



## Other Supplementary Information

Combining Financial  
Statements and Schedules

Governmental Funds



## Combining Balance Sheet – Nonmajor Governmental Funds

August 31, 2007 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$2,491,024	\$ 5,540	\$ 117,370	\$ 316	\$2,614,250
Short-Term Investments	52,690			24,669	77,359
Securities Lending Collateral				41,065	41,065
Receivables:					
Accounts	2,204	6	2,057		4,267
Federal	379	70			449
Investment Trades				1,392	1,392
Interest and Dividends	13,676	1,651	2	2,055	17,384
Due From Other Funds	65,842		5,080		70,922
Interfund Receivable	60				60
Inventories	464		85		549
Prepaid Items	4				4
Investments	11,131	105		1,224,308	1,235,544
Loans and Contracts	218,009				218,009
Other Assets	8,034				8,034
Restricted:					
Cash and Cash Equivalents	158,377	137,833			296,210
Loans and Contracts	641,399				641,399
Other Assets	87,433				87,433
<b>Total Assets</b>	<b>\$3,750,726</b>	<b>\$ 145,205</b>	<b>\$ 124,594</b>	<b>\$1,293,805</b>	<b>\$5,314,330</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables:					
Accounts	\$ 151,978	\$ 40	\$ 20,237	\$ 628	\$ 172,883
Investment Trades				2,621	2,621
Payroll	7,104		64		7,168
Federal	18				18
Interest	62,640				62,640
Due To Other Funds	283,305		3,086		286,391
Interfund Payable			1,888	30	1,918
Deferred Revenues	791				791
Obligations/Securities Lending				41,065	41,065
Other Liabilities	2,314		904		3,218
Total Liabilities	<u>508,150</u>	<u>40</u>	<u>26,179</u>	<u>44,344</u>	<u>578,713</u>
Fund Balances:					
Reserved (Note 13)	896,616	145,165	109,893	617,427	1,769,101
Unreserved (Note 13)	2,345,960		\$ (11,478)	632,034	2,966,516
Total Fund Balances	<u>3,242,576</u>	<u>145,165</u>	<u>98,415</u>	<u>1,249,461</u>	<u>4,735,617</u>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,750,726</b>	<b>\$ 145,205</b>	<b>\$ 124,594</b>	<b>\$1,293,805</b>	<b>\$5,314,330</b>

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

For the Fiscal Year Ended August 31, 2007 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
<b>REVENUES</b>					
Taxes	\$ 724,771	\$ 61	\$ 25	\$	\$ 724,771
Federal	15,044	61	25		15,130
Licenses, Fees and Permits	433,864				433,864
Interest and Other Investment Income	160,626	13,906	6,795	160,842	342,169
Land Income	174			10	184
Sales of Goods and Services	5,977		3,837		9,814
Other	65,499	862	32		66,393
Total Revenues	<u>1,405,955</u>	<u>14,829</u>	<u>10,689</u>	<u>160,852</u>	<u>1,592,325</u>
<b>EXPENDITURES</b>					
Current:					
General Government	182,907	245	22,383	6,254	211,789
Education	1,788,555		2,251		1,790,806
Employee Benefits	13,200				13,200
Teacher Retirement Benefits	24				24
Health and Human Services	19,260		23,234		42,494
Public Safety and Corrections	72,231		8,643		80,874
Transportation	4,614		14,850		19,464
Natural Resources and Recreation	52,902		2,238	4	55,144
Regulatory Services	28,026				28,026
Capital Outlay	4,580		71,131		75,711
Debt Service:					
Principal	35,390	376,653			412,043
Interest	137,302	166,007	448		303,757
Other Financing Fees	10,467	184	458		11,109
Total Expenditures	<u>2,349,458</u>	<u>543,089</u>	<u>145,636</u>	<u>6,258</u>	<u>3,044,441</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(943,503)</u>	<u>(528,260)</u>	<u>(134,947)</u>	<u>154,594</u>	<u>(1,452,116)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	1,729,677	525,359	3,457		2,258,493
Transfer Out	(1,868,238)	(2,773)	(29,573)	(21,967)	(1,922,551)
Bonds and Notes Issued	2,293,752	214	175,273		2,469,239
Bonds Issued for Refunding		249,172			249,172
Premiums (Discounts) on Bonds Issued	60,307	14,168	246		74,721
Payment to Escrow for Advance Refunding		(263,157)			(263,157)
Total Other Financing Sources (Uses)	<u>2,215,498</u>	<u>522,983</u>	<u>149,403</u>	<u>(21,967)</u>	<u>2,865,917</u>
Net Change in Fund Balances	<u>1,271,995</u>	<u>(5,277)</u>	<u>14,456</u>	<u>132,627</u>	<u>1,413,801</u>
Fund Balances, September 1, 2006	1,970,604	150,442	84,918	1,116,834	3,322,798
Restatements	(23)		(959)		(982)
Fund Balances, September 1, 2006, as Restated	<u>1,970,581</u>	<u>150,442</u>	<u>83,959</u>	<u>1,116,834</u>	<u>3,321,816</u>
Fund Balances, August 31, 2007	<u>\$3,242,576</u>	<u>\$ 145,165</u>	<u>\$ 98,415</u>	<u>\$1,249,461</u>	<u>\$4,735,617</u>

## Nonmajor Special Revenue Funds

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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 increase and calculated amounts from franchise taxes (to start in fiscal 2008). The intent of the fund will be to reduce school district property taxes.

