



TEXAS ANIMAL HEALTH COMMISSION
AUSTIN, TEXAS

ANNUAL FINANCIAL REPORT
August 31, 2024

Lewis R. Dinges, D.V.M.
Executive Director

ANNUAL FINANCIAL REPORT
TEXAS ANIMAL HEALTH COMMISSION
Austin, Texas
For The Fiscal Year Ended August 31, 2024

Lewis R. Dinges, D.V.M.
EXECUTIVE DIRECTOR



TEXAS ANIMAL HEALTH COMMISSION

Serving Texas Animal Agriculture Since 1893

Coleman H. Locke, Chairman
Lewis R. "Bud" Dinges, DVM, Executive Director

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October 1, 2024

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
John McGeady, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Animal Health Commission for the year ended Aug. 31, 2024, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 34, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report (CAFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Paula Andrews at 512-719-0754. Mrs. Andrews may also be contacted for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

Lewis R. Dinges, DVM
Executive Director and State Veterinarian

COMMISSIONERS

Jimmie Ruth Evans
Melanie Johnson, Ed.D.
Ken Jordan
Barret J. Klein
T.J. Klein

Joe L. Leathers
Thomas "Tommy" Oates
Joseph G. "Joe" Osterkamp
Wendee L. Payne, Ph.D.
Johnny Trotter
Benjamin Turner, Ph.D.

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Texas Animal Health Commission
Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds
August 31, 2024

Combined Balance Sheet/Statement of Net Position	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
ASSETS										
Current Assets:										
Cash and Cash Equivalents (Note 3)										
Cash on Hand	\$		\$		\$	\$	\$		\$	\$
Cash in Bank		26,000.00				26,000.00				26,000.00
Cash in Transit/Reimburse from Treasury										
Cash in State Treasury	(351,931,366.70)					(351,931,366.70)				(351,931,366.70)
Short Term Investments (Note 3)										
Securities Lending Collateral										
Legislative Appropriations	356,802,390.85					356,802,390.85				356,802,390.85
Receivables from:										
Accounts										
Taxes										
Federal										
Leases										
Investment Trades										
Other Intergovernmental										
Interest and Dividends										
Gifts, Pledges and Donations										
Other										
Due From Other Funds (Note 12)										
Due From Other Agencies (Note 12)										
Interfund Receivable (Note 12)										
Consumable Inventories										
Merchandise Inventories										
Prepaid Items										
Loans and Contracts										
Restricted:										
Cash and Cash Equivalents (Note 3)										
Cash on Hand										
Cash in Bank										
Cash in Transit/Reimburse from Treasury										
Cash in State Treasury										
Other Current Assets										
Total Current Assets	4,897,024.15					4,897,024.15				4,897,024.15
Non-Current Assets:										
Gifts, Pledges and Donations										
Interfund Receivable (Note 12)										
Investments (Note 3)										
Lease Receivables										
Loans and Contracts										
Taxes (Note 23)										
Internal Balances (Note 12)										
Derivative Instruments (Notes 3, 7, 15)										
Restricted:										
Cash and Cash Equivalents (Note 3)										
Cash on Hand										
Cash in Bank										
Cash in Transit/Reimburse from Treasury										
Cash in State Treasury										
Receivables										
Investments (Note 3)										
Loans and Contracts										
Other Assets										
Hedging Derivative Asset (Note 7)										
Intangible Assets – PPP's (Note 27)										
Capital Assets (Note 2):										
Non-Depreciable or Non-Amortizable										
Depreciable or Amortizable, Net							6,093,644.42			6,093,644.42
Other Non-Current Assets										
Total Non-Current Assets							6,093,644.42			6,093,644.42
Total Assets	4,897,024.15					4,897,024.15	6,093,644.42			10,990,668.57
DEFERRED OUTFLOWS OF RESOURCES										
Deferred Outflows of Resources (Note 28)										
Total Deferred Outflows of Resources										
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Current Liabilities:										
Payables from:										
Accounts	\$	181,294.57	\$		\$	\$	181,294.57	\$		\$
Investment Trade										
Other Intergovernmental										
Payroll	1,337,562.56					1,337,562.56				1,337,562.56
Federal										
Interest								3,067.77		3,067.77
Contracts										
Tax Refunds (Note 23)										
Other										
Contracts Payable-Retained Percentage										
Due To Other Funds (Note 12)										
Due To Other Agencies (Note 12)										
Interfund Payable (Note 12)										
Unearned Revenues										
Obligations/Reverse Repurchase Agreement										

