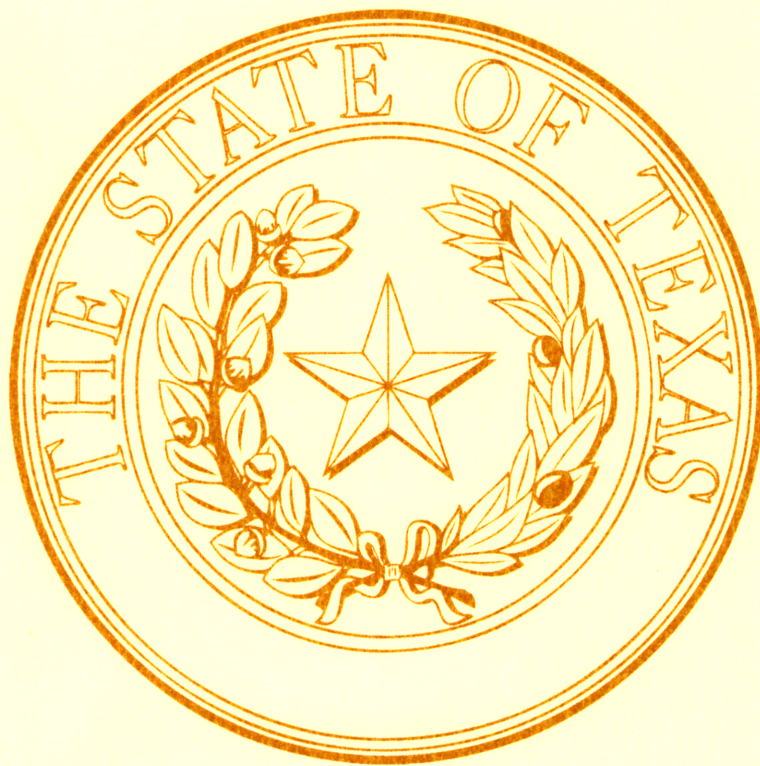


***Texas Veterans
Commission
Annual Financial Report***



For the Year Ended

August 31, 2012

T.P. O'MAHONEY
Chairman

ELISEO "AL" CANTU, JR.
Major, US Army (Retired)
Vice Chairman

JAMES H. SCOTT
Colonel, USAF (Retired)
Secretary



RICHARD A. McLEON, IV
Member

DANIEL P. MORAN
Captain, USMC (Retired)
Member

THOMAS P. PALLADINO
Colonel, US Army (Retired)
Executive Director

TEXAS VETERANS COMMISSION

Stephen F. Austin Building, Suite 800

P.O. Box 12277, Austin, Texas 78711-2277

Phone: 512/463-6564 | Fax: 512/475-2395

Veterans' HOTLINE: 1-800-252-VETS (8387)

E-Mail: info@tvc.state.tx.us | Web: www.tvc.state.tx.us

November 19, 2012

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

Dear State Leaders:

We are pleased to submit the annual financial report of the Texas Veterans Commission for the year ended August 31, 2012, in compliance with Texas Government Code Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board 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 Charlie C. Osborne, Jr. at (512) 463-3151.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas P. Palladino".

THOMAS P. PALLADINO
Colonel, US Army (Retired)
Executive Director

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COMBINED FINANCIAL STATEMENTS

UNAUDITED

Texas Veterans Commission, Agency 403

Exhibit I — Combined Balance Sheet/Statement of Net Assets — Governmental Funds

August 31, 2012

	Governmental Fund Types		Capital Assets Adjustments
	General Funds	Governmental Funds Total	
ASSETS AND DEFERRED OUTFLOWS			
Current Assets:			
Cash In State Treasury	10,166,260.89	10,166,260.89	
Legislative Appropriations	2,224,190.82	2,224,190.82	
Receivables from:			
Federal	2,001,668.52	2,001,668.52	
Other Intergovernmental Receivable	4,235.64	4,235.64	
Interfund Receivables (Note 12)	747.38	747.38	
Due From Other Agencies (Note 12)	15,741.06	15,741.06	
Consumable Inventories	26,069.72	26,069.72	
Non-Current Assets:			
Capital Assets (Note 2):			
Depreciable or Amortizable, Net			192,978.91
Total Assets and Deferred Outflows	<u>14,438,914.03</u>	<u>14,438,914.03</u>	<u>192,978.91</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	199,371.57	199,371.57	
Payroll	1,426,150.22	1,426,150.22	
Interfund Payable (Note 12)	747.38	747.38	
Due To Other Agencies (Note 12)	560,571.24	560,571.24	
Employees' Compensable Leave (Note 5)			
Non-Current Liabilities			
Employees' Compensable Leave (Note 5)			
Total Liabilities and Deferred Inflows	<u>2,186,840.41</u>	<u>2,186,840.41</u>	<u>0.00</u>

UNAUDITED

Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
		10,166,260.89
		2,224,190.82
		2,001,668.52
		4,235.64
		747.38
		15,741.06
		26,069.72
		<u>192,978.91</u>
<u>0.00</u>	<u>0.00</u>	<u>14,631,892.94</u>
		199,371.57
		1,426,150.22
		747.38
		560,571.24
823,008.70		823,008.70
<u>610,242.38</u>		<u>610,242.38</u>
<u>1,433,251.08</u>	<u>0.00</u>	<u>3,620,091.49</u>

UNAUDITED

Texas Veterans Commission, Agency 403

Exhibit I — Combined Balance Sheet/Statement of Net Assets — Governmental Funds

August 31, 2012

	Governmental Fund Types		Capital Assets Adjustments
	General Funds	Governmental Funds Total	
Fund Financial Statement			
Fund Balances (Deficits):			
Nonspendable	26,069.72	26,069.72	
Committed	10,852,740.67	10,852,740.67	
Assigned	61,828.70	61,828.70	
Unassigned	1,311,434.53	1,311,434.53	
		0.00	
Total Fund Balance	<u>12,252,073.62</u>	<u>12,252,073.62</u>	
Total Liabilities, Deferred Inflows and Fund Balances	<u>14,438,914.03</u>	<u>14,438,914.03</u>	
Government-Wide Statement of Net Assets			
Net Assets			
Invested in Capital Assets, Net of Related Debt			192,978.91
Unrestricted			
Total Net Assets			<u>192,978.91</u>

