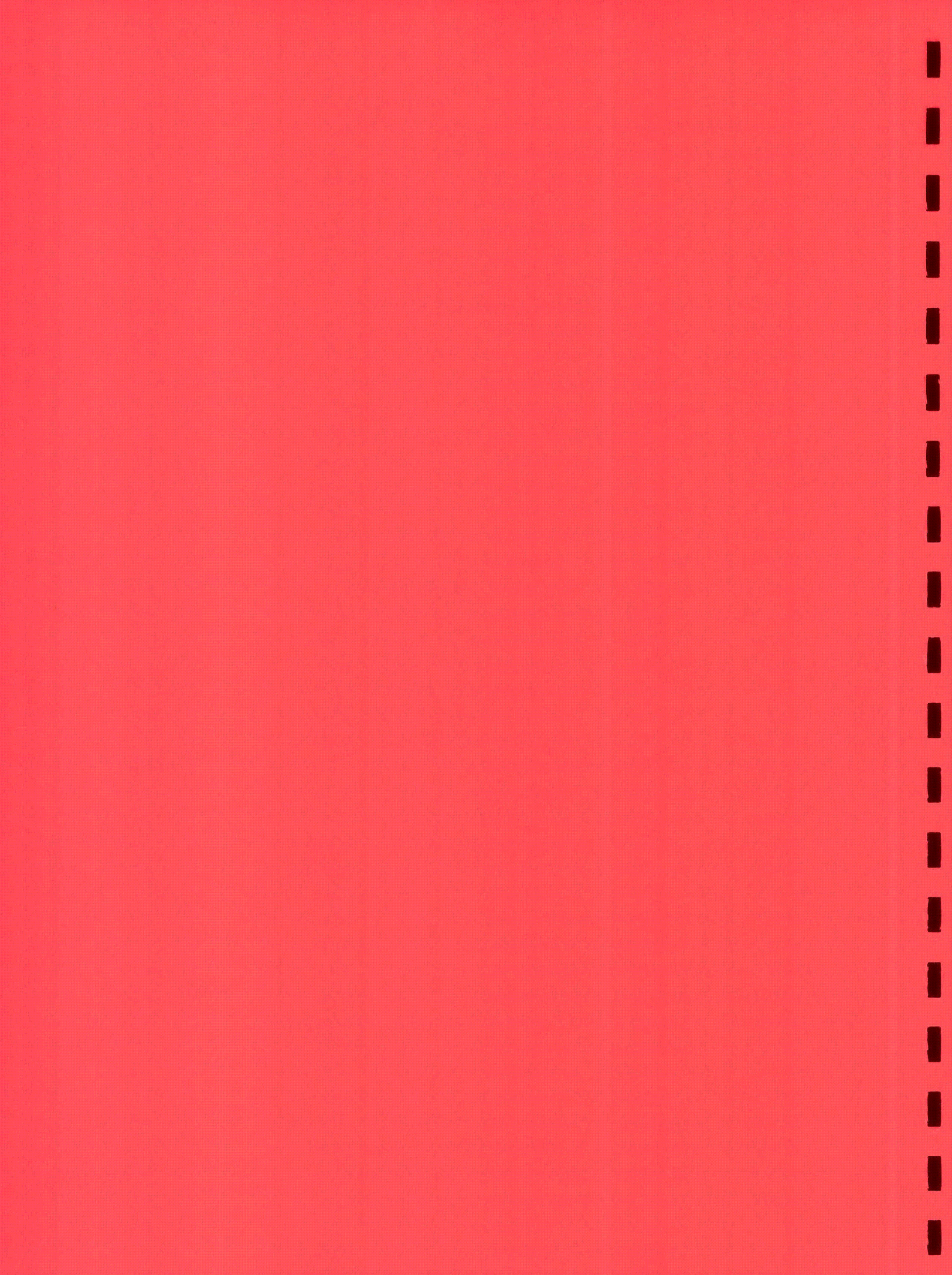


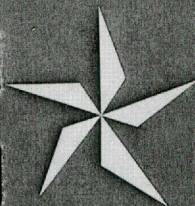
**Texas
Commission
on the Arts**
Investing in a Creative Texas

ANNUAL FINANCIAL REPORT

For the Year Ending August 31, 2015

Gary Gibbs, Ph.D.
Executive Director





November 20, 2015

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Commission on the Arts for the year ended Aug. 31, 2015, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 34, 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 our Director of Finance, Grant Weaver, at (512) 936-6567.

