



**Texas  
Commission  
on the Arts**  
Investing in a Creative Texas

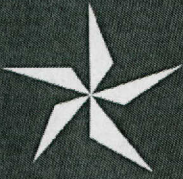
# **ANNUAL FINANCIAL REPORT**

**For the Year Ending August 31, 2019**

**Gary Gibbs, Ph.D.**  
Executive Director







November 20, 2019

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
John McGeady, Assistant 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 Commission on the Arts for the year ended Aug. 31, 2019, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas 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 the agency's Director of Finance, Amber Rhodes, at (512) 936-6567.

Sincerely,

Gary Gibbs, Ph.D.  
Executive Director



Texas Commission on the Arts  
Annual Financial Report  
For the Year Ended August 31, 2019

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**COMBINED FINANCIAL  
STATEMENTS**

UNAUDITED

Texas Commission on the Arts (813)  
 Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds  
 August 31, 2019

	Governmental Fund Types		Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
	General Funds	Governmental Funds Total			
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents (Note 3)					
Cash in Bank	3,398.90	3,398.90			3,398.90
Cash in State Treasury	1,265.96	1,265.96			1,265.96
Legislative Appropriations	264,830.26	264,830.26			264,830.26
Due From Other Agencies (Note 12)					
Interfund Receivable (Note 12)					
Consumable Inventories	4,072.90	4,072.90			4,072.90
Total Assets	\$ 273,568.02	\$ 273,568.02	\$ 0	\$ 0	\$ 273,568.02
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows of Resources (Note 28)					
Total Deferred Outflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Current Liabilities:					
Payables from:					
Accounts	\$ 12,601.74	\$ 12,601.74	\$	\$	12,601.74
Payroll	93,918.66	93,918.66			93,918.66
Interfund Payable (Note 12)					
Employees' Compensable Leave (Note 5)				143,057.25	143,057.25
Non-Current Liabilities					
Employees' Compensable Leave (Note 5)				30,303.08	30,303.08
Total Liabilities	\$ 106,520.40	\$ 106,520.40	\$ 0	\$ 173,360.33	\$ 279,880.73
<b>Fund Financial Statement</b>					
Fund Balances (Deficits):					
Nonspendable					
Restricted					
Committed	1,123,566.92	1,123,566.92			1,123,566.92
Assigned					
Unassigned	(1,048,755.40)	(1,048,755.40)			(1,048,755.40)
Total Fund Balances	74,811.52	74,811.52	0	0	74,811.52
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 181,331.92	\$ 181,331.92	\$ 0	\$ 173,360.33	\$ 354,692.25
<b>Government-Wide Statement of Net Position</b>					
Net Position					
Net Investment in Capital Assets					
Restricted For					
Debt Service					
Capital Projects					
Funds Held as Permanent Investments:					
Expendable					
Nonexpendable					
Other					
Unrestricted				(173,360.33)	(173,360.33)
Total Net Position			\$ 0	\$ (173,360.33)	\$ (98,548.81)

