

**ANNUAL FINANCIAL REPORT**  
**STATE COMMISSION ON JUDICIAL CONDUCT, 242**  
**AUSTIN, TEXAS**  
**FISCAL YEAR ENDED AUGUST 31, 2011**

# State Commission on Judicial Conduct

## Officers

Jorge C. Rangel, Chair  
Tom Cunningham, Vice Chair  
Janelle Shepard, Secretary



Executive Director  
Seana Willing

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David Gaultney

October 26, 2011

Honorable Rick Perry, Governor  
Honorable Susan Combs, Texas Comptroller  
John O'Brien, Director, Legislative Budget Board  
John Keel, CPA, State Auditor

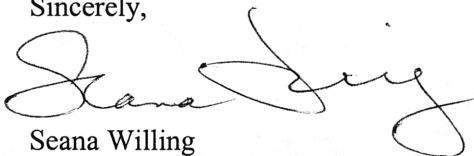
Lady and Gentlemen:

We are pleased to submit the annual Financial Report of the Texas State Commission on Judicial Conduct for the year ended August 31, 2011, in compliance with TEX. GOV'T CODE ANN §2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying 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.

If you have any questions, please contact John Brown at (512) 463-6784.

Sincerely,



Seana Willing  
Executive Director

# **STATE COMMISSION ON JUDICIAL CONDUCT, AGENCY # 242**

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DAFR8580 242 AFR 01 13 USAS RJE R242 2(ORG) ( ) ( ) 3(FND) ( ) 3(GLA) ( ) ( ) USAS  
 CYCLE: 09/27/11 21:49 4996 RUN DATE: 09/28/11 TIME: 01:56 43 CPY: 12 CFM: 01 LCY: 10 LCM: 11 PICHE: 242 11 01 01

(AGY)242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 BALANCE SHEET - GOVERNMENTAL & PROPRIETARY FUND TYPES (FFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 1

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GL CAT	GL CLASS	COMP GL	TITLE	AGY GL	CURRENT YEAR	PRIOR YEAR
01	004	0045	CASH IN STATE TREASURY		14,730,105.14-	13,631,428.19-
		0047	SHARED CASH		.00	.00
		0048	LEGISLATIVE CASH		14,730,105.14	13,631,428.19
GL CLS	004	CA	CASH IN STATE TREASURY		.00	.00
01	020	9000	LEGISLATIVE APPROPRIATIONS		137,248.77	109,112.73
GL CLS	020	CA	LEGISLATIVE APPROPRIATIONS		137,248.77	109,112.73
01	052	0231	ACCTS. RECEIVABLE - UNBILLED		.00	.00
GL CLS	052	CA	ACCOUNTS RECEIVABLES, NET		.00	.00
01	065	0279	CA INTERFUND RECEIVABLE-NO POST DOC		.00	.00
GL CLS	065	CA	INTERFUND RECEIVABLE		.00	.00
01	072	0284	DUE FROM OTHER AGENCIES		.00	.00
		0284	DUE FROM OTHER AGENCIES	30004210	.00	.00
GL CLS	072	CA	DUE FROM OTHER AGENCIES		.00	.00
01	080	0285	CONSUM. INVENTORIES (MAT. AND SUPPLI		2,534.00	2,177.00
GL CLS	080	CA	CONSUMABLE INVENTORIES		2,534.00	2,177.00
* GLA CAT	01		CURRENT ASSETS		139,782.77	111,289.73
06	151	0345	FURNITURE/EQUIPMENT		.00	.00
GL CLS	151		FURNITURE AND EQUIPMENT, NET		.00	.00

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 BALANCE SHEET - GOVERNMENTAL & PROPRIETARY FUND TYPES (FFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM

\*\*\*\*\*PAGE 2

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

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GL CAT	GL CLASS	COMP GL	TITLE	AGY GL	CURRENT YEAR	PRIOR YEAR
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11	190	0410	AMTS TO BE PROVI	FY-OTHER OBLIGATION	.00	.00
	GL CLS	190	RETIREMNT OF OTHR	GENERAL LONG-TERM DEBT	.00	.00
*	GLA CAT	11	OTHER DEBITS		.00	.00
**	TOTAL ASSETS AND OTHER DEBITS				139,782.77	111,289.73
21	200	1009	VOUCHERS PAYABLE		7,057.30-	1,921.83-
		1010	ACCOUNTS PAYABLE		.00	.00
	GL CLS	200	CL ACCOUNTS PAYABLE		7,057.30-	1,921.83-
21	203	1015	PAYROLL PAYABLE		85,305.55-	84,772.42-
	GL CLS	203	CL PAYROLL PAYABLE		85,305.55-	84,772.42-
21	205	1049	CL INTERFUND PAYABLE		.00	.00
	GL CLS	205	CL INTERFUND PAYABLE		.00	.00
21	211	1050	DUE TO OTHER AGENCIES		.00	.00
		1050	DUE TO OTHER AGENCIES	21200010	.00	.00
		1050	DUE TO OTHER AGENCIES	30000010	.00	.00
		1050	DUE TO OTHER AGENCIES	32001650	.00	.00
		1050	DUE TO OTHER AGENCIES	47900010	.00	.00
	GL CLS	211	CL DUE TO OTHER AGENCIES		.00	.00
21	220	1046	DEFERRED/UNEARNED REVENUES		.00	.00
	GL CLS	220	CL DEFERRED/UNEARNED REVENUES		.00	.00
21	230	1025	CL EMPLOYEE'S COMPENSABLE LEAVE		.00	.00

