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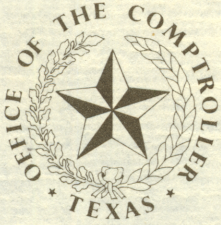
UNAUDITED GAAP
Annual Financial Report
FOR THE YEAR ENDED AUGUST 31, 1989

THE UNIVERSITY OF TEXAS-PAN AMERICAN



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BOB BULLOCK
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS



512-463-4600

L B J
State Office
Building

Bob Bullock
Comptroller of Public Accounts
Austin, Texas 78774

February 28, 1990

The Honorable William P. Clements, Jr.
Governor
State of Texas
P.O. Box 12428
Austin, Texas 78711

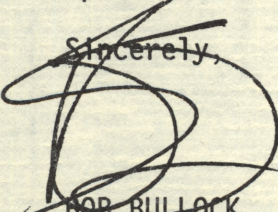
Dear Governor:

I am pleased to submit this annual GAAP-basis financial report for Fiscal Year 1989.

This report covers the state's finances for the fiscal year ending August 31, 1989, as required by the TEX. GOV'T CODE ANN. §403.013 (Vernon 1990). It is unaudited and was compiled from the unaudited financial reports submitted by state agencies, colleges and universities for Fiscal Year 1989.

The Texas State Auditor will audit this report. The audited version will be delivered to you as soon as the Auditor has completed his work and rendered an opinion.

Sincerely,


BOB BULLOCK
Comptroller of Public Accounts

BB:bb

Enclosure

State of Texas

1989 Unaudited GAAP Annual Financial Report

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UnAudited Annual Financial Report

Financial Section

For The Year Ended August 31, 1989

UNAUDITED

Combined Balance Sheet - All Fund Types and Account Groups

August 31, 1989 (Amounts in Thousands)

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and Temporary Investments (Note 3)	\$ 294,060	\$ 1,317,088	\$ 416,631	\$ 276,263
Investments		15,871	414,693	116,140
Receivables:				
Intergovernmental	3,920	265,021		
Interest and Dividends	8	161,790	16,061	6,335
Other (Note 19)	65,539	61,230	27	473
Due From Other Funds (Note 13)	241,579	110,927		124,570
Inventories	81,505	123,517		344
Advances to Other Funds/Agencies				
Loans and Contracts		201,624	997,207	
Fixed Assets (Note 2)				
Other Assets	7	2,467	32,265	
Amount Available in Debt Service Funds				
For Retirement of General Long-Term Debt				
Amounts to be Provided in Future Years For:				
Retirement of Bonds				
Other Obligations				
TOTAL ASSETS	\$ 686,618	\$ 2,259,535	\$ 1,876,884	\$ 524,125
LIABILITIES				
Payables	\$ 48,755	\$ 679,497	\$ 2,760	\$ 29,541
Deferred Revenues	251,008	112,183		
Due to Other Funds (Note 19)	268,724	268,533	329	81,734
Notes and Loans Payable (Note 4)		1,025		
Revenue Bonds Payable (Note 5)				
General Obligation Bonds Payable (Note 5)				
Claims and Judgments (Note 6)				
Employees' Compensable Leave (Note 7)		11		
Capital Lease Obligations (Note 8)				
Funds Held in Custody for Others				
Unallocated and Undistributed Receipts			833	
TOTAL LIABILITIES	568,487	1,061,249	3,922	111,275
FUND EQUITY				
Contributed Capital				
Investment in Fixed Assets				
Retained Earnings:				
Reserved				
Unreserved				
FUND BALANCES (DEFICITS):				
Reserved for:				
Encumbrances (Note 1)	53,823	156,919		70,069
Inventories	81,505	123,517		344
Retirement Trust Funds				
Other Employee Benefit Funds				
Public Finance Authority Program				295,075
Veterans Land and Housing Program			1,574,645	
Water Development Program		33,107		
Public Schools				
Restricted Fund Balances -				
Colleges and Universities				
Other	350,767	350,706	9,015	11,142
Unreserved:				
Designated	1,924	11,982	289,302	1,897
Undesignated	(369,888)	522,055		34,323
TOTAL FUND EQUITY	118,131	1,198,286	1,872,962	412,850
TOTAL LIABILITIES & FUND EQUITY	\$ 686,618	\$ 2,259,535	\$ 1,876,884	\$ 524,125

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS			Totals (Memorand only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Colleges and Universities		
\$ 473,208	\$ 9,412	\$ 2,219,149	\$	\$	\$ 2,034,159	\$ 7,039,970	
1,150,852		31,131,936			4,541,800	37,371,292	
		86,073				355,014	
29,400		371,782			63,694	649,070	
963,410	1,876	126,989			368,054	1,587,598	
90,157	7,731	76,367			267,271	918,602	
2,550	1,070	349			93,029	302,364	
35,083		14,216			28,430	77,729	
55,486					505,848	1,760,165	
349,149	6,913	169,896	3,193,162		7,988,950	11,708,070	
842	1,283	321,803				358,667	
				289,302		289,302	
				2,117,370		2,117,370	
				193,227		193,227	
\$ 3,150,137	\$ 28,285	\$ 34,518,560	\$ 3,193,162	\$ 2,599,899	\$ 15,891,235	\$ 64,728,440	
\$ 107,756	\$ 12,767	\$ 388,612	\$	\$	\$ 334,961	\$ 1,604,649	
14,797		16,447			201,342	595,777	
90,293	113	100,251			108,625	918,602	
17,320					111,925	130,270	
2,390,402				359,947	1,748,073	4,498,422	
122,191				2,046,725		2,168,916	
						0	
747	213	308		187,915	109,071	298,265	
137	4,551			5,312	21,873	31,873	
		453,189			156,133	609,322	
		216,264				217,097	
2,743,643	17,644	1,175,071		2,599,899	2,792,003	11,073,193	
176,795	3,836		3,193,162		6,252,187	180,631	
						9,445,349	
60,337	1,283	711				62,331	
166,140	5,522					171,662	
		193			161,889	442,893	
		14			39,516	244,896	
		25,374,622				25,374,622	
		184,194				184,194	
						295,075	
						1,574,645	
		6,796,695				33,107	
						6,796,695	
					5,632,082	5,632,082	
		981,762				1,703,392	
		360			830,100	1,135,565	
3,222		4,938			183,458	378,108	
406,494	10,641	33,343,489	3,193,162	0	13,099,232	53,655,247	
\$ 3,150,137	\$ 28,285	\$ 34,518,560	\$ 3,193,162	\$ 2,599,899	\$ 15,891,235	\$ 64,728,440	

UNAUDITED

State of Texas
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds

For The Year Ended August 31, 1989 (Amounts in Thousands)

	GOVERNMENTAL FUND TYPES	
	General	Special Revenue
REVENUES:		
Taxes	\$ 12,734,943	\$ 98,148
Federal	152,766	3,556,243
Licenses, Fees and Permits	325,358	947,107
Contributions to Employee Benefit Funds	73,137	
Interest and Other Investment Income	44,070	679,399
Land Income	342	7,004
Settlement of Claims	5,389	
Sales of Goods and Services	60,388	144,610
Other	63,971	145,942
Total Revenues	13,460,364	5,578,453
EXPENDITURES AND ENCUMBRANCES:		
General Government	316,444	245,433
Education	1,348,093	5,295,922
Employee Benefits	449	2,713
Health	1,093,315	263,883
Human Services	49,741	3,367,579
Public Safety and Corrections	744,563	251,883
Transportation	2,357	2,594,141
Natural Resources & Recreational Services	117,640	140,738
Regulatory Agencies	65,962	117,856
Debt Service:		
Principal	39,844	849
Interest	14,861	200
Other Financing Fees	10	36
Capital Outlay	49,020	144,478
Total Expenditures	3,842,299	12,425,711
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,618,065	(6,847,258)
OTHER FINANCING SOURCES (USES):		
Operating Transfers-In	740,101	9,709,831
Operating Transfers-Out	(9,862,667)	(2,838,360)
Net Change in Consumable Inventories	6,475	(1,995)
Bond and Note Proceeds		79,500
Incr. in Obligations Under Capital Leases	263	2,291
Refunds of Prior Years		
Other Financing Sources (Uses)	2,988	1,281
Total Other Financing Sources (Uses)	(9,112,840)	6,952,548
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	505,225	105,290
FUND BALANCES (DEFICITS) - September 1, 1988	(388,249)	1,820,845
Restatements (Note 22)	286	(727,665)
Residual Equity Transfers-In (Note 21)	869	952
Residual Equity Transfers-Out (Note 21)		(1,136)
	\$ 118,131	\$ 1,198,286

The accompanying notes to the financial statements are an integral part of this statement.

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GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE		Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust		
	\$ 514	\$ 1,432,529	\$	14,266,134
1,807		24,657		3,735,473
909		990		1,274,364
		372,294		445,431
199,825	23,025	60,504		1,006,823
		29		7,375
	83			5,472
		71		205,069
82	693	20,309		230,997
202,623	24,315	1,911,383		21,177,138
1,212	12,125			575,214
	(5)	88		6,644,098
		352,705		355,867
		376		1,357,574
		785,732		4,203,052
547	22,614	18,422		1,038,029
		50		2,596,548
	15,623	5,806		279,807
		663		184,481
				0
534,462				575,155
177,495				192,556
343				389
	219,472	166		413,136
714,059	269,829	1,164,008		18,415,906
(511,436)	(245,514)	747,375		2,761,232
534,920	29,731	2,204,720		13,219,303
(481,439)	(23,253)	(2,161,858)		(15,367,577)
		(9)		4,471
54,000	187,972	46		321,518
		1		2,555
				0
682	118	(127)		4,942
108,163	194,568	42,773		(1,814,788)
(403,273)	(50,946)	790,148		946,444
2,319,324	463,796	380,851		4,596,567
(43,089)				(770,468)
				1,821
				(1,136)
1,872,962	\$ 412,850	\$ 1,170,999	\$	4,773,228

UNAUDITED

State of Texas
Combined Statement of Revenue, Expenditures and Changes in Fund Balances -
Budget (Cash Basis) and Actual
All Appropriated Governmental Fund Types
 For The Year Ended August 31, 1989 (Amounts in Thousands)

	General			Special Revenue		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Taxes	\$13,061,579	\$12,898,681	(\$162,898)	\$110,361	\$140,390	\$30,029
Federal	0	152,618	152,618	4,602,679	5,091,981	489,302
Grants, Contracts & Endowments	0	0	0	0	0	0
Licenses, Fees and Permits	285,188	325,094	39,906	946,938	947,082	144
Contributions to Employee Benefits	59,762	73,137	13,375	0	0	0
Interest and Other Investment Income	10,642	44,070	33,428	799,690	794,687	(5,003)
Land Income	7	342	335	237,427	196,423	(41,004)
Settlement of Claims	8,396	5,389	(3,007)	19,129	2,738	(16,391)
Sales of Goods and Services	0	52,278	52,278	82,140	120,532	38,392
Other	4,282	63,964	59,682	63,857	131,965	68,108
Total Revenues	13,429,856	13,615,573	185,717	6,862,221	7,425,798	563,577
EXPENDITURES:						
General Government	370,967	341,171	29,796	513,806	561,714	(47,908)
Education	1,291,989	1,351,048	(59,059)	6,061,920	6,207,472	(145,552)
Employee Benefits	1,721	451	1,270	398	2,706	(2,308)
Health	1,180,903	1,126,177	54,726	213,876	334,173	(120,297)
Human Services	50,049	49,941	108	3,584,887	3,612,550	(27,663)
Public Safety and Corrections	789,978	776,843	13,135	282,510	300,197	(17,687)
Transportation	2,802	2,615	187	2,677,075	2,719,036	(41,961)
Natural Resources and Recreation	123,920	123,435	485	148,788	162,029	(13,241)
Regulatory Agencies	59,869	69,725	(9,856)	119,160	123,745	(4,585)
Debt Service:						
Principal	0	39,844	(39,844)	0	849	(849)
Interest	0	14,862	(14,862)	0	200	(200)
Other Financing Fees	0	10	(10)	0	36	(36)
Total Expenditures	3,872,198	3,896,122	(23,924)	13,602,420	14,024,707	(422,287)
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	9,557,658	9,719,451	161,793	(6,740,199)	(6,598,909)	141,290
OTHER FINANCING SOURCES (USES):						
Operating Transfers-In	837,774	740,101	(97,673)	7,608,164	9,709,831	2,101,667
Operating Transfers-Out	(9,530,656)	(9,862,667)	(332,011)	(864,094)	(2,838,360)	(1,974,266)
Intergovernmental Transfers-Out	0	0	0	0	(35,970)	(35,970)
Bond and Note Proceeds	0	0	0	0	79,500	79,500
Total Other Sources (Uses)	(8,692,882)	(9,122,566)	(429,684)	6,744,070	6,915,001	170,931
EXCESS (DEFICIT) OF REVENUES, EXPENDITURES AND OTHER SOURCES (USES)	864,776	596,885	(267,891)	3,871	316,092	312,221
FUND BALANCE - September 1, 1988	(186,628)	(186,628)	0	1,599,982	1,599,982	0
Residual Equity Transfers In (Out)	0	869	869	0	(184)	(184)
BUGETARY FUND BALANCE - August 31, 1989	\$678,148	\$411,126	(\$267,022)	\$1,603,853	\$1,915,890	\$312,037

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

Other Governmental Funds			Colleges and Universities			Totals (Memorandum Only)		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
\$0	\$1,435,142	\$1,435,142	\$0	\$0	\$0	13,171,940	\$14,474,213	\$1,302,273
0	25,342	25,342	1,348	552,048	550,700	4,604,027	\$5,821,989	1,217,962
0	0	0	0	450,235	450,235	0	\$450,235	450,235
77	1,899	1,822	210,084	528,159	318,075	1,442,287	\$1,802,234	359,947
0	184,107	184,107	0	0	0	59,762	\$257,244	197,482
137,791	267,219	129,428	402,358	245,262	(157,096)	1,350,481	\$1,351,238	757
0	29	29	86,616	0	(86,616)	324,050	\$196,794	(127,256)
0	83	83	0	0	0	27,525	\$8,210	(19,315)
0	71	71	2,271	1,019,319	1,017,048	84,411	\$1,192,200	1,107,789
313	9,537	9,224	1,109	131,836	130,727	69,561	\$337,302	267,741
138,181	1,923,429	1,785,248	703,786	2,926,859	2,223,073	21,134,044	25,891,659	4,757,615
8,619	41,761	(33,142)	0	0	0	893,392	944,646	(51,254)
14	116	(102)	2,268,355	4,842,785	(2,574,430)	9,622,278	12,401,421	(2,779,143)
0	164,675	(164,675)	0	0	0	2,119	167,832	(165,713)
2,768	18,855	(16,087)	0	0	0	1,397,547	1,479,205	(81,658)
23,848	785,731	(761,883)	0	0	0	3,658,784	4,448,222	(789,438)
7,734	281,299	(273,565)	0	0	0	1,080,222	1,358,339	(278,117)
0	50	(50)	0	0	0	2,679,877	2,721,701	(41,824)
8,298	24,466	(16,168)	0	0	0	281,006	309,930	(28,924)
0	664	(664)	0	0	0	179,029	194,134	(15,105)
0	534,462	(534,462)	0	0	0	0	575,155	(575,155)
0	177,495	(177,495)	0	0	0	0	192,557	(192,557)
0	343	(343)	0	0	0	0	389	(389)
51,281	2,029,917	(1,978,636)	2,268,355	4,842,785	(2,574,430)	19,794,254	24,793,531	(4,999,277)
86,900	(106,488)	(193,388)	(1,564,569)	(1,915,926)	(351,357)	1,339,790	1,098,128	(241,662)
23,848	607,514	583,666	1,924,964	2,126,500	201,536	10,394,750	13,183,946	2,789,196
0	(504,693)	(504,693)	0	0	0	(10,394,750)	(13,205,720)	(2,810,970)
0	0	0	0	0	0	0	(35,970)	(35,970)
23,848	242,018	218,170	0	0	0	23,848	321,518	297,670
47,696	344,839	297,143	1,924,964	2,126,500	201,536	23,848	263,774	239,926
134,596	238,351	103,755	360,395	210,574	(149,821)	1,363,638	1,361,902	(1,736)
3,176,769	3,176,769	0	1,179,811	1,179,811	0	5,769,934	5,769,934	0
						0	685	685
\$3,311,365	\$3,415,120	\$103,755	\$1,540,206	\$1,390,385	(\$149,821)	\$7,133,572	\$7,132,521	(\$1,051)

State of Texas
Combined Statement of Revenues, Expenses, and Changes in Fund Equity--
All Proprietary Fund Types and Similar Trust Funds

For The Year Ended August 31, 1988 (Amounts in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	
OPERATING REVENUES:					
Federal Revenues	\$ 6,332	\$	\$	\$	6,332
Sales of Goods and Services	66,245	42,987	4	365	109,601
Investment Income	52,188		19	2,000,105	2,052,312
Gain on Sale of Investments			153,056		153,056
Land Income			185,798	416,097	601,895
Contributions to Retirement Systems				1,663,361	1,663,361
Other Operating Revenues	100,193	1		34,474	134,668
TOTAL OPERATING REVENUES	224,958	42,988	338,877	4,114,402	4,721,225
OPERATING EXPENSES:					
Cost of Goods Sold	11,275	3,280			14,555
Salaries and Wages	16,130	3,737		11,528	31,395
Payroll Related Costs	2,789	454		2,220	5,463
Professional Fees and Services	2,138	308		2,208	4,654
Travel	332	31		328	691
Materials and Supplies	2,394	303		1,479	4,176
Communication and Utilities	1,000	31,696		369	33,065
Repairs and Maintenance	480	1,126		610	2,216
Rentals and Leases	723	158		222	1,103
Printing and Reproduction	1,581	47		37	1,665
Retirement System Benefits	81			1,304,750	1,304,831
Depreciation and Amortization	7,261	1,695		2,423	11,379
Other Operating Expenses	66,136	280	(3,212)	7,153	70,357
TOTAL OPERATING EXPENSES	112,320	43,115	(3,212)	1,333,327	1,485,550
OPERATING INCOME (LOSS)	112,638	(127)	342,089	2,781,075	3,235,675
NON-OPERATING REVENUES (EXPENSES):					
Investment and Dividends	109,082		1		109,083
Interest Expense and Fiscal Charges	(204,352)	(395)			(204,747)
Gain on Sale of Investments	620		(127)	32,828	33,321
Gain (Loss) on Sale of Fixed Assets	5			(99)	(94)
Settlement of Claims			2,737		2,737
Other Non-Operating Revenues (Expenses)	33,157	(1,364)			31,793
TOTAL NON-OPERATING REVENUES (EXPENSES):	(61,488)	(1,759)	2,611	32,729	(27,907)
INCOME BEFORE OPERATING TRANSFERS IN (OUT)	51,150	(1,886)	344,700	2,813,804	3,207,768
Operating Transfers-in		2,546	7	25,679	28,232
Operating Transfers-out	(250)	(3)	(109)	(97)	(459)
NET INCOME	50,900	657	344,598	2,839,386	3,235,541
FUND EQUITY, September 1, 1988	112,692	8,701	6,453,773	22,535,417	29,110,583
Restatements	156,662				156,662
Residual Equity Transfers-Out	(84,570)		(684)		(85,254)
Donated Capital		1,283			1,283
Other Changes	170,810				170,810
FUND EQUITY, August 31, 1988	\$ 406,494	\$ 10,641	\$ 6,797,687	\$ 25,374,803	\$ 32,589,625

The accompanying notes to the financial statements are an integral part of this statement.

State of Texas
Combined Statement of Changes in Financial Position
All Proprietary Fund Types and Similar Trust Funds

For the Year Ended August 31, 1989 (Amounts in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	
SOURCES OF WORKING CAPITAL:					
Operations:					
Net Income (Loss)	\$ 50,900	\$ 657	\$ 344,598	\$ 2,839,386	\$ 3,235,541
Items Not Affecting Working Capital:					
Depreciation and Amortization	7,261	1,695		2,423	11,379
(Gain) Loss on Sale of Assets	(5)			99	94
(Gain) Loss on Sale of Investments	3,474		127		3,601
Loss on Early Extinguishment of Debt	(620)				(620)
Other	10,365	1			10,366
Working Capital Provided by Operations	71,375	2,353	344,725	2,841,908	3,260,361
Other Sources of Capital:					
Bond and Note Proceeds	733,296				733,296
Net Decrease in Deferred Charges	4,355				4,355
Net Decrease in Long-term Investments	502,458		71,742		574,200
Net Increase in Deferred Credits	3,875				3,875
Disposal of Property, Plant & Equipment	31,282				31,282
Net Increase in Contributed Capital	170,810				170,810
Other Sources of Working Capital	100,219				100,219
TOTAL SOURCES OF WORKING CAPITAL	1,617,670	2,353	416,467	2,841,908	4,878,398
USE OF WORKING CAPITAL:					
Principal Payments on Long-term Debt	1,432,879	1,620		1	1,434,500
Net Increase in Noncurrent Receivables	24,333				24,333
Net Increase in Deferred Charges					0
Net Decrease in Deferred Credits				13,917	13,917
Net Increase in Long-term Investments	840,760		366,006	2,864,272	4,071,038
Acquisition of Property, Plant & Equipment	22,368	1,414		65,160	88,942
Operating Transfers Out					
Equity Transfers-Out	84,570	1			84,571
Other Uses of Working Capital	84,703		684	120	85,507
TOTAL USES OF WORKING CAPITAL	2,489,613	3,035	366,690	2,943,470	5,802,808
NET INCREASE (DECREASE) IN WORKING CAPITAL	(871,943)	(682)	49,777	(101,562)	(924,410)
CHANGES IN ELEMENTS					
NET WORKING CAPITAL INCREASE (DECREASE)					
Cash and Temporary Investments	(873,425)	999	102,563	(151,961)	(921,824)
Receivables	9,275	80		36,700	46,055
Due From Other Funds	72,887	3,678		16,218	92,783
Inventories	129	213		(28)	314
Other Assets					0
Current Portion of Deferred Charges					0
Payables	(8,170)	(5,913)	(52,786)	(2,491)	(69,360)
Current Portion of Deferred Revenues	256				256
Due To Other Funds	(72,895)	261			(72,634)
NET INCREASE (DECREASE) IN WORKING CAPITAL	\$ (871,943)	(682)	49,777	(101,562)	(924,410)

The accompanying notes to the financial statements are an integral part of this statement.

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State of Texas
Combined Statement of Changes in Fund Balances
All College and University Fund Types

For The Year Ended August 31, 1989 (Amounts in Thousands)

	Current Funds			Endowment and Similar Funds
	Unrestricted	Restricted	Loan Funds	
REVENUES AND OTHER ADDITIONS:				
Unrestricted Current Fund Revenue	\$ 2,114,692	\$	\$	\$
Federal Grants and Contracts		547,223	1,203	
Federal Appropriations		7,606		
State Grants and Contracts		64,473	866	
Local Grants and Contracts		28,273		
Private Grants and Contracts		255,264	302	44,807
Investment Income		59,777	1,408	86,230
Net Decrease in Allowance Accounts	786	97	292	
Net Change in Bonds Payable				
Expended for Plant Facilities				
Proceeds from Sale of Bonds				
Other Additions	46,744	35,510	7,680	165,139
TOTAL REVENUES AND OTHER ADDITIONS	2,162,222	998,223	11,751	296,176
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	3,718,219	1,006,309		
Indirect Cost Recoveries		85,116	27	
Refunded to Grantor	1,432	15,374	749	
Administrative and Collection Cost		54	517	
Net Increase in Allowance Accounts	7,422	1,298		
Loan Cancellations and Write-Offs	21		2,344	
Expended for Plant Facilities				
Retirement of Indebtedness and Expenses				
Interest on Indebtedness				
Disposal of Plant Facilities				
Net Change in Bonds Payable				
Other Deductions	16,405	9,101	2,282	4,809
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	3,743,499	1,117,252	5,919	4,809
TRANSFERS				
Mandatory Transfers				
Debt Service Requirements	(190,493)	1,817	1,427	
Loan Fund Matching/Grant Matching	(5,783)	3,343	2,440	
Other	(7,510)	1,065	1,226	3,954
Non-Mandatory Transfers	(75,659)	(16,532)	1,367	26,401
Transfer from State's General Revenue Fund	1,946,302	181,787		
Transfer to State's General Revenue Fund	(8,248)	(46)		
TOTAL TRANSFERS	1,658,609	171,434	6,460	30,355
NET INCREASE (DECREASE) FOR THE YEAR	77,332	52,405	12,292	321,722
FUND BALANCE, September 1, 1988	1,168,970	658,295	135,492	3,929,472
Prior Period Adjustments	8,318	(8,072)		91
FUND BALANCES, August 31, 1989	\$ 1,254,620	\$ 702,628	\$ 147,784	\$ 4,251,285

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Plant Funds					Totals
Unexpended Plant Funds	Renewals and Replacements	Retirement of Indebtedness	Investment Plant	(Memorandum Only)	
	\$	\$	\$	\$	2,114,692
271		1,269			549,966
		407			7,606
					65,746
					28,273
15,659	558		33,711		350,301
25,625	651	12,404			186,095
					1,175
98,857	4,050		52,316		155,223
			503,274		503,274
138,956		4,382			143,338
36,026	2,164	3,392	47,358		344,013
315,394	7,423	21,854	636,659		4,449,702
					4,724,528
					85,143
					17,555
		61			632
4	2				8,726
		17	869		3,251
296,152	21,814	5,747	4,324		328,037
83	1,021	78,478	572		80,154
		128,439	675		129,114
			70,006		70,006
21,748			181,130		202,878
53,504	4,549	1,169	39,111		130,930
371,491	27,386	213,911	296,687		5,780,954
(4,471)	96	191,622			(2)
	635	631			0
42,074	24,415	(2,056)	(9)		1
93	539	76			1
(2)					2,128,797
37,694	25,685	190,273	(9)		(8,296)
(18,403)	5,722	(1,784)	339,963		789,249
340,227	30,816	134,096	5,924,114		12,321,482
54			(11,890)		(11,499)
321,878	\$ 36,538	\$ 132,312	\$ 6,252,187	\$	13,099,232

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State Of Texas
Statement of Revenues, Expenditures, and General Revenue Transfers - All
College and University Current Funds

For the Year Ended August 31, 1989 (Amounts in Thousands)

	Unrestricted Funds				Restricted Funds	Total Current Funds
	Educational and General	Designated	Auxiliary Enterprise	Total		
REVENUES:						
Tuition and Fees	\$ 315,396	\$ 88,682	\$ 111,269	\$ 515,347	\$ 830	\$ 516,177
Federal Grants and Contracts	69,054	12,783	422	82,259	443,249	525,508
Federal Appropriations	18,934			18,934	7,606	26,540
State Grants and Contracts	25,425	1,727		27,152	58,464	85,616
Local Grants and Contracts	4,571	498		5,069	24,792	29,861
Private Gifts, Grants, and Contracts	8,464	18,670	2,985	30,119	231,937	262,056
Endowment Income	4,529	21,511	10,595	36,635	36,067	72,702
Sales and Services						
of Educational Activities	16,814	145,167	3,798	165,779	2,501	168,280
Sales and Services						
of Auxiliary Enterprises		1,467	377,838	379,305	3,029	382,334
Sales and Services of Hospitals	275,962	676		276,638		276,638
Professional Fees		216,344		216,344		216,344
Other Income	38,530	61,788	11,320	111,638	17,636	129,274
Available University Funds		249,473		249,473		249,473
TOTAL REVENUES	777,679	818,786	518,227	2,114,692	826,111	2,940,803
TRANSFER FROM STATE'S GENERAL REVENUE FUND	1,849,866	96,436		1,946,302	180,198	2,126,500
TOTAL REVENUES AND STATE TRANSFERS	2,627,545	\$ 915,222	\$ 518,227	\$ 4,060,994	\$ 1,006,309	\$ 5,067,303
EXPENDITURES						
Instruction	1,179,496	192,313		1,371,809	164,265	1,536,074
Research	176,108	34,677		210,785	448,107	658,892
Public Service	60,299	25,042		85,341	80,347	165,688
Hospitals	398,685	51,081		449,766	25,327	475,093
Academic Support	190,309	38,237		228,546	41,516	270,062
Student Services	47,175	19,015		66,190	16,536	82,726
Institutional Support	269,117	85,543		354,660	78,485	433,145
Operation and Maintenance of Plant	382,358	12,931		395,289	10,731	406,020
Scholarships and Fellowships	66,414	17,638		84,052	136,521	220,573
Auxiliary Enterprises		1,192	470,589	471,781	4,474	476,255
TOTAL EXPENDITURES	\$ 2,769,961	\$ 477,669	\$ 470,589	\$ 3,718,219	\$ 1,006,309	\$ 4,724,528

The accompanying notes to the financial statements are an integral part of this statement.

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Notes to the Financial Statements
For The Year Ended August 31, 1989

Note 1: Summary of Significant Accounting Policies

BASIS OF PRESENTATION

The accompanying financial statements of the State of Texas have been prepared to conform with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements of the college and university funds have been prepared to conform with generally accepted accounting principles for colleges and universities as prescribed by the National Association of College and University Business Officers (NACUBO).

FINANCIAL REPORTING ENTITY

For financial reporting purposes, the State of Texas has been defined to include all funds and accounts of entities meeting the entity definition criteria set forth in Section 2100 of the GASB Codification. The basic, but not the only, criterion for inclusion in the reporting entity is the ability to exercise oversight responsibility.

The criteria used to determine the existence of oversight responsibility included the following considerations: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Other criteria considered were scope of public service and special financing relationships.

Component units include those named in the General Appropriation Bill as passed by the 70th Legislature, Second Called Session. This includes executive and administrative departments and agencies; the health, welfare and rehabilitation agencies; state agencies of public education; the offices of the judiciary section of the state; and the offices of the Legislature. Public junior and community colleges have been excluded, as it is judged that oversight responsibility is exercised by local units of government.

In addition to the organizations mentioned above, certain entities have been organized or created pursuant to legislative enactments and are considered below. The following meet the oversight criteria and are included as component units of the reporting entity:

- Texas Housing Agency
- Texas Hospital Equipment Financing Council
- Texas Surplus Property Agency
- Texas Turnpike Authority
- State Bar of Texas
- Texas Guarantee Student Loan Corporation

The financial activities of the Texas Turnpike Authority are presented on a calendar year basis and reflect the activities of the Authority for the calendar year ended December 31, 1988.

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The financial position and related activity of the State Bar of Texas are presented for its fiscal year ended May 31, 1989.

The financial activities of the Texas Guarantee Student Loan Corporation are presented for its fiscal year ended September 30, 1988.

The various river authorities of the state are excluded from the reporting entity at this time. In the professional judgment of management, these entities' scope of public service is local, and the state does not exercise sufficient authority over the assets, operations and management to warrant their inclusion.

FUND STRUCTURE

The financial activities of the State are organized on the basis of funds and account groups, each considered as a separate accounting entity. The fund categories include governmental funds, proprietary funds, fiduciary funds, and college and university funds. Account groups are presented for general long-term debt and general fixed assets. The financial position and operations of each fund are accounted for in a separate set of self-balancing accounts which comprise each fund's assets, liabilities, equity, revenues and expenditures or expenses, and transfers. Government resources are allocated to and accounted for in the individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The reported funds were established administratively, constitutionally, or by statute enacted by the Legislature.

Governmental Fund Types

General Fund

The General Fund is the principal operating fund of the State, and was established to provide for the distribution of funds appropriated by the State Legislature for the ordinary expenditures of the state government. Transactions related to resources, which are not accounted for in other funds, are accounted for in the General Fund. The General Fund for the reporting entity is not equivalent to the state's General Revenue Fund (Fund 001). Certain activities of the General Revenue Fund are reported in other GAAP fund types that are more consistent with their usage (e.g. construction appropriations out of the General Revenue Fund are reported in the Capital Projects Fund).

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of certain revenue sources that are legally restricted to expenditures for specific purposes. The Highway Fund, the Available School Fund and the Water Development Fund are examples of funds included in this fund type.

Capital Projects Funds

Capital Projects funds are used to account for all financial resources used for the acquisition, repair, renovation or construction of major capital facilities other than those financed by proprietary or similar trust funds. Most of the financial activity in this fund type represents the finance operations of the Texas Public Finance Authority to be used for state construction.

Debt Service Funds

Debt Service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Most of the activity in this fund type reflects the servicing of bonds issued by the General Land Office/Veteran's Land Board and the Water Development Board.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate. The detailed activity of this fund type is reflected in Note 19.

Internal Service Funds

Internal Service funds are used to account for the financing of goods or services provided by one agency to other agencies on a cost reimbursement basis. All activity in this fund type represents the operations of the State Purchasing and General Services Commission for the provision of supplies, telecommunications and other services to state agencies.

