

**THE OFFICE
OF
THE GOVERNOR**



**ANNUAL FINANCIAL REPORT
2017**

**GREG ABBOTT
GOVERNOR OF TEXAS**

THE OFFICE OF THE GOVERNOR

ANNUAL FINANCIAL REPORT

**For The Year Ended August 31, 2017
(UNAUDITED)**

**Greg Abbott
Governor of Texas**



GOVERNOR GREG ABBOTT

November 20, 2017

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, 2017, 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 blue ink, appearing to read "Luis Saenz".

Luis Saenz
Chief of Staff

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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, 2017

| | 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) | Capital Project Fund (Exhibit D-1 300) | |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents: | | | | | |
| Cash in State Treasury | \$ 406,308,230.55 | \$ 25,445,010.60 | 32,541.38 | \$ - | \$ 431,785,782.53 |
| Cash Eq - Miscellaneous Investments (Note 3) | 8,188,636.74 | - | - | - | 8,188,636.74 |
| Legislative Appropriations | 262,665,647.50 | - | - | - | 262,665,647.50 |
| Receivables from: | | | | | |
| Federal | 12,029,243.01 | - | - | - | 12,029,243.01 |
| Interest and Dividends | 750,406.26 | 56,490.14 | - | - | 806,896.40 |
| Due From Other Funds | - | - | - | - | - |
| Due From Other Agencies | 18,148,202.75 | - | - | - | 18,148,202.75 |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | 1,245,000.00 | 1,149,151.01 | - | - | 2,394,151.01 |
| Restricted: | | | | | |
| Cash and Cash Equivalents: | | | | | |
| Cash in State Treasury | - | 1,500,000.00 | - | - | 1,500,000.00 |
| Total Current Assets | 709,335,366.81 | 28,150,651.75 | 32,541.38 | - | 737,518,559.94 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | 149,025,988.65 | 18,690,270.65 | - | - | 167,716,259.30 |
| Equity Holdings for Economic Development | 71,620,440.03 | - | - | - | 71,620,440.03 |
| Capital Assets (Note 2): | | | | | |
| Depreciable: | | | | | |
| Furniture and Equipment | - | - | - | - | - |
| Less Accumulated Depreciation | - | - | - | - | - |
| Vehicle, Boats and Aircraft | - | - | - | - | - |
| Less Accumulated Depreciation | - | - | - | - | - |
| Amortizable: | | | | | |
| Computer Software | - | - | - | - | - |
| Less Accumulated Amortization | - | - | - | - | - |
| Other Non-Current Assets | - | - | - | - | - |
| Total Non-Current Assets | 220,646,428.68 | 18,690,270.65 | - | - | 239,336,699.33 |
| Total Assets | \$ 929,981,795.49 | \$ 46,840,922.40 | \$ 32,541.38 | \$ - | \$ 976,855,259.27 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ 17,349,794.79 | \$ 23,623.33 | \$ - | \$ - | \$ 17,373,418.12 |
| Payroll | 2,021,316.88 | - | - | - | 2,021,316.88 |
| Due To Other Funds | - | - | - | - | - |
| Due To Other Agencies | 20,270,447.64 | - | 32,534.20 | - | 20,302,981.84 |
| Unearned Revenue | 20,635,681.92 | - | - | - | 20,635,681.92 |
| Employees' Compensable Leave (Note 5) | - | - | - | - | - |
| General Obligation Bonds Payable (Note 5, 6) | - | - | - | - | - |
| Total Current Liabilities | 60,277,241.23 | 23,623.33 | 32,534.20 | - | 60,333,398.76 |
| 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 | 60,277,241.23 | 23,623.33 | 32,534.20 | - | 60,333,398.76 |
| Fund Financial Statement | | | | | |
| Fund Balances (Deficits): | | | | | |
| Reserved for | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 25,944,353.34 | 46,817,299.07 | 7.18 | - | 72,761,659.59 |
| Committed | 592,142,944.79 | - | - | - | 592,142,944.79 |
| Unassigned | 251,617,256.13 | - | - | - | 251,617,256.13 |
| Total Fund Balances | 869,704,554.26 | 46,817,299.07 | 7.18 | - | 916,521,860.51 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 929,981,795.49 | \$ 46,840,922.40 | \$ 32,541.38 | \$ - | \$ 976,855,259.27 |
| 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.

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, 2017

| | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Net Position |
|----------------------------------------------------------------|-------------------------------|--------------------------------------|------------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents: | | | |
| Cash in State Treasury | \$ - | \$ - | \$ 431,785,782.53 |
| Cash Eq - Miscellaneous Investments | - | - | 8,188,636.74 |
| Legislative Appropriations | - | - | 262,665,647.50 |
| Receivables from: | | | |
| Federal | - | - | 12,029,243.01 |
| Interest and Dividends | - | - | 806,896.40 |
| Due From Other Funds | - | - | - |
| Due From Other Agencies | - | - | 18,148,202.75 |
| Consumable Inventories | - | - | - |
| Loans and Contracts | - | - | 2,394,151.01 |
| Restricted: | | | |
| Cash and Cash Equivalents | - | - | 1,500,000.00 |
| Cash in State Treasury | - | - | - |
| Total Current Assets | - | - | 737,518,559.94 |
| Non-Current Assets: | | | |
| Loans and Contracts | - | - | 167,716,259.30 |
| Equity Holdings for Economic Development | - | - | 71,620,440.03 |
| Capital Assets (Note 2): | | | |
| Depreciable: | | | |
| Furniture and Equipment | 810,293.68 | - | 810,293.68 |
| Less Accumulated Depreciation | (582,348.15) | - | (582,348.15) |
| Vehicle, Boats and Aircraft | 20,337.08 | - | 20,337.08 |
| Less Accumulated Depreciation | (20,337.08) | - | (20,337.08) |
| Amortizable: | | | |
| Computer Software | 107,771.70 | - | 107,771.70 |
| Less Accumulated Amortization | (16,465.02) | - | (16,465.02) |
| Other Non-Current Assets | - | - | - |
| Total Non-Current Assets | 319,252.21 | - | 239,655,951.54 |
| Total Assets | \$ 319,252.21 | \$ - | \$ 977,174,511.48 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Current Liabilities: | | | |
| Payables from: | | | |
| Accounts | \$ - | \$ - | \$ 17,373,418.12 |
| Payroll | - | - | 2,021,316.88 |
| Due To Other Funds | - | - | - |
| Due To Other Agencies | - | - | 20,302,981.84 |
| Unearned Revenue | - | - | 20,635,681.92 |
| Employees' Compensable Leave (Note 5) | - | 1,766,956.72 | 1,766,956.72 |
| General Obligation Bonds Payable (Note 5, 6) | - | 1,245,000.00 | 1,245,000.00 |
| Total Current Liabilities | - | 3,011,956.72 | 63,345,355.48 |
| Non-Current Liabilities: | | | |
| Employees' Compensable Leave (Note 5) | - | 1,009,306.88 | 1,009,306.88 |
| General Obligation Bonds Payable (Note 5, 6) | - | 69,175,000.00 | 69,175,000.00 |
| Liabilities Payable from Restricted Assets | - | - | - |
| Total Non-Current Liabilities | - | 70,184,306.88 | 70,184,306.88 |
| Total Liabilities | - | 73,196,263.60 | 133,529,662.36 |
| Fund Financial Statement | | | |
| Fund Balances (Deficits): | | | |
| Reserved for | | | |
| Nonspendable | | | - |
| Restricted | | | 72,761,659.59 |
| Committed | | | 592,142,944.79 |
| Unassigned | | | 251,617,256.13 |
| Total Fund Balances | | | 916,521,860.51 |
| Total Liabilities, Deferred Inflows & Fund Balances | | | |
| Government-Wide Statement of Net Position | | | |
| Net Position | | | |
| Invested in Capital Assets, net of Related Debt | 319,252.21 | - | 319,252.21 |
| Restricted For: | | | |
| Other | - | (70,420,000.00) | (70,420,000.00) |
| Unrestricted | - | (2,776,263.60) | (2,776,263.60) |
| Total Net Position | \$ 319,252.21 | \$ (73,196,263.60) | \$ 843,644,849.12 |

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

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, 2017

| | Governmental Fund Types | | | | |
|-------------------------------------------------------|--------------------------------|-----------------------------------------------|----------------------------------------|-------------------------------------------|-----------------------------|
| | General Funds (Exhibit A-2) | Special Revenue Funds (Exhibit B-2 300) | Debt Service Fund (Exhibit C-2 300) | Capital Project Fund (Exhibit D-2 300) | Governmental Funds Total |
| REVENUES | | | | | |
| Legislative Appropriations | | | | | |
| Original Appropriations | \$ 88,979,127.00 | \$ - | \$ - | \$ - | \$ 88,979,127.00 |
| Additional Appropriations | 4,905,545.07 | - | - | - | 4,905,545.07 |
| Federal Revenue | 183,990,676.76 | - | - | - | 183,990,676.76 |
| Federal Grant Pass-Through Revenue | 714,194.23 | - | - | - | 714,194.23 |
| State Grant Pass-Through Revenue | 1,189,337.52 | - | - | - | 1,189,337.52 |
| License, Fees & Permits | 28,048,011.40 | 2,519.82 | - | - | 28,050,531.22 |
| Interest and Other Investment Income | 3,895,775.87 | 795,982.06 | 1,569.27 | 850.37 | 4,694,177.57 |
| Sales of Goods and Services | 296,576.58 | - | - | - | 296,576.58 |
| Other | 1,322,759.30 | - | - | - | 1,322,759.30 |
| Total Revenues | 313,342,003.73 | 798,501.88 | 1,569.27 | 850.37 | 314,142,925.25 |
| EXPENDITURES | | | | | |
| Salaries and Wages | 19,020,727.00 | - | - | - | 19,020,727.00 |
| Payroll Related Costs | 5,629,859.06 | - | - | - | 5,629,859.06 |
| Professional Fees and Services | 8,767,267.10 | 22,812.50 | - | - | 8,790,079.60 |
| Travel | 615,186.11 | - | - | 3,552.65 | 618,738.76 |
| Materials and Supplies | 349,536.83 | - | - | - | 349,536.83 |
| Communication and Utilities | 321,204.17 | - | - | - | 321,204.17 |
| Repairs and Maintenance | 173,853.25 | - | - | - | 173,853.25 |
| Rentals and Leases | 712,867.66 | - | - | - | 712,867.66 |
| Printing and Reproduction | 23,872.50 | - | - | 773.67 | 24,646.17 |
| Federal Grant Pass-Through Expenditures | 9,780,965.91 | - | - | - | 9,780,965.91 |
| State Grant Pass-Through Expenditures | 35,610,261.39 | - | - | - | 35,610,261.39 |
| Intergovernmental Payments | 240,987,063.44 | - | - | - | 240,987,063.44 |
| Public Assistance Payments | 84,584,064.94 | - | - | - | 84,584,064.94 |
| Employee Benefit Payments | - | - | - | - | - |
| Other Expenditures | 83,910,727.83 | 116,755.94 | - | 201.38 | 84,027,685.15 |
| Debt Service: | | | | | |
| Principal | - | - | 8,525,000.00 | - | 8,525,000.00 |
| Interest | - | - | 1,369,632.91 | - | 1,369,632.91 |
| Other Financing Fees | - | - | - | 177,020.01 | 177,020.01 |
| Capital Outlay | 174,080.62 | - | - | - | 174,080.62 |
| Depreciation Expense | - | - | - | - | - |
| Amortization Expense | - | - | - | - | - |
| Total Expenditures/Expenses | 490,661,537.81 | 139,568.44 | 9,894,632.91 | 181,547.71 | 500,877,286.87 |
| Excess (Deficiency) of Revenues over Expenditures | (177,319,534.08) | 658,933.44 | (9,893,063.64) | (180,697.34) | (186,734,361.62) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bonds Issued for Refunding | - | - | 25,420,000.00 | - | 25,420,000.00 |
| Payment to Escrow for Refunding | - | - | (25,490,000.00) | - | (25,490,000.00) |
| Transfer In | 139,908,741.88 | 275,208.42 | 10,179,832.97 | 213,000.00 | 150,576,783.27 |
| Transfer Out | (38,707,686.12) | (866,514.87) | (217,011.32) | (32,302.66) | (39,823,514.97) |
| Legislative Transfer In | 3,303,889.49 | - | - | - | 3,303,889.49 |
| Legislative Transfer Out | (3,303,889.49) | - | - | - | (3,303,889.49) |
| Gain (Loss) on Other Financial Activity | (3,279,085.25) | - | - | - | (3,279,085.25) |
| Inc/(Dec) in Net Position Due to Interagency Transfer | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 97,921,970.51 | (591,306.45) | 9,892,821.65 | 180,697.34 | 107,404,183.05 |
| Net Change in Fund Balances/Net Position | (79,397,563.57) | 67,626.99 | (241.99) | (0.00) | (79,330,178.57) |
| Fund Financial Statement - Fund Balances | | | | | |
| Fund Balances, September 1, 2016 | 950,102,117.83 | 46,749,672.08 | 249.17 | - | 996,852,039.08 |
| Restatements (Note 14) | - | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | 950,102,117.83 | 46,749,672.08 | 249.17 | - | 996,852,039.08 |
| Appropriations Lapsed | (1,000,000.00) | - | - | - | (1,000,000.00) |
| Fund Balances, August 31, 2017 | \$ 869,704,554.26 | \$ 46,817,299.07 | \$ 7.18 | \$ (0.00) | \$ 916,521,860.51 |
| Government-Wide Statement of Net Position | | | | | |
| Net Position/Net Change in Net Position | | | | | \$ 916,521,860.51 |
| Net Position, September 1, 2016 | | | | | |
| Restatements | | | | | |
| Net Position, September 1, 2016, as Restated | | | | | |
| Net Position, August 31, 2017 | | | | | \$ 916,521,860.51 |

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

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, 2017

| | Capital Assets Adjustments | Long -Term Liabilities Adjustments | Statement of Activities |
|-------------------------------------------------------|-------------------------------|---------------------------------------|----------------------------|
| REVENUES | | | |
| Legislative Appropriations | | | |
| Original Appropriations | \$ - | \$ - | \$ 88,979,127.00 |
| Additional Appropriations | - | - | 4,905,545.07 |
| Federal Revenue | - | - | 183,990,676.76 |
| Federal Grant Pass-Through Revenue | - | - | 714,194.23 |
| State Grant Pass-Through Revenue | - | - | 1,189,337.52 |
| License, Fees & Permits | - | - | 28,050,531.22 |
| Interest and Other Investment Income | - | - | 4,694,177.57 |
| Sales of Goods and Services | - | - | 296,576.58 |
| Other | - | - | 1,322,759.30 |
| Total Revenues | - | - | 314,142,925.25 |
| EXPENDITURES | | | |
| Salaries and Wages | - | 531,778.87 | 19,552,505.87 |
| Payroll Related Costs | - | - | 5,629,859.06 |
| Professional Fees and Services | - | - | 8,790,079.60 |
| Travel | - | - | 618,738.76 |
| Materials and Supplies | - | - | 349,536.83 |
| Communication and Utilities | - | - | 321,204.17 |
| Repairs and Maintenance | - | - | 173,853.25 |
| Rentals and Leases | - | - | 712,867.66 |
| Printing and Reproduction | - | - | 24,646.17 |
| Federal Grant Pass-Through Expenditures | - | - | 9,780,965.91 |
| State Grant Pass-Through Expenditures | - | - | 35,610,261.39 |
| Intergovernmental Payments | - | - | 240,987,063.44 |
| Public Assistance Payments | - | - | 84,584,064.94 |
| Employee Benefit Payments | - | - | - |
| Other Expenditures | - | - | 84,027,685.15 |
| Debt Service: | | | |
| Principal | - | (8,525,000.00) | - |
| Interest | - | - | 1,369,632.91 |
| Other Payments for Refunding | - | - | 177,020.01 |
| Capital Outlay | (174,080.62) | - | - |
| Depreciation Expense | 63,884.12 | - | 63,884.12 |
| Amortization Expense | 16,465.02 | - | 16,465.02 |
| Total Expenditures/Expenses | (93,731.48) | (7,993,221.13) | 492,790,334.26 |
| Excess (Deficiency) of Revenues over Expenditures | 93,731.48 | 7,993,221.13 | (178,647,409.01) |
| OTHER FINANCING SOURCES (USES) | | | |
| Bonds Issued for Refunding | - | (25,420,000.00) | - |
| Payment to Escrow for Refunding | - | 25,490,000.00 | - |
| Transfer In | - | - | 150,576,783.27 |
| Transfer Out | - | - | (39,823,514.97) |
| Legislative Transfer In | - | - | 3,303,889.49 |
| Legislative Transfer Out | - | - | (3,303,889.49) |
| Gain (Loss) on Other Financial Activity | - | - | (3,279,085.25) |
| Inc/(Dec) in Net Position Due to Interagency Transfer | 5,386.72 | - | 5,386.72 |
| Total Other Financing Sources (Uses) | 5,386.72 | 70,000.00 | 107,479,569.77 |
| Net Change in Fund Balances/Net Position | | | (71,167,839.24) |
| Fund Financial Statement - Fund Balances | | | |
| Fund Balances, September 1, 2016 | | | 996,852,039.08 |
| Restatements (Note 14) | | | - |
| Fund Balances, September 1, 2016, as Restated | | | 996,852,039.08 |
| Appropriations Lapsed | | | (1,000,000.00) |
| Fund Balances, August 31, 2017 | | | \$ 924,684,199.84 |
| Government-Wide Statement of Net Position | | | |
| Net Position/Net Change in Net Position | \$ 99,118.20 | \$ 8,063,221.13 | \$ 924,684,199.84 |
| Net Position, September 1, 2016 | 220,134.01 | (81,259,484.73) | (81,039,350.72) |
| Restatements | - | - | - |
| Net Position, September 1, 2016, as Restated | 220,134.01 | (81,259,484.73) | (81,039,350.72) |
| Net Position, August 31, 2017 | \$ 319,252.21 | \$ (73,196,263.60) | \$ 843,644,849.12 |