Sincerely,

Gary Gibbs, Ph.D.
Executive Director



TEXAS COMMISSION ON THE ARTS
ANNUAL FINANCIAL REPORT
For the Year Ended August 31, 2015

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**COMBINED FINANCIAL
STATEMENTS**

Texas Commission on the Arts (813)
 Exhibit I — Combined Balance Sheet/Statement of Net Assets — Governmental Funds
 August 31, 2015

	Governmental Fund Types			Statement of Net Assets
	General Funds	Governmental Funds Total	Long-Term Liabilities Adjustments	
ASSETS AND DEFERRED OUTFLOWS				
Current Assets:				
Cash (Note 3)				
On Hand	\$	\$	\$	\$
In Bank		3,398.90	3,398.90	3,398.90
In Transit/Reimburse from Treasury				
Cash in State Treasury		910,846.86	910,846.86	910,846.86
Short Term Investments (Note 3)				
Securities Lending Collateral				
Legislative Appropriations		184,398.90	184,398.90	184,398.90
Due From Other Funds (Note 12)				
Due From Other Agencies (Note 12)		119,117.42	119,117.42	119,117.42
Interfund Receivables (Note 12)		43,942.85	43,942.85	43,942.85
Consumable Inventories		3,523.90	3,523.90	3,523.90
Merchandise Inventories				
Prepaid Items				
Other Current Assets				
Non-Current Assets and Deferred Outflows:				
Other Non-Current Assets				
Total Assets and Deferred Outflows	\$	1,265,228.83	\$ 0	\$ 1,265,228.83
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities and Deferred Inflows				
Current Liabilities:				
Payables from:				
Accounts	\$	62,321.84	\$	\$ 62,321.84
Investment Trade				
Other Intergovernmental				
Payroll		106,898.45	106,898.45	106,898.45
Federal				
Due To Other Funds (Note 12)				
Due To Other Agencies (Note 12)				
Interfund Payable (Note 12)		43,942.85	43,942.85	43,942.85
Employees' Compensable Leave (Note 5)			75,698.57	75,698.57
Non-Current Liabilities and Deferred Inflows				
Interfund Payables				
Employees' Compensable Leave (Note 5)			73,707.03	73,707.03
Other Non-Current Liabilities				
Total Liabilities and Deferred Inflows		213,163.14	149,405.60	362,568.74
Fund Financial Statement				
Fund Balances (Deficits):				
Nonspendable		3,523.90	3,523.90	3,523.90
Restricted				
Committed		1,048,263.34	1,048,263.34	1,048,263.34
Assigned				
Unassigned		278.45	278.45	278.45
Total Fund Balances		1,052,065.69	1,052,065.69	1,052,065.69
Total Liabilities, Deferred Inflows and Fund Balances	\$	1,265,228.83	\$ 1,265,228.83	
Government-Wide Statement of Net Assets				
Net Assets				
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			(149,405.60)	(149,405.60)
Total Net Assets	\$		\$ (149,405.60)	\$ 902,660.09

UNAUDITED

Texas Commission on the Arts (813)
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund
Balances/Statement of Activities — Governmental Funds
For the Fiscal Year Ended August 31, 2015

