

TEXAS DEPARTMENT OF BANKING

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2023



Charles G. Cooper
Banking Commissioner

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Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

2601 North Lamar Blvd., Austin, Texas 78705

512-475-1300 / 877-276-5554

www.dob.texas.gov

October 24, 2023

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

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Department of Banking for the year ended August 31, 2023, in compliance with Texas Government Code Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 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 any questions, please contact Sami Chadli at (512) 475-1316 or Irma Rodriguez at (512) 475-1344.

Sincerely,

Charles G. Cooper
Banking Commissioner

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DEPARTMENT OF BANKING
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended August 31, 2023

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TEXAS DEPARTMENT OF BANKING (451)

Exhibit I

Combined Balance Sheet/Statement of Net Position - Governmental Funds

August 31, 2023

	Governmental Fund Types		Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
	(1008);U/F(1008) (1008);U/F(1999) (1008);U/F(8070)	(9993);U/F(0955)			
Assets					
Current Assets:					
Cash and Cash Equivalents					
Cash in Bank (Note 3)	\$ 20,000.00	\$ 977,073.28			\$ 997,073.28
Cash in State Treasury	2,716,439.35				2,716,439.35
Short Term Investments (Note 3)	16,651,293.01	1,461,064.02			18,112,357.03
Accounts Receivable	66,525.35				66,525.35
Due from Other Agencies	78,594.00				78,594.00
Total Current Assets	\$ 19,532,851.71	\$ 2,438,137.30	\$ -	\$ -	\$ 21,970,989.01
Non-Current Assets:					
Capital Assets (Note 2)					
Non-Depreciable or Non-Amortizable					
Land and Land Improvements			\$ 235,000.00		\$ 235,000.00
Depreciable or Amortizable					
Buildings and Building Improvements			3,154,089.20		3,154,089.20
Less Accumulated Depreciation			(2,996,384.74)		(2,996,384.74)
Furniture and Equipment			332,040.82		332,040.82
Less Accumulated Depreciation			(296,208.99)		(296,208.99)
Computer Software - Intangible			7,579.99		7,579.99
Less Accumulated Amortization			(7,579.99)		(7,579.99)
Right to Use Asset - Building			2,085,459.32		2,085,459.32
Less Accumulated Amortization			(537,456.15)		(537,456.15)
Total Non-Current Assets	\$ -	\$ -	\$ 1,976,539.46	\$ -	\$ 1,976,539.46
Total Assets	\$ 19,532,851.71	\$ 2,438,137.30	\$ 1,976,539.46	\$ -	\$ 23,947,528.47
Liabilities and Fund Balances					
Current Liabilities:					
Accounts Payable	\$ 345,748.32				\$ 345,748.32
Payroll Payables	2,563,624.05				2,563,624.05
Interest Payable				1,602.80	1,602.80
Due to Other Agencies	1,581.62				1,581.62
Employees' Compensable Leave (Note 5)				1,921,936.81	1,921,936.81
Unearned Revenues		2,438,137.30			2,438,137.30
Right to Use Lease Obligations				330,044.16	330,044.16
Total Current Liabilities	\$ 2,910,953.99	\$ 2,438,137.30	\$ -	\$ 2,253,583.77	\$ 7,272,630.90
Non-Current Liabilities:					
Employees' Compensable Leave (Note 5)				\$ 1,553,110.84	\$ 1,553,110.84
Right to Use Lease Obligations				1,112,231.58	1,112,231.58
Total Non Current Liabilities	\$ -	\$ -	\$ -	\$ 2,665,342.42	\$ 1,553,110.84
Total Liabilities	\$ 2,910,953.99	\$ 2,438,137.30	\$ -	\$ 4,918,926.19	\$ 8,825,741.74
Fund Balances (Deficits):					
Committed	\$ 16,621,897.72				\$ 16,621,897.72
Total Fund Balances	\$ 16,621,897.72	\$ -	\$ -	\$ -	\$ 16,621,897.72
Total Liabilities and Fund Balances	\$ 19,532,851.71	\$ 2,438,137.30			
Government-wide Statement of Net Position					
Net Position:					
Invested in Capital Assets, Net of Related Debt			\$ 1,976,539.46		\$ 1,976,539.46
Unrestricted				(4,918,926.19)	(4,918,926.19)
Total Net Position			\$ 1,976,539.46	\$ (4,918,926.19)	\$ 13,679,510.99

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

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TEXAS DEPARTMENT OF BANKING (451)

Exhibit II

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities - Governmental Funds
For the Fiscal Year Ended August 31, 2023

