HOUSTON, TEXAS

Gulf Coast Waste Disposal Authority

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2012

GULF COAST WASTE DISPOSAL AUTHORITY
TABLE OF CONTENTS

INTRODUCTORY SECTION

Gulf Coast Waste Disposal Authority
910 Bay Area Blvd Houston, Texas 77058
Phone: (281) 488-4115 ● Fax: (281) 488-3331

May 2, 2013

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, 2012.

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, 2012, 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 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 2012, 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.

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.

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.

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 MSA at 6% as of December 31, 2012, down 1.2% from a year ago. It also reports that there are currently 2.76 million jobs, up 4% from a year ago. The outlook for growth of the region continues to be strong with the Greater Houston Partnership estimating 76,400 new non-farm jobs for 2013.

Long-term financial planning. The Board of Directors and staff have developed a new 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 $53 million of the total with additions to increase capacity as well as to maintain compliance with air and water permits. The Board of Directors has approved the issuance of $44.8 million in revenue bonds for the Bayport Facility. The bonds are expected to close by the end of May. Other additions include $5.6 million at the Blackhawk Facility; $19.2 million at the Washburn Tunnel Facility; $2.6 million at the 40-Acre Facility; $14 million at the Campbell Bayou Facility; and $1.3 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. The Board, staff and consultants are also working with the Texas Legislature to amend the Authority's Act to provide for the treatment and sale of water. Both of these initiatives could have a significant impact on the operations of the Authority in the future.

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 2011 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, 2011. This was the 25th 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,

Ricky Clifton
General Manager

James Cooksey
Manager, Financial Services/Controller

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

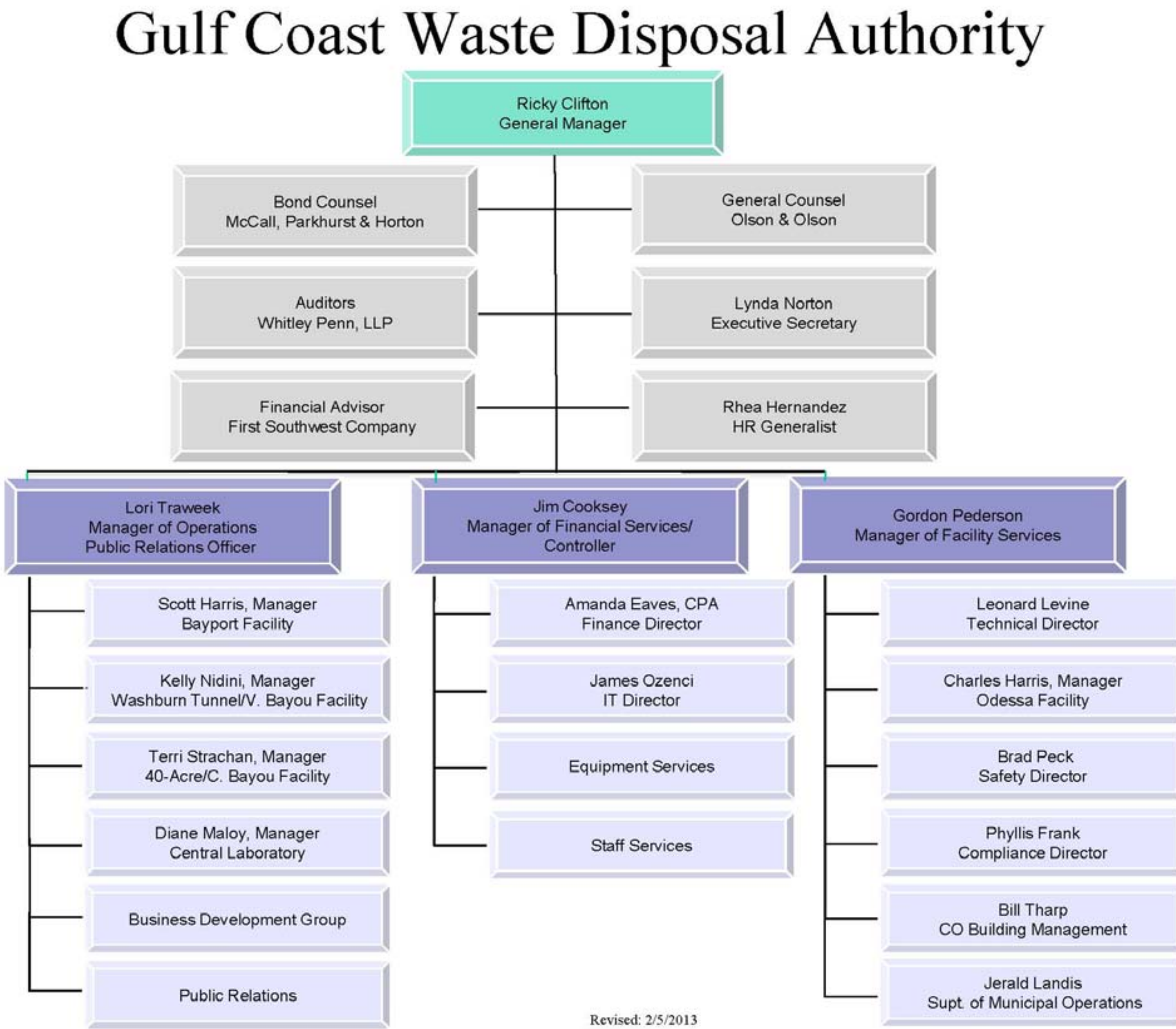
Christopher P Morrill

President

Jeffrey R. Emer

Executive Director

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

Dr. Irvin W. Osborne-Lee Representing Harris County	Appointed by Consortium of Mayors

Secretary

James A. Matthews, Jr. Representing Galveston County	Appointed by County Commissioners Court

Directors

Zoe Milian Barinaga 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
Franklin D. R. Jones, Jr. Representing Harris County	Appointed by County Commissioners Court
Lamont Meaux Representing Chambers County	Appointed by Governor

INDUSTRIAL DEVELOPMENT BOARD

Ron Crowder, President
Ricky Clifton, Vice President
Jim Cooksey, Secretary

PUBLIC POLICY COMMITTEE

James A. Matthews, Chairman
Zoe Barinaga
Franklin D.R. Jones, Jr.
Irvin Osborne-Lee

AUDIT COMMITTEE

Irvin Osborne-Lee, Chairman
Stanley C. Cromartie
James A. Matthews
Lamont Meaux

BUDGET REVIEW COMMITTEE

Lamont Meaux, Chairman
Zoe Barinaga
Ron Crowder
Stanley C. Cromartie

SPECIAL PROJECT COMMITTEE

Rita Standridge, Chairman
Zoe Barinaga
James A. Matthews
Lamont Meaux

PROJECT REVIEW COMMITTEE

Franklin D.R. Jones, Jr., Chairman
Ron Crowder
Irvin Osborne-Lee
Rita Standridge

LEGISLATIVE COMMITTEE

**** Mark Schultz, Chairman**
Stanley C. Cromartie
Franklin D.R. Jones, Jr.
Rita Standridge

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

Senior Staff & Consultants

General Manager
Ricky Clifton

Manager of Financial Services/Controller
James L. Cooksey

Manager of Operations
Lori Traweek

Manager of Facility Services
Gordon Pederson

Finance Director
Amanda Eaves, 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

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

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FINANCIAL SECTION

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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, 2012, 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, 2012, 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.

Whitley Penn LLP

April 26, 2013

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, 2012. 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

- Capital assets decreased by $4.7 million
- Net position increased by $4.2 million
- Program revenues increased by $6.8 million
- Operating expenses increased by $1.0 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.

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.

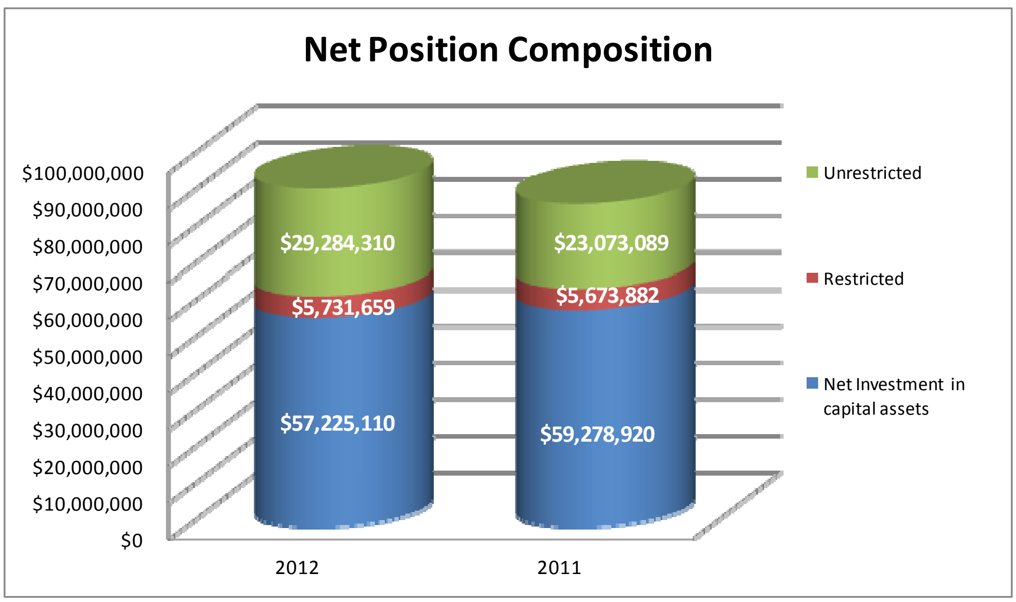
Government-wide Financial Analysis

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 $92.2 million at the close of the 2012 fiscal year.

Gulf Coast Waste Disposal Authority
Net Position
December 31, 2012
With comparative totals for December 31, 2011

			Increase / (Decrease)	
	2012	**2011**	**$**	**%**
Current and other assets	$ 51,790,161	$ 46,001,967	$ 5,788,194	12.6%
Capital assets	82,425,474	87,122,781	(4,697,307)	-5.4%
Total assets	134,215,635	133,124,748	1,090,887	0.8%
Long term liabilities	34,396,500	35,974,793	(1,578,293)	-4.4%
Other liabilities	7,578,056	9,124,064	(1,546,008)	-16.9%
Total liabilities	41,974,556	45,098,857	(3,124,301)	-6.9%
Net Position:				
Net Investment in capital assets	57,225,110	59,278,920	(2,053,810)	-3.5%
Restricted	5,731,659	5,673,882	57,777	1.0%
Unrestricted	29,284,310	23,073,089	6,211,221	26.9%
Total Net Position	$ 92,241,079	$ 88,025,891	$ 4,215,188	4.8%

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



A majority of the Authority's $92.2 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 $29.3 million, representing a 26.9% increase from 2011. Unrestricted net position may be used to meet the Authority's ongoing liabilities.

