

The spreadsheets in this publication are available  
in accessible data form (Excel) for the sections below.

Management's Discussion and Analysis, pages 19-32

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/analysis.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/analysis.xlsx)

Basic Financial Statements, pages 33-170

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/basic.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/basic.xlsx)

Required Supplementary Information other than MD&A, pages 171-184

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/supplemental.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/supplemental.xlsx)

Governmental Funds, pages 185-210

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/governmental.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/governmental.xlsx)

Enterprise Funds, pages 211-240

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/enterprise.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/enterprise.xlsx)

Fiduciary Funds, pages 241-258

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/fiduciary.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/fiduciary.xlsx)


Discretely Presented Component Units, pages 259-274

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/discrete.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/discrete.xlsx)

Statistical Section, pages 275-301

[comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/statistical.xlsx](http://comptroller.texas.gov/transparency/reports/comprehensive-annual-financial/2016/statistical.xlsx)

---

The background of the central section is a large, semi-transparent seal of the State of Texas. The seal features a five-pointed star in the center, surrounded by a wreath of olive and live oak branches. The words "THE STATE OF TEXAS" are inscribed around the perimeter of the seal.

Section Two (continued)

# Other Supplementary Information Combining Financial Statements and Schedules







## STATE OF TEXAS

**Combining Balance Sheet – Nonmajor Governmental Funds**

August 31, 2016 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 488,187	\$ 727,751	\$2,053,666	\$ 64,639	\$ 3,334,243
Short-Term Investments	67,882			77,376	145,258
Receivables:					
Accounts	124	1,045	6		1,175
Taxes	76,458				76,458
Federal	665	19,559			20,224
Interest and Dividends	11,815	189		73	12,077
Due From Other Funds	75,989	97,000	151,938	514	325,441
Inventories	166		5		171
Prepaid Items			344		344
Investments	1,758,423			1,274,855	3,033,278
Loans and Contracts	802,258				802,258
Restricted:					
Cash and Cash Equivalents	1,500				1,500
Loans and Contracts	970,227				970,227
Other Assets	90,542				90,542
Total Assets	<u>\$ 4,344,236</u>	<u>\$ 845,544</u>	<u>\$2,205,959</u>	<u>\$ 1,417,457</u>	<u>\$ 8,813,196</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Payables:					
Accounts	\$ 45,200	\$ 38	\$ 66,155	\$ 1,315	\$ 112,708
Payroll	748		5		753
Due To Other Funds	965		113,143	49,754	163,862
Interfund Payable	2,290		332		2,622
Unearned Revenues	326		720,921		721,247
Other Liabilities	36		2,556		2,592
Total Liabilities	<u>49,565</u>	<u>38</u>	<u>903,112</u>	<u>51,069</u>	<u>1,003,784</u>
Fund Balances:					
Nonspendable	166		4	797,512	797,682
Restricted	4,167,925	845,506	1,302,843	558,314	6,874,588
Committed	124,741			10,562	135,303
Assigned	1,839				1,839
Total Fund Balances	<u>4,294,671</u>	<u>845,506</u>	<u>1,302,847</u>	<u>1,366,388</u>	<u>7,809,412</u>
Total Liabilities and Fund Balances	<u>\$ 4,344,236</u>	<u>\$ 845,544</u>	<u>\$2,205,959</u>	<u>\$ 1,417,457</u>	<u>\$ 8,813,196</u>

## STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
<b>REVENUES</b>					
Taxes	\$ 2,747,761	\$	\$	\$	\$ 2,747,761
Federal	1,594	48,238			49,832
Licenses, Fees and Permits	233,488	424,306			657,794
Interest and Other Investment Income	116,181	6,160	7,072	40,044	169,457
Land Income	27			10	37
Settlement of Claims		180			180
Sales of Goods and Services	209		131,550		131,759
Other	16,507			299,302	315,809
Total Revenues	<u>3,115,767</u>	<u>478,884</u>	<u>138,622</u>	<u>339,356</u>	<u>4,072,629</u>
<b>EXPENDITURES</b>					
Current:					
General Government	222,368	703	17,325	3,869	244,265
Education	895,843		(40)	2,902	898,705
Employee Benefits	19,500				19,500
Health and Human Services	7		21,054	221	21,282
Public Safety and Corrections	60,744		10,658		71,402
Transportation	83,167		9,533		92,700
Natural Resources and Recreation	55,465		2,021	3,610	61,096
Regulatory Services	324,117				324,117
Capital Outlay	702		963,811		964,513
Debt Service:					
Principal	89	536,305			536,394
Interest	184	650,490	14		650,688
Other Financing Fees	518	4,117	3,655		8,290
Total Expenditures	<u>1,662,704</u>	<u>1,191,615</u>	<u>1,028,031</u>	<u>10,602</u>	<u>3,892,952</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>1,453,063</u>	<u>(712,731)</u>	<u>(889,409)</u>	<u>328,754</u>	<u>179,677</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	1,227,949	851,132	422,697		2,501,778
Transfer Out	(3,333,039)	(64,972)	(156,580)	(32,523)	(3,587,114)
Bonds and Notes Issued	199,902		681,925		881,827
Bonds Issued for Refunding		1,165,465	157,916		1,323,381
Premiums on Bonds Issued	19,502	173,977	165,156		358,635
Payment to Escrow for Refunding		(1,338,110)	(188,893)		(1,527,003)
Sale of Capital Assets	3				3
Total Other Financing Sources (Uses)	<u>(1,885,683)</u>	<u>787,492</u>	<u>1,082,221</u>	<u>(32,523)</u>	<u>(48,493)</u>
Net Change in Fund Balances	<u>(432,620)</u>	<u>74,761</u>	<u>192,812</u>	<u>296,231</u>	<u>131,184</u>
Fund Balances, September 1, 2015	4,730,048	770,745	1,106,824	1,070,157	7,677,774
Restatements	(2,757)		3,211		454
Fund Balances, September 1, 2015, as Restated	<u>4,727,291</u>	<u>770,745</u>	<u>1,110,035</u>	<u>1,070,157</u>	<u>7,678,228</u>
Fund Balances, August 31, 2016	<u>\$ 4,294,671</u>	<u>\$ 845,506</u>	<u>\$ 1,302,847</u>	<u>\$ 1,366,388</u>	<u>\$ 7,809,412</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, 2016 (Amounts in Thousands)

	Property Tax Relief Fund	Transportation Infrastructure Fund	Water Development Funds	System Benefit Fund	Available School Fund	Other Nonmajor Special Revenue Funds*	Totals
<b>ASSETS</b>							
Cash and Cash Equivalents	\$	\$ 81,816	\$ 132,003	\$ 33,786	\$ 13,231	\$ 227,351	\$ 488,187
Short-Term Investments			67,873			9	67,882
Receivables:							
Accounts			33			91	124
Taxes					76,458		76,458
Federal			60			605	665
Interest and Dividends	34		2,558		90	9,133	11,815
Due From Other Funds			4		75,043	942	75,989
Inventories						166	166
Investments			1,756,489			1,934	1,758,423
Loans and Contracts			781,648			20,610	802,258
Restricted:							
Cash and Cash Equivalents						1,500	1,500
Loans and Contracts						970,227	970,227
Other Assets						90,542	90,542
Total Assets	<u>\$ 34</u>	<u>\$ 81,816</u>	<u>\$ 2,740,668</u>	<u>\$ 33,786</u>	<u>\$ 164,822</u>	<u>\$ 1,323,110</u>	<u>\$ 4,344,236</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Payables:							
Accounts	\$	\$ 10,416	\$ 914	\$ 31,139	\$	\$ 2,731	\$ 45,200
Payroll			14			734	748
Due To Other Funds			483			482	965
Interfund Payable			2,290				2,290
Unearned Revenues					32	294	326
Other Liabilities						36	36
Total Liabilities	<u>0</u>	<u>10,416</u>	<u>3,701</u>	<u>31,139</u>	<u>32</u>	<u>4,277</u>	<u>49,565</u>
Fund Balances:							
Nonspendable						166	166
Restricted	34		2,736,781		164,790	1,266,320	4,167,925
Committed		71,400	186	2,647		50,508	124,741
Assigned						1,839	1,839
Total Fund Balances	<u>34</u>	<u>71,400</u>	<u>2,736,967</u>	<u>2,647</u>	<u>164,790</u>	<u>1,318,833</u>	<u>4,294,671</u>
Total Liabilities and Fund Balances	<u>\$ 34</u>	<u>\$ 81,816</u>	<u>\$ 2,740,668</u>	<u>\$ 33,786</u>	<u>\$ 164,822</u>	<u>\$ 1,323,110</u>	<u>\$ 4,344,236</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, 2016 (Amounts in Thousands)

