

Gulf Coast Waste Disposal Authority



***Comprehensive Annual Financial Report
Year Ended December 31, 2013***

GULF COAST WASTE DISPOSAL AUTHORITY
TABLE OF CONTENTS

	<u>Page</u>
Introductory Section	
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	v
Organizational Chart	vi
Board of Directors	vii
Committee/Board Assignments	viii
Administrative Staff and Consultants	ix
Financial Section	
Report of Independent Auditors	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Proprietary Funds:	
Statement of Net Position	14
Statement of Revenues, Expenses and Changes in Fund Net Position	16
Statement of Cash Flows	18
Fiduciary Funds:	
Statement of Fiduciary Net Position	20
Statement of Changes in Fiduciary Net Position	21
Notes to Financial Statements	22
Required Supplemental Information:	
Required Other Post-Employment Benefits Supplementary Information	46
Other Supplementary Information:	
Combining Information and Statements:	
Enterprise Funds:	
Combining Information by Division - Net Position	52
Combining Information by Division - Revenues, Expenses, and Changes in Net Position	56
Combining Information by Division - Cash Flows	60
Internal Service Funds:	
Combining Statement of Net Position	70
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	72
Combining Statement of Cash Flows	74
Industrial Projects - Private Activity Revenue Bonds Issued and Outstanding	78
Gulf Coast Industrial Development Authority - Industrial Development Revenue Bonds Issued and Outstanding	82

GULF COAST WASTE DISPOSAL AUTHORITY

TABLE OF CONTENTS (continued)

	Page
Statistical Section	
Net Position by Component - Last Ten Years	88
Changes in Net Position - Last Ten Years	90
Bayport Major Customers - Current Year and Nine Years Ago	93
Bayport Area Revenue Bonds Debt Service Coverage of the Pledged Revenues - Last Ten Years	94
Ratio of Outstanding Debt by Type - Last Ten Years	96
Active Industrial and Municipal Customers - Last Ten Years	97
Full-Time Equivalent Authority Employees by Function/Program - Last Ten Years	99
Operating Indicators by Function/Program - Last Fiscal Ten Years	100
Capital Asset Statistics by Function/Program - Last Fiscal Ten Years	102
Texas Supplementary Information Section	
TSI-1 Services and Rates	107
TSI-2 Government-Wide Schedule of Expenses	108
TSI-3 Schedule of Temporary Investments	109
TSI-4 Analysis of Taxes Levied and Receivable	N/A
TSI-5 Long-Term Debt Service Requirements by Year	110
TSI-6 Changes in Long-Term Bonded Debt	113
TSI-7 Schedule of Revenues and Expenses	114
TSI-8 Board Members and Administrative Personnel	116

INTRODUCTORY SECTION



Gulf Coast Waste Disposal Authority

910 Bay Area Boulevard • Houston, Texas 77058

Phone: 281.488.4115 • Fax: 281.488.3331 • www.gcwda.com

May 8, 2014

To the Board of Directors, Participants, and Customers
of the Gulf Coast Waste Disposal Authority:

The Texas Water Code, Chapter 49, requires the Gulf Coast Waste Disposal Authority (the Authority) 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 Comprehensive Annual Financial Report (CAFR) of the Gulf Coast Waste Disposal Authority for the fiscal year ended December 31, 2013.

In addition, the Texas Water Code, Chapter 49, requires that the Authority submit a copy of the CAFR to the Texas Commission on Environmental Quality (TCEQ) within 135 of the close of each fiscal year along with annual filing affidavits stating that copies of the CAFR 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 CAFR 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 CAFR. 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 CAFR 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, 2013, 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, 2012, 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 require 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 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 waste treatment facilities; technical assistance and information programs; involvement in community environmental projects; and pollution control and private activity bond financing of projects. The Authority's Act was amended during 2013 to provide for the treatment and sale of water.

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 passing resolutions, adopting budgets and hiring the General Manager. The General Manager is responsible for carrying out the policies of the Board of Directors, for 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 Services, Bayport Area System, Central Laboratory, Municipal Operations, Vince Bayou Facility, and Washburn Tunnel Pipeline Facility Divisions. Participants approve the annual budgets for the Blackhawk Regional Facility, Campbell Bayou Facility, 40-Acre Facility, Odessa South Regional Facility and Washburn Tunnel Facility Divisions. 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 2013, the Authority operated four industrial wastewater treatment plants, four municipal sewage treatment plants, an industrial solid waste landfill, a pipeline, a receiving station for the collection of trucked in wastewater and a service that provides billing and collection for a utility district. In addition, the Authority operated a central laboratory that has consolidated most of GCWDA's testing procedures.

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 Waste Disposal Authority operates.

Local economy. Harris, Galveston and Chambers Counties form the primary jurisdictional area for the Authority. This area is located within the Houston-Sugarland-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 exploration, production, oil field service and supply, and development. About 3,600 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 world's sixth 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 4.85 million to 6.1 million (25.4%) between 2000 and 2010. The Bureau of Labor Statistics reports the unemployment rate for the Houston MSA at 5.7% as of December 31, 2013, down .3% from a year ago. It also reports that there are currently 2.84 million jobs, up 3% from a year ago. The outlook for growth of the region continues to be strong with the Greater Houston Partnership estimating 69,800 new non-farm jobs for 2014.

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 \$97 million in planned additions to existing facilities. The Bayport Facility accounts for almost \$56 million of the total with additions to increase capacity as well as to maintain compliance with air and water permits. Other additions include \$2.9 million at the Blackhawk Facility; \$18.7 million at the Washburn Tunnel Facility; \$2.4 million at the 40-Acre Facility; \$2 million at the Odessa facility; \$14 million at the Campbell Bayou Facility; and \$1 million at the Central Lab Facility. Funding for these projects will be provided by the issuance of revenue bonds or the contribution of capital from the participants.

Major initiatives. The Board of Directors, staff and consultants are currently working with other public and private entities across the United States as well as national associations in proposing certain changes in federal law to allow for tax-exempt financing of certain water, wastewater and air pollution control facilities.

Awards and Acknowledgments

The Authority's 40-Acre and Odessa South Facilities received a Gold Award and the Bayport Facility received a Silver Award for their compliance achievements during the 2012 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 Waste Disposal Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2012. This was the 26th 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 CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the 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 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 Committee for its role in overseeing the audit process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Ricky Clifton". The signature is fluid and cursive, with the first name "Ricky" being more prominent than the last name "Clifton".

Ricky Clifton
General Manager

A handwritten signature in blue ink that reads "Amanda E. Eaves". The signature is fluid and cursive, with the first name "Amanda" being more prominent than the last name "Eaves".

Amanda E. Eaves, CPA
Manager of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Gulf Coast Waste Disposal
Authority, Texas**

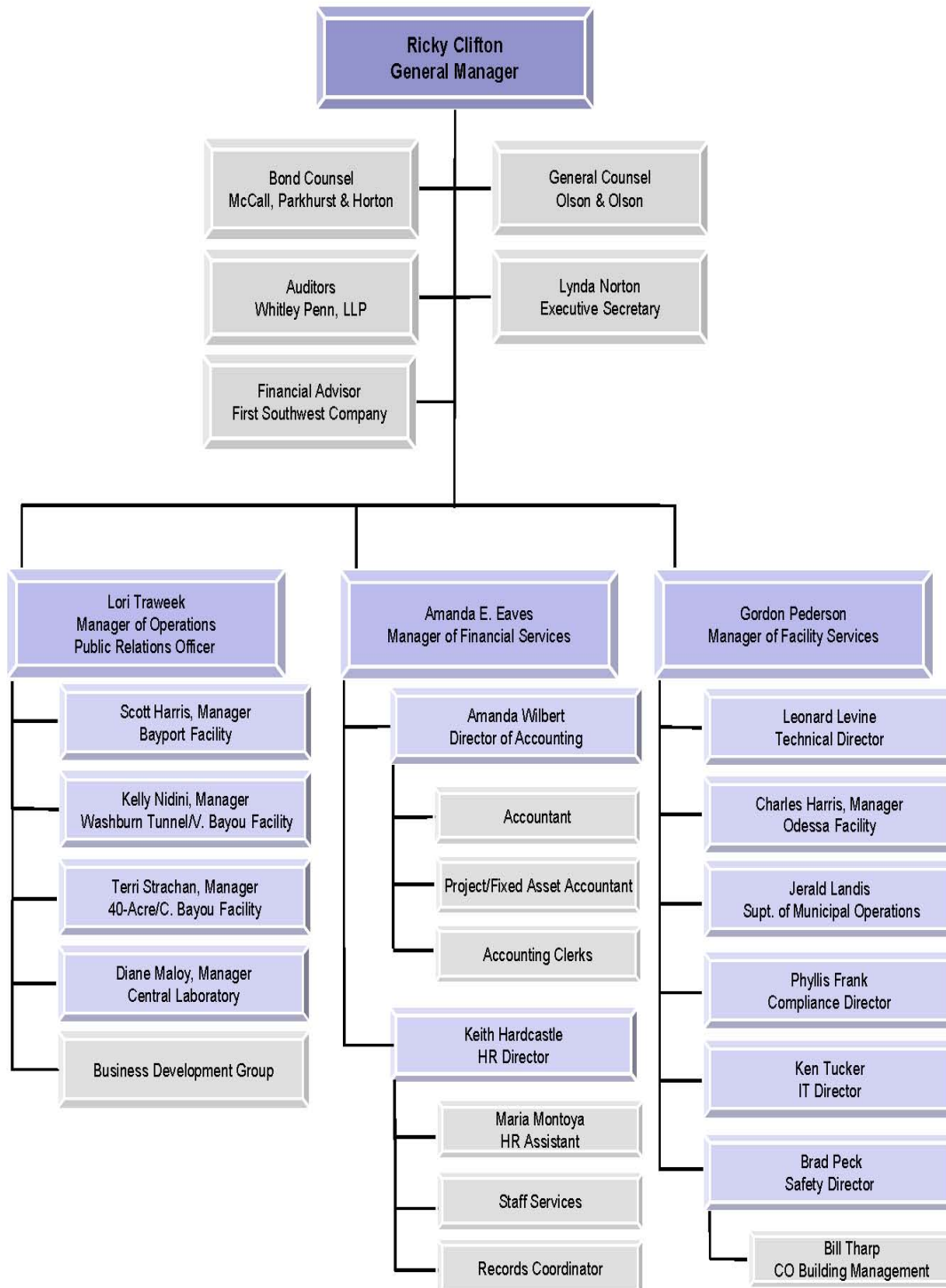
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

GULF COAST WASTE DISPOSAL AUTHORITY

ORGANIZATIONAL CHART



GULF COAST WASTE DISPOSAL AUTHORITY
BOARD OF DIRECTORS

Chairman

J. Mark Schultz
Representing Chambers County

Appointed by County Commissioners Court

Vice Chairman

Rita Standridge
Representing Chambers County

Appointed by Consortium of Mayors

Treasurer

Irvin Osborne-Lee, Ph.D.
Representing Harris County

Appointed by Consortium of Mayors

Secretary

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

Appointed by County Commissioners Court

Directors

Gloria Milian Matt
Representing Harris County

Appointed by Governor

Ron Crowder
Representing Galveston County

Appointed by Consortium of Mayors

Stanley C. Cromartie
Representing Galveston County

Appointed by Governor

Chris W. Peden, CPA
Representing Galveston County

Appointed by County Commissioners Court

Lamont Meaux
Representing Chambers County

Appointed by Governor

GULF COAST WASTE DISPOSAL AUTHORITY
COMMITTEE/BOARD ASSIGNMENTS

INDUSTRIAL DEVELOPMENT BOARD

Ron Crowder, President
Ricky Clifton, Vice President
Amanda E. Eaves, Secretary

POLICY COMMITTEE

Stanley C. Cromartie, AIA, Chairman
Franklin D.R. Jones, Jr.
Irvin Osborne-Lee, Ph.D.
Rita Standridge

AUDIT COMMITTEE

Irvin Osborne-Lee, Ph.D., Chairman
Rita Standridge
Gloria Milian Matt
W. Chris Peden, CPA

BUDGET REVIEW COMMITTEE

Lamont E. Meaux, Chairman
Gloria Milian Matt
Ron Crowder
W. Chris Peden, CPA

SPECIAL PROJECT COMMITTEE

Rita Standridge, Chairman
Lamont E. Meaux
W. Chris Peden, CPA
Gloria Milian Matt

BUSINESS DEVELOPMENT COMMITTEE

Franklin D.R. Jones, Jr., Chairman
Ron Crowder
Irvin Osborne-Lee, Ph.D.
Stanley C. Cromartie, AIA

LEGISLATIVE COMMITTEE

**** Mark Schultz, Chairman**
Stanley C. Cromartie, AIA
Franklin D.R. Jones, Jr.
Lamont E. Meaux

** The Chairman is an ex-officio member of all committees with the right to discuss all matters before the committee at its called meeting

GULF COAST WASTE DISPOSAL AUTHORITY
ADMINISTRATIVE STAFF AND CONSULTANTS

Senior Staff & Consultants

General Manager

Ricky Clifton

Manager of Financial Services

Amanda E. Eaves, CPA

Manager of Operations

Lori Traweek

Manager of Facility Services

Gordon Pederson

Director of Accounting

Amanda Wilbert, CPA

General Counsel

Olson & Olson LLP
Houston, Texas

Bond Counsel

McCall, Parkhurst & Horton
Dallas, Texas

Financial Advisor

First Southwest Company
Houston, Texas

Auditors

Whitley Penn, LLP
Houston, Texas

General Office

Gulf Coast Waste Disposal Authority
910 Bay Area Boulevard
Houston, Texas 77058

(This page intentionally left blank.)

FINANCIAL SECTION

(This page intentionally left blank.)

REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities, each major fund and the aggregate remaining fund information of the Gulf Coast Waste Disposal Authority (the "Authority") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the Gulf Coast Waste Disposal Authority, as of December 31, 2013, 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.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and required other post-employment benefit system supplementary information on page 46 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.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

April 28, 2014

GULF COAST WASTE DISPOSAL AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gulf Coast Waste Disposal Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of Gulf Coast Waste Disposal Authority for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have provided in our letter of transmittal, which can be found on pages i - iv of this report. The amounts in the text of the MD&A are rounded to the nearest dollar unless otherwise indicated.

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

- ... Net position increased by \$3.5 million
- ... Program revenues increased by \$2.6 million
- ... Operating expenses increased by \$2.8 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 and liabilities, with the difference between the two 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (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 12.

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 WASTE DISPOSAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary funds. The Authority maintains two different types of proprietary funds: an enterprise fund 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 twelve divisions. These divisions are the General Services Division, Bayport Area System Facility Division, Blackhawk Regional Wastewater Treatment Facility Division, Campbell Bayou Facility Division, Central Laboratory 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, 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.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the combined financial statements because resources of those funds are not available to support the Authority's own programs.

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 22.

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 fund type and schedules of conduit debt issued and outstanding, (3) the Statistical Section and (4) the required Texas Supplementary Information.

GULF COAST WASTE DISPOSAL 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. In the case of the Authority, assets exceeded liabilities by \$95.7 million at the close of the 2013 fiscal year.

