

Texas Veterans Commission

Annual Financial Report



For the Year Ended
August 31, 2013

ELISEO "AL" CANTU, JR.
Major, US Army (Retired)
Chairman

JAMES H. SCOTT
Colonel, USAF (Retired)
Vice Chairman



DANIEL P. MORAN
Captain, USMC (Retired)
Member

J.K. "JAKE" ELLZEY
Commander, US Navy (Retired)
Member

THE REV. RICHARD A. McLEON, IV
US Army Veteran
Secretary

TEXAS VETERANS COMMISSION

THOMAS P. PALLADINO
Colonel, US Army (Retired)
Executive Director

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November 19, 2013

Honorable Rick Perry, Governor
Honorable Susan Combs, Texas Comptroller
John O'Brien, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Dear State Leaders:

We are pleased to submit the Annual Financial Report of the Texas Veterans Commission for the year ended August 31, 2013 in compliance with TEX. GOV'T CODE ANN subsection 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; 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 Charlie C. Osborne, Jr. at (512) 463-3151.

Sincerely,

THOMAS P. PALLADINO
Executive Director

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COMBINED FINANCIAL STATEMENTS

UNAUDITED

Texas Veterans Commission, Agency 403

Exhibit I — Combined Balance Sheet/Statement of Net Assets — Governmental Funds
For the Year Ended August 31, 2013

	Governmental Fund Types		Capital Assets Adjustments
	General Funds	Governmental Funds Total	
ASSETS AND DEFERRED OUTFLOWS			
Current Assets:			
Cash In State Treasury	7,252,670.02	7,252,670.02	
Legislative Appropriations	5,349,660.97	5,349,660.97	
Receivables from:			
Federal	0.00	0.00	
Interfund Receivables (Note 12)	84,399.50	84,399.50	
Due From Other Agencies	592,840.07	592,840.07	
Consumable Inventories	35,431.63	35,431.63	
Non-Current Assets:			
Capital Assets (Note 2):			
Depreciable or Amortizable, Net			
Total Assets and Deferred Outflows	<u>13,315,002.19</u>	<u>13,315,002.19</u>	<u>0.00</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	146,662.08	146,662.08	
Payroll	1,743,156.91	1,743,156.91	
Interfund Payable (Note 12)	84,399.50	84,399.50	
Due To Other Agencies (Note 12)	0.00	0.00	
Employees' Compensable Leave			
Non-Current Liabilities			
Employees' Compensable Leave			
Total Liabilities and Deferred Inflows	<u>1,974,218.49</u>	<u>1,974,218.49</u>	<u>0.00</u>

UNAUDITED

Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
		7,252,670.02
		5,349,660.97
		0.00
		84,399.50
		592,840.07
		35,431.63
<u>0.00</u>	<u>0.00</u>	<u>13,315,002.19</u>
		146,662.08
		1,743,156.91
		84,399.50
		0.00
0.00		0.00
<u>0.00</u>		<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>1,974,218.49</u>

UNAUDITED

Texas Veterans Commission, Agency 403

**Exhibit I — Combined Balance Sheet/Statement of Net Assets — Governmental Funds
For the Year Ended August 31, 2013**

	<u>Governmental Fund Types</u>		<u>Capital Assets Adjustments</u>
	<u>General Funds</u>	<u>Governmental Funds Total</u>	
Fund Financial Statement			
Fund Balances (Deficits):			
Nonspendable	35,431.63	35,431.63	
Committed	7,663,796.90	7,663,796.90	
Assigned	0.00	0.00	
Unassigned	3,641,555.17	3,641,555.17	
	<u>0.00</u>	<u>0.00</u>	
Total Fund Balance	<u>11,340,783.70</u>	<u>11,340,783.70</u>	
Total Liabilities, Deferred Inflows and Fund Balances	<u><u>13,315,002.19</u></u>	<u><u>13,315,002.19</u></u>	

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

UNAUDITED

Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
		35,431.63
		7,663,796.90
		0.00
		3,641,555.17
		0.00
<hr/>	<hr/>	<hr/>
		11,340,783.70
<hr/>	<hr/>	<hr/>

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Statement of Activities - Governmental Funds
For the Fiscal Year Ended August 31, 2012

	<u>General Funds</u>	<u>Governmental Funds Total</u>	<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>
REVENUES				
Legislative Appropriations				
Original Appropriations (GR)	8,835,909.00	8,835,909.00		
Additional Appropriations (GR)	2,617,117.27	2,617,117.27		
Federal Revenues (PR - Operating or Capital)	13,053,987.07	13,053,987.07		
Federal Pass-Through From Revenue	36,600.79	36,600.79		
Licenses, Fees & Permits (PR)	13,009.76	13,009.76		
Interest and Other Investment Income (GR)	36,407.51	36,407.51		
Other (GR)	760,091.66	760,091.66		
Total Revenues	<u>25,353,123.06</u>	<u>25,353,123.06</u>	<u>0.00</u>	<u>0.00</u>
EXPENDITURES				
Salaries and Wages	15,075,068.02	15,075,068.02		
Payroll Related Costs	3,724,034.46	3,724,034.46		
Professional Fees and Services	461,847.60	461,847.60		
Travel	657,451.51	657,451.51		
Materials and Supplies	255,300.99	255,300.99		
Communication and Utilities	103,417.84	103,417.84		
Repair and Maintenance	53,105.74	53,105.74		
Rental and Leases	1,891,430.58	1,891,430.58		
Printing and Reproduction	31,318.04	31,318.04		
Claims and Judgments	17,550.00	17,550.00		
Interest	45.92	45.92		
Intergovernmental Payments	749,391.44	749,391.44		
Public Assistance Payments	7,673,014.04	7,673,014.04		
Other Expenditures	463,329.30	463,329.30		
Capital Outlay	11,326.50	11,326.50		
Total Expenditures	<u>31,167,631.98</u>	<u>31,167,631.98</u>	<u>0.00</u>	<u>0.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,814,508.92)</u>	<u>(5,814,508.92)</u>	<u>0.00</u>	<u>0.00</u>