	Property Tax Relief Fund	Transportation Infrastructure Fund	Water Development Funds	System Benefit Fund	Available School Fund	Other Nonmajor Special Revenue Funds*	Totals
<b>REVENUES</b>							
Taxes	\$ 1,885,044	\$	\$	\$	\$ 862,717	\$	\$ 2,747,761
Federal			227			1,367	1,594
Licenses, Fees and Permits				2		233,486	233,488
Interest and Other Investment Income	765	863	52,877		576	61,100	116,181
Land Income						27	27
Sales of Goods and Services			146			63	209
Other			264			16,243	16,507
Total Revenues	<u>1,885,809</u>	<u>863</u>	<u>53,514</u>	<u>2</u>	<u>863,293</u>	<u>312,286</u>	<u>3,115,767</u>
<b>EXPENDITURES</b>							
Current:							
General Government						222,368	222,368
Education					872,552	23,291	895,843
Employee Benefits			1			19,499	19,500
Health and Human Services						7	7
Public Safety and Corrections						60,744	60,744
Transportation		83,167					83,167
Natural Resources and Recreation			50,800			4,665	55,465
Regulatory Services				324,073		44	324,117
Capital Outlay			95			607	702
Debt Service:							
Principal						89	89
Interest			133			51	184
Other Financing Fees						518	518
Total Expenditures	<u>0</u>	<u>83,167</u>	<u>51,029</u>	<u>324,073</u>	<u>872,552</u>	<u>331,883</u>	<u>1,662,704</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,885,809</u>	<u>(82,304)</u>	<u>2,485</u>	<u>(324,071)</u>	<u>(9,259)</u>	<u>(19,597)</u>	<u>1,453,063</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer In			2,755		1,056,412	168,782	1,227,949
Transfer Out	(1,885,862)		(163,346)		(1,057,023)	(226,808)	(3,333,039)
Bonds and Notes Issued			49,902			150,000	199,902
Premiums on Bonds Issued						19,502	19,502
Sale of Capital Assets						3	3
Total Other Financing Sources (Uses)	<u>(1,885,862)</u>	<u>0</u>	<u>(110,689)</u>	<u>0</u>	<u>(611)</u>	<u>111,479</u>	<u>(1,885,683)</u>
Net Change in Fund Balances	<u>(53)</u>	<u>(82,304)</u>	<u>(108,204)</u>	<u>(324,071)</u>	<u>(9,870)</u>	<u>91,882</u>	<u>(432,620)</u>
Fund Balances, September 1, 2015	87	153,704	2,845,095	326,718	174,660	1,229,784	4,730,048
Restatements			76			(2,833)	(2,757)
Fund Balances, September 1, 2015, as Restated	<u>87</u>	<u>153,704</u>	<u>2,845,171</u>	<u>326,718</u>	<u>174,660</u>	<u>1,226,951</u>	<u>4,727,291</u>
Fund Balances, August 31, 2016	<u>\$ 34</u>	<u>\$ 71,400</u>	<u>\$ 2,736,967</u>	<u>\$ 2,647</u>	<u>\$ 164,790</u>	<u>\$ 1,318,833</u>	<u>\$ 4,294,671</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, 2016 (Amounts in Thousands)