Texas Animal Health Commission
Exhibit I — Combined Balance Sheet/Statement of Net Position — Governmental Funds
August 31, 2024

Combined Balance Sheet/Statement of Net Position	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
Obligations Under Securities Lending										
Short Term Debt										
Employees' Compensable Leave (Note 5)								1,546,635.80		1,546,635.80
Claims and Judgments (Note 5)										
Pollution Remediation Obligations (Note 5)										
Asset Retirement Obligations (Note 5)										
Right to Use Lease Obligations (Note 5, 8)								305,885.42		305,885.42
Right to Use Subscription Obligations (Note 5, 8)										
Notes and Loans Payable (Note 5)										
Revenue Bonds Payable (Note 5, 6)										
General Obligation Bonds Payable (Note 5, 6)										
Pensions (Note 9)										
OPEB (Note 11)										
Liabilities Payable from Restricted Assets										
Other Current Liabilities										
Total Current Liabilities	1,518,857.13					1,518,857.13		1,855,588.99		3,374,446.12
Non-Current Liabilities										
Interfund Payable										
Employees' Compensable Leave (Note 5)								919,076.80		919,076.80
Claims and Judgments (Note 5)										
Pollution Remediation Obligations (Note 5)										
Asset Retirement Obligations (Note 5)										
Right to Use Lease Obligations (Note 5, 8)								2,131,160.09		2,131,160.09
Right to Use Subscription Obligations (Note 5, 8)										
Derivative Instruments (Note 3, 7, 16)										
Notes and Loans Payable (Note 5)										
Revenue Bonds Payable (Note 5, 6)										
General Obligation Bonds Payable (Note 5, 6)										
Hedging Derivative Liability (Note 7)										
Pensions (Note 9)										
OPEB (Note 11)										
Liabilities Payable from Restricted Assets										
Assets Held for Others										
Other Non-Current Liabilities										
Total Non-Current Liabilities								3,050,236.89		3,050,236.89
Total Liabilities	1,518,857.13					1,518,857.13		4,905,825.88		6,424,683.01
DEFERRED INFLOWS OF RESOURCES										
Deferred Inflows of Resources (Note 28)										
Total Deferred Inflows of Resources										
Fund Financial Statement										
Fund Balances (Deficits):										
Nonspendable										
Restricted										
Committed										
Assigned										
Unassigned	3,378,167.02					3,378,167.02				3,378,167.02
Total Fund Balances	3,378,167.02					3,378,167.02				3,378,167.02
Total Liabilities, Deferred Inflows of Resources and Fund Balances	4,897,024.15					4,897,024.15				
Government-Wide Statement of Net Position										
Net Position										
Net Investment in Capital Assets							6,093,644.42	(2,924,866.17)		3,168,778.25
Restricted For										
Debt Service										
Capital Projects										
Funds Held as Permanent Investments:										
Expendable										
Nonexpendable										
Other										
Unrestricted								(1,980,959.71)		(1,980,959.71)
Total Net Position							6,093,644.42	(4,905,825.88)		4,565,985.56

Texas Animal Health Commission, Agency 554
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

Combined Statement of Revenues, Expenditures
and Changes in Fund Balances/Statement of
Activities -Governmental Funds

