

**THE OFFICE
OF
THE GOVERNOR**



ANNUAL FINANCIAL REPORT

2016

**GREG ABBOTT
GOVERNOR OF TEXAS**



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THE GOVERNOR**



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GOVERNOR OF TEXAS**



3

2

THE OFFICE OF THE GOVERNOR

ANNUAL FINANCIAL REPORT

**For The Year Ended August 31, 2016
(UNAUDITED)**

**Greg Abbott
Governor of Texas**





GOVERNOR GREG ABBOTT

November 18, 2016

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor, State Auditor's Office

Dear Governor Abbott, Comptroller Hegar, Ms. Parks, and Ms. Collier:

The Office of the Governor is pleased to submit its Annual Financial Report for the year ending August 31, 2016, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Theresa Boland, Director of Financial Services at (512) 936-0166.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Hodge".

Daniel Hodge
Chief of Staff

TABLE OF CONTENTS

Letter of Transmittal

General Purpose Financial Statements – Exhibits

	<u>Page</u>
I Combined Balance Sheet / Statement of Net Position - Governmental Funds	1
II Combined Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities - Governmental Funds	3
III Combined Statement of Net Position - Proprietary Funds	5
IV Combined Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	6
V Combined Statement of Cash Flows - Proprietary Funds	7
VI Combined Statement of Net Position - Fiduciary Funds	8
VII Combined Statement of Changes in Fiduciary Net Position	9
VIII Combined Statement of Net Position - Discretely Presented Component Units	10
IX Combined Statement of Revenues, Expenses and Changes in Net Position - Discretely Present Component Units	11

Notes to the Financial Statement

1 Summary of Significant Accounting Policies	12
2 Capital Assets	19
3 Deposits, Investments and Repurchase Agreements	21
4 Short-Term Debt	22
5 Long-Term Liabilities	22
6 Bond Indebtedness	23
7 Derivative Instruments	25
8 Leases	25
9 Pension Plans	25
10 Deferred Compensation	25
11 Postemployment Health Care and Life Insurance Benefits	26
12 Interfund Activity and Transactions	26
13 Continuance Subject to Review	26
14 Adjustments to Fund Balances and Net Position	26
15 Contingencies and Commitments	26
16 Subsequent Events	27
17 Risk Management	27
18 Management Discussion and Analysis (MD&A)	27
19 The Financial Reporting Entity	27
20 Stewardship, Compliance and Accountability	28
21 Not Applicable to the AFR	28
22 Donor Restricted Endowments	29
23 Extraordinary and Special Items	29
24 Disaggregation of Receivable and Payable Balances	29
25 Termination Benefits	29
26 Segment Information	29
27 Service Concession Arrangements	29
28 Deferred Outflows and Deferred Inflows of Resources	29
29 Troubled Debt Restructuring	29
30 Non-Exchange Financial Guarantees	29

TABLE OF CONTENTS

Combining Statements – Exhibits and Schedules	Page
A-1 Combining Balance Sheet - All General and Consolidated Funds	31
A-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances All General and Consolidated Funds	35
I-1 Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	40
I-2 Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	41
J-1 Combining Statement of Changes in Assets and Liabilities - Agency Funds	42
1 A Schedule of Expenditures of Federal Awards	43
1 B Schedule of State Pass Throughs From/To State Agencies/Universities	46
2 A Miscellaneous Bond Information	47
2 B Changes in Bonded Indebtedness	48
2 C Debt Service Requirements	49
2 D Analysis of Funds Available for Debt Service	50
2 E Defeased Bonds Outstanding	51
2 F Early Extinguishment and Refunding of Debt	52
 Supporting Exhibits by Agency	
Office of the Governor Core Operations (Agency 301) – Exhibits	
I (301) Combined Balance Sheet / Statement of Net Position - Governmental Funds	56
II (301) Combined Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities - Governmental Funds	57
A-1 (301) Combining Balance Sheet - All General and Consolidated Funds	59
A-2 (301) Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All General and Consolidated Funds	60
J-1 (301) Combining Statement of Change in Assets and Liabilities - Agency Funds	61
Office of the Governor Trusteed Programs (Agency 300) – Exhibits	
I (300) Combined Balance Sheet/Statement of Net Position - Governmental Funds	63
II (300) Combined Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities - Governmental Funds	65
III (300) Combined Statement of Net Position - Proprietary Funds	67
IV (300) Combined Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds	68
V (300) Combined Statement of Cash Flows - Proprietary Funds	69
VI (300) Combined Statement of Net Position – Fiduciary Funds	70
VII (300) Combined Statement of changes in Fiduciary Net Position	71
VIII (300) Combined Statement of Net Position - Discretely Presented Component Units	72
IX (300) Combined Statement of Revenues, Expenses and Changes in Net Position Discretely Present Component Units	73
A-1 (300) Combining Balance Sheet - All General and Consolidated Funds	75
A-2 (300) Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All General and Consolidated Funds	79
B-1 (300) Combining Balance Sheet - Special Revenue Funds	84
B-2 (300) Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	85
C-1 (300) Combining Balance Sheet - Debt Service Funds	86
C-2 (300) Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds	87

TABLE OF CONTENTS

Office of the Governor Trusteed Programs (Agency 300) – Exhibits (continued)

F-1 (300)	Combining Statement of Net Position - Enterprise Funds	88
F-2 (300)	Combining Statement of Revenues, Expenses and Changes in Fund Net Position Enterprise Funds	89
F-3 (300)	Combining Statement of Cash Flows - Enterprise Funds	90
I-1 (300)	Combining Statement of Fiduciary Net Position – Private Purpose Trust funds	91
I-2 (300)	Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	92
J-1 (300)	Combining Statement of Change in Assets and Liabilities - Agency Funds	93
K-1 (300)	Combining Statement of Net Position - Discretely Presented Component Units	94
K-2 (300)	Combining Statement of Revenues, Expenses and Changes in Net Position - Discretely Presented Component Units	96

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UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Governmental Fund Types			Governmental Funds Total
	General Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1 300)	Debt Service Funds (Exhibit C-1 300)	
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 460,642,689.87	\$ 24,623,115.63	10,308.63	\$ 485,276,114.13
Cash Eq - Miscellaneous Investments (Note 3)	1,737,156.87			1,737,156.87
Legislative Appropriations	283,692,929.41			283,692,929.41
Receivables from:				
Federal	12,582,776.75			12,582,776.75
Interest and Dividends	1,097,576.73	40,216.69	7.10	1,137,800.52
Due From Other Funds		27,312.50		27,312.50
Due From Other Agencies	7,676,433.64			7,676,433.64
Consumable Inventories	3,192.01			3,192.01
Loans and Contracts	1,265,000.00	1,198,989.48		2,463,989.48
Restricted:				
Cash and Cash Equivalents				
Cash in State Treasury		1,500,000.00		1,500,000.00
Total Current Assets	768,697,755.28	27,389,634.30	10,315.73	796,097,705.31
Non-Current Assets:				
Loans and Contracts	158,614,311.56	19,410,965.61		178,025,277.17
Equity Holdings for Economic Development	79,914,609.10			79,914,609.10
Capital Assets (Note 2):				
Depreciable:				
Furniture and Equipment				
Less Accumulated Depreciation				
Vehicle, Boats and Aircraft				
Less Accumulated Depreciation				
Total Non-Current Assets	238,528,920.66	19,410,965.61	-	257,939,886.27
Total Assets	\$ 1,007,226,675.94	\$ 46,800,599.91	\$ 10,315.73	\$ 1,054,037,591.58
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 16,078,783.78	\$ 23,615.33		\$ 16,102,399.11
Payroll	2,063,091.51			2,063,091.51
Due To Other Funds		27,312.50		27,312.50
Due To Other Agencies	13,805,442.89		10,066.56	13,815,509.45
Unearned Revenue	25,177,239.93			25,177,239.93
Employees' Compensable Leave (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Total Current Liabilities	57,124,558.11	50,927.83	10,066.56	57,185,552.50
Non-Current Liabilities:				
Employees' Compensable Leave (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Liabilities Payable from Restricted Assets				
Total Non-Current Liabilities	-	-	-	-
Total Liabilities	57,124,558.11	50,927.83	10,066.56	57,185,552.50
Fund Financial Statement				
Fund Balances (Deficits):				
Reserved for				
Nonspendable	3,192.01			3,192.01
Restricted	34,966,314.95	46,749,672.08	249.17	81,716,236.20
Committed	641,306,271.37			641,306,271.37
Unassigned	273,826,339.50			273,826,339.50
Total Fund Balances	950,102,117.83	46,749,672.08	249.17	996,852,039.08
Total Liabilities, Deferred Inflows & Fund Balances	\$ 1,007,226,675.94	\$ 46,800,599.91	\$ 10,315.73	\$ 1,054,037,591.58
Government-Wide Statement of Net Position				
Net Position				
Invested in Capital Assets, net of Related Debt				
Restricted For:				
Other				
Unrestricted				
Total Net Position				

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit 1 - Combined Balance Sheet/Statement of Net Position - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash in State Treasury	\$	\$	\$ 485,276,114.13
Cash Eq - Miscellaneous Investments			1,737,156.87
Legislative Appropriations			283,692,929.41
Receivables from:			
Federal			12,582,776.75
Interest and Dividends			1,137,800.52
Due From Other Funds			27,312.50
Due From Other Agencies			7,676,433.64
Consumable Inventories			3,192.01
Loans and Contracts			2,463,989.48
Restricted:			
Cash and Cash Equivalents			1,500,000.00
Cash in State Treasury			
Total Current Assets			796,097,705.31
Non-Current Assets:			
Loans and Contracts			178,025,277.17
Equity Holdings for Economic Development			79,914,609.10
Capital Assets (Note 2):			
Depreciable:			
Furniture and Equipment	735,815.26		735,815.26
Less Accumulated Depreciation	(517,134.53)		(517,134.53)
Vehicle, Boats and Aircraft	20,337.08		20,337.08
Less Accumulated Depreciation	(18,883.80)		(18,883.80)
Total Non-Current Assets	220,134.01		258,160,020.28
Total Assets	\$ 220,134.01	\$ -	\$ 1,054,257,725.59
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	\$	\$	\$ 16,102,399.11
Payroll			2,063,091.51
Due To Other Funds			27,312.50
Due To Other Agencies			13,815,509.45
Unearned Revenue			25,177,239.93
Employees' Compensable Leave (Note 5)		1,353,152.47	1,353,152.47
General Obligation Bonds Payable (Note 5, 6)		1,265,000.00	1,265,000.00
Total Current Liabilities		2,618,152.47	59,803,704.97
Non-Current Liabilities:			
Employees' Compensable Leave (Note 5)		891,332.26	891,332.26
General Obligation Bonds Payable (Note 5, 6)		77,750,000.00	77,750,000.00
Liabilities Payable from Restricted Assets			
Total Non-Current Liabilities		78,641,332.26	78,641,332.26
Total Liabilities		81,259,484.73	138,445,037.23
Fund Financial Statement			
Fund Balances (Deficits):			
Reserved for			
Nonspendable			3,192.01
Restricted			81,716,236.20
Committed			641,305,271.37
Unassigned			273,826,339.50
Total Fund Balances			996,852,039.08
Total Liabilities, Deferred Inflows & Fund Balances			
Government-Wide Statement of Net Position			
Net Position			
Invested in Capital Assets, net of Related Debt	220,134.01		220,134.01
Restricted For:			
Other		(79,015,000.00)	(79,015,000.00)
Unrestricted		(2,244,484.73)	(2,244,484.73)
Total Net Position	\$ 220,134.01	\$ (81,259,484.73)	\$ 915,812,688.36

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit II - Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Governmental Fund Types			
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2 300)	Debt Service Fund (Exhibit C-2 300)	Governmental Funds Total
REVENUES				
Legislative Appropriations				
Original Appropriations	\$ 96,645,587.00	\$	\$	\$ 96,645,587.00
Additional Appropriations	4,419,025.11			4,419,025.11
Federal Revenue	104,909,121.44			104,909,121.44
Federal Grant Pass-Through Revenue	626,185.01			626,185.01
State Grant Pass-Through Revenue				
License, Fees & Permits	29,324,643.89	29,780.18		29,354,424.07
Interest and Other Investment Income	3,823,368.28	598,500.22	521.66	4,422,390.16
Sales of Goods and Services	460,438.89			460,438.89
Other	8,425,917.75	132,247.37		8,558,165.12
Total Revenues	248,634,287.37	760,527.77	521.66	249,395,336.80
EXPENDITURES				
Salaries and Wages	18,473,147.40			18,473,147.40
Payroll Related Costs	5,290,614.55			5,290,614.55
Professional Fees and Services	7,846,037.88	42,541.00		7,888,578.88
Travel	528,889.18			528,889.18
Materials and Supplies	412,744.64			412,744.64
Communication and Utilities	329,963.18			329,963.18
Repairs and Maintenance	83,259.73			83,259.73
Rentals and Leases	538,487.83			538,487.83
Printing and Reproduction	16,925.02			16,925.02
Federal Grant Pass-Through Expenditures	5,041,271.54			5,041,271.54
State Grant Pass-Through Expenditures	14,159,286.53			14,159,286.53
Intergovernmental Payments	94,209,249.13			94,209,249.13
Public Assistance Payments	64,616,921.13			64,616,921.13
Employee Benefit Payments				
Other Expenditures	70,996,143.78	1,154,377.15		72,150,520.93
Debt Service:				
Principal			1,205,000.00	1,205,000.00
Interest			1,981,100.81	1,981,100.81
Capital Outlay	150,853.16			150,853.16
Depreciation Expense				
Total Expenditures/Expenses	282,693,794.68	1,196,918.15	3,186,100.81	287,076,813.64
Excess (Deficiency) of Revenues over Expenditures	(34,059,507.31)	(436,390.38)	(3,185,579.15)	(37,681,476.84)
OTHER FINANCING SOURCES (USES)				
Transfer In	275,906,838.19	169,995.69	3,182,341.19	279,259,175.07
Transfer Out	(170,259,641.82)	(524,138.15)	(10,066.56)	(170,793,846.53)
Legislative Transfer In	3,314,946.40			3,314,946.40
Legislative Transfer Out	(4,314,946.40)			(4,314,946.40)
Gain (Loss) on Other Financial Activity	(59,904,024.03)			(59,904,024.03)
Total Other Financing Sources (Uses)	44,743,172.34	(354,142.46)	3,172,274.63	47,561,304.51
Net Change in Fund Balances/Net Position	10,683,665.03	(790,532.84)	(13,304.52)	9,879,827.67
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	939,418,452.80	47,540,204.92	13,553.69	986,972,211.41
Restatements (Note 14)				
Fund Balances, September 1, 2015, as Restated	939,418,452.80	47,540,204.92	13,553.69	986,972,211.41
Appropriations Lapsed				
Fund Balances, August 31, 2016	\$ 950,102,117.83	\$ 46,749,672.08	\$ 249.17	\$ 996,852,039.08
Government-Wide Statement of Net Position				
Net Position/Net Change in Net Position				\$ 996,852,039.08
Net Position, September 1, 2015				
Restatements				
Net Position, September 1, 2015, as Restated				
Net Position, August 31, 2016				\$ 996,852,039.08

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit II - Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Capital Assets Adjustments	Long -Term Liabilities Adjustments	Statement of Activities
REVENUES			
Legislative Appropriations			
Original Appropriations	\$	\$	\$ 96,645,587.00
Additional Appropriations			4,419,025.11
Federal Revenue			104,909,121.44
Federal Grant Pass-Through Revenue			626,185.01
State Grant Pass-Through Revenue			
License, Fees & Permits			29,354,424.07
Interest and Other Investment Income			4,422,390.16
Sales of Goods and Services			460,438.89
Other			8,558,165.12
Total Revenues			249,395,336.80
EXPENDITURES			
Salaries and Wages		(110,982.44)	18,362,164.96
Payroll Related Costs			5,290,614.55
Professional Fees and Services			7,888,578.88
Travel			528,889.18
Materials and Supplies			412,744.64
Communication and Utilities			329,963.18
Repairs and Maintenance			83,259.73
Rentals and Leases			538,487.83
Printing and Reproduction			16,925.02
Federal Grant Pass-Through Expenditures			5,041,271.54
State Grant Pass-Through Expenditures			14,159,286.53
Intergovernmental Payments			94,209,249.13
Public Assistance Payments			64,616,921.13
Employee Benefit Payments			
Other Expenditures			72,150,520.93
Debt Service:			
Principal		(1,205,000.00)	
Interest			1,981,100.81
Capital Outlay	(150,853.16)		
Depreciation Expense	45,331.43		45,331.43
Total Expenditures/Expenses	(105,521.73)	(1,315,982.44)	285,655,309.47
Excess (Deficiency) of Revenues over Expenditures	105,521.73	1,315,982.44	(36,259,972.67)
OTHER FINANCING SOURCES (USES)			
Transfer In			279,259,175.07
Transfer Out			(170,793,846.53)
Legislative Transfer In			3,314,946.40
Legislative Transfer Out			(4,314,946.40)
Gain (Loss) on Other Financial Activity			(59,904,024.03)
Total Other Financing Sources (Uses)			47,561,304.51
Net Change in Fund Balances/Net Position			11,301,331.84
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2015			986,972,211.41
Restatements (Note 14)			
Fund Balances, September 1, 2015, as Restated			986,972,211.41
Appropriations Lapsed			
Fund Balances, August 31, 2015			\$ 998,273,543.25
Government-Wide Statement of Net Position			
Net Position/Net Change in Net Position	\$ 105,521.73	\$ 1,315,982.44	\$ 998,273,543.25
Net Position, September 1, 2015	114,612.28	(82,575,467.17)	(82,460,854.89)
Restatements			
Net Position, September 1, 2015, as Restated	114,612.28	(82,575,467.17)	(82,460,854.89)
Net Position, August 31, 2016	\$ 220,134.01	\$ (81,259,484.73)	\$ 915,812,688.36

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit III - Combined Statement of Net Position - Proprietary Funds
 For the Fiscal Year Ended August 31, 2016

	<u>Total Enterprise Funds</u> (Exhibit III 300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash In Bank (Note 3)	\$ 152,800.12
Cash in State Treasury	12,085,355.40
Restricted:	
Cash in State Treasury	2,000,000.00
Receivables from:	
Interest and Dividends	54,753.36
Loans and Contracts	1,788,368.47
Total Current Assets	<u>16,081,277.35</u>
Non-Current Assets:	
Loans and Contracts	16,795,278.29
Total Non-Current Assets	<u>16,795,278.29</u>
Total Assets	<u>\$ 32,876,555.64</u>
DEFERRED OUTFLOWS	
Total Deferred Outflows	<u>\$</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	\$ 99,765.18
Payroll	35,814.99
Employees' Compensable Leave (Note 5)	30,597.97
Total Current Liabilities	<u>166,178.14</u>
Non-Current Liabilities:	
Notes and Loans Payable (Note 5)	20,000,000.00
Employees' Compensable Leave (Note 5)	9,061.61
Total Non-Current Liabilities	<u>20,009,061.61</u>
Total Liabilities	<u>20,175,239.75</u>
DEFERRED INFLOWS	
Total Deferred Inflows	<u></u>
Net Position	
Restricted For:	
Other	
Unrestricted	12,701,315.89
Total Net Position	<u>\$ 12,701,315.89</u>

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit IV - Combined Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
 For the Fiscal Year Ended August 31, 2016

	<u>Total Enterprise Funds</u> <u>(Exhibit IV 300)</u>
Operating Revenues	
Interest and Investment Income	\$ 642,226.59
Other Operating Revenue	209,379.07
Total Operating Revenues	<u>851,605.66</u>
Operating Expenses	
Salaries and Wages	448,750.75
Payroll Related Costs	144,573.56
Professional Fees and Services	103,501.22
Travel	3,535.26
Materials and Supplies	92.64
Communication and Utilities	29,727.69
Repairs and Maintenance	
Rentals and Leases	1,895.45
Printing and Reproduction	
Interest	100,061.12
Other Operating Expenses	227,807.92
Total Operating Expenses	<u>1,059,945.61</u>
Operating Income (Loss)	<u>(208,339.95)</u>
Nonoperating Revenues (Expenses)	
Investment Income (Expense)	6.75
Total Other Nonoperating Revenues (Expenses)	<u>6.75</u>
Income (Loss) Before Capital Contributions, Endowments, and Transfers	<u>(208,333.20)</u>
Capital Contributions, Endowments and Transfers	
Transfer In	3,163,806.25
Transfer Out	(2,189,431.41)
Total Capital Contributions, Endowments and Transfers	<u>974,374.84</u>
Change in Net Position	<u>766,041.64</u>
Total Net Position, September 1, 2015	11,935,274.25
Restatements (Note 14)	
Total Net Position, September 1, 2015, as Restated	<u>11,935,274.25</u>
Total Net Position, August 31, 2016	<u>\$ 12,701,315.89</u>

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit V - Combined Statement of Cash Flows - Proprietary Funds
 For the Fiscal Year Ended August 31, 2016

	<u>Total Enterprise Funds</u> (Exhibit V 300)
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Other Revenue	\$ 209,379.07
Payments to Employees	(592,388.47)
Payments for Other Expenses	(344,184.62)
Net Cash Provided by Operating Activities	<u>(727,194.02)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	
Proceeds of Transfers from Other Funds	2,163,806.04
Payments of Principal on Debt	(5,000,000.00)
Payments of Interest	(100,061.12)
Payments for Transfers to Other Funds	(1,189,431.20)
Net Cash Provided by Noncapital Financing Activities	<u>(4,125,686.28)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	622,505.93
Proceeds from Principal Payments on Loans	1,772,958.41
Payments for Non-Program Loans	
Net Cash Provided by Investing Activities	<u>2,395,464.34</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,457,415.96)
Cash and Cash Equivalents, September 1, 2015	16,695,571.48
Restatement to Beginning Cash & Cash Equivalents	
Cash and Cash Equivalents, September 1, 2015 as Restated	<u>16,695,571.48</u>
Cash and Cash Equivalents, August 31, 2016	<u>\$ 14,238,155.52</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (208,339.95)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories Classification Differences	(542,165.47)
Changes in Assets and Liabilities:	
Increase (Decrease) in Payables	12,966.78
Increase (Decrease) in Unearned Revenue	
Increase (Decrease) in Compensated Absence Liabilities	10,344.62
Total Adjustments	<u>(518,854.07)</u>
Net Cash Provided by Operating Activities	<u>\$ (727,194.02)</u>

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit VI - Combined Statement of Net Position - Fiduciary Funds
 For the Fiscal Year Ended August 31, 2016