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

**Texas Commisison on the Arts (813)**

**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	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>REVENUES*</b>					
Legislative Appropriations					
Original Appropriations (GR)	\$ 4,977,331.00	\$ 4,977,331.00	\$	\$	\$ 4,977,331.00
Additional Appropriations (GR)	249,164.20	249,164.20			249,164.20
Federal Revenue (PR - Operating or Capital)	976,500.00	976,500.00			976,500.00
License, Fees & Permits (PR)	137,197.46	137,197.46			137,197.46
Interest and Other Investment Income (GR)	7,979.40	7,979.40			7,979.40
Other (PR - Chg for Serv, Operating or Capital)	321,842.00	321,842.00			321,842.00
Total Revenues	<u>6,670,014.06</u>	<u>6,670,014.06</u>	<u>0</u>	<u>0</u>	<u>6,670,014.06</u>
<b>EXPENDITURES</b>					
Salaries and Wages	886,702.61	886,702.61		3,095.21	889,797.82
Payroll Related Costs	260,746.08	260,746.08			260,746.08
Professional Fees and Services	2,412.31	2,412.31			2,412.31
Travel	34,304.36	34,304.36			34,304.36
Materials and Supplies	72,583.24	72,583.24			72,583.24
Communication and Utilities	13,638.93	13,638.93			13,638.93
Repairs and Maintenance					
Rentals and Leases	8,174.22	8,174.22			8,174.22
Printing and Reproduction	2,113.07	2,113.07			2,113.07
State Grant Pass-Through Expenditures	102,611.00	102,611.00			102,611.00
Public Assistance Payments	5,203,006.00	5,203,006.00			5,203,006.00
Other Expenditures	106,044.28	106,044.28			106,044.28
Total Expenditures/Expenses	<u>6,692,336.10</u>	<u>6,692,336.10</u>	<u>0</u>	<u>3,095.21</u>	<u>6,695,431.31</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(22,322.04)</u>	<u>(22,322.04)</u>	<u>0</u>	<u>(3,095.21)</u>	<u>(25,417.25)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In					
Transfer Out	114,558.14	114,558.14			114,558.14
Total Other Financing Sources (Uses)	<u>114,558.14</u>	<u>114,558.14</u>	<u>0</u>	<u>0</u>	<u>114,558.14</u>
<b>SPECIAL ITEMS</b>					
Proceeds from Sale of Park Land					
<b>EXTRAORDINARY ITEMS</b>					
Natural Disaster-Hurricane					
Net Change in Fund Balances/Net Position	<u>92,236.10</u>	<u>92,236.10</u>			<u>89,140.89</u>
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances, September 1, 2018	74,811.52	74,811.52			74,811.52
Restatements					
Fund Balances, September 1, 2018, as Restated	<u>74,811.52</u>	<u>74,811.52</u>			<u>74,811.52</u>
Appropriations Lapsed					
Fund Balances, August 31, 2019	<u>\$ 167,047.62</u>	<u>\$ 167,047.62</u>			<u>\$ 163,952.41</u>
<b>Government-Wide Statement of Net Position</b>					
Net Position/Net Change in Net Position		<u>167,047.62</u>	<u>0</u>	<u>(3,095.21)</u>	<u>163,952.41</u>
Net Position, September 1, 2018				<u>(170,607.70)</u>	<u>(170,607.70)</u>
Restatements					
Net Position, September 1, 2018, as Restated			<u>0</u>	<u>(170,607.70)</u>	<u>(170,607.70)</u>
Net Position, August 31, 2019			<u>\$ 0</u>	<u>\$ (173,702.91)</u>	<u>\$ (6,655.29)</u>

\* When analyzing which comptroller object code to use, agencies need to determine if it rolls to Program Revenue (PR) or General Revenue (GR) in the Statement of Activities

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

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**NOTES TO THE  
FINANCIAL  
STATEMENTS**

**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ENTITY**

The Texas Commission on the Arts is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports for State Agencies and Universities*.

The Commission operates under the authority of V.T.C.A., Government Code Chapter 444. The Commission serves the state by:

- Fostering the development of a receptive climate for the arts that will culturally enrich and benefit the citizens of Texas in their daily lives;
- Attracting to Texas outstanding creators in the fields of arts through appropriate programs of publicity and education;
- Directing activities such as lectures, exhibitions and the compilations and dissemination of information on the arts in Texas;
- Acting as a source of arts information to state government.

Due to the statewide requirements embedded in GASB 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 is considered for audit by the state auditor as part of the audit of the state's Comprehensive Annual Financial Report (CAFR); 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.

Discretely Presented Component Units

No discretely presented component units have been identified for inclusion within the agency's financial report.

**FUND STRUCTURE**

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

**Governmental Fund Types & Government-wide Adjustment Fund Types**

General Fund (FT 01)

The general fund is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those accounted for in other funds. Texas Commission on the Arts uses three General Funds:

**General Revenue Fund (0001):** This fund is used to account for all financial resources of the state except those required to be accounted for in another fund.

**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**Commission on the Arts Operating Fund (0334):** This fund is used for administrative costs and to carry out duties of the Commission on the Arts and includes receipts from gifts, grants, donations, and proceeds from the sale of compact discs. H.B. 7, 83rd Leg., R.S. requires interest be deposited to General Revenue (0001) and changed deposit of license plate revenue created under Transportation Code, Subchapter G from this account to the License Plate Trust Fund (0802).

