



## TEXAS FUNERAL SERVICE COMMISSION

Kevin Heyburn, Executive Director

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 Officials:

We are pleased to submit the Annual Financial Report of the Texas Funeral Service Commission for the year ended August 31, 2012, in compliance with the Texas Government Code Annotated, 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 (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Jennifer Noack, Fiscal Manager, at (512) 305-7704.

Sincerely,

A handwritten signature in cursive script that reads "Donna Potter".

*for* Kevin Heyburn  
Executive Director

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Mailing Address:  
PO. Box 12217  
Capitol Station  
Austin, Texas 78711

Toll Free: (888) 667-4881  
Tel: (512) 936-2474  
Fax: (512) 479-5064  
website: [www.tfsc.state.tx.us](http://www.tfsc.state.tx.us)

Physical Address:  
333 Guadalupe Street  
Suite 2-110  
Austin, Texas 78701

***TEXAS FUNERAL SERVICE COMMISSION***

***ANNUAL FINANCIAL REPORT***

***FOR THE YEAR ENDED***

***AUGUST 31, 2012***

*Unaudited*

*Texas Funeral Service Commission*

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*Texas Funeral Service Commission*

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**Texas Funeral Service Commission**  
**Exhibit I — Combined Balance Sheet/Statement of Net Assets — Governmental Funds**  
**August 31, 2012**

	Governmental Fund Types				
	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
Current Assets					
Cash (Note 3)					
On Hand	\$	\$	\$	\$	\$
In Bank					
In Transit/Reimburse from Treasury					
Cash in State Treasury					
Short Term Investments (Note 3)					
Securities Lending Collateral					
Legislative Appropriations	119,190 19				
Receivables from:					
Accounts Receivable					
Taxes					
Federal					
Investment Trades					
Other Intergovernmental					
Interest and Dividends					
Gifts, Pledges and Donations					
Other					
Due From Other Funds (Note 12)					
Due From Other Agencies (Note 12)					
Interfund Receivables (Note 12)					
Consumable Inventories	15,122 00				
Merchandise Inventories					
Prepaid Items					
Loans and Contracts					
Restricted:					
Cash (Note 3)					
On Hand					
In Bank					
In Transit/Reimburse from Treasury					
In State Treasury					
Short Term Investments (Note 3)					
Other Current Assets					
<b>Non-Current Assets and Deferred Outflows</b>					
Gifts, Pledges and Donations					
Interfund Receivables (Note 12)					
Investments (Note 3)					
Loans and Contracts					
Restricted:					
Cash (Note 3)					
On Hand					
In Bank					
In Transit/Reimburse from Treasury					
In State Treasury					
Short Term Investments (Note 3)					
Receivables					
Investments (Note 3)					
Loans and Contracts					
Other Assets					
Derivative Hedging Instrument Assets					
Deferred Outflow of Resources					
Capital Assets (Note 2):					
Furniture and Equipment					
Less Accumulated Depreciation					
Non-Depreciable or Non-Amortizable					
Depreciable or Amortizable, Net					
Other Non-Current Assets					
Total Assets and Deferred Outflows	\$ 134,312 19	\$ 0	\$ 0	\$ 0	\$ 0
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
Liabilities and Deferred Inflows					
Current Liabilities:					
Payables from:					
Accounts	\$ 14,437 89	\$	\$	\$	\$
Investment Trade					
Other Intergovernmental					
Payroll	99,528 15				
Federal					
Interest					
Contracts					
Other					
Contract Retainage Payable					
Due To Other Funds (Note 12)					
Due To Other Agencies (Note 12)					
Interfund Payable (Note 12)					
Deferred Revenues					

**Texas Funeral Service Commission**  
**Exhibit I — Combined Balance Sheet/Statement of Net Assets — Governmental Funds**  
**August 31, 2012**

