

TRINITY RIVER VISION AUTHORITY
FORT WORTH, TEXAS

Annual Financial Report
As of and for the year ended
September 30, 2014

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

As of and for the Year Ended September 30, 2014

Board of Directors

G.K. Maenius – President

David Cooke – Vice President

Bob Riley – Treasurer

Victor W. Henderson

James M. Oliver

Roy C. Brooks

Sal Espino

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Trinity River Vision Authority, a component unit of Tarrant Regional Water District (the "Authority"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 opinions 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 opinions.

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 the major fund of Trinity River Vision Authority as of and for the year ended September 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information 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.

Deloitte & Touche LLP

January 9, 2015

TRINITY RIVER VISION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2014 (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, 2014. Please read this analysis in conjunction with the TRVA's audited financial statements, which follows this discussion.

FINANCIAL HIGHLIGHTS

Revenues for the fiscal year ended September 30, 2014 were \$36.9 million and expenditures were \$38.5 million, an increase of \$24.9 million and \$27.7 million over 2013, respectively, due to increased activity in the work on the Trinity River Vision Project.

OVERVIEW OF THE CENTRAL CITY PROJECT

The United States Army Corps of Engineers (USACE) and the Tarrant Regional Water District (the "District") have been partnering to address water resources 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 the District and other regional sponsors, began a series of Trinity River planning and flood plan management initiatives basin-wide, which ultimately led to the Trinity River Vision Project (TRV).

This project is a multi-agency collaboration between the District, the City of Fort Worth, and Tarrant County, 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 all year round.

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. A dam and isolation gates will allow the existing river to function as a calm, constant-level body of water. 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 Panther Island 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.



(Bypass Betterments conceptual design)

As of September 30, 2014 the TRV project has accomplished the following:

- 268 businesses and tenants have been successfully relocated.
- Property continues to be acquired based on project schedule needs.
- Demolition work was completed in the Henderson Street, White Settlement, and Main Street corridors in preparation for bridge construction.
- Henderson Street, White Settlement, and Main Street Bridge design is 100% complete.
- TxDOT let a contract for all three bridges in May and mobilized in September.
- The Henderson Street detour was completed and will be used during bridge construction.
- Final design on bypass channel continues.
- Water and sanitary sewer lines were relocated by the City of Fort Worth and franchise utility relocation was completed in the areas required for bridge construction.
- Design work for valley storage at Gateway Park Sites A & C was completed, and Rockwood Park and Riverside Park design continues.
- Ham Branch Valley Storage design was completed in preparation for construction in the future.
- Design work on pedestrian bridges is at 60%.



(Blasting ground to begin bridge construction)

Additionally, at the confluence of the Clear Fork and West Fork (Panther Island Pavilion), where the urban lake will be created, TRVA held Panther Island Ice, the Rocking the River event series, Fort Worth's Fourth, the Sunday Funday series, and Oktoberfest. The Rocking the River event series promotes the river as a recreational area for the community, and had an average estimate of 2,500 people attending each of the events. Fort Worth Fourth drew a crowd of approximately 62,000 people and 75,000 at Oktoberfest.



(July 24, 2014 at Rockin' the River)



(Firework Finale, July 4, 2014 at Fort Worth's Fourth)

As of year-end, the District and the Trinity River Vision Authority (TRVA) have spent a total of \$64.4 million on this project. The City of Fort Worth Tax Increment Reinvestment Zone Number Nine in accordance with the project cost funding agreement as described in Note 1, which accompanies the financial statements, has spent \$108.5 million on the project and owes TRWD \$92.0 million for the outstanding loan. Pictures depicting the concept for a pedestrian bridge for the TRV project and before and after demolition on North Main Street are shown below and on the following pages.



(Pedestrian Bridge Conceptual Design)



(North Main Street aerial before relocation, demolition, and environmental work)



(North Main Street aerial after relocation, demolition, and environmental work)

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.

Statement of Net Position

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

Statement of Activities

The Statement of Activities presents information showing how TRVA's net position has 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.

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 16-20 of this report.

FINANCIAL ANALYSIS: GOVERNMENT-WIDE STATEMENTS

CONDENSED SCHEDULE OF NET POSITION

	2013	2014
Current and Other Assets	\$ 4,629,587	\$ 3,015,590
Capital Assets	1,660,976	-
Total Assets	\$ 6,290,563	\$ 3,015,590
Total Liabilities	\$ 4,607,691	\$ 2,991,251
Net Position		
Unrestricted	\$ 21,896	\$ 24,339
Net Investment in Capital Assets	1,660,976	-
Total Net Position	\$ 1,682,872	\$ 24,339

Government-wide

- **Current and Other Assets**

Decrease from \$4.6 million to \$3.0 million is mainly due to timing of a \$4.5 million transfer from Tarrant Regional Water District's General fund, in September 2014 for project costs, and \$6.7 million spent in the fourth quarter.

- **Capital Assets**

Decrease of \$1.7 million is due to the completion of the White Settlement Bridge design and local street modifications that were transferred to the Texas Department of Transportation during the Fiscal Year. See Footnote 3 regarding Capital Assets.

