

TEXAS HISTORICAL COMMISSION ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2015



Our Mission

To protect and preserve the state's historic
and prehistoric resources for the use, education, enjoyment,
and economic benefit of present and future generations.



TEXAS HISTORICAL COMMISSION
real places telling real stories

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TEXAS HISTORICAL COMMISSION

real places telling real stories

November 18, 2015

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

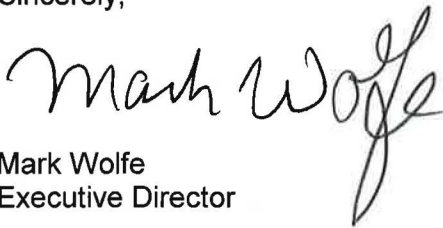
Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Historical Commission for the year ended August 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 Corey Crawford at 475-0774. Corey Crawford may be contacted at 475-0774 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,



Mark Wolfe
Executive Director



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Financial Statements

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Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds
August 31, 2015

	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 Position
ASSETS								
Current Assets:								
Cash and Cash Equivalents (Note 3)								
Cash On Hand	\$ 2,550.00	\$ -	\$ -	\$ -	\$ 2,550.00	\$ -	\$ -	\$ 2,550.00
Cash In Bank	5,000.00	1,057,960.52	-	-	1,062,960.52	-	-	1,062,960.52
Cash in State Treasury	290,447.68	-	-	296,336.98	586,784.66	-	-	586,784.66
Short Term Investments (Note 3)	231,837.46	-	-	-	231,837.46	-	-	231,837.46
Security Lending Collateral								-
Legislative Appropriations	3,553,935.73	-	-	-	3,553,935.73	-	-	3,553,935.73
Receivables from:								
Federal	339,093.58	-	-	-	339,093.58	-	-	339,093.58
Accounts Receivable	9,263.10	-	-	-	9,263.10	-	-	9,263.10
Gifts, Pledges and Donations		5,500.00	-	-	5,500.00	-	-	5,500.00
Interest and Dividends	23.08	-	-	-	23.08	-	-	23.08
Due From Other Funds (Note 12)	-	-	-	-	-	-	-	-
Due From Other Agencies (Note 12)	577,216.53	-	15,493,569.39	-	16,070,785.92	-	-	16,070,785.92
Investment in Trade Receivables								-
Interfund Receivables	19,154.98	-	-	-	19,154.98	-	-	19,154.98
Prepaid Items	7,565.92	-	-	-	7,565.92	-	-	7,565.92
Consumable Inventories	606,515.87	-	-	-	606,515.87	-	-	606,515.87
Merchandise Inventories	131,137.03	-	-	-	131,137.03	-	-	131,137.03
Total Current Assets	<u>\$ 5,773,740.96</u>	<u>\$ 1,063,460.52</u>	<u>\$ 15,493,569.39</u>	<u>\$ 296,336.98</u>	<u>\$ 22,627,107.85</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,627,107.85</u>
Non-Current Assets:								
Investments (Note 3)	7,873,021.80	-	-	-	7,873,021.80	-	-	7,873,021.80
Capital Assets (Note 2):								
Non-Depreciable or Non-Amortizable								
Land and Land Improvements	-	-	-	-	-	5,190,451.36	-	5,190,451.36
Construction in Progress	-	-	-	-	-	3,356,077.60	-	3,356,077.60
Other Capital Assets	-	-	-	-	-	207,477.10	-	207,477.10
Depreciable Assets								
Building and Building Improvements	-	-	-	-	-	42,430,405.62	-	42,430,405.62
Less Accumulated Depreciation	-	-	-	-	-	(14,183,215.02)	-	(14,183,215.02)
Facilities and Other Improvements	-	-	-	-	-	937,496.52	-	937,496.52
Less Accumulated Depreciation	-	-	-	-	-	(198,141.31)	-	(198,141.31)
Furniture and Equipment	-	-	-	-	-	1,998,953.09	-	1,998,953.09
Less Accumulated Depreciation	-	-	-	-	-	(1,650,900.92)	-	(1,650,900.92)
Vehicle, Boats and Aircraft	-	-	-	-	-	1,385,991.68	-	1,385,991.68
Less Accumulated Depreciation	-	-	-	-	-	(1,219,932.24)	-	(1,219,932.24)
Other Capital Assets	-	-	-	-	-	1,191,496.22	-	1,191,496.22
Less Accumulated Depreciation	-	-	-	-	-	(262,605.47)	-	(262,605.47)
Amortizable Assets-Intangible	-	-	-	-	-	19,252.00	-	19,252.00
Less Accumulated Depreciation	-	-	-	-	-	(19,252.00)	-	(19,252.00)
Total Non-Current Assets	<u>7,873,021.80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,873,021.80</u>	<u>39,183,554.23</u>	<u>-</u>	<u>47,056,576.03</u>
Total Assets	<u><u>13,646,762.76</u></u>	<u><u>1,063,460.52</u></u>	<u><u>15,493,569.39</u></u>	<u><u>296,336.98</u></u>	<u><u>30,500,129.65</u></u>	<u><u>39,183,554.23</u></u>	<u><u>-</u></u>	<u><u>69,683,683.88</u></u>

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Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds (Cont.)
August 31, 2015

