

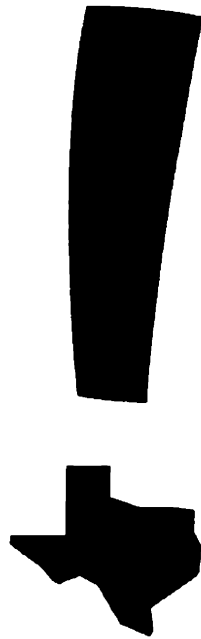
**TEXAS HISTORICAL COMMISSION**  
*real places telling real stories*

## **ANNUAL FINANCIAL REPORT**

For The Year Ended August 31, 2012







**TEXAS HISTORICAL COMMISSION**  
*real places telling real stories*

## ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2012

**TEXAS HISTORICAL COMMISSION**  
*real places telling real stories*

November 19, 2012

Honorable Rick Perry, Governor  
Honorable Susan Combs, Texas Comptroller  
Ursula Parks, Acting Director, Legislative Budget Board  
John Keel, CPA, State Auditor

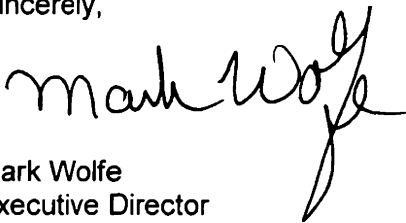
Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Historical Commission for the year ended August 31, 2012, in compliance with 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 (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 accompanying annual 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 Lynn Ward at 463-0260. Lynn Ward may be contacted at 463-0260 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,



Mark Wolfe  
Executive Director





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Texas Historical Commission (808)  
 Exhibit I - Combined Balance Sheet/Statement of Net Assets - Governmental Funds  
 August 31, 2012

Governmental Fund Types								
	General Funds (Ex A-1)	Special Revenue Funds (Ex B-1)	Capital Projects Funds (Ex D-1)	Permanent Funds (Ex E-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
<b>ASSETS</b>								
Current Assets:								
Cash (Note 3)	\$ 2,550.00	\$ .00	\$ .00	\$ .00	\$ 2,550.00	\$ .00	\$ .00	\$ 2,550.00
On Hand	5,000.00	1,049,223.05	-	-	1,054,223.05	-	-	1,054,223.05
In Bank	2,374,283.14	-	-	\$ 292,862.22	2,667,145.36	-	-	2,667,145.36
Cash in State Treasury	38,256.43	-	-	-	38,256.43	-	-	38,256.43
Short Term Investments (Note 3)	-	-	-	-	-	-	-	-
Security Lending Collateral	-	-	-	-	-	-	-	-
Legislative Appropriations	3,674,657.33	-	-	-	3,674,657.33	-	-	3,674,657.33
Receivables from:								
Federal	-	-	-	-	-	-	-	-
Accounts Receivable	371,304.89	96.32	-	-	371,401.21	-	-	371,401.21
Gifts, Pledges and Donations	-	-	-	-	-	-	-	-
Interest and Dividends	186.12	-	-	-	186.12	-	-	186.12
Due From Other Funds (Note 12)	-	-	-	-	-	-	-	-
Due From Other Agencies (Note 12)	508,055.08	-	30,201,393.26	-	30,709,448.34	-	-	30,709,448.34
Investment in Trade Receivables	62,374.90	-	-	-	62,374.90	-	-	62,374.90
Interfund Receivables	174,899.17	-	562,902.42	-	737,801.59	-	-	737,801.59
Consumable Inventories	636,105.99	-	-	-	636,105.99	-	-	636,105.99
Merchandise Inventories	121,190.68	-	-	-	121,190.68	-	-	121,190.68
Other Current Assets	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>\$ 7,968,863.73</b>	<b>\$ 1,049,319.37</b>	<b>\$ 30,764,295.68</b>	<b>\$ 292,862.22</b>	<b>\$ 40,075,341.00</b>	<b>\$ .00</b>	<b>\$ .00</b>	<b>\$ 40,075,341.00</b>
Non-Current Assets:								
Investments	7,253,115.17	-	-	-	7,253,115.17	-	-	7,253,115.17
Restricted:								
Capital Assets (Note 2):								
Non-Depreciable								
Land and Land Improvements	-	-	-	-	-	4,682,651.36	-	4,682,651.36
Construction in Progress	-	-	-	-	-	-	-	-
Other Capital Assets	-	-	-	-	-	216,854.56	-	216,854.56
Depreciable:								
Building and Building Improvements	-	-	-	-	-	-	-	-
Less Accumulated Depreciation	-	-	-	-	-	36,140,722.15	-	36,140,722.15
Facilities and Other Improvements	-	-	-	-	-	(9,851,408.50)	-	(9,851,408.50)
Less Accumulated Depreciation	-	-	-	-	-	306,439.00	-	306,439.00
Furniture and Equipment	-	-	-	-	-	(127,308.32)	-	(127,308.32)
Less Accumulated Depreciation	-	-	-	-	-	1,837,063.07	-	1,837,063.07
Vehicle, Boats and Aircraft	-	-	-	-	-	(1,243,045.36)	-	(1,243,045.36)
Less Accumulated Depreciation	-	-	-	-	-	1,332,791.72	-	1,332,791.72
Other Capital Assets	-	-	-	-	-	(850,018.87)	-	(850,018.87)
Less Accumulated Depreciation	-	-	-	-	-	1,058,487.80	-	1,058,487.80
Amortizable Assets-Intangible	-	-	-	-	-	(109,365.08)	-	(109,365.08)
Less Accumulated Depreciation	-	-	-	-	-	19,252.00	-	19,252.00
<b>Total Non-Current Assets</b>	<b>7,253,115.17</b>	<b>1,049,319.37</b>	<b>30,764,295.68</b>	<b>292,862.22</b>	<b>7,253,115.17</b>	<b>(13,860.69)</b>	<b>(13,860.69)</b>	<b>40,652,370.01</b>
<b>Total Assets</b>	<b>15,221,978.90</b>	<b>1,049,319.37</b>	<b>30,764,295.68</b>	<b>292,862.22</b>	<b>47,328,456.17</b>	<b>33,399,254.84</b>	<b>33,399,254.84</b>	<b>80,727,711.01</b>



Texas Historical Commission (808)  
 Exhibit I - Combined Balance Sheet/Statement of Net Assets - Governmental Funds  
 August 31, 2012

	Governmental Fund Types							
	General Funds (Ex A-1)	Special Revenue Funds (Ex B-1)	Capital Projects Funds (Ex D-1)	Permanent Funds (Ex E-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Current Liabilities:								
Payables from:								
Accounts	439,958.77		1,753,231.55		2,193,190.32			2,193,190.32
Federal								
Other Intergovernmental								
Payroll	786,556.98				786,556.98			786,556.98
Contracts								
Other								
Interfund Payable (Note 12)	631,685.87		105,898.84		737,584.71			737,584.71
Trade Payables	1,283.73				1,283.73			1,283.73
Due To Other Funds (Note 12)	1,863.58				1,863.58			1,863.58
Due To Other Agencies (Note 12)	1,696.80				1,696.80			1,696.80
Deferred Revenues								
Employees' Compensable Leave (Note 5)							\$ 554,108.54	554,108.54
Obligations Under Security Lending								
Total Current Liabilities	1,863,045.73		1,859,130.39		3,722,176.12		554,108.54	4,276,284.66
Non-Current Liabilities								
Employees' Compensable Leave (Note 5)							443,762.64	443,762.64
Total Non-Current Liabilities							443,762.64	443,762.64
Total Liabilities	1,863,045.73		1,859,130.39		3,722,176.12		997,871.18	4,720,047.30
<b>Fund Financial Statement</b>								
Fund Balances (Deficits):								
Assigned		983,518.06			983,518.06			983,518.06
Restricted		65,801.31	29,463,968.99		29,529,770.30			29,529,770.30
Committed	12,330,586.84				12,330,586.84			12,330,586.84
Nonspendable	757,296.67			292,862.22	1,050,158.89			1,050,158.89
Nonspendable for Inventory								
Unassigned	271,049.66		(558,803.70)		(287,754.04)			(287,754.04)
Total Fund Balances	13,358,933.17	1,049,319.37	28,905,165.29	292,862.22	43,606,280.05			43,606,280.05
Total Liabilities and Fund Balances	\$ 15,221,978.90	\$ 1,049,319.37	\$ 30,764,295.68	\$ 292,862.22	\$ 47,328,456.17			48,326,327.35
<b>Government-Wide Statement of Net Assets</b>								
Net Assets								
Invested in Capital Assets, net of Related Debt							(997,871.18)	32,401,383.66
Total Net Assets							\$ (997,871.18)	\$ 76,007,663.71

