Division, Bayport Area System Facility Division, Blackhawk Regional Wastewater Treatment Facility Division, Fulshear Wastewater Treatment Plant, Campbell Bayou Facility Division, Central Laboratory Division, East Battleground Facility Division, 40-Acre Facility Division, Municipal Operations Division, Odessa South Regional Facility Division, Vince Bayou Division, Washburn Tunnel Facility Division, Washburn Tunnel Pipeline Services Division, RailPort Facility Division and the Gulf Coast Industrial Development Authority ("GCIDA"). These divisions account for all of the business-type activities of the Authority.

Internal Service Funds. These funds account for payment of compensated absences; for the deductible amounts on casualty insurance claims; for medical, dental, and vision benefits to Authority employees, participating dependents, and eligible retirees; for equipment services; for computer and network services; and for lobbying efforts for pretreatment legislation on a cost-reimbursement basis.

Additionally, the Authority reports the following fiduciary fund types:

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

Custodial Fund. This fund was established to hold employee contributions to the employee's flexible spending accounts. Contributions are made from biweekly payroll deductions. Employees can spend their full annual contributions at any time during the year, so the Authority has contributed \$300,000 to the fund to cover payments made during the year that exceed the year-to-date contributions. The fund is administered by UnitedHealth care.

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

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

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

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. In government-wide financial statements, business-type activities are presented using the "economic resources" measurement focus as defined below. In the fund financial statements, "economic resources" measurement focus is also used as appropriate.

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

All primary sources of the Authority's revenue are susceptible to accrual. Examples of revenue accrued are fees for services, charges to participants based on cost-reimbursement contracts, and earnings from investments. The Authority receives no revenue from taxes. Unbilled receivables are recorded for services rendered but not yet invoiced as of the end of each accounting period. For those divisions where services are rendered on a cost-reimbursement basis, unbilled receivables consist primarily of variances between periodic budget billings and actual expenditures. These include the Blackhawk Regional Wastewater Treatment 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 Area System Facility Division, Fulshear Wastewater Treatment Plant, Central Laboratory Division, Municipal Operations Division, Odessa South Regional 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.

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 on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

I. Summary of Significant Accounting Policies (continued)

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.

4. Prepayments

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

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

I. Summary of Significant Accounting Policies (continued)

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

5. Capital Assets

Capital assets of proprietary funds are reported in both the government-wide and fund financial statements. Capital assets are recorded at historical cost and depreciated 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. Depreciation expense is reported in the government-wide statement of activities and the proprietary fund 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 is recorded using the straight-line method over the estimated service lives as follows:

Cranes, mobile units, motor vehicles, and other equipment	3-10 Years
Aerators, pumps, and electrical 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. 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.

During the 1987 year, the Authority established the Compensated Absence Fund, an internal service fund, to accumulate money to pay liabilities for compensated absences. The total vested liability to all Authority employees for vacation and leave is recorded in this internal service fund. Every pay period, the Enterprise Fund pays to the Compensated Absence Fund the current value of the accrued compensated absences earned by the employees during that pay period.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

I. Summary of Significant Accounting Policies (continued)

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

7. 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 – net position in the government-wide and proprietary fund financial statements, 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.

8. Intragovernmental Transactions

Transactions that would be treated as revenue or expense if they involved organizations external to the Authority are similarly treated when involving funds of the Authority. Major transactions that fall into this category include payments for services and rental of equipment to the Equipment Services Fund, payments for computer services to the Computer & Network Services Fund, and payments in lieu of insurance premiums to the Employees’ Health Care Fund.

9. 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.

10. 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 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. 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 one item that qualifies for reporting in this category, the deferred amounts related to OPEB.

11. 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.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

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 Area Facility Division and the Odessa South Regional Facility Division, the Board establishes rates for the treatment of waste received from the facilities customers. Although the Bayport Area Facility Division and the Odessa South Regional 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 Regional Wastewater Treatment 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.

III. Detailed Notes on All Funds

A. Deposits and Investments

The table below presents the Authority's investments as of December 31, 2021, classified by credit rating from a national rating agency As of December 31, 2021:

<u>Investment Type</u>	<u>Fair Value / Amortized Cost</u>	<u>Percentage of Portfolio</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating Standard & Poor's</u>
U.S. Agencies				
FNMA	\$ 4,520,039	5%	773	AA+
FHLMC	11,075,069	13%	562	AA+
FFCB	413,651	1%	399	AA+
FHLB	788,369	1%	413	AA+
U.S. Treasury Notes	44,214,803	53%	705	AA+
National Agency Bonds	2,942,354	4%	821	AAA+
Municipal Securities	4,918,342	6%	504	A to AAA
State Pools:				
Texpool	517,655	1%	39	AAA
Texas Range	7,447,417	9%	29	AAA
Texas CLASS	5,881,186	7%	35	AAA
Total fair value	<u>\$ 82,718,885</u>	<u>100%</u>		
Portfolio weighted average maturity			562	

**Reconciliation to Statement of
Net Position**

Total Investments Above	\$ 82,718,885
Demand Deposits	<u>15,527,271</u>
Total Cash, Cash Equivalents, and Marketable Securities	<u>\$ 98,246,156</u>

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The Authority's investments fair value measurements are as follows as December 31, 2021:

<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	\$ 16,797,128	\$ -	\$ 16,797,128	\$ -
U.S. Treasury Notes	44,214,803	44,214,803	-	-
National Agency Bonds	2,942,354	-	2,942,354	-
Municipal Securities	4,918,342	-	4,918,342	-
	<u>\$ 68,872,627</u>	<u>\$ 44,214,803</u>	<u>\$ 24,657,824</u>	<u>\$ -</u>

**Reconciliation to Statement of
Net Position**

Total Investments Above	\$ 68,872,627
Demand Deposits	15,527,271
State Pools	<u>13,846,258</u>
Total Cash, Cash Equivalents, and Marketable Securities	<u>\$ 98,246,156</u>

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, 2021, the Authority's investments were in compliance with State law and the Authority's investment policy as noted in the table on the following page.

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, 2021, 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.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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.

Investment income for the year ended December 31, 2021 is comprised of the following:

Interest and Dividends	\$ 571,383
Realized gains (losses)	374,353
Unrealized gains (losses)	(1,372,012)
	<u>\$ (426,276)</u>

B. Receivables

Receivables at year-end consist of the following:

	<u>Business Type Activities</u>
	<u>Current</u>
Accounts receivable	\$ 9,549,954
Unbilled receivables	14,493
Accrued revenue	5,669,176
Other receivables	15,896
Gross receivables	<u>15,249,519</u>
Less: allowance for doubtful accounts	(206,388)
Net receivables	<u>\$ 15,043,131</u>

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, 2021, are as follows:

Restricted Assets:		
Cash and cash equivalents	\$	6,540,486
Marketable securities		627,357
	\$	<u>7,167,843</u>
Assets restricted for:		
Debt service ¹	\$	5,813,201
Capital projects		517,697
Contingency reserve		836,945
	\$	<u>7,167,843</u>

¹Difference between assets restricted for debt service and net position restricted for debt service is accrued interest of \$863,653

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.

Balance of reserve fund as of December 31, 2021	\$	5,813,201
Average annual debt service	\$	5,181,613
Balance of reserve fund over/(under) average annual debt service	\$	631,588

Blackhawk Regional Wastewater Treatment

The Regional Waste Disposal Facility Contract between the participants of the Blackhawk Regional Wastewater Treatment 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, 2021, the increase to the reserve was \$19,394 from the participants. The restricted assets as reported on the Statement of Net Position as of December 31, 2021 was \$836,945.

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:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassifications/ Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 5,174,541	\$ -	\$ -	\$ -	\$ 5,174,541
Construction in progress	51,543,759	14,173,172	-	(3,211,766)	62,505,165
Total capital assets not being depreciated	<u>56,718,300</u>	<u>14,173,172</u>	<u>-</u>	<u>(3,211,766)</u>	<u>67,679,706</u>
Capital assets being depreciated:					
Waste treatment facilities and equipment	303,179,251	1,220,518	(816,185)	3,211,766	306,795,350
Office buildings	1,714,689	-	-	-	1,714,689
Administrative furniture and equipment	7,898,219	556,667	(358,013)	-	8,096,873
Total capital assets being depreciated	<u>312,792,159</u>	<u>1,777,185</u>	<u>(1,174,198)</u>	<u>3,211,766</u>	<u>316,606,912</u>
Less accumulated depreciation for:					
Waste treatment facilities and equipment	(203,242,832)	(10,053,211)	728,393	-	(212,567,650)
Office buildings	(1,026,355)	(50,473)	-	-	(1,076,828)
Administrative furniture and equipment	(6,117,976)	(403,445)	358,013	-	(6,163,408)
Total accumulated depreciation	<u>(210,387,163)</u>	<u>(10,507,129)</u>	<u>1,086,406</u>	<u>-</u>	<u>(219,807,886)</u>
Total capital assets being depreciated, net	<u>102,404,996</u>	<u>(8,729,944)</u>	<u>(87,792)</u>	<u>3,211,766</u>	<u>96,799,026</u>
Capital Assets, net	<u>\$ 159,123,296</u>	<u>\$ 5,443,228</u>	<u>\$ (87,792)</u>	<u>\$ -</u>	<u>\$ 164,478,732</u>

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

Business-type	
General services	\$ 77,309
Wastewater treatment	10,040,008
Solid waste disposal	13,204
In addition, depreciation on capital assets held by the Authority's internal service fund is charged to the various functions based on their usage of assets	<u>376,608</u>
Total depreciation expense	<u>\$ 10,507,129</u>

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

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

<u>Project Description</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Remaining Commitment</u>
Washburn Tunnel			
Replacement of ISO Mixers	\$ 180,000	\$ 162,700	\$ 17,300
East Battleground			
East Battleground Wastewater Treatment Plant	2,051,120	1,759,188	291,932
RailPort			
RailPort Wastewater Treatment Plant	1,330,783	690,245	640,538
Campell Bayou Facility			
Cells Expansion at Campbell Bayou	707,700	683,107	24,593
Bayport Facility			
Fence Repairs and Replacement	120,000	16,957	103,043
Operations Online Analyzer at D Final	175,000	139,777	35,223
Spare MLS Pump	300,000	13,353	286,647
Flood Mitigation Evaluation	600,000	603,728	(3,728)
Belt Press 830 & 840 Rebuild	625,000	147,161	477,839
Clean Stream Channel Upgrade	700,000	91,666	608,334
First Step Blower Replacement	900,000	679,867	220,133
PLC Upgrades - Belt Presses	1,000,000	140,810	859,190
1st & 2nd Step Recirculated Pumps & Piping	7,270,000	596,691	6,673,309
Belt Press Building and Equipment Corrosion Repair	3,250,000	2,316,726	933,274
DTB Pumps Upgrade	4,020,000	3,979,771	40,229
Biosan Pipeline Assessment and Upgrade	25,750,000	23,718,469	2,031,531
Organic Capacity Evaluation and Upgrade	26,171,733	25,890,625	281,108
Computer & Network Services			
Munis ERP Software	1,075,200	874,324	200,876
Totals	<u>\$ 76,226,536</u>	<u>\$ 62,505,165</u>	<u>\$ 13,721,371</u>

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, 2021, consist of: (a) Revenue Bonds, Series 2013, maturing on October 1, 2033, with interest rates of three percent to five percent, originally issued at \$43,375,000; (b) Revenue Bonds, Series 2015, maturing October 1, 2035, with an interest rate of two percent to five percent, originally issued at \$25,770,000; and (c) 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. The annual requirements to amortize all outstanding Bayport Area System Revenue Bonds as of year-end, including interest payments, are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,680,000	\$ 3,454,613	\$ 8,134,613
2023	4,910,000	3,220,613	8,130,613
2024	5,155,000	2,975,113	8,130,113
2025	3,635,000	2,717,363	6,352,363
2026	3,790,000	2,560,113	6,350,113
2027	3,950,000	2,395,813	6,345,813
2028	4,155,000	2,198,313	6,353,313
2029	4,350,000	1,990,563	6,340,563
2030	4,575,000	1,773,063	6,348,063
2031	4,800,000	1,544,313	6,344,313
2032	5,025,000	1,326,037	6,351,037
2033	5,250,000	1,097,269	6,347,269
2034	3,705,000	884,775	4,589,775
2035	3,840,000	752,769	4,592,769
2036	1,970,000	615,950	2,585,950
2037	2,050,000	537,150	2,587,150
2038	2,130,000	455,150	2,585,150
2039	2,215,000	369,950	2,584,950
2040	2,305,000	281,350	2,586,350
2041	2,395,000	191,150	2,586,150
2042	2,490,000	97,438	2,587,438
Total	<u>\$ 77,375,000</u>	<u>\$ 31,438,868</u>	<u>\$ 108,813,868</u>

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, 2021, 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, 2021	\$ 6,247,240
Add-Items not includable in current expenses of the System:	
Bond interest expense	3,181,248
Depreciation	5,543,183
Management fee	1,362,900
	<hr/>
Pledged revenues	<u>\$ 16,334,571</u>
	<hr/>
Average annual debt service for bonds	<u>\$ 5,181,613</u>
	<hr/>
Debt service coverage average annual debt service	3.15
	<hr/>
Actual debt service for bonds	<u>\$ 8,132,363</u>
	<hr/>
Debt service coverage actual debt service	2.01

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

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986 calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is to be rebated to the federal government. As of year-end, the Authority has no arbitrage liability.