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 BALANCE SHEET - GOVERNMENTAL & PROPRIETARY FUND TYPES (FFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 3

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

\*\*\*\*\*  
 GL GL COMP AGY CURRENT PRIOR  
 CAT CLASS GL TITLE GL YEAR YEAR  
 \*\*\*\*\*

* GLA CAT	21		CURRENT LIABILITIES		92,362.85-	86,694.25-
** TOTAL LIABILITIES					92,362.85-	86,694.25-
51	360	2040	FD BAL-RESERVED FOR PREENCUMBRANCES		.00	.00
		2050	FD BAL-RESERVED FOR ENCUMBRANCES		.00	1,200.00-
GL CLS	360		FD BAL RESERVED FOR ENCUMBRANCES		.00	1,200.00-
51	362	2075	FD BAL-RESERVED FOR CONSUM. INVENT.		.00	2,177.00-
		2080	FD BAL-RESERVED FOR MERCHAN. INVENT.		.00	.00
GL CLS	362		FD BAL RESERVED FOR INVENTORIES		.00	2,177.00-
51	510	2301	FD BAL-NONSPND FOR INVENTORY		2,534.00-	.00
GL CLS	510		FD BAL-NONSPENDABLE		2,534.00-	.00
51	550	****	2325-POST CLS FFS FB UNASSIGNED		44,885.92-	.00
GL CLS	550		FD BAL-UNASSIGNED		44,885.92-	.00
51	620	2240	FB-UNRESERVED-UNDESIGNATED-OTHER		.00	21,218.48-
		9999	FPS SYSTEM CLEARING - GL LEVEL ONLY		.00	.00
GL CLS	620		FUND BALANCE - UNRESERVED/UNDESIGNATED		.00	21,218.48-
51	630	2030	INVESTMENT IN GENERAL FIXED ASSETS		.00	.00
		2055	FB - UNENCUM APPROP - SUBJECT TO LAP		.00	.00
		2060	FB-RES FOR UNENCUM APPR-FUTURE OPERA		.00	.00
GL CLS	630		OBSOLETE FB ACCTS UNDER GASB 34		.00	.00
51	800	9001	ENCUMBRANCES		.00	.00
		9003	ENCUMBRANCES (REPORTING AGENCIES)		21,000.00	1,200.00

		9005 BUDGET RESSERVATION FOR ENCUMBRANCES	21,000.00-	1,200.00-
GL CLS	800	BUDGETARY	.00	.00
51	950	9200 PAYROLL CLEARING	.00	.00
		9201 PAYROLL CLEARING OFFSET	.00	.00

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 BALANCE SHEET - GOVERNMENTAL & PROPRIETARY FUND TYPES (FFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 4

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GL	GL	COMP	AGY	CURRENT	PRIOR
CAT	CLASS	GL	GL	YEAR	YEAR
51	950	9202	PAYROLL SYSTEM CLEARING	.00	.00
	GL CLS	950	SYSTEM ACCOUNTS	.00	.00
* GLA CAT 51 FUND BALANCE (DEFICITS)				47,419.92-	24,595.48-
** TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES				47,419.92-	24,595.48-
** TOTAL LIABILITIES AND FUND BALANCE/EQUITY				139,782.77-	111,289.73-
* GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL				.00	.00



DAFR8590 242 AFR 01 13 USAS RJE R242 2(ORG) ( ) 3(OBJ) 3(FND) ( ) 0(GLA) ( ) ( ) USAS  
 CYCLE: 09/27/11 21:49 4996 RUN DATE: 09/28/11 TIME: 01:56 43 CPY: 12 CFM: 01 LCY: 10 LCM: 11 FICHE: 242 01 01

(AGY)242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM

\*\*\*\*\*PAGE 1

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

\*\*\*\*\*

GAAP		GAAP		COMPT	TITLE	CURRENT
GAAP	GAAP GL ACCT GL	GAAP	COMPT	OBJ		YEAR
CATEGORY	FUNC CLASS ACCT SRC/OBJ	OBJ				

01		0005	9400		ORIGINAL BUDGET-COMMITTED	996,626.00
			9415		BUDGET REDUCTION-COMMITTED	62,772.00-

\* GAAP SRC/OBJ 0005 ORIGINAL APPROPRIATIONS 933,854.00

01		0006	9420		OASI ST MATCH TRF IN FROM 902-COMMITTED	61,252.70
			9425		INSUR-ST PD TRF IN FROM 327-COMMITTED	75,256.27
			9435		RETIR-ST MATCH TRF IN FROM 327-COMMITTED	55,423.16
			9440		BRP TRANSFER IN FROM 902-COMMITTED	1,026.86

\* GAAP SRC/OBJ 0006 ADDITIONAL APPROPRIATIONS 192,958.99

01		0007	9406		UB TRANSFER OUT-EXP BUDGET	22,292.14-
			9407		UB TRANSFER IN-EXP BUDGET	22,292.14

\* GAAP SRC/OBJ 0007 UNEXPENDED BALANCE FORWARD 0.00

\* GAAP CATEGORY 01 REVENUES 1,126,812.99

TOTAL REVENUES 1,126,812.99

04		0200	7001		SAL & WAGES (LINE ITEM EXEMPT)	109,999.92
			7002		SAL/WAGES-CLASS&N/C-PERM FULTM	659,239.85
			7003		SAL/WAGES-CLASS&N/C-PERM PRITM	10,125.00
			7017		ONE-TIME MERIT INCREASE	1,000.00
			7022		LONGEVITY PAY	16,460.00
			7023		LUMP SUM TERMINATION PAYMENT	23,962.69
			7050		BENEFIT REPLACEMENT PAY	1,026.86

