



# STATE PRESERVATION BOARD Annual Financial Report

*Fiscal Year Ending August 31, 2024*





## STATE PRESERVATION BOARD

The Honorable Greg Abbott, Governor, Chairman  
The Honorable Dan Patrick, Lieutenant Governor, Co-Vice Chairman  
The Honorable Dade Phelan, Speaker of the House, Co-Vice Chairman  
The Honorable Charles Schwertner, Texas Senate  
The Honorable Will Metcalf, Texas House of Representatives  
Alethea Swann Bugg, Citizen Board Member  
Rod Welsh, Executive Director

November 1, 2024

The Honorable Greg Abbott, Governor  
The Honorable Glenn Hegar, Texas Comptroller  
Mr. Jerry McGinty, Director, Legislative Budget Board  
Ms. Lisa Collier, State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the State Preservation Board (SPB) for the year ended August 31, 2024, in compliance with Texas Government Code Annotated, §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 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 Annual *Comprehensive Financial Report (ACFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have questions, please contact Cynthia Provine, CPA, Chief Financial Officer, at 512-463-9243 or [cindy.provine@tspb.texas.gov](mailto:cindy.provine@tspb.texas.gov).

Sincerely,

Roderick Welsh  
Executive Director

***State Preservation Board (809)***  
***FY 2024 Annual Financial Report (Unaudited)***

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**FY 2024 Annual Financial Report (Unaudited)**

**EXHIBIT I - Combined Balance Sheet / Statement of Net Position**  
**Governmental Funds**  
**August 31, 2024**

	GOVERNMENTAL FUND TYPES			
	GOVERNMENTAL FUNDS (Exhibit A-1)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF NET ASSETS
<b>ASSETS</b>				
Current Assets:				
Cash in State Treasury	11,758,493.79	-	-	11,758,493.79
Legislative Appropriations	151,452,027.89	-	-	151,452,027.89
Short Term Investments (Note 3)	26,389,992.98			
Receivables:				
Interest and Dividends Receivable	176,786.45	-	-	176,786.45
Accounts Receivable	82,265.92	-	-	82,265.92
Interfund Receivable (Note 12)	1,141,132.12	-	-	1,141,132.12
Due From Other Agencies (Note 12)	1,138,533.39	-	-	1,138,533.39
Total Current Assets	192,139,232.54	-	-	165,749,239.56
Non-Current Assets:				
Investments - Equities	45,146,391.86	-	-	45,146,391.86
Investments - Alternatives	128,898,277.05	-	-	128,898,277.05
Investments - Fixed Income	20,313,568.65	-	-	20,313,568.65
Investments - Derivatives	638,427.04	-	-	638,427.04
Capital Assets (Note 2):				
Non-Depreciable:				
Land and Land Improvements	-	23,001,235.22	-	23,001,235.22
Construction in Progress	-	41,885,836.73	-	41,885,836.73
Other Tangible Capital Assets	-	7,279,818.21	-	7,279,818.21
Depreciable/Amortizable:				
Buildings and Building Improvements	-	316,647,608.89	-	316,647,608.89
Less Accumulated Depreciation	-	(280,262,069.49)	-	(280,262,069.49)
Furniture and Equipment	-	1,996,351.04	-	1,996,351.04
Less Accumulated Depreciation	-	(1,766,097.22)	-	(1,766,097.22)
Vehicles, Boats, and Aircraft	-	101,080.62	-	101,080.62
Less Accumulated Depreciation	-	(88,007.02)	-	(88,007.02)
Computer Software - Intangible	-	58,728.00	-	58,728.00
Less Accumulated Amortization	-	(58,728.00)	-	(58,728.00)
Facilities and Other Improvements	-	3,153,659.90	-	3,153,659.90
Less Accumulated Depreciation	-	(3,153,659.90)	-	(3,153,659.90)
Other Capital Assets	-	1,700,978.86	-	1,700,978.86
Less Accumulated Depreciation	-	(1,700,978.86)	-	(1,700,978.86)
Total Non-Current Assets	-	108,795,756.98	-	108,795,756.98
<b>TOTAL ASSETS</b>	<b>192,139,232.54</b>	<b>108,795,756.98</b>	<b>-</b>	<b>274,544,996.54</b>

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**State Preservation Board (809)**  
**FY 2024 Annual Financial Report (Unaudited)**

**EXHIBIT I - Combined Balance Sheet / Statement of Net Position**  
**Governmental Funds**  
**August 31, 2024 (concluded)**

	GOVERNMENTAL FUND TYPES			
	GOVERNMENTAL FUNDS (Exhibit A-1)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF NET ASSETS
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Payables:				
Vouchers Payable	3,060,160.71	-	-	3,060,160.71
Accounts Payable	23,319.95	-	-	23,319.95
Trade Payables	431,452.12	-	-	431,452.12
Payroll Payables	935,811.54	-	-	935,811.54
Payroll Deduction Return Liability	2,610.45	-	-	2,610.45
Returned Expenditure Liability	200.00	-	-	200.00
Interfund Payable (Note 12)	1,150,486.87	-	-	1,150,486.87
Interest Payable	136,585.50	-	-	136,585.50
Due to Other Funds (Note 12)	8,037.50	-	-	8,037.50
Due to Other Agencies (Note 12)	6,710.55	-	-	6,710.55
Unearned Revenues	27,406.45	-	-	27,406.45
Employees Compensable Leave (Note 5)	-	-	678,585.10	678,585.10
Total Current Liabilities	5,782,781.64	-	678,585.10	6,461,366.74
Non-Current Liabilities:				
Employees Compensable Leave (Note 5)	-	-	383,930.91	383,930.91
Total Non-Current Liabilities	-	-	383,930.91	383,930.91
<b>TOTAL LIABILITIES</b>	<b>5,782,781.64</b>	<b>-</b>	<b>1,062,516.01</b>	<b>6,845,297.65</b>
<b>FUND FINANCIAL STATEMENT</b>				
Fund Balances (Deficits):				
Unassigned	148,623,258.28	-	-	148,623,258.28
Assigned	328,265.63	-	-	328,265.63
Nonspendable	200,000,000.00	-	-	200,000,000.00
Restricted	32,401,591.59	-	-	32,401,591.59
<b>TOTAL FUND BALANCES</b>	<b>381,353,115.50</b>	<b>-</b>	<b>-</b>	<b>381,353,115.50</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>387,135,897.14</b>	<b>-</b>	<b>1,062,516.01</b>	<b>388,198,413.15</b>
<b>Government-Wide Statement of Net Position</b>				
<b>Net Position:</b>				
Invested in Capital Assets, Net of Accumulated Depreciation (Note 2)		108,795,756.98	-	108,795,756.98
Restricted for:				
Compensable Leave Liabilities (Note 5)		-	(1,062,516.01)	(1,062,516.01)
<b>Total Net Position</b>		<b>108,795,756.98</b>	<b>(1,062,516.01)</b>	<b>107,733,240.97</b>

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

**State Preservation Board (809)**  
**FY 2024 Annual Financial Report (Unaudited)**

**EXHIBIT II - Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances / Statement of Activities  
Governmental Funds  
For the Fiscal Year Ended August 31, 2024**

	GOVERNMENTAL FUND TYPES			STATEMENT OF ACTIVITIES
	GOVERNMENTAL FUNDS (Exhibit A-2)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	
<b>REVENUES</b>				
Legislative Appropriations:				
Original Appropriations	27,536,284.00	-	-	27,536,284.00
Additional Appropriations	2,180,237.86	-	-	2,180,237.86
Federal Grant Pass-Through Revenue	12,580,080.75	-	-	12,580,080.75
Increase (Decrease) in Fair Value	20,720,786.22	-	-	20,720,786.22
Interest, Dividend and Other Income	2,033,835.82	-	-	2,033,835.82
<b>TOTAL REVENUES</b>	<b>65,051,224.65</b>	<b>-</b>	<b>-</b>	<b>65,051,224.65</b>
<b>EXPENDITURES</b>				
Salaries and Wages	8,164,159.64	-	83,508.60	8,247,668.24
Payroll Related Costs	2,320,821.70	-	-	2,320,821.70
Professional Fees and Services	570,730.46	-	-	570,730.46
Travel	3,252.29	-	-	3,252.29
Materials and Supplies	573,248.47	-	-	573,248.47
Communication and Utilities	120,529.15	-	-	120,529.15
Repairs and Maintenance	1,240,720.27	-	-	1,240,720.27
Rentals and Leases	56,039.35	-	-	56,039.35
Printing and Reproduction	3,664.80	-	-	3,664.80
Judgments and Settlements	250,000.00	-	-	250,000.00
Other Operating Expenditures	1,511,097.12	-	-	1,511,097.12
Capital Outlay (Note 2)	20,121,707.81	(20,121,707.81)	-	-
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>34,935,971.06</b>	<b>(20,121,707.81)</b>	<b>83,508.60</b>	<b>14,897,771.85</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>30,115,253.59</b>	<b>20,121,707.81</b>	<b>(83,508.60)</b>	<b>50,153,452.80</b>

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**State Preservation Board (809)**  
**FY 2024 Annual Financial Report (Unaudited)**