Current and other assets increased 12.6% or $5.8 million in 2012. The primary reason for the increase is due to the increase in accounts receivable.

The $4.7 million decrease (5.4%) in net position invested in capital assets is primarily due to the approximately $9.2 million recognized in 2012 for depreciation expense on capital assets previously placed in service. This was offset by additions to capital assets of $2.3 million.

The $3.1 million (6.9%) decrease in total liabilities is primarily due to debt payments discussed in the Debt section on page 8 of this section.

Total net position increased $4.2 million in 2012. 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, 2012
With comparative totals for year ended December 31, 2011

			Increase / (Decrease)	
	2012	**2011**	**$**	**%**
Revenues:				
Program revenues				
Charges for services	$ 57,144,022	$ 51,829,534	$ 5,314,488	10.3%
Capital grants and contributions	2,400,000	912,927	1,487,073	162.9%
Total program revenues	59,544,022	52,742,461	6,801,561	12.9%
Unrestricted investment earnings	519,094	712,353	(193,259)	-27.1%
Total revenues	60,063,116	53,454,814	6,608,302	12.4%
Expenses:				
General services	2,200,954	2,834,832	(633,878)	-22.4%
Wastewater treatment	52,545,181	51,085,936	1,459,245	2.9%
Solid waste disposal	1,101,793	927,107	174,686	18.8%
Total expenses	55,847,928	54,847,875	1,000,053	1.8%
Change in Net Position	4,215,188	(1,393,061)	5,608,249	402.6%
Net Position, beginning	88,025,891	89,418,952	(1,393,061)	-1.6%
Net Position, ending	$ 92,241,079	$ 88,025,891	$ 4,215,188	4.8%

Charges for services increased $5.3 million in 2012 due to the following factors:

- A $2.4 million capital contribution in the 40 Acre Facility
- A $3.0 million increase in the Bayport Area System Facility Division as a result of increased customer loads coming into the facility.

Total expenses increased by $1.0 million during 2012 due to the following factors:

- A $1.0 million increase in the Washburn Tunnel Facility Division as a result of increased major repair costs.

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, 2012, was $82.4 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 5.4%. Depreciation expense for the year was $9.2 million. Construction in progress increased $1,635,008.

Gulf Coast Waste Disposal Authority
Capital Assets (net of depreciation)
December 31, 2012
With comparative totals for December 31, 2011

			Increase/(Decrease)	
	2012	**2011**	**$**	**%**
Land	$ 5,175,541	$ 5,175,541	$	
Buildings	140,951	142,169	(1,218)	-0.9%
Waste treatment facilities and equipment	71,213,138	76,718,530	(5,505,392)	-7.2%
Administrative furniture and equipment	2,329,557	3,155,262	(825,705)	-26.2%
Construction in progress	3,566,287	1,931,279	1,635,008	84.7%
Total	$ 82,425,474	$ 87,122,781	$ (4,697,307)	-5.4%

Major capital asset outlays during the fiscal year 2012 included the following:

Capital Outlay Description	Capital Outlay
Building Renovation at Central Office	$ 42,254
Plant Renovations at Blackhawk Regional Wastewater Treatment Facility	462,885
Bio-San Hydraulics at Bayport Area System Facility	337,467
Moisture Control Project at Central Laboratory	834,656
Plant improvements at the Washburn Tunnel Facility:	
Purchase of two gearboxes for aeration basin	96,300
Removal and replacement of one belt press	244,847
T-518 sludge thickener repairs	93,889

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.

Debt

At the end of the current fiscal year, the Authority had $29.1 million in debt outstanding compared to $31.2 million last year, a decrease equal to the required bond principal reduction for 2012 in the amount of $2,120,000.

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

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' Budgets and Rates

According to the Dallas Federal Reserve Bank, the current unemployment rate for the Houston area is 6.3%. This compares to the national rate of 7.7% and the Texas rate of 6.3%. Houston's job growth in the first three months of 2013 has been 27,400 jobs, an 18.6 percent increase over the same period last year. The Greater Houston Partnership forecasts the l0-county Houston metro area will create 76,000 jobs in 2013 which will bring its employment to more than 2.8 million jobs. By December 2013, Houston will employ more people than are employed in 34 states and the District of Columbia. The chemical industry will continue to be stronger as long as natural gas prices remain at or slightly above the current levels. 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.

All of these factors were considered in preparing the Authority's budget for the 2013 fiscal year. Total revenues are projected to be $66.2 million as compared to $63.3 for the 2012 fiscal year. The Board of Directors approved another rate increase for the Bayport Area System Facility Division in January 2013 which will generate another $720,000 for the Division for fiscal year 2013. The budget also includes $32.8 in capital expenditures which will be funded by bond proceeds or contributions from participants and customers.

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.

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BASIC FINANCIAL STATEMENTS

GULF COAST WASTE DISPOSAL AUTHORITY
Statement of Net Position
December 31, 2012

	Business Type Activities
Assets	
Cash and cash equivalents	$ 35,615,747
Receivables, net	9,746,105
Prepaids	394,062
Restricted assets:	
Cash and cash equivalents	1,613,770
Marketable securities	4,063,391
Accrued interest	50,144
Noncurrent receivable:	
Receivable in more than one year	306,942
Capital assets not being depreciated:	
Land	5,175,541
Construction in progress	3,566,287
Capital assets net of accumulated depreciation:	
Plant and equipment	73,683,646
Total assets	134,215,635
Liabilities	
Current liabilities:	
Accounts payable	4,776,348
Wages payable	524,946
Accrued bond interest	361,600
Unearned revenue	10,057
Working capital deposits	1,905,105
Noncurrent liabilities:	
Due within one year	3,488,370
Due in more than one year	30,908,130
Total liabilities	41,974,556
Net Position	
Net investment in capital assets	57,225,110
Restricted:	
Debt service	5,268,427
Contingency reserve	463,232
Unrestricted	29,284,310
Total Net Position	$ 92,241,079

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY
Statement of Activities
Year ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Business Type Activities: Net Revenue (Expense) and Changes in Net Position
General services	$ 2,200,954	$ 2,964,156	$	$ 763,202
Wastewater treatment	52,545,181	53,222,336	2,400,000	3,077,155
Solid waste disposal	1,101,793	957,530		(144,263)
Total primary government	$ 55,847,928	$ 57,144,022	$ 2,400,000	3,696,094
Unrestricted investment earnings				519,094
Change in Net Position				4,215,188
Beginning Net Position				88,025,891
Ending Net Position				$ 92,241,079

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY

PROPRIETARY FUNDS

Statement of Net Position

December 31, 2012

	Enterprise Fund	Internal Service Fund
Assets		
Current Assets:		
Cash and cash equivalents	$ 28,384,688	$ 7,231,059
Receivables, net	9,746,105	
Current portion of interfund loan receivable	403,887	
Prepaids	340,747	53,315
Restricted assets:		
Cash and cash equivalents	1,613,770	
Marketable securities	4,063,391	
Accrued interest	50,144	
Total current assets	44,602,732	7,284,374
Noncurrent Assets:		
Interfund loan receivable	381,012	
Note receivable from others	306,942	
Capital assets:		
Land	5,175,541	
Construction in progress	3,566,287	
Plant and equipment	223,154,917	5,880,795
Less accumulated depreciation	(151,766,868)	(3,585,198)
Total capital assets (net of accumulated depreciation)	80,129,877	2,295,597
Total noncurrent assets	80,817,831	2,295,597
Total assets	$ 125,420,563	$ 9,579,971

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY

PROPRIETARY FUNDS

Statement of Net Position

December 31, 2012

	Enterprise Fund	Internal Service Funds
Liabilities		
Current liabilities:		
Accounts payable	$ 4,426,061	$ 350,287
Wages payable	524,946	
Accrued bond interest	361,600	
Current portion of accrued compensated absences		1,167,335
Current portion of interund loan payable		403,887
Current portion of revenue bonds payable	2,321,035	
Total current liabilities	7,633,642	1,921,509
Noncurrent liabilities:		
Accrued compensated absences		1,367,293
Net OPEB obligation		2,177,980
Interfund loan payable		381,012
Unearned revenue	10,057	
Revenue bonds payable (net of unamortized discount and deferred amount on refunding)	27,362,857	
Working capital deposits	1,905,105	
Total noncurrent liabilities	29,278,019	3,926,285
Total liabilities	36,911,661	5,847,794
Net Position		
Net investment in capital assets	55,714,412	1,510,698
Restricted:		
Debt service	5,268,427	
Contingency reserve	463,232	
Unrestricted	27,062,831	2,221,479
Total Net Position	88,508,902	$ 3,732,177
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	3,732,177	
Net Position of the business-type activities	$ 92,241,079	

See notes to the financial statements

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GULF COAST WASTE DISPOSAL AUTHORITY

PROPRIETARY FUNDS

Statement of Revenue, Expenses, and Changes in Fund Net Position

Year ended December 31, 2012

	Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for sales and services		
Services to industries	$ 53,676,009	$
Services to municipalities	2,778,707	
Intragovernmental		3,785,110
Other	689,306	697,597
Total operating revenues	57,144,022	4,482,707
Operating expenses		
Costs of sales and services	41,711,110	4,618,943
Administration	3,075,901	277,178
Depreciation	8,318,615	846,814
Total operating expenses	53,105,626	5,742,935
Operating income (loss)	4,038,396	(1,260,228)
Nonoperating revenues (expenses)		
Investment income	427,062	92,272
Interest expense	(1,424,640)	(29,946)
Loss on disposal of capital assets	(44,752)	17,024
Total nonoperating revenues (expenses)	(1,042,330)	79,350
Income (loss) before contributions	2,996,066	(1,180,878)
Capital contributions	2,400,000	
Changes in Net Position	5,396,066	(1,180,878)
Beginning Net Position	83,112,836	4,913,055
Ending Net Position	$ 88,508,902	$ 3,732,177

Change in Net Position of enterprise fund	$ 5,396,066
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund	(1,180,878)
Change in nets position of business-type activities	$ 4,215,188

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY
PROPRIETARY FUNDS
Statement of Cash Flows
Year ended December 31, 2012