\* GAAP SRC/OBJ 0200 SALARIES AND WAGES 821,814.32

04	0210	7032	EMPLOYEE RETIREMENT-ST CONTRIB	55,423.16
		7041	EMPLOYEE INS PYMTS-EMPLR CONTR	75,256.27
		7043	FICA EMPLOYER MATCHING CONTR	61,252.70
* GAAP SRC/OBJ	0210		PAYROLL RELATED COSTS	191,932.13

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 2

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GAAP							CURRENT
GAAP	GAAP GL	ACCT GL	GAAP	COMPT	TITLE		YEAR
CATEGORY	FUNC	CLASS	ACCT SRC/OBJ	OBJ			
04			0220	7245	FINANCIAL AND ACCOUNTING SERV		1,200.00
				7253	OTHER PROFESSIONAL SERVICES		1,096.60
				7258	LEGAL SERVICES-NOT REQ. APP. BY ATTY GEN		1,746.14
* GAAP SRC/OBJ			0220		PROFESSIONAL FEES AND SERVICES		4,042.74
04			0230	7101	TRAV IN-STATE-PUB TRANS FARES		10,156.07
				7102	TRAV IN-STATE MILEAGE		6,627.79
				7105	TRAV IN-STATE-INCIDENTAL EXPEN		3,151.67
				7106	TRAVEL-IN-STATE MEALS/LODGING		1,135.50
				7108	TRAV IN ST-ACTUAL EXP MEALS-NO OVERNIGHT		7.24
				7110	TRAV INSTATE-BRD/CMSN MEMB MEAL/LODG EXP		23,094.02
				7111	TRAV OUT-OF-ST-PUB TRANS FARES		1,248.16
				7114	TRAV OUT-OF-ST-ACTUAL EXPENSES-OVERNIGHT		2,030.52
				7115	TRAV OUT-OF-ST-INCIDENTAL EXP		137.00
				7116	TRAVEL OOS MEAL/LODGE-NTE LOCALITY ALLOW		494.09
* GAAP SRC/OBJ			0230		TRAVEL		48,082.06
04			0240	7291	POSTAL SERVICES		2,567.92
				7300	CONSUMABLES		5,941.92
				7303	SUBS, PERIODICALS & INFO SERV		1,796.73
				7334	PERSONAL PROP-FURN, EQUIP AND OTHER-EXP		150.43
				7377	PERSONAL PROP-COMPUTER EQUIPMENT-EXP		503.66
				7382	PERS PROP-BOOKS & REF MATERIALS-EXPENSED		179.67
* GAAP SRC/OBJ			0240		MATERIALS AND SUPPLIES		11,140.33
04			0250	7276	COMMUNICATION SERVICES		3,413.75
				7526	WASTE DISPOSAL		630.00
				7961	STS (TEX-AN) TRANSFERS TO GR FUND 0001		1,071.68
				7962	CAPITOL COMPLEX TRANSFERS TO GR FND 0001		3,888.81

* GAAP SRC/OBJ	0250		COMMUNICATION AND UTILITIES	9,004.24
04	0270	7406	RENTAL OF FURNISHINGS/EQUIPMT	2,118.67
		7470	RENTAL OF SPACE	1,509.18
* GAAP SRC/OBJ	0270		RENTALS AND LEASES	3,627.85

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 OPERATING STATEMENT - GOVERNMENTAL FUNDS  
 REPORT PERIOD= ADJUSTMENT FY= 11

PERCENT OF YEAR ELAPSED: 100%

PROD SYSTEM  
 \*\*\*\*\*PAGE 3

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GAAP						CURRENT
GAAP	GAAP GL ACCT GL	GAAP COMPT	TITLE		YEAR	
CATEGORY	FUNC CLASS	ACCT SRC/OBJ	OBJ			
04	0280	7273		REPRODUCTION & PRINTING SERVS	7,106.95	
* GAAP SRC/OBJ	0280			PRINTING AND REPRODUCTION	7,106.95	
04	0340	7201		MEMBERSHIP DUES	940.00	
		7203		REGISTRATION FEES-EMPLOYEE TRAINING	3,994.00	
		7211		AWARDS	100.00	
		7286		FREIGHT/DELIVERY SERVICES	658.67	
		7947		ST OFC OF RISK MNGMT ASSESMENTS	1,545.26	
* GAAP SRC/OBJ	0340			OTHER EXPENDITURES	7,237.93	
* GAAP CATEGORY 04				EXPENDITURES	1,103,988.55	
TOTAL EXPENDITURES					1,103,988.55	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					22,824.44	
05	0578	9410		APPROPRIATION TRANSFER-IN COMMITTED	0.00	
* GAAP SRC/OBJ	0578			LEGISLATIVE FINANCING SOURCES	0.00	
05	0591	9515		APPROPRIATION TRANSFER OUT-COMMITTED	0.00	
		9541		BRP TRF OUT TO STRATEGIES-COMMITTED	0.00	
* GAAP SRC/OBJ	0591			LEGISLATIVE FINANCING USES	0.00	
* GAAP CATEGORY 05				OTHER FINANCING SOURCES (USES)	0.00	
TOTAL OTHER FINANCING SOURCES(USES)					0.00	
NET CHANGE IN FUND BALANCE					22,824.44	

