



TEXAS  
HISTORICAL  
COMMISSION   
REAL PLACES TELLING REAL STORIES

# ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2019





**TEXAS HISTORICAL COMMISSION**

*real places telling real stories*

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

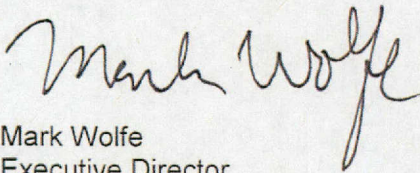
Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Historical Commission for the year ended August 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 Kenneth Biddle at 475-0774. Kenneth Biddle may be contacted at 475-0774 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,



Mark Wolfe  
Executive Director



**GREG ABBOTT, GOVERNOR • JOHN L. NAU, III, CHAIR • MARK WOLFE, EXECUTIVE DIRECTOR**

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# Table of Contents

<b>I. LETTER OF TRANSMITTAL</b>	
<b>II. FINANCIAL STATEMENTS</b> .....	1
Exhibit I - Combined Balance Sheet/Statement of Net Assets - Governmental Funds.....	2
Exhibit II - Combined Statement of Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities - Governmental Funds.....	4
<b>III. NOTES TO THE FINANCIAL STATEMENTS</b> .....	7
<b>IV. COMBINING STATEMENTS</b> .....	25
Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds.....	26
Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All General and Consolidated Funds .....	27
Exhibit B-1 - Combining Balance Sheet - Special Revenue Funds .....	28
Exhibit B-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds.....	29
Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds .....	30
Exhibit D-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds.....	31
Exhibit E-1 - Combining Balance Sheet - Permanent Funds.....	32
Exhibit E-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Permanent Funds .....	33
<b>V. SCHEDULES</b> .....	35
Schedule 1A - Schedule of Expenditures of Federal Awards .....	36
Schedule 1B - State Pass-Through Reporting.....	39

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# Financial Statements

**Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds**  
**August 31, 2019**

	Governmental Fund Types							
	General Funds (Ex A-1)	Special Revenue Funds (Ex B-1)	Capital Projects Funds (Ex D-1)	Permanent Funds (Ex E-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
<b>ASSETS</b>								
Current Assets:								
Cash and Cash Equivalents (Note 3)								
Cash On Hand	\$ 5,200.00	\$ -	\$ -	\$ -	\$ 5,200.00	\$ -	\$ -	\$ 5,200.00
Cash In Bank	5,000.00	3,016,951.77	-	-	3,021,951.77	-	-	3,021,951.77
Cash in State Treasury	818,746.41	-	-	105,039.84	923,786.25	-	-	923,786.25
Short Term Investments (Note 3)	584,251.44	-	-	-	584,251.44	-	-	584,251.44
Legislative Appropriations	13,999,492.92	-	-	-	13,999,492.92	-	-	13,999,492.92
Receivables from:								
Federal	-	-	-	-	-	-	-	-
Accounts Receivable	1,180,511.58	-	-	-	1,180,511.58	-	-	1,180,511.58
Gifts, Pledges and Donations	-	1,112,201.67	-	-	1,112,201.67	-	-	1,112,201.67
Interest and Dividends	1,482.31	-	-	-	1,482.31	-	-	1,482.31
Due From Other Funds (Note 12)	-	-	-	-	-	-	-	-
Due From Other Agencies (Note 12)	835,072.20	-	85,104.95	-	920,177.15	-	-	920,177.15
Investment in Trade Receivables	-	-	-	-	-	-	-	-
Interfund Receivables	17,577.99	-	-	-	17,577.99	-	-	17,577.99
Consumable Inventories	477,062.52	-	-	-	477,062.52	-	-	477,062.52
Merchandise Inventories	202,763.41	-	-	-	202,763.41	-	-	202,763.41
<b>Total Current Assets</b>	<b>\$ 18,127,160.78</b>	<b>\$ 4,129,153.44</b>	<b>\$ 85,104.95</b>	<b>\$ 105,039.84</b>	<b>\$ 22,446,459.01</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,446,459.01</b>
Non-Current Assets:								
Investments (Note 3)								
	8,460,257.28	-	-	-	8,460,257.28	-	-	8,460,257.28
Capital Assets (Note 2):								
Non-Depreciable or Non-Amortizable								
Land and Land Improvements	-	-	-	-	-	8,665,898.80	-	8,665,898.80
Construction in Progress	-	-	-	-	-	1,902,713.74	-	1,902,713.74
Other Capital Assets	-	-	-	-	-	207,477.10	-	207,477.10
Depreciable Assets								
Building and Building Improvements	-	-	-	-	-	57,743,405.24	-	57,743,405.24
Less Accumulated Depreciation	-	-	-	-	-	(21,075,285.75)	-	(21,075,285.75)
Facilities and Other Improvements	-	-	-	-	-	4,881,044.14	-	4,881,044.14
Less Accumulated Depreciation	-	-	-	-	-	(671,089.74)	-	(671,089.74)
Furniture and Equipment	-	-	-	-	-	2,492,902.54	-	2,492,902.54
Less Accumulated Depreciation	-	-	-	-	-	(2,043,759.98)	-	(2,043,759.98)
Vehicle, Boats and Aircraft	-	-	-	-	-	1,811,598.19	-	1,811,598.19
Less Accumulated Depreciation	-	-	-	-	-	(1,516,087.94)	-	(1,516,087.94)
Other Capital Assets	-	-	-	-	-	1,191,496.22	-	1,191,496.22
Less Accumulated Depreciation	-	-	-	-	-	(477,556.99)	-	(477,556.99)
Amortizable Assets-Intangible	-	-	-	-	-	19,252.00	-	19,252.00
Less Accumulated Depreciation	-	-	-	-	-	(19,252.00)	-	(19,252.00)
<b>Total Non-Current Assets</b>	<b>8,460,257.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,460,257.28</b>	<b>53,112,755.57</b>	<b>-</b>	<b>61,573,012.85</b>
<b>Total Assets</b>	<b>26,587,418.06</b>	<b>4,129,153.44</b>	<b>85,104.95</b>	<b>105,039.84</b>	<b>30,906,716.29</b>	<b>53,112,755.57</b>	<b>-</b>	<b>84,019,471.86</b>

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**Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds (Cont.)**  
**August 31, 2019**

	Governmental Fund Types					Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
	General Funds (Ex A-1)	Special Revenue Funds (Ex B-1)	Capital Projects Funds (Ex D-1)	Permanent Funds (Ex E-1)	Governmental Funds Total			
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Current Liabilities:								
Payables from:								
Vouchers	-	-	-	-	-	-	-	-
Accounts	732,989.40	-	85,104.95	-	818,094.35	-	-	818,094.35
Federal	-	-	-	-	-	-	-	-
Other Intergovernmental	-	-	-	-	-	-	-	-
Payroll	1,343,185.54	-	-	-	1,343,185.54	-	-	1,343,185.54
Interest Payable	2,740.71	-	-	-	2,740.71	-	-	2,740.71
Interfund Payable (Note 12)	17,577.99	-	-	-	17,577.99	-	-	17,577.99
Investment Trade Payable	-	-	-	-	-	-	-	-
Investment Derivative Inst Liab	-	-	-	-	-	-	-	-
Due To Other Funds (Note12)	-	-	-	-	-	-	-	-
Due To Other Agencies (Note 12)	27,436.42	-	-	-	27,436.42	-	-	27,436.42
Employees' Compensable Leave (Note 5)	-	-	-	-	-	-	930,623.84	930,623.84
Pollution Remediation (Note 5)	-	-	-	-	-	-	-	-
Obligations Under Security Lending	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>2,123,930.06</b>	<b>-</b>	<b>85,104.95</b>	<b>-</b>	<b>2,209,035.01</b>	<b>-</b>	<b>930,623.84</b>	<b>3,139,658.85</b>
Non-Current Liabilities								
Employees' Compensable Leave (Note 5)	-	-	-	-	-	-	604,005.86	604,005.86
Pollution Remediation (Note 5)	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>604,005.86</b>	<b>604,005.86</b>
<b>Total Liabilities</b>	<b>2,123,930.06</b>	<b>-</b>	<b>85,104.95</b>	<b>-</b>	<b>2,209,035.01</b>	<b>-</b>	<b>1,534,629.70</b>	<b>3,743,664.71</b>
<b>Fund Financial Statement</b>								
Fund Balances (Deficits):								
Assigned	-	4,129,153.44	-	-	4,129,153.44	-	-	4,129,153.44
Restricted	-	-	-	29,859.84	29,859.84	-	-	29,859.84
Unreserved/Undesignated	-	-	-	-	-	-	-	-
Committed	9,829,931.62	-	-	-	9,829,931.62	-	-	9,829,931.62
Nonspendable	-	-	-	75,180.00	75,180.00	-	-	75,180.00
Nonspendable for Inventory	679,825.93	-	-	-	679,825.93	-	-	679,825.93
Unassigned	13,953,730.45	-	-	-	13,953,730.45	-	-	13,953,730.45
<b>Total Fund Balances</b>	<b>24,463,488.00</b>	<b>4,129,153.44</b>	<b>-</b>	<b>105,039.84</b>	<b>28,697,681.28</b>	<b>-</b>	<b>-</b>	<b>28,697,681.28</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 26,587,418.06</b>	<b>\$ 4,129,153.44</b>	<b>\$ 85,104.95</b>	<b>\$ 105,039.84</b>	<b>\$ 30,906,716.29</b>	<b>-</b>	<b>-</b>	<b>32,441,345.99</b>
Government-Wide Statement of Net Position								
Net Position								
Invested in Capital Assets, net of Related Debt	-	-	-	-	-	53,112,755.57	(1,534,629.70)	51,578,125.87
<b>Total Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 53,112,755.57</b>	<b>\$ (1,534,629.70)</b>	<b>\$ 80,275,807.15</b>