**EXHIBIT II - Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances / Statement of Activities  
Governmental Funds  
For the Fiscal Year Ended August 31, 2024 (concluded)**

	GOVERNMENTAL FUND TYPES			
	GOVERNMENTAL FUNDS (Exhibit A-2)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF ACTIVITIES
<b>OTHER FINANCING SOURCES (USES):</b>				
Depreciation/Amortization Expense (Note 2)	-	(2,275,647.82)	-	(2,275,647.82)
Transfers In (Note 12)	357,153,292.11	-	-	357,153,292.11
Transfer Out (Note 12)	(359,308,628.60)	(128.57)	-	(359,308,757.17)
Legislative Appropriations Lapsed	(4,517.30)	-	-	(4,517.30)
Deposit to Trust or Suspense	200,000,000.00	-	-	200,000,000.00
Sale of Capital Assets	1,071.43	(1,071.43)	-	-
Gain/(Loss) on Sale of Capital Assets	-	1,200.00	-	1,200.00
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>197,841,217.64</b>	<b>(2,275,647.82)</b>	<b>-</b>	<b>195,565,569.82</b>
<b>NET CHANGE IN FUND BALANCES/NET POSITION</b>	<b>227,956,471.23</b>	<b>17,846,059.99</b>	<b>(83,508.60)</b>	<b>245,719,022.62</b>
<b>FUND FINANCIAL STATEMENT - FUND BALANCES</b>				
Fund Balances - September 1, 2023	153,396,644.27			
Net Change in Fund Balances/Net Assets	227,956,471.23			
Fund Balances - August 31, 2024	381,353,115.50			
<b>Government-Wide Statement of Activities</b>				
<b>Net Position, September 1, 2023</b>	<b>153,396,644.27</b>	<b>91,523,488.38</b>	<b>(979,007.41)</b>	<b>243,941,125.24</b>
Restatement (Note 14)		(573,791.39)	-	(573,791.39)
<b>Net Position, September 1, 2023 Restated</b>	<b>153,396,644.27</b>	<b>90,949,696.99</b>	<b>(979,007.41)</b>	<b>243,367,333.85</b>
<b>Changes in Net Position and Lapses</b>	<b>227,956,471.23</b>	<b>17,846,059.99</b>	<b>(83,508.60)</b>	<b>245,719,022.62</b>
<b>Net Position, August 31, 2024</b>	<b>381,353,115.50</b>	<b>108,795,756.98</b>	<b>(1,062,516.01)</b>	<b>489,086,356.47</b>

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

**State Preservation Board (809)**  
**FY 2024 Annual Financial Report (Unaudited)**

**EXHIBIT III - Combined Statement of Net Position**  
**Proprietary Funds**  
**August 31, 2024**

	<b>ENTERPRISE FUNDS (Exhibit F-1)</b>
<b>ASSETS</b>	
Current Assets:	
Cash :	
Cash on Hand	33,481.55
Cash in Bank (Note 3)	11,000.00
Cash in State Treasury	2,324,686.42
Short-Term Investments (Note 3)	124,938,269.11
Accounts Receivable	224,827.65
Interfund Receivable (Note 12)	60,924.25
Due From Other Funds	8,037.50
Merchandise Inventories	985,443.59
Total Current Assets	<u>128,586,670.07</u>
Non-Current Assets:	
Capital Assets (Note 2):	
Non-Depreciable:	
Assets in Trust (Note 33)	4,792,177.00
Land and Land Improvements	421,309.35
Construction in Progress	428,020.15
Other Capital Assets	83,601.05
Depreciable/Amortizable:	
Vehicles, Boats and Aircraft	70,129.66
Less Accumulated Depreciation	(20,981.15)
Furniture and Equipment	228,369.52
Less Accumulated Depreciation	(186,778.38)
Building and Building Improvements	890,231.76
Less Accumulated Depreciation	(408,451.12)
Computer Software	5,280.00
Less Accumulated Depreciation	(5,280.00)
Other Assets	1,111,623.64
Less Accumulated Depreciation	(1,111,623.64)
Total Non-Current Assets	<u>6,297,627.84</u>
<b>TOTAL ASSETS</b>	<b><u>134,884,297.91</u></b>
<b>LIABILITIES</b>	
Current Liabilities:	
Payables:	
Vouchers Payable	191,597.61
Accounts Payable	25,293.89
Payroll Payables	421,077.56
Interfund Payable (Note 12)	51,569.50
Deferred Revenues	108,406.25
Employees Compensable Leave (Note 5)	234,493.29
Total Current Liabilities	<u>1,032,438.10</u>
Non-Current Liabilities:	
Employee Compensable Leave (Note 5)	120,553.67
Assets Held for Others (Note 33)	4,792,177.00
Total Non-Current Liabilities	<u>4,912,730.67</u>
<b>TOTAL LIABILITIES</b>	<b><u>5,945,168.77</u></b>
<b>NET POSITION</b>	
Restricted for Endowments (Note 32)	226,500.00
Restricted by Contributors and Statutes (Note 32)	7,298,411.99
Unrestricted	121,414,217.15
<b>TOTAL NET POSITION</b>	<b><u>128,939,129.14</u></b>

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

**State Preservation Board (809)**  
**FY 2024 Annual Financial Report (Unaudited)**

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**EXHIBIT IV - Combined Statement of Revenues,  
Expenses, and Changes in Net Position  
August 31, 2024**

	<b>ENTERPRISE FUNDS (Exhibit F-2)</b>
<b>OPERATING REVENUES:</b>	
Sales of Goods and Services	11,005,575.90
Other Operating Revenues	99,185.74
<b>Total Operating Revenues</b>	<u>11,104,761.64</u>
<b>OPERATING EXPENSES:</b>	
Cost of Goods Sold	2,154,060.82
Salaries and Wages	4,001,139.70
Payroll Related Costs	1,278,212.83
Professional Fees and Services	73,968.70
Travel	24,868.65
Materials and Supplies	620,062.99
Communications and Utilities	161,111.61
Repairs and Maintenance	435,794.38
Rentals and Leases	1,038,512.15
Printing and Reproduction	55,894.90
Depreciation and Amortization	64,405.44
Interest	171.86
Other Operating Expenses	1,633,290.66
<b>Total Operating Expenses</b>	<u>11,541,494.69</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(436,733.05)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Interest Income	4,204,487.68
State Grant Pass-Through (Note 12)	8,156.00
Gifts, Grants and Donations	302,696.56
<b>Total Non-Operating Revenues (Expenses)</b>	<u>4,515,340.24</u>
<b>INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS</b>	<u>4,078,607.19</u>
<b>OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS</b>	
Transfers In (Note 12)	106,302,227.44
Transfers Out (Note 12)	(2,708,865.44)
<b>Total Other Revenues, Expenses, Gains/(Losses) and Transfers</b>	<u>103,593,362.00</u>
<b>TOTAL NET POSITION, September 1, 2023</b>	21,267,159.95
<b>CHANGE IN NET POSITION</b>	<u>107,671,969.19</u>
<b>TOTAL NET POSITION - August 31, 2024</b>	<u>128,939,129.14</u>

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

**State Preservation Board (809)**  
**FY 2024 Annual Financial Report (Unaudited)**

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**EXHIBIT V - Combined Statement of Cash Flows**  
**Proprietary Funds**  
**August 31, 2024**

	<b>ENTERPRISE FUNDS (Exhibit F-3)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Proceeds from Customers	11,421,097.25
Payments to Suppliers for Goods and Services	(2,155,660.03)
Payments to Employees	(5,183,379.54)
Payments for Other Expenses	(4,043,675.90)
<b>Net Cash Provided by Operating Activities</b>	<b>38,381.78</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Proceeds from Transfers from Other Funds	106,302,227.44
Payments for Transfers to Other Funds	(2,708,865.44)
Proceeds from Other Non-Operating Revenues	310,852.56
<b>Net Cash Provided by Non-capital Financing Activities</b>	<b>103,904,214.56</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from Gain on Sale of Capital Assets	-
Payments for Additions to Fixed Assets	(117,367.93)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>(117,367.93)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Interest and Investment Income	4,204,487.68
<b>Net Cash Provided from Investing Activities</b>	<b>4,204,487.68</b>
<b>Increase (Decrease) in Cash</b>	<b>108,029,716.09</b>
<b>Cash and Cash Equivalents - September 1, 2023</b>	<b>19,277,720.99</b>
<b>Cash and Cash Equivalents - August 31, 2024</b>	<b>127,307,437.08</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
<b>Operating Income (Loss)</b>	<b>(436,733.05)</b>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>	
Amortization and Depreciation	64,405.44
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	149,872.81
(Increase) Decrease in Interfund Receivables	153,454.68
(Increase) Decrease in Inventories	117,384.02
Increase (Decrease) in Due to Other Funds	(3,751.05)
Increase (Decrease) in Payables	(115,232.18)
Increase (Decrease) in Deferred Revenue	13,008.12
Increase (Decrease) in Compensable Leave	34,354.79
Increase (Decrease) in Other Liabilities	61,618.20
<b>Total Adjustments</b>	<b>475,114.83</b>
<b>Net Cash Provided by Operating Activities</b>	<b>38,381.78</b>

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

***State Preservation Board (809)***  
***FY 2024 Annual Financial Report (Unaudited)***

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**NOTES TO THE FINANCIAL STATEMENTS**

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

**Entity**

The State Preservation Board (SPB) 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 State Agencies.