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

Texas Historical Commission (808)  
 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 (Ex A-2)	Special Revenue Funds (Ex B-2)	Capital Projects Funds (Ex D-2)	Permanent Funds (Ex E-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>REVENUES**</b>								
Legislative Appropriations								
Original Appropriations (GR)	\$ 4,963,115.00	\$ -		\$ -	\$ 4,963,115.00	\$ -	\$ -	\$ 4,963,115.00
Additional Appropriations (GR)	1,486,227.01				1,486,227.01			1,486,227.01
Taxes (GR)	(227.26)				(227.26)			(227.26)
Federal Revenue (PR - Operating or Capital)	1,273,286.67				1,273,286.67			1,273,286.67
Federal Grant Pass-Through Revenue (GR)	1,584,690.48				1,584,690.48			1,584,690.48
State Grant Pass-Through Revenue (GR)								
License, Fees & Permits (PR)	1,455,548.21				1,455,548.21			1,455,548.21
Interest and Other Investment Income (PR)								
Interest and Other Investment Income (GR)	112,770.55	393,410.87	(2,768.11)	5,527.08	508,940.39			508,940.39
Net Increase (Decrease) in Fair Value (PR)								
Net Increase (Decrease) in Fair Value (GR)	62,860.77				62,860.77			62,860.77
Land Income (PR)	29,800.34				29,800.34			29,800.34
Settlement of Claims (PR)								
Settlement of Claims (GR)	521.02				521.02			521.02
Sales of Goods and Services (PR)	211,848.50				211,848.50			211,848.50
Other (PR - Chg for Serv. Operating or Capital)								
Other (GR)	69,162.07				69,162.07			69,162.07
Total Revenues	11,249,603.36	393,410.87	(2,768.11)	5,527.08	11,645,773.20			11,645,773.20
<b>EXPENDITURES</b>								
Salaries and Wages	8,119,409.59				8,119,409.59		(38,726.42)	8,080,683.17
Payroll Related Costs	2,135,149.42				2,135,149.42			2,135,149.42
Professional Fees and Services	651,955.24	150,810.22	202,960.93		1,005,726.39			1,005,726.39
Travel	234,201.05	17,225.31			251,426.36			251,426.36
Materials and Supplies	1,240,227.98	51,427.94			1,291,655.32			1,291,655.32
Communication and Utilities	514,852.16		10,580.00		525,432.16			525,432.16
Repairs and Maintenance	841,325.25				841,325.25			841,325.25
Rentals and Leases	385,813.04				385,813.04			385,813.04
Printing and Reproduction	114,154.36	13,366.24			127,520.60			127,520.60
Claims and Judgments	674.91				674.91			674.91
Federal Grant Pass-Through Expenditures								
State Grant Pass-Through Expenditures								
Intergovernmental Payments	622,056.17		13,948,346.98		14,570,403.15			14,570,403.15
Public Assistance Payments	1,392,564.92				1,392,564.92			1,392,564.92
Employee Benefit Payments								
Other Expenditures	2,451,628.29	94,437.86	92,562.03		2,638,628.18			2,638,628.18
Debt Service:								
Principal								
Interest								
Other Payments for Refunding								
Capital Outlay	823,404.55		4,984,903.70		5,808,308.25	(5,775,239.85)		33,068.40
Depreciation Expense						1,631,174.40		1,631,174.40
Amortization Expense						3,426.20		3,426.20
Total Expenditures/Expenses	19,527,416.33	327,267.57	19,239,353.64	-	39,084,037.54	(4,140,639.25)	(38,726.42)	34,914,671.87
Excess (Deficiency) of Revenues over Expenditures	(8,277,812.97)	66,143.30	(19,242,121.75)	5,527.08	(27,448,264.34)	4,140,639.25	38,726.42	(23,268,898.67)



Texas Historical Commission (808)  
 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 (Ex A-2)	Special Revenue Funds (Ex B-2)	Capital Projects Funds (Ex D-2)	Permanent Funds (Ex E-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond and Note Proceeds	6,210.00				6,210.00			6,210.00
Increase in Obligations Under Capital Leases	5,228,517.00		64,448,184.97		69,676,701.97			69,676,701.97
Sale of Capital Assets	(1,026,091.76)		(54,093,881.87)		(55,119,973.63)			(55,119,973.63)
Transfers In								
Transfers Out								
Insurance Recoveries								
Legislative Transfers Out	(289,760.72)				(289,760.72)			(289,760.72)
Gain (Loss) on Sale of Capital Assets								
Inc/(Dec) in Net Assets Due to Interagency Transfer (Note 2)	(6,360.65)				(6,360.65)			
Appropriations Lapsed	3,912,513.87		10,354,303.10		14,266,816.97			(6,360.65)
Total Other Financing Sources (Uses)								14,266,816.97
<b>SPECIAL ITEMS</b>								
Proceeds from Sale of Park Land								
<b>EXTRAORDINARY ITEMS</b>								
Natural Disaster-Hurricane								
Net Change in Fund Balances/Net Assets	(4,365,299.10)	66,143.30	(8,887,818.65)	5,527.08	(13,181,447.37)			(9,002,081.70)
<b>Fund Financial Statement - Fund Balances</b>								
Fund Balances - Beginning	17,736,787.04	983,518.06	38,909,611.86	287,335.14	57,917,252.10			57,917,252.10
Restatements	(12,554.77)	(341.99)	(1,116,627.92)		(1,129,524.68)			(1,129,524.68)
Fund Balances - September 1, 2011, as Restated	17,724,232.27	983,176.07	37,792,983.94	287,335.14	56,787,727.42			56,787,727.42
Fund Balances, August 31, 2012	\$ 13,358,933.17	\$ 1,049,319.37	\$ 28,905,165.29	\$ 292,862.22	\$ 43,606,280.05			47,785,645.72
<b>Government-Wide Statement of Net Assets</b>								
Net Assets/Net Change in Net Assets					43,606,280.05	4,140,639.25	38,726.42	47,785,645.72
Net Assets, Beginning					29,260,915.59	(1,036,597.60)	(1,036,597.60)	28,224,317.99
Restatements					(2,300.00)			(2,300.00)
Net Assets, September 1, 2011, as Restated					29,258,615.59	(1,036,597.60)	(1,036,597.60)	28,222,017.99
Net Assets as of August 31, 2012					\$ 43,606,280.05	\$ 33,399,254.84	\$ (997,871.18)	\$ 76,007,663.71

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

## Notes to the Financial Statements

<b>NOTE 1: Summary of Significant Accounting Policies</b>
---

### **Entity**

The Texas Historical Commission is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

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

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

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.

### Blended Component Units

The Texas Historical Commission does not have any blended component units

### Discretely Presented Component Units

The Texas Historical Commission has one discrete component unit. Information on the component unit can be found in Note 19.

### **Fund Structure**

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

### **Governmental Fund Types & Government-wide Adjustment Fund Types**

#### General Revenue Fund

The general revenue fund (fund 0001) is used to account for all financial resources of the state except those required to be accounted for in another fund.

#### Capital Assets Adjustment Fund Type

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



#### Long-Term Liabilities Adjustment Fund Type

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

#### **Fiduciary Fund Types**

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

#### Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

#### **Component Units**

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

#### **Basis of Accounting**

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual method basis of accounting. Under the modified accrual basis, revenues are recognized in the period 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 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 method of accounting. This includes capital assets, accumulated depreciation, unpaid Employee Compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, and long-term claims and judgments and full accrual revenues and expenses.

The activity is recognized in these fund types.

Proprietary funds, pension trust funds, external investment trust funds and private-purpose trust funds are accounted for on the accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues

and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

### **Budget and Budgetary Accounting**

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

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

### **Assets, Liabilities, and Fund Balances/Net 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 include both merchandise inventories on hand for sale and 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 items that appear in the governmental and proprietary 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 any purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is reported on the modified basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

##### Other Receivables – Current and Non-Current

The disaggregation of other receivables as reported in the financial statements is disclosed in Note 24, "Disaggregation of Receivables and Payable Balances."

## **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**

The disaggregation of other payables as reported in the financial statements is disclosed in Note 24, “Disaggregation of Receivables and Payables Balances.”

### **Employees’ Compensable Leave Balances**

Employees’ compensable leave balances represent the liability that become “due” upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets. These obligations are normally paid from the same funding source from which each employee’s salary or wage compensation was paid.