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

**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 (Ex A-2)	Special Revenue Funds (Ex B-2)	Capital Projects Funds (Ex D-2)	Permanent Funds (Ex E-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>REVENUES</b>								
Legislative Appropriations								
Original Appropriations	\$ 9,021,842.00	\$ -	\$ -	\$ -	\$ 9,021,842.00	\$ -	\$ -	\$ 9,021,842.00
Additional Appropriations	3,571,429.99	-	-	-	3,571,429.99	-	-	3,571,429.99
Federal Revenue	1,715,739.02	-	-	-	1,715,739.02	-	-	1,715,739.02
Federal Grant Pass-Through Revenue	852,282.23	-	-	-	852,282.23	-	-	852,282.23
State Grant Pass-Through Revenue (GR)	-	-	-	-	-	-	-	-
License, Fees & Permits	788,464.57	1,264,945.52	-	-	2,053,410.09	-	-	2,053,410.09
Interest and Other Investment Income	104,740.10	55,584.84	-	2,606.82	162,931.76	-	-	162,931.76
Net Increase (Decrease) in Fair Value (PR)	-	-	-	-	-	-	-	-
Net Increase (Decrease) in Fair Value	243,411.58	(9,006.24)	-	-	234,405.34	-	-	234,405.34
Land Income	9,001.38	-	-	-	9,001.38	-	-	9,001.38
Settlement of Claims (PR)	-	-	-	-	-	-	-	-
Settlement of Claims	1,745.67	-	-	-	1,745.67	-	-	1,745.67
Sales of Goods and Services	1,097,836.06	-	-	-	1,097,836.06	-	-	1,097,836.06
Other (PR - Chg for Serv, Operating or Cap	-	-	-	-	-	-	-	-
Other Revenue	(221,823.82)	813,067.54	-	-	591,243.72	-	-	591,243.72
Total Revenues	17,184,668.78	2,124,591.66	-	2,606.82	19,311,867.26	-	-	19,311,867.26
<b>EXPENDITURES</b>								
Salaries and Wages	12,462,721.04	988,001.00	-	-	13,450,722.04	-	61,114.25	13,511,836.29
Payroll Related Costs	4,096,723.29	264,040.00	-	-	4,360,763.29	-	-	4,360,763.29
Professional Fees and Services	633,303.06	435,314.84	298,680.52	-	1,367,298.42	-	-	1,367,298.42
Travel	346,654.48	1,761.85	-	-	348,416.33	-	-	348,416.33
Materials and Supplies	1,435,682.17	4,319.39	-	-	1,440,001.56	-	-	1,440,001.56
Communication and Utilities	699,368.25	-	-	-	699,368.25	-	-	699,368.25
Repairs and Maintenance	963,997.84	-	-	-	963,997.84	-	-	963,997.84
Rentals and Leases	350,132.68	-	-	-	350,132.68	-	-	350,132.68
Printing and Reproduction	57,461.93	8,241.23	-	-	65,703.16	-	-	65,703.16
Claims and Judgments	13,808.50	-	-	-	13,808.50	-	-	13,808.50
Federal Grant Pass-Through Expenditures	13,023.22	-	-	-	13,023.22	-	-	-
State Grant Pass-Through Expenditures	30,417.72	-	-	-	30,417.72	-	-	30,417.72
Intergovernmental Payments	8,832,794.76	-	797,763.33	-	9,630,558.09	-	-	9,630,558.09
Public Assistance Payments	772,758.75	-	-	-	772,758.75	-	-	772,758.75
Other Expenditures	1,156,280.24	91,363.15	-	-	1,247,643.39	-	-	1,247,643.39
Pollution Remediation Obligation (Note 5)	-	-	-	-	-	-	-	-
Capital Outlay	2,894,172.89	-	(893,230.54)	-	2,000,942.35	(2,000,942.35)	-	-
Depreciation Expense	-	-	-	-	-	2,493,168.56	-	2,493,168.56
Total Expenditures/Expenses	34,759,300.82	1,793,041.46	203,213.31	-	36,755,555.59	492,226.21	61,114.25	37,308,896.05
Excess (Deficiency) of Revenues over Expenditures	(17,574,632.04)	331,550.20	(203,213.31)	2,606.82	(17,443,688.33)	(492,226.21)	(61,114.25)	(17,997,028.79)

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**Exhibit II - Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities -  
Governmental Funds (Cont.)  
For the Fiscal Year Ended August 31, 2019**

	<u>General Funds (Ex A-2)</u>	<u>Special Revenue Funds (Ex B-2)</u>	<u>Capital Projects Funds (Ex D-2)</u>	<u>Permanent Funds (Ex E-2)</u>	<u>Governmental Funds Total</u>	<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>	<u>Statement of Activities</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond and Note Proceeds								
Increase in Obligations Under Capital Leases								
Sale of Capital Assets	-	-	-	-	-	-	-	-
Transfers In	11,003,073.24	-	1,156,809.95	-	12,159,883.19	-	-	12,159,883.19
Transfers Out	(634,625.55)	-	(1,210,843.39)	-	(1,845,468.94)	-	-	(1,845,468.94)
Legislative Financing Sources	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	(1,263,703.95)	-	(1,263,703.95)
Inc/(Dec) in Net Assets Due to Interagency								
Transfer (Note 2)	-	-	-	-	-	-	-	-
Appropriations Lapsed	(63,962.03)	-	-	-	(63,962.03)	-	-	(63,962.03)
Total Other Financing Sources (Uses)	<u>10,304,485.66</u>	<u>-</u>	<u>(54,033.44)</u>	<u>-</u>	<u>10,250,452.22</u>	<u>(1,263,703.95)</u>	<u>-</u>	<u>8,986,748.27</u>
<b>SPECIAL ITEMS</b>								
Proceeds from Sale of Park Land								-
<b>5 EXTRAORDINARY ITEMS</b>								
Natural Disaster-Hurricane								-
Net Change in Fund Balances/Net Assets	<u>(7,270,146.38)</u>	<u>331,550.20</u>	<u>(257,246.75)</u>	<u>2,606.82</u>	<u>(7,193,236.11)</u>			<u>(9,010,280.52)</u>
<b>Fund Financial Statement - Fund Balances</b>								
Fund Balances, September 1, 2018	31,733,634.38	3,795,031.67	257,246.75	102,433.02	35,888,345.82			35,888,345.82
Restatements	-	2,571.57	-	-	2,571.57			2,571.57
Fund Balances, September 1, 2018, as Restated	<u>31,733,634.38</u>	<u>3,797,603.24</u>	<u>257,246.75</u>	<u>102,433.02</u>	<u>35,890,917.39</u>			<u>35,890,917.39</u>
Fund Balances, August 31, 2019	<u>\$ 24,463,488.00</u>	<u>\$ 4,129,153.44</u>	<u>\$ (0.00)</u>	<u>\$ 105,039.84</u>	<u>\$ 28,697,681.28</u>			<u>\$ 26,880,636.87</u>
<b>Government-Wide Statement of Net Position</b>								
Net Position/Net Change in Net Position					<u>28,697,681.28</u>	<u>(1,755,930.16)</u>	<u>(61,114.25)</u>	<u>26,880,636.87</u>
Net Position, September 1, 2018						54,732,371.73	(1,473,515.45)	53,258,856.28
Restatements						136,314.00		136,314.00
Net Position, September 1, 2018, as Restated						<u>54,868,685.73</u>	<u>(1,473,515.45)</u>	<u>53,395,170.28</u>
Net Position, August 31, 2019					<u>\$ 28,697,681.28</u>	<u>\$ 53,112,755.57</u>	<u>\$ (1,534,629.70)</u>	<u>\$ 80,275,807.15</u>

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

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# Notes to the Financial Statements

# Notes to the Financial Statements

## **NOTE 1: Summary of Significant Accounting Policies**

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### **ENTITY**

The Texas Historical Commission 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 of State Agencies and Universities*.

