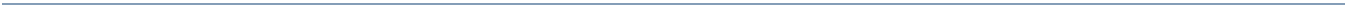

Section Two (continued)

Governmental Funds





STATE OF TEXAS

Combining Balance Sheet – Nonmajor Governmental Funds

August 31, 2014 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,346,130	\$ 608,642	\$ 702,795	\$ 52,178	\$ 2,709,745
Short-Term Investments	157,334			39,469	196,803
Receivables:					
Accounts	33	471	2,754		3,258
Taxes	74,214				74,214
Federal	1,944	19,426			21,370
Investment Trades				94	94
Interest and Dividends	12,322	80		25	12,427
Due From Other Funds	73,742		63,032	598	137,372
Interfund Receivable			440		440
Inventories	217		5		222
Prepaid Items	37				37
Investments	1,607,961			1,057,221	2,665,182
Loans and Contracts	867,269				867,269
Restricted:					
Cash and Cash Equivalents	4,725				4,725
Loans and Contracts	852,596				852,596
Other Assets	88,268				88,268
Total Assets	<u>\$ 5,086,792</u>	<u>\$ 628,619</u>	<u>\$ 769,026</u>	<u>\$ 1,149,585</u>	<u>\$ 7,634,022</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Payables:					
Accounts	\$ 120,115	\$ 320	\$ 240,082	\$ 1,439	\$ 361,956
Investment Trades	384			99	483
Payroll	4,128				4,128
Due To Other Funds	2,686		472,604	34,450	509,740
Interfund Payable	2,575		552		3,127
Unearned Revenues	152		490,641		490,793
Other Liabilities	200		1,780		1,980
Total Liabilities	<u>130,240</u>	<u>320</u>	<u>1,205,659</u>	<u>35,988</u>	<u>1,372,207</u>
Deferred Inflows of Resources:					
Deferred Inflows of Resources	4				4
Total Deferred Inflows of Resources	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Fund Balances:					
Nonspendable	254		5	832,736	832,995
Restricted	4,256,704	628,299	118,419	268,316	5,271,738
Committed	697,014			12,545	709,559
Assigned	2,576				2,576
Unassigned			(555,057)		(555,057)
Total Fund Balances	<u>4,956,548</u>	<u>628,299</u>	<u>(436,633)</u>	<u>1,113,597</u>	<u>6,261,811</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,086,792</u>	<u>\$ 628,619</u>	<u>\$ 769,026</u>	<u>\$ 1,149,585</u>	<u>\$ 7,634,022</u>

STATE OF TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
REVENUES					
Taxes	\$ 3,482,618	\$	\$	\$	\$ 3,482,618
Federal	2,896	49,999			52,895
Licenses, Fees and Permits	250,526	399,401			649,927
Interest and Other Investment Income	99,238	3,603	3,556	103,584	209,981
Land Income	33			20	53
Sales of Goods and Services	2,267		195,224		197,491
Other	22,848		23	248,417	271,288
Total Revenues	<u>3,860,426</u>	<u>453,003</u>	<u>198,803</u>	<u>352,021</u>	<u>4,864,253</u>
EXPENDITURES					
Current:					
General Government	218,611	786	24,921	2,608	246,926
Education	1,251,026		85	2,458	1,253,569
Employee Benefits	16,365				16,365
Health and Human Services	40		21,354	621	22,015
Public Safety and Corrections	55,612		30,768		86,380
Transportation	5,541	84,962	416,392		506,895
Natural Resources and Recreation	17,192		5,178	2,245	24,615
Regulatory Services	409,488				409,488
Capital Outlay	3,365		1,025,807		1,029,172
Debt Service:					
Principal		679,660			679,660
Interest	145	685,866	28		686,039
Other Financing Fees	648	6,029	917		7,594
Total Expenditures	<u>1,978,033</u>	<u>1,457,303</u>	<u>1,525,450</u>	<u>7,932</u>	<u>4,968,718</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>1,882,393</u>	<u>(1,004,300)</u>	<u>(1,326,647)</u>	<u>344,089</u>	<u>(104,465)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	3,212,410	816,286	35,536		4,064,232
Transfer Out	(3,329,381)	(901)	(189,289)	(19,031)	(3,538,602)
Bonds and Notes Issued	113,740	5,269	125,775		244,784
Bonds Issued for Refunding	15,095	1,505,435			1,520,530
Premiums on Bonds Issued	13,679	200,455			214,134
Payment to Escrow for Refunding	(15,095)	(1,710,915)			(1,726,010)
Sale of Capital Assets	1				1
Total Other Financing Sources (Uses)	<u>10,449</u>	<u>815,629</u>	<u>(27,978)</u>	<u>(19,031)</u>	<u>779,069</u>
Net Change in Fund Balances	<u>1,892,842</u>	<u>(188,671)</u>	<u>(1,354,625)</u>	<u>325,058</u>	<u>674,604</u>
Fund Balances, September 1, 2013	3,226,140	816,971	917,992	788,539	5,749,642
Restatements	(162,434)	(1)			(162,435)
Fund Balances, September 1, 2013, as Restated	<u>3,063,706</u>	<u>816,970</u>	<u>917,992</u>	<u>788,539</u>	<u>5,587,207</u>
Fund Balances, August 31, 2014	<u>\$ 4,956,548</u>	<u>\$ 628,299</u>	<u>\$ (436,633)</u>	<u>\$ 1,113,597</u>	<u>\$ 6,261,811</u>

Nonmajor Special Revenue Funds

The **Property Tax Relief Fund** is outside the general revenue fund. The proceeds of the fund are from allocations of the computation of motor vehicle sales tax, collection of all tobacco products tax increases and calculated amounts from franchise taxes. The fund was established with the intent of reducing school district property taxes.