Gulf Coast Waste Disposal Authority

Net Position

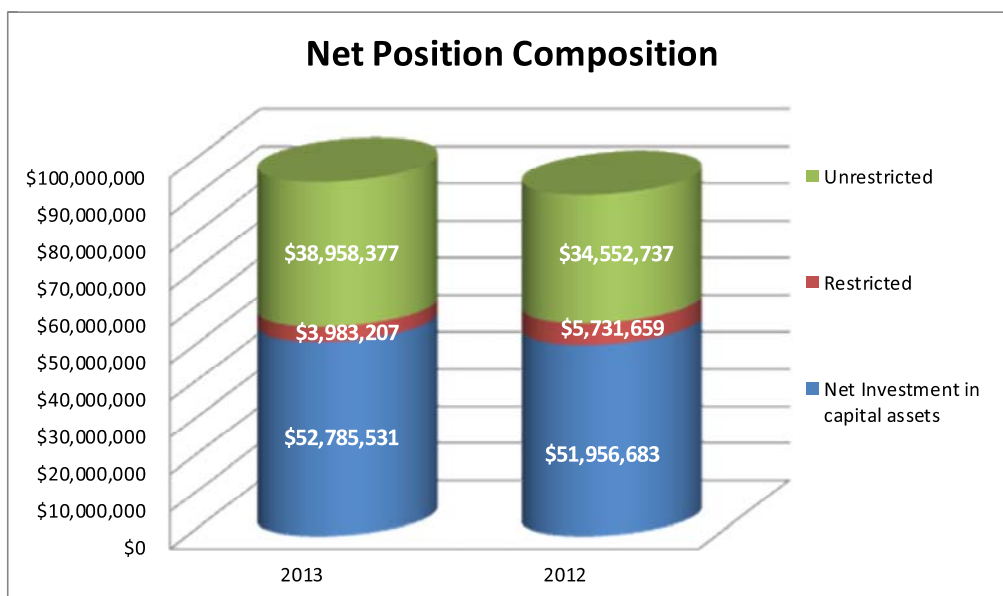
December 31, 2013

With comparative totals for December 31, 2012

			Increase / (Decrease)	
	2013	2012	\$	%
Current and other assets	\$ 82,237,976	\$ 51,788,811	\$ 30,449,165	58.8%
Capital assets	81,910,670	82,425,474	(514,804)	-0.6%
Total assets	164,148,646	134,214,285	29,934,361	22.3%
Total deferred outflows of resources	1,263,983		1,263,983	100.0%
Long term liabilities	59,327,126	34,396,500	24,930,626	72.5%
Other liabilities	10,358,388	7,576,706	2,781,682	36.7%
Total liabilities	69,685,514	41,973,206	27,712,308	66.0%
Net Position:				
Net Investment in capital assets	52,785,531	51,956,683	828,848	1.6%
Restricted	3,983,207	5,731,659	(1,748,452)	-30.5%
Unrestricted	38,958,377	34,552,737	4,405,640	12.8%
Total Net Position	\$ 95,727,115	\$ 92,241,079	\$ 3,486,036	3.8%

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

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



A majority of the Authority's \$95.7 million in net position is invested in 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.

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 and a contingency reserve. At year end, unrestricted net position was \$39.0 million, representing a 12.8% increase from 2012. Unrestricted net position may be used to meet the Authority's ongoing liabilities.

Current and other assets increased 58.8% or \$30.4 million in 2013. The primary reason for the increase is due to the increase in cash and marketable securities restricted for capital projects.

The 1.6% increase in net position invested in capital assets is primarily due by additions to capital assets of \$9.8 million. This was offset by the approximately \$9.2 million recognized in 2013 for depreciation expense on capital assets previously placed in service.

The \$27.7 million (66.0%) increase in total liabilities is primarily due to the issuance of bonds as discussed in the Debt section on page 8 of this section.

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

Total net position increased by \$3.5 million in 2013. The components of the changes in the net position are found in the following table:

Gulf Coast Waste Disposal Authority

Changes in Net Position

Year ended December 31, 2013

With comparative totals for year ended December 31, 2012

	2013	2012	Increase / (Decrease)	
			\$	%
Revenues:				
Program revenues				
Charges for services	\$ 57,240,426	\$ 56,635,022	\$ 605,404	1.1%
Capital grants and contributions	4,865,128	2,909,000	1,956,128	67.2%
Total program revenues	62,105,554	59,544,022	2,561,532	4.3%
Unrestricted investment earnings (loss)	(12,355)	519,094	(531,449)	-102.4%
Total revenues	62,093,199	60,063,116	2,030,083	3.4%
Expenses:				
General services	1,867,558	2,200,954	(333,396)	-15.1%
Wastewater treatment	55,913,550	52,545,181	3,368,369	6.4%
Solid waste disposal	826,055	1,101,793	(275,738)	-25.0%
Total expenses	58,607,163	55,847,928	2,759,235	4.9%
Change in Net Position	3,486,036	4,215,188	(729,152)	17.3%
Net Position, beginning	92,241,079	88,025,891	4,215,188	4.8%
Net Position, ending	<u>\$ 95,727,115</u>	<u>\$ 92,241,079</u>	<u>\$ 3,486,036</u>	<u>3.8%</u>

Capital grants and contributions increased 67.2% or \$2.0 million in 2013. Capital projects funded through charges to facility participants during 2013 were as follows:

- ... Blackhawk facility renovations of approximately \$2.7 million;
- ... Washburn Tunnel facility renovations of approximately \$960 thousand;
- ... Odessa facility renovations of approximately \$295 thousand.

Unrestricted investment earnings decreased by \$0.5 million due to a reduction in interest rates and market values.

Total expenses increased by \$2.8 million during 2013 due primarily to the following factors:

- ... The Authority spent approximately \$740 thousand for costs related to issuance of the Bayport 2013 Revenue and Refunding Bonds;
- ... Utility costs increased by approximately \$708 thousand or 15% from 2012 due to rate increases;
- ... Materials and supplies expense increased by approximately \$1 million due to increased operations at the facilities.

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

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 investment in capital assets as of December 31, 2013, was \$81.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, waste treatment facilities and equipment, administrative furniture and equipment and construction in progress. The total decrease in the Authority's investment in capital assets for the current fiscal year was 0.6%. Depreciation expense for the year was \$9.2 million. Construction in progress increased \$6,711,314.

Gulf Coast Waste Disposal Authority

Capital Assets (net of depreciation)

December 31, 2013

With comparative totals for December 31, 2012

	2013	2012	Increase/(Decrease)	
			\$	%
Land	\$ 5,175,541	\$ 5,175,541	\$	
Buildings	192,612	184,423	8,189	4.4%
Waste treatment facilities and equipment	64,623,449	71,213,138	(6,589,689)	-9.3%
Administrative furniture and equipment	1,641,467	2,286,085	(644,618)	-28.2%
Construction in progress	10,277,601	3,566,287	6,711,314	188.2%
Total	<u>\$ 81,910,670</u>	<u>\$ 82,425,474</u>	<u>\$ (514,804)</u>	<u>-0.6%</u>

Major capital asset outlays during the fiscal year 2013 included the following:

<u>Capital Outlay Description</u>	<u>Capital Outlay</u>
Plant Renovations at the Blackhawk Facility	\$ 2,738,322
Plant improvements at the Bayport Facility:	
MLS Pumping and Piping Upgrade	1,781,985
Clarifier #7 Project	1,507,976
Plant improvements at the Washburn Tunnel Facility:	
T-518 sludge thickener repairs	\$ 963,896
Inplant Improvements at the Odessa Facility	\$ 295,095

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

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

Debt

At the end of the current fiscal year, the Authority had \$48.2 million in debt outstanding compared to \$29.1 million last year. During the year the Authority issued Bayport Area System Revenue Bonds, Series 2013, for \$43,375,000. The issue included \$20,120,000 in refunding bonds and \$23,255,000 to fund capital projects at the Bayport facility. The net present value savings on the refunded bonds was approximately \$2.6 million. Principal payments of \$2,230,000 were made during 2013.

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 Years' Rates

According to the Dallas Federal Reserve Bank, the current unemployment rate for the Houston area is 5.7%. This compares to the national rate of 6.7% and the Texas rate of 5.7%. Houston's employment grew at an annualized rate of 3% in the first three months of 2014. The Greater Houston Partnership forecasts the 10-county Houston metro area will create 69,800 jobs in 2014 which will bring its employment to 2.9 million jobs, an increase of more than 500,000 jobs since January 2005. Only two other metros – New York and Dallas-Fort Worth will be able to make a similar claim. The Houston area is currently experiencing a healthy growth in capital expenditures in the chemical industry which will have a positive impact on the Authority's operating revenues.

The Board of Directors approved a rate increase for the Bayport Area System Facility Division which will generate another \$2,000,000 for the Division for fiscal year 2014.

Requests for Information

This financial report is designed to provide a general overview of the Gulf Coast Waste Disposal 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 Manager of Financial Services, 910 Bay Area Boulevard, Houston, Texas 77058.

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

GULF COAST WASTE DISPOSAL AUTHORITY**Statement of Net Position****December 31, 2013**

	Business Type Activities
Assets	
Cash and cash equivalents	\$ 3,035,416
Marketable securities	40,327,664
Receivables, net	9,836,337
Prepays	511,676
Restricted assets:	
Cash and cash equivalents	7,631,623
Marketable securities	20,400,413
Accrued interest	193,599
Noncurrent receivable	301,248
Capital assets not being depreciated:	
Land	5,175,541
Construction in progress	10,277,601
Capital assets net of accumulated depreciation:	
Plant and equipment	66,457,528
Total assets	164,148,646
Deferred Outflows of Resources	
Deferred loss on refunding	1,263,983
Liabilities	
Current liabilities:	
Accounts payable	6,666,851
Wages payable	733,468
Accrued bond interest	549,509
Unearned revenue	412,353
Working capital deposits	1,996,207
Noncurrent liabilities:	
Due within one year	4,734,389
Due in more than one year	54,592,737
Total liabilities	69,685,514
Net Position	
Net investment in capital assets	52,785,531
Restricted:	
Debt service	3,494,878
Contingency reserve	488,329
Unrestricted	38,958,377
Total Net Position	\$ 95,727,115

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY*Statement of Activities - Business Type Activities**Year ended December 31, 2013*

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General services	\$ 1,867,558	\$ 1,499,139	\$ -	\$ -	\$ (368,419)
Wastewater treatment	55,913,550	54,957,532	-	4,865,128	3,909,110
Solid waste disposal	826,055	783,755	-	-	(42,300)
	<u>\$ 58,607,163</u>	<u>\$ 57,240,426</u>	<u>\$ -</u>	<u>\$ 4,865,128</u>	<u>3,498,391</u>
	Unrestricted investment losses				(12,355)
	Change in Net Position				3,486,036
	Beginning Net Position				<u>92,241,079</u>
	Ending Net Position				<u><u>\$ 95,727,115</u></u>

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY*Page 1 of 2***PROPRIETARY FUNDS***Statement of Net Position**December 31, 2013*

	Enterprise Fund	Internal Service Fund
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,494,334	\$ 541,082
Marketable securities	33,138,995	7,188,669
Receivables, net	9,836,337	
Current portion of interfund loan receivable	381,012	
Prepays	458,314	53,362
Restricted assets:		
Cash and cash equivalents	7,631,623	
Marketable securities	20,400,413	
Accrued interest	193,599	
Total current assets	<u>74,534,627</u>	<u>7,783,113</u>
Noncurrent Assets:		
Note receivable from others	301,248	
Capital assets:		
Land	5,175,541	
Construction in progress	10,277,601	
Plant and equipment	221,813,470	5,854,506
Less accumulated depreciation	(157,021,815)	(4,188,633)
Total capital assets (net of accumulated depreciation)	<u>80,244,797</u>	<u>1,665,873</u>
Total noncurrent assets	<u>80,546,045</u>	<u>1,665,873</u>
Total assets	<u>155,080,672</u>	<u>9,448,986</u>
Deferred Outflows of Resources		
Deferred loss on refunding	1,263,983	

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY
PROPRIETARY FUNDS
Statement of Net Position
December 31, 2013

Page 2 of 2

	Enterprise Fund	Internal Service Fund
Liabilities		
Current liabilities:		
Accounts payable	\$ 6,091,502	\$ 575,349
Wages payable	733,468	
Accrued bond interest	549,509	
Current portion of interund loan payable		381,012
Current portion of accrued compensated absences		1,260,819
Current portion of bonds payable	3,473,570	
Unearned revenue	412,353	
Total current liabilities	<u>11,260,402</u>	<u>2,217,180</u>
Noncurrent liabilities:		
Accrued compensated absences		1,386,435
Net OPEB obligation		2,250,074
Bonds payable (net of unamortized discount and deferred amount on refunding)	50,956,228	
Working capital deposits	1,996,207	
Total noncurrent liabilities	<u>52,952,435</u>	<u>3,636,509</u>
Total liabilities	<u>64,212,837</u>	<u>5,853,689</u>
Net Position		
Net investment in capital assets	51,500,670	1,284,861
Restricted:		
Debt service	3,494,878	
Contingency reserve	488,329	
Unrestricted	36,647,941	2,310,436
Total Net Position	<u>92,131,818</u>	<u>\$ 3,595,297</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>3,595,297</u>	
Net Position of the business-type activities	<u>\$ 95,727,115</u>	

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY
PROPRIETARY FUNDS
Statement of Revenue, Expenses, and Changes in Fund Net Position
Year ended December 31, 2013

	Enterprise Fund	Internal Service Fund
Operating revenues		
Charges for sales and services		
Services to industries	\$ 53,320,897	\$
Services to municipalities	3,555,145	
Intragovernmental		3,903,417
Other	364,384	634,124
Total operating revenues	<u>57,240,426</u>	<u>4,537,541</u>
Operating expenses		
Costs of sales and services	44,910,104	3,571,609
Administration	2,981,431	308,607
Depreciation	8,410,599	783,946
Total operating expenses	<u>56,302,134</u>	<u>4,664,162</u>
Operating income (loss)	<u>938,292</u>	<u>(126,621)</u>
Nonoperating revenues (expenses)		
Investment income (loss)	1,080	(13,435)
Interest expense	(2,182,607)	(18,024)
Gain on disposal of capital assets	1,023	21,200
Total nonoperating expenses	<u>(2,180,504)</u>	<u>(10,259)</u>
Loss before contributions	<u>(1,242,212)</u>	<u>(136,880)</u>
Capital contributions	4,865,128	
Changes in Net Position	3,622,916	(136,880)
Beginning Net Position	<u>88,508,902</u>	<u>3,732,177</u>
Ending Net Position	<u>\$ 92,131,818</u>	<u>\$ 3,595,297</u>
Change in Net Position of enterprise fund	\$ 3,622,916	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	<u>(136,880)</u>	
Change in nets position of business-type activities	<u>\$ 3,486,036</u>	

See notes to the financial statements

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY
PROPRIETARY FUNDS
Statement of Cash Flows
Year ended December 31, 2013