	Private-Purpose Trust Funds (Exhibit I-1)	Agency Funds (Exhibit J-1)	Total
ASSETS			
Cash in State Treasury	\$ 15,136,348.11	\$ 8,523,578.30	\$ 23,659,926.41
Other Interest Receivable	10,589.46	-	10,589.46
Total Assets	<u>\$ 15,146,937.57</u>	<u>\$ 8,523,578.30</u>	<u>\$ 23,670,515.87</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources	-	-	-
Total Deferred Outflows of Resources	-	-	-
LIABILITIES			
Funds Held For Others	\$ -	\$ 8,523,578.30	\$ 8,523,578.30
Total Liabilities	<u>\$ -</u>	<u>\$ 8,523,578.30</u>	<u>\$ 8,523,578.30</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	-	-	-
Total Deferred Inflows of Resources	-	-	-
NET POSITION			
Held in Trust for Others	\$ 15,146,937.57	\$ -	\$ 15,146,937.57
Total Net Position	<u>\$ 15,146,937.57</u>	<u>\$ -</u>	<u>\$ 15,146,937.57</u>

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit VII - Combined Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended August 31, 2016

	Private-Purpose Trust Funds (Exhibit I-2)	Total
ADDITIONS		
Investment Income from Investing Activities:		
Interest and Investment Income	\$109,464.29	\$109,464.29
Total Net Investment Income	<u>109,464.29</u>	<u>109,464.29</u>
Other Additions:		
Settlement of Claims		
Other Revenue		
Transfer In		
Total Other Additions:	<u>-</u>	<u>-</u>
Total Additions	<u>109,464.29</u>	<u>109,464.29</u>
DEDUCTIONS		
Total Deductions	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	<u>109,464.29</u>	<u>109,464.29</u>
Net Position		
Net Position, September 1, 2015	15,037,473.28	15,037,473.28
Restatements	<u>-</u>	<u>-</u>
Net Position, September 1, 2015, as Restated	<u>15,037,473.28</u>	<u>15,037,473.28</u>
Net Position, August 31, 2016	<u>\$ 15,146,937.57</u>	<u>\$ 15,146,937.57</u>

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit VIII - Combined Statement of Net Position - Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	<u>Totals</u> (Exhibit VIII-300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3):	
Cash In Bank	\$ 2,101,497.64
Cash Eq - Miscellaneous Investments	657,851.91
Receivables from:	
Interest and Dividends	31.46
Accounts Receivable	18,898.86
Prepaid Items	25,176.51
Loans and Contracts	-
Other Current Assets	-
Total Current Assets	<u>2,803,456.38</u>
Non-Current Assets:	
Capital Assets (Note 2):	
Furniture and Equipment	3,229.00
Less Accumulated Depreciation	<u>(1,476.00)</u>
Total Non-Current Assets	<u>1,753.00</u>
Total Assets	<u>\$ 2,805,209.38</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	\$ 202,114.12
Payroll	180,000.00
Other	205.86
Total Current Liabilities	<u>382,319.98</u>
Total Liabilities	<u>382,319.98</u>
Net Position	
Unrestricted	<u>2,422,889.40</u>
Total Net Position	<u>\$ 2,422,889.40</u>

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit IX - Combined Statement of Revenues, Expenses and Changes in Net Position -
 Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	Totals
	(Exhibit IX 300)
Operating Revenues:	
Sales of Goods and Services	\$ 55,699.71
Other Contracts, Grants and Contributions	2,483,308.67
Other Operating Revenue	
Total Operating Revenues	<u>2,539,008.38</u>
Operating Expenses:	
Salaries and Wages	941,417.00
Professional Fees and Services	73,389.14
Travel	434,382.86
Materials and Supplies	95,422.63
Communication and Utilities	9,935.47
Rentals and Leases	11,105.26
Printing and Reproduction	155.23
Depreciation and Amortization	642.00
Bad Debt Expense	26,000.00
Interest Expense	17.95
Grants to Community Service Programs	1,350.00
Other Operating Expenses	1,343,707.03
Total Operating Expenses	<u>2,937,524.57</u>
Operating Income (Loss)	<u>(398,516.19)</u>
Nonoperating Revenues (Expenses)	
Investment Income (Expense)	130.91
Total Nonoperating Revenues (Expenses)	<u>130.91</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(398,385.28)</u>
Change in Net Position	<u>(398,385.28)</u>
Net Position, September 1, 2015	<u>2,821,274.68</u>
Net Position, August 31, 2016	<u>\$ 2,422,889.40</u>

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

NOTE 1: Summary of Significant Accounting Policies

Entity

The Office of the Governor (Office) is an agency of the State of Texas. Its financial records are shown under two agencies, Agency 301 Core Operations and Agency 300 Trusteed Programs, and comply with state statutes and regulations including the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

The Office is provided for in the Constitution of the State of Texas. Additional functions are prescribed by various legislative acts and executive orders.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report is considered for audit by the state auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

The Office (Agency 300) includes within this report all components as determined by an analysis of their relationship to the Office as listed below.

Discretely Presented Component Units

The Office has seven discretely presented component units. Information on component units can be found in Note 19.

Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types and Government-Wide Adjustment Fund Types

General Revenue Funds

General revenue funds are the principal operating funds used to account for the State's general activities. General revenue funds are used to account for all financial resources of the State except those required to be accounted for in another fund.

General Revenue Fund (Fund 0001) is used to account for all of Agency 301 Core Operations' general activities and much of the Agency 300's general activities except those required to be accounted for in another fund.

Operators and Chauffeurs License Fund (Fund 0099) is controlled by Department of Public Safety. The Office is authorized to spend money from Fund 0099 but does not report cash balances in this report because the controlling agency reports the cash balance.

Governor's Office Federal Projects Fund (Fund 0224) was established to account for federal receipts and disbursements.

Criminal Justice Planning Fund (Fund 0421) was established to receive 12.5537% of court costs collected from defendants convicted under certain sections of the Penal Code. The fund also accounts for federal receipts and disbursements.

Economic Stabilization Fund (Fund 0599) is controlled by the Texas Comptroller's Office. The Office is authorized to spend money from Fund 0599 when it is appropriated by the legislature but does not report a cash balances in this report because the controlling agency is required to report all cash balances.

Summary of Significant Accounting Policies (continued)

License Plate Trust Fund (Fund 0802) is controlled by the Department of Motor Vehicles. The Office is authorized to spend money from Fund 0802 originating from revenue receipts from specialty license plates that include the words "Texas Tourism" "Texas Music" "Native Texan" and "K-9S4COPS" The Office does not report the shared cash balances in this report.

Hotel Occupancy Tax for Economic Development Fund (Fund 5003) was established to receive ½ of 1% of revenue collections of hotel occupancy tax. These funds are used primarily for advertising and other marketing activities that promote Texas as a premier travel destination by the Division of Economic Development and Tourism within the Office.

Sexual Assault Program Account (Fund 5010) is controlled by the Office of the Attorney General. The fund receives fees collected from sexually oriented businesses. The Office is appropriated funds for grants to support sexual assault and human trafficking prosecution projects.

Crime Stoppers Assistance Fund (Fund 5012) was established to receive 0.2581% of court costs from defendants convicted under certain sections of the Penal Code. Ten percent of the amounts deposited must be used for operation of toll-free telephone services under Section 414.012, Government Code and the remainder must be distributed to local crime stoppers organizations.

Texas Enterprise Fund (Fund 5107) consists of appropriations, interest earned, gifts, grants and donations to the Texas Enterprise Fund. Collections may be used only for economic development, infrastructure development, community development, job training programs and business.

Texas Military Value Revolving Loan Fund (Fund 5114) was established for deposit of loan payments made by a political subdivision, gifts, grants and proceeds from the sale of general obligation bonds as authorized by Section 49-n, Article III, Texas Constitution. These proceeds are used to fund loans to political subdivisions and defense communities to prepare a comprehensive defense installation and community strategic impact plans.

Emerging Technology Fund (Fund 5124) consists of assets held for economic development. Management of this portfolio of assets was transferred to Texas Treasury Safekeeping Trust on September 1, 2015.

BP Oil Spill Texas Response Grant (Fund 5149) consists of a donation from British Petroleum to the state of Texas to pay for costs related to or resulting from the oil spill. These funds may also be used as directed by the Office.

Governor's University Research Initiative (Fund 5161) was enacted in 2015 by the 84th Legislature with a goal to bring the best and brightest researchers in the world to Texas. This program is a matching grant program to assist eligible institutions of higher education in recruiting distinguished researchers.

Truancy Prevention and Diversion Account (Fund 5164) consists of deposits of \$2 court cost. These funds are used by to the Criminal Justice Division of the Office for grants to local governments for truancy prevention and intervention services.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Small Business Incubator Fund (Fund 0588) was established as a revolving fund to record bond proceeds, application fees, loan repayments, guarantee fees, royalties, dividend income, appropriations, federal grants and any other sources authorized by Section 71, Article XVI, Texas Constitution. Proceeds may be used to provide financing to foster and stimulate development of small business in this state and for fund administration.

Texas Product Development Fund (Fund 0589) was established as a revolving fund to record bond proceeds, application fees, loan repayments, guarantee fees, royalties, dividend income, appropriations, federal grants and any other sources authorized by Section 71, Article XVI, Texas Constitution. Proceeds may be used to provide financing to aid in the development and production of new or improved products in this state and to provide funding for administration.

Summary of Significant Accounting Policies (continued)

Debt Service Funds

Debt service funds are used to account for the accumulation of financial resources that are restricted, committed or assigned to expenditures for general long-term debt principal and interest.

Small Business Incubator Fund (Fund 0588) was established as a revolving fund to record loan repayments in order to pay bond debt service.

Texas Product Development Fund (Fund 0589) was established as a revolving fund to record loan repayments in order to pay bond debt service.

Texas Military Value Revolving Loan Funds (Funds 7022 and 7027) were established to receive deposits of loan repayments in order to pay bond debt service.

Capital Assets Adjustment Fund Type

The capital asset adjustment fund (Fund 9998) is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The long-term liabilities adjustment fund (Fund 9997) is used to convert governmental fund types' debt from modified accrual to full accrual.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met:

1. The activity is financed with debt that is secured solely by a pledge of the net revenue from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenue.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Economic Development Bank Fund (Fund 5106) consists of appropriations, fees and investment earnings under Subchapter BB, Chapter 481, Government Code, fees under Chapter 489, Government Code, and interest and other amounts received by the state under Chapter 489, Government Code. Proceeds are used only to carry out the purposes of Chapter 489, Government Code.

Capital Access Fund (Fund 9999) is used to record assets, liabilities and transactions in accounts established in participating financial institutions to serve as a source of additional revenue to reimburse lenders for losses on loans enrolled in the capital access program under Subchapter BB, Chapter 481, Government Code. The fund consists of transfers from the capital access fund in appropriated Fund 5106 and contributions made by the lenders and borrowers participating in the capital access program.

Fiduciary Fund Types

Fiduciary funds account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Events Trust Fund for Certain Municipalities and Counties (Fund 0830) for use by the Office to deposit a portion of the state and local sales and use taxes, motor vehicle rental taxes, and hotel and mixed beverage taxes for approved disbursements relating to certain events.

Summary of Significant Accounting Policies (continued)

Motor Sports and Racing Trust Fund (Fund 0839) for use by the Office to deposit a portion of the state and local sales and use taxes, motor vehicle rental taxes, and hotel and mixed beverage taxes for approved disbursements relating to certain motor sports racing events.

Major Events Reimbursement Fund (Fund 0869) for use by the Office to deposit a portion of the state and local sales and use taxes, motor vehicle rental taxes, and hotel and mixed beverage taxes for approved disbursements relating to certain major events.

Private-Purpose Trust Funds

Private-purpose trust funds are used to report trust arrangements, other than pension and other employee benefit trust funds and external investment trust funds, under which the principal and income benefits individuals, private organizations or other governments.

Spaceport Trust Fund (Fund 0806) consists of grants and donations and any other source designated by the legislature. These proceeds are to be used for the development of spaceport infrastructure.

Component Units

The financial data of the individual component units are available from the component units' separately issued financial statements. Additional information about component units is disclosed in Note 19.

Basis of Accounting

The basis of accounting determines when revenue and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenue is recognized in the period in which it becomes both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenue of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. The following activities are recognized in these fund types: capital assets, accumulated depreciation, unpaid employee compensable leave, unmatured debt service on general long-term liabilities, long-term capital leases, long-term claims and judgments, and full accrual revenue and expenses.

Proprietary funds are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenue is recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenue and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets.

Private-purpose trust funds are also accounted for on the full accrual basis of accounting. Private-purpose trust funds and other fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position.

Budget and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the Legislature and not vetoed by the Governor (the General Appropriations Act). Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Summary of Significant Accounting Policies (continued)**Assets, Liabilities, and Fund Balance / Net Position**

Assets***Cash and Cash Equivalents***

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally using the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are consumed.

Loans, Contracts and Other Receivables

Loans receivable reflects the outstanding amount of loans to outside entities which have been entered into by the Office as loans, convertible loans or as grant advances. Convertible loans held within the Texas Emerging Technology Fund (TETF) are acquired as consideration for awards made to private companies or public entities primarily for the purpose of economic development within Texas. Therefore, any impairment of these loans is recorded as gain / (loss) on other financial activity. Per GASB 33 requirements, loans receivable also reflects grant payments made through the Texas Enterprise fund which are given in advance of requirements being met. The grant advances will be reclassified as grant expenditures as requirements of the grant are met or when it has been determined that the grant requirements will not be met. Losses related to troubled debt restructuring are estimated as set out in GASB 62 and reflected in the period of restructuring. Loan origination and non-refundable application fees and direct loan origination costs are not recognized as an adjustment to yield nor as part of the loan balances as these adjustments are immaterial. Grant termination agreements requiring a return of funds are recorded as a receivable.

Equity Holdings for Economic Development

Equity holdings held within the Texas Emerging Technology Fund (TETF) are acquired as consideration for awards made to private companies or public entities primarily for the purpose of economic development within Texas. Therefore, these holdings are recorded at cost less impairment as calculated by Texas Treasury Safekeeping Trust Company. Losses related to impairment are charged to gain / (loss) on other financial activity.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if not purchased, at fair value as of the date of acquisition. Purchases of assets with governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Liabilities***Accounts Payable***

Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Unearned Revenue

Unearned revenue is revenue received but not yet earned at the end of the fiscal year.

Employees' Compensable Leave Balances

Employees' compensable leave balances represents the liability that occurs due to relevant events such as resignations, retirements and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

Summary of Significant Accounting Policies (continued)

Bonds Payable – General Obligation Bonds

The unmatured principal of general obligation bonds is accounted for in the long-term liabilities adjustment column for governmental activities and in proprietary funds for business-type activities. These payables are reported as current long-term liabilities for amounts due within one year and noncurrent long-term liabilities for amounts due thereafter in the statement of net assets. The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains / (losses) on bond refunding activities.

For governmental activities, bond proceeds are accounted for when received as an "other financing source" in the governmental fund receiving the proceeds. Payment of principal and interest is an expenditure recorded in the debt service fund. All bond transactions and balances for business-type activities are reported in proprietary funds.

Bonds Payable – Revenue Bonds

Revenue bonds are accounted for in proprietary funds for business-type activities and in the long-term liabilities adjustment column for governmental activities. These payables are reported as current long-term liabilities for amounts due within one year and noncurrent long-term liabilities for amounts due thereafter in the statement of net assets. The bonds are reported at par, net of unamortized premiums, discounts, issuance costs and gains/(losses) on bond refunding activities.

Fund Balance / Net Position

The difference between fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is "net position" on the government-wide, proprietary and fiduciary fund statements, and the "fund balance" is the difference between fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

- 1) Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- 2) Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions. Fund balances of the following funds not classified as nonspendable have been classified as restricted:
 - o Federal fund balances which are accounted for in the Governor's Office Federal Projects Fund 0224 and the Criminal Justice Planning Fund 0421 have been classified as restricted.
 - o Fund balances of the Small Business Incubator Fund 0588, the Texas Product Development Fund 0589 and the Texas Military Revolving Loan Fund 5114 have been classified as restricted since these funds were established in the Texas Constitution. The Small Business Incubator Fund and the Texas Product Development Fund were established in Article XVI and the Texas Military Revolving Loan Fund was established in Article III.
- 3) Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision making authority. Fund balances of the general revenue dedicated funds and the blended component units which are not classified as nonspendable or restricted have been classified as committed.
- 4) Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- 5) Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

Summary of Significant Accounting Policies (continued)

Invested In Capital Assets, Net Of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Net Position Components

Net position for proprietary funds are classified as restricted net position or unrestricted net position in the fund financial statements.

- 1) Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.
- 2) Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

Fiduciary Net Position Held in Trust

Fiduciary net position held in trust consists of net resources held in a trustee or agency capacity for others.

Interfund Activities and Balances

The Office has the following types of transactions between funds and/or agencies:

- 1) Transfers: Legally required transfers that are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.
- 2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- 3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter, the balance is classified as "current." Balances for repayment due in two (or more) years are classified as "noncurrent."

NOTE 2: Capital Assets

A summary of changes in Capital Assets, for the year ended August 31, 2016, is presented below for the Office of the Governor – Core Operations (301):

	PRIMARY GOVERNMENT							
	Balance 09/01/15	Adjustments	Reclassifications			Additions	Deletions	Balance 08/31/16
			Completed CIP	Increase-Interagency Transactions	Decrease-Interagency Transactions			
GOVERNMENTAL ACTIVITIES								
Depreciable Assets:								
Furniture and Equipment	\$ 510,804.98	\$	\$	\$ 30,651.00	\$	\$ 68,539.91	\$	\$ 609,995.89
Vehicles, Boats and Aircraft	20,337.08							20,337.08
Total Depreciable Assets at Historical Costs	531,142.06			30,651.00		68,539.91		\$ 630,332.97
Less Accumulated Depreciation for:								
Furniture and Equipment	(404,337.07)			(30,651.00)		(36,067.27)		\$ (471,055.34)
Vehicles, Boats and Aircraft	(15,978.60)					(2,905.20)		(18,883.80)
Total Accumulated Depreciation	(420,315.67)			(30,651.00)		(38,972.47)		(489,939.14)
Governmental Activities Capital Assets, Net	\$ 110,826.39	\$	\$	\$	\$	\$ 29,567.44	\$	\$ 140,393.83

A summary of changes in Capital Assets, for the year ended August 31, 2016, is presented below for the Office of the Governor – Trusteed Programs (300):

	PRIMARY GOVERNMENT							
	Balance 09/01/15	Adjustments	Reclassifications			Additions	Deletions	Balance 08/31/16
			Completed CIP	Increase-Interagency Transactions	Decrease-Interagency Transactions			
GOVERNMENTAL ACTIVITIES								
Depreciable Assets:								
Furniture and Equipment	\$ 43,506.12	\$	\$	\$	\$	\$ 82,313.25	\$	\$ 125,819.37
Total Depreciable Assets at Historical Costs	43,506.12					82,313.25		125,819.37
Less Accumulated Depreciation for:								
Furniture and Equipment	(39,720.23)					(6,358.96)		(46,079.19)
Total Accumulated Depreciation	(39,720.23)					(6,358.96)		(46,079.19)
Governmental Activities Capital Assets, Net	\$ 3,785.89	\$	\$	\$	\$	\$ 75,954.29	\$	\$ 79,740.18

Capital Assets (continued)

A summary of changes in Capital Assets for Discretely Presented Component Units, for the year ended August 31, 2016, is presented below for the Office of the Governor – Trusteed Programs (300):

	DISCRETELY PRESENTED COMPONENT UNITS							
	Balance 09/01/15	Adjustments	Reclassifications			Additions	Deletions	Balance 08/31/16
			Completed CIP	Increase- Interagency Transactions	Decrease- Interagency Transactions			
DISCRETELY PRESENTED COMPONENT UNITS								
Depreciable Assets:								
Furniture and Equipment	\$ 3,229.00	\$	\$	\$	\$	\$	\$	\$ 3,229.00
Total Depreciable Assets at Historical Costs	3,229.00							3,229.00
Less Accumulated Depreciation for:								
Furniture and Equipment	(834.00)					(642.00)		(1,476.00)
Total Accumulated Depreciation	(834.00)					(642.00)		(1,476.00)
Discretely Presented Component Units Capital Assets, Net	\$ 2,395.00	\$	\$	\$	\$	\$ (642.00)	\$	\$ 1,753.00

NOTE 3: Deposits, Investments, and Repurchase Agreements

The Office is authorized by statute to make investments following the "prudent person rule." There were no violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2016, the carrying amount of deposits was \$2,254,297.76 as presented below:

Governmental and Business-Type Activities	
CASH IN BANK - CARRYING AMOUNT	\$ 152,800.12
Total Cash in Bank per AFR (Fund 9999/7010)	<u>\$ 152,800.12</u>

Discretely Presented Component Units	
Discrete Component Units Current Assets Cash in Bank	\$ 2,101,497.64
Cash in Bank per AFR	<u>\$ 2,101,497.64</u>

These amounts consist of all cash in local banks. These amounts are included on the Combined Statement of Net Assets as part of the "Cash and Cash Equivalents" accounts. As of August 31, 2016, the total bank balance was as follows:

Governmental and Business-Type Activities:	\$ 152,800.12	Discretely Presented Component Units:	\$ 2,101,497.64
--	---------------	---------------------------------------	-----------------

Investments

As of August 31, 2016, the fair value of investments was:

Investments	Fair Value
Governmental and Business-Type Activities – Exhibit A-1 300	
Repurchase Agreements Texas Treasury Safekeeping Trust company	\$1,737,156.87
Discretely Presented Component Units –Exhibit K-1 300	
U.S. Government Obligations Money Market Fund (Funds 3146/7003)	\$657,851.91
Total Investments	\$2,395,008.78

U.S. Government Obligations money market funds are rated either AAAm by Standard & Poor's or Aaa-mf by Moody's.

NOTE 4: Short-Term Debt

The Office has a standby letter of credit for the Product Development Program General Obligation Variable Rate Demand Bonds, Series 2005A and the Small Business Incubator General Obligation Variable Rate Demand Bonds, Series 2005B as described in Note 6. No activity or draws have been made during this fiscal year on this letter of credit.

The Office has a direct pay letter of credit for \$20,000,000, which was decreased from \$25,000,000 on February 12, 2016 with JP Morgan Chase Bank to facilitate the sale of commercial paper that provides financing for the Texas Leverage Fund Program. Each time the commercial paper matures and is reissued the letter of credit is drawn down and repaid usually on the same day while the paying agent is processing the payments to holders of the maturing commercial paper and the receipts related to the sale of the newly issued commercial paper. The draws were repaid in full as of August 31, 2016.