**License Plate Trust Fund (0802):** This fund was created in the treasury for deposit of specialty license plate fees and related revenue collected under Subchapter G, Transportation Code previously deposited in various General Revenue accounts. Also includes balances of specialty license plate General Revenue accounts for specialty license plate established under Subchapter G, Transportation Code. Dedicated balances and revenues are to be deposited into accounts within the fund to be used in accordance with their specific statutory purpose.

**Capital Asset Adjustment Fund (FT 11)**

The capital assets adjustment fund (fund 0998) is used to convert governmental fund types' capital assets from modified accrual to full accrual.

**Long-Term Liabilities Adjustment Fund (FT 12)**

The long-term liabilities adjustment fund (fund 0997) is used to convert governmental fund types' debt from modified accrual to full accrual.

**BASIS OF ACCOUNTING**

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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 method basis of accounting. Under the modified accrual basis, 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.

Governmental adjustment fund types that build the government-wide financial statements are accounted for using the full accrual method of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- The unmaturing debt service (principal and interest) on general long-term liabilities
- Long-term capital leases
- Long-term claims and judgments
- Full accrual revenues and expenses



**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**BUDGET AND BUDGETARY ACCOUNTING**

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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.

**ASSETS, LIABILITIES AND FUND BALANCES/NET POSITION**

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**Assets****Cash and Cash Equivalents**

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

**Inventories and 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. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are consumed.

**Capital Assets**

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if purchased, at appraised fair value as of the date of acquisition. Purchases 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 reported on the modified accrual basis. 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 assets are reported at fair value on the acquisition date. 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 payables as reported in the financial statements is disclosed in Note 24.

**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**Employees' Compensable Leave Balances**

Employees' compensable leave balances represent the liability that becomes "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 position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

**Fund Balance/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.

**Fund Balance Components**

Fund balances for governmental funds are classified as 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 of decision making authority.
- **Assigned fund balance** includes amounts 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.

**Invested In Capital Assets, Net Of Related Debt**

Invested in capital assets, net of related debt 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.

**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**Restricted Net Position**

Restricted net position results when constraints placed on net resources 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 that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

**INTERFUND ACTIVITIES AND BALANCES**

The agency has the following types of transactions between funds:

- (1) **Transfers** - Legally required transfers that are reported when incurred as "transfers in" by the recipient funds 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. Reimbursements are not displayed in the financial statements.
- (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." Balances for repayment due in two (or more) years are classified as "noncurrent".
- (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 (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

The composition of the agency's interfund activities and transactions is presented in Note 12.

**NOTE 2: CAPITAL ASSETS**

A summary of changes in capital assets for the year ended August 31, 2019, is presented below:

	Primary Government					Balance 8/31/2019
	Balance 9/1/2018	Adjustments	Reclass.	Additions	Deletions	
Depreciable Assets:						
Furniture & Equipment	\$0.00					\$0.00
Total Depreciable Assets at Historical Costs	\$0.00					\$0.00
Less Accumulated Depreciation for: Furniture and Equipment	(\$0.00)					\$0.00
Governmental Activities Capitol Assets, Net	\$0.00					\$0.00



**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS**

Texas Commission on the Arts' authority to make investments was revoked as of December 1, 2009, per House Bill 2242, which was passed during the 81<sup>st</sup> Legislative Session. The agency's "cash in bank" consists of a travel advance fund.

**DEPOSITS OF CASH IN BANK**

As of August 31, 2019, the carrying amount of deposits was **\$3,398.90** as presented below:

**Governmental and Business Type Activities**

<b>CASH IN BANK – CARRYING AMOUNT</b>	<b>\$3,398.90</b>
Less: Certificates of Deposit included in carrying amount	0
Less: Uninvested Securities Lending Cash Collateral included in carrying amount	0
Less: Securities Lending CD Collateral included in carrying amount	0
<b>Total Cash in Bank per AFR</b>	<b>\$3,398.90</b>
<b>Governmental Funds Current Cash in Bank</b>	<b>\$3,398.90</b>
<b>CASH IN BANK PER AFR</b>	<b>\$3,398.90</b>

These amounts consist of all cash in local banks. These amounts are included on the combined statement of net assets as part of the "cash in bank" account.

