



ANNUAL REPORT

The Texas State Library and Archives Commission



AUSTIN, TEXAS

AUGUST 31, 1989

ANNUAL FINANCIAL REPORT

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

Austin, Texas

Year Ended August 31, 1989

William D. Gooch
Director-Librarian

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

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TEXAS STATE LIBRARY

LORENZO DE ZAVALA STATE ARCHIVES AND LIBRARY BUILDING
BOX 12927, AUSTIN, TEXAS 78711



Texas State Library
and Archives Commission



William D. Gooch
Director and Librarian

December 5, 1989

Honorable William Clements, Governor
Jim Oliver, Director, Legislative Budget Board
Lawrence F. Alwin, State Auditor
Honorable Bob Bullock, State Comptroller

Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas State Library for the year ended August 31, 1989, in compliance with the General Provisions of the Appropriations Act, Article V, and in accordance with the requirements established by the Comptroller of Public Accounts.

The accompanying annual financial report will be audited by the State Auditor as part of the audit of the statewide 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 related to the report, including the Schedule of Federal Financial Assistance, please contact Peggy Thompson, at 463-5498.

Sincerely,

William D. Gooch
Director and Librarian

i

AN EQUAL OPPORTUNITY EMPLOYER

Administration	(512) 463-5460	Information Services	(512) 463-5455
Administrative Services	(512) 463-5474	Library Development	(512) 463-5465
Archives	(512) 463-5480	Local Records	(512) 463-5478
Data Processing	(512) 463-5481	Records Management	(512) 454-2705
Blind and Physically Handicapped	(512) 463-5458		

GENERAL PURPOSE FINANCIAL STATEMENTS

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT I

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
August 31, 1989

	<u>GOVERNMENTAL FUND TYPES</u>		<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUPS</u>	
	<u>GENERAL (001)</u>	<u>SPECIAL REVENUE (EXH A-1)</u>	<u>AGENCY (EXH C-1)</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>
ASSETS					
Cash:					
Cash on Hand	\$ 260	\$	\$	\$	\$
Cash in Bank	5,500	6,844			
Cash in State Treasury		145,761	496		
Legislative Appropriations	1,860,740				
Receivables:					
Intergovernmental					
Receivables:					
Federal Receivables		325,699	788,841		
Other Receivables:					
Accounts Receivables	131,048	3,492			
Due from Other Funds					
Consumable Inventories	52,046				
Merchandise Inventories	74,913				
Fixed Assets (Note 2):					
Land				315,754	
Buildings				1,396,328	
Furniture and Equipment				5,015,803	
Vehicles				85,164	
Books, Publications, and Audio Visual Materials				2,855,478	
Amounts to be Provided in Future Years					<u>207,603</u>
TOTAL ASSETS	<u>\$2,124,507</u>	<u>\$481,796</u>	<u>\$789,337</u>	<u>\$9,668,527</u>	<u>\$207,603</u>

EXHIBIT I

Memorandum Totals	
August 31,	
<u>1989</u>	<u>1988</u>
\$ 260	\$ 790
12,344	11,872
146,257	27,512
1,860,740	1,633,243
1,114,540	1,187,366
134,540	27
	97,021
52,046	61,718
74,913	61,568
315,754	315,754
1,396,328	1,396,328
5,015,803	4,691,748
85,164	64,395
2,855,478	2,721,840
<u>207,603</u>	<u>201,013</u>
<u>\$13,271,770</u>	<u>\$12,472,195</u>

UNAUDITED

EXHIBIT I (Continued)

	<u>GOVERNMENTAL</u>		<u>FIDUCIARY</u>	<u>ACCOUNT GROUPS</u>	
	<u>FUND TYPES</u>		<u>FUND TYPE</u>	<u>GENERAL</u>	<u>GENERAL</u>
	<u>GENERAL</u>	<u>SPECIAL</u>	<u>AGENCY</u>	<u>FIXED</u>	<u>LONG-TERM</u>
	<u>(001)</u>	<u>REVENUE</u>	<u>(EXH C-1)</u>	<u>ASSETS</u>	<u>DEBT</u>
		<u>(EXH A-1)</u>			
LIABILITIES					
Payables:					
Accounts Payable	\$1,531,216	\$334,746	\$788,841	\$	\$
Due to Other Funds					
Employees' Compensable Leave					207,603
Funds Held in Custody for Others			496		
Deferred Revenue	_____	<u>3,757</u>	_____	_____	_____
TOTAL LIABILITIES	<u>1,531,216</u>	<u>338,503</u>	<u>789,337</u>	_____	<u>207,603</u>
FUND EQUITY					
Investment in General					
Fixed Assets				9,668,527	
FUND BALANCES (DEFICITS):					
Reserved for:					
Encumbrances (Exh. III)	177,404				
Unencumbered Appropriations:					
Subject to Lapse	252,987				
Future Operations	30,441	41,628			
Unreserved:					
Undesignated:					
Avail. for Subsequent Years		101,665			
Inventories	126,959				
Imprest Accounts	5,500	_____	_____	_____	_____
TOTAL FUND EQUITY	<u>593,291</u>	<u>143,293</u>	_____	<u>9,668,527</u>	_____
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,124,507</u>	<u>\$481,796</u>	<u>\$789,337</u>	<u>\$9,668,527</u>	<u>\$207,603</u>