	Property Tax Relief Fund				Transportation Infrastructure Fund			
	Budgetary Amounts		Actual Amounts	Final To Actual	Budgetary Amounts		Actual Amounts	Final To Actual
	Original	Final	Budgetary Basis	Variance	Original	Final	Budgetary Basis	Variance
<b>REVENUES</b>								
Taxes	\$ 2,725,800	\$ 1,510,543	\$ 1,885,045	\$ 374,502	\$	\$	\$	\$
Federal								
Licenses, Fees and Permits								
Interest and Other Investment Income	1,876	1,132	817	(315)	800	800	863	63
Land Income								
Sales of Goods and Services								
Other								
Total Revenues	<u>2,727,676</u>	<u>1,511,675</u>	<u>1,885,862</u>	<u>374,187</u>	<u>800</u>	<u>800</u>	<u>863</u>	<u>63</u>
<b>EXPENDITURES</b>								
General Government								
Education								
Employee Benefits								
Transportation					138,050	138,050	90,060	47,990
Health and Human Services								
Natural Resources and Recreation								
Regulatory Services								
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>138,050</u>	<u>138,050</u>	<u>90,060</u>	<u>47,990</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>2,727,676</u>	<u>1,511,675</u>	<u>1,885,862</u>	<u>374,187</u>	<u>(137,250)</u>	<u>(137,250)</u>	<u>(89,197)</u>	<u>48,053</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In								
Transfer Out	(1,427,700)	(1,511,675)	(1,885,862)	(374,187)				
Available Beginning Balances					171,013	171,013	171,013	
Total Other Financing Sources (Uses)	<u>(1,427,700)</u>	<u>(1,511,675)</u>	<u>(1,885,862)</u>	<u>(374,187)</u>	<u>171,013</u>	<u>171,013</u>	<u>171,013</u>	<u>0</u>
Excess (Deficiency) of Revenues and								
Other Financing Sources Over (Under)								
Expenditures and Other Financing Uses	<u>\$ 1,299,976</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 33,763</u>	<u>\$ 33,763</u>	<u>\$ 81,816</u>	<u>\$ 48,053</u>

Continued on the following page

## STATE OF TEXAS

## Budgetary Comparison Schedule

### Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended August 31, 2016 (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
<b>REVENUES</b>								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Federal			266	266				
Licenses, Fees and Permits							3	3
Interest and Other Investment Income	15,128	15,128	62,619	47,491				
Land Income								
Sales of Goods and Services			122	122				
Other			264	264				
Total Revenues	<u>15,128</u>	<u>15,128</u>	<u>63,271</u>	<u>48,143</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>3</u>
<b>EXPENDITURES</b>								
General Government								
Education								
Employee Benefits		1	1					
Transportation								
Health and Human Services								
Natural Resources and Recreation	4,459	114,164	52,023	62,141				
Regulatory Services					334,248	337,065	312,750	24,315
Total Expenditures	<u>4,459</u>	<u>114,165</u>	<u>52,024</u>	<u>62,141</u>	<u>334,248</u>	<u>337,065</u>	<u>312,750</u>	<u>24,315</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>10,669</u>	<u>(99,037)</u>	<u>11,247</u>	<u>110,284</u>	<u>(334,248)</u>	<u>(337,065)</u>	<u>(312,747)</u>	<u>24,318</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In			2,755	2,755				
Transfer Out			(55,171)	(55,171)				
Available Beginning Balances	241,649	241,649	241,649		346,948	346,948	346,948	
Total Other Financing Sources (Uses)	<u>241,649</u>	<u>241,649</u>	<u>189,233</u>	<u>(52,416)</u>	<u>346,948</u>	<u>346,948</u>	<u>346,948</u>	<u>0</u>
Excess (Deficiency) of Revenues and								
Other Financing Sources Over (Under)								
Expenditures and Other Financing Uses	<u>\$ 252,318</u>	<u>\$ 142,612</u>	<u>\$ 200,480</u>	<u>\$ 57,868</u>	<u>\$ 12,700</u>	<u>\$ 9,883</u>	<u>\$ 34,201</u>	<u>\$ 24,318</u>