	General Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities
REVENUES						
Legislative Appropriations						
Original Appropriations (GR)	17,578,158.00	17,578,158.00				17,578,158.00
Additional Appropriations (GR)	2,920,510.67	2,920,510.67				2,920,510.67
Federal Revenue (PR - Operating or Capital)	2,711,595.91	2,711,595.91				2,711,595.91
Federal Grant Pass-Through Revenue (GR)	3,277.40	3,277.40				3,277.40
License, Fees & Permits (PR)	697,899.44	697,899.44				697,899.44
Other (GR)	(1,427,740.22)	(1,427,740.22)				(1,427,740.22)
Total Revenues	22,483,701.20	22,483,701.20				22,483,701.20
EXPENDITURES						
Salaries and Wages	11,882,491.52	11,882,491.52		265,995.17		12,148,486.69
Payroll Related Costs	3,104,617.81	3,104,617.81				3,104,617.81
Professional Fees and Services	123,851.19	123,851.19				123,851.19
Travel	652,159.85	652,159.85				652,159.85
Materials and Supplies	1,582,402.14	1,582,402.14				1,582,402.14
Communication and Utilities	308,949.41	308,949.41				308,949.41
Repairs and Maintenance	1,221,792.12	1,221,792.12				1,221,792.12
Rentals and Leases	316,521.45	316,521.45				316,521.45
Printing and Reproduction	15,713.09	15,713.09				15,713.09
Federal Grant Pass-Through Expenditures						
State Grant Pass-Through Expenditures						
Other Expenditures	994,090.44	994,090.44		(331.86)		993,758.58
Debt Service:						
Principal - Leases	487,820.66	487,820.66		(487,820.66)		
Interest	42,266.64	42,266.64				42,266.64
Capital Outlay	1,444,360.88	1,444,360.88	(1,444,360.88)			
Depreciation and Amortization Expense			1,287,803.56			1,287,803.56
Total Expenditures/Expenses	22,177,037.20	22,177,037.20	(156,557.32)	(222,157.35)		21,798,322.53
Excess (Deficiency) of Revenues over (under)						
Expenditures	306,664.00	306,664.00	156,557.32	222,157.35		685,378.67
OTHER FINANCING SOURCES (USES)						
Transfer In						
Transfer Out	(376,764.58)	(376,764.58)	(13,320.77)			(390,085.35)
Sale of Capital Assets	111,006.41	111,006.41	(111,006.41)			
Gain (Loss) on Sale of Capital Assets			86,762.18			86,762.18
Insurance Recoveries	22,946.18	22,946.18				22,946.18
Total Other Financing Sources (Uses)	(242,811.99)	(242,811.99)	(37,565.00)			(280,376.99)
SPECIAL ITEMS						
Proceeds from Sale of Park Land						
EXTRAORDINARY ITEMS						
Natural Disaster-Hurricane						
Net Change in Fund Balances/Net Position	63,852.01	63,852.01				405,001.68
Fund Financial Statement - Fund Balances						
Fund Balances, September 1, 2023	5,031,371.61	5,031,371.61				5,031,371.61
Restatements						
Fund Balances, September 1, 2023, as Restated	5,031,371.61	5,031,371.61				5,031,371.61
Appropriations Lapsed	(1,717,056.60)	(1,717,056.60)				(1,717,056.60)
Fund Balances, August 31, 2024	3,378,167.02	3,378,167.02				3,719,316.69
Government-Wide Statement of Net Position						
Net Position/Net Change in Net Position		3,378,167.02	118,992.32	222,157.35		3,719,316.69
Net Position, September 1, 2023			5,906,425.52	(5,127,983.23)		778,442.29
Restatements			68,226.68			68,226.68
Net Position, September 1, 2023, as Restated			5,974,652.20	(5,127,983.23)		846,668.97
Net Position, August 31, 2024		3,378,167.02	6,093,644.52	(4,905,825.88)		4,565,985.66