	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 Position
LIABILITIES AND FUND BALANCES								
Liabilities								
Current Liabilities:								
Payables from:								
Accounts	902,966.11	-	1,944,745.43	-	2,847,711.54	-	-	2,847,711.54
Payroll	1,027,111.65	-	-	-	1,027,111.65	-	-	1,027,111.65
Interfund Payable (Note 12)	19,154.98	-	-	-	19,154.98	-	-	19,154.98
Trade Payables	-	-	-	-	-	-	-	-
Due To Other Agencies (Note 12)	1,895.59	-	-	-	1,895.59	-	-	1,895.59
Employees' Compensable Leave (Note 5)	-	-	-	-	-	-	705,965.32	705,965.32
Pollution Remediation (Note 5)	-	-	-	-	-	-	62,029.00	62,029.00
Total Current Liabilities	1,951,128.33	-	1,944,745.43	-	3,895,873.76	-	767,994.32	4,663,868.08
Non-Current Liabilities								
Employees' Compensable Leave (Note 5)	-	-	-	-	-	-	539,669.66	539,669.66
Pollution Remediation (Note 5)	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	539,669.66	539,669.66
Total Liabilities	1,951,128.33	-	1,944,745.43	-	3,895,873.76	-	1,307,663.98	5,203,537.74
Fund Financial Statement								
Fund Balances (Deficits):								
Assigned	-	1,063,460.52	-	-	1,063,460.52			1,063,460.52
Restricted	-	-	13,548,823.96	-	13,548,823.96			13,548,823.96
Committed	8,394,901.29	-	-	-	8,394,901.29			8,394,901.29
Nonspendable	-	-	-	296,336.98	296,336.98			296,336.98
Nonspendable for Inventory	737,652.90	-	-	-	737,652.90			737,652.90
Nonspendable for Prepaid Items	7,565.92	-	-	-	7,565.92			7,565.92
Unassigned	2,555,514.32	-	-	-	2,555,514.32			2,555,514.32
Total Fund Balances	11,695,634.43	1,063,460.52	13,548,823.96	296,336.98	26,604,255.89			26,604,255.89
Total Liabilities and Fund Balances	\$ 13,646,762.76	\$ 1,063,460.52	\$ 15,493,569.39	\$ 296,336.98	\$ 30,500,129.65			31,807,793.63
Government-Wide Statement of Net Position								
Net Position								
Invested in Capital Assets, net of Related Debt						39,183,554.23	(1,307,663.98)	37,875,890.25
Total Net Position						\$ 39,183,554.23	\$ (1,307,663.98)	\$ 64,480,146.14

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

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**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 (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
REVENUES								
Legislative Appropriations								
Original Appropriations	\$ 8,473,087.00	\$ -	\$ -	\$ -	\$ 8,473,087.00	\$ -	\$ -	\$ 8,473,087.00
Additional Appropriations	2,519,090.57	-	-	-	2,519,090.57	-	-	2,519,090.57
Taxes	(373.83)	-	-	-	(373.83)	-	-	(373.83)
Federal Revenue	1,711,204.91	-	-	-	1,711,204.91	-	-	1,711,204.91
Federal Grant Pass-Through Revenue	2,816,580.43	-	-	-	2,816,580.43	-	-	2,816,580.43
License, Fees & Permits	1,605,663.05	9,939.36	-	-	1,615,602.41	-	-	1,615,602.41
Interest and Other Investment Income	57,697.12	9,315.85	-	1,160.97	68,173.94	-	-	68,173.94
Net Increase (Decrease) in Fair Value	(93,458.65)	(29,299.34)	-	-	(122,757.99)	-	-	(122,757.99)
Land Income	17,940.69	-	-	-	17,940.69	-	-	17,940.69
Sales of Goods and Services	214,296.75	-	-	-	214,296.75	-	-	214,296.75
Other Revenue	138,390.21	194,473.21	-	-	332,863.42	-	-	332,863.42
Total Revenues	<u>17,460,118.25</u>	<u>184,429.08</u>	<u>-</u>	<u>1,160.97</u>	<u>17,645,708.30</u>	<u>-</u>	<u>-</u>	<u>17,645,708.30</u>
EXPENDITURES								
Salaries and Wages	9,451,740.56	-	-	-	9,451,740.56	-	151,702.72	9,603,443.28
Payroll Related Costs	2,786,929.62	-	-	-	2,786,929.62	-	-	2,786,929.62
Professional Fees and Services	1,326,607.06	138,666.22	454,491.35	-	1,919,764.63	-	-	1,919,764.63
Travel	297,210.29	9,391.92	-	-	306,602.21	-	-	306,602.21
Materials and Supplies	1,355,443.59	13,360.56	-	-	1,368,804.15	-	-	1,368,804.15
Communication and Utilities	586,857.33	-	-	-	586,857.33	-	-	586,857.33
Repairs and Maintenance	618,025.59	-	25,001.97	-	643,027.56	-	-	643,027.56
Rentals and Leases	257,150.67	-	-	-	257,150.67	-	-	257,150.67
Printing and Reproduction	782,207.39	25,079.62	-	-	807,287.01	-	-	807,287.01
State Grant Pass-Through Expenditures	1,895.59	-	-	-	1,895.59	-	-	-
Intergovernmental Payments	713,117.98	-	5,012,003.76	-	5,725,121.74	-	-	5,725,121.74
Public Assistance Payments	901,150.20	-	-	-	901,150.20	-	-	901,150.20
Other Expenditures	2,798,101.03	69,327.43	166,572.76	-	3,034,001.22	-	-	3,034,001.22
Pollution Remediation Obligation (Note 5)	-	-	-	-	-	-	62,029.00	62,029.00
Capital Outlay	1,414,803.35	-	4,320,606.22	-	5,735,409.57	(5,735,409.57)	-	-
Depreciation Expense	-	-	-	-	-	1,912,714.17	-	1,912,714.17
Amortization Expense	-	-	-	-	-	1,148.83	-	1,148.83
Total Expenditures/Expenses	<u>23,291,240.25</u>	<u>255,825.75</u>	<u>9,978,676.06</u>	<u>-</u>	<u>33,525,742.06</u>	<u>(3,821,546.57)</u>	<u>213,731.72</u>	<u>29,917,927.21</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,831,122.00)</u>	<u>(71,396.67)</u>	<u>(9,978,676.06)</u>	<u>1,160.97</u>	<u>(15,880,033.76)</u>	<u>3,821,546.57</u>	<u>(213,731.72)</u>	<u>(12,272,218.91)</u>

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**Exhibit II - Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities -
Governmental Funds (Cont.)
For the Fiscal Year Ended August 31, 2015**