- **Liabilities**

Decrease of \$1.6 million is mostly due to a relocation invoice of \$1.8 million that was due as of September 30, 2013. Because there were no large outstanding invoices as of September 30, 2014, there was a decrease in overall liabilities.

- **Net Investment in Capital Assets**

Decrease of \$1.7 million from transferring the design of the White Settlement Bridge and local street modifications noted in the Capital Asset section above.

	Governmental Activities	
	2013	2014
Program Revenues		
Project development revenue	\$ 11,624,260	\$ 36,140,562
Recreational revenue	302,890	744,620
General Revenue:		
Investment income and other income	14,107	2,443
Total Revenue	11,941,257	36,887,625
Expenses		
Project development expense	10,582,350	37,801,538
Recreation expense	296,006	744,620
Total Expense	10,878,356	38,546,158
Changes in Net Position	1,062,901	(1,658,533)
Net Position - Beginning	619,971	1,682,872
Net Position - Ending	\$ 1,682,872	\$ 24,339

Governmental Activities

- **Project Development Revenue**

Increase of \$24.5 million is related to the increased activity in project development in 2014. These costs are funded by Tax Increment Reinvestment Zone #9.

- **Recreational Revenue**

Increase in recreational revenue of \$442 thousand was due to increase in the number of events at Panther Island Pavilion. There was an increase in the Rockin' the River revenue and sponsorships as well as additional events such as Oktoberfest and Panther Island Ice.

- **Project Development Expense**

The increase of \$27.2 million was due to land acquisitions and relocation, environmental, and demolition expenses.

- **Recreation Expense**

Increase in recreational expense of \$449 thousand was due to increase in the number and magnitude of the events at Panther Island Pavilion.

- **Net Position**

TRVA transferred \$1.7 million for White Settlement Bridge design and local street modifications to Texas Department of Transportation, leading to a decrease in the construction in progress balance and consequently the net position.

FINANCIAL ANALYSIS: FUND STATEMENTS

As of the end of the 2013 and 2014 fiscal years, TRVA's general fund ending fund balance increased from \$21,896 to \$24,339 mainly due to interest earned on investments.

ECONOMIC FACTORS AND BUDGETARY HIGHLIGHTS – GENERAL FUND

The fiscal year 2014 program management budget for TRVA was \$1.9 million. Actual expenses for the year were \$1.5 million. Costs related to land acquisition (i.e. relocation, demolition and environmental testing) are included in the overall project budget, not in the program management budget. This budget and related actuals are reviewed at the monthly TRVA board meetings.

The program management budget for the fiscal year 2015 expenditures is \$1.9 million. The majority of the expenditures are for consulting which makes up \$1.4 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 POSITION
 SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities Statement of Net Position</u>
ASSETS:			
Cash and cash equivalents	\$ 2,936,220	\$ -	\$ 2,936,220
Accounts receivable	58,960	-	58,960
Prepaid items	20,410	-	20,410
	<u>3,015,590</u>	<u>-</u>	<u>3,015,590</u>
LIABILITIES:			
Accounts payable	1,003,553	-	1,003,553
Other liabilities	1,987,698	-	1,987,698
	<u>2,991,251</u>	<u>-</u>	<u>2,991,251</u>
FUND BALANCE/NET POSITION			
Fund balance-unassigned	24,339	(24,339)	-
Net Position-unrestricted	<u>-</u>	<u>24,339</u>	<u>24,339</u>
	<u>\$ 24,339</u>	<u>\$ -</u>	<u>\$ 24,339</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, 2014

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities Statement of Activities</u>
EXPENDITURES/EXPENSES			
Project development expenditures/expenses	\$ 36,140,562	\$ 1,660,976	\$ 37,801,538
Recreation expenditures/expenses	<u>744,620</u>	<u>-</u>	<u>744,620</u>
Total expenditures/expenses	36,885,182	1,660,976	38,546,158
PROGRAM REVENUES			
Project development revenues	36,140,562	-	36,140,562
Recreation revenues	<u>744,620</u>	<u>-</u>	<u>744,620</u>
Total revenues	36,885,182	-	36,885,182
NET PROGRAM REVENUE	-	(1,660,976)	(1,660,976)
GENERAL REVENUES			
Investment and other income	<u>2,443</u>	<u>-</u>	<u>2,443</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/CHANGE IN NET POSITION	2,443	(1,660,976)	(1,658,533)
FUND BALANCE/NET POSITION- BEGINNING OF YEAR			
	<u>21,896</u>	<u>1,660,976</u>	<u>1,682,872</u>
FUND BALANCE/NET POSITION-END OF YEAR	<u>\$ 24,339</u>	<u>\$ -</u>	<u>\$ 24,339</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, 2014**

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 and 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.

Cash and Cash Equivalents-cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less. Cash and cash equivalents for fiscal year 2014 cash and cash equivalents consist of deposits (principally interest-bearing accounts) with one financial institution and in a public funds investment pool.