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2016, the following changes occurred in liabilities:

Governmental Activities	Balance 9/1/2015	Additions	Reductions	Balance 8/31/2016	Amounts Due Within One Year	Amounts Due Thereafter
General Obligation Bonds Payable (Note 6)	\$80,220,000.00	\$	\$ (1,205,000.00)	\$79,015,000.00	\$1,265,000.00	\$77,750,000.00
Claims and Judgments						
Compensable Leave (301)	1,615,095.96	1,279,636.77	(1,545,712.57)	1,349,020.16	787,503.46	561,516.70
Compensable Leave (300)	740,371.21	809,651.20	(654,557.84)	895,464.57	565,649.01	329,815.56
Total Governmental Activities	\$ 82,575,467.17	\$2,089,287.99	\$ (3,405,270.41)	\$ 81,259,484.73	\$ 2,618,152.47	\$ 78,641,332.26

Business-Type Activities	Balance 9/1/2015	Additions	Reductions	Balance 8/31/2016	Amounts Due Within One Year	Amounts Due Thereafter
Notes and Loans Payable	\$ 25,000,000.00	\$	\$ (5,000,000.00)	20,000,000.00	\$	20,000,000.00
Compensable Leave (300)	29,314.96	39,069.48	(28,724.86)	39,659.58	30,597.97	9,061.61
Total Business-Type Activities	\$ 25,029,314.96	\$ 39,069.48	\$ (5,028,724.86)	\$20,039,659.58	\$ 30,597.97	\$ 20,009,061.61

Notes and Loans Payable

Notes payable consist of commercial paper which is paid and re-issued every 30 to 90 days. The commercial paper program is authorized by Section 52-a of Article III, Texas Constitution and Chapter 481, Government Code to issue revenue bonds or notes for the purpose of providing money to fund the loan program. The program is secured by a direct pay letter of credit from JP Morgan Chase Bank which may be authorized for an amount up to \$25 million. At fiscal year end, the letter of credit was authorized for \$25 million and \$20 million of commercial paper was issued.

Long-Term Liabilities (continued)

This commercial paper is used to finance the Texas Leverage Fund program's lending activities which may consist of 5- 10- or 15-year loans. Therefore, the commercial paper is considered long-term debt and reported as a noncurrent liability on the financial statements and in the table showing changes in long-term liabilities for business activities above. The maximum maturity date of Sept 1, 2022 is established by a Master Resolution agreement with the issuing and paying agent. The interest rate of the commercial paper is variable and determined by the market rate at the time the commercial paper trade is made. The rate of 0.54%, effective on August 31, 2016, was used to calculate the estimated interest amounts shown in the table below.

The debt service requirements for Notes Payable in the Governmental, Business-Type, and Component Unit Activities are estimated to be as follows:

Notes Payable Debt Service Requirements						
Fiscal Year	Governmental Activities		Business-Type Activities		Component Unit Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$	\$	\$	\$ 108,000.00	\$	\$
2018				108,000.00		
2019				108,000.00		
2020				108,000.00		
2021				108,000.00		
2022	-	-	20,000,000.00	72,000.00	-	-
Total Requirements	\$ -	\$ -	\$ 20,000,000.00	\$612,000.00	\$ -	\$ -

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had a continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for business-type activities are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: Bonded Indebtedness

Bonds Payable

Detailed supplemental bond information is disclosed in:

- Schedule 2A – Miscellaneous Bond Information
- Schedule 2B – Changes in Bond Indebtedness
- Schedule 2C – Debt Service Requirements
- Schedule 2D – Analysis of Funds Available for Debt Service
- Schedule 2E – Defeased Bonds Outstanding
- Schedule 2F – Early Extinguishment and Refunding

Bond Indebtedness (continued)

General information related to bonds is summarized below:

General Obligation Bonds – Self-Supporting***Product Development Program General Obligation Variable Rate Demand Bonds, Series 2005A***

- A revolving loan fund was created for the purposes of aiding in the development and production, including the commercialization, of new or improved products in the state.
- Issued May 18, 2005.
- \$25,000,000; all authorized bonds have been issued.
- Source of revenue for debt service – loan repayments, which are designed to support both debt service and programs costs. In addition, cash reserves of \$830,000 are set aside to provide a cushion for unforeseen cash flow mismatches.
- Loans are collateralized with the State's security interest in the capital assets.
- Bondholders may tender the bonds for repurchase every seven days. Any bonds tendered will be purchased with proceeds from loan repayments and/or the standby letter of credit until remarketed. Demand bonds for the Product Development Program and the Small Business Incubator Program are backed by a standby bond purchase agreement issued by U.S. Bank National Association for a limit of \$45,419,179 which expires on June 1, 2018. The Product Development Program incurs an estimated annual cost of \$62,280 for this agreement. As of August 31, 2016, no principal drawings have been made on the standby bond purchase agreement. The Office does not have a take-out agreement as part of this bond purchase agreement or as a separate agreement.

Small Business Incubator General Obligation Variable Rate Demand Bonds, Series 2005B

- A revolving loan fund was created for the purposes of fostering and stimulating the development of new or existing small businesses in the state.
- Issued May 18, 2005.
- \$20,000,000; all authorized bonds have been issued.
- Source of revenue for debt service – loan repayments, which are designed to support both debt service and programs costs. In addition, cash reserves of \$670,000 are set aside to provide a cushion for unforeseen cash flow mismatches.
- Loans are collateralized with the State's security interest in the intangible assets.
- Bondholders may tender the bonds for repurchase every seven days. Any bonds tendered will be purchased with proceeds from loan repayments and/or the standby letter of credit until remarketed.
- Demand bonds for the Product Development Program and the Small Business Incubator Program are backed by a standby bond purchase agreement issued by U.S. Bank National Association for a limit of \$45,419,179 which expires on June 1, 2018. The Small Business Incubator Program incurs an estimated annual cost of \$50,957 for this letter of credit. As of August 31, 2016, no principal drawings have been made on the standby bond purchase agreement. The Office does not have a take-out agreement as part of this bond purchase agreement or as a separate agreement.

Texas Military Value Revolving Loan Program General Obligation Bonds, Series 2007A-1, Series 2007A-2, and Taxable Series 2007B

- A revolving loan fund was created to provide loans to defense-related communities for economic development projects, including projects that enhance military value of installations located in Texas.
- Issued March 15, 2007.
- \$250,000,000 authorized – \$49,595,000 issued: \$10,815,000 under Series 2007A-1, \$10,160,000 under Series 2007A-2, and \$28,620,000 under Series 2007B. Bond authority of \$200,405,000 remains unissued.

Bonds totaling \$450,000 matured in fiscal year 2011; \$465,000 matured in fiscal year 2012; \$1,280,000 matured in fiscal year 2013; \$1,340,000 matured in fiscal year 2014; \$9,690,000 principal outstanding of Series 2007A-2 was defeased on September 12, 2013; \$1,150,000.00 matured in fiscal year 2015, \$1,205,000 matured in fiscal year 2016 leaving an outstanding principal obligation of \$34,015,000. Debt service payments are processed by the Texas Public Finance Authority by means of shared funds established in the Treasury.

Bond Indebtedness (continued)

- Source of revenue for debt service – loan repayments, which are designed to support both debt service and programs costs. Any interest rate resets are mirrored in the interest rate provisions in the underlying loan so as to create a match in interest rate payments from the borrower with interest payments to the bondholders.
- Loans are collateralized with the State's interest in the agreements financed with the loan proceeds.
- Bondholders do not have the authority to tender the bonds for repurchase.

Early Extinguishment

No early extinguishment of debt occurred during fiscal year 2016.

Refunding

No advance or current refundings occurred during fiscal year 2016.

NOTE 7: Derivative Instruments

(Not Applicable)

NOTE 8: Leases

The Office leases office space and equipment under operating leases. Included in the expenditures reported in the financial statements are the following amounts which were due under operating lease obligations:

<u>Fund Type</u>	<u>Amount</u>
General Revenue Funds (Agency 301)	\$78,457.64
General Revenue Funds (Agency 300)	\$460,030.19
Proprietary Funds (Agency 300)	\$ 1,895.45
Discrete Component Units (Agency 300)	\$11,105.26

Office space and equipment leases either have a term of one year or are cancelable. There are no future minimum lease rental payments under non-cancelable operating leases having a term in excess of one year.

NOTE 9: Pension Plans (administering entities only)

(Not Applicable)

NOTE 10: Deferred Compensation (administering agencies only)

(Not Applicable)

**NOTE 11: Post Employment Health Care and Life Insurance Benefits
(administering agencies only)**

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

The Office experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer.

NOTE 13: Continuance Subject To Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balances and Net Position

During fiscal year 2016, there were no adjustments were made which required the restatement of the amounts in fund balances or fund equity.

NOTE 15: Contingencies and Commitments

Federal Assistance

The Office has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to the grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

The Loan Loss Reserve Account may experience losses from defaulted loans in the Capital Access Program. Future losses have not been estimated.

Unpaid Claims and Lawsuits

The Governor of the State of Texas or staff of the Office are defendants in pending litigation related to public information requests, State administration, or policy disagreements. While plaintiffs may seek attorney fees and damages in these lawsuits, no liability is recorded because adverse rulings with attendant financial liability are not probable.

Contingent Revenue

Future contingent revenues generated by the Emerging Technology Fund (5124) such as royalties and intellectual property rights will be recorded as revenue to the Governor's University Research Initiative (5161) when collected.

NOTE 16: Subsequent Events

On Oct 11, 2016 the Texas Public Finance Authority, issued a "Notice of Intent" to issue debt for the following:

Texas Public Finance Authority State of Texas General Obligation Refunding Bonds, (Texas Military Value Revolving Loan Program), Taxable Series 2016, in a maximum part amount of \$25,490,000 and a total maximum proceeds amount of \$26,277,634.25 including premiums if any. These bonds, once issued, will be a financing source for the Texas Military Value Revolving Loan Program managed by the Office of the Governor.

NOTE 17: Risk Management

(Not Applicable)

NOTE 18: Management's Discussion and Analysis (MD&A)

(Not Applicable)

NOTE 19: The Financial Reporting Entity

The component units discussed in this note are included in the Office's (Agency 300's) reporting entity because of the significance of their operational or financial relationships with the Office.

Individual Component Unit Disclosures***Discretely Presented Component Units***

Discrete component units' financial data are reported in separate columns in the combined financial statements to emphasize that they are legally separate from the Office.

The Texas Disaster Relief Fund (TDRF) is a 501(c)(3) corporation established to help the Office provide disaster relief. The services provided by TDRF assist the Office in responding to the needs of the citizens before, during, and after a disaster in Texas. The corporation's financial statements, for its fiscal year ending December 31, 2015, are available from the Office's Financial Services Division.

The Texas Small Business Industrial Development Corporation (TSBIDC) was a non-profit corporation authorized under Chapter 503, Local Government Code to promote economic development in Texas. The Governor appointed the Board and could remove board members at will. The services provided by TSBIDC primarily benefitted the Texas citizenry through supporting job creation and capital investment for businesses and communities in Texas. TSBIDC has been dissolved pursuant to changes made to section 489.108 of the Government code during the 84th Regular Legislative Session. The corporation's financial statements, for its fiscal year ending August 31, 2016, are available from the Office's Financial Services Division.

The Texas Economic Development Corporation (TEDC) is a 501(c)(3) corporation established by the legislature to benefit the Texas citizenry by carrying out some of the same public purposes as the Office's Division of Economic Development and Tourism. The services provided by TEDC assist, promote, develop, and advance economic development in Texas. Pursuant to section 481.024 of the Government Code, the Governor appoints the Board of TEDC. The board of TEDC and the executive director of the Office's Division of Economic Development and Tourism determine when specific services will be addressed jointly by the Office and TEDC. The corporation's financial statements, for its fiscal year ending December 31, 2015, are available from TEDC, P.O. Box 684702, Austin, Texas 78768.

The Beacon State Fund is a 501(c)(3) corporation which was created to support the goals of the Governor's Commission on Women in promoting issues affecting the women of Texas. The corporation benefits the Texas

UNAUDITED

citizenry by increasing public awareness of issues affecting the women of Texas through distributing information, holding media events, and supporting community outreach programs which are consistent with the goals of the Commission. The Board is elected annually by the current Board of Directors at its regular annual meeting. The Office provides reasonable use of its office facilities and personnel. The corporation's financial statements for its fiscal year ending December 31, 2015, are available from the Office's, Financial Services Division.

The State Agency Council was also established to support the goals of the Governor's Commission on Women. The Council is a 501(c)(3) corporation that assists the Commission in benefiting the Texas citizenry by honoring women who have made significant contributions to Texas through their work in state government, providing opportunities for professional development to its state agency representatives and supporting community outreach programs consistent with the goals of the Commission. The Director of the Governor's Commission for Women appoints the Board and has operational influence on the activities of the corporation. The corporation's financial statements, for its fiscal year ending August 31, 2016, are available from the State Agency Council as submitted to Governor's Commission on Women.

The Film Texas Fund is a 501(c)(6) corporation which was created to promote the development of the film, television, and multimedia industry in Texas in close cooperation with the Texas Film Commission. The corporation's financial statements, for its fiscal year ending December 31, 2015, are available from the Office's Financial Services Division.

The Texas Governor's Mansion Administration (TGMA) is a non-profit corporation which supports the financial administration of catering, facility and other expenses associated with use of the official residence of the Governor of the State of Texas for events and operations. While legally separate from the Office, TGMA is closely related to and administered by the Office. The corporation's financial statements, for its fiscal year ending December 31, 2015, are available from the Office's Financial Services Division.

NOTE 20: Stewardship, Compliance and Accountability

(Not Applicable)

NOTE 21: Not Applicable to the AFR

(Not Applicable)

NOTE 22: Donor-Restricted Endowments

(Not Applicable)

NOTE 23: Extraordinary Items and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivable and Payable Balances

(Not Applicable)

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

Segment disclosure is not required as the Discretely Presented Component Units and the Enterprise Fund financial statements are an integral part of this financial presentation.

NOTE 27: Service Concession Arrangements

(Not Applicable)

NOTE 28: Deferred Outflows and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Troubled Debt Restructuring

(Not Applicable)

NOTE 30: Non-Exchange Financial Guarantees

(Not Applicable)

**The Office of the Governor
Combining Statements -
Exhibits and Schedules**

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	General Revenue Fund (0001)*	Operators & Chauffeurs License (0099)*	Governor's Office Federal Projects (0224)*	Criminal Justice Planning (0421)*
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash On Hand	\$	\$	\$	\$
Cash in State Treasury			25,606,236.84	53,592,827.52
Cash Eq - Miscellaneous Investments				
Short Term Investments				
Legislative Appropriations	283,692,929.41			
Receivables from:				
Federal			2,699,123.76	9,883,652.99
Interest and Dividends			17,926.71	
Due From Other Agencies	430,026.98	402,551.91		
Consumable Inventories	3,192.01			
Loans and Contracts	-	-	-	-
Total Current Assets	284,126,148.40	402,551.91	28,323,287.31	63,476,480.51
Non-Current Assets:				
Loans and Contracts	-	-	-	-
Equity Holdings for Economic Development	-	-	-	-
Total Non-Current Assets	-	-	-	-
Total Assets	\$ 284,126,148.40	\$ 402,551.91	\$ 28,323,287.31	\$ 63,476,480.51
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 4,516,484.08	\$	\$ 1,910,316.32	\$ 8,094,686.57
Payroll	1,760,721.81		57,328.60	139,320.29
Due To Other Agencies	8,579,698.47		1,178,402.46	1,784,460.07
Unearned Revenue	-	-	25,177,239.93	-
Total Current Liabilities	14,856,904.36	-	28,323,287.31	10,018,466.93
Non-Current Liabilities:				
Total Non-Current Liabilities	-	-	-	-
Total Liabilities	14,856,904.36	-	28,323,287.31	10,018,466.93
Fund Balances (Deficits):				
Nonspendable	3,192.01			
Restricted				
Committed		402,551.91		53,458,013.58
Unassigned	269,266,052.03	-	-	-
Total Fund Balances	269,269,244.04	402,551.91	-	53,458,013.58
Total Liabilities, Deferred Inflows & Fund Balances	\$ 284,126,148.40	\$ 402,551.91	\$ 28,323,287.31	\$ 63,476,480.51

* GAAP Fund is noted as (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts				
	Economic Stabilization Fund (0599)*	License Plate Trust Fund (0802)*	Events Trust Fund Muni / Countys (0830)*	Motor Sports & Racing Trust Fund (0839)*	Major Events Reimb Program (0869)*
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash On Hand	\$	\$	\$	\$	\$
Cash in State Treasury			10,967,426.14		42,177,051.00
Cash Eq - Miscellaneous Investments					
Short Term Investments					
Legislative Appropriations					
Receivables from:					
Federal					
Interest and Dividends		48.01			
Due From Other Agencies		72,103.68			
Consumable Inventories					
Loans and Contracts					
Total Current Assets	-	72,151.69	10,967,426.14	-	42,177,051.00
Non-Current Assets:					
Land Contr. cts	4,560,287.47				
Equity Holdings for Economic Development					
Total Non-Current Assets	4,560,287.47	-	-	-	-
Total Assets	\$ 4,560,287.47	\$ 72,151.69	\$ 10,967,426.14	\$ -	\$ 42,177,051.00
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$	\$ 15,795.58	\$	\$	\$
Payroll					
Due To Other Agencies					
Unearned Revenue					
Total Current Liabilities	-	15,795.58	-	-	-
Non-Current Liabilities:					
Total Non-Current Liabilities	-	-	-	-	-
Total Liabilities	-	15,795.58	-	-	-
Fund Balances (Deficits):					
Nonspendable					
Restricted					
Committed		56,356.11	10,967,426.14		42,177,051.00
Unassigned	4,560,287.47				
Total Fund Balances	4,560,287.47	56,356.11	10,967,426.14	-	42,177,051.00
Total Liabilities, Deferred Inflows & Fund Balances	\$ 4,560,287.47	\$ 72,151.69	\$ 10,967,426.14	\$ -	\$ 42,177,051.00

* GAAP Fund Financials (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts				
	Hotel Occupancy Tax for Economic Development (5003)*	Sexual Assault Program (5010)*	Crime Stoppers Assistance (5012)*	Texas Enterprise (5107)*	Texas Military Value Revolving Loan (5114)*
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash On Hand	\$	\$	\$	\$	\$
Cash in State Treasury	11,188,620.66		889,279.06	245,981,359.22	60,086.83
Cash Eq - Miscellaneous Investments					
Short Term Investments					
Legislative Appropriations					
Receivables from:					
Federal				172,061.09	901,228.12
Interest and Dividends					
Due From Other Agencies	4,003,881.82	2,000,000.00			
Consumable Inventories					
Loans and Contracts	-	-	-	-	1,265,000.00
Total Current Assets	15,192,502.48	2,000,000.00	889,279.06	246,153,420.31	2,226,314.95
Non-Current Assets:					
Loans and Contracts				84,337,074.19	32,740,000.00
Equity Holdings for Economic Development					
Total Non-Current Assets	-	-	-	84,337,074.19	32,740,000.00
Total Assets	\$ 15,192,502.48	\$ 2,000,000.00	\$ 889,279.06	\$ 330,490,494.50	\$ 34,966,314.95
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$ 1,535,439.30		\$ 6,061.93	\$	\$
Payroll	94,533.30				
Due To Other Agencies			1,145.49		
Unearned Revenue					
Total Current Liabilities	1,629,972.60	-	7,207.42	-	-
Non-Current Liabilities:					
Total Non-Current Liabilities	-	-	-	-	-
Total Liabilities	1,629,972.60	-	7,207.42	-	-
Fund Balances (Deficits):					
Nonspendable					
Restricted					34,966,314.95
Committed	13,562,529.88	2,000,000.00	882,071.64	330,490,494.50	
Unassigned					
Total Fund Balances	13,562,529.88	2,000,000.00	882,071.64	330,490,494.50	34,966,314.95
Total Liabilities, Deferred Inflows & Fund Balances	\$ 15,192,502.48	\$ 2,000,000.00	\$ 889,279.06	\$ 330,490,494.50	\$ 34,966,314.95

* GAAP Fund: (0000) (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts				Total (Exhibit I)
	Emerging Technology (5124)*	BP Oil Spill Tx Response Grant (5149)*	Governor's University Research Initiative (5161)*	Truancy Prevention and Diversion Account (5164)*	
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash On Hand	\$	\$	\$	\$	\$
Cash in State Treasury	1,534,042.34	4,115,674.24	59,388,192.22	5,141,893.80	460,642,689.87
Cash Eq - Miscellaneous Investments	1,737,156.87				1,737,156.87
Short Term Investments					
Legislative Appropriations					283,692,929.41
Receivables from:					
Federal					
Interest and Dividends	3,433.46	2,879.34			12,582,776.75
Due From Other Agencies	767,869.25				1,097,576.73
Consumable Inventories					7,676,433.64
Loans and Contracts					3,192.01
Total Current Assets	4,042,501.92	4,118,553.58	59,388,192.22	5,141,893.80	1,265,000.00
Non-Current Assets:					
Loans and Contracts	5,750,000.00		31,226,949.90		158,614,311.56
Equity Holdings for Economic Development	75,809,776.35		4,104,832.75		79,914,609.10
Total Non-Current Assets	81,559,776.35		35,331,782.65		238,528,920.66
Total Assets	\$ 85,602,278.27	\$ 4,118,553.58	\$ 94,719,974.87	\$ 5,141,893.80	\$ 1,007,226,675.94
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$	\$	\$	\$	\$
Payroll			11,187.51		16,078,783.78
Due To Other Agencies	1,414,883.27	96,853.13	750,000.00		2,063,091.51
Unearned Revenue					13,805,442.89
Total Current Liabilities	1,414,883.27	96,853.13	761,187.51		25,177,239.93
Non-Current Liabilities:					
Total Non-Current Liabilities					57,124,558.11
Total Liabilities	1,414,883.27	96,853.13	761,187.51	-	57,124,558.11
Fund Balances (Deficits):					
Nonspendable					3,192.01
Restricted					34,966,314.95
Committed	84,187,395.00	4,021,700.45	93,958,787.36	5,141,893.80	641,306,271.37
Unassigned					273,826,339.50
Total Fund Balances	84,187,395.00	4,021,700.45	93,958,787.36	5,141,893.80	950,102,117.83
Total Liabilities, Deferred Inflows & Fund Balances	\$ 85,602,278.27	\$ 4,118,553.58	\$ 94,719,974.87	\$ 5,141,893.80	\$ 1,007,226,675.94