As of August 31, 2019, the total bank balance was as follows:

<b>Governmental and Business Type Activities</b>	<b>\$3,398.90</b>
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***Custodial credit risk*** for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The agency did not have any bank balance subject to custodial credit risk.

***Foreign currency risk*** for deposits is the risk that changes in exchange rates will adversely affect the deposit. The agency did not have any balances subject to foreign currency risk.

UNAUDITED

**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements  
For the Year Ended August 31, 2019

**INVESTMENTS**

As of August 31, 2019, the carrying amount of investments was **\$0.00** as presented below:

**Governmental and Business Type Activities**

Misc. Investments	\$0.00
<b>TOTAL INVESTMENTS</b>	<b>\$0.00</b>

<b>Reconciliation of Investments per Exhibits – Governmental and Business Type Activities:</b>	
Governmental Funds Current Assets Short-Term Investments	\$0.00
Governmental Funds Noncurrent Assets Investments	\$0.00
<b>INVESTMENTS PER EXHIBITS</b>	<b>\$0.00</b>

**Custodial credit risk** for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The agency did not have investments subject to custodial credit risk.

**Foreign currency risk** for investments is the risk that changes in exchange rates will adversely affect the investment. The agency did not have investments subject to custodial credit risk.

**NOTE 4: SHORT-TERM DEBT**

Texas Commission on the Arts did not have any short-term debt for the year ended August 31, 2019.

**NOTE 5: LONG-TERM LIABILITIES**

The following changes occurred in liabilities during the year ended August 31, 2019:

Governmental Activities	Balance 9/01/2018	Additions	Reductions	Balance 8/31/2019	Amounts Due Within One Year	Amounts Due Thereafter
Employee's Compensable Leave	\$176,444.81	\$145,760.11	\$164,665.89	\$173,360.34	\$143,057.25	\$30,303.09
<b>Total Governmental Activities</b>	<b>\$176,444.81</b>	<b>\$145,760.11</b>	<b>\$164,665.89</b>	<b>\$173,360.34</b>	<b>\$143,057.25</b>	<b>\$30,303.09</b>

**Employee's 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.



**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements  
For the Year Ended August 31, 2019

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 a liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting employees accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

**NOTE 6: BONDED INDEBTEDNESS**

Texas Commission on the Arts did not have any bonded indebtedness for the year ended August 31, 2019.

**NOTE 7: DERIVATIVE INSTRUMENTS**

Texas Commission on the Arts did not have any derivatives for the year ended August 31, 2019.

**NOTE 8: LEASES**

Texas Commission on the Arts did not have any leases for the year ended August 31, 2019.

**NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN**

Texas Commission on the Arts does not administer employees' pension plans.

**NOTE 10: DEFERRED COMPENSATION**

Texas Commission on the Arts does not administer deferred compensation plans.

**NOTE 11: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Texas Commission on the Arts does not administer post-employment health care and life insurance benefit plans.



**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements  
For the Year Ended August 31, 2019

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS**

Texas Commission on the Arts experienced routine transfers with other state agencies that 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 as of August 31, 2019, follows:

Transfers From/To Other Agencies			
Interagency Activity	Transfer In	Transfer Out	Purpose
GENERAL (01)			
Appd Fund 0802, D23 Fund 0802			
To Agency 608, D23 Fund 0802		\$114,558.14	Fund Controlling Agency
<b>Total Transfers</b>		\$114,558.14	

The detailed state grant pass-through information is listed on Schedule 1B – Schedule of State Grant Pass-Through From/To State Agencies.

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

Under the Texas Sunset Act, the Commission on the Arts will be abolished effective 09/01/25, unless continued in existence by the 89th Legislature as provided by the Act. If abolished, the agency may continue until 09/01/26 to close out its operations.

**NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION**

Texas Commission on the Arts did not have any adjustments to fund balance and net position for the year ended August 31, 2019.

**NOTE 15: CONTINGENCIES AND COMMITMENTS**

Texas Commission on the Arts did not have any contingencies and commitments for the year ended August 31, 2019.

