



Section Two

(continued)

Other Supplementary Information Combining Financial Statements and Schedules



Section Two
(continued)

Governmental Funds

STATE OF TEXAS

Combining Balance Sheet – Nonmajor Governmental Funds

August 31, 2012 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,221,870	\$ 1,287,006	\$ 691,533	\$ 27,997	\$ 3,228,406
Short-Term Investments	17,266	93,009		6,807	117,082
Receivables:					
Accounts	64	888	2,145	41	3,138
Taxes	73,135				73,135
Federal	1,055	20,973			22,028
Investment Trades				5,571	5,571
Interest and Dividends	12,271	212		28	12,511
Due From Other Funds	68,392		4,280	778	73,450
Interfund Receivable			457		457
Inventories	154		3		157
Prepaid Items	5				5
Investments	14	7,788		729,947	737,749
Loans and Contracts	1,031,177				1,031,177
Other Assets	88				88
Restricted:					
Cash and Cash Equivalents	4,725				4,725
Loans and Contracts	789,064				789,064
Other Assets	88,001				88,001
Total Assets	<u>\$ 3,307,281</u>	<u>\$ 1,409,876</u>	<u>\$ 698,418</u>	<u>\$ 771,169</u>	<u>\$ 6,186,744</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables:					
Accounts	\$ 19,366	\$ 46	\$ 63,723	\$ 1,541	\$ 84,676
Investment Trades				633	633
Payroll	4,155		83		4,238
Due To Other Funds	899	19,555	31,764	15,756	67,974
Interfund Payable	2,840		98		2,938
Deferred Revenues	4,772	400	359,733		364,905
Other Liabilities	381		1,092		1,473
Total Liabilities	<u>32,413</u>	<u>20,001</u>	<u>456,493</u>	<u>17,930</u>	<u>526,837</u>
Fund Balances:					
Nonspendable	159		3	745,211	745,373
Restricted	2,469,125	1,389,875	241,922	352	4,101,274
Committed	803,376			7,676	811,052
Assigned	2,208				2,208
Total Fund Balances	<u>3,274,868</u>	<u>1,389,875</u>	<u>241,925</u>	<u>753,239</u>	<u>5,659,907</u>
Total Liabilities and Fund Balances	<u>\$ 3,307,281</u>	<u>\$ 1,409,876</u>	<u>\$ 698,418</u>	<u>\$ 771,169</u>	<u>\$ 6,186,744</u>

STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2012 (Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Funds
REVENUES					
Taxes	\$ 3,477,300	\$	\$	\$	\$ 3,477,300
Federal	4,341	54,012			58,353
Licenses, Fees and Permits	381,000	372,942			753,942
Interest and Other Investment Income	83,627	9,034	4,427	21,293	118,381
Land Income	4			11	15
Sales of Goods and Services	2,458		184,102		186,560
Other	39,845		4	15,756	55,605
Total Revenues	<u>3,988,575</u>	<u>435,988</u>	<u>188,533</u>	<u>37,060</u>	<u>4,650,156</u>
EXPENDITURES					
Current:					
General Government	233,263	1,258	27,421	2,798	264,740
Education	1,133,815		2,448	2,905	1,139,168
Employee Benefits	11,873				11,873
Health and Human Services	1,038		1,242	990	3,270
Public Safety and Corrections	58,672		22,357		81,029
Transportation	2,025	2,748			4,773
Natural Resources and Recreation	52,443		6,783	288	59,514
Regulatory Services	67,074				67,074
Capital Outlay	2,632		650,621		653,253
Debt Service:					
Principal		496,420			496,420
Interest	159	681,527			681,686
Other Financing Fees	1,096	908			2,004
Total Expenditures	<u>1,564,090</u>	<u>1,182,861</u>	<u>710,872</u>	<u>6,981</u>	<u>3,464,804</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>2,424,485</u>	<u>(746,873)</u>	<u>(522,339)</u>	<u>30,079</u>	<u>1,185,352</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	1,109,382	842,669	1,254		1,953,305
Transfer Out	(3,546,416)	(246,410)	(183,263)	(18,393)	(3,994,482)
Bonds and Notes Issued	149,291	11,891	77,435		238,617
Bonds Issued for Refunding		37,940			37,940
Premiums on Bonds Issued	14,381				14,381
Payment to Escrow for Refunding		(62,086)			(62,086)
Total Other Financing Sources (Uses)	<u>(2,273,362)</u>	<u>584,004</u>	<u>(104,574)</u>	<u>(18,393)</u>	<u>(1,812,325)</u>
Net Change in Fund Balances	<u>151,123</u>	<u>(162,869)</u>	<u>(626,913)</u>	<u>11,686</u>	<u>(626,973)</u>
Fund Balances, September 1, 2011	4,002,160	1,554,996	868,892	757,309	7,183,357
Restatements	(878,415)	(2,252)	(54)	(15,756)	(896,477)
Fund Balances, September 1, 2011, as Restated	<u>3,123,745</u>	<u>1,552,744</u>	<u>868,838</u>	<u>741,553</u>	<u>6,286,880</u>
Fund Balances, August 31, 2012	<u>\$ 3,274,868</u>	<u>\$ 1,389,875</u>	<u>\$ 241,925</u>	<u>\$ 753,239</u>	<u>\$ 5,659,907</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 **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, 2012 (Amounts in Thousands)