## **FUND BALANCE/NET ASSETS**

The difference between fund assets and liabilities in “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.

- 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 and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net 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.

**INTER-FUND TRANSACTIONS 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) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

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

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

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



# Governmental Activities

2012

	Balance (prior year,	-Adjustments	Completed CIP	Inc-Int'gy Trans	Dec-Int'gy Trans	Additions	Deletions	Ending Balance	Balance-Current Year	Difference
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**Agency: 608** *Texas Historical Commission*

<b>Non-depreciable/Non-amortizable Assets</b>										
BC Land and Land Improvements	3,772,234.46	0.00	0.00	0.00	0.00	910,416.90	0.00	4,682,651.36	4,682,651.36	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	260,369.03	-2,300.00	-1,192,628.05	0.00	0.00	934,559.02	0.00	0.00	0.00	0.00
BC Other Tangible Capital Assets	216,854.56	0.00	0.00	0.00	0.00	0.00	0.00	216,854.56	216,854.56	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
<b>Total Non-depreciable/Non-amortizable</b>	<b>4,249,458.05</b>	<b>-2,300.00</b>	<b>-1,192,628.05</b>	<b>0.00</b>	<b>0.00</b>	<b>1,844,975.92</b>	<b>0.00</b>	<b>4,899,505.92</b>	<b>4,899,505.92</b>	<b>0.00</b>
<b>Depreciable Assets</b>										
BC Building and Building Improvements	31,052,511.42	0.00	1,192,628.05	0.00	0.00	3,895,582.68	0.00	36,140,722.15	36,140,722.15	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	306,439.00	0.00	0.00	0.00	0.00	0.00	0.00	306,439.00	306,439.00	0.00
BC Furniture and Equipment	1,835,774.13	0.00	0.00	0.00	0.00	18,723.34	-17,434.40	1,837,063.07	1,837,063.07	0.00
BC Vehicles, Boats, and Aircraft	1,330,259.72	0.00	0.00	0.00	0.00	18,166.00	-15,634.00	1,332,791.72	1,332,791.72	0.00
BC Other Capital Assets	1,027,627.49	0.00	0.00	0.00	0.00	30,860.31	0.00	1,058,487.80	1,058,487.80	0.00
<b>Total Depreciable Assets</b>	<b>35,552,611.76</b>	<b>0.00</b>	<b>1,192,628.05</b>	<b>0.00</b>	<b>0.00</b>	<b>3,963,332.33</b>	<b>-33,068.40</b>	<b>40,675,503.74</b>	<b>40,675,503.74</b>	<b>0.00</b>
<b>Accumulated Depreciation</b>										
BC AVD Buildings and Improvements	-8,577,744.81	0.00	0.00	0.00	0.00	-1,273,663.69	0.00	-9,851,408.50	-9,851,408.50	0.00
BC AVD Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BC AVD Facilities and Other Improvements	-118,351.88	0.00	0.00	0.00	0.00	-8,956.44	0.00	-127,308.32	-127,308.32	0.00
BC AVD Furniture and Equipment	-1,097,365.09	0.00	0.00	0.00	0.00	-163,114.67	17,434.40	-1,243,045.36	-1,243,045.36	0.00
BC AVD Vehicles, Boats, and Aircraft	-695,644.07	0.00	0.00	0.00	0.00	-166,100.00	11,725.20	-850,018.87	-850,018.87	0.00
BC AVD Other Capital Assets	-60,865.88	0.00	0.00	0.00	0.00	-48,499.20	0.00	-109,365.08	-109,365.08	0.00
<b>Total Accumulated Depreciation</b>	<b>-10,549,971.73</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,660,334.00</b>	<b>29,159.60</b>	<b>-12,181,146.13</b>	<b>-12,181,146.13</b>	<b>-0.00</b>
<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	19,252.00	0.00	0.00	0.00	0.00	0.00	0.00	19,252.00	19,252.00	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
<b>Total Amortizable Assets-Intangible</b>	<b>19,252.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19,252.00</b>	<b>19,252.00</b>	<b>0.00</b>
<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	-10,434.49	0.00	0.00	0.00	0.00	-3,426.20	0.00	-13,860.69	-13,860.69	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
<b>Total Accumulated Amortization</b>	<b>-10,434.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3,426.20</b>	<b>0.00</b>	<b>-13,860.69</b>	<b>-13,860.69</b>	<b>0.00</b>
<b>Total Governmental Activities</b>	<b>29,260,915.59</b>	<b>-2,300.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,144,549.05</b>	<b>-3,908.80</b>	<b>33,399,254.84</b>	<b>33,399,254.84</b>	<b>0.00</b>

<b>NOTE 3: Deposits, Investments &amp; Repurchase Agreements</b>
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The Texas Historical Commission is authorized by statute to make investments following the "prudent person rule." There were no significant violations of legal provisions during the period. Investments are made through the Safekeeping Trust.

**DEPOSITS OF CASH IN BANK**

As of August 31, 2012, the carrying amount of deposits was \$1,054,223.05 as presented below.

Governmental and Business-Type Activities

Cash in Bank – Carrying Amount	\$5000.00
Total Cash in Bank per AFR	\$5000.00
Governmental Funds Current Assets Cash in Bank	\$5000.00
Cash in Bank per AFR	\$5000.00

Discrete Component Unit

Cash in Bank – Carrying Amount	\$1,049,223.05
Total Cash in Bank per AFR	\$1,049,223.05
Governmental Funds Current Assets Cash in Bank	\$1,054,223.05
Cash in Bank per AFR	\$1,054,223.05

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

As of August 31, 2012, the total **bank balance** was as follows:

Governmental and Business - Type Activities	\$5000.00	Discrete Component Units	\$1,049,223.05
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## INVESTMENTS

As of August 31, 2012, the fair value of investments is as presented below:

### Governmental and Business-Type Activities

Mutual Funds	\$1,528,378.09
Fixed Income Money Market and Bond Mutual Fund	0.00
Securities Lending Collateral Investment Pool	0.00
Externally Managed Investments – Domestic	\$787,025.96
Externally Managed Investments – International	\$104,876.85
Miscellaneous	\$4,869,011.01
<b>Total Investments</b>	<b>\$7,291,371.60</b>
Reconciliation of Investments Per Exhibits – Governmental and Business-Type Activities	
Governmental Funds Current Assets Short-Term Investments	\$38,256.43
Governmental Funds Current Assets Security Lending Collateral	0.00
Governmental Funds Noncurrent Assets Investments	\$7,253,115.17
<b>Investments per Exhibits</b>	<b>\$7,291,371.60</b>

**Custodial credit risk** for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments are in the Safekeeping Trust and are subject to Custodial credit risk.

**Foreign currency risk** for investments is the risk that changes in exchange rates will adversely affect the investment. The agency's investments are held in the Safekeeping Trust which is responsible for limiting foreign currency risk. The exposure to foreign currency risk as of August 31, 2012 is as follows:

Fund Type	GAAP Fund	Foreign Currency	International Externally Managed Investments
01	0664	EURO	\$104,876.85
		<b>Total</b>	<b>\$104,876.85</b>

**Credit risk** is the risk than that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2012 the Texas Historical Commission's credit quality distribution for securities with credit risk exposure was as follows:

#### *Standard & Poor's*

Fund Type	GAAP Fund	Investment Type	AAA	BBB	BB	B	CCC	Not Rated
01	0664	Fixed Income Money Market and Bond Mutual Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$957,821.31
01	0664	Miscellaneous	\$38,256.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**NOTE 4: Short-Term Debt – Not Applicable**

**NOTE 5: Long Term Liabilities**

**CHANGES IN LONG-TERM LIABILITIES**

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

<b>Governmental Activity</b>	<b>Balance 9/1/2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 8/31/2012</b>	<b>Amounts Due Within One Year</b>	<b>Amounts Due Thereafter</b>
Employees' Compensable Leave	\$1,036,597.60	\$1,038,152.54	\$1,076,878.96	\$997,871.18	\$554,108.54	\$443,762.64
<b>Total Governmental Activities</b>	<b>\$1,036,597.60</b>	<b>\$1,038,152.54</b>	<b>\$1,076,878.96</b>	<b>\$997,871.18</b>	<b>\$554,108.54</b>	<b>\$443,762.64</b>

**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.

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. Both an expense and a liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