The Texas Historical Commission serves the state by preserving the state's irreplaceable historic landmarks and artifacts for the enjoyment, education, and benefit of the public, and the enrichment of future generations.

Due to the statewide requirements embedded in Governmental Accounting Standard Board's ("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 will be considered for audit by the State Auditor as part of the audit 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.

The Texas Historical Commission includes within this report all components as determined by an analysis of their relationship to the Texas Historical Commission as listed below.

### **Blended Component Units**

The Texas Historical Commission has one blended component unit, Friends of the Texas Historical Commission. Information on the component unit can be found in Note 19.

### **Discretely Presented Component Units**

The Texas Historical Commission does not have any discrete component units.

### **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 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 Assets Adjustment Fund Type

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

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Long-Term Liabilities Adjustment Fund Type

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

**Fiduciary Fund Types**

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

**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.

**Component Units**

The funds of the blended component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

**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 are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period that 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 60 days after fiscal year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion adjustment fund types convert modified accrued basis to full accrued 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 and interest on long-term liabilities
- Capital leases
- Long-term claims and judgments
- Full accrual revenues and expenses
- Pension amounts in governmental activities

Proprietary fund types (enterprise funds and internal service fund) and fiduciary fund types (pension trust funds, external investment trust funds and private-purpose trust funds) 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.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary

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TEXAS HISTORICAL COMMISSION**

funds' principal ongoing operations. Operating expenses for the enterprise and internal services funds include the cost of sales and services, administrative expenses and depreciation on capital assets.

### **Budget 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.

### **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.

##### **Inventories and Prepaid Items**

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally using 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 used or 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 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 depreciated over the estimate of average useful life of a grouping of assets using 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 payables as reported in the financial statements is disclosed in Note 24.



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TEXAS HISTORICAL COMMISSION**

**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.

**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 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.

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TEXAS HISTORICAL COMMISSION**

**INTERFUND ACTIVITIES AND TRANSACTIONS**

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 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. 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, the balance is classified as “current.” Balances for repayment due in two (or more) years are 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 (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

The composition of the agency’s interfund activities and transactions are presented in Note 12.

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**TEXAS HISTORICAL COMMISSION**

**NOTE 2: Capital Assets**

Capital Assets are shown in the Government-wide Financial Statements (Exhibits I & II). GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* requires capital assets to be reported at historical cost. GASB Statement No. 72, *Fair Value Measurement and Application* requires donated capital assets, works of art, historical treasures, and capital assets received in service concession arrangements to be reported at acquisition value. A summary of changes in Capital Assets for the year ended August 31, 2019, is presented below:

Governmental Activities	Balance 9/1/2018	Adjustments	Comp. CIP	Transfers	Additions	Deletions	Balance 8/31/2019
<b>Non-depreciable or Non-amortizable Assets:</b>							
Land and Land Improvements	\$ 8,665,898.80	-	-	-	-	-	\$ 8,665,898.80
Construction in Progress	10,534,314.24	136,314.00	(10,564,920.86)	-	1,797,006.36	-	1,902,713.74
Other Capital Assets	207,477.10	-	-	-	-	-	207,477.10
Total Capital Assets Not Depr/Amrtz	\$ 19,407,690.14	\$ 136,314.00	\$(10,564,920.86)	\$-	\$ 1,797,006.36	\$-	\$ 10,776,089.64
<b>Depreciable Assets</b>							
Building and Building Improvements	\$ 48,886,795.45	-	\$ 10,564,920.86	-	-	\$(1,708,311.07)	\$ 57,743,405.24
Facilities and Other Improvements	4,881,044.14	-	-	-	-	-	4,881,044.14
Furniture and Equipment	2,399,919.60	(7,500.00)	-	-	115,513.82	(14,309.88)	2,492,902.54
Vehicles, Boats, and Aircraft	1,715,676.02	7,500.00	-	-	88,422.17	-	1,811,598.19
Other Capital Assets	1,191,496.22	-	-	-	-	-	1,191,496.22
Total Depreciable Assets	\$ 59,074,210.43	\$ 0.00	\$ 10,564,920.86	\$-	\$ 203,935.99	\$(1,722,620.95)	\$ 68,120,446.33
<b>Accumulated Depreciation</b>							
Buildings and Improvements	\$ (19,498,992.35)	\$-	-	-	\$( 2,020,900.52)	\$ 444,607.12	\$( 21,075,285.75)
Facilities and Other Furniture and Equipment	(457,797.42)	-	-	-	(213,292.32)	-	(671,089.74)
Vehicles, Boats, and Aircraft	(1,933,143.66)	892.80	-	-	(125,819.00)	14,309.88	(2,043,759.98)
Other Capital Assets	(1,435,333.42)	-892.80	-	-	(79,861.72)	-	(1,516,087.94)
Other Capital Assets	(424,261.99)	-	-	-	(53,295.00)	-	(477,556.99)
Total Accumulated Depreciation	\$ (23,749,528.84)	\$ 0.00	\$-	\$-	\$( 2,493,168.56)	\$ 458,917.00	\$( 25,783,780.40)
<b>Depreciable Assets – Net</b>	\$ 35,324,681.59	\$ 0.00	\$ 10,564,920.86	\$-	\$( 2,289,232.57)	\$(1,263,703.95)	\$ 42,336,665.93
<b>Amortizable Assets – Intangible</b>							
Computer Software	\$ 19,252.00	\$-	\$-	\$-	\$-	\$-	\$ 19,252.00
Total Amortizable Assets-Intangible	\$ 19,252.00	\$-	\$-	\$-	\$-	\$-	\$ 19,252.00
<b>Accumulated Amortization</b>							
Computer Software	\$ (19,252.00)	\$-	\$-	\$-	\$-	\$-	\$( 19,252.00)
Total Accumulated Amortization	\$ (19,252.00)	\$-	\$-	\$-	\$-	\$-	\$( 19,252.00)
<b>Amortizable Assets – Net</b>	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Total Governmental Activities</b>	\$ 54,732,371.73	\$ 136,314.00	\$-	\$-	\$(492,226.21)	\$( 1,263,703.95)	\$ 53,112,755.57

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TEXAS HISTORICAL COMMISSION**

**NOTE 3: Deposits, Investments & Repurchase Agreements**

The Texas Historical Commission is authorized by statute to make investments following the "prudent person rule." There were no significant violations of legal provisions during the period.

**Deposits of Cash in Bank**

As of August 31, 2019, the carrying amount of deposits was \$3,021,951.77 as presented below.

**Governmental Type Activities**

<b>Governmental Activities</b>	
Cash in Bank – Carrying Amount	\$5,000.00
<b>Total Cash in Bank per AFR</b>	<b>\$5,000.00</b>
Governmental Funds Current Assets Cash in Bank	\$5,000.00
<b>Cash in Bank per AFR</b>	<b>\$5,000.00</b>
<b>Blended Component Unit (Friends of the Texas Historical Commission)</b>	
Cash in Bank – Carrying Amount	\$3,016,951.77
<b>Total Cash in Bank per AFR</b>	<b>\$3,016,951.77</b>
Special Revenue Funds Current Assets Cash in Bank	\$3,016,951.77
<b>Cash in Bank per AFR</b>	<b>\$3,016,951.77</b>

These amounts consist of all cash in local banks and a portion of short-term investments. These amounts are included on the combined statement of net assets as part of the "cash and cash equivalents" and "securities lending collateral" accounts.

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

Governmental Activities	\$5,000.00	Blended Component Units	\$3,016,951.77
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**Investments**

The Texas Historical Commission reports investments held in the Texas Treasury Safekeeping Trust Company (the "Trust Company"). The Trust Company was created by the Legislature as a special purpose entity to efficiently and economically manage, invest and safeguard funds for state agencies and various political subdivisions.