The SPB was established by the 68th Legislature (1983). The SPB is mandated in Texas Government Code Annotated, Chapter 443 (1987) to preserve, maintain, and restore the Capitol, the 1857 General Land Office Building, their contents and their grounds.

Texas Government Code Annotated, Chapter 445 (1999) charges the SPB with the operation of the Bullock Texas State History Museum (Museum). The Museum opened on April 21, 2001.

The 81st Legislature clarified that SPB has full responsibility for the management of construction projects and maintenance of the 1856 Texas Governor's Mansion. Senate Bill 2307 (2009) amended the Government Code to establish that SPB is responsible for the preservation, maintenance and protection of the historical and architectural integrity of the Governor's Mansion and grounds.

The 83rd Legislature in Senate Bill 201 (2013) continued the operations of the agency for twelve years beginning September 1, 2013, and allowed certain Board members to designate representatives to participate in the Board's meetings and required the Board to meet at least twice each year. Additionally, the bill created a Mansion Renewal Trust Fund outside the State Treasury for the preservation of the Governor's Mansion, established the Museum Director position, and authorized the adoption of policies for naming areas within the Bullock Texas State History Museum. Other legislation included SPB in the development and review of a required comprehensive master plan for the Capitol Complex.

The 84th Legislature in House Bill 2206 (2015) transferred oversight of the Texas State Cemetery to the SPB and created the State Cemetery Preservation Trust Fund outside the State Treasury.

The 85th (2017) and 86th (2019) Legislatures passed no legislation that had a significant impact to SPB.

The 87<sup>th</sup> Legislature (2021) in Senate Bill 8 appropriated \$100 million to the State Comptroller to be managed and invested by the Texas Treasury Safekeeping Trust Co. for the benefit of the State Preservation Board to maintain the Bullock Texas State History Museum.

The 88<sup>th</sup> Legislature (2023) in S.B. 640 allowed for the transfer of facilities management services for three state office buildings from the Texas Facilities Commission to SPB and provided funding for operating expenses and deferred maintenance. S.B. 1333 amended Government Code Section 443.0103 to establish the Texas State Buildings Preservation Endowment Fund. S.B. 30 appropriated \$200 million to the endowment which is managed by the Texas Treasury

***State Preservation Board (809)***  
***FY 2024 Annual Financial Report (Unaudited)***

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**NOTES TO THE FINANCIAL STATEMENTS**

Safekeeping Trust Co. on behalf of SPB for maintenance and preservation of state buildings under SPB's purview.

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 of 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. The funds used to reflect the SPB's transactions are as follows:

**Governmental Fund Types and Government-wide Adjustment Fund Types**

**General Revenue Fund**

The general fund is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except for those accounted for in other funds.

**Capital and Mansion Renewal and Cemetery Preservation Funds**

Capital projects funds account for financial resources used for the acquisition, repair, renovation or construction of major capital facilities other than those financed by proprietary or similar funds. The Cemetery Preservation Fund may be used for land acquisition.

**Permanent Funds**

Permanent funds account for resources legally restricted to the extent that only earnings, but not principal, may be used for purposes that support the state's programs.

**Capital Asset Adjustment Fund Type**

Capital Asset Adjustment fund type will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

**Long-Term Liabilities Adjustment Fund Type**

Long-Term Liabilities Adjustment fund type will be used to convert governmental fund types' debt from modified accrual to full accrual.

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**NOTES TO THE FINANCIAL STATEMENTS**

Suspense Funds

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

**Proprietary Fund Types**

Enterprise Funds

Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met:

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services including capital costs (such as depreciation or debt service), be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

**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, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

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

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Proprietary funds are accounted for on the accrual basis of accounting. Under the 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 fund's principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets.

**Budgets and Budgetary Accounting**

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act). The agency's trust funds and enterprise funds are held "outside the Treasury" and are not subject to the appropriations process.

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 Equity 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 merchandise inventories on hand for sale. Inventories are valued at cost generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the item is consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if any are donated, at appraised fair value as of the date of acquisition. Purchases of assets of 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. 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

Current Receivables - Other

Current Receivables - Other includes year-end revenue accruals. This account can appear in governmental and proprietary fund types.

**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.

Current Payables - Other

Current Payables - Other are the accruals at year-end of expenditure transactions. This account may be included in either the governmental or proprietary fund types.

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 balances for governmental funds are classified as non-spendable, restricted, committed, assigned or unassigned in the fund financial statements.

- Non-spendable 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

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

**Invested In Capital Assets, Net of Related Debt**

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

**Restricted Net Assets**

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

**Unrestricted Net Assets**

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

**Interfund Activities and Balances**

The agency has the following types of transactions among funds:

- **Transfers:** Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- **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 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.
- **Interfund Sales and Purchases:** Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the agency's interfund activities and balances are presented in Note 12.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2: CAPITAL ASSETS**

A summary of changes in General Fixed Assets for the year ended August 31, 2024 is presented below:

	Balance 9/1/2023	Adjustments	Additions	Deletions	Balance 8/31/2024
<b>Governmental Activities</b>					
Non-Depreciable Assets:					
Land and Improvements	23,001,235.22	-	-	-	23,001,235.22
Construction in Progress	22,388,970.31	(573,791.39)	20,070,657.81	-	41,885,836.73
Other Tangible Capital Assets	7,279,818.21	-	-	-	7,279,818.21
<b>Total Non-Depreciable Assets</b>	<b>52,670,023.74</b>	<b>(573,791.39)</b>	<b>20,070,657.81</b>	<b>-</b>	<b>72,166,890.16</b>
Depreciable Assets:					
Buildings and Improvements	316,647,608.89	-	-	-	316,647,608.89
Facilities and Other Improvements	3,153,659.90	-	-	-	3,153,659.90
Furniture and Equipment	1,987,603.94	-	51,050.00	(42,302.90)	1,996,351.04
Vehicles, Boats, Aircraft	101,080.62	-	-	-	101,080.62
Other Capital Assets	1,700,978.86	-	-	-	1,700,978.86
<b>Total Depreciable Assets at Cost</b>	<b>323,590,932.21</b>	<b>-</b>	<b>51,050.00</b>	<b>(42,302.90)</b>	<b>323,599,679.31</b>
Accumulated Depreciation:					
Buildings and Improvements	(278,087,473.46)	-	(2,174,596.03)	-	(280,262,069.49)
Facilities and Other Improvements	(3,153,659.90)	-	-	-	(3,153,659.90)
Furniture and Equipment	(1,710,913.65)	-	(97,486.47)	42,302.90	(1,766,097.22)
Vehicles, Boats, Aircraft	(84,441.70)	-	(3,565.32)	-	(88,007.02)
Other Capital Assets	(1,700,978.86)	-	-	-	(1,700,978.86)
<b>Total Accumulated Depreciation</b>	<b>(284,737,467.57)</b>	<b>-</b>	<b>(2,275,647.82)</b>	<b>42,302.90</b>	<b>(286,970,812.49)</b>
Amortizable Assets - Intangible:					
Computer Software	58,728.00	-	-	-	58,728.00
<b>Total Amortizable Assets - Intangible</b>	<b>58,728.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,728.00</b>
Accumulated Amortization:					
Computer Software	(58,728.00)	-	-	-	(58,728.00)
<b>Total Accumulated Amortization</b>	<b>(58,728.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58,728.00)</b>
<b>Capital Assets</b>					
<b>Governmental Activities</b>	<b>91,523,488.38</b>	<b>(573,791.39)</b>	<b>17,846,059.99</b>	<b>-</b>	<b>108,795,756.98</b>
<b>Business Type Activities</b>					
Non-Depreciable Assets:					
Land and Improvements	421,309.35	-	-	-	421,309.35
Construction in Progress	365,482.14	-	62,538.01	-	428,020.15
Other Tangible Capital Assets	83,601.05	-	-	-	83,601.05
<b>Total Non-Depreciable Assets</b>	<b>870,392.54</b>	<b>-</b>	<b>62,538.01</b>	<b>-</b>	<b>932,930.55</b>
Depreciable Assets:					
Buildings and Improvements	890,231.76	-	-	-	890,231.76
Furniture and Equipment	239,704.76	-	5,089.26	(16,424.50)	228,369.52
Vehicles, Boats, Aircraft	20,389.00	-	49,740.66	-	70,129.66
Other Capital Assets	1,111,623.64	-	-	-	1,111,623.64
<b>Total Depreciable Assets at Cost</b>	<b>2,261,949.16</b>	<b>-</b>	<b>54,829.92</b>	<b>(16,424.50)</b>	<b>2,300,354.58</b>
Less Accumulated Depreciation for:					
Buildings and Improvements	(354,464.56)	-	(53,986.56)	-	(408,451.12)
Furniture and Equipment	(193,376.15)	-	(9,826.73)	16,424.50	(186,778.38)
Vehicles, Boats, Aircraft	(20,389.00)	-	(592.15)	-	(20,981.15)
Other Capital Assets	(1,111,623.64)	-	-	-	(1,111,623.64)
<b>Total Accumulated Depreciation</b>	<b>(1,679,853.35)</b>	<b>-</b>	<b>(64,405.44)</b>	<b>16,424.50</b>	<b>(1,727,834.29)</b>
Amortizable Assets - Intangible:					
Computer Software	5,280.00	-	-	-	5,280.00
<b>Total Amortizable Assets - Intangible</b>	<b>5,280.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,280.00</b>
Accumulated Amortization:					
Computer Software	(5,280.00)	-	-	-	(5,280.00)
<b>Total Accumulated Amortization</b>	<b>(5,280.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,280.00)</b>
<b>Capital Assets</b>					
<b>Business Type Activities</b>	<b>1,452,488.35</b>	<b>-</b>	<b>52,962.49</b>	<b>-</b>	<b>1,505,450.84</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: DEPOSITS, INVESTMENTS, AND REPURCHASE AGREEMENTS**

*Schedules containing deposit, investment and repurchase agreement information, in the required format, have been submitted to the Comptroller of Public Accounts as a separate supplement to the AFR.*

The State Preservation Board is authorized to make investments following the “prudent person rule”; however, all investment funds are currently managed by the Texas Treasury Safekeeping Trust Company.