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

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, 2017

| | Total Enterprise Funds |
|---------------------------------------|-------------------------------|
| | (Exhibit III 300) |
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents: | |
| Cash In Bank (Note 3) | \$ 506,882.20 |
| Cash in State Treasury | 14,757,078.11 |
| Restricted: | |
| Cash in State Treasury | 1,500,000.00 |
| Receivables from: | |
| Interest and Dividends | 29,326.50 |
| Loans and Contracts | 1,617,898.54 |
| Total Current Assets | <u>18,411,185.35</u> |
| Non-Current Assets: | |
| Loans and Contracts | <u>10,667,973.63</u> |
| Total Non-Current Assets | <u>10,667,973.63</u> |
| Total Assets | <u>\$ 29,079,158.98</u> |
| DEFERRED OUTFLOWS | |
| Total Deferred Outflows | <u>\$ -</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Payables from: | |
| Accounts | \$ 36,403.87 |
| Payroll | 37,727.54 |
| Employees' Compensable Leave (Note 5) | 26,232.43 |
| Total Current Liabilities | <u>100,363.84</u> |
| Non-Current Liabilities: | |
| Notes and Loans Payable (Note 5) | 15,000,000.00 |
| Employees' Compensable Leave (Note 5) | <u>20,266.27</u> |
| Total Non-Current Liabilities | <u>15,020,266.27</u> |
| Total Liabilities | <u>15,120,630.11</u> |
| DEFERRED INFLOWS | |
| Total Deferred Inflows | <u>-</u> |
| Net Position | |
| Restricted For: | |
| Other | |
| Unrestricted | 13,958,528.87 |
| Total Net Position | <u>\$ 13,958,528.87</u> |

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

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, 2017**

| | Total Enterprise Funds (Exhibit IV 300) |
|-----------------------------------------------------------------------|---------------------------------------------------|
| Operating Revenues | |
| Interest and Investment Income | \$ 605,403.43 |
| Other Operating Revenue | 206,141.84 |
| Total Operating Revenues | <u>811,545.27</u> |
| Operating Expenses | |
| Salaries and Wages | 456,305.36 |
| Payroll Related Costs | 133,629.69 |
| Professional Fees and Services | 211,618.77 |
| Travel | 3,623.53 |
| Materials and Supplies | 517.36 |
| Communication and Utilities | 27,617.61 |
| Repairs and Maintenance | - |
| Rentals and Leases | 1,802.38 |
| Printing and Reproduction | 182.09 |
| Interest | 145,794.45 |
| Other Operating Expenses | 264,171.48 |
| Total Operating Expenses | <u>1,245,262.72</u> |
| Operating Income (Loss) | <u>(433,717.45)</u> |
| Nonoperating Revenues (Expenses) | |
| Investment Income (Expense) | 199.31 |
| Total Other Nonoperating Revenues (Expenses) | <u>199.31</u> |
| Income (Loss) Before Capital Contributions, Endowments, and Transfers | <u>(433,518.14)</u> |
| Capital Contributions, Endowments and Transfers | |
| Transfer In | 3,933,897.81 |
| Transfer Out | <u>(2,243,166.69)</u> |
| Total Capital Contributions, Endowments and Transfers | <u>1,690,731.12</u> |
| Change in Net Position | <u>1,257,212.98</u> |
| Total Net Position, September 1, 2016 | 12,701,315.89 |
| Restatements (Note 14) | - |
| Total Net Position, September 1, 2016, as Restated | <u>12,701,315.89</u> |
| Total Net Position, August 31, 2017 | <u>\$ 13,958,528.87</u> |

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

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, 2017

| | Total Enterprise Funds |
|--------------------------------------------------------------------------------------------|-------------------------------|
| | (Exhibit V 300) |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Proceeds from Other Revenue | \$ 206,141.84 |
| Payments to Employees | (581,183.38) |
| Payments for Other Expenses | (572,894.53) |
| Net Cash Provided by Operating Activities | <u>(947,936.07)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Proceeds from Debt Issuance | 3,188,970.10 |
| Proceeds of Transfers from Other Funds | (5,000,000.00) |
| Payments of Principal on Debt | (145,794.45) |
| Payments for Transfers to Other Funds | (1,498,238.98) |
| Net Cash Provided by Noncapital Financing Activities | <u>(3,455,063.33)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from Interest and Investment Income | 631,029.60 |
| Proceeds from Principal Payments on Loans | 6,297,774.59 |
| Payments for Non-Program Loans | - |
| Net Cash Provided by Investing Activities | <u>6,928,804.19</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 2,525,804.79 |
| Cash and Cash Equivalents, September 1, 2016 | 14,238,155.52 |
| Restatement to Beginning Cash & Cash Equivalents | - |
| Cash and Cash Equivalents, September 1, 2016 as Restated | <u>14,238,155.52</u> |
| Cash and Cash Equivalents, August 31, 2017 | <u>\$ 16,763,960.31</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | |
| Operating Income (Loss) | \$ (433,717.45) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | |
| Operating Income and Cash Flow Categories Classification Differences | (459,608.98) |
| Changes in Assets and Liabilities: | |
| Increase (Decrease) in Payables | (61,448.76) |
| Increase (Decrease) in Unearned Revenue | - |
| Increase (Decrease) in Compensated Absence Liabilities | 6,839.12 |
| Total Adjustments | <u>(514,218.62)</u> |
| Net Cash Provided by Operating Activities | <u>\$ (947,936.07)</u> |

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

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, 2017

| | Private-Purpose Trust Funds (Exhibit I-1) | Agency Funds (Exhibit J-1) | Total |
|---------------------------------------|----------------------------------------------|-------------------------------|-------------------------|
| ASSETS | | | |
| Cash in State Treasury | \$ 12,660,210.08 | \$ 5,338,999.61 | \$ 17,999,209.69 |
| Other Interest Receivable | 13,949.58 | - | 13,949.58 |
| Total Assets | <u>\$ 12,674,159.66</u> | <u>\$ 5,338,999.61</u> | <u>\$ 18,013,159.27</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows of Resources | - | - | - |
| Total Deferred Outflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> |
| LIABILITIES | | | |
| Funds Held For Others | \$ - | \$ 5,338,999.61 | \$ 5,338,999.61 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 5,338,999.61</u> | <u>\$ 5,338,999.61</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows of Resources | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | |
| Held in Trust for Others | \$ 12,674,159.66 | \$ - | \$ 12,674,159.66 |
| Total Net Position | <u>\$ 12,674,159.66</u> | <u>\$ -</u> | <u>\$ 12,674,159.66</u> |

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

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, 2017

| | Private-Purpose Trust Funds (Exhibit I-2) | Total |
|----------------------------------------------|----------------------------------------------|-------------------------|
| ADDITIONS | | |
| Investment Income from Investing Activities: | | |
| Interest and Investment Income | \$160,578.18 | \$160,578.18 |
| Total Net Investment Income | 160,578.18 | 160,578.18 |
| Other Additions: | | |
| Settlement of Claims | - | - |
| Other Revenue | - | - |
| Transfer In | - | - |
| Total Other Additions | - | - |
| Total Additions | 160,578.18 | 160,578.18 |
| DEDUCTIONS | | |
| Intergovernmental Payments | 2,633,356.09 | 2,633,356.09 |
| Total Deductions | 2,633,356.09 | 2,633,356.09 |
| INCREASE (DECREASE) IN NET POSITION | (2,472,777.91) | (2,472,777.91) |
| Net Position | | |
| Net Position, September 1, 2016 | 15,146,937.57 | 15,146,937.57 |
| Restatements | - | - |
| Net Position, September 1, 2016, as Restated | 15,146,937.57 | 15,146,937.57 |
| Net Position, August 31, 2017 | \$ 12,674,159.66 | \$ 12,674,159.66 |

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

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, 2017

| | Totals |
|-------------------------------------|----------------------------|
| | <u>(Exhibit VIII-300)</u> |
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents (Note 3): | |
| Cash In Bank | \$ 1,911,790.72 |
| Cash Eq - Miscellaneous Investments | 658,221.78 |
| Receivables from: | |
| Interest and Dividends | 175.60 |
| Accounts Receivable | 1,326.21 |
| Prepaid Items | 174.24 |
| Total Current Assets | <u>2,571,688.55</u> |
| Total Assets | <u>\$ 2,571,688.55</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Payables from: | |
| Accounts Payable | \$ - |
| Other | 367,778.45 |
| Total Current Liabilities | <u>367,778.45</u> |
| Total Liabilities | <u>367,778.45</u> |
| Net Position | |
| Unrestricted | 2,203,910.10 |
| Total Net Position | <u>\$ 2,203,910.10</u> |

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

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, 2017

| | Totals (Exhibit IX 300) |
|-------------------------------------------------------------------------|-----------------------------------|
| Operating Revenues: | |
| Sales of Goods and Services | \$ 14,049.25 |
| Other Contracts, Grants and Contributions | 2,137,096.02 |
| Other Operating Revenue | 53,944.46 |
| Total Operating Revenues | 2,205,089.73 |
| Operating Expenses: | |
| Salaries and Wages | - |
| Professional Fees and Services | 165,205.01 |
| Travel | 739.41 |
| Materials and Supplies | 26,876.17 |
| Communication and Utilities | 663.27 |
| Rentals and Leases | 9,135.35 |
| Printing and Reproduction | 1,581.68 |
| Grants to Community Service Programs | 1,600.00 |
| Other Operating Expenses | 2,220,674.40 |
| Total Operating Expenses | 2,426,475.29 |
| Operating Income (Loss) | (221,385.56) |
| Nonoperating Revenues (Expenses) | |
| Investment Income (Expense) | 2,406.26 |
| Total Nonoperating Revenues (Expenses) | 2,406.26 |
| Income (Loss) Before Capital Contributions, Endowments and Transfers | (218,979.30) |
| Change in Net Position | (218,979.30) |
| Net Position, September 1, 2016 | 2,422,889.40 |
| Net Position, August 31, 2017 | \$ 2,203,910.10 |

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 six 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 remaining cash balance for the Office of the Governor (OOG) was transferred to the Department of Public Safety in FY 2017. The OOG is no longer authorized to spend money from Fund 0099.

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.

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.

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

Motor Sports and Racing Trust Fund (Fund 0839) for use by the Office to deposit the state share of estimated increases in 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 the state share of estimated increases in local sales and use taxes, motor vehicle rental taxes, and hotel and mixed beverage taxes for approved disbursements relating to certain major events.

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.

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 Projects Funds

Capital projects funds used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays.

T.P.F.A. G.O. Refunding Bonds. (TMPC) Series 2016, Cost of Issuance Fund(7066) was established to receive deposits from the sales of bonds estimated to pay cost of note issuance.

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 the local share of estimated increases in state and local sales and use taxes, motor vehicle rental taxes, and hotel and mixed beverage taxes for approved disbursements relating to certain events.

Motor Sports and Racing Trust Fund (Fund 0839) for use by the Office to deposit to deposit the local share of estimated increases in 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 to deposit the local share of estimated increases in 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.

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. 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.

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.

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, 2017, is presented below for the Office of the Governor – Core Operations (301):

| | PRIMARY GOVERNMENT | | | | | | | |
|----------------------------------------------------|----------------------|-------------|-------------------|-----------------------------------|-----------------------------------|---------------------|-------------|----------------------|
| | Balance 09/01/16 | Adjustments | Reclassifications | | | Additions | Deletions | Balance 08/31/17 |
| | | | Completed CIP | Increase-Interagency Transactions | Decrease-Interagency Transactions | | | |
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| Depreciable Assets: | | | | | | | | |
| Furniture and Equipment | \$ 609,995.89 | \$ - | \$ - | \$ - | \$ - | \$ 15,054.64 | \$ - | \$ 625,050.53 |
| Vehicles, Boats and Aircraft | 20,337.08 | - | - | - | - | - | - | 20,337.08 |
| Total Depreciable Assets at Historical Costs | 630,332.97 | - | - | - | - | 15,054.64 | - | \$ 645,387.61 |
| Amortizable Assets: | | | | | | | | |
| Computer Software | - | - | - | - | - | 107,771.70 | - | 107,771.70 |
| Total Amortizable Assets at Historical Costs | - | - | - | - | - | 107,771.70 | - | \$ 107,771.70 |
| Less Accumulated Depreciation for: | | | | | | | | |
| Furniture and Equipment | (471,055.34) | - | - | - | - | (34,501.18) | - | \$ (505,556.52) |
| Vehicles, Boats and Aircraft | (18,883.80) | - | - | - | - | (1,453.28) | - | (20,337.08) |
| Total Accumulated Depreciation | (489,939.14) | - | - | - | - | (35,954.46) | - | \$ (525,893.60) |
| Less Accumulated Amortization for: | | | | | | | | |
| Computer Software | - | - | - | - | - | (16,465.02) | - | (16,465.02) |
| Total Accumulated Amortization | - | - | - | - | - | (16,465.02) | - | \$ (16,465.02) |
| Governmental Activities Capital Assets, Net | \$ 140,393.83 | \$ - | \$ - | \$ - | \$ - | \$ 70,406.86 | \$ - | \$ 210,800.69 |

A summary of changes in Capital Assets, for the year ended August 31, 2017, is presented below for the Office of the Governor – Truusted Programs (300):

| | PRIMARY GOVERNMENT | | | | | | | |
|----------------------------------------------------|---------------------|-------------|-------------------|-----------------------------------|-----------------------------------|---------------------|-------------|----------------------|
| | Balance 09/01/16 | Adjustments | Reclassifications | | | Additions | Deletions | Balance 08/31/17 |
| | | | Completed CIP | Increase-Interagency Transactions | Decrease-Interagency Transactions | | | |
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| Depreciable Assets: | | | | | | | | |
| Furniture and Equipment | \$ 125,819.37 | \$ - | \$ - | \$ 8,169.50 | \$ - | \$ 51,254.28 | \$ - | \$ 185,243.15 |
| Total Depreciable Assets at Historical Costs | 125,819.37 | - | - | 8,169.50 | - | 51,254.28 | - | 185,243.15 |
| Less Accumulated Depreciation for: | | | | | | | | |
| Furniture and Equipment | (46,079.19) | - | - | (2,782.78) | - | (27,929.66) | - | (76,791.63) |
| Total Accumulated Depreciation | (46,079.19) | - | - | (2,782.78) | - | (27,929.66) | - | (76,791.63) |
| Governmental Activities Capital Assets, Net | \$ 79,740.18 | \$ - | \$ - | \$ 5,386.72 | \$ - | \$ 23,324.62 | \$ - | \$ 108,451.52 |

A summary of changes in Capital Assets for Discretely Presented Component Units, for the year ended August 31, 2017, is presented below for the Office of the Governor – Trusteed Programs (300):

| DISCRETELY PRESENTED COMPONENT UNITS | | | | | | | | |
|-----------------------------------------------------------------|---------------------|-------------|-------------------|------------------------------------------|------------------------------------------|-----------|---------------|------------------|
| | Balance 09/01/16 | Adjustments | Reclassifications | | | Additions | Deletions | Balance 08/31/17 |
| | | | 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 | (1,476.00) | - | - | - | - | - | 1,476.00 | - |
| Total Accumulated Depreciation | (1,476.00) | - | - | - | - | - | 1,476.00 | - |
| Discretely Presented Component Units Capital Assets, Net | | | | | | | | |
| | \$ 1,753.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (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, 2017, the carrying amount of deposits was \$2,418,672.92 as presented below:

| Governmental and Business-Type Activities | |
|--------------------------------------------------|---------------------|
| CASH IN BANK - CARRYING AMOUNT | \$ 506,882.20 |
| Total Cash in Bank per AFR | \$506,882.20 |

| Discretely Presented Component Units | |
|------------------------------------------------------|-----------------------|
| Discrete Component Units Current Assets Cash in Bank | \$1,911,790.72 |
| Cash in Bank per AFR | \$1,911,790.72 |

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, 2017, the total **bank balance** was as follows:

| | | | |
|---------------------------------------------------|----------------------|----------------------------------------------|-----------------------|
| Governmental and Business-Type Activities: | \$ 506,882.20 | Discretely Presented Component Units: | \$1,911,790.72 |
|---------------------------------------------------|----------------------|----------------------------------------------|-----------------------|

Investments

As of August 31, 2017, 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 | \$8,188,636.74 |
| Discretely Presented Component Units –Exhibit K-1 300 | |
| U.S. Government Obligations Money Market Fund (Funds 3146/7003) | \$658,221.78 |
| Total Investments | \$8,846,858.52 |

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 \$15,000,000, which was decreased from \$20,000,000 on February 17, 2017 with JPMorgan Chase Bank, N.A. 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. It is 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 on this letter of credit were repaid in full as of August 31, 2017.

