

TEXAS BOARD OF ARCHITECTURAL EXAMINERS

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2016

*Julie Hildebrand,
Executive Director*

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**TEXAS Board of
Architectural Examiners**
Architects • Landscape Architects • Registered Interior Designers

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October 1, 2016

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, State Comptroller
Ursula Parks, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Board of Architectural Examiners for the year ended August 31, 2016, in compliance with the Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in **Governmental Accounting Standards Board (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 Kenneth Liles at (512) 305-8540.

Sincerely,

Julie Hildebrand,
Executive Director

**Combined
Financial
Statements**

UNAUDITED

TEXAS BOARD OF ARCHITECTURAL EXAMINERS (459)
 Exhibit I - Combined Balance Sheet/Statement of Net Assets -
 Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	General Funds (Exh A-1)	Governmental Funds Total	Capital Asset Adjustments	Long-Term Liability Adjustments	Statement of Net Position
ASSETS					
Current Assets:					
Cash and Temporary Investments					
Cash on Hand					
	1,830.00	1,830.00			1,830.00
	155,885.86	155,885.86			155,885.86
Legislative Appropriations					
	2,594,781.70	2,594,781.70			2,594,781.70
Interest Receivable					
	6,196.00	6,196.00			6,196.00
Consumable Inventories					
Total Current Assets	\$ 2,758,693.56	\$ 2,758,693.56			2,758,693.56
Noncurrent Assets:					
Capital Assets:					
Depreciable, Net					
			330,208.47		330,208.47
Total Noncurrent Assets	\$	\$	\$ 330,208.47		330,208.47
Total Assets	\$ 2,758,693.56	\$ 2,758,693.56	\$ 330,208.47		3,088,902.03
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from					
Accounts Payable					
	26,917.64	26,917.64			
Payroll Payable					
	155,885.86	155,885.86			155,885.86
Due to Other Agencies					
Deferred Revenue					
Employees Compensable Leave					
				89,702.71	89,702.71
Total Current Liabilities	\$ 182,803.50	\$ 182,803.50		89,702.71	245,588.57
Noncurrent Liabilities:					
Interfund Payable					
Employees Compensable Leave					
				104,183.71	104,183.71
Total Noncurrent Liabilities	\$	\$		104,183.71	104,183.71
Total Liabilities	\$ 182,803.50	\$ 182,803.50		193,886.42	349,772.28
Fund Financial Statement-Fund Balances					
Fund Balances (Deficits):					
Nonspendable for:					
Inventories					
	\$ 6,196.00	6,196.00			6,196.00
Unassigned					
	(26,917.64)	(26,917.64)			(26,917.64)
Committed:					
	2,596,611.70	2,596,611.70			2,596,611.70
Total fund balances	\$ 2,575,890.06	\$ 2,575,890.06			2,575,890.06
Total Liabilities and Fund Balance	\$ 2,758,693.56	\$ 2,758,693.56			2,758,693.56
Net Position					
Invested in Capital Assets					
			330,208.47		330,208.47
Unrestricted					
				(193,886.42)	(193,886.42)
Total Net Position			330,208.47	(193,886.42)	2,712,212.11