The State Preservation Board has the Capitol Fund which holds funds donated to the Board and other agency receipts including the net proceeds from Capitol enterprises. The Capitol Fund is used for acquiring and refurbishing furnishings, for restoring areas of the State Capitol, Capitol Extension, General Land Office Building and Historic Grounds, and for educational purposes. The Board elected to use the Texas Treasury Safekeeping Trust Company to manage these funds. The cash and cash equivalents balance (consisting of demand deposits and repurchase agreements) in this fund as of August 31, 2024 was \$19,758,819.40.

The State Preservation Board has the Bullock Texas State History Museum Fund which holds funds donated to the Board and other agency receipts, including the net operating proceeds from the Museum. The fund is used for programs related to the Museum. The Board elected to use the Texas Treasury Safekeeping Trust Company to manage these funds. The cash and cash equivalents balance (consisting of demand deposits and repurchase agreements) in this fund as of August 31, 2024 was \$1,943,654.58.

The State Preservation Board has the Maintain Bullock State History Museum Fund which holds appropriated funds from Senate Bill 8, 87th Legislature. The fund is for maintenance of the Bullock Texas State History Museum. The fund is held in trust and managed by the Texas Treasury Safekeeping Trust Company. The cash and cash equivalents balance (consisting of demand deposits and repurchase agreements) in this fund as of August 31, 2024 was \$103,235,795.13.

The State Preservation Board has the Texas State Buildings Preservation Endowment Fund which holds appropriated funds from Senate Bill 30, 88<sup>th</sup> Legislature. The funds are for maintenance and preservation of all buildings under the Board’s management. The fund is held in trust and managed by the Texas Treasury Safekeeping Trust Company. The investments balance as of August 31, 2024 was \$221,386,657.58.

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**NOTES TO THE FINANCIAL STATEMENTS**

**Deposits of Cash in Bank**

The State Preservation Board also maintains two cash accounts at local banks to allow the agency to maintain change banks for the Capitol Gift Shops and the Museum. The combined balance in these accounts as of August 31, 2024 was \$11,000.00.

As of August 31, 2024, the carrying amount of deposits was \$11,000.00 as presented below:

<b>Governmental and Business Type Activities</b>	<b>Amount</b>
Cash in Bank - Carrying Value	\$ 11,000.00
<b>Cash in Bank per AFR</b>	<b>\$ 11,000.00</b>
Proprietary Funds Current Assets Cash in Bank	\$ 11,000.00
<b>Cash in Bank per AFR</b>	<b>\$ 11,000.00</b>

These amounts consist of all cash in local banks and a portion of short-term investments and are classified accordingly to the following risk category -- Insured or collateralized with securities held by the governmental entity or by its agent in the name of the governmental entity. These amounts are included on the Combined Statement of Net Assets as part of "Cash and Cash Equivalents" account.

**Investments**

Assets of the Capitol Gift Shops Fund, the Texas State History Museum Fund, and the Maintain Bullock Texas State History Museum Fund, held by the Texas Safekeeping Trust Company, are invested primarily in overnight repurchase agreements. The agency offers no input regarding the investment of the funds but expects a high level of safety for the principal.

As of August 31, 2024, the carrying value and fair value of investments are as presented below:

<b>Business-Type Activities</b>	<b>Amount</b>
Repurchase Agreements - Capitol Gift Shops Fund	\$ 19,758,819.40
Repurchase Agreements - Texas State History Museum Fund	1,946,654.58
Repurchase Agreements - Maintain Bullock Texas State History Museum	103,235,795.13
<b>Total</b>	<b>\$ 124,938,269.11</b>

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Assets of the Texas State Buildings Preservation Endowment Fund, also held by Texas Safekeeping Trust Company, are invested in the categories below. The following tables include net asset values, fair value measurement classifications, unfunded capital commitments, redemption frequencies and terms as of August 31, 2024.

Investments Measured at Net Asset Value	Carrying Value	Fair Value (Level 1)	Fair Value (Level 2)
Money Market Funds	\$ 26,389,992.98	\$ 26,389,992.98	
Mutual Funds – Global Fixed Income	20,313,568.65	20,313,568.65	
Mutual Funds – Global Public Equities	45,146,391.83	45,146,391.83	
Equities	.03	.03	
Total Return Swap – Fixed Income	390,134.56		\$ 390,134.56
Total Return Swap - Equity	248,292.48		248,292.48
<b>Total</b>	<b>\$ 92,488,380.53</b>	<b>\$ 91,849,953.49</b>	<b>\$ 638,427.04</b>

Investments Measured at Net Asset Value	Carrying Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds – Direct Fixed Income	\$ 44,691,327.86	N/A	Daily, Monthly, Quarterly, Annually	2-92 days
Hedge Funds - Direct Equities	62,155,815.55	N/A	Daily, Monthly, Quarterly, Annually	1-120 days
Hedge Funds – Direct All Assets	4,253,338.75	N/A	Annually	45 days
Hedge Funds – Real Assets	4,253,723.50	N/A	Monthly	30 days
Domestic Alternative – Private Debt	3,426,179.42	\$ 5,630,729.90	N/A	N/A
Domestic Alternative – Private Equity	2,138,238.13	7,210,851.78	N/A	N/A
Domestic Alternative – Real Assets	7,979,653.85	3,456,741.92	N/A	N/A
<b>Total</b>	<b>\$ 128,898,277.05</b>	<b>\$ 16,298,323.60</b>		
<b>Total Investments</b>	<b>\$ 221,386,657.58</b>			

The Fair Value measurement technique used for Level 1 is quoted prices in active markets for identical assets. The Fair Value measurement technique used for Level 2 is significant other observable inputs. There were no Level 3 assets to report.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The agency does not have a deposit policy for custodial credit risk. The bank balances that were exposed to custodial credit risk are:

Business-Type Activities	Amount
Uninsured and Unregistered Fair Value, Securities Held by Counterparty	\$ 124,938,269.11
<b>Total</b>	<b>\$ 124,938,269.11</b>

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Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the probability of a financial loss resulting from a borrower's failure to repay a loan. Credit risk is measured using credit scores, credit ratings and credit default swaps. The following table presents market values, duration, weighted average maturity, and credit ratings of the Texas State Buildings Preservation Endowment as of August 31, 2024.

Investment Type	Market Value	Duration (Years)	Weighted Average Maturity (Days)	Credit Ratings: Standard & Poors and Fitch
Mutual Funds – Global Fixed Income	\$ 20,313,568.65	5.10		Not Rated
<b>Total Not Rated</b>	<b>\$ 20,313,568.65</b>			
Investment in STIF	\$ 26,389,992.98		46	AAA
<b>Total AAA</b>	<b>\$ 26,389,992.98</b>			

**NOTE 4: SHORT-TERM DEBT - Not applicable to this agency.**

**NOTE 5: LONG-TERM LIABILITIES**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2024, the following changes occurred in long-term liabilities.

Governmental Activities	Balance 09/01/2023	Additions	Reductions	Balance 08/31/2024	Amounts Due Within One Year
Compensable Leave	\$ 979,007.41	\$ 1,086,165.88	\$ (1,002,657.28)	\$ 1,062,516.01	\$ 678,585.10
<b>Total Governmental Activities</b>	<b>\$ 979,007.41</b>	<b>\$ 1,086,165.88</b>	<b>\$ (1,002,657.28)</b>	<b>\$ 1,062,516.01</b>	<b>\$ 678,585.10</b>

Business Type Activities	Balance 09/01/2023	Additions	Reductions	Balance 08/31/2024	Amounts Due Within One Year
Compensable Leave	\$ 320,692.17	\$ 377,082.75	\$ (342,727.96)	\$ 355,046.96	\$ 234,493.29
<b>Total Business Type Activities</b>	<b>\$ 320,692.17</b>	<b>\$ 377,082.75</b>	<b>\$ (342,727.96)</b>	<b>\$ 355,046.96</b>	<b>\$ 234,493.29</b>

**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 funds as the benefits accrue to employees. No liability is recorded for non-

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**NOTES TO THE FINANCIAL STATEMENTS**

vesting employees accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee’s salary or wage.