The **Student Loan Funds** receive proceeds from the issuance of bonds that are used to make loans to qualifying students who have been admitted to attend any institution of higher education within the state of Texas.

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 non-bypassable 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, customer education and school funding loss mechanism.

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.

The **Texas Mobility Fund** accounts for the construction, reconstruction, acquisition and expansion of state highways, including costs of design and acquisition of right of way. It provides payment of a portion of the costs of construction, publicly owned toll roads and other public transportation projects. It is financed primarily from the sale of obligations of the state, appropriations made by the legislature of revenue, including taxes, other money not otherwise dedicated by the construction and money received from a regional mobility authority that determines it has surplus revenue from turnpike projects and chooses to send the excess to this fund.

# Combining Balance Sheet – Nonmajor Special Revenue Funds

August 31, 2007 (Amounts in Thousands)

	Property Tax Relief Fund*	Student Loan Funds	Water Development Funds	System Benefit Fund	Available School Fund	Texas Mobility Fund	Other Nonmajor Special Revenue Funds**	Totals
<b>ASSETS</b>								
Cash and Cash Equivalents	\$730,923	\$ 2,648	\$ 93,904	\$404,312	\$12,351	\$1,125,546	\$121,340	\$2,491,024
Short-Term Investments			26,429				26,261	52,690
Receivables:								
Accounts		40	453				1,711	2,204
Federal							379	379
Interest and Dividends	2,238	9,618	882		692		246	13,676
Due From Other Funds					63,448		2,394	65,842
Interfund Receivable							60	60
Inventories							464	464
Prepaid Items							4	4
Investments							11,131	11,131
Loans and Contracts			178,010				39,999	218,009
Other Assets							8,034	8,034
Restricted:								
Cash and Cash Equivalents		156,786					1,591	158,377
Loans and Contracts		641,399						641,399
Other Assets		87,433						87,433
<b>Total Assets</b>	<b>\$733,161</b>	<b>\$897,924</b>	<b>\$299,678</b>	<b>\$404,312</b>	<b>\$76,491</b>	<b>\$1,125,546</b>	<b>\$213,614</b>	<b>\$3,750,726</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
<b>Payables:</b>								
Accounts	\$	\$ 142	\$ 1,541	\$ 9,131	\$	\$ 2,729	\$138,435	\$ 151,978
Payroll			7				7,097	7,104
Federal		17					1	18
Interest						62,640		62,640
Due To Other Funds			373			281,957	975	283,305
Deferred Revenues							791	791
Other Liabilities							2,314	2,314
<b>Total Liabilities</b>	<b>0</b>	<b>159</b>	<b>1,921</b>	<b>9,131</b>	<b>0</b>	<b>347,326</b>	<b>149,613</b>	<b>508,150</b>
<b>Fund Balances:</b>								
<b>Reserved for:</b>								
Encumbrances			23,026	1,573			12,135	36,734
Inventories							464	464
Imprest Accounts							10	10
Loans and Contracts		641,399	178,010				39,999	859,408
<b>Unreserved:</b>								
<b>Designated for:</b>								
General Government	733,161						61,888	795,049
Regulatory Services				393,608			17,904	411,512
Health and Human Services							13,202	13,202
Natural Resources and Recreation			96,721				30,505	127,226
Education		256,366			76,491		1,507	334,364
Transportation						778,220	1,113	779,333
Public Safety and Corrections							9,140	9,140
Employee Benefits							90	90
Teacher Retirement Benefits							382	382
Undesignated							(124,338)	(124,338)
<b>Total Fund Balances</b>	<b>733,161</b>	<b>897,765</b>	<b>297,757</b>	<b>395,181</b>	<b>76,491</b>	<b>778,220</b>	<b>64,001</b>	<b>3,242,576</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$733,161</b>	<b>\$897,924</b>	<b>\$299,678</b>	<b>\$404,312</b>	<b>\$76,491</b>	<b>\$1,125,546</b>	<b>\$213,614</b>	<b>\$3,750,726</b>

\* This fund is a new fund that is discretely presented.

\*\* 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 state textbook fund. These funds do not meet the materiality threshold for separate column presentation.