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:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due In More Than One Year
Business-type activities						
Accrued compensated absences	\$ 2,633,712	\$ 1,504,963	\$ (1,587,939)	\$ 2,550,736	\$ 1,640,905	\$ 909,831
Bonds Payable:						
Series 2013	26,730,000	-	(3,465,000)	23,265,000	3,640,000	19,625,000
Series 2015	21,330,000	-	(990,000)	20,340,000	1,040,000	19,300,000
Series 2018	33,770,000	-	-	33,770,000	-	33,770,000
Plus Premium	8,057,169	-	(542,570)	7,514,599	542,571	6,972,028
Long term liabilities	\$ 92,520,881	\$ 1,504,963	\$ (6,585,509)	\$ 87,440,335	\$ 6,863,476	\$ 80,576,859

Long-term liabilities for the internal service funds are included as part of the above totals for business-type activities as the internal service funds serve the enterprise fund.

F. Net Investments in Capital Assets

Net investments in capital assets consists of capital assets, net of accumulated depreciation, 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 30, 2021 is as follows:

	Capital Assets Net of Depreciation	Capital Related Bonds Payable¹	Other Capital Related Liabilities²	Net Investment in Capital Assets
Enterprise Fund Division:				
General Services	\$ 814,157	\$ -		\$ 814,157
Bayport Area System Facility	118,197,572	(84,641,924)	(2,101,580)	31,454,068
Blackhawk Regional Wastewater Treatment Facility	9,733,944	-	(46,046)	9,687,898
Campbell Bayou Facility	1,387,434	-	-	1,387,434
Central Laboratory	3,621,884	-	-	3,621,884
East Battleground Facility	1,759,188	-	-	1,759,188
40-Acre Facility	8,364,070	-	-	8,364,070
Odessa South Regional Facility	1,722,824	-	-	1,722,824
Vince Bayou Division	433,556	-	-	433,556
Washburn Tunnel Facility	15,068,565	-	-	15,068,565
RailPort Facility	690,245	-	-	690,245
Total Enterprise Funds	161,793,439	(84,641,924)	(2,147,626)	75,003,889
Internal Service Funds:				
Computer & Network Services	934,101	-	-	934,101
Equipment Service	1,751,192	-	-	1,751,192
Total Internal Service Funds:	2,685,293	-	-	2,685,293
Total Business-Type Activities	\$ 164,478,732	\$ (84,641,924)	\$ (2,147,626)	\$ 77,689,182

¹ Includes premium and deferred gains/losses on refunding

² Includes accounts payable and retainage payable related to capital activities.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

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

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

H. Ownership of Waste Water Treatment Facilities

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

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

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

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information

A. Defined Contribution Pension Plan

The Authority's Board of Directors adopted a resolution establishing the Gulf Coast Authority 401(a) Money Purchase Plan, a defined contribution money purchase plan and trust agreement (the "Plan") effective January 1, 1990. In a defined contribution pension plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan is a qualified pension plan under Section 401 (a) of the Internal Revenue Code with MissionSquare Retirement (MissionSquare) serving as the Plan administrator. The Plan qualifies as a fiduciary activity under GASB 84, Fiduciary Activities, due to the Authority's control over the funds of the Plan. Control by the Authority was determined as a portion of the funds are not fully vested until certain requirements are met. At December 31, 2021 the total plan assets were \$72,459,866. These assets were allocated as follows:

<u>Asset Category</u>	<u>Balance</u>	<u>Percent of Assets</u>
Stable Value/Money Market Funds	\$ 16,830,863	23%
Bond Funds	5,523,183	8%
Guaranteed Lifetime Income	8,113,447	11%
Balanced Funds	9,070,026	13%
U.S. Stock Funds	16,975,722	23%
International Stock Funds	2,928,415	4%
Specialty	488,735	1%
Domestic Equities	7,792,876	11%
Fixed Income	3,255,148	4%
Private Equity	1,481,451	2%
Total Assets	<u>\$ 72,459,866</u>	<u>100.00%</u>

The Authority's contribution for the year ended December 31, 2021 was \$1,357,079 which represents the required 10 percent of covered payroll. The employees' contribution was \$678,540 which equals 5 percent of covered payroll and there were no additional voluntary contributions. The Authority recognized pension expense of \$1,357,079 during the year. As of December 31, 2021 there were 175 active participants, 101 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 10 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-l (a) (3) allows employees to accumulate assets on a pre-tax basis to pay for medical expenses upon separation of employment with the Authority. The plan is open to all employees whose regular work schedule is for at least twenty hours per week. MissionSquare is the independent administrator of the plan. The Plan does not qualify as a fiduciary activity under GASB 84, Fiduciary Activities, as the Authority does not have control over the funds deposited into the RHS plan.

D. Other Post-Employment Benefits

Plan description

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

Funding policy

For employees hired before January 1, 2019, it is the Authority's current administrative policy to pay all but \$70.00 (which is paid by the retiree) of the monthly premium for each pre-Medicare retiree under age 65. For employees hired on or after that date, the retiree will be responsible for paying a percentage of the monthly premium. The Authority pays supplemental health insurance for each retiree eligible for Medicare at a cost ranging from \$131 to \$304 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.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

D. Other Post-Employment Benefits (continued)

Funding policy (continued)

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 2021. Instead, costs were paid on a “pay-as-you-go” basis from the Authority’s internal service fund.

At December 31, 2021, measurement date, the following employees were covered by the benefit terms:

<u>Membership</u>	
Retirees and beneficiaries	60
Inactive, nonretired members	0
Active members	<u>175</u>
Total	<u><u>235</u></u>

Contributions

The contribution requirements of plan members and the Authority are established and amended by the Board of Directors. The required contribution is based on projected pay-as-you go financing requirements. For the year 2021, the Authority contributed a total of \$608,575 to the plan for benefit payments.

Net OPEB Liability

All liabilities were measured as of December 31, 2021 and projected forward using standard roll-forward techniques.

Actuarial Assumptions

Valuation date	Wednesday, January 1, 2020
Actuarial cost method	Individual Entry Age
Single Discount Rate	5.00%, per annum
Inflation	2.25%, per annum
Salary Increases	2.50%, 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-2019 for annuitants and non-annuitants
Health Care Trend Rate	Pre-65: Initial rate of 9.53% fluctuating between 1.10% and 9.53% for 21 years until reaching an ultimate rate of 4.60% Post-65: Initial rate of 2.89% fluctuating between 2.89% and 5.13% for 31 years until reaching an ultimate rate of 3.82%
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
Other Information	Trend includes an implicit inflation rate of 2.25%, per annum, which also includes a provision for COVID-19 for 2020

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, 2021, for GASB 75 accounting purposes is 5.00% which is based upon the below information:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	45%	4.80%
Foreign Equity	9%	7.20%
Fixed Income	40%	3.25%
Cash	1%	1.30%
Other	5%	8.10%
Total	<u>100%</u>	<u>4.52%</u>

Changes in Net OPEB Liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a)-(b)</u>
Balance at December 31, 2020	\$ 18,599,529	\$ 10,521,007	\$ 8,078,522
Service cost	772,547	-	772,547
Interest	961,233	-	961,233
Contributions - employer	-	608,575	(608,575)
Net investment income	-	1,457,516	(1,457,516)
Benefit payments	(294,847)	-	(294,847)
Administrative expense	-	(57,623)	57,623
Net changes	<u>1,438,933</u>	<u>2,008,468</u>	<u>(569,535)</u>
Balance at December 31, 2021	<u>\$ 20,038,462</u>	<u>\$ 12,529,475</u>	<u>\$ 7,508,987</u>

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

D. Other Post-Employment Benefits (continued)

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:

1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
\$ 10,396,388	\$ 7,508,987	\$ 4,974,299

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:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 6,641,485	\$ 7,508,987	\$ 8,540,051

OPEB Plan Fiduciary Net Position

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

Assets	
Investments:	
Domestic equities	\$ 7,792,876
Fixed income	3,255,148
Private equity	1,481,451
Total investments	<u>12,529,475</u>
Total assets	<u>12,529,475</u>
Net position restricted for OPEB	<u>\$ 12,529,475</u>

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

D. Other Post-Employment Benefits (continued)

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:

	Gulf Coast Authority Other Post-Employment Benefit Trust
Additions	
Contributions:	
Employers	\$ 608,575
Total contributions	<u>608,575</u>
Investment earnings:	
Net increase/(decrease) in fair value of investments	1,457,516
Net investment earnings	<u>1,457,516</u>
Total Additions	<u>2,066,091</u>
Deductions:	
Administrative expense	57,625
Total Deductions	<u>57,625</u>
Change in Net Position	2,008,466
Beginning Net Position	10,521,009
Ending Net Position	<u>\$ 12,529,475</u>

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

For the year ended December 31, 2021, the Authority recognized OPEB expense of \$1,060,472. At December 31, 2021, the Authority reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in assumption changes	\$ 1,724,015	\$ (1,042,033)
Differences between expected and actual experience	-	(975,356)
Net Difference between projected and actual earnings on OPEB plan investments	-	(1,371,684)
	<u>\$ 1,724,015</u>	<u>\$ (3,389,073)</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 (continued)

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

<u>Year Ended December 31,</u>		
2022	\$	(191,836)
2023		(365,347)
2024		(198,612)
2025		(482,345)
2026		(213,460)
2027		(213,458)
	<u>\$</u>	<u>(1,665,058)</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 Authority established the Casualty Insurance Risk Reserve Internal Service Fund to account for these activities and made an initial contribution of \$200,000. The fund 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 fund at year end was \$398,517.

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.

F. Compensated Absences

The Authority accounts for the liability to its employees for accrued vacation, special leave, and sick leave in the Compensated Absences Internal Service Fund. On each pay period, the vested amount accrued by each employee is paid from the Enterprise Fund into the Compensated Absences Fund. When the employee takes vacation or sick leave, the total vested portion is drawn from the Compensated Absences Fund.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

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 Industrial Solid Waste 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 \$7,736,500. Of this amount, \$2,862,505 and \$1,547,300 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 90.62%, and \$3,326,695 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 \$3,014,651. The total accrued closure and post-closure care costs at year end for the entire site are \$7,424,456. The remaining accrued costs to be recognized are \$312,044. 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 years as of 2021.

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.

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, 2021, the Authority had no outstanding litigation.

GULF COAST AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

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. Deficit Net Position of Internal Service Funds

As of December 31, 2021, the Authority reported deficits in total net position of \$392,117 for the Compensated Absences fund and \$7,099,401 for the Employee's Health Care fund. The deficits were caused by the accrual of long-term benefits for current employees and retirees. The deficits will be eliminated in the future with funds from the Enterprise Fund to the extent that investment income and employee contributions to the Employee's Health Care fund does not cover future costs.

J. Implementation of New Accounting Standards

GASB Statement No. 84, Fiduciary Activities was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The Authority implemented this statement in fiscal year 2020.

GASB Statement No. 98, The Annual Comprehensive Financial Report. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The Authority implemented this statement in fiscal year 2021.

K. Subsequent Events

On February 23, 2022, Gulf Coast Authority issued Revenue Bonds of \$9,425,000 maturing in 2035 and \$17,625,000 of bonds maturing in 2033 both with an interest rate of five percent.