UNAUDITED

Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
		26,069.72
		10,852,740.67
		61,828.70
		1,311,434.53
		0.00
<hr/>	<hr/>	<hr/>
		12,252,073.62
		192,978.91
(1,433,251.08)		(1,433,251.08)
<hr/>	<hr/>	<hr/>
(1,433,251.08)	0.00	11,011,801.45
<hr/>	<hr/>	<hr/>

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Statement of Activities - Governmental Funds
For the Fiscal Year Ended August 31, 2012

	<u>General Funds</u>	<u>Governmental Funds Total</u>	<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>
REVENUES				
Legislative Appropriations				
Original Appropriations (GR)	6,818,914.00	6,818,914.00		
Additional Appropriations (GR)	2,946,425.06	2,946,425.06		
Federal Revenues (PR - Operating or Capital)	12,926,144.11	12,926,144.11		
Licenses, Fees & Permits (PR)	7,987.77	7,987.77		
Interest and Other Investment Income (GR)	77,088.52	77,088.52		
Other (GR)	1,697,330.69	1,697,330.69		
Total Revenues	<u>24,473,890.15</u>	<u>24,473,890.15</u>	<u>0.00</u>	<u>0.00</u>
EXPENDITURES				
Salaries and Wages	13,466,870.94	13,466,870.94		24,338.06
Payroll Related Costs	3,306,859.37	3,306,859.37		
Professional Fees and Services	390,255.23	390,255.23		
Travel	503,304.15	503,304.15		
Materials and Supplies	304,181.70	304,181.70	(40,868.30)	
Communication and Utilites	89,460.89	89,460.89		
Repair and Maintenance	48,730.49	48,730.49		
Rental and Leases	1,928,356.43	1,928,356.43		
Printing and Reproduction	72,307.07	72,307.07		
Intergovernmental Payments	862,002.57	862,002.57		
Public Assistance Payments	8,472,599.98	8,472,599.98		
Other Expenditures	313,105.81	313,105.81		
Capital Outlay	0.00	0.00		
Depreciation Expense			84,300.57	
Total Expenditures	<u>29,758,034.63</u>	<u>29,758,034.63</u>	<u>43,432.27</u>	<u>24,338.06</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,284,144.48)</u>	<u>(5,284,144.48)</u>	<u>(43,432.27)</u>	<u>(24,338.06)</u>

UNAUDITED

<u>Other Adjustments</u>	<u>Statement of Activities</u>
	6,818,914.00
	2,946,425.06
	12,926,144.11
	7,987.77
	77,088.52
	<u>1,697,330.69</u>
<u>0.00</u>	<u>24,473,890.15</u>
	13,491,209.00
	3,306,859.37
	390,255.23
	503,304.15
	263,313.40
	89,460.89
	48,730.49
	1,928,356.43
	72,307.07
	862,002.57
	8,472,599.98
	313,105.81
	0.00
	<u>84,300.57</u>
<u>0.00</u>	<u>29,825,804.96</u>
<u>0.00</u>	<u>(5,351,914.81)</u>

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Statement of Activities - Governmental Funds
For the Fiscal Year Ended August 31, 2012

	General Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments
OTHER FINANCING SOURCES (USES)				
Transfer In	6,678,715.24	6,678,715.24		
Transfer Out	(3,086,079.80)	(3,086,079.80)		
Legislative Transfer In	100,000.00	100,000.00		
Legislative Transfer Out	0.00	0.00		
Total Other Financing Sources (Uses)	<u>3,692,635.44</u>	<u>3,692,635.44</u>		
Net Change in Fund Balances	<u>(1,591,509.04)</u>	<u>(1,591,509.04)</u>		
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2011	13,859,724.59	13,859,724.59		
Restatements (Note 14)	<u>(7,884.61)</u>	<u>(7,884.61)</u>		
Fund Balances, September 1, 2011, as Restated	<u>13,851,839.98</u>	<u>13,851,839.98</u>		
Appropriation Lapsed	<u>(8,257.32)</u>	<u>(8,257.32)</u>		
Fund Balances, August 31, 2012	<u><u>12,252,073.62</u></u>	<u><u>12,252,073.62</u></u>		
Government-Wide Statement of Net Assets				
Net Assets/Net Change in Net Assets		<u>12,252,073.62</u>	<u>(43,432.27)</u>	<u>(24,338.06)</u>
Net Assets, September 1, 2011			236,411.18	(1,408,913.02)
Restatements			<u>0.00</u>	
Net Assets, September 1, 2011, as Restated			<u>236,411.18</u>	<u>(1,408,913.02)</u>
Net Assets, August 31, 2012		<u><u>12,252,073.62</u></u>	<u><u>192,978.91</u></u>	<u><u>(1,433,251.08)</u></u>

UNAUDITED

<u>Other</u> <u>Adjustments</u>	<u>Statement of</u> <u>Activities</u>
	6,678,715.24
	(3,086,079.80)
	100,000.00
	<u>3,692,635.44</u>
	<u>(1,659,279.37)</u>
	13,859,724.59
	(7,884.61)
	<u>13,851,839.98</u>
	<u>(8,257.32)</u>
	<u>12,184,303.29</u>
<u>0.00</u>	<u>12,184,303.29</u>
	(1,172,501.84)
	0.00
<u>0.00</u>	<u>(1,172,501.84)</u>
<u>0.00</u>	<u>11,011,801.45</u>

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit VI — Combined Balance Statement of Net Assets — Fiduciary Funds
For the Fiscal Year Ended August 31, 2012

Agency Funds (Exh. J-1)

ASSETS

Cash and Cash Equivalents	
Cash In State Treasury	3,520.37
Receivable from:	
Accounts Receivable	0.00
Total Assets	<u>3,520.37</u>

LIABILITIES

Liabilities	
Payables from:	
Accounts	0.00
Funds Held For Others	3,520.37
Total Liabilities	<u>3,520.37</u>

Net Assets

Held in Trust For	
Other Post Employment Benefits	0.00
Total Net Assets	<u>0.00</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Texas Veterans 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*.

Texas Veterans Commission serves the state by providing services that will significantly improve the quality of life of Texas Veterans and their families.

Due to the statewide requirements embedded in GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report 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.

