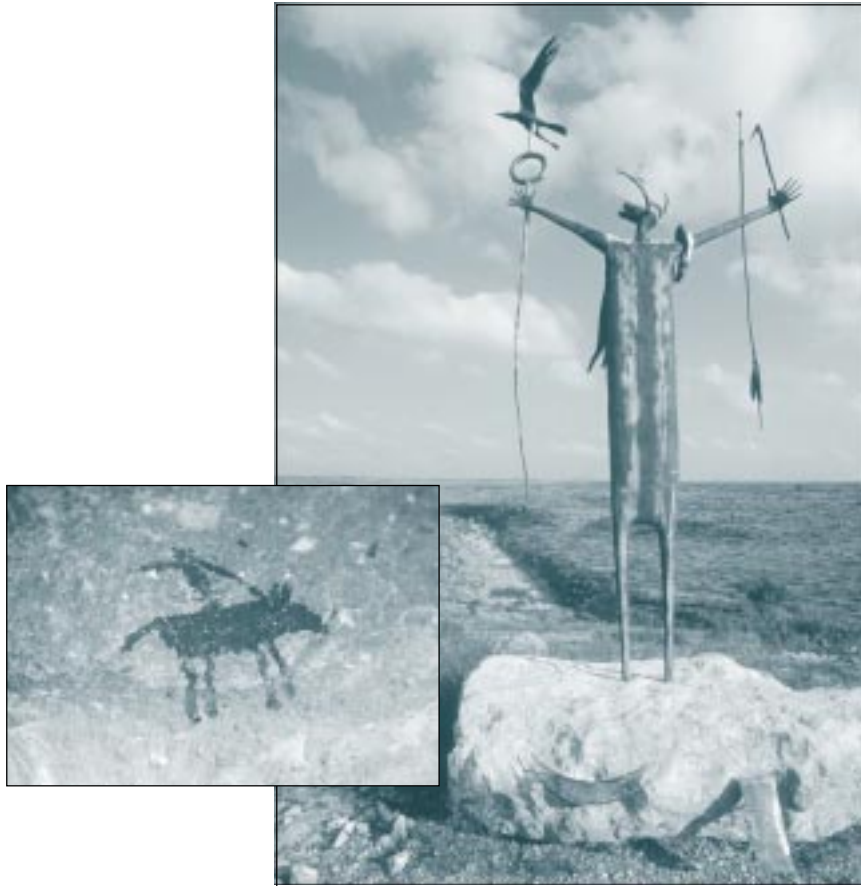


Combining Financial Statements

By Major Fund or Agency



Special Revenue Funds

The **Available School Fund** receives earnings of the Permanent School Fund and allocations of motor fuel taxes to support public schools.

The **State Highway Fund** receives monies allocated by law for public road construction and maintenance and policing of a system of state highways.

The **Veterans Land Board Loan Program Funds** receive proceeds from the sale of bonds which are used to administer, originate, and service loans for land, housing, and home improvement for those qualifying veterans.

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

The **Water Development Fund** receives proceeds from the sale of Texas Water Development Bonds for the purpose of aiding and making funds available to various political subdivisions for projects and other authorized purposes. The fund also receives gifts or grants for the purpose of assisting economically distressed areas. Money in the fund is invested.

The **Texas National Research Laboratory Commission Lease Revenue Bond Funds** account for pro-

ceeds of revenue sources that are legally restricted for specific purposes. It includes remaining bond proceeds and settlements from the U.S. Department of Energy. The funds will be used to complete the eminent domain land acquisition process and liquidate outstanding liabilities associated with the termination of the Superconducting Super Collider Research Facility within the state.

The **Water Assistance Fund** receives monies appropriated by the Legislature for water development, water conservation, water quality enhancement, or flood control. The fund also receives gifts or grants. Monies are transferred to other funds for water development projects.

The **Agriculture Trust Fund** receives money from the Water Assistance Fund, legislative appropriations, interest earned and other revenue as provided by law for soil and water conservation programs. Money in the fund may be invested. The principle of the fund may not be spent for any purpose.

The **Telecommunications Infrastructure Fund** receives annual assessments from telecommunications utility and commercial mobile service providers. The proceeds are used for capital outlay purchases to assist in accessing the latest information telecommunications technology. Telecommunications grants and loans are also made from the fund.

State of Texas

Combining Balance Sheet – Special Revenue Funds

August 31, 1997 (Amounts in Thousands)

	Available School Fund	State Highway Fund	Veterans Land Board Loan Program Funds	Student Loan Funds
ASSETS				
Cash and Temporary Investments	\$ 48,524	\$ 655,826	\$ 397,566	\$ 19,429
Investments			232,181	
Receivables:				
Intergovernmental		241,926		2,591
Interest and Dividends	361		13,552	97,385
Other	154	12,256	25	
Due From Other Funds	133,389	315	1,090	
Interfund Receivable	711			
Inventories		96,143		
Restricted Assets:				
Cash and Temporary Investments				
Loans and Contracts		55,000	1,265,461	574,613
Other Assets			18,007	
Total Assets	<u>\$183,139</u>	<u>\$1,061,466</u>	<u>\$1,927,882</u>	<u>\$ 694,018</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	\$ 4,817	\$ 546,607	\$ 1,737	\$ 262
Deferred Revenues		16,043		
Due to Other Funds	4	2,238	1,095	
Interfund Payable		520		
Total Liabilities	<u>4,821</u>	<u>565,408</u>	<u>2,832</u>	<u>262</u>
Fund Balances:				
Reserved for:				
Encumbrances	4,346	91,485	954	
Inventories		96,143		
Imprest Accounts		312	21	
Unreserved:				
Designated for:				
Veterans Land & Housing Program			1,924,075	
General Government Functions				
Regulatory				
Health & Human Services				
Natural Resources/Recreation				
Education	173,972			693,756
Transportation		308,118		
Public Safety & Corrections				
Employee Benefits				
Total Fund Balances	<u>178,318</u>	<u>496,058</u>	<u>1,925,050</u>	<u>693,756</u>
Total Liabilities and Fund Balances	<u>\$183,139</u>	<u>\$1,061,466</u>	<u>\$1,927,882</u>	<u>\$ 694,018</u>

Water Development Fund	TNRLC Lease Revenue Bond Funds	Water Assistance Fund	Agriculture Trust Fund	Telecommunication Infrastructure Fund	Other Special Revenue Funds	Totals
\$ 52,836	\$ 1,789	\$ 22,057	\$ 17,223 202	\$ 167,124	\$ 158,826 11,635	\$1,541,200 244,018
					2	244,519
2			1		610	111,911
246		12	255	12	2,227	15,187
					2,555	137,349
				9		720
				2	552	96,697
					179	179
9,758		15,834				1,920,666
					1,507	19,514
<u>\$ 62,842</u>	<u>\$ 1,789</u>	<u>\$ 37,903</u>	<u>\$ 17,681</u>	<u>\$ 167,147</u>	<u>\$ 178,093</u>	<u>\$4,331,960</u>
\$	\$ 45	\$ 241	\$ 14	\$ 5,153	\$ 14,312	\$ 573,188
					599	16,642
2		112	122		1,839	5,412
					279	799
<u>2</u>	<u>45</u>	<u>353</u>	<u>136</u>	<u>5,153</u>	<u>17,029</u>	<u>596,041</u>
		11,788	21		41,250	149,844
				2	552	96,697
					68	401
						1,924,075
				160,200	76,974	237,174
					5,197	5,197
					8,379	8,379
62,840		25,762	17,524		9,671	115,797
	1,744			1,792	12,987	884,251
					2,781	310,899
					3,149	3,149
					56	56
<u>62,840</u>	<u>1,744</u>	<u>37,550</u>	<u>17,545</u>	<u>161,994</u>	<u>161,064</u>	<u>3,735,919</u>
<u>\$ 62,842</u>	<u>\$ 1,789</u>	<u>\$ 37,903</u>	<u>\$ 17,681</u>	<u>\$ 167,147</u>	<u>\$ 178,093</u>	<u>\$4,331,960</u>

State of Texas

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

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Available School Fund	State Highway Fund	Veterans Land Board Loan Program Funds	Student Loan Funds	Water Development Fund
REVENUES					
Taxes	\$	\$ 24,060	\$	\$	\$
Federal		1,082,506		6,346	92
Licenses, Fees and Permits		665,243	506		
Interest and Other Investment Income	958,362	23,827	122,439	41,444	2,489
Land Income		1,160			
Settlement of Claims		4,983			
Sales of Goods and Services		128,223			
Other	1,979	7,765	2,388	2,477	32
Total Revenues	<u>960,341</u>	<u>1,937,767</u>	<u>125,333</u>	<u>50,267</u>	<u>2,613</u>
EXPENDITURES					
Current:					
General Government	27	5,321	18,419		
Education	1,282,596			7,628	
Employee Benefits					
Health and Human Services		1,566			
Public Safety and Corrections		278,566			
Transportation		3,164,222			
Natural Resources & Recreational Services					21,457
Regulatory Agencies					
Capital Outlay	168	112,744	357		
Debt Service:					
Principal			85,540		
Interest			92,957		
Total Expenditures	<u>1,282,791</u>	<u>3,562,419</u>	<u>197,273</u>	<u>7,628</u>	<u>21,457</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(322,450)</u>	<u>(1,624,652)</u>	<u>(71,940)</u>	<u>42,639</u>	<u>(18,844)</u>
Other Financing Sources (Uses):					
Operating Transfers-In	581,438	1,742,477	33,566	39,200	1,082
Operating Transfers-Out	(178,162)	(13,764)	(33,566)	(90,334)	(3,307)
Bond and Note Proceeds			50,000	23	25,000
Increase in Obligations Under Capital Leases		119			
Sale of Fixed Assets		2,540			
Total Other Financing Sources (Uses)	<u>403,276</u>	<u>1,731,372</u>	<u>50,000</u>	<u>(51,111)</u>	<u>22,775</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>80,826</u>	<u>106,720</u>	<u>(21,940)</u>	<u>(8,472)</u>	<u>3,931</u>
Fund Balances, September 1, 1996	97,492	396,459	1,947,158	702,228	58,909
Restatements			(168)		
Fund Balances, September 1, 1996, as Restated	<u>97,492</u>	<u>396,459</u>	<u>1,946,990</u>	<u>702,228</u>	<u>58,909</u>
Net Change in Reserve for Inventories		(7,121)			
Residual Equity Transfers					
FUND BALANCES, AUGUST 31, 1997	<u>\$ 178,318</u>	<u>\$ 496,058</u>	<u>\$ 1,925,050</u>	<u>\$ 693,756</u>	<u>\$ 62,840</u>

TNRLC Lease Revenue Bond Funds	Water Assistance Fund	Agriculture Trust Fund	Telecommunication Infrastructure Fund	Other Special Revenue Funds	Totals
\$	\$	\$	\$	\$ 37	\$ 24,097
	445			580	1,089,969
			93,767	35,596	795,112
611	1,265	969	6,507	9,575	1,167,488
				4,604	5,764
266					5,249
2	161			6,340	134,726
1				85,128	99,770
<u>880</u>	<u>1,871</u>	<u>969</u>	<u>100,274</u>	<u>141,860</u>	<u>3,322,175</u>
		234	6,888	49,552	80,441
7,613			12,098	170,077	1,480,012
				981	981
				4,290	5,856
				67,061	345,627
				723	3,164,945
	6,065	199		3,106	30,827
				733	733
		2	1,247	7,454	121,972
					85,540
					92,957
<u>7,613</u>	<u>6,065</u>	<u>435</u>	<u>20,233</u>	<u>303,977</u>	<u>5,409,891</u>
<u>(6,733)</u>	<u>(4,194)</u>	<u>534</u>	<u>80,041</u>	<u>(162,117)</u>	<u>(2,087,716)</u>
	51	246		255,345	2,653,405
		(234)		(24,255)	(343,622)
					75,023
					119
				5,523	8,063
<u>0</u>	<u>51</u>	<u>12</u>	<u>0</u>	<u>236,613</u>	<u>2,392,988</u>
<u>(6,733)</u>	<u>(4,143)</u>	<u>546</u>	<u>80,041</u>	<u>74,496</u>	<u>305,272</u>
14,477	41,693	16,999	81,911	98,461	3,455,787
				(12,078)	(12,246)
<u>14,477</u>	<u>41,693</u>	<u>16,999</u>	<u>81,911</u>	<u>86,383</u>	<u>3,443,541</u>
			42	192	(6,887)
<u>(6,000)</u>				<u>(7)</u>	<u>(6,007)</u>
<u>\$ 1,744</u>	<u>\$ 37,550</u>	<u>\$ 17,545</u>	<u>\$ 161,994</u>	<u>\$ 161,064</u>	<u>\$ 3,735,919</u>