TEXAS BOARD OF ARCHITECTURAL EXAMINERS (459)
 Exhibit II - Combined Statement of Revenues, Expenditures, and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	General Funds (Exh A-2)	Governmental Funds Total	Capital Asset Adjustments	Long-Term Liability Adjustments	Statement of Net Position
REVENUES					
Legislative Appropriations:					
Original Appropriations	\$				
Additional Appropriations					
Licenses, Fees & Permits	2,791,549.93	2,791,549.93			2,791,549.93
Interest and Investment Income	5,171.33	5,171.33			5,171.33
Sales of Goods and Services	5,781.40	5,781.40			5,781.40
Other	91,037.89	91,037.89			91,037.89
Total Revenues	<u>\$ 2,893,540.55</u>	<u>\$ 2,893,540.55</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,893,540.55</u>
EXPENDITURES					
Salaries and Wages	\$ 1,417,054.75	1,417,054.75		35,281.49	1,452,336.24
Payroll Related Costs	493,274.96	493,274.96			493,274.96
Professional Fees and Services	25,124.94	25,124.94			25,124.94
Travel	41,793.30	41,793.30			41,793.30
Materials and Supplies	49,358.82	49,358.82			49,358.82
Communication and Utilities	13,373.95	13,373.95			13,373.95
Repairs and Maintenance	1,048.57	1,048.57			1,048.57
Rentals & Leases	92,855.92	92,855.92			92,855.92
Printing and Reproduction	14,865.68	14,865.68			14,865.68
Claims and Judgements	(30.50)	(30.50)			(30.50)
Other Expenditures	221,739.73	221,739.73			221,739.73
Capital Outlay					
Depreciation Expense			27,139.56		27,139.56
Total Expenditures/Expenses	<u>\$ 2,370,460.12</u>	<u>\$ 2,370,460.12</u>	<u>27,139.56</u>	<u>35,281.49</u>	<u>\$ 2,432,881.17</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 523,080.43</u>	<u>\$ 523,080.43</u>	<u>\$ (27,139.56)</u>	<u>(35,281.49)</u>	<u>\$ 460,659.38</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers in	2,852,676.31	2,852,676.31			2,852,676.31
Operating Transfers Out	(3,362,676.31)	(3,362,676.31)			(3,362,676.31)
Total other financing sources and uses	<u>\$ (510,000.00)</u>	<u>\$ (510,000.00)</u>			<u>\$ (510,000.00)</u>
Net change in fund balances/net assets	<u>\$ 13,080.43</u>	<u>\$ 13,080.43</u>	<u>(27,139.56)</u>	<u>(35,281.49)</u>	<u>\$ (49,340.62)</u>
Fund Financial Statement-Fund Balances					
Fund Balances--Beginning, Sept. 1, 2015	\$ 2,562,809.63	\$ 2,562,809.63			\$ 2,562,809.63
Restatements					
Fund Balances, September 1, 2015, as Restated	<u>2,562,809.63</u>	<u>2,562,809.63</u>			<u>2,562,809.63</u>
Appropriations Lapsed					
Fund Balances--August 31, 2016	<u>\$ 2,575,890.06</u>	<u>\$ 2,575,890.06</u>			<u>\$ 2,513,469.01</u>
Change in Net Position		2,575,890.06	(27,139.56)	(35,281.49)	2,513,469.01
Net Position, Sept. 1, 2015			357,348.03	(158,604.93)	198,743.10
Net Position, August 31, 2016			<u>330,208.47</u>	<u>(193,886.42)</u>	<u>\$ 2,712,212.11</u>

UNAUDITED

BOARD OF ARCHITECTURAL EXAMINERS (459)

Exhibit VI Combined Statement of Net Assets - Fiduciary Funds

August 31, 2016

	Agency Funds (Exh J-1)	Total
ASSETS		
Cash in State Treasury		
Total Assets	\$	\$
LIABILITIES		
Accounts Payable	\$	
Funds Held for Others		
Total Liabilities	\$	\$

**Notes
To The
Financial
Statements**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Not required.

NOTE 2: CAPITAL ASSETS

A summary of changes in General Fixed Assets for the year ended August 31, 2016, is presented below.

	PRIMARY GOVERNMENT					Balance 08/31/16
	Balance 09/01/15	Adjustments	Reclassi- fication	Additions	Deletions	
Governmental Activities:						
Depreciable Assets						
Furniture and Equipment	34,885.47					34,885.47
Other Assets	492,862.32					492,862.32
Total depreciable assets						
at historical cost:	527,747.79		-	-		527,747.79
Less accumulated depreciation for:						
Furniture and Equipment	(11,713.26)			(4,736.76)		(16,450.02)
Other Assets	(158,686.50)			(22,402.80)		(181,089.30)
Total accumulated depreciation	(170,399.76)		- -	(27,139.56)	-	(197,539.32)
Depreciable assets, net Governmental activities	357,348.03		- -	(27,139.56)		330,208.47
Capital assets, net:	\$ 357,348.03	\$ -	\$ -	\$(27,139.56)	\$ -	\$ 330,208.47

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

Deposits of Cash in Bank

As of August 31, 2016, the carrying amount of deposits was zero.