UNAUDITED

<u>Other Adjustments</u>	<u>Statement of Activities</u>
	8,835,909.00
	2,617,117.27
	13,053,987.07
	36,600.79
	13,009.76
	36,407.51
	<u>760,091.66</u>
<u>0.00</u>	<u>25,353,123.06</u>
	15,075,068.02
	3,724,034.46
	461,847.60
	657,451.51
	255,300.99
	103,417.84
	53,105.74
	1,891,430.58
	31,318.04
	17,550.00
	45.92
	749,391.44
	7,673,014.04
	463,329.30
	<u>11,326.50</u>
<u>0.00</u>	<u>31,167,631.98</u>
<u>0.00</u>	<u>(5,814,508.92)</u>

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit II — Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Statement of Activities - Governmental Funds
For the Fiscal Year Ended August 31, 2012

	<u>General Funds</u>	<u>Governmental Funds Total</u>	<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>
OTHER FINANCING SOURCES (USES)				
Legislative Financing Sources	3,528,788.31	3,528,788.31		
Legislative Financing Uses	(3,128,788.31)	(3,128,788.31)		
Operating Transfers In (Note 12)	10,537,989.88	10,537,989.88		
Operating Transfers Out (Note 12)	(6,011,673.29)	(6,011,673.29)		
Total Other Financing Sources (Uses)	<u>4,926,316.59</u>	<u>4,926,316.59</u>		
Net Change in Fund Balances	<u>(888,192.33)</u>	<u>(888,192.33)</u>		
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2012	12,252,073.62	12,252,073.62		
Restatements (Note 14)	<u>(19,196.00)</u>	<u>(19,196.00)</u>		
Fund Balances, September 1, 2012, as Restated	<u>12,232,877.62</u>	<u>12,232,877.62</u>		
Appropriation Lapsed	<u>(3,901.59)</u>	<u>(3,901.59)</u>		
Fund Balances, August 31, 2013	<u><u>11,340,783.70</u></u>	<u><u>11,340,783.70</u></u>		

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

UNAUDITED

<u>Other Adjustments</u>	<u>Statement of Activities</u>
	3,528,788.31
	(3,128,788.31)
	10,537,989.88
	<u>(6,011,673.29)</u>
	4,926,316.59
	<u>(888,192.33)</u>
	12,252,073.62
	<u>(19,196.00)</u>
	12,232,877.62
	<u>(3,901.59)</u>
	<u><u>11,340,783.70</u></u>

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit VI — Combined Balance Statement of Net Assets — Fiduciary Funds
For the Fiscal Year Ended August 31, 2013

Agency Funds (Exh. J-1)

ASSETS

Cash and Cash Equivalents	
Cash In State Treasury	5,267.46
Receivable from:	
Accounts Receivable	0.00
Total Assets	<u>5,267.46</u>

LIABILITIES

Liabilities	
Payables from:	
Accounts	0.00
Funds Held For Others	5,267.46
Total Liabilities	<u>5,267.46</u>

Net Assets

Held in Trust For	
Other Post Employment Benefits	0.00
Total Net Assets	<u>0.00</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Texas Veterans 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*.

Texas Veterans Commission serves the state by providing services that will significantly improve the quality of life of Texas Veterans and their families.

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.

Fund Structure

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

Governmental Fund Types and Government-wide Adjustments Fund Types***General Revenue Funds***

The general revenue fund is used to account for all financial resources of the state except those required to be accounted for in another fund. As of Sept. 1, 2009, the Texas license plate account was consolidated into general revenue fund. The Texas license plate account was previously presented as agency funds.

The Fund for Veterans Assistance (fund 0368) - This fund was established to enhance or improve veterans' assistance programs and make grants to local communities to address veteran needs. Revenues are obtained from veteran scratch off lottery game and gifts contributed to the fund.

Capital Assets Adjustment Fund Type

The capital assets adjustment fund (fund 0099) will be used to convert governmental fund type capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The long-term liabilities adjustment fund (fund 0098) will be used to convert governmental fund type 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.

Agency Funds

Child Support (fund 8070) accounts for employee deductions for child support.

US Saving Bond (fund 0901) accounts for employee contributions to purchase savings bonds.

TexaSaver 401(k) trust (fund 0942) accounts for tax-deferred portions of salaries of state employees in accordance with the provisions of IRC Section 401(k).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, and unpaid employee compensable leave and full accrual revenues and expenses. The activity is recognized in these fund types.

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 are appropriated.

Assets, Liabilities and Fund Balance/Net Assets

Assets***Cash and Cash Equivalents***

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

Inventories and Prepaid Items

Inventories includes consumable inventories. Inventories are valued at cost, generally using the first-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental 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. Assets are depreciated over the estimated useful life of the asset using the straight-line

Other Receivables - Current

The disaggregation of other receivables as reported in the financial statements is shown in Note 25, "Disaggregation of Receivables and Payables Balances."

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**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.

Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Fund Balance/Net Assets

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

Fund Balance Components

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

Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision making authority.

Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

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

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation.

Restricted Net Assets

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

Unrestricted Net Assets

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 fund and as "transfers out" by the disbursing fund.
- (2) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If payment is due during the current year or soon thereafter, the balance is classified as "current."