REQUIRED SUPPLEMENTAL INFORMATION



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

	Year Ending December 31,			
	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 424,295	\$ 766,029	\$ 798,197	\$ 772,547
Interest on the total OPEB liability	926,731	890,437	936,902	961,233
Difference in expected and actual experience	(923,598)	-	(772,706)	-
Change of assumptions	4,022,699	(596,408)	(934,972)	-
Benefit payments, including refunds of employee contributions	(200,210)	(295,418)	(280,871)	(294,847)
Net Change in Total OPEB Liability	4,249,917	764,640	(253,450)	1,438,933
Total OPEB Liability - Beginning	13,838,422	18,088,339	18,852,979	18,599,529
Total OPEB Liability - Ending (a)	\$ 18,088,339	\$ 18,852,979	\$ 18,599,529	\$ 20,038,462
Plan Fiduciary Net Position				
Contributions - employer	\$ 576,917	\$ 557,999	\$ 585,999	\$ 608,575
Net investment income	(378,381)	1,332,894	1,244,515	1,457,516
Administrative expense	-	(42,786)	(48,152)	(57,623)
Net Change in Plan Fiduciary Net Position	198,536	1,848,107	1,782,362	2,008,468
Plan Fiduciary Net Position - Beginning	6,692,002	6,890,538	8,738,645	10,521,007
Plan Fiduciary Net Position - Ending (b)	\$ 6,890,538	\$ 8,738,645	\$ 10,521,007	\$ 12,529,475
Net OPEB Liability - Ending (a) - (b)	\$ 11,197,801	\$ 10,114,334	\$ 8,078,522	\$ 7,508,987
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	38.09%	46.35%	56.57%	62.53%
Covered Payroll	\$ 15,086,318	\$ 15,569,170	\$ 16,494,690	\$ 17,151,722
Net OPEB Liability as a Percentage of Covered Payroll	74.22%	64.96%	48.98%	43.78%

Notes to Schedule:

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

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

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

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

	For the Year Ended December 31,			
	2018	2019	2020	2021
Actuarially determined contribution	\$ 941,305	\$ 1,050,066	\$ 1,445,792	\$ 1,336,693
Contributions in relation to the actuarially determined contribution	777,127	853,417	866,870	903,422
Contribution deficiency (excess)	<u>\$ 164,178</u>	<u>\$ 196,649</u>	<u>\$ 578,922</u>	<u>\$ 433,271</u>
Covered payroll	\$ 15,086,318	\$ 15,569,170	\$ 16,494,690	\$ 17,151,722
Contributions as a percentage of payroll	5.15%	5.48%	5.26%	5.27%
Expected rate of return as of the beginning of the period	7.00%	7.00%	5.00%	5.00%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are based upon a valuation date of January 1, 2020 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)	9.53% / 2.89% initial medical trend rate for retirees' ultimate rate of 4.60% / 3.82% in the year 2041 / 2051
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	71.5
Mortality	In 2020, assumption based upon Sex distinct PUB 2010 retiree headcount weighted mortality table with mortality improvement scale MP-2019

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

OTHER SUPPLEMENTARY INFORMATION



COMBINING INFORMATION AND STATEMENTS

GULF COAST AUTHORITY
ENTERPRISE FUND
December 31, 2021

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 Area System 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 Regional Wastewater Treatment 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.

Fulshear Wastewater Treatment 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 the City of Fulshear's wastewater. This division was created in 2019 to allow the Authority and the City to jointly investigate the potential of participation in the acquisition, construction, or development of such facilities. A joint development agreement provides for all costs to the Authority to be covered by the City. The project was cancelled during 2021 and the division was closed.

Campbell Bayou Facility Division

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

Central Laboratory Division

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

East Battleground Facility Division

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

GULF COAST AUTHORITY
ENTERPRISE FUND (continued)
December 31, 2021

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.

Odessa South Regional 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 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.

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - NET POSITION
ENTERPRISE FUND
December 31, 2021

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division	Fulshear Wastewater Treatment Plant
Assets				
Current Assets:				
Cash and cash equivalents	\$ 3,329,955	\$ 9,203,838	\$ 46,907	\$ -
Marketable securities	9,894,296	27,544,720	135,316	-
Receivables, net	227,334	9,008,506	1,009,988	-
Due from other divisions	542,243	-	-	-
Prepays	10,988	348,979	57,943	-
Restricted assets:				
Cash and cash equivalents	-	5,813,243	209,588	-
Marketable securities	-	-	627,357	-
Total Current Assets	14,004,816	51,919,286	2,087,099	-
Noncurrent Assets:				
Capital assets:				
Land	53,800	907,489	200,000	-
Construction in progress	-	58,335,601	-	-
Plant and equipment	2,521,457	162,909,390	26,334,183	-
Less accumulated depreciation	(1,761,100)	(103,954,908)	(16,800,239)	-
Total capital assets (net of accumulated depreciation)	814,157	118,197,572	9,733,944	-
Total Noncurrent Assets	814,157	118,197,572	9,733,944	-
Total Assets	14,818,973	170,116,858	11,821,043	-
Deferred Outflows of Resources				
Deferred loss on refunding	-	247,675	-	-
Liabilities				
Current Liabilities:				
Accounts payable	527,544	4,776,887	312,747	-
Wages payable	1,090,060	-	-	-
Due to other divisions	-	-	-	-
Accrued bond interest	-	863,653	-	-
Current portion of bonds payable	-	5,222,571	-	-
Unearned revenue	-	-	-	-
Total Current Liabilities	1,617,604	10,863,111	312,747	-
Noncurrent Liabilities:				
Bonds payable (net of unamortized discount and deferred amount on refunding)	-	79,667,028	-	-
Working capital deposits	-	-	947,695	-
Total Noncurrent Liabilities	-	79,667,028	947,695	-
Total Liabilities	1,617,604	90,530,139	1,260,442	-
Net Position				
Net investment in capital assets	814,157	31,454,068	9,687,898	-
Restricted for:				
Debt service	-	4,949,548	-	-
Contingency reserve	-	-	836,945	-
Capital projects	-	42	-	-
Unrestricted	12,387,212	43,430,736	35,758	-
Total Net Position	\$ 13,201,369	\$ 79,834,394	\$ 10,560,601	\$ -

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - NET POSITION
ENTERPRISE FUND
December 31, 2021

	Campbell Bayou Facility Division		Central Laboratory Division	East Battleground Facility Division	40-Acre Facility Division
	Industrial Solid Waste Facility	Closure/Post Closure			
Assets					
Current Assets:					
Cash and cash equivalents	\$ 12,861	\$ 24,343	\$ 3,333,037	\$ 33,552	\$ 1,700
Marketable securities	37,900	72,867	9,971,677	100,431	-
Receivables, net	-	39,487	27,958	-	489,070
Due from other divisions	-	-	-	-	-
Prepays	8,840	8,578	13,494	-	40,021
Restricted assets:					
Cash and cash equivalents	-	-	-	-	-
Marketable securities	-	-	-	-	-
Total Current Assets	59,601	145,275	13,346,166	133,983	530,791
Noncurrent Assets:					
Capital assets:					
Land	671,966	-	-	-	1,427,965
Construction in progress	683,107	-	-	1,759,188	-
Plant and equipment	5,580,405	-	9,963,588	-	35,585,532
Less accumulated depreciation	(5,548,044)	-	(6,341,704)	-	(28,649,427)
Total capital assets (net of accumulated depreciation)	1,387,434	-	3,621,884	1,759,188	8,364,070
Total Noncurrent Assets	1,387,434	-	3,621,884	1,759,188	8,364,070
Total Assets	1,447,035	145,275	16,968,050	1,893,171	8,894,861
Deferred Outflows of Resources					
Deferred loss on refunding	-	-	-	-	-
Liabilities					
Current Liabilities:					
Accounts payable	15,315	11,659	117,530	25	129,871
Wages payable	-	-	-	-	-
Due to other divisions	-	-	-	-	514,753
Accrued bond interest	-	-	-	-	-
Current portion of bonds payable	-	-	-	-	-
Unearned revenue	-	-	-	114,158	202,083
Total Current Liabilities	15,315	11,659	117,530	114,183	846,707
Noncurrent Liabilities:					
Bonds payable (net of unamortized discount and deferred amount on refunding)	-	-	-	-	-
Working capital deposits	251,018	-	-	-	-
Total Noncurrent Liabilities	251,018	-	-	-	-
Total Liabilities	266,333	11,659	117,530	114,183	846,707
Net Position					
Net investment in capital assets	1,387,434	-	3,621,884	1,759,188	8,364,070
Restricted for:					
Debt service	-	-	-	-	-
Contingency reserve	-	-	-	-	-
Capital projects	-	-	-	-	-
Unrestricted	(206,732)	133,616	13,228,636	19,800	(315,916)
Total Net Position	\$ 1,180,702	\$ 133,616	\$ 16,850,520	\$ 1,778,988	\$ 8,048,154

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - NET POSITION
ENTERPRISE FUND
December 31, 2021

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division	Washburn Tunnel Pipeline Services Division
Assets				
Current Assets:				
Cash and cash equivalents	\$ 888,138	\$ 1,839,953	\$ 1,696,232	\$ -
Marketable securities	2,657,862	5,507,525	5,071,339	-
Receivables, net	1,270,880	401,335	2,278,788	-
Due from other divisions	-	-	-	-
Prepays	39,056	5,706	168,044	-
Restricted assets:				
Cash and cash equivalents	-	-	517,655	-
Marketable securities	-	-	-	-
Total Current Assets	<u>4,855,936</u>	<u>7,754,519</u>	<u>9,732,058</u>	<u>-</u>
Noncurrent Assets:				
Capital assets:				
Land	76,161	100,611	1,736,549	-
Construction in progress	-	-	162,700	-
Plant and equipment	16,493,852	1,981,583	47,930,170	16,647
Less accumulated depreciation	<u>(14,847,189)</u>	<u>(1,648,638)</u>	<u>(34,760,854)</u>	<u>(16,647)</u>
Total capital assets (net of accumulated depreciation)	<u>1,722,824</u>	<u>433,556</u>	<u>15,068,565</u>	<u>-</u>
Total Noncurrent Assets	<u>1,722,824</u>	<u>433,556</u>	<u>15,068,565</u>	<u>-</u>
Total Assets	<u>6,578,760</u>	<u>8,188,075</u>	<u>24,800,623</u>	<u>-</u>
Deferred Outflows of Resources				
Deferred loss on refunding	-	-	-	-
Liabilities				
Current Liabilities:				
Accounts payable	292,733	23,825	1,757,813	-
Wages payable	-	-	-	-
Due to other divisions	-	-	-	-
Accrued bond interest	-	-	-	-
Current portion of bonds payable	-	-	-	-
Unearned revenue	880,200	-	7,634,620	-
Total Current Liabilities	<u>1,172,933</u>	<u>23,825</u>	<u>9,392,433</u>	<u>-</u>
Noncurrent Liabilities:				
Bonds payable (net of unamortized discount and deferred amount on refunding)	-	-	-	-
Working capital deposits	456,353	-	20,635	-
Total Noncurrent Liabilities	<u>456,353</u>	<u>-</u>	<u>20,635</u>	<u>-</u>
Total Liabilities	<u>1,629,286</u>	<u>23,825</u>	<u>9,413,068</u>	<u>-</u>
Net Position				
Net investment in capital assets	1,722,824	433,556	15,068,565	-
Restricted for:				
Debt service	-	-	-	-
Contingency reserve	-	-	-	-
Capital projects	-	-	517,655	-
Unrestricted	3,226,650	7,730,694	(198,665)	-
Total Net Position	<u>\$ 4,949,474</u>	<u>\$ 8,164,250</u>	<u>\$ 15,387,555</u>	<u>\$ -</u>

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - NET POSITION
ENTERPRISE FUND
December 31, 2021