Governmental Activities

<u>Cash in Bank – Carrying Value</u>	<u>\$ 1,830.00</u>
<u>Cash in Bank per AFR</u>	<u>\$ 1,830.00</u>
<u>Governmental Funds Current Assets Cash in Bank</u>	<u>\$ 1,830.00</u>
<u>Cash in Bank per AFR</u>	<u>\$ 1,830.00</u>

Investments

As of August 31, 2016, the carrying value and fair value of investments are as presented below.

Governmental Activities	Carrying Value	Fair Value
Miscellaneous Investments:		
Repurchase Agreements (Texas Treasury Safekeeping Trust)	<u>\$ 2,594,781.70</u>	<u>\$ 2,594,781.70</u>
Totals	<u>\$ 2,594,781.70</u>	<u>\$ 2,594,781.70</u>

Both cash in bank balances and repurchase agreements are held in the Texas Treasury Safekeeping Trust, where minimal risks are assumed by the agency.

NOTE 4: SHORT-TERM DEBT

Not applicable

NOTE 5: SUMMARY OF LONG TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2016, the following changes occurred in liabilities.

Governmental Activities	Balance			Amounts	
	<u>09/01/15</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u>	<u>Due Within</u>
				<u>08/31/16</u>	<u>One Year</u>
Compensable Leave	\$158,604.93	\$153,639.99	(118,358.50)	\$193,886.42	\$89,702.71
Total Governmental Activities	\$158,604.93	\$153,639.99	(\$118,358.50)	\$193,886.42	\$89,702.71

Employees' Compensable Leave

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

NOTE 6: BONDED INDEBTEDNESS

Non-Applicable

NOTE 7: CAPITAL LEASES

Non-Applicable

NOTE 8: OPERATING LEASE OBLIGATIONS

Non-Applicable

NOTE 9: EMPLOYEES RETIREMENT PLANS

Not Required

NOTE 10: DEFERRED COMPENSATION

Not Required

**NOTE 11. POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE
BENEFITS**

Not Required

NOTE 12: INTERFUND BALANCES

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

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due to Other Agencies
- Due From Other Funds or Due to Other Funds
- Transfers In or Transfers Out.
- Legislative Transfers In or Legislative Transfers Out

The agency 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, 2016, follows:

Total Operating Transfers	<u>Operating Transfers-In</u>	<u>Operating Transfers-Out</u>
<u>GAAP Fund 1010, Fund 1010</u>		
Agy 902, GAAP Fd 0001, Fd 0001		\$ 510,000.00
Agy 459, GAAP Fd 1010, Fd 2859	\$ 2,798,810.32	
<u>GAAP Fund 1010, Fund 2859</u>		
Agy 459, GAAP Fd 1010, Fd 1010		\$ 2,798,810.32
Agy 459, GAAP Fd 1010, Fd 3859		\$ 53,865.99
<u>GAAP Fund 1010, Fund 3859</u>		
Agy 459, GAAP Fd 1010, Fd 2859	\$ 53,865.99	
 Total Transfers	 <u>\$ 2,852,676.31</u>	 <u>\$ 3,362,676.31</u>

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

The Texas Board of Architectural Examiners is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the Board is abolished and this Act expires September 1, 2025. If abolished, the Board may continue until September 1, 2026 to close out its operations.