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 and Government-wide Adjustments Fund Types***General Revenue Funds***

The general revenue fund is used to account for all financial resources of the state except those required to be accounted for in another fund. As of Sept. 1, 2009, the Texas license plate account was consolidated into general revenue fund. The Texas license plate account was previously presented as agency funds.

The Fund for Veterans Assistance (fund 0368) - This fund was established to enhance or improve veterans' assistance programs and make grants to local communities to address veteran needs. Revenues are obtained from veteran scratch off lottery game and gifts contributed to the fund.

Capital Assets Adjustment Fund Type

The capital assets adjustment fund (fund 0099) will be used to convert governmental fund type capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The long-term liabilities adjustment fund (fund 0098) will be used to convert governmental fund type 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.

Agency Funds

Child Support (fund 8070) accounts for employee deductions for child support.

US Saving Bond (fund 0901) accounts for employee contributions to purchase savings bonds.

TexaSaver 401(k) trust (fund 0942) accounts for tax-deferred portions of salaries of state employees in accordance with the provisions of IRC Section 401(k).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The state of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, and unpaid employee compensable leave and full accrual revenues and expenses. The activity is recognized in these fund types.

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 are appropriated.

Assets, Liabilities and Fund Balance/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.

Inventories and Prepaid Items

Inventories includes consumable inventories. Inventories are valued at cost, generally using the first-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental fund types. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line

Other Receivables - Current

The disaggregation of other receivables as reported in the financial statements is shown in Note 25, "Disaggregation of Receivables and Payables Balances."

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

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.

Fund Balance Components

Fund balance 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 (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed 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 are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation.

Restricted Net Assets

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributions and the like or imposed by law through constitutional 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, which are imposed by management but can be removed or modified.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Interfund Activities and Balances**

The agency has the following types of transactions between funds:

- (1) Transfers: Legally required transfers that are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.
- (2) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If payment is due during the current year or soon thereafter, the balance is classified as "current."

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

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2012, is presented below:

	Balance		Reclassifications				Balance	
	9/1/2011	Adjustments	Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans	Additions	Deletions	8/31/2012
Governmental Activities:								
Depreciable Assets:								
Furniture & Equipment	21,590.76	0.00	0.00	0.00	0.00	40,868.30	(5,961.15)	56,497.91
Total Depreciable Assets	21,590.76	0.00	0.00	0.00	0.00	40,868.30	(5,961.15)	56,497.91
Less Accumulated Depreciation for:								
Furniture & Equipment	(20,846.34)	0.00	0.00	0.00	0.00	(3,809.37)	5,961.15	(18,694.56)
Total Accumulated Depreciation	(20,846.34)	0.00	0.00	0.00	0.00	(3,809.37)	5,961.15	(18,694.56)
Depreciable Assets, Net	744.42	0.00	0.00	0.00	0.00	37,058.93	0.00	37,803.35
Amortizable Assets - Intangible:								
Computer Software	402,456.36		0.00	0.00	0.00	0.00	0.00	402,456.36
Total Amortizable Assets - Intangible	402,456.36	0.00	0.00	0.00	0.00	0.00	0.00	402,456.36
Less Accumulated Amortization for:								
Computer Software	(166,789.60)	0.00	0.00	0.00	0.00	(80,491.20)	0.00	(247,280.80)
Total Accumulated Amortization	(166,789.60)	0.00	0.00	0.00	0.00	(80,491.20)	0.00	(247,280.80)
Amortizable Assets Intangible, Net	235,666.76	0.00	0.00	0.00	0.00	(80,491.20)	0.00	155,175.56
Governmental Activities								
Capital Assets, Net	236,411.18	0.00	0.00	0.00	0.00	(43,432.27)	0.00	192,978.91

NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

NOT APPLICABLE

NOTE 4: SHORT-TERM DEBT

NOT APPLICABLE

NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

Changes In Long-Term Liabilities

During the year ended August 31, 2012, the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/2011	Additions	Reductions	Balance 8/31/2012	Amounts Due Within One Year
Compensable Leave	\$ 1,408,913.02	\$ 1,233,361.29	\$ 1,209,023.23	\$ 1,433,251.08	\$ 823,008.70
TOTAL	\$ 1,408,913.02	\$ 1,233,361.29	\$ 1,209,023.23	\$ 1,433,251.08	\$ 823,008.70

Employees' Compensable Leave

If a state employee has 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, 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. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

NOT APPLICABLE

NOTE 7: DERIVATIVE INSTRUMENTS

NOT APPLICABLE

NOTE 8: LEASES

NOT APPLICABLE

NOTE 9: PENSION PLANS (administering agencies only)

NOT APPLICABLE

NOTE 10: DEFERRED COMPENSATION (administering agencies only)

NOT APPLICABLE

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

NOT APPLICABLE

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

The Texas Veterans Commission experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

Individual balances and activity at 08/31/2012 follows:

Interfund Receivables and Payables - Current

	Interfund Receivable	Interfund Payable	Purpose (Disclosure Required)
GENERAL (01)			
Appnd Fund 0001, D23 fund 0001		1,061.00	To record year end quarterly allocations
Appnd Fund 0001, D23 fund 0003	3,500.34		
Appnd Fund 0001, D23 fund 0020		101.67	
Appnd Fund 0001, D23 fund 0110			
Appnd Fund 0001, D23 fund 0116			
Appnd Fund 0001, D23 fund 0117		245.58	
Appnd Fund 0001, D23 fund 0118		938.56	
Appnd Fund 0368, D23 fund 0030	(2,752.96)		
Appnd Fund 0368, D23 fund 0033		(1,599.43)	
Total Interfund Receivables/Payables	747.38	747.38	

Interfund Receivables and Payables - Non-Current

	Interfund Receivable	Interfund Payable	Purpose (Disclosure Required)
GENERAL (01)	0.00	0.00	
Total Interfund Receivables/Payables	0.00	0.00	

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

	Due From Other Agencies	Due To Other Agencies	Purpose (Disclosure Required)
GENERAL (01)			
Appnd Fund 0368, D23 fund 0030			
Agy 362, D23 Fund 5025	15,741.06		Interagency Transfer
Appnd Fund 0001, D23 fund 0110			
Agy 902, D23 Fund 0001		250,062.26	Interagency Transfer
Appnd Fund 0001, D23 fund 0113			
Agy 902, D23 Fund 0001		300,074.74	Interagency Transfer
Appnd Fund 0001, D23 fund 0116			
Agy 902, D23 Fund 0001		10,434.24	Interagency Transfer
Total Due From/To Other Agencies	15,741.06	560,571.24	