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2017, the following changes occurred in liabilities:

| Governmental Activities | Balance 9/1/2016 | Additions | Reductions | Balance 8/31/2017 | Amounts Due Within One Year | Amounts Due Thereafter |
|-------------------------------------------|-----------------------------|------------------------|---------------------------|------------------------------|----------------------------------------|-----------------------------------|
| General Obligation Bonds Payable (Note 6) | \$79,015,000.00 | \$ 25,420,000.00 | \$ (34,015,000.00) | \$70,420,000.00 | \$1,245,000.00 | \$69,175,000.00 |
| Claims and Judgments | - | - | - | - | - | - |
| Compensable Leave (301) | 1,349,020.16 | 1,586,699.33 | (1,104,718.84) | 1,831,000.65 | 1,214,669.17 | 616,331.48 |
| Compensable Leave (300) | 895,464.57 | 792,532.71 | (742,734.33) | 945,262.95 | 552,287.55 | 392,975.40 |
| Total Governmental Activities | \$ 81,259,484.73 | \$27,799,232.04 | \$ (35,862,453.17) | \$ 73,196,263.60, | \$ 3,011,956.72 | \$ 70,184,306.88 |

| Business-Type Activities | Balance 9/1/2016 | Additions | Reductions | Balance 8/31/2017 | Amounts Due Within One Year | Amounts Due Thereafter |
|-------------------------------------------|-----------------------------|---------------------|--------------------------|------------------------------|----------------------------------------|-----------------------------------|
| Notes and Loans Payable | \$ 20,000,000.00 | \$ | \$ (5,000,000.00) | 15,000,000.00 | \$ - | 15,000,000.00 |
| Compensable Leave (300) | 39,659.58 | 38,392.80 | (31,553.68) | 46,498.70 | 26,232.43 | 20,266.27 |
| Total Business-Type Activities | \$ 20,039,659.58 | \$ 39,392.80 | \$ (5,031,553.68) | \$15,046,498.70 | \$ 26,232.43 | \$ 15,020,266.27 |

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 \$15 million of commercial paper was issued.

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 was 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 1.23%, effective on August 31, 2017, 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:

| Fiscal Year | Governmental Activities | | Business-Type Activities | | Component Unit Activities | |
|---------------------------|-------------------------|-------------|--------------------------|---------------------|---------------------------|-------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2018 | \$ - | \$ - | \$ - | \$ 184,500.00 | \$ - | \$ - |
| 2019 | - | - | - | 184,500.00 | - | - |
| 2020 | - | - | - | 184,500.00 | - | - |
| 2021 | - | - | - | 184,500.00 | - | - |
| 2022 | - | - | - | 184,500.00 | - | - |
| Total Requirements | \$ - | \$ - | \$ 15,000,000.00 | \$922,500.00 | \$ - | \$ - |

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

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, 2017, 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, 2017, 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 (TMVRLP) General Obligation Bonds, Series 2007A-1, Series 2007A-2, Taxable Series 2007B, and Taxable Series 2016

- 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 \$1,265,000.00 matured in fiscal year 2017. \$32,750,000.00 was refunded or extinguished. Refunding bonds were issued leaving an outstanding principal obligation of \$25,420,000.00.
- Debt service payments are processed by the Texas Public Finance Authority by means of shared funds established in the Treasury.
- Source of revenue for debt service – loan repayments, which are designed to support both debt service and program 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

On December 16, 2016, the total remaining principal outstanding of \$7,260,000.00 of TMVRLP General Obligation Bonds Series 2007A-1 was defeased. Texas Public Finance Authority deposited \$7,349,890.21 into the escrow account. The defeased bonds were redeemed January 17, 2017.

Refunding

TMVRLP General Obligation Refunding Bonds, Taxable Series 2016 were issued on December 16, 2016 in the amount of \$25,420,000.00. Proceeds of the Series 2016 Bonds were used to (1) refund the outstanding TMVRLP General Obligation Bonds, Series 2007B and (2) pay the cost of issuing the Series 2016 Bonds.

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) | \$74,283.14 |
| General Revenue Funds (Agency 300) | \$638,584.52 |
| Proprietary Funds (Agency 300) | \$ 1,802.38 |
| Discrete Component Units (Agency 300) | \$9,135.35 |

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 purely speculative at this time.

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

(Not Applicable)

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 the fiscal year ended December 31, 2016, may be obtained by contacting the Office of the Governor, P.O. Box 12428, Austin, Texas 78711.

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, included herein for the fiscal year ended December 31, 2016, may be obtained by contacting TEDC, P.O. Box 684702, Austin, Texas 78768.

The Beacon State Fund (BSF) is a 501 (c) (3) corporation which was created to support the goals of the Governor's Commission on Women (GCW) in promoting issues affecting the women of Texas. The corporation benefits the Texas 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 the fiscal year ended December 31, 2016, may be obtained by contacting the Office of the Governor, P.O. Box 12428, Austin, Texas 78711.

The State Agency Council (SAC) was also established to support the goals of the GCW. 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 GCW appoints the Board and has operational influence on the activities of the corporation. The corporation's financial statements, for the fiscal year ended August 31, 2017, may be obtained by contacting the GCW, P.O. Box 12428, Austin, Texas 78711.

The Film Texas Fund (FTF) 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 the fiscal year ended December 31, 2016, may be obtained by contacting the Office of the Governor, P.O. Box 12428, Austin, Texas 78711.

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 the fiscal year ended December 31, 2016, may be obtained by contacting the Office of the Governor, P.O. Box 12428, Austin, Texas 78711.

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

(Not Applicable)

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)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Fund Balances

The Office of the Governor Trusteed Programs (Agency 300) has the following restrictions/covenants causing fund balances to be committed and restricted:

| GAAP Fund | Fund | AFR 54 Class | Citation | Comments |
|------------------|-------------|---------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| 0421 | 0421 | Committed | TEX. CRIM. PROC CODE ANN. Art. 102.056 TEX. GOV'T CODE ANN. §772.006 TEX LOC GOV'T CADE ANN §133.102 | Criminal Justice |
| 0421 | 0422 | Committed | TEX. CRIM. PROC CODE ANN. Art. 102.056 TEX. GOV'T CODE ANN. §772.006 TEX LOC GOV'T CADE ANN §133.102 | Prostitution Prevention |
| 0421 | 2000 | Committed | TEX. CRIM. PROC CODE ANN. Art. 102.056 TEX. GOV'T CODE ANN. §772.006 TEX LOC GOV'T CADE ANN §133.102 | DNA Testing |
| 0802 | 0803 | Committed | TEX. TRANSP. CODE ANN. §504.6012 | Tourism |
| 0802 | 0804 | Committed | TEX. TRANSP. CODE ANN. §504.6012 | Texas Music |
| 0802 | 0805 | Committed | TEX. TRANSP. CODE ANN. §504.6012 | Native Texan |
| 0802 | 0807 | Committed | TEX. TRANSP. CODE ANN. §504.6012 | k9s4COPS |
| 0830 | 5301 | Committed | TEX. REV. CIV. STAT. ANN. Art. 5190.14 §5.C | Events Trust Fund for Certain Municipalities and Counties |
| 0869 | 5691 | Committed | TEX. REV. CIV. STAT. ANN. Art. 5190.14 §5.A(d) | Major Events Reimbursement Program |
| 5003 | 5103/5003 | Committed | TEX. TAX CODE ANN. §156.251(d) | Advertising and Marketing for Economic Development and Tourism |
| 5010 | 5010 | Committed | TEX. GOV'T CODE ANN. §420.008 | Child Sex Trafficking Prevention |
| 5012 | 5012 | Committed | TEX. GOV'T CODE ANN. §414.010 TEX. LOC. GOV'T CODE ANN. §133.102 | Crime Stoppers Assistance |
| 5107 | 5107 | Committed | TEX. GOV'T CODE ANN. §481.078 | Economic Development |
| 5114 | 5140/5144 | Restricted | TEX. GOV'T CODE ANN. §436.156 TEX. CONST. art. III §49-n | TX Military Revolving Loan Fund |
| 5124 | 5124 | Committed | TEX. GOV'T CODE ANN. §490.101-104 | Assets held by Texas Treasury Safekeeping Trust. Upon liquidation of the assets proceeds will be transferred to the state |
| 5149 | 5149 | Committed | TEX. GOV'T CODE ANN. §404.094(b) | Costs associated BP Oil Spill |
| 5161 | 5161 | Committed | TEX. EDUC. CODE ANN. §62.165 §62.168 TEX. GOV'T CODE. ANN. §490.101 | Matching grants to assist eligible institutions in recruiting distinguished researchers in the fields of STEM |
| 5164 | 5164 | Committed | TEX. CRIM. PROC CODE ANN. §102.015 TEX. GOV'T CODE ANN. §103.021(26) | Truancy Prevention & Diversion |

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The Office of the Governor Combining Statements - Exhibits and Schedules

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusted Programs (300)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2017