	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
OTHER FINANCING SOURCES (USES)								
Bond and Note Proceeds								
Increase in Obligations Under Capital Leases								
Sale of Capital Assets	23,274.07	-	-	-	23,274.07	(23,274.07)	-	-
Transfers In	5,139,437.76	-	3,993,629.99	-	9,133,067.75		-	9,133,067.75
Transfers Out	(790,569.14)	-	(290,003.02)	-	(1,080,572.16)	-	-	(1,080,572.16)
Insurance Recoveries	1,996.99				1,996.99			1,996.99
Legislative Transfers Out	-				-			-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	3,874.65	-	3,874.65
Inc/(Dec) in Net Assets Due to Interagency Transfer (Note 2)		-	-	-	-	467,000.00	-	467,000.00
Appropriations Lapsed	(49.62)	-	-	-	(49.62)		-	(49.62)
Total Other Financing Sources (Uses)	4,374,090.06	-	3,703,626.97	-	8,077,717.03	447,600.58	-	8,525,317.61
SPECIAL ITEMS								
Proceeds from Sale of Park Land								-
EXTRAORDINARY ITEMS								
Natural Disaster-Hurricane								-
Net Change in Fund Balances/Net Assets	(1,457,031.94)	(71,396.67)	(6,275,049.09)	1,160.97	(7,802,316.73)			(3,746,901.30)
Fund Financial Statement - Fund Balances								
Fund Balances, September 1, 2014	13,152,666.37	1,140,525.62	19,823,873.05	295,176.01	34,412,241.05			34,412,241.05
Restatements	-	(5,668.43)	-	-	(5,668.43)			(5,668.43)
Fund Balances, September 1, 2014, as Restated	13,152,666.37	1,134,857.19	19,823,873.05	295,176.01	34,406,572.62			34,406,572.62
Fund Balances, August 31, 2015	<u>\$ 11,695,634.43</u>	<u>\$ 1,063,460.52</u>	<u>\$ 13,548,823.96</u>	<u>\$ 296,336.98</u>	<u>\$ 26,604,255.89</u>			<u>30,659,671.32</u>
Government-Wide Statement of Net Position								
Net Position/Net Change in Net Position					26,604,255.89	4,269,147.15	(213,731.72)	30,659,671.32
Net Position, September 1, 2014						34,907,753.50	(1,093,932.26)	33,813,821.24
Restatements						6,653.58		6,653.58
Net Position, September 1, 2014, as Restated						34,914,407.08	(1,093,932.26)	33,820,474.82
Net Position, August 31, 2015					<u>\$ 26,604,255.89</u>	<u>\$ 39,183,554.23</u>	<u>\$ (1,307,663.98)</u>	<u>\$ 64,480,146.14</u>

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

Notes to the Financial Statements

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

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 has one blended component unit, Friends of the Texas Historical Commission. Information on the component unit can be found in Note 19.

Discretely Presented Component Units

The Texas Historical Commission does not have any discrete component units.

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 blended 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 fiscal 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 build the government-wide financial statements are accounted for using the full accrual basis 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.

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).

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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 using 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 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.

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.

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 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 the government-wide, proprietary and fiduciary fund statements.”

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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.

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.

INTER-FUND TRANSACTIONS AND TRANSACTIONS

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.

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(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, the balance 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 (interfund services provided) and expenditures or expenses of the disbursing fund (interfund services used).

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

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NOTE 2: Capital Assets

Capital Assets are not shown on the Governmental Fund Financial Statements, but rather are included as governmental activities in the Government-wide Financial Statements. A summary of changes in Capital Assets for the year ended August 31, 2015, is presented below:

Governmental Activities	Balance 9/1/2014	Adjustments	Comp. CIP	Transfers	Additions	Deletions	Balance 8/31/2015
Non-depreciable or Non-amortizable Assets:							
Land and Land Improvements	\$ 4,702,551.36	\$ -	\$-	\$467,000.00	\$20,900.00	\$ -	5,190,451.36
Construction in Progress	\$3,331,629.93	-	\$(4,361,742.01)	-	4,386,189.68	-	3,356,077.60
Other Tangible Capital Assets	207,477.10	-	-	-	-	-	207,477.10
Total Capital Assets Not Depr/Amrtz	\$ 8,241,658.39	\$ -	\$(4,361,742.01)	\$467,000.00	\$ 4,407,089.68	\$ -	\$ 8,754,006.06
Depreciable Assets							
Building and Building Improvements	\$ 37,093,591.71	\$-	\$4,148,532.01	\$-	\$ 1,188,281.90	\$ -	\$ 42,430,405.62
Facilities and Other Improvements	724,286.52	-	213,210.00	-	-	-	937,496.52
Furniture and Equipment	1,914,147.31	6,900.00	-	-	89,235.99	(11,330.21)	1,998,953.09
Vehicles, Boats, and Aircraft	1,356,352.68	-	-	-	50,802.00	(21,163.00)	1,385,991.68
Other Capital Assets	1,191,496.22	-	-	-	-	-	1,191,496.22
Total Depreciable Assets	\$ 42,279,874.44	\$ 6,900.00	\$4,361,742.01	\$-	\$ 1,328,319.89	\$ (32,493.21)	\$ 47,944,343.13
Accumulated Depreciation							
Buildings and Improvements	\$ (12,630,723.32)	\$-	\$-	\$-	\$ (1,552,491.70)	\$ -	\$ (14,183,215.02)
Facilities and Other Furniture and Equipment	(174,951.66)	-	-	-	(23,189.65)	-	(198,141.31)
Vehicles, Boats, and Aircraft	(1,514,482.61)	(246.42)	-	-	(147,502.10)	11,330.21	(1,650,900.92)
Other Capital Assets	(1,086,710.02)	-	-	-	(134,985.80)	1,763.58	(1,219,932.24)
Other Capital Assets	(208,060.55)	-	-	-	(54,544.92)	-	(262,605.47)
Total Accumulated Depreciation	\$ (15,614,928.16)	\$ (246.42)	\$-	\$-	\$ (1,912,714.17)	\$ 13,093.79	\$ (17,514,794.96)
Depreciable Assets – Net	\$26,664,946.28	\$6,653.58	\$4,361,742.01	\$-	\$(584,394.28)	\$(19,399.42)	\$30,429,548.17
Amortizable Assets – Intangible							
Computer Software	\$ 19,252.00	\$ -	\$-	\$-	\$ -	\$ -	\$ 19,252.00
Total Amortizable Assets-Intangible	\$ 19,252.00	\$ -	\$-	\$-	\$ -	\$ -	\$ 19,252.00
Accumulated Amortization							
Computer Software	\$ (18,103.17)	\$ -	\$-	\$-	\$ (1,148.83)	\$ -	\$ (19,252.00)
Total Accumulated Amortization	\$ (18,103.17)	\$ -	\$-	\$-	\$ (1,148.83)	\$ -	\$ (19,252.00)
Amortizable Assets – Net	\$1,148.83	\$ -	\$-	\$-	\$(1,148.83)	\$ -	\$-
Total Governmental Activities	\$ 34,907,753.50	\$ 6,653.58	\$-	\$467,000.00	\$ 3,821,546.57	\$ (19,399.42)	\$ 39,183,554.23