	Component Unit GCIDA Division	RailPort Facility Division	Eliminations	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 201,337	\$ -	\$ -	\$ 20,611,853
Marketable securities	602,663	-	-	61,596,596
Receivables, net	1,000	270,337	-	15,024,683
Due from other divisions	-	-	(542,243)	-
Prepays	-	-	-	701,649
Restricted assets:				
Cash and cash equivalents	-	-	-	6,540,486
Marketable securities	-	-	-	627,357
Total Current Assets	805,000	270,337	(542,243)	105,102,624
Noncurrent Assets:				
Capital assets:				
Land	-	-	-	5,174,541
Construction in progress	-	690,245	-	61,630,841
Plant and equipment	-	-	-	309,316,807
Less accumulated depreciation	-	-	-	(214,328,750)
Total capital assets (net of accumulated depreciation)	-	690,245	-	161,793,439
Total Noncurrent Assets	-	690,245	-	161,793,439
Total Assets	805,000	960,582	(542,243)	266,896,063
Deferred Outflows of Resources				
Deferred loss on refunding	-	-	-	247,675
Liabilities				
Current Liabilities:				
Accounts payable	1,150	6,660	-	7,973,759
Wages payable	-	-	-	1,090,060
Due to other divisions	-	27,490	(542,243)	-
Accrued bond interest	-	-	-	863,653
Current portion of bonds payable	-	-	-	5,222,571
Unearned revenue	-	233,784	-	9,064,845
Total Current Liabilities	1,150	267,934	(542,243)	24,214,888
Noncurrent Liabilities:				
Bonds payable (net of unamortized discount and deferred amount on refunding)	-	-	-	79,667,028
Working capital deposits	-	-	-	1,675,701
Total Noncurrent Liabilities	-	-	-	81,342,729
Total Liabilities	1,150	267,934	(542,243)	105,557,617
Net Position				
Net investment in capital assets	-	690,245	-	75,003,889
Restricted for:				
Debt service	-	-	-	4,949,548
Contingency reserve	-	-	-	836,945
Capital projects	-	-	-	517,697
Unrestricted	803,850	2,403	-	80,278,042
Total Net Position	\$ 803,850	\$ 692,648	\$ -	\$ 161,586,121

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
ENTERPRISE FUND
For the Year Ended December 31, 2021

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division	Fulshear Wastewater Treatment Plant
Operating Revenues				
Charges for sales and services:				
Services to industries	\$ 1,940,144	\$ 45,577,391	\$ -	\$ -
Services to municipalities	-	36,986	3,115,695	-
Intragovernmental	6,602,407	-	-	-
Other	152,902	182,829	56,097	-
Total Operating Revenues	<u>8,695,453</u>	<u>45,797,206</u>	<u>3,171,792</u>	<u>-</u>
Operating Expenses				
Costs of sales and services	7,804,413	29,342,724	2,977,171	-
Administration	490,067	1,198,272	150,782	2,007
Depreciation	77,309	5,543,183	761,690	-
Total Operating Expenses	<u>8,371,789</u>	<u>36,084,179</u>	<u>3,889,643</u>	<u>2,007</u>
Operating income (loss)	<u>323,664</u>	<u>9,713,027</u>	<u>(717,851)</u>	<u>(2,007)</u>
Nonoperating Revenues (Expenses)				
Investment income (loss)	(52,019)	(196,747)	(4,061)	30
Interest expense	-	(3,181,248)	-	-
Gain (loss) on disposal of capital assets	-	(87,792)	-	-
Insurance Proceeds	128,780	-	375	-
Total Nonoperating Revenues (Expenses)	<u>76,761</u>	<u>(3,465,787)</u>	<u>(3,686)</u>	<u>30</u>
Income (loss) before contributions and transfers	400,425	6,247,240	(721,537)	(1,977)
Capital Contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(318)	-	-	-
Changes in Net Position	400,107	6,247,240	(721,537)	(1,977)
Beginning Net Position	12,801,262	73,587,154	11,282,138	1,977
Ending Net Position	<u>\$ 13,201,369</u>	<u>\$ 79,834,394</u>	<u>\$ 10,560,601</u>	<u>\$ -</u>

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
ENTERPRISE FUND
For the Year Ended December 31, 2021

	<u>Campbell Bayou Facility Division</u>		<u>Central Laboratory Division</u>	<u>East Battleground Facility Division</u>	<u>40-Acre Facility Division</u>
	<u>Industrial Solid Waste Facility</u>	<u>Closure/Post Closure</u>			
Operating Revenues					
Charges for sales and services:					
Services to industries	\$ 391,252	\$ 510,204	\$ 81,419	\$ 25	\$ 4,680,428
Services to municipalities	-	-	14,607	-	-
Intragovernmental	-	-	6,743,478	-	48,000
Other	10	-	899	-	223
Total Operating Revenues	<u>391,262</u>	<u>510,204</u>	<u>6,840,403</u>	<u>25</u>	<u>4,728,651</u>
Operating Expenses					
Costs of sales and services	302,433	434,152	5,717,684	25	4,202,256
Administration	78,613	76,053	121,210	-	513,536
Depreciation	13,204	-	599,169	-	1,557,008
Total Operating Expenses	<u>394,250</u>	<u>510,205</u>	<u>6,438,063</u>	<u>25</u>	<u>6,272,800</u>
Operating income (loss)	<u>(2,988)</u>	<u>(1)</u>	<u>402,340</u>	<u>-</u>	<u>(1,544,149)</u>
Nonoperating Revenues (Expenses)					
Investment income (loss)	1,151	(547)	(59,497)	(559)	5,416
Interest expense	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>1,151</u>	<u>(547)</u>	<u>(59,497)</u>	<u>(559)</u>	<u>5,416</u>
Income (loss) before contributions and transfers	<u>(1,837)</u>	<u>(548)</u>	<u>342,843</u>	<u>(559)</u>	<u>(1,538,733)</u>
Capital Contributions	-	-	-	-	-
Transfers in	-	-	-	318	-
Transfers out	-	-	-	-	-
Changes in Net Position	<u>(1,837)</u>	<u>(548)</u>	<u>342,843</u>	<u>(241)</u>	<u>(1,538,733)</u>
Beginning Net Position	<u>1,182,539</u>	<u>134,164</u>	<u>16,507,677</u>	<u>1,779,229</u>	<u>9,586,887</u>
Ending Net Position	<u>\$ 1,180,702</u>	<u>\$ 133,616</u>	<u>\$ 16,850,520</u>	<u>\$ 1,778,988</u>	<u>\$ 8,048,154</u>

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
ENTERPRISE FUND
For the Year Ended December 31, 2021

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division	Washburn Tunnel Pipeline Services Division
Operating Revenues				
Charges for sales and services:				
Services to industries	\$ 5,150,153	\$ 1,587,222	\$ 13,392,102	\$ -
Services to municipalities	200,000	-	-	-
Intragovernmental	-	-	105,059	-
Other	915,846	772	4,807	-
Total Operating Revenues	<u>6,265,999</u>	<u>1,587,994</u>	<u>13,501,968</u>	<u>-</u>
Operating Expenses				
Costs of sales and services	5,270,131	720,555	12,186,777	-
Administration	531,184	51,929	757,570	-
Depreciation	258,393	84,721	1,235,844	-
Total Operating Expenses	<u>6,059,708</u>	<u>857,205</u>	<u>14,180,191</u>	<u>-</u>
Operating income (loss)	<u>206,291</u>	<u>730,789</u>	<u>(678,223)</u>	<u>-</u>
Nonoperating Revenues (Expenses)				
Investment income (loss)	(13,784)	(33,857)	(32,940)	-
Interest expense	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Insurance Proceeds	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(13,784)</u>	<u>(33,857)</u>	<u>(32,940)</u>	<u>-</u>
Income (loss) before contributions and transfers	192,507	696,932	(711,163)	-
Capital Contributions	-	-	162,700	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	192,507	696,932	(548,463)	-
Beginning Net Position	<u>4,756,967</u>	<u>7,467,318</u>	<u>15,936,018</u>	<u>-</u>
Ending Net Position	<u>\$ 4,949,474</u>	<u>\$ 8,164,250</u>	<u>\$ 15,387,555</u>	<u>\$ -</u>

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - REVENUE, EXPENSES, AND CHANGES
IN NET POSITION
ENTERPRISE FUND
For the Year Ended December 31, 2021

	Component Unit GCIDA Division	RailPort Facility Division	Eliminations	Total
Operating Revenues				
Charges for sales and services:				
Services to industries	\$ 2,000	\$ -	\$ -	\$ 73,312,340
Services to municipalities	-	690,245	-	4,057,533
Intragovernmental	-	-	(13,498,944)	-
Other	-	-	-	1,314,385
Total Operating Revenues	2,000	690,245	(13,498,944)	78,684,258
Operating Expenses				
Costs of sales and services	7,644	-	(13,498,944)	55,467,021
Administration	2,747	-	-	3,973,970
Depreciation	-	-	-	10,130,521
Total Operating Expenses	10,391	-	(13,498,944)	69,571,512
Operating income (loss)	(8,391)	690,245	-	9,112,746
Nonoperating Revenues (Expenses)				
Investment income (loss)	(3,335)	1,991	-	(388,758)
Interest expense	-	-	-	(3,181,248)
Gain (loss) on disposal of capital assets	-	-	-	(87,792)
Insurance Proceeds	-	-	-	129,155
Total Nonoperating Revenues (Expenses)	(3,335)	1,991	-	(3,528,643)
Income (loss) before contributions and transfers	(11,726)	692,236	-	5,584,103
Capital Contributions	-	-	-	162,700
Transfers in	-	-	-	318
Transfers out	-	-	-	(318)
Changes in Net Position	(11,726)	692,236	-	5,746,803
Beginning Net Position	815,576	412	-	155,839,318
Ending Net Position	\$ 803,850	\$ 692,648	\$ -	\$ 161,586,121

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - CASH FLOWS
ENTERPRISE FUND
For the Year Ended December 31, 2021

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division	Fulshear Wastewater Treatment Plant
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 2,060,997	\$ 45,060,442	\$ 2,760,555	\$ (6,306)
Receipts from intragovernmental users	6,602,407	-	-	-
Payments to suppliers	(1,300,385)	(18,299,142)	(1,644,630)	(2,083)
Payments to employees	(6,058,008)	(5,987,831)	(884,374)	-
Payments to intragovernmental suppliers	(964,770)	(7,795,518)	(493,069)	-
Net cash provided (used) by operating activities	<u>340,241</u>	<u>12,977,951</u>	<u>(261,518)</u>	<u>(8,389)</u>
Cash Flows from Noncapital Financing Activities				
Intragovernmental transfers in	-	-	-	-
Intragovernmental transfers (out)	(318)	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(318)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(20,499)	(13,426,320)	(18,810)	-
Retirement of bonds	-	(4,455,000)	-	-
Interest paid on capital related debt	-	(3,677,362)	-	-
Capital contributions received from participants	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(20,499)</u>	<u>(21,558,682)</u>	<u>(18,810)</u>	<u>-</u>
Cash Flows from Investing Activities				
Maturity (purchase) of investments	(1,579,972)	(5,503,664)	74,914	5,378
Interest received (paid)	(52,019)	(208,827)	(4,061)	30
Net cash provided (used) by investing activities	<u>(1,631,991)</u>	<u>(5,712,491)</u>	<u>70,853</u>	<u>5,408</u>
Net increase (decrease) in cash and cash equivalents	(1,312,567)	(14,293,222)	(209,475)	(2,981)
Beginning cash and cash equivalents	4,642,522	29,310,303	465,970	2,981
Ending cash and cash equivalents	<u>\$ 3,329,955</u>	<u>\$ 15,017,081</u>	<u>\$ 256,495</u>	<u>\$ -</u>
Ending cash and cash equivalents				
Unrestricted cash and cash equivalents	\$ 3,329,955	\$ 9,203,838	\$ 46,907	\$ -
Restricted cash and cash equivalents	-	5,813,243	209,588	-
	<u>\$ 3,329,955</u>	<u>\$ 15,017,081</u>	<u>\$ 256,495</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 323,664	\$ 9,713,027	\$ (717,851)	\$ (2,007)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	77,309	5,543,183	761,690	-
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	(32,049)	(736,764)	(449,420)	-
Due from other funds/divisions	(276,051)	-	-	-
Prepays	2,100	14,772	(7,136)	-
Increase (decrease) in liabilities:				
Wages payable	169,911	-	-	-
Accounts payable	75,357	(1,556,267)	113,016	(76)
Due to other funds/divisions	-	-	-	-
Unearned revenue	-	-	-	(6,306)
Working capital deposits	-	-	38,183	-
Net cash provided (used) by operating activities	<u>\$ 340,241</u>	<u>\$ 12,977,951</u>	<u>\$ (261,518)</u>	<u>\$ (8,389)</u>

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - CASH FLOWS
ENTERPRISE FUND
For the Year Ended December 31, 2021