State of Texas

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – Special Revenue Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Available School Fund			State Highway Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	\$	\$	\$	\$ 24,834	\$ 24,060	\$ (774)
Federal				1,252,614	1,116,768	(135,846)
Licenses, Fees and Permits				619,422	665,243	45,821
Interest and Other Investment Income	636,708	820,820	184,112	21,996	23,827	1,831
Land Income	1,595		(1,595)	1,088	1,160	72
Settlement of Claims				3,000	4,983	1,983
Sales of Goods and Services		(155)	(155)	58,305	125,307	67,002
Other		1,979	1,979	4,148	1,770	(2,378)
Total Revenues	<u>638,303</u>	<u>822,644</u>	<u>184,341</u>	<u>1,985,407</u>	<u>1,963,118</u>	<u>(22,289)</u>
EXPENDITURES						
General Government	1		1	8,854	5,594	3,260
Education	1,090,281	1,148,375	(58,094)	72		72
Employee Benefits						
Health & Human Services				1,754	1,570	184
Public Safety and Corrections	7		7	309,474	308,830	644
Transportation	14		14	3,246,300	3,297,397	(51,097)
Natural Resources and Recreation						
Total Expenditures	<u>1,090,303</u>	<u>1,148,375</u>	<u>(58,072)</u>	<u>3,566,454</u>	<u>3,613,391</u>	<u>(46,937)</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(452,000)</u>	<u>(325,731)</u>	<u>126,269</u>	<u>(1,581,047)</u>	<u>(1,650,273)</u>	<u>(69,226)</u>
Other Financing Sources (Uses)						
Operating Transfers-In	577,679	581,438	3,759	1,423,594	1,742,478	318,884
Operating Transfers-Out		(178,162)	(178,162)		(13,764)	(13,764)
Bond and Note Proceeds						
Increase in Obligations Under Capital Leases					119	119
Sale of General Fixed Assets				5,200	2,540	(2,660)
Available Beginning Balance (1)	<u>437,712</u>		<u>(437,712)</u>	<u>653,306</u>		<u>(653,306)</u>
Total Other Financing Sources (Uses)	<u>1,015,391</u>	<u>403,276</u>	<u>(612,115)</u>	<u>2,082,100</u>	<u>1,731,373</u>	<u>(350,727)</u>
Excess (Deficiency) of Revenues						
and Other Financing Sources						
Over (Under) Expenditures						
and Other Financing Uses	<u>\$ 563,391</u>	<u>\$ 77,545</u>	<u>\$ (485,846)</u>	<u>\$ 501,053</u>	<u>\$ 81,100</u>	<u>\$ (419,953)</u>
 (1) Available Beginning Balance:						
FY 97 Beginning Balance	\$ 437,712		\$ (437,712)	\$ 653,306		\$ (653,306)
Prior Period Adjustment						
FY 97 Beginning Balance, as adjusted	<u>\$ 437,712</u>		<u>\$ (437,712)</u>	<u>\$ 653,306</u>		<u>\$ (653,306)</u>

Explanation of Prior Period Adjustment:

The Foundation School Fund has been consolidated into General Revenue (GR) from Special Revenue (SR), as of fiscal year 1997.

Other Special Revenue Funds			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
\$	\$ 37	\$ 37	\$ 24,834	\$ 24,097	\$ (737)
2,868	7,470	4,602	1,255,482	1,124,238	(131,244)
167,869	112,178	(55,691)	787,291	777,421	(9,870)
222,350	139,707	(82,643)	881,054	984,354	103,300
			2,683	1,160	(1,523)
11	266	255	3,011	5,249	2,238
3,827	7,349	3,522	62,132	132,501	70,369
159,589	67,678	(91,911)	163,737	71,427	(92,310)
<u>556,514</u>	<u>334,685</u>	<u>(221,829)</u>	<u>3,180,224</u>	<u>3,120,447</u>	<u>(59,777)</u>
240,223	228,247	11,976	249,078	233,841	15,237
124,106	180,871	(56,765)	1,214,459	1,329,246	(114,787)
	920	(920)		920	(920)
6,943	4,344	2,599	8,697	5,914	2,783
890		890	310,371	308,830	1,541
1,897		1,897	3,248,211	3,297,397	(49,186)
14,916	25,625	(10,709)	14,916	25,625	(10,709)
<u>388,975</u>	<u>440,007</u>	<u>(51,032)</u>	<u>5,045,732</u>	<u>5,201,773</u>	<u>(156,041)</u>
<u>167,539</u>	<u>(105,322)</u>	<u>(272,861)</u>	<u>(1,865,508)</u>	<u>(2,081,326)</u>	<u>(215,818)</u>
	256,148	256,148	2,001,273	2,580,064	578,791
(122,828)	(120,037)	2,791	(122,828)	(311,963)	(189,135)
	25,023	25,023		25,023	25,023
				119	119
1		(1)	5,201	2,540	(2,661)
181,797		(181,797)	1,272,815		(1,272,815)
<u>58,970</u>	<u>161,134</u>	<u>102,164</u>	<u>3,156,461</u>	<u>2,295,783</u>	<u>(860,678)</u>
<u>\$ 226,509</u>	<u>\$ 55,812</u>	<u>\$ (170,697)</u>	<u>\$ 1,290,953</u>	<u>\$ 214,457</u>	<u>\$ (1,076,496)</u>
\$ 181,797		\$ (181,797)	\$ 1,067,068		\$ (1,067,068)
			205,747		(205,747)
<u>\$ 181,797</u>		<u>\$ (181,797)</u>	<u>\$ 1,272,815</u>		<u>\$ (1,272,815)</u>

Debt Service Funds

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

The **Public Finance Authority Escrow G.O. Bond Fund** receives the transfer of funds from the National Research Laboratory Commission for the defeasance of all or a portion of General Obligation bonds issued by T.P.F.A. for the state's participation in the Superconducting Super Collider project.

The **Public Finance Authority G.O. Bond Funds** receive proceeds and accrued interest from the sale of General Obligation Bonds and provide the debt service requirements for those bonds.

The **Public Finance Authority Commercial Paper Funds** receive deposits of any accrued interest on sale of notes and pledged revenues necessary to make debt service payments.

The **Texas College Student Loan Bonds Interest and Sinking Fund** receives deposits from the Texas Opportunity Plan Fund for payment of current interest and principal and establishment of a reserve.

The **Criminal Justice Institutional Division Revenue Bond Fund** receives proceeds from Revenue Bonds issued by private financing corporations involved with certain counties in the construction of prisons.

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

The **Economically Distressed Areas Clearance Interest and Sinking Fund** was created to pay debt service on the bonds issued for financial assistance for water supply and sewer services.

The **National Guard Armory Board Refund and Improvement Bond Fund** provides for the payment of principal and interest on the Board's outstanding revenue bonds. The Fund is composed of an Interest and Sinking Fund and a Reserve Fund.

State of Texas

Combining Balance Sheet – Debt Service Funds

August 31, 1997 (Amounts in Thousands)

	Public Finance Authority Revenue Bond Funds	Public Finance Authority Escrow G.O. Bond Fund	Public Finance Authority G.O. Bond Funds	Public Finance Authority Commercial Paper Funds
ASSETS				
Cash and Temporary Investments	\$44,163	\$7,051	\$760	\$361
Investments				
Receivables:				
Interest and Dividends				
Due From Other Funds				
Total Assets	<u>\$44,163</u>	<u>\$7,051</u>	<u>\$760</u>	<u>\$361</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:				
Reserved:				
Water Development Program				
Unreserved:				
Designated for:				
Debt Service	<u>44,163</u>	<u>7,051</u>	<u>760</u>	<u>361</u>
Total Fund Balances	<u>44,163</u>	<u>7,051</u>	<u>760</u>	<u>361</u>
Total Liabilities and Fund Balances	<u>\$44,163</u>	<u>\$7,051</u>	<u>\$760</u>	<u>\$361</u>

Texas College Student Loan Bonds Interest and Sinking Fund	Criminal Justice Institutional Division Revenue Bond Fund	Student Loan Revenue Bond Fund	Economically Distressed Areas Clearance Interest and Sinking Fund	National Guard Armory Board Refund and Improvement Bond Fund	Totals
\$ 119,906	\$ 2,047 14,146	\$5,189 3,063	\$6,793	\$2,151	\$ 188,421 17,209
965					965
<u> </u>	<u> </u>	<u>248</u>	<u>2</u>	<u> </u>	<u>250</u>
<u>\$ 120,871</u>	<u>\$16,193</u>	<u>\$8,500</u>	<u>\$6,795</u>	<u>\$2,151</u>	<u>\$ 206,845</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
			6,795		6,795
<u>120,871</u>	<u>16,193</u>	<u>8,500</u>		<u>2,151</u>	<u>200,050</u>
<u>120,871</u>	<u>16,193</u>	<u>8,500</u>	<u>6,795</u>	<u>2,151</u>	<u>206,845</u>
<u>\$ 120,871</u>	<u>\$16,193</u>	<u>\$8,500</u>	<u>\$6,795</u>	<u>\$2,151</u>	<u>\$ 206,845</u>

State of Texas

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

For The Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Public Finance Authority Revenue Bond Funds	Public Finance Authority Escrow G.O. Bond Fund	Public Finance Authority G.O. Bond Funds	Public Finance Authority Commercial Paper Funds
REVENUES				
Taxes	\$29,965	\$	\$	\$
Federal				
Interest and Other Investment Income	2,218	3,711	292	73
Other Revenue Sources	1,644			
Total Revenues	<u>33,827</u>	<u>3,711</u>	<u>292</u>	<u>73</u>
EXPENDITURES				
Current:				
General Government	7	(7)	2	348
Education				
Public Safety and Corrections				
Debt Service:				
Principal	41,462		86,965	31,800
Interest	<u>36,757</u>		<u>140,528</u>	<u>6,374</u>
Total Expenditures	<u>78,226</u>	<u>(7)</u>	<u>227,495</u>	<u>38,522</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(44,399)</u>	<u>3,718</u>	<u>(227,203)</u>	<u>(38,449)</u>
Other Financing Sources (Uses):				
Operating Transfers-In	46,261	7,674	224,658	38,783
Operating Transfers-Out	(1,082)			
Bond and Note Proceeds	170	(110)		(32)
Payment for Refunding		(87,538)		
Total Other Financing Sources (Uses)	<u>45,349</u>	<u>(79,974)</u>	<u>224,658</u>	<u>38,751</u>
Excess (Deficiency) of Revenues and Other				
Financing Sources Over (Under) Expenditures				
and Other Financing Uses	<u>950</u>	<u>(76,256)</u>	<u>(2,545)</u>	<u>302</u>
Fund Balances, September 1, 1996	<u>43,213</u>	<u>83,307</u>	<u>3,305</u>	<u>59</u>
FUND BALANCES, AUGUST 31, 1997	<u><u>\$44,163</u></u>	<u><u>\$ 7,051</u></u>	<u><u>\$ 760</u></u>	<u><u>\$ 361</u></u>

Texas College Student Loan Bonds Interest and Sinking Fund	Criminal Justice Institutional Division Revenue Bond Fund	Student Loan Revenue Bond Fund	Economically Distressed Areas Clearance Interest and Sinking Fund	National Guard Armory Board Refund and Improvement Bond Fund	Totals
\$	\$	\$	\$	\$	\$
2,090		316			29,965
9,577	1,014	451	593	119	2,406
					18,048
					1,644
<u>11,667</u>	<u>1,014</u>	<u>767</u>	<u>593</u>	<u>119</u>	<u>52,063</u>
					350
42		12			54
	110				110
29,040	11,367	7,070	1,040	2,375	211,119
<u>25,664</u>	<u>12,272</u>	<u>3,047</u>	<u>3,447</u>	<u>1,629</u>	<u>229,718</u>
<u>54,746</u>	<u>23,749</u>	<u>10,129</u>	<u>4,487</u>	<u>4,004</u>	<u>441,351</u>
<u>(43,079)</u>	<u>(22,735)</u>	<u>(9,362)</u>	<u>(3,894)</u>	<u>(3,885)</u>	<u>(389,288)</u>
81,549	22,919	8,784	3,308	3,672	437,608
<u>(44,758)</u>				<u>(112)</u>	<u>(45,952)</u>
					28
					(87,538)
<u>36,791</u>	<u>22,919</u>	<u>8,784</u>	<u>3,308</u>	<u>3,560</u>	<u>304,146</u>
<u>(6,288)</u>	<u>184</u>	<u>(578)</u>	<u>(586)</u>	<u>(325)</u>	<u>(85,142)</u>
<u>127,159</u>	<u>16,009</u>	<u>9,078</u>	<u>7,381</u>	<u>2,476</u>	<u>291,987</u>
<u>\$ 120,871</u>	<u>\$16,193</u>	<u>\$8,500</u>	<u>\$ 6,795</u>	<u>\$ 2,151</u>	<u>\$206,845</u>

Capital Projects Funds

The **General Services Commission Office Building Project Funds** are used to administer the state's major and minor building construction programs.