Page 1 of 2

	Enterprise Fund	Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 57,644,944	\$ 657,613
Receipts from intragovernmental users		3,879,927
Payments to suppliers	(24,184,248)	(3,437,139)
Payments to employees	(18,070,966)	(33,341)
Payments to intragovernmental suppliers	(3,879,927)	
Net cash provided by operating activities	<u>11,509,803</u>	<u>1,067,060</u>
Cash Flows from Noncapital Financing Activities		
Principal received (paid) on intragovernmental loan	403,887	(403,887)
Interest received (paid) on intragovernmental loan	18,024	(18,024)
Interest received on note receivable	33,250	
Principal received on note receivable	5,694	
Net cash provided (used) by noncapital financing activities	<u>460,855</u>	<u>(421,911)</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(8,549,696)	(154,222)
Proceeds from sale of capital assets	23,850	21,200
Proceeds from sale of revenue bonds	26,980,871	
Payment of bond issuance costs	(455,879)	
Retirement of bonds	(2,230,000)	
Interest paid on capital related debt	(1,932,962)	
Deferred outflows from bond sale	(1,046,174)	
Contributions received from participants for capital outlay	4,865,128	
Net cash provided (used) by capital and related financing activities	<u>17,655,138</u>	<u>(133,022)</u>
Cash Flows from Investing Activities		
Purchase of investments	(23,767,335)	(595,913)
Interest received	382,949	46,384
Net cash used by investing activities	<u>(23,384,386)</u>	<u>(549,529)</u>
Net increase (decrease) in cash and cash equivalents	6,241,410	(37,402)
Beginning cash and cash equivalents	3,884,547	578,484
Ending cash and cash equivalents	<u>\$ 10,125,957</u>	<u>\$ 541,082</u>
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	\$ 2,494,334	\$ 541,082
Restricted cash and cash equivalents	7,631,623	
	<u>\$ 10,125,957</u>	<u>\$ 541,082</u>

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY
PROPRIETARY FUNDS
Statement of Cash Flows
Year ended December 31, 2013

Page 2 of 2

	Enterprise Fund	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 938,292	\$ (126,621)
Adjustment to reconcile operating income to net cash provided by operating activities		
Depreciation	8,410,599	783,946
Changes in Operating Assets and Liabilities		
(Increase) decrease in assets:		
Receivables, net	(90,232)	
Prepays	(117,567)	(47)
Increase (decrease) in liabilities:		
Wages payable	208,522	112,626
Accounts payable	1,665,439	225,062
Net OPEB obligation		72,094
Unearned revenue	403,647	
Working capital deposits	91,103	
Net cash provided by operating activities	\$ 11,509,803	\$ 1,067,060

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2013

	Other Employee Benefit Trust Fund
	Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust
Assets	
Investments, at fair value:	
Marketable securities	3,598,819
Total assets	3,598,819
Net Position	
Held in trust for other postemployment benefits	3,598,819
Total Net Position	\$ 3,598,819

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds
Year ended December 31, 2013

	Other Employee Benefit Trust Fund <hr/> Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust <hr/>
Additions	
Employer contributions	\$ 454,214
Total contributions	<hr/> 454,214 <hr/>
Investment earnings	
Net increase (decrease) in fair value of investments	435,750
Net investment earnings	<hr/> 435,750 <hr/>
Total additions	<hr/> 889,964 <hr/>
 Change in Net Position	 889,964
Beginning Net Position	<hr/> 2,708,855 <hr/>
Ending Net Position	<hr/> \$ 3,598,819 <hr/>

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Gulf Coast Waste Disposal Authority (the "Authority" or "GCWDA") is a separate self-supporting governmental unit, a political subdivision and special district of the state of Texas. GCWDA 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 GCWDA 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 Waste Disposal 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 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.

GULF COAST WASTE DISPOSAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

I. Summary of Significant Accounting Policies (continued)

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

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.

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. Funds are organized into two major categories: proprietary and fiduciary.

The Authority reports the following proprietary funds:

Enterprise Fund. This fund 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, Campbell Bayou Facility Division, Central Laboratory 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 and The Component Unit – GCIDA Division. 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 data processing; and for lobbying efforts for pretreatment legislation on a cost-reimbursement basis.

Fiduciary Funds

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 fund is presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

The Authority reports the following fiduciary fund:

Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust Fund. This is a trust established to accumulate money needed to pay post-employment benefits to the Authority's eligible retirees. The fund is administered by the International City Managers Association Retirement Corporation.

GULF COAST WASTE DISPOSAL 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 in item (a) 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, Odessa South Regional 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, Central Laboratory Division, Municipal Operations Division and Vince Bayou Division make up this category. In the Employees' Health Care Internal Service Fund, an estimate of costs for claims incurred but not yet reported is accrued as of the date of the financial statements.

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 WASTE DISPOSAL 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. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as Texas CLASS, are reported using the pool's share price. 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. 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.

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.

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. 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:

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

GULF COAST WASTE DISPOSAL 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 (continued)

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

Computers and computer equipment	3-5 Years
Cranes, mobile units, motor vehicles, and other equipment	3-10 Years
Aerators, pumps, and electrical equipment	5-10 Years
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 first 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 fiscal 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.

7. Net Position

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.

GULF COAST WASTE DISPOSAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

I. Summary of Significant Accounting Policies (continued)

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

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 Data Processing 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, and other accounts. Actual results may differ from these estimates.

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, the Board establishes rates for the treatment of waste received from the Bayport customers. Although the Bayport Area Facility Division budget is presented annually to all the participants in the Bayport complex 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, Odessa South Facility Division, and Washburn Tunnel Facility Division are approved by the industries or municipalities that the facilities serve; however, the financial plan is only a management tool and does not become a legal document. These non-appropriated financial plans are prepared for management control and are not presented in these financial statements.

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

As of December 31, 2013, the Authority had the following investments:

Investment Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (Days)
U.S. Agencies			
FNMA	\$ 10,899,195	17%	825
FHLMC	14,124,274	22%	1,034
FHLB	5,009,847	8%	1,018
FFCB	1,672,945	3%	200
Commercial Paper	999,704	2%	57
Certificates of Deposit	3,041,398	5%	337
Municipal Securities	15,015,118	23%	705
State Pools			
Texpool	3,482,007	5%	51
Texas CLASS	10,328,466	16%	57
Total fair value	<u>\$ 64,572,954</u>	<u>100%</u>	
Portfolio weighted average maturity			642

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, 2013, 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 fifty percent 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, 2013, the entire balance of bank deposits were covered by pledged securities and FDIC insurance.

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 WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The Table below presents the Authority's investments classified by credit rating from a national rating agency.

Investment Type	Fair Value	Credit Rating	
		Standard & Poor's	Moody's
U.S. Agencies			
FNMA	\$ 10,100,060	AA+	-
FNMA	799,135	-	Aaa
FHLMC	14,124,274	AA+	-
FHLB	5,009,847	AA+	-
FFCB	1,672,945	AA+	-
Commercial Paper	999,704	A1/P1	-
Municipal Securities	2,012,650	A+	-
Municipal Securities	1,905,292	AA-	-
Municipal Securities	261,246	A	-
Municipal Securities	2,110,159	AA	-
Municipal Securities	205,576	A1+	-
Municipal Securities	2,314,101	AA+	-
Municipal Securities	3,009,326	AAA	-
Municipal Securities	882,651	-	A1
Municipal Securities	324,919	-	AA1
Municipal Securities	937,228	-	AA2
Municipal Securities	901,970	-	AA3
Municipal Securities	150,000	-	Aaa
State Pools			
Texpool	3,482,007	AAAm	-
Texas CLASS	10,328,466	AAAm	-
Total fair value	<u>\$ 61,531,556</u>		

Investment income for the year ended December 31, 2013 is comprised of the following:

Interest and Dividends	\$ 352,855
Realized gains	99,777
Unrealized loss	(464,986)
	<u>\$ (12,354)</u>

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

B. Receivables

Receivables at year-end consist of the following:

	Business Type Activities
Accounts receivable	\$ 6,590,954
Unbilled receivables	188,475
Accrued revenue	3,201,491
Allowance for doubtful accounts	(144,649)
Other receivables	66
	<u>\$ 9,836,337</u>

During 2007, the Bayport Area Facility Division entered into a promissory note with one of its customers for its overdue balance. The note bears interest at 7.25% per annum on the outstanding balance. The note is repayable in installments equal to all revenues that the Bayport customer receives from one of its internal customers and an additional 50% of the revenues the Bayport customer receives over \$5,500 per month. Any unpaid principal balance as of April 30, 2017 will accrue interest as a rate of 10% per annum on all unpaid amounts. The remaining balance on the note as of December 31, 2013 was \$301,248 and is not expected to be collected in one year.

C. Interfund Loan

The balance in this account represents short-term amounts owed to a particular fund by another fund for goods sold, services rendered or other current transactions. The composition of interfund balances as of year-end is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise Fund	Internal Service Fund	\$ 381,012
	Total	<u>\$ 381,012</u>

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

D. Restricted Assets

Restricted assets as reported on the Statement of Net Position as of December 31, 2013, are as follows:

Restricted Assets:

Cash and cash equivalents	\$	7,631,623
Marketable securities		20,400,413
Accrued interest		193,599
	\$	<u>28,225,635</u>

Restricted for:

Debt service	\$	3,494,878
Capital expenditures		24,250,319
Contingency reserve		480,438
	\$	<u>28,225,635</u>

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 money market fund, a U.S. government securities mutual fund and U.S. government securities.

Restricted for debt service	\$	<u>3,494,878</u>
Average annual debt service	\$	<u>3,113,717</u>

As of December 31, 2013, \$24,250,319 in remaining unspent capital project funds from the Bayport Area System Revenue Bonds, Series 2013 is reported as restricted assets on the Statement of Net Position.

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, 2013, the increase to the reserve was \$ 17,206 from the participants. The restricted assets as reported on the Statement of Net Position as of December 31, 2013 was \$480,438.

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

E. Capital Assets

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

	Beginning Balance	Increases	Reclassifications/ Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,175,541	\$	\$	\$ 5,175,541
Construction in progress	3,566,287	7,782,768	(1,071,454)	10,277,601
Total capital assets not being depreciated	8,741,828	7,782,768	(1,071,454)	15,453,142
Capital assets being depreciated:				
Waste treatment facilities and equipment	221,374,410	1,785,295	(3,163,667)	219,996,034
Office buildings	1,072,419	51,661	-	1,124,080
Administrative furniture and equipment	6,588,883	190,103	(231,124)	6,547,862
Total capital assets being depreciated	229,035,712	2,027,059	(3,394,791)	227,667,976
Less accumulated depreciation for:				
Waste treatment facilities and equipment	(150,161,272)	(8,355,211)	3,143,898	(155,372,585)
Office buildings	(887,996)	(15,957)	-	(903,953)
Administrative furniture and equipment	(4,302,798)	(823,377)	192,265	(4,933,910)
Total accumulated depreciation	(155,352,066)	(9,194,545)	3,336,163	(161,210,448)
Total capital assets being depreciated, net	73,683,646	(7,167,486)	(58,628)	66,457,528
Capital Assets, net	\$ 82,425,474	\$ 615,282	\$ (1,130,082)	\$ 81,910,670

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

Business-type

General services	\$ 55,388
Wastewater treatment	8,320,061
Solid waste disposal	35,150
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	783,946
Total depreciation expense	<u>\$ 9,194,545</u>

GULF COAST WASTE DISPOSAL AUTHORITY**NOTES TO FINANCIAL STATEMENTS (continued)****III. Detailed Notes on All Funds (continued)****E. Capital Assets (continued)**

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

Project Description	Authorized Contract	Contract Expenditures	Remaining Commitment
Blackhawk Facility			
Plant renovations	\$ 3,400,000	\$ 3,297,817	\$ 102,183
Rehabilitation Project B-Headworks	2,140,000	151,708	1,988,292
Washburn Tunnel Facility			
T-81 Disinfection Tank	350,000	9,410	340,590
Enterococcus Control Project	2,725,000	963,896	1,761,104
Entero Control Interim Measures & Plant Upgrades	250,000	95,697	154,303
Modification of Chemical Storage Area	180,000	112,022	67,978
Odessa Facility			
Inplant Improvements	320,310	295,095	25,215
Campbell Bayou Facility			
Expansion of Cells - Solid Waste Unit	707,700	683,107	24,593
Bayport Facility			
Bio-san hydraulics	1,600,000	1,005,460	594,540
MLS Pumping and Piping Upgrade	11,450,000	2,046,517	9,403,483
In Plant Piping Project	1,650,000	108,896	1,541,104
Clarifier #7 Project	8,500,000	1,507,976	6,992,024
Totals	\$ 33,273,010	\$ 10,277,601	\$ 22,995,409

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt

Bayport Area System Revenue Bonds

The bonds outstanding at December 31, 2013, consist of the following Revenue Bonds, Series 2004, maturing on October 1, 2015, with interest rates of four percent to five percent, originally issued at \$26,845,000; Refunding Bonds, Series 2002, maturing October 1, 2015, with an interest rate of four percent to five percent, originally issued at \$24,025,000; and Revenue Bonds, Series 2013, maturing on October 1, 2033, with interest rates of three percent to five percent, originally issued at \$43,375,000. The annual requirements to amortize all outstanding Bayport Area System Revenue Bonds as of year-end, including interest payments, are as follows:

Years	Principal	Interest	Total
2014	\$ 3,095,000	\$ 2,198,038	\$ 5,293,038
2015	3,230,000	2,061,188	5,291,188
2016	2,770,000	1,918,088	4,688,088
2017	2,875,000	1,807,288	4,682,288
2018	3,000,000	1,692,288	4,692,288
2019	3,155,000	1,542,288	4,697,288
2020	3,305,000	1,384,538	4,689,538
2021	3,465,000	1,219,288	4,684,288
2022	3,640,000	1,046,038	4,686,038
2023	3,235,000	864,038	4,099,038
2024	3,395,000	702,288	4,097,288
2025	1,225,000	532,538	1,757,538
2026	1,260,000	495,788	1,755,788
2027	1,300,000	457,988	1,757,988
2028	1,365,000	392,988	1,757,988
2029	1,430,000	324,738	1,754,738
2030	1,505,000	253,238	1,758,238
2031	1,580,000	177,988	1,757,988
2032	1,635,000	120,712	1,755,712
2033	1,695,000	61,444	1,756,444
Total	\$ 48,160,000	\$ 19,252,790	\$ 67,412,790

The bonds outstanding are special obligations of the Authority which are secured by a first lien on the "Pledged Revenues of the System," 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 WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt (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, 2013, for the Series 2002, 2004 and 2013 Bonds is computed in the following schedule:

Net revenues of the system for the year ended December 31, 2013	\$ 620,773
Add-Items not includable in current expenses of the System:	
Bond interest expense	2,182,607
Depreciation	4,533,646
Management fee	898,800
Pledged revenues	<u>\$ 8,235,826</u>
Average annual debt service for bonds	<u>\$ 3,113,717</u>
Debt service coverage average annual debt service	2.65
Actual debt service for bonds	<u>\$ 4,104,933</u>
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 WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

Long-term liability 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	\$ 2,534,628	\$ 1,244,948	\$ 1,132,322	\$ 2,647,254	\$ 1,260,819	\$ 1,386,435
Net OPEB obligation	2,177,980	1,299,098	1,227,004	2,250,074		2,250,074
Bonds Payable:						
Series 2002	9,630,000		5,395,000	4,235,000	2,065,000	2,170,000
Series 2004	19,460,000		18,910,000	550,000	270,000	280,000
Series 2013		43,375,000		43,375,000	760,000	42,615,000
Plus Premium	593,892	5,994,216	318,310	6,269,798	378,570	5,891,228
Long term liabilities	<u>\$ 34,396,500</u>	<u>\$ 51,913,262</u>	<u>\$ 26,982,636</u>	<u>\$ 59,327,126</u>	<u>\$ 4,734,389</u>	<u>\$ 54,592,737</u>

Internal service funds serve the enterprise fund. Accordingly, long-term liabilities for them are included as part of the above totals for business-type activities. The balance in compensated absences and the net OPEB obligation at year-end is included in the internal service funds.