	General Funds	Governmental Funds Total	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES*				
Legislative Appropriations				
Original Appropriations (GR)	\$ 5,372,288.00	\$ 5,372,288.00	\$ 0	\$ 5,372,288.00
Additional Appropriations (GR)	226,179.85	226,179.85		226,179.85
Federal Grant Pass-Through Revenue (GR)	921,900.00	921,900.00		921,900.00
State Grant Pass-Through Revenue (GR)				
License, Fees & Permits (PR)	208,240.17	208,240.17		208,240.17
Interest and Other Investment Income (PR)				
Interest and Other Investment Income (GR)	425.95	425.95		425.95
Settlement of Claims (PR)	1,748.32	1,748.32		1,748.32
Settlement of Claims (GR)				
Sales of Goods and Services (PR)				
Other (PR - Chg for Serv, Operating or Capital)	283,014.00	283,014.00		283,014.00
Total Revenues	7,013,796.29	7,013,796.29	0	7,013,796.29
EXPENDITURES				
Salaries and Wages	834,576.84	834,576.84	24,344.56	858,921.40
Payroll Related Costs	224,700.90	224,700.90		224,700.90
Professional Fees and Services	1,979.75	1,979.75		1,979.75
Travel	32,632.39	32,632.39		32,632.39
Materials and Supplies	55,288.78	55,288.78		55,288.78
Communication and Utilities	10,648.55	10,648.55		10,648.55
Repairs and Maintenance	11,358.00	11,358.00		11,358.00
Rentals and Leases	7,694.00	7,694.00		7,694.00
Printing and Reproduction	80.00	80.00		80.00
Federal Grant Pass-Through Expenditures				
State Grant Pass-Through Expenditures	140,130.00	140,130.00		140,130.00
Public Assistance Payments	5,716,092.00	5,716,092.00		5,716,092.00
Employee Benefit Payments				
Other Expenditures	73,460.16	73,460.16		73,460.16
Total Expenditures/Expenses	7,108,641.37	7,108,641.37	24,344.56	7,132,985.93
Excess (Deficiency) of Revenues over Expenditures	(94,845.08)	(94,845.08)	(24,344.56)	(119,189.64)
OTHER FINANCING SOURCES (USES)				
Transfer In				
Transfer Out				
Legislative Transfer In				
Legislative Transfer Out				
Gain (Loss) on Sale of Capital Assets				
Inc (Dec) in Net Assets Due to Interagency Transfer				
Total Other Financing Sources (Uses)	0	0	0	0
EXTRAORDINARY ITEMS				
Natural Disaster-Hurricane				
Net Change in Fund Balances/Net Assets	(94,845.08)	(94,845.08)		(119,189.64)
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2014, as Restated	1,146,910.77	1,146,910.77		1,146,910.77
Restatements				
Fund Balances, September 1, 2014, as Restated	1,146,910.77	1,146,910.77		1,146,910.77
Appropriations Lapsed				
Fund Balances, August 31, 2015	\$ 1,052,065.69	\$ 1,052,065.69		\$ 1,027,721.13
Government-Wide Statement of Net Assets				
Net Assets/Net Change in Net Assets			(24,344.56)	
Net Assets, September 1, 2014			(125,061.04)	(125,061.04)
Restatements				
Net Assets, September 1, 2014, as Restated			(125,061.04)	(125,061.04)
Net Assets, August 31, 2015	\$	0	\$ (149,405.60)	\$ 902,660.09

* 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.

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**NOTES TO THE
FINANCIAL
STATEMENTS**

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements

For the Year Ended August 31, 2015

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

The Texas Commission on the Arts 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 for State Agencies and Universities*.

The Commission operates under the authority of V.T.C.A., Government Code Chapter 444. The Commission serves the state by:

- Fostering the development of a receptive climate for the arts that will culturally enrich and benefit the citizens of Texas in their daily lives;
- Attracting to Texas outstanding creators in the fields of arts through appropriate programs of publicity and education;
- Directing activities such as lectures, exhibitions and the compilations and dissemination of information on the arts in Texas;
- Acting as a source of arts information to state government.

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 is considered for audit by the state auditor as part of the audit of the state's Comprehensive Annual Financial Report (CAFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Blended Component Units

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

Discretely Presented Component Units

No discretely presented component units have been identified for inclusion within the agency's financial report.

FUND STRUCTURE

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

Governmental Fund Types & Government-wide Adjustment Fund TypesGeneral Fund (FT 01)

The general fund is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those accounted for in other funds. Texas Commission on the Arts uses three General Funds:

General Revenue Fund (0001): This fund is used to account for all financial resources of the state except those required to be accounted for in another fund.

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

Commission on the Arts Operating Fund (0334): This fund is used for administrative costs and to carry out duties of the Commission on the Arts and includes receipts from gifts, grants, donations, and proceeds from the sale of compact discs. H.B. 7, 83rd Leg., R.S. requires interest be deposited to General Revenue (0001) and changed deposit of license plate revenue created under Transportation Code, Subchapter G from this account to the License Plate Trust Fund (0802).

License Plate Trust Fund (0802): This fund was created in the treasury for deposit of specialty license plate fees and related revenue collected under Subchapter G, Transportation Code previously deposited in various General Revenue accounts. Also includes balances of specialty license plate General Revenue accounts for specialty license plate established under Subchapter G, Transportation Code. Dedicated balances and revenues are to be deposited into accounts within the fund to be used in accordance with their specific statutory purpose.