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

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2013, is presented below:

	Balance		Reclassifications				Balance	
	9/1/2012	Adjustments	Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans	Additions	Deletions	8/31/2013
Governmental Activities:								
Depreciable Assets:								
Furniture & Equipment	56,497.91	0.00	0.00	0.00	0.00	11,326.50	(6,698.11)	61,126.30
Total Depreciable Assets	56,497.91	0.00	0.00	0.00	0.00	11,326.50	(6,698.11)	61,126.30
Less Accumulated Depreciation for:								
Furniture & Equipment	(18,694.56)	0.00	0.00	0.00	0.00	(4,558.52)	6,698.11	(16,554.97)
Total Accumulated Depreciation	(18,694.56)	0.00	0.00	0.00	0.00	(4,558.52)	6,698.11	(16,554.97)
Depreciable Assets, Net	37,803.35	0.00	0.00	0.00	0.00	6,767.98	0.00	44,571.33
Amortizable Assets - Intangible:								
Computer Software	402,456.36		0.00	0.00	0.00	0.00	0.00	402,456.36
Total Amortizable Assets - Intangible	402,456.36	0.00	0.00	0.00	0.00	0.00	0.00	402,456.36
Less Accumulated Amortization for:								
Computer Software	(247,280.80)	0.00	0.00	0.00	0.00	(80,491.20)	0.00	(327,772.00)
Total Accumulated Amortization	(247,280.80)	0.00	0.00	0.00	0.00	(80,491.20)	0.00	(327,772.00)
Amortizable Assets Intangible, Net	155,175.56	0.00	0.00	0.00	0.00	(80,491.20)	0.00	74,684.36
Governmental Activities								
Capital Assets, Net	192,978.91	0.00	0.00	0.00	0.00	(73,723.22)	0.00	119,255.69

NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

NOT APPLICABLE

NOTE 4: SHORT-TERM DEBT

NOT APPLICABLE

NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

Changes In Long-Term Liabilities

During the year ended August 31, 2013, the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/2012	Additions	Reductions	Balance 8/31/2013	Amounts Due Within One Year
Compensable Leave	\$ 1,433,251.08	\$ 1,289,678.24	\$ 1,275,726.07	\$ 1,447,203.25	\$ 832,592.89
TOTAL	\$ 1,433,251.08	\$ 1,289,678.24	\$ 1,275,726.07	\$ 1,447,203.25	\$ 832,592.89

Employees' Compensable Leave

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

NOTE 6: BONDED INDEBTEDNESS

NOT APPLICABLE

NOTE 7: DERIVATIVE INSTRUMENTS

NOT APPLICABLE

NOTE 8: LEASES

NOT APPLICABLE

NOTE 9: PENSION PLANS (administering agencies 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 Veterans Commission experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer.

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 Due From or Due To Other Funds. Individual interfund receivable and payable balances on August 31, 2013 were as follows:

	Due From Other Funds	Due To Other Funds	Purpose
General (01)			
GAAP Fund 0001, Fd 0119			
Agy 320, GAAP Fd 5026		19,287.51	Transfer from Texas Workforce Commission - Reimbursement
GAAP Fund 0368, Fd 0030			
Agy 362, GAAP Fd 5025		573,552.56	Transfer from Texas Lottery Commission - Revenues
Total Due To/From		592,840.07	

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

	Operating Transfers-In	Operating Transfers-Out	Purpose
<i>GAAP Fund 0368, Fund 0007</i>			
Agy 403, GAAP Fd 0368, 0007	9,881.67		Service Transfer
Agy 403, GAAP Fd 0368, 0030	50,000.00		Service Transfer
<i>GAAP Fund 0368, Fund 0030</i>			
Agy 362, GAAP Fd 5025	6,178,157.61		Service Transfer
Agy 403, GAAP Fd 0368, 0030	4,236,082.28		Service Transfer
<i>GAAP Fund 0368, Fund 0033</i>			
Agy 403, GAAP Fd 0368, 0030	63,868.32		Service Transfer
<i>GAAP Fund 0001, Fund 0110</i>			
Agy 902, GAAP Fd 0001, 0001		263,158.37	Federal
<i>GAAP Fund 0001, Fund 0113</i>			
Agy 902, GAAP Fd 0001, 0001		284,367.17	Federal
<i>GAAP Fund 0001, Fund 0116</i>			
Agy 902, GAAP Fd 0001, 0001		4,794.48	Federal
<i>GAAP Fund 0001, Fund 0700</i>			
Agy 902, GAAP Fd 0001, 0001		1,099,521.00	Earned Fedederal Funds Transfer
<i>GAAP Fund 0368, Fund 0007</i>			
Agy 403, GAAP Fd 0368, 0007		9,881.67	Service Transfer
<i>GAAP Fund 0368, Fund 0030</i>			
Agy 403, GAAP Fd 0368, 0007		50,000.00	Service Transfer
Agy 403, GAAP Fd 0368, 0030		4,236,082.28	Service Transfer
Agy 403, GAAP Fd 0368, 0033		63,868.32	Service Transfer
Total Transfers	10,537,989.88	6,011,673.29	

Interfund Receivables and Payables - Current

	Interfund Receivable	Interfund Payable	Purpose
<i>GAAP Fund 0001, Fund 0002</i>			
Agy 403, GAAP Fd 0001, Fd 0001	5,006.57		Federal
<i>GAAP Fund 0001, Fund 0020</i>			
Agy 403, GAAP Fd 0001, FD 0020	74,418.29		Federal
Agy 403, GAAP Fd 0001, FD 0022	2,474.64		Service Transfer
<i>GAAP Fund 0001, Fund 1008</i>			
Agy 403, GAAP Fd 0001, Fd 0003	2,500.00		Service Transfer
<i>GAAP, Fund 0001, Fund 0001</i>			
Agy 403, GAAP Fd 0001, Fd 0002		5,006.57	Service Transfer
<i>GAAP Fund 0001, Fund 0003</i>			
Agy 403, GAAP Fd 0001, FD 1008		2,500.00	Service Transfer
<i>GAAP Fund 0001, Fund 0020</i>			
Agy 403, GAAP Fd 0001, FD 0020		74,418.29	Federal
<i>GAAP Fund 0001, Fund 0022</i>			
Agy 403, GAAP Fd 0001, FD 0020		2,474.64	Service Transfer
Total Interfund Receivables/Payables	84,399.50	84,399.50	

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Texas Veterans 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/NET ASSETS

General Revenue	
Fund Balance/Net Assets	
September 1, 2012	\$ 2,143,874.64
Restatement/Adjustment	<u>\$ (19,196.00)</u>
Fund Balance/Net Assets	
September 1, 2013, restated	<u>\$ 2,124,678.64</u>

Adjustments were made to prior valuation in GR Legislative Appropriation Cash due to prior year benefit coverage transfers.