* GAAP Fund Accounting (XXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	General Revenue Fund 0001 (0001)*	Operators & Chauffeurs License (0099)*	Governor's Office Federal Projects (0224)*	Criminal Justice Planning (0421)*
REVENUES				
Legislative Appropriations				
Original Appropriations	\$ 96,645,587.00	\$	\$	\$
Additional Appropriations	4,419,025.11			
Federal Revenue	1,217,438.64		28,426,277.43	75,265,405.37
Federal Grant Pass-Through Revenue	626,185.01			
State Grant Pass-Through Revenue				
License, Fees & Permits	2,438,047.08			21,225,146.72
Interest and Other Investment Income	15.09			
Sales of Goods and Services	460,438.89			
Other	17,451.24			
Total Revenues	105,824,188.06		28,426,277.43	96,490,552.09
EXPENDITURES				
Salaries and Wages	15,868,660.76		328,173.87	1,263,136.88
Payroll Related Costs	4,370,700.88		97,799.29	466,398.38
Professional Fees and Services	999,414.32		1,101,895.49	1,954,192.02
Travel	487,741.01		4,500.37	24,348.61
Materials and Supplies	324,427.81		9,529.91	10,623.14
Communication and Utilities	296,103.40		5,111.91	11,838.02
Repairs and Maintenance	77,005.80		3,457.40	2,796.53
Rentals and Leases	421,511.77		2,834.01	16,206.41
Printing and Reproduction	13,786.22		196.50	618.15
Federal Grant Pass-Through Expenditures			3,316,337.07	1,724,934.47
State Grant Pass-Through Expenditures	6,871,016.64			4,700,342.17
Intergovernmental Payments	9,597,851.72	413,417.66	22,973,064.76	27,684,116.00
Public Assistance Payments	282,125.17		534,783.96	61,468,948.35
Employee Benefit Payments				
Other Expenditures	16,045,609.47		48,592.89	235,820.87
Capital Outlay	68,539.91			
Total Expenditures	55,724,494.88	413,417.66	28,426,277.43	99,564,320.00
Excess (Deficiency) of Revenues over Expenditures	50,099,693.18	(413,417.66)		(3,073,767.91)
OTHER FINANCING SOURCES (USES)				
Transfer In	654,785.51			1,460,500.00
Transfer Out	(1,857,438.24)			(1,460,500.00)
Legislative Transfer In	3,314,946.40			
Legislative Transfer Out	(4,314,946.40)			
Gain (Loss) on Other Financial Activity Inc (Dec) in Net Position				
Total Other Financing Sources (Uses)	(2,202,652.73)			
Net Change in Fund Balances	47,897,040.45	(413,417.66)		(3,073,767.91)
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	221,372,203.59	815,969.57		56,531,781.49
Restatements				
Fund Balances, September 1, 2015, as Restated	221,372,203.59	815,969.57		56,531,781.49
Appropriations Lapsed				
Fund Balances, August 31, 2016	\$ 269,269,244.04	\$ 402,551.91	\$ -	\$ 53,458,013.58

* GAAP Fund Accounting (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	Economic Stabilization Fund (0599)*	License Plate Trust Fund (0802)*	Events Trust Fund Muni / Countys (0830)*	Motor Sports & Racing Trust Fund (0839)*
REVENUES				
Legislative Appropriations				
Original Appropriations	\$	\$	\$	\$
Additional Appropriations				
Federal Revenue				
Federal Grant Pass-Through Revenue				
State Grant Pass-Through Revenue				
License, Fees & Permits		85,503.90		
Interest and Other Investment Income		496.38		
Sales of Goods and Services				
Other				
Total Revenues		<u>86,000.28</u>		
EXPENDITURES				
Salaries and Wages				
Payroll Related Costs				
Professional Fees and Services				
Travel				
Materials and Supplies				
Communication and Utilities				
Repairs and Maintenance				
Rentals and Leases				
Printing and Reproduction				
Federal Grant Pass-Through Expenditures				
State Grant Pass-Through Expenditures	200,000.00			
Intergovernmental Payments	2,932,390.16		15,134,579.32	1,560,163.00
Public Assistance Payments		66,422.41		
Employee Benefit Payments				
Other Expenditures				
Capital Outlay				
Total Expenditures	<u>3,132,390.16</u>	<u>66,422.41</u>	<u>15,134,579.32</u>	<u>1,560,163.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,132,390.16)</u>	<u>19,577.87</u>	<u>(15,134,579.32)</u>	<u>(1,560,163.00)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	1,408,500.00	199.00	26,102,005.46	1,560,163.00
Transfer Out		(15,000.00)		
Legislative Transfer In				
Legislative Transfer Out				
Gain (Loss) on Other Financial Activity				
Inc (Dec) in Net Position Due to Interagency Transfer				
Total Other Financing Sources (Uses)	<u>1,408,500.00</u>	<u>(14,801.00)</u>	<u>26,102,005.46</u>	<u>1,560,163.00</u>
Net Change in Fund Balances	<u>(1,723,890.16)</u>	<u>4,776.87</u>	<u>10,967,426.14</u>	
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	6,284,177.63	51,579.24		
Restatements				
Fund Balances, September 1, 2015, as Restated	<u>6,284,177.63</u>	<u>51,579.24</u>		
Appropriations Lapsed				
Fund Balances, August 31, 2016	<u>\$ 4,560,287.47</u>	<u>\$ 56,356.11</u>	<u>\$ 10,967,426.14</u>	<u>\$ -</u>

* GAAP Fund Accounting (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	Major Events Reimb Program (0869)*	Hotel Occupancy Tax for Economic Development (5003)*	Sexual Assault Program (5010)*	Crime Stoppers Assistance (5012)*
REVENUES				
Legislative Appropriations				
Original Appropriations	\$	\$	\$	\$
Additional Appropriations				
Federal Revenue				
Federal Grant Pass-Through Revenue				
State Grant Pass-Through Revenue				
License, Fees & Permits				434,052.39
Interest and Other Investment Income				
Sales of Goods and Services				
Other				
Total Revenues				434,052.39
EXPENDITURES				
Salaries and Wages		949,507.59		
Payroll Related Costs		334,310.13		
Professional Fees and Services		3,719,008.25		42,744.15
Travel		105.22		9,198.09
Materials and Supplies		67,699.62		438.36
Communication and Utilities		16,270.45		
Repairs and Maintenance				
Rentals and Leases		97,935.64		
Printing and Reproduction		616.15		1,708.00
Federal Grant Pass-Through Expenditures				
State Grant Pass-Through Expenditures				11,984.59
Intergovernmental Payments	10,163,666.51			
Public Assistance Payments				264,641.24
Employee Benefit Payments				
Other Expenditures		42,184,377.03		1,200.40
Capital Outlay		82,313.25		
Total Expenditures	10,163,666.51	47,452,143.33		331,914.83
Excess (Deficiency) of Revenues over Expenditures	(10,163,666.51)	(47,452,143.33)		102,137.56
OTHER FINANCING SOURCES (USES)				
Transfer In	52,340,717.51	43,787,504.83	2,000,000.00	
Transfer Out		(358,862.22)		
Legislative Transfer In				
Legislative Transfer Out				
Gain (Loss) on Other Financial Activity				
Inc (Dec) in Net Position Due to Interagency Transfer				
Total Other Financing Sources (Uses)	52,340,717.51	43,428,642.61	2,000,000.00	
Net Change in Fund Balances	42,177,051.00	(4,023,500.72)	2,000,000.00	102,137.56
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015		17,586,030.60		779,934.08
Restatements				
Fund Balances, September 1, 2015, as Restated		17,586,030.60		779,934.08
Appropriations Lapsed	\$ 42,177,051.00	\$ 13,562,529.88	\$ 2,000,000.00	\$ 882,071.64

* GAAP Fund i oled : (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Texas Enterprise (5107)*	Consolidated Accounts Texas Military Revolving Loan (5114)*	Emerging Technology (5124)*
REVENUES			
Legislative Appropriations			
Original Appropriations	\$	\$	\$
Additional Appropriations			
Federal Revenue			
Federal Grant Pass-Through Revenue			
State Grant Pass-Through Revenue			
License, Fees & Permits			
Interest and Other Investment Income	1,730,626.12	1,803,141.36	84,474.69
Sales of Goods and Services			
Other			7,184,969.49
Total Revenues	<u>1,730,626.12</u>	<u>1,803,141.36</u>	<u>7,269,444.18</u>
EXPENDITURES			
Salaries and Wages			
Payroll Related Costs			
Professional Fees and Services			
Travel			
Materials and Supplies			
Communication and Utilities			(110.02)
Repairs and Maintenance			
Rentals and Leases			
Printing and Reproduction			
Federal Grant Pass-Through Expenditures			
State Grant Pass-Through Expenditures			561,006.13
Intergovernmental Payments			
Public Assistance Payments			
Employee Benefit Payments			
Other Expenditures	12,464,549.92		
Capital Outlay			
Total Expenditures	<u>12,464,549.92</u>	<u>-</u>	<u>560,896.11</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(10,733,923.80)</u>	<u>1,803,141.36</u>	<u>6,708,548.07</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	44,860,368.00		794,000.00
Transfer Out		(3,028,198.73)	(162,745,642.63)
Legislative Transfer In			
Legislative Transfer Out			
Gain (Loss) on Other Financial Activity			(59,904,024.03)
Inc (Dec) in Net Position Due to Interagency Transfer			
Total Other Financing Sources (Uses)	<u>44,860,368.00</u>	<u>(3,028,198.73)</u>	<u>(221,855,666.66)</u>
Net Change in Fund Balances	<u>34,126,444.20</u>	<u>(1,225,057.37)</u>	<u>(215,147,118.59)</u>
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2015	296,364,050.30	36,191,372.32	299,334,513.59
Restatements			
Fund Balances, September 1, 2015, as Restated	<u>296,364,050.30</u>	<u>36,191,372.32</u>	<u>299,334,513.59</u>
Appropriations Lapsed			
Fund Balances, August 31, 2016	<u>\$ 330,490,494.50</u>	<u>\$ 34,966,314.95</u>	<u>\$ 84,187,395.00</u>

* GAAP Fund reported as (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			Total (Exhibit II)
	BP Oil Spill Tx Response Grant (5149)*	Governor's University Research Initiative (5161)*	Truancy Prevention and Diversion (5164)*	
REVENUES				
Legislative Appropriations				
Original Appropriations	\$	\$	\$	\$ 96,645,587.00
Additional Appropriations				4,419,025.11
Federal Revenue				104,909,121.44
Federal Grant Pass-Through Revenue				626,185.01
State Grant Pass-Through Revenue				
License, Fees & Permits			5,141,893.80	29,324,643.89
Interest and Other Investment Income	29,797.06	174,817.58		3,823,368.28
Sales of Goods and Services				460,438.89
Other		1,223,497.02		8,425,917.75
Total Revenues	<u>29,797.06</u>	<u>1,398,314.60</u>	<u>5,141,893.80</u>	<u>248,634,287.37</u>
EXPENDITURES				
Salaries and Wages		63,668.30		18,473,147.40
Payroll Related Costs		21,405.87		5,290,614.55
Professional Fees and Services		28,783.65		7,846,037.88
Travel		2,995.88		528,889.18
Materials and Supplies		25.80		412,744.64
Communication and Utilities		749.42		329,963.18
Repairs and Maintenance				83,259.73
Rentals and Leases				538,487.83
Printing and Reproduction				16,925.02
Federal Grant Pass-Through Expenditures				5,041,271.54
State Grant Pass-Through Expenditures	114,937.00	1,700,000.00		14,159,286.53
Intergovernmental Payments		3,750,000.00		94,209,249.13
Public Assistance Payments		2,000,000.00		64,616,921.13
Employee Benefit Payments				
Other Expenditures		15,993.20		70,996,143.78
Capital Outlay				150,853.16
Total Expenditures	<u>114,937.00</u>	<u>7,583,622.12</u>	<u>-</u>	<u>282,693,794.68</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(85,139.94)</u>	<u>(6,185,307.52)</u>	<u>5,141,893.80</u>	<u>(34,059,507.31)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In		100,938,094.88		275,906,838.19
Transfer Out		(794,000.00)		(170,259,641.82)
Legislative Transfer In				3,314,946.40
Legislative Transfer Out				(4,314,946.40)
Gain (Loss) on Other Financial Activity				(59,904,024.03)
Inc (Dec) in Net Position Due to Interagency Transfer				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>100,144,094.88</u>	<u>-</u>	<u>44,743,172.34</u>
Net Change in Fund Balances	<u>(85,139.94)</u>	<u>93,958,787.36</u>	<u>5,141,893.80</u>	<u>10,683,665.03</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	4,106,840.39			939,418,452.80
Restatements				
Fund Balances, September 1, 2015, as Restated	<u>4,106,840.39</u>	<u>-</u>	<u>-</u>	<u>939,418,452.80</u>
Appropriations Lapsed				
	<u>\$ 4,021,700.45</u>	<u>\$ 93,958,787.36</u>	<u>\$ 5,141,893.80</u>	<u>\$ 950,102,117.83</u>

* GAAP Fund i oted : (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit I-1 - Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds
 For the Fiscal Year Ended August 31, 2016

	Spaceport Trust Fund (0806)*	Total (Exhibit VI)
ASSETS		
Cash in State Treasury	\$ 15,136,348.11	\$ 15,136,348.11
Other Interest Receivable	10,589.46	10,589.46
Total Assets	<u>15,146,937.57</u>	<u>15,146,937.57</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Total Liabilities	-	-
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Held in Trust for Others	15,146,937.57	15,146,937.57
Total Net Position	<u>\$ 15,146,937.57</u>	<u>\$ 15,146,937.57</u>

* GAAP Fund reported as (XXXX)

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit I-2 - Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds
 For the Fiscal Year Ended August 31, 2016

	Spaceport Trust Fund (0806)*	Total (Exhibit VI)
ADDITIONS		
Contributions:		
Total Contributions	\$	\$
Investment Income from Investing Activities:		
Interest and Investment Income	109,464.29	109,464.29
Total Net Investment Income	109,464.29	109,464.29
Other Additions:		
Transfer In		
Total Other Additions		
Total Additions	109,464.29	109,464.29
DEDUCTIONS		
Total Deductions		
INCREASE (DECREASE) IN NET POSITION	109,464.29	109,464.29
Net Position		
Net Position, September 1, 2015	15,037,473.28	15,037,473.28
Restatements		
Net Position, September 1, 2015, as Restated	15,037,473.28	15,037,473.28
Net Position, August 31, 2016	\$ 15,146,937.57	\$ 15,146,937.57

* GAAP Fund (noted as (XXXX))

UNAUDITED

OFFICE OF THE GOVERNOR - Combined Operating Statement (301) and Trust Programs (300)
 Exhibit J-1 - Combined Statement of Change in Assets and Liabilities - Agency Funds
 For the Fiscal Year Ended August 31, 2016

	Beginning Balance			Ending Balance
	September 1, 2015	Additions	Deductions	
Events Trust Fund for Certain Municipalities (0830), U/F(0830)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
LIABILITIES				
Funds Held for Others	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
Total Liability	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
Motor Sports & Racing Trust Fund (0839), U/F (0839)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
Total Liability	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
Major Events Reimbursement Program (0869), U/F (0869)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
LIABILITIES				
Funds Held for Others	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
Total Liability	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
Departmental Suspense (0900), U/F(0900)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 674.88	\$ 674.88	\$ -
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ 674.88	\$ 674.88	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 674.88	\$ 674.88	\$ -
Total Liability	\$ -	\$ 674.88	\$ 674.88	\$ -
Overpayments to Employees (0900), U/F(0915)*				
ASSETS				
Cash in State Treasury	\$ 982.01	\$ 5,923.57	\$ 6,905.58	\$ -
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 982.01	\$ 5,923.57	\$ 6,905.58	\$ -
LIABILITIES				
Funds Held for Others	\$ 982.01	\$ 5,923.57	\$ 6,905.58	\$ -
Total Liability	\$ 982.01	\$ 5,923.57	\$ 6,905.58	\$ -
Warrant Hold Offset (0900), U/F(0916)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
Total Liability	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
Direct Deposit Correction (0980), U/F(0980)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
Total Liability	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ 982.01	\$ 14,804,811.35	\$ 6,282,215.06	\$ 8,523,578.30
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 982.01	\$ 14,804,811.35	\$ 6,282,215.06	\$ 8,523,578.30
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	\$ 982.01	\$ 14,804,811.35	\$ 6,282,215.06	\$ 8,523,578.30
Total Liability	\$ 982.01	\$ 14,804,811.35	\$ 6,282,215.06	\$ 8,523,578.30

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 SCHEDULE 1A - Schedule of Expenditure of Federal Awards
 For the Fiscal Year Ended August 31, 2016

Federal Grantor / Pass-Through Grantor	Pass-Through From			Direct Program Amount	Total Pass-Through From and Direct Program	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditures
	Federal CFDA Number	Agency Number	Agency Number			Agency Number	Agency Number	Non-State Entity Amount		
U.S. Department of Homeland Security										
No -Profit Security Program Pass-Through To No -State Entities	97.008			\$ 104,584.22	\$ 104,584.22			\$ 104,584.22	\$	\$ 104,584.22
Homeland Security Grant Program Pass-Through To:	97.067									
Department of Public Safety				1,176,252.24	1,176,252.24	405	1,176,252.24			1,176,252.24
Non-State Entities				14,655,561.18	14,655,561.18			13,392,658.94	1,282,901.24	14,655,561.18
Totals - U.S. Department of Homeland Security				15,836,397.64	15,836,397.64		1,176,252.24	13,497,244.16	1,282,901.24	15,936,397.64
U.S. Department of Justice										
Sexual Assault Services Formula Program Pass-Through To No -State Entities	16.017			616,805.59	616,805.59			616,805.59		616,805.59
Juvenile Accountability Incentive Block Grants Pass-Through To:	16.523									
Texas Juvenile Justice Department				94,678.92	94,678.92	644	94,678.92			94,678.92
Non-State Entities				248,272.75	248,272.75			187,322.20	60,950.55	248,272.75
Juvenile Justice and Delinquency Prevention Pass-Through To:	16.540									
Texas State University at San Marcos				344,847.14	344,847.14	754	344,847.14			344,847.14
No -State Entities				2,119,192.19	2,119,192.19			1,892,946.50	226,245.69	2,119,192.19
Crime Victim Assistance Pass-Through To:	16.575									
Texas Department of Public Safety				305,105.22	305,105.22	405	305,105.22			305,105.22
Texas Department of Criminal Justice				290,938.08	290,938.08	696	290,938.08			290,938.08
Non-State Entities				63,373,155.17	63,373,155.17			61,129,327.07	2,243,828.10	63,373,155.17
Crime Victim Assistance/Discretionary Grants Pass-Through To:	16.582									
Office of Court Administration				17,449.14	17,449.14	212	17,449.14			17,449.14
Texas Department of Criminal Justice				12,896.50	12,896.50	696	12,896.50			12,896.50
University of Texas at Austin				12,111.39	12,111.39	721	12,111.39			12,111.39
No -State Entities				93,987.85	93,987.85			93,987.85		93,987.85
Violence Against Women Formula Grants Pass-Through To:	16.588									
University of Texas at Arlington				60,321.81	60,321.81	714	60,321.81			60,321.81
University of Texas at Austin				161,754.22	161,754.22	721	161,754.22			161,754.22
Non-State Entities				7,012,584.92	7,012,584.92			6,568,357.42	444,227.50	7,012,584.92
Residential Substance Abuse Treatment for State Prisoners Pass-Through To No -State Entities	16.593			847,110.70	847,110.70			847,110.70		847,110.70
PREA Program: Demonstration Project to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities Pass-Through To:	16.735									
Texas Juvenile Justice Department				56,384.97	56,384.97	644	56,384.97			56,384.97
Paul Coverdell Forensic Services Improvement Grant Program Pass-Through To:	16.742									
Texas Department of Public Safety				343,837.42	343,837.42	405	343,837.42			343,837.42
No -State Entities				296,771.57	296,771.57			296,771.57		296,771.57
Violon 21 Pass-Through To	16.828									
Texas Tech University Health Sciences Center				119,288.58	119,288.58	739	119,288.58			119,288.58
Totals - U.S. Department of Justice				76,427,494.13	76,427,494.13		1,818,813.39	71,832,828.90	2,975,251.84	76,427,494.13
JAG Program Cluster										
U.S. Department of Justice										
Edward Byrne Memorial Justice Assistance Grant Program Pass-Through To:	16.738									
Office of Court Administration				1.87	1.87	212	1.87			1.87
Attorney General's Office				486,286.45	486,286.45	302	486,286.45			486,286.45
Texas Military Department				48,134.33	48,134.33	401	48,134.33			48,134.33
Texas Department of Public Safety				602,234.58	602,234.58	405	602,234.58			602,234.58
Texas Department of Criminal Justice				377,129.58	377,129.58	696	377,129.58			377,129.58
Texas A&M Engineering Extension Service				256,249.24	256,249.24	716	256,249.24			256,249.24
University of Texas at Austin				6,285.82	6,285.82	721	6,285.82			6,285.82
No -State Entities				10,499,823.76	10,499,823.76			9,823,282.36	676,541.40	10,499,823.76
Edward Byrne Memorial Competitive Grant Program Pass-Through To:	16.751									
Texas Department of Criminal Justice				269,084.04	269,084.04	696	269,084.04			269,084.04
Totals - U.S. Department of Justice				12,545,229.87	12,545,229.87		2,045,405.91	9,823,282.36	676,541.40	12,545,229.87

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Office of the Governor - Trade Programs (300)
 SCHEDULE 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2016

Federal Grantor / Pass-Through Grantor	Pass-Through From			Direct Program Amount	Total Pass-Through From and Direct Program	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditures
	Federal CFDA Number	Agency Number	Agency Amount			Agency Number	Agency Amount	Non-State Amount		
WIA Cluster										
U.S. Department of Labor										
WIA Adult Program		17,258								
Pass-Through From:										
Texas Workforce Commission		320	240,216.21		240,216.21			102,737.13	137,479.08	240,216.21
WIAWDA Dislocated Worker Formula Grants		1,278								
Pass-Through From:										
Texas Workforce Commission		320	385,968.80		385,968.80			169,300.25	216,668.55	385,968.80
Totals - U.S. Department of Labor			626,185.01	-	626,185.01			272,037.38	354,147.63	626,185.01
Total Federal Assistance			\$ 626,185.01	\$ 104,909,121.44	\$ 105,535,306.45			\$ 5,041,271.54	\$ 95,225,182.80	\$ 5,268,842.11
								\$ 5,268,842.11		\$ 105,535,306.45

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 SCHEDULE 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2016

NOTE 1: Not Applicable

NOTE 2: Reconciliation

Below is a reconciliation of the total federal pass-throughs and federal expenditures as reported on the Schedule of Expenditures of Federal Awards to the total of federal revenue and federal grant pass-through revenue as reported in the general purpose financial statements. Generally, federal funds are not earned until expended, therefore, federal revenue equals federal expenditures for the reporting period.