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

EXHIBIT I

Memorandum Totals	
August 31,	
<u>1989</u>	<u>1988</u>
\$2,654,803	\$2,104,175
	92,384
207,603	201,013
496	119
<u>3,757</u>	<u>267</u>
<u>2,866,659</u>	<u>2,397,958</u>
9,668,527	9,190,065
177,404	346,408
252,987	354,093
72,069	54,885
101,665	
126,959	123,286
<u>5,500</u>	<u>5,500</u>
<u>10,405,111</u>	<u>10,074,237</u>
<u>\$13,271,770</u>	<u>\$12,472,195</u>

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

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED AUGUST 31, 1989

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL</u>
	<u>(001)</u>	<u>REVENUE</u>
		<u>(EXH A-2)</u>
REVENUES:		
Legislative Appropriations	\$	\$
Original	10,377,028	
QASI	484,817	
Federal Revenues:		
Federal Grants		712,243
Interest and Investment Income		28,827
Sales of Goods and Services	562,265	6,316
Other Revenues:	<u>27,115</u>	<u>17,377</u>
TOTAL REVENUES	<u>11,451,225</u>	<u>764,763</u>
EXPENDITURES:		
Salaries and Wages	3,992,633	116,333
Payroll Related Costs	484,924	28,282
Professional Fees and Services	63,387	335,361
Travel	39,016	11,325
Materials and Supplies	267,264	5,627
Communication and Utilities	281,473	6,010
Repairs and Maintenance	81,079	549
Rentals and Leases	32,294	
Printing and Reproduction	68,052	3,325
Intergovernmental Payments	5,533,110	
Other Operating Expenditures:	197,523	81,065
Capital Outlay	<u>544,088</u>	<u>59,609</u>
TOTAL EXPENDITURES	<u>11,584,843</u>	<u>647,486</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$(133,618)	117,277

UNAUDITED

EXHIBIT II

Memorandum Totals	
August 31,	
<u>1989</u>	<u>1988</u>
\$	\$
10,377,028	10,196,031
484,817	475,164
712,243	507,927
28,827	22,861
568,581	459,470
<u>44,492</u>	<u>39,406</u>
<u>12,215,988</u>	<u>11,700,859</u>
4,108,966	3,936,206
513,206	495,471
398,748	209,414
50,341	51,995
272,891	196,923
287,483	316,445
81,628	88,570
32,294	47,153
71,377	68,066
5,533,110	5,230,167
278,588	263,973
<u>603,697</u>	<u>280,924</u>
<u>12,232,329</u>	<u>11,185,307</u>
\$(16,341)	\$515,552

UNAUDITED

EXHIBIT II (Continued)

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL</u>
	<u>(001)</u>	<u>REVENUE</u>
		<u>(EXH A-2)</u>
OTHER FINANCING SOURCES (USES):		
Net Change in Consumable Inventories	<u>\$3,673</u>	<u>\$</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,673</u>	<u>0</u>
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	<u>(129,945)</u>	<u>117,277</u>
FUND BALANCES - Sept. 1, 1988	858,156	26,016
Lapsed Appropriations	<u>(134,920)</u>	<u></u>
FUND BALANCES - August 31, 1989 (EXH. I)	<u>\$593,291</u>	<u>\$143,293</u>

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

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EXHIBIT II

Memorandum Totals	
August 31,	
<u>1989</u>	<u>1988</u>
<u>\$3,673</u>	<u>\$10,731</u>
<u>3,673</u>	<u>10,731</u>
<u>(12,668)</u>	<u>526,283</u>
884,172	463,739
<u>(134,920)</u>	<u>(105,850)</u>
<u>\$736,584</u>	<u>\$884,172</u>

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

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT III

COMPARISON OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED
For the Year Ended August 31, 1989

ACTIVITY	<u>Funds Budgeted</u>			
	<u>Legislative Appropriations</u>	<u>Additional Appropriations and Adjustments</u>	<u>Appropriated Rev. & Other Financing Sources</u>	<u>Transfers Between Appropriations</u>
Legislative Appropriations				
Current Year				
Administration	\$1,026,532	\$457,331	\$	\$20,841
State Archives	396,192	14,714		
Blind & Physically Handicapped	1,103,115	19,797		
Statewide Library Development	10,631,521	1,079,324		5,351
Information Services	590,124	(7,823)		
Records Management	1,064,593	291,886		
Utilities	207,121	(18,660)		
Regional Historical Resource Depository and Local Records	<u>299,292</u>	<u>57,138</u>	_____	_____
TOTAL, Current Year Legislative Appropriations	15,318,490	1,893,707	0	26,192
Other Appropriations				
Depository Interest/Indirect Costs		131,507		(10,001)
Gifts of Money		8,451		20,066
Conferences and Workshops		11,869		8,559
Texas State Occupational Information Committee Grant		17,000		
Sam Houston Regional Library and Depository Fund		<u>499</u>	_____	<u>6,372</u>
TOTAL, Current Year Appropriations	15,318,490	2,063,033	0	51,188
Total, Prior Year Appropriations	<u>746,821</u>	<u>346,825</u>	<u>6,372</u>	<u>(51,188)</u>
TOTAL APPROPRIATIONS	<u>\$16,065,311</u>	<u>\$2,409,858</u>	<u>\$6,372</u>	<u>\$ -0-</u>