The Authority issued Bayport Area System Revenue Bonds, Series 2013, in the total amount of \$43,375,000 during the year with interest rates ranging from 3% to 5%. \$20,120,000 of the bond proceeds with interest rates ranging from 4% to 5%, were used to refund \$22,075,000 of outstanding Series 2002 and 2004 Bayport bonds improvement bonds which had an interest rate of 5%. Net present value savings totaled \$2,599,813 or 11.78% of the refunded bonds and reduced total debt service by \$3,012,194. The net proceeds of the refunding of \$23,462,380 (including a \$3,693,025 premium and after payment of \$350,645 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2002 and 2004 Series Revenue bonds maturing in 2016 through 2024, are considered defeased and the liability for those bonds has been removed from the statement of net position. At December 31, 2013, \$18,650,000 of defeased bonds remain outstanding.

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.

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

III. Detailed Notes on All Funds (continued)

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

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	\$ 740,200,000
Industrial development projects	362,480,000
Total private activity bonds	<u><u>\$ 1,102,680,000</u></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 WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information

A. Defined Contribution Pension Plan

The Authority's Board of Directors adopted a resolution establishing 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 International City Management Association Retirement Corporation (ICMA RC) serving as the Plan administrator.

At December 31, 2013 the total plan assets were. These assets were allocated as follows:

Asset Category	Balance	Percent of Assets
Stable Value/Money Market Funds	\$ 20,252,394	47.0%
Bond Funds	3,470,746	8.1%
Guaranteed Lifetime Income	980,527	2.3%
Balanced Funds	6,091,153	14.1%
U.S. Stock Funds	9,248,539	21.5%
International Stock Funds	2,022,247	4.7%
Specialty	274,029	0.6%
Participant Loans	727,437	1.7%
Total Assets	<u>\$ 43,067,072</u>	<u>100.00%</u>

The Authority's contribution for the year ended December 31, 2013 was \$ 1,002,027 which represents the required 10 percent of covered payroll. The employees' contribution was \$ 501,014 which equals 5 percent of covered payroll. There were no additional voluntary contributions. As of December 31, 2013 there were 157 active participants, 51 inactive participants were are retired or terminated participants with balances in the plan.

Plan Provisions

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. A participant may direct the investment of the money contributed by the Authority on his/her behalf in any of the available ICMA RC investment options. There is no investment restriction on the mandatory 5 percent contribution or on any voluntary contribution made by each employee.

GULF COAST WASTE DISPOSAL 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). ICMA RC is the independent administrator of the plan.

C. Retirement Health Savings Plan

During 2005, the Authority adopted the Vantage Care Retirement Health Savings ("RHS") plan. This plan, established by private letter rulings and Treasury Regulation 301.7701-1 (a) (3) allows employees to accumulate assets on a pre-tax basis to pay for medical expenses upon separation of employment with the Authority. The plan is open to all employees whose regular work schedule is for at least twenty hours per week. ICMA RC is the independent administrator of the plan.

D. Other Post-Employment Benefits

Plan description

The Gulf Coast Waste Disposal 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 ICMA RC 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). 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. At year end, there were 37 active employees meeting these eligibility requirements who could elect to retire. During the year, 34 qualified retirees received these benefits at a total cost to the Authority of \$823,611. Financial statements of the plan can be found within this financial report. 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

It is the Authority's current administrative policy to pay all but \$70.00 (which is paid by the retiree) of the monthly premium assessed by the Employees' Health Care Internal Service Fund (which approximates cost), for each pre-Medicare retiree under age 65. The Authority pays supplemental health insurance for each retiree eligible for Medicare at a cost ranging from \$137 to \$228 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 minimum coverage of \$20,000 and a maximum of \$50,000. For the year ended December 31, 2013, \$454,213 was transferred to the trust to cover future premiums. The amount transferred equated to 4.5 percent of annual covered payroll. 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 2013. Instead, costs were paid on a "pay-as-you-go" basis from the Authority's internal service fund.

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

D. Other Post-Employment Benefits (continued)

Annual OPEB Cost and net OPEB obligation

The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in Authority's net OPEB obligation to GCAOPEBT follows:

Determination of Annual Required Contribution	
Normal Cost at year end	\$ 355,802
Amortization of UAAL	954,870
Annual Required Contribution (ARC)	<u>1,310,672</u>
Determination of Net OPEB Obligation	
Annual Required Contribution	1,310,672
Interest on prior year Net OPEB Obligation	152,459
Adjustment to ARC	(164,033)
Annual OPEB Cost	<u>1,299,098</u>
Contributions made	<u>(1,227,004)</u>
Estimated Increase in Net OPEB Obligation	72,094
Net OPEB Obligation - beginning of year	<u>2,177,980</u>
Estimated Net OPEB Obligation - end of Year	<u><u>\$ 2,250,074</u></u>

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress as of the most recent valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
January 1, 2011	\$ 1,598,837	\$9,831,226	\$ 8,232,389	16.3%	\$9,954,333	82.7%

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

D. Other Post-Employment Benefits (continued)

The GCA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years for each of the plans were as follows:

<u>Plan Year Ended</u>	<u>Annual OPEB Cost</u>	<u>OPEB Cost Contributed</u>	<u>Percentage OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2011	\$ 1,013,000	\$ 573,138	56.6%	\$ 1,610,321
December 31, 2012	1,138,581	570,922	50.1%	2,177,980
December 31, 2013	1,299,098	1,227,004	94.5%	2,250,074

Actuarial Methods and Assumptions

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Original actuarial computation parameters

Valuation date	January 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar, Open
Remaining amortization period	30 years
Asset valuation	Market Value
Actuarial assumptions	
Investment rate of return	7%
Inflation rate	2.75%
Mortality rate	RP-2000 Mortality Table
Salary scale	5%
Healthcare cost trend rate	11% initial

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 fiscal years.

GULF COAST WASTE DISPOSAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

E. Risk Management (continued)

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 \$366,173 .

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.

G. Employees' Health Care

The Authority provides medical, dental, and vision benefits to its employees, their dependents who elect coverage, and eligible retirees (covered persons) through a partially self-insured GCWDA Employee Medical and Dental Benefit Plan (the "Plan"). This Plan is accounted for in the Employees' Health Care Fund.

The Authority, as Plan Sponsor, has a signed Service Agreement with the Risk Pool, with claims to be processed by HealthFirst TPA (HealthFirst). The Risk Pool is the fiduciary agent of the Plan and HealthFirst is the third party administrator in connection with the investigation, processing, payment, and resolution of claims. HealthFirst also processes for the Authority excess losses or stop loss (specific or aggregate) insurance for claims. The specific excess loss insurance provides payment of all medical claims that exceed \$125,000. The aggregate stop loss insurance provides payment of all medical claims when the total of such claims exceeds \$2,610,189. There is no stop loss insurance coverage for dental or vision claims.

GULF COAST WASTE DISPOSAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

G. Employees' Health Care (continued)

Contributions for the Health Care Fund were based on historical information from the Authority's prior plan and estimates of claims for the current year, the cost of insurance purchased, and administrative fees. During 2013, the GCWDA personnel policy was for the employee to pay \$72.18 per month for medical coverage and the Authority to pay the remainder of the premium for employees, at least 50 percent of the cost of the dependent premium (the Authority currently pays approximately 75 percent) and 100 percent for an eligible retiree net of \$70.00 which is paid by the retiree monthly.

The Enterprise Fund makes monthly payments for the covered persons to the Employee Health Care Fund. The retirees are invoiced monthly for the portion of the premium in excess of GCWDA's authorized costs.

The Authority estimates incurred but not reported (IBNR) claims at year-end through an analysis of historical trends. Changes in claims liability are as follows:

Year Ended December 31,	Beginning Balance	Claims Made and Changes in IBNR	Claims Paid	Ending Balance
2011	\$ 270,389	\$ 2,587,652	\$ 2,638,221	\$ 219,820
2012	219,820	3,521,626	3,474,288	267,158
2013	267,158	2,596,178	2,646,335	217,001

The Authority provides group life insurance to employees at a rate equal to four times their annual rate of basic earnings, rounded to the next higher multiple of \$1,000, subject to a maximum of \$500,000. The Authority also provides accidental death and dismemberment benefits equal to the amount of life insurance in force. The Lincoln National Life Insurance Company provides this coverage. Employees also have the option of purchasing dependent life insurance of \$10,000 for a spouse and \$5,000 for each child through The Lincoln National Life Insurance Company.

H. 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.

GULF COAST WASTE DISPOSAL AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

IV. Other Information (continued)

H. Contingencies (continued)

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 \$6,841,000. Of this amount, \$2,531,170 and \$1,368,200 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 79.2%, and \$2,941,630 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 \$2,329,771. The total accrued closure and post-closure care costs at year end for the entire site are \$6,229,141. The remaining accrued costs to be recognized are \$611,859. The Y-Cell has a projected life of 12 years, of which two are remaining.

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, 2013, the Authority had no outstanding litigation.

I. 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.

REQUIRED SUPPLEMENTAL INFORMATION

GULF COAST WASTE DISPOSAL AUTHORITY**REQUIRED OTHER POST EMPLOYMENT BENEFIT SUPPLEMENTARY INFORMATION***Gulf Coast Waste Disposal Authority Other Post Employment Benefits Trust**December 31, 2013*

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
January 1, 2011	\$ 1,598,837	\$9,831,226	\$ 8,232,389	16.3%	\$9,954,333	82.7%
January 1, 2012	N/A	N/A	N/A	N/A	N/A	N/A
January 1, 2013	N/A	N/A	N/A	N/A	N/A	N/A

OTHER SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

COMBINING INFORMATION AND STATEMENTS

GULF COAST WASTE DISPOSAL AUTHORITY

ENTERPRISE FUND

December 31, 2013

General Services Division

This division provides various support activities to the facilities, including management, engineering, accounting, information technology support, secretarial 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 to 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.

Campbell Bayou Facility Division

This division accounts for the operations of an industrial landfill and land treatment as well as disposal of hazardous and nonhazardous solid wastes. The division also accounts for closure operations and post-closure monitoring and maintenance of closed 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 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 industrial customers.

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.

Municipal Operations Division

This division accounts for the operations of the municipal wastewater treatment facility and collection system plus some related billing services for the Cedar Bayou Park Utility District. Written agreements with the district provide for payment of all costs related to the operation of the system. In addition, this division accounts for the operations of two municipal wastewater treatment plants for the Port of Houston. The contract with the Port of Houston provides for the reimbursement of all operating costs.

GULF COAST WASTE DISPOSAL AUTHORITY

ENTERPRISE FUND (continued)

December 31, 2013

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 municipality with which the Authority has written contracts for pollution control services. The agreements provide for the participants' payment of costs through quarterly revenue billings to cover budgeted expenses followed by quarterly variance adjustments or invoices for reimbursement of actual costs.

Vince Bayou Division

This division accounts for the revenues and expenses of the operations of a trucked in wastewater receiving and pumping 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 Waste Disposal Authority and the specifics for which the Corporation was created."

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Information By Division - Net Position
Enterprise Fund
December 31, 2013

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division
Assets			
Current Assets:			
Cash and cash equivalents	\$ 370,148	\$ 1,422,327	\$ (47,971)
Marketable securities	4,917,680	18,896,627	(637,331)
Receivables, net	204,628	5,356,409	1,593,471
Current portion of interfund loan receivable	381,012		
Prepays	17,298	275,626	28,821
Restricted assets			
Cash and cash equivalents		7,151,185	480,438
Marketable securities		20,400,413	
Accrued interest		193,599	
Total current assets	5,890,766	53,696,186	1,417,428
Noncurrent Assets:			
Interfund loan receivable	275,000		
Note receivable from others		301,248	
Capital assets			
Land	53,800	907,489	201,000
Construction in progress		4,668,849	3,449,525
Plant and equipment	1,817,436	109,084,674	14,709,272
Less accumulated depreciation	(1,649,230)	(76,129,508)	(12,722,601)
Total capital assets (net of accumulated depreciation)	222,006	38,531,504	5,637,196
Total noncurrent assets	497,006	38,832,752	5,637,196
Total assets	6,387,772	92,528,938	7,054,624
Deferred Outflows of Resources			
Deferred loss on refunding		1,263,983	
Liabilities			
Current liabilities:			
Accounts payable	624,558	2,263,974	379,724
Wages payable	733,468		
Accrued bond interest		549,509	
Current portion of bonds payable		3,473,570	
Unearned revenue			
Total current liabilities	1,358,026	6,287,053	379,724
Noncurrent liabilities:			
Interfund loan payable			
Bonds payable(net of unamortized discount and deferred amount on refunding)		50,956,228	
Working capital deposits			565,450
Total noncurrent liabilities		50,956,228	565,450
Total liabilities	1,358,026	57,243,281	945,174
Net Position			
Net investment in capital assets	222,006	9,787,377	5,637,196
Restricted for:			
Debt service		3,494,878	
Contingency reserve			488,329
Unrestricted	4,807,740	23,267,385	(16,075)
Total Net Position	\$ 5,029,746	\$ 36,549,640	\$ 6,109,450

Campbell Bayou Facility Division				
Industrial Solid Waste Facility	Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
\$ 6,534	\$ 13,126	\$ 388,774	\$ 29,991	\$ 31,110
86,810	174,388	5,165,139	398,455	413,317
	5,121	8,392		78,454
3,867	3,278	8,142	22,020	102
97,211	195,913	5,570,447	450,466	522,983
671,966			1,427,965	
683,107				
5,603,440		6,339,149	35,624,879	
(5,381,050)		(3,474,117)	(16,089,416)	
1,577,463		2,865,032	20,963,428	
1,577,463		2,865,032	20,963,428	
1,674,674	195,913	8,435,479	21,413,894	522,983
53,678	62,997	49,725	771,474	1,358
53,678	62,997	49,725	771,474	1,358
251,017				18,000
251,017				18,000
304,695	62,997	49,725	771,474	19,358
1,577,463		2,865,032	20,963,428	
(207,484)	132,916	5,520,722	(321,008)	503,625
\$ 1,369,979	\$ 132,916	\$ 8,385,754	\$ 20,642,420	\$ 503,625

