

**TEXAS COMMISSION ON
FIRE PROTECTION**

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2018

**Tim Rutland
Executive Director**





Texas Commission on Fire Protection

November 14, 2018

We are pleased to present the Annual Financial Report for the Texas Commission on Fire Protection for the year ended August 31, 2018.

Thank you,

Servando Sanchez, CPA

TEXAS COMMISSION ON FIRE PROTECTION
PO Box 2286, Austin, Texas 78768
512-936-3842

TABLE OF CONTENTS

I.	LETTER OF TRANSMITTAL	
II.	GENERAL PURPOSE FINANCIAL STATEMENTS	
	A. Combined Balance Sheet / Statement of Net Assets - Governmental Funds	2
	B. Combined Statement of Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities - Governmental Funds,	4
III.	NOTES TO THE FINANCIAL STATEMENTS	
	1. Summary of Significant Accounting Policies	6
	2. Capital Assets	11
	3. Deposits, Investments, & Repurchase Agreements	11
	4. Short Term Debt	11
	5. Summary of Long-Term Liabilities	11
	6. Bonded Indebtedness	12
	7. Derivative Instruments	12
	8. Leases	12
	9. Pension Plans	13
	10. Deferred Compensation	13
	11. Post Employment Health Care and Life Insurance Benefits	13
	12. Interfund Balances/Activities	13
	13. Continuance Subject to Review	13
	14. Adjustments to Fund Balances/Net Assets	14
	15. Contingencies and Commitments	15
	16. Subsequent Events	15
	17. Risk Management	15
	18. Management Discussion and Analysis/Material Changes to AFR	15
	19. The Financial Reporting Entity: Related Organizations	15
	20. Stewardship, Compliance and Accountability	15
	21. N/A	15
	22. Donor-Restricted Endowments	15
	23. Extraordinary and Special Items	15
	24. Disaggregation of Receivable and Payable Balances	15
	25. Termination Benefits	15
	26. Segment Information	16
	27. Service Concession Agreements	16
	28. Deferred Outflows of Resources & Deferred Inflows of Resources	16
	29. Trouble Debt Restructuring	16
	30. Non-Exchange Financial Guarantors	16
	31. Tax Abatements	16
	32. Fund Balances	16
IV.	COMBINING STATEMENTS	
	A-1: Combining Balance Sheet - All General and Consolidated Funds	18
	A-2: Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All General and Consolidated Funds	20





Texas Commission on Fire Protection

November 14, 2018

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
Lisa Collier, First Assistant, State Auditor

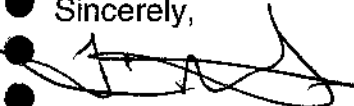
Dear Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Commission on Fire Protection for the year ended August 31, 2018, in compliance with TEX. GOV'T CODE ANN Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Servando Sanchez at 512-936-3842.

Sincerely,


Tim Rutland
Executive Director

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 EXHIBIT I - COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2018

	GOVERNMENTAL FUNDS (EXH A-1)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF NET ASSETS
ASSETS					
Current Assets:					
Cash and Cash Equivalents					
Cash in Bank	\$	\$	\$	\$	\$
Cash in State Treasury	55.00				55.00
Legislative Appropriations	281,070.77				281,070.77
Due From Other Agencies	2,897.45				2,897.45
Consumable Inventories	42,332.15				42,332.15
Total Current Assets	326,355.37	0.00	0.00	0.00	326,355.37
Non-Current Assets:					
Loans Receivable					
Capital Assets:					
Non-Depreciable					
Library					
Depreciable					
Furniture and Equipment		49,990.40			49,990.40
Less Accumulated Depreciation		(40,691.25)			(40,691.25)
Library		336,374.60		30,301.74	366,676.34
Less Accumulated Depreciation		(282,003.66)		(4,727.25)	(286,730.91)
Vehicles					
Less Accumulated Depreciation					
Total Non-Current Assets	0.00	63,670.09	0.00	25,574.49	89,244.58
TOTAL ASSETS	\$ 326,355.37	\$ 63,670.09	\$ 0.00	\$ 25,574.49	\$ 415,599.95
LIABILITIES					
Current Liabilities:					
Payables from :					
Accounts Payable	\$ 43,239.08	\$	\$	\$	\$ 43,239.08
Payroll Payable	223,899.77				223,899.77
Due to Other Agencies					
Employees' Compensable Leave			102,024.13		102,024.13