	Property Tax Relief Fund	Texas Transportation Corporations	Water Development Funds	System Benefit Fund	Available School Fund	Other Nonmajor Special Revenue Funds*	Totals
ASSETS							
Cash and Cash Equivalents	\$	\$ 101	\$ 79,385	\$766,658	\$ 88,590	\$ 287,136	\$ 1,221,870
Short-Term Investments			17,257			9	17,266
Receivables:							
Accounts			39			25	64
Taxes					73,135		73,135
Federal						1,055	1,055
Interest and Dividends	18		3,022		34	9,197	12,271
Due From Other Funds		533			65,866	1,993	68,392
Inventories						154	154
Prepaid Items						5	5
Investments						14	14
Loans and Contracts			1,024,809			6,368	1,031,177
Other Assets		4				84	88
Restricted:							
Cash and Cash Equivalents						4,725	4,725
Loans and Contracts						789,064	789,064
Other Assets						88,001	88,001
Total Assets	<u>\$ 18</u>	<u>\$ 638</u>	<u>\$ 1,124,512</u>	<u>\$766,658</u>	<u>\$227,625</u>	<u>\$1,187,830</u>	<u>\$ 3,307,281</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Payables:							
Accounts	\$	\$ 467	\$ 762	\$ 12,970	\$	\$ 5,167	\$ 19,366
Payroll						4,155	4,155
Due To Other Funds			662			237	899
Interfund Payable			2,840				2,840
Deferred Revenues					4,350	422	4,772
Other Liabilities						381	381
Total Liabilities	<u>0</u>	<u>467</u>	<u>4,264</u>	<u>12,970</u>	<u>4,350</u>	<u>10,362</u>	<u>32,413</u>
Fund Balances:							
Nonspendable						159	159
Restricted			1,120,062		223,275	1,125,788	2,469,125
Committed	18		186	753,688		49,484	803,376
Assigned		171				2,037	2,208
Total Fund Balances	<u>18</u>	<u>171</u>	<u>1,120,248</u>	<u>753,688</u>	<u>223,275</u>	<u>1,177,468</u>	<u>3,274,868</u>
Total Liabilities and Fund Balances	<u>\$ 18</u>	<u>\$ 638</u>	<u>\$ 1,124,512</u>	<u>\$766,658</u>	<u>\$227,625</u>	<u>\$1,187,830</u>	<u>\$ 3,307,281</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, 2012 (Amounts in Thousands)