The **Texas Transportation Corporations** issue bonds and notes – currently only conduit debt – to finance the cost of projects. The corporations act on behalf of the Texas Department of Transportation (TxDOT) in the promotion and development of transportation facilities by issuing private activity bonds for projects developed under comprehensive development agreements entered into by TxDOT.

The **Transportation Infrastructure Fund** makes grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production. The sources of the fund include federal funds, matching state funds, legislative appropriations, gifts, grants, fees and investment earnings.

The **Water Development Funds** receive proceeds from the sale of Texas Water Development bonds for the purpose of aiding and making funds available to various political subdivisions for projects and other authorized purposes. The funds also receive gifts or grants for the purpose of assisting economically distressed areas. Monies in the funds are invested.

The **System Benefit Fund** receives funds from a nonbypassable fee in an amount not to exceed 65 cents per megawatt hour and interest earned. The funds are used to provide funding for programs to assist low-income electric customers.

The **Available School Fund** receives distributions from the permanent school fund based on total return of investment assets, allocations of motor fuel taxes and appropriations made by the Legislature. The fund is to be used for the support of public schools.

STATE OF TEXAS

Combining Balance Sheet – Nonmajor Special Revenue Funds

August 31, 2014 (Amounts in Thousands)

	Property Tax Relief Fund	Texas Transportation Corporations	Transportation Infrastructure Fund	Water Development Funds	System Benefit Fund	Available School Fund	Other Nonmajor Special Revenue Funds*	Totals
ASSETS								
Cash and Cash Equivalents	\$	\$ 356	\$ 224,882	\$ 299,027	\$ 533,248	\$ 18,334	\$ 270,283	\$ 1,346,130
Short-Term Investments				157,325			9	157,334
Receivables:								
Accounts							33	33
Taxes						74,214		74,214
Federal				10			1,934	1,944
Interest and Dividends	16			3,584		46	8,676	12,322
Due From Other Funds		184		2		71,768	1,788	73,742
Inventories							217	217
Prepaid Items		4					33	37
Investments				1,607,947			14	1,607,961
Loans and Contracts				857,450			9,819	867,269
Restricted:								
Cash and Cash Equivalents							4,725	4,725
Loans and Contracts							852,596	852,596
Other Assets							88,268	88,268
Total Assets	<u>\$ 16</u>	<u>\$ 544</u>	<u>\$ 224,882</u>	<u>\$ 2,925,345</u>	<u>\$ 533,248</u>	<u>\$ 164,362</u>	<u>\$ 1,238,395</u>	<u>\$ 5,086,792</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Payables:								
Accounts	\$	\$ 176	\$ 2,589	\$ 2,016	\$ 112,237	\$	\$ 3,097	\$ 120,115
Investment Trades				384				384
Payroll							4,128	4,128
Due To Other Funds				877			1,809	2,686
Interfund Payable				2,575				2,575
Unearned Revenues							152	152
Other Liabilities							200	200
Total Liabilities	<u>0</u>	<u>176</u>	<u>2,589</u>	<u>5,852</u>	<u>112,237</u>	<u>0</u>	<u>9,386</u>	<u>130,240</u>
Deferred Inflows of Resources:								
Deferred Inflows of Resources						4		4
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>4</u>
Fund Balances:								
Nonspendable		4					250	254
Restricted	16			2,919,307		164,358	1,173,023	4,256,704
Committed			222,293	186	421,011		53,524	697,014
Assigned		364					2,212	2,576
Total Fund Balances	<u>16</u>	<u>368</u>	<u>222,293</u>	<u>2,919,493</u>	<u>421,011</u>	<u>164,358</u>	<u>1,229,009</u>	<u>4,956,548</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16</u>	<u>\$ 544</u>	<u>\$ 224,882</u>	<u>\$ 2,925,345</u>	<u>\$ 533,248</u>	<u>\$ 164,362</u>	<u>\$ 1,238,395</u>	<u>\$ 5,086,792</u>

* The other nonmajor special revenue funds column includes blended component units and the special revenue funds of the Employees Retirement System of Texas and the student loan fund. These funds do not meet the materiality threshold for separate column presentation.