NOTE 15: CONTINGENCIES AND COMMITMENTS

The agency has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Management believes such disallowances, if any, will be immaterial.

NOTE 16: SUBSEQUENT EVENTS

NOT APPLICABLE

NOTE 17: RISK MANAGEMENT

The agency assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance, nor is the agency involved in any risk pools with other government entities.

The agency's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Currently, the agency is not reporting any liabilities.

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS

SB 1480 of the 79th Legislative Regular Session created the Veterans Assistance Fund. SB 1655 of the 81st Legislative Regular Session created a veterans instant scratch off lottery game to benefit the Veterans Assistance Fund. The Fund is also composed of money deposited to the Fund under the Texas Transportation Code 502.1748 allowing donations made on vehicle registrations. The Veterans Assistance Fund was established to enhance or improve veterans assistance programs and make grants to local communities to address veteran needs.

NOTE 19: THE FINANCIAL REPORTING ENTITY

NOT APPLICABLE

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

NOT APPLICABLE

NOTE 21: N/A (Not Applicable to the Reporting Requirement Process)

NOT APPLICABLE

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

NOT APPLICABLE

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

NOT APPLICABLE

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

NOT APPLICABLE

NOTE 25: TERMINATION BENEFITS

NOT APPLICABLE

NOTE 26: SEGMENT INFORMATION

NOT APPLICABLE

COMBINING STATEMENTS

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds
August 31, 2013

	General				
	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5
	(0001)	(0001)	(0001)	(0001)	(0001)
	U/F (0001)	U/F (0002)	U/F (0003)	U/F (0004)	U/F (0014)
ASSETS					
Current Assets:					
Cash In State Treasury	263,303.50				
Legislative Appropriations	1,029,917.77	5,006.57	151,447.89	(119,831.12)	104,782.01
Receivables from:					
Federal					
Interfund Receivables	5,006.57		2,500.00		
Due From Other Agencies					
Consumable Inventories	35,431.63				
Non-Current Assets:					
Capital Assets (Note 2):					
Depreciable:					
Furniture and Equipment					
Less Accumulated Depreciation					
Total Assets	<u>1,333,659.47</u>	<u>5,006.57</u>	<u>153,947.89</u>	<u>(119,831.12)</u>	<u>104,782.01</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	30,110.27		11,353.62	22,308.98	6,100.57
Payroll	446,510.53		118,088.93	22,286.25	9,427.87
Interfund Payable		5,006.57			
Due To Other Agencies					
Employees' Compensable Leave					
Non-Current Liabilities					
Employees' Compensable Leave					
Total Liabilities	<u>476,620.80</u>	<u>5,006.57</u>	<u>129,442.55</u>	<u>44,595.23</u>	<u>15,528.44</u>
Fund Balances (Deficits):					
Nonspendable	35,431.63				
Committed					
Assigned					
Unassigned	821,607.04		24,505.34	(164,426.35)	89,253.57
Total Fund Balances	<u>857,038.67</u>	<u>0.00</u>	<u>24,505.34</u>	<u>(164,426.35)</u>	<u>89,253.57</u>
Total Liabilities and Fund Balances	<u>1,333,659.47</u>	<u>5,006.57</u>	<u>153,947.89</u>	<u>(119,831.12)</u>	<u>104,782.01</u>

UNAUDITED

General							
Fund 6 (0001)	Fund 7 (0001)	Fund 8 (0001)	Fund 9 (0001)	Fund 10 (0001)	Fund 11 (0001)	Fund 12 (0001)	Fund 13 (0001)
U/F (0020)	U/F (0021)	U/F (0022)	U/F (0110)	U/F (0112)	U/F (0113)	U/F (0115)	U/F (0116)
					(268,282.90)		
559,626.15	93,082.17	(11,449.50)	3,626,179.46	392.58	1,019,903.29	18,878.82	35,455.78
74,418.29		2,474.64					
<u>634,044.44</u>	<u>93,082.17</u>	<u>(8,974.86)</u>	<u>3,626,179.46</u>	<u>392.58</u>	<u>751,620.39</u>	<u>18,878.82</u>	<u>35,455.78</u>
2,529.74	5,289.17	6,321.49	9,675.74		10,192.33	128.10	
74,418.29	10,902.17	46,312.26	345,917.69		274,324.28	13,195.56	
76,892.93							
<u>153,840.96</u>	<u>16,191.34</u>	<u>52,633.75</u>	<u>355,593.43</u>	<u>0.00</u>	<u>284,516.61</u>	<u>13,323.66</u>	<u>0.00</u>
480,203.48	76,890.83	(61,608.61)	3,270,586.03	392.58	467,103.78	5,555.16	35,455.78
<u>480,203.48</u>	<u>76,890.83</u>	<u>(61,608.61)</u>	<u>3,270,586.03</u>	<u>392.58</u>	<u>467,103.78</u>	<u>5,555.16</u>	<u>35,455.78</u>
<u>634,044.44</u>	<u>93,082.17</u>	<u>(8,974.86)</u>	<u>3,626,179.46</u>	<u>392.58</u>	<u>751,620.39</u>	<u>18,878.82</u>	<u>35,455.78</u>

UNAUDITED

Texas Veterans Commission, Agency 403
Exhibit A-1 — Combining Balance Sheet — All General and Consolidated Funds
August 31, 2012