	Governmental Funds Total <u>(1008);U/F(1008)</u> <u>(1008);U/F(1999)</u>	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES:				
Licenses, Fees and Permits	\$ 29,991,556.14			\$ 29,991,556.14
Interest and Other Investment Income	807,234.49			807,234.49
Total Revenues	<u>\$ 30,798,790.63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,798,790.63</u>
EXPENDITURES:				
Salaries and Wages	\$ 19,775,295.77		\$ 644,429.97	\$ 20,419,725.74
Payroll Related Costs	5,648,174.53			5,648,174.53
Professional Fees and Services	472,788.87			472,788.87
Travel	1,482,734.76			1,482,734.76
Materials and Supplies	456,921.96			456,921.96
Communications and Utilities	319,760.16			319,760.16
Repairs and Maintenance	155,525.80			155,525.80
Rentals and Leases	451,440.66			451,440.66
Claims and Judgements	-			-
Printing and Reproduction	1,206.76			1,206.76
Other Expenditures	635,023.02		(325.12)	634,697.90
Debt Service Principal Leases			(323,625.32)	(323,625.32)
Capital Outlay				-
Depreciation and Amortization Expense		298,002.11		298,002.11
Total Expenditures/Expenses	<u>\$ 29,398,872.29</u>	<u>\$ 298,002.11</u>	<u>\$ 320,479.53</u>	<u>\$ 30,017,353.93</u>
Excess (deficiency) of Revenues over Expenditures	<u>\$ 1,399,918.34</u>	<u>\$ (298,002.11)</u>	<u>\$ (320,479.53)</u>	<u>\$ 781,436.70</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	\$ -			\$ -
Transfers In	29,475,917.57			29,475,917.57
Transfers Out	(29,475,917.57)			(29,475,917.57)
Increase in Obligations - Lease				-
Inc (Dec) in Net Position Due to Interagency Transfer				-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balances/Net Position	<u>\$ 1,399,918.34</u>			<u>\$ 781,436.70</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2021	\$ 15,221,979.38			\$ 15,221,979.38
Appropriations Lapsed				-
FUND BALANCES - August 31, 2022	<u>\$ 16,621,897.72</u>			<u>\$ 16,003,416.08</u>
Government-wide Statement of Net Position				
Net Position/Net Change in Net Position	<u>\$ 16,621,897.72</u>	<u>\$ (298,002.11)</u>	<u>\$ (320,479.53)</u>	<u>\$ 16,003,416.08</u>
Net Position, September 1, 2021		\$ 2,274,541.57	\$ (4,598,446.66)	\$ (2,323,905.09)
Restatements				-
Net Position, September 1, 2021, as Restated		<u>2,274,541.57</u>	<u>(4,598,446.66)</u>	<u>(2,323,905.09)</u>
Net Position, August 31, 2022	<u>\$ 16,621,897.72</u>	<u>\$ 1,976,539.46</u>	<u>\$ (4,918,926.19)</u>	<u>\$ 13,679,510.99</u>

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

Texas Department of Banking (451) - UNAUDITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ENTITY

The Texas Department of Banking (“Department”) 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.

The Department serves the State by performing functions designed to maintain a financial regulatory system for Texas that promotes a consistent banking environment, and provides the public with convenient, safe, and competitive banking and other stable financial services.

The Department’s statutory duties include the chartering or licensing, regulation, registration, supervision, and/or examination of:

- State-chartered Commercial Banks;
- State-chartered Trust Companies;
- Bank Holding Companies;
- Foreign Bank Offices;
- Money Services Businesses;
- Perpetual Care Cemeteries (death care provider);
- Prepaid Funeral Contract Providers (death care provider); and
- Check Verification Companies.

Our primary objective is to ensure the above entities operate in a safe and sound manner in order to protect the public as they interact with these entities.

The Texas Department of Banking Commissioner is appointed by the Finance Commission of Texas (“Finance Commission”). The Finance Commission, which derives its authority from Chapter 11 of the *Texas Finance Code* (The Texas Banking Act), consists of eleven members appointed by the Governor, subject to Senate confirmation. The composition of the Finance Commission is as follows: two state bankers, one state savings and loan executive, one consumer credit executive, one residential mortgage loan originator, and six public members, one of whom must be a certified public accountant. The Governor appoints the presiding officer.

The Legislature designated the Department as a self-directed, semi-independent (SDSI) agency in 2009. All revenues for operations are placed in a separate account at the Texas Treasury Safekeeping Trust Company.

The Department does not have any component units.

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 is considered for audit by the State Auditor as part of the audit of the state’s Annual Comprehensive Financial Report (ACFR); 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 Adjustment Fund Types

General Revenue Funds

The Local Operating Fund (Fund 1008/1999) is the principal operating fund used to account for most of the agency's general activities. It accounts for all financial resources except those accounted for in the other funds.