Per Combined Statement of Revenue, Expenditures, and Changes in Fund, Balances/Statement of Activities- Governmental Fund Types, (Exh. II):

Federal Revenue (Exh. II)	\$ 104,909,121.44
Federal Pass-Through Revenue (Exh. II)	<u>626,185.01</u>

Total Pass-Through and Expenditures per Schedule of Expenditures of Federal Awards \$ 105,535,306.45

NOTES 3 - 6: Not Applicable

NOTE 7: Federal Unearned Revenue

<u>CFDA</u>	<u>Balance</u> <u>September 1, 2015</u>	<u>Net Change</u>	<u>Balance</u> <u>August 31, 2016</u>
16.523	\$ 616,144.36	\$ (418,666.37)	\$ 197,477.99
16.593	55.07	(55.07)	
16.738	24,730,627.40	249,134.54	24,979,761.94
TOTAL	<u>\$ 25,346,826.83</u>	<u>\$ (169,586.90)</u>	<u>\$ 25,177,239.93</u>

NOTE 8: Not Applicable

Federal unearned revenue represents the following:
 CFDA 16.523 and 16.738: Federal award amounts that accrued at the beginning of the grant period rather than on a reimbursement basis.
 CFDA 16.593: Federal award amounts refunded by non-state agency grantee that were awarded to other grantees.

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Office of the Governor - Trusteed Programs (300)
 SCHEDULE 1B - Schedule of State Pass Throughs From/To State Agencies/Universities
 For the Fiscal Year Ended August 31, 2016

State funds passed to other state agencies from governmental funds are as follows:

Fund 0001	Pass-Through To:	Amount of Pass-Through
	Disaster Grants - GR Fund 0001	
	Texas Military Department (401)	\$ 1,505,892.64
	Texas Department of Public Safety (405)	4,020,561.36
	Agency Grant Assistance - GR Fund 0001	
	Texas Historical Commission (808)	150,000.00
	Border Security Grants - GR Fund 0001	
	Texas Military Department (401)	1,171,166.00
	Texas State University - San Marcos (754)	23,396.64
Subtotal Pass-Through from Fund 0001		\$ 6,871,016.64
Fund 0599	Pass-Through To:	Amount of Pass-Through
	Disaster Grants - GR-D Fund 0599	
	Texas Military Department (401)	\$ 555,000.00
	Texas Department of Public Safety (405)	(355,000.00)
Subtotal Pass-Through from Fund 0599		\$ 200,000.00
Fund 0421	Pass-Through To:	Amount of Pass-Through
	Criminal Justice Planning Grants - GR-D Fund 0421	
	Office of Court Administration (212)	\$ 97,801.34
	District Courts - Comptroller's Judiciary Section (241)	1,519,923.00
	Office of the Attorney General (302)	21,714.68
	Dept of Family & Protective Services (530)	118,906.42
	Department of State Health Services (537)	151,898.64
	Texas Juvenile Justice Department (644)	(9,016.98)
	University of Texas at Arlington (714)	87,279.74
	University of Texas at Austin (721)	260,676.08
	University of Texas at Dallas (738)	122,974.54
	Texas Tech University Health Sciences Center (739)	476,411.74
	Sam Houston State University (753)	179,203.40
	Texas State University - San Marcos (754)	1,591,405.76
	University of Houston - Clear Lake (759)	81,163.81
Subtotal Pass-Through from Fund 0421		\$ 4,700,342.17
Fund 5012	Pass-Through To:	Amount of Pass-Through
	Crime Stoppers Assistance Grants - GR-D Fund 5012	
	Texas Department of Public Safety (405)	\$ 9,584.59
	Texas Department of Criminal Justice (696)	2,400.00
Subtotal Pass-Through from Fund 5012		\$ 11,984.59
Fund 5124	Pass-Through To:	Amount of Pass-Through
	Emerging Technology Grants	
	Texas A&M University System Health Science Center (709)	\$ 78,797.59
	University of Texas at Arlington (714)	84,776.57
	Texas Tech University (733)	172,608.17
	Texas State University - San Marcos (754)	197,533.88
	Texas Tech University System (768)	177,289.92
Subtotal Pass-Through from Fund 5124		\$ 711,006.13
Fund 5149	Pass-Through To:	Amount of Pass-Through
	BP Oil Spill Response Grants	
	University of Houston (730)	\$ 41,722.25
	Texas A&M University at Corpus Christi (760)	73,214.75
Subtotal Pass-Through from Fund 5149		\$ 114,937.00
Fund 5161	Pass-Through To:	Amount of Pass-Through
	Governor's University Research Initiative Grants	
	Texas A&M University (711)	\$ 750,000.00
	University of Texas at Rio Grande Valley (746)	800,000.00
Subtotal Pass-Through from Fund 5149		\$ 1,550,000.00
Total Pass-Through to Other Agencies (Exhibit II)		\$ 14,159,286.53

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Office of the Governor - Trustee Programs (300)
 Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2016

Governmental Activities

Description of Issue	Bonds Issued to Date	Range of Interest Rates		Terms of Variable Interest Rate	Scheduled Maturities		
					First Year	Last Year	First Call Date
<u>General Obligation Bonds - Self-Supporting:</u>							
Product Development Var Rate Demand Bonds Series 2005A	\$ 25,000,000.00	VAR	VAR	Weekly	2005	2045	5/18/2005
Small Incubator Var Rate Demand Bonds Series 2005B	20,000,000.00	VAR	VAR	Weekly	2005	2045	5/18/2005
Texas Military Value Revolving Loan Program Series 2007 A-1	10,815,000.00	4.000%	4.375%		2010	2026	10/1/2016
Texas Military Value Revolving Loan Program Series 2007 B	28,620,000.00	5.200%	5.700%		2012	2036	
Total:	\$ 84,435,000.00						

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Office of the Governor · Trustee Programs (300)
 Schedule 2B · Changes in Bonded Indebtedness
 For the Fiscal Year Ended August 31, 2016

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2015	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2016	Net Bonds Outstanding (Ending)	Amounts Due Within One Year
<u>General Obligation Bonds - Self-Supporting:</u>							
Product Development Var Rate Demand Bonds Series 2005A	\$ 25,000,000.00	\$	\$	\$	\$ 25,000,000.00	\$ 25,000,000.00	\$
Small Incubator Var Rate Demand Bonds Series 2005B	\$ 20,000,000.00	\$	\$	\$	\$ 20,000,000.00	\$ 20,000,000.00	\$
Texas Military Value Revolving Loan Fund Series 2007 A-1	\$ 8,385,000.00	\$	\$ 550,000.00	\$	\$ 7,835,000.00	\$ 7,835,000.00	\$ 575,000.00
Texas Military Value Revolving Loan Fund Series 2007 B	\$ 26,835,000.00	\$	\$ 655,000.00	\$	\$ 26,180,000.00	\$ 26,180,000.00	\$ 690,000.00

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Office of the Governor - Trustee Programs (300)
 Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2016

Governmental Activities

Description of Issue	FY	Principal	Interest
General Obligation Bonds - Self-Supporting:			
Product Development Var Rate Demand Bonds Series 2005A			
	2017		\$ 150,000.00
	2018		150,000.00
	2019		150,000.00
	2020		150,000.00
	2011		150,000.00
	2022 - 2026		750,000.00
	2027 - 2031		750,000.00
	2032 - 2036		750,000.00
	2037 - 2041		750,000.00
	2042 - 2044		450,000.00
	2045	25,000,000.00	112,500.00
		<u>\$ 25,000,000.00</u>	<u>\$ 4,312,500.00</u>
Small Incubator Var Rate Demand Bonds Series 2005B			
	2017		\$ 120,000.00
	2018		120,000.00
	2019		120,000.00
	2020		120,000.00
	2011		120,000.00
	2022 - 2026		600,000.00
	2027 - 2031		600,000.00
	2032 - 2036		600,000.00
	2037 - 2041		600,000.00
	2042 - 2044		360,000.00
	2045	20,000,000.00	90,000.00
		<u>\$ 20,000,000.00</u>	<u>\$ 3,450,000.00</u>
Texas Military Value Revolving Loan Fund Series 2007 A-1			
	2017	\$ 575,000.00	\$ 317,510.57
	2018	595,000.00	293,391.82
	2019	625,000.00	268,991.82
	2020	650,000.00	243,491.82
	2021	675,000.00	216,569.94
	2022 - 2026	3,830,000.00	473,620.96
	2027	885,000.00	19,140.63
		<u>\$ 7,835,000.00</u>	<u>\$ 1,832,717.56</u>
Texas Military Value Revolving Loan Fund Series 2007 B			
	2017	\$ 690,000.00	\$ 1,454,530.00
	2018	730,000.00	1,417,255.00
	2019	765,000.00	1,378,011.25
	2020	850,000.00	1,335,792.50
	2021	850,000.00	1,290,280.00
	2022 - 2026	5,010,000.00	5,668,940.00
	2027 - 2031	6,595,000.00	4,039,930.00
	2032 - 2036	8,690,000.00	1,875,870.00
	2037	2,045,000.00	58,282.50
		<u>\$ 26,225,000.00</u>	<u>\$ 18,518,891.25</u>

Office of the Governor · Trustee Programs (300)
 Schedule 2D · Analysis of Funds Available for Debt Service
 For the Fiscal Year Ended August 31, 2016

Governmental Activities

Description of Issue	Application of Funds	
	Principal	Interest
<u>General Obligation Bonds - Self-Supporting:</u>		
Product Development Var Rate Demand Bonds Series 2005A	\$	\$ 83,251.51
Small Business Incubator Var Rate Demand Bonds Series 2005B		66,600.55
Texas Military Value Revolving Loan Program Series 2007 A-1	550,000.00	341,412.50
Texas Military Value Revolving Loan Program Series 2007 B	655,000.00	1,489,836.25
Total	<u>\$ 1,205,000.00</u>	<u>\$ 1,981,100.81</u>

Agy 300 - Governor - Trusteed Programs (300)
Annual Financial Report
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2016

Description of Issue	Year Defeased	Par Value Outstanding	
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General Obligation Bonds - Self-Supporting:

Texas Military Value Revolving Loan Program Series 2007 A-2	2013	<u>9,690,000.00</u>	
Total		<u>\$ 9,690,000.00</u>	

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Agy 300 - Governor - Trusteed Programs (300)
 Annual Financial Report
 Schedule 2F - Early Extinguishment and Refunding of Debt
 For the Fiscal Year Ended August 31, 2016

Governmental Activities or Discrete Component Unit

Description of Issue	Category	Amount Extinguished or Refunded	For Refundings Only		
			Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/Loss
<u>Revenue Bonds - Self-Supporting:</u>					
		\$	NA	NA	NA
Total		\$			

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**The Office of the Governor
Core Operations
Agency 301
Financial Statements**

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Office of the Governor - Core Operations (301)

Exhibit I 301 - Combined Balance Sheet/Statement of Net Position - Governmental Funds
For the Fiscal Year Ended August 31, 2016

	Governmental Fund Types			Statement of Net Position
	General Funds (Exhibit A-1 301)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Legislative Appropriations	\$ 7,115,261.89	\$	\$	\$ 7,115,261.89
Consumable Inventories	2,795.87			2,795.87
Total Current Assets	<u>7,118,057.76</u>			<u>7,118,057.76</u>
Non-Current Assets:				
Capital Assets (Note 2):				
Depreciable:				
Furniture and Equipment		609,995.89		609,995.89
Less Accumulated Depreciation		(471,055.34)		(471,055.34)
Vehicle, Boats and Aircraft		20,337.08		20,337.08
Less Accumulated Depreciation		(18,883.80)		(18,883.80)
Total Non-Current Assets		<u>140,393.83</u>		<u>140,393.83</u>
Total Assets	\$ <u>7,118,057.76</u>	\$ <u>140,393.83</u>	\$	\$ <u>7,258,451.59</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 52,611.47	\$	\$	\$ 52,611.47
Payroll	1,282,505.15			1,282,505.15
Employees' Compensable Leave (Note 5)			787,503.46	787,503.46
Total Current Liabilities	<u>1,335,116.62</u>		<u>787,503.46</u>	<u>2,122,620.08</u>
Non-Current Liabilities:				
Interfund Payables				
Employees' Compensable Leave (Note 5)			561,516.70	561,516.70
Total Non-Current Liabilities			<u>561,516.70</u>	<u>561,516.70</u>
Total Liabilities	1,335,116.62		1,349,020.16	2,684,136.78
Fund Financial Statement				
Fund Balances (Deficits):				
Nonspendable	2,795.87			2,795.87
Restricted				
Committed				
Assigned				
Unassigned	5,780,145.27			5,780,145.27
Total Fund Balances	<u>5,782,941.14</u>			<u>5,782,941.14</u>
Total Liabilities, Deferred Inflows & Fund Balances	\$ <u>7,118,057.76</u>			
Government-Wide Statement of Net Position				
Net Position				
Invested in Capital Assets, net of Related Debt		140,393.83		140,393.83
Unrestricted			(1,349,020.16)	(1,349,020.16)
Total Net Position		\$ <u>140,393.83</u>	\$ <u>(1,349,020.16)</u>	\$ <u>4,574,314.81</u>

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

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Office of the Governor - Core Operations (301)
 Exhibit II 301 - Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Governmental Fund Types	
	General Funds (Exhibit A-2 301)	Governmental Funds Total
REVENUES		
Legislative Appropriations		
Original Appropriations	\$ 10,369,883.00	\$ 10,369,883.00
Additional Appropriations	3,208,017.03	3,208,017.03
License, Fees & Permits	3,186.75	3,186.75
Sales of Goods and Services	153,573.89	153,573.89
Other	9,048.23	9,048.23
Total Revenues	13,743,708.90	13,743,708.90
EXPENDITURES		
Salaries and Wages	11,660,546.08	11,660,546.08
Payroll Related Costs	3,161,081.19	3,161,081.19
Professional Fees and Services	53,686.00	53,686.00
Travel	103,891.39	103,891.39
Materials and Supplies	289,742.86	289,742.86
Communication and Utilities	195,398.16	195,398.16
Repairs and Maintenance	62,890.04	62,890.04
Rentals and Leases	78,457.64	78,457.64
Printing and Reproduction	8,067.36	8,067.36
Other Expenditures	223,085.33	223,085.33
Capital Outlay	68,539.91	68,539.91
Depreciation Expense		
Total Expenditures/Expenses	15,905,385.96	15,905,385.96
Excess (Deficiency) of Revenues over Expenditures	(2,161,677.06)	(2,161,677.06)
OTHER FINANCING SOURCES (USES)		
Legislative Transfer In	3,259,011.00	3,259,011.00
Legislative Transfer Out	(55,935.40)	(55,935.40)
Inc/(Dec) in Net Assets Due to Interagency Transfer		
Total Other Financing Sources (Uses)	3,203,075.60	3,203,075.60
Net Change in Fund Balances/Net Position	1,041,398.54	1,041,398.54
Fund Financial Statement - Fund Balances		
Fund Balances, September 1, 2015	4,741,542.60	4,741,542.60
Restatements (Note 14)		
Fund Balances, September 1, 2015, as Restated	4,741,542.60	4,741,542.60
Appropriations Lapsed		
Fund Balances, August 31, 2016	\$ 5,782,941.14	\$ 5,782,941.14
Government-Wide Statement of Net Position		
Net Position/Net Change in Net Position		\$ 5,782,941.14
Net Position, September 1, 2015		
Restatements		
Net Position, September 1, 2015, as Restated		
Net Position, August 31, 2016		\$ 5,782,941.14

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

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Office of the Governor - Core Operations (301)
 Exhibit II 301 - Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES			
Legislative Appropriations			
Original Appropriations	\$	\$	\$ 10,369,883.00
Additional Appropriations			3,208,017.03
License, Fees & Permits			3,186.75
Sales of Goods and Services			153,573.89
Other			9,048.23
Total Revenues			13,743,708.90
EXPENDITURES			
Salaries and Wages		(266,075.80)	11,394,470.28
Payroll Related Costs			3,161,081.19
Professional Fees and Services			53,686.00
Travel			103,891.39
Materials and Supplies			289,742.86
Communication and Utilities			195,398.16
Repairs and Maintenance			62,890.04
Rentals and Leases			78,457.64
Printing and Reproduction			8,067.36
Other Expenditures			223,085.33
Capital Outlay	(68,539.91)		
Depreciation Expense	38,972.47		38,972.47
Total Expenditures/Expenses	(29,567.44)	(266,075.80)	15,609,742.72
Excess (Deficiency) of Revenues over Expenditures	29,567.44	266,075.80	(1,866,033.82)
OTHER FINANCING SOURCES (USES)			
Legislative Transfer In			3,259,011.00
Legislative Transfer Out			(55,935.40)
Inc/(Dec) in Net Assets Due to Interagency Transfer			
Total Other Financing Sources (Uses)			3,203,075.60
Net Change in Fund Balances/Net Position			1,337,041.78
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2015			4,741,542.60
Restatements (Note 14)			
Fund Balances, September 1, 2015, as Restated			4,741,542.60
Appropriations Lapsed			
Fund Balances, August 31, 2016			\$ 6,078,584.38
Government-Wide Statement of Net Position			
Net Position/Net Change in Net Position	\$ 29,567.44	\$ 266,075.80	6,078,584.38
Net Position, September 1, 2015	110,826.39	(1,615,095.96)	3,237,273.03
Restatements			
Net Position, September 1, 2015, as Restated	110,826.39	(1,615,095.96)	(1,504,269.57)
Net Position, August 31, 2016	\$ 140,393.83	\$ (1,349,020.16)	\$ 4,574,314.81

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

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Office of the Governor - Core Operations (301)
 Exhibit A-1 301 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	General Revenue Fund (0001)*	Total (Exhibit 1 301)
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Legislative Appropriations	\$ 7,115,261.89	\$ 7,115,261.89
Consumable Inventories	2,795.87	2,795.87
Total Current Assets	<u>7,118,057.76</u>	<u>7,118,057.76</u>
Non-Current Assets:		
Total Non-Current Assets		
Total Assets	<u>\$ 7,118,057.76</u>	<u>\$ 7,118,057.76</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts	\$ 52,611.47	\$ 52,611.47
Payroll	1,282,505.15	1,282,505.15
Total Current Liabilities	<u>1,335,116.62</u>	<u>1,335,116.62</u>
Total Liabilities	<u>1,335,116.62</u>	<u>1,335,116.62</u>
Fund Balances (Deficits):		
Nonspendable	2,795.87	2,795.87
Restricted		
Committed		
Assigned		
Unassigned	5,780,145.27	5,780,145.27
Total Fund Balances	<u>5,782,941.14</u>	<u>5,782,941.14</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 7,118,057.76</u>	<u>\$ 7,118,057.76</u>

* GAAP Fund is noted as (XXXX)

UNAUDITED

Office of the Governor - Core Operations (301)
 Exhibit A-2 301 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	General Revenue Fund (0001)*	Total (Exhibit II 301)
REVENUES		
Legislative Appropriations		
Original Appropriations	\$ 10,369,883.00	\$ 10,369,883.00
Additional Appropriations	3,208,017.03	3,208,017.03
License, Fees & Permits	3,186.75	3,186.75
Sales of Goods and Services	153,573.89	153,573.89
Other	9,048.23	9,048.23
Total Revenues	<u>13,743,708.90</u>	<u>13,743,708.90</u>
EXPENDITURES		
Salaries and Wages	11,660,546.08	11,660,546.08
Payroll Related Costs	3,161,081.19	3,161,081.19
Professional Fees and Services	53,686.00	53,686.00
Travel	103,891.39	103,891.39
Materials and Supplies	289,742.86	289,742.86
Communication and Utilities	195,398.16	195,398.16
Repairs and Maintenance	62,890.04	62,890.04
Rentals and Leases	78,457.64	78,457.64
Printing and Reproduction	8,067.36	8,067.36
Other Expenditures	223,085.33	223,085.33
Capital Outlay	68,539.91	68,539.91
Total Expenditures	<u>15,905,385.96</u>	<u>15,905,385.96</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,161,677.06)</u>	<u>(2,161,677.06)</u>
OTHER FINANCING SOURCES (USES)		
Legislative Transfer In	3,259,011.00	3,259,011.00
Legislative Transfer Out	(55,935.40)	(55,935.40)
Total Other Financing Sources (Uses)	<u>3,203,075.60</u>	<u>3,203,075.60</u>
Net Change in Fund Balances	<u>1,041,398.54</u>	<u>1,041,398.54</u>
Fund Financial Statement - Fund Balances		
Fund Balances, September 1, 2015	4,741,542.60	4,741,542.60
Fund Balances, August 31, 2016	<u>\$ 5,782,941.14</u>	<u>\$ 5,782,941.14</u>

* GAAP Fund i oled : (XXXX)

UNAUDITED

Office of the Governor - Core Operations (301)
 Exhibit J-1 301 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
 For the Fiscal Year Ended August 31, 2016

	Beginning Balance September 1, 2015	Additions	Deductions	Ending Balance August 31, 2016 (Exhibit VI 301)
Child Support Employee Deductions (0807), U/F(8070)*				
ASSETS				
Cash in State Treasury	\$			\$
Other Assets				
Total Assets	\$	\$	\$	\$
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Funds Held for Others	\$			\$
Total Liabilities	\$	\$	\$	\$
Overpayments to Employees (0900), U/F(9015)*				
ASSETS				
Cash in State Treasury	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$
Other Assets				
Total Assets	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$
LIABILITIES				
Funds Held for Others	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$
Total Liabilities	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$
Direct Deposit Correction (0980), U/F(0980)*				
ASSETS				
Cash in State Treasury	\$	\$	\$	\$
Other Assets				
Total Assets	\$	\$	\$	\$
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Funds Held for Others	\$	\$	\$	\$
Total Liabilities	\$	\$	\$	\$
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$
Other Assets				
Total Assets	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Funds Held for Others	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$
Total Liabilities	\$ 754.74	\$ 2,943.17	\$ 3,697.91	\$