FUND BALANCE - BEGINNING	24,595.48
FUND BALANCE - BEGINNING, AS RESTATED	24,595.48
FUND BALANCE - ENDING	47,419.92

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 4

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

\*\*\*\*\*  
 GAAP  

GAAP	GAAP GL ACCT GL	GAAP COMPT	TITLE	CURRENT YEAR
CATEGORY	FUNC CLASS	ACCT SRC/OBJ OBJ		
*****				

\* GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL 47,419.92

DAFR8590 242 AFR 01 13 USAS RJE R242 2(ORG) ( ) 3(OBJ) 3(FND) ( ) 0(GLA) ( ) ( ) USAS  
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(AGY) 242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
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STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0599 ECONOMIC STABILIZATION FD (0599)-SPECIAL

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GAAP						CURRENT
GAAP	GAAP GL	ACCT GL	GAAP	COMPT	TITLE	YEAR
CATEGORY	FUNC	CLASS	ACCT SRC/OBJ	OBJ		
*****						

NET CHANGE IN FUND BALANCE						0.00
FUND BALANCE - BEGINNING						0.00
FUND BALANCE - BEGINNING, AS RESTATED						0.00
FUND BALANCE - ENDING						0.00
* GAAP FUND	0599				ECONOMIC STABILIZATION FD (0599)-SPECIAL	0.00
* GAAP FUND TY	01				GENERAL	47,419.92



DAFR8590 242 AFR 01 13 USAS RJE R242 2(ORG) ( ) 3(OBJ) 3(FND) ( ) 0(GLA) ( ) ( ) USAS  
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(AGY)242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 6

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 11 CAPITAL ASSET BASIS CONVERSION ADJUSTMTS  
 GAAP FUND 9998 GEN FIXED ASSETS ACCT GROUP  
 \*\*\*\*\*

GAAP  
 GAAP GAAP GL ACCT GL GAAP COMPT CURRENT  
 CATEGORY FUNC CLASS ACCT SRC/OBJ OBJ TITLE YEAR  
 \*\*\*\*\*

NET CHANGE IN FUND BALANCE		0.00
FUND BALANCE - BEGINNING		0.00
FUND BALANCE - BEGINNING, AS RESTATED		0.00
FUND BALANCE - ENDING		0.00
* GAAP FUND 9998	GEN FIXED ASSETS ACCT GROUP	0.00
* GAAP FUND TY 11	CAPITAL ASSET BASIS CONVERSION ADJUSTMTS	0.00

DAFR8590 242 AFR 01 13 USAS RJE R242 2(ORG) ( ) 3(OBJ) 3(FND) ( ) 0(GLA) ( ) ( ) USAS  
 CYCLE: 09/27/11 21:49 4996 RUN DATE: 09/28/11 TIME: 01:56 43 CFY: 12 CFM: 01 LCY: 10 LCM: 11 FICHE: 242 01 12

(AGY) 242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 12 LONG-TERM LIAB BASIS CONVERSION ADJUSTMT  
 GAAP FUND 9997 LONG-TERM LIABILITIES BASIS CONVERSION

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 GAAP  
 GAAP GAAP GL ACCT GL GAAP COMPT CURRENT  
 CATEGORY FUNC CLASS ACCT SRC/OBJ OBJ TITLE YEAR  
 \*\*\*\*\*

NET CHANGE IN FUND BALANCE		0.00	
FUND BALANCE - BEGINNING		0.00	
FUND BALANCE - BEGINNING, AS RESTATED		0.00	
FUND BALANCE - ENDING		0.00	
* GAAP FUND	9997	LONG-TERM LIABILITIES BASIS CONVERSION	0.00
* GAAP FUND TY	12	LONG-TERM LIAB BASIS CONVERSION ADJUSTMT	0.00
* GAAP FD GRP	01	GOVERNMENTAL	47,419.92
* AGENCY	242		47,419.92

DAFR8581 242 AFR 01 13 USAS RJE R242 2(ORG) ( ) ( ) 3(FND) ( ) 3(GLA) ( ) ( ) USAS  
 CYCLE: 09/27/11 21:49 4996 RUN DATE: 09/28/11 TIME: 01:56 43 CFY: 12 CFM: 01 LCY: 10 LCM: 11 FICHE: 242 11 01 01

(AGY) 242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 1

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
01	004	N	0045	CASH IN STATE TREASURY	14,730,105.14-	13,631,428.19-
		N	0047	SHARED CASH	.00	.00
		N	0048	LEGISLATIVE CASH	14,730,105.14	13,631,428.19
GL	CLS	004	CA	CASH IN STATE TREASURY	.00	.00
01	020	N	9000	LEGISLATIVE APPROPRIATIONS	137,248.77	109,112.73
GL	CLS	020	CA	LEGISLATIVE APPROPRIATIONS	137,248.77	109,112.73
01	052	N	0231	ACCTS. RECEIVABLE - UNBILLED	.00	.00
GL	CLS	052	CA	ACCOUNTS RECEIVABLES, NET	.00	.00
01	065	N	0279	CA INTERFUND RECEIVABLE-NO POST DOC	.00	.00
GL	CLS	065	CA	INTERFUND RECEIVABLE	.00	.00
01	072	N	0284	DUE FROM OTHER AGENCIES	.00	.00
		N	0284	DUE FROM OTHER AGENCIES 30004210	.00	.00
GL	CLS	072	CA	DUE FROM OTHER AGENCIES	.00	.00
01	080	N	0285	CONSUM. INVENTORIES (MAT. AND SUPPLI	2,534.00	2,177.00
GL	CLS	080	CA	CONSUMABLE INVENTORIES	2,534.00	2,177.00
* GLA	CAT	01		CURRENT ASSETS	139,782.77	111,289.73
06	151	N	0345	FURNITURE/EQUIPMENT	.00	.00
GL	CLS	151		FURNITURE AND EQUIPMENT, NET	.00	.00