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 EXHIBIT I - COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2018

	GOVERNMENTAL FUNDS (EXH A-1)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF NET ASSETS
Total Current Liabilities	<u>267,138.85</u>	<u>0.00</u>	<u>102,024.13</u>	<u>0.00</u>	<u>369,162.98</u>
Non-Current Liabilities:					
Employees' Compensable Leave			<u>94,581.85</u>		<u>94,581.85</u>
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>94,581.85</u>	<u>0.00</u>	<u>94,581.85</u>
TOTAL LIABILITIES	\$ <u>267,138.85</u>	\$ <u>0.00</u>	\$ <u>196,605.98</u>	\$ <u>0.00</u>	\$ <u>463,744.83</u>
Fund Financial Statements - Fund FUND BALANCES (DEFICITS):					
NonSpendable Consumable Inventories	\$ <u>42,332.15</u>	\$	\$	\$	\$ <u>42,332.15</u>
Unassigned	<u>16,829.37</u>				<u>16,829.37</u>
Committed	<u>55.00</u>				<u>55.00</u>
TOTAL FUND BALANCES	\$ <u>59,216.52</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>59,216.52</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>326,355.37</u>	\$ <u>0.00</u>	\$ <u>196,605.98</u>	\$ <u>0.00</u>	\$ <u>522,961.35</u>
Government-wide Statement - Net Assets					
Net Assets:					
Net Investment in Capital Assets		63,670.09		25,574.49	89,244.58
Restricted for:					
Debt Retirement					
Employee Benefit					
Unrestricted			<u>(196,605.98)</u>		<u>(196,605.98)</u>
Total Net Assets		<u>\$ 63,670.09</u>	<u>\$ (196,605.98)</u>	<u>\$ 25,574.49</u>	<u>\$ (48,144.88)</u>
					<u>\$ 415,599.95</u>

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 EXHIBIT II - COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES/
 STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2018

	Governmental Funds (Exh A-2)	Capital Asset Adjustments	Long-term Liabilities Adjustments	Statement of Activities
REVENUES:				
Legislative Appropriations	\$ 1,888,152.00	\$	\$	\$ 1,888,152.00
Additional Appropriations	509,247.75			509,247.75
Licenses and Permits	66,572.31			66,572.31
Interest and Investment Income	139.03			139.03
Sales of Goods and Services	94,719.20			94,719.20
Other Revenue	0.00			0.00
Total Revenues	\$ 2,558,830.29	\$ 0.00	\$ 0.00	\$ 2,558,830.29
EXPENDITURES:				
Salaries and Wages	\$ 1,718,862.46	\$	\$ (5,264.66)	\$ 1,713,597.80
Payroll Related Costs	533,091.12			533,091.12
Professional Fees & Services	5,945.70			5,945.70
Travel	99,426.72			99,426.72
Materials and Supplies	41,416.10			41,416.10
Communication and Utilities	27,044.49			27,044.49
Repairs and Maintenance	4,300.00			4,300.00
Rentals and Leases	4,747.25			4,747.25
Printing and Reproduction	0.00			0.00
Public Assistance Payments	31,306.26			31,306.26
Other Operating Expenditures	55,409.75			55,409.75
Capital Outlay	9,330.95	(9,330.95)		0.00
Depreciation Expense	0.00	30,469.72		30,469.72
Total Expenditures	\$ 2,530,880.80	\$ 21,138.77	\$ (5,264.66)	\$ 2,546,754.91

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 EXHIBIT II - COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES/
 STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2018