	Governmental Fund Types				
	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds
Obligations/Reverse Repurchase Agreement					
Obligations Under Securities Lending					
Short Term Debt					
Employees' Compensable Leave (Note 5)					
Claims and Judgments (Note 5)					
Capital Lease Obligations (Note 5, 8)					
Notes and Loans Payable (Note 5)					
Revenue Bonds Payable (Note 5, 6)					
General Obligation Bonds Payable (Note 5, 6)					
Liabilities Payable from Restricted Assets					
Funds Held For Others	(71 00)				
Other Current Liabilities					
Non-Current Liabilities and Deferred Inflows					
Interfund Payables					
Employees' Compensable Leave (Note 5)					
Claims and Judgments (Note 5)					
Capital Lease Obligations (Note 5, 8)					
Notes and Loans Payable (Note 5)					
Revenue Bonds Payable (Note 5, 6)					
General Obligation Bonds Payable (Note 5, 6)					
Derivative Hedging Instrument Liabilities					
Deferred Inflow of Resources					
Liabilities Payable from Restricted Assets					
Assets Held for Others					
Other Non-Current Liabilities					
<b>Total Liabilities and Deferred Inflows</b>	<b>113,895.04</b>				
<b>Fund Financial Statement</b>					
<b>Fund Balances (Deficits)</b>					
Nonspendable	15,122.00				
Restricted					
Committed					
Assigned					
Unassigned	5,295.15				
<b>Total Fund Balances</b>	<b>20,417.15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 134,312.19</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Government-Wide Statement of Net Assets</b>					
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt					
Restricted For					
Debt Retirement					
Capital Projects					
Other					
Funds Held as Permanent Investments:					
Expendable					
Non-Expendable					
Other					
Unrestricted					
<b>Total Net Assets</b>					

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

**Texas Funeral Service Commission  
Exhibit I — Combined Balance Sheet  
August 31, 2012**

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
Current Assets:					
Cash (Note 3)					
On Hand	\$	\$	\$	\$	\$
In Bank					
In Transit/Reimburse from Treasury					
Cash in State Treasury					
Short Term Investments (Note 3)					
Securities Lending Collateral					
Legislative Appropriations	119,190.19				119,190.19
Receivables from:					
Accounts Receivable					
Taxes					
Federal					
Investment Trades					
Other Intergovernmental					
Interest and Dividends					
Gifts, Pledges and Donations					
Other					
Due From Other Funds (Note 12)					
Due From Other Agencies (Note 12)					
Interfund Receivables (Note 12)					
Consumable Inventories	15,122.00				15,122.00
Merchandise Inventories					
Prepaid Items					
Loans and Contracts					
Restricted:					
Cash (Note 3)					
On Hand					
In Bank					
In Transit/Reimburse from Treasury					
In State Treasury					
Short Term Investments (Note 3)					
Other Current Assets					
<b>Non-Current Assets and Deferred Outflows:</b>					
Gifts, Pledges and Donations					
Interfund Receivables (Note 12)					
Investments (Note 3)					
Loans and Contracts					
Restricted:					
Cash (Note 3)					
On Hand					
In Bank					
In Transit/Reimburse from Treasury					
In State Treasury					
Short Term Investments (Note 3)					
Receivables					
Investments (Note 3)					
Loans and Contracts					
Other Assets					
Derivative Hedging Instrument Assets					
Deferred Outflow of Resources					
Capital Assets (Note 2):					
Furniture and Equipment		22,860.00			
Less Accumulated Depreciation		(22,860.00)			
Non-Depreciable or Non-Amortizable		226,926.93			226,926.93
Depreciable or Amortizable, Net		(226,926.93)			(226,926.93)
Other Non-Current Assets					
Total Assets and Deferred Outflows	\$ 134,312.19	\$ 0	\$ 0	\$ 0	\$ 134,312.19

**LIABILITIES, DEFERRED INFLOWS AND FUND BAL**

Liabilities and Deferred Inflows					
Current Liabilities:					
Payables from:					
Accounts	\$ 14,437.89	\$	\$	\$	14,437.89
Investment Trade					
Other Intergovernmental					
Payroll	99,528.15				99,528.15
Federal					
Interest					
Contracts					
Other					
Contract Retainage Payable					
Due To Other Funds (Note 12)					
Due To Other Agencies (Note 12)					
Interfund Payable (Note 12)					
Deferred Revenues					