NOTE 3: Deposits, Investments & Repurchase Agreements

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, 2015, the carrying amount of deposits was \$1,062,960.52 as presented below.

Governmental Activities	
Cash in Bank – Carrying Amount	\$5,000.00
Total Cash in Bank per AFR	\$5,000.00
Governmental Funds Current Assets Cash in Bank	\$5,000.00
Cash in Bank per AFR	\$5,000.00
Blended Component Unit (Friends of the Texas Historical Commission)	
Cash in Bank – Carrying Amount	\$1,057,960.52
Total Cash in Bank per AFR	\$1,057,960.52
Special Revenue Funds Current Assets Cash in Bank	\$1,057,960.52
Cash in Bank per AFR	\$1,057,960.52

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, 2015, the total **bank balance** was as follows:

Governmental Activities	\$5,000.00	Blended Component Units	\$1,057,960.52
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Investments

As of August 31, 2015, the fair value of investments is as presented below:

Governmental Activities	
Mutual Funds - Global Equities	115,701.89
Mutual Funds - Global Fixed Income	582,294.32
Mutual Funds - Commodities	156,124.19
Hedge Funds - Fund of Funds	474,643.63
Hedge Funds - Direct Funds	4,296,296.83
Alternative Investments Domestic	2,022,029.42
Alternative Investments International	225,931.52
Investment in STIF	231,837.46
Total Investments	\$8,104,859.26
Reconciliation of Investments Per Exhibits – Governmental Activities	
Governmental Funds Current Assets Short-Term Investments	\$231,837.46
Governmental Funds Noncurrent Assets Investments	\$7,873,021.80
Investments per Exhibits	\$8,104,859.26

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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, 2015 is as follows:

Fund Type	Fund	Foreign Currency	International Externally Managed Investments
01	0664	Euro	\$225,931.52
		Total	\$225,931.52

Credit risk is the risk than that an issuer or other counterparty to an investment will not fulfill its obligations. The agency's investments are held in the Safekeeping Trust which is responsible for limiting credit risk. As of August 31, 2015 the Texas Historical Commission's credit quality distribution for securities with credit risk exposure was as follows:

Standard & Poor's		Investment Type	Credit Rating					
Fund Type	Fund		AAA	BBB	BB	B	CCC	Not Rated
01	0664	Mutual Funds - Global Fixed Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$582,294.32
01	0664	Investments in STIF	\$231,837.46	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE 4: Short-Term Debt

Not Applicable

NOTE 5: Long Term Liabilities

CHANGES IN LONG-TERM LIABILITIES

The following changes occurred in liabilities during the year ending August 31, 2015:

Governmental Activity	Balance 9/1/2014	Additions	Reductions	Balance 8/31/2015	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	\$1,093,932.26	\$1,275,791.61	\$1,124,088.89	\$1,245,634.98	\$705,965.32	\$539,669.66
Pollution Remediation Obligations	\$-	\$106,897.15	\$44,868.15	\$62,029.00	\$62,029.00	\$-
Total Governmental Activities	\$1,093,932.26	\$1,382,688.76	\$1,168,957.04	\$1,307,663.98	\$767,994.32	\$539,669.66

EMPLOYEES' 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

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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.

Pollution Remediation Obligations

The Texas Historical Commission is responsible for the cleanup of asbestos and lead paint at the State Historic Sites the agency oversees during renovation and repair projects. The Historical Commission calculates expected outlays related to this pollution remediation from actual and estimated contracted amounts of the work to be performed. The amount of the estimated pollution remediation liability assumes there will be no major increases in the cost of providing these cleanup services.

The Historical Commission will not realize any recoveries associated with these cleanup activities.

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:

Fund Type	Amount
General Fund	\$257,150.67

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

Year Ended August 31, 2015	
2016	\$100,014.38
2017	\$68,617.90
2018	\$0.00
2019	\$0.00
2020	\$0.00
2021 – 2025	\$0.00
2026 – 2030	\$0.00
2031 – 2035	\$0.00
2036 – 2040	\$0.00
2041 – 2045	\$0.00
Total Minimum Future Lease Rental Payments	\$168,632.28

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan (administering entities only)

Not Applicable

NOTE 10: Deferred Compensation (administering agencies only)

Not Applicable

NOTE 11: Post Employment Health Care and Life Insurance Benefits

Not Applicable

NOTE 12: Interfund Activity and Transactions

The Texas Historical Commission 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 at August 31, 2015, follows:

Required Note 12 Presentation

Interfund Receivables and Payables - Current			
Current Portion	Interfund Receivable	Interfund Payable	Purpose
GENERAL REVENUE (01)			
Appd Fund 0001, D23 Fund 0001			
Appd Fund 0001, D23 Fund 0139	\$16,307.57	\$465.00	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0002	\$2,382.41		Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0002			
Appd Fund 0001, D23 Fund 0001		\$2,382.41	Expenditure Transfer after End of Year
Appd Fund 0001, D23 Fund 0139			
Appd Fund 0001, D23 Fund 0001	\$465.00	\$16,307.57	Expenditure Transfer after End of Year
Total Current Interfund Receivable/Payable	\$19,154.98	\$19,154.98	