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Information By Division - Net Position
Enterprise Fund
December 31, 2013

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division
Assets			
Current Assets:			
Cash and cash equivalents	\$ 42,525	\$ 146,611	\$ 39,516
Marketable securities	564,972	1,947,834	524,993
Receivables, net	357,302	213,988	2,018,572
Current portion of interfund loan receivable			
Prepays	17,756	2,311	79,093
Restricted assets			
Cash and cash equivalents			
Marketable securities			
Accrued interest			
Total current assets	<u>982,555</u>	<u>2,310,744</u>	<u>2,662,174</u>
Noncurrent Assets:			
Interfund loan receivable			
Note receivable from others			
Capital assets:			
Land	76,161	100,611	1,736,549
Construction in progress	295,095		1,181,025
Plant and equipment	14,522,930	1,862,050	32,225,292
Less accumulated depreciation	(12,262,691)	(1,167,632)	(28,122,064)
Total capital assets (net of accumulated depreciation)	<u>2,631,495</u>	<u>795,029</u>	<u>7,020,802</u>
Total noncurrent assets	<u>2,631,495</u>	<u>795,029</u>	<u>7,020,802</u>
Total assets	<u>3,614,050</u>	<u>3,105,773</u>	<u>9,682,976</u>
Deferred Outflows of Resources			
Deferred loss on refunding			
Liabilities			
Current liabilities:			
Accounts payable	298,654	13,784	1,571,576
Wages payable			
Accrued bond interest			
Current portion of revenue bonds payable			
Unearned revenue	1,200		411,153
Total current liabilities	<u>299,854</u>	<u>13,784</u>	<u>1,982,729</u>
Noncurrent liabilities:			
Interfund loan payable			275,000
Revenue bonds payable (net of unamortized discount and deferred amount on refunding)			
Working capital deposits	1,123,140		38,600
Total noncurrent liabilities	<u>1,123,140</u>	<u></u>	<u>313,600</u>
Total liabilities	<u>1,422,994</u>	<u>13,784</u>	<u>2,296,329</u>
Net Position			
Invested in capital assets	2,631,495	795,029	7,020,802
Restricted for:			
Debt service			
Contingency reserve			
Unrestricted	(440,439)	2,296,960	365,845
Total Net Position	<u>\$ 2,191,056</u>	<u>\$ 3,091,989</u>	<u>\$ 7,386,647</u>

Washburn Tunnel Pipeline Services Division	Component Unit GCIDA Division	Eliminations	Total
\$ (47)	\$ 51,690	\$ -	\$ 2,494,334
(626)	686,737		33,138,995
			9,836,337
			381,012
			458,314
			7,631,623
			20,400,413
			193,599
<u>(673)</u>	<u>738,427</u>		<u>74,534,627</u>
		(275,000)	301,248
			5,175,541
			10,277,601
24,348			221,813,470
(23,506)			(157,021,815)
<u>842</u>			<u>80,244,797</u>
<u>842</u>		<u>(275,000)</u>	<u>80,546,045</u>
<u>169</u>	<u>738,427</u>	<u>(275,000)</u>	<u>155,080,672</u>
			1,263,983
			6,091,502
			733,468
			549,509
			3,473,570
			412,353
			<u>11,260,402</u>
		(275,000)	50,956,228
			1,996,207
		<u>(275,000)</u>	<u>52,952,435</u>
		<u>(275,000)</u>	<u>64,212,837</u>
842			51,500,670
			3,494,878
			488,329
(673)	738,427		36,647,941
<u>\$ 169</u>	<u>\$ 738,427</u>	<u>\$</u>	<u>\$ 92,131,818</u>

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Information by Division - Changes in Net Position
Enterprise Fund
Year ended December 31,2013

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division
Operating revenues			
Charges for sales and services			
Services to industries	\$ 1,358,184	\$ 29,310,704	\$
Services to municipalities		34,476	3,087,286
Intragovernmental	3,944,723		
Other	140,955	171,797	40,346
Total operating revenues	5,443,862	29,516,977	3,127,632
Operating expenses			
Costs of sales and services	5,160,231	21,518,540	2,453,651
Administration	545,642	687,252	98,150
Depreciation	55,388	4,533,646	375,706
Total operating expenses	5,761,261	26,739,438	2,927,507
Operating income (loss)	(317,399)	2,777,539	200,125
Nonoperating revenues (expenses)			
Investment income (loss)	22,455	23,688	(1,345)
Interest expense		(2,182,607)	
Gain (loss) on disposal of capital assets	(2,979)	2,153	(1,834)
Total nonoperating revenues (expenses)	19,476	(2,156,766)	(3,179)
Income (loss) before capital contributions and transfers	(297,923)	620,773	196,946
Capital Contributions			2,946,547
Transfers in (out)	297,923		
Changes in Net Position		620,773	3,143,493
Beginning Net Position	5,029,746	35,928,867	2,965,957
Ending Net Position	\$ 5,029,746	\$ 36,549,640	\$ 6,109,450

Campbell Bayou Facility Division				
Industrial Solid Waste Facility	Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
\$ 342,908	\$ 440,847	\$ 25,825	\$ 4,929,566	\$
		2,554		192,091
		5,705,148	45,000	
		43		
<u>342,908</u>	<u>440,847</u>	<u>5,733,570</u>	<u>4,974,566</u>	<u>192,091</u>
274,160	358,478	4,216,280	4,568,109	197,044
69,939	82,371	59,592	425,101	6,913
35,150		272,708	1,765,626	
<u>379,249</u>	<u>440,849</u>	<u>4,548,580</u>	<u>6,758,836</u>	<u>203,957</u>
<u>(36,341)</u>	<u>(2)</u>	<u>1,184,990</u>	<u>(1,784,270)</u>	<u>(11,866)</u>
862	(1,450)	(12,298)	(5,679)	(445)
(5,500)		(4,410)	17,044	
<u>(4,638)</u>	<u>(1,450)</u>	<u>(16,708)</u>	<u>11,365</u>	<u>(445)</u>
<u>(40,979)</u>	<u>(1,452)</u>	<u>1,168,282</u>	<u>(1,772,905)</u>	<u>(12,311)</u>
			174,761	
(40,979)	(1,452)	1,168,282	(1,598,144)	(12,311)
1,410,958	134,368	7,217,472	22,240,564	515,936
<u>\$ 1,369,979</u>	<u>\$ 132,916</u>	<u>\$ 8,385,754</u>	<u>\$ 20,642,420</u>	<u>\$ 503,625</u>

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Information by Division - Changes in Net Position
Enterprise Fund
Year ended December 31, 2013

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division
Operating revenues			
Charges for sales and services			
Services to industries	\$ 2,872,219	\$ 1,181,713	\$ 12,858,931
Services to municipalities	238,738		
Intragovernmental			94,610
Other		9,746	1,497
Total operating revenues	<u>3,110,957</u>	<u>1,191,459</u>	<u>12,955,038</u>
Operating expenses			
Costs of sales and services	2,881,874	656,725	12,414,493
Administration	397,309	40,247	568,915
Depreciation	443,233	79,550	847,799
Total operating expenses	<u>3,722,416</u>	<u>776,522</u>	<u>13,831,207</u>
Operating income (loss)	<u>(611,459)</u>	<u>414,937</u>	<u>(876,169)</u>
Nonoperating revenues (expenses)			
Investment income (loss)	86	(4,859)	(7,647)
Interest expense			(11,000)
Gain (loss) on disposal of capital assets			(3,451)
Total nonoperating revenues (expenses)	<u>86</u>	<u>(4,859)</u>	<u>(22,098)</u>
Income (loss) before contributions	<u>(611,373)</u>	<u>410,078</u>	<u>(898,267)</u>
Capital Contributions	508,800		1,235,020
Transfers in (out)			
Changes in Net Position	(102,573)	410,078	336,753
Beginning Net Position	<u>2,293,629</u>	<u>2,681,911</u>	<u>7,049,894</u>
Ending Net Position	<u>\$ 2,191,056</u>	<u>\$ 3,091,989</u>	<u>\$ 7,386,647</u>

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
\$	\$	\$	\$ 53,320,897
			3,555,145
		(9,789,481)	
			364,384
		(9,789,481)	57,240,426
		(9,789,481)	44,910,104
			2,981,431
1,793			8,410,599
1,793		(9,789,481)	56,302,134
(1,793)			938,292
	(1,288)	(11,000)	1,080
		11,000	(2,182,607)
			1,023
	(1,288)		(2,180,504)
(1,793)	(1,288)		(1,242,212)
			4,865,128
	(297,923)		
(1,793)	(299,211)		3,622,916
1,962	1,037,638		88,508,902
\$ 169	\$ 738,427	\$	\$ 92,131,818

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Information by Division - Cash Flows

Enterprise Fund

Year ended December 31, 2013

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 1,388,046	\$ 30,003,897	\$ 2,278,729
Receipts from intragovernmental users	3,944,724	-	-
Payments to suppliers	(959,357)	(10,799,048)	(1,259,529)
Payments to employees	(3,748,038)	(4,421,921)	(767,886)
Payments to intergovernmental suppliers	(541,799)	(6,000,286)	(503,782)
Net cash provided (used) by operating activities	83,576	8,782,642	(252,468)
Cash Flows from Noncapital			
Financing Activities			
Intragovernmental transfers in	297,923	-	-
Intragovernmental transfers (out)	-	-	-
Principal received (paid) on intragovernmental loan	403,887	-	-
Interest received (paid) on intragovernmental loan	29,024	-	-
Interest received on note receivable	-	33,250	-
Principal received on note receivable	-	5,694	-
Net cash provided (used) by noncapital financing activities	730,834	38,944	-
Cash Flows from Capital and Related			
Financing Activities			
Acquisition and construction of capital assets	(51,661)	(3,466,169)	(2,946,547)
Proceeds from sale of capital assets	-	2,500	-
Proceeds from sale of revenue bonds	-	26,980,871	-
Payment of bond issuance costs	-	(455,879)	-
Retirement of bonds	-	(2,230,000)	-
Interest paid on capital related debt	-	(1,932,962)	-
Deferred outflows from bond sale	-	(1,046,174)	-
Capital contributions received from (returned to) participants	-	-	2,946,547
Net cash provided (used) by capital and related financing activities	(51,661)	17,852,187	-
Cash Flows from Investing Activities			
Maturity (purchase) of investments	(792,803)	(20,823,770)	259,309
Net cash invested	-	-	-
Interest received (paid)	37,670	291,805	(458)
Net cash provided by investing activities	(755,133)	(20,531,965)	258,851
Net increase (decrease) in cash and cash equivalents	7,616	6,141,808	6,383
Beginning cash and cash equivalents			
Unrestricted cash and cash equivalents	362,532	1,276,812	(32,794)
Restricted cash and cash equivalents	-	1,154,892	458,878
Beginning cash and cash equivalents	362,532	2,431,704	426,084
Ending cash and cash equivalents	\$ 370,148	\$ 8,573,512	\$ 432,467
Ending cash and cash equivalents			
Unrestricted cash and cash equivalents	\$ 370,148	\$ 1,422,327	\$ (47,971)
Restricted cash and cash equivalents	-	7,151,185	480,438
Ending cash and cash equivalents	\$ 370,148	\$ 8,573,512	\$ 432,467

Campbell Bayou Facility Division					
Industrial Solid Waste Facility	Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division	
\$ 342,908	\$ 539,977	\$ 23,430	\$ 4,932,267	\$ 162,292	
-	-	5,705,148	45,000	-	
(130,669)	(107,459)	(1,235,664)	(2,069,833)	(55,203)	
(111,470)	(168,102)	(2,349,304)	(1,585,942)	(84,194)	
(103,166)	(131,491)	(749,137)	(1,342,817)	(71,307)	
<u>(2,397)</u>	<u>132,925</u>	<u>1,394,473</u>	<u>(21,325)</u>	<u>(48,412)</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	-	(165,311)	(176,110)	-	
-	-	1,350	20,000	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	174,761	-	
<u>-</u>	<u>-</u>	<u>(163,961)</u>	<u>18,651</u>	<u>-</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
147	(124,282)	(1,217,301)	(923)	37,133	
-	-	-	-	-	
1,194	-	28,707	(1,356)	2,926	
<u>1,341</u>	<u>(124,282)</u>	<u>(1,188,594)</u>	<u>(2,279)</u>	<u>40,059</u>	
(1,056)	8,643	41,918	(4,953)	(8,353)	
7,590	4,483	346,856	34,944	39,463	
-	-	-	-	-	
<u>7,590</u>	<u>4,483</u>	<u>346,856</u>	<u>34,944</u>	<u>39,463</u>	
<u>\$ 6,534</u>	<u>\$ 13,126</u>	<u>\$ 388,774</u>	<u>\$ 29,991</u>	<u>\$ 31,110</u>	
\$ 6,534	\$ 13,126	\$ 388,774	\$ 29,991	\$ 31,110	
<u>\$ 6,534</u>	<u>\$ 13,126</u>	<u>\$ 388,774</u>	<u>\$ 29,991</u>	<u>\$ 31,110</u>	

GULF COAST WASTE DISPOSAL AUTHORITY*Combining Information by Division - Cash Flows**Enterprise Fund**Year ended December 31, 2013*

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (317,399)	\$ 2,777,539	\$ 200,125
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	55,388	4,533,646	375,706
Changes in Operating Assets and Liabilities:			
(Increase) decrease in assets			
Accounts receivable	(101,036)	486,920	(848,903)
Prepays	19,084	(180,597)	(2,678)
Increase (decrease) in liabilities:			
Wages payable	208,522	-	-
Accounts payable	229,074	1,165,134	23,282
Deferred revenue	(10,057)	-	-
Working capital deposits			
Net cash provided (used) by operating activities	\$ 83,576	\$ 8,782,642	\$ (252,468)

Campbell Bayou Facility Division					
Industrial Solid Waste Facility	Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division	
\$ (36,341)	\$ (2)	\$ 1,184,990	\$ (1,784,270)	\$ (11,866)	
35,150	-	272,708	1,765,626	-	
-	99,130	(4,992)	1,350	(29,799)	
309	(139)	45,822	2,369	(34)	
-	-	-	-	-	
(1,515)	33,936	(104,055)	(7,751)	(6,713)	
-	-	-	1,351	-	
<u>\$ (2,397)</u>	<u>\$ 132,925</u>	<u>\$ 1,394,473</u>	<u>\$ (21,325)</u>	<u>\$ (48,412)</u>	

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Information by Division - Cash Flows