	<u>Campbell Bayou Facility Division</u>		<u>Central Laboratory Division</u>	<u>East</u>	<u>40-Acre Facility Division</u>
	<u>Industrial Solid Waste Facility</u>	<u>Closure/Post Closure</u>		<u>Battleground Facility Division</u>	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 391,262	\$ 498,441	\$ 98,549	\$ -	\$ 4,519,535
Receipts from intragovernmental users	-	-	6,743,478	-	48,000
Payments to suppliers	(143,532)	(204,440)	(1,607,478)	(25)	(1,663,492)
Payments to employees	(131,420)	(202,209)	(3,045,429)	-	(1,610,976)
Payments to intragovernmental suppliers	(113,841)	(103,060)	(1,224,764)	-	(1,288,955)
Net cash provided (used) by operating activities	<u>2,469</u>	<u>(11,268)</u>	<u>964,356</u>	<u>(25)</u>	<u>4,112</u>
Cash Flows from Noncapital Financing Activities					
Intragovernmental transfers in	-	-	-	318	-
Intragovernmental transfers (out)	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(11,742)	-	(109,392)	(293)	(9,529)
Retirement of bonds	-	-	-	-	-
Interest paid on capital related debt	-	-	-	-	-
Capital contributions received from participants	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(11,742)</u>	<u>-</u>	<u>(109,392)</u>	<u>(293)</u>	<u>(9,529)</u>
Cash Flows from Investing Activities					
Maturity (purchase) of investments	(145)	(2,722)	(1,924,589)	(13,870)	2
Interest received (paid)	1,151	(547)	(59,497)	(559)	5,415
Net cash provided (used) by investing activities	<u>1,006</u>	<u>(3,269)</u>	<u>(1,984,086)</u>	<u>(14,429)</u>	<u>5,417</u>
Net increase (decrease) in cash and cash equivalents	<u>(8,267)</u>	<u>(14,537)</u>	<u>(1,129,122)</u>	<u>(14,429)</u>	<u>-</u>
Beginning cash and cash equivalents	<u>21,128</u>	<u>38,880</u>	<u>4,462,159</u>	<u>47,981</u>	<u>1,700</u>
Ending cash and cash equivalents	<u>\$ 12,861</u>	<u>\$ 24,343</u>	<u>\$ 3,333,037</u>	<u>\$ 33,552</u>	<u>\$ 1,700</u>
Ending cash and cash equivalents					
Unrestricted cash and cash equivalents	\$ 12,861	\$ 24,343	\$ 3,333,037	\$ 33,552	\$ 1,700
Restricted cash and cash equivalents	-	-	-	-	-
	<u>\$ 12,861</u>	<u>\$ 24,343</u>	<u>\$ 3,333,037</u>	<u>\$ 33,552</u>	<u>\$ 1,700</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ (2,988)	\$ (1)	\$ 402,340	\$ -	\$ (1,544,149)
Adjustment to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	13,204	-	599,169	-	1,557,008
Changes in Operating Assets and Liabilities:					
(Increase) decrease in assets					
Accounts receivable, net	-	(11,763)	1,624	-	(70,987)
Due from other funds/divisions	-	-	-	-	-
Prepays	1,761	6,712	569	-	6,420
Increase (decrease) in liabilities:					
Wages payable	-	-	-	-	-
Accounts payable	(9,508)	(6,216)	(39,346)	-	(102,612)
Due to other funds/divisions	-	-	-	-	248,561
Unearned revenue	-	-	-	(25)	(90,129)
Working capital deposits	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 2,469</u>	<u>\$ (11,268)</u>	<u>\$ 964,356</u>	<u>\$ (25)</u>	<u>\$ 4,112</u>

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - CASH FLOWS
ENTERPRISE FUND
For the Year Ended December 31, 2021

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division	Washburn Tunnel Pipeline Services Division
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 6,272,321	\$ 1,455,551	\$ 14,593,375	\$ -
Receipts from intragovernmental users	-	-	105,059	-
Payments to suppliers	(3,482,233)	(142,324)	(6,640,420)	-
Payments to employees	(1,530,872)	(260,785)	(4,065,933)	-
Payments to intragovernmental suppliers	(779,014)	(354,024)	(2,831,950)	-
Net cash provided (used) by operating activities	<u>480,202</u>	<u>698,418</u>	<u>1,160,131</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities				
Intragovernmental transfers in	-	-	-	-
Intragovernmental transfers (out)	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(340,642)	(8,130)	(778,188)	-
Retirement of bonds	-	-	-	-
Interest paid on capital related debt	-	-	-	-
Capital contributions received from participants	-	-	162,700	-
Net cash provided (used) by capital and related financing activities	<u>(340,642)</u>	<u>(8,130)</u>	<u>(615,488)</u>	<u>-</u>
Cash Flows from Investing Activities				
Maturity (purchase) of investments	(457,492)	(1,202,648)	(1,047,635)	-
Interest received (paid)	(13,784)	(33,857)	(32,940)	-
Net cash provided (used) by investing activities	<u>(471,276)</u>	<u>(1,236,505)</u>	<u>(1,080,575)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(331,716)	(546,217)	(535,932)	-
Beginning cash and cash equivalents	1,219,854	2,386,170	2,749,819	-
Ending cash and cash equivalents	<u>\$ 888,138</u>	<u>\$ 1,839,953</u>	<u>\$ 2,213,887</u>	<u>\$ -</u>
Ending cash and cash equivalents				
Unrestricted cash and cash equivalents	\$ 888,138	\$ 1,839,953	\$ 1,696,232	\$ -
Restricted cash and cash equivalents	-	-	517,655	-
	<u>\$ 888,138</u>	<u>\$ 1,839,953</u>	<u>\$ 2,213,887</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 206,291	\$ 730,789	\$ (678,223)	\$ -
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	258,393	84,721	1,235,844	-
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	21,100	(132,443)	(58,313)	-
Due from other funds/divisions	-	-	-	-
Prepays	5,064	2,577	1,114	-
Increase (decrease) in liabilities:				
Wages payable	-	-	-	-
Accounts payable	4,132	12,774	(595,070)	-
Due to other funds/divisions	-	-	-	-
Unearned revenue	(14,778)	-	1,254,779	-
Working capital deposits	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 480,202</u>	<u>\$ 698,418</u>	<u>\$ 1,160,131</u>	<u>\$ -</u>

GULF COAST AUTHORITY
COMBINING INFORMATION BY DIVISION - CASH FLOWS
ENTERPRISE FUND
For the Year Ended December 31, 2021

	Component Unit GCIDA Division	RailPort Facility Division	Eliminations	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 2,000	\$ 502,332	\$ -	\$ 78,209,054
Receipts from intragovernmental users	-	-	(13,498,944)	-
Payments to suppliers	(9,241)	3,835	-	(35,135,589)
Payments to employees	-	-	-	(23,777,837)
Payments to intragovernmental suppliers	-	27,490	13,498,944	(2,422,531)
Net cash provided (used) by operating activities	(7,241)	533,657	-	16,873,097
Cash Flows from Noncapital				
Financing Activities				
Intragovernmental transfers in	-	-	-	318
Intragovernmental transfers (out)	-	-	-	(318)
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash Flows from Capital and Related				
Financing Activities				
Acquisition and construction of capital assets	-	(690,245)	-	(15,413,790)
Retirement of bonds	-	-	-	(4,455,000)
Interest paid on capital related debt	-	-	-	(3,677,362)
Capital contributions received from participants	-	-	-	162,700
Net cash provided (used) by capital and related financing activities	-	(690,245)	-	(23,383,452)
Cash Flows from Investing Activities				
Maturity (purchase) of investments	(78,582)	99,464	-	(11,631,562)
Interest received (paid)	(3,335)	1,991	-	(400,839)
Net cash provided (used) by investing activities	(81,917)	101,455	-	(12,032,401)
Net increase (decrease) in cash and cash equivalents	(89,158)	(55,133)	-	(18,542,756)
Beginning cash and cash equivalents	290,495	55,133	-	45,695,095
Ending cash and cash equivalents	\$ 201,337	\$ -	\$ -	\$ 27,152,339
Ending cash and cash equivalents				
Unrestricted cash and cash equivalents	\$ 201,337	\$ -	\$ -	\$ 20,611,853
Restricted cash and cash equivalents	-	-	-	6,540,486
	\$ 201,337	\$ -	\$ -	\$ 27,152,339
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (8,391)	\$ 690,245	\$ -	\$ 9,112,746
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	-	-	-	10,130,521
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets				
Accounts receivable, net	-	(186,523)	-	(1,655,538)
Due from other funds/divisions	-	-	-	(276,051)
Prepays	-	-	-	33,953
Increase (decrease) in liabilities:				
Wages payable	-	-	-	169,911
Accounts payable	1,150	3,835	-	(2,098,830)
Due to other funds/divisions	-	27,490	-	276,051
Unearned revenue	-	(1,390)	-	1,142,151
Working capital deposits	-	-	-	38,183
Net cash provided (used) by operating activities	(7,241)	533,657	-	16,873,097



GULF COAST AUTHORITY
INTERNAL SERVICE FUNDS
December 31, 2021

Casualty Insurance Risk Reserve Fund

This fund accounts for the accumulation of resources to pay the deductible amounts on casualty insurance. This limited purpose risk reserve fund was established in 1989. It was funded to a level of \$200,000 allocated among the operating divisions on the same basis as the actual liability insurance premiums.

Compensated Absences Fund

This fund accounts for the accumulation of resources to pay the liability for the vested amount of employees' vacation and sick leave. The primary source of revenue is earnings on the accumulated resources.

Computer & Network Services Fund

This fund accounts for the revenues and expenses generated through data processing services provided to Authority facilities.

Employees' Health Care Fund

This fund accounts for the accumulation of resources to pay for the medical and associated benefits for the Authority's employees, participating dependents, and eligible retirees. The Enterprise Funds make payments to the Health Care Fund based on current premium costs from benefit providers.

Equipment Services Fund

This fund accounts for the revenues and expenses generated through equipment lease services provided to Authority facilities.

Pretreatment Legislation Fund

This fund accounts for revenues and expenses for support of federal law that offers pretreatment categorical exemptions to Authority industrial customers.

GULF COAST AUTHORITY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021

	<u>Casualty Insurance Risk Reserve</u>	<u>Compensated Absences</u>	<u>Computer & Network Services</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 99,797	\$ 540,561	\$ 268,058
Marketable securities	298,720	1,618,058	802,378
Receivables	-	-	-
Prepays	-	-	142
Total Current Assets	<u>398,517</u>	<u>2,158,619</u>	<u>1,070,578</u>
Noncurrent Assets:			
Capital assets:			
Construction in progress	-	-	874,324
Plant and equipment	-	-	661,466
Less accumulated depreciation	-	-	(601,689)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>934,101</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>934,101</u>
Total Assets	<u>398,517</u>	<u>2,158,619</u>	<u>2,004,679</u>
Deferred Outflows of Resources			
Deferred outflows - OPEB	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Current Liabilities:			
Accounts payable	-	-	132,611
Current portion of accrued compensated absences	-	1,640,905	-
Total Current Liabilities	<u>-</u>	<u>1,640,905</u>	<u>132,611</u>
Noncurrent Liabilities:			
Accrued compensated absences	-	909,831	-
Net OPEB liability	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>909,831</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>2,550,736</u>	<u>132,611</u>
Deferred Inflows of Resources			
Deferred inflows - OPEB	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	-	-	934,101
Unrestricted	398,517	(392,117)	937,967
Total Net Position	<u>\$ 398,517</u>	<u>\$ (392,117)</u>	<u>\$ 1,872,068</u>

GULF COAST AUTHORITY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021

	<u>Employees'</u> <u>Health Care</u>	<u>Equipment</u> <u>Service</u>	<u>Pretreatment</u> <u>Legislation</u>	<u>Total</u>
Assets				
Current Assets:				
Cash and cash equivalents	\$ 425,499	\$ 605,702	\$ 281,572	\$ 2,221,189
Marketable securities	1,273,645	1,813,046	842,828	6,648,675
Receivables	18,448	-	-	18,448
Prepays	358,000	75	-	358,217
Total Current Assets	<u>2,075,592</u>	<u>2,418,823</u>	<u>1,124,400</u>	<u>9,246,529</u>
Noncurrent Assets:				
Capital assets:				
Construction in progress	-	-	-	874,324
Plant and equipment	-	6,628,639	-	7,290,105
Less accumulated depreciation	-	(4,877,447)	-	(5,479,136)
Total capital assets (net of accumulated depreciation)	-	1,751,192	-	2,685,293
Total Noncurrent Assets	<u>-</u>	<u>1,751,192</u>	<u>-</u>	<u>2,685,293</u>
Total Assets	<u>2,075,592</u>	<u>4,170,015</u>	<u>1,124,400</u>	<u>11,931,822</u>
Deferred Outflows of Resources				
Deferred outflows - OPEB	1,724,015	-	-	1,724,015
Total Deferred Outflows of Resources	<u>1,724,015</u>	<u>-</u>	<u>-</u>	<u>1,724,015</u>
Liabilities				
Current Liabilities:				
Accounts payable	948	-	-	133,559
Current portion of accrued compensated absences	-	-	-	1,640,905
Total Current Liabilities	<u>948</u>	<u>-</u>	<u>-</u>	<u>1,774,464</u>
Noncurrent Liabilities:				
Accrued compensated absences	-	-	-	909,831
Net OPEB liability	7,508,987	-	-	7,508,987
Total Noncurrent Liabilities	<u>7,508,987</u>	<u>-</u>	<u>-</u>	<u>8,418,818</u>
Total Liabilities	<u>7,509,935</u>	<u>-</u>	<u>-</u>	<u>10,193,282</u>
Deferred Inflows of Resources				
Deferred inflows - OPEB	3,389,073	-	-	3,389,073
Total Deferred Inflows of Resources	<u>3,389,073</u>	<u>-</u>	<u>-</u>	<u>3,389,073</u>
Net Position				
Net investment in capital assets	-	1,751,192	-	2,685,293
Unrestricted	(7,099,401)	2,418,823	1,124,400	(2,611,811)
Total Net Position	<u>\$ (7,099,401)</u>	<u>\$ 4,170,015</u>	<u>\$ 1,124,400</u>	<u>\$ 73,482</u>