**Texas Funeral Service Commission  
Exhibit I — Combined Balance Sheet  
August 31, 2012**

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
Obligations/Reverse Repurchase Agreement					
Obligations Under Securities Lending					
Short Term Debt					
Employees' Compensable Leave (Note 5)			17,200.68		17,200.68
Claims and Judgments (Note 5)					
Capital Lease Obligations (Note 5, 8)					
Notes and Loans Payable (Note 5)					
Revenue Bonds Payable (Note 5, 6)					
General Obligation Bonds Payable (Note 5, 6)					
Liabilities Payable from Restricted Assets					
Funds Held For Others	(71.00)				(71.00)
Other Current Liabilities					
Non-Current Liabilities and Deferred Inflows					
Interfund Payables					
Employees' Compensable Leave (Note 5)			6,134.54		6,134.54
Claims and Judgments (Note 5)					
Capital Lease Obligations (Note 5, 8)					
Notes and Loans Payable (Note 5)					
Revenue Bonds Payable (Note 5, 6)					
General Obligation Bonds Payable (Note 5, 6)					
Derivative Hedging Instrument Liabilities					
Deferred Inflow of Resources					
Liabilities Payable from Restricted Assets					
Assets Held for Others					
Other Non-Current Liabilities					
<b>Total Liabilities and Deferred Inflows</b>	<b>113,895.04</b>		<b>23,335.22</b>		<b>137,230.26</b>
<b>Fund Financial Statement</b>					
<b>Fund Balances (Deficits)</b>					
Nonspendable	15,122.00				
Restricted					
Committed					
Assigned					
Unassigned	5,295.15				5,295.15
<b>Total Fund Balances</b>	<b>20,417.15</b>				<b>5,295.15</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 134,312.19</b>				
<b>Government-Wide Statement of Net Assets</b>					
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt			23,335.22		23,335.22
Restricted For					
Debt Retirement					
Capital Projects					
Other					
Funds Held as Permanent Investments					
Expendable					
Non-Expendable					
Other					
Unrestricted					
<b>Total Net Assets</b>			<b>\$ 23,335.22</b>	<b>\$ 0</b>	<b>\$ 28,630.37</b>



**Texas Funeral Service Commission**  
**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	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<b>REVENUES*</b>				
Legislative Appropriations				
Original Appropriations (GR)	\$ 636,214.00	\$ 0	\$ 0	\$ 0
Additional Appropriations (GR)	120,199.35			
Taxes (GR)				
Federal Revenue (PR - Operating or Capital)				
Federal Grant Pass-Through Revenue (GR)				
State Grant Pass-Through Revenue (GR)				
License, Fees & Permits (PR)	49,816.20			
Interest and Other Investment Income (PR)				
Interest and Other Investment Income (GR)				
Net Increase (Decrease) in Fair Value (PR)				
Net Increase (Decrease) in Fair Value (GR)				
Land Income (PR)				
Settlement of Claims (PR)				
Settlement of Claims (GR)				
Sales of Goods and Services (PR)	70,481.97			
Other (PR - Chg for Serv, Operating or Capital)				
Other (GR)				
<b>Total Revenues</b>	<b>876,711.52</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURES</b>				
Salaries and Wages	521,024.58			
Payroll Related Costs	124,415.98			
Professional Fees and Services	72,758.04			
Travel	30,949.47			
Materials and Supplies	28,213.26			
Communication and Utilities	9,110.83			
Repairs and Maintenance	41,743.54			
Rentals and Leases	2,924.15			
Printing and Reproduction	14,952.80			
Claims and Judgments				
Federal Grant Pass-Through Expenditures				
State Grant Pass-Through Expenditures				
Intergovernmental Payments				
Public Assistance Payments				
Employee Benefit Payments				
Other Expenditures	59,873.15			
Debt Service:				
Principal				
Interest				
Other Payments for Refunding				
Capital Outlay				
Depreciation and Amortization Expense				
<b>Total Expenditures/Expenses</b>	<b>905,965.80</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues over Expenditures	(29,254.28)	0	0	0
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond and Note Proceeds				
Increase in Obligations Under Capital Leases				
Sale of Capital Assets				
Insurance Recoveries				
Transfer In				
Transfer Out				
Legislative Transfer In				
Legislative Transfer Out	(9,663.00)			
Gain (Loss) on Sale of Capital Assets				
Inc (Dec) in Net Assets Due to Interagency Transfer				
<b>Total Other Financing Sources (Uses)</b>	<b>(9,663.00)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SPECIAL ITEMS</b>				
Proceeds from Sale of Park Land	0	0		
<b>EXTRAORDINARY ITEMS</b>				
*Natural Disaster Hurricane				