**NOTE 6: Bonded Indebtedness – Not Applicable**

**NOTE 7: Derivative Instruments – Not Applicable**



**NOTE 8: Leases**

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

<b>Fund Type</b>	<b>Amount</b>
<b>General Fund</b>	<b>\$385,813.04</b>

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

<b>Year Ended August 31, 2012</b>	
2012 (Future Year 1)	\$245,286.00
2013 (Future Year 2)	\$246,781.00
2014 (Future Year 3)	\$246,781.00
2015 (Future Year 4)	\$246,781.00
2016 (Future Year 5)	\$256,781.00
2017 – 2021 (Future Years 6-10)	\$1,283,905.00
2022 – 2026 (Future Years 11-15)	\$1,283,905.00
2027 – 2031 (Future Years 16-20)	\$1,283,905.00
2032 – 2036 (Future Years 21-25)	\$1,283,905.00
2037 – 2041 (Future Years 26-30)	\$1,283,905.00
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$7,661,935.00</b>

**NOTE 9: Pension Plans (administering entities only) – Not Applicable**

**NOTE 10: Deferred Compensation (administering agencies only) – Not Applicable**

**NOTE 11: Post Employment Health Care and Life Insurance Benefits (UT, A&M, TRS and ERS only) – Not Applicable**

**NOTE 12: Interfund Activity and Transactions**

The Texas Historical 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 August 31, 2012, follows:

**Required Note 12 Presentation**

<b>Interfund Receivables and Payables - Current</b>			
<b>Current Portion</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Purpose (Disclosure Required)</b>
<b>GENERAL REVENUE (01)</b>			
Appd Fund 0001, D23 Fund 0001			
Appd Fund 0001, D23 Fund 0139	\$10,197.65	\$13,563.90	Expenditure Transfer after End of Year
Appd Fund 0664, D23 Fund 0664	\$1,406.79	\$15,350.77	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0002		\$152.17	Expenditure Transfer after End of Year
Appd Fund 7636, D23 Fund 7636		\$92,377.79	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0002			
Appd Fund 0001, D23 Fund 0001	\$152.17		Expenditure Transfer after End of Year
Appd Fund 0664, D23 Fund 0664		\$8,952.37	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0003			
Appd Fund 0001, D23 Fund 0139	\$3.00		Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0001, D23 Fund 0239	\$4,729.37		Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0001, D23 Fund 0139		\$297.05	Expenditure Transfer after End of Year
Appd Fund 0664, D23 Fund 0664		\$11,592.88	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0239		\$1,415.20	Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0001, D23 Fund 0004			
Appd Fund 7636, D23 Fund 7636		\$439,185.86	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0007			
Appd Fund 0001, D23 Fund 0239	\$382.29	\$8.00	Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0900, D23 Fund 0900		(\$216.88)	Revenue Correction after End of Year
Appd Fund 0001, D23 Fund 0139			
Appd Fund 0001, D23 Fund 0001	\$13,563.90	\$10,197.65	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0003	\$297.05		Expenditure Transfer after End of Year

Appd Fund 0001, D23 Fund 0003		\$3.00	Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0001, D23 Fund 0239		\$373.49	Expenditure Transfer after End of Year
Appd Fund 7213, D23 Fund 7213	\$105,898.84		Expenditure Transfer after End of Year
Appd Fund 7636, D23 Fund 7636		\$31,338.77	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0239			
Appd Fund 0001, D23 Fund 0003		\$3,314.17	Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0001, D23 Fund 0007	\$8.00	\$382.29	Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0001, D23 Fund 0139	\$373.49		Expenditure Transfer after End of Year
Appd Fund 0664, D23 Fund 0664			
Appd Fund 0001, D23 Fund 0001	\$15,350.77	\$1,406.79	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0002	\$8,952.37		Revenue posted to incorrect D23 fund corrected after End of Year
Appd Fund 0001, D23 Fund 0003	\$11,592.88		Expenditure Transfer after End of Year
Appd Fund 0664, D23 Fund 8664	\$1,990.60		Revenue Correction after End of Year
Appd Fund 0664, D23 Fund 8664			
Appd Fund 0664, D23 Fund 00664		\$1,990.60	Revenue Correction after End of Year
<b>CAPITAL PROJECTS (04)</b>			
Appd Fund 7213, D23 Fund 7213			
Appd Fund 0001, D23 Fund 0139		\$105,898.84	Expenditure Transfer after End of Year
Appd Fund 7636, D23 Fund 7636			
Appd Fund 0001, D23 Fund 0001	\$92,377.79		Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0004	\$439,185.86		Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0139	\$31,338.77		Expenditure Transfer after End of Year
<b>AGENCY FUNDS (09)</b>			
Appd Fund 0900, D23 Fund 0900			
Appd Fund 0001, D23 Fund 0007	(\$216.88)		Revenue Correction after End of Year
<b>Total Current Interfund Receivable/Payable</b>	<b>\$737,584.71</b>	<b>\$737,584.71</b>	
<b>Optional Note 12 Presentation:</b>			
	<b>Due From Other Agencies</b>	<b>Due to Other Agencies</b>	<b>Source</b>
<b>GENERAL (01)</b>			
Appd Fund 0001, D23 Fund 0001			
Agency 320, D23 Fund 0165		\$792.00	TWC – Unemployment
Appd Fund 0001, D23 Fund 0139			
Agency 320, D23 Fund 0165		\$904.80	TWC – Unemployment
Appd Fund 0001, D23 Fund 0001			
Agency 601, D23 Fund 0006	\$508,055.08		TXDOT IAC
<b>CAPITAL PROJECTS (04)</b>			
Appd Fund 7213, D23 Fund 7213			
(Agency 347, GAAP Fund 7213)	\$574,497.87		TPFA - Bonds

Appd Fund 7615, D23 Fund 7615 (Agency 347, GAAP Fund 7615)	\$95,357.03		TPFA - Bonds
Appd Fund 7632, D23 Fund 7632 (Agency 347, D23 Fund 7632)	\$689,901.42		TPFA - Bonds
Appd Fund 7636, D23 Fund 7636 (Agency 347, D23 Fund 7636)	\$7,464,950.34		TPFA - Bonds
Appd Fund 7646, D23 Fund 7646 (Agency 347, D23 Fund 7646)	\$3,255,879.12		TPFA - Bonds
Appd Fund 7650, D23 Fund 7650 (Agency 347, D23 Fund 7650)	\$18,120,807.48		TPFA - Bonds
<b>Total Due From /To Other Agencies</b>	<b>\$30,709,448.34</b>	<b>\$1,696.80</b>	

**Optional Note 12 Presentation:**

	Due From Other Funds	Due to Other Funds	Source
<b>GENERAL (01)</b>			
Appd Fund 0001, D23 Fund 0003 Appd Fund 0900, D23 Fund 0900		\$1,500.00	Revenue correcting entry at end of year
Appd Fund 0001, D23 Fund 0007 Appd Fund 0900, D23 Fund 0900		\$363.58	Revenue correcting entry at end of year
<b>AGENCY FUNDS (09)</b>			
Appd Fund 0900, D23 Fund 0900 Appd Fund 0001, D23 Fund 0003	\$1,500.00		Revenue correcting entry at end of year
Appd Fund 0900, D23 Fund 0900 Appd Fund 0001, D23 Fund 0007	\$363.58		Revenue correcting entry at end of year
<b>Total Due From /To Other Funds</b>	<b>\$1,863.58</b>	<b>\$1,863.58</b>	

**Optional Note 12 Presentation:**

	TRANSFERS IN	TRANSFERS OUT	Purpose (Disclosure Required)
<b>GENERAL (01)</b>			
Appd Fund 0001, D23 Fund 0139 (Agency 902, D23 Fund 0001)	\$5,089,121.00		Sporting Goods Sales Tax - CPA
Appd Fund 0001, D23 Fund 0139 (Agency 808, D23 Fund 0139)	\$139,171.00	\$139,171.00	Sporting Goods Sales Tax – Between Agency Appropriations
Appd Fund 0001, D23 Fund 0139 (Agency 808, D23 Fund 0139)	\$225.00	\$225.00	Petty Cash for Historic Sites – Confederate Reunion Grounds (\$50), Casa Navarro (\$75) and San Felipe (\$100)
Appd Fund 0001, D23 Fund 0001 (Agency 347, D23 Fund 7327)		\$77,168.10	TPFA- Debt Service
Appd Fund 0001, D23 Fund 0001 (Agency 347, D23 Fund 7330)		\$803,316.21	TPFA- Debt Service
Appd Fund 0001, D23 Fund 0001 (Agency 902, D23 Fund 0001)		\$6,210.00	CPA – Sale of Surplus Property
Appd Fund 0001, D23 Fund 0369 (Agency 902, D23 Fund 0001)		\$1.45	CPA – ARRA Fund Interest
<b>CAPITAL PROJECTS (04)</b>			
Appd Fund 7213, D23 Fund 7213 (Agency 347, D23 Fund 7213)	\$31,017,197.10	\$30,480,074.33	TPFA - Bonds
Appd Fund 7615 , D23 Fund 7615			