	Enterprise Fund	Internal Service Funds
Cash Flows from Operating Activities		
Receipts from customers and users	$ 56,685,998	$ 703,934
Receipts from intragovernmental users		3,778,773
Payments to suppliers	(24,873,294)	(4,129,456)
Payments to employees	(17,659,616)	(143,203)
Payments to intragovernmental suppliers	(3,778,773)	
Net cash provided by operating activities	10,374,315	210,048
Cash Flows from Noncapital Financing Activities		
Principal received (paid) on intragovernmental loan	474,398	(474,398)
Interest received (paid) on intragovernmental loan	29,946	(29,946)
Interest received on note receivable	26,110	
Principal received on note receivable	661,406	
Net cash provided (used) by noncapital financing activities	1,191,860	(504,344)
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(4,440,851)	(91,079)
Proceeds from sale of capital assets	2,480	33,600
Principal paid on capital related debt	(2,219,664)	
Interest paid on capital related debt	(1,450,288)	
Capital contributions received from participants	2,280,000	
Net cash (used) by capital and related financing activities	(5,828,323)	(57,479)
Cash Flows from Investing Activities		
Proceeds from maturity of investments	118,800	
Interest received	378,966	92,272
Net cash provided by investing activities	497,766	92,272
Net increase (decrease) in cash and cash equivalents	6,235,618	(259,503)
Beginning cash and cash equivalents	23,762,840	7,490,562
Ending cash and cash equivalents	$ 29,998,458	$ 7,231,059
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	$ 28,384,688	$ 7,231,059
Restricted cash and cash equivalents	1,613,770	
	$ 29,998,458	$ 7,231,059

GULF COAST WASTE DISPOSAL AUTHORITY
PROPRIETARY FUNDS
Statement of Cash Flows
Year ended December 31, 2012

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	**Enterprise Fund**	**Internal Service Funds**
Operating income (loss)	$ 4,038,396	$ (1,260,228)
Adjustment to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	8,318,615	846,814
Changes in Operating Assets and Liabilities		
(Increase) decrease in assets:		
Receivables, net	(511,106)	
Prepaids	(36,370)	(53,009)
Increase (decrease) in liabilities:		
Wages payable	213,259	73,712
Accounts payable	(1,701,561)	35,100
Net OPEB obligation		567,659
Unearned revenue	(36,107)	
Working capital deposits	89,189	
Net cash provided by operating activities	$ 10,374,315	$ 210,048

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2012

	Private-purpose Trust Fund	Other Employee Benefit Trust Fund
	Campbell Landfill Closure/ Post-Closure	**Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust**
Assets		
Cash and cash equivalents	$ 5	$
Investments, at fair value:		
Marketable securities		2,708,855
Total assets	5	2,708,855
Net Position		
Held in trust for closure/post-closure costs	5	
Held in trust for other postemployment benefits		2,708,855
Total Net Position	$ 5	$ 2,708,855

See notes to the financial statements

GULF COAST WASTE DISPOSAL AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Fiduciary Funds

Year ended December 31, 2012

	Private-purpose Trust Fund	Other Employee Benefit Trust Fund
	Campbell Landfill Closure/ Post-Closure	Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust
Additions		
Employer contributions	$	$ 440,751
Total contributions		440,751
Investment earnings		
Interest	151,606	
Net increase (decrease) in fair value of investments	(149,147)	225,218
Net investment earnings	2,459	225,218
Total additions	2,459	665,969
Deductions		
Trustee fees	4,693	
Return of contribution	1,544,179	
Total deductions	1,548,872	
Change in Net Position	(1,546,413)	665,969
Beginning Net Position	1,546,418	2,042,886
Ending Net Position	$ 5	$ 2,708,855

See notes to the 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.

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.

I. Summary of Significant Accounting Policies (continued)

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

The Authority reports the following fiduciary funds which include a private purpose trust fund and an other post employment benefit trust fund:

Campbell Bayou Landfill and Land Treatment Unit Closure/Post-Closure Fund. This is a private-purpose trust fund to account for the accumulation of amounts of money estimated to be the cost of closure and post-closure care of the Campbell Bayou Industrial Solid Waste Facility. In compliance with the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, the funds necessary to pay the closure and post-closure costs will be available as portions of the facility are closed from the funds accumulated in this fund and by direct payments from the participants. Direct payments are guaranteed through a letter of credit. Payments from the fund will be made by the Executive Director of the Texas Commission on Environmental Quality (the "Commission") to reimburse the Authority for expenses incurred in performing closure and post-closure activities.

Gulf Coast Waste Disposal Authority Other Post Employment Benefit Trust Fund. This is an integral part 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.

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.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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.

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.

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.

I. Summary of Significant Accounting Policies (continued)

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

5. Capital Assets

Capital assets of proprietary funds are reported in both the government-wide and fund financial statements.

Capital assets are recorded at historical cost and depreciated over estimated useful lives unless they are inexhaustible, such as land. 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.

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

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.

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.

I. Summary of Significant Accounting Policies (continued)

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

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.

Implementation of New Accounting Standards

Effective January 1, 2012, the Authority implemented GASB Statement No.63: *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This statement provides guidance for reporting *net position*, as defined by GASB Concepts Statement No. 4, *Elements of Financial Statements*, as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. In conjunction with implementing GASB Statement No. 63, the Authority implemented GASB Statement No. 65: *Items Previously Reported as Assets and Liabilities.* This statement amends the financial statement element classification of certain items previously reported by the Authority as assets (deferred bond issuance costs) to be consistent with the definitions in GASB Concepts Statement No. 4.

In accordance with the standards, accounting changes adopted to conform to the provisions of this statement have been applied retroactively by reclassifying the statement of net position for all prior periods presented.

	2012	2011
Beginning Net Assets	$ 88,481,472	$ 89,952,998
Less Unamortized Issuance Costs	(455,581)	(534,046)
Beginning Net Position	$ 88,025,891	$ 89,418,952

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.

III. Detailed Notes on All Funds

A. Deposits and Investments

As of December 31, 2012, the Authority had the following investments:

Investment Type	Credit Rating [1]	Fair Value	Percentage of Portfolio	Weighted Average Maturity (Days)
U.S. Agencies				
FNMA	Aaa/AA+	$ 11,111,915	31%	954
FHLMC	Aaa/AAA	7,155,283	20%	1288
FHLB	Aaa/AA+	5,249,507	15%	924
FFCB	Aaa/AA+	1,064,760	3%	557
Commercial Paper	P1/A1	4,995,446	14%	107
State Pool - Texas CLASS	NA/AAAm	6,387,888	18%	50
Total fair value		$ 35,964,799	100%	
Portfolio weighted average maturity				726

[1] - Moody's/Standard and Poors respectively

Interest rate risk. In accordance with its investment policy, the Authority manages its 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-l or P-l or an equivalent rating by at least two nationally recognized credit rating agencies. As of December 31, 2012, the Authority's investments were in compliance with State law and the Authority’s investment policy as noted in the table above.

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, 2012, the entire balance of bank deposits were covered by pledged securities and FDIC insurance.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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 are 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.

B. Receivables

Receivables at year-end consist of the following:

	Accounts Receivable	Unbilled Receivable	Accrued Revenue	Allowance for Doubtful Accounts	Other Receivables	Accrued Interest	Total
Enterprise Fund	$ 6,187,542	$ 260,463	$ 3,442,700	$ (144,649)	$ 49	$	$ 9,746,105
Total receivables on statement of net position	6,187,542	260,463	3,442,700	(144,649)	49		9,746,105
Enterprise Fund restricted assets						50,144	50,144
Total receivables	$ 6,187,542	$ 260,463	$ 3,442,700	$ (144,649)	$ 49	$ 50,144	$ 9,796,249

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, 2012 was $306,942 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:

Receivable Fund	Payable Fund	Amount
Enterprise Fund	Internal Service Fund	$ 784,899
	Total	$ 784,899

III. Detailed Notes on All Funds (continued)

D. Restricted Assets

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 l/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 assets as reported on the Statement of Net Position as of December 31, 2012, are as follows:

Restricted Assets:		
Cash and cash equivalents	$	1,154,892
Marketable securities		4,063,391
Accrued interest		50,144
	$	5,268,427
Restricted for:		
Debt Service	$	5,268,427
Average annual debt service	$	3,231,758

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, 2012, the increase to the reserve was $25,909 from the participants. The restricted assets as reported on the Statement of Net Position as of December 31, 2012 were:

Restricted Assets:		
Cash and cash equivalents	$	463,232
Restricted for:		
Contingency reserve	$	463,232

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	1,931,279	1,635,008		3,566,287
Total capital assets not being depreciated	7,106,820	1,635,008		8,741,828
Capital assets being depreciated:				
Waste treatment facilities and equipment	218,986,147	2,763,586	(375,323)	221,374,410
Office buildings	1,030,165	42,254		1,072,419
Administrative furniture and equipment	6,673,664	91,079	(175,860)	6,588,883
Total capital assets being depreciated	226,689,976	2,896,919	(551,183)	229,035,712
Less accumulated depreciation for:				
Waste treatment facilities and equipment	(142,267,617)	(8,221,749)	328,094	(150,161,272)
Office buildings	(887,996)	(43,472)		(931,468)
Administrative furniture and equipment	(3,518,402)	(900,208)	159,284	(4,259,326)
Total accumulated depreciation	(146,674,015)	(9,165,429)	487,378	(155,352,066)
Total capital assets being depreciated, net	80,015,961	(6,268,510)	(63,805)	73,683,646
Capital Assets, net	$ 87,122,781	$ (4,633,502)	$ (63,805)	$ 82,425,474

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

Business-type	
General services	$ 96,866
Wastewater treatment	8,099,064
Solid waste disposal	122,685
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	846,814
Total depreciation expense	$ 9,165,429

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
Plant renovations at Blackhawk Facility	$ 3,000,000	$ 559,485	$ 2,440,515
Bio-san hydraulics at Bayport Facility	1,600,000	1,269,862	330,138
Cells expansion at Campbell Bayou Facility	707,700	683,107	24,593
Moisture control project at Central Lab Facility	1,211,200	1,053,833	157,367
Totals	$ 6,518,900	$ 3,566,287	$ 2,952,613

F. Long-Term Debt

Bayport Area System Revenue Bonds
The bonds outstanding at December 31, 2012, consist of Revenue Bonds, Series 2004, maturing on October 1, 2024, with interest rates of two percent to five percent, originally issued at $26,845,000 and Refunding Bonds, Series 2002, maturing October 1, 2022, with an interest rate of five percent, originally issued at $24,025,000. 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
2013	$ 2,230,000	$ 1,446,400	$ 3,676,400
2014	2,335,000	1,337,500	3,672,500
2015	2,450,000	1,223,450	3,673,450
2016	2,110,000	1,103,750	3,213,750
2017	2,215,000	998,250	3,213,250
2018	2,330,000	887,500	3,217,500
2019	2,450,000	771,000	3,221,000
2020	2,565,000	648,500	3,213,500
2021	2,695,000	520,250	3,215,250
2022	2,830,000	385,500	3,215,500
2023	2,380,000	244,000	2,624,000
2024	2,500,000	125,000	2,625,000
Total	$ 29,090,000	$ 9,691,100	$ 38,781,100

III. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

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.