The Local Trust Fund (Fund 0955) is used to account for assets the government holds on behalf of others in a purely custodial capacity. The trust fund involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Capital Assets Adjustment Fund Type

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

Long-Term Liabilities Adjustment Fund Type

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

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period that they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end.

The state of Texas considers receivables collected within 60 days after fiscal year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion adjustment fund types convert modified accrued basis to full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid Employees' Compensable Leave, and full accrual revenues and expenses.

Budgets and Budgetary Accounting

The budget is prepared annually and represents amounts approved by the Finance Commission according to Finance Code, Sec. 16.003.

Assets, Liabilities and Fund Balances/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.

Short Term Investments

Short term investments represent overnight repurchase agreements with the Texas Treasury Safekeeping Trust Company.

Accounts Receivable

Accounts receivable represents funds due to the agency.

Due From Other Agencies

Due from other agencies represents payments due from other agencies and funds within the State of Texas.

Texas Department of Banking (451) - UNAUDITED

Capital Assets

Assets that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. These assets are capitalized at cost. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Depreciable assets are depreciated over the estimated useful life of the asset using the straight-line method.

Liabilities

Accounts Payable

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Payroll Payable

Payroll payable represents the liability for the August related costs payable September 1st.

Due to Other Agencies

Due to other agencies represents payments due to other agencies and funds within the State of Texas.

Employees' Compensable Leave

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 non-current in the statement of net assets. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Unearned Revenues

Unearned Revenues represents amounts held by the Department in a custodial or trustee capacity. These amounts have not yet been distributed to the appropriate payee or fund.

Fund Balance/Net Position

"Fund Balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary, and fiduciary fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as 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 not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance includes those resources that have constraints placed on their use through external parties 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 authority.

Assigned Fund Balance includes amounts constrained by the state's intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by either the Texas Legislature or a body 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 restricted, committed or assigned to specific purposes within the general fund.

Texas Department of Banking (451) - UNAUDITED

Interfund Activities and Transactions

The agency has the following types of transactions between funds:

- 1) Transfers: Legally required transfers that are reported when incurred as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

- 2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2023 is as presented below:

Asset Type	Balance 9/1/2022	Interagency Transfers	Additions	Deletions	Balance 8/31/2023
GOVERNMENTAL ACTIVITIES					
Non-depreciable or Non-amortizable Assets					
Land and Land Improvements	\$ 235,000.00				\$ 235,000.00
Total Non-depreciable or Non-amortizable Assets	\$ 235,000.00	\$	\$	\$	\$ 235,000.00
Depreciable Assets					
Buildings and Building Improvements	\$ 3,154,089.20				\$ 3,154,089.20
Furniture and Equipment	332,040.82				332,040.82
Total Depreciable Assets at Historical Cost	\$ 3,486,130.02	\$	\$	\$	\$ 3,486,130.02
Less Accumulated Depreciation for:					
Buildings and Building Improvements	\$ (2,996,384.74)				\$ (2,996,384.74)
Furniture and Equipment	(266,934.55)		(29,274.44)		(296,208.99)
Total Accumulated Depreciation	\$ (3,263,319.29)	\$	\$ (29,274.44)	\$	\$ (3,292,593.73)
Depreciable Assets, Net	\$ 222,810.73	\$	\$ (29,274.44)	\$	\$ 193,536.29
Intangible Capital Assets - Amortizable					
Computer Software – Intangible	\$ 7,579.99				\$ 7,579.99
Total Intangible Assets at Historical Cost	\$ 7,579.99	\$	\$	\$	\$ 7,579.99
Less Accumulated Amortization for:					
Computer Software – Intangible	\$ (7,579.99)				\$ (7,579.99)
Total Accumulated Amortization	\$ (7,579.99)	\$	\$	\$	\$ (7,579.99)
Amortizable Assets, Net	\$ -	\$	\$	\$	\$ -
Governmental Activities Capital Assets, Net	\$ 457,810.73	\$	\$ (29,274.44)	\$	\$ 428,536.29

Texas Department of Banking (451) - UNAUDITED

NOTE 3: DEPOSITS, INVESTMENTS, AND REPURCHASE AGREEMENTS

The Department is authorized by statute to make investments following the “prudent person rule”. There were no violations of legal provisions during the period.

Deposits of Cash in Bank

Governmental Type Activities: As of August 31, 2023, the carrying amount of deposits was \$997,073.23. Of this amount, \$20,000 consists of cash in a local bank and \$977,073.28 in certificates of deposits.