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

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EXHIBIT III

<u>Funds Applied and Encumbered</u>					
<u>Totals</u>	<u>Expenditures and Other Financing Uses</u>	<u>Appropriations Lapsed</u>	<u>Encumbrances</u>	<u>Totals</u>	<u>Variance</u>
\$1,504,704	\$1,408,891	\$	\$70,622	\$1,479,513	\$25,191 (C)
410,906	406,343		2,051	408,394	2,512
1,122,912	1,065,493		51,649	1,117,142	5,770
11,716,196	11,670,934		5,193	11,676,127	40,069
582,301	576,465		2,163	578,628	3,673
1,356,479	1,187,298		43,409	1,230,707	125,772
188,461	135,531			135,531	52,930
<u>356,430</u>	<u>355,535</u>	<u> </u>	<u>473</u>	<u>356,008</u>	<u>422</u>
17,238,389	16,806,490		175,560	16,982,050	256,339
121,506	4,536			4,536	116,970 (C)
28,517	6,077		1,844	7,921	20,596
20,428	10,746			10,746	9,682
17,000	14,700			14,700	2,300
<u>6,871</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>6,871</u>
17,432,711	16,842,549		177,404	17,019,953	412,758
<u>1,048,830</u>	<u>899,947</u>	<u>134,920</u>	<u> </u>	<u>1,034,867</u>	<u>13,963</u>
<u>\$18,481,541</u>	<u>\$17,742,496</u>	<u>\$134,920</u>	<u>\$177,404</u>	<u>\$18,054,820</u>	<u>\$426,721</u>
	(NOTE B)	(EXH II)	(EXH I)		(NOTE A)

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TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT III (Continued)

COMPARISON OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED -
ALL GOVERNMENTAL FUND TYPES
Year Ended August 31, 1989

(concluded)

Note A: Reconciliation of Variance:

Variance as Above:	\$ 426,721
Add:	
Encumbrances included in Fund Balance	177,404
Investment in General Fixed Assets	9,668,527
Reserve for Inventories not included here	<u>132,459</u>
Total Fund Equity per Exhibit I, All Funds	<u>\$ 10,405,111</u>

Note B: Reconciliation of Expenditures:

Expenditures (Exh. II)	\$ 12,232,329
Pass-Through Funds to Subgrantees (Sch.4)	<u>5,510,167</u>
Total, as above	<u>\$ 17,742,496</u>

Note C: Interest and Indirect Costs earned are located in different appropriations depending on the program designated for their expenditure. The following summary shows the composition of the excess by appropriation:

Other Administrative Services	\$ 3,320
Depository Interest/Indirect Costs	<u>116,970</u>
Total	<u>\$ 120,290</u>

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

NOTES TO THE FINANCIAL STATEMENTS

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TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas State Library and Archives Commission consists of a six-member Commission, a central office in Austin which implements the provisions of the Constitution and library laws of Texas, including the Texas Library Systems Act, and the Sam Houston Regional Library and Depository in Liberty, Texas. The Commission is designated as a separate reporting entity pursuant to requirements established by the Legislature, the Legislative Budget Office and the Governor's Management and Budget Office.

B. BASIS OF PRESENTATION

The accompanying financial statements of the Texas State Library have been prepared in conformity with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

C. FUND STRUCTURE

The accounts of the Texas State Library and Archives Commission are presented on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a complete set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. The funds and account groups used to reflect the Commission's transactions are as follows:

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TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

Governmental Fund Types

General Fund - The General Fund serves as the general operating fund of the Agency. It includes all financial resources except those accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary Fund Types

Agency Funds - Agency Funds are used to account for assets held by the Texas State Library and Archives Commission as an agent for federal pass through funds, individuals and other funds. These funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

General Fixed Assets - Fixed assets used by the Texas State Library and Archives Commission are accounted for in the General Fixed Assets Account Group.

General Long-Term Debt - This account group is used to account for long-term debt to be financed in future periods from governmental funds.

D. MEMORANDUM TOTALS

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are for informational purposes only. Data in these columns does not present the financial position, results of operations or changes in financial position in conformity with GAAP, nor is such data comparable to a consolidation.

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

E. BASIS OF ACCOUNTING

Basis of accounting relates to the timing of the measurement and recognition of revenues and expenditures or expenses in the accounts for reporting in the financial statements. The funds of the Texas State Library and Archives Commission are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. An exception to this general rule involves the cost of unpaid employee compensable leave, which is not recognized until payment is made. This long-term liability is reported in the General Long-Term Debt Account Group.

F. BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act). Encumbrance accounting is employed for budgetary control purposes. Unencumbered appropriations are now generally subject to lapse 100 days after the end of the fiscal year for which they were appropriated.

G. ASSETS, LIABILITIES, AND FUND EQUITY

ASSETS

Inventories

Consumable inventories include supplies and postage on hand at year end. Merchandise inventories include materials and publications on hand and for sale. Inventories for governmental funds are accounted for using the purchase method of accounting. The cost of these items is recognized as an expenditure at the time of purchase. These assets are offset by a fund balance reserve which indicates that they do not constitute "available spendable resources."