Fiduciary Fund Types

Agency Funds

Agency funds are used to account for assets held by one agency as an agent for another agency, fund or individual. These funds are custodial in nature and do not involve measurement of results of operations. An example of this type of activity would be the state's collection and disbursement of City and MTA (Mass Transit Authority) sales taxes.

Expendable Trust Funds

Expendable Trust Funds are used to account for trust funds, the principal and interest of which may be expended in the course of their designated operations. Included in this fund are the unemployment trust funds administered by the Texas Employment Commission and the Employees Life, Accident and Health Insurance Fund.

Nonexpendable Trust Funds

Nonexpendable Trust funds are used to account for trust funds, the principal of which must remain intact. The fund consists almost entirely of the Permanent School Fund, which is administered by the Texas Education Agency.

Pension Trust Funds

Pension Trust funds are used to account for the Public Employees Retirement System funds. Additional information about this fund type can be found in Note 9.

Account Groups

Account groups are used to establish accounting control and accountability for the state's general fixed assets and the unmatured principal of its general long-term debt and other long-term obligations of governmental funds.

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General Fixed Assets

The General Fixed Assets Account Group is used to account for all property, plant and equipment of the governmental type funds. This is a self-balancing management control and accountability listing that does not reflect available financial resources. Fixed assets of the trust funds, proprietary fund types, and college and university funds are accounted for separately in their respective funds.

General Long-Term Debt

The General Long-Term Debt Account Group is used to account for bonds, notes, employees' compensable leave, capital leases and other long-term debt expected to be financed through governmental fund types and expendable trust funds. This is a self-balancing accounting record which does not reflect available financial resources.

Long-term debt of proprietary fund types, pension trust funds, non-expendable trust funds, and college and university funds is accounted for in each individual fund.

College and University Fund Groups

Current Funds

Current funds are those that include the resources for current operations and maintenance of the college or university. This fund is divided into the following subgroups:

Unrestricted current funds include all funds received for which no stipulation by an external agency has been made as to the purpose for which they should be expended. Included in these funds are the following groups of accounts: Educational and General funds, Designated funds and Auxiliary funds.

Restricted current funds are those available for financing operations, but which are limited by donors and other outside agencies to specific purposes, programs, departments or schools.

Loan Funds

Loan funds include resources that are available for loans to students, faculty and staff.

Endowment and Similar Funds

Endowment and Similar funds include the following fund types:

Endowment funds account for those funds that are received from a donor with the restriction that the principal is to remain intact.

Quasi-Endowment funds are established by the governing board to function like an endowment fund, but which may be totally expended at any time at the discretion of the governing board.

Annuity funds are funds acquired by an institution under agreements whereby money or other property is made available to an institution on the condition that the institution bind itself to pay stipulated amounts periodically to the donors or other designated individuals.

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Life Income funds consist of charitable remainder trusts for which the college or university is trustee and remainderman.

Income derived from investments of endowments is accounted for in the fund to which it is designated. Gains and losses from the sale of investments are accounted for in the funds that owned the investments.

Plant Funds

Plant Funds are segregated into the following fund groups:

Unexpended Plant funds account for the unexpended resources to finance the acquisition of long-lived plant assets and the associated liabilities.

Renewal and Replacement funds provide for the replacement and renewal of plant assets as distinguished from additions and improvements to plant.

Retirement of Indebtedness funds account for the accumulation of resources for interest and principal payments and other debt service charges related to the financing of plant assets.

Investment in Plant includes all long-lived assets and capitalized construction in progress. However, it does not include any long-lived assets held as investments in the Endowment and Similar funds.

Agency Funds

Agency funds are those assets held by a college or university as custodian or fiscal agent for students, faculty and/or others.

BASIS OF ACCOUNTING

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. All governmental fund types, expendable trust funds, and agency funds are reported on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance operations of the current fiscal year. Available means collected in the current year or soon enough after year end to pay liabilities of the current period. Expenditures are generally recognized when the related fund liability is incurred.

Exceptions to the modified accrual basis include: employees' compensable leave, the unmatured debt service (principal and interest) on general long-term debt, college and university bonds, and claims and judgments, which are not recognized until actual payment is made.

Proprietary fund types, pension trust funds and nonexpendable trust funds are reported on the accrual basis. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred, regardless of the timing of the related cash flow.

College and University funds are accounted for on the modified accrual basis of accounting.

Total (Memorandum Only) Columns

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are for informational purposes only. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP, nor is such data comparable to a consolidation.

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Budgets and Budgetary Accounting

The State Constitution requires the Comptroller to submit to the Legislature, in advance of the convening of each regular session of the Legislature, a Biennial Revenue Estimate. This document contains an itemized estimate of beginning cash balances, anticipated revenues based on laws then in effect and estimated expenditures from prior appropriations. The constitution also requires the Comptroller to submit supplementary revenue estimates at any special session of the Legislature and at such other times as may be necessary to show probable changes. Unless passed by a four-fifths majority in both houses, bills that include an appropriation may not be sent to the Governor for consideration until the Comptroller has certified that the amounts appropriated are within the amounts estimated to be available in the affected funds.

The budget for the state is prepared on a cash basis every two years for each year of the biennium. Preparation of the budget is handled primarily through the Governor's Budget Office and the Legislative Budget Board (LBB). Budget requests are prepared in accordance with a modified "zero-base" budgeting concept, although there is no constitutional or statutory provision that requires this approach. The Governor and the LBB each present separate budgets to the Legislature. The LBB's version is usually submitted as an appropriations bill. Upon final passage of the appropriations bill by the Legislature, it is sent to the Comptroller for certification. If the bill is certified by the Comptroller, it is sent to the Governor. If not certified, the Legislature may pass the bill anyway with a four-fifths majority vote. The Governor has the option of vetoing the total bill or a specific line-item of appropriation. He does not have the authority to reduce a line-item of appropriation. Upon approval by the Governor, the bill becomes law and is the authority for state agencies to spend state funds.

After an appropriations bill becomes law, the Comptroller enters the appropriations on the statewide accounting system as expenditure budgets for each agency. The Comptroller is also responsible for controlling, accounting and reporting expenditures in accordance with these expenditure budgets. Controls are maintained at the fund, appropriation and cost center levels to ensure that expenditures are not made in excess of budgetary authority.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual presents budget/actual comparisons for General, Special Revenue, College & University, and Other Governmental Funds. Other Governmental Funds is composed of Debt Service, Capital Projects, and Expendable Trust Funds. Among the fund types which comprise a major part of the activity in Other Governmental Funds is the Expendable Trust Fund. These trust funds which manage the benefit payments and collection of unemployment taxes did not have formal budgets established. The Debt Service Funds comprising the next larger part of the activity also did not have formal budgets for its Debt Service Expenditures. Additionally, transfers in and transfers out within the Expendable Trust Funds have been excluded to provide a more meaningful budget presentation. In previous years each of these fund types was reported separately in this statement.

Cash and Temporary Investments

For reporting purposes, this account includes cash on hand, cash in local banks, cash in the State Treasury and all short-term investments. Cash balances of most state funds are pooled and invested by the State Treasurer. Interest earned is deposited in the General Revenue Fund and certain specified funds as designated by law.

Investments

Investments are valued at cost or amortized cost except for those investments received as gifts, which are reported at market value at the date of donation. Premiums and discounts are amortized using the straight-line basis or the effective interest method over the life of the investment.

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Receivables

Receivables for governmental fund types, expendable trust funds, and agency funds include amounts which are susceptible to modified accrual, but have not been collected at August 31. These receivables consist mainly of interest, taxes, and amounts due from other governments. Receivables for proprietary fund types, nonexpendable trust funds, and pension trust funds include amounts which have been earned, but have not been collected at August 31. Proprietary fund type receivables occur in the ordinary course of business. All receivables are shown net of any uncollectible amounts.

Inventories

Inventories include both consumable inventories and merchandise inventories. Consumable inventories include supplies, prepaid expenses and postage on hand at year end. Merchandise inventories include materials, supplies, equipment, and other items on hand and for sale.

Inventories for governmental fund types are accounted for using the purchase method of accounting. The cost of these items is recognized as an expenditure at the time of purchase. These assets are offset by a fund balance reserve that indicates they do not constitute "available spendable resources." The consumption method of accounting is used to account for inventories that appear in the proprietary fund types. The cost of these items is expensed when the items are consumed.

Fixed Assets

General Fixed Assets

Governmental fund type and expendable trust fund purchases of fixed assets are reported as expenditures. They are capitalized in the General Fixed Assets Account Group at cost or, if not purchased, at appraised market value as of the date of acquisition. There is no provision for depreciation or obsolescence of these fixed assets, since replacements are financed from current resources.

Proprietary fund type, pension trust fund, and nonexpendable trust fund purchases of fixed assets are reported in those funds at cost or, if donated, at fair market value on the acquisition date. Depreciation is charged to operations of the funds over the estimated useful life of each asset.

College and university plant fund assets, including those of the Permanent University Fund, are recorded at cost or the fair market value if donated. Depreciation is not recorded. However, to ensure that the principal of endowments is kept intact, depreciation is recorded on buildings that are the investment of Endowment and similar funds.

Historical cost records for certain fixed assets of the Permanent School Fund, particularly for land, are incomplete or not available. Accordingly, estimated historical costs have been used. To estimate the historical cost of public domain lands granted the Permanent School Fund, the General Land Office reviewed land sales made between 1901 and 1903. The weighted average price per acre sold was determined to be \$1.16. This \$1.16 per acre valuation has been used in this report for a conservative presentation of all surface and submerged land originally granted the fund.

Mineral interests are reported at a nominal value of \$1.00 per acre. (Mineral interests have been given a separate value in this report as the state may not sell the interests with the land.)

Assumptions have been made with respect to certain land transactions due to incomplete or unavailable records. Specifically, land donations have been made to the fund for which market values at the time of

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donation cannot be determined; and cash purchases and sales of land tracts have been made, the valuation basis of which is unknown. The effect on the financial statements of any error resulting from assumptions and estimates is not considered material.

Land Improvements

Land improvements (infrastructure) include assets such as highways, curbs, sidewalks, fences, bridges, and lighting systems. These assets generally are immovable and of value only to the State. Infrastructure is only capitalized in the following funds: Enterprise, Nonexpendable Trust, and Colleges and Universities.

Capitalization of Interest

Capitalization of interest incurred during the construction of general fixed assets is not provided in the governmental fund types and fiduciary funds, except for those trust funds where the measurement focus is on income determination or capital maintenance. For proprietary fund types and trust funds with measurement focus on income determination or capital maintenance, the net amount of interest cost for qualifying assets is capitalized.

GENERAL LONG-TERM DEBT

Bonds for Governmental Fund Type Operations - State Agencies

The unmatured principal of bonds issued by state agencies for governmental fund type operations, the amount available in Debt Service Funds for debt principal payments on the bonds, and the amount that must be provided in future years is accounted for in the General Long-Term Debt Account Group.

With the exception of deep discount bonds, the bonds payable are reported at par. The bond proceeds are accounted for as an "other financing source" in governmental funds when received, and expenditures for payment of principal and interest are recorded in Debt Service Funds when paid.

Deep discount bonds (zero coupon bonds, capital appreciation bonds, compound interest bonds) pay no interest until maturity. The bonds are priced so that the payment of face value at maturity will yield both principal and interest at the effective rate for the bonds. Deep discount bonds are reported in the General Long-Term Debt Account Group at par less unamortized discount. The annual accretion, or increase, in the amount of the liability, arising from accrued and unpaid interest on the bonds, has been recognized in the financial statements and is reflected in bonds payable, in "Other Financing Sources" (expenditures not requiring the use of current resources), and in interest expenditures.

Claims and Judgments

Claims and judgments represent the balances of all settled but unpaid claims of the State as of the end of the fiscal year that are not funded by current resources.

Employees' Compensable Leave Balances

The compensable leave balance represents the amount of employees' unused vacation time as of the end of the fiscal year. This amount is the aggregate of the compensable leave hours of each component unit multiplied by the average salary rate for all employees of that particular unit.

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Capital Lease Obligations

Capital lease contracts payable not funded by current resources represent the liability for future lease payments under capital lease contracts.

Revenue Bonds for Proprietary Fund Type Operations - State Agencies

Revenue bonds issued by State agencies for proprietary fund type operations are accounted for in the enterprise funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium.

General Obligation and Revenue Bonds - Colleges and Universities

The State's colleges and universities issue general obligation (Constitutional Appropriation) and revenue bonds to finance the construction, purchase, rehabilitation, renewal, and replacement of capital assets. The bonds are accounted for in the Plant Funds group. Bond proceeds and bonds payable are initially accounted for in the Unexpended Plant Funds subgroup. As the bond proceeds are expended, the assets acquired and the related portion of the bonds payable are transferred to the Investment in Plant subgroup. Expenditures for payment of bond interest and principal are recorded in the Retirement of Indebtedness subgroup.

Except for deep discount bonds, bonds payable are stated at par, and discount or premium is taken into fund operations in the period of issuance. Expenditures for payment of bond interest and principal are recorded when paid.

For deep discount bonds, the annual accretion or increase in the amount of the liability arising from accrued and unpaid interest on the bonds has been recognized in the financial statements and is included in bonds payable and in interest expenditures.

Reservations/Designations of Fund Equity

Reserved for Encumbrances

Encumbrance accounting is optional for state agencies and is used for budgetary control purposes.

Encumbrances represent the estimated cost of goods or services ordered prior to fiscal year-end but not received at the end of the fiscal year. A portion of fund balance is reserved for the amount of outstanding encumbrances at year end. Unencumbered appropriations are subject to lapse 90 days after the end of the fiscal year.

Other Reservations of Fund Equity

This represents fund balances of governmental and fiduciary fund types that are legally restricted for a specific use and are not available for appropriation or expenditure.

Fund balances for college and university funds that are legally restricted by outside sources are reported as reservations of fund balances.

In addition, the more significant reservations of fund equity are explained below:

Retirement Trust Funds represents the portion of monies collected in August 1989 which are dedicated to the Teachers Retirement System.

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Public Finance Authority Program represents monies reserved for subsequent year expenditures to be made to the Public Finance Authority for the construction or purchase of State buildings.

Veterans Land and Housing Program represents monies reserved for the servicing of bonds issued by the General Land Office/Veterans Land Board.

Water Development Program represents monies reserved for the acquisition of additional political subdivision bonds and existing bonds already acquired.

Public Schools represents monies collected in August 1989 that are dedicated to the foundation school program. The amount in the fiduciary fund type represents the balance of the Permanent School Fund.

Designations

Designations of unreserved fund balances in governmental, fiduciary, and college and university fund types represent the amount set aside by the governing board or agency for future specific use.

Interfund Transactions

Quasi-External Transactions

Quasi-external transactions are charges for services rendered by one fund to another. They are accounted for as revenues by the recipient fund and as expenditures or expenses by the disbursing fund as if the transaction had occurred with an outside entity.

Reimbursements

These transactions represent expenditures or expenses applicable to a particular fund but paid from another fund. The transactions are reported as expenditures or expenses in the reimbursing fund and a reduction of expenditures or expenses in the reimbursed fund.

Transfers

Transfers are defined as "all interfund transactions except loans or advances, quasi-external transactions, and reimbursements." Operating transfers include all other transfers among funds other than residual equity transfers. Operating transfers represent routine transfers of resources and are reported in the "Other Financing Sources (Uses)" section for governmental fund types and expendable trust funds and under the "Operating Transfers" section for proprietary fund types, nonexpendable trust funds, and pension trust funds.

The financing of several agencies and programs is provided through revenues which are legally restricted or allocated. The revenues are deposited into the "General Revenue Fund" and then allocated to various funds based upon formulas as provided in the Constitution and/or various State statutes. The majority of operating transfers reported in the financial statements relate to the transfer of these legally restricted revenues.

Interagency Transactions

Interagency transactions have been analyzed using the above criteria for interfund transactions and have been classified as reimbursements, transfers or revenues and expenditures/expenses as appropriate. Most of the interagency contracts are reported as quasi-external transactions. Interagency transactions occurring within the same fund have been eliminated with the exception of quasi-external transactions.

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Note 2: Property, Plant and Equipment

(In Thousands) at August 31, 1989, include the following:

<u>Assets</u>	General Fixed Assets Account Group	Enterprise Funds	Internal Service Funds	Trust and Agency Funds	College and University Fund Groups
Land	\$ 264,144	\$ 1,134		\$ 50,884	\$ 270,306
Buildings	1,198,999	5,175		121,594	4,176,124
Land Improvements		341,022		132	544,364
Furniture and Equipment	1,002,095	8,029	\$ 15,010	5,623	1,837,510
Vehicles, Boats and Aircraft	316,136	581		8	
Less: Accumulated Depreciation		(6,792)	(8,097)	(8,345)	
Construction in Progress	402,730				603,347
Other	9,058				557,299
Total	\$ 3,193,162	\$ 349,149	\$ 6,913	\$ 169,896	\$ 7,988,950

Changes in the General Fixed Assets Account Group

(In Thousands) for the year ended August 31, 1989, are presented below:

<u>Assets</u>	Balances 9/1/88	Additions	Deletions	Balances 8/31/89
Land	\$ 248,588	\$ 20,204	\$ 4,648	\$ 264,144
Buildings	1,171,237	44,889	17,127	1,198,999
Furniture and Equipment	1,072,556	140,812	211,273	1,002,095
Vehicles, Boats and Aircraft	126,235	218,326	28,425	316,136
Construction in Progress	185,598	268,800	51,668	402,730
Other	8,473	877	293	9,058
Total	\$ 2,812,687	\$ 693,908	\$ 313,434	\$ 3,193,162

Note 3: Deposits, Investments and Repurchase Agreements

LEGAL AND CONTRACTUAL PROVISIONS

Authority for Investments

All monies in funds established in the State Treasury by the State constitution or by an act of the Legislature are pooled for investment purposes. State statutes authorize the State Treasury to invest State funds in time deposits, repurchase agreements, reverse repurchase agreements, obligations of the United States, and obligations of various federal credit organizations.

Certain state agencies as well as colleges and universities are authorized to invest funds not deposited with the State Treasury. Allowable investments at the four largest investing entities are summarized below:

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- The Teacher Retirement System is authorized to make investments using the "prudent person rule."
- The Texas Education Agency is empowered to invest in U.S. Government or agency obligations and securities, obligations of the State of Texas and the University of Texas, corporate stocks and obligations, bonds of political subdivisions of Texas, and bonds of the World Bank and the Inter-American, African and Asian Development Banks.
- The Employees Retirement System, with certain restrictions, may invest in U.S. Government securities, corporate bonds, stocks, and commercial paper.
- Most investments held by the University of Texas System are maintained in pools or "funds." The primary standard for making investment decisions for all of these funds is the "prudent person rule."
- Investments authorized, with certain restrictions, include common and preferred stock, corporate obligations, commercial paper, bankers' acceptances, repurchase agreements, U.S. Government and agency obligations, bonds of the State of Texas and political subdivisions, University of Texas or Texas A&M University bonds or notes, and unaffiliated investment funds.

Collateralization

State law requires that all State Treasury funds deposited in financial institutions above the amounts insured by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation be fully collateralized by the pledging of securities valued at market to the State Treasurer. Generally, the list of eligible securities includes all United States Treasury and agency obligations, except those with a declining principal balance, and securities issued by political subdivisions within the State. All securities pledged to the State Treasurer must be held by a third-party bank domiciled in the State, the Federal Reserve Bank of Dallas or one of its branches, or in the vault of the State Treasury.

The State Treasury has an arrangement with financial institutions to collateralize State deposits in excess of depository insurance at 2 p.m. each banking day. During fiscal year 1989, 131 depositories holding State funds failed. No State Treasury funds were lost as a result of these failures.

Colleges and universities are required to secure deposits through collateral pledged by depository banks and savings and loans. Eligible collateral securities are those prescribed by Tex. Govt. Code Ann. Sec. 404.031.

Deposits

At August 31, 1989, the carrying amount of deposits for the State, which included all cash in banks and cash in Treasury, was \$3.22 billion. This amount is included on the balance sheet as part of the Cash and Temporary Investments account and is composed of the following (in thousands):

Cash on Hand	\$ 24,974
Cash in Local Banks	245,708
Cash in Treasury	2,979,477
Short-Term Investments	<u>3,789,811</u>
Total Cash and Temporary Investments	<u>\$ 7,039,970</u>

A portion of the short-term investments are combined, for purposes of this note, in the investments category.

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Deposits can be classified into three categories of credit risk:

1. Insured or collateralized with securities held by the State or by its agent in the State's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the State's name.
3. Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the State's name.)

Bank balances representing deposits of State of Texas entities, including the State Treasury, in the amount of \$3.21 billion were either fully insured by FDIC or FSLIC or were secured by collateral held by the State or by the State's agent in the State's name.

Deposits in the amount of \$6,002,377 were uncollateralized at fiscal year end.

Investments

The schedule below discloses the carrying amount and market value of the State's investments by type and category of credit risk. The categories of credit risk are as follows:

- A. Insured or registered or securities held by the State or its agent in the State's name.
- B. Uninsured and unregistered, with securities held by the counterparty trust department or agent in the State's name.
- C. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the State's name.

Certain investments in pools managed by other governments or in mutual funds cannot be categorized because they are not evidenced by securities that exist in physical or book entry form.

Investments

(In Thousands)

	Category A	Category B	Category C	Carrying Value	Market Value
U.S Government & Agency Securities	\$ 2,985,713	\$ 323,108	\$ 289	\$ 3,309,110	\$ 3,408,488
U.S. Government Obligations	13,794,948	1,438	0	13,796,386	14,953,022
Corporate Stock	11,005,785	0	0	11,005,785	17,461,646
Corporate Obligations	6,715,567	0	0	6,715,567	6,731,192
Political Subdivision Bonds	673,493	24,023	0	697,516	699,535
Real Estate and Mortgages	2,328,701	0	0	2,328,701	2,378,166
Repurchase Agreements	62,597	72,517	0	135,114	131,106
Miscellaneous Investments	<u>2,891,835</u>	<u>18,978</u>	<u>0</u>	<u>2,910,813</u>	<u>2,915,239</u>
Total Categorized Investments	<u>\$ 40,458,639</u>	<u>\$ 440,064</u>	<u>\$ 289</u>	\$ 40,898,992	\$ 48,678,394
Uncategorized Investments				<u>262,112</u>	<u>277,925</u>
TOTAL LONG & SHORT-TERM INVESTMENTS				<u>\$ 41,161,104</u>	<u>\$ 48,956,319</u>

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Reconciliation of deposits and investments to balance sheet amounts for Cash, Temporary Investments, and Investments (in thousands) is as follows:

Cash on Hand	\$ 24,974
Carrying Amount of Deposits	3,225,185
Investments	<u>41,161,104</u>
Total Cash, Temporary	
Investments and Investments	<u>\$ 44,411,263</u>

Combined Balance Sheet Presentation:

Cash and Temporary Investment	\$ 7,039,970
Investments	<u>37,371,293</u>
Total Cash, Temporary	
Investments and Investments	<u>\$ 44,411,263</u>

Reverse Repurchase Agreements

Investments in reverse repurchase agreements by the State Treasury are permitted by statute. A reverse repurchase agreement consists of a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. Proceeds are invested in securities that mature at or almost at the same time as the reverse repurchase agreement and the proceeds from those securities will be used to liquidate the agreement resulting in a matched position. With a matched position there is minimal market risk because the seller-borrower will hold the securities to maturity and liquidate them at face value. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing a margin against a decline in market value of the securities. If the purchaser defaults on this obligation to resell these securities to the Treasury or provide securities or cash of equal value, the Treasury would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. To minimize the risk of default by the dealers on their obligations to resell these securities to the State, all securities backing the repurchase agreements are held by the Federal Reserve Bank in the State's name.

The Treasury had reverse repurchase agreements in the amount of \$246,363,093 including accrued interest. The market value of the securities delivered including accrued interest was \$246,267,610. Therefore, the State Treasury had no credit exposure at August 31, 1989.

Note 4: Loans and Notes Payable

The more significant outstanding loans and notes payable are listed below:

Federal Construction Project

In 1976, the Water Development Board entered into an amended contract with the Federal Government and the Lavaca-Navidad River Authority under which the Board received a substantial portion of the storage rights in the Palmetto Bend Dam and Reservoir Project, now under construction by the Federal Bureau of Reclamation. This contract is a general obligation of the State of Texas Pursuant to article III, Section 49d of

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the Texas Constitution. The construction costs computed at September 1988 indicate the Water Development Board will have a total repayment obligation of \$43 million. Repayments shall be paid to the federal government in annual installments, on August 1 of each year. These payments began August 1, 1986. (Pursuant to the contract, the first payment was due the year after the project was deemed substantially complete. The project was deemed substantially complete in May 1985.)

The following schedule shows the changes in the loan balance (in thousands) for fiscal year 1989:

Federal Construction Project Loan

Balance 9-1-88	Interest Accrued During the Year	Payment Made	Balance 8-31-89
\$ 41,582	\$ 1,180	\$ (664)	\$ 42,098

This payment was based on an interim repayment schedule provided by the Federal Government. The payment schedule will be adjusted when the final cost audit is complete.

Tax and Revenue Anticipation Notes

Pursuant to section 404.123 of the Texas Government Code, \$450,000,000 in Texas Tax and Revenue Anticipation Notes, Series 1988, were sold for the purpose of coordinating the cash flow of the state within the fiscal year ending August 31, 1989. The notes bore an interest rate of 6.5 percent and were priced to yield 6.09 percent. The notes were repaid within the same fiscal year.

On September 1, 1989 the State Treasurer sold \$450,000,000 in State of Texas Tax and Revenue Anticipation Notes, Series 1989. The notes are dated September 1, 1989 and mature on August 31, 1990. The notes bear interest at 6.5% and were priced to yield 6.27%. The notes are not subject to redemption prior to maturity. The notes were issued pursuant to section 404.123 of the Texas Government Code for the purpose of coordinating the cash flow of the state within the fiscal year ending August 31, 1990 and to enhance the State's ability to make timely payments of expenditures which are payable from the general revenue fund.

The notes are valid and binding obligations of the State, payable in accordance with the terms of the note order of the Treasurer. The notes are payable from transfers from the general revenue fund to a payment account.

Note 5: Bonded Indebtedness

DESCRIPTION OF BOND ISSUES

General Obligation Bonds

General Comments

The Texas Constitution authorizes the State to issue several types of general obligation bonds. With the exception of Constitutional Appropriation Bonds, each issue of general obligation bonds is designed to be self-supporting from a primary revenue source related to the program being financed by the bonds, such as loan repayments or land sale proceeds. The bonds are also backed by the full faith and credit of the State. If

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revenues from the bond programs are not adequate to cover principal and interest, the Legislature is required to appropriate the additional amount needed out of nondedicated state revenues.

During fiscal year 1989, all debt service requirements for general obligation bonds other than Constitutional Appropriation Bonds were covered by primary revenue sources; thus, the appropriation of nondedicated state revenues was not required.

Constitutional Appropriation Bonds, or Proposition 2 Bonds, are payable out of appropriations from the first general revenues of the State.

Specific Programs

Descriptions of the State's general obligation bond programs and the related bond issues follow. These summarize the purpose and primary revenue sources of each type of general obligation bond and do not purport to be complete, technical statements of all provisions of the applicable statutes, bond resolutions, and other original documents. Reference is made to such documents for more complete and authoritative legal information.

The Department of Agriculture issues Farm and Ranch Loan Security Bonds. The proceeds are used to maintain a fund to enable the State to guarantee loans for farm and ranch land, mortgages, and deeds of trust. The fund and the investment earnings on the fund are applied to debt service on the bonds.

The Texas Higher Education Coordinating Board issues College Student Loan Bonds. The proceeds are used for educational loans to eligible Texas college students. Payments received on the loan contracts are applied to debt service on the bonds.

The General Land Office/Veterans Land Board issues three types of bonds. (a) The proceeds of Veterans Land Bonds are used to buy land for resale to qualified Texas veterans under the Veterans Land Program. Payments received from resale contracts are applied to debt service on the bonds. (b) The proceeds of Veterans Housing Assistance Bonds, issued for the first time in 1984, are used to provide financing to eligible Texas veterans to purchase homes or make home improvements. Payments received from the loan contracts are applied to debt service on the bonds. (c) Effective September 1, 1986, authority also exists whereby the Board may, in the future, issue bonds to establish a Farm and Ranch Finance Program Fund. The purpose of the Fund is to buy farms and ranch land for resale to qualified Texas residents, and the payments received on resale contracts will be applied to debt service on the bonds.

The Parks and Wildlife Department issues Park Development Bonds to finance the acquisition and development of state park sites. Park entrance fees and investment earnings are applied to debt service on the bonds.

The Water Development Board issues Water Development Bonds. The proceeds enable the State to provide financial assistance to political subdivisions for water development and water quality enhancement projects. Financing is generally accomplished by purchasing political subdivision bonds at a statutory interest rate tied to the board's borrowing rate. To provide more flexibility, the board may also structure its assistance in the form of purchases of project water storage rights. Under such contracts, there is no fixed repayment schedule until such time as project operating revenues become sufficient to support conversion to a bond arrangement. Principal and interest received on political subdivision bonds, repayments under water storage contracts, and earnings on temporary investments are applied to debt service on the board's bonds.

Constitutional Appropriation Bonds are issued in accordance with a constitutional amendment adopted by the voters in November 1984. \$100 million is appropriated each fiscal year out of the first general revenues of the

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State in support of the construction programs of those colleges and universities not benefiting from the Permanent University Fund; i.e., colleges and universities other than the University of Texas and Texas A&M University Systems. An eligible college or university may issue Constitutional Appropriation Bonds to the extent that the debt service requirements on the bonds can be fully met by a pledge of not more than 50 percent of its appropriation.

General Obligation Bonds Authorized But Unissued

The Constitution limits the amount of bonds that can be issued in any of the general obligation categories. As of August 31, 1989, the following amounts of general obligation bonds other than Constitutional Appropriation Bonds (in thousands) were authorized but unissued:

General Obligation Bonds Authorized But Unissued

Farm and Ranch Loan Bonds	\$ 500,000
College Student Loan Bonds	0
Veterans Land Bonds	155,000
Veterans Housing Assistance Bonds	250,000
Park Development Bonds	29,250
Water Development Bonds	1,089,500
Public Finance Authority Bonds	25,490
Supercollider Bond	<u>500,000</u>
Total	<u>\$ 2,549,240</u>

There is no limit on bond issuance, but debt service may not exceed \$50 million per year.

Revenue Bonds

General Comments

Each series of revenue bonds is backed by the pledged revenue sources and restricted funds specified in the bond resolution. No other revenues or assets of the State are pledged. Each series is designed to be self-supporting. The following series, however, are supported by pledged rental revenue derived from contracts with other state agencies, which in turn comes from legislative appropriations:

- National Guard Armory Board Revenue Bonds
- Texas Public Finance Authority Revenue Bonds (formerly Texas Public Building Authority)
- Texas Department of Corrections

State Agencies

Descriptions of the revenue bond programs of state agencies and the related bond issues follow. These summarize the purpose and primary pledged revenue sources of each type of revenue bonds and do not purport to be complete or technical statements of all provisions of the applicable statutes, bond resolutions, and other original documents. Reference is made to such documents for more complete and authoritative legal information.

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Texas Hospital Equipment Financing Council issues bonds to provide loans to qualifying hospitals for the purchase of health-related equipment. The loan repayments, as well as investment earnings, are pledged to debt service on the bonds.

Texas Housing Agency issues two types of bonds. (a) The proceeds of the Single Family Housing Program bonds provide assistance to persons with low to moderate incomes in financing the purchase of homes. Funds are allocated to various lending institutions across the State for the purpose of making individual mortgage loans. The Agency purchases the loans from the lending institutions, and the loan repayments are pledged to debt service on the bonds. (b) The purpose of the Multi-Family Housing Program bonds is to assist in financing the construction of rental housing for families with low to moderate incomes, by making tax-exempt loans to developers. Contractual payments are made to trustees by the developers, out of rentals, to provide for debt service on the bonds. Additionally, each bond issue must be backed by a guarantor to protect the bonds in the event of default by the developer. The Agency has also issued taxable bonds for investment in Collateralized Mortgage Obligations of federal agencies, as a means of financing the Agency's Mortgage Credit Certificate program.

National Guard Armory Board issues Armory Board's Improvement Revenue Bonds. The proceeds are used for the construction, expansion and renovation of armories. The bonds are payable only from certain pledged revenues of the Armory Board, primarily rentals from the Adjutant General's Department, another state agency. However, if the Armory Board is abolished in accordance with the Texas Sunset Act, the State has a continuing obligation to pay the bonded indebtedness in accordance with the terms of the bond resolutions.