The **Texas Public Finance Authority Administration Project Funds** utilize long-term financing for various state construction, repair, or renovation projects. Funds are also used to refinance purchases of equipment by various state agencies.

The **Texas National Guard Armory Board Project Funds** are used to finance renovation and construction of new armories.

The **Texas Mental Health and Mental Retardation Facilities Project Funds** are used to pay for the cost of construction, repair, and remodeling for certain mental health facilities.

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

The **Texas Department of Criminal Justice Prison Project Funds** are used for construction of regional centers and for repairs and minor construction of correctional facilities.

The **Texas Parks and Wildlife Department Project Funds** are used for the acquisition and development of state park sites. Revenue from park entrance fees are used for the repayments of long-term debt incurred.

State of Texas

Combining Balance Sheet – Capital Projects Funds

August 31, 1997 (Amounts in Thousands)

	General Services Commission Office Building Project Funds	Texas Public Finance Authority Administration Project Funds	Texas National Guard Armory Board Project Funds	Texas Mental Health and Retardation Facilities Project Funds
ASSETS				
Cash and Temporary Investments	\$ 571	\$ 220,319	\$ 3,679	\$
Receivables:				
Intergovernmental			49	
Interest and Dividends				
Other		9,959		
Due From Other Funds	51,749			10,520
Interfund Receivable				
Inventories		2	184	
Total Assets	<u>\$ 52,320</u>	<u>\$ 230,280</u>	<u>\$ 3,912</u>	<u>\$ 10,520</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	\$ 5,901	\$ 5,830	\$ 290	\$ 631
Deferred Revenues			260	
Due to Other Funds		75,377	140	1,002
Advances From Other Funds				3,512
Total Liabilities	<u>5,901</u>	<u>81,207</u>	<u>690</u>	<u>5,145</u>
Fund Balances:				
Reserved for:				
Encumbrances	44,897		40	5,375
Inventories		2	184	
Public Finance Authority Programs		149,071		
Unreserved:				
Designated for:				
General Government Functions	545			
Public Safety & Corrections			2,998	
Health & Human Services				
Natural Resources/ Recreation				
Undesignated	977			
Total Fund Balances	<u>46,419</u>	<u>149,073</u>	<u>3,222</u>	<u>5,375</u>
Total Liabilities and Fund Balances	<u>\$ 52,320</u>	<u>\$ 230,280</u>	<u>\$ 3,912</u>	<u>\$ 10,520</u>

Texas Youth Commission Facilities Project Funds	Texas Department of Criminal Justice Prison Project Funds	Texas Parks and Wildlife Department Project Funds	Totals
\$	\$ 739	\$4,449	\$ 229,757
			49
		22	22
	1		9,960
10,262	8,640		81,171
		23	23
	801		987
<u>\$10,262</u>	<u>\$10,181</u>	<u>\$4,494</u>	<u>\$ 321,969</u>
\$ 2	\$ 2,527	\$ 488	\$ 15,669
			260
		1	76,520
<u>2</u>	<u>2,527</u>	<u>489</u>	<u>3,512</u>
			95,961
10,260	6,112	1,238	67,922
	801		987
			149,071
			545
			2,998
	741		741
		2,767	2,767
			977
<u>10,260</u>	<u>7,654</u>	<u>4,005</u>	<u>226,008</u>
<u>\$10,262</u>	<u>\$10,181</u>	<u>\$4,494</u>	<u>\$ 321,969</u>

State of Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Capital Projects Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	General Services Commission Office Building Project Funds	Texas Public Finance Authority Administration Project Funds	Texas National Guard Armory Board Project Funds	Texas Mental Health and Retardation Facilities Project Funds
REVENUES				
Federal Revenues	\$	\$	\$ 1,204	\$
Licenses, Fees and Permits		1,041		
Interest and Other Investment Income		11,149	132	
Sales of Goods and Services		508		
Other	34	365		(1,765)
Total Revenues	<u>34</u>	<u>13,063</u>	<u>1,336</u>	<u>(1,765)</u>
EXPENDITURES				
Current:				
General Government	22,115	1,638		
Public Safety and Corrections			402	
Natural Resources & Recreational Services				
Capital Outlay	3,703	5,094	1,536	13,069
Total Expenditures	<u>25,818</u>	<u>6,732</u>	<u>1,938</u>	<u>13,069</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>(25,784)</u>	<u>6,331</u>	<u>(602)</u>	<u>(14,834)</u>
Other Financing Sources (Uses):				
Operating Transfers-In	56,816	23,162	175	22,751
Operating Transfers-Out	(472)	(159,230)		(16,451)
Bond and Note Proceeds		143,189		
Total Other Financing Sources (Uses)	<u>56,344</u>	<u>7,121</u>	<u>175</u>	<u>6,300</u>
Excess (Deficiency) of Revenues and Other				
Financing Sources Over (Under) Expenditures				
and Other Financing Uses	<u>30,560</u>	<u>13,452</u>	<u>(427)</u>	<u>(8,534)</u>
Fund Balances, September 1, 1996	15,859	146,073	3,657	13,909
Restatements		(10,453)		
Fund Balances, September 1, 1996, as Restated	15,859	135,620	3,657	13,909
Net Change in Reserve for Inventories		1	(8)	
FUND BALANCES, AUGUST 31, 1997	<u><u>\$ 46,419</u></u>	<u><u>\$ 149,073</u></u>	<u><u>\$ 3,222</u></u>	<u><u>\$ 5,375</u></u>

Texas Youth Commission Facilities Project Funds	Texas Department of Criminal Justice Prison Project Funds	Texas Parks and Wildlife Department Project Funds	Totals
\$	\$	\$	\$ 1,204
	53	413	1,041
			11,747
			508
<u>2</u>	<u></u>	<u>(83)</u>	<u>(1,447)</u>
<u>2</u>	<u>53</u>	<u>330</u>	<u>13,053</u>
			23,753
26,160	15,632		42,194
		341	341
<u>36,263</u>	<u>19,608</u>	<u>6,228</u>	<u>85,501</u>
<u>62,423</u>	<u>35,240</u>	<u>6,569</u>	<u>151,789</u>
<u>(62,421)</u>	<u>(35,187)</u>	<u>(6,239)</u>	<u>(138,736)</u>
41,183	22,297		166,384
	(8,660)		(184,813)
			143,189
<u>41,183</u>	<u>13,637</u>	<u>0</u>	<u>124,760</u>
<u>(21,238)</u>	<u>(21,550)</u>	<u>(6,239)</u>	<u>(13,976)</u>
31,498	29,204	10,244	250,444
			(10,453)
<u>31,498</u>	<u>29,204</u>	<u>10,244</u>	<u>239,991</u>
			(7)
<u>\$10,260</u>	<u>\$ 7,654</u>	<u>\$ 4,005</u>	<u>\$ 226,008</u>

Enterprise Funds

The **Texas Prepaid Higher Education Tuition Board** offers a program which allows Texas families to lock in the cost of tomorrow's college tuition and required fees at today's prices.

The **Texas Lottery** fund accounts for the operations of the Texas Lottery Commission. Net proceeds from the lottery are deposited to unobligated General Revenue Fund. The Lotto Prize Trust Fund accounts for installment prize payments in Agency Funds.

The **Texas Department of Housing & Community Affairs** issues bonds to assist in financing the purchase of homes or the construction of rental housing for families with low to moderate incomes. Loan payments and rentals provide the revenue for debt service payments.

The **Texas Hospital Equipment Financing Council** enterprise fund provides financing to participating health care facilities in the state through the issuance of revenue bonds.

The **Texas Water Development Board** enterprise funds include water development funds, agricultural water conservation funds, and the water pollution control revolving funds, which issue bonds to provide assistance to political subdivisions.

The **Texas Turnpike Authority** issues revenue bonds to finance the construction, maintenance, repair, and operation of Texas toll roads and bridges. Bonds are retired from tolls and other pledged revenues.

The **Texas Department of Criminal Justice** enterprise fund accounts for the proceeds of the Institutional Division's commissary operations and other miscellaneous revenue.

The **Other Enterprise Funds** include, The General Services Commission Surplus Property Fund, the Texas Economic Development Fund, The Texas Preservation Board and The Parks and Wildlife Foundation of Texas, Incorporated.

State of Texas

Combining Balance Sheet – Enterprise Funds

August 31, 1997 (Amounts in Thousands)

	Texas Prepaid Higher Education Tuition Board	Texas Lottery	Texas Department of Housing and Community Affairs	Texas Hospital Equipment Financing Council
ASSETS				
Cash and Temporary Investments	\$ 95,017	\$	\$ 16,561	\$ 9,614
Investments				
Receivables:				
Interest and Dividends	1,765		30	3
Other	272,745	32,732	1,373	1,714
Due From Other Funds			5	
Inventories		11,131	8	
Restricted Assets:				
Cash		338,228		
Temporary Investments			69,634	
Investments	116,553		717,241	
Loans & Contracts			430,269	
Other			8,230	
Loans and Contracts			5,380	
Fixed Assets	38	3,571	884	
Other Assets			13,397	
Total Assets	<u>\$ 486,118</u>	<u>\$ 385,662</u>	<u>\$1,263,012</u>	<u>\$11,331</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Payables	1,380	24,732	37,603	33
Deferred Revenues			12,003	
Due to Other Funds		171,255		
Notes and Loans Payable			20,555	
Revenue Bonds Payable			1,124,772	11,150
General Obligation Bonds Payable				
Liabilities Payable From Restricted Assets	481,810	168,837		
Employees' Compensable Leave	59	666	266	
Total Liabilities	<u>483,249</u>	<u>365,490</u>	<u>1,195,199</u>	<u>11,183</u>
Fund Equity:				
Investment in Fixed Assets				
Contributed Capital		172		
Retained Earnings:				
Reserved for Debt Retirement			55,205	
Reserved for Water Development Programs				
Unreserved	2,869	20,000	12,608	148
Total Fund Equity	<u>2,869</u>	<u>20,172</u>	<u>67,813</u>	<u>148</u>
Total Liabilities and Fund Equity	<u>\$ 486,118</u>	<u>\$ 385,662</u>	<u>\$1,263,012</u>	<u>\$11,331</u>