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

NOTE1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Not required

NOTE 2: CAPITAL ASSETS

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

	PRIMARY GOVERNMENT					Balance 8/31/2024
	Balance 9/1/2023	Adjustments	Dec-Int'agy Transfer	Additions	Deletions	
Governmental						
Activities:						
Depreciable Assets						
Furniture and Equipment	2,632,490.01	68,800.00	-	83,976.87	(31,674.90)	2,753,591.98
Vehicles	4,710,174.29	-	-	1,360,384.01	(294,873.13)	5,775,685.17
Total depreciable assets						
at historical cost:	7,342,664.30	68,800.00	0.00	1,444,360.88	(326,548.03)	8,529,277.15
Less accumulated						
depreciation for:						
Furniture and Equipment	(1,445,810.94)	(573.32)	-	(247,052.04)	31,674.90	(1,661,761.40)
Vehicles	(2,894,153.63)	-	-	(536,729.42)	257,308.13	(3,173,574.92)
Total accumulated depreciatio	(4,339,964.57)	(573.32)	-	(783,781.46)	288,983.03	(4,835,336.32)
Depreciable assets, net	3,002,699.73	68,226.68	-	660,579.42	(37,565.00)	3,693,940.83
Amortized Assets-Intangible						
Software	-	-	-	-	-	-
Total amortized assets -						
Intangible:	-	-	-	-	-	-
Less accumulated						
amortization for:						
Software	-	-	-	-	-	-
Total accumulated amortizatio	-	-	-	-	-	-
Amortizable assets, net	-	-	-	-	-	-
Governmental activities						
Total Governmental activities	\$3,002,699.73	\$ 68,226.68	-	\$ 660,579.42	\$ (37,565.00)	\$ 3,693,940.83

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TEXAS ANIMAL HEALTH COMMISSION (554)

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

The Texas Animal Health Commission is authorized to maintain travel advance and petty cash funds for the central office.

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

All deposits are within limits for coverage by depository insurance.

Deposits of Cash in Bank

As of August 31, 2024, the carrying amount of deposits was zero.

Governmental Activities

Cash in Bank – Carrying Value	\$26,000.00
Cash in Bank per AFR	\$26,000.00
Governmental Funds Current Assets Cash in Bank	\$26,000.00
Cash in Bank per AFR	\$26,000.00

Investments

The Texas Animal Health Commission does not participate in investments.

NOTE 4: SHORT-TERM DEBT

Not applicable

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

	<u>Balance</u> <u>09/01/23</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u> <u>08/31/24</u>	<u>Due Within</u> <u>One Year</u>
Compensable Leave	\$2,199,717.43	\$2,301,498,.18	(\$2,035,503.01)	\$2,465,712.60	\$1,546,635.80
Total Governmental Activities	\$2,199,717.43	\$2,301,498,.18	(\$2,035,503.01)	\$2,465,712.60	\$1,546,635.80

TEXAS ANIMAL HEALTH COMMISSION (554)

Employees' Compensable Leave

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

NOTE 6: BONDED INDEBTEDNESS

Non-Applicable

NOTE 7: DERIVATIVES

Non-Applicable

NOTE 8: LEASES

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating lease obligations.

<u>Fund Type</u>	<u>Amount</u>
General Fund	\$ 305,885.42

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

For the year ended August 31	Amount
2025	\$ 341,522.29
2026	226,547.28
2027	226,547.28
2026	226,547.28
2027	226,547.28
2028	226,547.28
2029	226,547.28
2030-2034	819,409.47
2035-2039	612,218.73
2044 and beyond	0.00
Total future minimum lease payments	\$2,679,339.62

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN

Not Required

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TEXAS ANIMAL HEALTH COMMISSION (554)

NOTE 10: DEFERRED COMPENSATION

Not Required

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Not Required

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

Non-Applicable

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

The Texas Animal Health Commission is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by Chapter 325r, the Commission is abolished and this Act expires September 1, 2024. If abolished, the Commission may continue until September 1, 2034 to close out its operations.

NOTE 14: ADJUSTMENT TO FUND BALANCES AND NET POSITION

Correction of an Error in Previously Issued Financial Statements (Column C)

During fiscal year 2024, TAHC determined certain assets were placed in service in the prior fiscal year. The effect of correcting that error is shown in column C of the following table.