STATE OF TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Property Tax Relief Fund	Texas Transportation Corporations	Transportation Infrastructure Fund	Water Development Funds	System Benefit Fund	Available School Fund	Other Nonmajor Special Revenue Funds*	Totals
REVENUES								
Taxes	\$ 2,665,228	\$	\$	\$	\$	\$ 817,390	\$	\$ 3,482,618
Federal				228			2,668	2,896
Licenses, Fees and Permits					17,065		233,461	250,526
Interest and Other Investment Income	626		726	41,635		452	55,799	99,238
Land Income							33	33
Sales of Goods and Services				66			2,201	2,267
Other		2,079		2,047			18,722	22,848
Total Revenues	<u>2,665,854</u>	<u>2,079</u>	<u>726</u>	<u>43,976</u>	<u>17,065</u>	<u>817,842</u>	<u>312,884</u>	<u>3,860,426</u>
EXPENDITURES								
Current:								
General Government							218,611	218,611
Education						1,227,473	23,553	1,251,026
Employee Benefits							16,365	16,365
Health and Human Services							40	40
Public Safety and Corrections							55,612	55,612
Transportation		2,108	3,433					5,541
Natural Resources and Recreation				13,714			3,478	17,192
Regulatory Services					409,488			409,488
Capital Outlay				34			3,331	3,365
Debt Service:								
Interest				145				145
Other Financing Fees				87			561	648
Total Expenditures	<u>0</u>	<u>2,108</u>	<u>3,433</u>	<u>13,980</u>	<u>409,488</u>	<u>1,227,473</u>	<u>321,551</u>	<u>1,978,033</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>2,665,854</u>	<u>(29)</u>	<u>(2,707)</u>	<u>29,996</u>	<u>(392,423)</u>	<u>(409,631)</u>	<u>(8,667)</u>	<u>1,882,393</u>
OTHER FINANCING SOURCES (USES)								
Transfer In			225,000	2,009,719		838,672	139,019	3,212,410
Transfer Out	(2,666,189)			(52,320)		(420,244)	(190,628)	(3,329,381)
Bonds and Notes Issued							113,740	113,740
Bonds Issued for Refunding				15,095				15,095
Premiums on Bonds Issued							13,679	13,679
Payment to Escrow for Refunding				(15,095)				(15,095)
Sale of Capital Assets				1				1
Total Other Financing Sources (Uses)	<u>(2,666,189)</u>	<u>0</u>	<u>225,000</u>	<u>1,957,400</u>	<u>0</u>	<u>418,428</u>	<u>75,810</u>	<u>10,449</u>
Net Change in Fund Balances	<u>(335)</u>	<u>(29)</u>	<u>222,293</u>	<u>1,987,396</u>	<u>(392,423)</u>	<u>8,797</u>	<u>67,143</u>	<u>1,892,842</u>
Fund Balances, September 1, 2013	351	397		1,096,877	813,434	155,561	1,159,520	3,226,140
Restatements				(164,780)			2,346	(162,434)
Fund Balances, September 1, 2013, as Restated	<u>351</u>	<u>397</u>	<u>0</u>	<u>932,097</u>	<u>813,434</u>	<u>155,561</u>	<u>1,161,866</u>	<u>3,063,706</u>
Fund Balances, August 31, 2014	<u>\$ 16</u>	<u>\$ 368</u>	<u>\$ 222,293</u>	<u>\$ 2,919,493</u>	<u>\$ 421,011</u>	<u>\$ 164,358</u>	<u>\$ 1,229,009</u>	<u>\$ 4,956,548</u>

* The other nonmajor special revenue funds column includes blended component units and the special revenue funds of the Employees Retirement System of Texas and the student loan fund. These funds do not meet the materiality threshold for separate column presentation.

STATE OF TEXAS

Budgetary Comparison Schedule

Nonmajor Special Revenue Funds

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Property Tax Relief Fund				Transportation Infrastructure Fund			
	Budgetary Amounts		Actual	Final To	Budgetary Amounts		Actual	Final To
	Original	Final	Budgetary	Actual	Original	Final	Budgetary	Actual
			Basis	Variance			Basis	Variance
REVENUES								
Taxes	\$ 2,791,808	\$ 2,656,364	\$ 2,665,228	\$ 8,864	\$	\$	\$	\$
Federal								
Licenses, Fees and Permits								
Interest and Other Investment Income	1,290	994	962	(32)			726	726
Land Income								
Sales of Goods and Services								
Other								
Total Revenues	<u>2,793,098</u>	<u>2,657,358</u>	<u>2,666,190</u>	<u>8,832</u>	<u>0</u>	<u>0</u>	<u>726</u>	<u>726</u>
EXPENDITURES								
General Government								
Education	2,793,098	2,793,098		2,793,098				
Employee Benefits								
Health and Human Services								
Public Safety and Corrections								
Transportation					225,000	225,000	845	224,155
Natural Resources and Recreation								
Regulatory Services								
Total Expenditures	<u>2,793,098</u>	<u>2,793,098</u>	<u>0</u>	<u>2,793,098</u>	<u>225,000</u>	<u>225,000</u>	<u>845</u>	<u>224,155</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>0</u>	<u>(135,740)</u>	<u>2,666,190</u>	<u>2,801,930</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(119)</u>	<u>224,881</u>
OTHER FINANCING SOURCES (USES)								
Transfer In					225,000	225,000	225,000	
Transfer Out			(2,666,190)	(2,666,190)				
Sale of Capital Assets								
Available Beginning Balances								
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2,666,190)</u>	<u>(2,666,190)</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and								
Other Financing Sources Over (Under)								
Expenditures and Other Financing Uses	<u>\$ 0</u>	<u>\$ (135,740)</u>	<u>\$ 0</u>	<u>\$ 135,740</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 224,881</u>	<u>\$ 224,881</u>

Continued on the following page

* The activity of the discretely presented Texas Transportation Corporations is not shown on this schedule because there is no legally adopted budget.