	Transfer In	Transfer Out	Purpose (Disclosure Required)
GENERAL (01)			
Appnd Fund 0001, D23 fund 0110			
Agy 902, D23 Fund 0001		270,873.06	Intrafund Transfer
Appnd Fund 0001, D23 fund 0113			
Agy 902, D23 Fund 0001		329,632.12	Intrafund Transfer
Appnd Fund 0001, D23 fund 0116			
Agy 902, D23 Fund 0001		13,912.32	Intrafund Transfer
Appnd Fund 0001, D23 fund 0700			
Agy 902, D23 Fund 0001		1,099,521.00	Intrafund Transfer
Appnd Fund 0368, D23 fund 0030			
Agy 362, D23 Fund 5025			
Total Transfer for Fund 0001	0.00	1,713,938.50	
GENERAL (01)			
Appnd Fund 0368, D23 fund 0007			
Agy 362, D23 Fund 5025	61,248.23	11,248.23	Intrafund Transfer
Appnd Fund 0368, D23 fund 0030			
Agy 403, D23 Fund 0030	6,599,927.24	1,360,893.07	Intrafund Transfer
Appnd Fund 0368, D23 fund 0033			
Agy 403, D23 Fund 0030	17,539.77		Intrafund Transfer
Total Transfer for Fund 0368	6,678,715.24	1,372,141.30	
Total Transfers	6,678,715.24	3,086,079.80	

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Texas Veterans Commission will be abolished effective September 1, 2019, unless continued in existence by the 86th Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2020 to close out its operations.

NOTE 14: ADJUSTMENTS TO FUND BALANCES/NET ASSETS

In fiscal year 2011, the agency incorrectly assigned D23 fund 0035 to appropriated fund 0001. The error was corrected in fiscal year 2012 with the assignment of D23 fund 0035 to agency fund 0368. The nature of this correction however, changed the reported ending balance of appropriated fund 0001 in fiscal year 2011 by \$7,884.61.

NOTE 15: CONTINGENCIES AND COMMITMENTS

The agency has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Management believes such disallowances, if any, will be immaterial.

NOTE 16: SUBSEQUENT EVENTS

NOT APPLICABLE

NOTE 17: RISK MANAGEMENT

The agency assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance, nor is the agency involved in any risk pools with other government entities.

The agency'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. Currently, the agency is not reporting any liabilities.

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

SB 1480 of the 79th Legislative Regular Session created the Veterans Assistance Fund. SB 1655 of the 81st Legislative Regular Session created a veterans instant scratch off lottery game to benefit the Veterans Assistance Fund. The veteran scratch off lottery tickets went on sale on November 11, 2009, and have provided significant dollars to the Veterans Assistance Fund during fiscal year 2012. The Veterans Assistance Fund was established to enhance or improve veterans assistance programs and make grants to local communities to address veteran needs.

NOTE 19: THE FINANCIAL REPORTING ENTITY

NOT APPLICABLE

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

NOT APPLICABLE

NOTE 21: N/A (Not Applicable to the Reporting Requirement Process)

NOT APPLICABLE

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

NOT APPLICABLE

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

NOT APPLICABLE

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Federal Receivable

<u>Federal Receivable Program</u>	<u>Receivable</u>
Veterans Employment and Training:	
Disabled Veterans Outreach	947,629.20
Local Veterans Employment Representative	910,291.02
Transition Assistance	44,770.19
Veterans Educational Assistance	98,978.11
Total Net Federal Receivable	\$ 2,001,668.52

As Reported on the Financial Statements

Current Federal Receivable	2,001,669.00
Noncurrent Federal Receivable	0.00
Total Net Federal Receivable	\$ 2,001,669.00

Other Payables - Current

<u>Type</u>	<u>Amount</u>
Vouchers Payable	97,148.10
Accounts Payable	102,223.47
Payroll Payable	1,426,150.22
	\$ 1,625,521.79

NOTE 25: TERMINATION BENEFITS

NOT APPLICABLE

NOTE 26: SEGMENT INFORMATION

NOT APPLICABLE

COMBINING STATEMENTS

UNAUDITED

Texas Veterans Commission, Agency 403
 Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds
 August 31, 2012

	General					
	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6
	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)
	U/F (0001)	U/F (0002)	U/F (0003)	U/F (0004)	U/F (0008)	U/F (0009)
ASSETS						
Current Assets:						
Cash In State Treasury	11,985,193.29	(305,069.10)	(6,900,002.03)	(1,340,639.99)	(639,364.71)	(110,200.00)
Legislative Appropriations	(11,778,910.14)	310,200.17	7,091,945.18	1,245,291.91	639,364.71	110,200.00
Receivables from:						
Federal						
Other Intergovernmental Receivable						
Interfund Receivables			3,500.34			
Due From Other Agencies						
Consumable Inventories	6,063.88		13,240.30	1,962.35		
Non-Current Assets:						
Capital Assets (Note 2):						
Depreciable:						
Furniture and Equipment						
Less Accumulated Depreciation						
Total Assets	<u>212,347.03</u>	<u>5,131.07</u>	<u>208,683.79</u>	<u>(93,385.73)</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Current Liabilities:						
Payables from:						
Accounts	11,393.06	4,979.40	45,362.32	30,324.54		
Payroll	445,157.64		129,267.86	16,113.19		
Interfund Payable	1,061.00					
Due To Other Agencies						
Employees' Compensable Leave						
Non-Current Liabilities						
Employees' Compensable Leave						
Total Liabilities	<u>457,611.70</u>	<u>4,979.40</u>	<u>174,630.18</u>	<u>46,437.73</u>	<u>0.00</u>	<u>0.00</u>
Fund Balances (Deficits):						
Nonspendable	6,063.88		13,240.30	1,962.35		
Committed						
Assigned						
Unassigned	(251,328.55)	151.67	20,813.31	(141,785.81)		
Total Fund Balances	<u>(245,264.67)</u>	<u>151.67</u>	<u>34,053.61</u>	<u>(139,823.46)</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities and Fund Balances	<u>212,347.03</u>	<u>5,131.07</u>	<u>208,683.79</u>	<u>(93,385.73)</u>	<u>0.00</u>	<u>0.00</u>