	General						
	Fund 14	Fund 15	Fund 16	Fund 17	Fund 18	Fund 22	Fund 23
	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)
U/F (0117)	U/F (0118)	U/F (0119)	U/F (1008)	U/F (6968)	U/F (6968)	U/F (8368)	
ASSETS							
Current Assets:							
Cash In State Treasury	39,635.43	43,486.97					
Legislative Appropriations			(2,521.34)	(1,167,955.21)	6,745.65		
Receivables from:							
Federal							
Interfund Receivables							
Due From Other Agencies			19,287.51				
Consumable Inventories							
Non-Current Assets:							
Capital Assets (Note 2):							
Depreciable:							
Furniture and Equipment							
Less Accumulated Depreciation							
Total Assets	<u>39,635.43</u>	<u>43,486.97</u>	<u>16,766.17</u>	<u>(1,167,955.21)</u>	<u>6,745.65</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Current Liabilities:							
Payables from:							
Accounts	10.12	10.12		16,648.62			
Payroll	14,237.61	14,699.90	9,266.17	285,269.93			
Interfund Payable				2,500.00			
Due To Other Agencies							
Employees' Compensable Leave							
Non-Current Liabilities							
Employees' Compensable Leave							
Total Liabilities	<u>14,247.73</u>	<u>14,710.02</u>	<u>9,266.17</u>	<u>304,418.55</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund Balances (Deficits):							
Nonspendable							
Committed							
Assigned							
Unassigned	25,387.70	28,776.95	7,500.00	(1,472,373.76)	6,745.65		
Total Fund Balances	<u>25,387.70</u>	<u>28,776.95</u>	<u>7,500.00</u>	<u>(1,472,373.76)</u>	<u>6,745.65</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities and Fund Balances	<u>39,635.43</u>	<u>43,486.97</u>	<u>16,766.17</u>	<u>(1,167,955.21)</u>	<u>6,745.65</u>	<u>0.00</u>	<u>0.00</u>

UNAUDITED

Consolidated Accounts									
Fund 1 (0368)	Fund 2 (0368)	Fund 3 (0368)	Fund 4 (0368)	Fund 5 (0368)	Fund 6 (0368)	Fund 7 (0368)	Fund 8 (5123)	Fund 9 (5141)	Total
U/F (0007)	U/F (0030)	U/F (0033)	U/F (0034)	U/F (0035)	U/F (7768)	U/F (8368)	U/F (0005)	U/F (0006)	
39,330.97	8,969,506.22	1,675.14	(2,808,675.65)	975,787.31	0.94	(4,812.01)	938.62	775.48	7,252,670.02
									5,349,660.97
									0.00
									84,399.50
	573,552.56								592,840.07
									35,431.63
<u>39,330.97</u>	<u>9,543,058.78</u>	<u>1,675.14</u>	<u>(2,808,675.65)</u>	<u>975,787.31</u>	<u>0.94</u>	<u>(4,812.01)</u>	<u>938.62</u>	<u>775.48</u>	<u>13,315,002.19</u>
3.74	24,265.37			0.00			938.62	775.48	146,662.08
9,994.70	48,304.77								1,743,156.91
									84,399.50
									0.00
									0.00
									0.00
<u>9,998.44</u>	<u>72,570.14</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>938.62</u>	<u>775.48</u>	<u>1,974,218.49</u>
									35,431.63
29,332.53	9,470,488.64	1,675.14	(2,808,675.65)	975,787.31	0.94	(4,812.01)			7,663,796.90
									0.00
									3,641,555.17
									0.00
<u>29,332.53</u>	<u>9,470,488.64</u>	<u>1,675.14</u>	<u>(2,808,675.65)</u>	<u>975,787.31</u>	<u>0.94</u>	<u>(4,812.01)</u>	<u>0.00</u>	<u>0.00</u>	<u>11,340,783.70</u>
<u>39,330.97</u>	<u>9,543,058.78</u>	<u>1,675.14</u>	<u>(2,808,675.65)</u>	<u>975,787.31</u>	<u>0.94</u>	<u>(4,812.01)</u>	<u>938.62</u>	<u>775.48</u>	<u>13,315,002.19</u>

UNAUDITED

Texas Veterans Commission, Agency 403
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, 2013

	General				
	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5
	(0001)	(0001)	(0001)	(0001)	(0001)
	U/F (0001)	U/F (0002)	U/F (0003)	U/F (0004)	U/F (0014)
REVENUES					
Legislative Appropriations					
Original Appropriations (GR)	6,660,036.00		1,303,191.00	280,441.00	215,797.00
Additional Appropriations (GR)	78,998.10		247,209.43	45,803.11	27,459.67
Federal Revenues (PR - Operating or Capital)	(477.11)				
Licenses, Fees & Permits (PR)			29.82		
Interest and Other Investment Income (GR)					
Other (GR)	63,742.31				
Total Revenues	<u>6,802,299.30</u>	<u>0.00</u>	<u>1,550,430.25</u>	<u>326,244.11</u>	<u>243,256.67</u>
EXPENDITURES					
Salaries and Wages	4,140,361.96	58,268.98	1,141,893.62	186,773.77	112,232.59
Payroll Related Costs	1,097,546.14	262.90	258,661.86	47,912.40	28,564.95
Professional Fees and Services	44,666.65	318.12	2,528.48	10,082.28	69,090.45
Travel	101,464.41		39,014.52	8,240.18	7,605.67
Materials and Supplies	50,671.74		26,998.39	14,939.17	9,342.21
Communication and Utilities	11,189.09		23,544.15	11,805.58	4,618.66
Repair and Maintenance	16,419.75		167.09	413.67	34.25
Rental and Leases	58,244.71		11,912.02	3,478.36	24.68
Printing and Reproduction	10,704.84		1,347.04	8,799.96	294.29
Claims and Judgments					
Interest	8.15		0.01	7.64	1.48
Intergovernmental Payments					
Public Assistance Payments					
Other Operating Expenditures	111,972.22		21,587.46	17,421.77	568.51
Capital Outlay	12,219.14			11,326.50	
Total Expenditures	<u>5,655,468.80</u>	<u>58,850.00</u>	<u>1,527,654.64</u>	<u>321,201.28</u>	<u>232,377.74</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,146,830.50</u>	<u>(58,850.00)</u>	<u>22,775.61</u>	<u>5,042.83</u>	<u>10,878.93</u>
OTHER FINANCING SOURCES (USES)					
Legislative Financing Sources	14,699.54	58,698.33	9,381.58	(20,000.00)	
Legislative Financing Uses	(80,505.31)		(30,980.00)		20,000.00
Operating Transfers In (Note 12)					
Operating Transfers Out (Note 12)					
Total Other Financing Sources (Uses)	<u>(65,805.77)</u>	<u>58,698.33</u>	<u>(21,598.42)</u>	<u>(20,000.00)</u>	<u>20,000.00</u>
Net Change in Fund Balances	<u>1,081,024.73</u>	<u>(151.67)</u>	<u>1,177.19</u>	<u>(14,957.17)</u>	<u>30,878.93</u>
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2012	(203,693.36)	151.67	24,173.40	(149,469.18)	60,330.11
Restatements	(19,196.00)				
Fund Balances, September 1, 2011, as Restated	<u>(222,889.36)</u>	<u>151.67</u>	<u>24,173.40</u>	<u>(149,469.18)</u>	<u>60,330.11</u>
Appropriation Lapsed	(1,096.70)		(845.25)		(1,955.47)
Fund Balances, August 31, 2013	<u>857,038.67</u>	<u>(0.00)</u>	<u>24,505.34</u>	<u>(164,426.35)</u>	<u>89,253.57</u>

