

(A Discretely Presented Component Unit of the  
Tarrant Regional Water District)  
**Annual Financial Report**  
**As of and for the year ended**  
**September 30, 2011**

**Trinity River Vision Authority  
Fort Worth, Texas**

As of and for the Year Ended September 30, 2011

**Board of Directors**

G.K. Maenius – President

Tom Higgins – Vice President

Elaine Petrus – Treasurer

Victor W. Henderson

James M. Oliver

Roy C. Brooks

Kathleen Hicks

**Executive Director/Secretary**

J.D. Granger

**Chief Financial Officer**

Sandra Newby

**TRINITY RIVER VISION AUTHORITY  
FORT WORTH, TEXAS**

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## INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors  
Trinity River Vision Authority  
Fort Worth, Texas

We have audited the accompanying financial statements of the governmental activities and the general fund of the Trinity River Vision Authority (the Authority), a component unit of the Tarrant Regional Water District, as of and for the year ended September 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Trinity River Vision Authority's management. Our responsibility is to express opinions on the respective 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 respective financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Trinity River Vision Authority as of September 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the Authority adopted the provisions of Statement No. 54 of the Governmental Accounting Standards Board, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective October 1, 2010.

Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual (GAAP Basis) – General Fund are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information is the responsibility of the Trinity River Vision Authority's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

*Deloitte & Touche LLP*

January 4, 2012

## **TRINITY RIVER VISION AUTHORITY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011 (UNAUDITED)**

This section of Trinity River Vision Authority's (TRVA) annual financial report presents our discussion and analysis of TRVA's financial performance during the fiscal year ended September 30, 2011. Please read this analysis in conjunction with the TRVA's audited financial statements, which follow this discussion.

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the fiscal year ending September 30, 2011 was \$1.8 million and expenditures were \$2.9.

#### **OVERVIEW OF THE CENTRAL CITY PROJECT**

The public improvements of this project – sometimes referred to as the “Central City Project” – include flood protection and related infrastructure. The United States Army Corps of Engineers (USACE) has identified this area as “at risk” due to an aging levee system that was designed for a population of the 1960s. Technology has changed substantially since the levees were erected in the 1940s and the bypass channel is now the preferred method of urban flood control.

Numerous trails and open space will accompany the channel. Dam and isolation gates will allow the existing river to function as a calm, constant-level body of water that can be enjoyed year-round. The other tremendous addition is a small urban lake at the confluence of the Clear and West forks that will support a variety of boating and water activities.

Improved roads and bridges will provide access to the area; upgraded utilities will improve the existing infrastructure; and ecosystem enhancement will restore the balance after decades of industrial use.

Another exciting component of the Central City portion of the Trinity River Vision is the revitalization of Gateway Park. The plan will include a major renovation to the Park's ecosystem, provide numerous and diverse recreational amenities, and provide necessary flood storage to ensure the viability of the Central City flood control project.

The public portion of the Trinity Uptown project is a cooperative effort financially sponsored by the Tarrant Regional Water District (the “District”), the City of Fort Worth, Tarrant County, the USACE, and the Texas Department of Transportation.

### **Trinity River Vision Progress**

The USACE and the District have been partnering to address water resource needs associated with the Trinity River for more than fifty years. After severe flooding in the late 1940s, Congress authorized the Fort Worth Floodway program, which allowed the USACE to construct a flood protection system on the Trinity River in Fort Worth. This created the Fort Worth Floodway as we know it today. The District is the local sponsor of the Fort Worth Floodway, and responsible for operation and maintenance of thirty miles of river and trail system. In the mid 1980s, the USACE, in cooperation with regional sponsors including the District, began a series of Trinity River planning and flood plan management initiatives basin-wide, which ultimately led to the Trinity River Vision project.

This multi-agency collaboration between the District, City of Fort Worth, and Tarrant County is bringing flood protection and related infrastructure to an 800-acre area north of downtown Fort Worth between the Tarrant County Courthouse and Northside Drive. The key component is the construction of a bypass channel, approximately 1.5 miles long, which will divert flood flows around the segment of the Trinity River adjacent to downtown. Construction of this new bypass channel and related dam and isolation gates will allow the existing river to function as a “quiescent watercourse” – a calm, constant-level, lake like body that can be enjoyed year-round.