UNAUDITED

General										
Fund 7 (0001) U/F (0014)	Fund 8 (0001) U/F (0020)	Fund 9 (0001) U/F (0022)	Fund 10 (0001) U/F (0110)	Fund 11 (0001) U/F (0112)	Fund 12 (0001) U/F (0113)	Fund 13 (0001) U/F (0115)	Fund 14 (0001) U/F (0116)	Fund 15 (0001) U/F (0117)	Fund 16 (0001) U/F (0118)	Fund 17 (0001) U/F (0700)
(627,409.03)	47,481.09	(974,136.29)	(277,881.56)		(314,165.17)	(375,361.67)	(32,751.20)	(13,180.05)	(14,311.45)	
700,296.14	709,408.33	982,093.00	741,702.84	7,914.00	772,040.15	385,733.79	32,819.81	32,264.21	32,558.06	
	98,978.11		910,291.02		947,629.20		44,770.19			
		4,366.46				181.20	255.53			
<u>72,887.11</u>	<u>855,867.53</u>	<u>12,323.17</u>	<u>1,374,112.30</u>	<u>7,914.00</u>	<u>1,405,504.18</u>	<u>10,553.32</u>	<u>45,094.33</u>	<u>19,084.16</u>	<u>18,246.61</u>	<u>0.00</u>
522.49	5,664.98	9,358.12	11,464.57		34,794.93	2,304.08	3,742.10	341.18	341.17	
11,943.96	76,399.84	15,617.80	322,678.39		292,857.58	7,470.46		10,763.89	10,917.32	
	101.67							245.58	938.56	
			250,062.26		300,074.74		10,434.24			
<u>12,466.45</u>	<u>82,166.49</u>	<u>24,975.92</u>	<u>584,205.22</u>	<u>0.00</u>	<u>627,727.25</u>	<u>9,774.54</u>	<u>14,176.34</u>	<u>11,350.65</u>	<u>12,197.05</u>	<u>0.00</u>
		4,366.46				181.20	255.53			
13,010.58		45,100.00								
47,410.08	773,701.04	(62,119.21)	789,907.08	7,914.00	777,776.93	597.58	30,662.46	7,733.51	6,049.56	
<u>60,420.66</u>	<u>773,701.04</u>	<u>(12,652.75)</u>	<u>789,907.08</u>	<u>7,914.00</u>	<u>777,776.93</u>	<u>778.78</u>	<u>30,917.99</u>	<u>7,733.51</u>	<u>6,049.56</u>	<u>0.00</u>
<u>72,887.11</u>	<u>855,867.53</u>	<u>12,323.17</u>	<u>1,374,112.30</u>	<u>7,914.00</u>	<u>1,405,504.18</u>	<u>10,553.32</u>	<u>45,094.33</u>	<u>19,084.16</u>	<u>18,246.61</u>	<u>0.00</u>

UNAUDITED

Texas Veterans Commission, Agency 403
 Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds
 August 31, 2012

	General							
	Fund 18	Fund 19	Fund 20	Fund 21	Fund 22	Fund 23	Fund 24	Fund 25
	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)
U/F (1008)	U/F (1035)	U/F (5108)	U/F (5109)	U/F (5209)	U/F (6968)	U/F (8368)	U/F (9001)	
ASSETS								
Current Assets:								
Cash In State Treasury	(6,226.40)		(33,849.93)	(47,180.73)	(21,570.07)	625.00		
Legislative Appropriations	100,000.00		33,849.93	47,180.73	28,238.00			
Receivables from:								
Federal								
Interfund Receivables								
Due From Other Agencies								
Consumable Inventories								
Non-Current Assets:								
Capital Assets (Note 2):								
Depreciable:								
Furniture and Equipment								
Less Accumulated Depreciation								
Total Assets	<u>93,773.60</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,667.93</u>	<u>625.00</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Current Liabilities:								
Payables from:								
Accounts	13,454.15				2,949.81			
Payroll	32,451.88							
Interfund Payable								
Due To Other Agencies								
Employees' Compensable Leave								
Non-Current Liabilities								
Employees' Compensable Leave								
Total Liabilities	<u>45,906.03</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,949.81</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund Balances (Deficits):								
Nonspendable								
Committed								
Assigned					3,718.12			
Unassigned	47,867.57					625.00		
Total Fund Balances	<u>47,867.57</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,718.12</u>	<u>625.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities and Fund Balances	<u>93,773.60</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,667.93</u>	<u>625.00</u>	<u>0.00</u>	<u>0.00</u>

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Consolidated Accounts								
Fund 1 (0368) U/F (0007)	Fund 2 (0368) U/F (0030)	Fund 3 (0368) U/F (0033)	Fund 4 (0368) U/F (0034)	Fund 5 (0368) U/F (0035)	Fund 6 (0368) U/F (7768)	Fund 7 (5123) U/F (0005)	Fund 8 (5141) U/F (0006)	Total
26,617.67	10,503,322.72	4,976.80	(744,278.80)	373,945.92	0.94	900.15	775.49	10,166,260.89
								2,224,190.82
								2,001,668.52
	4,235.64							4,235.64
	(2,752.96)							747.38
	15,741.06							15,741.06
								26,069.72
<u>26,617.67</u>	<u>10,520,546.46</u>	<u>4,976.80</u>	<u>(744,278.80)</u>	<u>373,945.92</u>	<u>0.94</u>	<u>900.15</u>	<u>775.49</u>	<u>14,438,914.03</u>
509.68	14,949.66	5,239.69		0.00		900.15	775.49	199,371.57
6,735.82	47,774.59							1,426,150.22
	(1,599.43)							747.38
								560,571.24
								0.00
								0.00
								0.00
<u>7,245.50</u>	<u>61,124.82</u>	<u>5,239.69</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>900.15</u>	<u>775.49</u>	<u>2,186,840.41</u>
19,372.17	10,459,421.64			373,945.92	0.94			26,069.72
								10,852,740.67
								61,828.70
		(262.89)	(744,278.80)					1,311,434.53
								0.00
<u>19,372.17</u>	<u>10,459,421.64</u>	<u>(262.89)</u>	<u>(744,278.80)</u>	<u>373,945.92</u>	<u>0.94</u>	<u>0.00</u>	<u>0.00</u>	<u>12,252,073.62</u>
<u>26,617.67</u>	<u>10,520,546.46</u>	<u>4,976.80</u>	<u>(744,278.80)</u>	<u>373,945.92</u>	<u>0.94</u>	<u>900.15</u>	<u>775.49</u>	<u>14,438,914.03</u>