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

For the Fiscal Year Ended August 31, 2007 (Amounts in Thousands)

	Property Tax Relief Fund *	Student Loan Funds	Water Development Funds	System Benefit Fund	Available School Fund	Texas Mobility Fund	Other Nonmajor Special Revenue Funds**	Totals
<b>REVENUES</b>								
Taxes	\$724,771	\$	\$	\$	\$	\$	\$	\$ 724,771
Federal		317	11,644				3,083	15,044
Licenses, Fees and Permits				139,206		140,481	154,177	433,864
Interest and Other Investment Income	8,390	68,825	12,015	16,327	6,096	36,701	12,272	160,626
Land Income							174	174
Sales of Goods and Services			158				5,819	5,977
Other		13	3,717				61,769	65,499
Total Revenues	<u>733,161</u>	<u>69,155</u>	<u>27,534</u>	<u>155,533</u>	<u>6,096</u>	<u>177,182</u>	<u>237,294</u>	<u>1,405,955</u>
<b>EXPENDITURES</b>								
Current:								
General Government							182,907	182,907
Education		31,622			1,622,907		134,026	1,788,555
Employee Benefits							13,200	13,200
Teacher Retirement Benefits							24	24
Health and Human Services							19,260	19,260
Public Safety and Corrections							72,231	72,231
Transportation							4,614	4,614
Natural Resources and Recreation			27,316				25,586	52,902
Regulatory Services				16,531		926	10,569	28,026
Capital Outlay			35				4,545	4,580
Debt Service:								
Principal						35,370	20	35,390
Interest						137,302		137,302
Other Financing Fees		899	84			9,484		10,467
Total Expenditures	<u>0</u>	<u>32,521</u>	<u>27,435</u>	<u>16,531</u>	<u>1,622,907</u>	<u>183,082</u>	<u>466,982</u>	<u>2,349,458</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>733,161</u>	<u>36,634</u>	<u>99</u>	<u>139,002</u>	<u>(1,616,811)</u>	<u>(5,900)</u>	<u>(229,688)</u>	<u>(943,503)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In		706	1,651		1,592,499		134,821	1,729,677
Transfer Out		(61,490)	(11,486)		(3,501)	(1,780,133)	(11,628)	(1,868,238)
Bonds and Notes Issued		72,267	24,665			2,196,605	215	2,293,752
Premiums (Discounts) on Bonds Issued		2,505	333			57,469		60,307
Total Other Financing Sources (Uses)	<u>0</u>	<u>13,988</u>	<u>15,163</u>	<u>0</u>	<u>1,588,998</u>	<u>473,941</u>	<u>123,408</u>	<u>2,215,498</u>
Net Change in Fund Balances	<u>733,161</u>	<u>50,622</u>	<u>15,262</u>	<u>139,002</u>	<u>(27,813)</u>	<u>468,041</u>	<u>(106,280)</u>	<u>1,271,995</u>
Fund Balances, September 1, 2006		847,140	282,495	256,179	104,304	310,179	170,307	1,970,604
Restatements		3					(26)	(23)
Fund Balances, September 1, 2006, as Restated	<u>0</u>	<u>847,143</u>	<u>282,495</u>	<u>256,179</u>	<u>104,304</u>	<u>310,179</u>	<u>170,281</u>	<u>1,970,581</u>
Fund Balances, August 31, 2007	<u>\$733,161</u>	<u>\$897,765</u>	<u>\$297,757</u>	<u>\$395,181</u>	<u>\$ 76,491</u>	<u>\$ 778,220</u>	<u>\$ 64,001</u>	<u>\$3,242,576</u>

\* This fund is a new fund that is discretely presented.

\*\* 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 state textbook fund. These funds do not meet the materiality threshold for separate column presentation.

## Budgetary Comparison Schedule Nonmajor Special Revenue Funds

For the Fiscal Year Ended August 31, 2007 (Amounts in Thousands)

	Property Tax Relief Fund				Student Loan Funds				
	Budgetary Amounts		Actual Amounts Budgetary Basis	Final To Actual Variance	Budgetary Amounts		Actual Amounts Budgetary Basis	Final To Actual Variance	
	Original	Final			Original	Final			
<b>REVENUES</b>									
Taxes									
Federal	\$	\$504,764	\$724,771	\$220,007	\$	\$	\$436	\$436	
Licenses, Fees and Permits									
Interest and Other Investment Income		7,423	6,152	(1,271)	500	452	74,899	74,447	
Land Income									
Sales of Goods and Services							(40)	(40)	
Other							10	10	
Total Revenues		<u>0</u>	<u>512,187</u>	<u>730,923</u>	<u>218,736</u>	<u>500</u>	<u>452</u>	<u>75,305</u>	<u>74,853</u>
<b>EXPENDITURES</b>									
General Government									
Education						255,000	31,950	223,050	
Employee Benefits									
Health and Human Services									
Public Safety and Corrections									
Transportation									
Natural Resources and Recreation									
Regulatory Services									
Total Expenditures		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>255,000</u>	<u>31,950</u>	<u>223,050</u>	
Excess (Deficiency) of Revenues									
Over (Under) Expenditures		<u>0</u>	<u>512,187</u>	<u>730,923</u>	<u>218,736</u>	<u>500</u>	<u>(254,548)</u>	<u>43,355</u>	<u>297,903</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfer In							706	706	
Transfer Out							(61,491)	(61,491)	
Bond Proceeds									
Available Beginning Balances					161,107	4,793	2,493	(2,300)	
Total Other Financing Sources (Uses)		<u>0</u>	<u>0</u>	<u>0</u>	<u>161,107</u>	<u>4,793</u>	<u>(58,292)</u>	<u>(63,085)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$	<u>0</u>	<u>\$512,187</u>	<u>\$730,923</u>	<u>\$218,736</u>	<u>\$161,607</u>	<u>\$(249,755)</u>	<u>\$(14,937)</u>	<u>\$234,818</u>