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

UNAUDITED

General								
Fund 6 (0001) U/F (0020)	Fund 7 (0001) U/F (0021)	Fund 8 (0001) U/F (0022)	Fund 9 (0001) U/F (0110)	Fund 10 (0001) U/F (0112)	Fund 11 (0001) U/F (0113)	Fund 12 (0001) U/F (0115)	Fund 13 (0001) U/F (0116)	Fund 14 (0001) U/F (0117)
		246,637.00				129,807.00		
(173,322.59)	1,782.17	39,160.28	2,077,750.82	286.00	32,134.43	30,511.61	(6,390.08)	10,036.97
954,789.51			5,935,716.32	106,533.55	4,482,474.80		77,684.85	194,082.10
37.36					50.90	7.10		
<u>781,504.28</u>	<u>1,782.17</u>	<u>285,797.28</u>	<u>8,013,467.14</u>	<u>106,819.55</u>	<u>4,514,660.13</u>	<u>160,325.71</u>	<u>71,294.77</u>	<u>204,119.07</u>
792,947.35	9,081.00	182,664.90	3,284,809.41	103,497.58	2,653,986.40	88,360.74	44,833.66	142,469.75
181,824.21	1,821.17	40,602.16	827,163.30	8,343.39	721,527.93	31,696.14	9,766.90	38,702.86
51,000.00		47,099.80	69,344.91		91,137.51	59.84		
41,914.33		11,718.86	136,784.10		141,924.29	3,637.14	5,488.14	3,323.82
	5,289.17	20,240.66	5,095.03		3,258.29	184.66	255.53	37.98
		18,086.56	12,384.87		10,953.56			116.98
		498.81	482.10		33,723.29			
		2,928.65	906,146.68		868,859.67	11,112.06		
		1,081.99	1,564.53		1,723.32	83.14	930.02	16.24
						17,550.00		
		0.28				2.93		
2,219.38		10,857.33	18,503.84	2,500.00	19,419.07	2,508.72		
					(12,219.14)			
<u>1,069,905.27</u>	<u>16,191.34</u>	<u>335,780.00</u>	<u>5,262,278.77</u>	<u>114,340.97</u>	<u>4,534,294.19</u>	<u>155,195.37</u>	<u>61,274.25</u>	<u>184,667.63</u>
<u>(288,400.99)</u>	<u>(14,409.17)</u>	<u>(49,982.72)</u>	<u>2,751,188.37</u>	<u>(7,521.42)</u>	<u>(19,634.06)</u>	<u>5,130.34</u>	<u>10,020.52</u>	<u>19,451.44</u>
	91,300.00	1,026.86	1,000,000.00					
			(1,000,000.00)					
			(263,158.37)		(284,367.17)		(4,794.48)	
<u>0.00</u>	<u>91,300.00</u>	<u>1,026.86</u>	<u>(263,158.37)</u>	<u>0.00</u>	<u>(284,367.17)</u>	<u>0.00</u>	<u>(4,794.48)</u>	<u>0.00</u>
<u>(288,400.99)</u>	<u>76,890.83</u>	<u>(48,955.86)</u>	<u>2,488,030.00</u>	<u>(7,521.42)</u>	<u>(304,001.23)</u>	<u>5,130.34</u>	<u>5,226.04</u>	<u>19,451.44</u>
768,604.47	0.00	(12,652.75)	782,556.03	7,914.00	771,105.01	428.99	30,229.74	5,936.26
<u>768,604.47</u>	<u>0.00</u>	<u>(12,652.75)</u>	<u>782,556.03</u>	<u>7,914.00</u>	<u>771,105.01</u>	<u>428.99</u>	<u>30,229.74</u>	<u>5,936.26</u>
						(4.17)		
<u>480,203.48</u>	<u>76,890.83</u>	<u>(61,608.61)</u>	<u>3,270,586.03</u>	<u>392.58</u>	<u>467,103.78</u>	<u>5,555.16</u>	<u>35,455.78</u>	<u>25,387.70</u>

UNAUDITED

Texas Veterans Commission, Agency 403
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, 2013