STATE OF TEXAS

Budgetary Comparison Schedule

Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Water Development Funds				System Benefit Fund			
	Budgetary Amounts		Actual Amounts	Final To	Budgetary Amounts		Actual Amounts	Final To
	Original	Final	Budgetary Basis	Actual Variance	Original	Final	Budgetary Basis	Actual Variance
REVENUES								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Federal			253	253				
Licenses, Fees and Permits					145,510	17,077	17,065	(12)
Interest and Other Investment Income	23,642	23,642	41,245	17,603	4,148			
Land Income								
Sales of Goods and Services			143	143				
Other			2,047	2,047				
Total Revenues	<u>23,642</u>	<u>23,642</u>	<u>43,688</u>	<u>20,046</u>	<u>149,658</u>	<u>17,077</u>	<u>17,065</u>	<u>(12)</u>
EXPENDITURES								
General Government								
Education								
Employee Benefits								
Health and Human Services								
Public Safety and Corrections								
Transportation								
Natural Resources and Recreation	6,556	2,012,557	11,740	2,000,817				
Regulatory Services					621,278	623,580	322,346	301,234
Total Expenditures	<u>6,556</u>	<u>2,012,557</u>	<u>11,740</u>	<u>2,000,817</u>	<u>621,278</u>	<u>623,580</u>	<u>322,346</u>	<u>301,234</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	17,086	(1,988,915)	31,948	2,020,863	(471,620)	(606,503)	(305,281)	301,222
OTHER FINANCING SOURCES (USES)								
Transfer In	2,000,000	2,000,000	2,009,719	9,719				
Transfer Out			(52,320)	(52,320)				
Sale of Capital Assets			1	1				
Available Beginning Balances	17,138	17,138	17,138		838,530	838,530	838,530	
Total Other Financing Sources (Uses)	<u>2,017,138</u>	<u>2,017,138</u>	<u>1,974,538</u>	<u>(42,600)</u>	<u>838,530</u>	<u>838,530</u>	<u>838,530</u>	<u>0</u>
Excess (Deficiency) of Revenues and								
Other Financing Sources Over (Under)								
Expenditures and Other Financing Uses	<u>\$ 2,034,224</u>	<u>\$ 28,223</u>	<u>\$ 2,006,486</u>	<u>\$ 1,978,263</u>	<u>\$ 366,910</u>	<u>\$ 232,027</u>	<u>\$ 533,249</u>	<u>\$ 301,222</u>

Concluded on the following page

* The activity of the discretely presented Texas Transportation Corporations is not shown on this schedule because there is no legally adopted budget.

STATE OF TEXAS

Budgetary Comparison Schedule

Nonmajor Special Revenue Funds (concluded)

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Available School Fund				Other Nonmajor Special Revenue Funds*			
	Budgetary Amounts		Actual Amounts	Final To	Budgetary Amounts		Actual Amounts	Final To
	Original	Final	Budgetary Basis	Actual Variance	Original	Final	Budgetary Basis	Actual Variance
REVENUES								
Taxes	\$	\$	\$ 814,579	\$ 814,579	\$	\$	\$	\$
Federal					4,250	4,250	1,624	(2,626)
Licenses, Fees and Permits					98,684	98,684	88,080	(10,604)
Interest and Other Investment Income	1,513	685	432	(253)	597	597	1,919	1,322
Land Income							23	23
Sales of Goods and Services					31,795	31,795	2,514	(29,281)
Other					48	63	85	22
Total Revenues	<u>1,513</u>	<u>685</u>	<u>815,011</u>	<u>814,326</u>	<u>135,374</u>	<u>135,389</u>	<u>94,245</u>	<u>(41,144)</u>
EXPENDITURES								
General Government					505,196	172,775	99,983	72,792
Education	1,350,059	1,350,059	1,227,473	122,586			434	(434)
Employee Benefits					602,618	18,899	16,209	2,690
Health and Human Services					17,715	17,756	186	17,570
Public Safety and Corrections					5,500	5,500	2	5,498
Transportation								
Natural Resources and Recreation					3,324	9,071	5,356	3,715
Regulatory Services								
Total Expenditures	<u>1,350,059</u>	<u>1,350,059</u>	<u>1,227,473</u>	<u>122,586</u>	<u>1,134,353</u>	<u>224,001</u>	<u>122,170</u>	<u>101,831</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>(1,348,546)</u>	<u>(1,349,374)</u>	<u>(412,462)</u>	<u>936,912</u>	<u>(998,979)</u>	<u>(88,612)</u>	<u>(27,925)</u>	<u>60,687</u>
OTHER FINANCING SOURCES (USES)								
Transfer In	1,767,360	1,634,571	838,672	(795,899)			76,672	76,672
Transfer Out		(420,977)	(420,244)	733			(35,002)	(35,002)
Sale of Capital Assets								
Available Beginning Balances	<u>17,273</u>	<u>17,273</u>	<u>17,273</u>		<u>19,764</u>	<u>19,764</u>	<u>19,764</u>	
Total Other Financing Sources (Uses)	<u>1,784,633</u>	<u>1,230,867</u>	<u>435,701</u>	<u>(795,166)</u>	<u>19,764</u>	<u>19,764</u>	<u>61,434</u>	<u>41,670</u>
Excess (Deficiency) of Revenues and								
Other Financing Sources Over (Under)								
Expenditures and Other Financing Uses	<u>\$ 436,087</u>	<u>\$ (118,507)</u>	<u>\$ 23,239</u>	<u>\$ 141,746</u>	<u>\$ (979,215)</u>	<u>\$ (68,848)</u>	<u>\$ 33,509</u>	<u>\$ 102,357</u>