(Agency 347, D23 Fund 7615)	\$658,597.82	\$4,437.09	TPFA - Bonds
Appd Fund 7632, D23 Fund 7632			
(Agency 347, D23 Fund 7632)	\$689,901.42	\$689,901.42	TPFA - Bonds
Appd Fund 7636, D23 Fund 7636			
(Agency 347, D23 Fund 7636)	\$13,961,681.15	\$17,600,090.48	TPFA - Bonds
Appd Fund 7646, D23 Fund 7646			
(Agency 347, D23 Fund 7646)		\$5,319,378.55	TPFA - Bonds
Appd Fund 7650, D23 Fund 7650			
(Agency 347, D23 Fund 7650)	\$18,120,807.48		TPFA - Bonds
<b>Total Transfers In/Out</b>	<b>\$69,676,701.97</b>	<b>\$55,119,973.63</b>	

**NOTE 13: Continuance Subject to Review**

Under the Texas Sunset Act, the Texas Historical Commission will be abolished effective 09/01/19 unless continued in existence by the 86<sup>th</sup> Legislature as provided by the Act. If abolished, the agency may continue until 09/01/2020 to close out its operations.

**NOTE 14: Adjustments to Fund Balances/Net Assets**

During FY 2012, restatement to the beginning fund balances were required. These restatements are shown in the exhibit below and explanations for these restatements follow the exhibit:

	General Funds	Special Revenue Funds	Capital Projects Funds	Capital Assets	Total
Fund Balance, August 31, 2011	\$17,736,787.04	\$983,518.06	\$38,909,611.86		\$57,629,916.96
Net Assets Balance, August 31, 2011				\$29,260,915.59	\$29,260,915.59
Restatements	(\$12,554.77)	(\$341.99)	(\$1,116,627.92)	(\$2,300.00)	(\$ 1,131,824.68)
<b>Fund Bal/Net Assets Sept 1, 2011 As Restated</b>	<b>\$17,724,232.27</b>	<b>\$983,176.07</b>	<b>\$37,792,983.94</b>	<b>\$29,258,615.59</b>	<b>\$88,022,657.23</b>

The restatement of (\$12,554.77) in the General Funds is due to the beginning balances for interfund payables and receivables in the current year were under/over stated based on ending balances at August 31, 2011. Entries were made with incorrect transaction codes during the end of year process in 2011 and the entries did not reverse out at the beginning of fiscal year 2012. These correcting entries netted a \$0.00 restatement in 2012 for interfund payables and receivables. The additional restatement to the General funds ending balance is due to correcting entries made during the General Revenue reconciliation process in FY 2011 for benefits that created incorrect beginning balances in 2012. The restatement of (\$12,554.77) was required to correct the beginning balances for benefits (retirement, OASI and insurance) so that the correct ending balance was balanced in FY2012.

The restatement to the Special Revenue Funds of (\$341.99) is due to the use of the unaudited financial reports for The Friends of the Historical Commission (component unit) for the year ended August 31, 2011. The audited reports required the reduction in the beginning fund balance for 2011.

The restatement to the Capital Projects Funds in the amount of (\$1,116,627.92) is due to an entry made in prior fiscal years that did not reverse in the current year. This amount was tied to an entry

for a negative accounts payable that used transaction codes that did not reverse and left a negative balance for bond fund 7513 that is a closed fund.

The restatement to Capital Assets is due the completion of a building project that was completed, but did not meet the threshold to be a capitalized asset. Agencies are required to track and report construction in process as a capital asset and once the project is complete it is transferred to the buildings category. The threshold for buildings is \$100,000 and this particular building did not meet this requirement so the beginning fund balance was reduced by \$2,300 that was reported in 2011.

**NOTE 15: Contingencies and Commitments – Not Applicable**

**NOTE 16: Subsequent Events – Not Applicable**

**NOTE 17: Risk Management**

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

The Historical Commission assumes substantially all risks associated with tort claims and liability claims due to the performance of its duties. We have purchased property insurance for Sabine Pass through the Statewide Property Insurance Program.

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. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years.

**NOTE 18: Management Discussion and Analysis- Not Applicable**

**NOTE 19: The Financial Reporting Entity**

### **The Financial Reporting Entity**

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

### **Individual Component Unit Disclosures**

**Discretely Presented Component Units:** The Texas Historical Commission is financially accountable for the following legally separate entities: The Friends of the Texas Historical Commission. The Friends of the Texas Historical Commission is a legally separate entity whose sole purpose is to support the activities of

the Texas Historical Commission. For this reason, it would be misleading to exclude their financial information, which has been presented in a Special Revenue Fund. During the fiscal year ending August 31, 2012 the Friends of the Texas Historical Commission raised \$393,410.87.

**NOTE 20: Stewardship, Compliance and Accountability – Not Applicable**

**NOTE 21: Not Applicable**

**NOTE 22: Donor-Restricted Endowments**

House Bill 12 transferred 18 Historic Sites from Texas Parks and Wildlife to the Texas Historical Commission on January 1, 2008. Several Donor Restricted Endowments were transferred to Texas Historical Commission for oversight. The endowment funds are currently included in the Preservation Trust Fund (0664). The Varner Hogg Endowment fund has been setup as Permanent Fund (0941). The fund received \$5,527.08 in interest earnings during FY 2012. The fund balance at August 31, 2012 was \$292,862.22.

**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 Historical Commission (808)**  
**Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds**  
**August 31, 2012**

	General	Consolidated Accounts			Total (Ex I)
	Fund 1 (0001)* U/F (0001)	Fund 1 (0001)* U/F (0900)	Fund 2 (0664)* U/F (0664)	Fund 3 (5122)* U/F (5122)	
<b>ASSETS</b>					
Current Assets:					
Cash:					
On Hand	\$ 2,550.00				\$ 2,550.00
In Bank	5,000.00				5,000.00
In Transit/Reimburse from Treasury					-
In State Treasury			2,372,273.84	2,009.30	2,374,283.14
Short Term Investments			38,256.43		38,256.43
Security Lending Collateral					-
Restricted:					
Legislative Appropriations	3,674,657.33				3,674,657.33
Receivables from:					
Federal					
Other Intergovernmental			186.12		186.12
Interest and Dividends					-
Accounts Receivable	371,304.89				371,304.89
Taxes					-
Other					-
Investment in Trade Receivables			62,374.90		62,374.90
Interfund Receivables	137,012.55		37,886.62		174,899.17
Due From Other Funds					-
Due From Other Agencies	508,055.08				508,055.08
Consumable Inventories	636,105.99				636,105.99
Merchandise Inventories	121,190.68				121,190.68
Other Current Assets					-
<b>Total Current Assets</b>	<u>5,455,876.52</u>	<u>-</u>	<u>2,510,977.91</u>	<u>2,009.30</u>	<u>7,968,863.73</u>
Non-Current Assets:					
Restricted:					
Cash					
Investments			7,253,115.17		7,253,115.17
Other Non-Current Assets					-
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>	<u>7,253,115.17</u>		<u>7,253,115.17</u>
<b>Total Assets</b>	<u>5,455,876.52</u>	<u>-</u>	<u>9,764,093.08</u>	<u>2,009.30</u>	<u>15,221,978.90</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Current Liabilities:					
Payables from					
Accounts	337,210.49		102,748.28		439,958.77
Federal					-
Other Intergovernmental					-
Payroll	651,775.07		134,781.91		786,556.98
Contracts					-
Other					-
Interfund Payable	628,288.48		3,397.39		631,685.87
Due To Other Funds	1,863.58				1,863.58
Due To Other Agencies	1,696.80				-
Trade Payables			1,283.73		1,283.73
Deferred Revenues					-
Obligations Under Security Lending					-
Employees' Compensable Leave					-
<b>Total Current Liabilities</b>	<u>1,620,834.42</u>	<u>-</u>	<u>242,211.31</u>		<u>1,863,045.73</u>
Non-Current Liabilities					
Employees' Compensable Leave					
Capital Lease Obligations					-
Liabilities Payable from Restricted Assets					-
Assets Held for Others					-
<b>Total Non-Current Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
<b>Total Liabilities</b>	<u>1,620,834.42</u>	<u>-</u>	<u>242,211.31</u>		<u>1,863,045.73</u>
Fund Balances (Deficits):					
Assigned					
Restricted					-
Committed			12,326,328.12	4,258.72	12,330,586.84
Nonspendable	757,296.67				757,296.67
Nonspendable for Inventory					-
Unassigned	3,077,745.43		(2,804,446.35)	(2,249.42)	271,049.66
<b>Total Fund Balances</b>	<u>3,835,042.10</u>	<u>-</u>	<u>9,521,881.77</u>	<u>2,009.30</u>	<u>13,358,933.17</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,455,876.52</u>	<u>\$ -</u>	<u>\$ 9,764,093.08</u>	<u>\$ 2,009.30</u>	<u>\$ 15,221,978.90</u>