Water Development Funds				System Benefit Fund				Available School Fund			
Budgetary Amounts		Actual Amounts Budgetary Basis	Final To Actual Variance	Budgetary Amounts		Actual Amounts Budgetary Basis	Final To Actual Variance	Budgetary Amounts		Actual Amounts Budgetary Basis	Final To Actual Variance
Original	Final			Original	Final			Original	Final		
\$ 22,353	\$ 13,695	\$ 11,926	\$ (1,769)	\$	\$	\$	\$	\$	\$	\$	\$
14,977	21,052	13,154	(7,898)	133,883	143,536	139,205	(4,331)	5,055	11,815	6,162	(5,653)
174	220	955	735	217	12,631	16,327	3,696				
	3,717	3,717									
<u>37,504</u>	<u>38,684</u>	<u>29,752</u>	<u>(8,932)</u>	<u>134,100</u>	<u>156,167</u>	<u>155,532</u>	<u>(635)</u>	<u>5,055</u>	<u>11,815</u>	<u>6,162</u>	<u>(5,653)</u>
								1,622,000	1,622,000	1,633,701	(11,701)
9,544	23,659	27,778	(4,119)	33,626	33,893	7,613	26,280				
<u>9,544</u>	<u>23,659</u>	<u>27,778</u>	<u>(4,119)</u>	<u>33,626</u>	<u>33,893</u>	<u>7,613</u>	<u>26,280</u>	<u>1,622,000</u>	<u>1,622,000</u>	<u>1,633,701</u>	<u>(11,701)</u>
27,960	15,025	1,974	(13,051)	100,474	122,274	147,919	25,645	(1,616,945)	(1,610,185)	(1,627,539)	(17,354)
		1,652 (11,485)	1,652 (11,485)					1,577,951	1,585,756 (65)	1,592,500 (3,501)	6,744 (3,436)
<u>281,007</u>	<u>290,166</u>	<u>249,673</u>	<u>(40,493)</u>	<u>249,236</u>	<u>248,920</u>	<u>264,361</u>	<u>15,441</u>	<u>(262,959)</u>	<u>14,944</u>	<u>52,098</u>	<u>37,154</u>
<u>281,007</u>	<u>290,166</u>	<u>239,840</u>	<u>(50,326)</u>	<u>249,236</u>	<u>248,920</u>	<u>264,361</u>	<u>15,441</u>	<u>1,314,992</u>	<u>1,600,635</u>	<u>1,641,097</u>	<u>40,462</u>
<u>\$308,967</u>	<u>\$305,191</u>	<u>\$241,814</u>	<u>\$(63,377)</u>	<u>\$349,710</u>	<u>\$371,194</u>	<u>\$412,280</u>	<u>\$41,086</u>	<u>\$(301,953)</u>	<u>\$(9,550)</u>	<u>\$13,558</u>	<u>\$23,108</u>

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## Budgetary Comparison Schedule Nonmajor Special Revenue Funds (concluded)

For the Fiscal Year Ended August 31, 2007 (Amounts in Thousands)

	Texas Mobility Fund				Other Nonmajor Special Revenue Funds			
	Budgetary Amounts		Actual Amounts Budgetary Basis	Final To Actual Variance	Budgetary Amounts		Actual Amounts Budgetary Basis	Final To Actual Variance
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Federal					9,290	23,498	2,238	(21,260)
Licenses, Fees and Permits	141,488	145,358	140,481	(4,877)	71,698	88,237	89,772	1,535
Interest and Other Investment Income	8,023	3,416	36,701	33,285	28,885	23,961	7,326	(16,635)
Land Income							173	173
Sales of Goods and Services					27,588	37,373	4,148	(33,225)
Other		135,720		(135,720)	21,459	185	3,005	2,820
Total Revenues	<u>149,511</u>	<u>284,494</u>	<u>177,182</u>	<u>(107,312)</u>	<u>158,920</u>	<u>173,254</u>	<u>106,662</u>	<u>(66,592)</u>
<b>EXPENDITURES</b>								
General Government					458,631	246,535	87,271	159,264
Education					5,122	6,323	22,878	(16,555)
Employee Benefits					492,922	13,258	13,133	125
Health and Human Services					32,619	33,603	18,113	15,490
Public Safety and Corrections					6,302	6,302	1,410	4,892
Transportation	981,275	2,546,601	(847)	2,547,448		3,741		3,741
Natural Resources and Recreation					16,386	33,011	24,102	8,909
Regulatory Services						6,637	10,657	(4,020)
Total Expenditures	<u>981,275</u>	<u>2,546,601</u>	<u>(847)</u>	<u>2,547,448</u>	<u>1,011,982</u>	<u>349,410</u>	<u>177,564</u>	<u>171,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(831,764)</u>	<u>(2,262,107)</u>	<u>178,029</u>	<u>2,440,136</u>	<u>(853,062)</u>	<u>(176,156)</u>	<u>(70,902)</u>	<u>105,254</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In						102	126,334	126,232
Transfer Out			(1,780,133)	(1,780,133)			(7,166)	(7,166)
Bond Proceeds*	2,196,605	2,196,605	2,245,218	48,613				
Available Beginning Balances	887,588	133,126	415,069	281,943	(466,631)	(60,301)	25,169	85,470
Total Other Financing Sources (Uses)	<u>3,084,193</u>	<u>2,329,731</u>	<u>880,154</u>	<u>(1,449,577)</u>	<u>(466,631)</u>	<u>(60,199)</u>	<u>144,337</u>	<u>204,536</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,252,429</u>	<u>\$ 67,624</u>	<u>\$ 1,058,183</u>	<u>\$ 990,559</u>	<u>\$ (1,319,693)</u>	<u>\$ (236,355)</u>	<u>\$ 73,435</u>	<u>\$ 309,790</u>