* GAAP Fund Accounting (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

**The Office of the Governor
Trusted Programs
Agency 300
Financial Statements**

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit I 300 - Combined Balance Sheet/Statement of Net Position - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Governmental Fund Types			
	General Funds (Exhibit A-1 300)	Special Revenue Funds (Exhibit B-1 300)	Debt Service Funds (Exhibit C-1 300)	Governmental Funds Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 460,642,689.87	\$ 24,623,115.63	\$ 10,308.63	\$ 485,276,114.13
Cash Eq - Miscellaneous Investments (Note 3)	1,737,156.87			1,737,156.87
Legislative Appropriations	276,577,667.52			276,577,667.52
Receivables from:				
Federal	12,582,776.75			12,582,776.75
Other Intergovernmental				
Interest and Dividends	1,097,576.73	40,216.69	7.10	1,137,800.52
Due From Other Funds		27,312.50		27,312.50
Due From Other Agencies	7,676,433.64			7,676,433.64
Consumable Inventories	396.14			396.14
Loans and Contracts	1,265,000.00	1,198,989.48		2,463,989.48
Restricted:				
Cash In State Treasury		1,500,000.00		1,500,000.00
Total Current Assets	761,579,697.52	27,389,634.30	10,315.73	788,979,647.55
Non-Current Assets:				
Loans and Contracts	158,614,311.56	19,410,965.61		178,025,277.17
Equity Holdings for Economic Development	79,914,609.10			79,914,609.10
Capital Assets (Note 2):				
Depreciable:				
Furniture and Equipment				
Less Accumulated Depreciation				
Total Non-Current Assets	238,528,920.66	19,410,965.61		257,939,886.27
Total Assets	\$ 1,000,108,618.18	\$ 46,800,599.91	\$ 10,315.73	\$ 1,046,919,533.82
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 16,026,172.31	\$ 23,615.33		\$ 16,049,787.64
Payroll	780,586.36			780,586.36
Due To Other Funds		27,312.50		27,312.50
Due To Other Agencies	13,805,442.89		10,066.56	13,815,509.45
Unearned Revenue	25,177,239.93			25,177,239.93
Employees' Compensable Leave (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Total Current Liabilities	55,789,441.49	50,927.83	10,066.56	55,850,435.88
Non-Current Liabilities:				
Employees' Compensable Leave (Note 5)				
General Obligation Bonds Payable (Note 5, 6)				
Total Non-Current Liabilities				
Total Liabilities	55,789,441.49	50,927.83	10,066.56	55,850,435.88
Fund Financial Statement				
Fund Balances (Deficits):				
Nonspendable	396.14			396.14
Restricted	34,966,314.95	46,749,672.08	249.17	81,716,236.20
Committed	641,306,271.37			641,306,271.37
Assigned				
Unassigned	268,046,194.23			268,046,194.23
Total Fund Balances	944,319,176.69	46,749,672.08	249.17	991,069,097.94
Total Liabilities, Deferred Inflows & Fund Balances	\$ 1,000,108,618.18	\$ 46,800,599.91	\$ 10,315.73	\$ 1,046,919,533.82
Government-Wide Statement of Net Position				
Net Position				
Invested in Capital Assets, net of Related Debt				
Restricted For:				
Debt Service				
Capital Projects				
Funds Held as Permanent Investments:				
Expendable				
Non-Expendable				
Other				
Unrestricted				
Total Net Position				

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit I 300 - Combined Balance Sheet/Statement of Net Position - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash in State Treasury	\$	\$	\$ 485,276,114.13
Cash Eq - Miscellaneous Investments			1,737,156.87
Legislative Appropriations			276,577,667.52
Receivables from:			
Federal			12,582,776.75
Other Intergovernmental			
Interest and Dividends			1,137,800.52
Due From Other Funds			27,312.50
Due From Other Agencies			7,676,433.64
Consumable Inventories			396.14
Loans and Contracts			2,463,989.48
Restricted:			
Cash in State Treasury			1,500,000.00
Total Current Assets			788,979,647.55
Non-Current Assets:			
Loans and Contracts			178,025,277.17
Equity Holdings for Economic Development			79,914,609.10
Capital Assets (Note 2):			
Depreciable:			
Furniture and Equipment	125,819.37		125,819.37
Less Accumulated Depreciation	(46,079.19)		(46,079.19)
Total Non-Current Assets	79,740.18		258,019,626.45
Total Assets	\$ 79,740.18	\$	\$ 1,046,999,274.00
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	\$	\$	\$ 16,049,787.64
Payroll			780,586.36
Due To Other Funds			27,312.50
Due To Other Agencies			13,815,509.45
Unearned Revenue			25,177,239.93
Employees' Compensable Leave (Note 5)		565,649.01	565,649.01
General Obligation Bonds Payable (Note 5, 6)		1,265,000.00	1,265,000.00
Total Current Liabilities		1,830,649.01	57,681,084.89
Non-Current Liabilities:			
Employees' Compensable Leave (Note 5)		329,815.56	329,815.56
General Obligation Bonds Payable (Note 5, 6)		77,750,000.00	77,750,000.00
Total Non-Current Liabilities		78,079,815.56	78,079,815.56
Total Liabilities		79,910,464.57	135,760,900.45
Fund Financial Statement			
Fund Balances (Deficits):			
Nonspendable			396.14
Restricted			81,716,236.20
Committed			641,306,271.37
Assigned			
Unassigned			268,046,194.23
Total Fund Balances			991,069,097.94
Total Liabilities, Deferred Inflows & Fund Balances			
Government-Wide Statement of Net Position			
Net Position			
Invested in Capital Assets, net of Related Debt	79,740.18		79,740.18
Restricted For:			
Debt Service			
Capital Projects			
Funds Held as Permanent Investments:			
Expendable			
Non-Expendable			
Other		(79,015,000.00)	(79,015,000.00)
Unrestricted		(895,464.57)	(895,464.57)
Total Net Position	\$ 79,740.18	\$ (79,910,464.57)	\$ 911,238,373.55

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit II 300 - Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Governmental Fund Types			Governmental Funds Total
	General Funds (Exhibit A-2 300)	Special Revenue Funds (Exhibit B-2 300)	Debt Service Fund (Exhibit C-2 300)	
REVENUES				
Legislative Appropriations				
Original Appropriations	\$ 86,275,704.00	\$	\$	\$ 86,275,704.00
Additional Appropriations	1,211,008.08			1,211,008.08
Federal Revenue	104,909,121.44			104,909,121.44
Federal Grant Pass-Through Revenue	626,185.01			626,185.01
License, Fees & Permits	29,321,457.14	29,780.18		29,351,237.32
Interest and Other Investment Income	3,823,368.28	598,500.22	521.66	4,422,390.16
Sales of Goods and Services	306,865.00			306,865.00
Other	8,416,869.52	132,247.37		8,549,116.89
Total Revenues	234,890,578.47	760,527.77	521.66	235,651,627.90
EXPENDITURES				
Salaries and Wages	6,812,601.32			6,812,601.32
Payroll Related Costs	2,129,533.36			2,129,533.36
Professional Fees and Services	7,792,351.88	42,541.00		7,834,892.88
Travel	424,997.79			424,997.79
Materials and Supplies	123,001.78			123,001.78
Communication and Utilities	134,565.02			134,565.02
Repairs and Maintenance	20,369.69			20,369.69
Rentals and Leases	460,030.19			460,030.19
Printing and Reproduction	8,857.66			8,857.66
Federal Grant Pass-Through Expenditures	5,041,271.54			5,041,271.54
State Grant Pass-Through Expenditures	14,159,286.53			14,159,286.53
Intergovernmental Payments	94,209,249.13			94,209,249.13
Public Assistance Payments	64,616,921.13			64,616,921.13
Other Expenditures	70,773,058.45	1,154,377.15		71,927,435.60
Debt Service:				
Principal			1,205,000.00	1,205,000.00
Interest			1,981,100.81	1,981,100.81
Capital Outlay	82,313.25			82,313.25
Depreciation Expense				
Total Expenditures/Expenses	266,788,408.72	1,196,918.15	3,186,100.81	271,171,427.68
Excess (Deficiency) of Revenues over Expenditures	(31,897,830.25)	(436,390.38)	(3,185,579.15)	(35,519,799.78)
OTHER FINANCING SOURCES (USES)				
Transfer In	275,906,838.19	169,995.69	3,182,341.19	279,259,175.07
Transfer Out	(170,259,641.82)	(524,138.15)	(10,066.56)	(170,793,846.53)
Legislative Transfer In	55,935.40			55,935.40
Legislative Transfer Out	(4,259,011.00)			(4,259,011.00)
Gain (Loss) on Other Financial Activity	(59,904,024.03)			(59,904,024.03)
Total Other Financing Sources (Uses)	41,540,096.74	(354,142.46)	3,172,274.63	44,358,228.91
Net Change in Fund Balances/Net Position	9,642,266.49	(790,532.84)	(13,304.52)	8,838,429.13
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	934,676,910.20	47,540,204.92	13,553.69	982,230,668.81
Restatements (Note 14)				
Fund Balances, September 1, 2015, as Restated	934,676,910.20	47,540,204.92	13,553.69	982,230,668.81
Appropriations Lapsed				
Fund Balances, August 31, 2016	\$ 944,319,176.69	\$ 46,749,672.08	\$ 249.17	\$ 991,069,097.94
Government-Wide Statement of Position				
Net Position/Net Change in Net Position				\$ 991,069,097.94
Net Position, September 1, 2015				
Restatements				
Net Position, September 1, 2015, as Restated				
Net Position, August 31, 2016				\$ 991,069,097.94

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit II 300 - Combined Statement of Revenues, Expenditures and Changes in
 Fund Balances/Statement of Activities - Governmental Funds
 For the Fiscal Year Ended August 31, 2016

	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES			
Legislative Appropriations			
Original Appropriations	\$	\$	\$ 86,275,704.00
Additional Appropriations			1,211,008.08
Federal Revenue			104,909,121.44
Federal Grant Pass-Through Revenue			626,185.01
License, Fees & Permits			29,351,237.32
Interest and Other Investment Income			4,422,390.16
Sales of Goods and Services			306,865.00
Other			8,549,116.89
Total Revenues			235,651,627.90
EXPENDITURES			
Salaries and Wages		155,093.36	6,967,694.68
Payroll Related Costs			2,129,533.36
Professional Fees and Services			7,834,892.88
Travel			424,997.79
Materials and Supplies			123,001.78
Communication and Utilities			134,565.02
Repairs and Maintenance			20,369.69
Rentals and Leases			460,030.19
Printing and Reproduction			8,857.66
Federal Grant Pass-Through Expenditures			5,041,271.54
State Grant Pass-Through Expenditures			14,159,286.53
Intergovernmental Payments			94,209,249.13
Public Assistance Payments			64,616,921.13
Other Expenditures			71,927,435.60
Debt Service:			
Principal		(1,205,000.00)	
Interest			1,981,100.81
Capital Outlay	(82,313.25)		
Depreciation Expense	6,358.96		6,358.96
Total Expenditures/Expenses	(75,954.29)	(1,049,906.64)	270,045,566.75
Excess (Deficiency) of Revenues over Expenditures	75,954.29	1,049,906.64	(34,393,938.85)
OTHER FINANCING SOURCES (USES)			
Transfer In			279,259,175.07
Transfer Out			(170,793,846.53)
Legislative Transfer In			55,935.40
Legislative Transfer Out			(4,259,011.00)
Gain (Loss) on Other Financial Activity			(59,904,024.03)
Total Other Financing Sources (Uses)			44,358,228.91
Net Change in Fund Balances/Net Position			9,964,290.06
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2015			982,230,668.81
Restatements (Note 14)			
Fund Balances, September 1, 2015, as Restated			982,230,668.81
Appropriations Lapsed			
Fund Balances, August 31, 2016			\$ 992,194,958.87
Government-Wide Statement of Position			
Net Position/Net Change in Net Position	\$ 75,954.29	\$ 1,049,906.64	\$ 992,194,958.87
Net Position, September 1, 2015	3,785.89	(80,960,371.21)	(80,956,585.32)
Restatements			
Net Position, September 1, 2015, as Restated	3,785.89	(80,960,371.21)	(80,956,585.32)
Net Position, August 31, 2016	\$ 79,740.18	\$ (79,910,464.57)	\$ 911,238,373.55

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit III 300 - Combined Statement of Net Position - Proprietary Funds
 For the Fiscal Year Ended August 31, 2016

	<u>Total Enterprise Funds</u> (Exhibit F-1 300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents	
Cash in Bank (Note 3)	\$ 152,800.12
Cash in State Treasury	12,085,355.40
Restricted:	
Cash in State Treasury	2,000,000.00
Receivables from:	
Interest and Dividends	54,753.36
Loans and Contracts	1,788,368.47
Total Current Assets	<u>16,081,277.35</u>
Non-Current Assets:	
Loans and Contracts	16,795,278.29
Total Non-Current Assets	<u>16,795,278.29</u>
Total Assets	<u>\$ 32,876,555.64</u>
DEFERRED OUTFLOWS	
Total Deferred Outflows	<u>\$</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	\$ 99,765.18
Payroll	35,814.99
Employees' Compensable Leave (Note 5)	30,597.97
Total Current Liabilities	<u>166,178.14</u>
Non-Current Liabilities:	
Notes and Loans Payable (Note 5)	20,000,000.00
Employees' Compensable Leave (Note 5)	9,061.61
Total Non-Current Liabilities	<u>20,009,061.61</u>
Total Liabilities	<u>20,175,239.75</u>
DEFERRED INFLOWS	
Total Deferred Inflows	<u>-</u>
Net Position	
Restricted For:	
Other	
Unrestricted	12,701,315.89
Total Net Position	<u>\$ 12,701,315.89</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit IV 300 - Combined Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended August 31, 2016

	Total Enterprise Funds (Exhibit F-2 300)
Operating Revenues	
Interest and Investment Income	\$ 642,226.59
Other Operating Revenue	209,379.07
Total Operating Revenues	<u>851,605.66</u>
Operating Expenses:	
Salaries and Wages	448,750.75
Payroll Related Costs	144,573.56
Professional Fees and Services	103,501.22
Travel	3,535.26
Materials and Supplies	92.64
Communication and Utilities	29,727.69
Repairs and Maintenance	
Rentals and Leases	1,895.45
Printing and Reproduction	
Interest	100,061.12
Other Operating Expenses	227,807.92
Total Operating Expenses	<u>1,059,945.61</u>
Operating Income (Loss)	<u>(208,339.95)</u>
Nonoperating Revenues (Expenses)	
Investment Income (Expense)	6.75
Total Other Nonoperating Revenues (Expenses)	<u>6.75</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(208,333.20)</u>
Capital Contributions, Endowments and Transfers	
Transfer In	3,163,806.25
Transfer Out	(2,189,431.41)
Total Capital Contributions, Endowments and Transfers	<u>974,374.84</u>
Change in Net Position	<u>766,041.64</u>
Total Net Position, September 1, 2015	11,935,274.25
Restatements (Note 14)	
Total Net Position, September 1, 2015, as Restated	<u>11,935,274.25</u>
Total Net Position, August 31, 2016	<u>\$ 12,701,315.89</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit V 300 - Combined Statement of Cash Flows - Proprietary Funds
 For the Fiscal Year Ended August 31, 2016

	<u>Total Enterprise Funds</u> (Exhibit F-3 300)
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Other Revenue	\$ 209,379.07
Payments to Employees	(592,388.47)
Payments for Other Expenses	(344,184.62)
Net Cash Provided by Operating Activities	<u>(727,194.02)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from Debt Issuance	
Proceeds of Transfers from Other Funds	2,163,806.04
Payments of Interest	(100,061.12)
Payments for Transfers to Other Funds	(1,189,431.20)
Net Cash Provided by Noncapital Financing Activities	<u>(4,125,686.28)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	622,505.93
Proceeds from Principal Payments on Loans	1,772,958.41
Payments to Bank Loan Reserve	
Net Cash Provided by Investing Activities	<u>2,395,464.34</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,457,415.96)
Cash and Cash Equivalents, September 1, 2015	16,695,571.48
Restatement to Beginning Cash & Cash Equivalents	
Cash and Cash Equivalents, September 1, 2015 as Restated	<u>16,695,571.48</u>
Cash and Cash Equivalents, August 31, 2016	<u>\$ 14,238,155.52</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (208,339.95)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories Classification Differences	(542,165.47)
Changes in Assets and Liabilities:	
Increase (Decrease) in Payables	12,966.78
Increase (Decrease) in Unearned Revenue	
Increase (Decrease) in Compensated Absence Liabilities	10,344.62
Total Adjustments	<u>(518,854.07)</u>
Net Cash Provided by Operating Activities	<u>\$ (727,194.02)</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit VI 300 - Combined Statement of Net Position - Fiduciary Funds
 For the Fiscal Year Ended August 31, 2016

	Private-Purpose Trust Funds (Exhibit I-1 300)	Agency Funds (Exhibit J-1 300)	Total
ASSETS			
Cash in State Treasury	\$ 15,136,348.11	\$ 8,523,578.30	\$ 23,659,926.41
Other Interest Receivable	10,589.46		10,589.46
Total Assets	<u>15,146,937.57</u>	<u>8,523,578.30</u>	<u>23,670,515.87</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources			
Total Deferred Outflows of Resources			
LIABILITIES			
Funds Held For Others	\$	\$ 8,523,578.30	\$ 8,523,578.30
Total Liabilities		<u>8,523,578.30</u>	<u>8,523,578.30</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources			
Total Deferred Inflows of Resources			
NET POSITION			
Held in Trust for Others	15,146,937.57		15,146,937.57
Total Net Position	<u>\$ 15,146,937.57</u>	<u>\$</u>	<u>\$ 15,146,937.57</u>

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

UNAUDITED

Office of the Governor -- Trusteed Programs (300)
 Exhibit VII 300 -- Combined Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended August 31, 2016

	Private-Purpose Trust Funds (Exhibit I-2 300)	Total
ADDITIONS		
Contributions:		
Total Contributions	\$	\$
Investment Income from Investing Activities:		
Interest and Investment Income	109,464.29	109,464.29
Total Net Investment Income	109,464.29	109,464.29
Other Additions:		
Settlement of Claims		
Other Revenue		
Transfer In		
Total Other Additions		
Total Additions	109,464.29	109,464.29
DEDUCTIONS		
Total Deductions		
INCREASE (DECREASE) IN NET POSITION	109,464.29	109,464.29
Net Position		
Net Position, September 1, 2015	15,037,473.28	15,037,473.28
Restatements		
Net Position, September 1, 2015, as Restated	15,037,473.28	15,037,473.28
Net Position, August 31, 2016	\$ 15,146,937.57	\$ 15,146,937.57

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit VIII - Combined Statement of Net Position - Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	Totals (Exhibit K-1 300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3):	
Cash In Bank	\$ 2,101,497.64
Cash Eq - Miscellaneous Investments	657,851.91
Receivables from:	
Interest and Dividends	31.46
Accounts Receivable	18,898.86
Prepaid Items	25,176.51
Total Current Assets	<u>2,803,456.38</u>
Non-Current Assets:	
Restricted:	
Capital Assets (Note 2):	
Depreciable and Amortizable, Net	3,229.00
Furniture and Equipment	(1,476.00)
Less Accumulated Depreciation	<u>1,753.00</u>
Total Non-Current Assets	<u>1,753.00</u>
Total Assets	<u>\$ 2,805,209.38</u>
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	\$ 202,114.12
Payroll	180,000.00
Other	205.86
Total Current Liabilities	<u>382,319.98</u>
Total Liabilities	<u>382,319.98</u>
Net Position	
Unrestricted	2,422,889.40
Total Net Position	<u>\$ 2,422,889.40</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit IX - Combined Statement of Revenues, Expenses and Changes in Net Position -
 Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	Totals (Exhibit K-2 300)
Operating Revenues:	
Sales of Goods and Services	\$ 55,699.71
Other Contracts, Grants and Contributions	2,483,308.67
Other Operating Revenue	.
Total Operating Revenues	<u>2,539,008.38</u>
Operating Expenses:	
Salaries and Wages	941,417.00
Professional Fees and Services	73,389.14
Travel	434,382.86
Materials and Supplies	95,422.63
Communication and Utilities	9,935.47
Rentals and Leases	11,105.26
Printing and Reproduction	155.23
Depreciation and Amortization	642.00
Bad Debt Expense	26,000.00
Interest Expense	17.95
Grants to Community Service Programs	1,350.00
Other Operating Expenses	1,343,707.03
Total Operating Expenses	<u>2,937,524.57</u>
Operating Income (Loss)	<u>(398,516.19)</u>
Nonoperating Revenues (Expenses)	
Investment Income (Expense)	130.91
Total Nonoperating Revenues (Expenses)	<u>130.91</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(398,385.28)</u>
Change in Net Position	<u>(398,385.28)</u>
Net Position, September 1, 2015	2,821,274.68
Restatements (Note 14)	.
Net Position, September 1, 2015, as Restated	<u>2,821,274.68</u>
Net Position, August 31, 2016	<u>\$ 2,422,889.40</u>

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

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UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-1 300 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	General Revenue Fund (0001)*	Operators & Chauffeurs License (0099)*	Governor's Office Federal Projects (0224)*	Criminal Justice Planning (0421)*
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$	\$	\$ 25,606,236.84	\$ 53,592,827.52
Cash Eq - Miscellaneous Investments (Note 3)				
Legislative Appropriations	276,577,667.52			
Receivables from:				
Federal			2,699,123.76	9,883,652.99
Interest and Dividends			17,926.71	
Due From Other Agencies	430,026.98	402,551.91		
Consumable Inventories	396.14			
Loans and Contracts				
Total Current Assets	277,008,090.64	402,551.91	28,323,287.31	63,476,480.51
Non-Current Assets:				
Loans and Contracts				
Equity Holdings for Economic Development				
Total Non-Current Assets	-	-	-	-
Total Assets	\$ 277,008,090.64	\$ 402,551.91	\$ 28,323,287.31	\$ 63,476,480.51
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 4,463,872.61		\$ 1,910,316.32	\$ 8,094,686.57
Payroll	478,216.66		57,328.60	139,320.29
Due To Other Agencies	8,579,698.47		1,178,402.46	1,784,460.07
Unearned Revenue	-		25,177,239.93	-
Total Current Liabilities	13,521,787.74	-	28,323,287.31	10,018,466.93
Total Liabilities	13,521,787.74	-	28,323,287.31	10,018,466.93
Fund Balances (Deficits):				
Nonspendable	396.14			
Restricted				
Committed		402,551.91		53,458,013.58
Assigned				
Unassigned	263,485,906.76			
Total Fund Balances	263,486,302.90	402,551.91	-	53,458,013.58
Total Liabilities, Deferred Inflows & Fund Balances	\$ 277,008,090.64	\$ 402,551.91	\$ 28,323,287.31	\$ 63,476,480.51

* GAAP Fund indicated (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-1 300 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts				
	Economic Stabilization Fund (0599)*	License Plate Trust Fund (0802)*	Events Trust Fund Muni / Countys (0830)*	Motor Sports & Racing Trust Fund (0839)*	Major Events Reimb Program (0869)*
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in State Treasury	\$	\$	\$ 10,967,426.14	\$	\$ 42,177,051.00
Cash Eq - Miscellaneous Investments (Note 3)					
Legislative Appropriations					
Receivables from:					
Federal					
Interest and Dividends		48.01			
Due From Other Agencies		72,103.68			
Consumable Inventories					
Loans and Contracts					
Total Current Assets	<u>-</u>	<u>72,151.69</u>	<u>10,967,426.14</u>	<u>-</u>	<u>42,177,051.00</u>
Non-Current Assets:					
Loans and Contracts	4,560,287.47				
Equity Holdings for Economic Development					
Total Non-Current Assets	<u>4,560,287.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,560,287.47</u>	<u>\$ 72,151.69</u>	<u>\$ 10,967,426.14</u>	<u>\$ -</u>	<u>\$ 42,177,051.00</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$	\$ 15,795.58			
Payroll					
Due To Other Agencies					
Unearned Revenue					
Total Current Liabilities	<u>-</u>	<u>15,795.58</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>15,795.58</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Nonspendable					
Restricted					
Committed		56,356.11	10,967,426.14		42,177,051.00
Assigned					
Unassigned	4,560,287.47				
Total Fund Balances	<u>4,560,287.47</u>	<u>56,356.11</u>	<u>10,967,426.14</u>	<u>-</u>	<u>42,177,051.00</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,560,287.47</u>	<u>\$ 72,151.69</u>	<u>\$ 10,967,426.14</u>	<u>\$ -</u>	<u>\$ 42,177,051.00</u>