**Texas Historical Commission (808)**  
**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 Revenue	Consolidated Accounts				Total (Ex II)
	Fund 1 (0001)* U/F (0001)	Fund 1 (0001)* U/F (0902)	Fund 2 (0664)* U/F (0664)	Fund 3 (5122)* U/F (5122)	Fund 4 (5139)* U/F (5139)	
<b>REVENUES**</b>						
Legislative Appropriations						
Original Appropriations (GR)	\$ 4,963,115.00	\$	\$	\$	\$	\$ 4,963,115.00
Additional Appropriations (GR)	1,486,227.01					1,486,227.01
Taxes (GR)	(227.26)					(227.26)
Federal Revenue (PR - Operating or Capital)	1,273,286.67					1,273,286.67
Federal Grant Pass-Through Revenue (GR)	1,584,690.48					1,584,690.48
State Grant Pass-Through Revenue (GR)						
License, Fees & Permits (PR)	1,453,538.91			2,009.30		1,455,548.21
Land Income	29,800.34					29,800.34
Contribution to Employee's Benefit Funds (PR)						
Interest and Other Investment Income (GR)	1.45		112,769.10			112,770.55
Net Increase (Dec) in Fair Value			62,860.77			62,860.77
Settlement of Claims	521.02					521.02
Sales of Goods and Services (PR)	211,848.50					211,848.50
Other (PR - Chg for Serv, Operating or Capital)						
Other (GR)	322,800.71		(253,638.64)			69,162.07
<b>Total Revenues</b>	<b>11,325,602.83</b>	<b>-</b>	<b>(78,008.77)</b>	<b>2,009.30</b>	<b>-</b>	<b>11,249,603.36</b>
<b>EXPENDITURES</b>						
Salaries and Wages	6,580,291.11		1,539,118.48			8,119,409.59
Payroll Related Costs	1,743,948.36		391,201.06			2,135,149.42
Professional Fees and Services	529,638.26		122,316.98			651,955.24
Travel	216,042.94		18,158.11			234,201.05
Materials and Supplies	1,139,242.27		100,985.11			1,240,227.38
Communication and Utilities	470,022.86		44,829.30			514,852.16
Repairs and Maintenance	781,041.84		60,283.41			841,325.25
Rentals and Leases	365,898.47		19,914.57			385,813.04
Printing and Reproduction	98,718.35		15,436.01			114,154.36
Claims and Judgments	674.91					674.91
Federal Grant Pass-Through Expenditures						-
State Grant Pass-Through Expenditures						-
Intergovernmental Payments	547,724.97		74,331.20			622,056.17
Public Assistance Payments	1,278,439.60		109,866.60	4,258.72		1,392,564.92
Employee Benefit Payments						-
Other Expenditures	2,221,631.54		229,996.75			2,451,628.29
Debt Service						-
Capital Outlay	823,404.55					823,404.55
<b>Total Expenditures</b>	<b>16,796,720.03</b>	<b>-</b>	<b>2,726,437.58</b>	<b>4,258.72</b>	<b>-</b>	<b>19,527,416.33</b>
Excess (Deficiency) of Revenues over Expenditures	(5,471,117.20)	-	(2,804,446.35)	(2,249.42)	-	(8,277,812.97)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	5,228,517.00					5,228,517.00
Transfers Out	(1,026,091.76)					(1,026,091.76)
Insurance Recoveries						-
Legislative Transfers Out	(289,760.72)					(289,760.72)
Insurance Recoveries						-
Proceeds from Sale of Fixed Assets	6,210.00					6,210.00
Appropriations Lapsed	(6,360.65)					(6,360.65)
<b>Total Other Financing Sources (Uses)</b>	<b>3,912,513.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,912,513.87</b>
Net Change in Fund Balances	(1,558,603.33)	-	(2,804,446.35)	(2,249.42)	-	(4,365,299.10)
<b>Fund Financial Statement - Fund Balances</b>						
Fund Balances - Beginning	5,406,200.20		12,326,328.12	4,258.72		17,736,787.04
Restatements	(12,554.77)					(12,554.77)
Fund Balances - September 1, 2011	5,393,645.43		12,326,328.12	4,258.72	-	17,724,232.27
Fund Balances, August 31, 2012	\$ 3,835,042.10	\$ .00	\$ 9,521,881.77	\$ 2,009.30	\$ .00	\$ 13,358,933.17

**Texas Historical Commission (808)**  
**Exhibit B-1 - Combining Balance Sheet - Special Revenue Funds**  
**August 31, 2012**

	<b>Special Revenue Fund 1 (9999)* U/F (6999)</b>	<b>Total (Ex I)</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ -	\$ -
In Bank	1,049,223.05	1,049,223.05
In State Treasury		-
Legislative Appropriations		-
Receivables from:		-
Federal		-
Accounts Receivable	96.32	96.32
Taxes		-
Gifts, Pledges and Donations		-
Other Assets		-
Due From Other Funds		-
Due From Other Agencies		-
Consumable Inventories		-
Merchandise Inventories		-
Prepaid Items		-
Loans and Contracts		-
Other Current Assets		-
<b>Total Current Assets</b>	<u>1,049,319.37</u>	<u>1,049,319.37</u>
Non-Current Assets:		
Restricted:		
Other Non-Current Assets		-
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>1,049,319.37</u>	<u>1,049,319.37</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts		-
Deferred Revenues		-
Employees' Compensable Leave		-
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>
Non-Current Liabilities		
Employees' Compensable Leave		-
<b>Total Non-Current Liabilities</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):		
Assigned	983,518.06	983,518.06
Restricted	65,801.31	65,801.31
Committed		-
Nonspendable		-
Nonspendable for Inventory		-
Unassigned		-
<b>Total Fund Balances</b>	<u>1,049,319.37</u>	<u>1,049,319.37</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,049,319.37</u>	<u>\$ 1,049,319.37</u>

**Texas Historical Commission (808)**  
**Exhibit B-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Special Revenue Funds**  
**For the Fiscal Year Ended August 31, 2012**

	Special Revenue Fund 1 (9999)* U/F (6999)	Totals (Ex II)
<b>REVENUES**</b>		
Taxes (GR)	\$	\$
Federal Revenue (PR - Operating or Capital)		
Federal Grant Pass-Through Revenue (GR)		
State Grant Pass-Through Revenue (GR)		
License, Fees & Permits (PR)		
Contribution to Employee's Benefit Funds (PR)		-
Interest and Other Investment Income (PR)		-
Interest and Other Investment Income (GR)	393,410.87	393,410.87
Sales of Goods and Services (PR)		
Other (PR - Chg for Serv, Operating or Capital)		
Other (GR)		
<b>Total Revenues</b>	<u>393,410.87</u>	<u>393,410.87</u>
<b>EXPENDITURES</b>		
Salaries and Wages		-
Payroll Related Costs		-
Professional Fees and Services	150,810.22	150,810.22
Travel	17,225.31	17,225.31
Materials and Supplies	51,427.94	51,427.94
Communication and Utilities		-
Repairs and Maintenance		
Rentals and Leases		-
Printing and Reproduction	13,366.24	13,366.24
Claims and Judgments		
Intergovernmental Payments		
Public Assistance Payments		
Employee Benefit Payments		
Other Expenditures	94,437.86	94,437.86
Capital Outlay		
<b>Total Expenditures</b>	<u>327,267.57</u>	<u>327,267.57</u>
Excess (Deficiency) of Revenues over Expenditures	<u>66,143.30</u>	<u>66,143.30</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bond and Note Proceeds		
Increase in Obligations Under Capital Leases		
Sale of Capital Assets		
Transfers In		
Transfers Out		
Legislative Transfers In		
Legislative Transfers Out		
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEMS</b>		
Proceeds from Sale of Park Land		-
<b>EXTRAORDINARY ITEMS</b>		
Natural Disaster-Hurricane		-
<b>Net Change in Fund Balances</b>	<u>66,143.30</u>	<u>66,143.30</u>
<b>Fund Financial Statement - Fund Balances</b>		
Fund Balances - Beginning	983,518.06	983,518.06
Restatements	(341.99)	(341.99)
Fund Balances - September 1, 2010, as Restated	<u>983,176.07</u>	<u>983,176.07</u>
Appropriations Lapsed		
Fund Balances, August 31, 2011	<u>\$ 1,049,319.37</u>	<u>\$ 1,049,319.37</u>