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, 2012, for the Series 2002 and 2004 Bonds is computed in the following schedule:

Net revenues of the system for the year ended December 31, 2012	$ 3,372,235
Add-Items not includable in current expenses of the System:	
Bond interest expense	1,424,400
Depreciation	4,567,156
Management fee	798,804
Pledged revenues	$ 10,162,595
Average annual debt service for bonds	$ 3,231,758
Debt service coverage average annual debt service	3.14
Actual debt service for bonds	$ 3,667,950
Debt service coverage actual debt service	2.77

"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.

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	$ 2,460,916	$ 1,477,233	$ 1,403,521	$ 2,534,628	$ 1,167,335	$ 1,367,293
Net OPEB obligation	1,610,321	1,138,581	570,922	2,177,980		2,177,980
Bonds Payable:						
Revenue bonds (Ser 2004)	19,705,000		505,000	19,200,000	260,000	18,940,000
Refunding bonds (Ser 2002)	11,505,000		1,615,000	9,890,000	1,970,000	7,920,000
Plus Premium	693,556		99,664	593,892	91,035	502,857
Long term liabilities	$ 35,974,793	$ 2,615,814	$ 4,194,107	$ 34,396,500	$ 3,488,370	$ 30,908,130

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.

Subsequent Event

Subsequent to year-end, the Authority board of Directors approved the issuance of Gulf Coast Waste Disposal Authority Bayport Area System Revenue Bonds Series 2013 in the amount of $44.8 million to partially refund the 2004 and 2002 bonds, to provide for $27.0 million in plant improvements and to pay related issuance costs.

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

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

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

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

III. Detailed Notes on All Funds (continued)

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

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	$ 1,192,080,000
Industrial development projects	430,280,000
Total private activity bonds	$ 1,622,360,000

Subsequent to year end $458,015,000 in conduit debt was retired in February 2013.

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.

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, 2012 the total plan assets were $40,279,129 . These assets were allocated as follows:

Asset Category	Balance	Percent of Assets
Stable Value/Money Market Funds	$ 22,087,410	54.8%
Bond Funds	2,951,461	7.3%
Balanced Funds	5,476,501	13.6%
U.S. Stock Funds	6,938,719	17.2%
International Stock Funds	1,809,452	4.5%
Specialty	206,138	0.5%
Participant Loans	809,448	2.0%
Total Assets	$ 40,279,129	100.00%

The Authority's contribution for the year ended December 31, 2012 was $979,578 which represents the required 10 percent of covered payroll. The employees' contribution was $489,789 which equals 5 percent of covered payroll. There were no additional voluntary contributions. As of December 31, 2012 there were 149 active participants, 28 retired participants and 28 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.

The Authority has no responsibility or authorization to direct the investment of the Plan assets. Accordingly, the financial statements of the Authority Employees' Defined Contribution Pension Plan are not presented in this report.

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-l (a) (3) allows employees to accumulate assets on a pre-tax basis to pay for medical expenses upon separation of employment with the Authority. The plan is open to all employees whose regular work schedule is for at least twenty hours per week. 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 $574,864. 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
Beginning in 2008, the Authority implemented GASBS 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*, prospectively meaning there was a zero net OPEB obligation at transition. 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, 2012, $440,751 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 2012, but were paid on a “pay-as-you-go” basis.

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	791,337
Annual Required Contribution (ARC)	1,147,139
Determination of Net OPEB Obligation	
Annual Required Contribution	1,147,139
Interest on prior year Net OPEB Obligation	112,722
Adjustment to ARC	(121,280)
Annual OPEB Cost	1,138,581
Contributions made	(570,922)
Estimated Increase in Net OPEB Obligation	567,659
Net OPEB Obligation - beginning of year	1,610,321
Estimated Net OPEB Obligation - end of Year	$ 2,177,980

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%

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 2012 and the two preceding years for each of the plans were as follows:

Plan Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Percentage OPEB Cost Contributed	Net OPEB Obligation
December 31, 2010	$ 952,157	$ 555,711	58.4%	$ 1,170,459
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

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

IV. Other Information (continued)

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.

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 $368,668 .

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.

IV. Other Information (continued)

G. Employees' Health Care (continued)

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.

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. The present GCWDA personnel policy is 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
2010	$ 318,566	$ 2,241,124	$ 2,289,301	$ 270,389
2011	$ 270,389	$ 2,587,652	$ 2,638,221	$ 219,820
2012	$ 219,820	$ 3,521,626	$ 3,474,288	$ 267,158

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.

IV. Other Information (continued)

H. Contingencies (continued)

Landfill Closure and Post-Closure Costs
The Authority owns and operates the Campbell Bayou Industrial Solid Waste Facility, which is permitted for non-hazardous and hazardous solid waste, although hazardous waste has not been accepted since 1993.

The TCEQ and EPA regulations require that a final cover be placed on the landfill when closed and that certain maintenance and monitoring functions be performed at the site for thirty years after closure. The Authority has previously certified closure of an inactive portion of the landfill. The Y-Cell is the remaining active cell that is subject to both closure and post-closure activities. Accordingly, a contingent liability exists for future closure of the Y-Cell and post-closure care costs for the entire landfill that will be incurred near or after the date of closure.

The estimated total cost of the landfill closure and post-closure care was developed by engineering estimates. These estimates take into account the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of year-end. However, the actual cost of closure and post-closure care may vary due to inflation, changes in technology, or changes in laws and regulations.

The estimated total cost of closure and post-closure for the current site at year end is $6,720,000. Of this amount, $2,493,000 and $1,351,000 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 $2,876,000 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 $2,277,792. The total accrued closure and post-closure care costs at year end for the entire site are $6,121,792. The remaining accrued costs to be recognized are $598,208. 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, 2012, the Authority had no outstanding litigation.

IV. Other Information (continued)

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, 2012

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, 2010	N/A	N/A	N/A	N/A	N/A	N/A
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

OTHER SUPPLEMENTARY INFORMATION

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COMBINING INFORMATION AND STATEMENTS

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.

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, 2012

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division
Assets			
Current Assets:			
Cash and cash equivalents	$ 4,531,648	$ 15,960,144	$ (409,929)
Receivables, net	103,592	5,843,329	744,568
Current portion of interfund loan receivable	403,887		
Prepaids	36,382	95,029	26,143
Restricted assets			
Cash and cash equivalents		1,154,892	458,878
Marketable securities		4,063,391	
Accrued interest		50,144	
Total current assets	5,075,509	27,166,929	819,660
Noncurrent Assets:			
Interfund loan receivable	656,012		
Note receivable from others		306,942	
Capital assets:			
Land	53,800	907,489	201,000
Construction in progress		1,269,862	559,485
Plant and equipment	1,780,507	109,175,143	15,391,797
Less accumulated depreciation	(1,605,596)	(71,753,166)	(13,084,093)
Total capital assets (net of accumulated depreciation)	228,711	39,599,328	3,068,189
Total noncurrent assets	884,723	39,906,270	3,068,189
Total assets	5,960,232	67,073,199	3,887,849
Liabilities			
Current liabilities:			
Accounts payable	395,483	1,098,840	356,442
Wages payable	524,946		
Accrued bond interest		361,600	
Current portion of revenue bonds payable		2,321,035	
Total current liabilities	920,429	3,781,475	356,442
Noncurrent liabilities:			
Interfund loan payable			
Unearned revenue	10,057		
Revenue bonds payable(net of unamortized discount and deferred amount on refunding)		27,362,857	
Working capital deposits			565,450
Total noncurrent liabilities	10,057	27,362,857	565,450
Total liabilities	930,486	31,144,332	921,892
Net Position			
Invested in capital assets	228,711	15,183,863	3,068,189
Restricted for:			
Debt service		5,268,427	
Contingency reserve			463,232
Unrestricted	4,801,035	15,476,577	(565,464)
Total Net Position	$ 5,029,746	$ 35,928,867	$ 2,965,957

Campbell Bayou Facility Division: Industrial Solid Waste Facility	Campbell Bayou Facility Division: Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
$ 94,880	$ 56,039	$ 4,335,699	$ 436,799	$ 493,284
	104,251	3,400	1,350	48,655
4,176	3,139	53,964	24,389	68
99,056	163,429	4,393,063	462,538	542,007
671,966			1,427,965	
683,107		1,053,833		
5,710,717		5,262,805	37,192,501	
(5,447,677)		(3,338,449)	(16,063,216)	
1,618,113		2,978,189	22,557,250	
1,618,113		2,978,189	22,557,250	
1,717,169	163,429	7,371,252	23,019,788	542,007
55,193	29,061	153,780	779,224	8,071
55,193	29,061	153,780	779,224	8,071
251,018				18,000
251,018				18,000
306,211	29,061	153,780	779,224	26,071
1,618,113		2,978,189	22,557,250	
(207,155)	134,368	4,239,283	(316,686)	515,936
$ 1,410,958	$ 134,368	$ 7,217,472	$ 22,240,564	$ 515,936

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Information By Division - Net Position
Enterprise Fund
December 31, 2012