Texas Public Finance Authority issues Revenue Bonds as a conduit for the State of Texas to finance the acquisition and construction or renovation of buildings for the use of state agencies and institutions. Interest during construction is payable from a Capitalized Interest Fund established out of the bond proceeds. Once buildings become operational, the bonds are payable only from specified pledged revenues, primarily occupant-agency rentals collected through the State Purchasing and General Services Commission, also a state agency. If the Authority is abolished, the State has a continuing obligation to pay the bonded indebtedness in accordance with the terms of the bond resolutions.

Texas Small Business Industrial Development Corporation issues industrial development bonds. The proceeds are used for industrial development loans to businesses and political subdivisions. These are intended to stimulate the creation of jobs and enhance the public welfare through the development and expansion of commercial, industrial, and manufacturing enterprises. The bonds are obligations of the corporation, payable solely from and collateralized solely by the revenues and assets pledged in the respective trust indentures and sale contracts.

Texas Turnpike Authority issues revenue bonds to finance the construction, maintenance, repair, and operation of Texas toll roads and bridges. Projects now in operation include the Dallas North Tollway, the Mountain Creek Lake Bridge, and the Houston Ship Channel Bridge. The bonds are payable only from tolls and other pledged revenues of the Authority.

Colleges and Universities

The numerous revenue bond series issued by 22 state colleges and universities may be grouped into the categories which follow. The descriptions provided summarize the purpose and primary pledged revenue sources for each category of revenue bonds. These descriptions do not purport to be complete or technical statements of all provisions of the applicable statutes, bond resolutions, and other original documents. Reference is made to such documents for more complete and authoritative legal information regarding individual bond issues.

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Permanent University Fund Bonds are issued by the University of Texas and Texas A&M University Systems to build, equip, or buy buildings or to finance other permanent improvements. Revenue from investments of the Permanent University Fund is pledged to secure the payment of interest and principal. Further, the amount of University of Texas bonds outstanding may not exceed 20 percent of the value of the Fund, excluding real estate, and the amount of Texas A&M University bonds outstanding may not exceed 10 percent. The book value of the Fund at August 31, 1989, excluding real estate, was \$3,294,392,325. A comparison between the legal debt limits and the actual bonds outstanding at that date (in thousands) follows:

Permanent University Fund Bonds	<u>Legal Debt Limits</u>	<u>Actual Bonds Payable</u>	<u>Authorized But Unissued</u>
University of Texas System	\$ 658,878	\$ 477,205	\$ 181,673
Texas A&M University System	<u>329,439</u>	<u>248,050</u>	<u>81,389</u>
Totals	<u>\$ 988,317</u>	<u>\$ 725,255</u>	<u>\$ 263,062</u>

Miscellaneous College and University Revenue Bonds are issued by colleges and universities and include (a) various series secured by pledged revenues from auxiliary enterprises and (b) various series secured by pledged student tuition and fees.

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Changes In Bonds Payable

Changes in general obligation and revenue bonds payable for the year ended August 31, 1989, (in thousands):

	Bonds Outstanding <u>9/01/88</u>	Bonds Issued	Bonds Matured Or Retired	Bonds Refunded	Bonds Outstanding <u>8/31/89</u>
GENERAL OBLIGATION BONDS					
Self-Supporting:					
College Student Loan Bonds	\$ 97,840	\$ 79,500	\$ 9,455		\$ 167,885
Farm & Ranch Security Bonds	10,000				10,000
Park Development Bonds	29,800		500		29,300
Veterans' Land & Housing Bonds	1,384,255	45,000	64,225		1,365,030
Water Development Bonds	<u>595,743</u>	<u>535,018</u>	<u>3,720</u>	<u>\$ 533,506</u>	<u>593,535</u>
Total - Self-Supporting	<u>2,117,638</u>	<u>659,518</u>	<u>77,900</u>	<u>533,506</u>	<u>2,165,750</u>
Not Self-Supporting:					
Higher Education Constitutional Appropriation Bonds	199,120	5,740	23,440		181,420
Public Finance Authority Bonds	<u>285,430</u>	<u>189,080</u>			<u>474,510</u>
Total - Not Self-Supporting	<u>484,550</u>	<u>194,820</u>	<u>23,440</u>	<u>0</u>	<u>655,930</u>
TOTAL - GENERAL OBLIGATION BONDS	<u>2,602,188</u>	<u>854,338</u>	<u>101,340</u>	<u>533,506</u>	<u>2,821,680</u>
REVENUE BONDS					
Self-Supporting:					
Permanent University Fund Bonds:					
Texas A&M University	224,180	30,000	6,130		248,050
University of Texas	442,100	50,000	14,895		477,205
College & University Revenue Bonds	943,653	52,584	35,179	26,460	934,598
Texas Hospital Equipment Financing Council Bonds	37,400				37,400
Texas Housing Agency Bonds	1,441,303	261,136	221,341	47,000	1,434,098
Texas Small Business I.D.C. Bonds	770,000		669,600		100,400
Texas Turnpike Authority	<u>349,936</u>	<u>4,676</u>	<u>2,365</u>		<u>352,247</u>
Total - Self-Supporting	<u>4,208,572</u>	<u>398,396</u>	<u>949,510</u>	<u>73,460</u>	<u>3,583,998</u>
Not Self-Supporting:					
Public Finance Authority Bonds	202,052	2,605			204,657
Texas Department of Corrections	143,911		9,536		134,375
National Guard Amory Board Bonds	<u>21,815</u>		<u>900</u>		<u>20,915</u>
Total - Not Self-Supporting	<u>367,778</u>	<u>2,605</u>	<u>10,436</u>	<u>0</u>	<u>359,947</u>
TOTAL - REVENUE BONDS	<u>4,576,350</u>	<u>401,001</u>	<u>959,946</u>	<u>73,460</u>	<u>3,943,945</u>
GRAND TOTAL	<u>\$ 7,178,538(A)</u>	<u>\$ 1,255,339</u>	<u>\$ 1,061,286</u>	<u>\$ 606,966</u>	<u>\$ 6,765,625</u>

Note (A): Reconciliation of Prior Year Ending Balance to Beginning Balance:

Bonds outstanding on 8/31/88	\$ 7,161,692
Texas Department of Corrections bonds were not included in FY 1988 due to an entity question; determined to be part of the entity in FY 1989	<u>16,846</u>
Bonds outstanding 9/01/88 as shown above	<u>\$ 7,178,538</u>

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Summary of Debt Service Requirements to Maturity

Debt service requirements to maturity as of August 31, 1989, (in thousands), including both principal and interest, were as follows:

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	1995 and Beyond	Total Require- ments
GENERAL OBLIGATION BONDS							
Self-Supporting:							
College Student Loan Bonds	\$ 20,292	\$ 23,267	\$ 22,932	\$ 22,770	\$ 22,666	\$ 130,109	\$ 242,036
Farm & Ranch Security Bonds	900	900	900	900	900	11,350	15,850
Park Development Bonds	2,834	3,264	3,172	3,556	3,417	32,560	48,803
Veterans' Land & Housing Bonds	172,556	174,828	166,260	161,764	158,043	1,627,135	2,460,586
Water Development Bonds	<u>106,902</u>	<u>108,982</u>	<u>112,355</u>	<u>113,055</u>	<u>62,952</u>	<u>880,772</u>	<u>1,385,018</u>
Total - Self-Supporting	<u>303,484</u>	<u>311,241</u>	<u>305,619</u>	<u>302,045</u>	<u>247,978</u>	<u>2,681,926</u>	<u>4,152,293</u>
Not Self-Supporting:							
Higher Education Constitutional Appropriation Bonds	37,338	37,641	37,240	36,557	32,996	33,028	214,800
Public Finance Authority Bonds	<u>27,576</u>	<u>27,441</u>	<u>27,358</u>	<u>27,151</u>	<u>27,005</u>	<u>401,365</u>	<u>537,896</u>
Total - Not Self-Supporting Bonds	<u>64,914</u>	<u>65,082</u>	<u>64,598</u>	<u>63,708</u>	<u>60,001</u>	<u>434,393</u>	<u>752,696</u>
TOTAL - GENERAL OBLIGATION BONDS	<u>368,398</u>	<u>376,323</u>	<u>370,217</u>	<u>365,753</u>	<u>307,979</u>	<u>3,116,319</u>	<u>4,904,989</u>
REVENUE BONDS							
Self-Supporting:							
Permanent University Fund Bonds:							
Texas A&M University	21,302	21,885	47,397	21,381	21,861	337,298	471,124
University of Texas	46,615	47,093	46,561	46,943	44,173	596,293	827,678
College & University Revenue Bonds	104,061	104,407	104,897	104,952	105,309	1,019,792	1,543,418
Texas Hospital Equipment							
Finance Council Bonds	2,244	2,244	2,244	2,244	2,244	58,949	70,169
Texas Housing Agency Bonds	151,163	140,406	138,651	138,878	187,329	3,037,285	3,793,712
Texas Small Business I.D.C. Bonds	7	7	7	7	7	333	368
Texas Turnpike Authority	<u>28,183</u>	<u>31,395</u>	<u>31,399</u>	<u>31,395</u>	<u>31,397</u>	<u>888,291</u>	<u>1,042,060</u>
Total - Self-Supporting	<u>353,575</u>	<u>347,437</u>	<u>371,156</u>	<u>345,800</u>	<u>392,320</u>	<u>5,938,241</u>	<u>7,748,529</u>
Not Self-Supporting:							
Public Finance Authority Bonds	31,831	35,773	35,798	35,779	35,722	622,142	797,045
Texas Department of Corrections	11,942	11,447	12,096	12,176	12,221	169,255	229,137
National Guard Amory Board Bonds	<u>2,283</u>	<u>2,284</u>	<u>2,287</u>	<u>2,286</u>	<u>2,291</u>	<u>20,629</u>	<u>32,060</u>
Total - Not Self-Supporting	<u>46,056</u>	<u>49,504</u>	<u>50,181</u>	<u>50,241</u>	<u>50,234</u>	<u>812,026</u>	<u>1,058,242</u>
TOTAL - REVENUE BONDS	<u>399,631</u>	<u>396,941</u>	<u>421,337</u>	<u>396,041</u>	<u>442,554</u>	<u>6,750,267</u>	<u>8,806,771</u>
GRAND TOTAL	<u>\$ 768,029</u>	<u>\$ 773,264</u>	<u>\$ 791,554</u>	<u>\$ 761,794</u>	<u>\$ 750,533</u>	<u>\$ 9,866,586</u>	<u>\$ 13,711,760</u>

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Refundings

During fiscal year 1989 one component of the State of Texas refunded bonds to lower interest rates or to restructure debt service requirements for cash management purposes. Texas Housing Agency refunded \$198,675,000. The net proceeds of the refunding bond issues, supplemented by other funds as required, were used to purchase direct obligations of the United States. These securities were placed with escrow agents in irrevocable trusts to provide for all future debt service payments on the refunded bonds.

Defeased Bonds Outstanding

Component units of the State of Texas have defeased various general obligation and revenue bond issues by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. As of August 31, 1989, the following amounts of defeased bonds (in thousands), at par, remained outstanding:

Defeased Bonds Outstanding

General Obligation Bonds:	
State Agencies	\$ 1,395,301
Colleges and Universities	37,015
Revenue Bonds:	
State Agencies	274,431
Colleges and Universities	<u>1,092,553</u>
Total	<u><u>\$ 2,799,300</u></u>

Advance Refundings

During fiscal year 1989 four components of the State of Texas advance refunded bonds to lower interest rates or to restructure debt service requirements for cash management purposes. These refundings are listed below (in thousands):

Advanced Refunding

<u>Agency or University</u>	<u>Par Value of Refunding Issue</u>	<u>Original Issue Discount</u>	<u>Issuance Costs and Underwriter Fees</u>	<u>Net Bond Proceeds</u>	<u>Par Value Refunded</u>	<u>Cash Flow Difference</u>	<u>Economic Gain (Loss)</u>
Water Development Board	\$ 511,755	\$ 4,600	\$ 8,925	\$ 498,230	\$ 533,506	\$ (62,681)	\$ (6,957)
Angelo State University	4,435		123	4,312	3,935	429	260
Sam Houston State University	5,865		173	5,692		488	298
Southwest Texas State University	<u>19,680</u>	<u>104</u>	<u>56</u>	<u>19,520</u>	<u>17,600</u>	<u>1,037</u>	<u>544</u>
	<u>\$ 541,735</u>	<u>\$ 4,704</u>	<u>\$ 9,277</u>	<u>\$ 527,754</u>	<u>\$ 555,041</u>	<u>\$ (60,727)</u>	<u>\$ (5,855)</u>

Note 6: Claims and Judgments

The state, its agencies and employees are parties to various legal proceedings and claims, many of which normally occur in governmental operations. Numerous miscellaneous claims covered under the Miscellaneous Claims Act, TEX. GOVT. CODE ANN. sec. 403.074 (Vernon 1990) are defined as legal liabilities against the state for which no appropriation otherwise exists. These claims are not necessarily due to litigation. Examples are outstanding warrants or bills, or some pre-existing legal obligation that the state has incurred. Tort claims are covered under the Texas Tort Claims Act (TEX. CIV. PRAC. & REM. CODE ANN. Chs. 101). This Act waives sovereign immunity for all governmental units in Texas (this includes cities, counties and special districts that are not part of the reporting entity).

Individual claims above \$10,000 or numerous separate claims from the same individual/entity that in total exceed \$10,000 must be approved by the State Legislature before being paid. Since fiscal year 1989 was a session year, claims and judgements settled but unpaid at year end were high compared to fiscal year 1988.

The total amount of claims and judgments settled but unpaid at August 31, 1989, was \$1,131,301. This liability is recorded in the General Long-Term Debt Account Group.

Note 7: Employee Compensable Leave Balances

Employees accrue vacation time at a rate of 7 to 14 hours per month depending on the number of years of employment. The maximum number of hours that can be carried forward to the next fiscal year ranges from 208 hours to 376 hours depending on the number of years of service.

The state is liable for all unused vacation time accrued by its employees in the event of their resignation, dismissal, or separation from state employment provided they have had continuous employment with the state for six months. In addition, the state must grant employees equivalent time off or pay employees at a rate of one and one-half times the regular rate of pay for any overtime worked. However, executive, administrative, or professional employees are expressly limited to compensatory time as determined by the policy of each component unit.

The liability of governmental fund types is recorded in the General Long-Term Debt Account Group. The liability for proprietary, nonexpendable trusts, college and university fund types is recorded within each fund.

The total liability for employee compensable leave as of August 31, 1989, was \$298,265,265. This amount is based on the compensable leave hours for each agency, college and university multiplied by the average salary of each employee of the unit.

General Long-Term Debt Account Group

	<u>Annual Leave</u>	<u>FLSA & State Comp. Time</u>	<u>Totals</u>
Compensable Leave Hours 08-31-88	13,644,179	1,323,291	14,967,470
Leave Hours Earned	13,059,490	7,908,463	20,967,953
Leave Hours Deducted	<u>11,859,139</u>	<u>7,114,071</u>	<u>18,973,210</u>
Compensable Leave Hours 08-31-89	<u>14,844,530</u>	<u>2,117,683</u>	<u>16,962,213</u>

Note 8: Capital Leases

The state has entered into long-term leases to buy certain equipment. For accounting purposes these leases are classified as capital leases. The liability of governmental fund types is recorded in the General Long-Term Debt Account Group. The asset is recorded in the General Fixed Assets Account Group at the present value of the future minimum lease payments at the inception of the lease plus any cash paid or true trade-in value received.

Capital leases of proprietary funds are accounted for and reported entirely within the individual proprietary fund. The asset and the obligation are recorded at an amount equal to the present value of the future minimum lease payments plus any cash paid or trade-in value received at the inception of the lease.

The following is the original capitalized cost (in thousands) of such property under capital leases as of August 31, 1989:

Class of Property	Asset Balance
Furniture and Equipment	\$ 20,125

The following is a schedule of the future minimum lease payments for the above capital leases and the present value of the net minimum lease payments (in thousands) at August 31, 1989:

Minimum Lease Payments for:

1990	\$ 4,780
1991	3,919
1992	1,254
1993	1,044
1994	577
1995 and beyond	<u>0</u>
Total	11,574
Less: Interest	(1,574)
Present Value of Net Minimum Lease Payments (a)	<u>\$ 10,000</u>
(a) Internal Service Funds	\$ 4,551
General Long-Term Debt	5,312
Enterprise Funds	<u>137</u>
Total	<u>\$ 10,000</u>

Colleges and universities also enter into lease purchase agreements for financing the purchase of certain fixed assets. These leases are recorded in the Plant Fund subgroups at the present value of the future minimum lease payments at the inception of the lease.

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The following is the original capitalized cost (in thousands) of such property under capital leases as of August 31, 1989:

Class of Property	Asset Balance
Furniture & Equipment	\$ 36,513
Vehicles, Boats, Etc.	<u>43</u>
Total Original Capitalized Cost	<u>\$ 36,556</u>

The following is a schedule of future minimum lease payments (in thousands) for the leased property for colleges and universities and the present value of the net minimum lease payments at August 31, 1989:

Minimum Lease Payments for:

1990	\$ 6,228
1991	5,381
1992	8,182
1993	2,861
1994	230
1995 and beyond	<u>1,172</u>
Total	\$ 24,054
Less:	
Interest	<u>(2,181)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 21,873</u>

Note 9: Retirement Systems

The State of Texas makes contributions to the following retirement systems, each of which is accounted for in a separate fund:

- Teacher Retirement System of Texas (TRS)
- Employees Retirement System of Texas (ERS)
- Judicial Retirement System of Texas (JRS)
- Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECO)

The systems operate under the provisions of the Texas Constitution, article XVI, Section 67 and Title 8 of the Texas Government Code (Vernon Pamphlet 1990).

Detailed financial reports are issued for each of the pension plans listed above. A separate report is issued for the TRS. Financial disclosures for ERS, JRS, and LECO are presented in the financial report for the Employees Retirement and Judicial Retirement Systems of Texas. These reports are audited as individual entities by the State Auditor's Office, with a separate opinion issued for each. The schedules presented in this

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note are for the year ended August 31, 1988. The data as of August 31, 1989, will be published in the audited annual financial report.

Description of Plans

The Teacher Retirement System of Texas is the administrator of multiple-employer public employee retirement system (PERS). It is a cost-sharing PERS with one exception: all risks and costs are not shared by the employer (unless the employer is a senior college, medical school, or a state agency in which case the employer is considered the State of Texas) but are the liability of the State of Texas.

For members of the retirement system entitled to the minimum salary for certain school personnel under Section 16.056, Education Code, the employing district shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum.

For reporting purposes, the Teacher Retirement System of Texas is considered a component unit of the State of Texas.

The Teachers Retirement System administers retirement, disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. The System also administers proportional retirement benefits.

Normal service retirement age is 65 with 5 years of service or age 60 with 20 years of service. Reduced service retirement is at age 55 with at least 5 years of service or any age with 20 years of service. The standard life annuity benefit formula is 2 percent of average annual salary for the best three years of service multiplied by the years of service. At normal retirement age, the minimum monthly standard annuity is the greater of \$75.00, \$6.50 per month per year of service, or the formula standard annuity. Total payments shall in no case be less than accumulated contributions at retirement.

A member is fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met.

At August 31, 1988, the number of participating employing districts was as follows:

Public Schools	1,970
Colleges, Universities and Medical Schools	94
Educational State Agencies	<u>14</u>
Total	<u><u>1,205</u></u>

All employees of public, state supported educational institutions in Texas who are employed for 1/2 or more of the standard work load and who are not exempted for membership under Title 8, Chapter 822.002 of the Texas Government Code (Vernon Pamphlet 1990) are covered by the system.

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At August 31, 1988, Teacher Retirement System of Texas membership consisted of:

Retirees and beneficiaries currently receiving benefits	104,859
Terminated employees entitled to benefits but not yet receiving them	<u>1,876</u>
Total	<u>106,735</u>
Current Employees:	
Fully-Vested	166,532
Non-Vested	<u>328,407</u>
Total	<u>494,939</u>

The Board of Trustees of the **Employees Retirement System of Texas** is the administrator of the Employees Retirement System of Texas, the Law Enforcement and Custodial Officer Supplemental Retirement Fund, the Judicial Retirement System of Texas Plan One, and Judicial Retirement System of Texas Plan Two. Each of these plans is considered to be a single employer defined benefit pension plan.

There are two classes of membership within the Employees Retirement System of Texas: (1) the elected class and (2) the employee class. Membership in the elected class is limited to persons who hold State offices that are normally filled by statewide election (including legislators) and excludes officials covered by the Judicial Retirement System of Texas Plan One and the Judicial Retirement System of Texas Plan Two. Membership in the employee class includes all employees and appointed officers of the State and excludes independent contractors and their employees and employees covered by the Teacher Retirement System of Texas.

The Employees Retirement System provides retirement, death, and disability benefits. These benefits vest after 10 years of credited service. Employees may retire at age 55 with 30 years of service or at the age of 60 with 10 years of service. Commissioned peace officers and custodial officers may retire at age 55 with 10 years of service. Employees are also eligible for reduced early service retirement benefits once they attain age 55 and complete 25 years of service or at age 50 with 30 years of service. The monthly benefit at retirement is payable in a life only form of annuity. The monthly benefit is equal to a percentage of final average compensation multiplied by years and months of service. The percentage is 1.8 for each of the first 10 years and 2% for each year after the first 10 years. Effective September 1, 1989, the percentage is 2% for each year. Final average compensation is equal to the average of the highest 36 months of salary out of the member's last 60 months of service. The benefit and contribution provisions of this plan are authorized by state law. Plan provisions may be amended by the Texas Legislature.

The Law Enforcement and Custodial Officer Supplemental Retirement Fund covers custodial officers employed by the Department of Corrections and certified by that department according to statutory requirements as having a normal job assignment that requires frequent or infrequent regularly planned contact with inmates of that institution. The fund also covers law enforcement officers who have been commissioned by the Department of Public Safety, the Alcoholic Beverage Commission, the State Purchasing and General Services Commission Capitol Area Security Force, or the Parks and Wildlife Department, and who are recognized as commissioned law enforcement officers by the Commission on Law Enforcement Officer Standards and Education.

The fund provides service retirement, death, and disability benefits. These benefits vest after 20 years of credited service. Covered employees may retire at age 55 with 20 years of service. Covered employees are also

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eligible for reduced early service regardless of age. The monthly benefit at retirement is payable in a life only form of annuity. The total monthly benefit payable to members of this fund is equal to 50% of final average compensation for 20 years of service and an additional 2% of final average compensation for each year of service in excess of 20 years. Final average compensation is equal to the average of the highest 36 months of compensation out of the member's last 60 months of service. The monthly benefit payable from this fund is equal to the excess of the total benefit, as described above, over the regular benefit payable to the member of the Employees Retirement Fund. The benefit and contribution provisions of this plan are authorized by state law. Plan provisions may be amended by the Texas Legislature.

The Judicial Retirement System of Texas Plan One covers judges, justices and commissioners of the supreme court, the court of criminal appeals, the court of appeals, district courts and certain commissions to a court. Members of the Judicial Retirement System of Texas Plan Two are excluded from this plan.

The system provides service retirement, death, and disability benefits. These benefits vest after 12 years of credited service. Employees may retire at age 65 with 12 years of service or at any age with 20 years of service. Employees are also eligible for reduced early service retirement benefits once they attain age 60 and complete 12 years of service. The monthly benefit at retirement is payable in a life only form of annuity. The monthly benefit is equal to 60% of the salary for the position from which the member retired. The benefit and contribution provisions of this plan are authorized by state law. Plan provisions may be amended by the Texas Legislature.

The Judicial Retirement System of Texas Plan Two covers judges, justices and commissioners of the supreme court, the court of criminal appeals, the court of appeals, district courts and certain commissions to a court who first became members after August 31, 1985. Members of the Judicial Retirement System of Texas Plan One are excluded from this plan.

The system provides service retirement, death, and disability benefits. These benefits vest after 12 years of credited service. Employees may retire at age 65 with 12 years of service or at any age with 25 years of service. Employees are also eligible for reduced early service retirement benefits once they attain age 60 and complete 12 years of service. The monthly benefit at retirement is payable in a life only form of annuity. The monthly benefit is equal to 3% of final average compensation per year of service but limited to 60% of final average compensation. Final average compensation is equal to the average of the highest 36 months of salary out of the member's last 60 months of service. The benefit and contribution provisions of this plan are authorized by state law. Plan provisions may be amended by the Texas Legislature.

The membership of these Retirement Systems as of August 31, 1988 are summarized below:

	<u>ERS</u>	<u>LECO</u>	<u>JRS1</u>	<u>JRS2</u>
Annuitants currently receiving benefits	24,269	1,101	271	0
Terminated employees entitled to benefits but not yet receiving them:				
Vested	1,096	3	14	0
Nonvested	10,809	0	33	4
Current employees:				
Vested	32,336	849	110	0
Nonvested	<u>85,343</u>	<u>17,533</u>	<u>300</u>	<u>75</u>
Total Membership	<u>153,853</u>	<u>19,486</u>	<u>728</u>	<u>79</u>

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Funding Status and Progress

The amount shown below as pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the systems.

The pension benefit obligation disclosed below is based on the projected unit credit actuarial cost method; therefore, it is not consistent with the annual actuarial valuation results. The pension benefit obligation disclosed below is provided only to comply with the disclosure requirements of the Governmental Accounting Standards Board and should not be confused with the information from the actuarial valuation.

The pension benefit obligation for the systems was determined as part of an actuarial valuation at August 31, 1988. Significant actuarial assumptions used include the following:

	<u>TRS</u>	<u>ERS</u>	<u>JRS1</u>	<u>JRS2</u>	<u>LECO</u>
Rate of Return on Present and Future					
Assets Compounded Annually	8% to 14.3%	8.5%	8.5%	8.5%	8.5%
Salary Increases:					
Inflation	—	6.25%	6.75%	6.75%	6.25%
Merit, Promotion, and Longevity	—	2.90%	—	—	3.04%
Combined	7.75%	—	—	—	—
Movement to Higher Court	—	—	.25%	.25%	—

The total unfunded pension benefit obligation of the Teacher Retirement System of Texas as of August 31, 1988, was as follows (in thousands):

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 8,045,442
Current:	
Accumulated employee contributions including allocated investment income	5,020,000
Employer-financed vested	7,411,134
Employer-financed nonvested	<u>1,307,847</u>
Total pension benefit obligation	21,784,423
Less: Net assets available for benefits (Market value is \$19,111,165)	<u>17,465,131</u>
Unfunded pension benefit obligation	<u><u>\$ 4,319,292</u></u>

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The total unfunded pension benefit obligation of the ERS, JRS1, JRS2, and LECO as of August 31, 1988, was as follows:

Pension Benefit Obligation
As of August 31, 1988
(In Thousands)

	<u>ERS</u> (Note A)	<u>LECO</u> Note B)	<u>JRS1</u>	<u>JRS2</u>
Pension Benefit Obligation:				
Annuitants currently receiving benefits	\$ 1,610,504	\$ 23,301	\$ 99,725	\$ 0
Terminated employees not yet receiving benefits	51,535	161	5,291	10
Current employees accumulated employee contributions	1,058,268		11,135	439
Employer-financed vested	1,504,807	50,868	38,041	
Employer-financed nonvested	<u>318,480</u>	<u>25,682</u>	<u>61,111</u>	<u>556</u>
Total pension benefit obligation	4,543,594	100,012	215,303	1,005
Net assets available for benefits, at book value (market value is \$5,049,227)	<u>4,921,112</u>	<u>151,033</u>	<u> </u>	<u>1,257</u>
Assets in excess of pension benefit obligation	<u>\$ 377,518</u>	<u>\$ 51,021</u>	<u> </u>	<u>\$ 252</u>
Unfunded pension benefit obligation			<u>\$ 215,303</u>	

Note A: During the fiscal year ending August 31, 1988, the system's service retirement benefits were increased to provide 1.8% of final average compensation for each of the first 10 years of service. Prior to this change, the Employees Retirement System had provided 1.5% of final average compensation for each of the first 10 years. This change increased the System's pension benefit obligation by \$135,586,794.

Note B: During the fiscal year ending August 31, 1988, the regular service retirement benefits paid from the Employees Retirement System were increased. Therefore, the benefits payable from this fund decreased and reduced the fund's pension benefit obligation by \$18,434,953.

Contributions Required and Contributions Made

Contributions required and contributions made as of August 31, 1989, will be published in the Audited Annual Financial Report.

The Teacher Retirement System of Texas' actuarially determined contribution requirements for fiscal year 1988 were 6.4% for the employee and 7.2% for the State. In certain instances, the reporting district (public school, college, university, medical school or state agency) is required to make all or a portion of the State's 7.2% contribution.

The Employees Retirement System of Texas' funding policy requires monthly contributions equal to 6% of compensation by the employees and 7.4% of payroll by the state. However, for the biennium ending August 31, 1989, state law provides for contributions of only 7.0% of payroll by the state. For the 1988 fiscal year, total contributions of \$300,356,154 were required and were paid into the system.

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The funding policy for **Law Enforcement and Custodial Officer Supplemental Retirement Fund** requires contributions by the state equal to \$1.50 from the motor vehicle inspection fee of each vehicle required to be inspected in Texas. This will change to \$3.75 contribution for new vehicle inspections and \$2.25 for renewals after fiscal year 1989. Employees are not required to contribute to this fund. The Texas legislature may make additional appropriations as needed. For the 1988 fiscal year, total contributions of \$17,773,793 were required and were paid into the fund.

State law requires contributions equal to 6% of pay by the employees and appropriations by the state sufficient to administer the **Judicial Retirement System Plan One**. The system is funded on a pay-as-you-go basis. The contribution requirements are not actuarially determined. They are set by state law. There are no actuarial valuations and, therefore, no actuarial cost method. For the 1988 fiscal year, total contributions of \$7,215,774 were required and were paid into the fund.

The funding policy of the **Judicial Retirement System Plan Two** requires contributions equal to 6% of compensation by the employees. The state's contribution to the plan is determined each even-numbered year for the next biennium and is based upon an actuarial valuation. The contribution rate currently required is 11% of payroll. For the 1988 fiscal year, total contributions of \$675,384 were required and were paid into the system.

Note 10: Deferred Compensation

The state offers a deferred compensation plan available to all state employees created in accordance with Section 457 of the Internal Revenue Code. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributed to those amounts, property, or rights are solely the property and rights of the state subject only to the claims of the state's general creditors. Participant's rights under the plan are equal to the fair market value of the deferred compensation account for each participant.

The deferred compensation plan balances are recorded in an agency fund at market value. The balance sheet displays the plan assets with a corresponding liability to employees for deferred compensation and accumulated earnings thereon. The market value as of August 31, 1989, of the aggregate deferred compensation plan assets and corresponding liability was \$120,550,312.

The state also administers another plan, "Texasaver," created in accordance with Section 401(k) of the Internal Revenue Code. However, the assets of this plan do not belong to the state nor does the state have a liability related to this plan.

Note 11: Operating Leases

Included in rental expenditures or expenses are assets leased on a long-term basis, that have been classified as operating leases.

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The following is a schedule of minimum future rentals (in thousands) on noncancelable operating leases as of August 31, 1989:

Minimum Future Rentals Year Ended August 31:	Minimum Future Lease Payments
1990	\$ 33,263
1991	25,564
1992	15,439
1993	9,549
1994	5,874
1995 and beyond	<u>2,333</u>
Total	<u><u>\$ 92,022</u></u>

Note 12: Interfund Borrowing

The State Comptroller is authorized by Section 403.092 of the Texas Government Code with the consent of the State Treasurer, to borrow money from statutory funds to cover General Revenue Fund shortfalls caused by mismatches in the timing of revenues and expenditures.

These transfers to the General Revenue Fund are temporary and are transferred back to the lending fund as soon as practicable. The Comptroller preserves the fund equity and the Treasurer allocates the depository interest as if the transfers had not been made.

As of August 31, 1989, all short-term borrowings of the General Revenue Fund had been returned to the lending statutory funds, and no liability existed.

Note 13: Interfund Receivables and Payables

Accruals resulting from transactions between the component units were recorded as "Due From and Due To Other Funds." The detail of these accruals by fund type (in thousands) as of August 31, 1989, is below:

Fund Type	Due From	Due To
General	\$ 241,579	\$ 268,724
Special Revenue	110,927	268,533
Debt Service	0	329
Capital Projects	124,570	81,734
Enterprise	90,157	90,293
Internal Service	7,731	113
Trust Funds	76,367	100,251
Colleges and Universities	<u>267,271</u>	<u>108,625</u>
Total	<u><u>\$ 918,602</u></u>	<u><u>\$ 918,602</u></u>

Note 14: Contingent Liabilities

The type and volume of activity for which the state is responsible exposes it to numerous tort claims, equal opportunity claims, civil rights, wrongful death, and breach of contract lawsuits. Adverse judgment of these lawsuits could result in liabilities to the state. Based on prior experience it is unlikely that the outcome of these claims will materially affect the financial position of the state. At this time the amount of the majority of the claims is indeterminable.