**Texas Funeral Service Commission**  
**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**

Net Change in Fund Balances/Net Assets	(38,917.28)	0	0	0
<b>Fund Financial Statement - Fund Balances</b>				
Fund Balances, September 1, 2011	64,069.72			
Restatements				
Fund Balances, September 1, 2011, as Restated	64,069.72	0	0	0
Appropriations Lapsed	(4,735.29)			
Fund Balances, August 31, 2012	\$ 20,417.15	\$ 0	\$ 0	\$ 0

**Government-Wide Statement of Net Assets**

<b>Net Assets/Net Change in Net Assets</b>				
Net Assets, September 1, 2011				
Restatements				
Net Assets, September 1, 2011, as Restated				
Net Assets, August 31, 2012				

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

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

Permanent Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities
\$ 0	\$ 636,214.00	\$ 0	\$ 0	\$ 0	\$ 636,214.00
	120,199.35				120,199.35
	49,816.20				49,816.20
	70,481.97				70,481.97
0	876,711.52	0	0	0	876,711.52
	521,024.58		(340.67)		520,683.91
	124,415.98				124,415.98
	72,758.04				72,758.04
	30,949.47				30,949.47
	28,213.26				28,213.26
	9,110.83				9,110.83
	41,743.54				41,743.54
	2,924.15				2,924.15
	14,952.80				14,952.80
	59,873.15				59,873.15
		88.57			88.57
0	905,965.80	88.57	(340.67)	0	905,713.70
0	(29,254.28)	(88.57)	340.67	0	(29,002.18)
	(9,663.00)				(9,663.00)
0	(9,663.00)	0	0	0	(9,663.00)
					0

0	(38,917.28)	(38,665.18)
	64,069.72	64,069.72
0	64,069.72	64,069.72
	(4,735.29)	(4,735.29)
\$ 0	\$ 20,417.15	\$ 20,669.25

	(88.57)	340.67	0
	88.57	22,994.55	23,083.12
	88.57	22,994.55	0
\$ 0	\$ 0	\$ 23,335.22	\$ 0
			\$ 43,752.37

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*Texas Funeral Service Commission*

**NOTES TO THE FINANCIAL STATEMENTS**

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

**A. ENTITY**

The Texas Funeral Service 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*.

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.

This Agency has no components unit to disclose, either blended or discrete.

**B. 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 ADJUSTMENT FUND TYPES**

General Revenue Fund

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.

Capital Assets Adjustment Fund Type

The capital assets adjustment fund is used to convert governmental fund types'

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capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

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

Other Adjustment Fund Type

The other adjustment fund type is used to convert all other governmental fund type activity from modified accrual to full accrual.

**C. 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 method basis of accounting. Under the modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end.

The State of Texas considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

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

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

**D. BUDGETS AND BUDGETARY ACCOUNTING**

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The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

**E. ASSETS, LIABILITIES, AND FUND EQUITY**

**ASSETS**

Cash and Cash Equivalents

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

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements. Assets held in reserve for guaranteed student loan defaults are also included.

Inventories and Prepaid Items

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

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is reported on the modified accrual basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

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Other Receivables – Current and Noncurrent

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24, if applicable.

LIABILITIES

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Other Payables – Current and Noncurrent

The disaggregation of other payables as reported in the financial statements is disclosed in Note 24, if applicable.