* The activity of the discretely presented Texas Transportation Corporations is not shown on this schedule because there is no legally adopted budget.

Nonmajor Debt Service Funds

The **Texas College Student Loan Bonds Interest and Sinking Fund** receives deposits from the Texas opportunity plan fund for payment of current interest and principal and establishment of a reserve.

The **Texas Department of Transportation Texas Mobility Fund** receives proceeds from the sale of general obligation bonds and the revenues dictated by statute to provide for the debt service requirements of those bonds. The bond proceeds provide a method of financing for the construction, reconstruction, acquisition and expansion of state highway projects. The proceeds remain in the fund until transferred to the state highway fund.

The **Texas Public Finance Authority G.O. Bond Funds** receive proceeds and accrued interest from the sale of general obligation bonds and provide the debt service requirements for those bonds.

The **Texas Public Finance Authority Commercial Paper Funds** receive deposits of any accrued interest on the sale of notes and pledged revenues necessary to make debt service payments.

The **Texas Department of Transportation State Highway Debt Service Fund** receives proceeds and accrued interest from the sale of revenue bonds and provides the debt service requirements for those bonds.

STATE OF TEXAS

Combining Balance Sheet – Nonmajor Debt Service Funds

August 31, 2014 (Amounts in Thousands)

	Texas College Student Loan Bonds Interest and Sinking Fund	Texas Department of Transportation Texas Mobility Fund	Texas Public Finance Authority G.O. Bond Funds	Texas Public Finance Authority Commercial Paper Funds	Texas Department of Transportation State Highway Debt Service Fund	Other Nonmajor Debt Service Funds	Totals
ASSETS							
Cash and Cash Equivalents	\$ 111,172	\$ 364,216	\$ 24	\$ 5,117	\$ 128,107	\$ 6	\$ 608,642
Receivables:							
Accounts	471						471
Federal		8,975			10,451		19,426
Interest and Dividends	80						80
Total Assets	<u>\$ 111,723</u>	<u>\$ 373,191</u>	<u>\$ 24</u>	<u>\$ 5,117</u>	<u>\$ 138,558</u>	<u>\$ 6</u>	<u>\$ 628,619</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts	\$ 21	\$ 299	\$ 0	\$ 0	\$ 0	\$ 0	\$ 320
Total Liabilities	<u>21</u>	<u>299</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>320</u>
Fund Balances:							
Restricted	111,702	372,892	24	5,117	138,558	6	628,299
Total Fund Balances	<u>111,702</u>	<u>372,892</u>	<u>24</u>	<u>5,117</u>	<u>138,558</u>	<u>6</u>	<u>628,299</u>
Total Liabilities and Fund Balances	<u>\$ 111,723</u>	<u>\$ 373,191</u>	<u>\$ 24</u>	<u>\$ 5,117</u>	<u>\$ 138,558</u>	<u>\$ 6</u>	<u>\$ 628,619</u>