The franchise tax law has been challenged recently in a number of lawsuits. These actions have been decided in favor of the taxpayer, which will directly impact and impair the amount of franchise taxes collected in the future. The potential future cost to the State is expected to be significant. However, the amount of the loss cannot be estimated at this time.

The State is engaged in lawsuits that directly impact and may impair the amount of sales tax that will be collected in the future and could result in future claims for refunds.

The Department of Corrections is currently involved in the implementation phase of the Ruiz vs. Lynaugh case, (originally known as Ruiz vs. Estelle) where procedures are being instituted to comply with various settlements. This is a multifaceted class action suit claiming unconstitutional punishments and violations of inmates' civil rights affecting practically every phase of the Department's operations. To date, financial impacts have been restricted to transfers between funds and increased appropriation requests, for the most part.

The State receives federal financial assistance which is subject to review and audit by federal grantor agencies or their representatives under the Single Audit Act of 1984. Any disallowances as a result of the audits may become a liability of the State. The State estimates that the ultimate disallowance pertaining to the federal financial assistance, if any will be immaterial to its overall financial condition.

The Department of Human Services has received notice of \$63,223,007 in sanctions from the Federal Government. Sanctions were generated because of an error rate for Aid to Families with Dependent Children (AFDC) and Food Stamp and Medicaid programs which exceeded federal guidelines. The sanctions could also result in future reductions in administrative cost reimbursements to the Department.

In November 1983 a constitutional amendment (Article VII, Sec. 5) was passed authorizing the pledging of the Permanent School Fund to secure the indebtedness of local school districts. The maximum amount that can be pledged is the lesser of double the market value or the book value of the fund, exclusive of real estate. At August 31, 1989, \$817,443,538 of indebtedness had been guaranteed for 240 school districts.

The state collects many taxes for deposit to the state's General Revenue Fund. During the 1989 fiscal year, a number of taxpayers paid their tax liability under protest and subsequently filed lawsuits to recover these tax payments. Some protested tax payments are deposited to the Departmental Suspense Fund in the State Treasury pending settlement of the lawsuit. At August 31, 1989, protested tax deposits totaling \$23,096,130 were reported in Agency funds. In addition, the protested tax balance in the General Revenue Fund at August 31, 1989 totaled \$20,270,429.

Other protested tax payments are deposited in the state's General Revenue Fund and operating funds of the collecting agency. At August 31, 1989, there were \$341,814,488 of protested tax deposits reported in these funds of the State Board of Insurance. These protest payments were from 809 companies which had paid maintenance taxes, premium taxes, surtaxes and various other fees under protest and/or filed suits with the State Board of Insurance. The outcome of this litigation is indeterminate.

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The Railroad Commission has collected approximately \$36,869,903 of protested tax deposits for gas utilities gross receipt tax for the 1983-1989 fiscal years. The companies subsequently filed lawsuits to recover these tax payments. The District Court has issued a judgment adverse to the Railroad Commission in the Channel Industries case, holding that gross receipts does not include the cost of gas. This judgment would require refund of gross receipts taxes paid under protest. The Court of Civil Appeals reversed the trial court's ruling in Channel Industries on June 14, 1989. An application for writ of error is pending before the Texas Supreme Court. A recent Legislative amendment to Article 6060 which became effective September 1, 1989, will likely produce tax revenues in amounts similar to that collected in previous years, regardless of the Channel Industries' outcome in the Texas Supreme Court.

Lavaca-Navidad River Authority (LNRA) is scheduled to commence payments in connection with the Palmetto Bend Dam and Reservoir Project in 1996. Should LNRA be unable to timely meet its payment obligations, the Texas Water Development Board is required to purchase interest in the facility from LNRA to the extent necessary to allow LNRA to make its required payment.

Sick Leave

Sick leave is accrued at a rate of 8 hours per month with no limit to the amount that can be carried over to the next fiscal year, and is taken only in the event of illness. Accumulated sick leave is not paid upon employee termination, although an employee's estate may be paid for one-half of the accumulated sick leave up to a maximum of 336 hours. The maximum amount of the State's contingent obligations for sick leave, based on August 31, 1989 balances, has not been determined. However, the probability of a material impact on state operations in any given fiscal year is considered remote.

Note 15: Subsequent Events

The Texas Supreme Court has upheld a State District Court decision which declared the state's public education financing system unconstitutional. The Court has ruled in the Edgewood vs. Kirby case that the state's system of financing public schools fails to ensure that each local school district in the state has the same ability as every other district to obtain funds for educational expenditures. The Court set a May 1, 1990, deadline for the Texas Legislature to find a solution to state funding of the nation's second-largest public school system.

The Texas National Research Laboratory Commission offered financial and other incentives to the United States Department of Energy contingent on the selection of the Dallas/Ft. Worth site (Waxahachie) for the construction and operation of the Supercollider (SSC). This offer includes up to \$1 billion to support the construction and operation of the SSC. These funds are to be raised by the issuance of \$500 million of general obligation bonds and \$500 million of revenue bonds to be repaid through legislative appropriations. On November 10, 1988, Waxahachie was selected as the location site for the Supercollider.

At August 31, 1989, the Texas Water Development Board had made commitments to purchase political subdivision bonds for \$102,180,00 using the Water Pollution Control Revolving Funds and for \$76,136,000 using the Water Development Funds.

On November 16, 1989, the Texas Water Development Board sold Texas Water Development Bonds, Series 1989C (taxable) in the par amount of \$4,690,000.

On November 7, 1989, a constitutional amendment increasing the Texas Water Development Board's general obligation bond authorization by \$500 million was approved by the voters of the State of Texas. Of this \$500 million, \$250 million is for water supply purposes, \$200 million is for water quality enhancement purposes, and

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\$50 million is for flood control purposes. \$100 million of the total authorization is dedicated for use in economically distressed areas pursuant to Senate Bill 2, Seventy-First Legislature. The current prohibition against retail distribution was also eliminated, thereby allowing the Board to fund retail water systems.

Also approved in the election was the removal of the December 2, 1989, time limit on the issuance of \$200 million in general obligation bonds for Agriculture Water Conservation. No bonds have been issued under this authorization to date.

During the Seventy-First Legislative year the State Legislature approved the dissolution of the University System of South Texas and placed three of its institutions of higher education in the Texas A&M University System effective September 1, 1989. These institutions are Corpus Christi State University, Laredo State University, and Texas A&I University.

During the Seventy-First Legislative year the State Legislature approved the placement of Pan American University at Edinburg and Pan American University at Brownsville in the University of Texas System effective September 1, 1989.

Effective January 1, 1991, the Texas Adult Probation Commission, the Texas Department of Corrections, and the Board of Pardons and Paroles will merge to form the Texas Department of Criminal Justice. This consolidation is authorized in House Bill 2335, Seventy-First Legislature.

Note 16: Related Parties

Many of the colleges and universities included in this report have foundations and alumni associations which are separate nonprofit organizations organized for the purpose of cooperating with and working on behalf of the college or university. The amounts remitted by these foundations are not material to the report as whole.

Several state agencies in this report transact business through separate legal entities in order to facilitate state operations. Although the transactions with these entities may be material, they are within state statutes.

Note 17: Budgetary-GAAP Reporting Reconciliation

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances (Cash Basis) - Budget and Actual presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of these differences is required.

The major reconciliation items are due to the following:

Basis of Accounting

The budget statement is prepared on the cash basis of accounting and the GAAP Statements are on the modified accrual basis of accounting. Therefore, deferred revenues, accounts receivable, encumbrances, and deferred charges are included as reconciling items.

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Fund Type Differences

The biennial revenue estimate includes budget activity for Agency fund types and Nonexpendable Trust Fund Types. The budgeted activity for these fund types has been included in the Special Revenue fund type column on the Budget Statement.

Variances

The variances reported on the Budget Statement (differences between Budget and Actual) were due to the following:

- Actual expenditures of prior years' appropriations were not included in the budgeted expenditure amounts.
- Unexpended balances of prior years' appropriations for expenditures of the current year were not included in the budgeted expenditure amounts.
- Actual transactions that were not budgeted:
 - Education revenues and expenditures of colleges and universities.
 - Expenditures (human services) for unemployment compensation benefits and the related tax revenues reported in Other Governmental Types.
 - Incomplete budgeted construction projects.
 - Debt service expenditures.
 - Bond and note proceeds.
 - Intergovernmental transfers-out.

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Reconciliation of Budgetary Basis to GAAP:

(In Thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Other Governmental</u>	<u>Colleges & Universities</u>	<u>Totals</u>
Excess (Deficits) of Revenues, Expenditures and Other Sources (Uses) - Budgetary Basis	\$ 596,885	\$ 316,092	\$ 238,351	\$ 210,574	\$ 1,361,902
Basis Differences:					
Accounts Receivables and Deferred Revenues	(111,747)	(33,976)	26,833	13,943	(104,947)
Deferred Charges				1,446	1,446
Encumbrances	53,823	156,918	70,080	116,811	397,632
Fund Type Differences:					
Agency Fund Receipts Reported As Special Revenue	(43,462)	(1,472,551)			(1,516,013)
Agency Fund Disbursements Reported As Expenditures, Encumbrances and Transfers-Out		1,478,047			1,478,047
Nonexpendable Trust Revenues Reported As Special Revenue		(340,817)			(340,817)
Other Differences:					
Unbudgeted Current Fund Net Additions and (Deductions)				(213,037)	(213,037)
Net change in Consumable Inventories and Obligations Under Capital Leases	6,738	296	(8)		7,026
Unbudgeted Net Increases/(Decreases)	<u>2,988</u>	<u>1,281</u>	<u>673</u>		<u>4,942</u>
Totals-GAAP Basis	<u>\$ 505,225</u>	<u>\$ 105,290</u>	<u>\$ 335,929</u>	<u>\$ 129,737</u>	<u>\$ 1,076,181</u>

Note 18: Accounting Changes

The Texas Water Development Board is now accounting for its Water Development Funds as a single Enterprise Fund. This change in accounting method represents a change in accounting principle because previous accountability of Water Development Funds operations were recorded in Special Revenue and Debt Service Funds. Long-term debt was accordingly accounted for in the General Long-Term Debt Account Group.

The effects of the restatement were to decrease fund balance in Special Revenue Funds and Debt Service Funds by \$732,901,848 and \$59,680,416. This combined total less the \$637,325,493 of Long-term Obligations on Bonds Payable results in a Fund Equity of \$155,256,771 in the Enterprise Fund.

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Since the Enterprise Fund is a newly created fund, the beginning fund balance on September 1, 1988, was restated for this same amount as described below:

Fund Equity, September 1, 1988	\$ -0-
Water Development Funds	732,901,848
Debt Service Funds	<u>59,680,416</u>
	792,582,264
Less: Long-term Obligations on Bonds Payable (net of discounts to present value)	<u>637,325,493</u>
Restated Fund Equity, September 1, 1988	<u><u>\$ 155,256,771</u></u>

The Texas Department of Corrections established a Debt Service Fund to account for the principal and interest payments on bonded indebtedness relating to the construction of correctional facilities. The facilities were completed with proceeds from privately-issued bonds issued through the Texas Correctional Facilities Financing Corporation. The creation of this fund resulted in a restatement of \$16,591,087 to the \$-0- beginning fund balance to offset the reduction of prior year balances previously recorded in the General Long-Term Debt Account Group.

Note 19: Segment Information for Enterprise Funds

The State of Texas has nine component units with Enterprise funds. These component units are described below:

The Texas Housing Agency was created in 1979 by an act of the Texas Legislature to finance dwelling accommodations for low and moderate income persons and families. The Agency may issue bonds, notes, or other obligations to finance or refinance multi-family housing developments and single family residential housing. Bonds and notes issued by the Agency do not constitute a debt of the State of Texas or any political subdivision thereof.

The Texas Guaranteed Student Loan Corporation (TGSLC) was formed in 1980 to guarantee the repayment of principal and accrued interest to lenders for eligible student loans. TGSLC is responsible for processing loans submitted for guarantee, issuing loan guarantees, providing collection assistance to lenders for delinquent loans, paying lender claims for loans in default, and collecting loans on which default claims have been paid. TGSLC also informs lenders of the program requirements, encourages lender participation, and provides servicing of loans.

The Texas Hospital Equipment Financing Council was organized to issue revenue bonds, the proceeds of which are used to finance or refinance the cost of certain health related equipment. This financing is used to make loans to participating health care facilities in the State of Texas. In accordance with the terms of the bond indenture agreements and enabling statutes, the State is not obligated to pay the bonded indebtedness incurred by the Council.

The Texas Surplus Property Agency distributes federal government surplus personal property to eligible public agencies and nonprofit educational and public health institutions in Texas. The Agency has offices in four cities,

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San Antonio, Fort Worth, Lubbock, and Houston, which service particular regions of the State. The Agency's Board of Directors is appointed by the Governor.

The Texas Department of Commerce was created by the Texas Legislature in 1987 by the consolidation of several state agencies, including the Texas Economic Development Commission, the Texas Tourist Development Agency, the Texas World Trade Council, the Texas World Trade Development Authority, the Enterprise Zone Board, the Technology Training Board, the Texas Music Commission, and the Texas Film Commission. In addition, the Job Training Partnership Act (JTPA) and the Community Development Block Grant (CDBG) programs were transferred to the Department of Commerce on December 1, 1987. The Department is responsible for planning, organizing, and implementing programs for attracting and locating new businesses in the State, encouraging the growth and expansion of existing businesses, including tourism, in the State, and working with local governments and organizations to improve their communities.

The Texas Turnpike Authority was created in 1953 by the Texas Legislature to plan and build traffic facilities anywhere in Texas with the concurrence of the State Highway and Public Transportation Commission where there is need and financial feasibility, but public tax funds are not readily available. Each project's construction is paid from the proceeds of revenue bonds sold by the Authority for that purpose, and in no way pledges the faith or credit of the State of Texas. Costs of maintaining and operating these facilities are paid entirely from toll fares collected from motorists who use them. The Authority has built and operated four toll facilities in Texas: the Dallas-Fort Worth Turnpike; the Dallas North Tollway; the Mountain Creek Lake Bridge in Dallas County; and the Houston Ship Channel Bridge.

The State Bar of Texas is located in the judicial branch of state government. Its primary responsibility is to cooperate in the regulation of the practice of law in the State of Texas.

The Texas Department of Corrections is responsible for operating the state's 30 adult penal facilities. As part of the rehabilitation process, these facilities operate manufacturing enterprises to teach various skills to the inmates. In addition to the manufacturing enterprises, the Department sponsors the annual prison rodeo which is operated as an enterprise fund.

The Texas Water Development Board was created as an agency of the State of Texas in 1957. The Board is primarily responsible for administering state and federally funded financing programs for water-related projects, water resource planning, data collection, and studies relative to the surface and ground water resources of Texas. The agency's enterprise funds include the Water Development Funds, the Water Pollution Control Revolving Funds, and the Texas Water Resources Finance Authority. The Water Development Funds issue general obligation bonds which are used to provide financial assistance to political subdivisions for water-related projects. The Water Pollution Control Revolving Funds use funds advanced from the Water Development Funds and U.S. Environmental Protection Agency capitalization grants to make water quality enhancement loans to political subdivisions. The Texas Water Resources Finance Authority issued revenue bonds to fund the purchase of a portfolio of political subdivision bonds and commitments to purchase political subdivision bonds from the Texas Water Development Board.

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**Segment Information for Enterprise Funds
For the Year Ended August 31, 1989
(In Thousands)**

	Texas Housing Agency	Texas Guarantee Student Loan Corporation	Texas Hospital Equipment Financing Council	Texas Surplus Property Agency	Texas Department of Commerce
Operating Revenues	\$ 97,223	\$ 24,737	\$ 0	\$ 1,647	\$ 312
Operating Expenses:					
Depreciation and Amortization	104	6,200	0	75	3
Other	<u>12,214</u>	<u>18,010</u>	<u>233</u>	<u>1,609</u>	<u>499</u>
Operating Income (Loss)	84,905	527	(233)	(37)	(190)
Non-Operating Income	47,111	0	2,670	90	51,662
Non-Operating Expense	<u>127,604</u>	<u>0</u>	<u>2,392</u>	<u>0</u>	<u>50,865</u>
Net Income (Loss) Before Operating Transfers In (Out)	4,412	527	45	53	607
Operating Transfer-Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>250</u>
Net Income (Loss)	<u>4,412</u>	<u>527</u>	<u>45</u>	<u>53</u>	<u>357</u>
Current Assets	195,794	15,482	12,522	1,236	78,882
Current Liabilities	<u>51,702</u>	<u>6,694</u>	<u>217</u>	<u>144</u>	<u>1,270</u>
Net Working Capital	<u>144,092</u>	<u>8,788</u>	<u>12,305</u>	<u>1,092</u>	<u>77,612</u>
Total Assets	1,525,708	35,689	37,232	2,565	103,229
Total Liabilities	<u>1,484,219</u>	<u>32,467</u>	<u>37,617</u>	<u>206</u>	<u>101,670</u>
Fund Equity	<u>41,489</u>	<u>3,222</u>	<u>(385)</u>	<u>2,359</u>	<u>1,559</u>
Bonds Payable From:					
Operating Revenues	<u>1,434,097</u>	<u>0</u>	<u>37,400</u>	<u>0</u>	<u>100,400</u>
Capital Outlay (Net)	<u>90</u>	<u>733</u>	<u>0</u>	<u>454</u>	<u>11</u>

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Segment Information for Enterprise Funds (Continued)
For the Year Ended August 31, 1989
(In Thousands)

	Texas Turnpike Authority	State Bar of Texas	Texas Department of Corrections	Texas Water Development Board	Total Enterprise Funds
Operating Revenues	\$ 31,880	\$ 3,800	\$ 15,124	\$ 50,235	\$ 224,958
Operating Expenses:					
Depreciation and Amortization	0	113	219	547	7,261
Other	<u>7,659</u>	<u>3,851</u>	<u>15,893</u>	<u>45,091</u>	<u>105,059</u>
Operating Income (Loss)	24,221	(164)	(988)	4,597	112,638
Non-Operating Income	22,527	152	1,103	21,891	147,206
Non-Operating Expense	<u>27,787</u>	<u>2</u>	<u>4</u>	<u>40</u>	<u>208,694</u>
Net Income (Loss) Before Operating Transfers In (Out)	18,961	(14)	111	26,448	51,150
Operating Transfer-Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>250</u>
Net Income (Loss)	<u>18,961</u>	<u>(14)</u>	<u>111</u>	<u>26,448</u>	<u>50,900</u>
Current Assets	94,016	2,686	11,786	285,412	697,816
Current Liabilities	<u>9,686</u>	<u>759</u>	<u>982</u>	<u>84,099</u>	<u>155,553</u>
Net Working Capital	<u>84,330</u>	<u>1,927</u>	<u>10,804</u>	<u>201,313</u>	<u>542,263</u>
Total Assets	435,039	4,073	12,939	993,663	3,150,137
Total Liabilities	<u>361,934</u>	<u>824</u>	<u>982</u>	<u>723,724</u>	<u>2,743,643</u>
Fund Equity	<u>73,105</u>	<u>3,249</u>	<u>11,957</u>	<u>269,939</u>	<u>406,494</u>
Bonds Payable From:					
Operating Revenues	<u>352,248</u>	<u>0</u>	<u>0</u>	<u>588,448</u>	<u>2,512,593</u>
Capital Outlay (Net)	<u>20,793</u>	<u>25</u>	<u>262</u>	<u>0</u>	<u>22,368</u>

Note 20: Taxes

- A. Taxes receivable at August 31, 1989, are summarized as follows (in thousands):

Tax Type	Amount
Sales	\$ 38,616
Unemployment	19,070
Franchise	1,549
Natural Gas	4,902
Crude Oil	1,485
Motor Fuels	1,866
Hotel	547
Bingo	<u>11</u>
Total	<u>\$ 68,046</u>

All the above categories are collected by the Comptroller of Public Accounts except unemployment taxes which are collected by the Texas Employment Commission.

- B. Taxpayers who wish to challenge a tax liability assessed by the Comptroller of Public Accounts or wish to seek a tax refund may petition for a formal hearing before an administrative law judge who is independent from the Comptroller's Tax and Legal Divisions.

If the request for a redetermination hearing is received within the time limits provided by the determination, the taxpayer does not have to pay the tax until a final decision is reached.

At August 31, 1989, there were \$284,104,272 in the redetermination hearings process. Collectibility of these assessments is dependent upon the decisions of the administrative law judges. These taxes are not recognized until the administrative hearing is final.

- C. The State collected \$1,053,044,827 of city sales tax, \$501,645,226 of mass transit authority tax, and \$43,356,089 of mixed beverage tax for the year ended August 31, 1989. These collections are disbursed to local governmental entities, and accordingly are not reflected as revenues or expenditures in the financial statements.

Note 21: General Fund Balance

The State's General Fund reflected a positive balance of \$118.1 million at August 31, 1989. This is in contrast to the deficit balance in the State's General Fund at August 31, 1988 of \$388.2 million. Thus, the State's General Fund improved by \$506.3 million during fiscal year 1989. The ending deficit balance for 1988 is reflected as the beginning fund balance in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances.

Supplementary Bond Schedules

Defeased Bonds Outstanding

State of Texas
Supplementary Bond Schedules
Defeased Bonds Outstanding at August 31, 1988

(Amounts in Thousands)

Issuing Agency or University/ Name of Bond Issue	Year Refunded	Par Value Outstanding
GENERAL OBLIGATION BONDS - AGENCIES		
General Land Office/Veterans Land Board		
Veterans Land Bonds - Series 1976	1985	\$ 10,000
Veterans Land Bonds - Series 1976A	1985	24,000
Veterans Land Bonds - Series 1977	1985	10,000
Veterans Land Bonds - Series 1978	1985	17,000
Veterans Land Bonds - Series 1979	1985	26,000
Veterans Land Bonds - Series 1980	1985	54,000
Veterans Land Bonds - Series 1958A	1986	1,090
Veterans Land Bonds - Series 1961	1986	5,575
Veterans Land Bonds - Series 1961A	1986	5,500
Veterans Land Bonds - Series 1961B	1986	5,266
Veterans Land Bonds - Series 1968	1986	15,000
Veterans Land Bonds - Series 1968A	1986	15,000
Veterans Land Refunding Bonds, Series 1983	1986	6,815
Veterans Land Bonds - Series 1971A	1986	5,000
Veterans Land Bonds - Series 1971B	1986	6,300
Veterans Land Bonds - Series 1972	1986	20,000
Veterans Land Bonds - Series 1972A	1986	6,700
Veterans Land Bonds - Series 1982	1986	74,000
Veterans Land Bonds - Series 1983	1986	50,000
Veterans Land Bonds - Series 1983A	1986	50,000
Veterans Land Bonds - Series 1984	1986	75,000
Veterans Land Bonds - Series 1985A	1986	75,000
Veterans Land Bonds - Series 1985B	1986	100,000
Veterans Land Bonds - Series 1971B	1983	2,000
Veterans Land Bonds - Series 1972	1983	7,500
Water Development Board		
Water Development Bonds, Series 1985A	1986	28,405
Water Development Bonds, Series 1985B	1986	47,095
Water Development Bonds, Series 1984A	1986	14,985
Water Development Bonds, Series 1984A	1989	2,165
Water Development Bonds, Series 1984B	1986	18,915
Water Development Bonds, Series 1984B	1989	9,935
Water Development Bonds, Series 1978	1986	19,500
Water Development Bonds, Series 1977	1986	44,000
Water Development Bonds, Series 1976D	1986	15,625
Water Development Bonds, Series 1976E	1986	9,375
Water Development Bonds, Series 1972	1986	6,000
Water Development Bonds, Series 1972A	1986	8,000
Water Development Bonds, Series 1959	1989	3,700
Water Development Bonds, Series 1962	1989	7,100
Water Development Bonds, Series 1963	1989	7,400
Water Development Bonds, Series 1964	1989	4,800
Water Development Bonds, Series 1965	1989	5,005

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Issuing Agency or University/ Name of Bond Issue	Year Refunded	Par Value Outstanding
Water Development Board (continued)		
Water Development Bonds, Series 1966	1989	550
Water Development Bonds, Series 1975	1989	1,000
Water Development Bonds, Series 1983A	1989	27,600
Water Development Bonds, Series 1983B	1989	18,400
Water Development Bonds, Series 1986A	1989	124,717
Water Development Bonds, Series 1986B	1989	99,283
Water Development Bonds, Series 1987A	1989	110,000
Water Development Bonds, Series 1987B	1989	40,000
Water Development Bonds, Series 1987C	1989	55,000
TOTAL DEFEASED GENERAL OBLIGATION BONDS - AGENCIES		1,395,301
GENERAL OBLIGATION BONDS - UNIVERSITIES		
University of Houston		
Constitutional Appropriation Bonds, Series 1985	1986	37,015
TOTAL DEFEASED GENERAL OBLIGATION BONDS - UNIVERSITIES		37,015
REVENUE BONDS - AGENCIES		
National Guard Armory Board		
Armory Improvement Revenue Bonds, Series 1973	1979	1,660
Armory Improvement Revenue Bonds, Series 1983	1987	915
Texas Public Finance Authority		
Building Revenue Bonds, Series 1985A	1986	93,706
Turnpike Authority		
Houston Ship Channel Bridge Revenue Bonds, Series 1978	1985	10,060
Dallas North Tollway Revenue Bonds, Series 1982	1985	168,090
TOTAL DEFEASED REVENUE BONDS - AGENCIES		274,431
REVENUE BONDS - UNIVERSITIES		
University of Houston		
General Tuition Revenue Bonds, Series 1973	1986	14,600
General Tuition Revenue Bonds, Series 1974	1986	10,230
Combined Fee Revenue Bonds, Series 1975	1985	14,300
General Endowment Defeased, Series 1981	1985	5,675
Texas A & M University System		
Permanent University Fund Bonds New Series 1970	1985	300
Permanent University Fund Bonds New Series 1971	1985	600
Permanent University Fund Bonds New Series 1972	1985	900
Permanent University Fund Bonds New Series 1973	1985	1,200
Permanent University Fund Bonds New Series 1974	1985	1,770
Permanent University Fund Bonds New Series 1975	1985	2,800
Permanent University Fund Bonds New Series 1976	1985	3,240
Permanent University Fund Bonds New Series 1977	1985	4,600
Permanent University Fund Bonds New Series 1978	1985	5,610
Permanent University Fund Bonds New Series 1979	1985	5,600

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Issuing Agency or University/ Name of Bond Issue	Year Refunded	Par Value Outstanding
Texas A & M University System (Continued)		
Permanent University Fund Bonds New Series 1980	1985	7,320
Permanent University Fund Bonds New Series 1981	1985	13,200
Permanent University Fund Bonds New Series 1983	1985	16,215
Permanent University Fund Bonds New Series 1983A	1985	15,750
Permanent University Fund Bonds New Series 1984	1985	13,515
Constitutional Amendment Perm Univ Fund Bonds, Series 1985	1986	29,400
Permanent University Fund Refunding Rev. Bonds, Series 1985	1986	63,960
Texas A & M University		
Student Fee Revenue Bonds, Series 1966	1985	1,350
Student Fee Revenue Bonds, Series 1966A	1985	55
Student Fee Revenue Bonds, Series 1972	1985	1,025
Combined Fee Revenue Bonds, Series 1971	1985	4,110
Combined Fee Revenue Bonds, Series 1978A	1985	8,795
Combined Fee Revenue Refunding Bonds, Series 1978	1985	20,655
Houston System Revenue Bonds, Series 1966	1986	885
Houston System Revenue Bonds, Series 1967	1986	480
Houston System Revenue Bonds, Series 1970	1986	4,055
Houston System Revenue Bonds, Series 1973	1986	5,775
Houston System Revenue Bonds, Series 1978	1986	3,650
Houston System Revenue Bonds, Series 1979	1986	4,610
Houston System Revenue Bonds, Series 1980	1986	7,480
Student Family Apartment Revenue Bonds, Series 1972	1986	1,230
Student Family Apartment Revenue Bonds, Series 1979	1986	700
Combined Fee Revenue Refunding Bonds, Series 1985	1988	24,800
Combined Fee Revenue Bonds, Series 1986	1988	21,225
Junior Lien Building Revenue Bonds, Series 1972	1986	535
Stadium Revenue Bonds, Series 1978	1988	1,060
Utility System Student Fee Revenue Refunding Bonds, Series 1978	1988	12,795
Tarleton State University		
Combined Fee Revenue Bonds, Series 1974	1982	2,915
Housing System Revenue Bonds, Series 1967B	1982	59
Housing System Revenue Bonds, Series 1967C	1982	471
Housing System Revenue Bonds, Series 1967D	1982	15
Student Fee Revenue Bonds, Series 1967	1982	118
Building Use Fee Revenue Bonds, Series 1967	1981	31
General Fee Revenue Bonds, Series 1972	1982	335
General Fee Revenue Bonds, Series 1973	1982	160
Lamar University		
Combined Fee Revenue Bonds, Series 1974	1978	5,980
Revenue Refunding Improvement Bonds, Series 1956	1978	699
Auditorium Revenue Bonds, Series 1961	1978	60
Stadium Revenue Bonds, Series 1962	1978	590
Student Fee Capital Improvement Bonds, Series 1964	1978	285
University of North Texas		
Building Revenue Bonds, Series 1962	1985	580
Building Revenue Bonds, Series 1964	1985	25
Building Revenue Bonds, Series 1964A	1985	1,095
Building Revenue Bonds, Series 1967	1985	3,290
Student Fee Revenue Bonds, Series 1966	1985	645
Student General Fee Building Bonds, Series 1970	1985	6,750

UNAUDITED

Issuing Agency or University/ Name of Bond Issue	Year Refunded	Par Value Outstanding
University of North Texas (Continued)		
Student General Fee Building Bonds, Series 1973	1985	11,015
Combination Fee Revenue Refunding Bonds, Series 1978	1985	7,950
Consolidated University Revenue Refunding & Improvement Bonds - Compound Interest Bonds, Series 1985	1987	9,215
Pan American University		
Tuition Revenue Bonds, Series 1974	1986	5,835
Tuition Revenue Bonds, Series 1975	1986	700
Sam Houston University		
Student Housing System Revenue Bonds, Series 1958A	1982	708
Student Housing System Revenue Bonds, Series 1958B	1982	508
Student Housing System Revenue Bonds, Series 1958C	1982	483
Student Housing System Revenue Bonds, Series 1959D	1982	474
Student Housing System Revenue Bonds, Series 1960E	1982	877
Student Housing System Revenue Bonds, Series 1961F	1982	980
Student Housing System Revenue Bonds, Series 1978G	1982	2,560
Combined Fee Revenue Bonds, Series 1984	1988	725
Texas College of Osteopathic Medicine		
General Fee Revenue Bonds, Series 1975	1978	500
Texas Southern University		
General Fee Revenue Bonds, Series 1974	1978	1,365
Combination Fee Revenue Bonds, Series 1977	1978	3,535
Southwest Texas State University		
Combined Fee Revenue Bonds, Series 1970	1978	4,070
Combined Fee Revenue Bonds, Series 1974	1978	3,035
Building Fee Revenue Bonds, Series 1955	1985	94
Housing System Revenue Bonds, Series 1979	1985	1,760
Housing System Revenue Bonds, Series 1970	1987	2,285
Housing System Revenue Bonds, Series 1985	1989	17,600
Angelo State University		
Student Housing System Revenue Bonds, Series 1981	1988	2,185
Student Housing System Revenue Bonds, Series 1983	1988	1,750
University of Texas System		
General Tuition Revenue Bonds, Series 1971	1986	30,270
General Tuition Revenue Bonds, Series 1972	1986	31,805
General Tuition Revenue Bonds, Series 1972A	1986	10,900
General Tuition Revenue Bonds, Series 1974	1988	7,340
General Tuition Revenue Refunding Bonds, Series 1978	1986	15,925
Permanent University Fund Bonds, Series 1970	1985	450
Permanent University Fund Bonds, Series 1971	1985	1,080
Permanent University Fund Bonds, Series 1972	1985	1,620
Permanent University Fund Bonds, Series 1973	1985	2,640
Permanent University Fund Bonds, Series 1974	1985	3,245
Permanent University Fund Bonds, Series 1975	1985	4,900
Permanent University Fund Bonds, Series 1976	1985	6,480
Permanent University Fund Bonds, Series 1977	1985	9,200
Permanent University Fund Bonds, Series 1978	1985	10,710
Permanent University Fund Bonds, Series 1979	1985	11,760