Capital Asset Adjustment Fund (FT 11)

The capital assets adjustment fund (fund 0998) is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund (FT 12)

The long-term liabilities adjustment fund (fund 0997) is used to convert governmental fund types' debt from modified accrual to full accrual.

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 in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end.

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

Governmental adjustment fund types that 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 judgments
- Full accrual revenues and expenses

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements

For the Year Ended August 31, 2015

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 POSITION**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 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.

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 Noncurrent

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

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.

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

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 position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Fund Balance/Net Position

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary 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:
 - Not in spendable form; or
 - Legally or contractually required to be maintained intact.
- **Restricted fund balance** includes those resources that have constraints placed on their use through external parties - such as creditors, grantors, contributors, laws or regulations of other governments - or by law through constitutional provisions or enabling legislation.
- **Committed fund balance** can be used only for specific purposes pursuant to constraints imposed through legislation passed into law 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 the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by:
 - The Texas Legislature; or
 - 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.

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

Restricted Net Position

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

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

INTERFUND ACTIVITIES AND BALANCES

The agency has the following types of transactions between funds:

- (1) **Transfers** - Legally required transfers that are reported when incurred as "transfers in" by the recipient funds 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 "noncurrent".
- (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 (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

The composition of the agency's interfund activities and transactions is presented in Note 12.

NOTE 2: CAPITAL ASSETS

A summary of changes in capital assets for the year ended August 31, 2015, is presented below:

Primary Government						
	Balance 9/1/2014	Adjustments	Reclass.	Additions	Deletions	Balance 8/31/2015
Depreciable Assets:						
Furniture & Equipment	\$0.00					\$0.00
Total Depreciable Assets at Historical Costs	\$0.00					\$0.00
Less Accumulated Depreciation for:	(\$0.00)					\$0.00
Furniture and Equipment Governmental Activities Capitol Assets, Net	\$0.00					\$0.00

TEXAS COMMISSION ON THE ARTS (813)
 Notes to the Financial Statements
 For the Year Ended August 31, 2015

NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

DEPOSITS OF CASH IN BANK

As of August 31, 2015, the carrying amount of deposits was **\$3,398.90** as presented below:

Governmental and Business Type Activities

CASH IN BANK – CARRYING AMOUNT	\$3,398.90
Less: Certificates of Deposit included in carrying amount	0
Less: Uninvested Securities Lending Cash Collateral included in carrying amount	0
Less: Securities Lending CD Collateral included in carrying amount	0
Total Cash in Bank per AFR	\$3,398.90
Governmental Funds Current Cash in Bank	\$3,398.90
CASH IN BANK PER AFR	\$3,398.90

These amounts consist of all cash in local banks. These amounts are included on the combined statement of net assets as part of the "cash in bank" account.

As of August 31, 2015, the total bank balance was as follows:

Governmental and Business Type Activities	\$3,398.90
--	-------------------

INVESTMENTS

Texas Commission on the Arts did not have any investments for the year ended August 31, 2015.

NOTE 4: SHORT-TERM DEBT

Texas Commission on the Arts did not have any short-term debt for the year ended August 31, 2015.

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

NOTE 5: LONG-TERM LIABILITIES

During the year ended August 31, 2015, the following changes occurred in liabilities:

Governmental Activities	Balance 09/01/2014	Additions	Reductions	Balance 8/31/2015	Amounts Due Within One Year	Amounts Due Thereafter
Employee's Compensable Leave	\$125,061.04	\$101,655.81	\$77,311.25	\$149,405.60	\$75,698.57	\$73,707.03
Total Governmental Activities	\$125,061.04	\$101,655.81	\$77,311.25	\$149,405.60	\$75,698.57	\$73,707.03

Employee's Compensable Leave

If a state employee 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 position. 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 employees accumulating rights to receive sick pay benefits. This 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

Texas Commission on the Arts did not have any bonded indebtedness for the year ended August 31, 2015.

NOTE 7: DERIVATIVE INSTRUMENTS

Texas Commission on the Arts did not have any derivatives for the year ended August 31, 2015.

NOTE 8: LEASES

Texas Commission on the Arts did not have any leases for the year ended August 31, 2015.

NOTE 9: PENSION PLANS

Texas Commission on the Arts does not administer employees' pension plans.

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

NOTE 10: DEFERRED COMPENSATION

Texas Commission on the Arts does not administer deferred compensation plans.