As of September 30, 2011, the project had accomplished the following:

- The USACE excavated over 950,000 cubic yards of soil for valleys storage at the Samuels Avenue sites. The contracts are in the final phases of closing out.
- 178 businesses and tenants have been successfully relocated.
- Property continues to be acquired based on project schedule needs. Currently we are in year five of a nine year acquisition program.
- Demolition work continues with buildings being taken down in the Henderson Street and Main Street areas, clearing the way for the bypass channel and bridge construction. Concrete removal has also occurred in preparation for construction.
- Final design continues on the Trinity Uptown bridges: Henderson Street, Main Street and White Settlement. Henderson Street Bridge is at 90% design level and will be the first to be constructed.
- Design on municipal and franchise utility relocations continue. Franchise Agreements are being negotiated.
- The City of Fort Worth will begin water and sanitary sewer relocations in November.

- Design work for USACE valley storage excavation at Gateway Park, Rockwood Park and Riverside Park has begun and the Ham Branch is nearing completion.

As of September 30, 2011 the District and TRVA have spent a total of \$76 million on this project. Of this amount \$64 million was contributed by the District, the remaining balance of \$12 million was contributed by the City of Fort Worth Tax Increment Reinvestment Zone Number Nine (TIF) in accordance with the project cost funding agreement as described in Note 1 which accompanies the financial statements.

Below is a picture of the Samuels Avenue Valley storage site.



## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to TRVA's basic financial statements. TRVA's basic financial statements contain two components: government-wide/fund financial statements, and notes to the financial statements.

### **Government-wide Financial Statements**

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

#### *General Fund Balance Sheet/Statement of Net Assets*

The statement of net assets presents information on all of TRVA's assets and liabilities. The difference between those assets and liabilities is reported as net assets. Over time, increases and decreases in net assets could provide a useful indicator of whether the financial position of TRVA is improving or deteriorating.

#### *General Fund Statement of Revenue, Expenditures, and Changes in Fund Balance – Statement of Activities*

The Statement of Activities presents information showing how TRVA's net assets have changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Contributed revenue and interest income support the governmental activities. These activities are to educate the general public regarding the "Trinity River Vision" project in Fort Worth, Texas, publishing educational materials about said Project, and assisting in the coordination and implementation of the Project.

### **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. TRVA only has one fund, the General Fund, which is a governmental fund.

#### *Governmental Funds*

Governmental funds are used to account for the same functions shown in the governmental activities in the government-wide financial statements mentioned above. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows and the expending of available resources, as well as on balances of resources available at the end of the fiscal year.



Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Since TRVA has only one fund, the fund statement has been combined with the government-wide financial statements with a column provided for adjustments.

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide/fund financial statements. The notes to the financial statements can be found on pages 11-16 of this report.

**FINANCIAL ANALYSIS: GOVERNMENT-WIDE STATEMENTS**

**CONDENSED SCHEDULE OF NET ASSETS**

	<u>2010</u>	<u>2011</u>
Total Current and Other Assets	<u>\$ 1,786,876</u>	<u>\$ 555,298</u>
Total Liabilities	<u>\$ 657,411</u>	<u>\$ 555,298</u>
Net Assets		
Unrestricted	<u>\$ 1,129,465</u>	<u>\$ -</u>
Total Net Assets	<u>\$ 1,129,465</u>	<u>\$ -</u>

**Government-wide**

- Unrestricted Net Assets

All of the net assets of TRVA are considered unrestricted and may be used to meet TRVA’s ongoing liabilities. Total assets and net assets decreased from 2010 to 2011 due to net contributions of capital assets out of TRVA to the District, for costs related to property purchases (i.e. project management, relocation, demolition, and environmental testing). As of September 30, 2011, the District had contributed \$64.4 million to the Trinity River Vision project, (a portion of which was contributed to TRVA for expenses related to the project), once that amount was reached, contributions were then made by the Tax Increment Reinvestment Zone Number Nine (TIF).

**CONDENSED SCHEDULE OF CHANGES IN NET ASSETS**

	<b>Governmental Activities</b>	
	<b>2010</b>	<b>2011</b>
Program Revenues		
Project development revenues	\$ 3,015,660	\$ 1,805,666
General Revenues:		
Investment income and other income	6,256	3,499
Total Revenues	<u>3,021,916</u>	<u>1,809,165</u>
Expenditures/Expenses/Project development expenditures	<u>3,669,044</u>	<u>2,938,630</u>
Total Expenses	<u>3,669,044</u>	<u>2,938,630</u>
Changes in Net Assets	(647,128)	(1,129,465)
Net Assets - Beginning	<u>1,776,593</u>	<u>1,129,465</u>
Net Assets - Ending	<u><u>\$ 1,129,465</u></u>	<u><u>\$ -</u></u>

**Governmental Activities**

- **Program Revenues**

The majority of this balance was related to the cost funding agreement between the District and TIF #9.