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. These obligations are normally paid from the same funding sources from which each employees' salary or wage compensation was paid.

FUND BALANCE/ NET ASSETS

The difference between fund assets and liabilities is "net assets" on the government-wide fund statements, and the "fund balance" is the difference between fund assets and liabilities on the governmental fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

**Nonspendable fund balance** includes amounts not available to be spent because they are either: (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



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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 or committed. Intent is expressed by (1) the Texas Legislature, or (2) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

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

#### Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition.

#### Restricted Net Assets

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

#### Unrestricted Net Assets

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

### INTERFUND ACTIVITIES AND TRANSACTIONS

The agency may have the following types of transactions among funds:

(1) Transfers: Legally required transfers that are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

(2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

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Reimbursements are not displayed in the financial statements.

(3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "current". Repayment for two (or more) years is classified as "non-current".

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

The composition of the agency's interfund receivables and payables at August 31, 2012 is presented in Note 12.

# Governmental Activities

2012

	Balance (prior year)	Adjustments	Completed CIP	Incl-Int'gy Trans	Dec-Int'gy Trans	Additions	Deletions	Ending Balance	Balance (Current Year)	Difference
<b>Non-depreciable/Non-amortizable Assets</b>										
BC Land and Land Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Construction in Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Other Tangible Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Other Intangible Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Non-depreciable/Non-amortizable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Depreciable Assets</b>										
BC Building and Building Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Facilities and Other Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Furniture and Equipment	22,860.00	0.00	0.00	0.00	0.00	0.00	0.00	22,860.00	22,860.00	0.00
BC Vehicles, Boats, and Aircraft	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Depreciable Assets	22,860.00	0.00	0.00	0.00	0.00	0.00	0.00	22,860.00	22,860.00	0.00
<b>Accumulated Depreciation</b>										
BC AD Buildings and Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AD Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AD Facilities and Other Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AD Furniture and Equipment	-22,771.43	0.00	0.00	0.00	0.00	-88.57	0.00	-22,860.00	-22,860.00	0.00
BC AD Vehicles, Boats, and Aircraft	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AD Other Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accumulated Depreciation	-22,771.43	0.00	0.00	0.00	0.00	-88.57	0.00	-22,860.00	-22,860.00	0.00
<b>Amortizable Assets-Intangible</b>										
BC Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC Computer Software	226,926.93	0.00	0.00	0.00	0.00	0.00	0.00	226,926.93	226,926.93	0.00
BC Other Capital Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Amortizable Assets-Intangible	226,926.93	0.00	0.00	0.00	0.00	0.00	0.00	226,926.93	226,926.93	0.00
<b>Accumulated Amortization</b>										
BC A/A Land use Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC A/A Computer Software	-226,926.93	0.00	0.00	0.00	0.00	0.00	0.00	-226,926.93	-226,926.93	0.00
BC A/A Other Intangible Capital Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accumulated Amortization	-226,926.93	0.00	0.00	0.00	0.00	0.00	0.00	-226,926.93	-226,926.93	0.00
Total Governmental Activities	88.57	0.00	0.00	0.00	0.00	-88.57	0.00	0.00	0.00	0.00

*Unaudited*

*Texas Funeral Service Commission*

**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 reported in Employees' Compensable Leave, the only general long-term liability of the agency:

<u>Balance</u> <u>09/01/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>08/31/12</u>	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>
\$22,994.55	\$34,897.13	\$(34,556.46)	\$23,335.22	\$17,200.68

**Employees' Compensable Leave**

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

**NOTE 6: BONDED INDEBTEDNESS**

Not applicable.

**NOTE 7: DERIVATIVES**

Not applicable.

*Unaudited*

*Texas Funeral Service Commission*

**NOTE 8: LEASES**

Not applicable.

**NOTE 9: PENSION PLANS**

Not applicable.

**NOTE 10: DEFERRED COMPENSATION**

Not applicable.

**NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

Not applicable.