NOTE 14: ADJUSTMENT OF FUND BALANCES/NET ASSETS

Non-Applicable

NOTE 15: CONTINGENT LIABILITIES

Non-Applicable

NOTE 16: SUBSEQUENT EVENTS

Non-Applicable

NOTE 17: RISK MANAGEMENT

Non-Applicable

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

Non-Applicable

NOTE 19: THE FINANCIAL REPORTING ENTITY & JOINT VENTURE

Non-Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Non-Applicable

NOTE 21:

Non-Applicable

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

Non-Applicable

NOTE 23: SPECIAL OR EXTRAORDINARY ITEMS

Non-Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Non-Applicable

NOTE 25: TERMINATION BENEFITS

Not Required

NOTE 26: SEGMENT INFORMATION

Not Required

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Required

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

Not Required

NOTE 29: NON-EXCHANGE FINANCIAL GUARANTEES

Not Required

NOTE 30: SEGMENT INFORMATION

Not Required

**Combining
Financial
Statements**

UNAUDITED

BOARD OF ARCHITECTURAL EXAMINERS (459)

Exhibit A-1 - Combining Balance Sheet - General Revenue Funds
August 31, 2016

	Operating Fund GAAP Fund 1010 Agy Fund 1010	Operating Fund GAAP Fund 1010 Agy Fund 2859	Operating Fund GAAP Fund 1010 Agy Fund 3859	Total
ASSETS				
Current Assets:				
Cash and Temporary Investments				
Cash on Hand				
Cash in Bank		1,830.00		1,830.00
Cash in State Treasury	155,885.86			155,885.86
Legislative Appropriations				
Short-term Investments (Note 3)		2,594,781.70		2,594,781.70
Interest Receivable				
Consumable Inventories	6,196.00			6,196.00
Total Current Assets	<u>\$ 162,081.86</u>	<u>\$ 2,596,611.70</u>	<u>\$</u>	<u>\$ 2,758,693.56</u>
Noncurrent Assets:				
Capital Assets:				
Non-Depreciable				
Depreciable				
Furniture and Equipment				
Accumulated Depreciation				
Other Assets				
Accumulated Depreciation				
Total Noncurrent Assets	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Assets	<u>\$ 162,081.86</u>	<u>\$ 2,596,611.70</u>	<u>\$</u>	<u>\$ 2,758,693.56</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from				
Accounts Payable	26,917.64			26,917.64
Payroll Payable	155,885.86			155,885.86
Due to Other Funds				
Deferred Revenue				
Employees Compensable Leave				
Total Current Liabilities	<u>\$ 182,803.50</u>	<u>\$</u>	<u>\$</u>	<u>\$ 182,803.50</u>
Noncurrent Liabilities:				
Interfund Payable				
Employees Compensable Leave				
Total Noncurrent Liabilities	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Liabilities	<u>\$ 182,803.50</u>	<u>\$</u>	<u>\$</u>	<u>\$ 182,803.50</u>
Fund Financial Statement-Fund Balances				
Fund Balances (Deficits):				
Nonspendable for:				
Inventories	6,196.00			6,196.00
Unassigned	(26,917.64)			(26,917.64)
Committed:				
Total fund balances	<u>\$ (20,721.64)</u>	<u>\$ 2,596,611.70</u>	<u>\$</u>	<u>\$ 2,575,890.06</u>
Total Liabilities and Fund Balance	<u>\$ 162,081.86</u>	<u>\$ 2,596,611.70</u>	<u>\$</u>	<u>\$ 2,758,693.56</u>

UNAUDITED

BOARD OF ARCHITECTURAL EXAMINERS (459)