Enterprise Fund

Year ended December 31, 2013

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 3,472,756	\$ 1,198,509	\$ 13,302,133
Receipts from intragovernmental users	-	-	94,610
Payments to suppliers	(1,687,823)	(61,069)	(5,818,594)
Payments to employees	(1,130,190)	(313,819)	(3,390,100)
Payments to intergovernmental suppliers	(538,215)	(317,811)	(3,369,598)
Net cash provided (used) by operating activities	116,528	505,810	818,451
Cash Flows from Noncapital Financing Activities			
Intragovernmental transfers in	-	-	-
Intragovernmental transfers (out)	-	-	-
Principal received (paid) on intragovernmental loan	-	-	-
Interest received (paid) on intragovernmental loan	-	-	(11,000)
Interest received on note receivable	-	-	-
Principal received on note receivable	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	(11,000)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(508,800)	-	(1,235,098)
Proceeds from sale of capital assets	-	-	-
Proceeds from sale of revenue bonds	-	-	-
Payment of bond issuance costs	-	-	-
Retirement of bonds	-	-	-
Interest paid on capital related debt	-	-	-
Deferred outflows from bond sale	-	-	-
Capital contributions received from (returned to) participants	508,800	-	1,235,020
Net cash provided (used) by capital and related financing activities	-	-	(78)
Cash Flows from Investing Activities			
Purchase of investments	(119,101)	(497,970)	(748,073)
Net cash invested	-	-	-
Interest received (paid)	5,827	11,291	(967)
Net cash provided by investing activities	(113,274)	(486,679)	(749,040)
Net increase (decrease) in cash and cash equivalents	3,254	19,131	58,333
Beginning cash and cash equivalents			
Unrestricted cash and cash equivalents	39,271	127,480	(18,817)
Restricted cash and cash equivalents	-	-	-
Beginning cash and cash equivalents	39,271	127,480	(18,817)
Ending cash and cash equivalents	\$ 42,525	\$ 146,611	\$ 39,516
Ending cash and cash equivalents			
Unrestricted cash and cash equivalents	\$ 42,525	\$ 146,611	\$ 39,516
Restricted cash and cash equivalents	-	-	-
Ending cash and cash equivalents	\$ 42,525	\$ 146,611	\$ 39,516

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
\$ -	\$ -	\$ -	\$ 57,644,944
-	-	(9,789,482)	-
-	-	-	(24,184,248)
-	-	-	(18,070,966)
-	-	9,789,482	(3,879,927)
-	-	-	11,509,803
-	-	(297,923)	-
-	(297,923)	297,923	-
-	-	-	403,887
-	-	-	18,024
-	-	-	33,250
-	-	-	5,694
-	(297,923)	-	460,855
-	-	-	(8,549,696)
-	-	-	23,850
-	-	-	26,980,871
-	-	-	(455,879)
-	-	-	(2,230,000)
-	-	-	(1,932,962)
-	-	-	(1,046,174)
-	-	-	4,865,128
-	-	-	17,655,138
11	260,288	-	(23,767,335)
(4)	6,314	-	382,949
7	266,602	-	(23,384,386)
7	(31,321)	-	6,241,410
(54)	83,011	-	2,270,777
(54)	83,011	-	1,613,770
(54)	83,011	-	3,884,547
\$ (47)	\$ 51,690	\$	\$ 10,125,957
\$ (47)	\$ 51,690	\$	\$ 2,494,334
(47)	51,690		7,631,623
\$ (47)	\$ 51,690	\$	\$ 10,125,957

GULF COAST WASTE DISPOSAL AUTHORITY*Combining Information by Division - Cash Flows**Enterprise Fund**Year ended December 31, 2013*

	Odessa South Regional Facility Division	Vince Bayou Facility Division	Washburn Tunnel Facility Division
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (611,459)	\$ 414,937	\$ (876,169)
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	443,233	79,550	847,799
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Assets			
Accounts Receivable	269,496	7,050	30,552
Prepays	3,480	(279)	(4,904)
Increase (Decrease) in Liabilities:			
Wages Payable	-	-	-
Accounts payable	(80,525)	4,552	410,020
Deferred revenue	1,200	-	411,153
Working capital deposits	91,103		
Net cash provided by operating activities	\$ 116,528	\$ 505,810	\$ 818,451

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
\$ (1,793)	\$ -	\$	\$ 938,292
1,793	-	-	8,410,599
-	-	-	(90,232)
-	-	-	(117,567)
-	-	-	208,522
-	-	-	1,665,439
-	-	-	403,647
		-	91,103
<u>\$</u>	<u>\$ -</u>	<u>\$</u>	<u>\$ 11,509,803</u>

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY

INTERNAL SERVICE FUNDS

December 31, 2013

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.

Data Processing Fund

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

Employees' Health Care Fund

This fund accounts for the revenues and expenses of a fund created in March 1993 to provide medical and associated benefits for the Authority's employees, participating dependents, and eligible retirees in accordance with the Gulf Coast Waste Disposal Authority Employee Medical and Dental Benefit Plan. The Enterprise Fund makes payments to the Health Care Fund based on historical estimates of the amounts needed to pay current year claims and to establish a reserve for future expenses.

Equipment Services Fund

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

Pretreatment Legislation Fund

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

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Statement of Net Position

December 31, 2013

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Assets			
Current Assets:			
Cash and cash equivalents	\$ 25,632	\$ 177,826	\$ 8,644
Marketable securities	340,541	2,362,550	114,840
Prepays			106
Total current assets	366,173	2,540,376	123,590
Noncurrent Assets:			
Capital assets			
Plant and equipment			723,947
Less accumulated depreciation			(634,932)
Total capital assets (net of accumulated depreciation)			89,015
Total noncurrent assets			89,015
Total assets	366,173	2,540,376	212,605
Liabilities			
Current liabilities:			
Accounts payable			24,066
Current portion of interund loan payable			
Current portion of accrued compensated absences		1,260,819	
Total current liabilities		1,260,819	24,066
Noncurrent liabilities:			
Accrued compensated absences		1,386,435	
Net OPEB obligation			
Total noncurrent liabilities		1,386,435	
Total liabilities		2,647,254	24,066
Net Position			
Net investment in capital assets			89,015
Unrestricted	366,173	(106,878)	99,524
Total Net Position	\$ 366,173	\$ (106,878)	\$ 188,539

<u>Employees' Health Care</u>	<u>Equipment Service</u>	<u>Pretreatment Legislation</u>	<u>Total</u>
\$ 195,376	\$ 105,838	\$ 27,766	\$ 541,082
2,595,713	1,406,132	368,893	7,188,669
53,000	256		53,362
<u>2,844,089</u>	<u>1,512,226</u>	<u>396,659</u>	<u>7,783,113</u>
	5,130,559		5,854,506
	(3,553,701)		(4,188,633)
	<u>1,576,858</u>		<u>1,665,873</u>
	<u>1,576,858</u>		<u>1,665,873</u>
<u>2,844,089</u>	<u>3,089,084</u>	<u>396,659</u>	<u>9,448,986</u>
549,499		1,784	575,349
	381,012		381,012
			1,260,819
<u>549,499</u>	<u>381,012</u>	<u>1,784</u>	<u>2,217,180</u>
			1,386,435
<u>2,250,074</u>			<u>2,250,074</u>
<u>2,250,074</u>			<u>3,636,509</u>
<u>2,799,573</u>	<u>381,012</u>	<u>1,784</u>	<u>5,853,689</u>
	1,195,846		1,284,861
<u>44,516</u>	<u>1,512,226</u>	<u>394,875</u>	<u>2,310,436</u>
<u>\$ 44,516</u>	<u>\$ 2,708,072</u>	<u>\$ 394,875</u>	<u>\$ 3,595,297</u>

GULF COAST WASTE DISPOSAL AUTHORITY***Combining Statement of Revenues, Expenses, and Changes in Fund Net Position******Year ended December 31, 2013***

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Operating revenues			
Charges for sales and services:			
Intragovernmental	\$	\$	\$ 312,893
Other			
Total operating revenues			312,893
Operating expenses			
Costs of sales and services	1,948	145,967	306,530
Administration			278
Depreciation			74,766
Total operating expenses	1,948	145,967	381,574
Operating income (loss)	(1,948)	(145,967)	(68,681)
Nonoperating revenues (expenses)			
Investment income (loss)	(547)	(4,428)	(360)
Interest expense			
Amortization of bond costs			
Gain (loss) on disposal of capital assets			
Total nonoperating revenues (expenses)	(547)	(4,428)	(360)
Changes in Net Position	(2,495)	(150,395)	(69,041)
Beginning Net Position	368,668	43,517	257,580
Ending Net Position	\$ 366,173	\$ (106,878)	\$ 188,539

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
\$ 2,820,481	\$ 770,043	\$	\$ 3,903,417
505,124		129,000	634,124
<u>3,325,605</u>	<u>770,043</u>	<u>129,000</u>	<u>4,537,541</u>
3,010,559	11,821	94,784	3,571,609
294,877	776	12,676	308,607
	709,180		783,946
<u>3,305,436</u>	<u>721,777</u>	<u>107,460</u>	<u>4,664,162</u>
20,169	48,266	21,540	(126,621)
(4,321)	(3,074)	(705)	(13,435)
	(18,024)		(18,024)
	21,200		21,200
<u>(4,321)</u>	<u>102</u>	<u>(705)</u>	<u>(10,259)</u>
15,848	48,368	20,835	(136,880)
28,668	2,659,704	374,040	3,732,177
<u>\$ 44,516</u>	<u>\$ 2,708,072</u>	<u>\$ 394,875</u>	<u>\$ 3,595,297</u>

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2013

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Cash Flows from Operating Activities			
Receipts from customers and users	\$	\$	\$
Receipts from intragovernmental users			312,893
Payments to suppliers	(1,948)	-	(308,856)
Payments to employees	-	(33,341)	-
Net cash provided (used) by operating activities	(1,948)	(33,341)	4,037
Cash Flows from Noncapital Financing Activities			
Principal paid on interfund loan	-	-	-
Interest paid on interfund loan	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	-	(19,734)
Proceeds from sale of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(19,734)
Cash Flows from Investing Activities			
Maturity (purchase) of investments	(4,178)	(11,773)	12,514
Proceeds from maturity of investments	-		
Interest received	2,265	16,688	664
Net cash provided by (used for) investing activities	(1,913)	4,915	13,178
Net increase (decrease) in cash and cash equivalents	(3,861)	(28,426)	(2,519)
Beginning cash and cash equivalents	29,493	206,252	11,163
Ending cash and cash equivalents	\$ 25,632	\$ 177,826	\$ 8,644

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
\$ 528,613	\$	\$ 129,000	\$ 657,613
2,796,991	770,043		3,879,927
(2,975,807)	(28,852)	(121,676)	(3,437,139)
-	-	-	(33,341)
<u>349,797</u>	<u>741,191</u>	<u>7,324</u>	<u>1,067,060</u>
-	-	-	-
-	(403,887)	-	(403,887)
-	(18,024)	-	(18,024)
<u>-</u>	<u>(421,911)</u>	<u>-</u>	<u>(421,911)</u>
-	(134,488)	-	(154,222)
-	21,200	-	21,200
<u>-</u>	<u>(113,288)</u>	<u>-</u>	<u>(133,022)</u>
(366,224)	(213,226)	(13,026)	(595,913)
-	-	-	-
16,154	8,348	2,265	46,384
<u>(350,070)</u>	<u>(204,878)</u>	<u>(10,761)</u>	<u>(549,529)</u>
(273)	1,114	(3,437)	(37,402)
<u>195,649</u>	<u>104,724</u>	<u>31,203</u>	<u>578,484</u>
<u>\$ 195,376</u>	<u>\$ 105,838</u>	<u>\$ 27,766</u>	<u>\$ 541,082</u>

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2013

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (1,948)	\$ (145,967)	\$ (68,681)
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	-	-	74,766
Changes in Operating Assets and Liabilities			
(Increase) decrease in assets			
Prepays	-	-	52
Increase (decrease) liabilities			
Wages payable	-	112,626	-
Accounts payable	-		(2,100)
Net OPEB obligation	-	-	-
Net cash provided by operating activities	<u>\$ (1,948)</u>	<u>\$ (33,341)</u>	<u>\$ 4,037</u>

<u>Employees' Health Care</u>	<u>Equipment Service</u>	<u>Pretreatment Legislation</u>	<u>Total</u>
\$ 20,169	\$ 48,266	\$ 21,540	\$ (126,621)
-	709,180	-	783,946
-	(99)	-	(47)
-	-	-	112,626
257,534	(16,156)	(14,216)	225,062
72,094	-	-	72,094
<u>\$ 349,797</u>	<u>\$ 741,191</u>	<u>\$ 7,324</u>	<u>\$ 1,067,060</u>

GULF COAST WASTE DISPOSAL AUTHORITY

Industrial Projects - Private Activity Revenue

Bonds Issued and Outstanding

December 31, 2013

	<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	**
Amoco Oil Company Project Pollution Control Revenue Refunding Bonds	1992	09/01/92	2017	**
Amoco Oil Company Project Pollution Control Revenue Bonds	1993	05/01/93	2023	**
Amoco Oil Company Project Pollution Control Revenue Bonds	1994	06/01/94	2024	**
Amoco Oil Company Project Solid Waste Disposal Revenue Refunding Bonds	1994	08/01/94	2023	**
Amoco Oil Company Project Solid Waste Disposal Revenue Bonds	1995	07/01/95	2027	**
Exxon Project Pollution Control Revenue Refunding Bonds	1995	11/29/95	2020	**
Amoco Oil Company Project Pollution Control and Solid Waste Disposal Revenue Refunding Bonds	1996	03/01/96	2024	**
Amoco Oil Company Project Environmental Facilities Revenue Bonds	1997	04/01/97	2026	**
Amoco Oil Company Project Environmental Facilities Revenue Bonds	1998	01/01/98	2026	**
USX Corporation Environmental Improvement Revenue Bonds	1998	03/01/98	2017	5.500%
Valero Energy Corporation Project Waste Disposal Revenue Bonds	1998	03/01/98	2032	5.600%
Air Products Project Solid Waste Disposal Revenue Bonds	1999	06/01/99	2034	**
Air Products Project Solid Waste Disposal Revenue Bonds	2000	03/01/00	2035	**
ExxonMobil Project Environmental Facilities Revenue Bonds	2000	05/31/00	2020	**
AMOCO Oil Company Environmental Facilities Revenue Bonds, Series 2001	2001	04/01/01	2032	**
Republic Waste Services of Texas, Ltd Series 2001	2001	04/01/01	2023	**
ExxonMobil Environmental Fac Rev Bonds Series 2001A	2001A	04/23/01	2030	**
ExxonMobil Environmental Fac Rev Bonds Series 2001B	2001B	04/23/01	2025	**
American Acryl L.P. Project Environmental Facilities Revenue Bonds	2001	09/14/01	2036	**
BP Products North America, Inc. Environmental Facilities Revenue Bonds	2002	01/01/02	2036	**
ExxonMobil Project Environmental Facilities Revenue Bonds Series 2002	2002	02/01/02	2025	**
International Paper Company Project	2002A	08/01/02	2024	6.100%