- **Project Development Expenditures**

This line item represents costs related to land acquisition (i.e. project management, relocation, demolition, and environmental testing) for the Trinity River Vision Project that were contributed to TRWD.

## **FINANCIAL ANALYSIS: FUND STATEMENTS**

As of the end of the 2010 and 2011 fiscal years, TRVA's general fund reported an ending fund balance of \$1.1 million and zero, respectively.

### **ECONOMIC FACTORS AND BUDGETARY HIGHLIGHTS – GENERAL FUND**

The fiscal year 2011 expenditure budget for TRVA was \$1.9 million. Actual expenses for the year were \$2.9 million. The budget for 2011 only includes project management type expenditures. Costs related to land acquisition (i.e. relocation, demolition and environmental testing) were not included in the budget due to these costs being reallocated to TRWD since that is where land costs are recorded. This budget and related actual are reviewed at the monthly TRVA board meetings.

The budget for the fiscal year 2012 expenditures is \$1.9 million. The majority of the expenditures are for consulting which makes up \$1.5 million of the balance.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Trinity River Vision Authority's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to:

Sandra Newby  
Chief Financial Officer  
800 East Northside Drive  
Fort Worth, Texas 76102

**TRINITY RIVER VISION AUTHORITY**

**GENERAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2011**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities Statement of Net Assets</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 555,298		\$ 555,298
TOTAL ASSETS	<u>555,298</u>		<u>555,298</u>
<b>LIABILITIES:</b>			
Accounts payable	358,464		358,464
Other liabilities	<u>196,834</u>		<u>196,834</u>
TOTAL LIABILITIES	<u>555,298</u>		<u>555,298</u>
<b>FUND BALANCE/NET ASSETS</b>			
Fund balance-unassigned	-		-
Net Assets-unrestricted	<u>-</u>		<u>-</u>
TOTAL FUND BALANCE/NET ASSETS	<u>\$ -</u>		<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**TRINITY RIVER VISION AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
GENERAL FUND/STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities Statement of Activities</u>
EXPENDITURES/EXPENSES/PROJECT DEVELOPMENT EXPENDITURES	\$ 2,938,630	_____	\$ 2,938,630
PROGRAM REVENUES			
Project development revenues	1,805,666	_____	1,805,666
NET PROGRAM REVENUE (EXPENSE)	(1,132,964)		(1,132,964)
GENERAL REVENUES			
Investment and other income	3,499	_____	3,499
DEFICIENCY OF REVENUES UNDER EXPENDITURES/CHANGE IN NET ASSETS	(1,129,465)		(1,129,465)
FUND BALANCE/NET ASSETS- BEGINNING OF YEAR	1,129,465	_____	1,129,465
FUND BALANCE/NET ASSETS-END OF YEAR	<u>\$ -</u>	<u>_____</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**TRINITY RIVER VISION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR TRVA**

**Reporting Entity**-by resolution dated July 18, 2006, the Board of Directors of the Tarrant Regional Water District (the "District") authorized the incorporation of the Trinity River Vision Authority (TRVA). Subsequently, TRVA was incorporated by the Texas Secretary of State on July 21, 2006 and is governed, in part, by the Texas Development Corporation Act of 1979 (the "Act"). The TRVA is authorized to act on behalf of the District as the District's authority and instrumentality for the public purposes of educating the general public regarding the **Trinity River Vision Project** in Fort Worth, Texas, publishing educational materials about said Project, assisting in the coordination and implementation of the Project, and performing such other activities and purposes as permitted by applicable law or authorized by the Board of Directors of TRVA.

The accounting policies of the TRVA conform to accounting principles generally accepted in the United States of America as applicable to governmental units and promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

**Financial Reporting Entity**-TRVA is included as a discrete component unit in the financial statements of the District.

**Measurement Focus and Basis of Accounting**-The District's accounts are organized on the basis of funds, each of which are considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise each fund's assets, liabilities, fund balance, revenues and expenditures, or expenses. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus. The governmental fund financial statements are reported using the current financial resources measurement focus.

**Government-wide Financial Statements**-Government-wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the activities of TRVA.

The statement of activities presents a comparison between direct expenses and program revenues of TRVA. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of the timing of cash flows.