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division
Assets			
Current Assets:			
Cash and cash equivalents	$ 490,883	$ 1,593,494	$ (235,217)
Receivables, net	626,798	221,038	2,049,124
Current portion of interfund loan receivable			
Prepaids	21,236	2,032	74,189
Restricted assets			
Cash and cash equivalents			
Marketable securities			
Accrued interest			
Total current assets	1,138,917	1,816,564	1,888,096
Noncurrent Assets:			
Interfund loan receivable			
Note receivable from others			
Capital assets:			
Land	76,161	100,611	1,736,549
Construction in progress			
Plant and equipment	14,314,725	1,874,197	32,428,177
Less accumulated depreciation	(11,824,958)	(1,100,229)	(27,527,772)
Total capital assets (net of accumulated depreciation)	2,565,928	874,579	6,636,954
Total noncurrent assets	2,565,928	874,579	6,636,954
Total assets	3,704,845	2,691,143	8,525,050
Liabilities			
Current liabilities:			
Accounts payable	379,179	9,232	1,161,556
Wages payable			
Accrued bond interest			
Current portion of revenue bonds payable			
Total current liabilities	379,179	9,232	1,161,556
Noncurrent liabilities:			
Interfund loan payable			275,000
Unearned revenue			
Revenue bonds payable (net of unamortized discount and deferred amount on refunding)			
Working capital deposits	1,032,037		38,600
Total noncurrent liabilities	1,032,037		313,600
Total liabilities	1,411,216	9,232	1,475,156
Net Position			
Invested in capital assets	2,565,928	874,579	6,636,954
Restricted for:			
Debt service			
Contingency reserve			
Unrestricted	(272,299)	1,807,332	412,940
Total Net Position	$ 2,293,629	$ 2,681,911	$ 7,049,894

Washburn Tunnel Pipeline Services Division	Component Unit GCIDA Division	Eliminations	Total
$ (674)	$ 1,037,638	$	$ 28,384,688
			9,746,105
			403,887
			340,747
			1,613,770
			4,063,391
			50,144
(674)	1,037,638		44,602,732
		(275,000)	381,012
			306,942
			5,175,541
			3,566,287
24,348			223,154,917
(21,712)			(151,766,868)
2,636			80,129,877
2,636		(275,000)	80,817,831
1,962	1,037,638	(275,000)	125,420,563
			4,426,061
			524,946
			361,600
			2,321,035
			7,633,642
		(275,000)	
			10,057
			27,362,857
			1,905,105
		(275,000)	29,278,019
		(275,000)	36,911,661
2,636			55,714,412
			5,268,427
			463,232
(674)	1,037,638		27,062,831
$ 1,962	$ 1,037,638	$	$ 88,508,902

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Information by Division - Changes in Net Position

Enterprise Fund

Year ended December 31,2012

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division
Operating revenues			
Charges for sales and services			
Services to industries	$ 1,400,042	$ 28,567,432	$
Services to municipalities		34,025	2,472,580
Intragovernmental	3,611,755		
Other	189,114	452,523	33,651
Total operating revenues	5,200,911	29,053,980	2,506,231
Operating expenses			
Costs of sales and services	4,880,888	19,205,234	2,350,979
Administration	589,009	726,225	90,592
Depreciation	96,866	4,567,156	369,762
Total operating expenses	5,566,763	24,498,615	2,811,333
Operating income (loss)	(365,852)	4,555,365	(305,102)
Nonoperating revenues (expenses)			
Investment income	92,760	241,270	7,182
Interest expense		(1,424,400)	
Loss on disposal of capital assets			
Total nonoperating revenues (expenses)	92,760	(1,183,130)	7,182
Income (loss) before contributions	(273,092)	3,372,235	(297,920)
Capital contributions			
Transfers	350,000		
Changes in Net Position	76,908	3,372,235	(297,920)
Beginning Net Position	4,952,838	32,556,632	3,263,877
Ending Net Position	$ 5,029,746	$ 35,928,867	$ 2,965,957

Campbell Bayou Facility Division				
Industrial Solid Waste Facility	**Closure/Post Closure**	**Central Laboratory Division**	**40-Acre Facility Division**	**Municipal Operations Division**
$ 347,453	$ 610,077	$ 21,448	$ 4,682,317	$
		2,681		269,421
		5,481,795	45,000	
		750		
347,453	610,077	5,506,674	4,727,317	269,421
288,855	518,628	3,990,783	4,295,956	257,022
62,417	89,235	59,376	440,139	22,742
122,685		307,153	1,371,186	
473,957	607,863	4,357,312	6,107,281	279,764
(126,504)	2,214	1,149,362	(1,379,964)	(10,343)
3,844		48,996	7,595	6,208
	(97)			
		(34,847)	(9,406)	
3,844	(97)	14,149	(1,811)	6,208
(122,660)	2,117	1,163,511	(1,381,775)	(4,135)
			2,400,000	
(122,660)	2,117	1,163,511	1,018,225	(4,135)
1,533,618	132,251	6,053,961	21,222,339	520,071
$ 1,410,958	$ 134,368	$ 7,217,472	$ 22,240,564	$ 515,936

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Information by Division - Changes in Net Position

Enterprise Fund

Year ended December 31, 2012

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division
Operating revenues			
Charges for sales and services			
Services to industries	$ 2,640,560	$ 1,177,877	$ 12,853,803
Services to municipalities			
Intragovernmental			111,635
Other		10,390	2,878
Total operating revenues	2,640,560	1,188,267	12,968,316
Operating expenses			
Costs of sales and services	2,260,038	710,891	12,202,021
Administration	382,990	45,997	566,774
Depreciation	538,876	80,165	862,554
Total operating expenses	3,181,904	837,053	13,631,349
Operating income (loss)	(541,344)	351,214	(663,033)
Nonoperating revenues (expenses)			
Investment income	7,987	17,186	5,034
Interest expense			(11,000)
Loss on disposal of capital assets	(106)		(393)
Total nonoperating revenues (expenses)	7,881	17,186	(6,359)
Income (loss) before contributions	(533,463)	368,400	(669,392)
Capital contributions			
Transfers			
Changes in Net Position	(533,463)	368,400	(669,392)
Beginning Net Position	2,827,092	2,313,511	7,719,286
Ending Net Position	$ 2,293,629	$ 2,681,911	$ 7,049,894

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
$	$ 1,375,000	$	$ 53,676,009
			2,778,707
		(9,250,185)	
			689,306
	1,375,000	(9,250,185)	57,144,022
		(9,250,185)	41,711,110
47	358		3,075,901
2,212			8,318,615
2,259	358	(9,250,185)	53,105,626
(2,259)	1,374,642		4,038,396
		(11,000)	427,062
	(143)	11,000	(1,424,640)
			(44,752)
	(143)		(1,042,330)
(2,259)	1,374,499		2,996,066
			2,400,000
	(350,000)		
(2,259)	1,024,499		5,396,066
4,221	13,139		83,112,836
$ 1,962	$ 1,037,638	$	$ 88,508,902

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Information by Division - Cash Flows
Enterprise Fund
Year ended December 31, 2012

	General Services Division	Bayport Area System Facility Division	Blackhawk Regional Wastewater Treatment Facility Division
Cash Flows from Operating Activities			
Receipts from customers and users	$ 1,552,782	$ 27,893,345	$ 2,200,301
Receipts from intragovernmental users	3,611,755		
Payments to suppliers	(1,051,688)	(11,091,677)	(1,030,398)
Payments to employees	(3,734,473)	(4,140,687)	(670,246)
Payments to intergovernmental suppliers	(621,458)	(5,346,636)	(487,485)
Net cash provided (used) by operating activities	(243,082)	7,314,345	12,172
Cash Flows from Noncapital Financing Activities			
Intragovernmental transfers in	350,000		
Intragovernmental transfers (out)			
Principal received (paid) on intragovernmental loan	902,618		
Interest received (paid) on intragovernmental loan	40,946		
Interest received on note receivable		26,110	
Principal received on note receivable	655,256	6,150	
Net cash provided (used) by noncapital financing activities	1,948,820	32,260	
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(42,254)	(353,405)	(508,646)
Proceeds from sale of capital assets			
Principal paid on capital related debt		(2,219,664)	
Interest paid on capital related debt		(1,450,288)	
Capital contributions received from (returned to) participants	(120,000)		
Net cash provided (used) by capital and related financing activiti	(162,254)	(4,023,357)	(508,646)
Cash Flows from Investing Activities			
Proceeds from maturity of investments		118,800	
Interest received (paid)	51,812	223,361	7,182
Net cash provided by investing activities	51,812	342,161	7,182
Net increase (decrease) in cash and cash equivalents	1,595,296	3,665,409	(489,292)
Beginning cash and cash equivalents	2,936,352	13,449,627	538,241
Ending cash and cash equivalents	$ 4,531,648	$ 17,115,036	$ 48,949
Ending cash and cash equivalents			
Unrestricted cash and cash equivalents	$ 4,531,648	$ 15,960,144	$ (409,929)
Restricted cash and cash equivalents		1,154,892	458,878
	$ 4,531,648	$ 17,115,036	$ 48,949

Campbell Bayou Facility Division				
Industrial Solid Waste Facility	Closure/Post Closure	Central Laboratory Division	40-Acre Facility Division	Municipal Operations Division
$ 347,453	$ 505,826	$ 36,918	$ 4,681,417	$ 257,391
		5,481,795	45,000	
(169,267)	(382,639)	(761,988)	(2,161,729)	(82,924)
(105,670)	(160,989)	(2,386,840)	(1,485,087)	(98,452)
(102,643)	(128,067)	(836,511)	(1,300,370)	(92,894)
(30,127)	(165,869)	1,533,374	(220,769)	(16,879)
		(911,035)	(2,415,211)	
		576	1,904	
			2,400,000	
		(910,459)	(13,307)	
3,845	(97)	48,996	7,595	6,208
3,845	(97)	48,996	7,595	6,208
(26,282)	(165,966)	671,911	(226,481)	(10,671)
121,162	222,005	3,663,788	663,280	503,955
$ 94,880	$ 56,039	$ 4,335,699	$ 436,799	$ 493,284
$ 94,880	$ 56,039	$ 4,335,699	$ 436,799	$ 493,284
$ 94,880	$ 56,039	$ 4,335,699	$ 436,799	$ 493,284

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Information by Division - Cash Flows

Enterprise Fund

Year ended December 31, 2012

	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)	$ (365,852)	$ 4,555,365	$ (305,102)
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	96,866	4,567,156	369,762
Changes in Operating Assets and Liabilities:			
(Increase) decrease in assets			
Accounts receivable	(267)	(1,160,635)	(305,930)
Prepaids	(18,740)	5,249	75
Increase (decrease) in liabilities:			
Wages payable	213,259		
Accounts payable	(132,241)	(652,790)	253,367
Deferred revenue	(36,107)		
Working capital deposits			
Net cash provided (used) by operating activities	$ (243,082)	$ 7,314,345	$ 12,172