UNAUDITED

Texas Veterans Commission, Agency 403
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, 2012

	General						
	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7
	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)
U/F (0001)	U/F (0002)	U/F (0003)	U/F (0004)	U/F (0008)	U/F (0009)	U/F (0014)	
REVENUES							
Legislative Appropriations							
Original Appropriations (GR)	4,579,813.00		1,352,637.00	280,441.00			242,839.00
Additional Appropriations (GR)	2,361,453.12		274,277.74	66,048.26			21,383.33
Federal Revenues (PR - Operating or Capital)							0.00
Licenses, Fees & Permits (PR)							
Interest and Other Investment Income (GR)							
Other (GR)	63,265.20		1.80				
Total Revenues	7,004,531.32	0.00	1,626,916.54	346,489.26	0.00	0.00	264,222.33
EXPENDITURES							
Salaries and Wages	3,989,586.65	59,045.72	1,305,653.78	204,868.24			82,157.50
Payroll Related Costs	997,519.51		261,892.60	55,751.29			25,367.91
Professional Fees and Services	56,902.31		27,913.11	68,750.41			21,789.06
Travel	114,243.88	302.61	36,350.01	13,797.12			909.00
Materials and Supplies	76,335.68		35,483.19	18,007.68			1,049.13
Communication and Utilities	11,987.30		9,205.11	3,402.07			6,325.63
Repair and Maintenance	8,522.78		1,559.54	57.30			381.00
Rental and Leases	45,161.88		6,474.51	676.37			4,359.65
Printing and Reproduction	12,116.48		1,354.07	27,901.78			15,413.70
Intergovernmental Payments							
Public Assistance Payments							
Other Expenditures	167,422.07		17,416.07	7,442.36			1,809.28
Capital Outlay							
Total Expenditures	5,479,797.54	59,348.33	1,703,301.99	400,654.62	0.00	0.00	159,561.86
Excess (Deficiency) of Revenues over Expenditures	1,524,733.78	(59,348.33)	(76,385.45)	(54,165.36)	0.00	0.00	104,660.47
OTHER FINANCING SOURCES (USES)							
Transfer In							
Transfer Out							
Legislative Transfers In	(388,019.22)	59,197.51	175,066.57	20,000.00			
Legislative Transfers Out	239,012.01		(34,476.51)				(90,059.50)
Total Other Financing Sources (Uses)	(149,007.21)	59,197.51	140,590.06	20,000.00	0.00	0.00	(90,059.50)
Net Change in Fund Balances	1,375,726.57	(150.82)	64,204.61	(34,165.36)	0.00	0.00	14,600.97
Fund Financial Statement - Fund Balances							
Fund Balances, September 1, 2011	(1,613,106.63)	302.49	(30,151.00)	(105,658.10)	0.00	0.00	48,801.23
Restatements	(7,884.61)						
Fund Balances, September 1, 2011, as Restated	(1,620,991.24)	302.49	(30,151.00)	(105,658.10)	0.00	0.00	48,801.23
Appropriation Lapsed							(2,981.54)
Fund Balances, August 31, 2012	(245,264.67)	151.67	34,053.61	(139,823.46)	0.00	0.00	60,420.66

UNAUDITED

General									
Fund 8 (0001) U/F (0020)	Fund 9 (0001) U/F (0022)	Fund 10 (0001) U/F (0110)	Fund 11 (0001) U/F (0112)	Fund 12 (0001) U/F (0113)	Fund 13 (0001) U/F (0115)	Fund 14 (0001) U/F (0116)	Fund 15 (0001) U/F (0117)	Fund 16 (0001) U/F (0118)	Fund 17 (0001) U/F (0700)
	255,348.00				107,836.00				
361,830.85	30,931.91	(77,362.80)	(228.85)	(98,646.12)	23,865.65	(7,369.03)	(4,889.73)	(4,869.27)	
957,349.95	0.00	5,071,640.50	114,547.50	5,259,107.96		176,261.70	122,405.14	125,310.36	1,099,521.00
<u>1,319,180.80</u>	<u>286,279.91</u>	<u>4,994,277.70</u>	<u>114,318.65</u>	<u>5,160,461.84</u>	<u>131,701.65</u>	<u>168,892.67</u>	<u>117,515.41</u>	<u>120,441.09</u>	<u>1,099,521.00</u>
749,980.09	118,714.86	3,005,370.65	104,133.50	2,848,861.61	78,581.43	104,403.62	112,235.59	116,174.97	
158,094.21	32,391.97	750,552.09	7,914.00	776,123.05	26,815.81	32,636.59	29,025.08	29,548.83	
65.56	18,949.66	79,498.92		79,889.88	64.30		8.20	8.20	
46,979.67	15,616.35	139,800.19		87,137.21	2,888.12	9,214.67	5,175.50	5,171.05	
0.00	23,809.05	9,054.23		8,998.04	2,152.25	(149.93)	54.23	50.76	
0.00	19,369.13	14,933.94		13,850.54	2,569.38		189.57	189.39	
0.00	254.32			110.00					
0.00	3,692.57	771,730.56		1,072,436.50	15,662.70				
0.00	1,657.74	1,385.66		1,938.58	244.59	5,800.29	26.64	10.39	
2,230.42	7,688.83	14,575.67	2,500.00	14,287.20	2,936.40				
<u>957,349.95</u>	<u>242,144.48</u>	<u>4,786,901.91</u>	<u>114,547.50</u>	<u>4,903,632.61</u>	<u>131,914.98</u>	<u>151,905.24</u>	<u>146,714.81</u>	<u>151,153.59</u>	<u>0.00</u>
<u>361,830.85</u>	<u>44,135.43</u>	<u>207,375.79</u>	<u>(228.85)</u>	<u>256,829.23</u>	<u>(213.33)</u>	<u>16,987.43</u>	<u>(29,199.40)</u>	<u>(30,712.50)</u>	<u>1,099,521.00</u>
		(270,873.06)		(329,632.12)		(13,912.32)			(1,099,521.00)
	2,020.63								
	(14,476.00)								
<u>0.00</u>	<u>(12,455.37)</u>	<u>(270,873.06)</u>	<u>0.00</u>	<u>(329,632.12)</u>	<u>0.00</u>	<u>(13,912.32)</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,099,521.00)</u>
<u>361,830.85</u>	<u>31,680.06</u>	<u>(63,497.27)</u>	<u>(228.85)</u>	<u>(72,802.89)</u>	<u>(213.33)</u>	<u>3,075.11</u>	<u>(29,199.40)</u>	<u>(30,712.50)</u>	<u>0.00</u>
411,870.19	(44,332.81)	853,404.35	8,142.85	850,579.82	992.11	27,842.88	36,932.91	36,762.06	0.00
<u>411,870.19</u>	<u>(44,332.81)</u>	<u>853,404.35</u>	<u>8,142.85</u>	<u>850,579.82</u>	<u>992.11</u>	<u>27,842.88</u>	<u>36,932.91</u>	<u>36,762.06</u>	<u>0.00</u>
<u>773,701.04</u>	<u>(12,652.75)</u>	<u>789,907.08</u>	<u>7,914.00</u>	<u>777,776.93</u>	<u>778.78</u>	<u>30,917.99</u>	<u>7,733.51</u>	<u>6,049.56</u>	<u>0.00</u>