The Trust Company invests funds for the Texas Preservation Trust Fund in a diversified manner designed to preserve the purchasing power of the funds' assets and provide stable distributions for trust fund grants.

As of August 31, 2019, the fair value of investments were:

**Governmental Type Activities**

<b>Investments measured at the net asset value (NAV)</b>			
Fixed Income Money Market and Bond Mutual Fund			\$ 584,251.44
Externally Managed Investments - Domestic			7,608,912.87
Externally Managed Investments – International			844,528.28
<b>Total investments measured at the NAV</b>			<b>\$ 9,037,692.59</b>

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TEXAS HISTORICAL COMMISSION**

Valuations are intended to be made in a manner that is consistent with the Governmental Accounting Standard Board's ("GASB") Statement No. 72, *Fair Value Measurement and Application*. GASB 72 generally requires state and local governments to measure investments at fair value with some exceptions.

GASB defines an investment as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. The investment designation is made at acquisition and remains for the life of the asset.

Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment.

Investments are categorized based on the fair value hierarchy of inputs summarized below:

Level 1 Inputs – Quoted (unadjusted) prices in active markets for identical assets or liabilities. Examples of markets in which inputs might be observable include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.

Level 2 Inputs – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves, implied volatilities, credit spreads; or market-corroborated inputs.

Level 3 Inputs – Unobservable inputs for the asset or liability. They should be used only when relevant Level 1 and Level 2 inputs are unavailable. A government should develop Level 3 inputs using the best information available under the circumstances, which might include the government's own data. It should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants. A government need not undertake exhaustive efforts to obtain information about market participant assumptions.

Investments in private equity, real estate, and hedge funds are generally limited partner interests in the funds and reported at net asset value ("NAV").

A. Private Equity and Real Estate Investments

Investments are valued monthly at NAV using the latest account statements from the funds. NAV is adjusted for cash flows that occur after the date of the statements through the month-end date. Account statements are typically issued quarterly.

B. Hedge Funds

1. Investments are valued monthly at NAV using the current monthly account statements from the funds.

2. If a current monthly account statement is unavailable, the value is calculated by using the estimated monthly return from the fund. Once a statement is received, the value is adjusted to reflect the NAV from the statement adjusted for cash flows that occur after the statement date.

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TEXAS HISTORICAL COMMISSION**

C. Mutual Funds

Investments are valued daily or monthly, as appropriate, at NAV per share.

D. Exchange Traded Funds ("ETF"s)

Investments are valued daily using electronic feeds from pricing vendors.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The Trust Company values these investments based on the partnerships' audited financial statements. If August 31st statements are available, those values are used preferentially. However, most partnerships have fiscal years ending at other than August 31st. If August 31st valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions. The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the Endowments' alternative investments measured at NAV:

*Investments Measured at NAV*

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative Fixed Income	\$3,765,132.93	\$2,670,526.23	N/A	N/A
	584,251.44	0.00	Daily	1 day
Hedge Funds	3,927,990.66	0.00	Daily - Annually	1-95 days
Mutual Funds	760,317.56	0.00	Daily - Monthly	1-30 days
<b>Total Investments measured at NAV</b>	<b>\$9,037,692.59</b>	<b>\$2,670,526.23</b>		

**Foreign currency risk** for investments is the risk that changes in exchange rates will adversely affect the investment. The agency's investments are held in the Safekeeping Trust which is responsible for limiting foreign currency risk. The exposure to foreign currency risk as of August 31, 2019 is as follows:

Fund Type	Fund	Foreign Currency	International Externally Managed Investments
01	0664	Euro	\$ 186,815.31
		<b>Total</b>	<b>\$ 186,815.31</b>

**Credit risk** is the risk than that an issuer or other counterparty to an investment will not fulfill its obligations. The Trust Company is responsible for limiting credit risk. As of August 31, 2019, the Texas Historical Commission's credit quality distribution for securities with credit risk exposure was as follows:

Standard & Poor's			Credit Rating					
Fund Type	Fund	Investment Type	AAAf	BBB	BB	B	CCC	Not Rated
01	0664	Fixed Income Money Market And Bond Mutual Fund	\$584,251.44	\$ -	\$ -	\$ -	\$ -	\$ -
01	0664	Externally Managed Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$657,712.97

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TEXAS HISTORICAL COMMISSION**

**NOTE 4: Short-Term Debt**

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Not Applicable

**NOTE 5: Long Term Liabilities**

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**CHANGES IN LONG-TERM LIABILITIES**

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

Governmental Activity	Balance 9/1/2018	Additions	Reductions	Balance 8/31/2019	Amounts Due Within One Year
Employees' Compensable Leave	\$1,473,515.45	\$1,668,017.22	\$1,606,902.97	\$1,534,629.70	\$930,623.84
Pollution Remediation Obligations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Governmental Activities</b>	<b>\$1,473,515.45</b>	<b>\$1,668,017.22</b>	<b>\$1,606,902.97</b>	<b>\$1,534,629.70</b>	<b>\$930,623.84</b>

**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 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 accumulating rights to receive sick pay benefits. The obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

**Pollution Remediation Obligations**

The Texas Historical Commission is responsible for the cleanup of asbestos and lead paint at the State Historic Sites the agency oversees during renovation and repair projects. The Historical Commission calculates expected outlays related to this pollution remediation from actual and estimated contracted amounts of the work to be performed. The amount of the estimated pollution remediation liability assumes there will be no major increases in the cost of providing these cleanup services.

The Historical Commission will not realize any recoveries associated with these cleanup activities.

The Historical Commission did not have any pollution remediation obligations during Fiscal Year 2019.

**NOTE 6: Bonded Indebtedness**

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Not Applicable

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TEXAS HISTORICAL COMMISSION**

**NOTE 7: Derivatives**

Derivatives are financial instruments whose values are derived, in whole or in part, from the value of any one or more underlying securities or assets, or index of securities or assets, such as stocks, bonds, commodities, or currencies.

The Endowment funds use derivatives as part of the portfolio hedging and overlays program. The objective of the program is to facilitate risk management and provide efficiency in the implementation of various investment strategies. Permitted applications of the portfolio hedging and overlays program are to:

- implement strategies in a low cost and efficient manner;
- hedge and control risks;
- alter the Endowment funds' market (systemic) exposure without trading the underlying cash market securities;
- construct portfolios with risk and return characteristics that could not be created with cash market securities;
- or to facilitate transition trading.

Through the use of derivatives, the risks that are bound together in traditional cash market investments can be separated and managed independently. The primary intent of the Endowment funds' investment in derivative instruments is to manage and implement investment strategies more effectively and at a lower cost than would be possible in the cash market. All of the Endowment funds' derivative instruments are considered investment derivatives and therefore are measured and reported at fair value.

The fair value, changes in fair value, and notional value of the Fund's derivatives investments, classified by derivative type, are displayed in the following table as of August 31, 2019.

**Summary of Derivative Instruments**

	Fair Value	Changes in Fair Value Gain/(Loss)	Notional Value \$
<b>Governmental Activities</b>			
<i>Derivative Investments</i>			
<b>Futures</b>			
Commodities Futures	-	1,239.34	-
Equity Index Futures	-	-	-
<b>Total Futures</b>	-	1,239.34	-
<b>Swaps</b>			
Total Return Swap -Fixed Income	\$ 10,074.47	28,535.17	373,266.66
Total Return Swap – Equity	(3,258.34)	715.27	699,160.82
<b>Total Swaps</b>	6,816.13	29,250.44	1,072,427.48
<b>Total Derivatives</b>	<b>\$ 6,816.13</b>	<b>\$ 30,489.79</b>	<b>\$ 1,072,427.48</b>

Investment Derivatives	Fair Value	Fair Value Measurement:		
		Level 1	Level 2	Level 3
Futures	-	-	-	-
Swaps	6,816.13	-	6,816.13	-
	<b>\$ 6,816.13</b>	-	<b>\$ 6,816.13</b>	-



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TEXAS HISTORICAL COMMISSION**

**NOTE 8: Leases**

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**Operating Leases**

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

<b>Fund Type</b>	<b>Amount</b>
<b>General Fund</b>	\$350,132.68

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

<b>Year Ended August 31, 2019</b>	
2020	\$235,207.68
2021	\$198,521.23
2022	\$160,171.58
2023	\$150,549.07
2024	\$0.00
2025 – 2029	\$0.00
2030 – 2034	\$0.00
2035 – 2039	\$0.00
2040 – 2044	\$0.00
2045 – 2049	\$0.00
2050 and beyond	\$0.00
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$744,449.56</b>

**NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan  
(administering entities only)**

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Not Applicable

**NOTE 10: Deferred Compensation (administering agencies only)**

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Not Applicable

**NOTE 11: Postemployment Benefits Other Than Pensions**

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Not Applicable

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TEXAS HISTORICAL COMMISSION**

**NOTE 12: Interfund Activity and Transactions**

The Texas Historical Commission 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 at August 31, 2019, follows:

**Required Note 12 Presentation**

**Interfund Receivables and Payables - Current**

Current Portion	Interfund Receivable	Interfund Payable	Purpose
<b>GENERAL REVENUE (01)</b>			
Appd Fund 0001, D23 Fund 0001 Appd Fund 0001, D23 Fund 0139		\$8,989.98	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0003 Appd Fund 0001, D23 Fund 0139		\$62.50	Expenditure Transfer after End of Year
Appd Fund 0599, D23 Fund 0599 Appd Fund 0001, D23 Fund 0139 Appd Fund 0001, D23 Fund 0239		\$3,895.25 \$4,630.26	Expenditure Transfers after End of Year
Appd Fund 0001, D23 Fund 0139 Appd Fund 0001, D23 Fund 0001 Appd Fund 0001, D23 Fund 0003 Appd Fund 0599, D23 Fund 0599	\$8,989.98 \$62.50 \$3,895.25		Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0239 Appd Fund 0599, D23 Fund 0599	\$4,630.26		Expenditure Transfer after End of Year
<b>Total Current Interfund Receivable/Payable</b>	<b>\$17,577.99</b>	<b>\$17,577.99</b>	

**Optional Note 12 Presentation**

	Due From Other Agencies	Due to Other Agencies	Source
<b>GENERAL (01)</b>			
Appd Fund 0001, D23 Fund 2017 (Agency 405, D23 Fund 3583)	\$653,370.30		DPS – Hurricane Harvey Fund
Appd Fund 0599, D23 Fund 0599 (Agency 902, D23 Fund 0599)	\$181,701.90		CPA – Economic Stabilization Fund
Appd Fund 0664, D23 Fund 0664 (Agency 721, D23 Fund 7999)		\$3,147.19	UT Austin – TPTF Grant
Appd Fund 0664, D23 Fund 0664 (Agency 733, D23 Fund 7999)		\$10,423.15	Texas Tech Univ. – TPTF Grant
Appd Fund 0664, D23 Fund 0664 (Agency 743, D23 Fund 7999)		\$10,024.48	UT San Antonio – TPTF Grant
Appd Fund 0664, D23 Fund 0664 (Agency 746, D23 Fund 7999)		\$3,841.60	UT Rio Grande – TPTF Grant
<b>CAPITAL PROJECTS (04)</b>			
Appd Fund 7213, D23 Fund 7213 (Agency 347, D23 Fund 7213)	\$85,104.95		TPFA - Bonds
<b>Total Due From /To Other Agencies</b>	<b>\$920,177.15</b>	<b>\$27,436.42</b>	

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Optional Note 12 Presentation**

	Transfers In	Transfers Out	Purpose
<b>GENERAL (01)</b>			
Appd Fund 0001, D23 Fund 0139 (Agency 902, D23 Fund 0001)	\$8,950,607.31		CPA - Sporting Goods Sales Tax
Appd Fund 0001, D23 Fund 0599 (Agency 902, D23 Fund 0599)	\$2,052,465.93		CPA – Economic Stabilization Fund
Appd Fund 0001, D23 Fund 0802 (Agency 608, D23 Fund 0802)		\$2,159.42	DMV – Specialty License Plate Fund
Appd Fund 0001, D23 Fund 0139 (Agency 347, D23 Fund 7348)		\$33,879.23	TPFA- Debt Service
Appd Fund 0001, D23 Fund 0139 (Agency 347, D23 Fund 7354)		\$598,958.53	TPFA- Debt Service
Appd Fund 0001, D23 Fund 0001 (Agency 902, D23 Fund 0001)		-\$371.63	CPA- Sale of Surplus Property
<b>CAPITAL PROJECTS (04)</b>			
Appd Fund 7213, D23 Fund 7213 (Agency 347, D23 Fund 7213)	\$85,104.95	\$936,901.72	THC - Bonds
Appd Fund 7650, D23 Fund 7650 (Agency 347, D23 Fund 7650)	\$700,000.00	\$104,047.66	TPFA – Bonds
Appd Fund 7662, D23 Fund 7662 (Agency 347, D23 Fund 7662)	\$371,705.00	\$169,894.01	TPFA – Bonds
<b>Total Transfers In/Out</b>	<b>\$12,159,883.19</b>	<b>\$1,845,468.94</b>	

**NOTE 13: Continuance Subject to Review**

Under the Texas Sunset Act, the Texas Historical Commission will be abolished effective September 1, 2031, unless continued in existence by the Act. If abolished, the agency may continue until September 1, 2032 to close out its operations.

**NOTE 14: Adjustments to Fund Balances and Net Position**

During fiscal year 2019, certain accounting changes and adjustments were made that required the restatement of fund balances or net position. The restatements are presented below.

	Special Revenue Fund (Friends of the Texas Historical Commission)	Capital Assets	Total
Fund Balance/ Net Position, August 31, 2018	\$3,795,031.67	\$54,732,371.73	\$58,527,403.40
Current Year's Restatements	\$2,571.57	\$136,314.00	\$138,885.57
<b>Fund Balance/Net Position, September 1, 2018 as Restated</b>	<b>\$3,797,603.24</b>	<b>\$54,868,685.73</b>	<b>\$58,666,288.97</b>

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Special Revenue Fund (Friends of the Texas Historical Commission)**

The Texas Historical Commission used the unaudited financial statements of the Friends of the Texas Historical Commission to prepare the 2018 Annual Financial Report. The audited financial statements were not available from the independent auditors at the reporting deadline. The restatement to the Special Revenue fund balance of \$2,571.57 was required due to cash in bank, pledges receivable and accounts payable were understated on the unaudited financial statements.

**Capital Assets Account**

The Capital Assets (Note 2) restatement of \$136,314.00 is due to a refund of an expenditure from the prior year (\$20.00) and expenditures entered in SPA in error \$136,334.00.

**NOTE 15: Contingencies and Commitments**

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Not Applicable

**NOTE 16: Subsequent Events**

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Not Applicable

**NOTE 17: Risk Management**

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The Texas Historical Commission is exposed to a variety of civil claims resulting from the performance of its duties. It is agency policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The Texas Historical Commission assumes substantially all risks associated with tort and liability claims due to the performance of its duties. The Commission has purchased property insurance for Sabine Pass State Historical Site through the Statewide Property Insurance Program as well as Volunteer Insurance through the Statewide Volunteer Insurance Program. During Fiscal Year 2019 the Agency added a Fine Arts Policy to cover collections at the State Historic Sites as well as property insurance for the Gulf Coast Sites per FEMA requirement following Hurricane Harvey reimbursements. These policies were also purchased through the Statewide Property Insurance Program.

The Texas Historical Commission's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. Changes in the balances of the agency's claims liabilities during fiscal 2018 and 2019 were:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>2018</b>	\$0.00	\$10,369.88	\$(10,369.88)	\$0.00
<b>2019</b>	\$0.00	\$13,808.50	\$(13,808.50)	\$0.00

**NOTE 18: Management's Discussion and Analysis**

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Not Applicable.

## **NOTE 19: The Financial Reporting Entity**

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### **The Financial Reporting Entity**

As required by generally accepted accounting principles, the financial statements present the Texas Historical Commission and its component units. The component units discussed in this note are included in the Texas Historical Commission's reporting entity because of the significance of their operational or financial relationships with the Texas Historical Commission.

### **Individual Component Unit Disclosures**

**Blended Component Units:** The Texas Historical Commission provides office space and administrative services to the Friends of the Texas Historical Commission. The staff of the Friends of the Texas Historical Commission also participates in programs sponsored by the Commission. Although it is legally separate from the Texas Historical Commission, the Friends of the Texas Historical Commission is reported as if it were part of the primary government because its sole purpose is to support the activities of the Texas Historical Commission. The Friends of the Texas Historical Commission's financial data is reported as a Special Revenue Fund (USAS D22 fund 6999) in the combining statement of revenues, expenses and changes in fund balances – Special Revenue funds in the Texas Historical Commission's AFR. The fiscal year-end for the Friends of the Texas Historical Commission is August 31.