	Governmental Funds (Exh A-2)	Capital Asset Adjustments	Long-term Liabilities Adjustments	Statement of Activities
EXCESS OF REVENUES OVER EXPENDITURES	\$ 27,949.49	\$ (21,138.77)	\$ 5,264.66	\$ 12,075.38
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out (Agy 608, Fd 0802)	\$ (3,192.19)	\$	\$	\$ (3,192.19)
Operating Transfers In (Agy 608, Fd 0802)	2,897.45			2,897.45
Sale of Capital Assets				
Gain (Loss) on Sale of Capital Assets				
Incr (Decr) Net Assets Due to I/A Trfrs of Cap Assets				
Total Other Financing Sources (Uses)	\$ (294.74)	\$ 0.00	\$ 0.00	\$ (294.74)
NET CHANGE IN FUND BALANCES/NET ASSETS	\$ 27,654.75	\$ (21,138.77)	\$ 5,264.66	\$ 11,780.64
FUND BALANCES - Beginning	46,044.15			46,044.15
Lapsed Appropriations	(14,482.38)			(14,482.38)
FUND BALANCES - Ending	\$ 59,216.52			
Government-wide Statement - Net Assets				
Change in Net Assets		(21,138.77)	5,264.66	
Net Assets Beginning		\$ 84,808.86	\$ (201,870.64)	\$ (117,061.78)
Adjustments to Beginning Net Assets				
Restatements		25,574.49		25,574.49
Net Assets Beginning as Restated and Adjusted		110,383.35	(201,870.64)	(91,487.29)
Net Assets Ending		\$ 89,244.58	\$ (196,605.98)	\$ (48,144.88)

The accompanying notes to the financial statements are an integral part of this statement.

**TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas Commission on Fire Protection is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the State Comptroller of Public Accounts Reporting Requirements of State Agencies.

The Texas Commission on Fire Protection was created by the 72nd Legislature in Senate Bill 383 and operates under the authority of Texas Government Code, Chapter 419. The mission of the Texas Commission on Fire Protection is to help protect the lives and property of the citizens of Texas by developing and enforcing professional standards for the fire service.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying financial report to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Blended Component Units

No component units have been identified which should have been blended into an appropriate fund.

B. FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds and account groups, each of which is considered a separate accounting entity.

GOVERNMENTAL FUND TYPES & GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General Revenue Fund

The general revenue fund (fund 0001) is used to account for all financial resources of the state except those required to be accounted for in another fund.

Capital Asset Adjustment Fund Type

Capital Asset Adjustment Fund Type will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

Long-Term Liabilities Adjustment Fund Type will be used to convert governmental fund types' debt from modified accrual to full accrual.

**TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS**

FIDUCIARY FUND TYPES

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

C. BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion adjustment fund types convert modified accrual basis to full accrual basis of accounting. The following activities are recognized in these fund types:

- * Capital assets
- * Accumulated depreciation
- * Unpaid employee compensable leave
- * The outstanding debt service principal on long-term liabilities
- * Capital leases
- * Long-term claims and judgements
- * Full accrual revenues and expenses
- * Pension amounts in governmental activities

Proprietary fund types and fiduciary fund types except agency funds are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

D. BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION

ASSETS

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

Inventories & Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. Inventories for governmental fund types use the purchase method of accounting. The consumption method of accounting is used to account for inventories that appear in the proprietary fund types and the government-wide statements. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. These assets are capitalized at cost, if purchased, or at appraised fair value as of the date of acquisition. Purchase of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is depreciated over the estimate of average useful life of a grouping of assets using the composite method. Other depreciable assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are reported at acquisition value. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

Other Receivables - Current and Noncurrent

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24.

LIABILITIES

Accounts Payable

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Other Payables - Current and Noncurrent

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS

Employees' Compensable Leave

Employees' Compensable Leave Balances represent the liability that became "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

FUND BALANCES/NET POSITION

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements.

The Commission uses resources in the following order:

* When both restricted and unrestricted resources are available, use:

1. Restricted Resources
2. Unrestricted Resources (as they are needed)

*When only unrestricted resources are available for use in governmental funds, use:

1. Committed Resources
2. Assigned Resources
3. Unassigned Resources

Fund Balance Components

Fund balances for governmental funds are classified as either nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

Nonspendable fund balance includes amounts not available to be spent because they are either: Not in spendable form -OR- Legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties - such as creditors, grantors, contributors, laws or regulations of other governments - or by law through constitutional provisions or enabling legislation.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state's highest level decision making authority.