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

Fixed Assets

Purchases of fixed assets by governmental funds are reported as expenditures. They are capitalized at cost or, if not purchased, at appraised value on the date of acquisition. There is no provision for depreciation or obsolescence of these fixed assets since replacements are financed from current resources.

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.

Employees' Compensable Leave

Employee Compensable Leave Balances represent the liability that the Texas State Library will be required to liquidate in the future for accumulated employee compensable leave.

RESERVATIONS/DESIGNATIONS OF FUND EQUITY

Reserved for Encumbrances

Reserved for encumbrances 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.

Reserved for Consumable Inventories

This represents the amount of supplies, postage and prepaids held to be used in the next fiscal year.

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Reserved for Unencumbered Appropriations:

Subject to Lapse represents the unencumbered balances of appropriated funds at fiscal year end which may not be encumbered in future periods.

For Future Operations represents the funds that can be used for future operations (Unexpended Balance (U.B.) authority for appropriations).

Unreserved/Undesignated

Available for Subsequent Years represents the balance of unappropriated indirect costs funds at year end.

INTERFUND TRANSACTIONS AND BALANCES

Quasi-external Transactions

These transactions are treated as revenues and expenditures when they involve organizations external to state government. They are accounted for as revenues by the recipient fund and as expenditures by the disbursing fund. The accrual of quasi-external transactions is classified as Due From Other Funds and Due To Other Funds on the balance sheets.

Transfers

Operating Transfers represent routine transfers of resources. Operating transfers are reported in the Other Financing Sources (Uses) section for governmental fund types.

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TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

A summary of changes in General Fixed Assets for year ended August 31, 1989:

<u>Asset Type</u>	<u>Balance 9-1-88</u>	<u>Additions</u>	<u>Deletions</u>	<u>(Exh.I) Balance 8-31-89</u>
Land & Improvements	\$ 315,754	\$	\$	\$ 315,754
Buildings	1,396,328			1,396,328
Furniture and Equipment	4,691,748	460,379	136,324	5,015,803
Vehicles	64,395	20,769		85,164
Library Books & Publications	<u>2,721,840</u>	<u>140,170</u>	<u>6,532</u>	<u>2,855,478</u>
TOTAL	<u>\$ 9,190,065</u>	<u>\$ 621,318</u>	<u>\$ 142,856</u>	<u>\$ 9,668,527</u>

NOTE 3: EMPLOYEES' COMPENSABLE LEAVE

The following is a summary of changes in employees' compensable leave balances, which reflect employees' accrued rights to future compensated absences. Changes and balances are stated in terms of hours:

	<u>ANNUAL LEAVE</u>	<u>FLSA & STATE COMP TIME</u>	<u>TOTALS</u>
Compensable Leave Hours (9-1-88)	20,390	1,920	22,310
Additions - Increases	19,246	8,905	28,151
Deductions - Decreases	<u>19,192</u>	<u>9,148</u>	<u>28,340</u>
Compensable Leave Balance (8-31-89)	<u>20,444</u>	<u>1,677</u>	<u>22,121</u>

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

Note: FLSA hours accumulated are one and one-half times hours worked.

The Library and Archives Commission's monetary liabilities for compensable future absences as of August 31, 1989, as computed by multiplying the ending balances by the year-end average hourly salary rate for all employees, were as follows:

	<u>General Long- term Debt Account Group</u>
Annual Leave	\$191,865
FLSA & State Comp Time	<u>15,738</u>
Total (Exh. I)	<u>\$207,603</u>

NOTE 4: EMPLOYEES RETIREMENT PLANS

The State has joint contributory retirement plans for substantially all its employees. The Texas State Library participates in the plan administered by the Employees Retirement System of Texas. Future pension costs are the liabilities of the Retirement System. The System does not account for each State agency separately. Annual financial reports prepared by the System include audited financial statements and actuarial assumptions and conclusions.

The actuarial valuation of the Employees Retirement System as of August 31, 1988 reflects an overfunded actuarial accrued liability. When the system is overfunded, there is no amortization period for unfunded actuarial accrued liabilities. The contribution rates of employees (6%) and the State (7%), are set by the State Legislature.

Total cost to the State, related to the State Library for the year ended August 31, 1989, was \$290,921. This includes the amount shown in Note 6 and \$8,200 paid from operating funds.

NOTE 5: DEFERRED COMPENSATION

At August 31, 1989, 5 employees of the State Library were participating in the State's Deferred Compensation Program. This program allows employees to defer a portion of their monthly salary for income tax and investment purposes. During the 1989 fiscal year \$57,464 was withheld from employees' salaries to be invested in approved plans as designated by the employee. The State has no additional or unfunded liability for this program.