Complete financial statements of the individual component unit can be obtained from their administrative office.

Friends of the Texas Historical Commission  
P.O. Box 13497  
Austin, TX 78711

## **NOTE 20: Stewardship, Compliance and Accountability**

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Not Applicable

## **NOTE 21**

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This note is no longer reported by state agencies.

## **NOTE 22: Donor Restricted Endowments**

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In 1956, Ima Hogg donated the Varner Plantation and land in Brazoria County to the Texas State Parks Board to be used as a state park. She also transferred stocks to provide income for the operation, maintenance, and improvement of the state park. The Comptroller established trust fund 941 for revenues and related expenditures.

House Bill 12, 80<sup>th</sup> Legislative Session, transferred the Varner-Hogg State Park and related trust account from the Texas Parks and Wildlife Department (TPWD) to the Texas Historical Commission on January 1, 2008. TPWD received \$75,180 from the liquidation of the donated stocks due to mergers and acquisitions in the 1980s. TPWD did not specify the trust fund corpus when the trust fund was transferred to the Texas Historical Commission. The Texas Historical Commission approved the non-spendable corpus amount of the Varner-Hogg Trust to be \$75,180 on January 29, 2016 based on the documentation received from TPWD.

In fiscal year 2019, the fund received \$2,488.32 in interest earnings and \$118.50 in dividends. The fund balance at August 31, 2019 was \$105,039.84.

**NOTE 23: Extraordinary and Special Items**

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Not Applicable

**NOTE 24: Disaggregation of Receivable and Payable Balances**

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Not Applicable

**NOTE 25: Termination Benefits**

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Not Applicable

**NOTE 26: Segment Information**

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Not Applicable

**NOTE 27: Service Concession Arrangements**

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Not Applicable

**NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources**

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Not Applicable

**NOTE 29: Troubled Debt Restructuring**

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Not Applicable

**NOTE 30: Non-Exchange Financial Guarantees**

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Not Applicable

**NOTE 31: Tax Abatements**

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Not Applicable

**NOTE 32: Fund Balances**

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The Texas Historical Commission has no restrictions/covenants causing fund balances to be committed and restricted.

# Combining Statements

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds  
August 31, 2019**

	<u>Consolidated Accounts</u>				<b>Total (Exhibit A-1)</b>	
	<b>General Revenue (0001)* U/F (0001)</b>	<b>Economic Stabilization Fund (0599)* U/F (0599)</b>	<b>Preservation Trust Fund (0664)* U/F (0664)</b>	<b>License Plate Trust Fund (0802)* U/F (0802)</b>		
<b>ASSETS</b>						
Current Assets:						
Cash						
On Hand	\$ 5,200.00		\$ -	\$ -	\$ 5,200.00	
In Bank	5,000.00		-	-	5,000.00	
In State Treasury	-		818,746.41	-	818,746.41	
Short Term Investments	-		584,251.44	-	584,251.44	
Legislative Appropriations	13,999,492.92			-	13,999,492.92	
Receivables from:						
Interest and Dividends	-		1,482.31	-	1,482.31	
Accounts Receivable	1,180,511.58		-	-	1,180,511.58	
Interfund Receivables	17,577.99		-	-	17,577.99	
Due From Other Agencies	653,370.30	181,701.90	-	-	835,072.20	
Consumable Inventories	477,062.52		-	-	477,062.52	
Merchandise Inventories	202,763.41		-	-	202,763.41	
<b>Total Current Assets</b>	<b>16,540,978.72</b>	<b>181,701.90</b>	<b>1,404,480.16</b>	<b>-</b>	<b>18,127,160.78</b>	
Non-Current Assets:						
Investments	-		8,460,257.28	-	8,460,257.28	
<b>Total Non-Current Assets</b>	<b>-</b>	<b>-</b>	<b>8,460,257.28</b>	<b>-</b>	<b>8,460,257.28</b>	
<b>Total Assets</b>	<b>16,540,978.72</b>	<b>181,701.90</b>	<b>9,864,737.44</b>	<b>-</b>	<b>26,587,418.06</b>	
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Current Liabilities:						
Payables from						
Accounts	561,240.81	167,119.90	4,628.69	-	732,989.40	
Payroll	1,325,155.84	18,029.70	-	-	1,343,185.54	
Interest Payable			2,740.71	-	2,740.71	
Interfund Payable	9,052.48	8,525.51	-	-	17,577.99	
Due To Other Agencies	-		27,436.42	-	27,436.42	
<b>Total Current Liabilities</b>	<b>1,895,449.13</b>	<b>193,675.11</b>	<b>34,805.82</b>	<b>-</b>	<b>2,123,930.06</b>	
<b>Total Liabilities</b>	<b>1,895,449.13</b>	<b>193,675.11</b>	<b>34,805.82</b>	<b>-</b>	<b>2,123,930.06</b>	
Fund Balances (Deficits):						
Committed	-		9,829,931.62	-	9,829,931.62	
Nonspendable					-	
Nonspendable for Inventory	679,825.93		-	-	679,825.93	
Unreserved/Undesignated			-		-	
Assigned					-	
Unassigned	13,965,703.66	(11,973.21)	-	-	13,953,730.45	
<b>Total Fund Balances</b>	<b>14,645,529.59</b>	<b>(11,973.21)</b>	<b>9,829,931.62</b>	<b>-</b>	<b>24,463,488.00</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,540,978.72</b>	<b>\$ 181,701.90</b>	<b>\$ 9,864,737.44</b>	<b>\$ -</b>	<b>\$ 26,587,418.06</b>	

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



**UNAUDITED**  
**TEXAS HISTORICAL COMMISSION**

**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**

	Consolidated Accounts				Total (Ex II)
	General Revenue (0001)*	Economic Stabilization Fund (0599)*	Preservation Trust Fund (0664)*	License Plate Trust Fund (0802)*	
	U/F (0001)	U/F (0599)	U/F (0664)	U/F (0802)	
<b>REVENUES</b>					
Legislative Appropriations					
Original Appropriations (GR)	\$ 9,021,842.00	\$ -	\$ -	\$ -	\$ 9,021,842.00
Additional Appropriations (GR)	3,571,429.99				3,571,429.99
Taxes (GR)	-				-
Federal Revenue (PR - Operating or Capital)	1,715,739.02				1,715,739.02
Federal Grant Pass-Through Revenue (GR)	852,282.23				852,282.23
State Grant Pass-Through Revenue (GR)	-				-
License, Fees & Permits (PR)	786,348.94			2,115.63	788,464.57
Land Income	9,001.38				9,001.38
Interest and Other Investment Income (GR)	-		104,696.31	43.79	104,740.10
Net Increase (Decrease) in Fair Value	-		243,411.58		243,411.58
Settlement of Claims	1,745.67				1,745.67
Sales of Goods and Services (PR)	1,097,836.06				1,097,836.06
Other (GR)	(221,823.82)				(221,823.82)
<b>Total Revenues</b>	<b>16,834,401.47</b>	<b>-</b>	<b>348,107.89</b>	<b>2,159.42</b>	<b>17,184,668.78</b>
<b>EXPENDITURES</b>					
Salaries and Wages	12,317,276.86	145,444.18			12,462,721.04
Payroll Related Costs	4,045,632.90	51,090.39			4,096,723.29
Professional Fees and Services	563,769.66	45,436.00	24,097.40		633,303.06
Travel	343,459.29	3,195.19			346,654.48
Materials and Supplies	1,418,073.62	17,608.55			1,435,682.17
Communication and Utilities	663,847.94	35,520.31			699,368.25
Repairs and Maintenance	679,804.37	284,193.47			963,997.84
Rentals and Leases	341,037.02	9,095.66			350,132.68
Printing and Reproduction	57,429.37	32.56			57,461.93
Claims and Judgments	13,808.50				13,808.50
Federal Grant Pass-Through Expenditures	13,023.22				13,023.22
State Grant Pass-Through Expenditures			30,417.72		30,417.72
Intergovernmental Payments	8,438,854.29	277,118.73	116,821.74		8,832,794.76
Public Assistance Payments	610,709.66		162,049.09		772,758.75
Other Expenditures	1,159,665.94	(3,385.70)			1,156,280.24
Capital Outlay	1,752,580.09	1,141,592.80			2,894,172.89
<b>Total Expenditures</b>	<b>32,418,972.73</b>	<b>2,006,942.14</b>	<b>333,385.95</b>	<b>-</b>	<b>34,759,300.82</b>
Excess (Deficiency) of Revenues over Expenditures	(15,584,571.26)	(2,006,942.14)	14,721.94	2,159.42	(17,574,632.04)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	8,950,607.31	2,052,465.93			11,003,073.24
Transfers Out	(632,466.13)			(2,159.42)	(634,625.55)
Legislative Financing Sources	-				-
Proceeds from Sale of Fixed Assets	-				-
Appropriations Lapsed	(63,962.03)				(63,962.03)
<b>Total Other Financing Sources (Uses)</b>	<b>8,254,179.15</b>	<b>2,052,465.93</b>	<b>-</b>	<b>(2,159.42)</b>	<b>10,304,485.66</b>
Net Change in Fund Balances	(7,330,392.11)	45,523.79	14,721.94	-	(7,270,146.38)
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances, September 1, 2018	21,975,921.70	(57,497.00)	9,815,209.68		31,733,634.38
Restatements	-				-
Fund Balances, September 1, 2018, as Restated	21,975,921.70	(57,497.00)	9,815,209.68		31,733,634.38
Fund Balances, August 31, 2019	<b>\$ 14,645,529.59</b>	<b>\$ (11,973.21)</b>	<b>\$ 9,829,931.62</b>	<b>\$ -</b>	<b>\$ 24,463,488.00</b>