Assigned fund balance includes amount constrained by the state's intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by: The Texas Legislature -OR- A body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS

Net Investment in Capital Assets

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Restricted Net Position results when constraints placed on net resources use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted Net Position consists of net resources, which do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

F. INTERFUND TRANSACTIONS AND BALANCES

The agency has the following types of transactions among funds:

- 1) Transfers: Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.
- 2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.
- 3) Interfund receivables and payables: Interfund loans are reported as *interfund receivables and payables*. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current."
- 4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the agency's Interfund receivables and payables, if any, is presented in Note 12.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2018:

	Balance 9/1/17	Adjustments	Addition	Deletions	Balance 8/31/18
Governmental Activities:					
Non-Depreciable Assets					
Library					
Depreciable Assets					
Lease Improvements					
Furniture and Equipment	49,990.40				49,990.40
Other	327,043.65	30,301.74	9,330.95		366,676.34
Total depreciable assets	\$ 377,034.05	\$ 30,301.74	\$ 9,330.95	\$ 0.00	\$ 416,666.74
Less Accum Deprec for:					
Lease Improvement					
Furniture and Equip	(34,095.52)		(6,595.73)		(40,691.25)
Other	(258,129.67)	(4,727.25)	(23,873.99)		(286,730.91)
Total Accum Deprec	\$ (292,225.19)	\$ (4,727.25)	\$ (30,469.72)	\$ 0.00	\$ (327,422.16)
TOTAL	\$ 84,808.86	\$ 25,574.49	\$ (21,138.77)	\$ 0.00	\$ 89,244.58

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

Not applicable

NOTE 4: SHORT TERM DEBT

Not applicable

NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

Notes and Loans Payable:

The agency did not have any notes or loans payable as of August 31, 2018.

Changes In Long-Term Liabilities

During the year ended August 31, 2018, the following changes occurred in liabilities.

	Balance 9/01/17	Additions	Deductions	Balance 8/31/18	Amounts Due Within One Yr.
Governmental Activities:					
Compensable Leave	\$ 201,870.64	\$ 146,379.32	\$ (151,643.98)	\$ 196,605.98	\$ 102,024.13
TOTAL	\$ 201,870.64	\$ 146,379.32	\$ (151,643.98)	\$ 196,605.98	\$ 102,024.13

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 NOTES TO THE FINANCIAL STATEMENTS

Employees' Compensable Leave

If a state employee had continuous employment with the state for at least six months, the state employee is entitled to be paid for all unused vacation time accrued in the event of the employee's resignation, dismissal or separation from state employment. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. Both an expense and liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding sources(s) from which the employee's salary or wage compensation was paid.

NOTE 6: BONDED INDEBTEDNESS

Not applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not applicable

NOTE 8: LEASES

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases:

Fund Type	
General Fund	\$ <u>4,298.99</u>

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

	Year Ended August 31,	
	2019	\$ 4,141.56
	2020	\$ 4,141.56
	2021	\$ 4,141.56
	2022	\$ 345.13
	2023-2027	\$ 0.00
	2028-2032	\$ 0.00
	2033-2037	\$ 0.00
	2038-2042	\$ 0.00
	2043-2047	\$ 0.00
	2048 and beyond	\$ <u>0.00</u>
Total Minimum Future Lease Payment Requirements		\$ <u>12,769.81</u>

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: PENSION PLANS

Not applicable

NOTE 10: DEFERRED COMPENSATION

Not applicable

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not applicable

NOTE 12: INTERFUND BALANCES/ACTIVITIES

As explained in Note 1 on Interfund Transactions and Balances, there are numerous transactions between funds and agencies. At year end, amounts to be received or paid are reported as Interfund Receivables or Interfund Payables, Advances From or Advances To, or Due From or Due To Other Funds. Individual interfund receivable and payable balances at August 31, 2018 were as follows:

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activities at August 31, 2018, follows:

	<u>Due From Other Agencies</u>	<u>Due To Other Agencies</u>
General (01) <u>Appr Fund 0802, D23 Fund 0802</u>		
Agency 608, D23 Fund 0802	\$ <u>2,897.45</u>	<u> </u>
Total Due To/From	\$ <u>2,897.45</u>	\$ <u>0.00</u>

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Agency will be abolished effective September 1, 2021, unless continued in existence by the State Legislature as provided by the Act. If abolished, the Agency may continue until September 1, 2022 to close out its operations.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14: ADJUSTMENTS TO FUND BALANCES/NET ASSETS

During the fiscal year 2018, certain accounting adjustments were made that required the restatement of net assets. The restatements are presented below.