Concluded on the following page

## STATE OF TEXAS

## Budgetary Comparison Schedule

### Nonmajor Special Revenue Funds (concluded)

For the Fiscal Year Ended August 31, 2016 (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
<b>REVENUES</b>								
Taxes	\$ 853,408	\$ 858,815	\$ 862,661	\$ 3,846	\$	\$	\$	\$
Federal					6,717	6,717	1,164	(5,553)
Licenses, Fees and Permits					88,264	88,851	86,379	(2,472)
Interest and Other Investment Income	842	596	541	(55)	630	630	(49,372)	(50,002)
Land Income							27	27
Sales of Goods and Services							1,758	1,758
Other					14	93	(2,393)	(2,486)
Total Revenues	<u>854,250</u>	<u>859,411</u>	<u>863,202</u>	<u>3,791</u>	<u>95,625</u>	<u>96,291</u>	<u>37,563</u>	<u>(58,728)</u>
<b>EXPENDITURES</b>								
General Government					516,080	182,058	92,327	89,731
Education	1,381,800	883,221	872,552	10,669			(5)	5
Employee Benefits					660,586	32,229	19,356	12,873
Transportation								
Health and Human Services					14,569	14,569	10	14,559
Natural Resources and Recreation					5,006	5,309	3,473	1,836
Regulatory Services						55		55
Total Expenditures	<u>1,381,800</u>	<u>883,221</u>	<u>872,552</u>	<u>10,669</u>	<u>1,196,241</u>	<u>234,220</u>	<u>115,161</u>	<u>119,059</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>(527,550)</u>	<u>(23,810)</u>	<u>(9,350)</u>	<u>14,460</u>	<u>(1,100,616)</u>	<u>(137,929)</u>	<u>(77,598)</u>	<u>60,331</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In	1,055,084	1,055,084	1,056,412	1,328			127,429	127,429
Transfer Out		(1,054,439)	(1,057,024)	(2,585)			(43,329)	(43,329)
Available Beginning Balances	23,165	23,165	23,165		150,802	150,802	150,802	
Total Other Financing Sources (Uses)	<u>1,078,249</u>	<u>23,810</u>	<u>22,553</u>	<u>(1,257)</u>	<u>150,802</u>	<u>150,802</u>	<u>234,902</u>	<u>84,100</u>
Excess (Deficiency) of Revenues and								
Other Financing Sources Over (Under)								
Expenditures and Other Financing Uses	<u>\$ 550,699</u>	<u>\$ 0</u>	<u>\$ 13,203</u>	<u>\$ 13,203</u>	<u>\$ (949,814)</u>	<u>\$ 12,873</u>	<u>\$ 157,304</u>	<u>\$ 144,431</u>

\* Expenditures for final budgetary has been revised to \$883,221 due to funding formula on this fund per TX Const. Art. III, 49a .