\* The Texas mobility fund received \$2.196 billion in bond proceeds. These are authorized by Article 3, Section 49-n of the Texas Constitution and Section 222.003 of the Texas Transportation Code.

## Nonmajor Debt Service Funds

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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 Public Finance Authority Revenue Bond Funds** receive proceeds and accrued interest from the sale of revenue bonds and provide the debt service requirements for those bonds.

The **Student Loan Revenue Bond Fund** receives proceeds from the sale of revenue bonds and gifts or grants made to the Texas Higher Education Coordinating Board. Loans may be made from the fund to students qualifying for a loan under Subchapter C, Chapter 52.

The **Texas Military Facilities Commission Refund and Improvement Bond Fund** provides for the payment of principal and interest on the Commission's outstanding revenue bonds. The fund is composed of an interest and sinking fund and a reserve 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 sale of notes and pledged revenues necessary to make debt service payments.

The **Texas Water Development Board Bond Funds** receive proceeds to pay debt service on the bonds issued for the purpose of providing financial assistance for the construction of water and wastewater related projects, water supply and sewer services.

The **Texas Park Development Bond Interest and Sinking Fund** receives net receipts from entrance or gate fees and investment receipts. It is used exclusively for the purpose of paying principal of and interest on the bonds as they mature and also exchange and collection charges in connection therewith.

# Combining Balance Sheet – Nonmajor Debt Service Funds

August 31, 2007 (Amounts in Thousands)

	Texas College Student Loan Bonds Interest and Sinking Fund	Texas Public Finance Authority Revenue Bond Funds	Student Loan Revenue Bond Fund *	Texas Military Facilities Commission Refund and Improvement Bond Fund	Texas Public Finance Authority G.O. Bond Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$	\$ 1,399	\$	\$ 2	\$ 651
Receivables:					
Accounts					
Federal	70				
Interest and Dividends	1,650				
Investments		105			
Restricted:					
Cash and Cash Equivalents	137,833				
<b>Total Assets</b>	<b>\$139,553</b>	<b>\$ 1,504</b>	<b>\$ 0</b>	<b>\$ 2</b>	<b>\$ 651</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables:					
Accounts	\$ 40	\$	\$	\$	\$
Total Liabilities	40	0	0	0	0
Fund Balances:					
Reserved for Debt Service	139,513	1,504		2	651
Total Fund Balances	139,513	1,504	0	2	651
<b>Total Liabilities and Fund Balances</b>	<b>\$139,553</b>	<b>\$ 1,504</b>	<b>\$ 0</b>	<b>\$ 2</b>	<b>\$ 651</b>

\* This fund has activity on the combining statement of revenues, expenditures and changes in fund balances – nonmajor debt service funds.

Texas Public Finance Authority Commercial Paper Funds	Texas Water Development Board Bond Funds	Texas Park Development Bond Interest and Sinking Fund	Other Nonmajor Debt Service Funds	Totals
\$ 3,242	\$ 25	\$ 3	\$ 218	\$ 5,540
	6			6
				70
			1	1,651
				105
				137,833
<u>\$ 3,242</u>	<u>\$ 31</u>	<u>\$ 3</u>	<u>\$ 219</u>	<u>\$145,205</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 40
				40
3,242	31	3	219	145,165
<u>3,242</u>	<u>31</u>	<u>3</u>	<u>219</u>	<u>145,165</u>
<u>\$ 3,242</u>	<u>\$ 31</u>	<u>\$ 3</u>	<u>\$ 219</u>	<u>\$145,205</u>

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

For the Fiscal Year Ended August 31, 2007 (Amounts in Thousands)