	Capital Assets Adjustments	Statement of Net Assets
Net Assets Ending, August 31, 2013	\$ 198,771.42	\$ 126,910.79
Restatement FY18	\$ 3,651.16	\$ 3,651.16
Net Assets Ending, August 31, 2013 Restated	\$ 202,422.58	\$ 130,561.95
Net Assets Ending, August 31, 2014	\$ 170,280.78	\$ 72,117.86
Restatement FY18	\$ 11,415.10	\$ 11,415.10
Net Assets Ending, August 31, 2014 Restated	\$ 181,695.88	\$ 83,532.96
Net Assets Ending, August 31, 2015	\$ 141,790.14	\$ 5,542.92
Restatement FY18	\$ 19,597.54	\$ 19,597.54
Net Assets Ending, August 31, 2015 Restated	\$ 161,387.68	\$ 25,140.46
Net Assets Ending, August 31, 2017	\$ 84,808.86	\$ (71,017.63)
Restatement FY18	\$ 25,574.49	\$ 25,574.49
Net Assets Ending, August 31, 2017 Restated	\$ 110,383.35	\$ (45,443.14)

Capital Assets Account

The Capital Assets (Note 2) adjustment for Depreciable Assets - Other was due to entries of depreciable library component additions from fiscal years 2013, 2014, 2015, and 2017.

The Capital Assets (Note 2) adjustment for Less Accum Deprec for - Other was due to entries of depreciation for depreciable library components from fiscal years 2013, 2014, 2015, and 2017.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15: CONTINGENCIES AND COMMITMENTS

The agency encumbered \$13,522.61 of its fiscal year 2018 remaining funds. This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods and are part of the unassigned fund balance.

NOTE 16: SUBSEQUENT EVENTS

Not applicable

NOTE 17: RISK MANAGEMENT

Not applicable

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS/MATERIAL CHANGES TO AFR

Not applicable

NOTE 19: THE FINANCIAL REPORTING ENTITY: RELATED ORGANIZATIONS

Not applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not applicable

NOTE 21: N/A

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

Not applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not applicable

NOTE 25: TERMINATION BENEFITS

Not applicable

**TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 26: SEGMENT INFORMATION

Not applicable

NOTE 27: SERVICE CONCESSION AGREEMENTS

Not applicable

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES & DEFERRED INFLOWS OF RESOURCES

Not applicable

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not applicable

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTERS

Not applicable

NOTE 31: TAX ABATEMENTS

Not applicable

NOTE 32: FUND BALANCES

Not applicable

UNAUDITED

**TEXAS COMMISSION ON FIRE PROTECTION (411)
NOTES TO THE FINANCIAL STATEMENTS**

This page purposely left blank.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 EXHIBIT A-1 - COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	Fund 0001 U/F (0001)	FUND 5156 U/F (5156)	Fund 0802 U/F 0802	TOTALS (EXHIBIT I) 2018
ASSETS				
Current Assets				
Cash and Cash Equivalents				
Cash in Bank	\$	\$	\$	\$
Cash In State Treasury		55.00		55.00
Legislative Appropriations	281,070.77			281,070.77
Accounts Receivable				
Loans Receivable				
Due From Other Agencies (Agy 608 Fd 0802)			2,897.45	2,897.45
Consumable Inventories	42,332.15			42,332.15
Total Current Assets	323,402.92	55.00	2,897.45	326,355.37
Non-Current Assets:				
Loans Receivable				
Total Non-Current Assets	0.00	0.00	0.00	0.00
TOTAL ASSETS	\$ 323,402.92	\$ 55.00	\$ 2,897.45	\$ 326,355.37
LIABILITIES				
Current Liabilities:				
Payables from :				
Accounts Payable	\$ 40,341.63	\$	\$ 2,897.45	\$ 43,239.08
Payroll Payable	223,899.77			223,899.77
Due to Other Agencies				
Total Current Liabilities	264,241.40	0.00	2,897.45	267,138.85