| | 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 | - | - | 22,907,184.79 | 48,636,327.85 |
| Cash Eq - Miscellaneous Investments | - | - | - | - |
| Short Term Investments | - | - | - | - |
| Legislative Appropriations | 262,665,647.50 | - | - | - |
| Receivables from: | | | | |
| Federal | - | - | 2,405,035.35 | 9,624,207.66 |
| Interest and Dividends | - | - | 26,072.79 | - |
| Due From Other Agencies | 10,452,321.89 | - | 1,757.73 | - |
| Consumable Inventories | - | - | - | - |
| Loans and Contracts | - | - | - | - |
| Total Current Assets | 273,117,969.39 | - | 25,340,050.66 | 58,260,535.51 |
| Non-Current Assets: | | | | |
| Loans and Contracts | - | - | - | - |
| Equity Holdings for Economic Development | - | - | - | - |
| Total Non-Current Assets | - | - | - | - |
| Total Assets | \$ 273,117,969.39 | \$ - | \$ 25,340,050.66 | \$ 58,260,535.51 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts | \$ 7,460,903.65 | \$ - | \$ 2,301,058.70 | \$ 6,355,542.30 |
| Payroll | 1,677,254.67 | - | 130,895.04 | 116,885.69 |
| Due To Other Agencies | 15,262,608.49 | - | 2,285,242.79 | 1,603,800.99 |
| Unearned Revenue | - | - | 20,622,854.13 | 12,827.79 |
| Total Current Liabilities | 24,400,766.81 | - | 25,340,050.66 | 8,089,056.77 |
| Non-Current Liabilities: | | | | |
| Total Non-Current Liabilities | - | - | - | - |
| Total Liabilities | 24,400,766.81 | - | 25,340,050.66 | 8,089,056.77 |
| Fund Balances (Deficits): | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | 50,171,478.74 |
| Unassigned | 248,717,202.58 | - | - | - |
| Total Fund Balances | 248,717,202.58 | - | - | 50,171,478.74 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 273,117,969.39 | \$ - | \$ 25,340,050.66 | \$ 58,260,535.51 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | - | - | 8,512,724.74 | - | 20,717,069.45 |
| Cash Eq - Miscellaneous Investments | - | - | - | - | - |
| Short Term Investments | - | - | - | - | - |
| Legislative Appropriations | - | - | - | - | - |
| Receivables from: | | | | | |
| Federal | - | - | - | - | - |
| Interest and Dividends | - | 89.92 | - | - | - |
| Due From Other Agencies | - | 85,481.71 | - | - | - |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | - | - | - | - | - |
| Total Current Assets | - | 85,571.63 | 8,512,724.74 | - | 20,717,069.45 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | 2,900,053.55 | - | - | - | - |
| Equity Holdings for Economic Development | - | - | - | - | - |
| Total Non-Current Assets | 2,900,053.55 | - | - | - | - |
| Total Assets | \$ 2,900,053.55 | \$ 85,571.63 | \$ 8,512,724.74 | \$ - | \$ 20,717,069.45 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ - | \$ 17,334.95 | \$ - | \$ - | \$ - |
| Payroll | - | - | - | - | - |
| Due To Other Agencies | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | - |
| Total Current Liabilities | - | 17,334.95 | - | - | - |
| Non-Current Liabilities: | | | | | |
| Total Non-Current Liabilities | - | - | - | - | - |
| Total Liabilities | - | 17,334.95 | - | - | - |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | - | - |
| Committed | - | 68,236.68 | 8,512,724.74 | - | 20,717,069.45 |
| Unassigned | 2,900,053.55 | - | - | - | - |
| Total Fund Balances | 2,900,053.55 | 68,236.68 | 8,512,724.74 | - | 20,717,069.45 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 2,900,053.55 | \$ 85,571.63 | \$ 8,512,724.74 | \$ - | \$ 20,717,069.45 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | 16,873,449.33 | - | 913,824.57 | 229,821,475.18 | 61,312.08 |
| Cash Eq - Miscellaneous Investments | - | - | - | - | - |
| Short Term Investments | - | - | - | - | - |
| Legislative Appropriations | - | - | - | - | - |
| Receivables from: | | | | | |
| Federal | - | - | - | - | - |
| Interest and Dividends | - | - | - | 260,235.96 | 463,041.26 |
| Due From Other Agencies | 4,252,723.34 | 46,328.63 | - | - | - |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | - | - | - | - | 1,245,000.00 |
| Total Current Assets | 21,126,172.67 | 46,328.63 | 913,824.57 | 230,081,711.14 | 1,769,353.34 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | - | - | - | 85,973,985.20 | 24,175,000.00 |
| Equity Holdings for Economic Development | - | - | - | - | - |
| Total Non-Current Assets | - | - | - | 85,973,985.20 | 24,175,000.00 |
| Total Assets | \$ 21,126,172.67 | \$ 46,328.63 | \$ 913,824.57 | \$ 316,055,696.34 | \$ 25,944,353.34 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ 1,136,455.57 | \$ 46,328.63 | \$ 12,041.18 | \$ - | \$ - |
| Payroll | 92,681.72 | - | - | - | - |
| Due To Other Agencies | - | - | 952.78 | - | - |
| Unearned Revenue | - | - | - | - | - |
| Total Current Liabilities | 1,229,137.29 | 46,328.63 | 12,993.96 | - | - |
| Non-Current Liabilities: | | | | | |
| Total Non-Current Liabilities | - | - | - | - | - |
| Total Liabilities | 1,229,137.29 | 46,328.63 | 12,993.96 | - | - |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | - | 25,944,353.34 |
| Committed | 19,897,035.38 | - | 900,830.61 | 316,055,696.34 | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | 19,897,035.38 | - | 900,830.61 | 316,055,696.34 | 25,944,353.34 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 21,126,172.67 | \$ 46,328.63 | \$ 913,824.57 | \$ 316,055,696.34 | \$ 25,944,353.34 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | 877,015.87 | 3,778,748.93 | 42,989,608.58 | 10,219,489.18 | 406,308,230.55 |
| Cash Eq - Miscellaneous Investments | 8,188,636.74 | - | - | - | 8,188,636.74 |
| Short Term Investments | - | - | - | - | - |
| Legislative Appropriations | - | - | - | - | 262,665,647.50 |
| Receivables from: | | | | | |
| Federal | - | - | - | - | 12,029,243.01 |
| Interest and Dividends | 966.33 | - | - | - | 750,406.26 |
| Due From Other Agencies | - | - | 3,309,589.45 | - | 18,148,202.75 |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | - | - | - | - | 1,245,000.00 |
| Total Current Assets | 9,066,618.94 | 3,778,748.93 | 46,299,198.03 | 10,219,489.18 | 709,335,366.81 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | 4,750,000.00 | - | 31,226,949.90 | - | 149,025,988.65 |
| Equity Holdings for Economic Development | 71,620,440.03 | - | - | - | 71,620,440.03 |
| Total Non-Current Assets | 76,370,440.03 | - | 31,226,949.90 | - | 220,646,428.68 |
| Total Assets | \$ 85,437,058.97 | \$ 3,778,748.93 | \$ 77,526,147.93 | \$ 10,219,489.18 | \$ 929,981,795.49 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ - | \$ - | \$ - | \$ 20,129.81 | \$ 17,349,794.79 |
| Payroll | - | - | 3,599.76 | - | 2,021,316.88 |
| Due To Other Agencies | - | 535,918.66 | 581,923.93 | - | 20,270,447.64 |
| Unearned Revenue | - | - | - | - | 20,635,681.92 |
| Total Current Liabilities | - | 535,918.66 | 585,523.69 | 20,129.81 | 60,277,241.23 |
| Non-Current Liabilities: | | | | | |
| Total Non-Current Liabilities | - | - | - | - | - |
| Total Liabilities | - | 535,918.66 | 585,523.69 | 20,129.81 | 60,277,241.23 |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | - | - | - | - | 25,944,353.34 |
| Restricted | - | - | - | - | 592,142,944.79 |
| Committed | 85,437,058.97 | 3,242,830.27 | 76,940,624.24 | 10,199,359.37 | 251,617,256.13 |
| Unassigned | - | - | - | - | 869,704,554.26 |
| Total Fund Balances | 85,437,058.97 | 3,242,830.27 | 76,940,624.24 | 10,199,359.37 | 869,704,554.26 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 85,437,058.97 | \$ 3,778,748.93 | \$ 77,526,147.93 | \$ 10,219,489.18 | \$ 929,981,795.49 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | \$ 88,979,127.00 | \$ - | \$ - | \$ - |
| Additional Appropriations | 4,905,545.07 | - | - | - |
| Federal Revenue | 1,334,057.10 | - | 82,942,637.52 | 99,713,982.14 |
| Federal Grant Pass-Through Revenue | 714,194.23 | - | - | - |
| State Grant Pass-Through Revenue | 1,189,337.52 | - | - | - |
| License, Fees & Permits | 2,369,824.01 | - | - | 20,085,155.43 |
| Interest and Other Investment Income | 0.19 | - | - | - |
| Sales of Goods and Services | 296,576.58 | - | - | - |
| Other | 43,928.16 | - | - | 236.57 |
| Total Revenues | 99,832,589.86 | - | 82,942,637.52 | 119,799,374.14 |
| EXPENDITURES | | | | |
| Salaries and Wages | 15,912,230.44 | - | 1,040,459.38 | 1,128,638.05 |
| Payroll Related Costs | 4,554,490.15 | - | 317,933.89 | 421,060.21 |
| Professional Fees and Services | 857,161.60 | - | 1,220,944.28 | 2,308,953.58 |
| Travel | 543,245.20 | - | 20,926.25 | 38,733.25 |
| Materials and Supplies | 311,270.75 | - | 5,913.42 | 6,301.72 |
| Communication and Utilities | 285,244.81 | - | 5,587.10 | 10,662.74 |
| Repairs and Maintenance | 106,536.63 | - | 3,845.54 | 1,796.85 |
| Rentals and Leases | 559,500.06 | - | 2,653.99 | 16,375.88 |
| Printing and Reproduction | 17,805.10 | - | 288.04 | 1,368.43 |
| Federal Grant Pass-Through Expenditures | 68,518.58 | - | 7,627,689.75 | 2,084,757.58 |
| State Grant Pass-Through Expenditures | 27,392,160.95 | - | - | 4,056,644.72 |
| Intergovernmental Payments | 33,333,509.85 | - | 71,071,615.87 | 31,749,461.27 |
| Public Assistance Payments | 140,074.12 | - | 1,554,616.39 | 81,087,553.64 |
| Employee Benefit Payments | - | - | - | - |
| Other Expenditures | 33,840,788.31 | - | 70,163.62 | 173,601.06 |
| Capital Outlay | 128,037.48 | - | - | - |
| Total Expenditures | 118,050,574.03 | - | 82,942,637.52 | 123,085,908.98 |
| Excess (Deficiency) of Revenues over Expenditures | (18,217,984.17) | - | - | (3,286,534.84) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | 593.97 | - | - | 1,460,500.00 |
| Transfer Out | (1,334,651.26) | (402,551.91) | - | (1,460,500.00) |
| Legislative Transfer In | 3,303,889.49 | - | - | - |
| Legislative Transfer Out | (3,303,889.49) | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | - | - | - |
| Inc (Dec) in Net Position | - | - | - | - |
| Total Other Financing Sources (Uses) | (1,334,057.29) | (402,551.91) | - | - |
| Net Change in Fund Balances | (19,552,041.46) | (402,551.91) | - | (3,286,534.84) |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2016 | 269,269,244.04 | 402,551.91 | - | 53,458,013.58 |
| Restatements | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | 269,269,244.04 | 402,551.91 | - | 53,458,013.58 |
| Appropriations Lapsed | (1,000,000.00) | - | - | - |
| Fund Balances, August 31, 2017 | \$ 248,717,202.58 | \$ - | \$ - | \$ 50,171,478.74 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | - | 87,912.98 | - | - |
| Interest and Other Investment Income | - | 867.44 | - | - |
| Sales of Goods and Services | - | - | - | - |
| Other | - | - | - | - |
| Total Revenues | <u>-</u> | <u>88,780.42</u> | <u>-</u> | <u>-</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 | - | 8,330.00 | - | - |
| Printing and Reproduction | - | - | - | - |
| Federal Grant Pass-Through Expenditures | - | - | - | - |
| State Grant Pass-Through Expenditures | - | - | - | - |
| Intergovernmental Payments | 1,660,233.92 | - | 13,551,909.53 | - |
| Public Assistance Payments | - | 68,569.85 | - | - |
| Employee Benefit Payments | - | - | - | - |
| Other Expenditures | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total Expenditures | <u>1,660,233.92</u> | <u>76,899.85</u> | <u>13,551,909.53</u> | <u>-</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(1,660,233.92)</u> | <u>11,880.57</u> | <u>(13,551,909.53)</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | - | - | 11,097,208.13 | - |
| Transfer Out | - | - | - | - |
| Legislative Transfer In | - | - | - | - |
| Legislative Transfer Out | - | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | - | - | - |
| Inc (Dec) in Net Position Due to Interagency Transfer | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>11,097,208.13</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(1,660,233.92)</u> | <u>11,880.57</u> | <u>(2,454,701.40)</u> | <u>-</u> |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2016 | 4,560,287.47 | 56,356.11 | 10,967,426.14 | - |
| Restatements | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>4,560,287.47</u> | <u>56,356.11</u> | <u>10,967,426.14</u> | <u>-</u> |
| Appropriations Lapsed | - | - | - | - |
| Fund Balances, August 31, 2017 | <u>\$ 2,900,053.55</u> | <u>\$ 68,236.68</u> | <u>\$ 8,512,724.74</u> | <u>\$ -</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | - | - | - | 427,523.60 |
| Interest and Other Investment Income | - | - | - | - |
| Sales of Goods and Services | - | - | - | - |
| Other | - | - | - | - |
| Total Revenues | - | - | - | 427,523.60 |
| EXPENDITURES | | | | |
| Salaries and Wages | - | 906,010.20 | - | - |
| Payroll Related Costs | - | 327,278.79 | - | - |
| Professional Fees and Services | - | 4,378,067.64 | - | 2,140.00 |
| Travel | - | 74.00 | - | 12,207.41 |
| Materials and Supplies | - | 25,978.94 | - | 72.00 |
| Communication and Utilities | - | 14,401.99 | - | 4,999.50 |
| Repairs and Maintenance | - | 61,674.23 | - | - |
| Rentals and Leases | - | 125,757.73 | - | 250.00 |
| Printing and Reproduction | - | 199.37 | - | 4,211.56 |
| Federal Grant Pass-Through Expenditures | - | - | - | - |
| State Grant Pass-Through Expenditures | - | - | - | 10,160.41 |
| Intergovernmental Payments | 79,350,203.19 | - | - | - |
| Public Assistance Payments | - | - | 61,414.10 | 371,836.84 |
| Employee Benefit Payments | - | - | - | - |
| Other Expenditures | - | 32,700,687.21 | - | 2,886.91 |
| Capital Outlay | - | 46,043.14 | - | - |
| Total Expenditures | 79,350,203.19 | 38,586,173.24 | 61,414.10 | 408,764.63 |
| Excess (Deficiency) of Revenues over Expenditures | (79,350,203.19) | (38,586,173.24) | (61,414.10) | 18,758.97 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | 57,890,221.64 | 45,235,981.51 | (1,938,585.90) | - |
| Transfer Out | - | (315,302.77) | - | - |
| Legislative Transfer In | - | - | - | - |
| Legislative Transfer Out | - | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | - | - | - |
| Inc (Dec) in Net Position Due to Interagency Transfer | - | - | - | - |
| Total Other Financing Sources (Uses) | 57,890,221.64 | 44,920,678.74 | (1,938,585.90) | - |
| Net Change in Fund Balances | (21,459,981.55) | 6,334,505.50 | (2,000,000.00) | 18,758.97 |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2016 | 42,177,051.00 | 13,562,529.88 | 2,000,000.00 | 882,071.64 |
| Restatements | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | 42,177,051.00 | 13,562,529.88 | 2,000,000.00 | 882,071.64 |
| Appropriations Lapsed | - | - | - | - |
| Fund Balances, August 31, 2017 | \$ 20,717,069.45 | \$ 19,897,035.38 | \$ - | \$ 900,830.61 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Consolidated Accounts | | |
|-------------------------------------------------------|--------------------------------|------------------------------------------------|-----------------------------------|
| | Texas Enterprise (5107)* | 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 | 2,659,294.48 | 752,718.57 | 59,924.53 |
| Sales of Goods and Services | - | - | - |
| Other | - | - | 1,224,965.04 |
| Total Revenues | <u>2,659,294.48</u> | <u>752,718.57</u> | <u>1,284,889.57</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 | - | - | 767,869.25 |
| Intergovernmental Payments | - | - | - |
| Public Assistance Payments | - | - | - |
| Employee Benefit Payments | - | - | - |
| Other Expenditures | 17,094,092.64 | - | - |
| Capital Outlay | - | - | - |
| Total Expenditures | <u>17,094,092.64</u> | <u>-</u> | <u>767,869.25</u> |
| Excess (Deficiency) of Revenue over Expenditures | <u>(14,434,798.16)</u> | <u>752,718.57</u> | <u>517,020.32</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer In | - | 25,420,000.00 | 742,822.53 |
| Transfer Out | - | (35,194,680.18) | - |
| Legislative Transfer In | - | - | - |
| Legislative Transfer Out | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - |
| Gain (Loss) on Other Financial Activity | - | - | (10,178.88) |
| Inc (Dec) in Net Position Due to Interagency Transfer | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(9,774,680.18)</u> | <u>732,643.65</u> |
| Net Change in Fund Balances | <u>(14,434,798.16)</u> | <u>(9,021,961.61)</u> | <u>1,249,663.97</u> |
| Fund Financial Statement - Fund Balances | | | |
| Fund Balances, September 1, 2016 | 330,490,494.50 | 34,966,314.95 | 84,187,395.00 |
| Restatements | - | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>330,490,494.50</u> | <u>34,966,314.95</u> | <u>84,187,395.00</u> |
| Appropriations Lapsed | - | - | - |
| Fund Balances, August 31, 2017 | <u>\$ 316,055,696.34</u> | <u>\$ 25,944,353.34</u> | <u>\$ 85,437,058.97</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | \$ - | \$ - | \$ - | \$ 88,979,127.00 |
| Additional Appropriations | - | - | - | 4,905,545.07 |
| Federal Revenue | - | - | - | 183,990,676.76 |
| Federal Grant Pass-Through Revenue | - | - | - | 714,194.23 |
| State Grant Pass-Through Revenue | - | - | - | 1,189,337.52 |
| License, Fees & Permits | - | - | 5,077,595.38 | 28,048,011.40 |
| Interest and Other Investment Income | (2,879.34) | 425,850.00 | - | 3,895,775.87 |
| Sales of Goods and Services | - | - | - | 296,576.58 |
| Other | - | 53,629.53 | - | 1,322,759.30 |
| Total Revenues | (2,879.34) | 479,479.53 | 5,077,595.38 | 313,342,003.73 |
| EXPENDITURES | | | | |
| Salaries and Wages | - | 33,388.93 | - | 19,020,727.00 |
| Payroll Related Costs | - | 9,096.02 | - | 5,629,859.06 |
| Professional Fees and Services | - | - | - | 8,767,267.10 |
| Travel | - | - | - | 615,186.11 |
| Materials and Supplies | - | - | - | 349,536.83 |
| Communication and Utilities | - | 308.03 | - | 321,204.17 |
| Repairs and Maintenance | - | - | - | 173,853.25 |
| Rentals and Leases | - | - | - | 712,867.66 |
| Printing and Reproduction | - | - | - | 23,872.50 |
| Federal Grant Pass-Through Expenditures | - | - | - | 9,780,965.91 |
| State Grant Pass-Through Expenditures | 775,990.84 | 2,607,435.22 | - | 35,610,261.39 |
| Intergovernmental Payments | - | 10,250,000.00 | 20,129.81 | 240,987,063.44 |
| Public Assistance Payments | - | 1,300,000.00 | - | 84,584,064.94 |
| Employee Benefit Payments | - | - | - | - |
| Other Expenditures | - | 28,508.08 | - | 83,910,727.83 |
| Capital Outlay | - | - | - | 174,080.62 |
| Total Expenditures | 775,990.84 | 14,228,736.28 | 20,129.81 | 490,661,537.81 |
| Excess (Deficiency) of Revenue over Expenditures | (778,870.18) | (13,749,256.75) | 5,057,465.57 | (177,319,534.08) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | - | - | - | 139,908,741.88 |
| Transfer Out | - | - | - | (38,707,686.12) |
| Legislative Transfer In | - | - | - | 3,303,889.49 |
| Legislative Transfer Out | - | - | - | (3,303,889.49) |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | (3,268,906.37) | - | (3,279,085.25) |
| Inc (Dec) in Net Position Due to Interagency Transfer | - | - | - | - |
| Total Other Financing Sources (Uses) | - | (3,268,906.37) | - | 97,921,970.51 |
| Net Change in Fund Balances | (778,870.18) | (17,018,163.12) | 5,057,465.57 | (79,397,563.57) |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2016 | 4,021,700.45 | 93,958,787.36 | 5,141,893.80 | 950,102,117.83 |
| Restatements | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | 4,021,700.45 | 93,958,787.36 | 5,141,893.80 | 950,102,117.83 |
| Appropriations Lapsed | - | - | - | (1,000,000.00) |
| Fund Balances, August 31, 2017 | \$ 3,242,830.27 | \$ 76,940,624.24 | \$ 10,199,359.37 | \$ 869,704,554.26 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Spaceport Trust Fund (0806)* | Total (Exhibit VI) |
|---------------------------------------|------------------------------------|-------------------------|
| ASSETS | | |
| Cash in State Treasury | \$ 12,660,210.08 | \$ 12,660,210.08 |
| Other Interest Receivable | 13,949.58 | 13,949.58 |
| Total Assets | <u>12,674,159.66</u> | <u>12,674,159.66</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows of Resources | - | - |
| Total Deferred Outflows of Resources | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Total Liabilities | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows of Resources | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Held in Trust for Others | 12,674,159.66 | 12,674,159.66 |
| Total Net Position | <u>\$ 12,674,159.66</u> | <u>\$ 12,674,159.66</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Spaceport Trust Fund (0806)* | Total (Exhibit VII) |
|----------------------------------------------|---------------------------------------------|--------------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Total Contributions | \$ - | \$ - |
| Investment Income from Investing Activities: | | |
| Interest and Investment Income | 160,578.18 | 160,578.18 |
| Total Net Investment Income | 160,578.18 | 160,578.18 |
| Other Additions: | | |
| Transfer In | - | - |
| Total Other Additions | - | - |
| Total Additions | 160,578.18 | 160,578.18 |
| DEDUCTIONS | | |
| Intergovernmental Payments | 2,633,356.09 | 2,633,356.09 |
| Total Deductions | 2,633,356.09 | 2,633,356.09 |
| INCREASE (DECREASE) IN NET POSITION | (2,472,777.91) | (2,472,777.91) |
| Net Position | | |
| Net Position, September 1, 2016 | 15,146,937.57 | 15,146,937.57 |
| Restatements | - | - |
| Net Position, September 1, 2016, as Restated | 15,146,937.57 | 15,146,937.57 |
| Net Position, August 31, 2017 | \$ 12,674,159.66 | \$ 12,674,159.66 |

* GAAP Fund is noted as (XXXX)

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
 For the Fiscal Year Ended August 31, 2017

| | Beginning Balance | | | Ending Balance August 31, 2017 (Exhibit VI) |
|----------------------------------------------------------------------|-------------------|------------------|------------------|---------------------------------------------------|
| | September 1, 2016 | Additions | Deductions | |
| Child Support Employee Deductions (0807), U/F(0807)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ 15,741.18 | \$ 13,662.16 | \$ 2,079.02 |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ 15,741.18 | \$ 13,662.16 | \$ 2,079.02 |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ 15,741.18 | \$ 13,662.16 | \$ 2,079.02 |
| Total Liabilities | \$ - | \$ 15,741.18 | \$ 13,662.16 | \$ 2,079.02 |
| Events Trust Fund for Certain Muni/Countys (0830), U/F(0830)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| LIABILITIES | | | | |
| Funds Held for Others | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| Total Liabilities | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| Motor Sports & Racing Trust Fund (0839), U/F (0839)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Major Events Reimbursement Program (0869), U/F (0869)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| LIABILITIES | | | | |
| Funds Held for Others | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| Total Liabilities | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| Departmental Suspense (0900), U/F(0900)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Overpayments to Employees (0900), U/F(9015)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Warrant Hold Offset (0900), U/F(9016)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Direct Deposit Correction (0980), U/F(0980)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ 113,514.55 | \$ 113,514.55 | \$ - |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ 113,514.55 | \$ 113,514.55 | \$ - |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Funds Held for Others | \$ - | \$ 113,514.55 | \$ 113,514.55 | \$ - |
| Total Liabilities | \$ - | \$ 113,514.55 | \$ 113,514.55 | \$ - |
| Totals - All Agency Funds | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ 8,523,578.30 | \$ 12,145,795.58 | \$ 15,330,374.27 | \$ 5,338,999.61 |
| Other Assets | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ 8,523,578.30 | \$ 12,145,795.58 | \$ 15,330,374.27 | \$ 5,338,999.61 |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Funds Held for Others | \$ 8,523,578.30 | \$ 12,145,795.58 | \$ 15,330,374.27 | \$ 5,338,999.61 |
| Total Liabilities | \$ 8,523,578.30 | \$ 12,145,795.58 | \$ 15,330,374.27 | \$ 5,338,999.61 |