Optional Note 12 Presentation

	Due From Other Agencies	Due to Other Agencies	Source
GENERAL (01)			
Appd Fund 0001, D23 Fund 0004 (Agency 601, D23 Fund 0006)	\$571,575.27		TXDOT - IAC
Appd Fund 0802, D23 Fund 0802 (Agency 608, D23 Fund 0802)	\$5,641.26		DMV – License Plate
Appd Fund 0664, D23 Fund 0664 (Agency 721, D23 Fund 7999)		\$1,895.59	UT – TPTF Grant
CAPITAL PROJECTS (04)			
Appd Fund 7213, D23 Fund 7213 (Agency 347, GAAP Fund 7213)	\$2,362,955.87		TPFA - Bonds
Appd Fund 7632, D23 Fund 7632 (Agency 347, D23 Fund 7632)	\$14,841.05		TPFA - Bonds
Appd Fund 7636, D23 Fund 7636			

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(Agency 347, D23 Fund 7636)	\$855,617.58	TPFA – Bonds
Appd Fund 7646, D23 Fund 7646 (Agency 347, D23 Fund 7646)	\$92,491.57	TPFA - Bonds
Appd Fund 7650, D23 Fund 7650 (Agency 347, D23 Fund 7650)	\$9,190,052.19	TPFA - Bonds
Appd Fund 7662, D23 Fund 7662 (Agency 347, D23 Fund 7662)	\$2,977,611.13	TPFA - Bonds
Total Due From /To Other Agencies	\$16,070,785.92	\$1,895.59

Optional Note 12 Presentation

	Transfers In	Transfers Out	Purpose
GENERAL (01)			
Appd Fund 0001, D23 Fund 0003 (Agency 808, D23 Fund 0002)	\$6,638.76		THC – Revenue Correction
Appd Fund 0001, D23 Fund 0002 (Agency 808, D23 Fund 0003)		\$6,638.76	THC –Revenue Correction
Appd Fund 0001, D23 Fund 0139 (Agency 902, D23 Fund 0001)	\$5,132,799.00		CPA - Sporting Goods Sales Tax
Appd Fund 0001, D23 Fund 0001 (Agency 347, D23 Fund 7327)		\$55,842.85	TPFA- Debt Service
Appd Fund 0001, D23 Fund 0001 (Agency 347, D23 Fund 7330)		\$728,087.53	TPFA- Debt Service
CAPITAL PROJECTS (04)			
Appd Fund 7213, D23 Fund 7213 (Agency 808, D23 Fund 7213)	\$3,853,256.78		THC - Bonds
Appd Fund 7636, D23 Fund 7636 (Agency 347, D23 Fund 7636)		\$254,678.20	TPFA – Bonds
Appd Fund 7650, D23 Fund 7650 (Agency 347, D23 Fund 7650)	\$140,373.21		TPFA – Bonds
Appd Fund 7662, D23 Fund 7662 (Agency 347, D23 Fund 7662)		\$35,324.82	TPFA – Bonds
Total Transfers In/Out	\$9,133,067.75	\$1,080,572.16	

NOTE 13: Continuance Subject to Review

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

NOTE 14: Adjustments to Fund Balances and Net Position

During fiscal year 2015, certain accounting changes and adjustments were made that required the restatement of fund balances or net position. The restatements are presented below.

	Special Revenue Fund (Friends of the Texas Historical Commission)	Capital Assets	Total
Fund Balance/ Net Assets, August 31, 2014	\$1,140,525.62	\$34,907,753.50	\$36,048,279.12
Restatements	\$(5,668.43)	\$6,653.58	\$985.15
Fund Balance/Net Assets, September 1, 2014 as Restated	\$1,134,857.19	\$34,914,407.08	\$36,049,264.27

The restatement to the Special Revenue Funds of \$5,668.43 is due to the use of unaudited financial reports for The Friends of the Historical Commission (component unit) for the year ended August 31, 2014. The audited reports required a decrease in the beginning fund balance for 2015.

The restatement to Capital Assets for \$6,900.00 is due to the miscoding of an expenditure during the prior fiscal year as a Non Capital Asset. The expenditure was coded correctly to the correct asset category- Furniture/Equipment during Fiscal Year 2015 in USAS and in SPA. The beginning fund balance was increased by \$6,900.00 that was reported in 2015. Also included in this restatement is the depreciation expense in the amount of (\$246.42).

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 Texas Historical Commission assumes substantially all risks associated with tort and liability claims due to the performance of its duties. The Commission has purchased property insurance for Sabine Pass State Historical Site through the Statewide Property Insurance Program as well as Volunteer Insurance through the Statewide Volunteer Insurance Program.

The Texas Historical Commission'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

Blended Component Units: The Texas Historical Commission provides office space and administrative services to the Friends of the Texas Historical Commission. The staff of the Friends of the Texas Historical Commission also participates in programs sponsored by the Commission. Although it is legally separate from the Texas Historical Commission, the Friends of the Texas Historical Commission is reported as if it were part of the primary government because its sole purpose is to support the activities of the Texas Historical Commission. The Friends of the Texas Historical Commission's financial data is reported as a Special Revenue Fund (USAS D22 fund 6999) in the combining statement of revenues, expenses and changes in fund balances – Special Revenue funds in the Texas Historical Commission's AFR. The fiscal year-end for the Friends of the Texas Historical Commission is August 31.

Complete financial statements of the individual component unit can be obtained from their administrative office.

Friends of the Texas Historical Commission
P.O. Box 13497
Austin, TX 78711

NOTE 20: Stewardship, Compliance and Accountability

Not Applicable

NOTE 21: Not Applicable

Not Applicable

NOTE 22: Donor-Restricted Endowments

In 1956, Ima Hogg donated the Varner Plantation House to the Texas State Parks Board to be used as a state park. Stocks were also transferred to provide income to be used for the operation, maintenance, and improvement of the Plantation House. The Comptroller established trust fund 941 for revenues and related expenditures.

House Bill 12, 80th Legislative Session, transferred the Varner-Hogg State Park and related trust account from the Texas Parks and Wildlife to the Texas Historical Commission on January 1, 2008. In fiscal year 2015, the fund received \$1,160.97 in interest earnings. The fund balance at August 31, 2015 was \$296,336.98. Due to the nature of the account there has been no appreciation to the fund balance.