NOTE 11: POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Texas Commission on the Arts does not administer post-employment health care and life insurance benefit plans.

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

Texas Commission on the Arts experienced routine transfers with other state agencies that 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 as of August 31, 2015, follows:

Current Portion	Interfund Receivable	Interfund Payable	Purpose
GENERAL REVENUE (01)			
Appd Fund 0001, D23 Fund 0001			
From Appd Fund 0001, D23 Fund 0001	\$22,500.00		Expenditure Correction
From Appd Fund 0802, D23 Fund 0802	\$21,442.85		Expenditure Correction
To Appd Fund 0001, D23 Fund 0001		\$43,942.85	Expenditure Correction
Totals	\$43,942.85	\$43,942.85	

Interagency Activity	Due From Other Agencies	Due To Other Agencies	Source
GENERAL (01)			
Appd Fund 0334, D23 Fund 0334			
From Agy 732, D23 Fund 7999	\$3,750.00		Unexpended Grant Funds
Appd Fund 0802, D23 Fund 0802			
From Agy 608, D23 Fund 0802	\$115,367.42		License Plate Revenues
Totals	\$119,117.42		

The detailed state grant pass-through information is listed on Schedule 1B – Schedule of State Grant Pass-Through From/To State Agencies.

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Commission on the Arts will be abolished effective 09/01/25, unless continued in existence by the 89th Legislature as provided by the Act. If abolished, the agency may continue until 09/01/26 to close out its operations.

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION

Texas Commission on the Arts did not have any adjustments to fund balance and net position for the year ended August 31, 2015.

NOTE 15: CONTINGENCIES AND COMMITMENTS

Texas Commission on the Arts did not have any contingencies and commitments for the year ended August 31, 2015.

NOTE 16: SUBSEQUENT EVENTS

Texas Commission on the Arts does not have any subsequent events to report for the year end August 31, 2015.

NOTE 17: RISK MANAGEMENT

Texas Commission on the Arts did not have any risk financing and related insurance for the year ended August 31, 2015.

NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Texas Commission on the Arts did not have any Management's Discussion and Analysis for the year ended August 31, 2015.

NOTE 19: THE FINANCIAL REPORTING ENTITY

Texas Commission on the Arts did not have any component units for the year ended August 31, 2015.

NOTE 20: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Texas Commission on the Arts does not have any stewardship, compliance, or accountability items to report for the year ended August 31, 2015.

NOTE 21: N/A

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Texas Commission on the Arts did not have any donor restricted endowments for the year ended August 31, 2015.

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Texas Commission on the Arts did not have any extraordinary and special items to report for the year ended August 31, 2015.

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Texas Commission on the Arts does not have any receivable and payable balances requiring disaggregation for the year ended August 31, 2015.

NOTE 25: TERMINATION BENEFITS

Texas Commission on the Arts did not issue any termination benefits for the year ended August 31, 2015.

NOTE 26: SEGMENT INFORMATION

Texas Commission on the Arts did not have any segment information to disclose for the year ended August 31, 2015.

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Texas Commission on the Arts did not have any Service Concession Arrangements (SCAs) for the year ended August 31, 2015.

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Texas Commission on the Arts did not have deferred outflows nor deferred inflows of resources for the year ended August 31, 2015.

NOTE 29: TROUBLED DEBT RESTRUCTURING

Texas Commission on the Arts did not have any outstanding receivables the terms of which were modified in troubled debt restructurings for the year ended August 31, 2015.

TEXAS COMMISSION ON THE ARTS (813)

Notes to the Financial Statements
For the Year Ended August 31, 2015

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Texas Commission on the Arts did not have any Non-Exchange Financial Guarantees to report for the year ended August 31, 2015.