Texas Water Development Board	Texas Turnpike Authority	Texas Department of Criminal Justice	Other Enterprise Funds	Totals
\$ 254,612	\$ 35,973 626,102	\$ 16,269	\$ 3,215	\$ 431,261 626,102
30,212	13,696	555	40	46,301
5,561	1,689 75	582	428	311,263
	2,934	5,004	114	5,755
			367	19,444
6,761				344,989
82,378				152,012
62,629				896,423
				430,269
1,122				9,352
1,771,559			5,238	1,782,177
	457,878	2,028	1,325	465,724
46,884	18,800		928	80,009
<u>\$ 2,261,718</u>	<u>\$1,157,147</u>	<u>\$ 24,438</u>	<u>\$ 11,655</u>	<u>\$ 5,601,081</u>
71	29,361	2,008	797	95,985
	2,805			14,808
6,806			1	178,062
42,688	59,600		5,400	128,243
794,011	856,515			2,786,448
473,470				473,470
8,086				658,733
		1,017	146	2,154
<u>1,325,132</u>	<u>948,281</u>	<u>3,025</u>	<u>6,344</u>	<u>4,337,903</u>
			129	129
725,599	6,115		6	731,892
152,752	202,751			410,708
4,938				4,938
<u>53,297</u>		<u>21,413</u>	<u>5,176</u>	<u>115,511</u>
<u>936,586</u>	<u>208,866</u>	<u>21,413</u>	<u>5,311</u>	<u>1,263,178</u>
<u>\$ 2,261,718</u>	<u>\$1,157,147</u>	<u>\$ 24,438</u>	<u>\$ 11,655</u>	<u>\$ 5,601,081</u>

State of Texas

Combining Statement of Revenues, Expenses, and Changes in Fund Equity – Enterprise Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Texas Prepaid Higher Education Tuition Board	Texas Lottery	Texas Department of Housing and Community Affairs	Texas Hospital Equipment Financing Council
OPERATING REVENUES				
Sales of Goods and Services	\$	\$	\$	\$
Interest and Investment Income	8,363		88,929	540
Gain on Sale of Investments				
Lottery Collections		3,760,506		
Other Operating Revenues	<u>189,001</u>	<u></u>	<u>6,125</u>	<u></u>
Total Operating Revenues	<u>197,364</u>	<u>3,760,506</u>	<u>95,054</u>	<u>540</u>
OPERATING EXPENSES				
Cost of Goods Sold				
Salaries and Wages	589	8,567	3,522	
Payroll Related Costs	169	1,901	734	
Professional Fees and Services	2,474	1,109	785	92
Travel	20	492	261	
Materials and Supplies	2	634	211	
Communication and Utilities	36	383	116	
Repairs and Maintenance		501	142	
Rentals and Leases	4	4,087	436	
Printing and Reproduction	152		35	
Depreciation and Amortization	5	1,044	707	
Bad Debt Expense		444	2,157	
Interest			79,712	420
Lottery Prizes		2,151,737		
Claims and Losses		61		
Other Operating Expenses	<u>192,254</u>	<u>410,331</u>	<u>2,245</u>	<u></u>
Total Operating Expenses	<u>195,705</u>	<u>2,581,291</u>	<u>91,063</u>	<u>512</u>
Operating Income (Loss)	<u>1,659</u>	<u>1,179,215</u>	<u>3,991</u>	<u>28</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and Dividends		660		
Interest Expense and Fiscal Charges				
Gain (Loss) on Sale of Fixed Assets		(77)		
Gain (Loss) on Sale of Investments	153		5,424	
Federal Revenue				
Other Nonoperating Revenues (Expenses)	<u></u>	<u></u>	<u>(1,388)</u>	<u></u>
Total Nonoperating Revenues (Expenses)	<u>153</u>	<u>583</u>	<u>4,036</u>	<u>0</u>
Income (Loss) Before Operating Transfers	1,812	1,179,798	8,027	28
OPERATING TRANSFERS				
Operating Transfers-In				
Operating Transfers-Out		(1,179,798)		
Operating Transfers from Component Units	<u></u>	<u></u>	<u></u>	<u></u>
NET INCOME	<u>1,812</u>	<u>0</u>	<u>8,027</u>	<u>28</u>
Fund Equity, September 1, 1996	532	20,081	59,786	120
Restatements	525			
Fund Equity, September 1, 1996, as Restated	<u>1,057</u>	<u>20,081</u>	<u>59,786</u>	<u>120</u>
Contributions of Capital		91		
Other Changes	<u></u>	<u></u>	<u></u>	<u></u>
FUND EQUITY, AUGUST 31, 1997	<u>\$ 2,869</u>	<u>\$ 20,172</u>	<u>\$ 67,813</u>	<u>\$148</u>

Texas Water Development Board	Texas Turnpike Authority	Texas Department of Criminal Justice	Other Enterprise Funds	Totals
\$	\$	\$51,017	\$ 7,297	\$ 58,314
117,643			658	216,133
82				82
				3,760,506
8,249	55,973		195	259,543
125,974	55,973	51,017	8,150	4,294,578
		33,826	960	34,786
	4,979	10,919	1,611	30,187
	672	2,825	344	6,645
	1,050		967	6,477
	27	73	92	965
	475	1,785	136	3,243
	560	16	72	1,183
	451		99	1,193
	672		31	5,230
	67		844	1,098
437		314	119	2,626
				2,601
81,172			451	161,755
				2,151,737
			17	78
1,346	2,871	670	1,760	611,477
82,955	11,824	50,428	7,503	3,021,281
43,019	44,149	589	647	1,273,297
	9,738	1,237	139	11,774
	(26,932)			(26,932)
			1	(76)
				5,577
263				263
1,104	(1,194)	334	118	(1,026)
1,367	(18,388)	1,571	258	(10,420)
44,386	25,761	2,160	905	1,262,877
			114	114
(6,369)			(383)	(1,186,550)
1,082			1	1,083
39,099	25,761	2,160	637	77,524
828,851	183,105	19,253	3,894	1,115,622
			563	1,088
828,851	183,105	19,253	4,457	1,116,710
68,636				68,727
			217	217
\$ 936,586	\$ 208,866	\$21,413	\$ 5,311	\$1,263,178

State of Texas

Combining Statement of Cash Flows – Enterprise Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Texas Prepaid Higher Education Tuition Board	Texas Lottery	Texas Department of Housing and Community Affairs	Texas Hospital Equipment Financing Council
Increase (Decrease) in Cash and Cash Equivalents				
Operating Activities				
Proceeds Received from Customers	\$	\$ 3,762,417	\$	\$
Proceeds from Loan Programs			93,498	
Proceeds from Other Revenues	127,622		8,266	540
Payments to Suppliers for Goods and Services	(3,811)	(413,403)	(6,889)	
Payments to Employees		(10,284)	(4,255)	
Payments for Loans Provided			(45,389)	
Payments for Other Expenses	(200)	(2,149,985)		(509)
Net Cash Provided by Operating Activities	<u>123,611</u>	<u>1,188,745</u>	<u>45,231</u>	<u>31</u>
Noncapital Financing Activities				
Proceeds from Debt Issuance			269,545	
Proceeds of Transfers from Other Funds			479	
Proceeds from Grant Receipts				
Proceeds of Advances from Other Funds				
Proceeds from Contributed Capital				
Payments of Principal on Debt Issuance			(228,583)	
Payments of Interest			(76,486)	
Payments of Other Costs of Debt Issuance			(2,512)	
Payments for Transfers to Other Funds		(1,189,404)	(479)	
Payments for Advances to Other Funds				
Payments for Other Uses			(47)	
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>(1,189,404)</u>	<u>(38,083)</u>	<u>0</u>
Capital and Related Financing Activities				
Proceeds from Sale of Fixed Assets				
Proceeds from Debt Issuance				
Proceeds from Other Financing Activities				
Payments for Additions to Fixed Assets	(20)	(2,576)	(352)	
Payments of Principal on Debt Issuance				(250)
Payments of Interest on Debt Issuance				
Payments of Other Costs of Debt Issuance				
Net Cash Provided by Capital and Related Financing Activities	<u>(20)</u>	<u>(2,576)</u>	<u>(352)</u>	<u>(250)</u>
Investing Activities				
Proceeds from Sales of Investments	32,085		414,992	
Proceeds from Interest and Investment Income		660	59,988	
Proceeds from Principal Payments on Loans				222
Payments to Acquire Investments	(148,485)		(509,911)	
Net Cash Provided by Investing Activities	<u>(116,400)</u>	<u>660</u>	<u>(34,931)</u>	<u>222</u>
Increase (Decrease) in Cash	7,191	(2,575)	(28,135)	3
Cash and Cash Equivalents, September 1, 1996	87,826	340,803	114,330	9,611
Restatements to Beginning Cash and Cash Equivalents				
Cash and Cash Equivalents, August 31, 1997	<u>\$ 95,017</u>	<u>\$ 338,228</u>	<u>\$ 86,195</u>	<u>\$ 9,614</u>

Concluded on following two pages

Texas Water Development Board	Texas Turnpike Authority	Texas Department of Criminal Justice	Other Enterprise Funds	Totals
\$	\$ 56,126	\$ 50,505	\$ 7,331	\$3,876,379
				93,498
	83	1,251	196	137,958
	(4,047)	(37,555)	(2,582)	(468,287)
	(6,270)	(13,712)	(1,950)	(36,471)
				(45,389)
<u>(1,346)</u>	<u>(1,936)</u>	<u>(1,181)</u>	<u>(2,524)</u>	<u>(2,157,681)</u>
<u>(1,346)</u>	<u>43,956</u>	<u>(692)</u>	<u>471</u>	<u>1,400,007</u>
348,624				618,169
				479
1,104				1,104
30,069				30,069
68,899				68,899
(25,644)			(3,600)	(257,827)
(68,804)			(444)	(145,734)
			(109)	(2,621)
(5,260)	(2,649)		(381)	(1,198,173)
(30,069)				(30,069)
				(47)
<u>318,919</u>	<u>(2,649)</u>	<u>0</u>	<u>(4,534)</u>	<u>(915,751)</u>
			7	7
	446,412			446,412
	55,000			55,000
	(31,415)	(462)	(2)	(34,827)
	(7,250)			(7,500)
	(37,574)			(37,574)
	<u>(20,098)</u>			<u>(20,098)</u>
<u>0</u>	<u>405,075</u>	<u>(462)</u>	<u>5</u>	<u>401,420</u>
937,698	164,171	22,643		1,571,589
7,151	23,468	1,400	823	93,490
130,316			6,243	136,781
<u>(1,375,780)</u>	<u>(651,164)</u>	<u>(24,152)</u>	<u>(2,771)</u>	<u>(2,712,263)</u>
<u>(300,615)</u>	<u>(463,525)</u>	<u>(109)</u>	<u>4,295</u>	<u>(910,403)</u>
16,958	(17,143)	(1,263)	237	(24,727)
55,538	53,116	3,741	2,824	667,789
			154	154
<u>\$ 72,496</u>	<u>\$ 35,973</u>	<u>\$ 2,478</u>	<u>\$ 3,215</u>	<u>\$ 643,216</u>

State of Texas

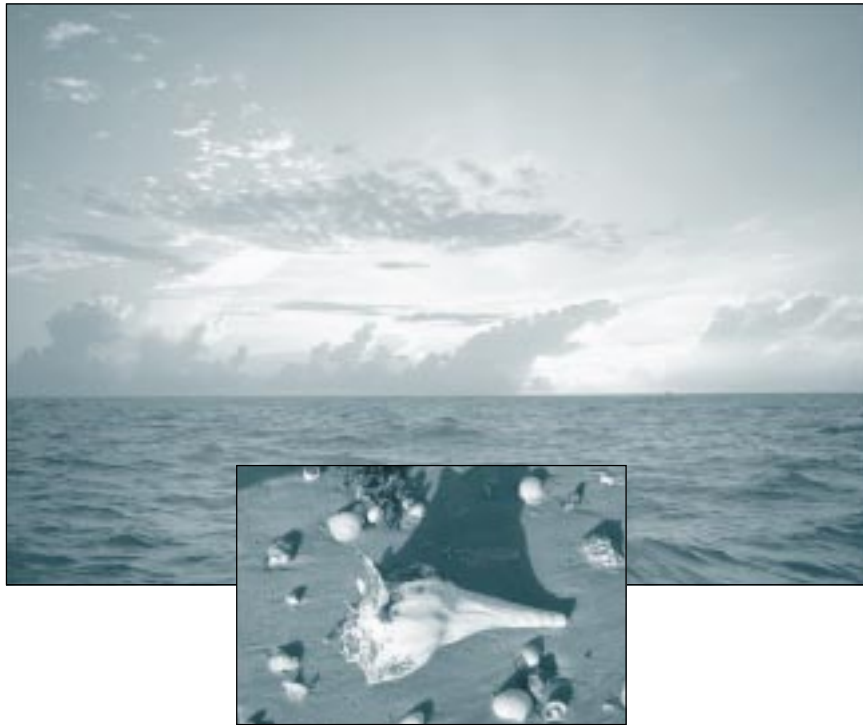
Combining Statement of Cash Flows – Enterprise Funds (concluded)