	Property Tax Relief Fund	Texas Transportation Corporations	Water Development Funds	System Benefit Fund	Available School Fund	Other Nonmajor Special Revenue Funds*	Totals
REVENUES							
Taxes	\$ 2,699,969	\$	\$	\$	\$ 777,331	\$	\$ 3,477,300
Federal			76			4,265	4,341
Licenses, Fees and Permits				149,085		231,915	381,000
Interest and Other Investment Income	944		26,839	4,174	635	51,035	83,627
Land Income						4	4
Sales of Goods and Services			294			2,164	2,458
Other		1,591	1,995			36,259	39,845
Total Revenues	<u>2,700,913</u>	<u>1,591</u>	<u>29,204</u>	<u>153,259</u>	<u>777,966</u>	<u>325,642</u>	<u>3,988,575</u>
EXPENDITURES							
Current:							
General Government						233,263	233,263
Education					1,117,555	16,260	1,133,815
Employee Benefits						11,873	11,873
Health and Human Services						1,038	1,038
Public Safety and Corrections						58,672	58,672
Transportation		2,025					2,025
Natural Resources and Recreation			49,401			3,042	52,443
Regulatory Services				67,074			67,074
Capital Outlay						2,632	2,632
Debt Service:							
Interest			159				159
Other Financing Fees						1,096	1,096
Total Expenditures	<u>0</u>	<u>2,025</u>	<u>49,560</u>	<u>67,074</u>	<u>1,117,555</u>	<u>327,876</u>	<u>1,564,090</u>
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	<u>2,700,913</u>	<u>(434)</u>	<u>(20,356)</u>	<u>86,185</u>	<u>(339,589)</u>	<u>(2,234)</u>	<u>2,424,485</u>
OTHER FINANCING SOURCES (USES)							
Transfer In			540		1,020,887	87,955	1,109,382
Transfer Out	(2,700,937)		(74,811)		(598,976)	(171,692)	(3,546,416)
Bonds and Notes Issued			63,676			85,615	149,291
Premiums on Bonds Issued						14,381	14,381
Total Other Financing Sources (Uses)	<u>(2,700,937)</u>	<u>0</u>	<u>(10,595)</u>	<u>0</u>	<u>421,911</u>	<u>16,259</u>	<u>(2,273,362)</u>
Net Change in Fund Balances	<u>(24)</u>	<u>(434)</u>	<u>(30,951)</u>	<u>86,185</u>	<u>82,322</u>	<u>14,025</u>	<u>151,123</u>
Fund Balances, September 1, 2011	42	910,614	1,151,199	667,503	74,332	1,198,470	4,002,160
Restatements		(910,009)			66,621	(35,027)	(878,415)
Fund Balances, September 1, 2011, as Restated	<u>42</u>	<u>605</u>	<u>1,151,199</u>	<u>667,503</u>	<u>140,953</u>	<u>1,163,443</u>	<u>3,123,745</u>
Fund Balances, August 31, 2012	<u>\$ 18</u>	<u>\$ 171</u>	<u>\$ 1,120,248</u>	<u>\$ 753,688</u>	<u>\$ 223,275</u>	<u>\$ 1,177,468</u>	<u>\$ 3,274,868</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, 2012 (Amounts in Thousands)

	Property Tax Relief Fund				Water Development 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		
REVENUES								
Taxes	\$2,190,124	\$2,132,930	\$2,699,969	\$ 567,039	\$	\$	\$	\$
Federal					10,060	10,060	76	(9,984)
Licenses, Fees and Permits								
Interest and Other Investment Income	8,870	693	968	275	23,528	23,528	26,582	3,054
Sales of Goods and Services					300	300	425	125
Other					3,000	3,000	1,996	(1,004)
Total Revenues	<u>2,198,994</u>	<u>2,133,623</u>	<u>2,700,937</u>	<u>567,314</u>	<u>36,888</u>	<u>36,888</u>	<u>29,079</u>	<u>(7,809)</u>
EXPENDITURES								
General Government								
Education	2,198,994	2,198,994		2,198,994				
Employee Benefits								
Health and Human Services								
Public Safety and Corrections								
Transportation								
Natural Resources and Recreation					7,719	10,312	46,900	(36,588)
Regulatory Services								
Total Expenditures	<u>2,198,994</u>	<u>2,198,994</u>	<u>0</u>	<u>2,198,994</u>	<u>7,719</u>	<u>10,312</u>	<u>46,900</u>	<u>(36,588)</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	<u>0</u>	<u>(65,371)</u>	<u>2,700,937</u>	<u>2,766,308</u>	<u>29,169</u>	<u>26,576</u>	<u>(17,821)</u>	<u>(44,397)</u>
OTHER FINANCING SOURCES (USES)								
Transfer In							539	539
Transfer Out			(2,700,937)	(2,700,937)			(74,811)	(74,811)
Available Beginning Balances					69,216	69,216	69,216	
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2,700,937)</u>	<u>(2,700,937)</u>	<u>69,216</u>	<u>69,216</u>	<u>(5,056)</u>	<u>(74,272)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)								
Expenditures and Other Financing Uses	<u>\$ 0</u>	<u>\$ (65,371)</u>	<u>\$ 0</u>	<u>\$ 65,371</u>	<u>\$ 98,385</u>	<u>\$ 95,792</u>	<u>\$ (22,877)</u>	<u>\$ (118,669)</u>