---

## 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, 2016 (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
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 124,600	\$ 471,443	\$ 39	\$ 5,144	\$ 126,508	\$ 17	\$ 727,751
Receivables:							
Accounts	1,045						1,045
Federal		9,063			10,496		19,559
Interest and Dividends	189						189
Due from Other Funds		97,000					97,000
Total Assets	<u>\$ 125,834</u>	<u>\$ 577,506</u>	<u>\$ 39</u>	<u>\$ 5,144</u>	<u>\$ 137,004</u>	<u>\$ 17</u>	<u>\$ 845,544</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Payables:							
Accounts	\$ 0	\$ 31	\$ 0	\$ 0	\$ 0	\$ 7	\$ 38
Total Liabilities	<u>0</u>	<u>31</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>38</u>
Fund Balances:							
Restricted	125,834	577,475	39	5,144	137,004	10	845,506
Total Fund Balances	<u>125,834</u>	<u>577,475</u>	<u>39</u>	<u>5,144</u>	<u>137,004</u>	<u>10</u>	<u>845,506</u>
Total Liabilities and Fund Balances	<u>\$ 125,834</u>	<u>\$ 577,506</u>	<u>\$ 39</u>	<u>\$ 5,144</u>	<u>\$ 137,004</u>	<u>\$ 17</u>	<u>\$ 845,544</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, 2016 (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
<b>REVENUES</b>							
Federal	\$ 23	\$ 21,722	\$ 3,401	\$	\$ 23,092	\$	\$ 48,238
Licenses, Fees and Permits		424,306					424,306
Interest and Other Investment Income	2,246	3,174	4	27	694	15	6,160
Settlement of Claims		180					180
Total Revenues	<u>2,269</u>	<u>449,382</u>	<u>3,405</u>	<u>27</u>	<u>23,786</u>	<u>15</u>	<u>478,884</u>
<b>EXPENDITURES</b>							
Current:							
General Government			291	412			703
Debt Service:							
Principal	56,281	48,730	191,920	9,664	138,510	91,200	536,305
Interest	44,955	296,447	85,311	215	176,061	47,501	650,490
Other Financing Fees		4,117					4,117
Total Expenditures	<u>101,236</u>	<u>349,294</u>	<u>277,522</u>	<u>10,291</u>	<u>314,571</u>	<u>138,701</u>	<u>1,191,615</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures	<u>(98,967)</u>	<u>100,088</u>	<u>(274,117)</u>	<u>(10,264)</u>	<u>(290,785)</u>	<u>(138,686)</u>	<u>(712,731)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer In	122,253		275,161	13,758	301,098	138,862	851,132
Transfer Out	(20,000)	(44,792)				(180)	(64,972)
Bonds Issued for Refunding		1,165,465					1,165,465
Premium on Bonds Issued		173,977					173,977
Payment to Escrow for Refunding		(1,335,153)	(1,020)	(1,937)			(1,338,110)
Total Other Financing Sources	<u>102,253</u>	<u>(40,503)</u>	<u>274,141</u>	<u>11,821</u>	<u>301,098</u>	<u>138,682</u>	<u>787,492</u>
Net Change in Fund Balances	<u>3,286</u>	<u>59,585</u>	<u>24</u>	<u>1,557</u>	<u>10,313</u>	<u>(4)</u>	<u>74,761</u>
Fund Balances, September 1, 2015	<u>122,548</u>	<u>517,890</u>	<u>15</u>	<u>3,587</u>	<u>126,691</u>	<u>14</u>	<u>770,745</u>
Fund Balances, August 31, 2016	<u>\$ 125,834</u>	<u>\$ 577,475</u>	<u>\$ 39</u>	<u>\$ 5,144</u>	<u>\$ 137,004</u>	<u>\$ 10</u>	<u>\$ 845,506</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, 2016 (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	Texas Health Agencies Project Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 5,035	\$ 5,045	\$ 311,063	\$ 2,047	\$ 1,735	\$ 1,427
Accounts Receivable						
Due From Other Funds			73,219		46	42,548
Inventories	5					
Prepaid Items	344					
Total Assets	<u>\$ 5,384</u>	<u>\$ 5,045</u>	<u>\$ 384,282</u>	<u>\$ 2,047</u>	<u>\$ 1,781</u>	<u>\$ 43,975</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Payables:						
Accounts	\$ 521	\$ 673	\$ 5,425	\$ 181	\$ 380	\$ 729
Payroll			5			
Due To Other Funds			16,143			
Interfund Payable		111				221
Unearned Revenues						
Other Liabilities			2,095	461		
Total Liabilities	<u>521</u>	<u>784</u>	<u>23,668</u>	<u>642</u>	<u>380</u>	<u>950</u>
Fund Balances:						
Nonspendable	4					
Restricted	4,859	4,261	360,614	1,405	1,401	43,025
Total Fund Balances	<u>4,863</u>	<u>4,261</u>	<u>360,614</u>	<u>1,405</u>	<u>1,401</u>	<u>43,025</u>
Total Liabilities and Fund Balances	<u>\$ 5,384</u>	<u>\$ 5,045</u>	<u>\$ 384,282</u>	<u>\$ 2,047</u>	<u>\$ 1,781</u>	<u>\$ 43,975</u>

*Concluded on the following page*

## STATE OF TEXAS

**Combining Balance Sheet – Nonmajor Capital Projects Funds (concluded)**

August 31, 2016 (Amounts in Thousands)