Campbell Bayou Facility Division									
Industrial Solid Waste Facility		Closure/Post Closure		Central Laboratory Division		40-Acre Facility Division		Municipal Operations Division	
$	(126,504)	$	2,214	$	1,149,362	$	(1,379,964)	$	(10,343)
	122,685				307,153		1,371,186		
			(104,251)		12,039		(900)		(12,030)
	926		(905)		(26,126)		1,559		(15)
	(27,234)		(62,927)		90,946		(212,650)		5,509
$	(30,127)	$	(165,869)	$	1,533,374	$	(220,769)	$	(16,879)

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Information by Division - Cash Flows

Enterprise Fund

Year ended December 31, 2012

	Odessa South Regional Facility Division	Vince Bayou Division	Washburn Tunnel Facility Division
Cash Flows from Operating Activities			
Receipts from customers and users	$ 2,798,546	$ 1,146,557	$ 13,890,462
Receipts from intragovernmental users			111,635
Payments to suppliers	(1,257,727)	(184,768)	(6,698,131)
Payments to employees	(1,064,664)	(288,037)	(3,524,471)
Payments to intergovernmental suppliers	(473,147)	(334,583)	(3,305,164)
Net cash provided (used) by operating activities	3,008	339,169	474,331
Cash Flows from Noncapital Financing Activities			
Intragovernmental transfers in			
Intragovernmental transfers (out)			
Principal received (paid) on intragovernmental loan			(427,638)
Interest received (paid) on intragovernmental loan			(11,000)
Interest received on note receivable			
Principal received on note receivable			
financing activities			(438,638)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets			(210,300)
Proceeds from sale of capital assets			
Principal paid on capital related debt			
Interest paid on capital related debt			
Capital contributions received (returned) to participants			
financing activities			(210,300)
Cash Flows from Investing Activities			
Proceeds from maturity of investments			
Interest received (paid)	7,986	17,186	5,035
Net cash provided by investing activities	7,986	17,186	5,035
Net increase (decrease) in cash and cash equivalents	10,994	356,355	(169,572)
Beginning cash and cash equivalents	479,889	1,237,139	(65,645)
Ending cash and cash equivalents	$ 490,883	$ 1,593,494	$ (235,217)
Ending cash and cash equivalents			
Unrestricted cash and cash equivalents	$ 490,883	$ 1,593,494	$ (235,217)
Restricted cash and cash equivalents			
	$ 490,883	$ 1,593,494	$ (235,217)

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
$	$ 1,375,000	$	$ 56,685,998
		(9,250,185)	
	(358)		(24,873,294)
			(17,659,616)
		9,250,185	(3,778,773)
	1,374,642		10,374,315
		(350,000)	
	(350,000)	350,000	
(582)			474,398
			29,946
			26,110
			661,406
(582)	(350,000)		1,191,860
			(4,440,851)
			2,480
			(2,219,664)
			(1,450,288)
			2,280,000
			(5,828,323)
			118,800
	(143)		378,966
	(143)		497,766
(582)	1,024,499		6,235,618
(92)	13,139		23,762,840
$ (674)	$ 1,037,638	$	$ 29,998,458
$ (674)	$ 1,037,638	$	$ 28,384,688
			1,613,770
$ (674)	$ 1,037,638	$	$ 29,998,458

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Information by Division - Cash Flows
Enterprise Fund
Year ended December 31, 2012

	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)	$ (541,344)	$ 351,214	$ (663,033)
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	538,876	80,165	862,554
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in Assets			
Accounts Receivable	68,797	(41,710)	1,033,781
Prepaids	(603)	63	2,100
Increase (Decrease) in Liabilities:			
Wages Payable			
Accounts payable	(151,907)	(50,563)	(761,071)
Deferred revenue			
Working capital deposits	89,189		
Net cash provided by operating activities	$ 3,008	$ 339,169	$ 474,331

Washburn Tunnel Pipeline Facility Division	Component Unit GCIDA Division	Eliminations	Total
$ (2,259)	$ 1,374,642	$	$ 4,038,396
2,212			8,318,615
			(511,106)
47			(36,370)
			213,259
			(1,701,561)
			(36,107)
			89,189
$	$ 1,374,642	$	$ 10,374,315

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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, 2012

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Assets			
Current Assets:			
Cash and cash equivalents	$ 368,668	$ 2,578,145	$ 139,541
Prepaids			158
Total current assets	368,668	2,578,145	139,699
Noncurrent Assets:			
Capital assets			
Plant and equipment			792,637
Less accumulated depreciation			(648,590)
Total capital assets (net of accumulated deprecation)			144,047
Total noncurrent assets			144,047
Total assets	368,668	2,578,145	283,746
Liabilities			
Current liabilities:			
Accounts payable			26,166
Interfund loan payable - current portion			
Current portion of accrued compensated absences		1,167,335	
Total current liabilities		1,167,335	26,166
Noncurrent liabilities:			
Accrued compensated absences		1,367,293	
Net OPEB obligation			
Interfund loan payable			
Total noncurrent liabilities		1,367,293	
Total liabilities		2,534,628	26,166
Net Position			
Net investment in capital assets			144,047
Unrestricted	368,668	43,517	113,533
Total Net Position	$ 368,668	$ 43,517	$ 257,580

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
$ 2,445,613	$ 1,309,052	$ 390,040	$ 7,231,059
53,000	157		53,315
2,498,613	1,309,209	390,040	7,284,374
	5,088,158		5,880,795
	(2,936,608)		(3,585,198)
	2,151,550		2,295,597
	2,151,550		2,295,597
2,498,613	3,460,759	390,040	9,579,971
291,965	16,156	16,000	350,287
	403,887		403,887
			1,167,335
291,965	420,043	16,000	1,921,509
			1,367,293
2,177,980			2,177,980
	381,012		381,012
2,177,980	381,012		3,926,285
2,469,945	801,055	16,000	5,847,794
	1,366,651		1,510,698
28,668	1,293,053	374,040	2,221,479
$ 28,668	$ 2,659,704	$ 374,040	$ 3,732,177

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Year ended December 31, 2012

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Operating revenues			
Charges for sales and services:			
Intragovernmental	$	$	$ 418,644
Other			
Total operating revenues			418,644
Operating expenses			
Costs of sales and services		216,915	201,171
Administration			312
Depreciation			118,954
Total operating expenses		216,915	320,437
Operating income (loss)		(216,915)	98,207
Nonoperating revenues (expenses)			
Investment income	4,588	34,688	1,297
Interest expense			
Gain (loss) on disposal of capital assets			(15,555)
Total nonoperating revenues (expenses)	4,588	34,688	(14,258)
Changes in Net Position	4,588	(182,227)	83,949
Beginning Net Position	364,080	225,744	173,631
Ending Net Position	$ 368,668	$ 43,517	$ 257,580

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
$ 2,575,165	$ 791,301	$	$ 3,785,110
568,148		129,449	697,597
3,143,313	791,301	129,449	4,482,707
4,098,185		102,672	4,618,943
272,900	308	3,658	277,178
	727,860		846,814
4,371,085	728,168	106,330	5,742,935
(1,227,772)	63,133	23,119	(1,260,228)
34,810	12,439	4,450	92,272
	(29,946)		(29,946)
	32,579		17,024
34,810	15,072	4,450	79,350
(1,192,962)	78,205	27,569	(1,180,878)
1,221,630	2,581,499	346,471	4,913,055
$ 28,668	$ 2,659,704	$ 374,040	$ 3,732,177

GULF COAST WASTE DISPOSAL AUTHORITY

Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2012

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Cash Flows from Operating Activities			
Receipts from customers and users	$	$	$
Receipts from intragovernmental users			418,644
Payments to suppliers			(176,990)
Payments to employees		(143,203)	
Net cash provided (used) by operating activities		(143,203)	241,654
Cash Flows from Noncapital Financing Activities			
Principal paid on interfund loan			(82,433)
Interest paid on interfund loan			
Net cash provided (used) by noncapital financing activities			(82,433)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets			
Proceeds from sale of capital assets			
Net cash provided (used) by capital and related financing activities			
Cash Flows from Investing Activities			
Interest received	4,588	34,688	1,297
Net cash provided by (used for) investing activities	4,588	34,688	1,297
Net increase (decrease) in cash and cash equivalents	4,588	(108,515)	160,518
Beginning cash and cash equivalents	364,080	2,686,660	(20,977)
Ending cash and cash equivalents	$ 368,668	$ 2,578,145	$ 139,541

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
$ 574,485	$	$ 129,449	$ 703,934
2,568,828	791,301		3,778,773
(3,784,978)	(77,158)	(90,330)	(4,129,456)
			(143,203)
(641,665)	714,143	39,119	210,048
	(391,965)		(474,398)
	(29,946)		(29,946)
	(421,911)		(504,344)
	(91,079)		(91,079)
	33,600		33,600
	(57,479)		(57,479)
34,810	12,439	4,450	92,272
34,810	12,439	4,450	92,272
(606,855)	247,192	43,569	(259,503)
3,052,468	1,061,860	346,471	7,490,562
$ 2,445,613	$ 1,309,052	$ 390,040	$ 7,231,059

GULF COAST WASTE DISPOSAL AUTHORITY
Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2012

	Casualty Insurance Risk Reserve	Compensated Absences	Data Processing
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$	$ (216,915)	$ 98,207
Adjustment to reconcile operating income to net cash provided (used) by operating activities			
Depreciation			118,954
Changes in Operating Assets and Liabilities			
(Increase) decrease in assets			
Prepaids			(3)
Increase (decrease) liabilities			
Wages payable		73,712	
Accounts payable			24,496
Net OPEB obligation			
Net cash provided by operating activities	$	$ (143,203)	$ 241,654

Employees' Health Care	Equipment Service	Pretreatment Legislation	Total
$ (1,227,772)	$ 63,133	$ 23,119	$ (1,260,228)
	727,860		846,814
(53,000)	(6)		(53,009)
			73,712
71,448	(76,844)	16,000	35,100
567,659			567,659
$ (641,665)	$ 714,143	$ 39,119	$ 210,048

GULF COAST WASTE DISPOSAL AUTHORITY

Industrial Projects - Private Activity Revenue
Bonds Issued and Outstanding
December 31, 2012

	Series	Date Issued	Final Maturity	Interest Rate
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%
Valero Energy Corporation Project Waste Disposal Revenue Bonds	1999	02/01/99	2032	5.700%
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	2030	**
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	**
Anheuser-Busch Project Sewage and Solid Waste Disposal Revenue Bonds	2002	04/01/02	2036	5.900%
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 Inprovement	88,215,000	-	88,215,000	***
Water Pollution Facilties	50,000,000	-	50,000,000	***
Water Pollution Facilties	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 Facilties, 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	-	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	
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	-	3,500,000	
Environmental Improvement	25,000,000	-	25,000,000	
Environmental Improvement	25,000,000	-	25,000,000	
Environmental Improvement	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	20,000,000	-	20,000,000	
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, 2012

	Series	Date Issued	Final Maturity	Interest Rate
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	4.590%*
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 12/31/12, adjusted rate bonds
** Variable rate
*** Bonds refunded in February 2013

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	10,000,000	-	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	-	39,000,000
Environmental Improvement	100,000,000	-	100,000,000
	$ 1,192,080,000	$	$ 1,192,080,000

GULF COAST WASTE DISPOSAL AUTHORITY

Gulf Coast Industrial Development Authority - Industrial Development Revenue Bonds Issued and Outstanding

December 31, 2012

	Series	Date Issued	Final Maturity
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
BP Global Power Corp. Project	2003	04/01/03	2038
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

Interest Rate		Amount Issued		Amount Retired		Amount Outstanding	
**	$	12,400,000	$	5,200,000	$	7,200,000	
**		44,800,000				44,800,000	***
8.000%		100,000,000		75,000,000		25,000,000	
3.850%*		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	
	$	510,480,000	$	80,200,000	$	430,280,000	

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STATISTICAL SECTION

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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.