* The Water Development Funds received bond proceeds of \$63.7 million not included on this schedule.

** The activity of the Texas transportation corporations, now discretely presented, is not shown on this schedule because there is no legally adopted budget.

System Benefit Fund				Available School Fund				Other Nonmajor Special Revenue Funds**			
Budgetary Amounts		Actual Amounts	Final To Actual	Budgetary Amounts		Actual Amounts	Final To Actual	Budgetary Amounts		Actual Amounts	Final To Actual
Original	Final	Basis	Variance	Original	Final	Basis	Variance	Original	Final	Basis	Variance
\$	\$	\$	\$	\$	\$	\$ 708,547	\$ 708,547	\$	\$	\$	\$
								372,754	263,099	3,542	(259,557)
144,262	144,262	149,085	4,823					88,470	88,470	95,335	6,865
9,596	9,596	4,174	(5,422)	1,380	908	640	(268)	704	704	18,184	17,480
										2,442	2,442
								20	20	132	112
153,858	153,858	153,259	(599)	1,380	908	709,187	708,279	461,948	352,293	119,635	(232,658)
								428,496	157,901	110,101	47,800
				1,099,949	1,099,949	1,117,555	(17,606)			7,039	(7,039)
								589,706	15,756	11,765	3,991
								19,994	19,996		19,996
								5,000	5,000	540	4,460
									3		3
								4,958	5,336	5,711	(375)
81,235	84,097	69,724	14,373								
81,235	84,097	69,724	14,373	1,099,949	1,099,949	1,117,555	(17,606)	1,048,154	203,992	135,156	68,836
72,623	69,761	83,535	13,774	(1,098,569)	(1,099,041)	(408,368)	690,673	(586,206)	148,301	(15,521)	(163,822)
				1,549,455	1,778,392	1,020,887	(757,505)			29,506	29,506
					(608,069)	(598,976)	9,093			(38,222)	(38,222)
683,123	683,123	683,123		10,857	10,857	10,857		122,758	122,758	122,758	
683,123	683,123	683,123	0	1,560,312	1,181,180	432,768	(748,412)	122,758	122,758	114,042	(8,716)
\$755,746	\$752,884	\$766,658	\$13,774	\$ 461,743	\$ 82,139	\$ 24,400	\$ (57,739)	\$ (463,448)	\$ 271,059	\$98,521	\$ (172,538)