**Governmental Fund**-The General Fund, the only governmental fund reported by TRVA, is used to account for all financial resources of TRVA.

The General Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The General Fund is reported using the current financial resources measurement focus. The reported fund balance is considered a measure of "available spending resources". The General Fund operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, it is said to present a summary of sources and uses of "available spendable resources" during a period.

**Cash and Cash Equivalents**-cash and cash equivalents consist of deposits (principally interest-bearing accounts) with one financial institution and in a public funds investment pool.

**Deferred Revenue**-unearned amounts are reported as deferred revenue. In governmental funds, earned amounts are reported as deferred revenue until they are available to liquidate liabilities of the current period.

**Budgets and Budgetary Accounting**-budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund.

**Governmental Fund Balances**-In February 2009, the GASB issued statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 provides guidance related to fund balance classifications and clarifies the existing governmental fund type definitions. GASB statement No. 54 is effective for financial statement periods beginning after June 15, 2010. Financial Statements for fiscal year ending September 30, 2011 have been revised to reflect implementation of this standard as follows:

**Fund Balance Classification** – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which TRVA is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-Spendable fund balance - assets that will never convert to cash, such as inventory and prepaid items. At September 30, 2011, TRVA had no non-spendable fund balances.

Restricted fund balance - the portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside TRVA at September 30, 2011. TRVA has classified the unspent bond proceeds and the debt service balance as restricted.

Committed fund balance - the portion of fund balance that reflects resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. At September 30, 2011, TRVA had no committed fund balance.

Assigned fund balance – the portion of fund balance that reflects resources intended for a specific purpose. Intent is expressed or authorized by the Board of Directors. At September 30, 2011 TRVA had no assigned fund balance.

Unassigned fund balance – the portion of fund balances in excess of non-spendable, restricted, committed, and assigned. At September 30, 2011, the TRVA had no unassigned fund balance.

Spending Prioritization in Using Available Resources – when both restricted and unrestricted (i.e. assigned, and unassigned) resources are available to be used for the same purpose, TRVA considers the restricted resources to be expended first. When all categories of unrestricted fund balance are available, the flow assumption is as follows: the assigned resources get expended first, and the unassigned resources get expended last.

***GASB Implementation-*** GASB issued Statement No. 59, Financial Instruments Omnibus, also became effective to TRVA in fiscal year 2011. This standard has no impact on the District.

## **2. CASH AND CASH EQUIVALENTS**

The balance per bank of cash on deposit at September 30, 2011, was \$98,030 and was entirely covered by FDIC insurance. The carrying value was \$76,847.

Legal provisions generally permit TRVA to invest in direct and indirect obligations of the United States or its agencies, certain certificates of deposit, repurchase agreements, public funds investment pools, and mutual funds. The TRVA invests in the Texas Local Government Investment Pool (“TexPool”). TexPool a public fund investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as a custodian of investments purchased with local investment funds. It has been organized and established pursuant to and Interlocal Agreement between participating government entities. TRVA has an undivided beneficial interest in the pool of assets held by this agency. These investments and deposits are fully insured by federal depository insurance or collateralized by securities held in the name of Texas Treasury



Safekeeping Company, the entity that created TexPool. Authorized investments include obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies (TexPool only), certificates of deposit, and repurchase agreements. TRVA's pool balance as of September 30, 2011 was \$0.5 million.

**Interest Rate Risk**-as a means of limiting its exposure to fair value losses arising from interest rate fluctuations, TRVA's investment policy limits maturities to a maximum of three years.

**Concentration of Credit Risk**-TRVA places no limit on the amount the TRVA may invest in one issuer. All cash equivalents at September 30, 2011 were in TexPool.

**Custodial Credit Risk**-TRVA policy requires that all securities be held in TRVA's name.

	<u>Fair Value **</u>	<u>Weighted Avg. Maturity (Years)</u>	<u>S &amp; P Rating</u>
Investment Pools*			
TexPool	<u>\$ 478,451</u>	0.0027	N/A
Total cash equivalents	<u>\$ 478,451</u>		

\*Local government pools operate as a money market fund under the Public Funds Investment Act, which requires that it maintain an AAA, AAA-m or equivalent rating from a nationally recognized rating service. Pools are rated AAA-m and operate in full compliance with the PFIA and rating agency requirements. The pools are exempted from SEC registration and the requirements of Rule 2a-7 pertaining to registered money market funds: however, consistent with Rule 2a-7, they seek to maintain a stable net asset value of \$1 per unit.