**NOTE 12: INTERFUND BALANCES/ ACTIVITY**

As explained in Note 1 on Interfund Activities and Balances, there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables (Note 12 presentation required)
- Due From Other Agencies or Due To Other Agencies
- Due From Other Funds or Due To Other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out (Note 8 presentation required)

Individual balances and activity at August 31, 2012, were as follows:

**REQUIRED NOTE 12 PRESENTATION:**

	<i>Legislative Transfers In</i>	<i>Legislative Transfers Out</i>	<i>Purpose</i>
<b>General Revenue Fund 0001</b>			
To Agency 364, Fund 0001		\$ 9,663.00	Health Professions Council



*Unaudited*

*Texas Funeral Service Commission*

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

Not applicable.

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

Not applicable.

**NOTE 21: N/A**

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**

Not applicable.

**NOTE 25: TERMINATION BENEFITS**

Not applicable.

**NOTE 26: SEGMENT INFORMATION**

Not applicable.

Texas Funeral Service Commission  
 Schedule 4 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds  
 - Balance Sheet/Statement of Net Assets  
 August 31, 2012

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
<b>ASSETS</b>					
Current Assets					
Cash					
On Hand	0 00	0 00	0 00	0 00	0 00
In Bank	0 00				0 00
In Transit/Reimburse from Treasury	0 00				0 00
In State Treasury					0 00
Securities Lending Collateral					0 00
Short Term Investments					0 00
Restricted	0 00				0 00
Cash					
On Hand	0 00				0 00
In Bank	0 00				0 00
In Transit/Reimburse from Treasury	0 00				0 00
In State Treasury					0 00
Short Term Investments	0 00				0 00
Legislative Appropriations	119,190 19				119,190 19
Receivables from	0 00				0 00
Federal					
Other Intergovernmental					0 00
Interest and Dividends					0 00
Accounts Receivable					0 00
Taxes	0 00				0 00
Gifts, Pledges and Donations					0 00
Other	0 00				0 00
Interfund Receivables	0 00				0 00
Due From Other Funds					
Due From Other Agencies					0 00
Consumable Inventories	15,122 00				15,122 00
Merchandise Inventories	0 00				0 00
Prepaid Items	0 00				0 00
Loans and Contracts					0 00
Other Current Assets					0 00
<b>Total Current Assets</b>	<b>134,312 19</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>134,312 19</b>
Non-Current Assets:					
Restricted					
Cash					
On Hand	0 00				0 00
In Bank	0 00				0 00
In Transit/Reimburse from Treasury	0 00				0 00
In State Treasury	0 00				0 00
Short Term Investments	0 00				0 00
Receivables	0 00				0 00
Investments	0 00				0 00
Loans and Contracts					0 00
Other Assets					0 00
Loans and Contracts	0 00				0 00
Investments					0 00
Interfund Receivables	0 00				0 00
Gifts, Pledges and Donations					0 00
Capital Assets					
Non-Depreciable					
Land and Land Improvements					
Infrastructure					0 00
Construction in Progress					0 00
Other Capital Assets					0 00
Depreciable					
Facilities and Other Improvements					
Less Accumulated Depreciation					0 00
Furniture and Equipment		22,860 00			22,860 00
Less Accumulated Depreciation		-22,860 00			-22,860 00
Vehicle, Boats and Aircraft					0 00
Less Accumulated Depreciation					0 00
Other Capital Assets					0 00
Less Accumulated Depreciation					0 00
Amortizable Assets - Intangible					
Facilities and Other Improvements					
Less Accumulated Depreciation					0 00
Furniture and Equipment		226,926 93			226,926 93
Less Accumulated Depreciation		-226,926 93			-226,926 93
Vehicle, Boats and Aircraft					0 00
Less Accumulated Depreciation					0 00
Other Capital Assets					0 00
Less Accumulated Depreciation					0 00
Other Non Current Assets	0 00				0 00
<b>Total Non Current Assets</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>
<b>Total Assets</b>	<b>134,312 19</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>134,312 19</b>



Texas Funeral Service Commission  
 Schedule 4 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds  
 - Balance Sheet/Statement of Net Assets  
 August 31, 2012