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TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

NOTE 6: INDIRECT COSTS

In addition to direct expenditures as shown in Exhibit II, certain costs were paid on behalf of employees from appropriations of the state's General Revenue Fund made available to other state agencies. Listed below are these indirect costs:

Retirement Contributions and Related Costs:	
Employees Retirement System	\$282,721
State Contributions for Group Insurance:	
Active Employees	267,412
Retired Employees	21,941
Unemployment Compensation Benefits	10,353
Workers' Compensation Benefits	<u>8,685</u>
 Total	 <u>\$591,112</u>

NOTE 7: CONTINGENT LIABILITIES

A. Sick Leave

Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid to the employee only in the case of illness or to the employee's estate in the event of his/her death while employed by the Commission. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement, or 336 hours, whichever is less. The Commission's policy is to recognize the cost of any sick leave when paid. No liability is recorded in the General Long-Term Debt Account Group since experience indicates the probability of a material effect on any given year's operation, as a result of death or abnormally high rate of illness, is minimal.

B. Federal Grant Funds

As contractor with the U.S. Department of Education, the Commission is held responsible for costs incurred by each subrecipient under contract and becomes contingently liable to refund the cash value of disallowed costs to the granting agency. Although the Commission in turn requests a refund from the subrecipient, this collection cannot be assured. Based on prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 8: CONTINUANCE SUBJECT TO REVIEW

Under the provisions of the Texas Sunset Act, the Texas State Library and Archives Commission will be abolished effective September 1, 1995, unless continued in existence by the Legislature as provided by the Act. If abolished, the Agency may continue until September 1, 1996 to close out its operations.

COMBINING STATEMENTS

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT A-1

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
August 31, 1989

	Federal Public Library Service Fund Fund	Other Grant Fund	Sam Houston Regional Lib. and Depository Fund	1989 TOTALS (EXH. I)	1988 TOTALS (EXH. I)
ASSETS					
Cash in Banks	\$	\$	\$6,844	\$ 6,844	\$ 6,372
Cash in State Treasury	139,704	6,057		145,761	27,393
Receivables:					
Intergovernmental Receivables:					
Federal Receivables	325,699			325,699	157,901
Other Receivables:					
Accounts Receivable	3,464		28	3,492	27
Due From Other Funds					1,262
TOTAL ASSETS	<u>\$468,867</u>	<u>\$6,057</u>	<u>\$6,872</u>	<u>\$481,796</u>	<u>\$192,955</u>
LIABILITIES					
Payables:					
Accounts Payable	\$334,746	\$	\$	\$334,746	\$ 94,905
Due to Other Funds					71,767
Deferred Revenue	_____	<u>3,757</u>	_____	<u>3,757</u>	<u>267</u>
TOTAL LIABILITIES	<u>334,746</u>	<u>3,757</u>	<u>_____</u>	<u>338,503</u>	<u>166,939</u>
FUND EQUITY					
FUND BALANCES (DEFICITS):					
Reserved For:					
Unencumbered Appropriations:					
Future Operations	32,456	2,300	6,872	41,628	26,016
Unreserved:					
Undesignated:					
Avail. for Subsequent Years	<u>101,665</u>			<u>101,665</u>	
TOTAL FUND EQUITY	<u>134,121</u>	<u>2,300</u>	<u>6,872</u>	<u>143,293</u>	<u>26,016</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$468,867</u>	<u>\$6,057</u>	<u>\$6,872</u>	<u>\$481,796</u>	<u>\$192,955</u>

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

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT A-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 1989

	Federal Public Library Service Fund	Other Grant Funds	Sam Houston Regional Lib. and Depository Fund	1989 TOTALS (EXH. II)	1988 TOTALS (EXH. II)
REVENUES:					
Federal Revenues:					
Federal Grants	\$710,969	\$1,274	\$	\$712,243	\$507,927
Earned Federal Funds					
Interest and Investment Income	28,505		322	28,827	22,861
Sales of Goods and Services:	6,316			6,316	13,154
Other Revenue	<u>227</u>	<u>17,000</u>	<u>150</u>	<u>17,377</u>	<u> </u>
TOTAL REVENUES	<u>746,017</u>	<u>18,274</u>	<u>472</u>	<u>764,763</u>	<u>543,942</u>
EXPENDITURES:					
Salaries and Wages	116,333			116,333	83,825
Payroll Related Costs	28,282			28,282	20,472
Professional Fees & Services:	335,361			335,361	145,675
Travel	10,051	1,274		11,325	5,434
Materials and Supplies	5,627			5,627	6,240
Communication and Utilities	6,010			6,010	69,375
Rentals and Leases	549			549	342
Printing and Reproduction	3,325			3,325	7,428
Other Operating Expenditures:	81,065			81,065	153,785
Capital Outlay	<u>44,909</u>	<u>14,700</u>	<u> </u>	<u>59,609</u>	<u>41,913</u>
TOTAL EXPENDITURES	<u>631,512</u>	<u>15,974</u>	<u>0</u>	<u>647,486</u>	<u>534,489</u>
EXCESS OF REVENUES OVER EXPENDITURES	114,505	2,300	472	117,277	9,453

UNAUDITED

EXHIBIT A-2

TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	114,505	2,300	472	117,277	9,453
FUND BALANCES - Sept. 1, 1988	<u>19,617</u>	<u>0</u>	<u>6,399</u>	<u>26,016</u>	<u>16,563</u>
FUND BALANCES - August 31, 1989	<u>\$134,122</u>	<u>\$ 2,300</u>	<u>\$ 6,871</u>	<u>\$143,293</u>	<u>\$26,016</u>