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 TenYears (1)

	2003	2004	2005	2006
Primary government				
Net investment in capital assets	$ 34,181,828	$ 42,941,004	$ 37,482,921	$ 40,832,148
Restricted	3,206,216	3,913,286	4,129,420	4,168,561
Unrestricted	39,403,283	30,257,758	34,966,631	35,893,851
Total primary government Net Position	$ 76,791,327	$ 77,112,048	$ 76,578,972	$ 80,894,560

(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.

2007	2008	2009	2010	2011	2012
$ 44,320,059	$ 62,886,387	$ 65,499,281	$ 61,948,931	$ 59,278,920	$ 57,225,110
4,780,166	5,146,708	5,285,912	5,560,832	5,673,882	5,731,659
44,258,262	33,047,532	22,615,118	22,443,235	23,073,089	29,284,310
$ 93,358,487	$ 101,080,627	$ 93,400,311	$ 89,952,998	$ 88,025,891	$ 92,241,079

GULF COAST WASTE DISPOSAL AUTHORITY

CHANGE IN Net Position

Last Ten Years (1)

	2003	2004	2005	2006
Expenses				
Business-type activities:				
General services	$ 4,460,510	$ 4,821,918	$ 4,625,778	$ 5,061,636
Wastewater treatment	41,560,825	45,667,332	46,073,983	50,184,882
Solid waste disposal	1,389,301	1,608,921	1,201,672	1,368,584
Total primary government expenses	47,410,636	52,098,171	51,901,433	56,615,102
Program Reveunes				
Business-type activities:				
Charges for services:				
General services	5,742,725	4,696,638	4,208,888	4,998,422
Wastewater treatment	40,849,649	45,227,878	44,741,360	48,077,853
Solid waste disposal	1,122,774	2,201,273	886,576	1,010,813
Operating grants and contributions				3,000,000
Capital grants and contributions				1,789,677
Total primary government revenues	47,715,148	52,125,789	49,836,824	58,876,765
Total primary government net (expense) revenues	304,512	27,618	(2,064,609)	2,261,663
General Revenues and Other Changes in Net Position				
Business-type activities				
Investment earnings	954,973	1,198,101	1,531,533	2,053,925
Special item - defeasance of loss		(1,040,848)		
Extraordinary item - Hurricane Ike repairs				
Extraordinary item - Capital asset impairment				
Total primary government	954,973	157,253	1,531,533	2,053,925
Total primary government Changes in Net Position	$ 1,578,855	$ 767,686	$ 320,721	$ 4,315,588

(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.

2007	2008	2009	2010	2011	2012
$ 2,478,603	$ 6,743,499	$ 2,100,743	$ 3,273,402	$ 2,834,832	$ 2,200,954
49,536,590	56,606,205	57,574,147	55,229,866	51,085,936	52,545,181
1,288,065	1,608,135	1,505,345	1,301,995	927,107	1,101,793
53,303,258	64,957,839	61,180,235	59,805,263	54,847,875	55,847,928
2,062,936	1,486,789	1,436,674	2,093,096	1,897,049	2,964,156
48,971,742	53,825,381	47,651,573	51,439,683	49,041,872	53,222,336
959,903	1,841,318	905,857	1,074,327	890,613	957,530
	440,948	2,152,547	385,507		
10,224,129	14,037,369	560,468	663,106	912,927	2,400,000
62,218,710	71,631,805	52,707,119	55,655,719	52,742,461	59,544,022
8,915,452	6,673,966	(8,473,116)	(4,149,544)	(2,105,414)	3,696,094
3,548,475	2,508,713	807,340	702,231	712,353	519,094
	(1,126,200)	(14,540)			
	(334,339)				
3,548,475	1,048,174	792,800	702,231	712,353	519,094
$ 12,463,927	$ 7,722,140	$ (7,680,316)	$ (3,447,313)	$ (1,393,061)	$ 4,215,188

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GULF COAST WASTE DISPOSAL AUTHORITY

BAYPORT MAJOR CUSTOMERS

Current Year and Nine Years Ago

	2012			2003		
Customer	**Total Sales**	**Rank**	**% of Total Sales**	**Total Sales**	**Rank**	**% of Total Sales**
Celanese LTD	$ 4,113,674	1	14.38%	$ 3,344,074	1	18.28%
Lyondell Chemical Company	3,510,979	2	12.28%	2,533,666	2	13.85%
Albemarle Corporation	2,980,813	3	10.42%	2,034,251	3	11.12%
Kaneka Nutrients, LP	1,649,865	4	5.77%		n/a	
Dixie Chemical Company, Inc.	1,345,420	5	4.70%		n/a	
Carpenter Company	1,237,365	6	4.33%	660,400	7	3.61%
Equistar Chemicals LP	1,160,090	7	4.06%	750,038	6	4.10%
Kaneka Texas Corporation	937,254	8	3.28%	846,995	4	4.63%
Intergulf Corp	861,212	9	3.01%		n/a	
Kuraray America	846,633	10	2.96%	523,198	10	2.86%
PPG Industries		n/a		534,174	9	2.92%
Noltex LLC		n/a		590,884	8	3.23%
Rohm and Haas Chemicals LLC		n/a		839,677	5	4.59%
Subtotal	18,643,305		65.18%	12,657,357		69.19%
Other customers	9,958,154		34.82%	5,636,264		30.81%
Total	$ 28,601,459		100.00%	$ 18,293,621		100.00%

GULF COAST WASTE DISPOSAL AUTHORITY

BAYPORT AREA REVENUE BONDS DEBT SERVICE
COVERAGE OF THE PLEDGED REVENUES
Last Ten Years

	2003	2004	2005	2006
Net Income (loss)	$ 237,712	$ 100,560	$ 602,928	$ 1,061,033
Add items not includable in current expenses:				
Bond interest expense	1,805,219	1,935,773	2,443,000	2,339,387
Depreciation	3,365,147	3,536,328	3,572,981	3,915,355
Management fees	368,004	359,496	378,696	489,996
Pledge revenues	5,776,082	5,932,157	6,997,605	7,805,771
Average annual debt service on outstanding bonds	$ 2,464,173	$ 3,834,726	$ 3,780,180	$ 3,719,318
Actual debt service on outstanding bonds	$ 3,775,219	$ 4,130,773	$ 4,853,000	$ 4,844,387
Coverage by pledged revenues of average annual debt service on outstanding bonds	2.34	1.55	1.85	2.10
Coverage by pledged revenues of actual debt service on outstanding bonds	1.53	1.44	1.44	1.61

2007	2008	2009	2010	2011	2012
$ 3,344,921	$ (1,881,084)	$ (4,861,650)	$ (1,038,507)	$ (479,508)	$ 3,372,235
2,214,213	2,087,750	1,954,917	1,814,644	1,666,275	1,424,400
4,271,287	4,446,193	5,044,916	4,783,144	4,716,215	4,567,156
600,000	600,000	650,004	650,004	698,748	798,804
10,430,421	5,252,859	2,788,187	6,209,285	6,601,730	10,162,595
$ 3,649,840	$ 3,571,674	$ 3,483,152	$ 3,381,864	$ 3,265,465	$ 3,231,758
$ 4,869,213	$ 4,867,750	$ 4,864,917	$ 4,864,644	$ 4,856,275	$ 3,669,950
2.86	1.47	0.80	1.84	2.02	3.14
2.14	1.08	0.57	1.28	1.36	2.77

GULF COAST WASTE DISPOSAL AUTHORITY
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Years
(dollars in thousands)

		Business-Type Activities				Total Primary Government	Total Operating Revenue	Percent of Total Revenue
Fiscal Year		*Revenue Bonds*	*Refunding Bonds*	*Promissory Note*	*Capital Lease*			
2003		$ 33,905	$	$	$	$ 33,905	$ 46,270	73.28%
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	70,670	59.54%
2009		20,570	16,880	1,049	29	38,528	50,555	76.21%
2010		20,145	14,255	399	54	34,853	55,270	63.06%
2011		19,705	11,505			31,210	51,833	60.21%
2012		19,460	9,630			29,090	57,417	50.66%

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.

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

Fiscal Year	Business-Type Activities
2003	133
2004	127
2005	143
2006	143
2007	142
2008	155
2009	154
2010	148
2011	156
2012	154

Source: Facility operating records

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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
2003	33	119	3	155
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

Source: Human Resources

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

	2003	2004	2005	2006	2007
Function/Program					
Wastewater Treatment					
Wastewater treated (MGD)*	50.749	50.010	43.785	47.827	44.610
Permitted capacity (MGD)	109.650	109.650	109.650	109.650	109.650
Solid Waste Disposal					
Nonhazardous waste received (cubic yards)	6,200	5,374	9,472	10,848	4,889
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.