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

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Exhibit B-1 - Combining Balance Sheet - Special Revenue Funds  
August 31, 2019**

	Special Revenue		
	National Museum of the Pacific War (1015)* U/F (1015)	Friends of the Texas Historical Commission (9999)* U/F (6999)	Total (Ex I)
<b>ASSETS</b>			
Current Assets:			
Cash			
In Bank		\$ 3,016,951.77	\$ 3,016,951.77
In Treasury	\$ -	\$ -	\$ -
Legislative Appropriations			
Receivables from:			
Gifts, Pledges and Donations		1,112,201.67	\$ 1,112,201.67
Total Current Assets	-	4,129,153.44	4,129,153.44
Total Assets	-	4,129,153.44	4,129,153.44
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts			-
Total Current Liabilities	-	-	-
Total Liabilities	-	-	-
Fund Balances (Deficits):			
Assigned	-	4,129,153.44	4,129,153.44
Restricted	-	-	-
Unreserved/Undesignated			-
Total Fund Balances	-	4,129,153.44	4,129,153.44
Total Liabilities and Fund Balances	\$ -	\$ 4,129,153.44	\$ 4,129,153.44

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

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

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

	<b>National Museum of the Pacific War (1015)* U/F (1015)</b>	<b>Friends of the Texas Historical Commission (9999)* U/F (6999)</b>	<b>Totals (Ex II)</b>
<b>REVENUES</b>			
State Grant Pass-Through Revenue (GR)			
Licenses, Fees & Permits (PR)	\$ 1,252,041.00	\$ 12,904.52	1,264,945.52
Contribution to Employee's Benefit Funds (PR)			-
Interest and Other Investment Income (PR)		55,584.84	55,584.84
Interest and Other Investment Income (GR)	-		-
Other (PR - Chg for Serv, Operating or Capital)	-		-
Other Revenue	-	\$ 813,067.54	813,067.54
Net Increase (Dec) Fair Value	-	(9,006.24)	(9,006.24)
<b>Total Revenues</b>	<b>1,252,041.00</b>	<b>872,550.66</b>	<b>2,124,591.66</b>
<b>EXPENDITURES</b>			
Salaries and Wages	988,001.00		988,001.00
Payroll Related Costs	264,040.00		264,040.00
Professional Fees and Services	-	435,314.84	435,314.84
Travel	-	1,761.85	1,761.85
Materials and Supplies	-	4,319.39	4,319.39
Communication and Utilities	-		-
Repairs and Maintenance	-		-
Printing and Reproduction	-	8,241.23	8,241.23
Other Expenditures	-	91,363.15	91,363.15
<b>Total Expenditures</b>	<b>1,252,041.00</b>	<b>541,000.46</b>	<b>1,793,041.46</b>
Excess (Deficiency) of Revenues over Expenditures	-	331,550.20	331,550.20
Net Change in Fund Balances	-	331,550.20	331,550.20
<b>Fund Financial Statement - Fund Balances</b>			
Fund Balances, September 1, 2018, as Restated	-	3,795,031.67	3,795,031.67
Restatements		2,571.57	2,571.57
Fund Balances, September 1, 2019, as Restated	-	3,797,603.24	3,797,603.24
Fund Balances, August 31, 2019	\$ .00	\$ 4,129,153.44	\$ 4,129,153.44

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

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds  
August 31, 2019**

	<b>Courthouse Grants and Historic Site Bond Funds</b>	
	<b>Fund 1 (7213)*</b>	<b>Total</b>
	<b><u>U/F (7213)</u></b>	<b><u>(Exhibit D-1)</u></b>
<b>ASSETS</b>		
Current Assets:		
Interfund Receivables	-	\$ -
Due From Other Funds	\$ -	\$ -
Due From Other Agencies	85,104.95	85,104.95
Total Current Assets	<u>85,104.95</u>	<u>85,104.95</u>
 Total Assets	 <u>85,104.95</u>	 <u>85,104.95</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables from		
Accounts	85,104.95	85,104.95
Interfund Payable	-	-
Total Current Liabilities	<u>85,104.95</u>	<u>85,104.95</u>
 Total Liabilities	 <u>85,104.95</u>	 <u>85,104.95</u>
Fund Balances (Deficits):		
Assigned		-
Restricted	-	-
Total Fund Balances	<u>-</u>	<u>-</u>
 Total Liabilities and Fund Balances	 <u>\$ 85,104.95</u>	 <u>\$ 85,104.95</u>

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

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Exhibit D-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Capital Projects Funds  
For the Fiscal Year Ended August 31, 2019**

	<b>Courthouse Grants and Historic Site Bond Funds</b>			
	<b>Fund 1</b>	<b>Fund 3</b>	<b>Fund 4</b>	<b>Totals</b>
	<b>(7213)*</b>	<b>(7650)*</b>	<b>(7662)*</b>	<b>(Ex II)</b>
	<b>U/F (7213)</b>	<b>U/F (7650)</b>	<b>U/F (7662)</b>	<b>(Ex II)</b>
<b>REVENUES</b>				
Legislative Appropriations				
Original Appropriations (GR)	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Professional Fees and Services	298,680.52	-	-	298,680.52
Repairs and Maintenance	-	-	-	-
Intergovernmental Payments	-	595,952.34	201,810.99	797,763.33
Other Expenditures	-	-	-	-
Capital Outlay	(893,230.54)	-	-	(893,230.54)
Total Expenditures	<u>(594,550.02)</u>	<u>595,952.34</u>	<u>201,810.99</u>	<u>203,213.31</u>
Excess (Deficiency) of Revenues over Expenditures	<u>594,550.02</u>	<u>(595,952.34)</u>	<u>(201,810.99)</u>	<u>(203,213.31)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	85,104.95	700,000.00	371,705.00	1,156,809.95
Transfers Out	(936,901.72)	(104,047.66)	(169,894.01)	(1,210,843.39)
Total Other Financing Sources (Uses)	<u>(851,796.77)</u>	<u>595,952.34</u>	<u>201,810.99</u>	<u>(54,033.44)</u>
Net Change in Fund Balances	<u>(257,246.75)</u>	<u>-</u>	<u>-</u>	<u>(257,246.75)</u>
<b>Fund Financial Statement - Fund Balances</b>				
Fund Balances, September 1, 2018	257,246.75	-	-	257,246.75
Fund Balances, August 31, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Exhibit E-1 - Combining Balance Sheet - Permanent Funds  
August 31, 2019**

	<b>Varner-Hogg Trust Account (0941)* <u>U/F (0941)</u></b>
<b>ASSETS</b>	
Current Assets:	
Cash	
In State Treasury	\$ 105,039.84
Total Current Assets	<u>105,039.84</u>
 Total Assets	 <u><u>105,039.84</u></u>
 Fund Balances (Deficits):	
Restricted	29,859.84
Nonspendable	75,180.00
Total Fund Balances	<u>105,039.84</u>
 Total Liabilities and Fund Balances	 <u><u>\$ 105,039.84</u></u>

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

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Exhibit E-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Permanent Funds  
For the Fiscal Year Ended August 31, 2019**