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, 2012 (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	\$ 17,804	\$ 1,118,551	\$ 45	\$ 5,120	\$ 145,466	\$ 20	\$ 1,287,006
Short-Term Investments	93,009						93,009
Receivables:							
Accounts	355	533					888
Federal		9,710			11,263		20,973
Interest and Dividends	212						212
Investments	7,788						7,788
Total Assets	<u>\$119,168</u>	<u>\$1,128,794</u>	<u>\$ 45</u>	<u>\$ 5,120</u>	<u>\$156,729</u>	<u>\$ 20</u>	<u>\$1,409,876</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Payables:							
Accounts	\$ 19	\$ 12	\$ 15	\$	\$	\$	\$ 46
Due To Other Funds		19,555					19,555
Deferred Revenues		400					400
Total Liabilities	<u>19</u>	<u>19,967</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,001</u>
Fund Balances:							
Restricted	119,149	1,108,827	30	5,120	156,729	20	1,389,875
Total Fund Balances	<u>119,149</u>	<u>1,108,827</u>	<u>30</u>	<u>5,120</u>	<u>156,729</u>	<u>20</u>	<u>1,389,875</u>
Total Liabilities and Fund Balances	<u>\$119,168</u>	<u>\$1,128,794</u>	<u>\$ 45</u>	<u>\$ 5,120</u>	<u>\$156,729</u>	<u>\$ 20</u>	<u>\$1,409,876</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, 2012 (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	\$ 20	\$ 23,304	\$ 3,659	\$	\$ 27,029	\$	\$ 54,012
Licenses, Fees and Permits		372,942					372,942
Interest and Other Investment Income	1,033	7,131	26	35	787	22	9,034
Total Revenues	<u>1,053</u>	<u>403,377</u>	<u>3,685</u>	<u>35</u>	<u>27,816</u>	<u>22</u>	<u>435,988</u>
EXPENDITURES							
Current:							
General Government			1,021	237			1,258
Transportation		2,748					2,748
Debt Service:							
Principal	59,430	46,770	160,115	13,820	114,510	101,775	496,420
Interest	31,724	284,760	89,683	164	200,386	74,810	681,527
Other Financing Fees		514				394	908
Total Expenditures	<u>91,154</u>	<u>334,792</u>	<u>250,819</u>	<u>14,221</u>	<u>314,896</u>	<u>176,979</u>	<u>1,182,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(90,101)</u>	<u>68,585</u>	<u>(247,134)</u>	<u>(14,186)</u>	<u>(287,080)</u>	<u>(176,957)</u>	<u>(746,873)</u>
OTHER FINANCING SOURCES (USES)							
Transfer In	104,135		237,683	14,629	287,582	198,640	842,669
Transfer Out	(6,000)	(239,981)	(1)	(426)		(2)	(246,410)
Bonds and Notes Issued			9,423			2,468	11,891
Bonds Issued for Refunding						37,940	37,940
Payment to Escrow for Refunding						(62,086)	(62,086)
Total Other Financing Sources (Uses)	<u>98,135</u>	<u>(239,981)</u>	<u>247,105</u>	<u>14,203</u>	<u>287,582</u>	<u>176,960</u>	<u>584,004</u>
Net Change in Fund Balances	<u>8,034</u>	<u>(171,396)</u>	<u>(29)</u>	<u>17</u>	<u>502</u>	<u>3</u>	<u>(162,869)</u>
Fund Balances, September 1, 2011	111,115	1,280,223	59	5,103	158,479	17	1,554,996
Restatements					(2,252)		(2,252)
Fund Balances, September 1, 2011, as Restated	<u>111,115</u>	<u>1,280,223</u>	<u>59</u>	<u>5,103</u>	<u>156,227</u>	<u>17</u>	<u>1,552,744</u>
Fund Balances, August 31, 2012	<u>\$ 119,149</u>	<u>\$ 1,108,827</u>	<u>\$ 30</u>	<u>\$ 5,120</u>	<u>\$ 156,729</u>	<u>\$ 20</u>	<u>\$ 1,389,875</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 Youth Commission Project Funds** are used to pay for minor construction and repairs of the 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.

STATE OF TEXAS

Combining Balance Sheet – Nonmajor Capital Projects Funds

August 31, 2012 (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 Youth Commission Project Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,800	\$ 13,899	\$ 36,928	\$ 14,733	\$ 7,893
Accounts Receivable			2,145		
Due From Other Funds			3,435		845
Interfund Receivable					
Inventories	3				
Total Assets	<u>\$ 1,803</u>	<u>\$ 13,899</u>	<u>\$ 42,508</u>	<u>\$ 14,733</u>	<u>\$ 8,738</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables:					
Accounts	\$ 58	\$ 637	\$ 1,173	\$ 1,072	\$ 243
Payroll	83				
Due To Other Funds					
Interfund Payable	20	78			
Deferred Revenues					
Other Liabilities			466	626	
Total Liabilities	<u>161</u>	<u>715</u>	<u>1,639</u>	<u>1,698</u>	<u>243</u>
Fund Balances:					
Nonspendable	3				
Restricted	1,639	13,184	40,869	13,035	8,495
Total Fund Balances	<u>1,642</u>	<u>13,184</u>	<u>40,869</u>	<u>13,035</u>	<u>8,495</u>
Total Liabilities and Fund Balances	<u>\$ 1,803</u>	<u>\$ 13,899</u>	<u>\$ 42,508</u>	<u>\$ 14,733</u>	<u>\$ 8,738</u>