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

NOTE 27: Service Concession Arrangements

Not Applicable

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

Not Applicable

NOTE 29: Troubled Debt Restructuring

Not Applicable

NOTE 30: Non-Exchange Financial Guarantees

Not Applicable

Combining Statements

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Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
August 31, 2015

	Consolidated Accounts			
	General Revenue (0001)* U/F (0001)	Preservation Trust Fund (0664)* U/F (0664)	License Plate Trust Fund (0802)* U/F (0802)	Total (Exhibit A-I)
ASSETS				
Current Assets:				
Cash				
On Hand	\$ 2,550.00	\$ -	\$ -	\$ 2,550.00
In Bank	5,000.00	-	-	5,000.00
In State Treasury	-	290,447.68	-	290,447.68
Short Term Investments	-	231,837.46	-	231,837.46
Legislative Appropriations	3,553,935.73	-	-	3,553,935.73
Receivables from:				
Federal	339,093.58	-	-	339,093.58
Interest and Dividends	-	23.08	-	23.08
Accounts Receivable	9,263.10	-	-	9,263.10
Interfund Receivables	19,154.98	-	-	19,154.98
Due From Other Agencies	571,575.27	-	5,641.26	577,216.53
Prepaid Items	7,565.92	-	-	7,565.92
Consumable Inventories	606,515.87	-	-	606,515.87
Merchandise Inventories	131,137.03	-	-	131,137.03
Other Current Assets				
Total Current Assets	5,245,791.48	522,308.22	5,641.26	5,773,740.96
Non-Current Assets:				
Investments	-	7,873,021.80	-	7,873,021.80
Total Non-Current Assets	-	7,873,021.80	-	7,873,021.80
Total Assets	5,245,791.48	8,395,330.02	5,641.26	13,646,762.76
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from				
Accounts	898,791.71	4,174.40	-	902,966.11
Payroll	1,027,111.65	-	-	1,027,111.65
Interfund Payable	19,154.98	-	-	19,154.98
Due To Other Agencies	-	1,895.59	-	1,895.59
Total Current Liabilities	1,945,058.34	6,069.99	-	1,951,128.33
Total Liabilities	1,945,058.34	6,069.99	-	1,951,128.33
Fund Balances (Deficits):				
Committed	-	8,389,260.03	5,641.26	8,394,901.29
Nonspendable for Inventory	737,652.90	-	-	737,652.90
Nonspendable for Prepaid Items	7,565.92	-	-	7,565.92
Unassigned	2,555,514.32	-	-	2,555,514.32
Total Fund Balances	3,300,733.14	8,389,260.03	5,641.26	11,695,634.43
Total Liabilities and Fund Balances	\$ 5,245,791.48	\$ 8,395,330.02	\$ 5,641.26	\$ 13,646,762.76

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

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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

	Consolidated Accounts			
	General Revenue (0001)* U/F (0001)	Preservation Trust	License Plate Trust	Total (Ex II)
		Fund (0664)*	Fund (0802)*	
		U/F (0664)	U/F (0802)	
REVENUES				
Legislative Appropriations				
Original Appropriations (GR)	\$ 8,473,087.00	\$ -	\$ -	\$ 8,473,087.00
Additional Appropriations (GR)	2,519,090.57	-	-	2,519,090.57
Taxes (GR)	(373.83)	-	-	(373.83)
Federal Revenue (PR - Operating or Capital)	1,711,204.91	-	-	1,711,204.91
Federal Grant Pass-Through Revenue (GR)	2,816,580.43	-	-	2,816,580.43
License, Fees & Permits (PR)	1,603,994.75	-	1,668.30	1,605,663.05
Land Income	17,940.69	-	-	17,940.69
Interest and Other Investment Income (GR)	-	57,674.92	22.20	57,697.12
Net Increase (Decrease) in Fair Value	-	(93,458.65)	-	(93,458.65)
Sales of Goods and Services (PR)	214,296.75	-	-	214,296.75
Other (GR)	138,390.21	-	-	138,390.21
Total Revenues	17,494,211.48	(35,783.73)	1,690.50	17,460,118.25
EXPENDITURES				
Salaries and Wages	9,451,740.56	-	-	9,451,740.56
Payroll Related Costs	2,786,929.62	-	-	2,786,929.62
Professional Fees and Services	1,306,296.80	20,310.26	-	1,326,607.06
Travel	297,210.29	-	-	297,210.29
Materials and Supplies	1,355,443.59	-	-	1,355,443.59
Communication and Utilities	586,857.33	-	-	586,857.33
Repairs and Maintenance	618,025.59	-	-	618,025.59
Rentals and Leases	257,150.67	-	-	257,150.67
Printing and Reproduction	782,207.39	-	-	782,207.39
State Grant Pass-Through Expenditures	-	1,895.59	-	1,895.59
Intergovernmental Payments	713,117.98	-	-	713,117.98
Public Assistance Payments	885,211.40	13,994.56	1,944.24	901,150.20
Other Expenditures	2,798,101.03	-	-	2,798,101.03
Capital Outlay	1,414,803.35	-	-	1,414,803.35
Total Expenditures	23,253,095.60	36,200.41	1,944.24	23,291,240.25
Excess (Deficiency) of Revenues over Expenditures	(5,758,884.12)	(71,984.14)	(253.74)	(5,831,122.00)
OTHER FINANCING SOURCES (USES)				
Transfers In	5,139,437.76	-	-	5,139,437.76
Transfers Out	(790,569.14)	-	-	(790,569.14)
Insurance Recoveries	1,996.99	-	-	1,996.99
Proceeds from Sale of Fixed Assets	23,274.07	-	-	23,274.07
Appropriations Lapsed	(49.62)	-	-	(49.62)
Total Other Financing Sources (Uses)	4,374,090.06	-	-	4,374,090.06
Net Change in Fund Balances	(1,384,794.06)	(71,984.14)	(253.74)	(1,457,031.94)
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2014	4,685,527.20	8,461,244.17	5,895.00	13,152,666.37
Restatements	-	-	-	-
Fund Balances, September 1, 2014, as Restated	4,685,527.20	8,461,244.17	5,895.00	13,152,666.37
Fund Balances, August 31, 2015	\$ 3,300,733.14	\$ 8,389,260.03	\$ 5,641.26	\$ 11,695,634.43