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Texas Prepaid Higher Education Tuition Board	Texas Lottery	Texas Department of Housing and Community Affairs	Texas Hospital Equipment Financing Council
Cash and Temporary Investments/ Restricted				
Cash and Temporary Investments (Balance Sheet)	\$ 95,017	\$ 338,228	\$ 86,195	\$ 9,614
Temporary Investments not considered Cash Equivalents				
Cash and Cash Equivalents, August 31, 1997	<u>\$ 95,017</u>	<u>\$ 338,228</u>	<u>\$ 86,195</u>	<u>\$ 9,614</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 1,659	\$ 1,179,215	\$ 3,991	\$ 28
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Amortization and Depreciation	5	1,044	707	
Bad Debt Expense		444	2,157	
Operating Income and Cash Flow Categories Classification Differences	525		21,261	
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(274,129)	1,658	(29)	
(Increase) Decrease in Due From Other Funds		97		
(Increase) Decrease in Inventories		(156)		
(Increase) Decrease in Loans & Contracts			5,545	
(Increase) Decrease in Other Assets			9,550	
(Increase) Decrease in Prepaid Expenses				
Increase (Decrease) in Payables	395,551	4,278		3
Increase (Decrease) in Due to Other Funds				
Increase (Decrease) in Deferred Income			2,049	
Increase (Decrease) in Other Liabilities		2,165		
Total Adjustments	<u>121,952</u>	<u>9,530</u>	<u>41,240</u>	<u>3</u>
Net Cash Provided by Operating Activities	<u>\$ 123,611</u>	<u>\$ 1,188,745</u>	<u>\$ 45,231</u>	<u>\$ 31</u>

Texas Water Development Board	Texas Turnpike Authority	Texas Department of Criminal Justice	Other Enterprise Funds	Totals
\$ 343,751	\$ 35,973	\$ 16,269	\$ 3,215	\$ 928,262
<u>(271,255)</u>	<u> </u>	<u>(13,791)</u>	<u> </u>	<u>(285,046)</u>
<u>\$ 72,496</u>	<u>\$ 35,973</u>	<u>\$ 2,478</u>	<u>\$ 3,215</u>	<u>\$ 643,216</u>
\$ 43,019	\$ 44,149	\$ 589	\$ 647	\$1,273,297
437		314	119	2,626
				2,601
336,432			(3,603)	354,615
(7,323)	(1,428)	(542)	62	(281,731)
	(1)			96
	(1,159)	(333)	(220)	(1,868)
(376,163)			3,471	(367,147)
2,261	(4)			11,807
			(197)	(197)
1	1,771	(720)	192	401,076
(10)				(10)
	500			2,549
	128			2,293
<u>(44,365)</u>	<u>(193)</u>	<u>(1,281)</u>	<u>(176)</u>	<u>126,710</u>
<u>\$ (1,346)</u>	<u>\$ 43,956</u>	<u>\$ (692)</u>	<u>\$ 471</u>	<u>\$1,400,007</u>

Trust and Agency Funds



State of Texas

Combining Balance Sheet – Fiduciary Fund Types

August 31, 1997 (Amounts in Thousands)

	Expendable Trust	Nonexpendable Trust	Pension Trust	Agency Funds	Totals
ASSETS					
Cash and Temporary Investments	\$ 981,360	\$ 2,431,014	\$ 3,593,263	\$1,686,079	\$ 8,691,716
Investments	147,758	10,378,053	75,498,869	8,122,285	94,146,965
Receivables:					
Intergovernmental	2,242			5,552	7,794
Interest and Dividends	14,178	1	469,434	17,676	501,289
Other	61,903	137,867	614,856	4,264	818,890
Due From Other Funds	61,360	4	510	74,733	136,607
Inventories	5				5
Deferred Charges			652		652
Fixed Assets		51,007	35,809		86,816
Other Assets			20	56,363	56,383
Total Assets	<u>\$1,268,806</u>	<u>\$12,997,946</u>	<u>\$80,213,413</u>	<u>\$9,966,952</u>	<u>\$104,447,117</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ 118,252	\$	\$ 763,890	\$ 539,281	\$ 1,421,423
Deferred Revenues	14,444		21,813		36,257
Due to Other Funds	59,719	133,543	227	4,444	197,933
Employees' Compensable Leave			778		778
Obligations/ Securities Lending		2,016,501	1,887,364		3,903,865
Funds Held for Others				9,423,227	9,423,227
Total Liabilities	<u>192,415</u>	<u>2,150,044</u>	<u>2,674,072</u>	<u>9,966,952</u>	<u>14,983,483</u>
Fund Balances:					
Reserved	1,061,637	10,736,365	77,539,341		89,337,343
Unreserved:					
Undesignated	14,754	111,537			126,291
Total Fund Balances	<u>1,076,391</u>	<u>10,847,902</u>	<u>77,539,341</u>	<u>0</u>	<u>89,463,634</u>
Total Liabilities and Fund Balances	<u>\$1,268,806</u>	<u>\$12,997,946</u>	<u>\$80,213,413</u>	<u>\$9,966,952</u>	<u>\$104,447,117</u>

Expendable Trust Funds

The **Unemployment Trust Fund Accounts** account for money collected under the Old Age and Survivors Insurance Act on deposit with the Treasurer of the United States of America to the credit of this state. It also serves as a clearance fund for the Unemployment Compensation Fund held by the United States Treasury and as a holding account for paying benefits under the Unemployment Compensation Act.

The **Retired School Employees Group Insurance Trust** receives contributions and other funds authorized to be deposited in the fund to pay insurance premiums, to reimburse for claims paid by a non-state entity, and to pay administrative expenses. The Teacher Retirement System of Texas, as trustee, administers the fund for public school retirees and their dependents. The public school entities are not considered part of the reporting entity for the State of Texas.

The **Legacy Fund** consists of assets bequeathed to the Texas School for the Blind and Visually Impaired that are expendable in principal and earnings. The expenditures are authorized by the Board of Directors for assisting those who are blind or visually impaired in becoming gainfully employed, in rehabilitating, and in providing other services determined by the Board to be essential for the better care and treatment of the student body.

The **Client Benefit Fund** accounts for client occupational therapy activity and cash donations

for the Texas Department of Mental Health and Mental Retardation.

The **Manufactured Homeowner's Recovery Trust Fund** receives \$10 from each title transaction involving manufactured housing and compensates consumers who have unsatisfied judgments or unsatisfied claims against a manufacturer, retailer, broker, or installer of manufactured housing.

The **Children's Trust Fund** receives \$12.50 of every marriage license fee collected. On September 1 of each year, one-half of the fund balance is transferred to the Children's Trust Fund of Texas Council Operating Fund.

The **Real Estate Recovery Trust Fund** receives monies collected by specified fees from real estate brokers and salesmen licensed by the state for the purpose of reimbursing aggrieved persons who suffer monetary damages by reason of certain acts committed by licensed real estate brokers or salesmen.

The **State Employees Cafeteria Plan Trust Fund** receives salary reduction payments for benefits included in a cafeteria plan and makes disbursements for benefits and administrative expenses.

The **Inmates' Trust Funds** are comprised primarily of deposits and disbursements of personal funds belonging to inmates of the Department of Criminal Justice-Institutional Division.

State of Texas

Combining Balance Sheet — Expendable Trust Funds

August 31, 1997 (Amounts in Thousands)

	Unemployment Trust Fund Accounts	Retired School Employees Group Insurance Trust	Legacy Fund	Client Benefit Fund	Manufactured Homeowner's Recovery Trust Fund
ASSETS					
Cash and Temporary Investments	\$ 798,751	\$ 135,267	\$ 780	\$ 3,315	\$ 3,983
Investments		144,909	14		
Receivables:					
Intergovernmental	2,198				
Interest and Dividends	9,133	4,984		12	
Other	48,127	12,240	30	2	
Due From Other Funds	61,360				
Inventories				5	
Total Assets	<u>\$ 919,569</u>	<u>\$ 297,400</u>	<u>\$ 824</u>	<u>\$ 3,334</u>	<u>\$ 3,983</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ 42,717	\$ 71,466	\$ 19	\$ 2	\$ 158
Deferred Revenues	14,436				
Due to Other Funds	59,116				38
Total Liabilities	<u>116,269</u>	<u>71,466</u>	<u>19</u>	<u>2</u>	<u>196</u>
Fund Balances:					
Reserved for:					
Encumbrances			12		
Inventories				5	
Unemployment Compensation	803,300				
Other Employee Benefit Funds		225,934			
General Government Functions					3,787
Health & Human Services					
Regulatory Functions					
Natural Resources / Recreation					
Unreserved:					
Undesignated			793	3,327	
Total Fund Balances	<u>803,300</u>	<u>225,934</u>	<u>805</u>	<u>3,332</u>	<u>3,787</u>
Total Liabilities and Fund Balances	<u>\$ 919,569</u>	<u>\$ 297,400</u>	<u>\$ 824</u>	<u>\$ 3,334</u>	<u>\$ 3,983</u>

Children's Trust Fund	Real Estate Recovery Trust Fund	State Employees Cafeteria Plan Trust Fund	Inmates' Trust Funds	Other Expendable Trust Funds	Totals
\$ 21,467	\$ 290 2,298	\$ 4,717	\$ 10,309	\$ 2,481 537	\$ 981,360 147,758
				44	2,242
	21	23		5	14,178
		1,503		1	61,903
					61,360
					5
<u>\$ 21,467</u>	<u>\$ 2,609</u>	<u>\$ 6,243</u>	<u>\$ 10,309</u>	<u>\$ 3,068</u>	<u>\$1,268,806</u>
\$	\$	\$ 2,776 8	\$ 1,109	\$ 5	\$ 118,252 14,444
411		143		11	59,719
<u>411</u>	<u>0</u>	<u>2,927</u>	<u>1,109</u>	<u>16</u>	<u>192,415</u>
					12
					5
					803,300
		3,316			229,250
					3,787
21,056					21,056
	2,609			981	3,590
				637	637
			9,200	1,434	14,754
<u>21,056</u>	<u>2,609</u>	<u>3,316</u>	<u>9,200</u>	<u>3,052</u>	<u>1,076,391</u>
<u>\$ 21,467</u>	<u>\$ 2,609</u>	<u>\$ 6,243</u>	<u>\$ 10,309</u>	<u>\$ 3,068</u>	<u>\$1,268,806</u>

State of Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances — Expendable Trust Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Unemployment Trust Fund Accounts	Retired School Employees Group Insurance Trust	Legacy Fund	Client Benefit Fund	Manufactured Homeowner's Recovery Trust Fund
REVENUES					
Taxes	\$ 999,095	\$	\$	\$	\$
Federal	55,152				
Licenses, Fees and Permits			22		
Contributions to Employee Benefit Funds		127,208			
Interest and Other Investment Income	46,748	17,731	183		260
Settlement of Claims					
Sales of Goods and Services				9	
Other	6,717		501	510	57
Total Revenues	<u>1,107,712</u>	<u>144,939</u>	<u>706</u>	<u>519</u>	<u>317</u>
EXPENDITURES					
Current:					
General Government					1,716
Education			196		
Employee Benefits		226,519			
Health and Human Services	1,081,496			457	
Public Safety and Corrections					
Transportation					
Natural Resources and Recreational Services					
Regulatory Agencies					
Capital Outlay			72	27	215
Total Expenditures	<u>1,081,496</u>	<u>226,519</u>	<u>268</u>	<u>484</u>	<u>1,931</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>26,216</u>	<u>(81,580)</u>	<u>438</u>	<u>35</u>	<u>(1,614)</u>
Other Financing Sources (Uses):					
Operating Transfers-In	1,988,191	67,616	8	38	7
Operating Transfers-Out	<u>(1,987,833)</u>	<u></u>	<u></u>	<u>(2)</u>	<u></u>
Total Other Financing Sources (Uses)	<u>358</u>	<u>67,616</u>	<u>8</u>	<u>36</u>	<u>7</u>
Excess (Deficiency) of Revenues and Other					
Financing Sources Over (Under) Expenditures					
and Other Financing Uses	<u>26,574</u>	<u>(13,964)</u>	<u>446</u>	<u>71</u>	<u>(1,607)</u>
Fund Balances, September 1, 1996	776,726	239,898	359	3,261	5,394
Restatements					
Fund Balances, September 1, 1996, as Restated	<u>776,726</u>	<u>239,898</u>	<u>359</u>	<u>3,261</u>	<u>5,394</u>
Residual Equity Transfers					
FUND BALANCES, AUGUST 31, 1997	<u><u>\$ 803,300</u></u>	<u><u>\$ 225,934</u></u>	<u><u>\$ 805</u></u>	<u><u>\$ 3,332</u></u>	<u><u>\$ 3,787</u></u>

* Residual Equity Transfer of the Unclaimed Money Fund Account to the General Revenue Fund was made as allowed by GASB Statement No. 21.