Texas Health Agencies Project Funds	Texas Department of Public Safety Project Funds	Texas Department of Transportation Project Funds	Texas Historical Commission Project Funds	Other Nonmajor Capital Projects Funds	Totals
\$ 10,512	\$ 10,802	\$ 548,934	\$ 32,806	\$ 13,226	\$ 691,533
					2,145
					4,280
			457		457
					3
<u>\$ 10,512</u>	<u>\$ 10,802</u>	<u>\$ 548,934</u>	<u>\$ 33,263</u>	<u>\$ 13,226</u>	<u>\$ 698,418</u>
\$ 483	\$ 191	\$ 56,515	\$ 1,753	\$ 1,598	\$ 63,723
					83
		31,764			31,764
					98
		359,733			359,733
					1,092
<u>483</u>	<u>191</u>	<u>448,012</u>	<u>1,753</u>	<u>1,598</u>	<u>456,493</u>
<u>10,029</u>	<u>10,611</u>	<u>100,922</u>	<u>31,510</u>	<u>11,628</u>	<u>241,922</u>
<u>10,029</u>	<u>10,611</u>	<u>100,922</u>	<u>31,510</u>	<u>11,628</u>	<u>241,925</u>
<u>\$ 10,512</u>	<u>\$ 10,802</u>	<u>\$ 548,934</u>	<u>\$ 33,263</u>	<u>\$ 13,226</u>	<u>\$ 698,418</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, 2012 (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 Youth Commission Project Funds
REVENUES					
Interest and Other Investment Income	\$ 14	\$ 113	\$ 222	\$ 132	\$ 41
Sales of Goods and Services			3,142		
Other				2	
Total Revenues	<u>14</u>	<u>113</u>	<u>3,364</u>	<u>134</u>	<u>41</u>
EXPENDITURES					
Current:					
General Government	1,829		11,339		
Education					
Health and Human Services					
Public Safety and Corrections				19,277	
Natural Resources and Recreation		6,783			
Capital Outlay		10,132	3,836	8,933	5,087
Total Expenditures	<u>1,829</u>	<u>16,915</u>	<u>15,175</u>	<u>28,210</u>	<u>5,087</u>
Deficiency of Revenues					
Under Expenditures	<u>(1,815)</u>	<u>(16,802)</u>	<u>(11,811)</u>	<u>(28,076)</u>	<u>(5,046)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	1,012	4	5		5
Transfer Out	(2,173)	(3)	(11)	(2)	
Bonds and Notes Issued	1,350	23,700	13,000	10,000	5,550
Total Other Financing Sources (Uses)	<u>189</u>	<u>23,701</u>	<u>12,994</u>	<u>9,998</u>	<u>5,555</u>
Net Change in Fund Balances	<u>(1,626)</u>	<u>6,899</u>	<u>1,183</u>	<u>(18,078)</u>	<u>509</u>
Fund Balances, September 1, 2011	3,268	6,285	39,686	31,113	7,986
Restatements					
Fund Balances, September 1, 2011, as Restated	<u>3,268</u>	<u>6,285</u>	<u>39,686</u>	<u>31,113</u>	<u>7,986</u>
Fund Balances, August 31, 2012	<u>\$ 1,642</u>	<u>\$ 13,184</u>	<u>\$ 40,869</u>	<u>\$ 13,035</u>	<u>\$ 8,495</u>