* GAAP Fund Balance (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-1 300 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts				
	Hotel Occupancy Tax for Economic Development (5003)*	Sexual Assault Program (5010)*	Crime Stoppers Assistance (5012)*	Texas Enterprise Fund (5107)*	Texas Military Value Revolving Loan Fund (5114)*
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in State Treasury	\$ 11,188,620.66	\$ -	\$ 889,279.06	\$ 245,981,359.22	\$ 60,086.83
Cash Eq - Miscellaneous Investments (Note 3)					
Legislative Appropriations					
Receivables from:					
Federal					
Interest and Dividends				172,061.09	901,228.12
Due From Other Agencies	4,003,881.82	2,000,000.00			
Consumable Inventories					1,265,000.00
Loans and Contracts					
Total Current Assets	15,192,502.48	2,000,000.00	889,279.06	246,153,420.31	2,226,314.95
Non-Current Assets:					
Loans and Contracts					
Equity Holdings for Economic Development				84,337,074.19	32,740,000.00
Total Non-Current Assets	-	-	-	84,337,074.19	32,740,000.00
Total Assets	\$ 15,192,502.48	\$ 2,000,000.00	\$ 889,279.06	\$ 330,490,494.50	\$ 34,966,314.95
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$ 1,535,439.30		\$ 6,061.93	\$ -	\$ -
Payroll	94,533.30				
Due To Other Agencies			1,145.49		
Unearned Revenue					
Total Current Liabilities	1,629,972.60	-	7,207.42	-	-
Total Liabilities	1,629,972.60	-	7,207.42	-	-
Fund Balances (Deficits):					
Nonspendable					
Restricted					34,966,314.95
Committed	13,562,529.88	2,000,000.00	882,071.64	330,490,494.50	
Assigned					
Unassigned					
Total Fund Balances	13,562,529.88	2,000,000.00	882,071.64	330,490,494.50	34,966,314.95
Total Liabilities, Deferred Inflows & Fund Balances	\$ 15,192,502.48	\$ 2,000,000.00	\$ 889,279.06	\$ 330,490,494.50	\$ 34,966,314.95

* GAAP Fund is noted as (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-1 300 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts				Total (Exhibit I - 300)
	Emerging Technology (5124)*	BP Oil Spill Tx Response Grant (5149)*	Governor's University Research Initiative (5161)*	Truancy Prevention and Diversion Account (5164)*	
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in State Treasury	\$ 1,534,042.34	\$ 4,115,674.24	\$ 59,388,192.22	\$ 5,141,893.80	\$ 460,642,689.87
Cash Eq - Miscellaneous Investments (Note 3)	1,737,156.87				1,737,156.87
Legislative Appropriations					276,577,667.52
Receivables from:					
Federal					
Interest and Dividends	3,433.46	2,879.34			12,582,776.75
Due From Other Agencies	767,869.25				1,097,576.73
Consumable Inventories					7,678,433.64
Loans and Contracts					396.14
Total Current Assets	4,042,501.92	4,118,553.58	59,388,192.22	5,141,893.80	761,579,697.52
Non-Current Assets:					
Loans and Contracts					
Equity Holdings for Economic Development	5,750,000.00		31,226,949.90		158,614,311.56
	75,809,776.35		4,104,832.75		79,914,609.10
Total Non-Current Assets	81,559,776.35	-	35,331,782.65	-	238,528,920.66
Total Assets	\$ 85,602,278.27	\$ 4,118,553.58	\$ 94,719,974.87	\$ 5,141,893.80	\$ 1,000,108,618.18
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts					
		\$	\$	\$	\$ 16,026,172.31
Payroll			11,187.51		780,586.36
Due To Other Agencies	1,414,883.27	96,853.13	750,000.00		13,805,442.89
Unearned Revenue					25,177,239.93
Total Current Liabilities	1,414,883.27	96,853.13	761,187.51	-	55,789,441.49
Total Liabilities	1,414,883.27	96,853.13	761,187.51	-	55,789,441.49
Fund Balances (Deficits):					
Nonspendable					
					396.14
Restricted					
Committed	84,187,395.00	4,021,700.45	93,958,787.36	5,141,893.80	34,966,314.95
Assigned					641,306,271.37
Unassigned					268,046,194.23
Total Fund Balances	84,187,395.00	4,021,700.45	93,958,787.36	5,141,893.80	944,319,176.69
Total Liabilities, Deferred Inflows & Fund Balances	\$ 85,602,278.27	\$ 4,118,553.58	\$ 94,719,974.87	\$ 5,141,893.80	\$ 1,000,108,618.18

* GAAP Fund Balance as of (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-2 300 - Combining Statement of Revenues, Expenses and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	General Revenue Fund 0001 (0001)*	Operators & Chauffeurs License (0099)*	Governor's Office Federal Projects (0224)*	Criminal Justice Planning (0421)*
REVENUES				
Legislative Appropriations				
Original Appropriations	\$ 86,275,704.00	\$	\$	\$
Additional Appropriations	1,211,008.08			
Federal Revenue	1,217,438.64		28,426,277.43	75,265,405.37
Federal Grant Pass-Through Revenue	626,185.01			
License, Fees & Permits	2,434,860.33			21,225,146.72
Interest and Other Investment Income	15.09			
Sales of Goods and Services	306,865.00			
Other	8,403.01			
Total Revenues	<u>92,080,479.16</u>		<u>28,426,277.43</u>	<u>96,490,552.09</u>
EXPENDITURES				
Salaries and Wages	4,208,114.68		328,173.87	1,263,136.88
Payroll Related Costs	1,209,619.69		97,799.29	466,398.38
Professional Fees and Services	945,728.32		1,101,895.49	1,954,192.02
Travel	383,849.62		4,500.37	24,348.61
Materials and Supplies	34,684.95		9,529.91	10,623.14
Communication and Utilities	100,705.24		5,111.91	11,838.02
Repairs and Maintenance	14,115.76		3,457.40	2,796.53
Rentals and Leases	343,054.13		2,834.01	16,206.41
Printing and Reproduction	5,718.86		196.50	618.15
Federal Grant Pass-Through Expenditures			3,316,337.07	1,724,934.47
State Grant Pass-Through Expenditures	6,871,016.64			4,700,342.17
Intergovernmental Payments	9,597,851.72	413,417.66	22,973,064.76	27,684,116.00
Public Assistance Payments	282,125.17		534,783.96	61,468,948.35
Other Expenditures	15,822,524.14		48,592.89	235,820.87
Capital Outlay				
Total Expenditures	<u>39,819,108.92</u>	<u>413,417.66</u>	<u>28,426,277.43</u>	<u>99,564,320.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>52,261,370.24</u>	<u>(413,417.66)</u>		<u>(3,073,767.91)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	654,785.51			1,460,500.00
Transfer Out	(1,857,438.24)			(1,460,500.00)
Legislative Transfer In	55,935.40			
Legislative Transfer Out	(4,259,011.00)			
Gain (Loss) on Other Financial Activity				
Total Other Financing Sources (Uses)	<u>(5,405,728.33)</u>			
Net Change in Fund Balances	<u>46,855,641.91</u>	<u>(413,417.66)</u>		<u>(3,073,767.91)</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	216,630,660.99	815,969.57		56,531,781.49
Restatements				
Fund Balances, September 1, 2015, as Restated	<u>216,630,660.99</u>	<u>815,969.57</u>		<u>56,531,781.49</u>
Appropriations Lapsed				
Fund Balances, August 31, 2016	<u>\$ 263,486,302.90</u>	<u>\$ 402,551.91</u>	<u>\$ -</u>	<u>\$ 53,458,013.58</u>

* GAAP Fund Accounting (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-2 300 - Combining Statement of Revenues Expenses and changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts				
	Economic Stabilization Fund (0599)*	License Plate Trust Fund (0802)*	Events Trust Fund Muni / Countys (0830)*	Motor Sports & Racing Trust Fund (0839)*	Major Events Reimb Program (0869)*
REVENUES					
Legislative Appropriations					
Original Appropriations	\$	\$	\$	\$	\$
Additional Appropriations					
Federal Revenue					
Federal Grant Pass-Through Revenue					
License, Fees & Permits		85,503.90			
Interest and Other Investment Income		496.38			
Sales of Goods and Services					
Other					
Total Revenues		<u>86,000.28</u>			
EXPENDITURES					
Salaries and Wages					
Payroll Related Costs					
Professional Fees and Services					
Travel					
Materials and Supplies					
Communication and Utilities					
Repairs and Maintenance					
Rentals and Leases					
Printing and Reproduction					
Federal Grant Pass-Through Expenditures					
State Grant Pass-Through Expenditures	200,000.00				
Intergovernmental Payments	2,932,390.16		15,134,579.32	1,560,163.00	10,163,666.51
Public Assistance Payments		66,422.41			
Other Expenditures					
Capital Outlay					
Total Expenditures	<u>3,132,390.16</u>	<u>66,422.41</u>	<u>15,134,579.32</u>	<u>1,560,163.00</u>	<u>10,163,666.51</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,132,390.16)</u>	<u>19,577.87</u>	<u>(15,134,579.32)</u>	<u>(1,560,163.00)</u>	<u>(10,163,666.51)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	1,408,500.00	199.00	26,102,005.46	1,560,163.00	52,340,717.51
Transfer Out		(15,000.00)			
Legislative Transfer In					
Legislative Transfer Out					
Gain (Loss) on Other Financial Activity					
Total Other Financing Sources (Uses)	<u>1,408,500.00</u>	<u>(14,801.00)</u>	<u>26,102,005.46</u>	<u>1,560,163.00</u>	<u>52,340,717.51</u>
Net Change in Fund Balances	<u>(1,723,890.16)</u>	<u>4,776.87</u>	<u>10,967,426.14</u>		<u>42,177,051.00</u>
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2015	6,284,177.63	51,579.24			
Restatements					
Fund Balances, September 1, 2015, as Restated	<u>6,284,177.63</u>	<u>51,579.24</u>			
Appropriations Lapsed					
Fund Balances, August 31, 2016	<u>\$ 4,560,287.47</u>	<u>\$ 56,356.11</u>	<u>\$ 10,967,426.14</u>	<u>\$ -</u>	<u>\$ 42,177,051.00</u>

* GAAP Fund reported as (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-2 300 - Combining Statement of Revenues Expenses and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	Hotel Occupancy Tax for Economic Development (5003)*	Sexual Assault Program (5010)*	Crime Stoppers Assistance (5012)*	Texas Enterprise Fund (5107)*
REVENUES				
Legislative Appropriations				
Original Appropriations	\$	\$	\$	\$
Additional Appropriations				
Federal Revenue				
Federal Grant Pass-Through Revenue				
License, Fees & Permits			434,052.39	
Interest and Other Investment Income				1,730,626.12
Sales of Goods and Services				
Other				
Total Revenues			<u>434,052.39</u>	<u>1,730,626.12</u>
EXPENDITURES				
Salaries and Wages	949,507.59			
Payroll Related Costs	334,310.13			
Professional Fees and Services	3,719,008.25		42,744.15	
Travel	105.22		9,198.09	
Materials and Supplies	67,699.62		438.36	
Communication and Utilities	16,270.45			
Repairs and Maintenance				
Rentals and Leases	97,935.64			
Printing and Reproduction	616.15		1,708.00	
Federal Grant Pass-Through Expenditures				
State Grant Pass-Through Expenditures			11,984.59	
Intergovernmental Payments				
Public Assistance Payments			264,641.24	
Other Expenditures	42,184,377.03		1,200.40	12,464,549.92
Capital Outlay	82,313.25			
Total Expenditures	<u>47,452,143.33</u>		<u>331,914.83</u>	<u>12,464,549.92</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(47,452,143.33)</u>		<u>102,137.56</u>	<u>(10,733,923.80)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	43,787,504.83	2,000,000.00		44,860,368.00
Transfer Out	(358,862.22)			
Legislative Transfer In				
Legislative Transfer Out				
Gain (Loss) on Other Financial Activity				
Total Other Financing Sources (Uses)	<u>43,428,642.61</u>	<u>2,000,000.00</u>		<u>44,860,368.00</u>
Net Change in Fund Balances	<u>(4,023,500.72)</u>	<u>2,000,000.00</u>	<u>102,137.56</u>	<u>34,126,444.20</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	17,586,030.60		779,934.08	296,364,050.30
Restatements				
Fund Balances, September 1, 2015, as Restated	<u>17,586,030.60</u>		<u>779,934.08</u>	<u>296,364,050.30</u>
Appropriations Lapsed				
Fund Balances, August 31, 2016	<u>\$ 13,562,529.88</u>	<u>\$ 2,000,000.00</u>	<u>\$ 882,071.64</u>	<u>\$ 330,490,494.50</u>

* GAAP Fund i oted : s (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-2 300 - Combining Statement of Revenues Expenses and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts			
	Texas Military Value Revolving Loan Fund (5114)*	Emerging Technology (5124)*	BP Oil Spill Tx Response Grant (5149)*	Governor's University Research Initiative (5161)*
REVENUES				
Legislative Appropriations				
Original Appropriations	\$	\$	\$	\$
Additional Appropriations				
Federal Revenue				
Federal Grant Pass-Through Revenue				
License, Fees & Permits				
Interest and Other Investment Income	1,803,141.36	84,474.69	29,797.06	174,817.58
Sales of Goods and Services				
Other		7,184,969.49		1,223,497.02
Total Revenues	<u>1,803,141.36</u>	<u>7,269,444.18</u>	<u>29,797.06</u>	<u>1,398,314.60</u>
EXPENDITURES				
Salaries and Wages				63,668.30
Payroll Related Costs				21,405.87
Professional Fees and Services				28,783.65
Travel				2,995.88
Materials and Supplies				25.80
Communication and Utilities		(110.02)		749.42
Repairs and Maintenance				
Rentals and Leases				
Printing and Reproduction				
Federal Grant Pass-Through Expenditures				
State Grant Pass-Through Expenditures		561,006.13	114,937.00	1,700,000.00
Intergovernmental Payments				3,750,000.00
Public Assistance Payments				2,000,000.00
Other Expenditures				15,993.20
Capital Outlay				
Total Expenditures		<u>560,896.11</u>	<u>114,937.00</u>	<u>7,583,622.12</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,803,141.36</u>	<u>6,708,548.07</u>	<u>(85,139.94)</u>	<u>(6,185,307.52)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In		794,000.00		100,938,094.88
Transfer Out	(3,028,198.73)	(162,745,642.63)		(794,000.00)
Legislative Transfer In				
Legislative Transfer Out				
Gain (Loss) on Other Financial Activity		(59,904,024.03)		
Total Other Financing Sources (Uses)	<u>(3,028,198.73)</u>	<u>(221,855,666.66)</u>		<u>100,144,094.88</u>
Net Change in Fund Balances	<u>(1,225,057.37)</u>	<u>(215,147,118.59)</u>	<u>(85,139.94)</u>	<u>93,958,787.36</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2015	36,191,372.32	299,334,513.59	4,106,840.39	
Restatements				
Fund Balances, September 1, 2015, as Restated	<u>36,191,372.32</u>	<u>299,334,513.59</u>	<u>4,106,840.39</u>	
Appropriations Lapsed				
Fund Balances, August 31, 2016	<u>\$ 34,966,314.95</u>	<u>\$ 84,187,395.00</u>	<u>\$ 4,021,700.45</u>	<u>\$ 93,958,787.36</u>

* GAAP Fund Accounting (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit A-2 300 - Combining Statement of Revenues Expenses and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2016

	Consolidated Accounts	
	Truancy Prevention and Diversion (5164)*	Total (Exhibit II 300)
REVENUES		
Legislative Appropriations		
Original Appropriations	\$	\$ 86,275,704.00
Additional Appropriations		1,211,008.08
Federal Revenue		104,909,121.44
Federal Grant Pass-Through Revenue		626,185.01
License, Fees & Permits	5,141,893.80	29,321,457.14
Interest and Other Investment Income		3,823,368.28
Sales of Goods and Services		306,865.00
Other		8,416,869.52
Total Revenues	5,141,893.80	234,890,578.47
EXPENDITURES		
Salaries and Wages		6,812,601.32
Payroll Related Costs		2,129,533.36
Professional Fees and Services		7,792,351.88
Travel		424,997.79
Materials and Supplies		123,001.78
Communication and Utilities		134,565.02
Repairs and Maintenance		20,369.69
Rentals and Leases		460,030.19
Printing and Reproduction		8,857.66
Federal Grant Pass-Through Expenditures		5,041,271.54
State Grant Pass-Through Expenditures		14,159,286.53
Intergovernmental Payments		94,209,249.13
Public Assistance Payments		64,616,921.13
Other Expenditures		70,773,058.45
Capital Outlay		82,313.25
Total Expenditures	-	266,788,408.72
Excess (Deficiency) of Revenues over Expenditures	5,141,893.80	(31,897,830.25)
OTHER FINANCING SOURCES (USES)		
Transfer In		275,906,838.19
Transfer Out		(170,259,641.82)
Legislative Transfer In		55,935.40
Legislative Transfer Out		(4,259,011.00)
Gain (Loss) on Other Financial Activity		(59,904,024.03)
Total Other Financing Sources (Uses)	-	41,540,096.74
Net Change in Fund Balances	5,141,893.80	9,642,266.49
Fund Financial Statement - Fund Balances		
Fund Balances, September 1, 2015		934,676,910.20
Restatements		-
Fund Balances, September 1, 2015, as Restated		934,676,910.20
Appropriations Lapsed		-
Fund Balances, August 31, 2016	\$ 5,141,893.80	\$ 944,319,176.69

* GAAP Fund i otated ; (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit B-1 300 - Combining Balance Sheet - Special Revenue Funds
 For the Fiscal Year Ended August 31, 2016

	Small Business Incubator Fund (0588)*	Texas Product Development Fund (0589)*	Total (Exhibit I 300)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash in State Treasury	\$ 19,520,425.59	\$ 5,102,690.04	\$ 24,623,115.63
Receivables from:			
Interest and Dividends	15,381.80	24,834.89	40,216.69
Due From Other Funds	27,312.50		27,312.50
Loans and Contracts, net of allowance	50,694.96	1,148,294.52	1,198,989.48
Restricted:			
Cash in State Treasury	670,000.00	830,000.00	1,500,000.00
Total Current Assets	<u>20,283,814.85</u>	<u>7,105,819.45</u>	<u>27,389,634.30</u>
Non-Current Assets:			
Loans and Contracts	868,413.86	18,542,551.75	19,410,965.61
Total Non-Current Assets	<u>868,413.86</u>	<u>18,542,551.75</u>	<u>19,410,965.61</u>
Total Assets	<u>\$ 21,152,228.71</u>	<u>\$ 25,648,371.20</u>	<u>\$ 46,800,599.91</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	\$ 10,575.33	\$ 13,040.00	\$ 23,615.33
Due To Other Funds		27,312.50	27,312.50
Total Current Liabilities	<u>10,575.33</u>	<u>40,352.50</u>	<u>50,927.83</u>
Non-Current Liabilities			
Total Liabilities	<u>10,575.33</u>	<u>40,352.50</u>	<u>50,927.83</u>
Fund Balances (Deficits):			
Nonspendable			
Restricted	21,141,653.38	25,608,018.70	46,749,672.08
Committed			
Assigned			
Unassigned			
Total Fund Balances	<u>21,141,653.38</u>	<u>25,608,018.70</u>	<u>46,749,672.08</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 21,152,228.71</u>	<u>\$ 25,648,371.20</u>	<u>\$ 46,800,599.91</u>

* GAAP Fund i

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit B-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Special Revenue Funds
 For the Fiscal Year Ended August 31, 2016

	Small Business Incubator Fund (0588)* U/F (5881)	Texas Product Development Fund (0589)* U/F (5891)	Totals (Exhibit II 300)
REVENUES			
License, Fees & Permits	\$ 4,780.18	\$ 25,000.00	\$ 29,780.18
Interest and Other Investment Income	159,458.48	439,041.74	598,500.22
Other	132,247.37		132,247.37
Total Revenues	<u>296,486.03</u>	<u>464,041.74</u>	<u>760,527.77</u>
EXPENDITURES			
Professional Fees and Services	18,991.18	23,549.82	42,541.00
Other Expenditures	564,564.68	589,812.47	1,154,377.15
Total Expenditures	<u>583,555.86</u>	<u>613,362.29</u>	<u>1,196,918.15</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(287,069.83)</u>	<u>(149,320.55)</u>	<u>(436,390.38)</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	126,734.63	43,261.06	169,995.69
Transfer Out	<u>(199,608.88)</u>	<u>(324,529.27)</u>	<u>(524,138.15)</u>
Total Other Financing Sources (Uses)	<u>(72,874.25)</u>	<u>(281,268.21)</u>	<u>(354,142.46)</u>
Net Change in Fund Balances	<u>(359,944.08)</u>	<u>(430,588.76)</u>	<u>(790,532.84)</u>
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2015	21,501,597.46	26,038,607.46	47,540,204.92
Restatements	-	-	-
Fund Balances, September 1, 2015, as Restated	<u>21,501,597.46</u>	<u>26,038,607.46</u>	<u>47,540,204.92</u>
Net Position, August 31, 2016	<u>\$ 21,141,653.38</u>	<u>\$ 25,608,018.70</u>	<u>\$ 46,749,672.08</u>

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit C-1 300 - Combining Balance Sheet - Debt Service Funds
 For the Fiscal Year Ended August 31, 2016

	Small Business Incubator Fund (0588)* U/F (5882)	Texas Product Development Fund (0589)* U/F (5892)	Texas Military Value Revolving Loan (7022)* UF (7221)	Texas Military Value Revolving Loan (7027)* UF (7273)	Total (Exhibit I 300)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
			\$ 10,283.16	\$ 25.47	\$ 10,308.63
			7.10	-	7.10
Total Current Assets			10,290.26	25.47	10,315.73
Non-Current Assets:					
Total Non-Current Assets					
Total Assets	\$	\$ -	\$ 10,290.26	\$ 25.47	\$ 10,315.73
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
			10,066.56	-	10,066.56
Total Current Liabilities			10,066.56	-	10,066.56
Total Liabilities			10,066.56	-	10,066.56
Fund Balances (Deficits):					
			223.70	25.47	249.17
Total Fund Balances			223.70	25.47	249.17
Total Liabilities, Deferred Inflows & Fund Balances	\$	\$ -	\$ 10,290.26	\$ 25.47	\$ 10,315.73