Office of the Governor - Trusteed Programs (300)
 SCHEDULE 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2017

| Federal Grantor / Pass-Through Grantor | Pass-Through From | | | Direct Program Amount | Total Pass-Through From and Direct Program | Pass-Through To | | | Direct Expenditure Amount | Total Pass-Through To and Expenditures |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|--------------------------------|-----------------------------|--------------------------------------------------|------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------------------|
| | Federal CFDA Number | Agency or Univ. Number | Agencies or Univ. Amount | | | Agency or Univ. Number | Agencies or Univ. Amount | Non-State Entities Amount | | |
| Small Business Administration | | | | | | | | | | |
| State Trade Expansion | 59.061 | | | | | | | | | |
| Pass-Through from: | | | | | | | | | | |
| Department of Agriculture | | 551 | \$ 116,112.69 | \$ - | \$ 116,112.69 | | \$ - | \$ - | \$ 116,112.69 | \$ 116,112.69 |
| Totals - Small Business Administration | | | 116,112.69 | - | 116,112.69 | | - | - | 116,112.69 | 116,112.69 |
| U.S. Department of Homeland Security | | | | | | | | | | |
| Non-Profit Security Program | 97.008 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Non-State Entities | | | - | 404,790.18 | 404,790.18 | | - | 404,790.18 | - | 404,790.18 |
| Homeland Security Grant Program | 97.067 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Department of Public Safety | | | - | 1,817,716.47 | 1,817,716.47 | 405 | 1,817,716.47 | - | - | 1,817,716.47 |
| Parks and Wildlife Department | | | - | 43,401.97 | 43,401.97 | 802 | 43,401.97 | - | - | 43,401.97 |
| Non-State Entities | | | - | 62,832,546.96 | 62,832,546.96 | | - | 60,745,594.21 | 2,086,952.75 | 62,832,546.96 |
| Totals - U.S. Department of Homeland Security | | | - | 65,098,455.58 | 65,098,455.58 | | 1,861,118.44 | 61,150,384.39 | 2,086,952.75 | 65,098,455.58 |
| U.S. Department of Justice | | | | | | | | | | |
| Sexual Assault Services Formula Program | 16.017 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Non-State Entities | | | - | 711,705.89 | 711,705.89 | | - | 711,705.89 | - | 711,705.89 |
| Juvenile Justice and Delinquency Prevention | 16.540 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Texas Juvenile Justice Department | | | - | 39,000.00 | 39,000.00 | 644 | 39,000.00 | - | - | 39,000.00 |
| Non-State Entities | | | - | 2,834,198.29 | 2,834,198.29 | | - | 2,757,657.98 | 76,540.31 | 2,834,198.29 |
| Crime Victim Assistance | 16.575 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Texas Military Department | | | - | 143,600.53 | 143,600.53 | 401 | 143,600.53 | - | - | 143,600.53 |
| Texas Department of Public Safety | | | - | 284,539.35 | 284,539.35 | 405 | 284,539.35 | - | - | 284,539.35 |
| Texas Department of Criminal Justice | | | - | 429,225.84 | 429,225.84 | 696 | 429,225.84 | - | - | 429,225.84 |
| University of Texas at Arlington | | | - | 14,195.24 | 14,195.24 | 714 | 14,195.24 | - | - | 14,195.24 |
| Non-State Entities | | | - | 85,345,639.12 | 85,345,639.12 | | - | 82,513,001.37 | 2,832,637.75 | 85,345,639.12 |
| Crime Victim Assistance/Discretionary Grants | 16.582 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Office of Court Administration | | | - | 88,741.03 | 88,741.03 | 212 | 88,741.03 | - | - | 88,741.03 |
| Texas Department of Criminal Justice | | | - | 164,741.60 | 164,741.60 | 696 | 164,741.60 | - | - | 164,741.60 |
| University of Texas at Austin | | | - | 165,676.77 | 165,676.77 | 721 | 165,676.77 | - | - | 165,676.77 |
| Non-State Entities | | | - | 419,711.23 | 419,711.23 | | - | 419,711.23 | - | 419,711.23 |
| Violence Against Women Formula Grants | 16.588 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| University of Texas at Arlington | | | - | 79,398.45 | 79,398.45 | 714 | 79,398.45 | - | - | 79,398.45 |
| University of Texas at Austin | | | - | 190,515.94 | 190,515.94 | 721 | 190,515.94 | - | - | 190,515.94 |
| Non-State Entities | | | - | 8,307,114.95 | 8,307,114.95 | | - | 7,836,228.24 | 470,886.71 | 8,307,114.95 |
| Residential Substance Abuse Treatment for State Prisoners | 16.593 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Non-State Entities | | | - | 906,041.97 | 906,041.97 | | - | 906,041.97 | - | 906,041.97 |
| PREA Program: Demonstration Project to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities | 16.735 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Texas Juvenile Justice Department | | | - | 59,227.71 | 59,227.71 | 644 | 59,227.71 | - | - | 59,227.71 |
| Paul Coverdell Forensic Sciences Improvement Grant Program | 16.742 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Texas Department of Public Safety | | | - | 384,928.22 | 384,928.22 | 405 | 384,928.22 | - | - | 384,928.22 |
| Non-State Entities | | | - | 75,520.21 | 75,520.21 | | - | 75,520.21 | - | 75,520.21 |
| Vision 21 | 16.826 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Texas Tech University Health Sciences Center | | | - | 40,026.84 | 40,026.84 | 739 | 40,026.84 | - | - | 40,026.84 |
| Totals - U.S. Department of Justice | | | - | 100,683,749.18 | 100,683,749.18 | | 2,083,817.52 | 95,219,866.89 | 3,380,064.77 | 100,683,749.18 |

Office of the Governor - Trusteed Programs (300)
SCHEDULE 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2017

| Federal Grantor / Pass-Through Grantor | Pass-Through From | | | Direct Program Amount | Total Pass-Through From and Direct Program | Pass-Through To | | | Direct Expenditure Amount | Total Pass-Through To and Expenditures |
|--------------------------------------------------------|---------------------------|------------------------------|--------------------------------|-----------------------------|--------------------------------------------------|------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------------------|
| | Federal CFDA Number | Agency or Univ. Number | Agencies or Univ. Amount | | | Agency or Univ. Number | Agencies or Univ. Amount | Non-State Entities Amount | | |
| JAG Program Cluster | | | | | | | | | | |
| U.S. Department of Justice | | | | | | | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Attorney General's Office | | | - | 613,740.12 | 613,740.12 | 302 | 613,740.12 | - | - | 613,740.12 |
| Texas Military Department | | | - | 106,414.46 | 106,414.46 | 401 | 106,414.46 | - | - | 106,414.46 |
| Texas Department of Public Safety | | | - | 1,783,900.00 | 1,783,900.00 | 405 | 1,783,900.00 | - | - | 1,783,900.00 |
| Texas Department of Insurance | | | - | 65,597.33 | 65,597.33 | 454 | 65,597.33 | - | - | 65,597.33 |
| Texas Alcoholic Beverage Commission | | | - | 460,672.60 | 460,672.60 | 458 | 460,672.60 | - | - | 460,672.60 |
| Soil and Water Conservation Board | | | - | 178,684.28 | 178,684.28 | 592 | 178,684.28 | - | - | 178,684.28 |
| Texas Juvenile Justice Department | | | - | 253,500.00 | 253,500.00 | 644 | 253,500.00 | - | - | 253,500.00 |
| Texas Department of Criminal Justice | | | - | 741,426.03 | 741,426.03 | 696 | 741,426.03 | - | - | 741,426.03 |
| Texas A&M University | | | - | 62,215.39 | 62,215.39 | 711 | 62,215.39 | - | - | 62,215.39 |
| Texas A&M Engineering Extension Service | | | - | 458,503.59 | 458,503.59 | 716 | 458,503.59 | - | - | 458,503.59 |
| University of Texas at Austin | | | - | 247,959.27 | 247,959.27 | 721 | 247,959.27 | - | - | 247,959.27 |
| Sam Houston State University | | | - | 186,505.88 | 186,505.88 | 753 | 186,505.88 | - | - | 186,505.88 |
| Parks and Wildlife Department | | | - | 389,988.90 | 389,988.90 | 802 | 389,988.90 | - | - | 389,988.90 |
| Non-State Entities | | | - | 11,440,960.63 | 11,440,960.63 | 802 | - | 10,475,847.87 | 965,112.76 | 11,440,960.63 |
| Edward Bryne Memorial Competitive Grant Program | 16.751 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Texas Department of Criminal Justice | | | - | 217,463.46 | 217,463.46 | 696 | 217,463.46 | - | - | 217,463.46 |
| Non-State Entities | | | - | 1,000,000.00 | 1,000,000.00 | | - | 1,000,000.00 | - | 1,000,000.00 |
| Totals - U.S. Department of Justice | | | - | 18,207,531.94 | 18,207,531.94 | | 5,766,571.31 | 11,475,847.87 | 965,112.76 | 18,207,531.94 |
| Research and Development Cluster | | | | | | | | | | |
| U.S. Department of Justice | | | | | | | | | | |
| Juvenile Justice and Delinquency Prevention | 16.540 | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| Texas State University at San Marcos | | | - | 940.06 | 940.06 | 754 | 940.06 | - | - | 940.06 |
| Totals - U.S. Department of Justice | | | - | 940.06 | 940.06 | | 940.06 | - | - | 940.06 |
| WIA Cluster | | | | | | | | | | |
| U.S. Department of Labor | | | | | | | | | | |
| WIA/WIOA Dislocated Worker Formula Grants | 17.278 | | | | | | | | | |
| Pass-Through From Texas Workforce Commission: | | | | | | | | | | |
| Pass-Through To: | | | | | | | | | | |
| University of Texas at San Antonio | 320 | | 55,876.72 | - | 55,876.72 | 743 | 55,876.72 | - | - | 55,876.72 |
| Texas A&M University - Corpus Christi | 320 | | 5,664.31 | - | 5,664.31 | 760 | 5,664.31 | - | - | 5,664.31 |
| Texas A&M International University | 320 | | 6,977.55 | - | 6,977.55 | 761 | 6,977.55 | - | - | 6,977.55 |
| Non-State Entities | 320 | | 529,562.96 | - | 529,562.96 | | - | 86,107.71 | 443,455.25 | 529,562.96 |
| Totals - U.S. Department of Labor | | | 598,081.54 | - | 598,081.54 | | 68,518.58 | 86,107.71 | 443,455.25 | 598,081.54 |
| Total Federal Assistance | | | \$ 714,194.23 | \$ 183,990,676.76 | \$ 184,704,870.99 | | \$ 9,780,965.91 | \$ 167,932,206.86 | \$ 6,991,698.22 | \$ 184,704,870.99 |

Office of the Governor - Trusteed Programs (300)
SCHEDULE 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2017

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) | \$ 183,990,676.76 |
| Federal Pass-Through Revenue (Exh. II) | <u>714,194.23</u> |
| Total Pass-Through and Expenditures per Schedule of Expenditures of Federal Awards | <u>\$ 184,704,870.99</u> |

NOTES 3 - 6: Not Applicable

NOTE 7: Federal Unearned Revenue

| <u>CFDA</u> | <u>Balance</u> <u>September 1, 2016</u> | <u>Net Change</u> | <u>Balance</u> <u>August 31, 2017</u> |
|--------------|--------------------------------------------|--------------------------|------------------------------------------|
| 16.523 | \$ 197,477.99 | \$ (197,477.99) | \$ - |
| 16.540 | - | 12,827.79 | 12,827.79 |
| 16.738 | 24,979,761.94 | (4,356,909.37) | 20,622,852.57 |
| 97.008 | - | 1.56 | 1.56 |
| TOTAL | <u>\$ 25,177,239.93</u> | <u>\$ (4,541,558.01)</u> | <u>\$ 20,635,681.92</u> |

Federal unearned revenue represents the following:

CFDA 16.523 and 16.738: Federal award amounts that are issued at the beginning of the grant period rather than on a reimbursement basis.

CFDA 16.540: A reduction in administration expenses that will be awarded to future grantees.

CFDA 97.008: Interest earned on federal award amounts that will be returned.

NOTES 8 - 10: Not Applicable

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, 2017

State funds received from other state agencies from governmental funds are as follows:

| Fund 0001 | <u>Pass-Through From:</u> | <u>Amount of Pass-Through</u> |
|------------------------------------------------------------|---------------------------------------------------------|-------------------------------|
| | National Incident Based Reporting System (NIBRS) | |
| | Texas Department of Public Safety (405) | \$ 1,189,337.52 |
| Subtotal Pass-Through from Fund 0001 | | \$ 1,189,337.52 |
| Total Pass-Through from Other Agencies (Exhibit II) | | \$ 1,189,337.52 |

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

| Fund 0001 | <u>Pass-Through To:</u> | <u>Amount of Pass-Through</u> |
|---------------------------------------------|----------------------------------------------|-------------------------------|
| | Disaster Grants - GR Fund 0001 | |
| | Texas Military Department (401) | \$ 12,863,663.88 |
| | Texas Department of Public Safety (405) | 10,324,441.66 |
| | Border Security Grants - GR Fund 0001 | |
| | Texas Military Department (401) | 2,508,309.71 |
| | Texas Department of Public Safety (405) | 1,668,000.00 |
| | Texas State University - San Marcos (754) | 27,745.70 |
| Subtotal Pass-Through from Fund 0001 | | \$ 27,392,160.95 |

| Fund 0421 | <u>Pass-Through To:</u> | <u>Amount of Pass-Through</u> |
|---------------------------------------------|----------------------------------------------------------|-------------------------------|
| | Criminal Justice Planning Grants - GR-D Fund 0421 | |
| | Office of Court Administration (212) | \$ (3,334.68) |
| | District Courts - Comptroller's Judiciary Section (241) | 1,520,542.00 |
| | Office of the Attorney General (302) | 52,398.01 |
| | Dept of Family & Protective Services (530) | 51,798.12 |
| | Department of State Health Services (537) | 13,800.09 |
| | University of Texas at Arlington (714) | 12,694.59 |
| | University of Texas at Austin (721) | 238,679.38 |
| | University of Texas at Dallas (738) | 75,664.38 |
| | Texas Tech University Health Sciences Center (739) | 412,382.66 |
| | Texas State University - San Marcos (754) | 1,682,020.17 |
| Subtotal Pass-Through from Fund 0421 | | \$ 4,056,644.72 |

| Fund 5012 | <u>Pass-Through To:</u> | <u>Amount of Pass-Through</u> |
|---------------------------------------------|----------------------------------------------------------|-------------------------------|
| | Crime Stoppers Assistance Grants - GR-D Fund 5012 | |
| | Texas Department of Public Safety (405) | \$ 9,260.41 |
| | Texas Department of Criminal Justice (696) | 900.00 |
| Subtotal Pass-Through from Fund 5012 | | \$ 10,160.41 |

| Fund 5124 | <u>Pass-Through To:</u> | <u>Amount of Pass-Through</u> |
|---------------------------------------------|---------------------------------------------------------|-------------------------------|
| | Emerging Technology Grants | |
| | Texas A&M University System Health Science Center (709) | \$ 107,412.23 |
| | University of Texas at Arlington (714) | 161,496.50 |
| | Texas Tech University (733) | 411,058.41 |
| | Texas State University - San Marcos (754) | 87,902.11 |
| Subtotal Pass-Through from Fund 5124 | | \$ 767,869.25 |

| Fund 5149 | <u>Pass-Through To:</u> | <u>Amount of Pass-Through</u> |
|---------------------------------------------|----------------------------------------------|-------------------------------|
| | BP Oil Spill Response Grants | |
| | University of Houston (730) | \$ 87,338.44 |
| | Texas A&M University at Corpus Christi (760) | 688,652.40 |
| Subtotal Pass-Through from Fund 5149 | | \$ 775,990.84 |

| Fund 5161 | <u>Pass-Through To:</u> | <u>Amount of Pass-Through</u> |
|----------------------------------------------------------|---------------------------------------------------------|-------------------------------|
| | Governor's University Research Initiative Grants | |
| | Texas A&M University (711) | \$ 1,706,923.93 |
| | University of Texas at Austin (721) | 51,947.87 |
| | University of Houston (730) | 7,702.87 |
| | Texas Tech University (733) | 63,341.38 |
| | University of Texas at Rio Grande Valley (746) | 777,519.17 |
| Subtotal Pass-Through from Fund 5161 | | \$ 2,607,435.22 |
| Total Pass-Through to Other Agencies (Exhibit II) | | \$ 35,610,261.39 |

Office of the Governor - Trustee Programs (300)
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2017

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 | 10/1/2016 |
| Texas Military Value Revolving Loan Program Refunding Taxable Series 2016 | 25,420,000.00 | 2.922% | 4.000% | | 2018 | 2033 | |
| Total: | \$ 109,855,000.00 | | | | | | |

Office of the Governor - Trustee Programs (300)
Schedule 2B - Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2017

Governmental Activities

| Description of Issue | Bonds Outstanding 9/1/2016 | Bonds Issued | Bonds Matured or Retired | Bonds Refunded or Extinguished | Bonds Outstanding 8/31/2017 | 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 | \$ 7,835,000.00 | \$ - | \$ 575,000.00 | \$ 7,260,000.00 | \$ - | \$ - | \$ - |
| Texas Military Value Revolving Loan Fund Series 2007 B | \$ 26,180,000.00 | \$ - | \$ 690,000.00 | \$ 25,490,000.00 | \$ - | \$ - | \$ - |
| Texas Military Value Revolving Loan Fund Series 2016 | \$ - | \$ 25,420,000.00 | \$ - | \$ - | \$ 25,420,000.00 | \$ 25,420,000.00 | \$ 1,245,000.00 |

Office of the Governor - Trustee Programs (300)
 Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2017