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

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT C-1

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

For the Year Ended August 31, 1989

	<u>Balances</u> <u>September 1,</u> <u>1988</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>August 31,</u> <u>1989</u>
UNAPPROPRIATED RECEIPTS				
<u>General Revenue Fund (961)</u>				
Assets:				
Cash on Hand		\$ <u>28</u>	\$ <u>28</u>	
Liabilities:				
Due to Other Funds (Agency 304, Fund 961)		\$ <u>28</u>	\$ <u>28</u>	
<u>General Revenue Fund (962)</u>				
Assets:				
Cash on Hand		\$ <u>167</u>	\$ <u>167</u>	
Liabilities:				
Due to Other Funds (agency 304, Fund 962)		\$ <u>167</u>	\$ <u>167</u>	
<u>General Revenue Fund (964)</u>				
Assets:				
Cash on Hand		\$ <u>26</u>	\$ <u>26</u>	
Liabilities:				
Due to Other Funds (Agency 304, Fund 964)		\$ <u>26</u>	\$ <u>26</u>	
FEDERAL PASS-THROUGH FUNDS				
<u>U. S. Department of Education (118)</u>				
Assets:				
Cash in State Treasury		\$5,750,791	\$5,750,791	
Federal Receivables	\$1,029,465	<u>788,841</u>	<u>1,029,465</u>	\$788,841
Total Assets	<u>\$1,029,465</u>	<u>\$6,539,632</u>	<u>\$6,780,256</u>	<u>\$788,841</u>
Liabilities:				
Due to Subrecipients	\$1,029,465	<u>\$6,539,632</u>	<u>\$6,780,256</u>	<u>\$788,841</u>

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT C-1

	<u>Balances September 1, 1988</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances August 31, 1989</u>
OTHER AGENCY FUNDS				
<u>Employees' Savings Bond Account (901)</u>				
Assets:				
Cash in State Treasury	<u>\$119</u>	<u>\$21,127</u>	<u>\$20,750</u>	<u>\$496</u>
Liabilities:				
Funds Held in Custody for Others	<u>\$119</u>	<u>\$21,127</u>	<u>\$20,750</u>	<u>\$496</u>
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash on Hand	\$	\$221	\$221	\$
Cash in State Treasury	119	5,771,918	5,771,541	496
Federal Receivables	<u>1,029,465</u>	<u>788,841</u>	<u>1,029,465</u>	<u>788,841</u>
Total Assets	<u>\$1,029,584</u>	<u>\$6,560,980</u>	<u>\$6,801,227</u>	<u>\$789,337</u>
Liabilities:				
Funds Held in Custody for Others	<u>\$1,029,584</u>	<u>\$6,560,980</u>	<u>\$6,801,227</u>	<u>\$789,337</u>
Total Liabilities	<u>\$1,029,584</u>	<u>\$6,560,980</u>	<u>\$6,801,227</u>	<u>\$789,337</u>

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION (306)

EXHIBIT C-2

DETAIL OF ADDITIONS AND DEDUCTIONS - AGENCY FUNDS

For the Year Ended August 31, 1989

	<u>UNAPPROPRIATED RECEIPTS</u>			<u>FEDERAL PASS-THROUGH FUNDS</u>	<u>OTHER AGENCY FUNDS</u>	<u>Totals</u>
	General Revenue			U. S. Department of Education	Employees' Savings Bond Account	
	<u>(961)</u>	<u>(962)</u>	<u>(964)</u>	<u>(118)</u>	<u>(901)</u>	
Balances, 9-1-88 (EXH. C-1)	\$	\$	\$	\$1,029,465	\$119	\$1,029,584
Additions to Cash:						
Payroll Deductions					21,127	21,127
Federal Fund Receipts				5,750,791		5,750,791
Sales Tax Collection	28	167	26			221
Deductions from Cash:						
Payments to Subrecipients				(5,750,791)		(5,750,791)
Federal Grant Refunds						
Deposits to State Treasury:						
Sales Tax	(28)	(167)	(26)			(221)
Savings Bonds Purchased					(20,750)	(20,750)
Net Increase (Decrease) in Noncash Assets:						
Federal Grants Receivable				(240,624)		(240,624)
Balances, 8-31-89 (EXH. C-1)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$788,841</u>	<u>\$496</u>	<u>\$789,337</u>

SCHEDULES

UNAUDITED

SCHEDULE 1

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED AUGUST 31, 1989

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH		EXPENDITURES	TOTAL PASS THROUGH AND EXPENDITURES
		TO STATE ENTITIES	TO OTHER ENTITIES		
<u>U. S. Department of Education</u>					
Direct Programs					
Library Services and Construction					
Title I - Library Services	84.034	\$	\$4,380,675	\$157,228	\$4,537,903
Title II - Library Construction	84.154		454,854		454,854
Title III - Interlibrary Cooperation	84.035		<u>674,638</u>	<u>452,076</u>	<u>1,126,714</u>
			<u>0</u>		
TOTAL U.S. DEPARTMENT OF EDUCATION		\$	<u>5,510,167</u>	<u>609,304</u>	<u>6,119,471</u>
<u>National Archives and Records Adm.</u>					
National Historical Publications and Records Grant					
	89.003	\$	<u>0</u>	<u>1,274</u>	<u>1,274</u>
TOTAL FEDERAL ASSISTANCE		\$	<u>5,510,167</u>	<u>\$610,578</u>	<u>\$6,120,745</u>