**NOTE 6: BONDED INDEBTEDNESS - Not applicable to this agency.**

**NOTE 7: DERIVATIVE INSTRUMENTS**

Derivatives are financial instruments whose value is derived, in whole or part, from the value of any one of more underlying securities or assets, or index of securities or assets, such as stocks, bonds, commodities, or currencies. The Endowment funds use derivatives as part of the portfolio hedging and overlays program. The objective of the program is to facilitate risk management and provide efficiency in the implementation of various investment strategies. Permitted applications of the portfolio hedging and overlays program are: to implement strategies in a low cost and efficient manner; to hedge and control risks; to alter the Endowment funds' market (systemic) exposure without trading the underlying cash market securities; to construct portfolios with risk and return characteristics that could not be created with cash market securities; or to facilitate transition trading.

Through the use of derivatives, the risks that are bound together in traditional cash market investments can be separated and managed independently. The primary intent of the Endowment funds' investment in derivative instruments is to manage and implement investment strategies more effectively and at a lower cost than would be possible in the cash market. All of the Endowment funds' derivative instruments are considered investment derivatives and therefore are measured and reported at fair value.

The fair value, changes in fair value, and notional value of the fund’s derivative investments, classified by derivative type, are displayed in the following table as of August 31, 2024.

<b>Derivative Investments</b>	<b>Fair Value</b>	<b>Changes in Fair Value Gain/(Loss)</b>	<b>Notional Value</b>
<b>Swaps – Level 2</b>			
Total Return Swap - Fixed Income	\$ 390,134.56	\$ (685,861.42)	\$ 13,957,284.86
Total Return Swap - Equity	248,292.48	5,732,045.08	13,403,235.88
<b>Total Derivatives</b>	<b>\$ 638,427.04</b>	<b>\$ 5,046,183.66</b>	<b>\$ 27,360,520.74</b>

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**NOTE 8: LEASES**

**Operating Leases:** The agency is a party to several contracts with film companies for the lease of IMAX films. Typical terms involve a per attendee royalty payment to the film company with a minimum total payment for the term of the contract. The agency also has an equipment lease agreement; however, the contracting parties may terminate the contract at any time, for any reason. Included in the expenditures or expenses reported in the financial statements are the following amounts of rent paid or due under operating leases:

<b>Fund Type</b>	<b>Amount</b>
Proprietary Fund (0849)	\$ 609,452.14
<b>Totals - Memorandum Only</b>	<b>\$ 609,452.14</b>

The agency is not a party to any non-cancellable operating leases having an initial term in excess of one year. Therefore, there are no future minimum lease rental payments under such operating leases.

**NOTE 9: PENSION PLANS - Not applicable to this agency.**

**NOTE 10: DEFERRED COMPENSATION - Not applicable to this agency.**

**NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - Not applicable to this agency.**

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS**

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

- Due From Other Agencies or Due To Other Agencies
- Due From Other Funds or Due To Other Funds
- Interfund Receivables or Interfund Payables
- Operating Transfers In or Operating Transfers Out
- Legislative Transfers In or Legislative Transfers Out
- State/Federal Grant Pass-through Activity

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

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Individual balances and activity as of August 31, 2024, follows:

Interfund Receivables/Payables	Interfund Receivables	Interfund Payables
<b>General Revenue (01) Fund 0001</b> Agency 809, D23 Fund 0001	493.33	2,105.40
<b>Mansion Renewal (01) Fund 0804</b> Agency 809, D23 Fund 0804	2,105.40	
<b>Capital Renewal (01) Fund 0854</b> Agency 809, D23 Fund 0854		9,848.08
<b>ARPA 2021 SB 8 Section 47 (01) Fund 0325</b> Agency 809, D23 Fund 0341		1,138,533.39
<b>Economic Stabilization HB 2 (01) Fund 599</b> Agency 809, D23 Fund 0599	1,138,533.39	
<b>Total Governmental Funds</b>	<b>\$ 1,141,132.12</b>	<b>\$ 1,150,486.87</b>
<b>Enterprise (05) D22 Fund 0849</b> Agency 809, D23 Fund 0849	51,076.17	51,569.50
Agency 809, D23 Fund 1993	9,848.08	
<b>Total Enterprise Funds</b>	<b>\$ 60,924.25</b>	<b>\$ 51,569.50</b>
<b>Total Interfund Receivables/Payables</b>	<b>\$ 1,202,056.37</b>	<b>\$ 1,202,056.37</b>

Operating Transfers	Transfers In	Transfers Out
<b>General Revenue Fund (01) 0001</b> Agency 809, D23 Fund 0001	847.75	3,203.57
<b>Economic Stabilization HB 2 (01) Fund 0599</b> Agency 809, D23 Fund 0599	221,972.83	(1,219,256.25)
<b>Mansion Renewal Fund (01) Fund 0804</b> Agency 809, D23 Fund 0804	487,524.20	487,524.20
<b>Capital Renewal Fund (01) Fund 0854</b> Agency 809, D23 Fund 0854	202,745,728.16	6,339,937.91
<b>Cemetery Preservation Fund (01) Fund 0902</b> Agency 809, D23 Fund 0902	10,919,070.89	10,919,070.89
<b>Total Governmental Funds</b>	<b>\$ 214,375,143.83</b>	<b>\$ 16,530,480.32</b>
<b>Enterprise (05) D22 Fund 0849</b> Agency 809, D23 Fund 0849	1,327,471.08	588,133.06
Agency 809, D23 Fund 2222	5,320.48	320.48
Agency 809, D23 Fund 2993		744,338.02
<b>Enterprise (05) D22 Fund 0879</b> Agency 809, D23 Fund 0879	545,626.50	545,626.50
Agency 809, D23 Fund 0845	373,190.01	373,190.01
Agency 809, D23 Fund 1111	453,120.12	101,535.85
Agency 809, D23 Fund 1993	3,597,499.25	355,721.52
<b>Total Enterprise Funds</b>	<b>\$ 6,302,227.44</b>	<b>\$ 2,708,865.14</b>
<b>Total Operating Transfers</b>	<b>\$ 220,677,371.27</b>	<b>\$ 19,239,345.76</b>

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Federal Pass-throughs	Revenues	Expenditures
ARPA 2021 SB 8 Sec 47 (01) Fund 0325 Agency 300, D23 Fund 0341	12,580,080.75	
<b>Total Governmental Funds</b>	<b>\$ 12,580,080.75</b>	<b>\$</b>
<b>Total Federal Pass-throughs</b>	<b>\$ 12,580,080.75</b>	<b>\$</b>

Due To/Due From	Due From	Due To
General Revenue (01) Fund 0001 Agency 454, D23 Fund 0001		6,710.55
ARPA 2021 SB 8 Sec.47 (1) Fund 0325 Agency 300, D23 Fund 0341 Agency 809, D23 Fund 1993 Agency 809, D23 Fund 0879	1,138,533.39	8,022.50 15.00
<b>Total Governmental Funds</b>	<b>\$ 1,138,533.39</b>	<b>\$ 14,748.05</b>
Enterprise (05) D22 Fund 0879 Agency 809, D23 Fund 0879 Agency 809, D23 Fund 1993	15.00 8,022.50	
<b>Total Enterprise Funds</b>	<b>\$ 8,037.50</b>	
<b>Total Due To/Due From</b>	<b>\$ 1,146,570.89</b>	<b>\$ 14,748.05</b>

State Pass-throughs	In	Out
Enterprise (05) Fund 0849 Agency 809, D23 Fund 0849	8,156.00	
<b>Total Enterprise Funds</b>	<b>\$ 8,156.00</b>	
<b>Total State Pass-throughs</b>	<b>\$ 8,156.00</b>	

Legislative Transfers	In	Out
General Revenue (01) Fund 0001 Agency 809, D23 Fund 0001	142,778,148.28	142,778,148.28
<b>Total Governmental Funds</b>	<b>\$ 142,778,148.28</b>	<b>\$ 142,778,148.28</b>
<b>Total Legislative Transfers</b>	<b>\$ 142,778,148.28</b>	<b>\$ 142,778,148.28</b>

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

The Texas Sunset Commission completed a review of the agency in March 2012. Under the Texas Sunset Act, the State Preservation Board will be abolished effective September 1, 2029, unless continued in existence by the Legislature as provided by the Act.

**NOTE 14: ADJUSTMENTS TO FUND BALANCE/NET ASSETS**

There is a restatement of \$573,791.39 in capital assets adjustments for governmental funds. The restatement is related to a prior year purchase that was recorded incorrectly in the statewide property accounting system.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 15: CONTINGENCIES AND COMMITMENTS**

As of August 31, 2024, the agency had no contingencies or commitments.