Texas Health Agencies Project Funds	Texas Department of Public Safety Project Funds	Texas Department of Transportation Project Funds	Texas Historical Commission Project Funds	Other Nonmajor Capital Projects Funds	Totals
\$ 125	\$ 160	\$ 3,310 180,960	\$ 172	\$ 138	\$ 4,427 184,102
	2				4
<u>125</u>	<u>162</u>	<u>184,270</u>	<u>172</u>	<u>138</u>	<u>188,533</u>
			14,253		27,421
				2,448	2,448
1,242					1,242
	2,843			237	22,357
					6,783
14,917	22,032	565,456	4,985	15,243	650,621
<u>16,159</u>	<u>24,875</u>	<u>565,456</u>	<u>19,238</u>	<u>17,928</u>	<u>710,872</u>
(16,034)	(24,713)	(381,186)	(19,066)	(17,790)	(522,339)
22	25		145	36	1,254
(2)	(55)	(180,961)	(14)	(42)	(183,263)
2,000			21,835		77,435
<u>2,020</u>	<u>(30)</u>	<u>(180,961)</u>	<u>21,966</u>	<u>(6)</u>	<u>(104,574)</u>
(14,014)	(24,743)	(562,147)	2,900	(17,796)	(626,913)
22,548	35,354	663,501	29,727	29,424	868,892
1,495		(432)	(1,117)		(54)
<u>24,043</u>	<u>35,354</u>	<u>663,069</u>	<u>28,610</u>	<u>29,424</u>	<u>868,838</u>
<u>\$ 10,029</u>	<u>\$ 10,611</u>	<u>\$ 100,922</u>	<u>\$ 31,510</u>	<u>\$ 11,628</u>	<u>\$ 241,925</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.

STATE OF TEXAS

Combining Balance Sheet – Nonmajor Permanent Funds

August 31, 2012 (Amounts in Thousands)

	Permanent Health Fund for Higher Education	National Research University Fund	Other Nonmajor Permanent Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 11,144	\$ 15,768	\$ 1,085	\$ 27,997
Short-Term Investments	1,298	5,509		6,807
Receivables:				
Accounts	41			41
Investment Trades	971	4,600		5,571
Interest and Dividends	6	22		28
Due From Other Funds	240		538	778
Investments	133,652	593,239	3,056	729,947
Total Assets	<u>\$ 147,352</u>	<u>\$ 619,138</u>	<u>\$ 4,679</u>	<u>\$ 771,169</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables:				
Accounts	\$ 700	\$ 304	\$ 537	\$ 1,541
Investment Trades	140	493		633
Due To Other Funds		15,756		15,756
Total Liabilities	<u>840</u>	<u>16,553</u>	<u>537</u>	<u>17,930</u>
Fund Balances:				
Nonspendable	138,836	602,585	3,790	745,211
Restricted			352	352
Committed	7,676			7,676
Total Fund Balances	<u>146,512</u>	<u>602,585</u>	<u>4,142</u>	<u>753,239</u>
Total Liabilities and Fund Balances	<u>\$ 147,352</u>	<u>\$ 619,138</u>	<u>\$ 4,679</u>	<u>\$ 771,169</u>

STATE OF TEXAS

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

For the Fiscal Year Ended August 31, 2012 (Amounts in Thousands)

	Permanent Health Fund for Higher Education	National Research University Fund	Other Nonmajor Permanent Funds	Totals
REVENUES				
Interest and Other Investment Income	\$ 3,913	\$ 15,192	\$ 2,188	\$ 21,293
Land Income			11	11
Other		15,756		15,756
Total Revenues	<u>3,913</u>	<u>30,948</u>	<u>2,199</u>	<u>37,060</u>
EXPENDITURES				
Current:				
General Government	1,004	1,794		2,798
Education	756		2,149	2,905
Health and Human Services	990			990
Natural Resources and Recreation	288			288
Total Expenditures	<u>3,038</u>	<u>1,794</u>	<u>2,149</u>	<u>6,981</u>
Excess of Revenues Over Expenditures	<u>875</u>	<u>29,154</u>	<u>50</u>	<u>30,079</u>
OTHER FINANCING USES				
Transfer Out	(2,625)	(15,756)	(12)	(18,393)
Total Other Financing Uses	<u>(2,625)</u>	<u>(15,756)</u>	<u>(12)</u>	<u>(18,393)</u>
Net Change in Fund Balances	<u>(1,750)</u>	<u>13,398</u>	<u>38</u>	<u>11,686</u>
Fund Balances, September 1, 2011	148,262	604,943	4,104	757,309
Restatements		(15,756)		(15,756)
Fund Balances, September 1, 2011, as Restated	<u>148,262</u>	<u>589,187</u>	<u>4,104</u>	<u>741,553</u>
Fund Balances, August 31, 2012	<u>\$ 146,512</u>	<u>\$ 602,585</u>	<u>\$ 4,142</u>	<u>\$ 753,239</u>