UNAUDITED

Issuing Agency or University/ Name of Bond Issue	Year Refunded	Par Value Outstanding
University of Texas System (Continued)		
Permanent University Fund Bonds, Series 1980	1985	15,860
Permanent University Fund Bonds, Series 1981	1985	28,380
Permanent University Fund Bonds, Series 1983	1985	38,070
Permanent University Fund Bonds, Series 1983A	1985	24,750
Permanent University Fund Bonds, Series 1984	1985	27,030
Constitutional Amendment Bonds, Series 1985	1985	45,550
Constitutional Amendment Bonds, Series 1985A	1985	63,000
University of Texas at Austin		
Building Revenue Bonds, Series 1974	1986	37,200
Building Revenue Bonds, Series 1978	1986	3,625
Dormitory Revenue Bonds, Series 1954	1986	824
Housing System Revenue Bonds, Series 1967	1986	11,080
Combined Fee Revenue Bonds, Series 1971	1986	12,805
Combined Fee Revenue Bonds, Series 1972	1986	5,750
Combined Fee Revenue Bonds, Series 1973	1986	25,425
Combined Fee Revenue Bonds, Series 1978	1986	9,985
Married Student Housing Bonds, Series 1971	1986	2,415
Married Student Housing Bonds, Series 1981	1986	5,115
Parking Facilities Revenue Bonds, Series 1984	1986	2,860
Building Revenue Bonds, Series 1969	1986	16,960
Building Revenue Bonds, Series 1983	1986	27,395
University of Texas at Arlington		
Arlington State College Gymnasium Fee Bonds, Series 1961	1986	39
Arlington State College Student Fee Rev Bonds, Series 1964	1986	1,080
Arlington State College Student Fee Rev Bonds, Series 1966	1986	675
Arlington State College Housing Sys Rev Ref Bonds, Series 1963	1986	451
Combined Fee Revenue Bonds, Series 1971A	1986	3,050
Combined Fee Revenue Bonds, Series 1973	1986	5,655
Combined Fee Revenue Bonds, Series 1973A	1986	5,840
Combined Fee Revenue Bonds, Series 1974	1986	660
Combined Fee Revenue Bonds, Series 1978	1986	4,260
Combined Fee Revenue Bonds, Series 1985	1986	9,230
Student Fee Revenue Bonds, Series 1968	1986	530
Apartment Revenue Bonds, Series 1978	1986	960
9% Apartment Revenue Bonds, Series 1985	1986	890
University of Texas at Dallas		
Combined Fee Revenue Bonds, Series 1978	1986	7,085
Utility Revenue Bonds, Series 1980	1986	7,270
University of Texas at El Paso		
Combined Fee Revenue Bonds, Series 1970	1986	4,180
Combined Fee Revenue Bonds, Series 1971	1986	2,950
Combined Fee Revenue Bonds, Series 1973	1986	3,565
Combined Fee Revenue Bonds, Series 1974	1986	755
Combined Fee Revenue Bonds, Series 1979	1986	3,865
Building Revenue Bonds, Series 1969	1986	6,250
Student Union Building Revenue Bonds, Series 1967B	1986	1,780

UNAUDITED

<u>Issuing Agency or University/ Name of Bond Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
University of Texas at San Antonio		
Combined Fee Revenue Bonds, Series 1980	1986	6,905
Combined Fee Revenue Bonds, Series 1984	1986	7,570
Utility Revenue Bonds, Series 1980	1986	7,020
University of Texas Medical Branch		
Endowment and Hospital Revenue Bonds, Series 1973	1986	20,415
University of Texas Health Science Center at Houston		
Housing System Revenue Bonds, Series 1981	1986	10,530
University of Texas at Tyler		
Combined Fee Revenue Bonds, Series 1976	1986	1,115
Texas Tech University		
Combined Fee Revenue Bonds, Series 1974	1978	<u>12</u>
TOTAL DEFEASED REVENUE BONDS - UNIVERSITIES		<u>1,092,553</u>
TOTAL OUTSTANDING DEFEASED BONDS AT 8-31-89		<u><u>\$ 2,799,300</u></u>

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**Supplementary
Bond Schedules**

***Miscellaneous
Bond Information***

Miscellaneous Bond Information on State Issued Bonds

Description of Issue	Bonds Issued to date	Range of		Maturities		First Call Date
		Interest	Rates	First Year	Last Year	
Department of Agriculture						
FM & RANCH LOAN SECURITY BDS SER'80	10,000	9.00%	9.00%	1995	1995	12/01/84
	<u>10,000</u>					
Water Development Board						
TWRFA REV BDS SER '89	511,755	6.30%	7.63%	1989	2013	2/15/99
W DEV BDS SER '59	10,000	3.50%	4.00%	1962	1994	2/01/83
W DEV BDS SER '62	15,000	2.80%	4.00%	1964	1997	2/01/83
W DEV BDS SER '63	15,000	3.00%	4.00%	1964	1997	2/01/83
W DEV BDS SER '64	15,000	3.00%	4.00%	1966	1995	2/01/83
W DEV BDS SER '65	15,000	2.25%	3.75%	1967	1996	2/01/83
W DEV BDS SER '66	15,000	3.25%	4.00%	1968	1991	2/01/83
W DEV BDS SER 75	15,000	5.40%	5.70%	1986	1990	N/A
W DEV BDS SER '83-A	30,000	7.00%	9.00%	1987	1998	8/01/93
W DEV BDS SER '83-B	20,000	7.00%	9.00%	1987	1998	8/01/93
W DEV SER '84-A	20,000	8.25%	10.25%	1987	1999	8/01/94
W DEV BDS SER '84-B	30,000	8.25%	10.25%	1988	1999	8/01/94
W DEV REF BDS SER '86-A	134,836	4.50%	7.40%	1987	2005	8/01/96
W DEV REF BDS SER '86-B	107,322	4.50%	7.40%	1987	2005	8/01/96
W DEV SER '87-A	110,000	6.00%	6.63%	2000	2007	8/01/97
W DEV SER '87-B	40,000	6.50%	6.63%	2004	2007	8/01/97
W DEV SER '87-C	55,000	6.50%	9.50%	1990	2008	8/01/97
W DEV SER '88-A	50,000	5.80%	7.75%	1991	2009	8/01/98
W DEV SER '88-B	11,000	5.80%	7.75%	1991	2009	8/01/98
W DEV SER '88-C	2,000	9.50%	12.20%	1991	2009	8/01/98
W DEV BDS SER '89A	21,160	10.88%	9.75%	1992	2011	8/01/89
W DEV BDS SER '89B	1,340	10.88%	9.75%	1992	2011	8/01/89
	<u>1,244,413</u>					
Texas Higher Education Coordinating Board						
COL STUD LOAN BDS SER'66	10,000	3.70%	4.00%	1972	1998	8/01/86
COL STUD LOAN BDS SER'67	10,000	3.70%	4.00%	1972	1998	8/01/86
COL STUD LOAN BDS SER'69	14,000	0.05%	6.50%	1979	1998	8/01/89
COL STUD LOAN BDS SER70	15,000	4.00%	7.00%	1979	1995	8/01/89
COL STUD LOAN BDS SER70-A	15,000	5.00%	7.50%	1979	1995	8/01/90
COL STUD LOAN BDS SER70-B	20,000	5.00%	7.50%	1979	1995	8/01/90
COL STUD LOAN BDS SER71	12,500	4.00%	6.50%	1973	1996	8/01/90
COL STUD LOAN BDS SER72	20,000	3.50%	6.00%	1973	1997	8/01/91
COL STUD LOAN BDS SER73	10,000	3.50%	6.00%	1974	1998	8/01/93
COL STUD LOAN BDS SER74	15,000	5.50%	8.00%	1975	1998	8/01/94
COL STUD LOAN BDS SER75	11,000	4.50%	6.50%	1976	1998	8/01/90
COL STUD LOAN BDS SER76	18,000	4.50%	6.50%	1977	1998	8/01/91
COL STUD LOAN BDS SER77	16,000	3.50%	5.50%	1978	1998	8/01/92
COL STUD LOAN BDS SER'89	75,500	6.40%	10.40%	1991	2004	8/01/99
	<u>262,000</u>					
Parks and Wildlife Department						
PARK DEV BDS SER'85	30,000	7.25%	9.25%	1988	2002	10/01/95
	<u>30,000</u>					

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Description of Issue	Bonds		Range of		Maturities		First Call Date
	Issued to date	Interest	Interest	Rates	First Year	Last Year	
General Land Office/Veterans Land Board							
VET BDS SER'84	85,000	8.50%	9.10%		1986	2003	12/01/99
VET BDS SER'84-A	165,000	8.90%	9.00%		1985	2003	6/01/94
VET BDS SER'84-B	250,000	8.00%	10.00%		1988	2003	12/01/94
VET BDS SER'85	250,000	7.75%	10.25%		1989	2016	12/01/95
VET BDS SER'89	45,000	7.25%	10.25%		1991	2018	6/01/99
VET LAND REF BDS SER'85	173,760	5.75%	7.90%		1987	2001	12/01/95
VET LAND REF BDS SER'86	542,785	5.75%	9.50%		1988	2003	12/01/96
	<u>1,511,545</u>						
TOTAL GENERAL OBLIGATION BONDS - SELF-SUPPORTING	<u>3,057,958</u>						
Public Finance Authority							
GEN OBLIG BDS SER '87	46,500	6.90%	9.63%		1989	2008	10/01/97
GEN OBLIG BDS SER '88A	155,560	6.40%	9.40%		1989	2008	10/01/98
GEN OBLIG BDS SER '88B	83,370	6.40%	9.40%		1989	2008	10/01/98
GEN OBLIG BDS SER '88C	46,935	6.40%	7.13%		1989	2008	10/01/98
GEN OBLIG BDS SER '89A	142,145	6.00%	9.00%		1990	2009	10/01/98
	<u>474,510</u>						
Constitutional Appropriation Bonds							
ANGELO ST UNIV SER '85	10,274	7.50%	7.50%		1986	1995	10/01/91
UNIV OF HOUSTON SER '86	53,445	3.50%	5.40%		1987	1994	9/15/90
LAMAR UNIV SER '85	25,815	7.75%	7.75%		1986	1994	N/A
NORTH TX ST UNIV SER '85	15,160	7.20%	9.00%		1986	1994	9/15/90
SAM HOUSTON ST UNIV SER '85	13,695	7.50%	7.50%		1986	1994	10/01/91
TX SOUTHERN UNIV SER '85	23,575	6.50%	6.50%		1987	1994	N/A
SW TX ST UNIV SER '85	47,661	7.50%	7.50%		1986	1994	10/01/91
TX TECH HEALTH SC CTR SER '85	10,000	8.00%	8.00%		1986	1995	10/01/91
TX TECH HEALTH SC CTR SER '89	4,240	7.25%	7.25%		1990	1995	N/A
TX TECH UNIV SER '85	37,720	8.00%	8.00%		1986	1994	10/01/91
WEST TX ST UNIV SER '87	3,670	5.75%	5.75%		1988	1991	N/A
TX WOMAN'S UNIV SER '85	13,180	7.50%	7.50%		1986	1995	10/01/91
MIDWESTERN STATE SER '89	1,500	6.00%	8.00%		1990	1994	9/15/92
	<u>259,935</u>						
TOTAL GENERAL OBLIGATION BONDS - NOT SELF-SUPPORTING	<u>734,445</u>						
TOTAL, GENERAL OBLIGATION BONDS	<u>3,792,403</u>						
Public Finance Authority							
BLDG REV BDS SER '85-A	145,246	7.30%	9.25%		1990	2002	8/01/95
BLDG REV REF BDS'86	129,584	5.00%	7.15%		1990	2014	8/01/97
BLDG REV BDS SER '87	19,765	6.25%	8.30%		1990	2001	10/01/98
	<u>294,595</u>						
Texas National Guard Armory Board							
REF & IMP REV BDS SER79	14,500	5.50%	6.10%		1981	2000	10/01/89
ARMORY IMP REV BDS SER'83	8,200	8.00%	9.00%		1984	1993	10/01/93
ARMORY IMP REV BDS SER '86	1,500	4.40%	7.90%		1986	2003	10/01/96
REF REV '87	8,525	4.00%	6.75%		1987	2003	4/01/95
	<u>32,725</u>						

UNAUDITED

Description of Issue	Bonds		Range of		Maturities		First Call Date
	Issued to date	Interest	Interest	Rates	First Year	Last Year	
Texas Department of Corrections							
MICHAEL UNIT-CERT. OF PART SER'86	78,200	5.41%	6.05%		1988	2006	5/15/88
LIB & JHNSON PRE-RELEASE BDS SER'88	26,425	5.60%	6.50%		1989	2009	9/15/89
HISE & HAYS PRE-RELEASE-BDS SER'88	23,540	5.60%	6.13%		1989	2009	9/15/89
TRUSTY CAMPS-COP.'89	17,694	5.90%	7.30%		1988	2000	10/01/89
	<u>145,859</u>						
TOTAL REVENUE BONDS - NOT SELF-SUPPORTING	473,179						
Texas Housing Agency							
SINGLE FAMILY SER '80 A	150,000	6.20%	10.13%		1982	2012	9/30/87
SINGLE FAMILY SER '82 A	100,000	8.75%	13.70%		1984	2013	7/29/83
SINGLE FAMILY SER '83 A	238,800	6.00%	10.88%		1985	2014	10/01/85
SINGLE FAMILY SER '84 A & B	304,200	7.50%	10.75%		1986	2016	2/07/86
SINGLE FAMILY SER '85 A	200,000	5.60%	9.38%		1987	2016	8/25/86
SINGLE FAMILY SER '85 B & C	153,996	6.10%	10.00%		1988	2017	12/15/86
SINGLE FAMILY SER '86 A	83,425	5.13%	8.25%		1988	2017	N/A
SINGLE FAMILY SER '86 B	90,280	4.50%	7.50%		1988	2017	N/A
SINGLE FAMILY SER '87 A	14,840	4.63%	5.25%		1988	1990	N/A
SINGLE FAMILY SER '87 B	77,700	5.00%	8.20%		1989	2016	N/A
RMRB FAMILY SER '87 A	149,000	6.25%	9.13%		1990	2021	N/A
RMRB FAMILY SER '88 A	40,920	6.50%	7.60%		1990	2018	N/A
RMRB FAMILY SER '87 D	47,000	7.50%	8.40%		1994	2021	N/A
RMRB FAMILY SER '89 A & B	89,000	6.60%	7.85%		1991	2018	N/A
GNMA SER '89 A	72,000				2019	2019	N/A
MF SER '82 A (Loans to Lenders)	69,920	5.75%	9.63%		1983	2006	12/01/86
MF SER '83 A-E (FSLIC)	40,800	9.00%			1983	1995	5/01/84
MF SER '83 A & B (Mutual Benefit Life)	21,750	10.00%			1984	2005	7/15/85
MF SER '83 A & B (Phoenix Mutual)	22,390	9.00%			1984	2005	3/01/86
MF SER '84 A & B (Oxford)	34,400	6.00%			1984	2006	N/A
MF SER '84 Private Placement (Summerbend)	10,100	8.00%	15.00%		1985	1999	N/A
MF SER '85 A (MacArthur I)	12,250	8.38%			1985	2007	N/A
MF SER '85 A (Folsom IV)	7,560	8.88%			1985	2007	N/A
MF SER '85 B (Preston Bend)	9,000	VAR			1986	2007	N/A
MF SER '85 C (MacArthur II)	9,600	7.38%			1986	2007	N/A
MF SER '85 G (Wildwood)	8,200	6.75%	8.50%		1989	2007	N/A
MF SER '85 H (Southridge)	8,000	VAR			1988	2007	N/A
MF SER '85 I (Colorado Club)	8,800	8.25%			1991	2007	N/A
MF SER '87 A & B (Remington/High Point)	26,370	5.63%			1989	1993	N/A
SOUTH TEXAS RENTAL HOUSING SER '87	1,400	9.50%			1988	2012	N/A
MF SER '88 A&B (Summer Assoc. Refund.)	22,535	6.75%			1991	1994	N/A
MF SER '88 A&B (Westborough/Oak Run II)	10,620	6.50%			2000	2000	N/A
SER '87 A (Collateralized MTG Obligations)	100,000	7.10%	8.50%		1987	2017	N/A
	<u>2,234,856</u>						
Texas Department of Commerce							
TSBIDC Comm. Dev. Bonds Ser. '85	20,000	7.00%	Fixed		1988	1988	N/A
TSBIDC Floating Rate Dem. Rev. Bonds Ser. '86	750,000	Floating	Floating		1989	2026	6/09/09
	<u>770,000</u>						
Turnpike Authority							
MOUNTAIN CREEK LAKE BRG REV BDS SER '77	9,200	5.50%	6.85%		1986	2007	1/01/87
HOUSTON SHP CHANNEL BRG REV BDS SER 78	102,000	6.00%	7.25%		1989	2009	1/01/88
DALLAS N TOLLWAY REV BDS SER'85	208,060	7.00%	9.00%		1990	2013	1/01/91
HOU SHP CHL BRG JR LIEN REV REF BDS SER'85	27,927	12.63%	12.63%		2020	2020	7/01/02
	<u>347,187</u>						

UNAUDITED

Description of Issue	Bonds		Range of		Maturities		First Call Date
	Issued to date	Interest	Interest	Rates	First Year	Last Year	
Texas Southern University							
DORM CONSTR BDS SER '63 A&B	2,219	3.50%	3.50%		1965	2013	10/01/71
STUD TUITN FEE REV BDS SER69	450	5.50%	6.25%		1971	1989	8/01/84
GEN FEE REV BDS SER73	5,000	5.00%	6.50%		1975	2004	8/01/83
COMB FEE REV REF BDS SER78	11,600	4.75%	6.80%		1979	2001	8/01/93
	<u>19,269</u>						
Texas State Technical Institute							
HSNG SYS & AUX SERVICE REV BDS SER79	6,950	6.00%	7.00%		1981	2004	8/01/94
HSNG SYS & AUX SERVICE REV BDS SER82	5,450	6.00%	10.25%		1984	1998	N/A
HSNG SYS & AUX SERVICE REV BDS SER89	1,800	6.75%	7.25%		1991	2009	8/01/99
	<u>14,200</u>						
Texas Woman's University							
BLDG REF & IMP REV BDS SER65	3,715	3.50%	3.75%		1965	1995	7/01/78
HSNG SYS REV BDS SE-E'67	1,000	5.50%	5.63%		1968	2007	7/07/78
HSNG SYS REV BDS SER68	4,250	5.40%	5.90%		1968	2001	7/01/83
COMB FEE REV BDS SER71-A	3,800	5.50%	6.70%		1971	2000	7/01/81
COMB FEE REV REF BDS SER78	6,350	5.95%	5.95%		1979	2000	7/01/88
	<u>19,115</u>						
Texas A&I University							
BLDG SYS REV BDS SER'65-A	3,460	3.80%	3.85%		1987	2003	7/01/87
STUD TUITN FEE REV BDS SER'68	750	5.50%	5.50%		1970	1998	7/01/82
BLDG SYS REV BDS SER-A'69	1,701	3.00%	3.00%		1972	2009	1/01/80
BLDG SYS REV BDS SER-B'69	1,740	6.30%	6.50%		1972	1999	1/01/80
GEN FEE REV BDS SER71	3,000	6.25%	7.75%		1973	2006	6/01/82
GEN FEE REV BDS SER-A'75	860	3.00%	3.00%		1976	1998	6/01/94
GEN FEE REV BDS SER-B'75	636	3.50%	3.50%		1976	2001	6/01/97
	<u>12,147</u>						
Texas Tech University							
HSNG SYS REV BD SER-A'62	1,665	2.75%	2.75%		1965	1996	9/01/67
HSNG SYS REV BD SER-B'62	2,522	2.88%	2.88%		1965	1996	9/01/67
HSNG SYS REV BD SER-C'62	2,510	3.00%	3.00%		1965	1996	9/01/67
HSNG SYS REV BD SER-E'62	8,591	3.38%	3.50%		1983	2012	9/01/72
HSNG SYS REV BDS SER-A'63	1,113	3.63%	3.63%		1984	2013	9/01/73
HSNG SYS REV BDS SER'66	11,000	4.00%	4.45%		1969	2006	9/01/76
UTILITY PLANT STUD FEE REV BDS SER '67	4,800	5.35%	6.00%		1969	2003	11/01/82
STUD FEE REV BDS SER 3 '68	4,500	5.40%	6.00%		1970	2004	6/01/83
COMB FEE FREV BDS SER 70	5,000	6.50%	7.50%		1971	2000	10/01/80
STUD FEE REV BDS SER 71	8,825	5.00%	6.50%		1972	2004	6/01/83
COMB FEE REV BDS SER 73	2,800	5.00%	6.50%		1974	2002	10/01/83
UTIL PLANT STUD FEE REV BDS SER 73	1,330	4.80%	5.50%		1975	1992	11/01/82
COMB FEE REV BDS SER 74	7,750	6.00%	7.50%		1975	2005	10/01/84
COMB FEE REV BDS SER 75	7,500	5.50%	7.00%		1977	1995	10/01/84
STUD FEE REV BDS SER 77	8,000	5.00%	6.50%		1978	2007	6/01/87
COMB FEE REV REF BDS SER 78	13,955	5.00%	5.75%		1978	2004	10/01/88
UTIL PLANT STUD FEE REV BDS SER '85	3,000	8.75%	11.25%		1986	2001	11/01/94
ATHLETIC FACILITIES REV BDS SER '85	1,400	8.90%	11.25%		1986	2000	4/01/95
	<u>96,261</u>						
Midwestern State University							
BLDG REV BDS SER'65	3,300	3.75%	4.00%		1971	2005	6/01/76
PHYS ED BLDG REV BDS SER'67	940	5.00%	5.25%		1973	1997	4/01/82
TUITN & GEN FEE REV BDS SER70	300	7.00%	7.75%		1973	1991	4/01/81
TUITN & GEN FEE REV BDS SER75	2,500	6.00%	7.50%		1977	2000	4/01/85
TUITN & GEN FEE REV BDS SER'89	750	6.70%	8.70%		1990	2004	4/01/97
BLDG REV BDS SAER'82	500	7.50%	9.75%		1984	1995	6/01/89
BLDG REV BDS SER'83	900	9.10%	11.00%		1984	1999	6/01/93
	<u>9,190</u>						

UNAUDITED

Description of Issue	Bonds		Range of		Maturities		First
	Issued to date	Interest	Interest	Rates	First Year	Last Year	Call Date
Pan American University							
AUX ENTERPRISE SYS REV BDS SER'68-D	1,250	6.10%	6.25%		1971	1998	4/01/79
AUX ENTERPRISE SYS REV BDS SER'68-A	181	3.00%	3.00%		1971	1999	4/01/70
AUX ENTERPRISE SYS REV BDS SER'68-B	331	3.50%	3.50%		1971	2000	4/01/72
AUX ENTERPRISE SYS REV BDS SER '68-C	1,797	3.00%	3.00%		1971	2018	4/01/79
UTILITY PLANT STUD FEE REV BDS SER'68	2,000	5.10%	5.25%		1971	2000	10/01/82
STUD FEE REV BDS SER '69	1,331	3.00%	3.00%		1975	2009	5/01/80
COMB FEE REV BDS SER71	1,250	7.00%	7.10%		1973	1999	6/01/81
AUX ENTERPRISE SYS REV BDS SER73	1,000	5.25%	5.50%		1974	2006	10/01/82
AUX ENTERPRISE SYS REV BDS SER77	650	5.38%	5.70%		1979	1997	10/01/88
TUITN REV REF BDS SER'86	7,625	6.00%	7.90%		1989	2003	7/01/96
	<u>17,415</u>						
Angelo State University							
STUD HSNB SYS REV BDS SER'67-A	3,500	4.20%	4.85%		1970	2007	6/01/83
STUD TUITN FEE REV BDS SER'69	400	5.75%	6.50%		1972	2000	6/01/85
STUD HSNB SYS REV BDS SER'69	1,670	5.75%	6.50%		1972	1999	6/01/85
BLDG USE FEE REV BDS SER70	2,360	6.00%	7.50%		1972	2001	4/01/86
BLDG USE FEE REV BDS SER73	1,350	5.50%	6.50%		1974	2004	4/01/84
BLDG USE FEE REV BDS SER74	1,250	7.00%	7.50%		1976	2000	4/01/85
COMB FEE REV BDS SER78	1,300	5.20%	6.30%		1979	2013	4/01/88
STUD HSNB SYS REV BDS SER78	1,375	5.20%	6.25%		1980	2001	6/01/88
STUD HSNB SYS REV BDS SER'81	3,400	10.00%	11.50%		1983	2000	6/01/91
STUD HSNB SYS REV BDS SER'83	3,000	8.40%	9.75%		1985	2002	6/01/93
STUD HSNB SYS REV BDS SER'88	4,435	6.00%	7.60%		1989	2002	6/01/99
	<u>24,040</u>						
Texas Tech University Health Science Center							
GEN TUITN REV BDS SER72	5,000	5.50%	5.50%		1972	2001	4/01/82
GEN TUITN REV BDS SER72-A	12,500	5.00%	6.50%		1974	2001	4/01/83
GEN TUITN REV BDS SER74	16,000	6.00%	7.50%		1975	2003	4/01/85
GEN TUITN REV BDS SER'84	1,500	8.25%	10.25%		1985	2003	4/01/94
	<u>35,000</u>						
East Texas State University							
STUD FEE REV BDS SER'68	900	5.15%	6.00%		1969	1998	10/01/83
STUD FEE REV BDS SER'69	900	5.80%	6.38%		1970	1993	10/01/84
COMB FEE REV BDS SER75-A	786	3.00%	3.00%		1975	2000	5/01/81
COMB FEE REV BDS SER75	2,000	6.50%	7.75%		1976	1995	11/01/84
	<u>4,586</u>						
North Texas State University							
CONS REV REF & IMP BDS SER'85	23,170	7.10%	9.10%		1987	1996	4/15/95
CONS REV REF & IMP BDS SER'85 - CMPD	1,710	9.80%	10.00%		2000	2003	N/A
CONSOLIDATED UNIV REV REF SER '87	11,165	4.50%	7.00%		1988	2005	4/15/97
	<u>36,045</u>						
Sam Houston State University							
STUD FEE REV BDS SER '62	700	3.00%	4.00%		1964	1989	3/01/77
STUD CTR REV BDS SER '62	1,475	3.00%	4.00%		1964	1992	3/01/78
GEN FEE REV BDS SER '74	6,000	4.50%	6.00%		1975	1999	8/01/84
COMB FEE REV BDS SER '78	4,000	5.50%	7.00%		1979	2000	8/01/89
STUD HSNB SYS REV REF BDS SER '82	2,955	8.00%	12.50%		1983	2001	6/01/92
STUD HSNB SYS REV REF BDS SER '89A	3,500	7.00%	9.00%		1990	2009	6/01/97
STUD HSNB SYS REV REF BDS SER '89B	2,794	5.50%	5.50%		1990	2019	6/01/97
COMB FEE REV BDS SER '84	6,000	9.25%	11.75%		1985	2005	8/01/94
COMB FEE REV BDS SER '88	5,865	6.00%	7.70%		1989	2005	8/01/98
	<u>33,289</u>						

UNAUDITED

Description of Issue	Bonds		Range of		Maturities		First Call Date
	Issued to date	Interest	Interest	Rates	First Year	Last Year	
Southwest Texas State University							
COMB FEE REV BDS SER 77	8,000	4.50%	6.00%		1979	2002	8/01/88
COMB FEE REV REF BDS SER 78	12,050	3.70%	5.75%		1979	2000	8/01/88
HSNG SYS REV BDS SER '85	20,500	8.50%	11.00%		1987	1996	10/01/95
HSNG SYS REV BDS SER '86	3,500	3.00%	3.00%		1987	2015	10/01/96
HSNG SYS REV BDS SER '89	19,680	6.40%	7.50%		1999	2010	10/01/06
UTILITY SYS REV BDS SER '87A	12,910	7.20%	9.00%		1990	2004	8/01/97
UTILITY SYS REV BDS SER '87B	3,500	3.00%	3.00%		1990	1995	N/A
	<u>80,140</u>						
Stephen F. Austin State University							
HSNG SYS REV BDS SER '62 A	630	2.88%	3.50%		1964	1999	4/01/70
HSNG SYS REV BDS SER '62 B	1,341	3.38%	3.50%		1964	2001	4/01/72
HSNG SYS REV BDS SER '62 D	4,197	3.38%	3.50%		1965	2012	4/01/73
HSNG SYS REV BDS SER '63 A	1,815	3.63%	3.63%		1966	2013	4/01/74
HSNG SYS REV BDS SER '64	1,414	3.75%	3.75%		1967	2014	4/01/75
BLDG REV BDS SER '65 B	3,950	3.00%	3.00%		1968	2015	4/01/76
STUD HSNG SYS REV BDS SER '67	2,000	4.50%	5.00%		1970	2002	4/01/78
STUD TUITN FEE REV BDS SER '68	1,250	4.75%	5.63%		1971	2006	6/01/83
STUD HSNG SYS REV BDS SER '68	2,500	5.25%	6.00%		1971	2002	10/01/83
BLDG USE FEE REV BDS SER '68	1,000	5.25%	5.50%		1973	1998	6/01/83
GEN FEE REV BDS SER '72	4,600	5.00%	6.50%		1973	2001	2/01/82
GEN FEE REV BDS SER '73	4,850	5.00%	6.50%		1974	2003	2/01/83
IMP REV BDS SER '74	500	4.40%	5.10%		1983	1989	7/01/84
GEN FEE REV BDS SER '77	650	4.75%	6.00%		1979	1998	4/01/88
COMB FEE REV BDS SER '79	5,500	5.50%	7.00%		1980	2003	8/01/88
STUD HSNG SYS REV BDS SER '79	1,250	6.00%	6.60%		1980	2002	10/01/88
STUD HSNG SYS REV BDS SER '84	4,100	9.25%	11.75%		1985	2004	10/01/94
COMB FEE REV BDS SER '85	3,000	7.75%	10.25%		1986	2000	8/01/95
COMB FEE REV BDS SER '88	1,000	6.00%	8.50%		1988	2002	8/01/97
	<u>45,547</u>						
Sul Ross State University							
BLDG REV BDS SER '64 A	375	3.00%	3.00%		1967	1994	10/01/74
	<u>375</u>						
West Texas State University							
STUD FEE REV BDS SER'68	1,175	5.00%	6.00%		1971	2000	10/01/82
HSNG SYS REV BDS SER'70	3,250	7.50%	8.50%		1974	2010	4/01/86
COMB FEE REV BDS SER'72-A	5,000	5.00%	6.50%		1973	2001	11/01/82
COMB FEE REV BDS SER '88	1,500	7.00%	9.50%		1989	2003	11/01/98
COMB FEE REV BDS SER'74	1,500	5.10%	5.10%		1974	2002	11/01/85
	<u>12,425</u>						
Corpus Christi State University							
COMB FEE REV BDS SER 74	1,000	7.10%	7.70%		1977	1999	8/01/84
COMB FEE REV BDS SER'80	500	8.45%	9.80%		1982	2000	8/01/90
COMB FEE REV BDS SER'83	1,000	9.10%	10.60%		1985	2000	8/01/93
	<u>2,500</u>						
Texas College of Osteopathic Medicine							
GEN FEE REV BDS SER'78	1,025	6.50%	6.50%		1979	2003	12/01/88
	<u>1,025</u>						
Lamar University Consolidated System							
STUD HSNG SYS REV BDS SER'59-D	306	2.75%	2.75%		1960	1996	4/01/89
STUD HSNG SYS REV BDS SER'59-A	376	3.00%	3.00%		1960	1993	4/01/89
STUD HSNG SYS REV BDS SER'59-B	390	3.50%	3.50%		1960	1995	4/01/89
STUD HSNG SYS REV BDS SER'59-C	340	3.25%	3.25%		1960	1995	4/01/89
STUD HSNG SYS REV BDS SER'59-E	450	2.88%	2.88%		1960	1997	4/01/89
STUD HSNG SYS REV BDS SER'59-F	980	3.00%	3.00%		1961	1998	4/01/89
STUD HSNG SYS REV BDS SER'59-G	140	2.88%	2.88%		1961	1998	4/01/89