Children's Trust Fund	Real Estate Recovery Trust Fund	State Employees Cafeteria Plan Trust Fund	Inmates' Trust Funds	Other Expendable Trust Funds *	Totals
\$	\$	\$	\$	\$	\$ 999,095
				997	56,149
2,531	94			169	2,816
1,073		17,821			146,102
	170	253		174	65,519
	9			5	14
					9
	6	9	64,510	106	72,416
<u>3,604</u>	<u>279</u>	<u>18,083</u>	<u>64,510</u>	<u>1,451</u>	<u>1,342,120</u>
				1,724	3,440
					196
		17,699			244,218
					1,081,953
			63,556	82	63,638
				56	56
				82	82
	366			77	443
				30	344
<u>0</u>	<u>366</u>	<u>17,699</u>	<u>63,556</u>	<u>2,051</u>	<u>1,394,370</u>
<u>3,604</u>	<u>(87)</u>	<u>384</u>	<u>954</u>	<u>(600)</u>	<u>(52,250)</u>
				61	2,055,921
(2,018)				(270)	(1,990,123)
<u>(2,018)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(209)</u>	<u>65,798</u>
<u>1,586</u>	<u>(87)</u>	<u>384</u>	<u>954</u>	<u>(809)</u>	<u>13,548</u>
19,470	2,696	2,932	8,246	86,849	1,145,831
				3,012	3,012
<u>19,470</u>	<u>2,696</u>	<u>2,932</u>	<u>8,246</u>	<u>89,861</u>	<u>1,148,843</u>
				(86,000)	(86,000)
<u>\$ 21,056</u>	<u>\$ 2,609</u>	<u>\$ 3,316</u>	<u>\$ 9,200</u>	<u>\$ 3,052</u>	<u>\$ 1,076,391</u>

Nonexpendable Trust Funds

The **Permanent School Fund** is an investment fund consisting of land and proceeds from the sale of land which establishes a perpetual provision for the support of the public free schools of Texas. All dividends and other income are deposited to the credit of the Available School Fund.

The **Permanent Higher Education Fund** is established by legislation to dedicate portions of the state's revenues to create this fund. The principal shall never be expended. At the beginning of the fiscal year after the fund reaches \$2 billion, and each year thereafter, 10% of the interest, dividends, and other income accruing from investments during the previous fiscal year shall be deposited and become part of the principal of the fund. Out of the remainder of the annual income, there shall be appropriated an annual sum sufficient to pay the principal and interest due on the bonds and notes issued and the balance shall be allocated for appropriations made in Article VII, sec. 17(a) of the constitution.

The **Texas Youth Commission Nonexpendable Trust Funds** account for donated estates to orphan and delinquent children. These donated properties are leased for commercial use. All revenues are deposited into a local bank account and expended with board approval.

The **Texas Commission on the Arts Nonexpendable Trust Funds** are comprised primarily of the Texas Cultural Endowment Fund accounts for initial seed money for the endowment and deposits toward the endowment. This fund is to provide a stable funding source for the enhancement of art education, encourage economic development, and advance the well-being of communities.

State of Texas

Combining Balance Sheet – Nonexpendable Trust Funds

August 31, 1997 (Amounts in Thousands)

	Permanent School Fund	Permanent Higher Education Fund	Texas Youth Commission Non- expendable Trust Funds	Texas Commission on the Arts Nonexpendable Trust Funds	Other Nonexpendable Trust Funds	Totals
ASSETS						
Cash and Temporary Investments	\$ 2,319,921	\$ 106,277	\$ 14	\$ 4,541	\$ 261	\$ 2,431,014
Investments	10,378,049				4	10,378,053
Receivables:						
Interest & Dividends					1	1
Other	137,867					137,867
Due From Other Funds	4					4
Fixed Assets	<u>50,302</u>	<u></u>	<u>696</u>	<u></u>	<u>9</u>	<u>51,007</u>
Total Assets	<u>\$ 12,886,143</u>	<u>\$ 106,277</u>	<u>\$ 710</u>	<u>\$ 4,541</u>	<u>\$ 275</u>	<u>\$12,997,946</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due To Other Funds	\$ 133,543	\$	\$	\$	\$	\$ 133,543
Obligations/Securities Lending	<u>2,016,501</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>2,016,501</u>
Total Liabilities	<u>2,150,044</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,150,044</u>
Fund Balances:						
Reserved for:						
Public School Support	10,736,099					10,736,099
Natural Resources / Recreation					266	266
Unreserved:						
Undesignated		106,277	710	4,541	9	111,537
Total Fund Balances	<u>10,736,099</u>	<u>106,277</u>	<u>710</u>	<u>4,541</u>	<u>275</u>	<u>10,847,902</u>
Total Liabilities and Fund Balances	<u>\$ 12,886,143</u>	<u>\$ 106,277</u>	<u>\$ 710</u>	<u>\$ 4,541</u>	<u>\$ 275</u>	<u>\$12,997,946</u>

State of Texas

Combining Statement of Revenues, Expenses, and Changes in Fund Balances – Nonexpendable Trust Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Permanent School Fund	Permanent Higher Education Fund	Texas Youth Commission Non- expendable Trust Fund	Texas Commission on the Arts Nonexpendable Trust Funds	Other Nonexpendable Trust Funds	Totals
OPERATING REVENUES						
Sale of Goods and Services	\$ 263				\$	\$ 263
Interest and Investment Income		7,547	1	203	21	7,772
Gain on Sale of Investment	339,765					339,765
Land Income	25		57			82
Other Operating Revenues	186,585			56	1	186,642
Total Operating Revenues	<u>526,638</u>	<u>7,547</u>	<u>58</u>	<u>259</u>	<u>22</u>	<u>534,524</u>
OPERATING EXPENSES						
Other Operating Expenses					4	4
Total Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>4</u>
Operating Income (Loss)	<u>526,638</u>	<u>7,547</u>	<u>58</u>	<u>259</u>	<u>18</u>	<u>534,520</u>
NONOPERATING REVENUES						
Settlement of Claims	8,971					8,971
Gain(Loss) on Sale of Fixed Assets	599		2			601
Other	(90)			984		894
Total Nonoperating Revenues	<u>9,480</u>	<u>0</u>	<u>2</u>	<u>984</u>	<u>0</u>	<u>10,466</u>
Income Before						
Operating Transfers	536,118	7,547	60	1,243	18	544,986
OPERATING TRANSFERS						
Operating Transfers-In	3,366	98,730			22	102,118
Operating Transfers-Out	<u>(423)</u>		<u>(60)</u>	<u>(170)</u>	<u>(8)</u>	<u>(661)</u>
NET INCOME	<u>539,061</u>	<u>106,277</u>	<u>0</u>	<u>1,073</u>	<u>32</u>	<u>646,443</u>
Fund Balances, September 1, 1996	<u>10,197,038</u>	<u>0</u>	<u>710</u>	<u>3,468</u>	<u>243</u>	<u>10,201,459</u>
FUND BALANCES, AUGUST 31, 1997	<u><u>\$10,736,099</u></u>	<u><u>\$ 106,277</u></u>	<u><u>\$710</u></u>	<u><u>\$ 4,541</u></u>	<u><u>\$ 275</u></u>	<u><u>\$10,847,902</u></u>

State of Texas

Combining Statement of Cash Flows – Nonexpendable Trust Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Permanent School Fund	Permanent Higher Education Fund	Texas Youth Commission Non- expendable Trust Fund	Texas Commission on the Arts Nonexpendable Trust Fund	Other Nonexpendable Trust Funds	Totals
Increase (Decrease) in Cash and Cash Equivalents						
Operating Activities						
Proceeds Received from Customers	\$ 263	\$	\$	\$	\$	\$ 263
Proceeds from Other Revenues	186,610		57	56		186,723
Payments for Other Expenses					(7)	(7)
Net Cash Provided by Operating Activities	186,873		57	56	(7)	186,979
Noncapital Financing Activities						
Proceeds from Transfers from Other Funds	3,366	98,730		984	22	103,102
Proceeds from Other Revenues	8,971					8,971
Payments for Transfers to Other Funds			(60)	(170)	(7)	(237)
Net Cash Provided by Noncapital Financing Activities	12,337	98,730	(60)	814	15	111,836
Capital and Related Financing Activities						
Proceeds from Sale of Fixed Assets			2			2
Net Cash Provided by Capital and Related Financing Activities			2			2
Investing Activities						
Proceeds from Sales of Investments	5,074,066					5,074,066
Proceeds from Interest and Investment Income		7,547	1	203	21	7,772
Payments to Acquire Investments	(5,613,621)					(5,613,621)
Net Cash Provided From Investing Activities	(539,555)	7,547	1	203	21	(531,783)
Increase (Decrease) in Cash	(340,345)	106,277		1,073	29	(232,966)
Cash and Cash Equivalents, September 1, 1996	214,861		14	189	232	215,296
Restatements to Beginning Cash and Cash Equivalents	336,433			3,279		339,712
Cash and Cash Equivalents, August 31, 1997	\$ 210,949	\$ 106,277	\$ 14	\$ 4,541	\$ 261	\$ 322,042
Cash and Temporary Investments (Balance Sheet)	\$2,319,921	\$ 106,277	\$ 14	\$ 4,541	\$261	\$2,431,014
Temporary Investments not considered Cash Equivalents	(2,108,972)					(2,108,972)
Cash and Cash Equivalents	\$ 210,949	\$ 106,277	\$ 14	\$ 4,541	\$ 261	\$ 322,042
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 526,638	\$ 7,547	\$ 58	\$ 259	\$ 18	\$ 534,520
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Operating Income and Cash Flow Categories Classification Difference	(339,765)	(7,547)	(1)	(203)	(21)	(347,537)
Changes in Assets and Liabilities:						
Increase (Decrease) in Payables					(4)	(4)
Total Adjustments	(339,765)	(7,547)	(1)	(203)	(25)	(347,541)
Net Cash Provided by Operating Activities	\$ 186,873	\$ 0	\$ 57	\$ 56	\$ (7)	\$ 186,979

Pension Trust Funds

The **Teacher Retirement System Trust Account** accounts for the accumulation of resources for pension benefit payments for qualified employees of public education in Texas.

The **S.E.R.S. Trust Account** accounts for the accumulation of resources for pension benefit payments to qualified state employees or beneficiaries.

The **Law Enforcement and Custodial Officer Supplement Retirement Fund** provides supplemental retirement and death benefits for members of the Employees Retirement System of Texas who have completed 20 or more years of service or have become occupationally disabled or died while serving as commissioned law enforcement officers of a state agency.

The **Judicial Retirement System-Plan One Fund** accounts for appropriations received from the state's General Revenue Fund for annuity and refund payments to eligible judicial employees.

The **Judicial Retirement System-Plan Two Trust Fund** accounts for receipt of monies for retirement and death benefits for certain state-paid judges and judicial officers.