Purpose	Total	Amount Retired	Amount Outstanding
Air Pollution Control, Water Pollution Facilities	\$ 24,700,000	\$ -	\$ 24,700,000
Air Pollution Control, Water Pollution Facilities, Environmental Improvement	88,215,000	-	-
Water Pollution Facilities	50,000,000	-	50,000,000
Water Pollution Facilities	50,000,000	-	50,000,000
Solid Waste Disposal	50,000,000	-	50,000,000
Solid Waste Disposal	50,000,000	-	50,000,000
Air Pollution Control, Water Pollution Facilities	52,500,000	-	52,500,000
Water Pollution Facilities, Solid Waste Disposal	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	-	25,000,000
Environmental Improvement	10,600,000	-	-
Solid Waste Disposal	25,000,000	-	25,000,000
Solid Waste Disposal	25,000,000	-	25,000,000
Solid Waste Disposal	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	-	25,000,000
Solid Waste Disposal	3,500,000	-	-
Environmental Improvement	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	-	-
Environmental Improvement	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	-	25,000,000
Solid Waste Disposal	71,565,000	71,565,000	-

GULF COAST WASTE DISPOSAL AUTHORITY

Industrial Projects - Private Activity Revenue

Bonds Issued and Outstanding

December 31, 2013

	<u>Series</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>
Exxon Mobil Environmental Facilities Revenue Bonds	2003	04/01/03	2025	**
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003A	04/01/03	2028	5.200%*
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003B	04/01/03	2028	0.850%
Waste Management of Texas, Inc. Solid Waste Disposal Revenue Bonds	2003C	04/01/03	2028	5.200%*
American Acryl L.P. Environmental Facilities Revenue Bonds	2003	05/01/03	2038	**
BP Products North America Inc. Environmental Facilities Revenue Bonds	2003	05/01/03	2034	**
Waste Management of Texas, Inc. and Western Waste Industries Project	2004A	03/01/04	2019	3.530%*
Air Products Environmental Facilities Revenue Bonds	2004	12/01/04	2039	**
BP Products of North America Inc. Project	2004	12/08/04	2031	**
Air Products Environmental Facilities Revenue Bonds	2005	04/01/05	2040	**
BP Products North America Inc. Project Revenue Refunding Bonds	2005	05/01/05	2026	**
BP Products North America Inc. Project Revenue Bonds	2006	04/01/06	2036	**
BP Products North America Inc. Environmental Facilities Revenue Bonds	2007	04/01/06	2042	**
Totals				

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

** Variable rate

Purpose	Total	Amount Retired	Amount Outstanding
Environmental Improvement	\$ 25,000,000	\$ -	\$ 25,000,000
Solid Waste Disposal	12,000,000	-	12,000,000
Solid Waste Disposal	42,500,000	-	10,000,000
Solid Waste Disposal	12,000,000	-	12,000,000
Environmental Improvement	19,000,000	-	19,000,000
Environmental Improvement	25,000,000	25,000,000	-
Solid Waste Disposal	35,000,000	-	35,000,000
Solid Waste Disposal	25,000,000	-	25,000,000
Environmental Improvement	25,000,000	25,000,000	-
Solid Waste Disposal	19,000,000	19,000,000	-
Environmental Improvement	25,000,000	-	25,000,000
Environmental Improvement	39,000,000	-	-
Environmental Improvement	100,000,000	100,000,000	-
	<u>\$ 1,179,580,000</u>	<u>\$ 240,565,000</u>	<u>\$ 740,200,000</u>

GULF COAST WASTE DISPOSAL AUTHORITY
Gulf Coast Industrial Development Authority - Industrial
Development Revenue Bonds Issued and Outstanding
December 31, 2013

	<u>Series</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>
PetroUnited Terminals, Inc. Project	1989	11/01/89	2019	**
Amoco Oil Company Project Marine Terminal Revenue Bonds	1993	03/01/93	2028	**
CITGO Petroleum Environmental Facilities Revenue Bonds	1998	08/01/98	2028	8.000%
BP Global Power Corp. Project	2003	04/01/03	2038	3.850%*
CITGO Petroleum Corporation Project	2004	05/01/04	2032	**
Cinergy Solutions - CST Green power, L.P. Project	2004	05/12/04	2039	**
Dia-Den, Ltd. Project Industrial Development Rev Refunding Bonds	2007	10/25/07	2027	**
ExxonMobil Project Revenue Bonds	2012	11/01/12	2041	**
Totals				

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

** Variable rate bond

*** Bonds refunded in February 2013

Amount Issued	Amount Retired	Amount Outstanding
\$ 12,400,000	\$ 5,200,000	\$ 7,200,000
44,800,000	44,800,000	
100,000,000	75,000,000	25,000,000
23,000,000	23,000,000	
25,000,000		25,000,000
25,000,000		25,000,000
5,280,000		5,280,000
275,000,000		275,000,000
<u>\$ 510,480,000</u>	<u>\$ 148,000,000</u>	<u>\$ 362,480,000</u>

(This page intentionally left blank.)

STATISTICAL SECTION

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY

STATISTICAL SECTION

December 31, 2013

This part of the Authority's comprehensive annual 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	
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	88
Revenue Capacity	
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.	93
Debt Capacity	
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.	94
Demographic and Economic Information	
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.	97
Operating Information	
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.	99

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

GULF COAST WASTE DISPOSAL AUTHORITY***Net Position By Component******Last Ten Years (1)***

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Primary government				
Net investment in capital assets	\$ 42,941,004	\$ 37,482,921	\$ 40,832,148	\$ 44,320,059
Restricted	3,913,286	4,129,420	4,168,561	4,780,166
Unrestricted	<u>30,257,758</u>	<u>34,966,631</u>	<u>35,893,851</u>	<u>44,258,262</u>
Total primary government Net Position	<u>\$ 77,112,048</u>	<u>\$ 76,578,972</u>	<u>\$ 80,894,560</u>	<u>\$ 93,358,487</u>

(1) Effective January 1, 2007, the Authority reclassified all of its governmental activities to business-type activities. 2006 and prior have been restated to reflect this reclassification.

2008	2009	2010	2011	2012	2013
\$ 62,886,387	\$ 65,499,281	\$ 61,948,931	\$ 59,278,920	\$ 51,956,683	\$ 52,785,531
5,146,708	5,285,912	5,560,832	5,673,882	5,731,659	3,983,207
33,047,532	22,615,118	22,443,235	23,073,089	34,552,737	38,958,377
<u>\$ 101,080,627</u>	<u>\$ 93,400,311</u>	<u>\$ 89,952,998</u>	<u>\$ 88,025,891</u>	<u>\$ 92,241,079</u>	<u>\$ 95,727,115</u>

GULF COAST WASTE DISPOSAL AUTHORITY

CHANGE IN Net Position

Last Ten Years (1)

	2004	2005	2006	2007
Expenses				
Business-type activities:				
General services	\$ 4,821,918	\$ 4,625,778	\$ 5,061,636	\$ 2,478,603
Wastewater treatment	45,667,332	46,073,983	50,184,882	49,536,590
Solid waste disposal	1,608,921	1,201,672	1,368,584	1,288,065
Total primary government expenses	<u>52,098,171</u>	<u>51,901,433</u>	<u>56,615,102</u>	<u>53,303,258</u>
Program Revenues				
Business-type activities:				
Charges for services:				
General services	4,696,638	4,208,888	4,998,422	2,062,936
Wastewater treatment	45,227,878	44,741,360	48,077,853	48,971,742
Solid waste disposal	2,201,273	886,576	1,010,813	959,903
Operating grants and contributions			3,000,000	
Capital grants and contributions			1,789,677	10,224,129
Total primary government revenues	<u>52,125,789</u>	<u>49,836,824</u>	<u>58,876,765</u>	<u>62,218,710</u>
Total primary government net (expense) revenues	<u>27,618</u>	<u>(2,064,609)</u>	<u>2,261,663</u>	<u>8,915,452</u>
General Revenues and Other Changes in Net Position				
Business-type activities				
Investment earnings (loss)	1,198,101	1,531,533	2,053,925	3,548,475
Special item - defeasance of loss	(1,040,848)			
Extraordinary item - Hurricane Ike repairs				
Extraordinary item - Capital asset impairment				
Total primary government	<u>157,253</u>	<u>1,531,533</u>	<u>2,053,925</u>	<u>3,548,475</u>
Total primary government Changes in Net Position	<u>\$ 767,686</u>	<u>\$ 320,721</u>	<u>\$ 4,315,588</u>	<u>\$ 12,463,927</u>

(1) Effective January 1, 2007, the Authority reclassified all of its governmental activities to business-type activities. 2006 and prior have been restated to reflect this reclassification.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 6,743,499	\$ 2,100,743	\$ 3,273,402	\$ 2,834,832	\$ 2,200,954	\$ 1,867,558
56,606,205	57,574,147	55,229,866	51,085,936	52,545,181	55,913,550
1,608,135	1,505,345	1,301,995	927,107	1,101,793	826,055
<u>64,957,839</u>	<u>61,180,235</u>	<u>59,805,263</u>	<u>54,847,875</u>	<u>55,847,928</u>	<u>58,607,163</u>
1,486,789	1,436,674	2,093,096	1,897,049	2,964,156	1,499,139
53,825,381	47,651,573	51,439,683	49,041,872	52,713,336	54,957,532
1,841,318	905,857	1,074,327	890,613	957,530	783,755
440,948	2,152,547	385,507			
14,037,369	560,468	663,106	912,927	2,909,000	4,865,128
<u>71,631,805</u>	<u>52,707,119</u>	<u>55,655,719</u>	<u>52,742,461</u>	<u>59,544,022</u>	<u>62,105,554</u>
<u>6,673,966</u>	<u>(8,473,116)</u>	<u>(4,149,544)</u>	<u>(2,105,414)</u>	<u>3,696,094</u>	<u>3,498,391</u>
2,508,713	807,340	702,231	712,353	519,094	(12,355)
(1,126,200)	(14,540)				
(334,339)					
<u>1,048,174</u>	<u>792,800</u>	<u>702,231</u>	<u>712,353</u>	<u>519,094</u>	<u>(12,355)</u>
<u>\$ 7,722,140</u>	<u>\$ (7,680,316)</u>	<u>\$ (3,447,313)</u>	<u>\$ (1,393,061)</u>	<u>\$ 4,215,188</u>	<u>\$ 3,486,036</u>

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY
BAYPORT MAJOR CUSTOMERS
Current Year and Nine Years Ago

Customer	2013			2004		
	Total Sales	Rank	% of Total Sales	Total Sales	Rank	% of Total Sales
Celanese LTD	\$ 3,921,644	1	13.4%	\$ 3,396,099	1	16.7%
Albermarle Corporation	3,309,032	2	11.3%	1,853,184	3	9.1%
Lyondell Chemical Company	2,799,975	3	9.6%	2,494,799	2	12.3%
Kaneka Nutrients, LP	1,477,342	4	5.0%		na	
Kaneka Texas Corporation	1,390,338	5	4.7%	1,031,315	5	5.1%
Carpenter Company	1,359,820	6	4.6%	957,636	6	4.7%
Dixie Chemical Company, Inc.	1,338,794	7	4.6%	1,449,186	4	7.1%
American Acryl, LP	1,177,752	8	4.0%		na	
Kuraray America	1,064,463	9	3.6%		na	
Intergulf Corp	945,686	10	3.2%		na	
Huish Detergentc, Inc.		n/a		920,047	7	4.5%
Equistar Bayport Chemicals, LP		n/a		730,285	8	3.6%
PPB Industries		n/a		700,835	9	3.5%
Rohm and Haas Chemicals, LLC		n/a		685,195	10	3.4%
Subtotal	18,784,846		64.1%	14,218,580		70.09%
Other customers	10,524,336		35.91%	6,067,460		29.91%
Total	\$ 29,309,182		100.00%	\$ 20,286,041		100.00%

Source: GCWDA 2004 CAFR and
2013 General Ledger

GULF COAST WASTE DISPOSAL AUTHORITY
BAYPORT AREA REVENUE BONDS DEBT SERVICE
COVERAGE OF THE PLEDGED REVENUES
Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net Income (loss)	\$ 100,560	\$ 602,928	\$ 1,061,033	\$ 3,344,921
Add items not includable in current expenses:				
Bond interest expense	1,935,773	2,443,000	2,339,387	2,214,213
Depreciation	3,536,328	3,572,981	3,915,355	4,271,287
Management fees	<u>359,496</u>	<u>378,696</u>	<u>489,996</u>	<u>600,000</u>
Pledge revenues	5,932,157	6,997,605	7,805,771	10,430,421
Average annual debt service on outstanding bonds	<u>\$ 3,834,726</u>	<u>\$ 3,780,180</u>	<u>\$ 3,719,318</u>	<u>\$ 3,649,840</u>
Actual debt service on outstanding bonds	<u>\$ 4,130,773</u>	<u>\$ 4,853,000</u>	<u>\$ 4,844,387</u>	<u>\$ 4,869,213</u>
Coverage by pledged revenues of average annual debt service on outstanding bonds	1.55	1.85	2.10	2.86
Coverage by pledged revenues of actual debt service on outstanding bonds	1.44	1.44	1.61	2.14

2008	2009	2010	2011	2012	2013
\$ (1,881,084)	\$ (4,861,650)	\$ (1,038,507)	\$ (479,508)	\$ 3,372,235	\$ 620,770
2,087,750	1,954,917	1,814,644	1,666,275	1,424,400	2,182,607
4,446,193	5,044,916	4,783,144	4,716,215	4,567,156	4,533,646
<u>600,000</u>	<u>650,004</u>	<u>650,004</u>	<u>698,748</u>	<u>798,804</u>	<u>898,800</u>
5,252,859	2,788,187	6,209,285	6,601,730	10,162,595	8,235,823
<u>\$ 3,571,674</u>	<u>\$ 3,483,152</u>	<u>\$ 3,381,864</u>	<u>\$ 3,265,465</u>	<u>\$ 3,231,758</u>	<u>\$ 3,113,717</u>
<u>\$ 4,867,750</u>	<u>\$ 4,864,917</u>	<u>\$ 4,864,644</u>	<u>\$ 4,856,275</u>	<u>\$ 3,669,950</u>	<u>\$ 4,104,933</u>
1.47	0.80	1.84	2.02	3.14	2.65
1.08	0.57	1.28	1.36	2.77	2.01

GULF COAST WASTE DISPOSAL 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>			
2004	(1) \$ 26,685	\$ 24,025	\$	\$	\$ 50,710	\$ 51,616	98.24%
2005	24,275	24,025			48,300	49,679	97.22%
2006	21,770	24,025	2,783		48,578	55,877	86.94%
2007	(2) 21,380	21,760	2,239		45,379	62,218	72.94%
2008	20,980	19,380	1,661	54	42,075	69,721	60.35%
2009	20,570	16,880	1,049	29	38,528	49,981	77.09%
2010	20,145	14,255	399	54	34,853	54,723	63.69%
2011	19,705	11,505			31,210	51,241	55.11%
2012	19,460	9,630			29,090	57,144	50.91%
2013	(3) 27,490	20,670			48,160	57,240	84.14%

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

(1) In 2004 the Authority issued the Gulf Coast Waste Disposal Authority Bayport Area System Revenue Bonds, Series 2004.

(2) Effective January 1, 2007, the Authority reclassified all of its governmental activities to business-type activities.