UNAUDITED

Description of Issue	Bonds		Range of		Maturities		First Call Date
	Issued to date	Interest	Interest	Rates	First Year	Last Year	
Lamar University Consolidated System (Continued)							
STUD HSNGL SYS REV BDS SER'59-H	820	2.88%	2.88%		1962	1999	4/01/89
STUD HSNGL SYS REV BDS SER'62-A	811	3.38%	3.38%		1978	2002	4/01/87
STUD HSNGL SYS REV BDS SER'63-A	868	3.50%	3.50%		1979	2003	4/01/88
STUD HSNGL SYS REV BDS SER'66-B	266	3.00%	3.00%		1969	2006	4/01/88
STUD FEE BLDG REV BDS SER'68	3,000	5.00%	5.00%		1970	1993	4/01/88
STUD FEE BLDG SER'73	3,500	5.50%	6.50%		1974	2003	4/01/88
STUD FEE REV BLDG SER'78	9,075	4.40%	6.50%		1979	2004	4/01/88
STUD FEE REV BLDG SER'79	5,700	6.75%	8.75%		1980	2009	4/01/89
STUD FEE REV BLDG SER'82	4,000	8.00%	10.00%		1983	2000	4/01/92
STUD HSNGL REV JR LIEN SER'87	1,155	3.00%	3.00%		1990	1997	30 DAY
STUD HSNGL REV SUB LIEN SER'87	1,100	8.25%	8.25%		1989	2002	4/01/95
	<u>33,277</u>						
University of Houston Consolidated System							
INSTRCTNL FACILITIES REV BDS SER'64	10,000	3.00%	3.70%		1966	1991	5/01/74
UNIV CTR & STUD SERV BLDGS REV BDS SER'64	6,300	3.00%	3.75%		1966	1990	5/01/74
INSTRCTNL FACILITIES REV BDS SER'67	5,260	3.60%	4.20%		1969	1997	5/01/82
DORM REV BDS SER'67 A	6,000	5.25%	6.00%		1970	2007	1/01/78
COMB FEE REV BDS SER'70	5,000	7.00%	8.00%		1973	2000	8/01/85
COMB FEE REV BDS SER'70-A	10,000	6.50%	8.00%		1973	2000	8/01/85
COMB FEE REV BDS SER'71	10,000	5.00%	6.40%		1976	2001	8/01/85
GEN FEE JR LIEN REV REF SER '85	29,000	VAR	VAR		1990	2002	12/01/85
GEN TUITN REV REF BDS SER'86	30,555	5.25%	7.50%		1988	2001	11/01/96
	<u>112,115</u>						
Texas A&M Consolidated System							
CROCKETT HALL DORM REV BDS SER'69	325	6.00%	6.00%		1970	1994	9/01/79
HSNG SYS REV BD SER'70-A	2,313	3.63%	3.63%		1971	2004	10/01/74
HSNG SYS REV BDS SER'70-B	11,000	8.10%	9.25%		1975	2010	4/01/85
STUD FEE REV BDS SER'72	750	5.70%	7.20%		1974	1998	4/01/82
TUITN REV BDS SER'73	3,500	5.00%	6.50%		1975	2003	11/01/83
TUITN REV BDS SER'74	4,000	7.00%	8.50%		1975	2003	11/01/84
COMB FEE REV REF BDS SER'78	7,095	5.00%	6.30%		1979	2000	6/01/88
HSNG SYS REV BDS SER'80	4,400	9.20%	9.20%		1982	1999	10/01/89
STUD HSNGL SYS REV BDS SER'83A	2,500	9.00%	10.50%		1986	2002	6/01/93
STUD HSNGL SYS REV BDS SER'83B	1,500	3.00%	3.00%		1986	2013	12/01/93
HSNG SYS REV REF BDS SER'86-A	25,120	5.00%	8.38%		1987	2009	7/01/96
HSNG SYS REV IMP BDS SER'86-B	23,320	5.00%	8.38%		1987	2009	7/01/96
COMB FEE REV REF BDS SER'86	3,965	5.00%	8.25%		1987	2006	7/01/96
TX A&M PERM UNIV FD REF BDS SER'85	149,150	5.50%	8.70%		1986	2005	7/01/95
TX A&M PERM UNIV FD REF BDS SER'86	65,910	4.35%	7.50%		1987	2005	7/01/96
A & M TAXABLE PERM UNIV FUND '87	25,000	8.30%	8.30%		1992	1992	N/A
PERM UNIV FD SUB LIEN VAR NOTES SER A	5,000	VAR.	VAR.		N/A	N/A	N/A
REV SYS COM FEE REF & IMP SER 88A	71,975	4.70%	8.25%		1988	2009	8/15/98
REV SYS COM FEE REF & IMP SER 88B	34,955	4.70%	8.25%		1988	2009	8/15/98
TX A&M PERM UNIV FD REF BDS SER '88	50,000	7.15%	8.00%		1998	2008	7/01/98
TX A&M PERM UNIV FD REF BDS SER '89	30	6.40%	9.40%		1993	2008	7/01/98
	<u>491,808</u>						
University of Texas Consolidated System							
M.D. ANDERSON HOSP REV BDS SER'72	16,000	4.50%	5.40%		1972	1997	8/01/79
M.D. ANDERSON HOSP REV BDS SER'76	2,500	5.30%	6.00%		1976	1993	8/01/88
M.D. ANDERSON HOSP REV BDS SUB LIEN 76	4,770	6.02%	6.02%		1976	2000	7/01/86
BLDG REV REF BDS SER'86	36,410	4.70%	7.63%		1987	2004	7/01/96
GEN TUITN REV REF BDS SER'86	85,365	4.75%	8.13%		1987	2002	8/15/96
GEN REV BDS SER'86	222,040	5.00%	8.00%		1987	2007	8/15/96
UT PERM UNIV FD REF BDS SER'85	345,970	5.25%	9.00%		1986	2005	7/01/95

UNAUDITED

Description of Issue	Bonds Issued to date	Range of		Maturities		First Call Date
		Interest	Rates	First Year	Last Year	
University of Texas Consolidated System (Continued)						
UT PUF REF BDS SER '88	100,000	6.00%	8.50%	1989	2001	7/01/98
UT PUF VAR RATE NOTES SER 'A	100,000	VAR	VAR	2015	2015	N/A
SUB LIEN VAR RATE NOTES SER '87A	1,025	VAR	VAR	1993	2007	N/A
SUB LIEN VAR RATE NOTES SER '88A	3,700	VAR	VAR	1994	2008	N/A
SUB LIEN VAR RATE NOTES SER '88B	5,000	VAR	VAR	1994	2008	N/A
SUB LIEN VAR RATE NOTES SER '89A	4,500	VAR	VAR	1994	2008	N/A
SUB LIEN VAR RATE NOTES SER '89B	4,260	VAR	VAR	1995	2009	N/A
	<u>813,055</u>					
Texas Hospital Equipment Financing Council						
EQUIP REV BDS SER '85 A	62,200	4.25%	7.75%	2005	2005	4/06/88
	<u>62,200</u>					
TOTAL REVENUE BONDS - SELF-SUPPORTING	<u>5,327,067</u>					
TOTAL REVENUE BONDS	<u>5,800,246</u>					
GRAND TOTAL	<u><u>9,592,649</u></u>					

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Supplementary Bond Schedules

Changes in Bonded Indebtedness

Changes in Bonded Indebtedness for State Issued Bonds

Description of Issue	Bonds Outstanding 9/01/88	Bonds Issued	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding 8/31/89
Department of Agriculture					
FM & RANCH LOAN SECURITY BDS SER'80	10,000				10,000
	<u>10,000</u>				<u>10,000</u>
Water Development Board					
TWRFA REV BDS SER '89		511,755	3,720		508,035
W DEV BDS SER '59	4,300			4,300	0
W DEV BDS SER '62	7,800			7,800	0
W DEV BDS SER '63	8,200			8,200	0
W DEV BDS SER '64	5,400			5,400	0
W DEV BDS SER '65	5,555			5,555	0
W DEV BDS SER '66	800			800	0
W DEV BDS SER '75	2,000			2,000	0
W DEV BDS SER '83-A	28,500			28,500	0
W DEV BDS SER '83-B	19,000			19,000	0
W DEV SER '84-A	2,680			2,680	0
W DEV BDS SER '84-B	11,020			11,020	0
W DEV REF BDS SER '86-A	129,447	425		129,872	0
W DEV REF BDS SER '86-B	103,041	338		103,379	0
WATER DEV '87-A	110,000			110,000	0
WATER DEV '87-B	40,000			40,000	0
W DEV BDS SER '87-C	55,000			55,000	0
W DEV BDS SER '88-A	50,000				50,000
W DEV BDS SER '88-B	11,000				11,000
W DEV BDS SER '88-C	2,000				2,000
W DEV BDS SER '89A		21,160			21,160
W DEV BDS SER '89B		1,340			1,340
	<u>595,743</u>	<u>535,018</u>	<u>3,720</u>	<u>533,506</u>	<u>593,535</u>
Texas Higher Education Coordinating Board					
COL STUD LOAN BDS SER'66	4,900		410		4,490
COL STUD LOAN BDS SER'67	4,950		415		4,535
COL STUD LOAN BDS SER'69	7,000		700		6,300
COL STUD LOAN BDS SER'70	6,300		900		5,400
COL STUD LOAN BDS SER'70-A	6,300		900		5,400
COL STUD LOAN BDS SER'70-B	11,000		1,300		9,700
COL STUD LOAN BDS SER'71	6,685		670		6,015
COL STUD LOAN BDS SER'72	10,100		955		9,145
COL STUD LOAN BDS SER'73	5,620		440		5,180
COL STUD LOAN BDS SER'74	8,800		665		8,135
COL STUD LOAN BDS SER'75	6,585		500		6,085
COL STUD LOAN BDS SER'76	10,475		800		9,675
COL STUD LOAN BDS SER'77	9,125		800		8,325
COL STUD LOAN BDS SER'89				79,500	79,500
	<u>97,840</u>	<u>79,500</u>	<u>9,455</u>	<u>0</u>	<u>167,885</u>
Parks and Wildlife Department					
PARK DEV BDS SER'85	29,800		500		29,300
	<u>29,800</u>		<u>500</u>		<u>29,300</u>

UNAUDITED

Description of Issue	Bonds		Bonds		Bonds
	Outstanding 9/01/86	Bonds issued	Matured or Retired	Bonds Refunded	Outstanding 8/31/89
General Land Office/Veterans Land Board					
VET BDS SER'84	78,600		2,500		76,100
VET BDS SER'84-A	150,500		4,500		146,000
VET BDS SER'84-B	239,000		12,000		227,000
VET BDS SER'85	250,000		2,200		247,800
VET BDS SER'89		45,000			45,000
VET LAND REF BDS SER'85	139,290		23,780		115,510
VET LAND REF BDS SER'86	526,865		19,245		507,620
	<u>1,384,255</u>	<u>45,000</u>	<u>64,225</u>		<u>1,365,030</u>
TOTAL GENERAL OBLIGATION BONDS - SELF-SUPPORTING	2,117,638	659,518	77,900	533,506	2,165,750
Public Finance Authority					
GEN OBLIG BDS SER '87	46,500				46,500
GEN OBLIG BDS SER '88A	155,560				155,560
GEN OBLIG BDS SER '88B	83,370				83,370
GEN OBLIG BDS SER '88C		46,935			46,935
GEN OBLIG BDS SER '89A		142,145			142,145
	<u>285,430</u>	<u>189,080</u>			<u>474,510</u>
Constitutional Appropriation Bonds					
ANGELO ST UNIV SER '85	7,602		858		6,744
UNIV OF HOUSTON SER '86	46,250		5,705		40,545
LAMAR UNIV SER '85	19,370		2,165		17,205
NORTH TX ST UNIV SER '85	12,665		1,400		11,265
SAM HOUSTON ST UNIV SER '85	10,133		1,143		8,990
TX SOUTHERN UNIV SER '85	19,250		2,245		17,005
SW TX ST UNIV SER '85	35,265		3,979		31,286
TX TECH HEALTH SC CTR SER' 85	6,870		765		6,105
TX TECH HEALTH SC CTR SER' 89		4,240			4,240
TX TECH UNIV SER '85	28,290		3,145		25,145
WEST TX ST UNIV SER '87	3,670		935		2,735
TX WOMAN'S UNIV SER '85	9,755		1,100		8,655
MIDWESTERN STATE SER '89		1,500			1,500
	<u>199,120</u>	<u>5,740</u>	<u>23,440</u>		<u>181,420</u>
TOTAL GENERAL OBLIGATION BONDS - NOT SELF-SUPPORTING	484,550	194,820	23,440		655,930
TOTAL, GENERAL OBLIGATION BONDS	2,602,188	854,338	101,340	533,506	2,821,680
Public Finance Authority					
BLDG REV BDS SER '85-A	54,206	1,102			55,308
BLDG REV REF BDS'86	128,081	1,503			129,584
BLDG REV BDS SER '87	19,765				19,765
	<u>202,052</u>	<u>2,605</u>			<u>204,657</u>
Texas National Guard Armory Board					
REF & IMP REV BDS SER'79	11,070		610		10,460
ARMORY IMP REV BDS SER'83	915		140		775
ARMORY IMP REV BDS SER '86	1,375		50		1,325
REF REV '87	8,455		100		8,355
	<u>21,815</u>		<u>900</u>		<u>20,915</u>

UNAUDITED

Description of Issue	Bonds		Bonds		Bonds
	Outstanding 9/01/85	Bonds issued	Matured or Retired	Bonds Refunded	Outstanding 8/31/89
Texas Department of Corrections					
MICHAEL UNIT-CERT. OF PART SER'86	77,100		7,200		69,900
LIB & JHNSON PRE-RELEASE BDS SER'88	26,425				26,425
HISE & HAYS PRE-RELEASE-BDS SER'88	23,540				23,540
TRUSTY CAMPS-COP.'87	16,846		2,336		14,510
	<u>143,911</u>		<u>9,536</u>		<u>134,375</u>
TOTAL REVENUE BONDS - NOT SELF-SUPPORTING	<u>367,778</u>	<u>2,605</u>	<u>10,436</u>		<u>359,947</u>
Texas Housing Agency					
SINGLE FAMILY SER '80 A	119,590		18,185		101,405
SINGLE FAMILY SER '82 A	12,060		2,680		9,380
SINGLE FAMILY SER '83 A *	214,402	1,217	33,480		182,139
SINGLE FAMILY SER '84 A & B	118,080		24,335		93,745
SINGLE FAMILY SER '85 A	130,815		9,765		121,050
SINGLE FAMILY SER '85 B & C *	63,762	379	2,065		62,076
SINGLE FAMILY SER '86 A	83,000		1,560		81,440
SINGLE FAMILY SER '86 B	89,785		1,660		88,125
SINGLE FAMILY SER '87 A	9,290		3,430		5,860
SINGLE FAMILY SER '87 B	77,700		2,420		75,280
RMRB FAMILY SER '87 B	149,000		72,000	47,000	30,000
RMRB FAMILY SER '88 A		40,920			40,920
RMRB FAMILY SER '87 D		47,000			47,000
RMRB FAMILY SER '89 A & B		89,000			89,000
GNMA SER '89 A		72,000			72,000
MF SER '82 A (Loans to Lenders)	41,620		41,620		0
MF SEP '83 A-E (FSLIC)	39,950				39,950
MF SER '83 A & B (Mutual Benefit Life)	20,745				20,745
MF SER '83 A & B (Phoenix Mutual)	21,085				21,085
MF SER '84 A & B (Oxford)	34,400				34,400
MF SER '84 Private Placement (Summerbend)	9,977		45		9,932
MF SER '85 A (MacArthur I)	12,250				12,250
MF SER '85 A (Folsom IV)	7,560				7,560
MF SER '85 B (Preston Bend)	8,934		41		8,893
MF SER '85 C (MacArthur II)	9,600				9,600
MF SER '85 G (Wildwood)	8,200		25		8,175
MF SER '85 H (Southridge)	8,000		75		7,925
MF SER '85 I (Colorado Club)	8,800				8,800
MF SER '87 A & B (Remington/High Point)	26,370				26,370
SOUTH TEXAS RENTAL HOUSING	1,389		14		1,375
MF SER '88 A&B (Summer Assoc. Refunding)	22,535				22,535
MF SER '88 A&B (Westborough/Oak Run II)		10,620			10,620
SER '87 A (Collateralized MTG Obligations)	92,404		7,941		84,463
	<u>1,441,303</u>	<u>261,136</u>	<u>221,341</u>	<u>47,000</u>	<u>1,434,098</u>
Texas Department of Commerce					
TSBIDC Comm. Dev. Bonds Ser. '85	20,000		20,000		0
TSBIDC Floating Rate Dem. Rev. Bonds Ser. '86	750,000		649,600		100,400
	<u>770,000</u>		<u>669,600</u>		<u>100,400</u>
Texas Turnpike Authority					
MOUNTAIN CREEK LAKE BRG REV BDS SER 77	8,025		220		7,805
HOUSTON SHP CHANNEL BRG REV BDS SER 78	97,945		2,145		95,800
DALLAS N TOLLWAY REV BDS SER'85	208,060				208,060
HOU SHP CHL BRG JR LIEN REV REF BDS SER'85 *	35,906	4,676			40,582
	<u>349,936</u>	<u>4,676</u>	<u>2,365</u>		<u>352,247</u>

UNAUDITED

Description of Issue	Bonds		Bonds		Bonds Outstanding 8/31/89
	Outstanding 9/01/88	Bonds issued	Matured or Retired	Bonds Refunded	
Texas Southern University					
DORM CONSTR BDS SER '63 A&B	1,320		57		1,263
STUD TUITN FEE REV BDS SER'69	40		40		0
GEN FEE REV BDS SER73	3,740		140		3,600
COMB FEE REV REF BDS SER78	8,245		455		7,790
	<u>13,345</u>		<u>692</u>		<u>12,653</u>
Texas State Technical Institute					
HSNG SYS & AUX SERVICE REV BDS SER79	5,665		210		5,455
HSNG SYS & AUX SERVICE REV BDS SER82	4,365		280		4,085
HSNG SYS & AUX SERVICE REV BDS SER89		1,800			1,800
	<u>10,030</u>	<u>1,800</u>	<u>490</u>		<u>11,340</u>
Texas Woman's University					
BLDG REF & IMP REV BDS SER'65	1,000		125		875
HSNG SYS REV BDS SE-E'67	715		25		690
HSNG SYS REV BDS SER68	3,150		155		2,995
COMB FEE REV BDS SER71-A	2,565		140		2,425
COMB FEE REV REF BDS SER78	4,400		270		4,130
	<u>11,830</u>		<u>715</u>		<u>11,115</u>
Texas A & I University					
BLDG SYS REV BDS SER'65-A	1,960		100		1,860
STUD TUITN FEE REV BDS SER'68	410		30		380
BLDG SYS REV BDS SER-A'69	1,166		40		1,126
BLDG SYS REV BDS SER-B'69	1,020		70		950
GEN FEE REV BDS SER71	2,295		70		2,225
GEN FEE REV BDS SER-A75	440		40		400
GEN FEE REV BDS SER-B75	384		24		360
	<u>7,675</u>		<u>374</u>		<u>7,301</u>
Texas Tech University					
HSNG SYS REV BD SER-A'62	560		65		495
HSNG SYS REV BD SER-B'62	792		100		692
HSNG SYS REV BD SER-C'62	845		100		745
HSNG SYS REV BD SER-E'62	7,395		200		7,195
HSNG SYS REV BDS SER-A'63	1,003		25		978
HSNG SYS REV BDS SER66	8,690		200		8,490
UTILITY PLANT STUD FEE REV BDS SER '67	3,100		135		2,965
STUD FEE REV BDS SER 3 '68	3,100		125		2,975
COMB FEE FREV BDS SER 70	3,435		165		3,270
STUD FEE REV BDS SER 71	6,200		245		5,955
COMB FEE REV BDS SER 73	2,000		85		1,915
UTIL PLANT STUD FEE REV BDS SER 73	595		110		485
COMB FEE REV BDS SER 74	775				775
COMB FEE REV BDS SER 75	1,415				1,415
STUD FEE REV BDS SER 77	6,490		190		6,300
COMB FEE REV REF BDS SER 78	9,050		635		8,415
UTIL PLANT STUD FEE REV BDS SER '85	2,935		40		2,895
ATHLETIC FACILITIES REV BDS SER '85	1,255		60		1,195
	<u>59,635</u>		<u>2,480</u>		<u>57,155</u>
Midwestern State University					
BLDG REV BDS SER'65	1,490				1,490
PHYS ED BLDG REV BDS SER'67	250				250
TUITN & GEN FEE REV BDS SER70	75		25		50
TUITN & GEN FEE REV BDS SER75	1,795		95		1,700
TUITN & GEN FEE REV BDS SER'89		750			750
BLDG REV BDS SAER'82	365		35		330
BLDG REV BDS SER'83	705		50		655
	<u>4,680</u>	<u>750</u>	<u>205</u>		<u>5,225</u>

UNAUDITED

Description of Issue	Bonds		Bonds		Bonds
	Outstanding 9/01/88	Bonds Issued	Matured or Retired	Bonds Refunded	Outstanding 8/31/89
Pan American University					
AUX ENTERPRISE SYS REV BDS SER'68-D	725		50		675
AUX ENTERPRISE SYS REV BDS SER'68-A	94		7		87
AUX ENTERPRISE SYS REV BDS SER'68-B	181		12		169
AUX ENTERPRISE SYS REV BDS SER '68-C	1,368		30		1,338
UTILITY PLANT STUD FEE REV BDS SER'68	1,250		70		1,180
STUD FEE REV BDS SER '69	987		32		955
COMB FEE REV BDS SER71	770		50		720
AUX ENTERPRISE SYS REV BDS SER73	790		25		765
AUX ENTERPRISE SYS REV BDS SER77	430		35		395
TUITN REV REF BDS SER'86	7,625		360		7,265
	<u>14,220</u>		<u>671</u>		<u>13,549</u>
Angelo State University					
STUD HSNB SYS REV BDS SER'67-A	2,455		85		2,370
STUD TUITN FEE REV BDS SER'69	250		15		235
STUD HSNB SYS REV BDS SER'69	980		65		915
BLDG USE FEE REV BDS SER70	1,625		80		1,545
BLDG USE FEE REV BDS SER73	1,090		25		1,065
BLDG USE FEE REV BDS SER74	840		50		790
COMB FEE REV BDS SER78	1,005		40		965
STUD HSNB SYS REV BDS SER78	1,060		45		1,015
STUD HSNB SYS REV BDS SER'81	2,805		135	2,185	485
STUD HSNB SYS REV BDS SER'83	2,680		100	1,750	830
STUD HSNB SYS REV BDS SER'88		4,435	80		4,355
	<u>14,790</u>	<u>4,435</u>	<u>720</u>	<u>3,935</u>	<u>14,570</u>
Texas Tech University Health Science Center					
GEN TUITN REV BDS SER72	1,870		100		1,770
GEN TUITN REV BDS SER72-A	8,065		440		7,625
GEN TUITN REV BDS SER74	11,415		510		10,905
GEN TUITN REV BDS SER'84	1,360		45		1,315
	<u>22,710</u>		<u>1,095</u>		<u>21,615</u>
East Texas State University					
STUD FEE REV BDS SER'68	495		35		460
STUD FEE REV BDS SER'69	320		50		270
COMB FEE REV BDS SER75-A	468		30		438
COMB FEE REV BDS SER75	1,165		110		1,055
	<u>2,448</u>		<u>225</u>		<u>2,223</u>
North Texas State University					
CONS REV REF & IMP BDS SER'85	13,510		1,310		12,200
CONS REV REF & IMP BDS SER'85 - CMPD	2,100				2,100
CONSOLIDATED UNIV REV REF SER '87	11,045		115		10,930
	<u>26,655</u>		<u>1,425</u>		<u>25,230</u>
Sam Houston State University					
STUD FEE REV BDS SER '62	170		35		135
STUD CTR REV BDS SER '62	130		130		0
GEN FEE REV BDS SER '74	3,660		250		3,410
COMB FEE REV BDS SER '78	2,745		170		2,575
STUD HSNB SYS REV REF BDS SER '82	2,620		85		2,535
STUD HSNB SYS REV REF BDS SER '89 A		3,500			3,500
STUD HSNB SYS REV REF BDS SER '89 B		2,794			2,794
COMB FEE REV BDS SER '84	5,735		85	4,925	725
COMB FEE REV BDS SER '88		5,865	210		5,655
	<u>15,060</u>	<u>12,159</u>	<u>965</u>	<u>4,925</u>	<u>21,329</u>

UNAUDITED

Description of Issue	Bonds Outstanding 9/01/88	Bonds issued	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding 8/31/89
Southwest Texas State University					
COMB FEE REV BDS SER '77	5,875		285		5,590
COMB FEE REV REF BDS SER '78	7,870		490		7,380
HSNG SYS REV BDS SER '85	20,295		230	17,600	2,465
HSNG SYS REV BDS SER'86	3,425		80		3,345
HSNG SYS REV BDS SER'89		19,680			19,680
UTILITY SYS REV BDS SER '87A	12,910				12,910
UTILITY SYS REV BDS SER '87B	3,500				3,500
	<u>53,875</u>	<u>19,680</u>	<u>1,085</u>	<u>17,600</u>	<u>54,870</u>
Stephen F. Austin State University					
HSNG SYS REV BDS SER '62 A	282		20		262
HSNG SYS REV BDS SER '62 B	676		39		637
HSNG SYS REV BDS SER '62 D	3,077		85		2,992
HSNG SYS REV BDS SER '63 A	1,269		30		1,239
HSNG SYS REV BDS SER '64	1,060		25		1,035
BLDG REV BDS SER '65 B	2,910		65		2,845
STUD HSNG SYS REV BDS SER '67	1,430		70		1,360
STUD TUITN FEE REV BDS SER '68	915		30		885
STUD HSNG SYS REV BDS SER '68	1,675		75		1,600
BLDG USE FEE REV BDS SER '68	560		45		515
GEN FEE REV BDS SER '72	2,970		160		2,810
GEN FEE REV BDS SER '73	3,505		135		3,370
IMP REV BDS SER '74	75		75		0
GEN FEE REV BDS SER '77	410		30		380
COMB FEE REV BDS SER '79	4,385		170		4,215
STUD HSNG SYS REV BDS SER '79	1,010		40		970
STUD HSNG SYS REV BDS SER '84	3,925		85		3,840
COMB FEE REV BDS SER '85	2,655		135		2,520
COMB FEE REV BDS SER '88	965		40		925
	<u>33,754</u>		<u>1,354</u>		<u>32,400</u>
Sul Ross State University					
BLDG REV BDS SER '64 A	125		15		110
	<u>125</u>		<u>15</u>		<u>110</u>
West Texas State University					
STUD FEE REV BDS SER'68	725		40		685
HSNG SYS REV BDS SER70	2,765		55		2,710
COMB FEE REV BDS SER72-A	3,345		165		3,180
COMB FEE REV BDS SER74	1,260		35		1,225
COMB FEE REV BDS SER '88	1,500				1,500
	<u>9,595</u>		<u>295</u>		<u>9,300</u>
Corpus Christi State University					
COMB FEE REV BDS SER '74	680		40		640
COMB FEE REV BDS SER'80	385		25		360
COMB FEE REV BDS SER'83	880		35		845
	<u>1,945</u>		<u>100</u>		<u>1,845</u>
Texas College of Osteopathic Medicine					
GEN FEE REV BDS SER78	875		35		840
	<u>875</u>		<u>35</u>		<u>840</u>
Lamar University Consolidated System					
STUD HSNG SYS REV BDS SER'59-D	95		11		84
STUD HSNG SYS REV BDS SER'59-A	81		15		66
STUD HSNG SYS REV BDS SER'59-B	117		15		102
STUD HSNG SYS REV BDS SER'59-C	99		13		86
STUD HSNG SYS REV BDS SER'59-E	153		15		138
STUD HSNG SYS REV BDS SER'59-F	366		32		334
STUD HSNG SYS REV BDS SER'59-G	53		5		48

UNAUDITED

Description of Issue	Bonds Outstanding 9/01/88	Bonds issued	Bonds Matured or Retired	Bonds Refunded	Bonds Outstanding 8/31/89
Lamar University Consolidated System (Continued)					
STUD HSNB SYS REV BDS SER'59-H	297		26		271
STUD HSNB SYS REV BDS SER'62-A	522		31		491
STUD HSNB SYS REV BDS SER'63-A	603		32		571
STUD HSNB SYS REV BDS SER'66-B	1,623		70		1,553
STUD FEE BLDG REV BDS SER'68	935		170		765
STUD FEE BLDG SER'73	2,450		105		2,345
STUD FEE REV BLDG SER'78	6,530		305		6,225
STUD FEE REV BLDG SER'79	5,545		10		5,535
STUD FEE REV BLDG SER'82	3,690		80		3,610
STUD HSNB REV JR LIEN SER'87	1,155				1,155
STUD HSNB REV SUB LIEN SER'87	1,100		25		1,075
	<u>25,414</u>		<u>960</u>		<u>24,454</u>
University of Houston Consolidated System					
INSTRCTNL FACILITIES REV BDS SER'64	2,100		580		1,520
UNIV CTR & STUD SERV BLDGS REV BDS SER'64	1,010		380		630
INSTRCTNL FACILITIES REV BDS SER'67	2,510		240		2,270
DORM REV BDS SER'67 A	4,250		130		4,120
COMB FEE REV BDS SER'70	3,420		185		3,235
COMB FEE REV BDS SER'70-A	7,200		350		6,850
COMB FEE REV BDS SER'71	9,750				9,750
GEN FEE JR LIEN REV REF SER '85	29,000				29,000
GEN TUITN REV REF BDS SER'86	30,555		1,500		29,055
	<u>89,795</u>		<u>3,365</u>		<u>86,430</u>
Texas A&M Consolidated System					
CROCKETT HALL DORM REV BDS SER'69	119		18		101
HSNB SYS REV BD SER'70-A	1,413		70		1,343
HSNB SYS REV BDS SER'70-B	9,580		175		9,405
STUD FEE REV BDS SER'72	455		35		420
TUITN REV BDS SER'73	2,570		100		2,470
TUITN REV BDS SER'74	2,945		120		2,825
COMB FEE REV REF BDS SER'78	4,780		285		4,495
HSNB SYS REV BDS SER'80	3,495		195		3,300
STUD HSNB SYS REV BDS SER '83 A	2,285		85		2,200
STUD HSNB SYS REV BDS SER '83 B	1,395		40		1,355
HSNB SYS REV REF BDS SER'86-A	24,065		840		23,225
HSNB SYS REV IMP BDS SER'86-B	23,185		135		23,050
COMB FEE REV REF BDS SER'86	3,765		135		3,630
TX A&M PERM UNIV FD REF BDS SER'85	80,370				80,370
TX A&M PERM UNIV FD REF BDS SER'86	63,810		1,130		62,680
A & M TAXABLE PERM UNIV FUND '87	25,000				25,000
PERM UNIV FD VAR NOTES SER 88A	5,000		5,000		0
REV SYS COM FEE REF & IMP SER 88A	70,795		1,310		69,485
REV SYS COM FEE REF & IMP SER 88B	34,205		735		33,470
TX A&M PERM UNIV FD REF BDS SER'88	50,000				50,000
TX A&M PERM UNIV FD REF BDS SER'89		30,000			30,000
	<u>409,232</u>	<u>30,000</u>	<u>10,408</u>		<u>428,824</u>
University of Texas Consolidated System					
M.D. ANDERSON HOSP REV BDS SER'72	9,250		805		8,445
M.D. ANDERSON HOSP REV BDS SER'76	1,085		190		895
M.D. ANDERSON HOSP REV BDS SUB LIEN 76	3,355		195		3,160
BLDG REV REF BDS SER'86	34,235		1,385		32,850
GEN TUITN REV REF BDS SER'86	79,520		2,835		76,685
GEN REV BDS SER'86	207,975		8,225		199,750
UT PERM UNIV FD REF BDS SER'85	317,100		8,895		308,205

UNAUDITED

Description of Issue	Bonds		Bonds		Bonds
	Outstanding 9/01/88	Bonds issued	Matured or Retired	Bonds Refunded	Outstanding 8/31/89
University of Texas Consolidated System (Continued)					
UT PUF REF BDS SER '88	100,000		6,000		94,000
UT PUF VAR RATE NOTES SER 'A	25,000	50,000			75,000
SUB LIEN VAR RATE NOTES SER '87A	1,025				1,025
SUB LIEN VAR RATE NOTES SER '88A	3,700				3,700
SUB LIEN VAR RATE NOTES SER '88B		5,000			5,000
SUB LIEN VAR RATE NOTES SER '89A		4,500			4,500
SUB LIEN VAR RATE NOTES SER '89B		4,260			4,260
	<u>782,245</u>	<u>63,760</u>	<u>28,530</u>		<u>817,475</u>
Texas Hospital Equipment Financing Council					
EQUIP REV BDS SER '85 A	37,400				37,400
	<u>37,400</u>				<u>37,400</u>
TOTAL REVENUE BONDS - SELF-SUPPORTING					
	<u>4,208,572</u>	<u>398,396</u>	<u>949,510</u>	<u>73,460</u>	<u>3,583,998</u>
TOTAL, REVENUE BONDS					
	<u>4,576,350</u>	<u>401,001</u>	<u>959,946</u>	<u>73,460</u>	<u>3,943,945</u>
GRAND TOTAL					
	<u>7,178,538</u>	<u>1,255,339</u>	<u>1,061,286</u>	<u>606,966</u>	<u>6,765,625</u>