Adjustments to and Restatements of Beginning Balance

During fiscal year 2024, changes to or within the financial reporting agency and an error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	08/31/2023 As Previously Reported	Change To or Within the Financial Reporting Agency (A)	Change To or Within the Financial Reporting Agency (B)	Error Correction (C)	08/31/2023 As Restated
Governmental Activities Adjustments					
Capital Assets	(\$5,906,425.52)			(\$68,226.68)	(\$5,974,652.20)
Long-Term Liabilities	5,127,983.23				5,127,983.23
Deferred Revenue					
Internal Service Funds					
Total Governmental Activities Adjustments	(778,442.29)				(778,442.29)
Total Governmental Activities	(\$5,809,813.90)			(\$68,226.68)	(\$5,878,040.58)

TEXAS ANIMAL HEALTH COMMISSION (554)

The restatement of \$68,226.68 in general revenue in major funds of the governmental fund was an adjustment to depreciation from AY24 that was reported on GR recon.

NOTE 15: CONTINGENCIES AND COMMITMENTS

Non-Applicable

NOTE 16: SUBSEQUENT EVENTS

Non-Applicable

NOTE 17: RISK MANAGEMENT

Non-Applicable

NOTE 18: MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Non-Applicable

NOTE 19: THE FINANCIAL REPORTING ENTITY

Non-Applicable

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Non-Applicable

NOTE 21: N/A

Non-Applicable

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Non-Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Non-Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Non-Applicable

NOTE 25: TERMINATION BENEFITS

Not Required

NOTE 26: SEGMENT INFORMATION

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TEXAS ANIMAL HEALTH COMMISSION (554)

Not Required

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not Required

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

Not Required

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not Required

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not Required

NOTE 31: TAX ABATEMENTS

Not Required

NOTE 32: GOVERNMENTAL FUND BALANCES

Not Required

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TEXAS ANIMAL HEALTH COMMISSION (554)

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2024

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	IDENTIFYING NUMBER	Pass AGY./ UNIV. #	Through From AGENCIES OR UNIV. AMOUNT
U.S. Department of Agriculture				
<u>Direct Programs:</u>				
Plant and Animal Disease Pest Control and Animal Care	10.025			
Totals - U.S. Department of Agriculture				\$0.00
U.S. Department of Homeland Security				
<u>Pass Through From:</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
<u>Pass Through From:</u>				
Texas Division of Emergency Management			575	\$3,277.40
Totals - U.S. Department of Homeland Security				\$3,277.40
Research & Development Cluster				
U.S. Department of Agriculture				
<u>Pass Through From</u>				
Plant and Animal Disease Pest Control and Animal Care	10.025			
<u>Pass Through To:</u>				
Texas A&M AgriLife Research				
Totals - U.S. Department of Agriculture				\$0.00
Total Expenditures of Federal Awards				\$3,277.40

Note 1: The Texas Animal Health Commission did not receive Non-Monetary Assistance.

Note 2: Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned expended; therefore, federal revenues equal federal expenditures for the reporting period.

Federal Revenues (Exh II)	\$2,711,595.91
Federal Pass-Through Revenue (Exh II)	\$3,277.40
Total Pass-Through and Expenditures per Federal Schedule	\$2,714,873.31

Note 3a: The Texas Animal Health Commission does not have Student Loans Processed and Administrative Cost Recovered.

Note 3b: The Texas Animal Health Commission does not have Federally Funded Loans Processed and Administrative Cost Recovered.

Note 4: No longer required.

Note 5: The Texas Animal Health Commission does not have Unemployment Insurance Funds.

Note 6: The Texas Animal Health Commission does not have Rebates for the Special Supplemental Food Program for Women, Infants and Children.