	Texas College Student Loan Bonds Interest and Sinking Fund	Texas Public Finance Authority Revenue Bond Funds	Student Loan Revenue Bond Fund	Texas Military Facilities Commission Refund and Improvement Bond Fund	Texas Public Finance Authority G.O. Bond Funds
<b>REVENUES</b>					
Federal	\$ 61	\$	\$	\$	\$
Interest and Other Investment Income	12,032	1,209	39	2	226
Other	758				104
Total Revenues	<u>12,851</u>	<u>1,209</u>	<u>39</u>	<u>2</u>	<u>330</u>
<b>EXPENDITURES</b>					
Current:					
General Government					245
Debt Service:					
Principal	16,500	80,807		1,540	233,342
Interest	26,192	20,880		873	93,422
Other Payments for Refunding					
Total Expenditures	<u>42,692</u>	<u>101,687</u>	<u>0</u>	<u>2,413</u>	<u>327,009</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(29,841)</u>	<u>(100,478)</u>	<u>39</u>	<u>(2,411)</u>	<u>(326,679)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	52,109	76,151		2,413	326,937
Transfer Out	(534)	(8)	(2,210)		(21)
Bonds and Notes Issued					
Bonds Issued for Refunding	26,702				202,790
Premiums (Discounts) on Bonds Issued					13,643
Payment to Escrow for Advance Refunding	(26,703)				(216,433)
Total Other Financing Sources (Uses)	<u>51,574</u>	<u>76,143</u>	<u>(2,210)</u>	<u>2,413</u>	<u>326,916</u>
Net Change in Fund Balances	<u>21,733</u>	<u>(24,335)</u>	<u>(2,171)</u>	<u>2</u>	<u>237</u>
Fund Balances, September 1, 2006	<u>117,780</u>	<u>25,839</u>	<u>2,171</u>		<u>414</u>
Fund Balances, August 31, 2007	<u>\$ 139,513</u>	<u>\$ 1,504</u>	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 651</u>

Texas Public Finance Authority Commercial Paper Funds	Texas Water Development Board Bond Funds	Texas Park Development Bond Interest and Sinking Fund	Other Nonmajor Debt Service Funds	Totals
\$ 134	\$ 41	\$ 218	\$ 5	\$ 61
				13,906
				862
<u>134</u>	<u>41</u>	<u>218</u>	<u>5</u>	<u>14,829</u>
				245
25,459	13,420	5,585		376,653
4,882	16,179	1,156	2,423	166,007
	184			184
<u>30,341</u>	<u>29,783</u>	<u>6,741</u>	<u>2,423</u>	<u>543,089</u>
(30,207)	(29,742)	(6,523)	(2,418)	(528,260)
29,254	29,563	6,509	2,423	525,359
			214	(2,773)
	19,680			214
	525			249,172
	(20,021)			14,168
<u>29,254</u>	<u>29,747</u>	<u>6,509</u>	<u>2,637</u>	<u>(263,157)</u>
				522,983
(953)	5	(14)	219	(5,277)
4,195	26	17		150,442
<u>\$ 3,242</u>	<u>\$ 31</u>	<u>\$ 3</u>	<u>\$ 219</u>	<u>\$ 145,165</u>



## Nonmajor Capital Projects Funds

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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 Building and Procurement 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 Youth Commission Project Funds** are used to pay for minor construction and repairs of the Texas Youth Commission.

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 Military Facilities Commission Project Fund** is used to finance renovation and construction of new armories.

The **Texas Department of Transportation Project Funds** are used to provide financial assistance to counties for roadway projects serving border colonias.

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

# Combining Balance Sheet – Nonmajor Capital Projects Funds

August 31, 2007 (Amounts in Thousands)

	Texas Public Finance Authority Administration Project Funds	Texas Parks and Wildlife Department Project Funds	Texas Building and Procurement Commission Project Funds	Texas Department of Criminal Justice Prison Project Funds	Texas Youth Commission Project Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,925	\$ 20,824	\$ 10,131	\$ 22,290	\$ 983
Receivables:					
Accounts			2,006		
Interest and Dividends		2			
Due From Other Funds			2,774		299
Inventories	2				
<b>Total Assets</b>	<b>\$ 4,927</b>	<b>\$ 20,826</b>	<b>\$ 14,911</b>	<b>\$ 22,290</b>	<b>\$ 1,282</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables:					
Accounts	\$ 8	\$ 357	\$ 1,871	\$ 1,922	\$ 182
Payroll	64				
Due To Other Funds		141			
Interfund Payable					
Other Liabilities				904	
<b>Total Liabilities</b>	<b>72</b>	<b>498</b>	<b>1,871</b>	<b>2,826</b>	<b>182</b>
Fund Balances/(Deficits):					
Reserved for:					
Encumbrances		5,425	12,952	31,244	4,872
Inventories	2				
Capital Projects	4,851	13,486			
Unreserved:					
Designated for:					
Public Safety and Corrections					
Undesignated	2	1,417	88	(11,780)	(3,772)
<b>Total Fund Balances</b>	<b>4,855</b>	<b>20,328</b>	<b>13,040</b>	<b>19,464</b>	<b>1,100</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,927</b>	<b>\$ 20,826</b>	<b>\$ 14,911</b>	<b>\$ 22,290</b>	<b>\$ 1,282</b>