NOTE 1: RECONCILIATION OF REVENUES AND RECEIPTS TO EXPENDITURES AND DISBURSEMENTS (PASS THROUGH)

FEDERAL REVENUES - PER EXHIBIT II:	\$ 712,243
Indirect Costs, Unappropriated	(101,665)
GRANTS	<u>610,578</u>
RECONCILING ITEMS:	
Agency Funds Federal Receipts (Pass-Through Funds):	<u>5,510,167</u>
EXPENDITURES PER FEDERAL SCHEDULE	<u>\$ 6,120,745</u>

UNAUDITED

SCHEDULE 2

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES
FOR THE YEAR ENDED AUGUST 31, 1989

<u>Name</u>	<u>Location</u>	<u>Type of Service Rendered</u>	<u>Amount</u>
Ed Aiken	Austin	Designed and produced artwork for reading posters, bookmarks, & certificates	\$ 1,425
Association for Higher Education of North Texas	Dallas	Created optical disk union catalog of titles	24,989
AMIGOS Bibliographic Council	Dallas	Provided online cataloging for members of the Texas Union List of Serials	18,512
AMIGOS Bibliographic Council	Dallas	Provided online cataloging for Interlibrary Loan Resources Centers	35,000
University of Houston at Victoria	Victoria	Created a union catalog of 31 academic, public, school, and hospital libraries in the South Texas area	127,547
Jeanette Larson	Mesquite	Plan, design, and write the 1990 Program Guide for the Texas Reading Club	800
Bill Malone	Austin	Photographed current events	26,377
State Auditor	Austin	Annual audit of Federal Funds	600
State Purchasing and General Services Commission	Austin	Architect/Engineer, soil erosion study	2,500
State Purchasing and General Services Commission	Austin	Data Processing support for Accounting and Personnel/Payroll System	20,700
Stephen F. Austin University	Nacogdoches	Automated the Nacogdoches Public Library catalog and borrower records	80,306
Malcolm Wadland	Austin	Designed and produced artwork for Read-To-Me materials	900
Wellington ISD	Wellington	Provided Harrington Library Consortium automated library services to Collingsworth County/ School Library	48,308

UNAUDITED

SCHEDULE 2 (Continued)

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

The following planned & conducted library workshops, conferences & seminars:

<u>Name</u>	<u>Location</u>	
Susan Allison	Richardson	130
Technical Resources, Inc.	Houston	1,429
Denise Fischer	Baytown	106
Jill Greer	Marble Falls	20
Diane Johnson	Olympia, WA	3,741
Barry J. Schneider	Fort Worth	268
Elliot L. Shelkrot	Philadelphia, PA	1,113
Texas Library Assn.	Austin	100
Julie Todaro	Austin	2,093
University of Houston	Houston	300
Janet White	Austin	1,484
		<hr/>
Total, Professional and Consulting Fees (Exh. II)		<u>\$ 398,748</u>

UNAUDITED

SCHEDULE 3

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION
SCHEDULE OF GENERAL REVENUE FUND GRANTS FOR
LIBRARY SYSTEMS SERVICES
FOR THE YEAR ENDED AUGUST 31, 1989

<u>City/County</u>	<u>Amount</u>
Abilene	\$ 340,032
Amarillo	329,425
Austin	803,582
Fort Worth	819,455
Garland	1,345,764
Houston	1,432,523
Lubbock	462,329
	<hr/>
Total General Revenue Fund Grants for Library Systems Services (Exh. II)	<u>\$ 5,533,110</u>

UNAUDITED

SCHEDULE 4

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION
SCHEDULE OF FEDERAL PUBLIC LIBRARY SERVICE
FUND GRANTS FOR LIBRARY SERVICES
FOR THE YEAR ENDED AUGUST 31, 1989

<u>City/County</u>	<u>Amount</u>
Abilene	\$ 107,244
Allen	62,332
Amarillo	132,939
Arlington	16,734
Austin	263,447
Bastrop	72,444
Beaumont	12,024
Brazoria County	89,133
Brownsville	7,628
Corpus Christi	910,646
Dallas	502,951
Delta	14,000
Denton	41,048
El Paso	547,817
Foard County	20,000
Fort Worth	230,967
Franklin County	23,878
Garland	67,907
Harris County	50,937
Houston	821,355
Irving	9,379
King County	20,000
Lubbock	125,763
Mission	2,870
Pasadena	9,337
Plano	8,294
Rusk County	64,838
San Antonio	971,879
San Marcos	19,227
Smithville	50,000
Taylor	100,000
Waco	8,149
West	100,000
Winnsboro	25,000
	<hr/>
Total Direct Grants to Cities and Counties	\$ 5,510,167

ADDENDA

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

ADDENDA

ORGANIZATION, FUNCTIONS AND GENERAL COMMENTS

The State Library's operations are supervised by the six-member Texas State Library & Archives Commission as specified in Vernon's Texas Code Annotated, Government Code, Chapter 441, Libraries and Archives. The members are appointed by the Governor, with the advice and consent of the Senate, and serve overlapping six-year terms.