* GAAP Fund reported as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit C-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Debt Service Funds
 For the Fiscal Year Ended August 31, 2016

	Small Business Incubator Fund (0588)* U/F (5882)	Texas Product Development Fund (0589)* U/F (5892)	Texas Military Value Revolving Loan (7022)* UF (7221)	Texas Military Value Revolving Loan (7027)* UF (7273)	Totals (Exhibit II 300)
REVENUES					
Interest and Other Investment Income	\$	\$	\$ 221.53	\$ 300.13	\$ 521.66
Total Revenues			221.53	300.13	521.66
EXPENDITURES					
Debt Service:					
Principal			550,000.00	655,000.00	1,205,000.00
Interest	66,600.55	83,251.51	341,412.50	1,489,836.25	1,981,100.81
Total Expenditures	66,600.55	83,251.51	891,412.50	2,144,836.25	3,186,100.81
Excess (Deficiency) of Revenues over Expenditures	(66,600.55)	(83,251.51)	(891,190.97)	(2,144,536.12)	(3,185,579.15)
OTHER FINANCING SOURCES (USES)					
Transfer In	68,507.39	85,635.07	883,796.37	2,144,402.36	3,182,341.19
Transfer Out			(10,066.56)		(10,066.56)
Total Other Financing Sources (Uses)	68,507.39	85,635.07	873,729.81	2,144,402.36	3,172,274.63
Net Change in Fund Balances	1,906.84	2,383.56	(17,461.16)	(133.76)	(13,304.52)
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2015	(1,906.84)	(2,383.56)	17,684.86	159.23	13,553.69
Restatements					
Fund Balances, September 1, 2015, as Restated	(1,906.84)	(2,383.56)	17,684.86	159.23	13,553.69
Appropriations Lapsed					
Fund Balances, August 31, 2016	\$ (0.00)	\$ 0.00	\$ 223.70	\$ 25.47	\$ 249.17

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit F-1 300 - Combining Statement of Net Position - Enterprise Funds
 For the Fiscal Year Ended August 31, 2016

	Economic Development Bank (5106)*	Capital Access Loan Loss Reserve Account (9999)*	Totals (Exhibit III 300)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand			
Cash in Bank	\$ 28,053.00	\$ 124,747.12	\$ 152,800.12
Cash in State Treasury	12,085,355.40		12,085,355.40
Cash Equivalents			
Securities Lending Collateral			
Short Term Investments			
Restricted:			
Cash in State Treasury	2,000,000.00		2,000,000.00
Receivables from:			
Interest and Dividends	54,753.36		54,753.36
Loans and Contracts	1,788,368.47		1,788,368.47
Total Current Assets	<u>15,956,530.23</u>	<u>124,747.12</u>	<u>16,081,277.35</u>
Non-Current Assets:			
Loans and Contracts	16,795,278.29		16,795,278.29
Total Non-Current Assets	<u>16,795,278.29</u>		<u>16,795,278.29</u>
Total Assets	<u>\$ 32,751,808.52</u>	<u>\$ 124,747.12</u>	<u>\$ 32,876,555.64</u>
DEFERRED OUTFLOWS			
Total Deferred Outflows	<u>\$ -</u>		<u>\$ -</u>
LIABILITIES			
Current Liabilities:			
Payables from:			
Accounts	\$ 99,765.18		\$ 99,765.18
Payroll	35,814.99		35,814.99
Employees' Compensable Leave	30,597.97		30,597.97
Total Current Liabilities	<u>166,178.14</u>		<u>166,178.14</u>
Non-Current Liabilities:			
Notes and Loans Payable (Note 5)	20,000,000.00		20,000,000.00
Employees' Compensable Leave	9,061.61		9,061.61
Total Non-Current Liabilities	<u>20,009,061.61</u>		<u>20,009,061.61</u>
Total Liabilities	<u>20,175,239.75</u>		<u>20,175,239.75</u>
DEFERRED INFLOWS			
Derivative Hedging Instrument Liabilities			
Deferred Inflow of Resources			
Total Deferred Inflows			<u>-</u>
Net Position			
Restricted For:			
Other			
Unrestricted	12,576,568.77	124,747.12	12,701,315.89
Total Net Position	<u>\$ 12,576,568.77</u>	<u>\$ 124,747.12</u>	<u>\$ 12,701,315.89</u>

* GAAP Fund allocated to (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit F-2 300 - Combining Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds
For the Fiscal Year Ended August 31, 2016

	Economic Development Bank (5106)*	Capital Access Loan Loss Reserve Account (9999)*	Totals (Exhibit IV 300)
Operating Revenues			
Interest and Investment Income	\$ 642,226.59		\$ 642,226.59
Other Operating Revenue	162,953.65	46,425.42	209,379.07
Total Operating Revenues	<u>805,180.24</u>	<u>46,425.42</u>	<u>851,605.66</u>
Operating Expenses:			
Salaries and Wages	448,750.75		448,750.75
Payroll Related Costs	144,573.56		144,573.56
Professional Fees and Services	103,501.22		103,501.22
Travel	3,535.26		3,535.26
Materials and Supplies	92.64		92.64
Communication and Utilities	29,727.69		29,727.69
Repairs and Maintenance			
Rentals and Leases	1,895.45		1,895.45
Printing and Reproduction			
Interest	100,061.12		100,061.12
Other Operating Expenses	227,735.92	72.00	227,807.92
Total Operating Expenses	<u>1,059,873.61</u>	<u>72.00</u>	<u>1,059,945.61</u>
Operating Income (Loss)	<u>(254,693.37)</u>	<u>46,353.42</u>	<u>(208,339.95)</u>
Nonoperating Revenues (Expenses)			
Investment Income (Expense)	0.31	6.44	6.75
Total Nonoperating Revenues (Expenses)	<u>0.31</u>	<u>6.44</u>	<u>6.75</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(254,693.06)</u>	<u>46,359.86</u>	<u>(208,333.20)</u>
Capital Contributions, Endowments and Transfers			
Transfer In	3,085,418.99	78,387.26	3,163,806.25
Transfer Out	(2,189,431.41)		(2,189,431.41)
Total Capital Contributions, Endowments and Transfers	<u>895,987.58</u>	<u>78,387.26</u>	<u>974,374.84</u>
Change in Net Position	<u>641,294.52</u>	<u>124,747.12</u>	<u>766,041.64</u>
Total Net Position, September 1, 2015	11,935,274.25		11,935,274.25
Restatements			
Total Net Position, September 1, 2015, as Restated	<u>11,935,274.25</u>		<u>11,935,274.25</u>
Total Net Position, August 31, 2016	<u>\$ 12,576,568.77</u>	<u>\$ 124,747.12</u>	<u>\$ 12,701,315.89</u>

* GAAP Fund Accounting (XXXX)

UNAUDITED

Office of the Governor · Trusteed Programs (300)
 Exhibit F-3 300 · Combining Statement of Cash Flows · Enterprise Funds
 For the Fiscal Year Ended August 31, 2016

	Economic Development Bank (5106)*	Capital Access Loan Loss Reserve Account (9999)*	Totals (Exhibit V 300)
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from Other Revenue	\$ 162,953.65	\$ 46,425.42	\$ 209,379.07
Payments to Employees	(592,388.47)		(592,388.47)
Payments for Other Expenses	(344,112.62)	(72.00)	(344,184.62)
Net Cash Provided by Operating Activities	<u>(773,547.44)</u>	<u>46,353.42</u>	<u>(727,194.02)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from Debt Issuance			
Proceeds of Transfers from Other Funds	2,085,418.78	78,387.26	2,163,806.04
Payments of Principal on Debt	(5,000,000.00)		(5,000,000.00)
Payments of Interest	(100,061.12)		(100,061.12)
Payments for Transfers to Other Funds	(1,189,431.20)		(1,189,431.20)
Net Cash Provided by Noncapital Financing Activities	<u>(4,204,073.54)</u>	<u>78,387.26</u>	<u>(4,125,686.28)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Interest and Investment Income	622,499.49	6.44	622,505.93
Proceeds from Principal Payments on Loans	1,772,958.41		1,772,958.41
Payments for Non-Program Loans			
Net Cash Provided by Investing Activities	<u>2,395,457.90</u>	<u>6.44</u>	<u>2,395,464.34</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,582,163.08)	124,747.12	(2,457,415.96)
Cash and Cash Equivalents, September 1, 2015	16,695,571.48		16,695,571.48
Restatement to Beginning Cash & Cash Equivalents			
Cash and Cash Equivalents, September 1, 2015 as Restated	<u>16,695,571.48</u>		<u>16,695,571.48</u>
Cash and Cash Equivalents, August 31, 2016	<u>\$ 14,113,408.40</u>	<u>\$ 124,747.12</u>	<u>\$ 14,238,155.52</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (254,693.37)	\$ 46,353.42	\$ (208,339.95)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Operating Income and Cash Flow Categories Classification Differences	(542,165.47)		(542,165.47)
Changes in Assets and Liabilities:			
Increase (Decrease) in Payables	12,966.78		12,966.78
Increase (Decrease) in Unearned Revenue			
Increase (Decrease) in Compensated Absence Liabilities	10,344.62		10,344.62
Total Adjustments	<u>(518,854.07)</u>		<u>(518,854.07)</u>
Net Cash Provided by Operating Activities	<u>\$ (773,547.44)</u>	<u>\$ 46,353.42</u>	<u>\$ (727,194.02)</u>

* GAAP Fund reported as of (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit I-1 300 - Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds
 For the Fiscal Year Ended August 31, 2016

	Spaceport Trust Fund (0806)*	Total (Exhibit VI - 300)
ASSETS		
Cash in State Treasury	\$ 15,136,348.11	\$ 15,136,348.11
Other Interest Receivable	10,589.46	10,589.46
Total Assets	<u>15,146,937.57</u>	<u>15,146,937.57</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Total Liabilities	-	-
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Held in Trust for Others	15,146,937.57	15,146,937.57
Total Net Position	<u>\$ 15,146,937.57</u>	<u>\$ 15,146,937.57</u>

* GAAP Fund reported as (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit I-2 300 - Combining Statement of Changes in Fiduciary Net Position - Private-Purpose Trust Funds
 For the Fiscal Year Ended August 31, 2016

	Spaceport Trust Fund (0806)*	Total (Exhibit VII - 300)
ADDITIONS		
Contributions:		
Federal Contributions	\$	\$
Other Contributions		
Total Contributions		
Investment Income from Investing Activities:		
Interest and Investment Income	109,464.29	109,464.29
Total Net Investment Income	109,464.29	109,464.29
Other Additions:		
Settlement of Claims		
Other Revenue		
Transfer In		
Total Other Additions		
Total Additions	109,464.29	109,464.29
DEDUCTIONS		
Transfers Out of Contributions		
Salaries and Wages		
Payroll Related Costs		
Professional Fees and Services		
Travel		
Printing and Reproduction		
Depreciation Expense		
Settlement of Claims		
Interest Expense		
Transfer Out		
Intergovernmental Payments		
Other Expenses		
Total Deductions		
INCREASE (DECREASE) IN NET POSITION	109,464.29	109,464.29
Net Position		
Net Position, September 1, 2015	15,037,473.28	15,037,473.28
Restatements		
Net Position, September 1, 2015, as Restated	15,037,473.28	15,037,473.28
Net Position, August 31, 2016	\$ 15,146,937.57	\$ 15,146,937.57

* GAAP Fund reported as (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit J-1 300 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
 For the Fiscal Year Ended August 31, 2016

	Beginning Balance September 1, 2015	Additions	Deductions	Ending Balance August 31, 2016 (Exhibit VI 300)
Events Trust Fund for Certain Muni/Countys (0830), U/F(5302)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
Total Assets	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
LIABILITIES				
Funds Held for Others	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
Total Liabilities	\$ -	\$ 6,116,901.19	\$ 4,341,653.89	\$ 1,775,247.30
Motor Sports & Racing Trust Fund (0839), U/F (5392)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
Total Assets	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
Total Liabilities	\$ -	\$ 249,627.00	\$ 249,627.00	\$ -
Major Events Reimbursement Program (0869), U/F (5692)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
Total Assets	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
LIABILITIES				
Funds Held for Others	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
Total Liabilities	\$ -	\$ 8,379,537.15	\$ 1,631,206.15	\$ 6,748,331.00
Departmental Suspense (0900), U/F(0900)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 674.88	\$ 674.88	\$ -
Total Assets	\$ -	\$ 674.88	\$ 674.88	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 674.88	\$ 674.88	\$ -
Total Liabilities	\$ -	\$ 674.88	\$ 674.88	\$ -
Overpayments to Employees (0900), U/F(9015)*				
ASSETS				
Cash in State Treasury	\$ 227.27	\$ 2,980.40	\$ 3,207.67	\$ -
Total Assets	\$ 227.27	\$ 2,980.40	\$ 3,207.67	\$ -
LIABILITIES				
Funds Held for Others	\$ 227.27	\$ 2,980.40	\$ 3,207.67	\$ -
Total Liabilities	\$ 227.27	\$ 2,980.40	\$ 3,207.67	\$ -
Warrant Hold Offset (0900), U/F(9016)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
Total Assets	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
Total Liabilities	\$ -	\$ 2,353.65	\$ 2,353.65	\$ -
Direct Deposit Correction (0980) U/F(0980,9014)				
ASSETS				
Cash in State Treasury	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
Total Assets	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
Total Liabilities	\$ -	\$ 49,793.91	\$ 49,793.91	\$ -
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ 227.27	\$ 14,801,868.18	\$ 6,278,517.15	\$ 8,523,578.30
Other Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 227.27	\$ 14,801,868.18	\$ 6,278,517.15	\$ 8,523,578.30
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	\$ 227.27	\$ 14,801,868.18	\$ 6,278,517.15	\$ 8,523,578.30
Total Liabilities	\$ 227.27	\$ 14,801,868.18	\$ 6,278,517.15	\$ 8,523,578.30

* GAAP Fund is noted as (XXXX), USAS U/F (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit K-1 300 - Combining Statement of Net Position - Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	Texas Disaster Relief Fund, a Non-Profit Corp. (3146)* U/F (7003)	Texas Small Business Industrial Development Corporation (3154)* U/F (7002)	Texas Economic Development Corporation (3155)* U/F (7001)	Beacon State Fund (4157)* U/F (7005)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash In Bank	\$ 200,000.00	\$	\$ 1,800,983.00	\$ 75,117.19
Cash Eq - Miscellaneous Investments	657,851.91			
Restricted:				
Cash on Hand				
Cash In Bank				
Cash Equivalents				
Short Term Investments				
Receivables from:				
Federal				
Other Intergovernmental				
Interest and Dividends	31.46			
Accounts Receivable	313.00		14,500.00	100.57
Prepaid Items	137.51		25,039.00	
Total Current Assets	<u>858,333.88</u>	<u>-</u>	<u>1,840,522.00</u>	<u>75,217.76</u>
Non-Current Assets:				
Capital Assets (Note 2):				
Depreciable and Amortizable, Net				
Furniture and Equipment			3,229.00	
Less Accumulated Depreciation			(1,476.00)	
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>1,753.00</u>	<u>-</u>
Total Assets	<u>\$ 858,333.88</u>	<u>\$ -</u>	<u>\$ 1,842,275.00</u>	<u>\$ 75,217.76</u>
LIABILITIES				
Current Liabilities:				
Payables from:				
Accounts Payable	\$	\$	\$ 201,562.00	\$
Payroll			180,000.00	
Other				
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>381,562.00</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>381,562.00</u>	<u>-</u>
Net Position				
Unrestricted	858,333.88	-	1,460,713.00	75,217.76
Total Net Position	<u>\$ 858,333.88</u>	<u>\$ -</u>	<u>\$ 1,460,713.00</u>	<u>\$ 75,217.76</u>

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit K-1 300 - Combining Statement of Net Position - Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	State Agency Council (4158)* U/F (7006)	Film Texas Fund (4159)* U/F (7007)	Texas Governor's Mansion Administration (4164)* U/F (7008)	Totals (Exhibit VIII - 300)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash In Bank	\$ 24,171.38	\$ 511.52	\$ 714.55	\$ 2,101,497.64
Cash Eq - Miscellaneous Investments				657,851.91
Restricted:				
Cash on Hand				
Cash In Bank				
Cash Equivalents				
Short Term Investments				
Receivables from:				
Federal				31.46
Other Intergovernmental				
Interest and Dividends				18,898.86
Accounts Receivable	73.10		3,912.19	25,176.51
Prepaid Items				
Total Current Assets	24,244.48	511.52	4,626.74	2,803,456.38
Non-Current Assets:				
Capital Assets (Note 2):				
Depreciable and Amortizable, Net				
Furniture and Equipment				3,229.00
Less Accumulated Depreciation				(1,476.00)
Total Non-Current Assets	-	-	-	1,753.00
Total Assets	\$ 24,244.48	\$ 511.52	\$ 4,626.74	\$ 2,805,209.38
LIABILITIES				
Current Liabilities:				
Payables from:				
Accounts Payable	\$ 430.76	\$ -	\$ 121.36	\$ 202,114.12
Payroll				180,000.00
Other			205.86	205.86
Total Current Liabilities	430.76	-	327.22	382,319.98
Total Liabilities	430.76	-	327.22	382,319.98
Net Position				
Unrestricted	23,813.72	511.52	4,299.52	2,422,889.40
Total Net Position	\$ 23,813.72	\$ 511.52	\$ 4,299.52	\$ 2,422,889.40

* GAAP Fund is reported as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit K-2 300 - Combining Statement of Revenues, Expenses and Changes in Net Position -
 Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	Texas Disaster Relief Fund (3146)* U/F (7003)	Texas Small Business Industrial Development Corporation (3154)* U/F (7002)	Texas Economic Development Corporation (3155)* U/F (7001)	Beacon State Fund (4157)* U/F (7005)
Operating Revenues				
Sales of Goods and Services	\$	\$	\$ 39,250.00	\$ 435.00
Other Contracts, Grants and Contributions	7,075.71		2,415,879.00	56,216.98
Other Operating Revenue				
Total Operating Revenues	<u>7,075.71</u>	<u>-</u>	<u>2,455,129.00</u>	<u>56,651.98</u>
Operating Expenses				
Salaries and Wages			941,417.00	
Professional Fees and Services	1,458.90		68,113.00	1,766.98
Travel			434,138.00	
Materials and Supplies	5.53		62,417.00	8,391.93
Communication and Utilities	626.22		9,073.00	236.25
Rentals and Leases			3,161.00	5,924.13
Printing and Reproduction				155.23
Depreciation and Amortization			642.00	
Bad Debt Expense			26,000.00	
Interest Expense				
Grants to Community Service Programs				1,350.00
Other Operating Expenses	719.33	844,881.20	487,237.00	4,411.86
Total Operating Expenses	<u>2,809.98</u>	<u>844,881.20</u>	<u>2,032,198.00</u>	<u>22,236.38</u>
Operating Income (Loss)	<u>4,265.73</u>	<u>(844,881.20)</u>	<u>422,931.00</u>	<u>34,415.60</u>
Nonoperating Revenues (Expenses)				
Investment Income (Expense)	82.18	3.25		13.28
Total Nonoperating Revenues (Expenses)	<u>82.18</u>	<u>3.25</u>	<u>-</u>	<u>13.28</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>4,347.91</u>	<u>(844,877.95)</u>	<u>422,931.00</u>	<u>34,428.88</u>
Change in Net Position	<u>4,347.91</u>	<u>(844,877.95)</u>	<u>422,931.00</u>	<u>34,428.88</u>
Net Position, September 1, 2015	853,985.97	844,877.95	1,037,782.00	40,788.88
Restatements				
Net Position, September 1, 2015, as Restated	<u>853,985.97</u>	<u>844,877.95</u>	<u>1,037,782.00</u>	<u>40,788.88</u>
Net Position, August 31, 2016	<u>\$ 858,333.88</u>	<u>\$ -</u>	<u>\$ 1,460,713.00</u>	<u>\$ 75,217.76</u>

* GAAP Fund indicated as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit K-2 300 - Combining Statement of Revenues, Expenses and Changes in Net Position -
 Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2016

	State Agency Council (4158)* U/F (7006)	Film Texas Fund (4159)* U/F (7007)	Texas Governor's Mansion Administration (4164)* U/F (7008)	Totals (Exhibit IX 300)
Operating Revenues				
Sales of Goods and Services	\$	\$	\$ 16,014.71	\$ 55,699.71
Other Contracts, Grants and Contributions	270.00		3,866.98	2,483,308.67
Other Operating Revenue				
Total Operating Revenues	<u>270.00</u>		<u>19,881.69</u>	<u>2,539,008.38</u>
Operating Expenses				
Salaries and Wages				941,417.00
Professional Fees and Services			2,050.26	73,389.14
Travel		24.00	220.86	434,382.86
Materials and Supplies	598.45	1,020.21	22,989.51	95,422.63
Communication and Utilities				9,935.47
Rentals and Leases	1,500.00		520.13	11,105.26
Printing and Reproduction				155.23
Depreciation and Amortization				642.00
Bad Debt Expense				26,000.00
Interest Expense			17.95	17.95
Grants to Community Service Programs				1,350.00
Other Operating Expenses	513.50		5,944.14	1,343,707.03
Total Operating Expenses	<u>2,611.95</u>	<u>1,044.21</u>	<u>31,742.85</u>	<u>2,937,524.57</u>
Operating Income (Loss)	<u>(2,341.95)</u>	<u>(1,044.21)</u>	<u>(11,861.16)</u>	<u>(398,516.19)</u>
Nonoperating Revenues (Expenses)				
Investment Income (Expense)	32.20			130.91
Total Nonoperating Revenues (Expenses)	<u>32.20</u>			<u>130.91</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(2,309.75)</u>	<u>(1,044.21)</u>	<u>(11,861.16)</u>	<u>(398,385.28)</u>
Change in Net Position	<u>(2,309.75)</u>	<u>(1,044.21)</u>	<u>(11,861.16)</u>	<u>(398,385.28)</u>
Net Position, September 1, 2015	26,123.47	1,555.73	16,160.68	2,821,274.68
Restatements				
Net Position, September 1, 2015, as Restated	<u>26,123.47</u>	<u>1,555.73</u>	<u>16,160.68</u>	<u>2,821,274.68</u>
Net Position, August 31, 2016	<u>\$ 23,813.72</u>	<u>\$ 511.52</u>	<u>\$ 4,299.52</u>	<u>\$ 2,422,889.40</u>

* GAAP Fund | oled : (XXXX), USAS D23 U/F (XXXX)