Texas Health Agencies Project Funds	Texas Military Facilities Commission Project Fund	Texas Department of Transportation Project Funds	Texas Historical Commission Project Funds	Other Nonmajor Capital Projects Funds	Totals
\$ 19,201	\$ 1,231	\$ 4,828	\$ 19,686	\$ 13,271	\$ 117,370
	51				2,057
2,007					2
	83				5,080
					85
<u>\$ 21,208</u>	<u>\$ 1,365</u>	<u>\$ 4,828</u>	<u>\$ 19,686</u>	<u>\$ 13,271</u>	<u>\$ 124,594</u>
\$ 13,228	\$ 12	\$ 1,550	\$ 358	\$ 749	\$ 20,237
					64
2,945					3,086
1,888					1,888
					904
<u>18,061</u>	<u>12</u>	<u>1,550</u>	<u>358</u>	<u>749</u>	<u>26,179</u>
1,133	410		18,230	2,176	76,442
	83				85
307		3,278	1,098	10,346	33,366
	860				860
1,707					(12,338)
<u>3,147</u>	<u>1,353</u>	<u>3,278</u>	<u>19,328</u>	<u>12,522</u>	<u>98,415</u>
<u>\$ 21,208</u>	<u>\$ 1,365</u>	<u>\$ 4,828</u>	<u>\$ 19,686</u>	<u>\$ 13,271</u>	<u>\$ 124,594</u>

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

For the Fiscal Year Ended August 31, 2007 (Amounts in Thousands)

	Texas Public Finance Authority Administration Project Funds	Texas Parks and Wildlife Department Project Funds	Texas Building and Procurement Commission Project Funds	Texas Department of Criminal Justice Prison Project Funds	Texas Youth Commission Project Funds
<b>REVENUES</b>					
Federal	\$	\$	\$	\$	\$
Interest and Other Investment Income	370	728	667	1,815	25
Sales of Goods and Services			3,677		114
Other	26				
Total Revenues	<u>396</u>	<u>728</u>	<u>4,344</u>	<u>1,815</u>	<u>139</u>
<b>EXPENDITURES</b>					
Current:					
General Government	7,458		3,986		
Education					
Health and Human Services					
Public Safety and Corrections				7,704	
Transportation					
Natural Resources and Recreation		2,238			
Capital Outlay		7,633	9,727	32,060	2,646
Debt Service:					
Interest					
Other Financing Fees		328			
Total Expenditures	<u>7,458</u>	<u>10,199</u>	<u>13,713</u>	<u>39,764</u>	<u>2,646</u>
(Deficiency) of Revenues					
(Under) Expenditures	<u>(7,062)</u>	<u>(9,471)</u>	<u>(9,369)</u>	<u>(37,949)</u>	<u>(2,507)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In	1,261		500		299
Transfer Out	(28,123)	(121)	(100)	(30)	
Bonds and Notes Issued	31,211	20,285	5,500	50,000	
Premiums (Discounts) on Bonds Issued		215			
Total Other Financing Sources (Uses)	<u>4,349</u>	<u>20,379</u>	<u>5,900</u>	<u>49,970</u>	<u>299</u>
Net Change in Fund Balances	<u>(2,713)</u>	<u>10,908</u>	<u>(3,469)</u>	<u>12,021</u>	<u>(2,208)</u>
Fund Balances, September 1, 2006	7,568	9,420	16,509	7,443	3,308
Restatements					
Fund Balances, September 1, 2006, as Restated	<u>7,568</u>	<u>9,420</u>	<u>16,509</u>	<u>7,443</u>	<u>3,308</u>
Fund Balances, August 31, 2007	<u>\$ 4,855</u>	<u>\$ 20,328</u>	<u>\$ 13,040</u>	<u>\$ 19,464</u>	<u>\$ 1,100</u>

Texas Health Agencies Project Funds	Texas Military Facilities Commission Project Fund	Texas Department of Transportation Project Funds	Texas Historical Commission Project Funds	Other Nonmajor Capital Projects Funds	Totals
\$ 843	\$ 104	\$ 484	\$ 1,173	\$ 497	\$ 25
102	58				6,795
4				2	3,837
<u>949</u>	<u>162</u>	<u>484</u>	<u>1,173</u>	<u>499</u>	<u>32</u>
					<u>10,689</u>
			10,939		22,383
				2,251	2,251
23,234					23,234
	768			171	8,643
		14,850			14,850
					2,238
11,191	989		1,192	5,693	71,131
448					448
			130		458
<u>34,873</u>	<u>1,757</u>	<u>14,850</u>	<u>12,261</u>	<u>8,115</u>	<u>145,636</u>
(33,924)	(1,595)	(14,366)	(11,088)	(7,616)	(134,947)
1,282	115				3,457
(563)	(29)		(491)	(116)	(29,573)
34,500		15,000	8,777	10,000	175,273
			31		246
<u>35,219</u>	<u>86</u>	<u>15,000</u>	<u>8,317</u>	<u>9,884</u>	<u>149,403</u>
1,295	(1,509)	634	(2,771)	2,268	14,456
2,811	2,862	2,644	22,099	10,254	84,918
(959)					(959)
<u>1,852</u>	<u>2,862</u>	<u>2,644</u>	<u>22,099</u>	<u>10,254</u>	<u>83,959</u>
\$ <u>3,147</u>	\$ <u>1,353</u>	\$ <u>3,278</u>	\$ <u>19,328</u>	\$ <u>12,522</u>	\$ <u>98,415</u>