**Texas Historical Commission (808)**  
**Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds**  
**August 31, 2012**

	Fund 1 (7213)* U/F (7213)	Fund 2 (7513)* U/F (7513)	Fund 3 (7615)* U/F (7615)	Fund 4 (7632)* U/F (7632)	Fund 5 (7636)* U/F (7636)	Fund 6 (7646)* U/F (7646)	Fund 7 (7650)* U/F (7650)	Total (Ex 1)
<b>ASSETS</b>								
Current Assets:								
Cash								
In Bank								
In State Treasury								
Legislative Appropriations								
Receivables from:								
Federal								
Interest and Dividends								
Accounts Receivable								
Interfund Receivables					562,902.42			562,902.42
Due From Other Funds								
Due From Other Agencies	574,497.87		95,357.03	689,901.42	7,464,950.34	3,255,879.12	18,120,807.48	30,201,393.26
Consumable Inventories								
Merchandise Inventories								
Other Current Assets								
Total Current Assets	<u>574,497.87</u>	<u>-</u>	<u>95,357.03</u>	<u>689,901.42</u>	<u>8,027,852.76</u>	<u>3,255,879.12</u>	<u>18,120,807.48</u>	<u>30,764,295.68</u>
Total Assets	<u>574,497.87</u>	<u>-</u>	<u>95,357.03</u>	<u>689,901.42</u>	<u>8,027,852.76</u>	<u>3,255,879.12</u>	<u>18,120,807.48</u>	<u>30,764,295.68</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Current Liabilities:								
Payables from								
Accounts	794,973.14				100,884.89	857,373.52		1,753,231.55
Payroll								
Other								
Interfund Payable	105,898.84							105,898.84
Due To Other Funds								
Due To Other Agencies								
Other Current Liabilities								
Total Current Liabilities	<u>900,871.98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,884.89</u>	<u>857,373.52</u>	<u>-</u>	<u>1,859,130.39</u>
Non-Current Liabilities								
Interfund Payables								
Other Non-Current Liabilities								
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>900,871.98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,884.89</u>	<u>857,373.52</u>	<u>-</u>	<u>1,859,130.39</u>
Fund Balances (Deficits):								
Assigned								
Restricted	(326,374.11)		654,160.73	689,901.42	7,926,967.87	2,398,505.60	18,120,807.48	29,463,968.99
Committed								
Nonspendable								
Nonspendable for Inventory								
Unassigned			(558,803.70)					(558,803.70)
Total Fund Balances	<u>(326,374.11)</u>	<u>-</u>	<u>95,357.03</u>	<u>689,901.42</u>	<u>7,926,967.87</u>	<u>2,398,505.60</u>	<u>18,120,807.48</u>	<u>28,905,165.29</u>
Total Liabilities and Fund Balances	<u>\$ 574,497.87</u>	<u>\$ -</u>	<u>\$ 95,357.03</u>	<u>\$ 689,901.42</u>	<u>\$ 8,027,852.76</u>	<u>\$ 3,255,879.12</u>	<u>\$ 18,120,807.48</u>	<u>\$ 30,764,295.68</u>

**Texas Historical Commission (808)**  
**Exhibit D-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Capital Projects Funds**  
**For the Fiscal Year Ended August 31, 2012**

	Fund 1 (7213)* U/F (7213)	Fund 2 (7513)* U/F (7513)	Fund 3 (7615)* U/F (7615)	Fund 4 (7632)* U/F (7632)	Fund 5 (7636)* U/F (7636)	Fund 6 (7646)* U/F (7646)	Fund 7 (7650)* U/F (7650)	Totals (Ex II)
<b>REVENUES**</b>								
Legislative Appropriations								
Original Appropriations (GR)	\$	\$	\$	\$	\$	\$	\$	\$ -
Additional Appropriations (GR)								-
Federal Revenue (PR - Operating or Capital)								-
Interest and Other Investment Income (GR)						\$ (2,768.11)		(2,768.11)
Net Increase (Decrease) in Fair Value (GR)								-
Land Income (PR)								-
Settlement of Claims (GR)								-
Sales of Goods and Services (PR)								-
Other (PR - Chg for Serv, Operating or Capital)								-
Other (GR)								-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,768.11)</u>	<u>-</u>	<u>(2,768.11)</u>
<b>EXPENDITURES</b>								
Salaries and Wages								
Payroll Related Costs								
Professional Fees and Services	\$ 168,864.47				\$ 34,096.46			\$ 202,960.93
Travel								
Materials and Supplies								
Communication and Utilities					\$ 10,580.00			\$ 10,580.00
Repairs and Maintenance								\$ .00
Rentals and Leases								\$ .00
Printing and Reproduction								
Claims and Judgments								
Intergovernmental Payments				525,320.52	5,177,917.67	8,245,108.79		13,948,346.98
Other Expenditures	\$ 21,663.96				\$ 70,898.07			92,562.03
Debt Service:								
Principal - Capital Lease								-
Interest								-
Capital Outlay	\$ 1,098,350.00				\$ 3,886,553.70			4,984,903.70
<b>Total Expenditures</b>	<u>1,288,878.43</u>	<u>-</u>	<u>-</u>	<u>525,320.52</u>	<u>9,180,045.90</u>	<u>8,245,108.79</u>	<u>-</u>	<u>19,239,353.64</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,288,878.43)</u>	<u>-</u>	<u>-</u>	<u>(525,320.52)</u>	<u>(9,180,045.90)</u>	<u>(8,247,876.90)</u>	<u>-</u>	<u>(19,242,121.75)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond and Note Proceeds								
Increase in Obligations Under Capital Leases								
Sale of Capital Assets								
Transfers In	31,017,197.10		658,597.82	689,901.42	13,961,681.15		18,120,807.48	64,448,184.97
Transfers Out	(30,480,074.33)		(4,437.09)	(689,901.42)	(17,600,090.48)	(5,319,378.55)		(54,093,881.87)
Legislative Transfers In								
Legislative Transfers Out								
<b>Total Other Financing Sources (Uses)</b>	<u>537,122.77</u>	<u>-</u>	<u>654,160.73</u>	<u>-</u>	<u>(3,638,409.33)</u>	<u>(5,319,378.55)</u>	<u>18,120,807.48</u>	<u>10,354,303.10</u>
Net Change in Fund Balances	<u>(751,755.66)</u>	<u>-</u>	<u>654,160.73</u>	<u>(525,320.52)</u>	<u>(12,818,455.23)</u>	<u>(13,567,255.45)</u>	<u>18,120,807.48</u>	<u>(8,887,818.65)</u>
<b>Fund Financial Statement - Fund Balances</b>								
Fund Balances - Beginning	425,381.55	1,116,627.92	(558,803.70)	1,215,221.94	20,745,423.10	15,965,761.05		38,909,611.86
Restatements		(1,116,627.92)						(1,116,627.92)
Fund Balances - September 1, 2010	<u>425,381.55</u>	<u>-</u>	<u>(558,803.70)</u>	<u>1,215,221.94</u>	<u>20,745,423.10</u>	<u>15,965,761.05</u>	<u>-</u>	<u>37,792,983.94</u>
Appropriations Lapsed								\$ .00
Fund Balances, August 31, 2011	<u>\$ (326,374.11)</u>	<u>\$ .00</u>	<u>\$ 95,357.03</u>	<u>\$ 689,901.42</u>	<u>\$ 7,926,967.87</u>	<u>\$ 2,398,505.60</u>	<u>\$ 18,120,807.48</u>	<u>\$ 28,905,165.29</u>

**Texas Historical Commission (808)**  
**Exhibit E-1 - Combining Balance Sheet - Permanent Funds**  
**August 31, 2012**