The **Fire Fighters' Relief and Retirement Fund** accounts for the accumulation of resources for pension, death, and disability benefits for fire fighters who serve without monetary reward. This fund implemented GASB Statement 25 during fiscal year 1997.

The **Deferred Compensation Administrative Trust Fund** is for operating revenues and expenses connected with the transmittal of tax-deferred contributions which are accounted for in an agency fund.

The **TexaSaver Administrative Trust Fund** receives deferrals, purchases qualified investments, and pays expenses associated with administration of the deferred compensation plan.

State of Texas

Combining Statement of Plan Net Assets – Pension Trust Funds

August 31, 1997 (Amounts in Thousands)

	Teacher Retirement System Trust Account	S.E.R.S. Trust Account	Law Enforcement and Custodial Officer Supplement Retirement Fund	Judicial Retirement System – Plan One Fund *
ASSETS				
Cash and Temporary Investments	\$ 2,172,630	\$ 1,361,879	\$ 51,007	\$
Investments (at fair value)	60,871,176	14,033,872	524,887	
Receivables:				
Interest and Dividends	359,695	105,442	3,949	
Other	286,421	315,811	11,035	
Due From Other Funds		484		
Deferred Charges	514	138		
Fixed Assets	27,384	8,403		
Other Assets	<u>10</u>	<u></u>	<u></u>	<u></u>
Total Assets	<u>63,717,830</u>	<u>15,826,029</u>	<u>590,878</u>	<u>0</u>
LIABILITIES				
Payables	446,681	305,297	10,867	
Obligations/Securities Lending	1,088,408	767,691	28,804	
Deferred Revenues	21,813			
Due to Other Funds		125	83	
Employees' Compensable Leave	<u></u>	<u>758</u>	<u></u>	<u></u>
Total Liabilities	<u>1,556,902</u>	<u>1,073,871</u>	<u>39,754</u>	<u>0</u>
Net Assets Held in Trust for				
Pension Benefits (Fund Balance -				
Reserved for Retirement Trust				
Funds)	<u>\$ 62,160,928</u>	<u>\$ 14,752,158</u>	<u>\$ 551,124</u>	<u>\$ 0</u>

* This Fund has activity on the Statement of Changes in Plan Net Assets.

Judicial Retirement System – Plan Two Trust Fund	Fire Fighters' Relief and Retirement Fund	Deferred Compensation Administrative Trust Fund	TexaSaver Administrative Trust Fund	Totals
\$ 4,425	\$ 1,743	\$ 1,530	\$ 49	\$ 3,593,263
45,988	22,946			75,498,869
342		6		469,434
1,107	482			614,856
	1	25		510
				652
	13	9		35,809
	10			20
<u>51,862</u>	<u>25,195</u>	<u>1,570</u>	<u>49</u>	<u>80,213,413</u>
943	70	32		763,890
2,461				1,887,364
				21,813
11		4	4	227
		20		778
<u>3,415</u>	<u>70</u>	<u>56</u>	<u>4</u>	<u>2,674,072</u>
<u>\$ 48,447</u>	<u>\$ 25,125</u>	<u>\$ 1,514</u>	<u>\$ 45</u>	<u>\$ 77,539,341</u>

Agency Funds

The **General Revenue Fund** was used in prior years to account for pass-through activity of federal funds. This activity is now being presented in the General, Special, Debt Service, Capital Projects, Expendable Trust, and Enterprise Funds. This fund now reflects unappropriated activity.

The **Texas Local Government Investment Pool (Tex Pool)** is a local government investment pool administered by the Treasury.

The **Life, Health, Accident & Casualty Insurance Companies Trust Account** holds in trust cash or securities deposited with the State by insurance companies as required by law.

The **Lotto Prize Trust Fund** accounts for installment payments of lottery prizes paid to Lotto and Win for Life prize winners by the Texas Lottery Commission.

The **Texas Public Finance Authority Bond Escrow Account** is used to hold funds for various defeased or refunded bonds.

The **Texas Workers' Compensation Self Insurance Fund** is used to deposit certified self-insurer security deposits.

The **Holding Trust Fund** receives assessments levied on each Texas employer of 0.1% of wages paid and is

to be known as the employment training investment assessment.

The **Deferred Compensation Trust Fund** collects and administers funds contributed by state employees who defer this portion of their income until future years, in accordance with Internal Revenue Code 457. The State of Texas is the only employer participating in the plan.

The **Texas Insurance Companies Assets Account - Reserve and Custodial** are used to designate legal reserve funds of insurance companies operating in Texas. Also included are balances of defunct insurance companies which previously conducted business in Texas. Most balances are normally held outside the Treasury and reported by the Board of Insurance in a custodial capacity.

The **County / Political Subdivision Road Participation Trust Account** is used to hold money contributed by counties or political subdivisions for expenditure by the State Highway Commission on the public roads of such counties or political subdivisions.

The **Departmental Suspense Fund** provides a temporary depository for money held in suspense pending final disposition to the various special funds or to the General Revenue Fund.

State of Texas

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Beginning Balance Sept. 1, 1996	Additions	Deductions	Ending Balance Aug. 31, 1997
General Revenue Fund				
ASSETS				
Cash and Temporary Investments	\$ 62,167	\$ 970,793	\$ 1,031,017	\$ 1,943
Receivables:				
Intergovernmental	4,804	5,552	4,804	5,552
Accounts Receivable	686	704	818	572
Taxes Receivable	31	133	129	35
Other Receivables	226	81	83	224
Due from Other Funds	10,844	186,503	122,989	74,358
Total Assets	<u>\$ 78,758</u>	<u>\$ 1,163,766</u>	<u>\$ 1,159,840</u>	<u>\$ 82,684</u>
LIABILITIES				
Accounts Payable	\$ 466	\$ 6,798	\$ 1,892	\$ 5,372
Due to Other Funds	2,888	21,857	24,745	0
Interfund Payable	66		66	0
Funds Held for Others	75,338	976,071	974,097	77,312
Total Liabilities	<u>\$ 78,758</u>	<u>\$ 1,004,726</u>	<u>\$ 1,000,800</u>	<u>\$ 82,684</u>
Texas Local Government Investment Pool (TexPool)				
ASSETS				
Cash and Temporary Investments	\$ 1,062	\$ 215,927,011	\$ 215,928,048	\$ 25
Investments	4,199,586	208,291,253	208,051,878	4,438,961
Interest and Dividends Receivable	6,982	66,235	61,728	11,489
Total Assets	<u>\$4,207,630</u>	<u>\$ 424,284,499</u>	<u>\$ 424,041,654</u>	<u>\$ 4,450,475</u>
LIABILITIES				
Accounts Payable	\$ 21	\$ 785	\$ 584	\$ 222
Other Payables	14	89,171	89,040	145
Obligations/Reverse Repurchase Agreements	49,013	1,695,437	1,744,450	0
Funds Held for Others	4,158,582	4,973,023	4,681,497	4,450,108
Total Liabilities	<u>\$4,207,630</u>	<u>\$ 6,758,416</u>	<u>\$ 6,515,571</u>	<u>\$ 4,450,475</u>
Life, Health, Accident, & Casualty Insurance Companies Trust Account				
ASSETS				
Cash and Temporary Investments	\$ 110,772	\$ 251	\$ 1,028	\$ 109,995
Investments	475,015	21,628		496,643
Total Assets	<u>\$ 585,787</u>	<u>\$ 21,879</u>	<u>\$ 1,028</u>	<u>\$ 606,638</u>
LIABILITIES				
Funds Held for Others	\$ 585,787	\$ 21,879	\$ 1,028	\$ 606,638
Total Liabilities	<u>\$ 585,787</u>	<u>\$ 21,879</u>	<u>\$ 1,028</u>	<u>\$ 606,638</u>

State of Texas

Combining Statement of Changes in Assets and Liabilities – Agency Funds (continued)

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Beginning Balance Sept. 1, 1996	Additions	Deductions	Ending Balance Aug. 31, 1997
Lotto Prize Trust Fund				
ASSETS				
Cash and Temporary Investments	\$ 107,345	\$ 121,069	\$ 107,345	\$ 121,069
Investments	1,013,660	324,793	121,069	1,217,384
Total Assets	<u>\$ 1,121,005</u>	<u>\$ 445,862</u>	<u>\$ 228,414</u>	<u>\$ 1,338,453</u>
LIABILITIES				
Funds Held for Others	\$ 1,121,005	\$ 1,784,315	\$ 1,566,867	\$ 1,338,453
Total Liabilities	<u>\$ 1,121,005</u>	<u>\$ 1,784,315</u>	<u>\$ 1,566,867</u>	<u>\$ 1,338,453</u>
Texas Public Finance Authority Bond Escrow Account				
ASSETS				
Cash and Temporary Investments	\$ 70	\$ 8,553,151	\$ 8,553,148	\$ 73
Investments	1,192,437	9,074,437	8,959,312	1,307,562
Interest and Dividends Receivable	468	1,427	1,480	415
Total Assets	<u>\$ 1,192,975</u>	<u>\$ 17,629,015</u>	<u>\$ 17,513,940</u>	<u>\$ 1,308,050</u>
LIABILITIES				
Funds Held for Others	\$ 1,192,975	\$ 1,995,643	\$ 1,880,568	\$ 1,308,050
Total Liabilities	<u>\$ 1,192,975</u>	<u>\$ 1,995,643</u>	<u>\$ 1,880,568</u>	<u>\$ 1,308,050</u>
Texas Workers' Compensation Self Insurance Fund				
ASSETS				
Cash and Temporary Investments	\$ 2,055	\$ 224	\$ 556	\$ 1,723
Investments	0	477,758	103,330	374,428
Total Assets	<u>\$ 2,055</u>	<u>\$ 477,982</u>	<u>\$ 103,886</u>	<u>\$ 376,151</u>
LIABILITIES				
Funds Held for Others	\$ 2,055	\$ 479,711	\$ 105,615	\$ 376,151
Total Liabilities	<u>\$ 2,055</u>	<u>\$ 479,711</u>	<u>\$ 105,615</u>	<u>\$ 376,151</u>
Holding Trust Fund				
ASSETS				
Cash and Temporary Investments	\$ 61,882	\$ 67,324	\$ 63,779	\$ 65,427
Interest and Dividends Receivable	259	291	259	291
Total Assets	<u>\$ 62,141</u>	<u>\$ 67,615</u>	<u>\$ 64,038</u>	<u>\$ 65,718</u>
LIABILITIES				
Due to Other Funds	\$	\$ 442	\$	\$ 442
Funds Held for Others	62,141	67,173	64,038	65,276
Total Liabilities	<u>\$ 62,141</u>	<u>\$ 67,615</u>	<u>\$ 64,038</u>	<u>\$ 65,718</u>

State of Texas

Combining Statement of Changes in Assets and Liabilities – Agency Funds (continued)