GULF COAST AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
For the year ended December 31, 2021

	<u>Casualty Insurance Risk Reserve</u>	<u>Compensated Absences</u>	<u>Computer & Network Services</u>
Operating Revenues			
Charges for sales and services:			
Intragovernmental	\$ -	\$ -	\$ 1,091,376
Other	-	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>1,091,376</u>
Operating Expenses			
Costs of sales and services	-	124,166	903,228
Administration	-	-	354
Depreciation	-	-	25,812
Total Operating Expenses	<u>-</u>	<u>124,166</u>	<u>929,394</u>
Operating income (loss)	<u>-</u>	<u>(124,166)</u>	<u>161,982</u>
Nonoperating Revenues (Expenses)			
Investment income (loss)	(1,663)	(8,605)	(5,596)
Gain (loss) on disposal of capital assets	-	-	4,000
Total Nonoperating Revenues (Expenses)	<u>(1,663)</u>	<u>(8,605)</u>	<u>(1,596)</u>
Changes in Net Position	(1,663)	(132,771)	160,386
Beginning Net Position	400,180	(259,346)	1,711,682
Ending Net Position	<u>\$ 398,517</u>	<u>\$ (392,117)</u>	<u>\$ 1,872,068</u>

GULF COAST AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
For the year ended December 31, 2021

	<u>Employees' Health Care</u>	<u>Equipment Service</u>	<u>Pretreatment Legislation</u>	<u>Total</u>
Operating Revenues				
Charges for sales and services:				
Intragovernmental	\$ 3,120,434	\$ 590,446	\$ -	\$ 4,802,256
Other	591,545	-	166,800	758,345
Total Operating Revenues	<u>3,711,979</u>	<u>590,446</u>	<u>166,800</u>	<u>5,560,601</u>
Operating Expenses				
Costs of sales and services	488,910	23,801	96,000	1,636,105
Administration	3,551,615	170	-	3,552,139
Depreciation	-	350,796	-	376,608
Total Operating Expenses	<u>4,040,525</u>	<u>374,767</u>	<u>96,000</u>	<u>5,564,852</u>
Operating income (loss)	<u>(328,546)</u>	<u>215,679</u>	<u>70,800</u>	<u>(4,251)</u>
Nonoperating Revenues (Expenses)				
Investment income (loss)	(5,399)	(11,275)	(4,980)	(37,518)
Gain (loss) on disposal of capital assets	-	28,500	-	32,500
Total Nonoperating Revenues (Expenses)	<u>(5,399)</u>	<u>17,225</u>	<u>(4,980)</u>	<u>(5,018)</u>
Changes in Net Position	(333,945)	232,904	65,820	(9,269)
Beginning Net Position	<u>(6,765,456)</u>	<u>3,937,111</u>	<u>1,058,580</u>	<u>82,751</u>
Ending Net Position	<u>\$ (7,099,401)</u>	<u>\$ 4,170,015</u>	<u>\$ 1,124,400</u>	<u>\$ 73,482</u>

GULF COAST AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2021

	Casualty Insurance Risk Reserve	Compensated Absences	Computer & Network Services
Cash Flows from Operating Activities			
Receipts from customers and users	\$ -	\$ -	\$ -
Receipts from intragovernmental users	-	-	1,091,376
Payments to suppliers	-	-	(888,234)
Payments to employees	-	(207,142)	-
Net cash provided (used) by operating activities	<u>-</u>	<u>(207,142)</u>	<u>203,142</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	4,000
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>4,000</u>
Cash Flows from Investing Activities			
Maturity (purchase) of investments	(41,253)	(90,442)	(243,353)
Interest received	(1,663)	(8,605)	(5,596)
Net cash provided by (used for) investing activities	<u>(42,916)</u>	<u>(99,047)</u>	<u>(248,949)</u>
Net increase (decrease) in cash and cash equivalents	(42,916)	(306,189)	(41,807)
Beginning cash and cash equivalents	142,713	846,750	309,865
Ending cash and cash equivalents	<u>\$ 99,797</u>	<u>\$ 540,561</u>	<u>\$ 268,058</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ -	\$ (124,166)	\$ 161,982
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	-	-	25,812
Changes in Operating Assets and Liabilities			
(Increase) decrease in assets			
Accounts receivable	-	-	-
Prepays	-	-	29
Increase (decrease) liabilities			
Wages payable	-	(82,976)	-
Accounts payable	-	-	15,319
Net OPEB liability and related amounts	-	-	-
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ (207,142)</u>	<u>\$ 203,142</u>

GULF COAST AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2021

	<u>Employees'</u> <u>Health Care</u>	<u>Equipment</u> <u>Service</u>	<u>Pretreatment</u> <u>Legislation</u>	<u>Total</u>
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 591,545	\$ -	\$ 166,800	\$ 758,345
Receipts from intragovernmental users	3,116,820	590,446	-	4,798,642
Payments to suppliers	(3,883,379)	(53,278)	(96,000)	(4,920,891)
Payments to employees	-	-	-	(207,142)
Net cash provided (used) by operating activities	<u>(175,014)</u>	<u>537,168</u>	<u>70,800</u>	<u>428,954</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(407,387)	-	(407,387)
Proceeds from sale of capital assets	-	28,500	-	32,500
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(378,887)</u>	<u>-</u>	<u>(374,887)</u>
Cash Flows from Investing Activities				
Maturity (purchase) of investments	(64,378)	(351,456)	(161,760)	(952,642)
Interest received	(5,399)	(11,275)	(4,980)	(37,518)
Net cash provided by (used for) investing activities	<u>(69,777)</u>	<u>(362,731)</u>	<u>(166,740)</u>	<u>(990,160)</u>
Net increase (decrease) in cash and cash equivalents	(244,791)	(204,450)	(95,940)	(936,093)
Beginning cash and cash equivalents	670,290	810,152	377,512	3,157,282
Ending cash and cash equivalents	<u>\$ 425,499</u>	<u>\$ 605,702</u>	<u>\$ 281,572</u>	<u>\$ 2,221,189</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (328,546)	\$ 215,679	\$ 70,800	\$ (4,251)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	-	350,796	-	376,608
Changes in Operating Assets and Liabilities				
(Increase) decrease in assets				
Accounts receivable	(3,614)	-	-	(3,614)
Prepays	-	2	-	31
Increase (decrease) liabilities				
Wages payable	-	-	-	(82,976)
Accounts payable	96	(29,309)	-	(13,894)
Net OPEB liability and related amounts	157,050	-	-	157,050
Net cash provided (used) by operating activities	<u>\$ (175,014)</u>	<u>\$ 537,168</u>	<u>\$ 70,800</u>	<u>\$ 428,954</u>



GULF COAST AUTHORITY
PENSION AND OTHER POST-EMPLOYMENT
BENEFIT TRUST FUNDS
December 31, 2021

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, 2021

	Gulf Coast Authority 401(a) Money Purchase Plan and Trust	Gulf Coast Authority Other Post-Employment Benefit Trust	Total Pension and Other Post- Employment Benefit Trust Funds
Assets			
Investments, at fair value:			
Stable Value/Cash Management	\$ 16,830,863	\$ -	\$ 16,830,863
Bonds	5,523,183	-	5,523,183
Guaranteed Lifetime Income	8,113,447	-	8,113,447
Balanced/Asset Allocation	9,070,026	-	9,070,026
U.S. Stock	16,975,722	-	16,975,722
International/Global Stock	2,928,415	-	2,928,415
Specialty	488,735	-	488,735
Domestic Equities	-	7,792,876	7,792,876
Fixed Income	-	3,255,148	3,255,148
Private Equity	-	1,481,451	1,481,451
Total Assets	\$ 59,930,391	\$ 12,529,475	\$ 72,459,866
Net Position			
Restricted for:			
Pensions	\$ 59,930,391	\$ -	\$ 59,930,391
Other post-employment benefits	-	12,529,475	12,529,475
Total Net Position	\$ 59,930,391	\$ 12,529,475	\$ 72,459,866

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, 2021

	Gulf Coast Authority 401(a) Money Purchase Plan and Trust	Gulf Coast Authority Other Post-Employment Benefit Trust	Total Pension and Other Post- Employment Benefit Trust Funds
Additions			
Contributions:			
Members	\$ 674,187	\$ -	\$ 674,187
Employers	1,247,938	608,575	1,856,513
Total Contributions	<u>1,922,125</u>	<u>608,575</u>	<u>2,530,700</u>
Investment earnings:			
Net increase/(decrease) in fair value of investments	5,736,327	1,457,516	7,193,843
Net investment earnings	<u>5,736,327</u>	<u>1,457,516</u>	<u>7,193,843</u>
Other Additions:			
Roll-ins	36,612	-	36,612
Loan repayments	429,306	-	429,306
Beneficiary transfers	942,734	-	942,734
Forfeiture credits	99,156	-	99,156
Miscellaneous credits	835	-	835
Total Other Additions	<u>1,508,643</u>	<u>-</u>	<u>1,508,643</u>
Total Additions	<u>9,167,095</u>	<u>2,066,091</u>	<u>11,233,186</u>
Deductions:			
Benefit payments	5,283,929	-	5,283,929
Beneficiary transfers	942,734	-	942,734
Loan issuances	208,153	-	208,153
Forfeiture debits	99,156	-	99,156
Miscellaneous debits	173,753	-	173,753
Administrative expense	33,463	57,625	91,088
Total Deductions	<u>6,741,188</u>	<u>57,625</u>	<u>6,798,813</u>
Change in Net Position	2,425,907	2,008,466	4,434,373
Beginning Net Position	57,504,484	10,521,009	68,025,493
Ending Net Position	<u>\$ 59,930,391</u>	<u>\$ 12,529,475</u>	<u>\$ 72,459,866</u>

GULF COAST AUTHORITY
INDUSTRIAL PROJECTS - PRIVATE ACTIVITY REVENUE
BONDS ISSUED AND OUTSTANDING
December 31, 2021

	<u>Series</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>
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	**

Totals

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

** Variable rate

GULF COAST AUTHORITY
INDUSTRIAL PROJECTS - PRIVATE ACTIVITY REVENUE
BONDS ISSUED AND OUTSTANDING
December 31, 2021

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

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

** Variable rate

GULF COAST AUTHORITY
GULF COAST INDUSTRIAL DEVELOPMENT AUTHORITY - INDUSTRIAL
DEVELOPMENT REVENUE BONDS ISSUED AND OUTSTANDING
December 31, 2021

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

** Variable rate bond

STATISTICAL SECTION



GULF COAST AUTHORITY
STATISTICAL SECTION
December 31, 2021

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

Page

Financial Trends

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

Revenue Capacity

91

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

Debt Capacity

92

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

Demographic and Economic Information

96

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

Operating Information

98

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 ¹

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Primary Government					
Net investment in capital assets	\$ 59,278,920	\$ 51,956,683	\$ 52,785,531	\$ 62,566,534	\$ 65,537,570
Restricted	5,673,882	5,731,659	3,983,207	5,547,022	4,852,486
Unrestricted	<u>23,073,089</u>	<u>34,552,737</u>	<u>38,958,377</u>	<u>50,087,934</u>	<u>55,469,080</u>
Total Primary Government					
Net Position	<u>\$ 88,025,891</u>	<u>\$ 92,241,079</u>	<u>\$ 95,727,115</u>	<u>\$ 118,201,490</u>	<u>\$ 125,859,136</u>

¹ The Authority implemented GASB Statement No. 75 in 2018.