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 2

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

\*\*\*\*\*  
 GL GL B/C COMP AGY CURRENT PRIOR  
 CT CLS IND GL TITLE GL YEAR YEAR  
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11	190	N	0410	AMTS TO BE PROVI	FY-OTHER OBLIGATION		.00	.00
	GL	CLS	190	RETIREMNT OF OTHR	GENERAL LONG-TERM DEBT		.00	.00
*	GLA	CAT	11	OTHER DEBITS			.00	.00
**	TOTAL ASSETS AND OTHER DEBITS						139,782.77	111,289.73
21	200	N	1009	VOUCHERS PAYABLE		7,057.30-	1,921.83-	
		N	1010	ACCOUNTS PAYABLE		.00	.00	
	GL	CLS	200	CL	ACCOUNTS PAYABLE	7,057.30-	1,921.83-	
21	203	N	1015	PAYROLL PAYABLE		85,305.55-	84,772.42-	
	GL	CLS	203	CL	PAYROLL PAYABLE	85,305.55-	84,772.42-	
21	205	N	1049	CL INTERFUND PAYABLE		.00	.00	
	GL	CLS	205	CL	INTERFUND PAYABLE	.00	.00	
21	211	N	1050	DUE TO OTHER AGENCIES		.00	.00	
		N	1050	DUE TO OTHER AGENCIES	21200010	.00	.00	
		N	1050	DUE TO OTHER AGENCIES	30000010	.00	.00	
		N	1050	DUE TO OTHER AGENCIES	32001650	.00	.00	
		N	1050	DUE TO OTHER AGENCIES	47900010	.00	.00	
	GL	CLS	211	CL	DUE TO OTHER AGENCIES	.00	.00	
21	220	N	1046	DEFERRED/UNEARNED REVENUES		.00	.00	
	GL	CLS	220	CL	DEFERRED/UNEARNED REVENUES	.00	.00	
21	230	N	1025	CL EMPLOYEE'S COMPENSABLE LEAVE		.00	.00	

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
 \*\*\*\*\*PAGE 3

GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
				TITLE		
* GLA CAT 21 CURRENT LIABILITIES					92,362.85-	86,694.25-
** TOTAL LIABILITIES					92,362.85-	86,694.25-
51	360	N	2040	FD BAL-RESERVED FOR PREENCUMBRANCES	.00	.00
			N 2050	FD BAL-RESERVED FOR ENCUMBRANCES	.00	1,200.00-
	GL	CLS	360	FD BAL RESERVED FOR ENCUMBRANCES	.00	1,200.00-
51	362	N	2075	FD BAL-RESERVED FOR CONSUM. INVENT.	.00	2,177.00-
			N 2080	FD BAL-RESERVED FOR MERCHAN. INVENT.	.00	.00
	GL	CLS	362	FD BAL RESERVED FOR INVENTORIES	.00	2,177.00-
51	510	N	2301	FD BAL-NONSPND FOR INVENTORY	2,534.00-	.00
	GL	CLS	510	FD BAL-NONSPENDABLE	2,534.00-	.00
51	550	N	****	2325-POST CLS FFS FB UNASSIGNED	44,885.92-	.00
	GL	CLS	550	FD BAL-UNASSIGNED	44,885.92-	.00
51	620	N	2240	FB-UNRESERVED-UNDESIGNATED-OTHER	.00	21,218.48-
			N 9999	FFS SYSTEM CLEARING - GL LEVEL ONLY	.00	.00
	GL	CLS	620	FUND BALANCE - UNRESERVED/UNDESIGNATED	.00	21,218.48-
51	630	N	2030	INVESTMENT IN GENERAL FIXED ASSETS	.00	.00
			N 2055	FB - UNENCUM APPROP - SUBJECT TO LAP	.00	.00
			N 2060	FB-RES FOR UNENCUM APPR-FUTURE OPERA	.00	.00
	GL	CLS	630	OBSOLETE FB ACCTS UNDER GASB 34	.00	.00
51	800	N	9001	ENCUMBRANCES	.00	.00
			N 9003	ENCUMBRANCES (REPORTING AGENCIES)	21,000.00	1,200.00

	N 9005	BUDGET RESSERVATION FOR ENCUMBRANCES	21,000.00-	1,200.00-
GL CLS	800	BUDGETARY	.00	.00
51 950	N 9200	PAYROLL CLEARING	.00	.00
	N 9201	PAYROLL CLEARING OFFSET	.00	.00

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
51	950	N	9202	PAYROLL SYSTEM CLEARING	.00	.00
	GL	CLS	950	SYSTEM ACCOUNTS	.00	.00
*	GLA	CAT	51	FUND BALANCE (DEFICITS)	47,419.92-	24,595.48-
**	TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES				47,419.92-	24,595.48-
**	TOTAL LIABILITIES AND FUND BALANCE/EQUITY				139,782.77-	111,289.73-
*	GAAP	FUND	0001	GENERAL REVENUE (0001)-GENERAL	.00	.00

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(AGY)242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0599 ECONOMIC STABILIZATION FD (0599)-SPECIAL

