

TEXAS BOARD OF ARCHITECTURAL EXAMINERS

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2019

*Julie Hildebrand,
Executive Director*



**TEXAS Board of
Architectural Examiners**
Architects • Landscape Architects • Registered Interior Designers

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October 1, 2019

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

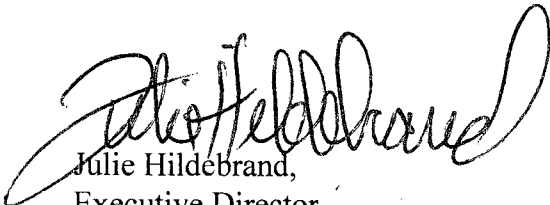
Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Board of Architectural Examiners for the year ended August 31, 2019, in compliance with the Texas Government Code Annotated, 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 (GASB) 34**, 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 Kenneth Liles at (512) 305-8540.

Sincerely,



Julie Hildebrand,
Executive Director

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**Combined
Financial
Statements**

UNAUDITED

TEXAS BOARD OF ARCHITECTURAL EXAMINERS (459)
 Exhibit I - Combined Balance Sheet/Statement of Net Assets -
 Governmental Funds
 For the Fiscal Year Ended August 31, 2019

	General Funds (Exh A-1)	Governmental Funds Total	Capital Asset Adjustments	Long-Term Liability Adjustments	Statement of Net Position
ASSETS					
Current Assets:					
Cash and Temporary Investments					
Cash on Hand					
	3,010.00	3,010.00			3,010.00
	171,742.22	171,742.22			171,742.22
	-	-			-
	3,123,506.97	3,123,506.97			3,123,506.97
	-	-			-
	-	-			-
Total Current Assets	<u>\$ 3,298,259.19</u>	<u>\$ 3,298,259.19</u>			<u>3,298,259.19</u>
Noncurrent Assets:					
Capital Assets:					
Depreciable, Net					
			270,909.40		270,909.40
Total Noncurrent Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,909.40</u>	<u>-</u>	<u>270,909.40</u>
Total Assets	<u>\$ 3,298,259.19</u>	<u>\$ 3,298,259.19</u>	<u>\$ 270,909.40</u>	<u>-</u>	<u>3,569,168.59</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from					
Accounts Payable					
	25,003.26	25,003.26			25,003.26
Payroll Payable					
	171,713.20	171,713.20			171,713.20
Due to Other Agencies					
	-	-			-
Deferred Revenue					
	-	-			-
Employees Compensable Leave					
	-	-		139,708.90	139,708.90
Total Current Liabilities	<u>\$ 196,716.46</u>	<u>\$ 196,716.46</u>	<u>-</u>	<u>139,708.90</u>	<u>311,422.10</u>
Noncurrent Liabilities:					
Interfund Payable					
Employees Compensable Leave					
				99,481.48	99,481.48
Total Noncurrent Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>99,481.48</u>	<u>99,481.48</u>
Total Liabilities	<u>\$ 196,716.46</u>	<u>\$ 196,716.46</u>	<u>-</u>	<u>239,190.38</u>	<u>410,903.58</u>
Fund Financial Statement-Fund Balances					
Fund Balances (Deficits):					
Nonspendable for:					
Inventories					
	\$ -	-			-
Unassigned					
	-	-			-
Committed: 2315					
	3,101,542.73	3,101,542.73			3,101,542.73
Total fund balances	<u>\$ 3,101,542.73</u>	<u>\$ 3,101,542.73</u>	<u>-</u>	<u>-</u>	<u>3,101,542.73</u>
Total Liabilities and Fund Balance	<u>\$ 3,298,259.19</u>	<u>\$ 3,298,259.19</u>	<u>-</u>	<u>-</u>	<u>3,298,259.19</u>
Net Position					
Invested in Capital Assets					
			270,909.40		270,909.40
Unrestricted					
				(239,190.38)	(239,190.38)
Total Net Position			<u>270,909.40</u>	<u>(239,190.38)</u>	<u>3,133,261.75</u>