	<b>Varner-Hogg Trust Account (0941)* U/F (0941)</b>
<b>REVENUES</b>	
Interest and Other Investment Income (GR)	\$ 2,606.82
Total Revenues	2,606.82
<b>EXPENDITURES</b>	
Capital Outlay	-
Total Expenditures	-
 <b>Excess (Deficiency) of Revenues over Expenditures</b>	 2,606.82
Net Change in Fund Balances	2,606.82
 <b>Fund Financial Statement - Fund Balances</b>	
Fund Balances, September 1, 2018	102,433.02
Fund Balances, August 31, 2019	\$ 105,039.84

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

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# Schedules

# Schedule 1A - Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2019

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA	Agy No	Pass-Through From Agencies or Universities	Direct Program Amount	Total PT From and Direct Prog. Amount	Agy No	Pass-Through To Agencies or Universities	Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To and Expenditures Amount
<b>General Services Administration</b>										
<i>Pass-Through From:</i>										
Donation of Federal Surplus Personal Property (Non-monetary)	39.003				\$ 34,886.09				\$ 34,886.09	\$ 34,886.09
<i>Pass-Through From:</i>										
TX Facilities Commission		303	34,886.09							
<b>Totals - General Services Administration</b>			<b>\$ 34,886.09</b>	<b>\$ -</b>	<b>\$ 34,886.09</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,886.09</b>	<b>\$ 34,886.09</b>
<b>U.S. Department of the Interior</b>										
<i>Direct Programs:</i>										
Historic Preservation Fund	15.904			\$ 1,551,076.20	\$ 1,551,076.20			\$ 324,422.87	\$ 1,226,653.33	\$ 1,551,076.20
Grants-In-Aid										
National Maritime Heritage Grants	15.925			13,023.22	13,023.22					13,023.22
<i>Pass-Through To:</i>										
Parks and Wildlife Department						802	13,023.22			
Emergency Supplemental Historic Preservation Fund	15.957			138,107.60	138,107.60				138,107.60	138,107.60
Route 66 Corridor Preservation	15.958			13,532.00	13,532.00				13,532.00	13,532.00
<b>Totals - U.S. Department of the Interior</b>			<b>\$ -</b>	<b>\$ 1,715,739.02</b>	<b>\$ 1,715,739.02</b>		<b>\$ 13,023.22</b>	<b>\$ 324,422.87</b>	<b>\$ 1,378,292.93</b>	<b>\$ 1,715,739.02</b>
<b>U.S. Department of Homeland Security</b>										
<i>Pass-Through From:</i>										
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036				\$ 852,282.23				\$ 852,282.23	\$ 852,282.23
<i>Pass-Through From:</i>										
Dept. of Public Safety		405	\$ 852,282.23		<b>\$ 852,282.23</b>				\$ 852,282.23	\$ 852,282.23
<b>Totals – U.S. Department of Homeland Security</b>			<b>\$ 852,282.23</b>	<b>\$ -</b>	<b>\$ 852,282.23</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 852,282.23</b>	<b>\$ 852,282.23</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 887,168.32</b>	<b>\$ 1,715,739.02</b>	<b>\$ 2,602,907.34</b>		<b>\$ 13,023.22</b>	<b>\$ 324,422.87</b>	<b>\$ 2,265,461.25</b>	<b>\$ 2,602,907.34</b>

36

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TEXAS HISTORICAL COMMISSION

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**Schedule 1A - Schedule of Expenditures of Federal Awards (Notes)**

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

**SEFA Note 1 - Non-Monetary Assistance**

The non-monetary assistance for the Texas Historical Commission in FY2019 is the fair market value of Federal Surplus Personal Property from the Texas Facilities Commission.

**SEFA Note 2 – Reconciliation**

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds; and Combined Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds; and Combined Statement of Changes in Fiduciary Net Assets:

	AFR	USAS Amount	Note 2 Amount
<b>Federal Revenue</b>			
Governmental Funds	Exhibit II	\$ 1,715,739.02	\$ 1,715,739.02
<b>Total Federal Revenue</b>		<b>\$ 1,715,739.02</b>	<b>\$ 1,715,739.02</b>
<b>Federal Pass-Through Revenue</b>			
Governmental Funds	Exhibit II	\$ 852,282.23	\$ 852,282.23
<b>Total Federal Pass-Through Revenue</b>		<b>\$ 852,282.23</b>	<b>\$ 852,282.23</b>
<b>Total Federal Revenue and Federal Pass-Through Revenue</b>		<b>\$ 2,568,021.25</b>	<b>\$ 2,568,021.25</b>
<b>Reconciliation Items</b>		<b>CFDA</b>	<b>Amount</b>
<b>Non-monetary Items:</b>			
Donation of Federal Surplus Personal Property		39.003	\$ 34,886.09
<b>Total Non-monetary Items</b>			
<b>Total Reconciliation Items:</b>			<b>\$ 34,886.09</b>
<b>Total per Note 2:</b>			<b>\$ 2,602,907.34</b>
<b>Total Pass Through and Expenditures per Federal Schedule:</b>			<b>\$ 2,602,907.34</b>
<b>Difference:</b>			<b>\$0.00</b>

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**SEFA Note 8 – Disaster Grants – Public Assistance, FY 2019, CFDA 97.036**

The Texas Historical Commission incurred eligible expenditures from the 2018 reporting fiscal year but did not receive FEMA approval until the 2019 reporting fiscal year. The expenditure amounts are disclosed below:

Project Name	FY Project Worksheet Approved	FEMA Disaster Declaration Declared Year – Disaster Title	Expenditure Amount Incurred Prior Fiscal Year	Amount De-obligated	Comments
Fulton Maintenance Building	2019	2017 – Texas Hurricane Harvey (DR-4332)	\$ 4,332.74	\$-	After a Presidentially declared disaster, FEMA provides disaster grants for public assistance. The Historical Commission has been working with FEMA on these projects and received approval in this fiscal year.
Fulton Mansion – Pump House	2019	2017 – Texas Hurricane Harvey (DR-4332)	5,629.50		After a Presidentially declared disaster, FEMA provides disaster grants for public assistance. The Historical Commission has been working with FEMA on these projects and received approval in this fiscal year.
Fulton Visitor’s Center Roof	2019	2017 – Texas Hurricane Harvey (DR-4332)	20,586.60		After a Presidentially declared disaster, FEMA provides disaster grants for public assistance. The Historical Commission has been working with FEMA on these projects and received approval in this fiscal year.
Perimeter Fencing Fulton	2019	2017 – Texas Hurricane Harvey (DR-4332)	15,683.40		After a Presidentially declared disaster, FEMA provides disaster grants for public assistance. The Historical Commission has been working with FEMA on these projects and received approval in this fiscal year.
Varner Hogg Cattle Barn	2019	2017 – Texas Hurricane Harvey (DR-4332)	9,043.88		After a Presidentially declared disaster, FEMA provides disaster grants for public assistance. The Historical Commission has been working with FEMA on these projects and received approval in this fiscal year.
Multiple Site Emergency Work	2019	2017 – Texas Hurricane Harvey (DR-4332)	35,087.01		After a Presidentially declared disaster, FEMA provides disaster grants for public assistance. The Historical Commission has been working with FEMA on these projects and received approval in this fiscal year.
Fulton Mansion Collections	2019	2017 – Texas Hurricane Harvey (DR-4332)	28,320.10		After a Presidentially declared disaster, FEMA provides disaster grants for public assistance. The Historical Commission has been working with FEMA on these projects and received approval in this fiscal year.
<b>Total</b>			<b>\$ 118,683.23</b>		

**UNAUDITED  
TEXAS HISTORICAL COMMISSION**

**Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies**

For the Year Ended August 31, 2019

<b>Pass-through To</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
<b>2017 Texas State PTF Grant</b>	<b>808.1701</b>		
Texas State University		754	.50
			<u>\$ .50</u>
<b>Texas Tech '17 PTF Grant</b>	<b>808.1702</b>		
Texas Tech University		733	8,679.64
			<u>\$ 8,679.64</u>
<b>UT TARL PTF Grant</b>	<b>808.1801</b>		
University of Texas at Austin		721	6,521.08
			<u>\$ 6,521.08</u>
<b>UT Rio Grande PTF Grant</b>	<b>808.1802</b>		
University of Texas Rio Grande Valley		746	3,841.60
			<u>\$ 3,841.60</u>
<b>Olmos Dam Site (41BX1) – 1979-1980 Excavations</b>	<b>808.1803</b>		
University of Texas at San Antonio		743	11,374.90
			<u>\$ 11,374.90</u>
<b>Total Pass-Through to Other Agencies (Exh. II):</b>			<b>\$ 30,417.72</b>

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