**NOTE 16: SUBSEQUENT EVENTS - Not applicable to this agency.**

### **NOTE 17: RISK MANAGEMENT**

The State Preservation Board is susceptible only to a small degree of risk. The risks include property damage to real property, furniture and equipment and historical artifacts. Other risks include casualty risks suffered by visitors to the Texas Capitol and potential workers' compensation claims by agency employees. The agency bears retention risks as noted below. The agency assumes substantially all risks associated with tort and liability claims due to performance of its duties. Any such claims by members of the public are referred to the Tort Litigation Division of the Office of the Attorney General. The agency understands that these losses will not be paid without legislative approval to either pay claims or pursue legal remedies. In either case, the agency would be well aware of potential losses prior to a legislative appropriation bill and these losses would be financed at that time.

The agency assumes substantially all risk associated with its property. Insurance policies are in effect for items on loan to the Bullock Texas State History Museum and Capitol Visitors Center. The agency continues to contemplate the purchase of private insurance for historical artifacts it owns.

Beginning in fiscal year 2002, the agency participates in a risk pool administered by the State Office of Risk Management for worker's compensation claims. An annual assessment is paid to cover all claims. The assessment is adjusted annually based upon various risk factors. The agency is not responsible for workers' compensation claims for other agencies' employees who work in the buildings, nor construction contractors' employees working in or around the buildings.

**NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS - Not applicable to this agency.**

**NOTE 19: THE FINANCIAL REPORTING ENTITY - Not applicable to this agency.**

**NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Not applicable to this agency.**

**NOTE 21: NOT APPLICABLE TO THE AFR.**

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 22: DONOR RESTRICTED ENDOWMENTS**

The State Preservation Board, in accordance with Government Code § 443.010, may receive gifts and donations and use such gifts of money made to the board for the purpose specified by the grantor, if any.

The following are endowments held in trust outside the State Treasury (Texas Treasury Safekeeping Trust Company) by the Comptroller in the Capitol Fund. The endowment principals are non-expendable, and interest earned is expended in accordance with provisions stipulated by the donors.

<b>Donor-Restricted Endowment</b>	<b>Amounts of Net Appreciation</b>	<b>Reported At</b>
True Endowment	\$ 78,662.20	Enterprise Fund; Capitol Fund
True Endowment	\$ 23,963.85	Enterprise Fund; Capitol Fund
True Endowment	\$ 95,563.54	Enterprise Fund; Capitol Fund

**NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS - Not applicable to this agency.**

**NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES - Not applicable to this agency.**

**NOTE 25: TERMINATION BENEFITS - Not applicable to this agency.**

**NOTE 26: SEGMENT INFORMATION ON ENTERPRISE FUNDS**

The agency operates the Capitol Visitors Parking Garage, the Bullock Texas State History Museum, and the Capitol Gift Shops. Each is accounted for as major individual enterprise funds; therefore, segment disclosure is not required due to information already provided in the basic financial statements.

**NOTE 27: SERVICE CONCESSION ARRANGEMENTS - Not applicable to this agency.**

**NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES - Not applicable to this agency.**

**NOTE 29: TROUBLED DEBT RESTRUCTURING - Not applicable to this agency.**

**NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES - Not applicable to this agency.**

**NOTE 31: TAX ABATEMENTS - Not applicable to this agency.**

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**NOTE 32: FUND BALANCES**

<b>GAAP Fund</b>	<b>D23 Funds</b>	<b>AFR 54 Class</b>	<b>Amount</b>	<b>Citation</b>	<b>Comments</b>
0879	1993/1111	Restricted	\$226,500.00	Texas Government Code, Chapter 443.0101	Nonexpendable for endowment funds
0879	1993/1111	Restricted	\$400,000.00	Texas Government Code, Chapter 443.013, 443.0131	Restrictions are imposed by state law
0879	1993/1111	Restricted	\$6,898,411.99	Texas Government Code, Chapter 443.0101	Restrictions are imposed by state law

**NOTE 33: ASSETS HELD IN TRUST**

The agency is in possession of historical items on loan from both State and non-State entities. The items are for display purposes only and are not used in its operations.

GASB provides no guidance on how to manage these items from a reporting perspective. They have chosen to leave it up to the individual government’s discretion. The Comptroller’s policy stipulates reporting these items on loan from non-State entities as ‘Assets in Trust’ with a corresponding liability titled ‘Assets Held for Others’.

The agency has followed the Comptroller’s policy for purposes of the Annual Financial Report but disagrees and has strong concerns about the policy with regard to items on loan at the Bullock Texas State History Museum. The Financial Accounting Standards Board (FASB) has held that Museums may choose not to capitalize collections if such action is stated in institutional policy.

Without overriding Comptroller policy, we would not have capitalized these loaned items based on the following arguments:

- Museums have held that museum collections do not meet the definition of an “asset” which requires probable future benefits related to generating cash inflows.
- Museums acquire collections through donation, bequest, purchase, field research and exchange. In each of these transactions there is a transfer of title. Artifact loans are not acquisitions, and there is certainly no transfer of ownership or title.
- Individual lenders, particularly of valuable materials, are frequently apprehensive that the State could stake claim to their objects despite the language in the loan agreement. To report their personal property as an asset of the state might confirm those fears and affect the Museum’s future ability to secure loans from private individuals. This would severely impact the exhibition program.
- The 'Assets Held in Trust' items for the Museum are booked at insurance valuations because that is all that is available. These valuations are not equivalent to asset valuations. To request asset valuations from individuals bears the real risk of creating the

**NOTES TO THE FINANCIAL STATEMENTS**

unfavorable scenario above. Similarly, requesting asset values from major institutions such as the Smithsonian may jeopardize the Museum's status as a credible borrower.

The agency stresses that reporting these loaned items as assets with the corresponding liability is done only to comply with Comptroller policy and in no way implies ownership or any legal right beyond the contractual language in the loan agreements.

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**EXHIBIT A-1 - Combining Balance Sheet**  
**Governmental Funds**  
**August 31, 2024**

	GOVERNMENTAL FUNDS							TOTAL
	GENERAL REVENUE (0001)	FEDERAL CARES/ FECRA ACT (0341)	ECONOMIC STABILIZATION (0599)	MANSION RENEWAL (0804)	CAPITAL RENEWAL (0854)	CEMETERY PRESERVATION (0902)	TX STATE BLDGS. PRESERVATION (1016)	
	U/F (0001)	U/F (0325)	U/F (0599)	U/F (0804)	U/F (0854)	U/F (0902)	U/F (1016)	
<b>ASSETS</b>								
<b>Current Assets:</b>								
Cash in State Treasury	59,287.68	-	-	278,819.44	-	11,420,386.67	-	11,758,493.79
Legislative Appropriations	151,452,027.89	-	-	-	-	-	-	151,452,027.89
Short Term Investments (Note 3)	-	-	-	-	-	-	26,389,992.98	26,389,992.98
<b>Receivables:</b>								
Interest and Dividends Receivable	-	-	-	1,130.89	13,070.60	47,554.63	115,030.33	176,786.45
Accounts Receivable	82,265.92	-	-	-	-	-	-	82,265.92
Interfund Receivable	493.33	-	1,138,533.39	2,105.40	-	-	-	1,141,132.12
Due from Other Agencies	-	1,138,533.39	-	-	-	-	-	1,138,533.39
Total Current Assets	151,594,074.82	1,138,533.39	1,138,533.39	282,055.73	13,070.60	11,467,941.30	26,505,023.31	192,139,232.54
<b>Non-Current Assets:</b>								
Investments - Equities	-	-	-	-	-	-	45,146,391.86	45,146,391.86
Investments - Alternatives	-	-	-	-	-	-	128,898,277.05	128,898,277.05
Investments - Fixed Income	-	-	-	-	-	-	20,313,568.65	20,313,568.65
Investments - Derivatives	-	-	-	-	-	-	638,427.04	638,427.04
Total Non-Current Assets	-	-	-	-	-	-	194,996,664.60	194,996,664.60
<b>TOTAL ASSETS</b>	<b>151,594,074.82</b>	<b>1,138,533.39</b>	<b>1,138,533.39</b>	<b>282,055.73</b>	<b>13,070.60</b>	<b>11,467,941.30</b>	<b>221,501,687.91</b>	<b>387,135,897.14</b>
<b>LIABILITIES</b>								
<b>Payables:</b>								
Vouchers Payable	3,060,160.71	-	-	-	-	-	-	3,060,160.71
Accounts Payable	20,097.43	-	-	-	3,222.52	-	-	23,319.95
Investment Trade Payables	-	-	-	-	-	-	431,452.12	431,452.12
Payroll Payables	935,811.54	-	-	-	-	-	-	935,811.54
Payroll Deduction Return Liability	2,610.45	-	-	-	-	-	-	2,610.45
Returned Expenditure Liability	200.00	-	-	-	-	-	-	200.00
Interfund Payable	2,105.40	1,138,533.39	-	-	9,848.08	-	-	1,150,486.87
Interest Payable	-	-	-	-	-	-	136,585.50	136,585.50
Due to Other Funds	8,037.50	-	-	-	-	-	-	8,037.50
Due to Other Agencies	6,710.55	-	-	-	-	-	-	6,710.55
Unearned Revenues	27,406.45	-	-	-	-	-	-	27,406.45
<b>TOTAL LIABILITIES</b>	<b>4,063,140.03</b>	<b>1,138,533.39</b>	<b>-</b>	<b>-</b>	<b>13,070.60</b>	<b>-</b>	<b>568,037.62</b>	<b>5,782,781.64</b>
<b>FUND BALANCES</b>								
Unassigned	147,484,724.89	-	1,138,533.39	-	-	-	-	148,623,258.28
Assigned	46,209.90	-	-	282,055.73	-	-	-	328,265.63
Nonspendable	-	-	-	-	-	-	200,000,000.00	200,000,000.00
Committed	-	-	-	-	-	11,467,941.30	20,933,650.29	32,401,591.59
<b>TOTAL FUND BALANCES</b>	<b>147,530,934.79</b>	<b>-</b>	<b>1,138,533.39</b>	<b>282,055.73</b>	<b>-</b>	<b>11,467,941.30</b>	<b>220,933,650.29</b>	<b>381,353,115.50</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>151,594,074.82</b>	<b>1,138,533.39</b>	<b>1,138,533.39</b>	<b>282,055.73</b>	<b>13,070.60</b>	<b>11,467,941.30</b>	<b>221,501,687.91</b>	<b>387,135,897.14</b>