Governmental Activities

| Description of Issue | FY | Principal | Interest |
|--------------------------------------------------------|-------------|-------------------------|------------------------|
| General Obligation Bonds - Self-Supporting: | | | |
| Product Development Var Rate Demand Bonds Series 2005A | | | |
| | 2018 | \$ - | \$ 275,000.00 |
| | 2019 | - | 275,000.00 |
| | 2020 | - | 275,000.00 |
| | 2021 | - | 275,000.00 |
| | 2022 | - | 275,000.00 |
| | 2023 - 2027 | - | 1,375,000.00 |
| | 2028 - 2032 | - | 1,375,000.00 |
| | 2033 - 2037 | - | 1,375,000.00 |
| | 2038 - 2042 | - | 1,375,000.00 |
| | 2043 - 2044 | - | 550,000.00 |
| | 2045 | 25,000,000.00 | 206,250.00 |
| | | <u>\$ 25,000,000.00</u> | <u>\$ 7,631,250.00</u> |
| Small Incubator Var Rate Demand Bonds Series 2005B | | | |
| | 2018 | \$ - | \$ 220,000.00 |
| | 2019 | - | 220,000.00 |
| | 2020 | - | 220,000.00 |
| | 2021 | - | 220,000.00 |
| | 2022 | - | 220,000.00 |
| | 2023 - 2027 | - | 1,100,000.00 |
| | 2028 - 2032 | - | 1,100,000.00 |
| | 2033 - 2037 | - | 1,100,000.00 |
| | 2038 - 2042 | - | 1,100,000.00 |
| | 2043 - 2044 | - | 440,000.00 |
| | 2045 | 20,000,000.00 | 165,000.00 |
| | | <u>\$ 20,000,000.00</u> | <u>\$ 6,105,000.00</u> |
| Texas Military Value Revolving Loan Fund Series 2016 | | | |
| | 2018 | \$ 1,245,000.00 | \$ 901,047.40 |
| | 2019 | 1,290,000.00 | 850,347.40 |
| | 2020 | 1,340,000.00 | 797,747.40 |
| | 2021 | 1,395,000.00 | 743,047.40 |
| | 2022 | 1,450,000.00 | 686,147.40 |
| | 2023 - 2027 | 8,125,000.00 | 2,531,794.10 |
| | 2028 - 2032 | 9,560,000.00 | 1,054,010.85 |
| | 2033 | 1,015,000.00 | 18,990.65 |
| | | <u>\$ 25,420,000.00</u> | <u>\$ 7,583,132.60</u> |

Office of the Governor - Trustee Programs (300)
Schedule 2D - Analysis of Funds Available for Debt Service
For the Fiscal Year Ended August 31, 2017

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 | \$ - | 217,392.47 |
| Small Business Incubator Var Rate Demand Bonds Series 2005B | - | 173,913.98 |
| Texas Military Value Revolving Loan Program Series 2007 A-1 | 575,000.00 | 165,559.13 |
| Texas Military Value Revolving Loan Program Series 2007 B | 690,000.00 | 736,321.25 |
| Texas Military Value Revolving Loan Program Series 2016 | - | 293,216.68 |
| Total | <u>\$ 1,265,000.00</u> | <u>\$ 1,293,186.83</u> |

Agy 300 - Governor - Trusteed Programs (300)
Annual Financial Report
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2017

| Description of Issue | Year Defeased | Par Value Outstanding | |
|----------------------|---------------|--------------------------|--|
|----------------------|---------------|--------------------------|--|

NA

Agy 300 - Governor - Trusteed Programs (300)
Annual Financial Report
Schedule 2F - Early Extinguishment and Refunding of Debt
For the Fiscal Year Ended August 31, 2017

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>General Obligation Bonds-Self Supporting</u> | | | | | |
| Texas Military Value Revolving Loan Fund Series 2007 A-1 | Defeased | \$ 7,260,000.00 | \$ - | \$ - | \$ - |
| Texas Military Value Revolving Loan Fund Series 2007 B | | 25,490,000.00 | 25,420,000.00 | 9,976,220.72 | 5,681,185.67 |
| Total | | <u>\$ 32,750,000.00</u> | <u>\$ 25,420,000.00</u> | <u>\$ 9,976,220.72</u> | <u>\$ 5,681,185.67</u> |

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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, 2017

| | 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 | \$ 8,208,836.93 | \$ - | \$ - | \$ 8,208,836.93 |
| Consumable Inventories | - | - | - | - |
| Total Current Assets | <u>8,208,836.93</u> | <u>-</u> | <u>-</u> | <u>8,208,836.93</u> |
| Non-Current Assets: | | | | |
| Capital Assets (Note 2): | | | | |
| Depreciable: | | | | |
| Furniture and Equipment | - | 625,050.53 | - | 625,050.53 |
| Less Accumulated Depreciation | - | (505,556.52) | - | (505,556.52) |
| Vehicle, Boats and Aircraft | - | 20,337.08 | - | 20,337.08 |
| Less Accumulated Depreciation | - | (20,337.08) | - | (20,337.08) |
| Amortizable: | | | | |
| Computer Software | - | 107,771.70 | - | 107,771.70 |
| Less Accumulated Amortization | - | (16,465.02) | - | (16,465.02) |
| Other Non-Current Assets | - | - | - | - |
| Total Non-Current Assets | <u>-</u> | <u>210,800.69</u> | <u>-</u> | <u>210,800.69</u> |
| Total Assets | <u>\$ 8,208,836.93</u> | <u>\$ 210,800.69</u> | <u>\$ -</u> | <u>\$ 8,419,637.62</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts | \$ 71,975.78 | \$ - | \$ - | \$ 71,975.78 |
| Payroll | 1,183,559.14 | - | - | 1,183,559.14 |
| Employees' Compensable Leave (Note 5) | - | - | 1,214,669.17 | 1,214,669.17 |
| Total Current Liabilities | <u>1,255,534.92</u> | <u>-</u> | <u>1,214,669.17</u> | <u>2,470,204.09</u> |
| Non-Current Liabilities: | | | | |
| Interfund Payables | - | - | - | - |
| Employees' Compensable Leave (Note 5) | - | - | 616,331.48 | 616,331.48 |
| Total Non-Current Liabilities | <u>-</u> | <u>-</u> | <u>616,331.48</u> | <u>616,331.48</u> |
| Total Liabilities | <u>1,255,534.92</u> | <u>-</u> | <u>1,831,000.65</u> | <u>3,086,535.57</u> |
| Fund Financial Statement | | | | |
| Fund Balances (Deficits): | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | 6,953,302.01 | - | - | 6,953,302.01 |
| Total Fund Balances | <u>6,953,302.01</u> | <u>-</u> | <u>-</u> | <u>6,953,302.01</u> |
| Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 8,208,836.93</u> | <u>-</u> | <u>-</u> | <u>\$ 8,208,836.93</u> |
| Government-Wide Statement of Net Position | | | | |
| Net Position | | | | |
| Invested in Capital Assets, net of Related Debt | | 210,800.69 | - | 210,800.69 |
| Unrestricted | | - | (1,831,000.65) | (1,831,000.65) |
| Total Net Position | | <u>\$ 210,800.69</u> | <u>\$ (1,831,000.65)</u> | <u>\$ 5,333,102.05</u> |

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

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, 2017

| | <u>Governmental Fund Types</u> | |
|-----------------------------------------------------|-------------------------------------------|-------------------------------------------|
| | <u>General Funds</u> (Exhibit A-2 301) | <u>Governmental</u> <u>Funds Total</u> |
| REVENUES | | |
| Legislative Appropriations | | |
| Original Appropriations | \$ 10,369,882.00 | \$ 10,369,882.00 |
| Additional Appropriations | 3,193,653.76 | 3,193,653.76 |
| License, Fees & Permits | 344.06 | 344.06 |
| Sales of Goods and Services | 124,623.66 | 124,623.66 |
| Other | 4,918.24 | 4,918.24 |
| Total Revenues | <u>13,693,421.72</u> | <u>13,693,421.72</u> |
| EXPENDITURES | | |
| Salaries and Wages | 11,337,801.08 | 11,337,801.08 |
| Payroll Related Costs | 3,186,378.36 | 3,186,378.36 |
| Professional Fees and Services | 204,488.59 | 204,488.59 |
| Travel | 87,291.28 | 87,291.28 |
| Materials and Supplies | 264,714.98 | 264,714.98 |
| Communication and Utilities | 178,572.86 | 178,572.86 |
| Repairs and Maintenance | 88,645.29 | 88,645.29 |
| Rentals and Leases | 74,283.14 | 74,283.14 |
| Printing and Reproduction | 9,110.42 | 9,110.42 |
| Other Expenditures | 183,081.02 | 183,081.02 |
| Capital Outlay | 122,826.34 | 122,826.34 |
| Depreciation Expense | - | - |
| Amortization Expense | - | - |
| Total Expenditures/Expenses | <u>15,737,193.36</u> | <u>15,737,193.36</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(2,043,771.64)</u> | <u>(2,043,771.64)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Legislative Transfer In | 3,259,011.00 | 3,259,011.00 |
| Legislative Transfer Out | (44,878.49) | (44,878.49) |
| Gain (Loss) on Sale of Capital Assets | - | - |
| Inc/(Dec) in Net Assets Due to Interagency Transfer | - | - |
| Total Other Financing Sources (Uses) | <u>3,214,132.51</u> | <u>3,214,132.51</u> |
| Net Change in Fund Balances/Net Position | <u>1,170,360.87</u> | <u>1,170,360.87</u> |
| Fund Financial Statement - Fund Balances | | |
| Fund Balances, September 1, 2016 | 5,782,941.14 | 5,782,941.14 |
| Restatements (Note 14) | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>5,782,941.14</u> | <u>5,782,941.14</u> |
| Appropriations Lapsed | - | - |
| Fund Balances, August 31, 2017 | <u>\$ 6,953,302.01</u> | <u>\$ 6,953,302.01</u> |
| Government-Wide Statement of Net Position | | |
| Net Position/Net Change in Net Position | | <u>\$ 6,953,302.01</u> |
| Net Position, September 1, 2016 | | |
| Restatements | | |
| Net Position, September 1, 2016, as Restated | | <u>-</u> |
| Net Position, August 31, 2017 | | <u>\$ 6,953,302.01</u> |

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

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, 2017

| | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Activities |
|-----------------------------------------------------|---------------------------------------|----------------------------------------------|------------------------------------|
| REVENUES | | | |
| Legislative Appropriations | | | |
| Original Appropriations | \$ - | \$ - | \$ 10,369,882.00 |
| Additional Appropriations | - | - | 3,193,653.76 |
| License, Fees & Permits | - | - | 344.06 |
| Sales of Goods and Services | - | - | 124,623.66 |
| Other | - | - | 4,918.24 |
| Total Revenues | - | - | 13,693,421.72 |
| EXPENDITURES | | | |
| Salaries and Wages | - | 481,980.49 | 11,819,781.57 |
| Payroll Related Costs | - | - | 3,186,378.36 |
| Professional Fees and Services | - | - | 204,488.59 |
| Travel | - | - | 87,291.28 |
| Materials and Supplies | - | - | 264,714.98 |
| Communication and Utilities | - | - | 178,572.86 |
| Repairs and Maintenance | - | - | 88,645.29 |
| Rentals and Leases | - | - | 74,283.14 |
| Printing and Reproduction | - | - | 9,110.42 |
| Other Expenditures | - | - | 183,081.02 |
| Capital Outlay | (122,826.34) | - | - |
| Depreciation Expense | 35,954.46 | - | 35,954.46 |
| Amortization Expense | 16,465.02 | - | 16,465.02 |
| Total Expenditures/Expenses | (70,406.86) | 481,980.49 | 16,148,766.99 |
| Excess (Deficiency) of Revenues over Expenditures | 70,406.86 | (481,980.49) | (2,455,345.27) |
| OTHER FINANCING SOURCES (USES) | | | |
| Legislative Transfer In | - | - | 3,259,011.00 |
| Legislative Transfer Out | - | - | (44,878.49) |
| Gain (Loss) on Sale of Capital Assets | - | - | - |
| Inc/(Dec) in Net Assets Due to Interagency Transfer | - | - | - |
| Total Other Financing Sources (Uses) | - | - | 3,214,132.51 |
| Net Change in Fund Balances/Net Position | | | 758,787.24 |
| Fund Financial Statement - Fund Balances | | | |
| Fund Balances, September 1, 2016 | | | 5,782,941.14 |
| Restatements (Note 14) | | | - |
| Fund Balances, September 1, 2016, as Restated | | | 5,782,941.14 |
| Appropriations Lapsed | | | - |
| Fund Balances, August 31, 2017 | | | 6,541,728.38 |
| Government-Wide Statement of Net Position | | | |
| Net Position/Net Change in Net Position | \$ 70,406.86 | \$ (481,980.49) | 6,541,728.38 |
| Net Position, September 1, 2016 | 140,393.83 | (1,349,020.16) | 4,574,314.81 |
| Restatements | - | - | - |
| Net Position, September 1, 2016, as Restated | 140,393.83 | (1,349,020.16) | (1,208,626.33) |
| Net Position, August 31, 2017 | \$ 210,800.69 | \$ (1,831,000.65) | \$ 5,333,102.05 |

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

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, 2017

| | General Revenue Fund (0001)* | Total (Exhibit I 301) |
|----------------------------------------------------------------|------------------------------------|--------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents: | | |
| Legislative Appropriations | \$ 8,208,836.93 | \$ 8,208,836.93 |
| Consumable Inventories | - | - |
| Total Current Assets | <u>8,208,836.93</u> | <u>8,208,836.93</u> |
| Non-Current Assets: | | |
| Total Non-Current Assets | - | - |
| Total Assets | <u>\$ 8,208,836.93</u> | <u>\$ 8,208,836.93</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities | | |
| Current Liabilities: | | |
| Payables from: | | |
| Accounts | \$ 71,975.78 | \$ 71,975.78 |
| Payroll | 1,183,559.14 | 1,183,559.14 |
| Total Current Liabilities | <u>1,255,534.92</u> | <u>1,255,534.92</u> |
| Total Liabilities | <u>1,255,534.92</u> | <u>1,255,534.92</u> |
| Fund Balances (Deficits): | | |
| Nonspendable | - | - |
| Restricted | - | - |
| Committed | - | - |
| Assigned | - | - |
| Unassigned | 6,953,302.01 | 6,953,302.01 |
| Total Fund Balances | <u>6,953,302.01</u> | <u>6,953,302.01</u> |
| Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 8,208,836.93</u> | <u>\$ 8,208,836.93</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | General Revenue Fund (0001)* | Total (Exhibit II 301) |
|-------------------------------------------------------|------------------------------------|----------------------------|
| REVENUES | | |
| Legislative Appropriations | | |
| Original Appropriations | \$ 10,369,882.00 | \$ 10,369,882.00 |
| Additional Appropriations | 3,193,653.76 | 3,193,653.76 |
| License, Fees & Permits | 344.06 | 344.06 |
| Sales of Goods and Services | 124,623.66 | 124,623.66 |
| Other | 4,918.24 | 4,918.24 |
| Total Revenues | <u>13,693,421.72</u> | <u>13,693,421.72</u> |
| EXPENDITURES | | |
| Salaries and Wages | 11,337,801.08 | 11,337,801.08 |
| Payroll Related Costs | 3,186,378.36 | 3,186,378.36 |
| Professional Fees and Services | 204,488.59 | 204,488.59 |
| Travel | 87,291.28 | 87,291.28 |
| Materials and Supplies | 264,714.98 | 264,714.98 |
| Communication and Utilities | 178,572.86 | 178,572.86 |
| Repairs and Maintenance | 88,645.29 | 88,645.29 |
| Rentals and Leases | 74,283.14 | 74,283.14 |
| Printing and Reproduction | 9,110.42 | 9,110.42 |
| Other Expenditures | 183,081.02 | 183,081.02 |
| Capital Outlay | 122,826.34 | 122,826.34 |
| Total Expenditures | <u>15,737,193.36</u> | <u>15,737,193.36</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(2,043,771.64)</u> | <u>(2,043,771.64)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Legislative Transfer In | 3,259,011.00 | 3,259,011.00 |
| Legislative Transfer Out | (44,878.49) | (44,878.49) |
| Gain (Loss) on Sale of Capital Assets | - | - |
| Inc (Dec) in Net Position Due to Interagency Transfer | - | - |
| Total Other Financing Sources (Uses) | <u>3,214,132.51</u> | <u>3,214,132.51</u> |
| Net Change in Fund Balances | <u>1,170,360.87</u> | <u>1,170,360.87</u> |
| Fund Financial Statement - Fund Balances | | |
| Fund Balances, September 1, 2016 | 5,782,941.14 | 5,782,941.14 |
| Fund Balances, August 31, 2017 | <u>\$ 6,953,302.01</u> | <u>\$ 6,953,302.01</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Beginning Balance September 1, 2016 | Additions | Deductions | Ending Balance August 31, 2017 (Exhibit VI 301) |
|-------------------------------------------------------------|-------------------------------------------|---------------------|---------------------|-------------------------------------------------------|
| Child Support Employee Deductions (0807), U/F(8070)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ 10,395.00 | \$ 8,910.00 | \$ 1,485.00 |
| Other Assets | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 10,395.00</u> | <u>\$ 8,910.00</u> | <u>\$ 1,485.00</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Funds Held for Others | \$ - | 10,395.00 | 8,910.00 | \$ 1,485.00 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 10,395.00</u> | <u>\$ 8,910.00</u> | <u>\$ 1,485.00</u> |
| Overpayments to Employees (0900), U/F(9015)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Other Assets | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Direct Deposit Correction (0980), U/F(0980)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ 1,976.76 | \$ 1,976.76 | \$ - |
| Other Assets | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 1,976.76</u> | <u>\$ 1,976.76</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ 1,976.76 | \$ 1,976.76 | \$ - |
| Total Liabilities | <u>\$ -</u> | <u>\$ 1,976.76</u> | <u>\$ 1,976.76</u> | <u>\$ -</u> |
| Totals - All Agency Funds | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ 12,371.76 | \$ 10,886.76 | \$ 1,485.00 |
| Other Assets | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 12,371.76</u> | <u>\$ 10,886.76</u> | <u>\$ 1,485.00</u> |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ 12,371.76 | \$ 10,886.76 | 1,485.00 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 12,371.76</u> | <u>\$ 10,886.76</u> | <u>\$ 1,485.00</u> |