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
<b>Current Liabilities</b>					
<b>Payables From</b>					
Accounts	14,437 89				14,437 89
Federal					0 00
Other Intergovernmental	0 00				0 00
Payroll	99,528 15				99,528 15
Contracts					0 00
Other					0 00
Interfund Payable	0 00				0 00
Due To Other Funds					0 00
Due To Other Agencies					0 00
Deferred Revenues					0 00
Notes and Loans Payable	0 00				0 00
Revenue Bonds Payable	0 00				0 00
General Obligation Bonds Payable	0 00				0 00
Claims and Judgments	0 00				0 00
Employees' Compensable Leave	0 00		17,200 68		17,200 68
Capital Lease Obligations	0 00				0 00
Liabilities Payable from Restricted Assets	0 00				0 00
Obligations/Reverse Repurchase Agreement	0 00				0 00
Obligations Under Securities Lending					0 00
Funds Held For Others	-71 00				-71 00
Other Current Liabilities	0 00				0 00
<b>Total Current Liabilities</b>	<b>113,895 04</b>	<b>0 00</b>	<b>17,200 68</b>	<b>0 00</b>	<b>131,095 72</b>
<b>Non-Current Liabilities</b>					
Interfund Payables	0 00				0 00
Notes and Loans Payable	0 00				0 00
Revenue Bonds Payable	0 00				0 00
General Obligation Bonds Payable	0 00				0 00
Claims and Judgments	0 00				0 00
Employees' Compensable Leave	0 00		6,134 54		6,134 54
Capital Lease Obligations	0 00				0 00
Liabilities from Restricted Assets					0 00
Assets Held for Others					0 00
Other Non-Current Liabilities					0 00
<b>Total Non-Current Liabilities</b>	<b>0 00</b>	<b>0 00</b>	<b>6,134 54</b>	<b>0 00</b>	<b>6,134 54</b>
<b>Total Liabilities</b>	<b>113,895 04</b>	<b>0 00</b>	<b>23,335 22</b>	<b>0 00</b>	<b>137,230 26</b>
<b>Fund Financial Statement</b>					
<b>Fund Balances (Deficits)</b>					
<b>Nonspendable</b>					
Restricted	15,122 00				15,122 00
Committed	0 00				0 00
Assigned	0 00				0 00
Unassigned	5,295 15				5,295 15
<b>Total Fund Balances</b>	<b>20,417 15</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>20,417 15</b>
<b>Total Liabilities and Fund Balances</b>	<b>134,312 19</b>	<b>0 00</b>	<b>23,335 22</b>	<b>0 00</b>	<b>157,647 41</b>
<b>Government-Wide Statement of Net Assets</b>					
<b>Net Assets</b>					
Invested in Capital Assets, net of Related Debt		0 00			0 00
<b>Restricted For</b>					
Debt Retirement					0 00
Capital Projects					0 00
Other					0 00
<b>Funds Held as Permanent Investments</b>					
Expendable					0 00
Non-Expendable					0 00
Other					0 00
Unrestricted			23,335 22		23,335 22
<b>Total Net Assets</b>		<b>0 00</b>	<b>23,335 22</b>	<b>0 00</b>	<b>43,752 37</b>

**Texas Funeral Service Commission**  
**Schedule 4 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds**  
**- Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities**  
**For the Fiscal Year Ended August 31, 2012**