UNAUDITED

TEXAS BOARD OF ARCHITECTURAL EXAMINERS (459)
 Exhibit II - Combined Statement of Revenues, Expenditures, and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2019

	General Funds (Exh A-2)	Governmental Funds Total	Capital Asset Adjustments	Long-Term Liability Adjustments	Statement of Net Position
REVENUES					
Legislative Appropriations:					
Original Appropriations	\$ -	-			-
Additional Appropriations	-				
Licenses, Fees & Permits	3,192,024.05	3,192,024.05			3,192,024.05
Interest and Investment Income	68,214.38	68,214.38			68,214.38
Sales of Goods and Services	3,970.00	3,970.00			3,970.00
Other	73,370.25	73,370.25			73,370.25
Total Revenues	<u>\$ 3,337,578.68</u>	<u>\$ 3,337,578.68</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,337,578.68</u>
EXPENDITURES					
Salaries and Wages	\$ 1,605,786.53	1,605,786.53			1,605,786.53
Payroll Related Costs	556,830.17	556,830.17			556,830.17
Professional Fees and Services	22,786.56	22,786.56			22,786.56
Travel	30,412.34	30,412.34			30,412.34
Materials and Supplies	66,989.81	66,989.81			66,989.81
Communication and Utilities	19,235.25	19,235.25			19,235.25
Repairs and Maintenance	208.50	208.50			208.50
Rentals & Leases	48,425.27	48,425.27			48,425.27
Printing and Reproduction	7,294.93	7,294.93			7,294.93
Claims and Judgements	-	-			-
Other Expenditures	222,482.30	222,482.30			222,482.30
Capital Outlay	9,918.10	9,918.10	(9,918.10)		-
Depreciation Expense	-	-	31,444.57		31,444.57
Total Expenditures/Expenses	<u>\$ 2,590,369.76</u>	<u>\$ 2,590,369.76</u>	<u>21,526.47</u>	<u>-</u>	<u>\$ 2,611,896.23</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 747,208.92</u>	<u>\$ 747,208.92</u>	<u>\$ (21,526.47)</u>	<u>-</u>	<u>\$ 725,682.45</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers Into TTSTC	3,091,618.32	3,091,618.32			3,091,618.32
Operating Transfers Out to USAS	(3,601,618.32)	(3,601,618.32)			(3,601,618.32)
Total other financing sources and uses	<u>\$ (510,000.00)</u>	<u>\$ (510,000.00)</u>	<u>-</u>	<u>-</u>	<u>\$ (510,000.00)</u>
Net change in fund balances/net assets	<u>\$ 237,208.92</u>	<u>\$ 237,208.92</u>	<u>(21,526.47)</u>	<u>-</u>	<u>\$ 215,682.45</u>
Fund Financial Statement-Fund Balances					
Fund Balances--Beginning, Sept. 1, 2018	\$ 2,864,333.81	\$ 2,864,333.81			\$ 2,864,333.81
Restatements					
Fund Balances, September 1, 2018, as Restated	2,864,333.81	2,864,333.81			2,864,333.81
Appropriations Lapsed					
Fund Balances--August 31, 2019	<u>\$ 3,101,542.73</u>	<u>\$ 3,101,542.73</u>			<u>\$ 3,080,016.26</u>
Change in Net Position		3,101,542.73	(21,526.47)		3,080,016.26
Net Position, Sept. 1, 2018	25,003		303,068.91	(226,503.96)	76,564.95
Net Position, August 31, 2019			<u>281,542.44</u>	<u>(226,503.96)</u>	<u>\$ 3,156,581.21</u>

**Notes
To The
Financial
Statements**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Not required.

NOTE 2: CAPITAL ASSETS

A summary of changes in General Fixed Assets for the year ended August 31, 2019, is presented below.