STATE OF TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Texas College Student Loan Bonds Interest and Sinking Fund	Texas Department of Transportation Texas Mobility Fund	Texas Public Finance Authority G.O. Bond Funds	Texas Public Finance Authority Commercial Paper Funds	Texas Department of Transportation State Highway Debt Service Fund	Other Nonmajor Debt Service Funds	Totals
REVENUES							
Federal	\$ 21	\$ 21,561	\$ 3,368	\$	\$ 25,049	\$	\$ 49,999
Licenses, Fees and Permits		399,401					399,401
Interest and Other Investment Income	1,178	1,917	9	20	466	13	3,603
Total Revenues	<u>1,199</u>	<u>422,879</u>	<u>3,377</u>	<u>20</u>	<u>25,515</u>	<u>13</u>	<u>453,003</u>
EXPENDITURES							
Current:							
General Government			477	309			786
Transportation		84,962					84,962
Debt Service:							
Principal	52,715	210,385	175,800	5,065	125,995	109,700	679,660
Interest	40,704	317,376	80,441	286	189,306	57,753	685,866
Other Financing Fees		4,136	1,082	811			6,029
Total Expenditures	<u>93,419</u>	<u>616,859</u>	<u>257,800</u>	<u>6,471</u>	<u>315,301</u>	<u>167,453</u>	<u>1,457,303</u>
Deficiency of Revenues Under Expenditures	<u>(92,220)</u>	<u>(193,980)</u>	<u>(254,423)</u>	<u>(6,451)</u>	<u>(289,786)</u>	<u>(167,440)</u>	<u>(1,004,300)</u>
OTHER FINANCING SOURCES (USES)							
Transfer In	110,603		254,526	11,368	273,247	166,542	816,286
Transfer Out	(900)					(1)	(901)
Bonds and Notes Issued			4,375			894	5,269
Bonds Issued for Refunding		973,775	298,706	232,954			1,505,435
Premium on Bonds Issued		157,759	42,696				200,455
Payment to Escrow for Refunding		(1,127,015)	(346,020)	(237,880)			(1,710,915)
Total Other Financing Sources	<u>109,703</u>	<u>4,519</u>	<u>254,283</u>	<u>6,442</u>	<u>273,247</u>	<u>167,435</u>	<u>815,629</u>
Net Change in Fund Balances	<u>17,483</u>	<u>(189,461)</u>	<u>(140)</u>	<u>(9)</u>	<u>(16,539)</u>	<u>(5)</u>	<u>(188,671)</u>
Fund Balances, September 1, 2013	94,219	562,353	164	5,126	155,097	12	816,971
Restatements						(1)	(1)
Fund Balances, September 1, 2013, as Restated	<u>94,219</u>	<u>562,353</u>	<u>164</u>	<u>5,126</u>	<u>155,097</u>	<u>11</u>	<u>816,970</u>
Fund Balances, August 31, 2014	<u>\$ 111,702</u>	<u>\$ 372,892</u>	<u>\$ 24</u>	<u>\$ 5,117</u>	<u>\$ 138,558</u>	<u>\$ 6</u>	<u>\$ 628,299</u>

Nonmajor Capital Projects Funds

The **Texas Public Finance Authority Administration Project Funds** utilize long-term financing for various state construction, repair or renovation projects. Funds are also used to refinance purchases of equipment by various state agencies.

The **Texas Parks and Wildlife Department Project Funds** are used for the acquisition and development of state park sites. Revenues from park entrance fees are used for the repayments of long-term debt incurred.

The **Texas Facilities Commission Project Funds** are used to administer the state's major and minor building construction programs.

The **Texas Department of Criminal Justice Prison Project Funds** are used for construction of regional centers and for repairs and minor construction of correctional facilities.

The **Texas Juvenile Justice Department Project Funds** are used to pay for minor construction and repairs of the former Texas Youth Commission buildings and facilities.

The **Texas Health Agencies Project Funds** are used to pay for the cost of construction, repair and remodeling for certain mental health facilities and other health related projects.

The **Texas Department of Public Safety Project Funds** are used to finance construction of new Department of Public Safety buildings and crime lab facilities in various state locations.

The **Texas Department of Transportation Project Funds** are used for public road and highway development, construction and improvement projects. The funds are also used to establish, acquire, operate, maintain and dispose of airports and air navigation facilities.

The **Texas Historical Commission Project Funds** are used to provide financial assistance to counties for the repair and renovation of courthouses.

The **Texas Mobility Capital Project Funds** are used to provide a method of financing construction, reconstruction, acquisition and expansion of state highways and other transportation projects.

STATE OF TEXAS

Combining Balance Sheet – Nonmajor Capital Projects Funds

August 31, 2014 (Amounts in Thousands)

	Texas Public Finance Authority Administration Project Funds	Texas Parks and Wildlife Department Project Funds	Texas Facilities Commission Project Funds	Texas Department of Criminal Justice Prison Project Funds	Texas Juvenile Justice Department Project Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,545	\$ 8,284	\$ 29,445	\$ 11,159	\$ 2,307
Accounts Receivable			2,754		
Due From Other Funds			37,284		293
Interfund Receivable		(13)			
Inventories	5				
Total Assets	<u>\$ 2,550</u>	<u>\$ 8,271</u>	<u>\$ 69,483</u>	<u>\$ 11,159</u>	<u>\$ 2,600</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables:					
Accounts	\$ 8	\$ 2,300	\$ 4,336	\$ 1,408	\$
Due To Other Funds					
Interfund Payable		295			
Unearned Revenues					
Other Liabilities			1,225	555	
Total Liabilities	<u>8</u>	<u>2,595</u>	<u>5,561</u>	<u>1,963</u>	<u>0</u>
Fund Balances:					
Nonspendable	5				
Restricted	2,537	5,676	63,922	9,196	2,600
Unassigned					
Total Fund Balances	<u>2,542</u>	<u>5,676</u>	<u>63,922</u>	<u>9,196</u>	<u>2,600</u>
Total Liabilities and Fund Balances	<u>\$ 2,550</u>	<u>\$ 8,271</u>	<u>\$ 69,483</u>	<u>\$ 11,159</u>	<u>\$ 2,600</u>