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

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

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, 2017

| | Governmental Fund Types | | | | Governmental Funds Total |
|----------------------------------------------------------------|------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------------|-----------------------------|
| | General Funds (Exhibit A-1 300) | Special Revenue Funds (Exhibit B-1 300) | Debt Service Funds (Exhibit C-1 300) | Capital Project Funds (Exhibit D-1 300) | |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents: | | | | | |
| Cash in State Treasury | \$ 406,308,230.55 | \$ 25,445,010.60 | \$ 32,541.38 | \$ - | \$ 431,785,782.53 |
| Cash Eq - Miscellaneous Investments (Note 3) | 8,188,636.74 | - | - | - | 8,188,636.74 |
| Legislative Appropriations | 254,456,810.57 | - | - | - | 254,456,810.57 |
| Receivables from: | | | | | |
| Federal | 12,029,243.01 | - | - | - | 12,029,243.01 |
| Other Intergovernmental | - | - | - | - | - |
| Interest and Dividends | 750,406.26 | 56,490.14 | - | - | 806,896.40 |
| Due From Other Funds | - | - | - | - | - |
| Due From Other Agencies | 18,148,202.75 | - | - | - | 18,148,202.75 |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | 1,245,000.00 | 1,149,151.01 | - | - | 2,394,151.01 |
| Restricted: | | | | | |
| Cash in State Treasury | - | 1,500,000.00 | - | - | 1,500,000.00 |
| Total Current Assets | 701,126,529.88 | 28,150,651.75 | 32,541.38 | - | 729,309,723.01 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | 149,025,988.65 | 18,690,270.65 | - | - | 167,716,259.30 |
| Equity Holdings for Economic Development | 71,620,440.03 | - | - | - | 71,620,440.03 |
| Capital Assets (Note 2): | | | | | |
| Depreciable: | | | | | |
| Furniture and Equipment | - | - | - | - | - |
| Less Accumulated Depreciation | - | - | - | - | - |
| Total Non-Current Assets | 220,646,428.68 | 18,690,270.65 | - | - | 239,336,699.33 |
| Total Assets | \$ 921,772,958.56 | \$ 46,840,922.40 | \$ 32,541.38 | \$ - | \$ 968,646,422.34 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ 17,277,819.01 | \$ 23,623.33 | \$ - | \$ - | \$ 17,301,442.34 |
| Payroll | 837,757.74 | - | - | - | 837,757.74 |
| Due To Other Funds | - | - | - | - | - |
| Due To Other Agencies | 20,270,447.64 | - | 32,534.20 | - | 20,302,981.84 |
| Unearned Revenue | 20,635,681.92 | - | - | - | 20,635,681.92 |
| Employees' Compensable Leave (Note 5) | - | - | - | - | - |
| General Obligation Bonds Payable (Note 5, 6) | - | - | - | - | - |
| Total Current Liabilities | 59,021,706.31 | 23,623.33 | 32,534.20 | - | 59,077,863.84 |
| Non-Current Liabilities: | | | | | |
| Employees' Compensable Leave (Note 5) | - | - | - | - | - |
| General Obligation Bonds Payable (Note 5, 6) | - | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - | - |
| Total Liabilities | 59,021,706.31 | 23,623.33 | 32,534.20 | - | 59,077,863.84 |
| Fund Financial Statement | | | | | |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 25,944,353.34 | 46,817,299.07 | 7.18 | - | 72,761,659.59 |
| Committed | 592,142,944.79 | - | - | - | 592,142,944.79 |
| Assigned | - | - | - | - | - |
| Unassigned | 244,663,954.12 | - | - | - | 244,663,954.12 |
| Total Fund Balances | 862,751,252.25 | 46,817,299.07 | 7.18 | - | 909,568,558.50 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 921,772,958.56 | \$ 46,840,922.40 | \$ 32,541.38 | \$ - | \$ 968,646,422.34 |
| 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.

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, 2017

| | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Net Position |
|----------------------------------------------------------------|-------------------------------|-----------------------------------------|------------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents: | | | |
| Cash in State Treasury | \$ - | \$ - | \$ 431,785,782.53 |
| Cash Eq - Miscellaneous Investments | - | - | 8,188,636.74 |
| Legislative Appropriations | - | - | 254,456,810.57 |
| Receivables from: | | | |
| Federal | - | - | 12,029,243.01 |
| Other Intergovernmental | - | - | - |
| Interest and Dividends | - | - | 806,896.40 |
| Due From Other Funds | - | - | - |
| Due From Other Agencies | - | - | 18,148,202.75 |
| Consumable Inventories | - | - | - |
| Loans and Contracts | - | - | 2,394,151.01 |
| Restricted: | | | |
| Cash In State Treasury | - | - | 1,500,000.00 |
| Total Current Assets | - | - | 729,309,723.01 |
| Non-Current Assets: | | | |
| Loans and Contracts | - | - | 167,716,259.30 |
| Equity Holdings for Economic Development | - | - | 71,620,440.03 |
| Capital Assets (Note 2): | | | |
| Depreciable: | | | |
| Furniture and Equipment | 185,243.15 | - | 185,243.15 |
| Less Accumulated Depreciation | (76,791.63) | - | (76,791.63) |
| Total Non-Current Assets | 108,451.52 | - | 239,445,150.85 |
| Total Assets | \$ 108,451.52 | \$ - | \$ 968,754,873.86 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Current Liabilities: | | | |
| Payables from: | | | |
| Accounts | \$ - | \$ - | \$ 17,301,442.34 |
| Payroll | - | - | 837,757.74 |
| Due To Other Funds | - | - | - |
| Due To Other Agencies | - | - | 20,302,981.84 |
| Unearned Revenue | - | - | 20,635,681.92 |
| Employees' Compensable Leave (Note 5) | - | 552,287.55 | 552,287.55 |
| General Obligation Bonds Payable (Note 5, 6) | - | 1,245,000.00 | 1,245,000.00 |
| Total Current Liabilities | - | 1,797,287.55 | 60,875,151.39 |
| Non-Current Liabilities: | | | |
| Employees' Compensable Leave (Note 5) | - | 392,975.40 | 392,975.40 |
| General Obligation Bonds Payable (Note 5, 6) | - | 69,175,000.00 | 69,175,000.00 |
| Total Non-Current Liabilities | - | 69,567,975.40 | 69,567,975.40 |
| Total Liabilities | - | 71,365,262.95 | 130,443,126.79 |
| Fund Financial Statement | | | |
| Fund Balances (Deficits): | | | |
| Nonspendable | - | - | - |
| Restricted | - | - | 72,761,659.59 |
| Committed | - | - | 592,142,944.79 |
| Assigned | - | - | - |
| Unassigned | - | - | 244,663,954.12 |
| Total Fund Balances | - | - | 909,568,558.50 |
| Total Liabilities, Deferred Inflows & Fund Balances | | | |
| Government-Wide Statement of Net Position | | | |
| Net Position | | | |
| Invested in Capital Assets, net of Related Debt | 108,451.52 | - | 108,451.52 |
| Restricted For: | | | |
| Debt Service | - | - | - |
| Capital Projects | - | - | - |
| Funds Held as Permanent Investments: | | | |
| Expendable | - | - | - |
| Non-Expendable | - | - | - |
| Other | - | (70,420,000.00) | (70,420,000.00) |
| Unrestricted | - | (945,262.95) | (945,262.95) |
| Total Net Position | \$ 108,451.52 | \$ (71,365,262.95) | \$ 838,311,747.07 |

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

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, 2017

| | 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) | Capital Project Fund (Exhibit D-2 300) | |
| REVENUES | | | | | |
| Legislative Appropriations | | | | | |
| Original Appropriations | \$ 78,609,245.00 | \$ - | \$ - | \$ - | \$ 78,609,245.00 |
| Additional Appropriations | 1,711,891.31 | - | - | - | 1,711,891.31 |
| Federal Revenue | 183,990,676.76 | - | - | - | 183,990,676.76 |
| Federal Grant Pass-Through Revenue | 714,194.23 | - | - | - | 714,194.23 |
| State Grant Pass-Through Revenue | 1,189,337.52 | - | - | - | 1,189,337.52 |
| License, Fees & Permits | 28,047,667.34 | 2,519.82 | - | - | 28,050,187.16 |
| Interest and Other Investment Income | 3,895,775.87 | 795,982.06 | 1,569.27 | 850.37 | 4,694,177.57 |
| Sales of Goods and Services | 171,952.92 | - | - | - | 171,952.92 |
| Other | 1,317,841.06 | - | - | - | 1,317,841.06 |
| Total Revenues | 299,648,582.01 | 798,501.88 | 1,569.27 | 850.37 | 300,449,503.53 |
| EXPENDITURES | | | | | |
| Salaries and Wages | 7,682,925.92 | - | - | - | 7,682,925.92 |
| Payroll Related Costs | 2,443,480.70 | - | - | - | 2,443,480.70 |
| Professional Fees and Services | 8,562,778.51 | 22,812.50 | - | - | 8,585,591.01 |
| Travel | 527,894.83 | - | - | 3,552.65 | 531,447.48 |
| Materials and Supplies | 84,821.85 | - | - | - | 84,821.85 |
| Communication and Utilities | 142,631.31 | - | - | - | 142,631.31 |
| Repairs and Maintenance | 85,207.96 | - | - | - | 85,207.96 |
| Rentals and Leases | 638,584.52 | - | - | - | 638,584.52 |
| Printing and Reproduction | 14,762.08 | - | - | 773.67 | 15,535.75 |
| Federal Grant Pass-Through Expenditures | 9,780,965.91 | - | - | - | 9,780,965.91 |
| State Grant Pass-Through Expenditures | 35,610,261.39 | - | - | - | 35,610,261.39 |
| Intergovernmental Payments | 240,987,063.44 | - | - | - | 240,987,063.44 |
| Public Assistance Payments | 84,584,064.94 | - | - | - | 84,584,064.94 |
| Other Expenditures | 83,727,646.81 | 116,755.94 | - | 201.38 | 83,844,604.13 |
| Debt Service: | | | | | |
| Principal | - | - | 8,525,000.00 | - | 8,525,000.00 |
| Interest | - | - | 1,369,632.91 | - | 1,369,632.91 |
| Other Financing Fees | - | - | - | 177,020.01 | 177,020.01 |
| Capital Outlay | 51,254.28 | - | - | - | 51,254.28 |
| Depreciation Expense | - | - | - | - | - |
| Total Expenditures/Expenses | 474,924,344.45 | 139,568.44 | 9,894,632.91 | 181,547.71 | 485,140,093.51 |
| Excess (Deficiency) of Revenues over Expenditures | (175,275,762.44) | 658,933.44 | (9,893,063.64) | (180,697.34) | (184,690,589.98) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond and Note Proceeds | - | - | - | - | - |
| Bonds Issued for Refunding | - | - | 25,420,000.00 | - | 25,420,000.00 |
| Premiums on Bonds Issued | - | - | - | - | - |
| Payment to Escrow for Refunding | - | - | (25,490,000.00) | - | (25,490,000.00) |
| Increase in Obligations Under Capital Leases | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - |
| Insurance Recoveries | - | - | - | - | - |
| Transfer In | 139,908,741.88 | 275,208.42 | 10,179,832.97 | 213,000.00 | 150,576,783.27 |
| Transfer Out | (38,707,686.12) | (866,514.87) | (217,011.32) | (32,302.66) | (39,823,514.97) |
| Legislative Transfer In | 44,878.49 | - | - | - | 44,878.49 |
| Legislative Transfer Out | (3,259,011.00) | - | - | - | (3,259,011.00) |
| Gain (Loss) on Other Financial Activity | (3,279,085.25) | - | - | - | (3,279,085.25) |
| Inc/(Dec) in Net Position | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 94,707,838.00 | (591,306.45) | 9,892,821.65 | 180,697.34 | 104,190,050.54 |
| Net Change in Fund Balances/Net Position | (80,567,924.44) | 67,626.99 | (241.99) | (0.00) | (80,500,539.44) |
| Fund Financial Statement - Fund Balances | | | | | |
| Fund Balances, September 1, 2016 | 944,319,176.69 | 46,749,672.08 | 249.17 | - | 991,069,097.94 |
| Restatements (Note 14) | - | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | 944,319,176.69 | 46,749,672.08 | 249.17 | - | 991,069,097.94 |
| Appropriations Lapsed | (1,000,000.00) | - | - | - | (1,000,000.00) |
| Fund Balances, August 31, 2017 | \$ 862,751,252.25 | \$ 46,817,299.07 | \$ 7.18 | \$ (0.00) | \$ 909,568,558.50 |
| Government-Wide Statement of Position | | | | | |
| Net Position/Net Change in Net Position | | | | | \$ 909,568,558.50 |
| Net Position, September 1, 2016 | | | | | |
| Restatements | | | | | |
| Net Position, September 1, 2016, as Restated | | | | | |
| Net Position, August 31, 2017 | | | | | \$ 909,568,558.50 |

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

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, 2017

| | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Activities |
|-------------------------------------------------------|-------------------------------|-----------------------------------------|----------------------------|
| REVENUES | | | |
| Legislative Appropriations | | | |
| Original Appropriations | \$ - | \$ - | \$ 78,609,245.00 |
| Additional Appropriations | - | - | 1,711,891.31 |
| Federal Revenue | - | - | 183,990,676.76 |
| Federal Grant Pass-Through Revenue | - | - | 714,194.23 |
| State Grant Pass-Through Revenue | - | - | 1,189,337.52 |
| License, Fees & Permits | - | - | 28,050,187.16 |
| Interest and Other Investment Income | - | - | 4,694,177.57 |
| Sales of Goods and Services | - | - | 171,952.92 |
| Other | - | - | 1,317,841.06 |
| Total Revenues | - | - | 300,449,503.53 |
| EXPENDITURES | | | |
| Salaries and Wages | - | 49,798.38 | 7,732,724.30 |
| Payroll Related Costs | - | - | 2,443,480.70 |
| Professional Fees and Services | - | - | 8,585,591.01 |
| Travel | - | - | 531,447.48 |
| Materials and Supplies | - | - | 84,821.85 |
| Communication and Utilities | - | - | 142,631.31 |
| Repairs and Maintenance | - | - | 85,207.96 |
| Rentals and Leases | - | - | 638,584.52 |
| Printing and Reproduction | - | - | 15,535.75 |
| Federal Grant Pass-Through Expenditures | - | - | 9,780,965.91 |
| State Grant Pass-Through Expenditures | - | - | 35,610,261.39 |
| Intergovernmental Payments | - | - | 240,987,063.44 |
| Public Assistance Payments | - | - | 84,584,064.94 |
| Other Expenditures | - | - | 83,844,604.13 |
| Debt Service: | | | |
| Principal | - | (8,525,000.00) | - |
| Interest | - | - | 1,369,632.91 |
| Other Payments for Refunding | - | - | 177,020.01 |
| Capital Outlay | (51,254.28) | - | - |
| Depreciation Expense | 27,929.66 | - | 27,929.66 |
| Total Expenditures/Expenses | (23,324.62) | (8,475,201.62) | 476,641,567.27 |
| Excess (Deficiency) of Revenues over Expenditures | 23,324.62 | 8,475,201.62 | (176,192,063.74) |
| OTHER FINANCING SOURCES (USES) | | | |
| Bond and Note Proceeds | - | - | - |
| Bonds Issued for Refunding | - | (25,420,000.00) | - |
| Premiums on Bonds Issued | - | - | - |
| Payment to Escrow for Refunding | - | 25,490,000.00 | - |
| Increase in Obligations Under Capital Leases | - | - | - |
| Sale of Capital Assets | - | - | - |
| Insurance Recoveries | - | - | - |
| Transfer In | - | - | 150,576,783.27 |
| Transfer Out | - | - | (39,823,514.97) |
| Legislative Transfer In | - | - | 44,878.49 |
| Legislative Transfer Out | - | - | (3,259,011.00) |
| Gain (Loss) on Other Financial Activity | - | - | (3,279,085.25) |
| Inc/(Dec) in Net Position Due to Interagency Transfer | 5,386.72 | - | 5,386.72 |
| Total Other Financing Sources (Uses) | 5,386.72 | 70,000.00 | 104,265,437.26 |
| Net Change in Fund Balances/Net Position | | | (71,926,626.48) |
| Fund Financial Statement - Fund Balances | | | |
| Fund Balances, September 1, 2016 | | | 991,069,097.94 |
| Restatements (Note 14) | | | - |
| Fund Balances, September 1, 2016, as Restated | | | 991,069,097.94 |
| Appropriations Lapsed | | | (1,000,000.00) |
| Fund Balances, August 31, 2017 | | | \$ 918,142,471.46 |
| Government-Wide Statement of Position | | | |
| Net Position/Net Change in Net Position | \$ 28,711.34 | \$ 8,545,201.62 | \$ 918,142,471.46 |
| Net Position, September 1, 2016 | 79,740.18 | (79,910,464.57) | (79,830,724.39) |
| Restatements | - | - | - |
| Net Position, September 1, 2016, as Restated | 79,740.18 | (79,910,464.57) | (79,830,724.39) |
| Net Position, August 31, 2017 | \$ 108,451.52 | \$ (71,365,262.95) | \$ 838,311,747.07 |