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

GULF COAST WASTE DISPOSAL AUTHORITY
ACTIVE INDUSTRIAL AND MUNICIPAL CUSTOMERS
Last Ten Years

Fiscal Year	Business- Type Activities
2004	127
2005	143
2006	143
2007	142
2008	155
2009	154
2010	148
2011	156
2012	154
2013	156

Source: Facility operating records

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY
FULL-TIME EQUIVALENT AUTHORITY
EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

Year	General Services	Wastewater Treatment	Solid Waste Disposal	Total
2004	33	120	3	156
2005	29	123	-	152
2006	29	120	-	149
2007	29	118	3	150
2008	30	118	3	151
2009	31	118	3	152
2010	31	118	3	152
2011	27	119	2	148
2012	25	115	2	142
2013	26	115	2	143

Source: Human Resources

GULF COAST WASTE DISPOSAL AUTHORITY
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function/Program					
Wastewater Treatment					
Wastewater treated (MGD)*	50.010	43.785	47.827	44.610	46.646
Permitted capacity (MGD)	109.650	109.650	109.650	109.650	109.650
 Solid Waste Disposal					
Nonhazardous waste					
received (cubic yards)	5,374	9,472	10,848	4,889	13,535
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.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
40.020	41.350	41.900	45.752	47.638
85.700	85.700	85.700	86.950	91.950
4,312	1,072	668	1,706	2,123
95,000	95,000	95,000	95,000	95,000

GULF COAST WASTE DISPOSAL AUTHORITY
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	2004	2005	2006	2007	2008
Function/Program					
General Services:					
Administrative Building	1	1	1	1	1
Wastewater Treatment:					
Aeration basins	22	22	22	22	22
Aeration tanks	3	3	4	5	5
Aerobic digester basins	11	11	11	11	11
Anaerobic basins	1	1	1	1	1
Belt presses	8	8	8	8	8
Clarifiers	18	18	18	17	17
Equalization basins	6	6	6	6	5
Facultative basins	2	2	2	2	2
Gravity filters	5	5	5	5	5
Disinfect areas	5	5	5	5	5
Sewerage acceptance units	2	2	2	2	2
Sludge surface disposal basins	3	3	3	3	3
Solid Waste Disposal:					
Land treatment units	2	2	2	2	2
Hazardous waste disposal cells	6	6	6	6	6
Non-hazardous waste disposal cells	4	4	4	4	4

Source: Various Facilities

2009	2010	2011	2012	2013
1	1	1	1	1
22	22	22	22	22
5	5	5	5	5
12	12	12	12	12
1	1	1	1	1
10	10	10	10	10
17	17	17	17	17
5	5	5	5	5
2	2	2	2	2
5	5	5	5	5
5	5	5	5	5
2	2	2	2	2
3	3	3	3	3
2	2	2	2	2
6	6	6	6	6
4	4	4	4	4

(This page intentionally left blank.)

TEXAS SUPPLEMENTARY INFORMATION SECTION

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY
TSI-1 SERVICES AND RATES
Year ended December 31, 2013

1. Services provided by the District:
 - A. Wastewater treatment (Industrial and Municipal)
 - B. Solid waste disposal (Industrial)

GULF COAST WASTE DISPOSAL AUTHORITY

TSI-2. SCHEDULE OF EXPENSES

Year Ended December 31, 2013

Personnel services *	\$ 18,291,737
Materials and supplies	8,522,522
Utilities	5,419,196
Repairs and maintenance	3,588,149
Professional services	1,740,157
Contractual services	6,387,675
General and administrative	1,986,346
Major repairs	2,048,843
Interest and amortization	2,183,296
Depreciation	8,440,585
	<u><u>\$ 58,607,134</u></u>

* Number of persons employed by the Authority: 143 Full-Time, 2 Part-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 WASTE DISPOSAL AUTHORITY
TSI-3 SCHEDULE OF TEMPORARY INVESTMENTS
December 31, 2013

	Identification or Certificate Number	Effective Yield	Maturity Date	Balance at End of Year (Amortized Cost)
Texas CLASS	N/A	0.100%	N/A	\$ 10,328,466
Texpool	N/A	0.372%	N/A	3,482,007
Certificate of Deposit	156452AX2	0.15%	03/21/14	250,000
Certificate of Deposit	618312DD1	0.20%	04/28/14	250,000
Certificate of Deposit	316777NR8	0.25%	05/29/14	250,000
Certificate of Deposit	037830L53	0.25%	10/06/14	249,000
Certificate of Deposit	31938QD27	0.30%	10/28/14	249,000
Certificate of Deposit	59774QDS8	0.30%	11/24/14	250,000
Certificate of Deposit	743837AT3	0.25%	12/01/14	250,000
Certificate of Deposit	8595316W0	0.30%	12/01/14	175,000
Certificate of Deposit	254671QA1	0.35%	12/05/14	249,000
Certificate of Deposit	332135FK3	0.40%	03/12/15	225,000
Certificate of Deposit	05568P397	0.45%	05/26/15	250,000
Certificate of Deposit	78658AGW2	0.40%	06/01/15	100,000
Certificate of Deposit	38147JFL1	0.50%	11/30/15	250,000
Certificate of Deposit	04407RAP6	0.50%	12/28/15	50,000
Total temporary investments				<u>\$ 16,857,473</u>

GULF COAST WASTE DISPOSAL AUTHORITY
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEAR
(All Bonded Debt Services) - By Years
December 31, 2013

Page 1 of 2

Due During the Year Ending	Annual Requirements for All Series			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2014	\$ 3,095,000	\$ 1,099,019	\$ 1,099,019	\$ 5,293,038
2015	3,230,000	1,030,594	1,030,594	5,291,188
2016	2,770,000	959,044	959,044	4,688,088
2017	2,875,000	903,644	903,644	4,682,288
2018	3,000,000	846,144	846,144	4,692,288
2019	3,155,000	771,144	771,144	4,697,288
2020	3,305,000	692,269	692,269	4,689,538
2021	3,465,000	609,644	609,644	4,684,288
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>\$ 48,160,000</u>	<u>\$ 9,626,395</u>	<u>\$ 9,626,395</u>	<u>\$ 67,412,790</u>

Due During the Year Ending	Series, 2002			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2014	\$ 2,065,000	\$ 105,875	\$ 105,875	\$ 2,276,750
2015	2,170,000	54,250	54,250	2,278,500
	<u>\$ 4,235,000</u>	<u>\$ 160,125</u>	<u>\$ 160,125</u>	<u>\$ 4,555,250</u>

GULF COAST WASTE DISPOSAL AUTHORITY
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEAR
(All Bonded Debt Services) - By Years
December 31, 2013

Page 2 of 2

Due During the Year Ending	Series, 2004			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2014	\$ 270,000	\$ 11,000	\$ 11,000	\$ 292,000
2015	280,000	5,600	5,600	291,200
	<u>\$ 550,000</u>	<u>\$ 16,600</u>	<u>\$ 16,600</u>	<u>\$ 583,200</u>

Due During the Year Ending	Series, 2013			
	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2014	\$ 760,000	\$ 982,144	\$ 982,144	\$ 2,724,288
2015	780,000	970,744	970,744	2,721,488
2016	2,770,000	959,044	959,044	4,688,088
2017	2,875,000	903,644	903,644	4,682,288
2018	3,000,000	846,144	846,144	4,692,288
2019	3,155,000	771,144	771,144	4,697,288
2020	3,305,000	692,269	692,269	4,689,538
2021	3,465,000	609,644	609,644	4,684,288
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>\$ 43,375,000</u>	<u>\$ 9,449,670</u>	<u>\$ 9,449,670</u>	<u>\$ 62,274,340</u>

(This page intentionally left blank.)

GULF COAST WASTE DISPOSAL AUTHORITY
TSI-6 CHANGES IN LONG-TERM BONDED DEBT
Year ended December 31, 2013

Revenue Bonds	Interest Rate	Bonds Outstanding 01/01/2013	Bonds Sold During 2013	Bonds Refunded During 2013	Requirements Fiscal Year 2013			Total	Bonds Outstanding 12/31/2013
					Principal Due 10/01	Interest Due 04/01	Interest Due 10/01		
Series 2002 Revenue Bonds	5.0	\$ 9,630,000		\$ 3,425,000	\$ 1,970,000	\$ 240,750	\$ 155,125	\$ 2,365,875	\$ 4,235,000
Series 2004 Refunding Bonds	2.0-5.0	19,460,000		18,650,000	260,000	482,450	260,000	1,002,450	550,000
Series 2013 Revenue and Refunding Bonds	3.0-5.0		43,375,000				736,608	736,608	43,375,000
		<u>\$ 29,090,000</u>	<u>\$ 43,375,000</u>	<u>\$ 22,075,000</u>	<u>\$ 2,230,000</u>	<u>\$ 723,200</u>	<u>\$ 1,151,733</u>	<u>\$ 4,104,933</u>	<u>\$ 48,160,000</u>

Paying Agent's Name & City

Series 2002, 2004 and 2013 The Bank of New York Mellon Dallas, TX

Debt Service Reserve Fund cash and investments balances as of December 31, 2013 \$ 3,494,878

Average Annual Debt Service payment (Principal and Interest) for remaining term of all debt \$ 3,113,717

GULF COAST WASTE DISPOSAL AUTHORITY

TSI-7 SCHEDULE OF REVENUES AND EXPENSES

Enterprise Funds

For Five Years ended December 31, 2013

	Amounts				
	2013	2012	2011	2010	2009
Operating revenues					
Charges for services					
Services to industries	\$53,320,887	\$53,167,009	\$50,549,132	\$46,810,158	\$53,924,138
Services to municipalities	3,555,144	2,778,707	2,549,424	2,373,728	2,243,136
Other	364,395	689,306	1,624,874	796,711	13,553,759
Total revenues	<u>57,240,426</u>	<u>56,635,022</u>	<u>54,723,430</u>	<u>49,980,597</u>	<u>69,721,033</u>
Expenditures					
Cost of sales and services	44,910,104	41,711,110	45,294,258	45,933,577	50,715,280
Administrative	2,981,432	3,075,901	2,875,283	3,793,417	2,896,992
Depreciation	8,410,599	8,318,615	8,840,373	9,138,420	7,721,083
Total expenditures	<u>56,302,135</u>	<u>53,105,626</u>	<u>57,009,914</u>	<u>58,865,414</u>	<u>61,333,355</u>
Operating income (loss)	<u>938,291</u>	<u>3,529,396</u>	<u>(2,286,484)</u>	<u>(8,884,817)</u>	<u>8,387,678</u>
Non-Operating Revenues (Expenses)					
Interest income	1,078	426,822	623,919	663,836	2,180,950
Interest expense	(2,182,607)	(1,424,400)	(1,827,957)	(2,003,334)	(2,168,474)
Gain (loss) on disposal of capital asset	1,023	(44,752)	(15,470)	(69,030)	(91,528)
Operating Contributions			385,507	2,152,547	440,948
Total non-operating revenues (expenses)	<u>(2,180,506)</u>	<u>(1,042,330)</u>	<u>(834,001)</u>	<u>744,019</u>	<u>361,896</u>
Income (loss) before contributions	<u>(1,242,215)</u>	<u>2,487,066</u>	<u>(3,120,485)</u>	<u>(8,140,798)</u>	<u>8,749,574</u>
Capital Contributions, net	4,865,128	2,909,000			521,042
Income (loss) before extraordinary items	<u>3,622,913</u>	<u>5,396,066</u>	<u>(3,120,485)</u>	<u>(8,140,798)</u>	<u>9,270,616</u>
Extraordinary item - Hurricane Ike repairs				(14,540)	(1,126,200)
Extraordinary item - Capital Asset Impairment					(334,339)
Change in Net Position	<u>\$ 3,622,913</u>	<u>\$ 5,396,066</u>	<u>\$ (3,120,485)</u>	<u>\$ (8,155,338)</u>	<u>\$ 7,810,077</u>
Total active industrial and municipal participants	<u>156</u>	<u>156</u>	<u>148</u>	<u>155</u>	<u>142</u>

Percent of Total Revenues				
2013	2012	2011	2010	2009
93.2%	93.9%	92.4%	93.7%	77.3%
6.2%	4.9%	4.7%	4.7%	3.2%
0.6%	1.2%	3.0%	1.6%	19.4%
100.0%	100.0%	100.0%	100.0%	100.0%
78.5%	73.6%	82.8%	91.9%	72.7%
5.2%	5.4%	5.3%	7.6%	4.2%
14.7%	14.7%	16.2%	18.3%	11.1%
98.3%	93.7%	104.2%	117.8%	88.0%
1.7%	6.3%	-4.2%	-17.8%	12.0%
0.0%	0.8%	1.1%	1.3%	3.1%
-3.8%	-2.5%	-3.3%	-4.0%	-3.1%
0.0%	-0.1%	0.0%	-0.1%	-0.1%
		0.7%	4.3%	0.6%
-3.8%	-1.8%	-1.5%	-2.8%	0.5%
-2.1%	4.5%	-5.7%	-20.6%	12.5%
8.5%	5.1%			0.7%
6.4%	9.6%	-5.7%	-20.6%	13.3%
			0.0%	-1.6%
				-0.5%
6.4%	9.6%	-5.7%	-20.6%	11.2%

GULF COAST WASTE DISPOSAL AUTHORITY
TSI-8 BOARD MEMBERS AND ADMINISTRATIVE PERSONNEL
Year ended December 31, 2013

Complete District Mailing Address:	<u>910 Bay Area Boulevard, Houston, Texas 77058</u>
District Business Telephone Number:	<u>(281) 488-4115</u>
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	<u>12/12</u>
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution - TWC Section 49.060)	<u>\$7,200</u>

Board Members	Term of Office or Date Hired *	Elected/ Appointed	Fees of office paid 12/31/13	Expenses reimbursed 12/31/13	Title at Year End
J. Mark Schultz, Chairman	09/01/10 - 08/31/12	Appointed (2)	\$ 5,700	\$ 3,555	Chairman
Rita Standridge	09/01/10 - 08/31/12	Appointed (3)	5,550	6,902	Vice Chair
Irvin W. Osborne-Lee, Ph.D.	01/19/00 - 08/31/01	Appointed (3)	6,750	11,940	Treasurer
James A. Matthews	09/01/09 - 08/31/11	Appointed (2)	2,400	6,144	Term expired
Zoe Milian Barinaga	09/01/11 - 08/31/13	Appointed (1)	1,500	347	Member
Ron Crowder	09/01/11 - 08/31/13	Appointed (3)	2,400	485	Member
Franklin D.R. Jones, Jr.	09/01/11 - 08/31/13	Appointed (2)	6,300	14,725	Secretary
Lamont E. Meaux	09/01/10 - 08/31/12	Appointed (1)	3,900	3,384	Member
Stan Cromartie	10/12/12-8/31/14	Appointed (1)	4,050	1,319	Member
Chris Peden	5/9/13-8/31/15	Appointed (2)	3,150	3,393	Member

Key Administrative Personnel:

Ricky Clifton	01/15/11	N/A	\$ 259,247	General Manager
---------------	----------	-----	------------	-----------------

Consultants:

Olson and Olson	01/01/80	N/A	\$ 138,506	General Counsel
Whitley Penn, LLP	10/01/06	N/A	\$ 62,227	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