## Nonmajor Permanent Funds

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The **Permanent Health Fund for Higher Education** is a permanent fund 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 has been 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 **Permanent Higher Education Fund** is established by legislation to dedicate portions of the state's revenues. The principal shall never be expended. At the beginning of the fiscal year after the fund reaches \$2 billion and each year thereafter, 10 percent of the interest, dividends and other income accruing from investments during the previous fiscal

year shall be deposited and become part of the principal of the fund. Out of the remainder of the annual income, there shall be appropriated an annual sum sufficient to pay the principal and interest due on the bonds and notes issued and the balance shall be allocated for appropriations made in Article VII, sec. 17(a) of the Texas Constitution.

The **Texas Commission on the Arts Trust Fund** consists of the Texas cultural endowment fund account held outside the treasury used for initial seed money for the endowment and deposits toward the endowment. This fund is to provide a stable funding source for the enhancement of art education, encourage economic development and advance the well being of communities.

# Combining Balance Sheet – Nonmajor Permanent Funds

August 31, 2007 (Amounts in Thousands)

	Permanent Health Fund for Higher Education	Permanent Higher Education Fund	Texas Commission on the Arts Trust Fund	Other Nonmajor Permanent Funds	Totals
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4	\$ 5	\$ 20	\$ 287	\$ 316
Short-Term Investments	12,287	12,382			24,669
Securities Lending Collateral	20,314	20,751			41,065
Receivables:					
Investment Trades	689	703			1,392
Interest and Dividends	1,028	1,026		1	2,055
Investments	<u>601,640</u>	<u>604,951</u>	<u>15,157</u>	<u>2,560</u>	<u>1,224,308</u>
Total Assets	<u>\$ 635,962</u>	<u>\$ 639,818</u>	<u>\$ 15,177</u>	<u>\$ 2,848</u>	<u>\$1,293,805</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables:					
Accounts	\$ 314	\$ 314	\$	\$	\$ 628
Investment Trades	1,295	1,326			2,621
Interfund Payable				30	30
Obligations/Securities Lending	<u>20,314</u>	<u>20,751</u>	<u></u>	<u></u>	<u>41,065</u>
Total Liabilities	<u>21,923</u>	<u>22,391</u>	<u>0</u>	<u>30</u>	<u>44,344</u>
Fund Balances:					
Reserved for:					
Education		617,427			617,427
Unreserved:					
Designated for:					
Permanent Health Fund	614,039			2,500	616,539
Undesignated			15,177	318	15,495
Total Fund Balances	<u>614,039</u>	<u>617,427</u>	<u>15,177</u>	<u>2,818</u>	<u>1,249,461</u>
Total Liabilities and Fund Balances	<u>\$ 635,962</u>	<u>\$ 639,818</u>	<u>\$ 15,177</u>	<u>\$ 2,848</u>	<u>\$1,293,805</u>

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

For the Fiscal Year Ended August 31, 2007 (Amounts in Thousands)

	Permanent Health Fund for Higher Education	Permanent Higher Education Fund	Texas Commission on the Arts Trust Fund	Other Nonmajor Permanent Funds	Totals
<b>REVENUES</b>					
Interest and Other Investment Income	\$ 80,649	\$ 78,142	\$ 1,897	\$ 154	\$ 160,842
Land Income				10	10
Total Revenues	<u>80,649</u>	<u>78,142</u>	<u>1,897</u>	<u>164</u>	<u>160,852</u>
<b>EXPENDITURES</b>					
Current:					
General Government	2,992	2,971	103	188	6,254
Natural Resources and Recreation				4	4
Total Expenditures	<u>2,992</u>	<u>2,971</u>	<u>103</u>	<u>192</u>	<u>6,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>77,657</u>	<u>75,171</u>	<u>1,794</u>	<u>(28)</u>	<u>154,594</u>
<b>OTHER FINANCING (USES)</b>					
Transfer Out	(21,638)		(318)	(11)	(21,967)
Total Other Financing (Uses)	<u>(21,638)</u>	<u>0</u>	<u>(318)</u>	<u>(11)</u>	<u>(21,967)</u>
Net Change in Fund Balances	<u>56,019</u>	<u>75,171</u>	<u>1,476</u>	<u>(39)</u>	<u>132,627</u>
Fund Balances, September 1, 2006	558,020	542,256	13,701	2,857	1,116,834
Fund Balances, August 31, 2007	<u>\$ 614,039</u>	<u>\$ 617,427</u>	<u>\$ 15,177</u>	<u>\$ 2,818</u>	<u>\$1,249,461</u>