GULF COAST AUTHORITY
NET POSITION BY COMPONENT
LAST TEN YEARS ¹

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Primary Government					
Net investment in capital assets	\$ 68,936,131	\$ 73,391,834	\$ 79,801,363	\$ 81,370,225	\$ 77,689,182
Restricted	4,982,459	5,382,927	5,590,991	5,710,716	6,304,190
Unrestricted	<u>62,236,675</u>	<u>62,301,382</u>	<u>64,107,015</u>	<u>68,848,128</u>	<u>77,666,231</u>
Total Primary Government					
Net Position	<u>\$ 136,155,265</u>	<u>\$ 141,076,143</u>	<u>\$ 149,499,369</u>	<u>\$ 155,929,069</u>	<u>\$ 161,659,603</u>

¹ The Authority implemented GASB Statement No. 75 in 2018.

GULF COAST AUTHORITY
CHANGES IN NET POSITION
LAST TEN YEARS ¹

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Business-type activities:					
General services	\$ 2,200,954	\$ 1,867,558	\$ 1,158,663	\$ 922,949	\$ 1,342,428
Wastewater treatment	52,545,181	55,913,550	55,037,733	57,103,537	57,389,738
Solid waste disposal	1,101,793	826,055	853,672	904,667	947,022
Total Primary Government Expenses	<u>55,847,928</u>	<u>58,607,163</u>	<u>57,050,068</u>	<u>58,931,153</u>	<u>59,679,188</u>
Program Revenues					
Business-type activities:					
Charges for services:					
General services	2,964,156	1,499,139	1,555,047	1,809,874	2,075,707
Wastewater treatment	52,713,336	54,957,532	56,958,781	60,227,895	60,683,240
Solid waste disposal	957,530	783,755	826,806	888,028	925,322
Operating grants and contributions	-	10,338	-	-	-
Capital grants and contributions	2,909,000	4,865,128	7,064,990	8,406,698	2,870,910
Total Primary Government Revenues	<u>59,544,022</u>	<u>62,115,892</u>	<u>66,405,624</u>	<u>71,332,495</u>	<u>66,555,179</u>
Total Primary Government Net (Expense) Revenues	<u>3,696,094</u>	<u>3,508,729</u>	<u>9,355,556</u>	<u>12,401,342</u>	<u>6,875,991</u>
General Revenues and Other Changes in Net Position					
Business-type activities:					
Investment earnings (loss)	712,353	519,094	(12,355)	315,871	781,655
Miscellaneous	-	-	-	-	-
Total Primary Government	<u>712,353</u>	<u>519,094</u>	<u>(12,355)</u>	<u>315,871</u>	<u>781,655</u>
Total Primary Government Changes in Net Position	<u>\$ 4,408,447</u>	<u>\$ 4,027,823</u>	<u>\$ 9,343,201</u>	<u>\$ 12,717,213</u>	<u>\$ 7,657,646</u>

¹ The Authority implemented GASB Statement No. 75 in 2018

GULF COAST AUTHORITY
CHANGES IN NET POSITION
LAST TEN YEARS ¹

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses					
Business-type activities:					
General services	\$ 1,292,295	\$ 762,797	\$ 1,249,518	\$ 1,031,083	\$ 1,839,119
Wastewater treatment	59,162,361	63,292,202	65,539,309	68,281,152	70,068,723
Solid waste disposal	1,005,039	968,693	934,112	993,101	904,461
Total Primary Government Expenses	<u>61,459,695</u>	<u>65,023,692</u>	<u>67,722,939</u>	<u>70,305,336</u>	<u>72,812,303</u>
Program Revenues					
Business-type activities:					
Charges for services:					
General services	1,821,844	2,046,831	2,182,082	2,207,945	2,095,046
Wastewater treatment	64,771,316	68,929,692	67,937,673	70,711,321	75,687,746
Solid waste disposal	976,600	925,920	915,259	973,155	901,466
Operating grants and contributions	-	-	-	5,961	-
Capital grants and contributions	3,511,433	821,594	1,379,434	318,154	162,700
Total Primary Government Revenues	<u>71,081,193</u>	<u>72,724,037</u>	<u>72,414,448</u>	<u>74,216,536</u>	<u>78,846,958</u>
Total Primary Government					
Net (Expense) Revenues	<u>9,621,498</u>	<u>7,700,345</u>	<u>4,691,509</u>	<u>3,911,200</u>	<u>6,034,655</u>
General Revenues and Other Changes in Net Position					
Business-type activities:					
Investment earnings (loss)	674,631	2,134,690	3,727,520	2,259,735	(426,276)
Miscellaneous	-	-	4,197	251,765	129,155
Total Primary Government	<u>674,631</u>	<u>2,134,690</u>	<u>3,731,717</u>	<u>2,511,500</u>	<u>(297,121)</u>
Total Primary Government					
Changes in Net Position	<u>\$ 10,296,129</u>	<u>\$ 9,835,035</u>	<u>\$ 8,423,226</u>	<u>\$ 6,422,700</u>	<u>\$ 5,737,534</u>

¹ The Authority implemented GASB Statement No. 75 in 2018



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

Customer	2021			2012		
	Total Sales	Rank	% of Total Sales	Total Sales	Rank	% of Total Sales
Lyondell Chemical Company	\$ 8,004,082	1	17.4%	\$ 4,991,487	1	17.0%
Celanese LTD	5,914,586	2	12.8%	4,152,944	2	14.1%
Kaneka North America	5,402,447	3	11.7%	2,689,744	4	9.1%
Albemarle Corporation	5,231,856	4	11.4%	2,982,175	3	10.1%
Kuraray America	2,666,083	5	5.8%	952,754	7	3.2%
Carpenter Company	2,048,679	6	4.5%	1,247,889	6	4.2%
Dixie Chemical Company, Inc.	1,557,949	7	3.4%	1,361,876	5	4.6%
Intergulf Corp	1,297,738	8	2.8%	880,135	8	3.0%
American Acryl, LP	1,167,252	9	2.5%	702,179	10	2.4%
Noltex, LLC	1,127,640	10	2.4%			
Baker Petrolite, LLC		n/a		832,052	9	2.8%
Subtotal	<u>34,418,312</u>		<u>74.76%</u>	<u>20,793,235</u>		<u>70.64%</u>
Other customers	<u>11,618,019</u>		<u>25.24%</u>	<u>8,641,852</u>		<u>29.36%</u>
Total	<u><u>\$ 46,036,331</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 29,435,087</u></u>		<u><u>100.00%</u></u>

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net Income (loss)	\$ 3,372,235	\$ 620,770	\$ 3,877,727	\$ 4,679,665	\$ 5,007,053
Add items not includable in current expenses:					
Bond interest expense	1,424,400	2,182,607	1,879,274	2,788,107	2,704,239
Depreciation	4,567,156	4,533,646	4,395,904	4,478,265	4,950,344
Management fees	798,804	898,800	998,004	1,047,900	1,077,900
Pledge revenues	10,162,595	8,235,823	11,150,909	12,993,937	13,739,536
Average annual debt service on outstanding bonds	<u>\$ 3,231,758</u>	<u>\$ 3,113,717</u>	<u>\$ 3,254,134</u>	<u>\$ 4,845,390</u>	<u>\$ 4,748,064</u>
Actual debt service on outstanding bonds	<u>\$ 4,856,275</u>	<u>\$ 3,669,950</u>	<u>\$ 5,573,038</u>	<u>\$ 5,469,828</u>	<u>\$ 6,694,588</u>
Coverage by pledged revenues of average annual debt service on outstanding bonds	3.14	2.65	3.43	2.68	2.89
Coverage by pledged revenues of actual debt service on outstanding bonds	2.09	2.24	2.00	2.38	2.05

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Income (loss)	\$ 7,524,313	\$ 6,877,577	\$ 4,029,106	\$ 5,042,073	\$ 6,247,240
Add items not includable in current expenses:					
Bond interest expense	2,573,376	3,755,094	3,585,948	3,389,373	3,181,248
Depreciation	4,135,186	4,160,631	4,713,913	5,343,578	5,543,183
Management fees	1,177,896	1,237,896	1,287,900	1,362,900	1,362,900
Pledge revenues	15,410,771	16,031,198	13,616,867	15,137,924	16,334,571
Average annual debt service on outstanding bonds	<u>\$ 4,640,346</u>	<u>\$ 5,329,072</u>	<u>\$ 5,438,341</u>	<u>\$ 5,315,738</u>	<u>\$ 5,181,613</u>
Actual debt service on outstanding bonds	<u>\$ 6,686,988</u>	<u>\$ 7,326,006</u>	<u>\$ 8,144,963</u>	<u>\$ 8,136,613</u>	<u>\$ 8,132,363</u>
Coverage by pledged revenues of average annual debt service on outstanding bonds	3.32	3.01	2.50	2.98	3.15
Coverage by pledged revenues of actual debt service on outstanding bonds	2.30	2.19	1.67	1.86	2.01

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

<i>Fiscal Year</i>	Business-Type Activities					Total Primary Government	Total Operating Revenue	Percent of Total Revenue
	<i>Revenue Bonds</i>	<i>Refunding Bonds</i>	<i>Promissory Note</i>	<i>Capital Lease</i>	<i>Unamortized Premium</i>			
2012	\$ 19,460	\$ 9,630	\$ -	\$ -	\$ 594	\$ 29,684	\$ 57,144	51.95%
2013 (1)	27,490	20,670	-	-	6,270	54,430	57,240	95.09%
2014	24,665	20,120	-	-	5,594	50,379	59,340	84.90%
2015 (2)	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 (3)	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%

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

(1) In 2013 the Authority issued the Gulf Coast Waste Disposal Authority Bayport Area System Revenue Bonds, Series 2013.

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

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

GULF COAST AUTHORITY
ACTIVE INDUSTRIAL AND MUNICIPAL CUSTOMERS
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Business-Type Activities</u>
2012	154
2013	156
2014	176
2015	199
2016	203
2017	203
2018	221
2019	249
2020	248
2021	236

Source: Facility operating records.

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

<u>Year</u>	<u>General Services</u>	<u>Wastewater Treatment</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
2012	25	115	2	142
2013	26	115	2	143
2014	29	119	2	150
2015	29	119	2	150
2016	34	121	2	157
2017	33	120	2	155
2018	33	125	1	159
2019	33	126	2	161
2020	35	130	2	167
2021	38	135	2	175

Source: Human Resources

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program					
Wastewater Treatment					
Wastewater treated (MGD)*	45.752	47.638	47.638	46.080	44.353
Permitted capacity (MGD)	86.950	91.950	91.250	91.950	88.050
Solid Waste Disposal					
Nonhazardous waste					
received (cubic yards)	1,706	2,123	1,005	1,674	2,761
Permitted capacity (cubic yards)	95,000	95,000	95,000	95,000	95,000

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function/Program					
Wastewater Treatment					
Wastewater treated (MGD)*	46.040	47.630	46.990	46.590	47.320
Permitted capacity (MGD)	84.950	84.950	87.450	87.450	87.450
Solid Waste Disposal					
Nonhazardous waste					
received (cubic yards)	1,078	1,505	2,732	695	1,341
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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program					
General Services:					
Administrative Building	1	1	1	1	1
Wastewater Treatment:					
Aeration basins	22	22	18	16	15
Aeration tanks	5	5	10	12	13
Aerobic digester basins	12	12	13	13	12
Anaerobic basins	1	1			1
Belt presses	10	10	11	11	11
Clarifiers	17	17	19	19	20
Equalization basins	5	5	8	8	8
Facultative basins	2	2	1	1	2
Gravity filters	5	5	8	8	8
Disinfect areas	5	5	7	7	5
Sewerage acceptance units	2	2	3	3	3
Sludge surface disposal basins	3	3	3	3	3
Solid Waste Disposal:					
Land treatment units	2	2	2	2	1
Hazardous waste disposal cells	6	6	8	8	8
Non-hazardous waste disposal cells	4	4	4	4	4
	<u>102</u>	<u>102</u>	<u>116</u>	<u>116</u>	<u>115</u>

Source: Various Facilities

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

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

Source: Various Facilities



TEXAS SUPPLEMENTARY INFORMATION SECTION



GULF COAST AUTHORITY
TSI-1. SERVICES AND RATES
For the Year Ended December 31, 2021