\*\*Fair value is the amount at which a security could be exchanged in a current transaction between willing parties, other than in forced liquidation. TRVA represents all investments at fair value.

### 3. COMMITMENTS AND CONTINGENCIES

**Insurance**-the TRVA has employee blanket bond insurance. The TRVA also participates in a public entity risk pool for its general liability, automotive reliability, and errors and omissions liability coverage. The TRVA has such insurance coverage as an additional insured on a policy issued to the Tarrant Regional Water District through the Texas Water Conservation Association Risk Management Fund (the "Trust"). The general policy conditions provide as follows:

In the event of an occurrence, wrongful act, or personal injury, written notice containing particulars of the incident or injury shall be promptly provided to the Trust. If a claim is made or

a suit is brought against the TRVA, the TRVA shall immediately forward to the Trust every demand, notice, summons, or other processes received. TRVA shall cooperate with the Trust and give any information as may be reasonably required, and upon the Trust's request, assist in making settlement, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the TRVA because of injury or damage with respect to which insurance is afforded under the agreement. The TRVA shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The TRVA shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense that could increase the liability exposure of, or jeopardize the Trust in any way.

The Trust will pay on behalf of the TRVA all sums that TRVA shall become legally obligated to pay arising out of an occurrence that takes place during the Trust year and within the agreement. The Trust reserves the right to deny any and all claims that are not reported. The Trust shall have the right and the duty to defend any suit against the TRVA, even if the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit it deems expedient, but the Trust shall not be obligated to pay any claim or judgment, or to defend a suit, after the applicable limit of the Trust's liability has been exhausted.

As of September 30, 2011, there were no settlements paid from the insurance coverage on behalf of the TRVA.

#### **4. RECENTLY ISSUED GASB STATEMENTS**

The GASB has issued a number of standards that will become effective for TRVA in future years.

***GASB 57: OPEB Measurements by Agent Employers and Agent Multiple Employer Plans***--clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. This Statement is effective for TRVA in fiscal year 2012.

***GASB 60: Accounting and Financial Reporting for Service Concession Arrangements***--was issued in December 2010 to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard addresses SCAs in which there is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through

the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The statement also includes required disclosures about the SCAs. This standard becomes effective for TRVA in fiscal year 2013.

***GASB 61: The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34***-- was issued in November 2010 to improve financial reporting for a governmental reporting entity. The standard modifies certain requirements for inclusion of component units, amends criteria for blending, and clarifies the reporting of equity interests in legally separate entities. This standard becomes effective for TRVA in fiscal year 2013.

***GASB 62: Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***--was issued in December 2010 to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

This standard becomes effective for TRVA beginning in fiscal year 2013.

***GASB 63: Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***--was issued in June 2011 to improve financial reporting for a governmental reporting entity. The standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. This standard becomes effective for TRVA in fiscal year 2013.

***GASB 64: Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53***-- was issued in June 2011 to improve financial reporting for a governmental reporting entity. The standard clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. This standard becomes effective for TRVA in fiscal year 2012.

Management is currently in the process of evaluating the impact of these statements on the District’s financial statements.

**TRINITY RIVER VISION AUTHORITY**

**SCHEDULE OF EXPENDITURES-  
BUDGET TO ACTUAL—GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (UNAUDITED)**

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	Original/Final Budget	Actual
<b><u>Program Management</u></b>		
Scheduler	\$ 700,000	\$ 767,103
Engineering	300,000	-
Consulting		
Technical Assistance	100,000	93,479
Planning Review Design	50,000	25,600
Financial Assistance	25,000	-
Public Information Assistance	28,000	4,250
	<u>203,000</u>	123,329
Minority Contracting/Public Information	180,000	180,000
Legal	120,000	83,189
Office Rental	110,000	98,760
Community Education	<u>252,000</u>	<u>111,525</u>
Total Program Management Expenditures	<u>\$ 1,865,000</u>	1,363,906
Relocation, Demolition and Environmental Expenditures*		<u>1,574,724</u>
Total Project Expenditures		<u>\$ 2,938,630</u>

**Presentation**-as TRVA's Board does not adopt budgeted revenues, only a schedule of expenditures is presented.

**Excess of Budget over Expenditures**-for year ended September 30, 2011, expenditures were under budget by \$0.5 million. The variance of budget to actual is mainly due to not as much consulting for engineering being needed as expected (budget \$1.9 million actual \$1.4 million).

\*Not budgeted due to being reallocated to Tarrant Regional Water District since it is associated with the acquisition land cost.