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Beginning Balance Sept. 1, 1996	Additions	Deductions	Ending Balance Aug. 31, 1997
Deferred Compensation Trust Fund				
ASSETS				
Cash and Temporary Investments	\$ 63,527	\$	\$ 6,485	\$ 57,042
Investments	194,568	63,663	29,525	228,706
Total Assets	<u>\$ 258,095</u>	<u>\$ 63,663</u>	<u>\$ 36,010</u>	<u>\$ 285,748</u>
LIABILITIES				
Funds Held For Others	\$ 258,095	\$ 63,663	\$ 36,010	\$ 285,748
Total Liabilities	<u>\$ 258,095</u>	<u>\$ 63,663</u>	<u>\$ 36,010</u>	<u>\$ 285,748</u>
Texas Insurance Companies				
Assets Account - Reserve and Custodial				
ASSETS				
Cash and Temporary Investments	\$ 444,606	\$ 37,023	\$ 11,403	\$ 470,226
Investments	24,002		889	23,113
Total Assets	<u>\$ 468,608</u>	<u>\$ 37,023</u>	<u>\$ 12,292</u>	<u>\$ 493,339</u>
LIABILITIES				
Funds Held For Others	\$ 468,608	\$ 37,023	\$ 12,292	\$ 493,339
Total Liabilities	<u>\$ 468,608</u>	<u>\$ 37,023</u>	<u>\$ 12,292</u>	<u>\$ 493,339</u>
County / Political Subdivision				
Road Participation Trust Account				
ASSETS				
Cash and Temporary Investments	\$ 115,509	\$ 208,320	\$ 207,826	\$ 116,003
Total Assets	<u>\$ 115,509</u>	<u>\$ 208,320</u>	<u>\$ 207,826</u>	<u>\$ 116,003</u>
LIABILITIES				
Due to Other Funds	\$	\$ 260	\$	\$ 260
Funds Held For Others	115,509	105,728	105,494	115,743
Total Liabilities	<u>\$ 115,509</u>	<u>\$ 105,988</u>	<u>\$ 105,494</u>	<u>\$ 116,003</u>
Departmental Suspense Fund				
ASSETS				
Cash and Temporary Investments	\$ 132,658	\$ 1,178,837	\$ 1,155,287	\$ 156,208
Receivables:				
Interest and Dividends	4,345	9,787	8,690	5,442
Accounts Receivable	128	329	209	248
Total Assets	<u>\$ 137,131</u>	<u>\$ 1,188,953</u>	<u>\$ 1,164,186</u>	<u>\$ 161,898</u>
LIABILITIES				
Accounts Payable	\$ 100	\$ 201	\$ 199	\$ 102
Other Payables	74	6,800	148	6,726
Due to Other Funds	652	27,952	28,247	357
Funds Held For Others	136,305	1,159,246	1,140,838	154,713
Total Liabilities	<u>\$ 137,131</u>	<u>\$ 1,194,199</u>	<u>\$ 1,169,432</u>	<u>\$ 161,898</u>

State of Texas

Combining Statement of Changes in Assets and Liabilities – Agency Funds (concluded)

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

	Beginning Balance Sept. 1, 1996	Additions	Deductions	Ending Balance Aug. 31, 1997
Other Agency Funds				
ASSETS				
Cash and Temporary Investments	\$ 578,925	\$ 580,561,984	\$ 580,554,564	\$ 586,345
Investments	26,803	570,540,984	570,532,299	35,488
Receivables:				
Interest and Dividends	33	3,272,444	3,272,438	39
Accounts Receivable	6,491	44,639	47,946	3,184
Other Receivables	1	1,138	1,138	1
Due From Other Funds	0	1,392	1,017	375
Other Assets	48,189	44,188	36,014	56,363
Total Assets	<u>\$ 660,442</u>	<u>\$1,154,466,769</u>	<u>\$1,154,445,416</u>	<u>\$ 681,795</u>
LIABILITIES				
Intergovernmental Payables	\$ 514,791	\$ 3,819,830	\$ 3,807,973	\$ 526,648
Accounts Payable	505	89,278	89,718	65
Other Payables	0	1		1
Due to Other Funds	2,542	5,436	4,593	3,385
Funds Held for Others	142,604	22,257,601	22,248,509	151,696
Total Liabilities	<u>\$ 660,442</u>	<u>\$ 26,172,146</u>	<u>\$ 26,150,793</u>	<u>\$ 681,795</u>
Totals - All Agency Funds				
ASSETS				
Cash and Temporary Investments	\$ 1,680,578	\$ 807,625,987	\$ 807,620,486	\$ 1,686,079
Investments	7,126,071	788,794,516	787,798,302	8,122,285
Receivables:				
Intergovernmental	4,804	5,552	4,804	5,552
Interest and Dividends	12,087	3,350,184	3,344,595	17,676
Accounts Receivable	7,305	45,672	48,973	4,004
Taxes Receivable	31	133	129	35
Other Receivables	227	1,219	1,221	225
Due From Other Funds	10,844	187,895	124,006	74,733
Other Assets	48,189	44,188	36,014	56,363
Total Assets	<u>\$ 8,890,136</u>	<u>\$1,600,055,346</u>	<u>\$1,598,978,530</u>	<u>\$ 9,966,952</u>
LIABILITIES				
Intergovernmental Payables	\$ 514,791	\$ 3,819,830	\$ 3,807,973	\$ 526,648
Accounts Payable	1,092	97,062	92,393	5,761
Other Payables	88	95,972	89,188	6,872
Due to Other Funds	6,082	55,947	57,585	4,444
Interfund Payables	66		66	0
Obligations/Reverse Repurchase Agreements	49,013	1,695,437	1,744,450	0
Funds Held for Others	8,319,004	33,921,076	32,816,853	9,423,227
Total Liabilities	<u>\$ 8,890,136</u>	<u>\$ 39,685,324</u>	<u>\$ 38,608,508</u>	<u>\$ 9,966,952</u>

General Fixed Asset Account Group



State of Texas

Schedule of Changes in General Fixed Assets by Function and Activity

For the Fiscal Year Ended August 31, 1997 (Amounts in Thousands)

Function and Activity	General Fixed Assets 9/1/96	Reclassi- fications	Additions	Deletions	General Fixed Assets 8/31/97
Education	\$ 76,740	\$ 16,092	\$ 4,092	\$ 6,185	\$ 90,739
Health and Human Services	904,985	3,534	101,978	92,361	918,136
Transportation	791,825		109,722	31,761	869,786
Employee Benefits	217	(24)	21	54	160
Public Safety and Corrections	3,814,515	16,128	279,027	36,707	4,072,963
General Government	1,060,824	(8,486)	76,676	63,067	1,065,947
Natural Resources and Recreation	514,339	(15)	52,138	31,512	534,950
Regulation of Business and Industry	65,666	281	3,527	10,972	58,502
Total General Fixed Assets	<u>\$ 7,229,111</u>	<u>\$ 27,510</u>	<u>\$ 627,181</u>	<u>\$ 272,619</u>	<u>\$ 7,611,183</u>

State of Texas

Schedule of General Fixed Assets by Function and Class

As of August 31, 1997 (Amounts in Thousands)

Function	Land	Buildings	Furniture and Equipment	Vehicles, Boats, and Aircraft	Construction in Progress	Other	Total
Education	\$ 23,596	\$ 33,922	\$ 31,466	\$ 1,534	\$	\$ 221	\$ 90,739
Health and Human Services	15,545	460,215	380,653	44,618	16,975	130	918,136
Transportation	44,590	159,056	389,892	276,248			869,786
Employee Benefits			160				160
Public Safety and Corrections	67,272	1,396,845	386,309	135,555	2,086,939	43	4,072,963
General Government	60,063	658,558	295,268	22,786	22,672	6,600	1,065,947
Natural Resources and Recreation	198,375	103,745	143,287	54,871	33,433	1,239	534,950
Regulation of Business and Industry	1,411	4,235	49,451	3,220		185	58,502
Total General Fixed Assets	<u>\$ 410,852</u>	<u>\$ 2,816,576</u>	<u>\$ 1,676,486</u>	<u>\$ 538,832</u>	<u>\$ 2,160,019</u>	<u>\$ 8,418</u>	<u>\$ 7,611,183</u>

College and University Funds



State of Texas

Combining Balance Sheet – Colleges and Universities

August 31, 1997 (Amounts in Thousands)

	Current Funds Unrestricted					
	Educational and General	Designated	Auxiliary Enterprises	Total	Restricted	Loan Funds
ASSETS						
Cash and Temporary Investments	\$ 510,447	\$ 624,710	\$ 136,699	\$ 1,271,856	\$ 184,210	\$ 22,151
Investments	424,070	1,074,782	202,296	1,701,148	385,304	25,116
Receivables:						
Intergovernmental	947		47	994	53,331	691
Interest and Dividends	4,039	58,712	2,615	65,366	4,454	635
Other	144,993	198,082	19,334	362,409	208,296	2,622
Due From Other Funds	196,150	51,879	1,498	249,527	34,215	158
Due From Primary Government	1,467	1,873		3,340	2,574	
Inventories	29,167	31,445	27,909	88,521	687	
Loans and Contracts	882	2,951	3	3,836	24	186,361
Fixed Assets						
Other Assets	6,259	22,207	6,825	35,291	35,559	513
Total Assets	\$ 1,318,421	\$ 2,066,641	\$ 397,226	\$ 3,782,288	\$ 908,654	\$ 238,247
LIABILITIES AND FUND EQUITY						
Liabilities:						
Payables	\$ 322,619	\$ 359,448	\$ 44,840	\$ 726,907	\$ 76,673	\$ 1,183
Deferred Revenues	182,494	136,040	130,276	448,810	4,672	
Due to Other Funds	23,552	35,315	1,298	60,165	13,942	3,476
Due to Primary Government	156	1,873		2,029	101	
Advances From Other Funds	1,460	3,252		4,712		
Notes and Loans Payable						
Revenue Bonds Payable						
General Obligation Bonds Payable						
Employees' Compensable Leave	136,651	45,419	11,261	193,331	26,361	
Capital Lease Obligations						
Obligations/Securities Lending						
Funds Held for Others						
Total Liabilities	666,932	581,347	187,675	1,435,954	121,749	4,659
Fund Equity:						
Net Investment in Plant						
Fund Balances (Deficits):						
Reserved for:						
Encumbrances	200,522	66,150	15,190	281,862	883	3
Inventories	28,337	30,833	26,879	86,049		
U.S. Government Grants Refundable						139,640
Endowment/Funds Functioning						
as Endowment						
Restricted Fund Balances					785,956	88,079
Education	193,530	413,165	34,342	641,037		233
Unreserved:						
Designated	220,534	928,021	110,985	1,259,540	66	4,174
Undesignated	8,566	47,125	22,155	77,846		1,459
Total Fund Equity	651,489	1,485,294	209,551	2,346,334	786,905	233,588
Total Liabilities and Fund Equity	\$ 1,318,421	\$ 2,066,641	\$ 397,226	\$ 3,782,288	\$ 908,654	\$ 238,247

Endowment and Similar	Plant Funds				Agency Funds	Blended Component Units	Totals
	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant			
\$ 557,880	\$ 382,523	\$ 25,690	\$ 42,021	\$	\$ 187,382	\$ 14,354	\$ 2,688,067
7,207,466	292,371	12,899	18,008		217,272	56,330	9,915,914
	1,538				1		56,555
10,654	3,070	120	454		23,430	274	108,457
48,894	9,897	12,824	1,085		6,421	331	652,779
	67,033	13,674	4,596		2		369,205
					3		5,917
						3	89,211
19					6		190,246
3,596				12,436,108	481	5,141	12,445,326
13			49	7	11,640	2,138	85,210
<u>\$ 7,828,522</u>	<u>\$ 756,432</u>	<u>\$ 65,207</u>	<u>\$ 66,213</u>	<u>\$12,436,115</u>	<u>\$ 446,638</u>	<u>\$ 78,571</u>	<u>\$ 26,606,887</u>
\$ 32,355	\$ 45,474	\$ 2,638	\$ 4,054	\$	\$ 142,486	\$ 917	\$ 1,032,687
	536		969		205	12	455,204
26,125	1,279	7	1,890		378		107,262
							2,130
				2,019			6,731
	56,664			360,331		2,000	418,995
	198,135		6,748	2,122,260			2,327,143
	13,244			58,881			72,125
	46						219,738
				4,959			4,959
417,978				104,532	303,569		417,978
				2,652,982	446,638	2,929	408,101
<u>476,458</u>	<u>315,378</u>	<u>2,645</u>	<u>13,661</u>	<u>2,652,982</u>	<u>446,638</u>	<u>2,929</u>	<u>5,473,053</u>
				9,783,133		183	9,783,316
	98,392	2,098				10	383,248
							86,049
							139,640
7,313,892						41,704	7,355,596
22,810	103,242	39,147	35,173			32,313	1,106,720
	30,439	1,091	802			1	673,603
15,362	203,533	19,758	5,089				1,507,522
	5,448	468	11,488			1,431	98,140
<u>7,352,064</u>	<u>441,054</u>	<u>62,562</u>	<u>52,552</u>	<u>9,783,133</u>	<u>0</u>	<u>75,642</u>	<u>21,133,834</u>
<u>\$ 7,828,522</u>	<u>\$ 756,432</u>	<u>\$ 65,207</u>	<u>\$ 66,213</u>	<u>\$12,436,115</u>	<u>\$ 446,638</u>	<u>\$ 78,571</u>	<u>\$ 26,606,887</u>