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

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)

Exhibit B-1 - Combining Balance Sheet - Special Revenue Funds
August 31, 2015

	Special Revenue Friends of the Texas Historical Commission (9999)* <u>U/F (6999)</u>
ASSETS	
Current Assets:	
Cash	
In Bank	\$ 1,057,960.52
Legislative Appropriations	
Receivables from:	
Gifts, Pledges and Donations	5,500.00
Total Current Assets	<u>1,063,460.52</u>
Total Assets	<u><u>1,063,460.52</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Current Liabilities:	
Payables from:	
Accounts	
Total Current Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
Fund Balances (Deficits):	
Assigned	1,063,460.52
Total Fund Balances	<u>1,063,460.52</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,063,460.52</u></u>

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

UNAUDITED
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, 2015**

	Special Revenue Friends of the Texas Historical Commission (9999)* <u>U/F (6999)</u>
REVENUES	
Licenses, Fees & Permits (PR)	9,939.36
Interest and Other Investment Income (GR)	9,315.85
Other (GR)	194,473.21
Net Increase (Dec) Fair Value	(29,299.34)
Total Revenues	<u>184,429.08</u>
EXPENDITURES	
Professional Fees and Services	138,666.22
Travel	9,391.92
Materials and Supplies	13,360.56
Printing and Reproduction	25,079.62
Other Expenditures	69,327.43
Total Expenditures	<u>255,825.75</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(71,396.67)</u>
Net Change in Fund Balances	<u>(71,396.67)</u>
Fund Financial Statement - Fund Balances	
Fund Balances, September 1, 2014	1,140,525.62
Restatements	(5,668.43)
Fund Balances, September 1, 2014, as Restated	<u>1,134,857.19</u>
Fund Balances, August 31, 2015	<u><u>\$ 1,063,460.52</u></u>

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

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)

Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds
August 31, 2015

	Courthouse Grants and Historic Site Bond Funds						
	Fund 1 (7213)* U/F (7213)	Fund 2 (7632)* U/F (7632)	Fund 3 (7636)* U/F (7636)	Fund 4 (7646)* U/F (7646)	Fund 5 (7650)* U/F (7650)	Fund 6 (7662)* U/F (7662)	Total (Exhibit D-1)
ASSETS							
Current Assets:							
Interfund Receivables							\$ -
Due From Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due From Other Agencies	2,362,955.87	14,841.05	855,617.58	92,491.57	9,190,052.19	2,977,611.13	15,493,569.39
Total Current Assets	2,362,955.87	14,841.05	855,617.58	92,491.57	9,190,052.19	2,977,611.13	15,493,569.39
Total Assets	2,362,955.87	14,841.05	855,617.58	92,491.57	9,190,052.19	2,977,611.13	15,493,569.39
LIABILITIES AND FUND BALANCES							
Liabilities							
Current Liabilities:							
Payables from							
Accounts	413,124.18	-	263.95	-	1,502,113.42	29,243.88	1,944,745.43
Interfund Payable	-	-	-	-	-	-	-
Total Current Liabilities	413,124.18	-	263.95	-	1,502,113.42	29,243.88	1,944,745.43
Total Liabilities	413,124.18	-	263.95	-	1,502,113.42	29,243.88	1,944,745.43
Fund Balances (Deficits):							
Assigned							-
Restricted	1,949,831.69	14,841.05	855,353.63	92,491.57	7,687,938.77	2,948,367.25	13,548,823.96
Total Fund Balances	1,949,831.69	14,841.05	855,353.63	92,491.57	7,687,938.77	2,948,367.25	13,548,823.96
Total Liabilities and Fund Balances	\$ 2,362,955.87	\$ 14,841.05	\$ 855,617.58	\$ 92,491.57	\$ 9,190,052.19	\$ 2,977,611.13	\$ 15,493,569.39

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

UNAUDITED
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, 2015**

	Courthouse Grants and Historic Site Bond Funds						
	Fund 1 (7213)* U/F (7213)	Fund 2 (7632)* U/F (7632)	Fund 3 (7636)* U/F (7636)	Fund 4 (7646)* U/F (7646)	Fund 5 (7650)* U/F (7650)	Fund 6 (7662)* U/F (7662)	Totals (Ex II)
REVENUES							
Legislative Appropriations							
Original Appropriations (GR)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-	-
EXPENDITURES							
Professional Fees and Services	\$ 536,132.79	\$ -	\$ (81,641.44)	\$ -	\$ -	\$ -	\$ 454,491.35
Repairs and Maintenance	-	-	25,001.97	-	-	-	25,001.97
Intergovernmental Payments	-	-	444,627.75	-	3,702,834.88	864,541.13	5,012,003.76
Other Expenditures	15,202.01	-	151,370.75	-	-	-	166,572.76
Capital Outlay	4,549,473.74	-	(228,867.52)	-	-	-	4,320,606.22
Total Expenditures	5,100,808.54	-	310,491.51	-	3,702,834.88	864,541.13	9,978,676.06
Excess (Deficiency) of Revenues over Expenditures	(5,100,808.54)	-	(310,491.51)	-	(3,702,834.88)	(864,541.13)	(9,978,676.06)
OTHER FINANCING SOURCES (USES)							
Transfers In	3,853,256.78	-	-	-	140,373.21	-	3,993,629.99
Transfers Out	-	-	(254,678.20)	-	-	(35,324.82)	(290,003.02)
Total Other Financing Sources (Uses)	3,853,256.78	-	(254,678.20)	-	140,373.21	(35,324.82)	3,703,626.97
Net Change in Fund Balances	(1,247,551.76)	-	(565,169.71)	-	(3,562,461.67)	(899,865.95)	(6,275,049.09)
Fund Financial Statement - Fund Balances							
Fund Balances, September 1, 2014	3,197,383.45	14,841.05	1,420,523.34	92,491.57	11,250,400.44	3,848,233.20	19,823,873.05
Fund Balances, August 31, 2015	\$ 1,949,831.69	\$ 14,841.05	\$ 855,353.63	\$ 92,491.57	\$ 7,687,938.77	\$ 2,948,367.25	\$ 13,548,823.96