Texas Health Agencies Project Funds	Texas Department of Public Safety Project Funds	Texas Department of Transportation Project Funds	Texas Historical Commission Project Funds	Texas Mobility Capital Project Funds	Other Nonmajor Capital Projects Funds	Totals
\$ 5,109	\$ 6,760	\$ 613,673	\$ 19,025	\$ (26)	\$ 4,514	\$ 702,795
25,455						2,754
			453			63,032
						440
						5
<u>\$ 30,564</u>	<u>\$ 6,760</u>	<u>\$ 613,673</u>	<u>\$ 19,478</u>	<u>\$ (26)</u>	<u>\$ 4,514</u>	<u>\$ 769,026</u>
\$ 22,294	\$ 2,073	\$ 191,424	\$ 731	\$ 14,035	\$ 1,473	\$ 240,082
		467,569		5,035		472,604
245			12			552
		490,641				490,641
<u>22,539</u>	<u>2,073</u>	<u>1,149,634</u>	<u>743</u>	<u>19,070</u>	<u>1,473</u>	<u>1,205,659</u>
8,025	4,687		18,735		3,041	5
		(535,961)		(19,096)		118,419
<u>8,025</u>	<u>4,687</u>	<u>(535,961)</u>	<u>18,735</u>	<u>(19,096)</u>	<u>3,041</u>	<u>(555,057)</u>
<u>\$ 30,564</u>	<u>\$ 6,760</u>	<u>\$ 613,673</u>	<u>\$ 19,478</u>	<u>\$ (26)</u>	<u>\$ 4,514</u>	<u>\$ 769,026</u>

STATE OF TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Texas Public Finance Authority Administration Project Funds	Texas Parks and Wildlife Department Project Funds	Texas Facilities Commission Project Funds	Texas Department of Criminal Justice Prison Project Funds	Texas Juvenile Justice Department Project Funds
REVENUES					
Interest and Other Investment Income	\$ 5	\$ 41	\$ 75	\$ 54	\$ 10
Sales of Goods and Services			8,061		
Other Revenues			23		
Total Revenues	<u>5</u>	<u>41</u>	<u>8,159</u>	<u>54</u>	<u>10</u>
EXPENDITURES					
Current:					
General Government	631		14,001		
Education					
Health and Human Services					
Public Safety and Corrections				28,103	
Transportation					
Natural Resources and Recreation		5,178			
Capital Outlay	20	24,428	20,737	4,644	2,376
Debt Service:					
Interest					
Other Financing Fees					
Total Expenditures	<u>651</u>	<u>29,606</u>	<u>34,738</u>	<u>32,747</u>	<u>2,376</u>
Deficiency of Revenues					
Under Expenditures	<u>(646)</u>	<u>(29,565)</u>	<u>(26,579)</u>	<u>(32,693)</u>	<u>(2,366)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	627		6,971		
Transfer Out	(2,109)				
Bonds and Notes Issued	3,125	23,900	28,000	30,000	650
Total Other Financing Sources (Uses)	<u>1,643</u>	<u>23,900</u>	<u>34,971</u>	<u>30,000</u>	<u>650</u>
Net Change in Fund Balances	<u>997</u>	<u>(5,665)</u>	<u>8,392</u>	<u>(2,693)</u>	<u>(1,716)</u>
Fund Balances, September 1, 2013	1,545	11,341	55,530	11,889	4,316
Fund Balances, August 31, 2014	<u>\$ 2,542</u>	<u>\$ 5,676</u>	<u>\$ 63,922</u>	<u>\$ 9,196</u>	<u>\$ 2,600</u>

Texas Health Agencies Project Funds	Texas Department of Public Safety Project Funds	Texas Department of Transportation Project Funds	Texas Historical Commission Project Funds	Texas Mobility Capital Project Funds	Other Nonmajor Capital Projects Funds	Totals
\$ 39	\$ 39	\$ 772 187,163	\$ 91	\$ 2,409	\$ 21	\$ 3,556 195,224 23
<u>39</u>	<u>39</u>	<u>187,935</u>	<u>91</u>	<u>2,409</u>	<u>21</u>	<u>198,803</u>
			10,289			24,921
21,354					85	85
	2,665					21,354
		341		416,051		30,768
						416,392
8,192	19,486	700,469	3,343	238,641	3,471	5,178
						1,025,807
28						28
<u>29,574</u>	<u>22,151</u>	<u>700,810</u>	<u>13,632</u>	<u>917</u> <u>655,609</u>	<u>3,556</u>	<u>917</u> <u>1,525,450</u>
(29,535)	(22,112)	(512,875)	(13,541)	(653,200)	(3,535)	(1,326,647)
27,938						35,536
(17)		(187,163)				(189,289)
7,000	24,100		8,000		1,000	125,775
<u>34,921</u>	<u>24,100</u>	<u>(187,163)</u>	<u>8,000</u>	<u>0</u>	<u>1,000</u>	<u>(27,978)</u>
5,386	1,988	(700,038)	(5,541)	(653,200)	(2,535)	(1,354,625)
2,639	2,699	164,077	24,276	634,104	5,576	917,992
<u>\$ 8,025</u>	<u>\$ 4,687</u>	<u>\$ (535,961)</u>	<u>\$ 18,735</u>	<u>\$ (19,096)</u>	<u>\$ 3,041</u>	<u>\$ (436,633)</u>

Nonmajor Permanent Funds

The **Permanent Health Fund for Higher Education** was established by the Legislature from a portion of the money received in the settlement of *The State of Texas v. The American Tobacco Co., et.al.* The corpus of the account was designated by the Legislature to be preserved. Distributions of earnings on the account are to be transferred to other accounts and used for health care costs, tobacco education and enforcement.