	<u>PRIMARY GOVERNMENT</u>				<u>Balance</u> <u>08/31/19</u>	
	<u>Balance</u> <u>09/01/18</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>		
Governmental Activities:						
Depreciable Assets						
Furniture and Equipment	51,624.47		9,918.10		61,542.57	
Other Assets	492,862.32				492,862.32	
Total depreciable assets						
at historical cost:	544,486.79		9,918.10		554,404.89	
Less accumulated depreciation for:						
Furniture and Equipment	(26,156.02)		(9,041.77)		(35,197.79)	
Other Assets	(225,894.90)		(22,402.80)		(248,297.70)	
Total accumulated depreciation	(252,050.92)		(31,444.57)		(283,495.49)	
Depreciable assets, net Governmental activities	292,435.87		(21,526.47)		270,909.40	
Capital assets, net:	<u>\$ 292,435.87</u>	<u>\$</u>	<u>\$</u>	<u>(21,526.47)</u>	<u>\$</u>	<u>\$ 270,909.40</u>

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

Deposits of Cash in Bank

As of August 31, 2019, the carrying amount of deposits was zero.

Governmental Activities	
<u>Cash in Bank – Carrying Value</u>	<u>\$ 3,010.00</u>
<u>Cash in Bank per AFR</u>	<u>\$ 3,010.00</u>
<u>Governmental Funds Current Assets Cash in Bank</u>	<u>\$ 3,010.00</u>
<u>Cash in Bank per AFR</u>	<u>\$ 3,010.00</u>

Investments

As of August 31, 2019, the carrying value and fair value of investments are as presented below.

Governmental Activities	Carrying Value	Fair Value
Miscellaneous Investments:		
Repurchase Agreements (Texas Treasury Safekeeping Trust)	<u>\$ 3,123,506.97</u>	<u>\$ 3,123,506.97</u>
Totals	<u>\$ 3,126,516.97</u>	<u>\$ 3,126,516.97</u>

Both cash in bank balances and repurchase agreements are held in the Texas Treasury Safekeeping Trust, where minimal risks are assumed by the agency.

NOTE 4: SHORT-TERM DEBT

Not applicable

NOTE 5: SUMMARY OF LONG TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2019, the following changes occurred in liabilities.

Governmental Activities	Balance <u>09/01/18</u>	<u>Additions</u>	<u>(Reductions)</u>	Balance <u>08/31/19</u>	Amounts Due Within <u>One Year</u>
Compensable Leave	\$226,316.31	\$168,666.14	(155,792.07)	\$239,190.38	\$139,708.90
Total Governmental Activities	<u>\$226,316.31</u>	<u>\$168,666.14</u>	<u>(\$155,792.07)</u>	<u>\$239,190.38</u>	<u>\$139,708.90</u>

Employees' Compensable Leave

A 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, provided the employee has had continuous employment with the state for six months. 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 Assets. An expense and liability for proprietary fund types 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.

NOTE 6: BONDED INDEBTEDNESS

Non-Applicable

NOTE 7: CAPITAL LEASES

Non-Applicable

NOTE 8: OPERATING LEASE OBLIGATIONS

Non-Applicable

NOTE 9: EMPLOYEES RETIREMENT PLANS

Not Required

NOTE 10: DEFERRED COMPENSATION

Not Required

**NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE
BENEFITS**

Not Required

NOTE 12: INTERFUND BALANCES

As explained in Note 1 on Interfund Activities 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
- Due From Other Agencies or Due to Other Agencies
- Due From Other Funds or Due to Other Funds
- Transfers In or Transfers Out.
- Legislative Transfers In or Legislative Transfers Out

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 activity at August 31, 2019, follows:

Total Operating Transfers	<u>Operating Transfers-In</u>	<u>Operating Transfers-Out</u>
<u>Boa8</u>		
<u>GAAP Fund 1010, Fund 1010</u>		
Agy 902, GAAP Fund 0001, Fund 0001		\$ 510,000.00
Agy 459, GAAP Fund 1010, Fund 2859	\$ 3,079,618.32	
<u>GAAP Fund 1010, Fund 2859</u>		
Agy 459, GAAP Fund 1010, Fund 1010		\$ 3,079,618.32
Agy 459, GAAP Fund 1010, Fund 3859		\$ 12,000.00
<u>GAAP Fund 1010, Fund 3859</u>		
Agy 459, GAAP Fund 1010, Fund 2859	\$ 12,000.00	
	_____	_____
Total Transfers	<u>\$ 3,091,618.32</u>	<u>\$ 3,601,618.32</u>

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

The Texas Board of Architectural Examiners is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the Board is abolished and this Act expires September 1, 2025. If abolished, the Board may continue until September 1, 2026 to close out its operations.

NOTE 14: ADJUSTMENT OF FUND BALANCES/NET ASSETS

Non-Applicable

NOTE 15: CONTINGENT LIABILITIES

Non-Applicable

NOTE 16: SUBSEQUENT EVENTS

Non-Applicable

NOTE 17: RISK MANAGEMENT

Non-Applicable

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

Non-Applicable

NOTE 19: THE FINANCIAL REPORTING ENTITY & JOINT VENTURE

Non-Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Non-Applicable

NOTE 21:

Non-Applicable

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

Non-Applicable

NOTE 23: SPECIAL OR EXTRAORDINARY ITEMS

Non-Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Non-Applicable

NOTE 25: TERMINATION BENEFITS

Not Required

NOTE 26: SEGMENT INFORMATION

Not Required

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Required

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

Not Required

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Required

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Required

**Combining
Financial
Statements**

UNAUDITED

BOARD OF ARCHITECTURAL EXAMINERS (459)

Exhibit A-1 - Combining Balance Sheet - General Revenue Funds

August 31, 2019

	Operating Fund GAAP Fund 1010 Agy Fund 1010	Local Fund TTSTC GAAP Fund 1010 Agy Fund 2859	Scholarship Fund GAAP Fund 1010 Agy Fund 4859	Total
ASSETS				
Current Assets:				
Cash and Temporary Investments				
Cash on Hand				-
Cash in Bank		3,010.00		3,010.00
Cash in State Treasury	171,742.22			171,742.22
Legislative Appropriations				-
Short-term Investments (Note 3)		3,123,506.97		3,123,506.97
Interest Receivable				-
Consumable Inventories				-
Total Current Assets	<u>\$ 171,742.22</u>	<u>\$ 3,126,516.97</u>	<u>\$ -</u>	<u>\$ 3,298,259.19</u>
Noncurrent Assets:				
Capital Assets:				
Non-Depreciable				
Depreciable				
Furniture and Equipment				-
Accumulated Depreciation				-
Other Assets				-
Accumulated Depreciation				-
Total Noncurrent Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets	<u>\$ 171,742.22</u>	<u>\$ 3,126,516.97</u>	<u>\$ -</u>	<u>\$ 3,298,259.19</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from				
Accounts Payable	25,003.26			25,003.26
Payroll Payable	171,713.20			171,713.20
Due to Other Funds				-
Deferred Revenue				-
Employees Compensable Leave				-
Total Current Liabilities	<u>\$ 196,716.46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,716.46</u>
Noncurrent Liabilities:				
Interfund Payable				-
Employees Compensable Leave				-
Total Noncurrent Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 196,716.46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,716.46</u>
Fund Financial Statement-Fund Balances				
Fund Balances (Deficits):				
Nonspendable for:				
Inventories				-
Unassigned	29.02			29.02
Committed:	(25,003.26)	3,126,516.97		3,101,513.71
Total fund balances	<u>\$ (24,974.24)</u>	<u>\$ 3,126,516.97</u>	<u>\$ -</u>	<u>\$ 3,101,542.73</u>
Total Liabilities and Fund Balance	<u>\$ 171,742.22</u>	<u>\$ 3,126,516.97</u>	<u>\$ -</u>	<u>\$ 3,298,259.19</u>