**NOTE 16: SUBSEQUENT EVENTS**

Texas Commission on the Arts does not have any subsequent events to report for the year end August 31, 2019.

**NOTE 17: RISK MANAGEMENT**

Texas Commission on the Arts did not have any risk financing and related insurance for the year ended August 31, 2019.

**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Texas Commission on the Arts did not have any Management's Discussion and Analysis for the year ended August 31, 2019.

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

Texas Commission on the Arts did not have any component units for the year ended August 31, 2019.

**NOTE 20: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Texas Commission on the Arts does not have any stewardship, compliance, or accountability items to report for the year ended August 31, 2019.

**NOTE 21: N/A**

**NOTE 22: DONOR RESTRICTED ENDOWMENTS**

Texas Commission on the Arts did not have any donor restricted endowments for the year ended August 31, 2019.

**NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS**

Texas Commission on the Arts did not have any extraordinary and special items to report for the year ended August 31, 2019.

**NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

Texas Commission on the Arts does not have any receivable and payable balances requiring disaggregation for the year ended August 31, 2019.

**NOTE 25: TERMINATION BENEFITS**

Texas Commission on the Arts did not issue any termination benefits for the year ended August 31, 2019.

**TEXAS COMMISSION ON THE ARTS (813)**

Notes to the Financial Statements

For the Year Ended August 31, 2019

**NOTE 26: SEGMENT INFORMATION**

Texas Commission on the Arts did not have any segment information to disclose for the year ended August 31, 2019.

**NOTE 27: SERVICE CONCESSION ARRANGEMENTS**

Texas Commission on the Arts did not have any Service Concession Arrangements (SCAs) for the year ended August 31, 2019.

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

Texas Commission on the Arts did not have deferred outflows nor deferred inflows of resources for the year ended August 31, 2019.

**NOTE 29: TROUBLED DEBT RESTRUCTURING**

Texas Commission on the Arts did not have any outstanding receivables the terms of which were modified in troubled debt restructurings for the year ended August 31, 2019.

**NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES**

Texas Commission on the Arts did not have any Non-Exchange Financial Guarantees to report for the year ended August 31, 2019.

**NOTE 31: TAX ABATEMENTS**

Texas Commission on the Arts did not have any Tax Abatement agreements to report for the year ended August 31, 2019.

**NOTE 32: GOVERNMENTAL FUND BALANCES**

Texas Commission on the Arts did not have any fund balances classified as anything other than the default for the fund type for the year ended August 31, 2019.

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**COMBINING  
FINANCIAL  
STATEMENTS**



UNAUDITED

Texas Commission on the Arts (813)  
 Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds  
 August 31, 2019

	General Revenue (0001)* U/F (0001)	Arts Operating Fund (0334)* U/F (0334)	Arts Operating Fund/HB2242 (0334)* U/F (5334)
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents			
Cash in Bank	3,398.90		
Cash in State Treasury		(3,975,971.98)	3,597,388.46
Legislative Appropriations Due From Other Agencies	264,830.26		
Interfund Receivable			
Consumable Inventories	4,072.90		
<b>Total Assets</b>	<b>\$ 272,302.06</b>	<b>\$ (3,975,971.98)</b>	<b>\$ 3,597,388.46</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources	\$ 0	\$ 0	\$ 0
<b>Total Deferred Outflows of Resources</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	\$ 12,601.74	\$ 0	\$ 0
Payroll	93,918.66		
Interfund Payable			
Unearned Revenues			
Obligations/Reverse Repurchase Agreement			
Obligations/Securities Lending			
Short Term Debt			
Employees' Compensable Leave			
Claims and Judgments			
Capital Lease Obligations			
Notes and Loans Payable			
Revenue Bonds Payable			
General Obligation Bonds Payable			
Liabilities Payable from Restricted Assets			
Funds Held For Others			
Non-Current Liabilities			
Interfund Payable			
Employees' Compensable Leave			
Claims and Judgments			
Capital Lease Obligations			
Notes and Loans Payable			
Revenue Bonds Payable			
General Obligation Bonds Payable			
Liabilities Payable from Restricted Assets			
Assets Held for Others			
<b>Total Liabilities</b>	<b>106,520.40</b>	<b>0</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0
<b>Total Deferred Inflows of Resources</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Fund Balances (Deficits):</b>			
Nonspendable			
Restricted			
Committed		(3,564,078.43)	3,599,260.06
Assigned			
Unassigned	9,514.56	(412,477.45)	(1,871.60)
<b>Total Fund Balances</b>	<b>9,514.56</b>	<b>(3,976,555.88)</b>	<b>3,597,388.46</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 116,034.96</b>	<b>\$ (3,976,555.88)</b>	<b>\$ 3,597,388.46</b>

\* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Consolidated Accounts				
Arts Operating Fund/Endowment Interest (0334)* U/F (6334)	Arts Operating Fund/License Plate (0334)* U/F (7334)	Arts Operating Fund/Depository Interest (0334)* U/F (8334)	License Plate Trust Fund (0802)* U/F (0802)	Total
				3,398.90
				1,265.96
				264,830.26
				4,072.90
48,302.97	590.96	330,955.55		273,568.02
\$ 48,302.97	\$ 590.96	\$ 330,955.55	\$	\$ 273,568.02
\$	\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$	\$	\$	\$	\$
				12,601.74
				93,918.66
0	0	0	0	106,520.40
\$	\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
48,302.97	703,070.33	337,011.99		1,123,566.92
	(637,864.47)	(6,056.44)		(1,048,755.40)
48,302.97	65,205.86	330,955.55	0	74,811.52
\$ 48,302.97	\$ 65,205.86	\$ 330,955.55	\$	\$ 181,331.92

**Texas Commission on the Arts (813)**  
**Exhibit A-2 — Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances — All General and Consolidated Funds**  
**For the Fiscal Year Ended August 31, 2019**

	General Revenue (0001)* U/F (0001)	Arts Operating Fund (0334)* U/F (0334)	Arts Operating Fund/HB2242 (0334)* U/F (5334)
<b>REVENUES**</b>			
Legislative Appropriations			
Original Appropriations (GR)	\$ 4,977,331.00		
Additional Appropriations (GR)	249,164.20		
Federal Revenue (PR - Operating or Capital)	976,500.00		
License, Fees & Permits (PR)			
Interest and Other Investment Income (GR)			
Settlement of Claims (GR)			
Other (PR - Chg for Serv, Operating or Capital)		321,842.00	
Other (GR)		64,614.90	
<b>Total Revenues</b>	<u>6,202,995.20</u>	<u>386,456.90</u>	<u>0</u>
<b>EXPENDITURES</b>			
Salaries and Wages	886,702.61		
Payroll Related Costs	260,746.08		
Professional Fees and Services	2,412.31		
Travel	34,304.36		
Materials and Supplies	72,583.24		
Communication and Utilities	13,638.93		
Repairs and Maintenance			
Rentals and Leases	8,174.22		
Printing and Reproduction	2,113.07		
State Grant Pass-Through Expenditures	88,675.00		
Public Assistance Payments	4,571,334.00	385,873.00	
Other Expenditures	106,044.28		
<b>Total Expenditures</b>	<u>6,046,728.10</u>	<u>385,873.00</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>156,267.10</u>	<u>583.90</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In			
Transfers Out			
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>156,267.10</u>	<u>583.90</u>	<u>0</u>
<b>Fund Financial Statement - Fund Balances</b>			
Fund Balances, September 1, 2018	9,514.56	(3,976,555.88)	3,597,388.46
Restatements			
Fund Balances, September 1, 2018, as Restated	<u>9,514.56</u>	<u>(3,976,555.88)</u>	<u>3,597,388.46</u>
Appropriations Lapsed			
Fund Balances, August 31, 2019	<u>\$ 165,781.66</u>	<u>\$ (3,975,971.98)</u>	<u>\$ 3,597,388.46</u>

\* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

\*\* When analyzing which comptroller object code to use, agencies need to determine if it rolls to Program Revenue (PR) or General Revenue (GR) in the Statement of Activities