2008	2009	2010	2011	2012
46.646	40.020	41.350	41.900	45.752
109.650	85.700	85.700	85.700	86.950
13,535	4,312	1,072	668	1,706
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

	2003	2004	2005	2006	2007
Function/Program					
General Services:					
Administrative Building	1	1	1	1	1
Wastewater Treatment:					
Aeration basins	22	22	22	22	22
Aeration tanks	3	3	3	4	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	18	17
Equalization basins	6	6	6	6	6
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

2008	2009	2010	2011	2012
1	1	1	1	1
22	22	22	22	22
5	5	5	5	5
11	12	12	12	12
1	1	1	1	1
8	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

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TEXAS SUPPLEMENTARY INFORMATION SECTION

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GULF COAST WASTE DISPOSAL AUTHORITY
TSI-1 SERVICES AND RATES
Year ended December 31, 2012

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, 2012

Personnel services *	$ 18,066,910
Materials and supplies	7,561,366
Utilities	4,710,365
Repairs and maintenance	3,327,811
Professional services	1,329,602
Contractual services	6,563,762
General and administrative	2,647,568
Major repairs	1,662,609
Interest and amortization	1,431,024
Depreciation	8,505,924
Other	40,986
	$ 55,847,928

* Number of persons employed by the Authority: 146 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, 2012

	Identification or Certificate Number	Effective Yield	Maturity Date	Balance at End of Year (Amortized Cost)
Bank of America - Master Acct	Concentration	20bps off Fed Funds daily rate	N/A	$ 3,093,972
Texas CLASS	N/A		N/A	6,387,888
Total temporary investments				$ 9,481,860

*Net of Amortization/Accretion

GULF COAST WASTE DISPOSAL AUTHORITY

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEAR

(All Bonded Debt Services) - By Years

December 31, 2012

	Annual Requirements for All Series			
Due During the Year Ending	**Principal Due 10/01**	**Interest Due 4/01**	**Interest Due 10/01**	**Total**
2013	$ 2,230,000	$ 723,200	$ 723,200	$ 3,676,400
2014	2,335,000	668,750	668,750	3,672,500
2015	2,450,000	611,725	611,725	3,673,450
2016	2,110,000	551,875	551,875	3,213,750
2017	2,215,000	499,125	499,125	3,213,250
2018	2,330,000	443,750	443,750	3,217,500
2019	2,450,000	385,500	385,500	3,221,000
2020	2,565,000	324,250	324,250	3,213,500
2021	2,695,000	260,125	260,125	3,215,250
2022	2,830,000	192,750	192,750	3,215,500
2023	2,380,000	122,000	122,000	2,624,000
2024	2,500,000	62,500	62,500	2,625,000
	$ 29,090,000	$ 4,845,550	$ 4,845,550	$ 38,781,100

	Series, 2002			
Due During the Year Ending	**Principal Due 10/01**	**Interest Due 4/01**	**Interest Due 10/01**	**Total**
2013	$ 1,970,000	$ 240,750	$ 240,750	$ 2,451,500
2014	2,065,000	191,500	191,500	2,448,000
2015	2,170,000	139,875	139,875	2,449,750
2016	420,000	85,625	85,625	591,250
2017	440,000	75,125	75,125	590,250
2018	465,000	64,125	64,125	593,250
2019	490,000	52,500	52,500	595,000
2020	510,000	40,250	40,250	590,500
2021	535,000	27,500	27,500	590,000
2022	565,000	14,125	14,125	593,250
	$ 9,630,000	$ 931,375	$ 931,375	$ 11,492,750

GULF COAST WASTE DISPOSAL AUTHORITY

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEAR

(All Bonded Debt Services) - By Years

December 31, 2012

	Series, 2004			
Due During the Year Ending	Principal Due 10/01	Interest Due 4/01	Interest Due 10/01	Total
2013	$ 260,000	$ 482,450	$ 482,450	$ 1,224,900
2014	270,000	477,250	477,250	1,224,500
2015	280,000	471,850	471,850	1,223,700
2016	1,690,000	466,250	466,250	2,622,500
2017	1,775,000	424,000	424,000	2,623,000
2018	1,865,000	379,625	379,625	2,624,250
2019	1,960,000	333,000	333,000	2,626,000
2020	2,055,000	284,000	284,000	2,623,000
2021	2,160,000	232,625	232,625	2,625,250
2022	2,265,000	178,625	178,625	2,622,250
2023	2,380,000	122,000	122,000	2,624,000
2024	2,500,000	62,500	62,500	2,625,000
	$ 19,460,000	$ 3,914,175	$ 3,914,175	$ 27,288,350

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GULF COAST WASTE DISPOSAL AUTHORITY

TSI-6 CHANGES IN LONG-TERM BONDED DEBT

Year ended December 31, 2012

			Requirements Fiscal Year 2012				
Revenue Bonds	**Interest Rate**	**Bonds Outstanding 01/01/2012**	**Principal Due 10/01**	**Interest Due 04/01**	**Interest Due 10/01**	**Total**	**Bonds Outstanding 12/31/2012**
Series 2002	5.0	$ 11,505,000	$ 1,875,000	$ 286,625	$ 286,625	$ 2,448,250	$ 9,630,000
Series 2004	2.0-5.0	19,705,000	245,000	487,350	487,350	1,219,700	19,460,000
		$ 31,210,000	$ 2,120,000	$ 773,975	$ 773,975	$ 3,667,950	$ 29,090,000

Paying Agent's Name & City

Series 2002 The Bank of New York Mellon Dallas, TX

Series 2004 The Bank of New York Mellon Dallas, TX

Debt Service Reserve Fund cash and investments balances as of December 31, 2012	$ 5,218,283
Average Annual Debt Service payment (Principal and Interest) for remaining term of all debt	$ 3,231,758

GULF COAST WASTE DISPOSAL AUTHORITY

TSI-7 SCHEDULE OF REVENUES AND EXPENSES

Enterprise Funds

For Five Years ended December 31, 2012

	Amounts				
	2012	**2011**	**2010**	**2009**	**2008**
Operating revenues					
Charges for services					
Services to industries	$53,676,009	$48,133,379	$50,549,132	$46,810,158	$53,924,138
Services to municipalities	2,778,707	2,334,737	2,549,424	2,373,728	2,243,136
Other	689,306	772,880	1,624,874	796,711	13,553,759
Total revenues	57,144,022	51,240,996	54,723,430	49,980,597	69,721,033
Expenditures					
Cost of sales and services	41,711,110	41,072,533	45,294,258	45,933,577	50,715,280
Administrative	3,075,901	2,803,532	2,875,283	3,793,417	2,896,992
Depreciation	8,318,615	8,471,314	8,840,373	9,138,420	7,721,083
Total expenditures	53,105,626	52,347,379	57,009,914	58,865,414	61,333,355
Operating income (loss)	4,038,396	(1,106,383)	(2,286,484)	(8,884,817)	8,387,678
Non-Operating Revenues (Expenses)					
Interest income	426,822	573,246	623,919	663,836	2,180,950
Interest expense	(1,424,400)	(1,565,273)	(1,827,957)	(2,003,334)	(2,168,474)
Gain (loss) on disposal of capital asset	(44,752)	(111,772)	(15,470)	(69,030)	(91,528)
Operating Contributions			385,507	2,152,547	440,948
Total non-operating revenues (expenses)	(1,042,330)	(1,103,799)	(834,001)	744,019	361,896
Income (loss) before contributions	2,996,066	(2,210,182)	(3,120,485)	(8,140,798)	8,749,574
Capital Contributions, net	2,400,000	912,927			521,042
Income (loss) before extraordinary items	5,396,066	(1,297,255)	(3,120,485)	(8,140,798)	9,270,616
Extraordinary item - Hurricane Ike repairs				(14,540)	(1,126,200)
Extraordinary item - Capital Asset Impairment					(334,339)
Change in Net Position	$ 5,396,066	$ (1,297,255)	$ (3,120,485)	$ (8,155,338)	$ 7,810,077
Total active industrial and municipal participants	154	156	148	155	142

Percent of Total Revenues				
2012	**2011**	**2010**	**2009**	**2008**
93.9%	93.9%	92.4%	93.7%	77.3%
4.9%	4.6%	4.7%	4.7%	3.2%
1.2%	1.5%	3.0%	1.6%	19.4%
100.0%	100.0%	100.0%	100.0%	100.0%
73.0%	80.2%	82.8%	91.9%	72.7%
5.4%	5.5%	5.3%	7.6%	4.2%
14.6%	16.5%	16.2%	18.3%	11.1%
92.8%	102.1%	104.2%	117.8%	88.0%
7.2%	-2.1%	-4.2%	-17.8%	12.0%
0.7%	1.1%	1.1%	1.3%	3.1%
-2.5%	-3.1%	-3.3%	-4.0%	-3.1%
-0.1%	-0.2%	0.0%	-0.1%	-0.1%
		0.7%	4.3%	0.6%
-1.8%	-2.2%	-1.5%	-2.8%	0.5%
5.3%	-4.2%	-5.7%	-20.6%	12.5%
4.2%	1.8%			0.7%
9.5%	-2.4%	-5.7%	-20.6%	13.3%
			0.0%	-1.6%
				-0.5%
9.5%	-2.4%	-5.7%	-20.6%	11.2%

GULF COAST WASTE DISPOSAL AUTHORITY

TSI-8 BOARD MEMBERS AND ADMINISTRATIVE PERSONNEL

Year ended December 31, 2012

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

Board Members	Term of Office or Date Hired *	Elected/ Appointed	Fees of office paid 12/31/12	Expenses reimbursed 12/31/12	Title at Year End
J. Mark Schultz, Chairman	09/01/10 - 08/31/12	Appointed (2)	$ 6,150	$ 2,533	Chairman
Rita Standridge	09/01/10 - 08/31/12	Appointed (3)	4,500	2,067	Vice Chair
Irvin W. Osborne-Lee	01/19/00 - 08/31/01	Appointed (3)	5,400	6,380	Treasurer
James A. Matthews	09/01/09 - 08/31/11	Appointed (2)	5,100	2,690	Secretary
Zoe Milian Barinaga	09/01/11 - 08/31/13	Appointed (1)	2,700	608	Member
Ron Crowder	09/01/11 - 08/31/13	Appointed (3)	1,800	187	Member
Randy Jarrell	09/01/10 - 08/31/12	Appointed (1)	3,150	849	Member
Franklin D.R. Jones, Jr.	09/01/11 - 08/31/13	Appointed (2)	5,700	8,310	Member
Lamont E. Meaux	09/01/10 - 08/31/12	Appointed (1)	6,000	6,069	Member
Stan Cromartie	10/12/12-8/31/14	Appointed (1)	900	163	Member
Key Administrative Personnel:					
Ricky Clifton	01/15/11	N/A	282,103		General Manager
Consultants:					
Olson and Olson	01/01/80	N/A	65,780		General Counsel
Whitley Penn, LLP	10/01/06	N/A	94,298		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

Gulf Coast Waste Disposal Authority
910 Bay Area Blvd. • Houston, Texas 77058
Phone: 281.488.4115
www.gcwda.com