UNAUDITED

Texas Veterans Commission, Agency 403
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, 2012

	General							
	Fund 18	Fund 19	Fund 20	Fund 21	Fund 22	Fund 23	Fund 24	Fund 25
	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)
U/F (1008)	U/F (1035)	U/F (5108)	U/F (5109)	U/F (5209)	U/F (6968)	U/F (8368)	U/F (9001)	
REVENUES								
Legislative Appropriations								
Original Appropriations (GR)								
Additional Appropriations (GR)								
Federal Revenues (PR - Operating or Capital)								
Licenses, Fees & Permits (PR)						1,107.85		
Interest and Other Investment Income (GR)								
Other (GR)								(0.94)
Total Revenues	0.00	0.00	0.00	0.00	0.00	1,107.85	0.00	(0.94)
EXPENDITURES								
Salaries and Wages	35,226.89							
Payroll Related Costs	225.00							
Professional Fees and Services	20.57				23,154.74			
Travel	379.62							
Materials and Supplies	16,254.32							
Communication and Utilities	0.00							
Repair and Maintenance					1,365.14			
Rental and Leases						482.85		
Printing and Reproduction								
Intergovernmental Payments								
Public Assistance Payments								
Other Expenditures	26.03				0.00			
Capital Outlay								
Total Expenditures	52,132.43	0.00	0.00	0.00	24,519.88	482.85	0.00	0.00
Excess (Deficiency) of Revenues over Expenditures	(52,132.43)	0.00	0.00	0.00	(24,519.88)	625.00	0.00	(0.94)
OTHER FINANCING SOURCES (USES)								
Transfer In								
Transfer Out								
Legislative Transfers In	200,000.00			3,496.51	28,238.00			
Legislative Transfers Out	(100,000.00)							
Total Other Financing Sources (Uses)	100,000.00	0.00	0.00	3,496.51	28,238.00	0.00	0.00	0.00
Net Change in Fund Balances	47,867.57	0.00	0.00	3,496.51	3,718.12	625.00	0.00	(0.94)
Fund Financial Statement - Fund Balances								
Fund Balances, September 1, 2011	0.00	0.00	0.00	1,779.27	0.00	0.00	0.00	0.94
Restatements								
Fund Balances, September 1, 2011, as Restated	0.00	0.00	0.00	1,779.27	0.00	0.00	0.00	0.94
Appropriation Lapsed				(5,275.78)				
Fund Balances, August 31, 2012	47,867.57	0.00	0.00	0.00	3,718.12	625.00	0.00	0.00

UNAUDITED

Consolidated Accounts

Fund 1 (0368) U/F (0007)	Fund 2 (0368) U/F (0030)	Fund 3 (0368) U/F (0033)	Fund 4 (0368) U/F (0034)	Fund 5 (0368) U/F (0035)	Fund 6 (0368) U/F (7768)	Fund 7 (5123) U/F (0005)	Fund 8 (5141) U/F (0006)	Total
								6,818,914.00
								2,946,425.06
								12,926,144.11
					252.58	4,167.06	2,460.28	7,987.77
	77,088.52							77,088.52
50,000.00	1,210,118.71			373,945.92				1,697,330.69
50,000.00	1,287,207.23	0.00	0.00	373,945.92	252.58	4,167.06	2,460.28	24,473,890.15
68,600.00	483,276.84							13,466,870.94
10,089.93	112,911.50							3,306,859.37
53.08	6,394.22	6,793.01						390,255.23
1,378.88	21,510.30	2,449.97						503,304.15
505.94	88,564.66	24,012.47						304,181.70
0.00	5,440.42	1,998.41						89,460.89
0.00	35,703.32	777.09						48,730.49
0.00	6,960.90	717.94						1,928,356.43
0.00	3,937.80	519.35						72,307.07
0.00	747,791.43		114,211.14					862,002.57
0.00	7,835,904.98		630,067.66			4,167.06	2,460.28	8,472,599.98
0.00	72,918.91	1,599.99	0.00		252.58			313,105.81
								0.00
80,627.83	9,421,315.28	38,868.23	744,278.80	0.00	252.58	4,167.06	2,460.28	29,758,034.63
(30,627.83)	(8,134,108.05)	(38,868.23)	(744,278.80)	373,945.92	0.00	0.00	0.00	(5,284,144.48)
61,248.23	6,599,927.24	17,539.77						6,678,715.24
(11,248.23)	(1,360,893.07)							(3,086,079.80)
								100,000.00
								0.00
50,000.00	5,239,034.17	17,539.77	0.00	0.00	0.00	0.00	0.00	3,692,635.44
19,372.17	(2,895,073.88)	(21,328.46)	(744,278.80)	373,945.92	0.00	0.00	0.00	(1,591,509.04)
0.00	13,354,495.52	21,065.57	0.00	0.00	0.94	0.00		13,859,724.59
								(7,884.61)
0.00	13,354,495.52	21,065.57	0.00	0.00	0.94	0.00	0.00	13,851,839.98
								(8,257.32)
19,372.17	10,459,421.64	(262.89)	(744,278.80)	373,945.92	0.94	0.00	0.00	12,252,073.62