As of August 31, 2023, the cash bank balance was \$995,532.34. The cash bank balance is not exposed to custodial credit risks.

Short Term Investments

Governmental Type Activities: As of August 31, 2023, the Department had \$18,112,357.03 in overnight repurchase agreements with the Texas Treasury Safekeeping Trust Company. Of this amount, \$16,651,293.01 consists of repurchase agreements in the local operating account of which \$9,627,528.98 is assigned for the purchase of a new building. The Prepaid Funeral Guaranty fund consists of the remaining \$1,461,064.02 in repurchase agreements. This amount consists of \$711,886.82 in the guarantee fund for trust funded prepaid funeral contracts and \$749,177.20 in the guarantee fund for insurance funded prepaid funeral contracts.

All overnight repurchase agreements with the Texas Treasury Safekeeping Trust Company are rated AA+ by Standard & Poor’s.

NOTE 4: SHORT-TERM DEBT – NOT APPLICABLE

NOTE 5: LONG-TERM LIABILITIES

Changes in General Long-Term Liabilities

During the fiscal year ended August 31, 2023, the following changes occurred in liabilities.

Governmental Activities	Balance 9/1/2022	Additions	Deductions	Balance 8/31/2023	Amounts Due Within One Year	Amounts Due Thereafter
Right to Use Lease Obligation	\$1,765,901.06		\$323,625.32	\$1,442,275.74	\$330,044.16	\$1,112,231.58
Employees' Compensable Leave	\$2,830,617.68	\$3,215,112.25	\$2,570,682.28	\$3,475,047.65	\$1,921,936.81	\$1,553,110.84
Total Governmental Activities	\$4,596,518.74	\$3,215,112.25	\$2,894,307.60	\$4,917,323.39	\$2,251,980.97	\$2,665,342.42

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

NOTE 6: BONDED INDEBTEDNESS - NOT APPLICABLE

NOTE 7: DERIVATIVE INSTRUMENTS – NOT APPLICABLE

Texas Department of Banking (451) - UNAUDITED

NOTE 8: LEASES

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases:

<u>Fund Type</u>	<u>Amount</u>
General Fund	\$410,360.34

**Future Lease Payments
Year Ended August 31, 2023:**

Primary Government
Governmental Activities

	Principal	Interest	Total
2024	\$ 330,044.16	\$ 17,707.48	\$ 347,751.64
2025	269,806.87	13,792.17	283,599.04
2026	199,482.56	10,961.70	210,444.26
2027	183,086.07	8,361.92	191,447.99
2028	185,691.04	5,756.95	191,447.99
2029-2033	274,165.04	6,049.50	280,214.54
Total	\$ 1,442,275.74	\$ 62,629.72	\$ 1,504,905.46

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN – NOT APPLICABLE

NOTE 10: DEFERRED COMPENSATION – NOT APPLICABLE

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – NOT APPLICABLE

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS – NOT APPLICABLE

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

SB 614 of the 86th Legislative Session continued the Department until September 1, 2031. At that time, the Department will undergo Sunset review for a determination of future existence. If abolished, the Department may continue until September 1, 2032, to close out its operations.

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION - NOT APPLICABLE

NOTE 15: CONTINGENCIES AND COMMITMENTS – NOT APPLICABLE

NOTE 16: SUBSEQUENT EVENTS – NOT APPLICABLE

Texas Department of Banking (451) - UNAUDITED

NOTE 17: RISK MANAGEMENT

The Department is exposed to a variety of civil claims resulting from the performance of its duties. It is the Department's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The Department, along with several other State agencies, has purchased through the State Office of Risk Management coverage for:

- Property insurance,
- Directors and officers/public officials (D&O) liability insurance,
- Employment practices liability insurance, and
- Privacy/network security/cyber liability as an endorsement under D&O insurance.

The Department assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently, the Department is not involved in any risk pools with other governmental entities.

The Department's liabilities are reported when it is both probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience, and economic factors. The Department had no liabilities of this nature at fiscal year-end.

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) - NOT APPLICABLE

NOTE 19: THE FINANCIAL REPORTING ENTITY - NOT APPLICABLE

NOTE 20: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – NOT APPLICABLE

NOTE 21: NOT APPLICABLE TO THE AFR

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

NOTE 27: SERVICE CONCESSION ARRANGEMENTS - NOT APPLICABLE

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES - NOT APPLICABLE

NOTE 29: TROUBLED DEBT RESTRUCTURING - NOT APPLICABLE

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES - NOT APPLICABLE

NOTE 31: TAX ABATEMENTS - NOT APPLICABLE

NOTE 32: GOVERNMENTAL FUND BALANCES – NOT APPLICABLE