\*\*\*\*\*  
 GL GL B/C COMP AGY CURRENT PRIOR  
 CT CLS IND GL TITLE GL YEAR YEAR  
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01	004	N	0045	CASH IN STATE TREASURY				30,756.55-		30,756.55-
			N 0047	SHARED CASH				30,756.55		30,756.55
	GL	CLS	004	CA CASH IN STATE TREASURY				.00		.00
01	052	N	0231	ACCTS. RECEIVABLE - UNBILLED				.00		.00
	GL	CLS	052	CA ACCOUNTS RECEIVABLES, NET				.00		.00
01	065	N	0279	CA INTERFUND RECEIVABLE-NO POST DOC				.00		.00
	GL	CLS	065	CA INTERFUND RECEIVABLE				.00		.00
	* GLA	CAT	01	CURRENT ASSETS				.00		.00
	**	TOTAL ASSETS AND OTHER DEBITS						.00		.00
21	200	N	1009	VOUCHERS PAYABLE				.00		.00
	GL	CLS	200	CL ACCOUNTS PAYABLE				.00		.00
21	205	N	1049	CL INTERFUND PAYABLE				.00		.00
	GL	CLS	205	CL INTERFUND PAYABLE				.00		.00
	* GLA	CAT	21	CURRENT LIABILITIES				.00		.00
	**	TOTAL LIABILITIES						.00		.00
51	610	N	2150	FD BAL UNRES DESIG FOR OTHER				.00		.00
	GL	CLS	610	FD BAL - UNRES DESIG FOR OTHER				.00		.00



STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 01 GENERAL  
 GAAP FUND 0599 ECONOMIC STABILIZATION FD (0599)-SPECIAL

\*\*\*\*\*  
 GL GL B/C COMP AGY CURRENT PRIOR  
 CT CLS IND GL TITLE GL YEAR YEAR  
 \*\*\*\*\*

* GLA CAT 51 FUND BALANCE (DEFICITS)						.00	.00
** TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES						.00	.00
** TOTAL LIABILITIES AND FUND BALANCE/EQUITY						.00	.00
* GAAP FUND 0599 ECONOMIC STABILIZATION FD (0599)-SPECIAL						.00	.00
* GAAP FUND TYPE 01 GENERAL						.00	.00

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(AGY)242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 11 CAPITAL ASSET BASIS CONVERSION ADJUSTMTS  
 GAAP FUND 9998 GEN FIXED ASSETS ACCT GROUP

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
TITLE						
06	150	Y	0655	BC VEHICLES, BOATS AND AIRCRAFT	.00	.00
	GL	CLS	150	VEHICLES, BOATS AND AIRCRAFT, NET	.00	.00
06	151	N	0345	FURNITURE/EQUIPMENT	.00	.00
		Y	0645	BC FURNITURE/EQUIPMENT	.00	.00
		Y	0650	BC ACCUM DEPR-FURN & EQUIP	.00	.00
	GL	CLS	151	FURNITURE AND EQUIPMENT, NET	.00	.00
06	158	N	0360	LIBRARY BOOKS-NON DEPRECIABLE	.00	.00
		N	0382	OTHER CAPITAL ASSETS-NON DEPRECIABLE	.00	.00
	GL	CLS	158	OTHER CAPITAL ASSETS, NET	.00	.00
	* GLA	CAT	06	NON-CURRENT ASSETS	.00	.00
	**	TOTAL ASSETS AND OTHER DEBITS			.00	.00
45	410	Y	****	3505-POST CLS BC CAP ASSETS/DEBT	.00	.00
	GL	CLS	410	INVESTED IN CAP ASSETS, NET RELATED DEBT	.00	.00
45	430	Y	9992	BC SYSTEM CLEARING	.00	.00
	GL	CLS	430	UNRESTRICTED NET ASSETS	.00	.00
	* GLA	CAT	45	NET ASSETS	.00	.00
51	620	N	9999	FFS SYSTEM CLEARING - GL LEVEL ONLY	.00	.00
	GL	CLS	620	FUND BALANCE - UNRESERVED/UNDESIGNATED	.00	.00

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 11 CAPITAL ASSET BASIS CONVERSION ADJUSTMTS  
 GAAP FUND 9998 GEN FIXED ASSETS ACCT GROUP

\*\*\*\*\*

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
TITLE						

\*\*\*\*\*

** TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES					.00	.00
** TOTAL LIABILITIES AND FUND BALANCE/EQUITY					.00	.00
* GAAP FUND	9998		GEN FIXED ASSETS ACCT GROUP		.00	.00
* GAAP FUND TYPE	11		CAPITAL ASSET BASIS CONVERSION ADJUSTMTS		.00	.00

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(AGY) 242 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)  
 (AGL) (GRT) (PRJ) (SS1) (SS2)

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 12 LONG-TERM LIAB BASIS CONVERSION ADJUSTMT  
 GAAP FUND 9997 LONG-TERM LIABILITIES BASIS CONVERSION