UNAUDITED

BOARD OF ARCHITECTURAL EXAMINERS (459)

Exhibit A-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Revenue Funds
For the Fiscal Year Ended August 31, 2019

	Operating Fund GAAP Fund 1010 Agy Fund 1010	Local Fund-Operating GAAP Fund 1010 Agy Fund 2859	Scholarship Fund GAAP Fund 1010 Agy Fund 3859	Local Fund-Trust GAAP Fund 1010 Agy Fund 4859	Total
REVENUES					
Legislative Appropriations:					
Original Appropriations					
Additional Appropriations					
Licenses, Fees & Permits		3,192,024.05			3,192,024.05
Interest Revenue		68,214.38			68,214.38
Sales of Goods and Services		3,970.00			3,970.00
Other		73,370.25			73,370.25
Total Revenues	\$ -	\$ 3,337,578.68	\$ -	\$ -	\$ 3,337,578.68
EXPENDITURES					
Salaries and Wages	1,605,786.53				1,605,786.53
Payroll Related Costs	556,830.17				556,830.17
Professional Fees and Services	22,786.56				22,786.56
Travel	30,412.34				30,412.34
Materials and Supplies	66,989.81				66,989.81
Communication and Utilities	19,235.25				19,235.25
Repairs and Maintenance	208.50				208.50
Rentals & Leases	48,425.27				48,425.27
Printing and Reproduction	7,294.93				7,294.93
Interest Expense	-				-
Other Expenditures	207,090.92	3,391.38	12,000.00		222,482.30
Capital Outlay	9,918.10				9,918.10
Depreciation Expense					
Total Expenditures/Expenses	\$ 2,574,978.38	\$ 3,391.38	\$ 12,000.00	\$ -	2,590,369.76
Excess (deficiency) of revenues over expenditures	\$ (2,574,978.38)	\$ 3,334,187.30	\$ (12,000.00)	\$ -	\$ 747,208.92
OTHER FINANCING SOURCES (USES)					
Operating Transfers In (into USAS)	3,079,618.32	-	12,000.00	-	3,091,618.32
Operating Transfers Out (from TTSTC)	(510,000.00)	(3,091,618.32)			(3,601,618.32)
Total other financing sources and uses	\$ 2,569,618.32	\$ (3,091,618.32)	\$ 12,000.00	\$ -	\$ (510,000.00)
Net change in fund balances/net assets	\$ (5,360.06)	\$ 242,568.98	\$ -	\$ -	\$ 237,208.92
Fund Financial Statement-Fund Balances					
Fund Balances--Beginning, Sept. 1, 2018	\$ (19,614.18)	\$ 2,883,947.99	\$ -		\$ 2,864,333.81
Restatements					
Fund Balances, September 1, 2018, as Restated	(19,614.18)	2,883,947.99	-	-	2,864,333.81
Appropriations Lapsed					
Fund Balances--August 31, 2019	\$ (24,974.24)	\$ 3,126,516.97	\$ -	\$ -	\$ 3,101,542.73

BOARD OF ARCHITECTURAL EXAMINERS (459)

Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds

August 31, 2019

	Beginning Balance September 1, 2018	Additions	Deductions	Ending Balance August 31, 2019
Child Support Employee Deduction Fund 0807				
ASSETS				
Cash in State Treasury				\$ -
Total Assets	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Vouchers Payable				\$ -
Funds Held for Others				\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -
Suspense Fund 0900				
ASSETS				
Cash in State Treasury	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -
Unappropriated Fund 0002				
ASSETS				
Cash in State Treasury	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -
Total Assets	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -
Total Liabilities	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -
Total				
ASSETS				
Cash in State Treasury	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -
Total Assets	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -
LIABILITIES				
Vouchers Payable	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -
Total Liabilities	\$ -	\$ 142,647.20	\$ 142,647.20	\$ -