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**EXHIBIT A-2 - Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
August 31, 2024**

	GOVERNMENTAL FUNDS							TOTAL
	GENERAL REVENUE (0001) U/F (0001)	FEDERAL CARES/ FECRA ACT (0341) U/F (0325)	ECONOMIC STABILIZATION (0599) U/F (0599)	MANSION RENEWAL (0804) U/F (0804)	CAPITAL RENEWAL (0854) U/F (0854)	CEMETERY PRESERVATION (0902) U/F (0902)	TX STATE BLDGS. PRESERVATION END. (1016) U/F (1016)	
	<b>REVENUES:</b>							
Legislative Appropriations:								
Original Appropriations	27,536,284.00	-	-	-	-	-	-	27,536,284.00
Additional Appropriations	2,180,237.86	-	-	-	-	-	-	2,180,237.86
Federal Grant Pass-Through Revenue	-	12,580,080.75	-	-	-	-	-	12,580,080.75
Interest and Other Investment Income	-	-	-	24,813.68	862,815.66	593,058.27	429,281.21	1,909,968.82
Net Increase (Decrease) in Fair Value	-	-	-	-	-	-	20,720,786.22	20,720,786.22
Other Revenue	115,439.55	-	-	8,427.45	-	-	-	123,867.00
<b>Total Revenues</b>	<b>29,831,961.41</b>	<b>12,580,080.75</b>	<b>-</b>	<b>33,241.13</b>	<b>862,815.66</b>	<b>593,058.27</b>	<b>21,150,067.43</b>	<b>65,051,224.65</b>
<b>EXPENDITURES:</b>								
Salaries and Wages	8,164,159.64	-	-	-	-	-	-	8,164,159.64
Payroll Related Costs	2,320,821.70	-	-	-	-	-	-	2,320,821.70
Professional Fees and Services	328,142.80	15,440.00	-	7,508.00	3,222.52	-	216,417.14	570,730.46
Travel	3,252.29	-	-	-	-	-	-	3,252.29
Materials and Supplies	505,081.81	6,969.00	-	61,197.66	-	-	-	573,248.47
Communication and Utilities	120,529.15	-	-	-	-	-	-	120,529.15
Repairs and Maintenance	1,157,886.77	8,270.84	-	74,562.66	-	-	-	1,240,720.27
Rentals and Leases	55,698.95	-	-	340.40	-	-	-	56,039.35
Printing and Reproduction	3,664.80	-	-	-	-	-	-	3,664.80
Judgments & Settlements	250,000.00	-	-	-	-	-	-	250,000.00
Other Operating Expenditures	1,485,849.42	-	-	25,247.70	-	-	-	1,511,097.12
Capital Outlay	7,201,824.32	12,549,400.91	302,695.69	67,786.89	-	-	-	20,121,707.81
<b>Total Expenditures</b>	<b>21,596,911.65</b>	<b>12,580,080.75</b>	<b>302,695.69</b>	<b>236,643.31</b>	<b>3,222.52</b>	<b>-</b>	<b>216,417.14</b>	<b>34,935,971.06</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>8,235,049.76</b>	<b>-</b>	<b>(302,695.69)</b>	<b>(203,402.18)</b>	<b>859,593.14</b>	<b>593,058.27</b>	<b>20,933,650.29</b>	<b>30,115,253.59</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Legislative Appropriations Lapsed	(4,517.30)	-	-	-	-	-	-	(4,517.30)
Sale of Capital Assets	1,071.43	-	-	-	-	-	-	1,071.43
Contributions	-	-	-	-	-	-	200,000,000.00	200,000,000.00
Operating Transfers In	142,778,996.03	-	221,972.83	487,524.20	202,745,728.16	10,919,070.89	-	357,153,292.11
Operating Transfers Out	(142,781,351.85)	-	1,219,256.25	(487,524.20)	(206,339,937.91)	(10,919,070.89)	-	(359,308,628.60)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,801.69)</b>	<b>-</b>	<b>1,441,229.08</b>	<b>-</b>	<b>(3,594,209.75)</b>	<b>-</b>	<b>200,000,000.00</b>	<b>197,841,217.64</b>
<b>FUND BALANCES - September 1, 2023</b>	<b>139,301,686.72</b>	<b>-</b>	<b>-</b>	<b>485,457.91</b>	<b>2,734,616.61</b>	<b>10,874,883.03</b>	<b>-</b>	<b>153,396,644.27</b>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES AND OTHER FINANCING USES</b>	<b>8,229,248.07</b>	<b>-</b>	<b>1,138,533.39</b>	<b>(203,402.18)</b>	<b>(2,734,616.61)</b>	<b>593,058.27</b>	<b>220,933,650.29</b>	<b>227,956,471.23</b>
<b>FUND BALANCES - August 31, 2024</b>	<b>147,530,934.79</b>	<b>-</b>	<b>1,138,533.39</b>	<b>282,055.73</b>	<b>-</b>	<b>11,467,941.30</b>	<b>220,933,650.29</b>	<b>381,353,115.50</b>

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**EXHIBIT F-1 - Combining Statement of Net Position**  
**Proprietary Funds**  
**August 31, 2024**

	ENTERPRISE FUNDS		
	TEXAS STATE HISTORY MUSEUM (0849) U/F (0849)	CAPITOL GIFT SHOPS (0879) U/F (0879)	TOTAL
<b>ASSETS</b>			
Current Assets:			
Cash:			
Cash on Hand	13,884.37	19,597.18	33,481.55
Cash in Bank	10,000.00	1,000.00	11,000.00
Cash in State Treasury	974,696.60	1,349,989.82	2,324,686.42
Short-Term Investments	105,179,449.71	19,758,819.40	124,938,269.11
Receivables:			
Accounts Receivable	49,342.42	175,485.23	224,827.65
Interfund Receivable	51,076.17	9,848.08	60,924.25
Due From Other Funds	-	8,037.50	8,037.50
Merchandise Inventories	223,887.94	761,555.65	985,443.59
Total Current Assets	<u>106,502,337.21</u>	<u>22,084,332.86</u>	<u>128,586,670.07</u>
Non-Current Assets:			
Capital Assets:			
Non-Depreciable:			
Assets Held in Trust	4,792,177.00	-	4,792,177.00
Land and Land Improvements	-	421,309.35	421,309.35
Construction in Progress	-	428,020.15	428,020.15
Other Capital Assets	35,000.00	48,601.05	83,601.05
Depreciable/Amortizable:			
Vehicles, Boats and Aircraft	49,740.66	20,389.00	70,129.66
Less Accumulated Depreciation	(592.15)	(20,389.00)	(20,981.15)
Furniture and Equipment	116,794.78	111,574.74	228,369.52
Less Accumulated Depreciation	(102,993.36)	(83,785.02)	(186,778.38)
Buildings and Building Improvements	629,806.00	260,425.76	890,231.76
Less: Accumulated Depreciation	(291,622.02)	(116,829.10)	(408,451.12)
Computer Software	-	5,280.00	5,280.00
Less Accumulated Amortization	-	(5,280.00)	(5,280.00)
Other Assets	1,111,623.64	-	1,111,623.64
Less Accumulated Depreciation	(1,111,623.64)	-	(1,111,623.64)
Total Non-Current Assets	<u>5,228,310.91</u>	<u>1,069,316.93</u>	<u>6,297,627.84</u>
<b>TOTAL ASSETS</b>	<u><b>111,730,648.12</b></u>	<u><b>23,153,649.79</b></u>	<u><b>134,884,297.91</b></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Payables:			
Vouchers Payable	88,961.43	102,636.18	191,597.61
Accounts Payable	9,483.01	15,810.88	25,293.89
Payroll Payables	290,890.05	130,187.51	421,077.56
Interfund Payable	51,569.50	-	51,569.50
Unearned Revenues	107,221.25	1,185.00	108,406.25
Employees Compensable Leave	148,153.86	86,339.43	234,493.29
Total Current Liabilities	<u>696,279.10</u>	<u>336,159.00</u>	<u>1,032,438.10</u>
Non-Current Liabilities:			
Employee Compensable Leave	59,236.66	61,317.01	120,553.67
Assets Held for Others	4,792,177.00	-	4,792,177.00
Total Non-Current Liabilities	<u>4,851,413.66</u>	<u>61,317.01</u>	<u>4,912,730.67</u>
<b>TOTAL LIABILITIES</b>	<u><b>5,547,692.76</b></u>	<u><b>397,476.01</b></u>	<u><b>5,945,168.77</b></u>
<b>NET POSITION</b>			
Restricted for Endowments	-	226,500.00	226,500.00
Restricted by Contributors/Statutes	-	7,298,411.99	7,298,411.99
Unrestricted	106,182,955.36	15,231,261.79	121,414,217.15
<b>TOTAL NET POSITION</b>	<u><b>106,182,955.36</b></u>	<u><b>22,756,173.78</b></u>	<u><b>128,939,129.14</b></u>