	General					
	Fund 15	Fund 16	Fund 17	Fund 18	Fund 19	Fund 20
	(0001)	(0001)	(0001)	(0001)	(0001)	(0001)
U/F (0118)	U/F (0119)	U/F (0700)	U/F (1008)	U/F (5209)	U/F (6968)	
REVENUES						
Legislative Appropriations						
Original Appropriations (GR)						
Additional Appropriations (GR)	11,222.86	7,500.00		186,974.49		
Federal Revenues (PR - Operating or Capital)	203,662.05	36,600.79	1,099,521.00			
Licenses, Fees & Permits (PR)						6,405.85
Interest and Other Investment Income (GR)						
Other (GR)						
Total Revenues	214,884.91	44,100.79	1,099,521.00	186,974.49	0.00	6,405.85
EXPENDITURES						
Salaries and Wages	148,317.12	28,200.87		1,455,027.32		
Payroll Related Costs	40,399.65	7,620.92		195,155.18		
Professional Fees and Services				7,894.42	31,397.12	
Travel	3,323.91	779.00		135,653.68		
Materials and Supplies				77,095.01		285.20
Communication and Utilities	116.84			3,606.43		
Repair and Maintenance				104.52		
Rental and Leases				24,471.05		
Printing and Reproduction				1,445.70		
				0.21		
Intergovernmental Payments						
Public Assistance Payments						
Other Expenditures				115,462.30		
Capital Outlay						
Total Expenditures	192,157.52	36,600.79	0.00	2,015,915.82	31,397.12	285.20
Excess (Deficiency) of Revenues over Expenditures	22,727.39	7,500.00	1,099,521.00	(1,828,941.33)	(31,397.12)	6,120.65
OTHER FINANCING SOURCES (USES)						
Transfer In				2,346,003.00	27,679.00	
Transfer Out				(2,037,303.00)		
Legislative Transfers In						
Legislative Transfers Out			(1,099,521.00)			
Total Other Financing Sources (Uses)	0.00	0.00	(1,099,521.00)	308,700.00	27,679.00	0.00
Net Change in Fund Balances	22,727.39	7,500.00	0.00	(1,520,241.33)	(3,718.12)	6,120.65
Fund Financial Statement - Fund Balances						
Fund Balances, September 1, 2011	6,049.56	0.00	0.00	47,867.57	3,718.12	625.00
Restatements						
Fund Balances, September 1, 2011, as Restated	6,049.56	0.00	0.00	47,867.57	3,718.12	625.00
Appropriation Lapsed						
Fund Balances, August 31, 2012	28,776.95	7,500.00	0.00	(1,472,373.76)	0.00	6,745.65

UNAUDITED

Consolidated Accounts									
Fund 1 (0368) U/F (0007)	Fund 2 (0368) U/F (0030)	Fund 3 (0368) U/F (0033)	Fund 4 (0368) U/F (0034)	Fund 5 (0368) U/F (0035)	Fund 6 (0368) U/F (7768)	Fund 7 (5123) U/F (8368)	Fund 8 (5141) U/F (0005)	Fund 8 (5141) U/F (0006)	Total
									8,835,909.00
									2,617,117.27
									13,090,587.86
				(87.00)	57.59		4,093.71	2,414.43	13,009.76
	41,219.52					(4,812.01)			36,407.51
50,000.00	44,420.96			601,928.39					760,091.66
50,000.00	85,640.48	0.00	0.00	601,841.39	57.59	(4,812.01)	4,093.71	2,414.43	25,353,123.06
75,001.20	426,339.80								15,075,068.02
11,556.82	174,905.58								3,724,034.46
44.88	3,091.61	34,091.53							461,847.60
231.65	16,367.25	(19.44)							657,451.51
2,922.95	27,912.38	10,772.62							255,300.99
	6,701.26	293.86							103,417.84
	382.32	879.94							53,105.74
	3,848.61	404.09							1,891,430.58
282.14	2,856.03	188.80							31,318.04
									17,550.00
	23.60	1.62							45.92
	467,354.59		282,036.85						749,391.44
	5,884,145.90		1,782,360.00				4,093.71	2,414.43	7,673,014.04
	124,933.84	15,317.27			57.59				463,329.30
									11,326.50
90,039.64	7,138,862.77	61,930.29	2,064,396.85	0.00	57.59	0.00	4,093.71	2,414.43	31,167,631.98
(40,039.64)	(7,053,222.29)	(61,930.29)	(2,064,396.85)	601,841.39	0.00	(4,812.01)	0.00	0.00	(5,814,508.92)
									3,528,788.31
									(3,128,788.31)
59,881.67	10,414,239.89	63,868.32							10,537,989.88
(9,881.67)	(4,349,950.60)								(6,011,673.29)
50,000.00	6,064,289.29	63,868.32	0.00	0.00	0.00	0.00	0.00	0.00	4,926,316.59
9,960.36	(988,933.00)	1,938.03	(2,064,396.85)	601,841.39	0.00	(4,812.01)	0.00	0.00	(888,192.33)
19,372.17	10,459,421.64	(262.89)	(744,278.80)	373,945.92	0.94	0.00			12,252,073.62
									(19,196.00)
19,372.17	10,459,421.64	(262.89)	(744,278.80)	373,945.92	0.94	0.00	0.00	0.00	12,232,877.62
									(3,901.59)
29,332.53	9,470,488.64	1,675.14	(2,808,675.65)	975,787.31	0.94	(4,812.01)	0.00	0.00	11,340,783.70

UNAUDITED

Texas Veterans Commission, Agency 403

Exhibit J-1 — Combining Statement of Changes in Assets and Liabilities — Agency Funds