The general responsibilities of the Commission, as stated in the above referenced article, are stated as follows:

"The Commission shall be responsible for the adoption of all policies, rules and regulations so as to aid and encourage the development of and cooperation among all types of libraries, including but not limited to public, academic, special, and other types of libraries, collect materials relating to the history of Texas and the adjoining states, preserve, classify and publish the manuscript archives and such other matters as it may deem proper, diffuse knowledge in regard to the history of Texas, encourage historical work and research, mark historic sites and houses and secure their preservation, and aid those who are studying the problems to be dealt with by legislation."

A list of Commission members at August 31, 1989, follows:

<u>Commission Members</u>	<u>Address (Texas)</u>	<u>Term Expires September 28,</u>
T. F. Glass, Jr., Chair	Houston	1989
John Ben Shepperd	Odessa	1993
Senator Ralph Yarborough	Austin	1989
Mrs. Auralia Nelson McCreless	San Antonio	1991
Mrs. Harriet Williford Whatley	Fairfield	1993
Mrs. Price Daniel	Liberty	1991

Mr. James H. Banks was appointed in September, 1989, to replace Mr. T. F. Glass, Jr.

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

Assisting in the management of the Library is the Director and Librarian who is appointed by and serves at the will of the Commission. The Director and Librarian and key personnel serving at August 31, 1989, were:

<u>Name and Title</u>	<u>Annual Salary at August 31, 1989 (Note A)</u>
William D. Gooch, Director-Librarian	\$ 49,378
Raymond W. Hitt, Assistant State Librarian	44,966
William H. Carlton, Director, Administrative Services	46,560
Robert A. Walton, Director, Data Processing (Note B)	40,668
Dale Propp, Director, Blind and Physically Handicapped Division	41,236
Edward Seidenberg, Director, Library Development Division	42,156
Allan S. Quinn, Director, Information Services Division	40,776
Christopher A. LaPlante, Director, Archives Division	38,184
William L. Dyess, Director, Records Management Division	45,024
Marilyn von Kohl, Director, Regional Resource Depository and Local Records Division	39,480

Note A: The annual salary rates do not include any longevity pay entitlements.

Note B: Data Processing Director position vacant 9/1/89.

Operating functions are divided among the Library's divisions as follows:

1. The Administrative Services Division supports the other divisions with accounting, data processing, printing, office, and personnel services.
2. The Blind and Physically Handicapped Division provides recorded books, braille books, large-print books, and mechanical reading aids for those unable to use conventional reading matter.

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

3. The Library Development Division administers federal grant funds under Titles I, II and III of the Library Services and Construction Act, and state funds under the Library Systems Act. These funds are distributed throughout the State as direct grants for library system and network development; to strengthen library services to more adequately serve the educationally and economically disadvantaged; to construct and remodel library buildings; and to encourage the sharing of resources through interlibrary cooperation. Other uses of these funds include purchasing books and audiovisual materials for use in state institutions.
4. The Information Services Division makes available to state agencies reference resources, assistance and lending materials. It provides a comprehensive genealogical research library for the citizens of Texas. Also, this division acquires and catalogs the Library's collections, which include such major assemblages as publications of the U. S. Government and of Texas state agencies.
5. The Archives Division collects, preserves and makes available for research, permanent and valuable records concerning Texas history. Other activities include the preparation and distribution of archival publications.
6. The Records Management Division stores state records and destroys such records after their period of usefulness. The division provides micro-filming services and training in records management to state agencies.

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

7. The Regional Historical Resource Depository and Local Records Division collects, preserves and makes available for research permanent and valuable records of cities, counties, school districts, local courts and other special districts. This division also assists local governments in establishing efficient and economical methods of preserving and managing their records.

All employees are covered by a public employee blanket position bond. William D. Gooch, Director-Librarian, and William L. Dyess, Records Preservation Officer are covered by a faithful performance bond. Both bonds are in the amount of \$10,000.00, and are issued by the United States Fidelity and Guaranty Company.

The Library occupies rent-free floor space in state-owned buildings. The following buildings were in use at August 31, 1989:

	<u>Square Feet</u>		
	<u>Office</u>	<u>Storage</u>	<u>Other</u>
Lorenzo de Zavala Archives and Library Building, Capitol Complex, Austin, Texas	24,228	51,112 (A)	8,761
Records Center Building, 4400 Shoal Creek Boulevard, Austin, Texas	9,001	115,931	6,833
Sam Houston Regional Library and Depository, Liberty, Texas	8,454	9,336	
Total Floor Space Occupied	<u>41,683</u>	<u>176,379</u>	<u>15,594</u>

Note A: This space consists of the Library stacks plus other Library space in the building.

The Commission also holds the deed to the following historic homes:

Miriam Partlow House	2131 Grand Avenue, Liberty, Texas
Gillard-Duncan-Welder House	Sam Houston Regional Library and Depository grounds, Liberty, Texas

UNAUDITED

TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

The Library had no purchasing exception letters issued by the State Purchasing and General Services Commission for fiscal year 1989.

Cash in banks include petty cash, travel advance and funds in the amount of \$6,844 held for the Sam Houston Regional Depository Center, Liberty, Texas; all are insured by FDIC.

ORGANIZATIONAL CHART