	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
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 5,507	\$ 1,071,558	\$ 12,158	\$ 637,509	\$ 582	\$ 2,053,666
Accounts Receivable					6	6
Due From Other Funds		36,125				151,938
Inventories						5
Prepaid Items						344
Total Assets	<u>\$ 5,507</u>	<u>\$ 1,107,683</u>	<u>\$ 12,158</u>	<u>\$ 637,509</u>	<u>\$ 588</u>	<u>\$ 2,205,959</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Payables:						
Accounts	\$ 354	\$ 21,100	\$ 87	\$ 36,705	\$	\$ 66,155
Payroll						5
Due To Other Funds				97,000		113,143
Interfund Payable						332
Unearned Revenues		720,921				720,921
Other Liabilities						2,556
Total Liabilities	<u>354</u>	<u>742,021</u>	<u>87</u>	<u>133,705</u>	<u>0</u>	<u>903,112</u>
Fund Balances:						
Nonspendable						4
Restricted	5,153	365,662	12,071	503,804	588	1,302,843
Total Fund Balances	<u>5,153</u>	<u>365,662</u>	<u>12,071</u>	<u>503,804</u>	<u>588</u>	<u>1,302,847</u>
Total Liabilities and Fund Balances	<u>\$ 5,507</u>	<u>\$ 1,107,683</u>	<u>\$ 12,158</u>	<u>\$ 637,509</u>	<u>\$ 588</u>	<u>\$ 2,205,959</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, 2016 (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 Project Funds	Texas Health Agencies Project Funds
<b>REVENUES</b>						
Interest and Other Investment Income	\$ 23	\$ 28	\$ 72	\$ 39	\$ 17	\$ 26
Sales of Goods and Services			(312)			
Total Revenues	<u>23</u>	<u>28</u>	<u>(240)</u>	<u>39</u>	<u>17</u>	<u>26</u>
<b>EXPENDITURES</b>						
Current:						
General Government	1,017		10,380			
Education						
Health and Human Services						21,057
Public Safety and Corrections				7,566	1,673	
Transportation						
Natural Resources and Recreation		2,031				
Capital Outlay		6,340	46,581	392	135	636
Debt Service:						
Interest						14
Other Financing Fees	623					
Total Expenditures	<u>1,640</u>	<u>8,371</u>	<u>56,961</u>	<u>7,958</u>	<u>1,808</u>	<u>21,707</u>
Deficiency of Revenues						
Under Expenditures	<u>(1,617)</u>	<u>(8,343)</u>	<u>(57,201)</u>	<u>(7,919)</u>	<u>(1,791)</u>	<u>(21,681)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer In	449		337,620			39,836
Transfer Out	(8,524)	(9)	(16,151)			(5)
Bonds and Notes Issued	11,125	10,500	29,000		750	6,900
Bond Issued for Refunding	157,916					
Premium on Bonds Issued	32,393					
Payment to Escrow for Refunding	(188,893)					
Total Other Financing Sources (Uses)	<u>4,466</u>	<u>10,491</u>	<u>350,469</u>	<u>0</u>	<u>750</u>	<u>46,731</u>
Net Change in Fund Balances	<u>2,849</u>	<u>2,148</u>	<u>293,268</u>	<u>(7,919)</u>	<u>(1,041)</u>	<u>25,050</u>
Fund Balances, September 1, 2015	2,014	2,113	67,346	9,324	2,442	14,764
Restatements						3,211
Fund Balances, September 1, 2015, as Restated	<u>2,014</u>	<u>2,113</u>	<u>67,346</u>	<u>9,324</u>	<u>2,442</u>	<u>17,975</u>
Fund Balances, August 31, 2016	<u>\$ 4,863</u>	<u>\$ 4,261</u>	<u>\$ 360,614</u>	<u>\$ 1,405</u>	<u>\$ 1,401</u>	<u>\$ 43,025</u>

Concluded on the following page

## STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (Amounts in Thousands)

	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
<b>REVENUES</b>						
Interest and Other Investment Income	\$ 38	\$ 2,274	\$ 86	\$ 4,464	\$ 5	\$ 7,072
Sales of Goods and Services		131,862				131,550
Total Revenues	<u>38</u>	<u>134,136</u>	<u>86</u>	<u>4,464</u>	<u>5</u>	<u>138,622</u>
<b>EXPENDITURES</b>						
Current:						
General Government			5,915		13	17,325
Education					(40)	(40)
Health and Human Services					(3)	21,054
Public Safety and Corrections	1,348				71	10,658
Transportation				9,533		9,533
Natural Resources and Recreation					(10)	2,021
Capital Outlay	1,469	697,922	1,250	207,830	1,256	963,811
Debt Service:						
Interest						14
Other Financing Fees		2,247		785		3,655
Total Expenditures	<u>2,817</u>	<u>700,169</u>	<u>7,165</u>	<u>218,148</u>	<u>1,287</u>	<u>1,028,031</u>
Deficiency of Revenues						
Under Expenditures	<u>(2,779)</u>	<u>(566,033)</u>	<u>(7,079)</u>	<u>(213,684)</u>	<u>(1,282)</u>	<u>(889,409)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer In				44,792		422,697
Transfer Out	(26)	(131,862)			(3)	(156,580)
Bonds and Notes Issued	2,150	615,000	6,000		500	681,925
Bond Issued for Refunding						157,916
Premium on Bonds Issued		132,763				165,156
Payment to Escrow for Refunding						(188,893)
Total Other Financing Sources (Uses)	<u>2,124</u>	<u>615,901</u>	<u>6,000</u>	<u>44,792</u>	<u>497</u>	<u>1,082,221</u>
Net Change in Fund Balances	<u>(655)</u>	<u>49,868</u>	<u>(1,079)</u>	<u>(168,892)</u>	<u>(785)</u>	<u>192,812</u>
Fund Balances, September 1, 2015	5,808	315,794	13,150	672,696	1,373	1,106,824
Restatements						3,211
Fund Balances, September 1, 2015, as Restated	<u>5,808</u>	<u>315,794</u>	<u>13,150</u>	<u>672,696</u>	<u>1,373</u>	<u>1,110,035</u>
Fund Balances, August 31, 2016	<u>\$ 5,153</u>	<u>\$ 365,662</u>	<u>\$ 12,071</u>	<u>\$ 503,804</u>	<u>\$ 588</u>	<u>\$ 1,302,847</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, 2016 (Amounts in Thousands)