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**COMBINING
FINANCIAL
STATEMENTS**

UNAUDITED

Texas Commission on the Arts (813)
Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds
August 31, 2015

	General Rev 0001* U/F 0001	Arts Operating Fund (0334)* U/F (0334)	Arts Operating Fund/HB2242 (0334)* U/F (5334)
ASSETS			
Current Assets:			
Cash			
On Hand	\$	\$	\$
In Bank	3,398.90		
In Transit/Reimburse from Treasury			
In State Treasury		(3,552,803.72)	3,599,595.16
Legislative Appropriations	184,398.90		
Due From Other Funds			
Due From Other Agencies		3,750.00	
Interfund Receivables	22,500.00		
Consumable Inventories	3,523.90		
Non-Current Assets:			
Other Non-Current Assets			
Total Assets	<u>\$ 213,821.70</u>	<u>\$ (3,549,053.72)</u>	<u>\$ 3,599,595.16</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from			
Accounts	\$ 59,178.05	\$ 3,143.79	
Investment Trade			
Other Intergovernmental			
Payroll	106,898.45		
Contract Retainage Payable			
Due To Other Funds			
Due To Other Agencies			
Interfund Payable	43,942.85		
Deferred Revenues			
General Obligation Bonds Payable			
Liabilities Payable from Restricted Assets			
Funds Held For Others			
Non-Current Liabilities			
Liabilities Payable from Restricted Assets			
Assets Held for Others			
Total Liabilities	<u>210,019.35</u>	<u>3,143.79</u>	<u>0</u>
Fund Balances (Deficits):			
Nonspendable	3,523.90		
Restricted			
Committed		(3,552,197.51)	3,599,595.16
Assigned			
Unassigned	278.45		
Total Fund Balances	<u>3,802.35</u>	<u>(3,552,197.51)</u>	<u>3,599,595.16</u>
Total Liabilities and Fund Balances	<u>\$ 213,821.70</u>	<u>\$ (3,549,053.72)</u>	<u>\$ 3,599,595.16</u>

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Consolidated Accounts

Arts Operating Fund/Endowment Interest (0334)* U/F (6334)	Arts Oprating Fund/License Plate (0334)* U/F (7334)	Arts Operating Fund/Depository Interest (0334)* U/F (8334)	License Plate Trust Fund 0802 U/F 0802	Total
\$	\$	\$	\$	\$
				3,398.90
48,302.97	483,957.22	331,795.23		910,846.86
				184,398.90
			115,367.42	119,117.42
			21,442.85	43,942.85
				3,523.90
\$ 48,302.97	\$ 483,957.22	\$ 331,795.23	\$ 136,810.27	\$ 1,265,228.83
				62,321.84
				106,898.45
				43,942.85
0	0	0	0	\$ 213,163.14
				3,523.90
48,302.97	483,957.22	331,795.23	136,810.27	1,048,263.34
				278.45
48,302.97	483,957.22	331,795.23	136,810.27	1,052,065.69
\$ 48,302.97	\$ 483,957.22	\$ 331,795.23	\$ 136,810.27	\$ 1,265,228.83

UNAUDITED

Texas Commission on the Arts (813)
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, 2015

	General Rev 0001* U/F 0001	Arts Operating Fund (0334)* U/F (0334)	Arts Operating Fund/HB2242 (0334)* U/F (5334)
REVENUES**			
Legislative Appropriations			
Original Appropriations (GR)	\$ 5,372,288.00	\$ 0	
Additional Appropriations (GR)	226,179.85		
Federal Grant Pass-Through Revenue (GR)	921,900.00		
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)			
Settlement of Claims (PR)			1,748.32
Settlement of Claims (GR)			
Sales of Goods and Services (PR)			
Other (PR - Chq for Serv, Operating or Capital)		283,014.00	
Other (GR)			
Total Revenues	6,520,367.85	283,014.00	1,748.32
EXPENDITURES			
Salaries and Wages	834,376.84	200.00	
Payroll Related Costs	224,695.80	5.10	
Professional Fees and Services	1,979.75		
Travel	32,632.39		
Materials and Supplies	54,378.36	910.42	
Communication and Utilities	10,648.55		
Repairs and Maintenance	11,358.00		
Rentals and Leases	7,694.00		
Printing and Reproduction	80.00		
Federal Grant Pass-Through Expenditures			
State Grant Pass-Through Expenditures	122,630.00	17,500.00	
Public Assistance Payments	5,313,887.85	261,764.00	
Other Expenditures	74,718.83	(1,258.67)	
Total Expenditures	6,689,080.37	279,120.85	0
Excess (Deficiency) of Revenues over Expenditures	(168,712.52)	3,893.15	1,748.32
OTHER FINANCING SOURCES (USES)			
Payment to Escrow for Refunding			
Transfers In			
Transfers Out			
Legislative Transfers In			
Legislative Transfers Out			
Total Other Financing Sources (Uses)	0	0	0
EXTRAORDINARY ITEMS			
Natural Disaster-Hurricane Schermann/Bean			
Net Change in Fund Balances	(168,712.52)	3,893.15	1,748.32
Fund Financial Statement - Fund Balances			
Net Assets, September 1, 2014	172,514.87	(3,556,090.66)	3,597,846.84
Restatements			
Net Assets, September 1, 2014, as Restated	172,514.87	(3,556,090.66)	3,597,846.84
Appropriations Lapsed			
Net Assets, August 31, 2015	<u>\$ 3,802.35</u>	<u>\$ (3,552,197.51)</u>	<u>\$ 3,599,595.16</u>