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 EXHIBIT A-1 - COMBINING BALANCE SHEET - ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	Fund 0001 U/F (0001)	FUND 5156 U/F (5156)	Fund 0802 U/F 0802	TOTALS (EXHIBIT I) 2018
TOTAL LIABILITIES	\$ <u>264,241.40</u>	\$ <u>0.00</u>	\$ <u>2,897.45</u>	\$ <u>267,138.85</u>
Fund Financial Statements - Fund				
FUND BALANCES (DEFICITS):				
NonSpendable Consumable Inventories	\$ 42,332.15	\$	\$	\$ 42,332.15
Unassigned	16,829.37			16,829.37
Committed		55.00		55.00
TOTAL FUND BALANCES	\$ <u>59,161.52</u>	\$ <u>55.00</u>	\$ <u>0.00</u>	\$ <u>59,216.52</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u><u>323,402.92</u></u>	\$ <u><u>55.00</u></u>	\$ <u><u>2,897.45</u></u>	\$ <u><u>326,355.37</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
EXHIBIT A-2 - COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
FUND BALANCES - GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2018

	GENERAL REVENUE FUND 0001 U/F (0001)	SPECIALITY LICENSE PLATES 0802 U/F (0802)	GENERAL REVENUE - FEES 5156 U/F (5156)	TOTALS EXHIBIT II 2018
REVENUES:				
Legislative Appropriations	\$ 1,888,152.00	\$	\$	\$ 1,888,152.00
Additional Appropriations	509,247.75			509,247.75
Licenses, Fees and Permits	35,055.34	31,461.97	55.00	66,572.31
Interest and Investment Income	0.00	139.03		139.03
Sales of Goods and Services	94,719.20			94,719.20
Other Revenue	0.00			0.00
Total Revenues	\$ 2,527,174.29	\$ 31,601.00	\$ 55.00	\$ 2,558,830.29
EXPENDITURES:				
Salaries and Wages	\$ 1,718,862.46	\$	\$	\$ 1,718,862.46
Payroll Related Costs	533,091.12			533,091.12
Professional Fees & Services	5,945.70			5,945.70
Travel	99,426.72			99,426.72
Materials and Supplies	41,416.10			41,416.10
Communication and Utilities	27,044.49			27,044.49
Repairs and Maintenance	4,300.00			4,300.00
Rentals and Leases	4,747.25			4,747.25
Printing and Reproduction	0.00			0.00
Public Assistance Payments	0.00	31,306.26		31,306.26
Other Operating Expenditures	55,409.75			55,409.75
Capital Outlay	9,330.95			9,330.95
Depreciation Expense	0.00			0.00
Total Expenditures	\$ 2,499,574.54	\$ 31,306.26	\$ 0.00	\$ 2,530,880.80

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS COMMISSION ON FIRE PROTECTION (411)
 EXHIBIT A-2 - COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
 FUND BALANCES - GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	GENERAL REVENUE FUND 0001 U/F (0001)	SPECIALITY LICENSE PLATES 0802 U/F (0802)	GENERAL REVENUE - FEES 5156 U/F (5156)	TOTALS EXHIBIT II 2018
EXCESS OF REVENUES OVER EXPENDITURES	\$ 27,599.75	\$ 294.74	\$ 55.00	\$ 27,949.49
OTHER FINANCING SOURCES (USES):				
Operating Transfer Out (Agy 608, Fd 0802)	\$	\$ (3,192.19)	\$	\$ (3,192.19)
Operating Transfer In (Agy 608, Fd 0802)	<u> </u>	<u>2,897.45</u>	<u> </u>	<u>2,897.45</u>
Total Other Financing Sources (Uses)	\$ 0.00	\$ (294.74)	\$ 0.00	\$ (294.74)
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	\$ 27,599.75	\$ 0.00	\$ 55.00	\$ 27,654.75
FUND BALANCES - Beginning	46,044.15			46,044.15
Lapsed Appropriations	(14,482.38)			(14,482.38)
Restatements	<u>0.00</u>			<u>0.00</u>
FUND BALANCES - Ending	\$ <u>59,161.52</u>	\$ <u>0.00</u>	\$ <u>55.00</u>	\$ <u>59,216.52</u>

The accompanying notes to the financial statements are an integral part of this statement.