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
06	151	Y	0645	BC FURNITURE/EQUIPMENT	.00	.00
			Y 0650	BC ACCUM DEPR-FURN & EQUIP	.00	.00
	GL	CLS	151	FURNITURE AND EQUIPMENT, NET	.00	.00
	* GLA	CAT	06	NON-CURRENT ASSETS	.00	.00
11	190	N	0410	AMTS TO BE PROVI FY-OTHER OBLIGATION	.00	.00
	GL	CLS	190	RETIREMNT OF OTHR GENERAL LONG-TERM DEBT	.00	.00
	* GLA	CAT	11	OTHER DEBITS	.00	.00
	**	TOTAL	ASSETS AND OTHER DEBITS		.00	.00
21	230	N	1025	CL EMPLOYEE'S COMPENSABLE LEAVE	.00	.00
			Y 1525	BC CL EMPLOYEE'S COMPENSABLE LEAVE	50,576.76-	46,998.95-
	GL	CLS	230	CL EMPLOYEE'S COMPENSABLE LEAVE	50,576.76-	46,998.95-
	* GLA	CAT	21	CURRENT LIABILITIES	50,576.76-	46,998.95-
26	301	Y	1700	BC NC EMPLOYEE'S COMPENSABLE LEAVE	10,976.22-	17,296.01-
	GL	CLS	301	NC EMPLOYEE'S COMPENSABLE LEAVE	10,976.22-	17,296.01-
	* GLA	CAT	26	NON-CURRENT LIABILITIES	10,976.22-	17,296.01-
	**	TOTAL	LIABILITIES		61,552.98-	64,294.96-
45	430	Y	****	3950-POST CLS BC UNREST NET ASSETS	61,552.98	64,294.96
			Y 9992	BC SYSTEM CLEARING	.00	.00

GL CLS 430 UNRESTRICTED NET ASSETS	61,552.98	64,294.96
* GLA CAT 45 NET ASSETS	61,552.98	64,294.96
51 620 N 9999 FFS SYSTEM CLEARING - GL LEVEL ONLY	.00	.00

STATE COMMISSION ON JUDICIAL CONDUCT (242)  
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 11 PROD SYSTEM  
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GAAP FUND GROUP 01 GOVERNMENTAL  
 GAAP FUND TYPE 12 LONG-TERM LIAB BASIS CONVERSION ADJUSTMT  
 GAAP FUND 9997 LONG-TERM LIABILITIES BASIS CONVERSION

\*\*\*\*\*  
 GL GL B/C COMP AGY CURRENT PRIOR  
 CT CLS IND GL TITLE GL YEAR YEAR  
 \*\*\*\*\*

GL CLS	620	FUND BALANCE - UNRESERVED/UNDESIGNATED		.00	.00
* GLA CAT	51	FUND BALANCE (DEFICITS)		.00	.00
** TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES				61,552.98	64,294.96
** TOTAL LIABILITIES AND FUND BALANCE/EQUITY				.00	.00
* GAAP FUND	9997	LONG-TERM LIABILITIES BASIS CONVERSION		.00	.00
* GAAP FUND TYPE	12	LONG-TERM LIAB BASIS CONVERSION ADJUSTMT		.00	.00
* GAAP FUND GROUP	01	GOVERNMENTAL		.00	.00
* AGENCY	242			.00	.00

## Notes to the Financial Statements

### Note 1: Summary of Significant Accounting Policies

#### Entity

The State Commission on Judicial Conduct 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 State Agencies.

Due to the significant changes related to Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements –and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the 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.

#### Blended Component Units

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

#### 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

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.

##### Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

##### Capital Asset Adjustment Fund Type

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

##### Long-Term Liabilities Adjustment Fund Type

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

#### 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.

State Commission on Judicial Conduct, Agency number 242 – Unaudited  
Notes for the Fiscal Year Ended August 31, 2011

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.

***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 applies 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, 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 they related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. This includes unpaid Employee Compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, and long-term claims and judgments. The activity will be recognized in these new fund types.

Proprietary funds, pension trust funds, external investment trust funds and private-purpose trust funds are accounted for on the accrual basis of accounting. Under the 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 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 area generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

**Assets, Liabilities, and Fund Balances/Net Assets**

**ASSETS**

Cash and Cash Equivalents

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



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Notes for the Fiscal Year Ended August 31, 2011

Inventories

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

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if any 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 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 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.

Current Receivables

Other receivables include year-end revenue accruals. This account can appear in governmental and proprietary fund types.

Non-Current Receivables-Other

The only receivables not expected to be collected within one year are \$5 million in purchase program receivables.

**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.

Current Payables-Other

Payables are the accrual at year-end of expenditure transactions. Payables may be included in either the governmental or proprietary fund types.

Non-Current Payables-Other

The only payable not expected to be paid within one year are \$5 million in purchase program payables.

Employees' Compensable Leave Balances

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

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

State Commission on Judicial Conduct, Agency number 242 – Unaudited  
Notes for the Fiscal Year Ended August 31, 2011

**FUND BALANCE/NET ASSETS**

The difference between fund assets and liabilities is 'Net Assets' on the government-wide, proprietary and fiduciary fund statements, and the 'Fund Balance' is the difference between fund assets and liabilities on the governmental fund statements.

**Reservations of Fund Balance**

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

**Reserved for Encumbrances**

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

**Unreserved/Undesignated:**

Other represents the unappropriated balance at year-end.

**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, and improvement of those assets.

**Restricted Net Assets**

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constructional provisions or enabling legislation.

**Unrestricted Net Assets**

Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, when are imposed by management, but can be removed or modified.

**INTERFUND ACTIVITIES AND BALANCES**

The agency has the following types of transactions between funds:

**Transfers:** Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.

**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 and 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.

**Interfund receivables and payables:** Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or sooner, it is classified as "Current", repayment for two (or more) years is classified as "non-Current".

State Commission on Judicial Conduct, Agency number 242 – Unaudited  
Notes for the Fiscal Year Ended August 31, 2011

**Interfund Sales and Purchases:** Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

The composition of the agency's Interfund activities and balances are presented in Note 12.