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Texas Veterans Commission, Agency 403

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

August 31, 2012

	Beginning Balance 09/01/2011	Additions	Deductions	Ending Balance 08/31/2012
Agency Fund #1 (0807) U/F (8070)				
ASSETS				
Cash In State Treasury	2,867.04	31,191.52	32,056.52	2,002.04
Total Assets	<u>2,867.04</u>	<u>31,191.52</u>	<u>32,056.52</u>	<u>2,002.04</u>
LIABILITIES				
Accounts Payable	0.00	29,189.48	29,189.48	0.00
Funds Held for Others	2,867.04	28,324.48	29,189.48	2,002.04
Total Liabilities	<u>2,867.04</u>	<u>57,513.96</u>	<u>58,378.96</u>	<u>2,002.04</u>
Agency Fund #2 (0900) U/F (9015)				
ASSETS				
Cash In State Treasury	1,518.33	0.00	0.00	1,518.33
Total Assets	<u>1,518.33</u>	<u>0.00</u>	<u>0.00</u>	<u>1,518.33</u>
LIABILITIES				
Accounts Payable				0.00
Funds Held for Others	1,518.33	0.00	0.00	1,518.33
Total Liabilities	<u>1,518.33</u>	<u>0.00</u>	<u>0.00</u>	<u>1,518.33</u>
Agency Fund #3 (0901) U/F (0901)				
ASSETS				
Cash In State Treasury	0.00	0.00	0.00	0.00
Account Receivable	0.00	0.00	0.00	0.00
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES				
Accounts Payable	0.00	0.00	0.00	0.00
Funds Held for Others	0.00	0.00	0.00	0.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Agency Fund #4 (0942) U/F (0942)				
ASSETS				
Cash In State Treasury	0.00	0.00	0.00	0.00
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES				
Funds Held for Others	0.00	0.00	0.00	0.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

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	Beginning Balance 09/01/2011	Additions	Deductions	Ending Balance 08/31/2012
Agency Fund #5 (0980) U/F (0980)				
ASSETS				
Cash In State Treasury	483.27	24,785.25	25,268.52	0.00
Total Assets	<u>483.27</u>	<u>24,785.25</u>	<u>25,268.52</u>	<u>0.00</u>
LIABILITIES				
Funds Held for Others	483.27	24,785.25	25,268.52	0.00
Total Liabilities	<u>483.27</u>	<u>24,785.25</u>	<u>25,268.52</u>	<u>0.00</u>
Agency Fund #6 (0980) U/F (9014)				
ASSETS				
Cash In State Treasury	0.00	0.00	0.00	0.00
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES				
Accounts Payable	0.00	0.00	0.00	0.00
Funds Held for Others	0.00	0.00	0.00	0.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Agency Fund #6 (1000) U/F (1000)				
ASSETS				
Cash In State Treasury	0.00	0.00	0.00	0.00
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES				
Accounts Payable	0.00	0.00	0.00	0.00
Funds Held for Others	0.00	0.00	0.00	0.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

SCHEDULES

UNAUDITED

Texas Veterans Commission, Agency 403
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				Agencies or Universities Amount	Non-State Entities Amount		
U.S. Department of Labor							
<u>Direct Programs:</u>							
Transition Assistance Program	17.807					191,619.06	191,619.06
Totals - U.S. Department of Labor				0	0	191,619.06	191,619.06
U.S. Department of Veterans Affairs							
All-Volunteer Force Educational Assistance	64.124					1,073,284.85	1,073,284.85
Totals - Department of Veterans Affairs				0	0	1,073,284.85	1,073,284.85
Employment Services Cluster							
U.S. Department of Labor							
<u>Direct Programs:</u>							
Disabled Veterans' Outreach Program (DVOP)	17.801					5,868,058.79	5,868,058.79
Local Veterans' Employment Representative Program (LVER)	17.804					5,793,181.41	5,793,181.41
Totals - U.S. Department of Labor				0	0	11,661,240.20	11,661,240.20
Total Expenditures of Federal Awards				0	0	12,926,144.11	12,926,144.11

UNAUDITED

Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
	Agencies or Universities Amount	Non-State Entities Amount		
			191,619.06	191,619.06
	0	0	191,619.06	191,619.06
			1,073,284.85	1,073,284.85
	0	0	1,073,284.85	1,073,284.85
			5,868,058.79	5,868,058.79
			5,793,181.41	5,793,181.41
	0	0	11,661,240.20	11,661,240.20
	0	0	12,926,144.11	12,926,144.11

**Texas Veterans Commission, Agency 403
 Schedule 1A - Schedule of Expenditures of Federal Awards (continued)
 For the Fiscal Year Ended August 31, 2012**

NOTE 1: Non-Monetary Assistance

NOT APPLICABLE

NOTE 2: Reconciliation

Below is a reconciliation of the total federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total 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 Governmental Operation Statement/Statement
 of Activities and Proprietary Statements of Changes in Revenues, Expenses
 and Net Assets

Governmental Funds	- Federal Revenue (Exh II)	12,926,144.11
	- Federal Pass-Through Revenue (Exh II)	<u>0.00</u>
Subtotal		12,926,144.11
<u>RECONCILING ITEMS:</u>		<u>0.00</u>
Total Pass Through and Expenditures per Federal Schedule		<u>\$ 12,926,144.11</u>

NOTE 3: Student Loans Processed and Administrative Cost Recovered

NOT APPLICABLE

NOTE 4: Depository Libraries for Governmental Publications

NOT APPLICABLE

NOTE 5: Unemployment Insurance Funds (Agency 320 only)

NOT APPLICABLE

NOTE 6: Agency 501 Only (WIC Program)

NOT APPLICABLE

NOTE 7: Federal Deferred Revenue

NOT APPLICABLE

NOTE 8: Supplemental Nutrition Assistance Program (Agency 529 only)

NOT APPLICABLE