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Supplementary Bond Schedules

Debt Service Requirements

Debt Service Requirements for State Issued Bonds

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
Department of Agriculture							
FM & RANCH LOAN SECURITY BDS SER'80	900	900	900	900	900	11,350	15,850
	900	900	900	900	900	11,350	15,850
Water Development Board							
TWRFA REV BDS SER '89	46,706	48,249	49,033	50,111	53,887	738,201	986,187
W DEV BDS SER '59	730	809	784	760			3,083
W DEV BDS SER '62	917	896	875	1,154			3,842
W DEV BDS SER '63	1,035	1,010	1,085	857			3,987
W DEV BDS SER '64	771	772	772	772			3,087
W DEV BDS SER '65	747	729	736	717			2,929
W DEV BDS SER '66	270	311					581
W DEV BDS SER '75	1,055						1,055
W DEV BDS SER '83-A	3,354	4,146	4,257	4,067			15,824
W DEV BDS SER '83-B	2,236	2,764	2,838	2,711			10,549
W DEV SER '84-A	701	391	747	520			2,359
W DEV BDS SER '84-B	2,166	2,802	2,821	2,661			10,450
W DEV REF BDS SER '86-A	13,164	12,882	13,940	14,107			54,093
W DEV REF BDS SER '86-B	10,476	10,254	11,095	11,230			43,055
WATER DEV '87-A	6,994	6,994	6,994	6,995			27,977
WATER DEV '87-B	2,635	2,635	2,635	2,635			10,540
W DEV BDS SER '87-C	5,442	5,419	5,386	5,343			21,590
W DEV BDS SER '88-A	3,665	4,382	4,430	4,484	5,133	78,015	100,109
W DEV BDS SER '88-B	802	1,081	1,088	1,090	1,094	16,553	21,708
W DEV BDS SER '88-C	192	232	232	232	231	3,436	4,555
W DEV BDS SER '89A	2,674	2,093	2,455	2,454	2,454	41,896	54,026
W DEV BDS SER '89B	170	131	152	155	153	2,671	3,432
	106,902	108,982	112,355	113,055	62,952	880,772	1,385,018
Texas Higher Education Coordinating Board							
COL STUD LOAN BDS SER'66	598	597	596	598	595	2,388	5,372
COL STUD LOAN BDS SER'67	602	601	604	601	608	2,424	5,440
COL STUD LOAN BDS SER'69	999	959	921	882	844	3,001	7,606
COL STUD LOAN BDS SER70	1,200	1,143	1,086	1,029	972	936	6,366
COL STUD LOAN BDS SER70-A	1,206	1,152	1,098	1,044	990	945	6,435
COL STUD LOAN BDS SER70-B	1,863	1,882	1,895	1,918	1,985	1,995	11,538
COL STUD LOAN BDS SER71	1,015	1,022	1,020	1,026	1,034	2,105	7,222
COL STUD LOAN BDS SER72	1,414	1,404	1,393	1,384	1,378	4,034	11,007
COL STUD LOAN BDS SER73	697	705	701	705	708	2,873	6,389
COL STUD LOAN BDS SER74	1,200	1,202	1,200	1,200	1,197	4,758	10,757
COL STUD LOAN BDS SER75	878	878	880	880	883	3,528	7,927
COL STUD LOAN BDS SER76	1,328	1,311	1,291	1,268	1,243	5,997	12,438
COL STUD LOAN BDS SER77	1,201	1,189	1,174	1,157	1,137	4,344	10,202
COL STUD LOAN BDS SER'89	6,091	9,222	9,073	9,078	9,092	90,781	133,337
	20,292	23,267	22,932	22,770	22,666	130,109	242,036
Parks and Wildlife Department							
PARK DEV BDS SER'85	2,834	3,264	3,172	3,556	3,417	32,560	48,803
	2,834	3,264	3,172	3,556	3,417	32,560	48,803

UNAUDITED

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
General Land Office/Veterans Land Board							
VET BDS SER'84	9,388	9,437	9,317	9,326	9,309	90,798	137,575
VET BDS SER'84-A	21,132	24,420	23,340	22,260	21,180	127,913	240,245
VET BDS SER'84-B	32,544	31,344	37,744	35,744	33,744	196,634	367,754
VET BDS SER'85	22,834	22,788	22,721	22,540	22,537	526,250	639,670
VET BDS SER'89	4,101	3,515	3,937	3,929	3,922	97,243	116,647
VET LAND REF BDS SER'85	27,158	27,926	13,801	12,566	11,953	66,516	159,920
VET LAND REF BDS SER'86	55,399	55,398	55,400	55,399	55,398	521,781	798,775
	<u>172,556</u>	<u>174,828</u>	<u>166,260</u>	<u>161,764</u>	<u>158,043</u>	<u>1,627,135</u>	<u>2,460,586</u>
TOTAL GENERAL OBLIGATION BONDS - SELF-SUPPORTING	303,484	311,241	305,619	302,045	247,978	2,681,926	4,152,293
Public Finance Authority							
GEN OBLIG BDS SER '87	4,545	4,544	4,533	4,513	4,483	66,836	89,454
GEN OBLIG BDS SER '88A	15,362	15,177	15,068	14,835	14,679	214,369	289,490
GEN OBLIG BDS SER '88B	7,669	7,720	7,757	7,803	7,843	120,160	158,952
	<u>27,576</u>	<u>27,441</u>	<u>27,358</u>	<u>27,151</u>	<u>27,005</u>	<u>401,365</u>	<u>537,896</u>
Constitutional Appropriation Bonds							
ANGELO ST UNIV SER '85	1,396	1,395	1,395	1,395	1,396	1,395	8,372
UNIV OF HOUSTON SER '86	7,855	7,859	7,857	7,856	7,860	7,858	47,145
LAMAR UNIV SER '85	3,583	3,584	3,585	3,584			14,336
NORTH TX ST UNIV SER '85	2,256	2,281	2,303	2,322	2,342	2,368	13,872
SAM HOUSTON ST UNIV SER '85	1,860	1,860	1,860	1,860	1,860	1,860	11,160
TX SOUTHERN UNIV SER '85	3,422	3,422	3,420	3,422	3,421	3,423	20,530
SW TX ST UNIV SER '85	6,474	6,473	6,472	6,473	6,474	6,472	38,838
TX TECH HEALTH SC CTR SER' 85	1,302	1,304	1,301	1,302	1,301	1,269	7,779
TX TECH HEALTH SC CTR SER' 89	863	856	859	859	860	891	5,188
TX TECH UNIV SER '85	5,345	5,348	5,342	5,343	5,342	5,346	32,066
WEST TX ST UNIV SER '87	1,124	1,125	705				2,954
TX WOMAN'S UNIV SER '85	1,790	1,792	1,793	1,790	1,789	1,790	10,744
MIDWESTERN STATE SER '89	68	342	348	351	351	356	1,816
	<u>37,338</u>	<u>37,641</u>	<u>37,240</u>	<u>36,557</u>	<u>32,996</u>	<u>33,028</u>	<u>214,800</u>
TOTAL GENERAL OBLIGATION BONDS - NOT SELF-SUPPORTING	64,914	65,082	64,598	63,708	60,001	434,393	752,696
TOTAL, GENERAL OBLIGATION BONDS	368,398	376,323	370,217	365,753	307,979	3,116,319	4,904,989
Public Finance Authority							
BLDG REV BDS SER '85-A	8,200	8,195	8,205	8,198	8,191	49,033	90,022
BLDG REV REF BDS SER '86	7,837	7,842	7,842	7,843	7,843	271,728	310,935
BLDG REV BDS SER '87	2,108	2,113	2,109	2,112	2,110	27,438	37,990
BLDG REV BDS SER '88C	4,286	4,313	4,333	4,346	4,353	65,520	87,151
BLDG REV BDS SER '89A	9,400	13,310	13,309	13,280	13,225	208,423	270,947
	<u>31,831</u>	<u>35,773</u>	<u>35,798</u>	<u>35,779</u>	<u>35,722</u>	<u>622,142</u>	<u>797,045</u>
Texas National Guard Armory Board							
REF & IMP REV BDS SER79	1,278	1,279	1,281	1,276	1,279	8,288	14,681
ARMORY IMP REV BDS SER'83	209	212	213	217	105		956
ARMORY IMP REV BDS SER '86	156	153	154	155	155	1,403	2,176
REF REV '87	640	640	639	638	752	10,938	14,247
	<u>2,283</u>	<u>2,284</u>	<u>2,287</u>	<u>2,286</u>	<u>2,291</u>	<u>20,629</u>	<u>32,060</u>

UNAUDITED

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
Texas Department of Corrections							
MICHAEL UNIT-CERT. OF PART SER'86	5,703	5,812	5,909	5,994	6,067	89,347	118,832
LIB & JHNSON PRE-RELEASE BDS SER'88	2,347	2,307	2,311	2,312	2,286	36,603	48,166
HISE & HAYS PRE-RELEASE-BDS SER'88	1,988	1,427	1,975	1,974	1,970	31,965	41,299
TRUSTY CAMPS-COP.'87	1,904	1,901	1,901	1,896	1,898	11,340	20,840
	<u>11,942</u>	<u>11,447</u>	<u>12,096</u>	<u>12,176</u>	<u>12,221</u>	<u>169,255</u>	<u>229,137</u>
TOTAL REVENUE BONDS - NOT SELF-SUPPORTING							
	<u>46,056</u>	<u>49,504</u>	<u>50,181</u>	<u>50,241</u>	<u>50,234</u>	<u>812,026</u>	<u>1,058,242</u>
Texas Housing Agency							
SINGLE FAMILY SER '80 A	9,938	12,467	12,368	12,224	12,079	224,152	283,228
SINGLE FAMILY SER '82 A	1,307	1,359	1,361	1,361	1,364	26,592	33,344
SINGLE FAMILY SER '83 A	18,849	20,316	20,306	20,314	20,318	359,146	459,249
SINGLE FAMILY SER' 84 A & B	11,093	11,480	11,491	11,472	11,479	282,660	339,675
SINGLE FAMILY SER '85 A	11,730	12,340	12,325	12,334	12,238	320,783	381,750
SINGLE FAMILY SER '85 B & C	5,298	5,789	5,791	5,821	5,825	129,499	158,023
SINGLE FAMILY SER '86 A	7,028	7,491	7,496	7,498	7,502	191,543	228,558
SINGLE FAMILY SER '86 B	6,958	7,505	7,503	7,504	7,502	196,010	232,982
SINGLE FAMILY SER '87 A	6,168						6,168
SINGLE FAMILY SER '87 B	6,091	6,478	6,499	6,519	6,536	159,762	191,885
RMRB FAMILY SER '87 A	2,916	2,915	2,917	2,917	2,915	82,854	97,434
RMRB FAMILY SER '87 D	3,923	3,923	2,923	3,923	5,048	136,429	156,169
RMRB FAMILY SER '88 A	3,459	3,484	3,483	3,490	3,497	91,484	108,897
RMRB FAMILY SER '89 A & B	6,836	6,976	6,976	6,980	6,977	238,286	273,031
GNMA SER '89 A	6,789	6,789	6,789	6,789	6,789	162,932	196,877
MF SER '83 A-E (FSLIC)	3,595	3,595	3,596	3,596	3,595	43,546	61,523
MF SER '83 A & B (Mutual Benefit Life)	2,074	2,074	2,074	2,075	2,075	43,565	53,937
MF SER '83 A & B (Phoenix Mutual)	1,897	1,897	1,898	1,898	1,898	42,908	52,396
MF SER '84 A & B (Oxford)	2,064	2,064	2,064	2,064	2,064	58,308	68,628
MF SER '84 Private Placement (Summerbend)	863	865	869	873	877	13,589	17,936
MF SER '85 A (MacArthur I)	1,026	1,026	1,026	1,026	1,026	26,100	31,230
MF SER '85 A (Folsom IV)	671	671	671	671	671	16,618	19,973
MF SER '85 B (Preston Bend)	642	645	648	651	654	15,320	18,560
MF SER '85 C (MacArthur II)	708	708	708	708	708	19,158	22,698
MF SER '85 G (Wildwood)	740	746	742	742	742	16,599	20,311
MF SER '85 H (Southridge)	678	679	680	681	681	13,764	17,163
MF SER '85 I (Colorado Club)	726	776	834	835	839	16,168	20,178
MF SER '87 A & B (Remington/High Point)	1,483	1,483	1,483	1,483	27,112		33,044
SOUTH TEXAS RENTAL HOUSING	147	147	147	147	147	2,679	3,414
MF SER '88 A&B (Summer Assoc. Refunding)	1,521	1,521	1,521	1,521	24,056		30,140
MF SER '88 A&B (Westborough/Oak Run II)	10,965						10,965
SER '87 A (Collateralized MTG Obligations)	12,980	12,197	11,462	10,761	10,115	106,831	164,346
	<u>151,163</u>	<u>140,406</u>	<u>138,651</u>	<u>138,878</u>	<u>187,329</u>	<u>3,037,285</u>	<u>3,793,712</u>
Texas Department of Commerce							
TSBIDC Floating Rate Dem. Rev. Bonds Ser. '86	7	7	7	7	7	333	368
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>333</u>	<u>368</u>
Texas Turnpike Authority							
MOUNTAIN CREEK LAKE BRG REV BDS SER '77	774	769	772	774	770	10,062	13,921
HOUSTON SHP CHANNEL BRG REV BDS SER '78	6,164	9,381	9,380	9,377	9,381	140,686	184,369
DALLAS N TOLLWAY REV BDS SER'85	21,245	21,245	21,247	21,244	21,246	405,486	511,713
HOU SHP CHL BRG JR LIEN REV REF BDS SER'85						332,057	332,057
	<u>28,183</u>	<u>31,395</u>	<u>31,399</u>	<u>31,395</u>	<u>31,397</u>	<u>888,291</u>	<u>1,042,060</u>

UNAUDITED

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
Texas Southern University							
DORM CONSTR BDS SER '63 A&B	101	102	100	101	104	1,243	1,751
GEN FEE REV BDS SER73	350	353	354	355	355	3,663	5,430
COMB FEE REV REF BDS SER78	992	993	991	987	986	6,492	11,441
	<u>1,443</u>	<u>1,448</u>	<u>1,445</u>	<u>1,443</u>	<u>1,445</u>	<u>11,398</u>	<u>18,622</u>
Texas State Technical Institute							
HSNG SYS & AUX SERVICE REV BDS SER79	592	594	594	593	596	5,980	8,949
HSNG SYS & AUX SERVICE REV BDS SER'82	706	709	709	710	707	2,808	6,349
HSNG SYS & AUX SERVICE REV BDS SER'89	151	179	175	172	168	2,677	3,522
	<u>1,449</u>	<u>1,482</u>	<u>1,478</u>	<u>1,475</u>	<u>1,471</u>	<u>11,465</u>	<u>18,820</u>
Texas Woman's University							
BLDG REF & IMP REV BDS SER65	158	178	173	167	161	156	993
HSNG SYS REV BDS SE-E'67	64	62	61	64	63	795	1,109
HSNG SYS REV BDS SER'68	331	317	323	328	338	2,681	4,318
COMB FEE REV BDS SER71-A	307	308	312	311	314	1,919	3,471
COMB FEE REV REF BDS SER78	526	529	521	528	523	3,112	5,739
	<u>1,386</u>	<u>1,394</u>	<u>1,390</u>	<u>1,398</u>	<u>1,399</u>	<u>8,663</u>	<u>15,630</u>
Texas A&I University							
BLDG SYS REV BDS SER'65-A	181	177	173	174	174	1,554	2,433
STUD TUITN FEE REV BDS SER'68	51	54	52	50	53	236	496
BLDG SYS REV BDS SER-A'69	74	78	76	75	74	1,138	1,515
BLDG SYS REV BDS SER-B'69	130	136	130	135	130	645	1,306
GEN FEE REV BDS SER71	220	221	221	220	220	2,659	3,761
GEN FEE REV BDS SER-A'75	52	51	54	53	52	199	461
GEN FEE REV BDS SER-B'75	39	38	39	38	39	253	446
	<u>747</u>	<u>755</u>	<u>745</u>	<u>745</u>	<u>742</u>	<u>6,684</u>	<u>10,418</u>
Texas Tech University							
HSNG SYS REV BD SER-A'62	78	76	79	77	80	154	544
HSNG SYS REV BD SER-B'62	124	120	122	124	121	145	756
HSNG SYS REV BD SER-C'62	126	128	124	126	127	190	821
HSNG SYS REV BD SER-E'62	444	462	454	446	463	8,108	10,377
HSNG SYS REV BDS SER-A'63	60	59	63	62	61	1,162	1,467
HSNG SYS REV BDS SER'66	577	568	569	579	559	9,457	12,309
UTIL PLANT STUD FEE REV BDS SER '67	299	296	293	290	291	2,811	4,281
STUD FEE REV BDS SER 3 '68	291	294	291	288	290	2,974	4,427
COMB FEE FREV BDS SER '70	397	395	396	397	396	2,808	4,789
STUD FEE REV BDS SER '71	595	596	596	600	603	5,951	8,941
COMB FEE REV BDS SER '73	191	191	191	195	195	1,774	2,737
UTIL PLANT STUD FEE REV BDS SER 73	137	136	135	128			536
COMB FEE REV BDS SER '74	47	47	47	47	47	1,310	1,545
COMB FEE REV BDS SER '75	78	78	78	78	78	1,494	1,884
STUD FEE REV BDS SER '77	559	561	557	558	557	7,345	10,137
COMB FEE REV REF BDS SER '78	1,105	1,116	1,119	1,125	1,132	6,528	12,125
UTIL PLANT STUD FEE REV BDS SER '85	310	315	314	327	450	3,409	5,125
ATHLETIC FACILITIES REV BDS SER '85	179	177	179	176	178	1,082	1,971
	<u>5,597</u>	<u>5,615</u>	<u>5,607</u>	<u>5,623</u>	<u>5,628</u>	<u>56,702</u>	<u>84,772</u>
Midwestern State University							
BLDG REV BDS SER'65	60	60	60	60	60	1,936	2,236
PHYS ED BLDG REV BDS SER'67	43	27	26	25	24	189	334
TUITN & GEN FEE REV BDS SER70	29	27					56
TUITN & GEN FEE REV BDS SER75	212	216	218	220	222	1,363	2,451
TUITN & GEN FEE REV BDS SER'89	82	82	79	82	84	1,363	1,772
BLDG REV BDS SAER'82	71	73	74	79	78	77	452
BLDG REV BDS SER'83	118	118	113	107	111	452	1,019
	<u>615</u>	<u>603</u>	<u>570</u>	<u>573</u>	<u>579</u>	<u>5,380</u>	<u>8,320</u>

UNAUDITED

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
Pan American University							
AUX ENTERPRISE SYS REV BDS SER'68-D	90	92	88	90	91	453	904
AUX ENTERPRISE SYS REV BDS SER'68-A	10	9	9	10	10	54	102
AUX ENTERPRISE SYS REV BDS SER'68-B	18	17	19	18	18	115	205
AUX ENTERPRISE SYS REV BDS SER '68-C	70	69	68	67	71	1,664	2,009
UTIL PLANT STUD FEE REV BDS SER'68	130	131	132	133	133	932	1,591
STUD FEE REV BDS SER '69	61	61	61	61	61	982	1,287
COMBINED FEE REV BDS SER71	106	102	103	104	104	507	1,026
AUX ENTERPRISE SYS REV BDS SER73	66	64	68	66	65	876	1,205
AUX ENTERPRISE SYS REV BDS SER77	56	54	57	55	58	224	504
TUITN REV REF BDS SER'86	924	925	928	928	925	7,166	11,796
	1,531	1,524	1,533	1,532	1,536	12,973	20,629
Angelo State University							
STUD HSNG SYS REV BDS SER'67-A	204	205	200	201	201	2,581	3,592
STUD TUITN FEE REV BDS SER'69	29	28	32	31	30	177	327
STUD HSNG SYS REV BDS SER'69	124	125	125	126	121	616	1,237
BLDG USE FEE REV BDS SER70	195	194	192	195	193	1,375	2,344
BLDG USE FEE REV BDS SER73	92	90	93	91	94	1,280	1,740
BLDG USE FEE REV BDS SER74	107	109	110	106	107	637	1,176
COMB FEE REV BDS SER78	96	98	96	99	96	985	1,470
STUD HSNG SYS REV BDS SER78	103	101	109	106	108	973	1,500
STUD HSNG SYS REV BDS SER'81	200	194	193				587
STUD HSNG SYS REV BDS SER'83	185	184	182	185	183	185	1,104
STUD HSNG SYS REV BDS SER'88	370	367	368	559	562	4,849	7,075
	1,705	1,694	1,700	1,699	1,695	13,658	22,151
Texas Tech University Health Science Center							
GEN TUITN REV BDS SER72	203	203	202	200	204	1,421	2,433
GEN TUITN REV BDS SER72-A	869	870	873	870	871	6,124	10,477
GEN TUITN REV BDS SER74	1,236	1,231	1,230	1,230	1,229	10,508	16,664
GEN TUITN REV BDS SER'84	168	173	168	172	170	1,549	2,400
	2,476	2,477	2,473	2,472	2,474	19,602	31,974
East Texas State University							
STUD FEE REV BDS SER'68	58	56	59	57	65	294	588
STUD FEE REV BDS SER'69	64	61	58	65	62		310
COMB FEE REV BDS SER75-A	44	44	44	44	44	303	523
COMB FEE REV BDS SER75	188	190	190	190	189	379	1,326
	354	351	351	356	360	976	2,748
North Texas State University							
CONS REV REF & IMP BDS SER'85	2,423	2,448	2,448	2,447	2,441	4,557	16,764
CONSOLIDATED UNIV REV REF SER '87	838	837	841	838	841	14,957	19,152
	3,261	3,285	3,289	3,285	3,282	19,514	35,916
Sam Houston State University							
STUD FEE REV BDS SER '62	40	38	66				144
GEN FEE REV BDS SER 74	437	438	444	443	447	2,236	4,445
COMB FEE REV BDS SER 78	335	335	334	332	330	1,878	3,544
STUD HSNG SYS REV REF BDS SER '82	401	406	404	406	411	2,997	5,025
STUD HSNG SYS REV REF BDS SER '89A	344	348	345	347	348	5,091	6,823
STUD HSNG SYS REV REF BDS SER '89B	198	191	194	192	194	4,788	5,757
COMB FEE REV BDS SER '84	171	176	173	170	170	164	1,024
COMB FEE REV BDS SER '88	463	465	462	464	466	8,577	10,897
	2,389	2,397	2,422	2,354	2,366	25,731	37,659

UNAUDITED

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
Southwest Texas State University							
COMB FEE REV BDS SER '77	579	584	583	586	589	4,820	7,741
COMB FEE REV REF BDS SER 78	918	912	910	911	905	5,474	10,030
HSNG SYS REV BDS SER '85	512	508	505	504	499	996	3,524
HSNG SYS REV BDS SER '86	179	182	179	182	179	3,985	4,886
HSNG SYS REV BDS SER '89	1,499	1,544	1,543	1,541	1,544	34,915	42,586
UTILITY SYS REV BDS SER '87A	1,189	1,184	1,182	1,185	1,180	17,819	23,739
UTILITY SYS REV BDS SER '87B	645	649	647	645	647	644	3,877
	<u>5,521</u>	<u>5,563</u>	<u>5,549</u>	<u>5,554</u>	<u>5,543</u>	<u>68,653</u>	<u>96,383</u>
Stephen F. Austin State University							
HSNG SYS REV BDS SER '62 A	27	29	28	27	29	165	305
HSNG SYS REV BDS SER '62 B	63	62	63	62	63	472	785
HSNG SYS REV BDS SER '62 D	186	183	180	177	194	3,448	4,368
HSNG SYS REV BDS SER '63 A	79	78	77	75	79	1,469	1,857
HSNG SYS REV BDS SER '64	63	62	61	61	65	1,301	1,613
BLDG REV BDS SER '65 B	149	147	145	163	161	3,388	4,153
STUD HSNG SYS REV BDS SER '67	135	137	138	125	126	1,177	1,838
STUD TUITN FEE REV BDS SER '68	79	83	81	79	82	996	1,400
STUD HSNG SYS REV BDS SER '68	165	165	166	166	165	1,454	2,281
BLDG USE FEE REV BDS SER '68	73	75	73	75	72	296	664
GEN FEE REV BDS SER 72	325	326	326	325	324	2,281	3,907
GEN FEE REV BDS SER 73	332	329	330	331	332	3,387	5,041
GEN FEE REV BDS SER 77	54	52	51	54	52	220	483
COMB FEE REV BDS SER 79	426	430	429	428	432	4,344	6,489
STUD HSNG SYS REV BDS SER 79	105	102	104	106	102	948	1,467
STUD HSNG SYS REV BDS SER '84	478	476	473	474	472	5,314	7,687
COMB FEE REV BDS SER '85	361	361	360	360	360	2,167	3,969
COMB FEE REV BDS SER '88	108	109	110	111	112	891	1,441
	<u>3,208</u>	<u>3,206</u>	<u>3,195</u>	<u>3,199</u>	<u>3,222</u>	<u>33,718</u>	<u>49,748</u>
Sul Ross State University							
BLDG REV BDS SER '64 A	23	22	22	21	4	10	102
	<u>23</u>	<u>22</u>	<u>22</u>	<u>21</u>	<u>4</u>	<u>10</u>	<u>102</u>
West Texas State University							
STUD FEE REV BDS SER'68	74	77	75	77	74	540	917
HSNG SYS REV BDS SER70	261	262	262	262	262	4,194	5,503
COMB FEE REV BDS SER72-A	344	344	344	343	341	2,708	4,424
COMB FEE REV BDS SER74	135	137	139	139	140	1,409	2,099
COMB FEE REV BDS SER '88	172	172	171	169	167	1,744	2,595
	<u>986</u>	<u>992</u>	<u>991</u>	<u>990</u>	<u>984</u>	<u>10,595</u>	<u>15,538</u>
Corpus Christi State University							
COMB FEE REV BDS SER 74	93	95	92	93	94	472	939
COMB FEE REV BDS SER'80	58	56	59	57	54	298	582
COMB FEE REV BDS SER'83	122	123	123	122	122	820	1,432
	<u>273</u>	<u>274</u>	<u>274</u>	<u>272</u>	<u>270</u>	<u>1,590</u>	<u>2,953</u>
Texas College of Osteopathic Medicine							
GEN FEE REV BDS SER78	88	91	88	86	88	869	1,310
	<u>88</u>	<u>91</u>	<u>88</u>	<u>86</u>	<u>88</u>	<u>869</u>	<u>1,310</u>
Lamar University Consolidated System							
STUD HSNG SYS REV BDS SER'59-D	13	13	14	14	13	27	94
STUD HSNG SYS REV BDS SER'59-A	18	18	18	17			71
STUD HSNG SYS REV BDS SER'59-B	20	19	19	19	19	18	114
STUD HSNG SYS REV BDS SER'59-C	16	16	16	16	16	16	96
STUD HSNG SYS REV BDS SER'59-E	20	20	20	20	19	58	157
STUD HSNG SYS REV BDS SER'59-F	42	45	44	43	42	170	386
STUD HSNG SYS REV BDS SER'59-G	6	6	6	6	6	24	54
STUD HSNG SYS REV BDS SER'59-H	34	33	36	35	35	139	312

UNAUDITED

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
Lamar University Consolidated System (Continued)							
STUD HSNB SYS REV BDS SER'62-A	48	47	49	48	47	374	613
STUD HSNB SYS REV BDS SER'63-A	52	51	54	52	51	472	732
STUD HSNB SYS REV BDS SER'66-B	117	115	122	120	118	1,413	2,005
STUD FEE BLDG REV BDS SER'68	213	220	215	215			863
STUD FEE BLDG DS SER'73	242	240	239	242	239	2,185	3,387
STUD FEE REV BLDG SER'78	705	693	640	639	641	6,471	9,789
STUD FEE REV BLDG SER'79	405	414	466	469	466	9,312	11,532
STUD FEE REV BLDG SER'82	431	434	446	437	656	3,960	6,364
STUD HSNB REV JR LIEN SER'87	160	161	167	163	169	498	1,318
STUD HSNB REV SUB LIEN SER'87	114	112	110	107	105	1,492	2,040
	2,656	2,657	2,681	2,662	2,642	26,629	39,927
University of Houston Consolidated System							
INSTRCTNL FACILITIES REV BDS SER'64	657	955					1,612
UNIV CTR & STUD SERV BLDGS REV BDS SER'64	656						656
INSTRCTNL FACILITIES REV BDS SER'67	348	347	346	345	343	1,005	2,734
DORM REV BDS SER'67 A	388	380	372	363	384	4,701	6,588
COMB FEE REV BDS SER'70	433	439	443	441	437	2,639	4,832
COMB FEE REV BDS SER'70-A	861	910	953	940	926	5,518	10,108
COMBFEE REV BDS SER'71	623	623	1,123	1,192	1,254	10,273	15,088
GEN FEE JR LIEN REV REF SER '85	2,505	2,973	2,728	2,788	2,842	38,275	52,111
GEN TUITN REV REF BDS SER'86	3,530	3,646	3,613	3,613	3,606	25,817	43,825
	10,001	10,273	9,578	9,682	9,792	88,228	137,554
Texas A&M Consolidated System							
CROCKETT HALL DORM REV BDS SER'69	26	25	26	24	18		119
HSNG SYS REV BD SER'70-A	119	121	118	121	123	1,152	1,754
HSNG SYS REV BDS SER'70-B	947	947	946	948	949	15,113	19,850
STUD FEE REV BDS SER'72	60	58	61	63	61	253	556
TUITN REV BDS SER'73	241	240	239	238	241	2,412	3,611
TUITN REV BDS SER'74	335	335	334	333	321	2,971	4,629
COMB FEE REV REF BDS SER'78	567	571	569	570	570	3,454	6,301
HSNG SYS REV BDS SER'80	514	504	503	500	495	2,672	5,188
STUD HSNB SYS REV BDS SER' 83A	306	306	301	301	305	2,423	3,942
STUD HSNB SYS REV BDS SER'83B	81	79	78	82	81	1,518	1,919
HSNG SYS REV REF BDS SER'86-A	2,764	2,756	2,761	2,754	2,750	28,996	42,781
HSNG SYS REV IMP BDS SER'86-B	2,048	2,054	2,049	2,058	2,065	43,184	53,458
COMB FEE REV REF BDS SER'86	426	432	426	415	418	4,427	6,544
TX A&M PERM UNIV FD REF BDS SER '85	7,725	8,231	8,743	9,255	9,762	98,463	142,179
TX A&M PERM UNIV FD REF BDS SER'86	5,560	5,557	5,557	5,554	5,557	90,493	118,278
A & M TAXABLE PERM UNIV FUND '87	2,075	2,075	27,075				31,225
REV SYS COM FEE REF & IMP SER 88A	6,512	6,514	7,268	7,266	7,263	95,339	130,162
REV SYS COM FEE REF & IMP SER 88B	3,230	3,242	3,873	3,882	3,880	42,789	60,896
TX A&M PERM UNIV FD REF BDS SER'88	3,958	3,958	3,958	3,958	3,958	96,794	116,584
TX A&M PERM UNIV FD REF BDS SER'89	1,984	2,064	2,064	2,614	2,584	51,548	62,858
	39,478	40,069	66,949	40,936	41,401	584,001	812,834
University of Texas Consolidated System							
M.D. ANDERSON HOSP REV BDS SER'72	1,295	1,300	1,307	1,312	1,318	4,001	10,533
M.D. ANDERSON HOSP REV BDS SER'76	257	256	258	260			1,031
M.D. ANDERSON HOSP REV BDS SUB LIEN 76	400	398	399	400	400	2,418	4,415
BLDG REV REF BDS SER'86	3,832	3,833	3,830	3,837	3,834	35,602	54,768
GEN TUITN REV REF BDS SER'86	10,862	10,876	10,735	10,606	10,468	67,071	120,618
GEN REV BDS SER'86	23,529	23,458	23,435	23,511	23,292	223,459	340,684
UT PERM UNIV FD REF BDS SER'85	34,080	34,061	34,037	34,013	33,988	447,791	617,970
UT PUF REF BDS SER '88	12,535	13,032	12,524	12,930	10,185	73,502	134,708