State Commission on Judicial Conduct, Agency number 242 – Unaudited  
Notes for the Fiscal Year Ended August 31, 2011

**Note 2: Capital Assets**

A summary of the changes in Capital Assets for the year ended August 31, 2011, is presented below:

Primary Government						
	Balance					Balance
	09/01/10	Adjustments	Reclassifications	Additions	Deletions	08/31/11
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>Non-Depreciable Assets</b>						
Land and Land Improvements						-
Infrastructure						-
Construction in Progress						-
Other Assets						-
<b>Total Non-Depreciable Assets</b>	<b>\$0</b>	-	-	-	-	<b>\$0</b>
<b>Depreciable Assets</b>						
Buildings and Building Improvements						-
Infrastructure						-
Facilities & Other Improvements						-
Furniture and Equipment						-
Vehicle, Boats & Aircraft						-
Other Assets						-
<b>Total Depreciable Assets at Historical Costs</b>	<b>\$0</b>	-	-	-	-	<b>\$0</b>
<b>Less Accumulated Depreciation for:</b>						
Buildings and Improvements						-
Infrastructure						-
Facilities & Other Improvements						-
Furniture and Equipment						-
Vehicles, Boats & Aircraft						-
Other Capital Assets						-
<b>Total Accumulated Depreciation</b>		-	-	-	-	-
<b>Depreciable Assets, Net</b>	<b>\$0</b>	-	-	-	-	<b>\$0</b>
<b>Total Activities Capital Assets, Net</b>	<b>\$0</b>	-	-	-	-	<b>\$0</b>

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

Not applicable to this agency.

**Note 4: Short-Term Debt**

Not applicable to this agency.

**Note 5: Long Term Liabilities**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2011, the following changes occurred in liabilities.

	<b>Balance 09-1-10</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 08-31-11</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities</b>					
Claims and Judgments					
Capital Lease Obligations					
Compensable Leave	64,294.96	66,725.69	69,467.67	61,552.98	50,576.76
<b>Total Governmental Activities</b>					

**Claims & Judgments**

The Commission was not involved in litigation regarding an employee dispute.

**Employees' Compensable Leave**

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrued to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

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Notes for the Fiscal Year Ended August 31, 2011

**Note 6: Bonded Indebtedness**

Not applicable to this agency.

**Note 7: Derivatives**

Not applicable to this agency.

**Note 8: Leases**

**Operating Leases:**

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

Fund	Amount	Comp Object	Description
General	2,118.67	7406	Rental of copier
General	<u>1,389.75</u>	7470	Rental of Archives space and Parking space
Total	<u><u>3,508.42</u></u>		

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows for year ended August 31:

	2012	2,118.67
	2013	2,118.67
	2014	2,118.67
	2015	<u>2,118.67</u>
Total minimum Future Lease Payments		<u><u>8,474.68</u></u>

**Capital Leases:** none

**Note 9: Pension Plans**

Not applicable to this agency.

**Note 10: Deferred Compensation**

Not applicable to this agency.

**Note 11: Postemployment Health Care and Life Insurance Benefits**

Not applicable to this agency.

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Notes for the Fiscal Year Ended August 31, 2011

**Note 12: Interfund Activity and Transactions**

Not applicable to this agency.

**Note 13: Continuance Subject To Review**

Not applicable to this agency.

**Note 14: Adjustments to Fund Balances and Net Assets**

Not applicable to this agency.

**Note 15: Contingent Liabilities**

The Commission members and the Commission's Executive Director are defendants in one lawsuit, to wit:

In February 2010, the Hon. Tom Rickhoff, a Bexar County Probate Judge, filed a lawsuit against the Commission and its Executive Director in the United States District Court for the Western District of Texas, San Antonio Division, alleging a violation of the judge's rights under the 1<sup>st</sup> Amendment and Due Process Clause of the United States Constitution arising from the Commission's attempt to investigate an allegation that the judge may have violated Canon 5(1)(ii) of the Texas Code of Judicial Conduct. In filing Cause No. 5:10-cv-00140-XR, styled *Tom Rickhoff v. Seana Willing, et al.*, Judge Rickhoff sought injunctive relief, but no monetary damages.

In October 2010, United States District Judge Xavier Rodriguez granted the Commission's Motion for Summary Judgment (under Rule 56 of the Federal Rules of Civil Procedure). Rickhoff appealed that decision to the 5<sup>th</sup> Circuit Court of Appeals. Both sides have submitted briefs and are currently awaiting a decision from the Court.

In the event that the Court should rule in Rickhoff's favor on appeal, it is reasonably possible that the Commission will be liable for Rickhoff's attorney's fees and costs incurred before the United States District Court and on appeal. As of July 31, 2010, Rickhoff's attorney estimated his attorney's fees and costs at \$53,850.93. It is unknown what fees and costs will be incurred on appeal; however, Rickhoff is proceeding on a *pro se* (self-represented) basis at this time.

The Commission is represented in this action by the Office of the Texas Attorney General.

**Note 16: Subsequent Events**

Not applicable to this agency.

**Note 17: Risk Management**

Not applicable to this agency.

**Note 18: Management Discussion and Analysis (MD&A)**

Not applicable to this agency.

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**Note 19: The Financial Reporting Entity**

Not applicable to this agency.

**Note 20: Stewardship, compliance and Accountability**

Not applicable to this agency.

**Note 21: N/A**

Not applicable to this agency.

**Note 22: Donor Restricted Endowments**

Not applicable to this agency

**Note 23: Extraordinary and Special Items**

Not applicable to this agency.

**Note 24: Disagregation of Receivable and Payable Balances**

Not applicable to this agency.

**Note 25: Termination Benefits**

Not applicable to this agency.

**Note 26: Segment Information**

Not applicable to this agency.