	<b>Governmental Funds Total</b>	<b>Capital Assets Adjustments</b>	<b>Long-Term Liabilities Adjustments</b>	<b>Other Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES**</b>					
Legislative Appropriations					
Original Appropriations (GR)	636,214.00	0.00	0.00	0.00	636,214.00
Additional Appropriations (GR)	120,199.35				120,199.35
Taxes (GR)					0.00
Federal Revenue (PR - Operating or Capital)					0.00
Federal Grant Pass-Through Revenue (GR)					0.00
State Grant Pass-Through Revenue (GR)					0.00
License, Fees & Permits (PR)	49,816.20				49,816.20
Interest and Other Investment Income (PR)					0.00
Interest and Other Investment Income (GR)					0.00
Net Increase (Decrease) in Fair Value (PR)					0.00
Net Increase (Decrease) in Fair Value (GR)					0.00
Land Income (PR)					0.00
Settlement of Claims (PR)					0.00
Settlement of Claims (GR)					0.00
Sales of Goods and Services (PR)	70,481.97				70,481.97
Other (PR - Chg for Serv, Operating or Capital)	0.00				0.00
Other (GR)	0.00				0.00
<b>Total Revenues</b>	<b>876,711.52</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>876,711.52</b>
<b>EXPENDITURES</b>					
Salaries and Wages	521,024.58		-340.67		520,683.91
Payroll Related Costs	124,415.98				124,415.98
Professional Fees and Services	72,758.04				72,758.04
Travel	30,949.47				30,949.47
Materials and Supplies	28,213.26				28,213.26
Communication and Utilities	9,110.83				9,110.83
Repairs and Maintenance	41,743.54				41,743.54
Rentals and Leases	2,924.15				2,924.15
Printing and Reproduction	14,952.80				14,952.80
Claims and Judgments					0.00
Federal Grant Pass-Through Expenditures					0.00
State Grant Pass-Through Expenditures					0.00
Intergovernmental Payments					0.00
Public Assistance Payments					0.00
Employee Benefit Payments					0.00
Other Expenditures	59,873.15				59,873.15
Debt Service:					0.00
Principal					0.00
Interest					0.00
Other Payments for Refunding	0.00				0.00
Capital Outlay	0.00	0.00			0.00
Depreciation Expense	0.00	88.57			88.57
<b>Total Expenditures/Expenses</b>	<b>905,965.80</b>	<b>88.57</b>	<b>-340.67</b>	<b>0.00</b>	<b>905,713.70</b>
Excess (Deficiency) of Revenues over Expenditures	29,254.28	-88.57	340.67	0.00	-29,002.18
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond and Note Proceeds					0.00
Increase in Obligations Under Capital Leases					0.00
Sale of Capital Assets					0.00
Transfers In	0.00				0.00
Transfers Out					0.00
Legislative Transfers In	0.00				0.00
Legislative Transfers Out	9,663.00				9,663.00
Gain (Loss) on Sale of Capital Assets	0.00				0.00
Inc in Net Assets Due to Interagency Transfer					0.00
(Dec) in Net Assets Due to Interagency Transfer	0.00				0.00

**Texas Funeral Service Commission**  
**Schedule 4 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds**  
**- Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities**  
**For the Fiscal Year Ended August 31, 2012**

	<u>Governmental Funds Total</u>	<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>	<u>Other Adjustments</u>	<u>Statement of Activities</u>
Total Other Financing Sources (Uses)	-9,663.00	0.00	0.00	0.00	-9,663.00
<b>SPECIAL ITEMS</b>					
Proceeds from Sale of Park Land					0.00
<b>EXTRAORDINARY ITEMS</b>					
Natural Disaster-Hurricane					0.00
Net Change in Fund Balances/Net Assets	-38,917.28	88.57	340.67	0.00	-38,665.18
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances - Beginning Balance September 1, 2011	64,069.72		0.00		64,069.72
Restatements					0.00
Fund Balances - September 1, 2011, as Restated	<u>64,069.72</u>		<u>0.00</u>		<u>64,069.72</u>
Appropriations Lapsed	-4,735.29				-4,735.29
Fund Balances, August 31, 2012	<u>20,417.15</u>	88.57	340.67	0.00	<u>20,669.25</u>
<b>Government-Wide Statement of Net Assets</b>					
Change in Net Assets		88.57	340.67	0.00	
Net Assets, Beginning Balance September 1, 2011		88.57	22,994.55		46,077.12
Restatements					0.00
Net Assets, September 1, 2011, as Restated		<u>88.57</u>	<u>22,994.55</u>	<u>0.00</u>	<u>46,077.12</u>
Net Assets as of August 31, 2012		<u>0.00</u>	<u>23,335.22</u>	<u>0.00</u>	<u>66,746.37</u>

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

# TEXAS FUNERAL SERVICE COMMISSION

## CURRENT ORGANIZATIONAL CHART