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, 2021

Personnel services *	\$ 23,948,319
Materials and supplies	10,268,229
Utilities	4,901,489
Repairs and maintenance	4,524,268
Professional services	3,096,875
Contractual services	8,781,260
General and administrative	2,090,041
Major repairs	1,838,983
Interest and amortization	3,181,292
Depreciation	10,131,273
Other	<u>476,550</u>
	<u><u>73,238,579</u></u>

* Number of persons employed by the Authority: 175 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, 2021

	<u>Identification or Certificate Number</u>	<u>Effective Yield</u>	<u>Maturity Date</u>	<u>Balance at End of Year (Fair Value)</u>
Texas CLASS	N/A	0.07%	N/A	\$ 5,881,186
Texas Range	N/A	0.02%	N/A	7,447,417
Texpool	N/A	0.04%	N/A	<u>517,655</u>
Total temporary investments				<u><u>\$ 13,846,258</u></u>

GULF COAST AUTHORITY

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS

(ALL BONDED DEBT SERVICES) – BY SERIES

December 31, 2021

Due During the Year Ending	Annual Requirements for All Series			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2022	\$ 4,680,000	\$ 1,727,307	\$ 1,727,306	\$ 8,134,613
2023	4,910,000	1,610,307	1,610,306	8,130,613
2024	5,155,000	1,487,557	1,487,556	8,130,113
2025	3,635,000	1,358,682	1,358,681	6,352,363
2026	3,790,000	1,280,057	1,280,056	6,350,113
2027	3,950,000	1,197,907	1,197,906	6,345,813
2028	4,155,000	1,099,157	1,099,156	6,353,313
2029	4,350,000	995,282	995,281	6,340,563
2030	4,575,000	886,532	886,531	6,348,063
2031	4,800,000	772,157	772,156	6,344,313
2032	5,025,000	663,019	663,018	6,351,037
2033	5,250,000	548,635	548,634	6,347,269
2034	3,705,000	442,388	442,387	4,589,775
2035	3,840,000	376,385	376,384	4,592,769
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>\$ 77,375,000</u>	<u>\$ 15,719,441</u>	<u>\$ 15,719,427</u>	<u>\$ 108,813,868</u>

GULF COAST AUTHORITY

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS

(ALL BONDED DEBT SERVICES) – BY SERIES

December 31, 2021

Due During the Year Ending	Series, 2013			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2022	\$ 3,640,000	\$ 523,019	\$ 523,019	\$ 4,686,038
2023	3,235,000	432,019	432,019	4,099,038
2024	3,395,000	351,144	351,144	4,097,288
2025	1,225,000	266,269	266,269	1,757,538
2026	1,260,000	247,894	247,894	1,755,788
2027	1,300,000	228,994	228,994	1,757,988
2028	1,365,000	196,494	196,494	1,757,988
2029	1,430,000	162,369	162,369	1,754,738
2030	1,505,000	126,619	126,619	1,758,238
2031	1,580,000	88,994	88,994	1,757,988
2032	1,635,000	60,356	60,356	1,755,712
2033	1,695,000	30,722	30,722	1,756,444
	<u>\$ 23,265,000</u>	<u>\$ 2,714,893</u>	<u>\$ 2,714,893</u>	<u>\$ 28,694,786</u>

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

December 31, 2021

Due During the Year Ending	Series, 2015			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2022	\$ 1,040,000	\$ 482,375	\$ 482,375	\$ 2,004,750
2023	1,090,000	456,375	456,375	2,002,750
2024	1,145,000	429,125	429,125	2,003,250
2025	1,205,000	400,500	400,500	2,006,000
2026	1,265,000	370,375	370,375	2,005,750
2027	1,325,000	338,750	338,750	2,002,500
2028	1,395,000	305,625	305,625	2,006,250
2029	1,460,000	270,750	270,750	2,001,500
2030	1,535,000	234,250	234,250	2,003,500
2031	1,610,000	195,875	195,875	2,001,750
2032	1,695,000	155,625	155,625	2,006,250
2033	1,775,000	113,250	113,250	2,001,500
2034	1,865,000	68,875	68,875	2,002,750
2035	1,935,000	35,072	35,072	2,005,144
	<u>\$ 20,340,000</u>	<u>\$ 3,856,822</u>	<u>\$ 3,856,822</u>	<u>\$ 28,053,644</u>

GULF COAST AUTHORITY

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS

(ALL BONDED DEBT SERVICES) – BY SERIES

December 31, 2021

Due During the Year Ending	Series, 2018			Total
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	
2022	\$ -	\$ 721,913	\$ 721,912	\$ 1,443,825
2023	585,000	721,913	721,912	2,028,825
2024	615,000	707,288	707,287	2,029,575
2025	1,205,000	691,913	691,912	2,588,825
2026	1,265,000	661,788	661,787	2,588,575
2027	1,325,000	630,163	630,162	2,585,325
2028	1,395,000	597,038	597,037	2,589,075
2029	1,460,000	562,163	562,162	2,584,325
2030	1,535,000	525,663	525,662	2,586,325
2031	1,610,000	487,288	487,287	2,584,575
2032	1,695,000	447,038	447,037	2,589,075
2033	1,780,000	404,663	404,662	2,589,325
2034	1,840,000	373,513	373,512	2,587,025
2035	1,905,000	341,313	341,312	2,587,625
2036	1,970,000	307,975	307,975	2,585,950
2037	2,050,000	268,575	268,575	2,587,150
2038	2,130,000	227,575	227,575	2,585,150
2039	2,215,000	184,975	184,975	2,584,950
2040	2,305,000	140,675	140,675	2,586,350
2041	2,395,000	95,575	95,575	2,586,150
2042	2,490,000	48,719	48,719	2,587,438
	<u>\$ 33,770,000</u>	<u>\$ 9,147,726</u>	<u>\$ 9,147,712</u>	<u>\$ 52,065,438</u>



GULF COAST AUTHORITY
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
For the Year Ended December 31, 2021

Revenue Bonds	Interest Rate	Bonds Outstanding 1/1/21	Requirements 2021			Total	Bonds Outstanding 12/31/21
			Principal Due 10/01	Interest Due 04/01	Interest Due 10/01		
Series 2013 Revenue and Refunding Bonds	3.0-5.0	\$ 26,730,000	\$ 3,465,000	\$ 609,644	\$ 609,644	\$ 4,684,288	\$ 23,265,000
Series 2015 Revenue Bonds	2.0-5.0	21,330,000	990,000	507,125	507,125	2,004,250	20,340,000
Series 2018 Revenue Bonds	3.5-5.0	<u>33,770,000</u>	<u>-</u>	<u>721,913</u>	<u>721,912</u>	<u>1,443,825</u>	<u>33,770,000</u>
		<u>\$ 81,830,000</u>	<u>\$ 4,455,000</u>	<u>\$ 1,838,682</u>	<u>\$ 1,838,681</u>	<u>\$ 8,132,363</u>	<u>\$ 77,375,000</u>

Paying Agent's Name & City

The Bank of New York Mellon

Debt Service Reserve Fund cash and investments balances as of December 31, 2021 \$ 5,813,201

Average Annual Debt Service payment (Principal and Interest) for remaining term of all debt \$ 5,181,613

GULF COAST AUTHORITY

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

For the Year Ended December 31, 2021

	Amounts				
	2021	2020	2019	2018	2017
Operating Revenues					
Charges for sales and services					
Services to industries	\$ 73,312,340	\$ 69,382,664	\$ 65,792,014	\$ 67,775,496	\$ 62,969,599
Services to municipalities	4,057,533	3,446,688	4,111,071	3,050,025	2,816,964
Other	1,314,385	1,069,030	1,249,125	1,076,922	1,783,197
Total Revenues	78,684,258	73,898,382	71,152,210	71,902,443	67,569,760
Expenditures					
Cost of sales and services	55,467,021	53,532,447	50,253,488	48,707,216	46,852,819
Administrative	3,973,970	3,532,496	3,822,593	4,023,496	3,577,296
Depreciation	10,130,521	9,851,082	9,036,816	8,193,222	8,448,619
Total Expenditures	69,571,512	66,916,025	63,112,897	60,923,934	58,878,734
Operating income (loss)	9,112,746	6,982,357	8,039,313	8,691,026	6,156,576
Non-Operating Revenues (Expenses)					
Interest income	(388,758)	2,060,020	3,465,721	1,995,599	629,283
Interest expense	(3,181,248)	(3,389,373)	(3,585,948)	(3,755,074)	(2,573,376)
Gain (loss) on disposal of capital asset	(87,792)	(4,741)	(157,500)	(40,923)	(589)
Insurance proceeds	129,155	251,765	4,197	57,366	814
Total Non-Operating Revenues (Expenses)	(3,528,643)	(1,082,329)	(273,530)	(1,743,032)	(2,094,851)
Income (loss) before contributions	5,584,103	5,900,028	7,765,783	9,235,457	6,747,158
Capital Contributions, net	162,700	318,154	1,262,238	764,228	3,510,619
Change in Net Position	\$ 5,746,803	\$ 6,218,182	\$ 9,028,021	\$ 9,999,685	\$ 10,257,777
Total Active Industrial and Municipal Participants	236	248	249	221	203

GULF COAST AUTHORITY

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

For the Year Ended December 31, 2021

	Percent of Total Revenues				
	2021	2020	2019	2018	2017
Operating Revenues					
Charges for sales and services					
Services to industries	93.1%	93.9%	92.6%	94.4%	93.5%
Services to municipalities	5.2%	4.7%	5.8%	4.2%	4.2%
Other	1.7%	1.4%	1.6%	1.4%	2.3%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%
Expenditures					
Cost of sales and services	70.5%	72.4%	70.6%	67.7%	69.3%
Administrative	5.1%	4.8%	5.4%	5.6%	5.3%
Depreciation	12.9%	13.3%	12.7%	11.4%	12.5%
Total Expenditures	88.5%	90.5%	88.7%	84.7%	87.1%
Operating income (loss)	11.5%	9.5%	11.3%	15.3%	12.9%
Non-Operating Revenues (Expenses)					
Interest income	-0.5%	2.8%	4.9%	2.8%	0.9%
Interest expense	-4.0%	-4.6%	-5.0%	-5.2%	-3.8%
Gain (loss) on disposal of capital asset	-0.1%		-0.2%	-0.1%	
Insurance proceeds	0.2%	0.3%		0.1%	
Total Non-Operating Revenues (Expenses)	-4.4%	-1.5%	-0.3%	-2.4%	-2.9%
Income (loss) before contributions	7.1%	8.0%	11.0%	12.9%	10.0%
Capital Contributions, net	0.2%	0.4%	1.8%	1.1%	5.2%
Change in Net Position	7.3%	8.4%	12.8%	14.0%	15.2%

GULF COAST AUTHORITY
TSI-8. BOARD MEMBERS AND ADMINISTRATIVE PERSONNEL
For the Year Ended December 31, 2021

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): 12/2021
Limit on Fees of Office that a Director may receive during a fiscal year:
(Set by Board Resolution - TWC Section 49.060) \$7,200

Board Members	Term of Office or Date Hired *	Elected/ Appointed	Fees of office paid 12/31/21	Expenses reimbursed 12/31/21	Title at Year End
Franklin D.R. Jones, Jr.	09/01/20 - 08/31/22	Appointed (2)	\$ 5,100	\$ 1,345	Chairman
Rita E. Standridge	09/01/20 - 08/31/22	Appointed (3)	4,500	246	Vice Chair
W. Chris Peden	09/01/19 - 08/31/21	Appointed (2)	4,050	538	Secretary
Kevin M. Scott	09/01/20 - 08/31/22	Appointed (1)	4,200	660	Treasurer
J. Mark Schultz	09/01/20 - 08/31/22	Appointed (2)	6,750	1,442	Member
Billy J. Enochs	09/01/21 - 08/31/23	Appointed (3)	4,350	396	Member
Lamont E. Meaux	09/01/20 - 08/31/22	Appointed (1)	3,600	471	Member
Amber Batson	09/01/21 - 08/31/23	Appointed (1)	450	374	Member

Key Administrative Personnel:

Elizabeth Fazio Hale	11/16/20	N/A	\$ 316,070	\$ 2,236	Chief Executive Officer
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Consultants:

Olson and Olson	01/01/80	N/A	\$ 115,432	\$ -	General Counsel
Whitley Penn, LLP	10/01/06	N/A	\$ 74,577	\$ -	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