	Special Revenue Fund 1 (0941)* U/F (0941)	Total (Ex I)
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current Assets:		
Cash		
In Bank		
In State Treasury	\$ 292,862.22	\$ 292,862.22
Legislative Appropriations		
Receivables from:		
Federal		
Accounts Receivable		
Interfund Receivable		\$
Taxes		
Gifts, Pledges and Donations		
Other Assets		
Due From Other Funds		
Due From Other Agencies		
Consumable Inventories		
Merchandise Inventories		
Prepaid Items		
Loans and Contracts		
Other Current Assets		
Total Current Assets	<u>292,862.22</u>	<u>292,862.22</u>
Non-Current Assets:		
Restricted:		
Other Non-Current Assets		
Total Non-Current Assets	<u>-</u>	<u>-</u>
Total Assets	<u>292,862.22</u>	<u>292,862.22</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts		
Federal		
Other Intergovernmental		
Payroll		
Contracts		
Other		
Interfund Payable		
Due To Other Funds		
Due To Other Agencies		
Deferred Revenues		
Employees' Compensable Leave		
Total Current Liabilities	<u>-</u>	<u>-</u>
Non-Current Liabilities		
Employees' Compensable Leave		
Total Non-Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances (Deficits):		
Assigned		
Restricted		
Committed		
Nonspendable	292,862.22	292,862.22
Nonspendable for Inventory		
Unassigned		
Total Fund Balances	<u>292,862.22</u>	<u>292,862.22</u>
Total Liabilities and Fund Balances	<u>\$ 292,862.22</u>	<u>\$ 292,862.22</u>

**Texas Historical Commission**  
**Exhibit E-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Permanent Funds**  
**For the Fiscal Year Ended August 31, 2012**

	<b>Permanent Fund 1 (0941)* U/F (0941)</b>	<b>Totals (Ex II)</b>
<b>REVENUES**</b>		
Interest and Other Investment Income (PR)	\$ .00	\$ .00
Interest and Other Investment Income (GR)	\$ 5,527.08	\$ 5,527.08
Net Increase (Decrease) in Fair Value (PR)		\$ .00
Net Increase (Decrease) in Fair Value (GR)		\$ .00
Other (GR)		\$ .00
<b>Total Revenues</b>	<b>\$ 5,527.08</b>	<b>\$ 5,527.08</b>
<b>EXPENDITURES</b>		
Professional Fees and Services		\$ .00
Other Expenditures		\$ .00
<b>Total Expenditures</b>	<b>\$ .00</b>	<b>\$ .00</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 5,527.08</b>	<b>\$ 5,527.08</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In		\$ .00
Transfers Out		\$ .00
<b>Total Other Financing Sources (Uses)</b>	<b>\$ .00</b>	<b>\$ .00</b>
<b>Net Change in Fund Balances</b>	<b>\$ 5,527.08</b>	<b>\$ 5,527.08</b>
<b>Fund Financial Statement - Fund Balances</b>		
Fund Balances - Beginning	\$ 287,335.14	\$ 287,335.14
Restatements		\$ .00
Fund Balances - September 1, 2011	\$ 287,335.14	\$ 287,335.14
<b>Appropriations Lapsed</b>		
Fund Balances, August 31, 2012	<b>\$ 292,862.22</b>	<b>\$ 292,862.22</b>

\* Appropriated Fund is noted as (0941), USAS D23 U/F (0941)

\*\* 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



**Agency 808 - Texas Historical Commission  
Schedule 1A  
For the Fiscal Year Ended August 31, 2012**

\*\*\*Certified\*\*\*

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From		Direct Program Amount	Total PT From and Direct Prog Amount	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount	
			Agy/ Univ No	Agencies or Universities Amount			Non-State Entities Amount	Agy/ Univ No			Agencies or Universities Amount
<b>U.S. Department of the Interior</b>											
<u>Direct Programs:</u>											
Historic Preservation Fund Grants-in-Aid	15.904				1,188,918.27	1,188,918.27		135,129.37	1,053,788.90	1,188,918.27	
Rivers, Trails and Conservation Assistance	15.921				-47,500.00	-47,500.00			-47,500.00	-47,500.00	
Save America's Treasures	15.929				104,871.14	104,871.14			104,871.14	104,871.14	
Totals - U.S. Department of the Interior				0.00	0.00	1,246,289.41	1,246,289.41	0.00	135,129.37	1,111,160.04	1,246,289.41
<b>National Endowment For The Humanities</b>											
National Leadership Grants	45.312				26,997.26	26,997.26			26,997.26	26,997.26	
Totals - National Endowment For The Humanities				0.00	0.00	26,997.26	26,997.26	0.00	0.00	26,997.26	26,997.26
<b>U.S. Department of Homeland Security</b>											
<u>Pass-Through From:</u>											
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					-20,933.60			-20,933.60	-20,933.60	
<u>Pass-Through From:</u>											
Department of Public Safety			405	-20,933.60							
Totals - U.S. Department of Homeland Security				-20,933.60	0.00	0.00	-20,933.60	0.00	0.00	-20,933.60	-20,933.60
<b>Highway Planning and Construction Cluster</b>											
<b>U.S. Department of Transportation</b>											
<u>Pass-Through From:</u>											
Highway Planning and Construction	20.205					1,605,624.08			1,605,624.08	1,605,624.08	
<u>Pass-Through From:</u>											
Texas Department of Transportation			601	1,605,624.08							
Totals - U.S. Department of Transportation				1,605,624.08	0.00	0.00	1,605,624.08	0.00	0.00	1,605,624.08	1,605,624.08
<b>Total Expenditures of Federal Awards</b>				<b>1,584,690.48</b>	<b>0.00</b>	<b>1,273,286.87</b>	<b>2,857,977.15</b>	<b>0.00</b>	<b>135,129.37</b>	<b>2,722,847.78</b>	<b>2,857,977.15</b>



State of Texas - Federal Activity  
**SEFA Note 2**  
 November 19, 2012

**Agency 808 - Texas Historical Commission**  
**SEFA Note 2 - Reconciliation, FY 2012**

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

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

	AFR	USAS Amount	Note 2 Amount
<b>Federal Revenue</b>			
Governmental Funds	Exhibit II	1,273,286.67	1,273,286.67
Proprietary Funds			
Operating	Exhibit IV/SRECNA		
Non-operating	Exhibit IV/SRECNA		
Capital Contributions	Exhibit IV/SRECNA		
Fiduciary Funds	Exhibit VII		
<b>Total Federal Revenue</b>		<b>\$1,273,286.67</b>	<b>\$1,273,286.67</b>
<i>Amount per Schedule: \$1,273,286.67</i>			
<b>Federal Pass-Through Revenue</b>			
Governmental Funds	Exhibit II	1,584,690.48	1,584,690.48
Proprietary Funds			
Operating	Exhibit IV/SRECNA		
Non-operating	Exhibit IV/SRECNA		
Capital Contributions	Exhibit IV/SRECNA		
Fiduciary Funds	Exhibit VII		
<b>Total Federal Pass-Through Revenue</b>		<b>\$1,584,690.48</b>	<b>\$1,584,690.48</b>
<i>Amount per Schedule: \$1,584,690.48</i>			
<b>Total Federal Revenue and Federal Pass-Through Revenue</b>		<b>\$2,857,977.15</b>	<b>\$2,857,977.15</b>
<b>Reconciliation Items</b>			
		<b>CFDA</b>	<b>Amount</b>
<b>Non-monetary Items:</b>			
-			
<b>Total Non-monetary Items</b>			<b>\$0.00</b>
<b>New Loans Processed: (Amounts are from Note 3a)</b>			
Federal Family Education Loans		84.032	
Federal Family Education Loan Program (FFELP)		84.032L	
Federal Perkins Loan Program (Perkins)		84.038	
Federal Direct Student Loans (Direct Loans)		84.268	
Health Education Assistance Loan Program (HEAL)		93.108	

Nursing Faculty Loan Program	93.264
Health Professions Student Loan Program	93.342
Nursing Student Loan Program	93.364

**Total New Loans Processed** **\$0.00**

**Other Reconciling Items:**

**Add:**

State Unemployment Funds - State Portion	17.225
<i>Other (Contact FRS if you have other reconciling items as additions items)</i>	

**Deduct: (Enter amounts as negative)**

Federal revenue received on the fixed fee basis contract

*Note:*

Federal revenue received under a vendor relationship between agency and the federal government

*Note:*

Federal grants *from* Texas A&M Research Foundation

Federal grants *to* Texas A&M Research Foundation

Medicare Part D

COBRA

Build America Bond

Early Retirement Reinsurance Program

*Other (Contact FRS if you have other reconciling items as deductions items)*

**Total Other Reconciling Items** **\$0.00**

**Total Reconciliation Items:** **\$0.00**

**Total per Note 2:** **\$2,867,977.15**

**Total Pass Through and Expenditures per Federal Schedule:** **\$2,867,977.15**

**Difference:** **\$0.00**

**This agency has been certified. No modifications allowed.**