UNAUDITED

TEXAS ANIMAL HEALTH COMMISSION (554)

DIRECT PROGRAM AMOUNT	TOTAL PT FROM & DIRECT PROGRAM	Pass AGY./ UNIV. #	Through AGENCIES OR UNIV. AMOUNT	To NON-STATE ENTITIES AMOUNT	EXPENDITURES AMOUNT	TOTAL PT FROM & EXPENDITURES
\$2,711,595.91	\$2,711,595.91				\$2,711,595.91	\$2,711,595.91
\$2,711,595.91	\$2,711,595.91		\$0.00	\$0.00	\$2,711,595.91	\$2,711,595.91
	\$3,277.40				\$3,277.40	\$3,277.40
\$0.00	\$3,277.40		\$0.00	\$0.00	\$3,277.40	\$3,277.40
\$0.00	\$0.00					\$0.00
\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
\$2,711,595.91	\$2,714,873.31		\$0.00	\$0.00	\$2,714,873.31	\$2,714,873.31

Note 7: The Texas Animal Health Commission has Deferred Federal Revenues. Received in FY 2020 is \$108,467.14 of prepaid federal award dollars intended for sub-recipients that was not earned by fiscal year end.

Note 8: The Texas Animal Health Commission received FEMA approval this current reporting fiscal year for eligible expenditures incurred in previous reporting fiscal years related to Hurricane Harvey (DR-4332).

Note 9: The Texas Animal Health Commission does not have any current or prior years Revolving Loan Funds related to the Economic Adjustment Assistance program.

Note 10: The Texas Animal Health Commission does not elect to use the 10 percent de minimis indirect cost rate.

Verification B: N/A

Verification C: The Texas Animal Health Commission does not have any NSE activity.

Verification D: N/A

Note 11: The Texas Animal Health Commission did not receive donations from Federal Assistance

Note 12: The Texas Animal Health Commission did not receive funding from CCDF

Note 13: The Texas Animal Health Commission did not receive EHV program funding

ADDENDUM I
ORGANIZATION AND GENERAL COMMENTS

The Texas Animal Health Commission (TAHC) was created by the legislature (as the Texas Livestock Sanitary Commission) over 125 years ago to address livestock disease. The agency serves Texans by ensuring the marketability and productivity of Texas livestock and poultry, both domestically and internationally; safeguarding the public health from animal-borne (zoonotic) diseases; protecting the state's animal agriculture economic stability by controlling and/or eradicating endemic diseases; and preventing and controlling disease outbreaks. Texas and U.S. producers have worked with state and federal regulatory agencies toward eradication of diseases of significant economic, animal health and regulatory importance. Because the agency's expertise is in health surveillance, response and mitigation, the TAHC serves as the state's lead agency for all animal issues in emergencies - whether man-made disasters, acts of agro-terrorism, or naturally occurring animal disease outbreaks.

The Administration of the Commission's programs is handled at the Central Office located in Austin, Texas. The TAHC is divided into six "regions" with an authorized workforce of 225.2 full-time equivalent employees comprised of livestock inspectors, veterinarians, epidemiologists and support staff.

Thirteen Commissioners are appointed by the Governor to serve for six-year terms. Representing all segments of the livestock industry and the public, to ensure industry representation by the Commission, one member, qualified by experience, must be from each of the following fields: (1) practitioner of veterinary medicine; (2) dairy industry; (3) cattle industry; (4) swine industry; (5) sheep and goat industry; (6) poultry industry; (7) feed-lot industry; (8) equine industry; (9) livestock marketing industry; and (10) exotic livestock and fowl industry. The three remaining members represent the general public.

Commission members serving as of August 31, 2024:

Commissioner's Name	Industry/Profession	Term Expiration Date	Hometown
Coleman H. Locke, Chairman	Beef Cattle	6 September 2027	Wharton
Jimmie Ruth Evans	Sheep and Goat	6 September 2025	San Antonio
Melanie Johnson ED. D.	General Public	6 September 2025	Houston
Kenneth "Ken" Jordan	Livestock Markets	6 September 2027	San Saba
Anthony E. "T.J." Klein Jr.	Poultry	6 September 2029	College Station
Barret J. Klein	Swine	6 September 2025	Boerne
Joe L. Leathers	Equine	6 September 2025	Guthrie
Thomas E. "Tommy" Oates	Exotic Livestock & Fowl	6 September 2025	Huntsville
Joseph G. "Joe" Osterkamp	Dairy	6 September 2029	Muleshoe
Wendee L. Payne Ph. D.	General Public	6 September 2029	Lubbock
Johnny E. Trotter	Feedlot Industry	6 September 2029	Hereford
Benjamin Turner Ph. D	General Public	6 September 2027	Kingsville
Veterinary Profession	Vacant		