UNAUDITED

Description of Issue	1990	1991	1992	1993	1994	1995 & Beyond	Total Required
University of Texas Consolidated System (Continued)							
UT PUF VAR RATE NOTES SER 'A						75,000	75,000
SUB LIEN VAR RATE NOTES SER '87A				50	50	925	1,025
SUB LIEN VAR RATE NOTES SER '88A					250	3,450	3,700
SUB LIEN VAR RATE NOTES SER '88B					335	4,665	5,000
SUB LIEN VAR RATE NOTES SER '89A					300	4,200	4,500
SUB LIEN VAR RATE NOTES SER '89B						4,260	4,260
	<u>86,790</u>	<u>87,214</u>	<u>86,525</u>	<u>86,919</u>	<u>84,420</u>	<u>946,344</u>	<u>1,378,212</u>
Texas Hospital Equipment Financing Council							
EQUIP REV BDS SER '85 A	2,244	2,244	2,244	2,244	2,244	58,949	70,169
	<u>2,244</u>	<u>2,244</u>	<u>2,244</u>	<u>2,244</u>	<u>2,244</u>	<u>58,949</u>	<u>70,169</u>
TOTAL REVENUE BONDS -							
SELF-SUPPORTING	<u>353,575</u>	<u>347,437</u>	<u>371,156</u>	<u>345,800</u>	<u>392,320</u>	<u>5,938,241</u>	<u>7,748,529</u>
TOTAL, REVENUE BONDS	<u>399,631</u>	<u>396,941</u>	<u>421,337</u>	<u>396,041</u>	<u>442,554</u>	<u>6,750,267</u>	<u>8,806,771</u>
GRAND TOTAL	<u>768,029</u>	<u>773,264</u>	<u>791,554</u>	<u>761,794</u>	<u>750,533</u>	<u>9,866,586</u>	<u>13,711,760</u>

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Supplementary Bond Schedules

***Funds Available For
Debt Service of
General Obligation Bonds***

***Pledged Revenue For
Revenue Bonds Outstanding***

Analysis of Funds Available for Debt Service - General Obligation Bonds

Description of Issue	SOURCES OF FUNDS				Total Debt Service Available
	Debt Service Fund Balance 09/01/88	Pledged Sources		Other	
		Interest Earned on Investments	Other Pledged Revenues	State's General Revenue	
Texas Department of Agriculture	\$ 1,548	\$ 118	\$ 384		\$ 2,050
Texas Water Development Board	59,680	25,339	457,663		542,682
Texas Higher Education Coordinating Board	36,483	6,117	60,003		102,603
Parks and Wildlife Department	9,404	757	3,250		13,411
General Land Office and Veterans Land Board	1,725,119	142,303	45,991		1,913,413
Texas Public Finance Authority	3,203	9,913	1,174	14,609	28,899

Schedule of Pledged Revenue for Revenue Bonds

(Amounts in Thousands)

Pledged Revenue and Related Expenditures for Fiscal Year 89

Description of Issue	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Revenues	Operating Expenses and Expenditures	Capital Outlay	Net Available for Debt Service
Texas National Guard Amory Board							
Refunding and Improvement Bonds							
Series '79, '83, '86, &'87	2526	149	413	3088	619	2	2467
Texas Housing Agency							
Single Family Ser '80 A	12,030	2,689		14,719	1,179		13,540
Single Family Ser '82 A	464	886		1,350	83		1,267
Single Family Ser '83 A	16,903	3,724		20,627	1,658		18,969
Single Family Ser '84 A&B	11,770	3,989		15,759	1,703		14,056
Single Family Ser '85 A	10,564	1,994		12,558	834		11,724
Single Family Ser '85 B&C	4,928	890		5,818	374		5,444
Single Family Ser '86 A	6,115	1,045		7,160	586		6,574
Single Family Ser '86 B	6,394	793		7,187	570		6,617
Single Family Ser '87 A		629		629	451		178
Single Family Ser '87 B	5,181	1,520		6,701	564		6,137
RMRB Ser '87 A	1,518	7,556		9,074	445		8,629
RMRB Ser '88 A	1	3,337		3,338	55		3,283
RMRB Ser '87 D	2	1,526		1,528	7		1,521
RMRB Ser '89 A & B	2	1,227		1,229	9		1,220
GNMA Ser '89 A	2	2,979		2,981	2		2,979
Total Single Family	75,874	34,784	0	110,658	8,520	0	102,138

APPLICATION OF FUNDS							Debt Service Fund Balance	
Description of Issue	Principal	Interest	Refundings	Other Application of Funds	Total Application of Funds	As of 08/31/89		
						Actual	Minimum	
Texas Department of Agriculture		\$ 900	\$ 1		\$ 901	\$ 1,149	\$ 1,500	
Texas Water Development Board		27,207	508,199	(1,757)	533,649	9,033	8,807	
Texas Higher Education Coordinating Board	9,455	4,964			14,419	88,184	36,430	
Parks and Wildlife Department	500	2,380			2,880	10,531		
General Land Office and Veterans Land Board	64,225	108,099		12,963	185,287	1,728,126	153,481	
Texas Public Finance Authority		22,697			22,697	6,202		

Description of Issue	Debt Service		Ratio of Net Available for Debt Service	Interest and Sinking Fund		Reserve Fund	
	Principal	Interest		Minimum	Actual	Minimum	Actual
Refunding and Improvement Bonds							
Series '79, '83, '86, &'87	900	1374	1.07	N/A	9	2289	2387
Single Family Ser '80 A	18,185	10,827	0.47			16,521	17,044
Single Family Ser '82A	2,680	1,400	0.31			1,079	1,176
Single Family Ser '83 A	33,480	20,508	0.35			20,946	20,694
Single Family Ser '84 A&B	24,335	11,939	0.39			10,781	10,955
Single Family Ser '85 A	9,765	11,659	0.55			13,921	14,259
Single Family Ser '85 B&C	2,065	5,291	0.74			7,139	7,753
Single Family Ser '86 A	1,560	6,617	0.80			9,366	9,278
Single Family Ser '86 B	1,660	6,467	0.81			10,134	10,121
Single Family Ser '87 A	3,430	393	0.05			674	610
Single Family Ser '87 B	2,420	5,817	0.74			8,657	8,643
RMRB Ser '87 A	72,000	7,168	0.11			3,000	3,002
RMRB Ser '88 A		2,750	1.19			4,092	4,092
RMRB Ser '87 D		1,613	0.94			4,700	4,700
RMRB Ser '89 A & B		1,145	1.06			4,895	4,941
GNMA Ser '89 A		2,780	N/A				
Total Single Family	171,580	96,374				115,905	117,268

Description of Issue	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Revenues	Operating Expenses and Expenditures	Capital Outlay	Net Available for Debt Service
Texas Housing Agency (Continued)							
MF Ser '82 A (Loans to Lenders)	\$ 1,794	\$ 784		\$ 2,578	\$ 140		\$ 2,438
MF SER '83 A-E (FSLIC)	3,787	129		3,916	112		3,804
MF SER '83 A&B (Mutual Benefit)	2,152	20		2,172	24		2,148
MF SER '83 A&B (Phoenix Mutual)	1,966	21		1,987	25		1,962
MF SER '84 A& B (Oxford)	2,513	35		2,548	83		2,465
MF SER '84 Priv Plcmnt (Smbnd)	800	10		810	21		789
MF SER '84 A&B (Summer Assoc)				0			0
MF SER '85 A (Mac Artuhr I)	1,068	8		1,076	12		1,064
MF SER '85 A (Folsom IV)	691	7		698	8		690
MF SER '85 B (Preston Bend)	717	9		726	7		719
MF SER '85 C (Mac Arthur II)	727	4		731	7		724
MF SER '85 D&E (Rem/Highpt)				0			0
MF SER ' 85 G (Wildwood)	8	735		743	7		736
MF SER '85 H (Southridge)	675	6		681	9		672
MF SER '85 I (Colorado Club)	765	17		782	15		767
MF SER '87 A&B (Rem/Highpt)	1,983	10		1,993	163		1,830
So Texas Rental Housing Ser'87	131	43		174	1		173
MF SER '87 A&B (Sum Assoc. Ref)	105	1,744		1,849	82		1,767
MF SER '88 A&B (Westb./Oak Run I)	701	11		712	23		689
Total Multi-Family	20,583	3,593	0	24,176	739	0	23,437
SER '87A (Coll Mtg Oblgtn)		7,775		7,775	84		7,691
Total All Housing Agency Bonds	96,457	46,152	0	142,609	9,343	0	133,266
Texas Department of Commerce (Texas Small Business Industrial Development Corporation)							
TSBIDC Community Dev Bonds		472		472	4		468
TSBIDC Floating Rate Demand Bonds		51,146		51,146	354		50,792
Total		51,618		51,618	358		51,260
Texas Water Development Board							
TWRFA REV BDS SER '89		22,724	9,753	32,477	12		32,465
Total		22,724	9,753	32,477	12		32,465
Texas Turnpike Authority							
MOUNTAIN CREEK LAKE BRIDGE REV BDS SER '77	1,286	96		1,382	488		894
HOUSTON SHIP CHANNEL BRIDGE REV BDS SER '78	5,797	1,332	6	7,135	1,367		5,768
DALLAS N TOLLWAY REV BDS SER '85	24,798	5,984	9	30,791	5,860		24,931
HOUSTON SHIP CHANNEL BRIDGE JR LIEN REV REF BDS SER '85							
Total	31,881	7,412	15	39,308	7,715		31,593

Description of Issue	Debt Service		Ratio of Net Available for Debt Service	Interest and Sinking Fund		Reserve Fund	
	Principal	Interest		Minimum	Actual	Minimum	Actual
MF Ser '82 A (Loans to Lenders)	\$ 41,620	\$ 1,018	0.06			N/A	N/A
MF SER '83 A-E (FSLIC)		3,596	1.06			N/A	N/A
MF SER '83 A&B (Mutual Benefit)		2,075	1.04			N/A	N/A
MF SER '83 A&B (Phoenix Mutual)		1,898	1.03			N/A	N/A
MF SER '84 A& B (Oxford)		2,306	1.07			N/A	N/A
MF SER '84 Priv Plcmnt (Smrbnd)	45	868	0.86			N/A	N/A
MF SER '84 A&B (Summer Assoc)						N/A	N/A
MF SER '85 A (Mac Artuhr I)		1,026	1.04			N/A	N/A
MF SER '85 A (Folsom IV)		671	1.03			N/A	N/A
MF SER '85 B (Preston Bend)	41	679	1.00			N/A	N/A
MF SER '85 C (Mac Arthur II)		708	1.02			N/A	N/A
MF SER '85 D&E (Rem/Highpt)						N/A	N/A
MF SER '85 G (Wildwood)	25	692	1.03			N/A	N/A
MF SER '85 H (Southridge)	75	637	0.94			N/A	N/A
MF SER '85 I (Colorado Club)		726	1.06			N/A	N/A
MF SER '87 A&B (Rem/Highpt)		1,445	1.27			N/A	N/A
So Texas Rental Housing Ser'87	14	131	1.19			N/A	N/A
MF SER '87 A&B (Sum Assoc. Ref)		1,521	1.16			N/A	N/A
MF SER '87 A&B (Westb./Oak Run II)		600	1.15			N/A	N/A
Total Multi-Family	41,820	20,597					
SER '87A (Coll Mtg Oblgtn)	5,629	7,559	N/A			N/A	N/A
Total All Housing Agency Bonds	219,029	124,530				115,905	117,268
TSBIDC Community Dev Bonds	20000	350	2.30				
TSBIDC Floating Rate Demand Bonds	649,600	42,261	7.34			75,000	75,000
Total	669,600	42,611				75,000	75,000
TWRFA REV BDS SER '89	13,285	17,136	1.07	234		7,703	7,917
Total	13,285	17,136		234		7,703	7,917
MOUNTAIN CREEK LAKE BRIDGE							
REV BDS SER '77	220	553	1.16				778
HOUSTON SHIP CHANNEL BRIDGE							
REV BDS SER '78	2,145	3,284	1.06				5,160
DALLAS N TOLLWAY							
REV BDS SER '85		18,310	1.35				21,169
HOUSTON SHIP CHANNEL BRIDGE							
JR LIEN REV REF BDS SER '85		4,677					
Total	2,365	26,824					27,107

Description of Issue	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Revenues	Operating Expenses and Expenditures	Capital Outlay	Net Available for Debt Service
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Texas Southern University

DORM CONSTR BDS SER '63 A&B	\$ 1,076			\$ 1,076	\$ 597	\$ 22	\$ 457
STUD TUITN FEE REV BDS SER'6	119	5	(119)	5	5		0
GEN FEE REV BDS SER '73	263		87	350			350
COMB FEE REV REF BDS SER '78	760	112	119	991	(40)		1,031
Total	2,218	117	87	2,422	562	22	1,838

Texas State Technical Institute

HSNG SYS & AUX SERVICES REV BDS SER '79	4,752	134	204	5,090	4,148	115	827
HSNG SYS & AUX SERVICES REV BDS SER '82	5,808	163	250	6,221	5,070	140	1,011
HSNG SYS & AUX SERVICES REV BDS SER '89		27	51	78	57		21
Total	10,560	324	505	11,389	9,275	255	1,859

Texas Woman's University

BLDG REF & IMP REV BDS SER '6	3,044	153		3,197	2,989	87	121
HSNG SYS REV BDS SER 67-68	6,002	242		6,244	5,742	16	486
COMB FEE REV & REV REF BDS SER 71A & 78	950	130	184	1,264			1,264
Total	9,996	525	184	10,705	8,731	103	1,871

Texas A & I University

BLDG SYS REV BDS SER 65 & 69	2,892	96		2,988	2,048		940
GEN FEE REV BDS SER 71 & 75 A	1,000	71		1,071	574	22	475
STUD TUITN FEE REV BDS SER '68							
Total	3,892	167		4,059	2,622	22	1,415

Texas Tech University

HSNG SYS REV BDS	31,299	385	771	32,455	27,540	778	4,137
UTIL PLANT STUD FEE REV BDS	6,209	71		6,280	4,645	155	1,480
STUD FEE REV BDS		127	1,607	1,734			1,734
COMB FEE REV & REV REF BDS	3,134	167	2,250	5,551	1,893	281	3,377
ATHLETIC FACILITIES REV BDS	4,927	17	1,529	6,473	5,827	202	444
Total	45,569	767	6,157	52,493	39,905	1,416	11,172

Midwestern State University

BLDG REV BDS SER '65, 82 & 83	1,560	23	335	1,918	1,791	27	100
PHYS ED BLDG REV BDS SER 67			276	276	8		268
TUITN & GEN FEE BDS SER 70 & 75			429	429			429
Total	1,560	23	1,040	2,623	1,799	27	797

Description of Issue	Debt Service		Ratio of Net Available for Debt Service	Interest and Sinking Fund		Reserve Fund	
	Principal	Interest		Minimum	Actual	Minimum	Actual
DORM CONSTR BDS SER '63 A&B	\$ 57	\$ 46	4.43	\$ 205	\$ 213	\$ 200	\$ 47
STUD TUITN FEE REV BDS SER'6	40	2					
GEN FEE REV BDS SER '73	140	209	1.00	354	476		
COMB FEE REV REF BDS SER '78	455	540	1.04	971	1,247		
Total	692	797		1,530	1,936	200	47
HSNG SYS & AUX SERVICES REV BDS SER '79	210	385	1.39	49	153	421	524
HSNG SYS & AUX SERVICES REV BDS SER '82	280	419	1.44	59	180	580	733
HSNG SYS & AUX SERVICES REV BDS SER '89		14	1.47	15	50	176	239
Total	490	818		123	383	1,177	1,496
BLDG REF & IMP REV BDS SER '6	125	37	0.75	276	285	IN SINKING FUND	
HSNG SYS REV BDS SER 67-68	180	224	1.20	579	595	IN SINKING FUND	
COMB FEE REV & REV REF BDS SER 71A & 78	410	428	1.51	837	837	N/A	
Total	715	689		1,692	1,717		
BLDG SYS REV BDS SER 65 & 69	210	175	2.44	64	1,105	562	585
GEN FEE REV BDS SER 71 & 75 A	30	23	N/A	55	513	N/A	N/A
STUD TUITN FEE REV BDS SER '6	134	176	1.53	310	1,341	N/A	N/A
Total	374	374		429	2,959	562	585
HSNG SYS REV BDS	690	723	2.93		786	3,088	3,088
UTIL PLANT STUD FEE REV BDS	285	464	1.98	150	184	754	754
STUD FEE REV BDS	560	888	1.20		47	1,370	1,370
COMB FEE REV & REV REF BDS	885	932	1.86	467	751	1,536	1,536
ATHLETIC FACILITIES REV BD	60	121	2.46		8	179	179
Total	2,480	3,128		617	1,776	6,927	6,927
BLDG REV BDS SER '65, 82 & 83	80	171	0.04			249	333
PHYS ED BLDG REV BDS SER 67		13	17.60			65	123
TUITN & GEN FEE BDS SER 70 &	105	132	1.51		7,838	245	475
Total	185	316			7,838	559	931

Description of Issue	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Revenues	Operating Expenses and Expenditures	Capital Outlay	Net Available for Debt Service
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Pan American University

AUX ENTERPRISE SYS REV BDS SERIES 68, 73, & 77	\$ 3,996	\$ 55		\$ 4,051	\$ 3,543	\$ 37	\$ 471
BLDG REV BDS SER '60							
STUD FEE REV BDS SER '69	15	6		21	9		12
UTIL PLANT STUD FEE REV BDS SER '68	2,125	41		2,166	2,031	76	59
COMB FEE REV BDS SER '71	161	17		178	4		174
TUITN REV REF BDS	1,231	70		1,301	11		1,290
Total	7,528	189		7,717	5,598	113	2,006

Angelo State University

STUD HSNG SYS REV BDS SERIES 67-A, 69, 78, 81,83 & 88	7,383	522	488	8,393	5,827	14	2,552
BLDG USE FEE REV BDS SERIES 70, 73, 74, & 78		24	790	814	16		798
STUD TUITN FEE REV BDS							
Total	7,383	546	1,278	9,207	5,843	14	3,350

Texas Tech University Health Science Center

GEN TUITN REV BDS		200	18,199	18,399			18,399
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East Texas State University

STUD FEE REV BDS		105	511	616			616
COMB FEE REV BDS		108	619	727	12		715
Total		213	1,130	1,343	12		1,331

University of North Texas

CONSOLIDATED UNIV REV REF	22,821	1,531	4,129	28,481	19,680	281	8,520
Total	22,821	1,531	4,129	28,481	19,680	281	8,520

Sam Houston State University

STUD CTR SER '62, STUD FEE SER '62, GEN FEE SER '74, & COMB FEE SER '78, '84 & '88	1,812	154	32	1,998	614	252	1,132
STUD HSNG SYS REV REF BDS SER '82, '89A & '89B	5,070	289	47	5,406	4,179	378	849
Total	6,882	443	79	7,404	4,793	630	1,981

Description of Issue	Debt Service		Ratio of Net Available for Debt Service	Interest and Sinking Fund		Reserve Fund	
	Principal	Interest		Minimum	Actual	Minimum	Actual
AUX ENTERPRISE SYS REV BDS							
SERIES 68, 73, & 77	\$ 159	\$ 157	1.49	\$ 80	\$ 80	\$ 307	\$ 533
BLDG REV BDS SER '60							
STUD FEE REV BDS SER '69	32	29	1.00	16	17	64	64
UTIL PLANT STUD FEE REV							
BDS SER '68	70	63	1.00	35	40	125	499
COMB FEE REV BDS SER '71	50	54	1.67			130	237
TUITN REV REF BDS	360	560	1.40		1	928	1,031
	671	863		131	138	1,554	2,364
STUD HSNG SYS REV BDS							
SERIES 67-A, 69, 78, 81, 83 & 88	510	745	2.03			1,229	1,892
BLDG USE FEE REV BDS							
SERIES 70, 73, 74, & 78	195	297	1.62			515	1,196
STUD TUITN FEE REV BDS	15	15	N/A			32	357
Total	720	1,057				1,776	3,445
GEN TUITN REV BDS	1,095	1,388	7.41		129	2,329	2,329
STUD FEE REV BDS	85	44	4.87	108	112	N/A	N/A
COMB FEE REV BDS	140	90	3.11	308	393	N/A	N/A
Total	225	134		416	505		
CONSOLIDATED UNIV REV REF	1,425	2,081	2.43	N/A	N/A	2,700	2,700
CONSOLIDATED UNIV REV REF	1,425	2,081	2.43	N/A	N/A	2,700	2,700
STUD CTR SER '62, STUD FEE SER '62, GEN FEE SER '74, & COMB FEE SER '78, '84 & '88	585	359	1.20	1,686	5,126		
STUD HSNG SYS REV REF BDS							
SER '82, '89A & '89B	380	873	0.68			869	1,129
Total	965	1,232		1,686	5,126	869	1,129

Description of Issue	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Revenues	Operating Expenses and Expenditures	Capital Outlay	Net Available for Debt Service
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Southwest Texas State University

HSNG REV BDS SER '70			\$ 96	\$ 96			\$ 96
HSNG REV BDS SER '85, '86 & '89	18,016	668	125	18,809	15,612	126	3,070
COMB FEE REV BDS SER 77 & 78		627	1,216	1,843			
UTILITY SYS REV BDS SER '87 A & B		234		234			234
Total	18,016	1,529	1,437	20,982	15,612	126	5,244

Stephen F. Austin State University

HSNG SYS REV BDS SER '62 & '64	10,357	94		10,451	9,405	105	941
HSNG SYS REV BDS SER '65 & '84	5,384	124		5,508	3,365	19	2,124
BLDG USE FEE REV BDS SER '68		6	291	297			297
STUD TUITION FEE REV BDS SER '68		146	132	278			278
GEN FEE REV BDS SER '72 & '88		153	1,884	2,037			2,037
IMP REV BDS SER '74		6		6			6
Total	15,741	529	2,307	18,577	12,770	124	5,683

Sul Ross State University

BLDG REV BDS SER '64A	2,095	16	68	2,179	2,061	4	114
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West Texas State University

HSNG SYS REV BDS SER '70	4,970	52	96	5,118	4,540	231	347
COMB FEE REV BDS SER '72,74&88		14	1,016	1,030			1,030
STUD FEE REV BDS SER '68		21	108	129			129
Total	4,970	87	1,220	6,277	4,540	231	1,506

Corpus Christi State University

COMB FEE REV BDS SER '74 & 80	469	33	50	552	268	7	277
COMB FEE REV BDS SER '83	74			74	52		22
Total	543	33	50	626	320	7	299

Texas College of Osteopathic Medicine

GEN FEE REV BDS SER '78	67	24		91			91
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Lamar University Consolidated System

STUD HSNG REV BDS	2,451	78		2,529	2,035	7	487
ENERGY MANAGEMENT	55			55			55
SUBORDINATE LIEN		8		8			8
STUD FEE REV BDS SER '68-'73	2,330	39		2,369			2,369
COMB FEE REV BDS SER '78		72		72			72
COMB FEE REV BDS SER '79		47		47			47
COMB FEE REV BDS SER '82		33		33			33
Total	4,836	277		5,113	2,035	7	3,071

Description of Issue	Debt Service		Ratio of Net Available for Debt Service	Interest and Sinking Fund		Reserve Fund	
	Principal	Interest		Minimum	Actual	Minimum	Actual
HSNG REV BDS SER '70	\$ 96		1.00				
HSNG REV BDS SER '85, '86 & '89	310	1,423	1.77	190	1,475	1,889	1,889
COMB FEE REV BDS SER '77&'78	775	718	1.23	1,406	4,982		
TILITY SYS REV BDS SER '87 A&B		1,124		482	482	1,756	1,756
Total	1,181	3,265		2,078	6,939	3,645	3,645
HSNG SYS REV BDS SER '62 & '64	199	220	2.25	103	103	850	911
HDNG SYS REV BDS SER '65 & '84	335	695	2.06	180	180	1,083	1,153
BLDG USE FEE REV BDS SER '68	45	30	3.95			76	79
STUD TUITN FEE REV BDS SER '6	30	51	3.43			85	1,828
GEN FEE REV BDS SER '72 & '88	670	942	1.26			1,601	1,758
IMP REV BDS SER '74	75	942	0.07				5
Total	1,354	2,880		283	283	3,695	5,734
BLDG REV BDS SER '64A	15	4	6.15	12	31	36	36
HSNG SYS REV BDS SER '70	55	210	1.69	527	811	400	597
COMB FEE REV BDS SER '72,74&8	200	357	1.85	646	588		
STUD FEE REV BDS SER '68	40	36	1.31	157	320		
Total	295	603		1,330	1,719	400	597
COMB FEE REV BDS SER 74 & 80	65	87	1.82	147	152	In Sinking Fund	
& COMB FEE REV BDS SER '83	35	85	0.19	126	126	In Sinking Fund	
Total	100	172		273	278		
GEN FEE REV BDS SER '78	35	55,737	1.01			85	246
STUD HSNG REV BDS	265	125	1.25	761	761	761	793
ENERGY MANAGEMENT		35	1.60				
SUBORDINATE LIEN	25	91	0.07	100	100	100	100
STUD FEE REV BDS SER'68-'73	275	181	5.20		463		482
COMB FEE REV BDS SER' 78	305	401	0.10		800		833
COMB FEE REV BDS SER' 79	10	391	0.12		555		578
COMB FEE REV BDS SER' 82	80	358	0.08		390		405
Total	960	1,582		861	3,069	861	3,191

Description of Issue	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Revenues	Operating Expenses and Expenditures	Capital Outlay	Net Available for Debt Service
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University of Houston Consolidated System

COMB FEE REV BDS SER '70, '70A & '71		\$ 722	\$ 7,527	\$ 8,249			\$ 8,249
DORM REV BDS SER '67A	7,905	34		7,939	7,059	107	773
UNIV CTR & STUD SERVICES BLDG BLDG REV BDS SER '64		48	401	449			449
INSTR FACILITIES REV BDS SER '64 & 67		118	974	1,092			1,092
GEN FEE JR LIEN REF BDS SER' 85		121	1,994	2,115			2,115
GEN TUTN REV REF BDS SER' 86		196	3,565	3,761			3,761
Total	7,905	1,239	14,461	23,605	7,059	107	16,439

Texas A&M System Consolidated

BDS & NOTES SER'85,'86,'87,'88 &'8	82,678	7,358		90,036	38		89,998
HSNG SYS REV BDS SER'73 & '74	24,230	1,475	134	25,839	20,530	498	4,811
TUITN REV BDS SER '73 & 74	24,342			24,342			24,342
COMB FEE REV BDS SER '88A&B	43,290	882	7,550	51,722	34,170	334	17,218
HSNG SYS REV BDS SER '73 & '74	9,516	334	385	10,235	7,175	29	3,031
STUD FEE REV BDS SER '72	310	1		311	306	15	(10)
COMB FEE REV REF BDS SER '78	1,032	26		1,058			1,058
COMB FEE REV REF BDS SER '86	1,051	46		1,097	6		1,091
CROCKETT HALL REV BDS SER'6	170	14		184	137		47
STUD HSNG REV BDS SER '83A&	1,255	95		1,350	935	10	405
HSNG SYS REV BDS SER '80	1,958	168		2,126	1,807	30	289
Total	189,832	10,399	8,069	208,300	65,104	916	142,280

University of Texas System Consolidated

PUF REF BDS SER '85,'88 & SUB LIEN NOTES			174,646	174,646			174,646
BLDG REV REF BDS SER '86		329		329			329
GEN REV REF BDS SER' 86 & SUB LIEN NOTES '87A,'88A,'88B & '89A	97,975	1,335	17,681	116,991	79,620		37,371
ENDOW & HOSP REV BDS SER ' 72, '76 & SUB LIEN NOTE SER '76	218,814	2,795		221,609			221,609
GEN TUITION REV REF BDS '86		781	74,981	75,762			75,762
Total	316,789	5,240	267,308	589,337	79,620		509,717

Public Finance Authority

BLDG REV BDS SER '85A & ' 86		\$ 1,793	\$ 2,605	\$ 4,398			\$ 4,398
BLDG REV BDS SER ' 87		114		114			114
Total		1,907	2,605	4,512			4,512

Description of Issue	Debt Service		Ratio of Net Available for Debt Service	Interest and Sinking Fund		Reserve Fund	
	Principal	Interest		Minimum	Actual	Minimum	Actual
COMB FEE REV BDS							
SER '70, '70A & '71	\$ 535	\$ 1,382	3.80	\$ 2,170	\$ 2,295		
DORM REV BDS SER '67A	130	233	2.13	363	371	500	555
UNIV CTR & STUD SERVICES BLDG							
BLDG REV BDS SER '64	380	38	1.07	300	324		
INSTR FACILITIES REV BDS SER '	820	183	1.09	860	923		
GEN FEE JR LIEN REF BDS SER' 85		1,804	1.17				
GEN TUIN REV REF BDS SER' 86	1,500	2,060	1.06	2,881	3,056		
Total	3,365	5,700		6,574	6,969	500	555
BDS & NOTES SER'85,'86,'87,'88,&'89	1,130	18,054	4.69				
HSNG SYS REV BDS SER '86A & B	975	3,838	1.00	802	1,019	4,777	5,025
TUITN REV BDS SER '73 & '74	220	356	42.23	117	117	581	678
COMB FEE REV BDS SER '88A &	2,045	7,704	1.77		552	8,751	8,751
HSNG SYS REV BDS SER '70A&B	245	828	2.83	444	743	2,169	2,283
STUD FEE REV BDS SER '72	35	27	(0.17)		1	65	108
COMB FEE REV REF BDS SER '78	285	282	1.87			575	843
COMB FEE REV REF BDS SER '86	135	295	2.53		447	388	388
CRECKETT HALL REV BDS SER'6	18	7	1.84		27	25	25
STUD HSNG REV BDS SER'83A&B	125	262	1.05		429	385	385
HSNG SYS REV BDS SER '80	195	317	0.56	214	224	500	504
Total	5,408	31,970		1,577	3,559	18,216	18,990
PUF REF BDS SER '85, '88 & SUB							
LIEN NOTES	14,895	36,973	3.37				
BLDG REV REF BDS SER '86	1,385	2,443	30.59			3,837	3,894
GEN REV REF BDS SER '86 & SUB							
LIEN NOTES '87A,'88A,'88B &'89A	8,225	16,185	1.53		1,668	4,073	4,085
ENDOW & HOSP REV BDS SER '72,							
'76 & SUB LIEN NOTES SER '76	1,190	747	114.42		7,038	1,847	26,479
GEN TUITION REV REF BDS '86	2,835	6,022	8.55		8	2,000	2,005
Total	28,530	62,370			8,714	11,757	36,463
BLDG REV BDS SER ' 85A & '86	\$ 12,947	0.34		14		\$ 17,913	
BLDG REV BDS SER ' 87	1,543	0.07		771		2,027	
Total		14,490		785		19,940	

Description of Issue	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	Total Pledged Revenues	Operating Expenses and Expenditures	Capital Outlay	Net Available for Debt Service
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Texas Department of Corrections

MICHAEL UNIT-CERT OF PART	\$ 11,425	\$ 639		\$ 12,064			\$ 12,064
LIB & JHNSON PRE-RELEASE BDS SER'88		1,443		1,443			1,443
(B)WISE & HAYS PRE-RELEASE B	192	955		1,147			1,147
TRUSTY CAMPS-CERT PART SER'	3,073	43		3,116			
Total	14,690	3,080		17,770			17,770

Texas Hospital Equipment Financing Council

EQUIP REV BDS SER'85 A		2,460	210	2,670	233		2,437
Total		2,460	210	2,670	233		2,437

Description of Issue	Debt Service		Ratio of Net Available for Debt Service	Interest and Sinking Fund		Reserve Fund	
	Principal	Interest		Minimum	Actual	Minimum	Actual
(A) MICHAEL UNIT-CERT OF PA	\$ 7,200	\$ 4,864	1.00			\$ 4,760	\$ 4,760
(B) LIB & JHNSON PRE-RELEASE BDS SER'88		1,362	1.06			912	912
(B) WISE & HAYS PRE-RELEASE BDS SER'88		1,147	1.00			875	875
TRUSTY CAMPS-CERT. PART SE	2,336	780	1.00				
Total	9,536	8,153				6,547	6,547
EQUIP REV BDS SER'85 A		2,392	1.02			9,330	9,330
Total		2,392				9,330	9,330

**If you have any questions,
please feel free to phone the
Financial Reporting Section of
the Fund Accounting Division
at 463-4064.**