The **National Research University Fund** was established by the Legislature to provide a dedicated, independent and equitable source of funding to enable emerging research universities to achieve national prominence as major research universities. The fund consists of appropriations and transfers under the Texas Constitution and amounts provided by law, gifts, grants and interest. The Texas Constitution required that balances

in the permanent higher education fund be transferred to the national research university fund on Jan. 1, 2010. Funds are allocated to eligible universities based on an equitable formula.

The **Permanent Fund Supporting Military and Veterans Exemptions** (Perm Fund Supporting MIL/VET Exempt) was established by the legislature to receive gifts, grants and investment returns for distributions to higher education institutions to offset the cost of the exemptions to certain veterans and/or dependents. Distributions are determined by the Legislative Budget Board based on each institution's respective share of the aggregate cost to all institutions of the exemptions. The Texas Treasury Safekeeping Trust Company determines the amount available for distribution from the fund.

STATE OF TEXAS

Combining Balance Sheet – Nonmajor Permanent Funds

August 31, 2014 (Amounts in Thousands)

	Permanent Health Fund for Higher Education	National Research University Fund	Perm Fund Supporting MIL/VET Exempt	Other Nonmajor Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	\$ 16,530	\$ 34,484	\$	\$ 1,164	\$ 52,178
Short-Term Investments	5,437	24,714	9,318		39,469
Receivables:					
Investment Trades	18	76			94
Interest and Dividends	5	17	3		25
Due From Other Funds				598	598
Investments	<u>144,453</u>	<u>658,554</u>	<u>250,820</u>	<u>3,394</u>	<u>1,057,221</u>
Total Assets	<u>\$ 166,443</u>	<u>\$ 717,845</u>	<u>\$ 260,141</u>	<u>\$ 5,156</u>	<u>\$ 1,149,585</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables:					
Accounts	\$ 360	\$ 347	\$ 134	\$ 598	\$ 1,439
Investment Trades	18	81			99
Due To Other Funds	210	34,240			34,450
Total Liabilities	<u>588</u>	<u>34,668</u>	<u>134</u>	<u>598</u>	<u>35,988</u>
Fund Balances:					
Nonspendable	149,814	682,922			832,736
Restricted	3,496	255	260,007	4,558	268,316
Committed	12,545				12,545
Total Fund Balances	<u>165,855</u>	<u>683,177</u>	<u>260,007</u>	<u>4,558</u>	<u>1,113,597</u>
Total Liabilities and Fund Balances	<u>\$ 166,443</u>	<u>\$ 717,845</u>	<u>\$ 260,141</u>	<u>\$ 5,156</u>	<u>\$ 1,149,585</u>

STATE OF TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds

For the Fiscal Year Ended August 31, 2014 (Amounts in Thousands)

	Permanent Health Fund for Higher Education	National Research University Fund	Perm Fund Supporting MIL/VET Exempt	Other Nonmajor Permanent Funds	Totals
REVENUES					
Interest and Other Investment Income	\$ 16,591	\$ 72,484	\$ 12,009	\$ 2,500	\$ 103,584
Land Income				20	20
Other			248,417		248,417
Total Revenues	<u>16,591</u>	<u>72,484</u>	<u>260,426</u>	<u>2,520</u>	<u>352,021</u>
EXPENDITURES					
Current:					
General Government	396	1,793	419		2,608
Education	329			2,129	2,458
Health and Human Services	621				621
Natural Resources and Recreation	2,244			1	2,245
Total Expenditures	<u>3,590</u>	<u>1,793</u>	<u>419</u>	<u>2,130</u>	<u>7,932</u>
Excess of Revenues Over Expenditures	<u>13,001</u>	<u>70,691</u>	<u>260,007</u>	<u>390</u>	<u>344,089</u>
OTHER FINANCING USES					
Transfer Out	(1,444)	(17,567)		(20)	(19,031)
Total Other Financing Uses	<u>(1,444)</u>	<u>(17,567)</u>	<u>0</u>	<u>(20)</u>	<u>(19,031)</u>
Net Change in Fund Balances	<u>11,557</u>	<u>53,124</u>	<u>260,007</u>	<u>370</u>	<u>325,058</u>
Fund Balances, September 1, 2013	<u>154,298</u>	<u>630,053</u>	<u>0</u>	<u>4,188</u>	<u>788,539</u>
Fund Balances, August 31, 2014	<u>\$ 165,855</u>	<u>\$ 683,177</u>	<u>\$ 260,007</u>	<u>\$ 4,558</u>	<u>\$ 1,113,597</u>