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**EXHIBIT F-2 - Combining Statement of Revenues, Expenses,  
and Changes in Net Position  
August 31, 2024**

	TEXAS STATE HISTORY MUSEUM (0849) U/F (0849)	CAPITOL GIFT SHOPS (0879) U/F (0879)	TOTAL
<b>OPERATING REVENUES:</b>			
Sales of Goods and Services	6,179,405.75	4,826,170.15	11,005,575.90
Other Operating Revenues	78,850.17	20,335.57	99,185.74
<b>Total Operating Revenues</b>	<b>6,258,255.92</b>	<b>4,846,505.72</b>	<b>11,104,761.64</b>
<b>OPERATING EXPENSES:</b>			
Cost of Goods Sold	541,976.42	1,612,084.40	2,154,060.82
Salaries and Wages	2,633,822.26	1,367,317.44	4,001,139.70
Payroll Related Costs	871,564.40	406,648.43	1,278,212.83
Professional Fees and Services	46,919.70	27,049.00	73,968.70
Travel	18,817.95	6,050.70	24,868.65
Materials and Supplies	505,082.32	114,980.67	620,062.99
Communications and Utilities	135,288.46	25,823.15	161,111.61
Repairs and Maintenance	340,497.19	95,297.19	435,794.38
Rentals and Leases	990,108.87	48,403.28	1,038,512.15
Printing and Reproduction	33,329.23	22,565.67	55,894.90
Depreciation and Amortization	41,270.52	23,134.92	64,405.44
Interest	171.04	0.82	171.86
Other Operating Expenses	1,169,451.11	463,839.55	1,633,290.66
<b>Total Operating Expenses</b>	<b>7,328,299.47</b>	<b>4,213,195.22</b>	<b>11,541,494.69</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,070,043.55)</b>	<b>633,310.50</b>	<b>(436,733.05)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Dividend and Interest Income	3,370,770.44	833,717.24	4,204,487.68
State Grant Pass-Through	8,156.00	-	8,156.00
Gifts, Grants and Donations	283,259.39	19,437.17	302,696.56
<b>Total Non-Operating Revenues (Expenses)</b>	<b>3,662,185.83</b>	<b>853,154.41</b>	<b>4,515,340.24</b>
<b>INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS</b>	<b>2,592,142.28</b>	<b>1,486,464.91</b>	<b>4,078,607.19</b>
<b>OTHER REVENUES, EXPENSES, GAINS/(LOSSES) AND TRANSFERS</b>			
Transfers In	101,332,791.56	4,969,435.88	106,302,227.44
Transfers Out	(1,332,791.56)	(1,376,073.88)	(2,708,865.44)
<b>Total Other Revenues, Expenses, Gains/(Losses) and Transfers</b>	<b>100,000,000.00</b>	<b>3,593,362.00</b>	<b>103,593,362.00</b>
<b>TOTAL NET POSITION, September 1, 2023</b>	<b>3,590,813.08</b>	<b>17,676,346.87</b>	<b>21,267,159.95</b>
<b>CHANGE IN NET POSITION</b>	<b>102,592,142.28</b>	<b>5,079,826.91</b>	<b>107,671,969.19</b>
<b>TOTAL NET POSITION - August 31, 2024</b>	<b>106,182,955.36</b>	<b>22,756,173.78</b>	<b>128,939,129.14</b>

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**EXHIBIT F-3 - Combining Statement of Cash Flows**

**Proprietary Funds**

August 31, 2024

	ENTERPRISE FUNDS		
	TEXAS STATE HISTORY MUSEUM (0849) U/F (0849)	CAPITOL GIFT SHOPS (0879) U/F (0879)	TOTAL
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from Customers	6,618,812.65	4,802,284.60	11,421,097.25
Payments to Suppliers for Goods and Services	(518,270.92)	(1,637,389.11)	(2,155,660.03)
Payments to Employees	(3,410,862.98)	(1,772,516.56)	(5,183,379.54)
Payments for Other Expenses	(3,239,665.87)	(804,010.03)	(4,043,675.90)
<b>Net Cash Provided by Operating Activities</b>	<b>(549,987.12)</b>	<b>588,368.90</b>	<b>38,381.78</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Proceeds from Transfers from Other Funds	101,332,791.56	4,969,435.88	106,302,227.44
Payments for Transfers to Other Funds	(1,332,791.56)	(1,376,073.88)	(2,708,865.44)
Proceeds from Other Non-Operating Revenues	291,415.39	19,437.17	310,852.56
<b>Net Cash Provided by Non-capital Financing Activities</b>	<b>100,291,415.39</b>	<b>3,612,799.17</b>	<b>103,904,214.56</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from Gain on Sale of Capital Assets	-	-	-
Payments for Additions to Fixed Assets	(54,829.92)	(62,538.01)	(117,367.93)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>(54,829.92)</b>	<b>(62,538.01)</b>	<b>(117,367.93)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Interest and Investment Income	3,370,770.44	833,717.24	4,204,487.68
<b>Net Cash Provided from Investing Activities</b>	<b>3,370,770.44</b>	<b>833,717.24</b>	<b>4,204,487.68</b>
<b>Increase (Decrease) in Cash</b>	<b>103,057,368.79</b>	<b>4,972,347.30</b>	<b>108,029,716.09</b>
<b>Cash and Cash Equivalents -- September 1, 2023</b>	<b>3,120,661.89</b>	<b>16,157,059.10</b>	<b>19,277,720.99</b>
<b>Cash and Cash Equivalents -- August 31, 2024</b>	<b>106,178,030.68</b>	<b>21,129,406.40</b>	<b>127,307,437.08</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
<b>Operating Income (Loss)</b>	<b>(1,070,043.55)</b>	<b>633,310.50</b>	<b>(436,733.05)</b>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Amortization and Depreciation	41,270.52	23,134.92	64,405.44
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables	253,772.57	(103,899.76)	149,872.81
(Increase) Decrease in Interfund Receivables	94,961.04	58,493.64	153,454.68
(Increase) Decrease in Inventories	37,120.38	80,263.64	117,384.02
Increase (Decrease) in Due to Other Funds	(399.45)	(3,351.60)	(3,751.05)
Increase (Decrease) in Payables	(13,015.43)	(102,216.75)	(115,232.18)
Increase (Decrease) in Deferred Revenue	11,823.12	1,185.00	13,008.12
Increase (Decrease) in Compensable Leave	37,909.27	(3,554.48)	34,354.79
Increase (Decrease) in Other Liabilities	56,614.41	5,003.79	61,618.20
<b>Total Adjustments</b>	<b>520,056.43</b>	<b>(44,941.60)</b>	<b>475,114.83</b>
<b>Net Cash Provided by Operating Activities</b>	<b>(549,987.12)</b>	<b>588,368.90</b>	<b>38,381.78</b>

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**SCHEDULE 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended August 31, 2024**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	ALN Number	NSE Name/ Identifying Number	Pass-Through From		Direct Program Amount	Total PT From & Direct Program	Pass-Through To		Expenditures Amount	Total PT To & Expenditures	
			Agency/ Univ. #	Agency or University Amount			Non-State Entity Amount	Agency/ Univ. #			Agency or University Amount
<b>U.S. Department of the Treasury</b>											
<u>Pass-Through From:</u>											
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Governor - Fiscal	21.027	RSP3X3U4SGU6		12,580,080.75	-	-	12,580,080.75	-	-	12,580,080.75	12,580,080.75
			300								
<b>Total - U.S. Department of the Treasury</b>				<b>12,580,080.75</b>	<b>-</b>	<b>-</b>	<b>12,580,080.75</b>	<b>-</b>	<b>-</b>	<b>12,580,080.75</b>	<b>12,580,080.75</b>
<b>Total Expenditures of Federal Awards</b>				<b>12,580,080.75</b>	<b>-</b>	<b>-</b>	<b>12,580,080.75</b>	<b>-</b>	<b>-</b>	<b>12,580,080.75</b>	<b>12,580,080.75</b>
<b>Reconciliation:</b>											
Federal Pass-Through Revenue (Exhibit II)				12,580,080.75							
Reconciling Items:											
Pass-through Expenditures				-							
<b>Total Pass-Through and Expenditures Per Federal Schedule</b>				<b>12,580,080.75</b>							