	<b>Permanent Health Fund for Higher Education</b>	<b>National Research University Fund</b>	<b>Perm Fund Supporting MIL/VET Exempt</b>	<b>Other Nonmajor Permanent Funds</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 14,042	\$ 46,421	\$ 2,860	\$ 1,316	\$ 64,639
Short-Term Investments	7,988	37,327	14,443	17,618	77,376
Receivables:					
Interest and Dividends	11	46	9	7	73
Due From Other Funds	1			513	514
Investments	<u>132,888</u>	<u>619,613</u>	<u>226,254</u>	<u>296,100</u>	<u>1,274,855</u>
Total Assets	<u>\$ 154,930</u>	<u>\$ 703,407</u>	<u>\$ 243,566</u>	<u>\$ 315,554</u>	<u>\$ 1,417,457</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables:					
Accounts	\$ 111	\$ 332	\$ 122	\$ 750	\$ 1,315
Due To Other Funds	473	46,421	2,860		49,754
Total Liabilities	<u>584</u>	<u>46,753</u>	<u>2,982</u>	<u>750</u>	<u>51,069</u>
Fund Balances:					
Nonspendable	140,808	656,620		84	797,512
Restricted	2,976	34	240,584	314,720	558,314
Committed	10,562				10,562
Total Fund Balances	<u>154,346</u>	<u>656,654</u>	<u>240,584</u>	<u>314,804</u>	<u>1,366,388</u>
Total Liabilities and Fund Balances	<u>\$ 154,930</u>	<u>\$ 703,407</u>	<u>\$ 243,566</u>	<u>\$ 315,554</u>	<u>\$ 1,417,457</u>

## STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2016 (Amounts in Thousands)

	Permanent Health Fund for Higher Education	National Research University Fund	Perm Fund Supporting MIL/VET Exempt	Other Nonmajor Permanent Funds	Totals
<b>REVENUES</b>					
Interest and Other Investment Income	\$ 3,822	\$ 17,742	\$ 4,659	\$ 13,821	\$ 40,044
Land Income				10	10
Other				299,302	299,302
Total Revenues	<u>3,822</u>	<u>17,742</u>	<u>4,659</u>	<u>313,133</u>	<u>339,356</u>
<b>EXPENDITURES</b>					
Current:					
General Government	323	1,482	1,463	601	3,869
Education	851			2,051	2,902
Health and Human Services	221				221
Natural Resources and Recreation	3,516			94	3,610
Total Expenditures	<u>4,911</u>	<u>1,482</u>	<u>1,463</u>	<u>2,746</u>	<u>10,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,089)</u>	<u>16,260</u>	<u>3,196</u>	<u>310,387</u>	<u>328,754</u>
<b>OTHER FINANCING USES</b>					
Transfer Out	<u>(3,125)</u>	<u>(18,909)</u>	<u>(10,479)</u>	<u>(10)</u>	<u>(32,523)</u>
Total Other Financing Uses	<u>(3,125)</u>	<u>(18,909)</u>	<u>(10,479)</u>	<u>(10)</u>	<u>(32,523)</u>
Net Change in Fund Balances	<u>(4,214)</u>	<u>(2,649)</u>	<u>(7,283)</u>	<u>310,377</u>	<u>296,231</u>
Fund Balances, September 1, 2015	<u>158,560</u>	<u>659,303</u>	<u>247,867</u>	<u>4,427</u>	<u>1,070,157</u>
Fund Balances, August 31, 2016	<u>\$ 154,346</u>	<u>\$ 656,654</u>	<u>\$ 240,584</u>	<u>\$ 314,804</u>	<u>\$ 1,366,388</u>