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

** 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

UNAUDITED

Arts Operating Fund/Endowment Interest (0334)* U/F (6334)	Arts Oprating Fund/License Plate (0334)* U/F (7334)	Arts Operating Fund/Depository Interest (0334)* U/F (8334)	License Plate Trust Fund (0802) U/F (0802)	Total
	\$ 0		\$	5,372,288.00
				226,179.85
				921,900.00
				0
			208,240.17	208,240.17
				0
			425.95	425.95
				1,748.32
				0
				0
				283,014.00
				0
0	0	0	208,666.12	7,013,796.29
				834,576.84
				224,700.90
				1,979.75
				32,632.39
				55,288.78
				10,648.55
				11,358.00
				7,694.00
				80.00
				0
	(713.00)		141,153.15	140,130.00
				5,716,092.00
0	(713.00)	0	141,153.15	73,460.16
0	713.00	0	67,512.97	7,108,641.37
				(94,845.08)
				0
				0
				0
0	0	0	0	0
				0
0	713.00	0	67,512.97	(94,845.08)
48,302.97	483,244.22	331,795.23	69,297.30	1,146,910.77
48,302.97	483,244.22	331,795.23	69,297.30	0
48,302.97	483,244.22	331,795.23	69,297.30	1,146,910.77
				0
\$ 48,302.97	\$ 483,957.22	\$ 331,795.23	\$ 136,810.27	\$ 1,052,065.69

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**SCHEDULE OF
EXPENDITURES OF
FEDERAL AWARDS**

Agency 813 - Texas Commission on the Arts
 Schedule 1A
 For the Fiscal Year Ended August 31, 2015

Certified

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From	
				Agencies or Universities Amount	Non-State Entities Amount
National Endowment For The Arts					
<u>Direct Programs:</u>					
Promotion of the Arts Partnership	45.025				
<u>Agreements</u>					
Totals - National Endowment For The Arts				-	-
Total Expenditures of Federal Awards				-	-

Direct Program Amount	Total PT From and Direct Prog.	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures
			Agencies or Universities Amount	Non-State Entities Amount		
921,900.00	921,900.00				921,900.00	921,900.00
921,900.00	921,900.00		-	-	921,900.00	921,900.00
921,900.00	921,900.00		-	-	921,900.00	921,900.00

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**SCHEDULE OF STATE
GRANT PASS-
THROUGH FROM/TO
STATE AGENCIES**

Texas Commission on the Arts (813)

Schedule 1B

Schedule of State Grant Pass-Throughs From/To State Agencies

For the Year Ended August 31, 2015

Pass-through From	Grant ID	Agency Number	Amount
			\$ -
Total Pass-Through from Other Agencies (Exh. II):			-

Pass-through To	Grant ID	Agency Number	Amount
Arts Create	813.0001		
University of Texas at Austin		721	\$ 28,000.00
University of Houston		730	37,000.00
Midwestern State University		735	5,000.00
University of Texas at San Antonio		743	7,000.00
University of North Texas		752	8,000.00
			\$ 85,000.00
Arts Respond	813.0002		
University of Texas at Austin		721	14,250.00
University of Texas at El Paso		724	2,500.00
University of Houston		730	6,500.00
Texas A&M University - Kingsville		732	1,500.00
Midwestern State University		735	3,500.00
Stephen F. Austin State University		755	1,000.00
			\$ 29,250.00
Various Projects	813.0003		
Tartleton State University		713	4,050.00
University of Texas at Austin		721	450.00
University of Texas at El Paso		724	9,000.00
University of Texas of the Permian Basin		742	6,880.00
Sul Ross State University		756	3,000.00
State Preservation Board		809	2,500.00
			\$ 25,880.00
Total Pass-Through to Other Agencies (Exh. II):			\$ 140,130.00

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