August 31, 2013

	Beginning Balance 09/01/2011	Additions	Deductions	Ending Balance 08/31/2012
Agency Fund #1 (0807) U/F (8070)				
ASSETS				
Cash In State Treasury	2,002.04	47,162.42	44,537.42	4,627.04
Total Assets	<u>2,002.04</u>	<u>47,162.42</u>	<u>44,537.42</u>	<u>4,627.04</u>
LIABILITIES				
Accounts Payable	0.00	42,535.38	42,535.38	0.00
Funds Held for Others	2,002.04	47,162.42	44,537.42	4,627.04
Total Liabilities	<u>2,002.04</u>	<u>89,697.80</u>	<u>87,072.80</u>	<u>4,627.04</u>
Agency Fund #2 (0900) U/F (9015)				
ASSETS				
Cash In State Treasury	1,518.33	6,159.31	7,037.22	640.42
Total Assets	<u>1,518.33</u>	<u>6,159.31</u>	<u>7,037.22</u>	<u>640.42</u>
LIABILITIES				
Accounts Payable				0.00
Funds Held for Others	1,518.33	6,159.31	7,037.22	640.42
Total Liabilities	<u>1,518.33</u>	<u>6,159.31</u>	<u>7,037.22</u>	<u>640.42</u>
Agency Fund #3 (0901) U/F (0901)				
ASSETS				
Cash In State Treasury	0.00	0.00	0.00	0.00
Account Receivable	0.00	0.00	0.00	0.00
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES				
Accounts Payable	0.00	0.00	0.00	0.00
Funds Held for Others	0.00	0.00	0.00	0.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

UNAUDITED

	Beginning Balance 09/01/2011	Additions	Deductions	Ending Balance 08/31/2012
Agency Fund #5 (0980) U/F (0980)				
ASSETS				
Cash In State Treasury	0.00	5,505.02	5,505.02	0.00
Total Assets	<u>0.00</u>	<u>5,505.02</u>	<u>5,505.02</u>	<u>0.00</u>
LIABILITIES				
Funds Held for Others	0.00	5,505.02	5,505.02	0.00
Total Liabilities	<u>0.00</u>	<u>5,505.02</u>	<u>5,505.02</u>	<u>0.00</u>
Agency Fund #6 (0980) U/F (9014)				
ASSETS				
Cash In State Treasury	0.00	0.00	0.00	0.00
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
LIABILITIES				
Accounts Payable	0.00	0.00	0.00	0.00
Funds Held for Others	0.00	0.00	0.00	0.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Totals - All Agency Funds				
ASSETS				
Cash In State Treasury	3,520.37	58,826.75	57,079.66	5,267.46
Total Assets	<u>3,520.37</u>	<u>58,826.75</u>	<u>57,079.66</u>	<u>5,267.46</u>
LIABILITIES				
Accounts Payable	0.00	42,535.38	42,535.38	0.00
Funds Held for Others	3,520.37	58,826.75	57,079.66	5,267.46
Total Liabilities	<u>3,520.37</u>	<u>101,362.13</u>	<u>99,615.04</u>	<u>5,267.46</u>

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SCHEDULES

Texas Veterans Commission, Agency 403
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog.
				Agencies or Universities Amount	Non-State Entities Amount		
U.S. Department of Labor							
<u>Direct Programs:</u>							
Transition Assistance	17.807					70,665.96	70,665.96
Totals - U.S. Department of Labor				0	0	70,665.96	70,665.96
U.S. Department of Veterans Affairs							
All-Volunteer Force	64.124					1,191,676.41	1,191,676.41
Educational Assistance							
Totals - Department of Veterans Affairs				0	0	1,191,676.41	1,191,676.41
Employment Services Cluster							
U.S. Department of Labor							
<u>Direct Programs:</u>							
Disabled Veterans'	17.801					5,449,843.10	5,449,843.10
Outreach Program (DVOP)							
Local Veterans'	17.804					6,341,801.60	6,341,801.60
Employment Representative Program (LVER)							
Totals - U.S. Department of Labor				0	0	11,791,644.70	11,791,644.70
WIA Cluster							
U.S Department of Labor							
<u>Pass Through From</u>							
Act (WIA)							
National							
Demonstration Grants	17.280						36,600.79
<i>Pass-Through From:</i>							
<i>Texas Workforce Commission</i>							
				36,600.79			
Total U.S. Department of Labor				320 36,600.79	0	0	36,600.79
Total Expenditures of Federal Awards				36,600.79	0.00	13,053,987.07	13,090,587.86

Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures
	Agencies or Universities Amount	Non-State Entities Amount		
			70,665.96	70,665.96
	0	0	70,665.96	70,665.96
			1,191,676.41	1,191,676.41
	0	0	1,191,676.41	1,191,676.41
			5,449,843.10	5,449,843.10
			6,341,801.60	6,341,801.60
	0	0	11,791,644.70	11,791,644.70
			36,600.79	36,600.79
	0	0	36,600.79	36,600.79
	0.00	0.00	13,090,587.86	13,090,587.86

**Texas Veterans Commission, Agency 403
Schedule 1A - Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended August 31, 2013**

NOTE 1: NonMonetary Assistance

The Texas Veterans Commission does not have Nonmonetary Assistance for Commodities/Surplus Property

NOTE 2: Reconciliation

Below is a reconciliation of the total federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total 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 Governmental Operation Statement/Statement
of Activities and Proprietary Statements of Changes in Revenues, Expenses
and Net Assets

Governmental Funds	- Federal Revenue (Exh II)	13,053,987.07
	- Federal Pass-Through Revenue (Exh II)	<u>36,600.79</u>
Subtotal		13,090,587.86
<i>RECONCILING ITEMS:</i>		<u>0.00</u>
Total Pass Through and Expenditures per Federal Schedule		<u>\$ 13,090,587.86</u>

NOTE 3: Student Loans Processed and Administrative Cost Recovered

The Texas Veterans Commission does not have Student Loans Processed and Administrative Cost Recovered.

NOTE 4: Depository Libraries for Governmental Publications

The Texas Veterans Commission does not have Depository Libraries for Governmental Publications.

NOTE 5: Unemployment Insurance Funds (Agency 320 only)

The Texas Veterans Commission does not have Unemployment Insurance Funds.

NOTE 6: Agency 501 Only (WIC Program)

The Texas Veterans Commission does not have Rebates for the Special Supplemental Food Program for Women, Infants and Children

NOTE 7: Federal Deferred Revenue

The Texas Veterans Commission does not have Federal Deferred Revenue.

NOTE 8: Supplemental Nutrition Assistance Program (Agency 529 only)

The Texas Veterans Commission does not participate in the Supplemental Nutrition Assistance Program (SNAP).