Capital Assets-capital assets of TRVA are transferred to the District or the Texas Department of Transportation upon completion. Construction in Progress is recorded for any capital assets not completed as of year-end.

Other Liabilities – generally consists of project contributions received in advance from the District. These amounts are recorded as contribution revenue when the funds have been spent on the project.

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 Accounting Standards Board Statements Implemented in Current Fiscal Year – GASB 66, Technical Corrections; GASB 67, Financial Reporting for Pension Plans; and GASB 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees were implemented with negligible effect on the District’s financial statements.

2. CASH AND CASH EQUIVALENTS FOR TRVA

The balance per bank of cash on deposit at September 30, 2014 was \$240,159 and was entirely covered by FDIC insurance. The carrying value for TRVA was \$228,898 as of September 30, 2014.

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. During the year ended September 30, 2014, TRVA did not own any types of securities other than those permitted by statute. The TRVA invests in the Texas Local Government Investment Pool (“TexPool”). TexPool is 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 an 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 balance in TexPool as of September 30, 2014 was \$2.7 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 investments at September 30, 2014 were in TexPool.

Custodial Credit Risk – TRVA policy requires that all securities be held in TRVA’s name.

SUMMARY OF INVESTMENTS AND RELATED WEIGHTED AVERAGE MATURITY

	<u>Fair Value **</u>	<u>Weighted Avg. Maturity (Years)</u>	<u>S & P Rating</u>
Investment Pools*			
Texpool	<u>\$ 2,707,322</u>	N/A	AAA-m
Total investments	<u>\$ 2,707,322</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. The pools are rated AAA-m by Standard & Poors and operate in full compliance with the PFIA and rating agency requirements. The pools are exempted from SEC registration pertaining to registered money market funds; however, 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. All investments are recorded at fair value.

3. CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>October 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>September 30, 2014</u>
Construction in progress	<u>\$ 1,660,976</u>	<u>\$ 4,161</u>	<u>\$(1,665,137)</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL NONDEPRECIABLE ASSETS	<u>1,660,976</u>	<u>4,161</u>	<u>(1,665,137)</u>	<u>-</u>	<u>-</u>
TOTAL TRV ACTIVITIES	<u>\$ 1,660,976</u>	<u>\$ 4,161</u>	<u>\$(1,665,137)</u>	<u>\$ -</u>	<u>\$ -</u>

Upon completion of the design phase of the White Settlement Bridge and local street modifications, the asset was contributed to the Texas Department of Transportation.

4. COMMITMENTS AND CONTINGENCIES FOR TRVA

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, 2014, there were no settlements paid from the insurance coverage on behalf of the TRVA.

5. RECENTLY ISSUED GASB STATEMENTS

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

GASB Statement No. 68: Accounting and Financial Reporting for Pensions - was also issued in June 2012 and establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This statement requires the recognition of the entire net pension liability and a more comprehensive measure of pension expense, along with additional required footnote disclosures. This standard becomes effective for the District in fiscal year 2015 but is not applicable to the District practices.

GASB Statement No. 69: Government Combinations and Disposals of Government Operations

- was issued in January 2013 and establishes accounting and financial reporting standards for government combinations and disposals of government operations. This statement distinguishes between government mergers and acquisitions and provides guidance on the appropriate accounting treatment of each. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. GASB 69 becomes for the District in fiscal year 2015, and should be applied on a prospective basis.

GASB Statement No. 71: Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68 - was issued in November 2013 and addresses the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 71 eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68. This statement becomes effective for the District in fiscal year 2015.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

TRINITY RIVER VISION AUTHORITY

SCHEDULE OF EXPENDITURES- BUDGET TO ACTUAL—GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014 (UNAUDITED)

	Original/Final Budget	Actual
<u>Program Management Expenditures</u>		
Scheduler	\$ 700,000	\$ 565,801
Engineering	200,000	115,060
Additional Staff	350,000	230,437
Consulting		
Planning Review Design	20,000	27,618
Financial Assistance	30,000	13,000
Public Information Assistance	24,800	23,323
	<u>74,800</u>	<u>63,941</u>
Minority Contracting/Public Information	120,000	120,000
Legal	75,000	99,457
Office Rental	135,000	135,340
Community Education	<u>281,500</u>	<u>167,520</u>
Total Program Management Expenditures	<u>\$ 1,936,300</u>	1,497,556
Project Development Expenditures (1)		16,273,062
Recreation Expenditures (2)		744,620
Bridge Construction Expenditures (1)		<u>20,030,920</u>
Total Expenditures		<u>\$ 38,546,158</u>

Notes to RSI

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, 2014, expenditures were under budget by \$439 thousand. The variance of budget versus actual is due mainly to internal and scheduler positions that were budgeted for but not filled for all or part of the Fiscal Year.

- (1) Land and bridge design is budgeted in the project budget, not the program management budget, since it is associated with the acquisition land cost.
- (2) Recreational expenditures are not budgeted as they are expected to be offset with Recreational Revenues.

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