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The Commission's key employees at August 31, 2024,were:

Name	Title
Lewis R. Dinges D.V.M.	Executive Director
Thomas R. Lansford, D.V.M.	Assistant Executive Director for Animal Health Programs
Jessica Monday, D.V.M.	State Epidemiologist
Jeanine Coggeshall	General Counsel

Region Offices:

Vacant, D.V.M.	Region Director, Amarillo
Sandra Leyendecker, D.V.M.	Region Director, Beeville
Sandra Leyendecker, D.V.M.	Region Director, Laredo
Richard Myrick, D.V.M.	Region Director, Giddings
Dustin Dorris, D.V.M.	Region Director, Stephenville
Hank Hayes, D.V.M.	Region Director, Sulphur Springs

ADDENDUM II
BALANCE SHEET COMMENTS

Exhibit I presents a combined balance sheet for the fund types of the Texas Animal Health Commission at August 31, 2024. The following comments expound on various elements of that exhibit.

Legislative Appropriations

Legislative appropriations consist of unexpended general revenue fund appropriation balances in the state treasury and federal cooperative agreement funds deposited to these appropriations.

Cash in State Treasury

Eighty-eighth Texas Legislatures approved rider 7 for Contingency Appropriations: Cost Recovery for Animal Health Programs for the Texas Animal Health Commission during the 2024-2025 biennium to assess fees sufficient to generate revenue to cover, at a minimum the General Revenue appropriations expended for these programs. During fiscal year 2024, collected fees are reflected in the amount of \$ 689,615.84.

Cash in Bank - Travel Advance Fund

The Commission maintains a \$25,000.00 travel advance fund at Frost Bank.

Cash in Bank - Petty Cash Fund

The Austin office of the Commission maintains a \$1,000.00 petty cash fund at Frost Bank.

ADDENDUM III
COMMENTS ON OPERATIONS

The Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended August 31, 2024, is presented in Exhibit II. The following comments provide supplemental information regarding fiscal operations.

The Commission works to prevent, control, and eradicate disease in Texas livestock, exotic livestock, domestic fowl, and exotic fowl. The agency mission includes:

- protecting livestock and fowl from domestic, foreign, and emerging animal diseases;
- increasing the marketability of Texas livestock commodities worldwide;
- promoting and ensuring animal health and productivity;
- protecting human health from animal disease and conditions that are transmissible to people; and
- preparing for and responding to emergencies involving animals.

As Texas hones its competitiveness in the global food market, TAHC programs support animal agriculture by focusing on the control and eradication of domestic diseases and emerging diseases and/or pests such as cattle and swine brucellosis, tuberculosis, trichomoniasis, equine piroplasmosis, and cattle fever ticks. The TAHC also ensures that the basic infrastructure is in place to reduce the risk of emerging and foreign animal diseases and exotic pests.

The Texas Animal Health Commission, as a livestock and poultry health agency, also provides services to key groups which include: private practice veterinarians, cattle producers/feeders, dairy producers, poultry producers, swine producers, exotic livestock and fowl producers, auction markets, livestock shows and rodeos, stakeholder organizations, equine producers, equestrians, non-profit emergency response organizations, and local governments.

New and/or innovative funding streams, and/or the return of traditional forms of fiscal support will be needed to ensure the agency can handle the long-standing disease response activities, while strengthening new processes and partnerships to manage all the emerging situations mentioned above. Regardless, TAHC leadership is committed to continuing the proud tradition of service to the citizens and animals of Texas and looks forward to meeting any future challenges.

Six key functions of the agency in addressing diseases and parasites in animals and emergency management are: (1) Prevention, (2) Surveillance, (3) Diagnosis, (4) Control, (5) Eradication, and (6) Emergency Management/Homeland Security.



TEXAS ANIMAL HEALTH COMMISSION