Consolidated Accounts

Arts Operating Fund/Endowment Interest (0334)* U/F (6334)	Arts Operating Fund/License Plate (0334)* U/F (7334)	Arts Operating Fund/Depository Interest (0334)* U/F (8334)	License Plate Trust Fund (0802)* U/F (0802)	Total
		\$	\$	\$
				4,977,331.00
				249,164.20
				976,500.00
			137,197.46	137,197.46
			7,979.40	7,979.40
				321,842.00
	(64,614.90)			
0	(64,614.90)	0	145,176.86	6,670,014.06
				886,702.61
				260,746.08
				2,412.31
				34,304.36
				72,583.24
				13,638.93
				8,174.22
				2,113.07
			13,936.00	102,611.00
			245,799.00	5,203,006.00
				106,044.28
0	0	0	259,735.00	6,692,336.10
0	(64,614.90)	0	(114,558.14)	(22,322.04)
			114,558.14	114,558.14
0	0	0	114,558.14	114,558.14
0	(64,614.90)	0	(0.00)	92,236.10
48,302.97	65,205.86	330,955.55		74,811.52
48,302.97	65,205.86	330,955.55	0	74,811.52
\$ 48,302.97	\$ 590.96	\$ 330,955.55	\$ (0.00)	\$ 167,047.62

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**SCHEDULE OF  
EXPENDITURES OF  
FEDERAL AWARDS**

Agency 813 - Texas Commission on the Arts  
 Schedule 1A  
 For the Fiscal Year Ended August 31, 2019

\*\*\*Certified\*\*\*

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ <i>Identifying Number</i>	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
<b>National Endowment For The Arts</b>					
<u>Direct Programs:</u>					
Promotion of the Arts_Partnership	45.025				
<u>Agreements</u>					
Totals - National Endowment For The Arts				-	-
<b>Total Expenditures of Federal Awards</b>				-	-

Direct Program Amount	Total PT From and Direct Prog.	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures
			Agencies or Universities Amount	Non-State Entities Amount		
976,500.00	976,500.00				976,500.00	976,500.00
976,500.00	976,500.00				976,500.00	976,500.00
<b>976,500.00</b>	<b>976,500.00</b>				<b>976,500.00</b>	<b>976,500.00</b>

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**SCHEDULE OF STATE  
GRANT PASS-  
THROUGH FROM/TO  
STATE AGENCIES**



**Texas Commission on the Arts (813)**  
**Schedule 1B**  
**Schedule of State Grant Pass-Throughs From/To State Agencies**  
**For the Year Ended August 31, 2019**

<u>Pass-through From</u>	<u>Grant ID</u>	<u>Agency Number</u>	<u>Amount</u>
			\$ -
			-
<b>Total Pass-Through from Other Agencies (Exh. II):</b>			<b>-</b>

<u>Pass-through To</u>	<u>Grant ID</u>	<u>Agency Number</u>	<u>Amount</u>
<b>Arts Create</b>	<b>813.0001</b>		
UNIVERSITY OF TEXAS AT AUSTIN		721	\$ 17,000.00
UNIVERSITY OF TEXAS AT EL PASO		724	11,000.00
UNIVERSITY OF HOUSTON		730	21,000.00
MIDWESTERN STATE UNIVERSITY		735	5,000.00
UNIVERSITY OF TEXAS AT SAN ANTONIO		743	5,000.00
			<b>\$ 59,000.00</b>
<b>Arts Respond</b>	<b>813.0002</b>		
UNIVERSITY OF TEXAS AT AUSTIN		721	4,000.00
UNIVERSITY OF TEXAS AT EL PASO		724	8,300.00
UNIVERSITY OF HOUSTON		730	4,500.00
STEPHEN F AUSTIN STATE UNIVERSITY		755	3,000.00
			<b>\$ 19,800.00</b>
<b>Various Projects</b>	<b>813.0003</b>		
UNIVERSITY OF TEXAS AT AUSTIN		721	500.00
TEXAS TECH UNIVERSITY		733	9,436.00
TEXAS STATE UNIVERSITY		754	1,875.00
UNIVERSITY OF HOUSTON - CLEAR LAKE		759	8,850.00
TEXAS A&M INTERNATIONAL UNIVERSITY		761	500.00
STATE PRESERVATION BOARD		809	2,650.00
			<b>\$ 23,811.00</b>
<b>Total Pass-Through to Other Agencies (Exh. II):</b>			<b>\$ 102,611.00</b>

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