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

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)

Exhibit E-1 - Combining Balance Sheet - Permanent Funds
August 31, 2015

	Varner-Hogg Trust Account (0941)* U/F (0941)
ASSETS	
Current Assets:	
Cash	
In State Treasury	\$ 296,336.98
Total Current Assets	<u>296,336.98</u>
Total Assets	<u><u>296,336.98</u></u>
Fund Balances (Deficits):	
Restricted	
Nonspendable	296,336.98
Total Fund Balances	<u>296,336.98</u>
Total Liabilities and Fund Balances	<u><u>\$ 296,336.98</u></u>

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

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)

**Exhibit E-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Permanent Funds
For the Fiscal Year Ended August 31, 2015**

	Varner-Hogg Trust Account (0941)* U/F (0941)
REVENUES	
Interest and Other Investment Income (GR)	\$ 1,160.97
Total Revenues	<u>\$ 1,160.97</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 1,160.97</u>
Net Change in Fund Balances	<u>\$ 1,160.97</u>
Fund Financial Statement - Fund Balances	
Fund Balances, September 1, 2014	\$ 295,176.01
Fund Balances, August 31, 2015	<u><u>\$ 296,336.98</u></u>

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

Schedules

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)

State of Texas — Annual Financial Reporting

Schedule of Expenditures of Federal Awards
(SEFA)

Agency 808 - Texas Historical Commission
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		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities Amount	Non-State Entities Amount				Agencies or Universities Amount	Non-State Entities Amount		
U.S. Department of the Interior												
<u>Direct Programs:</u>												
Historic Preservation Fund Grants-In-Aid	15.904					1,708,704.91	1,708,704.91			68,198.00	1,640,506.91	1,708,704.91
Rivers, Trails and Conservation Assistance	15.921					2,500.00	2,500.00				2,500.00	2,500.00
Totals - U.S. Department of the Interior				0.00	0.00	1,711,204.91	1,711,204.91		0.00	68,198.00	1,643,006.91	1,711,204.91
General Services Administration												
<u>Pass-Through From:</u>												
Donation of Federal Surplus Personal Property (Non-monetary)	39.003						19,600.65				19,600.65	19,600.65
Pass-Through From: Texas Facilities Commission			303	19,600.65								
Totals - General Services Administration				19,600.65	0.00	0.00	19,600.65		0.00	0.00	19,600.65	19,600.65
<u>Highway Planning and Construction Cluster</u>												
U.S. Department of Transportation												
<u>Pass-Through From:</u>												
Highway Planning and Construction	20.205						2,816,580.43				2,816,580.43	2,816,580.43
Pass-Through From: Texas Department of Transportation			601	2,816,580.43								
Totals - U.S. Department of Transportation				2,816,580.43	0.00	0.00	2,816,580.43		0.00	0.00	2,816,580.43	2,816,580.43
Total Expenditures of Federal Awards				2,836,181.08	0.00	1,711,204.91	4,547,385.99		0.00	68,198.00	4,479,187.99	4,547,385.99

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)



State of Texas - Federal Activity
SEFA Note 1
November 18, 2015

Agency 808 - Texas Historical Commission
SEFA Note 1 - Non-Monetary Assistance, FY 2015

Comment:

The non-monetary assistance for the Texas Historical Commission in FY2015 is due to Federal Surplus Personal Property from the Texas Facilities Commission.

This agency has been certified. No modifications allowed.

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)



State of Texas - Federal Activity
SEFA Note 2
November 18, 2015

Agency 808 - Texas Historical Commission
SEFA Note 2 - Reconciliation, FY 2015

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
Federal Revenue			
Governmental Funds	Exhibit II	1,711,204.91	1,711,204.91
Proprietary Funds			
Operating	Exhibit IV/SRECNA	-	
Non-operating	Exhibit IV/SRECNA	-	
Capital Contributions	Exhibit IV/SRECNA	-	
Fiduciary Funds	Exhibit VII	-	
Total Federal Revenue		\$1,711,204.91	\$1,711,204.91
Amount per Schedule: \$1,711,204.91			
Federal Pass-Through Revenue			
Governmental Funds	Exhibit II	2,816,580.43	2,816,580.43
Proprietary Funds			
Operating	Exhibit IV/SRECNA	-	
Non-operating	Exhibit IV/SRECNA	-	
Capital Contributions	Exhibit IV/SRECNA	-	
Fiduciary Funds	Exhibit VII		
Total Federal Pass-Through Revenue		\$2,816,580.43	\$2,816,580.43
Amount per Schedule: \$2,816,580.43			
Total Federal Revenue and Federal Pass-Through Revenue		\$4,527,785.34	\$4,527,785.34
<hr/>			
Reconciliation Items	CFDA	Amount	
Non-monetary Items:			
Donation of Federal Surplus Personal Property	39.003		19,600.65
Total Non-monetary Items			\$19,600.65
New Loans Processed: (Amounts are from Note 3a)			
Federal Family Education Loans	84.032		-
Federal Family Education Loan Program (FFELP)	84.032L		-

UNAUDITED
TEXAS HISTORICAL COMMISSION (808)

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
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Other Reconciling Items:

Add:

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

Deduct:

Federal revenue received on the fixed fee basis contract

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

Total Other Reconciling Items	\$0.00
Total Reconciliation Items:	\$19,600.65

Total per Note 2:	\$4,547,385.99
Total Pass Through and Expenditures per Federal Schedule:	\$4,547,385.99
Difference:	\$0.00

This agency has been certified. No modifications allowed.

State of Texas — Annual Financial Reporting
State Pass-Through Reporting
(SPTR)

State of Texas - State Pass-through Reporting
Schedule 1B
November 19, 2015 12:00 PM

Texas Historical Commission (808)
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
2015 TARL PTF Grant	808.1501	721	1,895.59
UNIVERSITY OF TEXAS AT AUSTIN			1,895.59
Total Pass-Through to Other Agencies (Exh. II):			1,895.59