Exhibit A-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Revenue Funds

For the Fiscal Year Ended August 31, 2016

	Operating Fund GAAP Fund 1010 Agy Fund 1010	Operating Fund GAAP Fund 1010 Agy Fund 2859	Safekeeping Trust GAAP Fund 1010 Agy Fund 3859	Total
REVENUES				
Legislative Appropriations:				
Original Appropriations				
Additional Appropriations				
Licenses, Fees & Permits		2,791,549.93		2,791,549.93
Interest Revenue		5,171.33		5,171.33
Sales of Goods and Services		5,781.40		5,781.40
Other		91,037.89		91,037.89
Total Revenues	<u>\$</u>	<u>\$ 2,893,540.55</u>	<u>\$</u>	<u>\$ 2,893,540.55</u>
EXPENDITURES				
Salaries and Wages	1,417,054.75			1,417,054.75
Payroll Related Costs	493,274.96			493,274.96
Professional Fees and Services	22,424.13	2,700.81		25,124.94
Travel	41,793.30			41,793.30
Materials and Supplies	49,358.82			49,358.82
Communication and Utilities	13,373.95			13,373.95
Repairs and Maintenance	1,048.57			1,048.57
Rentals & Leases	92,855.92			92,855.92
Printing and Reproduction	14,865.68			14,865.68
Interest Expense	(30.50)			(30.50)
Other Expenditures	191,239.73		30,500.00	221,739.73
Capital Outlay				
Depreciation Expense				
Total Expenditures/Expenses	<u>\$ 2,337,259.31</u>	<u>\$ 2,700.81</u>	<u>\$ 30,500.00</u>	<u>\$ 2,370,460.12</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,337,259.31)</u>	<u>\$ 2,890,839.74</u>	<u>\$ (30,500.00)</u>	<u>\$ 523,080.43</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,798,810.32		53,865.99	2,852,676.31
Operating Transfers Out	(510,000.00)	(2,852,676.31)		(3,362,676.31)
Total other financing sources and uses	<u>\$ 2,288,810.32</u>	<u>\$ (2,852,676.31)</u>	<u>\$ 53,865.99</u>	<u>\$ (510,000.00)</u>
Net change in fund balances/net assets	<u>\$ (48,448.99)</u>	<u>\$ 38,163.43</u>	<u>\$ 23,365.99</u>	<u>\$ 13,080.43</u>
Fund Financial Statement-Fund Balances				
Fund Balances--Beginning, Sept. 1, 2015	\$ 27,727.35	\$ 2,558,448.27	\$ (23,365.99)	\$ 2,562,809.63
Restatements				
Fund Balances, September 1, 2015, as Restated	<u>27,727.35</u>	<u>2,558,448.27</u>	<u>(23,365.99)</u>	<u>2,562,809.63</u>
Appropriations Lapsed				
Fund Balances--August 31, 2016	<u>\$ (20,721.64)</u>	<u>\$ 2,596,611.70</u>	<u>\$</u>	<u>\$ 2,575,890.06</u>

BOARD OF ARCHITECTURAL EXAMINERS (459)
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
 August 31, 2016

	Beginning Balance September 1, 2015	Additions	Deductions	Ending Balance August 31, 2016
Child Support Employee Deduction Fund 0807				
ASSETS				
Cash in State Treasury				
Total Assets	\$	\$	\$	\$
LIABILITIES				
Vouchers Payable				
Funds Held for Others				
Total Liabilities	\$	\$	\$	\$
Suspense Fund 0900				
ASSETS				
Cash in State Treasury				
Total Assets	\$	\$	\$	\$
LIABILITIES				
Funds Held for Others			0.00	
Total Liabilities	\$	\$	\$	\$
Unappropriated Fund 0002				
ASSETS				
Cash in State Treasury		289,043.79	289,043.79	
Total Assets	\$	\$ 289,043.79	\$ 289,043.79	\$
LIABILITIES				
Funds Held for Others		289,403.79	289,403.79	
Total Liabilities	\$	\$ 289,403.79	\$ 289,403.79	\$
Total				
ASSETS				
Cash in State Treasury		289,043.79	289,043.79	
Total Assets	\$	\$ 289,043.79	\$ 289,043.79	\$
LIABILITIES				
Vouchers Payable				
Funds Held for Others		289,403.79	289,403.79	
Total Liabilities	\$	\$ 289,403.79	\$ 289,403.79	\$