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

Office of the Governor - Trusteed Programs (300)
Exhibit III 300 - Combined Statement of Net Position - Proprietary Funds
For the Fiscal Year Ended August 31, 2017

| | Total Enterprise Funds |
|---------------------------------------|-------------------------------|
| | (Exhibit F-1 300) |
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents | |
| Cash In Bank (Note 3) | \$ 506,882.20 |
| Cash in State Treasury | 14,757,078.11 |
| Restricted: | |
| Cash in State Treasury | 1,500,000.00 |
| Receivables from: | |
| Interest and Dividends | 29,326.50 |
| Loans and Contracts | 1,617,898.54 |
| Total Current Assets | <u>18,411,185.35</u> |
| Non-Current Assets: | |
| Loans and Contracts | <u>10,667,973.63</u> |
| Total Non-Current Assets | <u>10,667,973.63</u> |
| Total Assets | <u>\$ 29,079,158.98</u> |
| DEFERRED OUTFLOWS | |
| Total Deferred Outflows | <u>\$ -</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Payables from: | |
| Accounts | \$ 36,403.87 |
| Payroll | 37,727.54 |
| Employees' Compensable Leave (Note 5) | 26,232.43 |
| Total Current Liabilities | <u>100,363.84</u> |
| Non-Current Liabilities: | |
| Notes and Loans Payable (Note 5) | 15,000,000.00 |
| Employees' Compensable Leave (Note 5) | <u>20,266.27</u> |
| Total Non-Current Liabilities | <u>15,020,266.27</u> |
| Total Liabilities | <u>15,120,630.11</u> |
| DEFERRED INFLOWS | |
| Total Deferred Inflows | <u>-</u> |
| Net Position | |
| Restricted For: | |
| Other | - |
| Unrestricted | <u>13,958,528.87</u> |
| Total Net Position | <u>\$ 13,958,528.87</u> |

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

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, 2017**

| | Total Enterprise Funds (Exhibit F-2 300) |
|----------------------------------------------------------------------|----------------------------------------------------|
| Operating Revenues | |
| Interest and Investment Income | \$ 605,403.43 |
| Other Operating Revenue | 206,141.84 |
| Total Operating Revenues | <u>811,545.27</u> |
| Operating Expenses: | |
| Salaries and Wages | 456,305.36 |
| Payroll Related Costs | 133,629.69 |
| Professional Fees and Services | 211,618.77 |
| Travel | 3,623.53 |
| Materials and Supplies | 517.36 |
| Communication and Utilities | 27,617.61 |
| Repairs and Maintenance | - |
| Rentals and Leases | 1,802.38 |
| Printing and Reproduction | 182.09 |
| Interest | 145,794.45 |
| Other Operating Expenses | 264,171.48 |
| Total Operating Expenses | <u>1,245,262.72</u> |
| Operating Income (Loss) | <u>(433,717.45)</u> |
| Nonoperating Revenues (Expenses) | |
| Investment Income (Expense) | 199.31 |
| Total Other Nonoperating Revenues (Expenses) | <u>199.31</u> |
| Income (Loss) Before Capital Contributions, Endowments and Transfers | <u>(433,518.14)</u> |
| Capital Contributions, Endowments and Transfers | |
| Transfer In | 3,933,897.81 |
| Transfer Out | (2,243,166.69) |
| Total Capital Contributions, Endowments and Transfers | <u>1,690,731.12</u> |
| Change in Net Position | <u>1,257,212.98</u> |
| Total Net Position, September 1, 2016 | 12,701,315.89 |
| Restatements (Note 14) | - |
| Total Net Position, September 1, 2016, as Restated | <u>12,701,315.89</u> |
| Total Net Position, August 31, 2017 | <u>\$ 13,958,528.87</u> |

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

Office of the Governor - Trusteed Programs (300)
Exhibit V 300 - Combined Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended August 31, 2017

| | Total Enterprise Funds |
|--------------------------------------------------------------------------------------------|-------------------------------|
| | (Exhibit F-3 300) |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Proceeds from Other Revenue | \$ 206,141.84 |
| Payments to Employees | (581,183.38) |
| Payments for Other Expenses | (572,894.53) |
| Net Cash Provided by Operating Activities | <u>(947,936.07)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Proceeds from Debt Issuance | |
| Proceeds of Transfers from Other Funds | 3,188,970.10 |
| Payments of Interest | (145,794.45) |
| Payments for Transfers to Other Funds | (1,498,238.98) |
| Net Cash Provided by Noncapital Financing Activities | <u>(3,455,063.33)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from Interest and Investment Income | 631,029.60 |
| Proceeds from Principal Payments on Loans | 6,297,774.59 |
| Payments to Bank Loan Reserve | - |
| Net Cash Provided by Investing Activities | <u>6,928,804.19</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 2,525,804.79 |
| Cash and Cash Equivalents, September 1, 2016 | 14,238,155.52 |
| Restatement to Beginning Cash & Cash Equivalents | - |
| Cash and Cash Equivalents, September 1, 2016 as Restated | <u>14,238,155.52</u> |
| Cash and Cash Equivalents, August 31, 2017 | <u>\$ 16,763,960.31</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | |
| Operating Income (Loss) | \$ (433,717.45) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | |
| Operating Income and Cash Flow Categories Classification Differences | (459,608.98) |
| Changes in Assets and Liabilities: | |
| Increase (Decrease) in Payables | (61,448.76) |
| Increase (Decrease) in Unearned Revenue | - |
| Increase (Decrease) in Compensated Absence Liabilities | 6,839.12 |
| Total Adjustments | <u>(514,218.62)</u> |
| Net Cash Provided by Operating Activities | <u>\$ (947,936.07)</u> |

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

Office of the Governor - Trusteed Programs (300)
Exhibit VI 300 - Combined Statement of Net Position - Fiduciary Funds
For the Fiscal Year Ended August 31, 2017

| | Private-Purpose Trust Funds (Exhibit I-1 300) | Agency Funds (Exhibit J-1 300) | Total |
|---------------------------------------|--------------------------------------------------|-----------------------------------|-------------------------|
| ASSETS | | | |
| Cash in State Treasury | \$ 12,660,210.08 | \$ 5,336,029.61 | \$ 17,996,239.69 |
| Other Interest Receivable | 13,949.58 | - | 13,949.58 |
| Total Assets | <u>12,674,159.66</u> | <u>5,336,029.61</u> | <u>18,010,189.27</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows of Resources | - | - | - |
| Total Deferred Outflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> |
| LIABILITIES | | | |
| Funds Held For Others | - | \$ 5,336,029.61 | \$ 5,336,029.61 |
| Total Liabilities | <u>-</u> | <u>5,336,029.61</u> | <u>5,336,029.61</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows of Resources | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | |
| Held in Trust for Others | 12,674,159.66 | - | 12,674,159.66 |
| Total Net Position | <u>\$ 12,674,159.66</u> | <u>\$ -</u> | <u>\$ 12,674,159.66</u> |

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

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, 2017

| | Private-Purpose Trust Funds (Exhibit I-2 300) | Total |
|----------------------------------------------|--------------------------------------------------|-------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Total Contributions | \$ - | \$ - |
| Investment Income from Investing Activities: | | |
| Interest and Investment Income | 160,578.18 | 160,578.18 |
| Total Net Investment Income | 160,578.18 | 160,578.18 |
| Other Additions: | | |
| Settlement of Claims | - | - |
| Other Revenue | - | - |
| Transfer In | - | - |
| Total Other Additions | - | - |
| Total Additions | 160,578.18 | 160,578.18 |
| DEDUCTIONS | | |
| Total Deductions | 2,633,356.09 | 2,633,356.09 |
| INCREASE (DECREASE) IN NET POSITION | (2,472,777.91) | (2,472,777.91) |
| Net Position | | |
| Net Position, September 1, 2016 | 15,146,937.57 | 15,146,937.57 |
| Restatements | - | - |
| Net Position, September 1, 2016, as Restated | 15,146,937.57 | 15,146,937.57 |
| Net Position, August 31, 2017 | \$ 12,674,159.66 | \$ 12,674,159.66 |

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

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, 2017

| | <u>Totals</u> (Exhibit K-1 300) |
|-------------------------------------|------------------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents (Note 3): | |
| Cash In Bank | \$ 1,911,790.72 |
| Cash Eq - Miscellaneous Investments | 658,221.78 |
| Receivables from: | |
| Interest and Dividends | 175.60 |
| Accounts Receivable | 1,326.21 |
| Prepaid Items | 174.24 |
| Total Current Assets | <u>2,571,688.55</u> |
| Total Assets | <u>\$ 2,571,688.55</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Payables from: | |
| Accounts Payable | \$ - |
| Other | 367,778.45 |
| Total Current Liabilities | <u>367,778.45</u> |
| Total Liabilities | <u>367,778.45</u> |
| Net Position | |
| Unrestricted | 2,203,910.10 |
| Total Net Position | <u>\$ 2,203,910.10</u> |

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

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, 2017**

| | Totals (Exhibit K-2 300) |
|-------------------------------------------------------------------------|------------------------------------|
| Operating Revenues: | |
| Sales of Goods and Services | \$ 14,049.25 |
| Other Contracts, Grants and Contributions | 2,137,096.02 |
| Other Operating Revenue | 53,944.46 |
| Total Operating Revenues | <u>2,205,089.73</u> |
| Operating Expenses: | |
| Salaries and Wages | - |
| Professional Fees and Services | 165,205.01 |
| Travel | 739.41 |
| Materials and Supplies | 26,876.17 |
| Communication and Utilities | 663.27 |
| Rentals and Leases | 9,135.35 |
| Printing and Reproduction | 1,581.68 |
| Grants to Community Service Programs | 1,600.00 |
| Other Operating Expenses | 2,220,674.40 |
| Total Operating Expenses | <u>2,426,475.29</u> |
| Operating Income (Loss) | <u>(221,385.56)</u> |
| Nonoperating Revenues (Expenses) | |
| Investment Income (Expense) | 2,406.26 |
| Total Nonoperating Revenues (Expenses) | <u>2,406.26</u> |
| Income (Loss) Before Capital Contributions, Endowments and Transfers | <u>(218,979.30)</u> |
| Change in Net Position | <u>(218,979.30)</u> |
| Net Position, September 1, 2016 | 2,422,889.40 |
| Restatements (Note 14) | - |
| Net Position, September 1, 2016, as Restated | <u>2,422,889.40</u> |
| Net Position, August 31, 2017 | <u><u>\$ 2,203,910.10</u></u> |

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

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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, 2017

| | 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 | \$ - | \$ - | \$ 22,907,184.79 | \$ 48,636,327.85 |
| Cash Eq - Miscellaneous Investments (Note 3) | - | - | - | - |
| Legislative Appropriations | 254,456,810.57 | - | - | - |
| Receivables from: | | | | |
| Federal | - | - | 2,405,035.35 | 9,624,207.66 |
| Interest and Dividends | - | - | 26,072.79 | - |
| Due From Other Agencies | 10,452,321.89 | - | 1,757.73 | - |
| Consumable Inventories | - | - | - | - |
| Loans and Contracts | - | - | - | - |
| Total Current Assets | 264,909,132.46 | - | 25,340,050.66 | 58,260,535.51 |
| Non-Current Assets: | | | | |
| Loans and Contracts | - | - | - | - |
| Equity Holdings for Economic Development | - | - | - | - |
| Total Non-Current Assets | - | - | - | - |
| Total Assets | \$ 264,909,132.46 | \$ - | \$ 25,340,050.66 | \$ 58,260,535.51 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts | \$ 7,388,927.87 | \$ - | \$ 2,301,058.70 | \$ 6,355,542.30 |
| Payroll | 493,695.53 | - | 130,895.04 | 116,885.69 |
| Due To Other Agencies | 15,262,608.49 | - | 2,285,242.79 | 1,603,800.99 |
| Unearned Revenue | - | - | 20,622,854.13 | 12,827.79 |
| Total Current Liabilities | 23,145,231.89 | - | 25,340,050.66 | 8,089,056.77 |
| Total Liabilities | 23,145,231.89 | - | 25,340,050.66 | 8,089,056.77 |
| Fund Balances (Deficits): | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | 50,171,478.74 |
| Assigned | - | - | - | - |
| Unassigned | 241,763,900.57 | - | - | - |
| Total Fund Balances | 241,763,900.57 | - | - | 50,171,478.74 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 264,909,132.46 | \$ - | \$ 25,340,050.66 | \$ 58,260,535.51 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | \$ - | \$ - | \$ 8,512,724.74 | \$ - | \$ 20,717,069.45 |
| Cash Eq - Miscellaneous Investments (Note 3) | - | - | - | - | - |
| Legislative Appropriations | - | - | - | - | - |
| Receivables from: | | | | | |
| Federal | - | - | - | - | - |
| Interest and Dividends | - | 89.92 | - | - | - |
| Due From Other Agencies | - | 85,481.71 | - | - | - |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | - | - | - | - | - |
| Total Current Assets | - | 85,571.63 | 8,512,724.74 | - | 20,717,069.45 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | 2,900,053.55 | - | - | - | - |
| Equity Holdings for Economic Development | - | - | - | - | - |
| Total Non-Current Assets | 2,900,053.55 | - | - | - | - |
| Total Assets | \$ 2,900,053.55 | \$ 85,571.63 | \$ 8,512,724.74 | \$ - | \$ 20,717,069.45 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ - | \$ 17,334.95 | \$ - | \$ - | \$ - |
| Payroll | - | - | - | - | - |
| Due To Other Agencies | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | - |
| Total Current Liabilities | - | 17,334.95 | - | - | - |
| Total Liabilities | - | 17,334.95 | - | - | - |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | - | - |
| Committed | - | 68,236.68 | 8,512,724.74 | - | 20,717,069.45 |
| Assigned | - | - | - | - | - |
| Unassigned | 2,900,053.55 | - | - | - | - |
| Total Fund Balances | 2,900,053.55 | 68,236.68 | 8,512,724.74 | - | 20,717,069.45 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 2,900,053.55 | \$ 85,571.63 | \$ 8,512,724.74 | \$ - | \$ 20,717,069.45 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | \$ 16,873,449.33 | \$ - | \$ 913,824.57 | \$ 229,821,475.18 | \$ 61,312.08 |
| Cash Eq - Miscellaneous Investments (Note 3) | - | - | - | - | - |
| Legislative Appropriations | - | - | - | - | - |
| Receivables from: | | | | | |
| Federal | - | - | - | - | - |
| Interest and Dividends | - | - | - | 260,235.96 | 463,041.26 |
| Due From Other Agencies | 4,252,723.34 | 46,328.63 | - | - | - |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | - | - | - | - | 1,245,000.00 |
| Total Current Assets | 21,126,172.67 | 46,328.63 | 913,824.57 | 230,081,711.14 | 1,769,353.34 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | - | - | - | 85,973,985.20 | 24,175,000.00 |
| Equity Holdings for Economic Development | - | - | - | - | - |
| Total Non-Current Assets | - | - | - | 85,973,985.20 | 24,175,000.00 |
| Total Assets | \$ 21,126,172.67 | \$ 46,328.63 | \$ 913,824.57 | \$ 316,055,696.34 | \$ 25,944,353.34 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ 1,136,455.57 | \$ 46,328.63 | \$ 12,041.18 | \$ - | \$ - |
| Payroll | 92,681.72 | - | - | - | - |
| Due To Other Agencies | - | - | 952.78 | - | - |
| Unearned Revenue | - | - | - | - | - |
| Total Current Liabilities | 1,229,137.29 | 46,328.63 | 12,993.96 | - | - |
| Total Liabilities | 1,229,137.29 | 46,328.63 | 12,993.96 | - | - |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | - | 25,944,353.34 |
| Committed | 19,897,035.38 | - | 900,830.61 | 316,055,696.34 | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | 19,897,035.38 | - | 900,830.61 | 316,055,696.34 | 25,944,353.34 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 21,126,172.67 | \$ 46,328.63 | \$ 913,824.57 | \$ 316,055,696.34 | \$ 25,944,353.34 |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | \$ 877,015.87 | \$ 3,778,748.93 | \$ 42,989,608.58 | \$ 10,219,489.18 | \$ 406,308,230.55 |
| Cash Eq - Miscellaneous Investments (Note 3) | 8,188,636.74 | - | - | - | 8,188,636.74 |
| Legislative Appropriations | - | - | - | - | 254,456,810.57 |
| Receivables from: | | | | | |
| Federal | - | - | - | - | 12,029,243.01 |
| Interest and Dividends | 966.33 | - | - | - | 750,406.26 |
| Due From Other Agencies | - | - | 3,309,589.45 | - | 18,148,202.75 |
| Consumable Inventories | - | - | - | - | - |
| Loans and Contracts | - | - | - | - | 1,245,000.00 |
| Total Current Assets | 9,066,618.94 | 3,778,748.93 | 46,299,198.03 | 10,219,489.18 | 701,126,529.88 |
| Non-Current Assets: | | | | | |
| Loans and Contracts | 4,750,000.00 | - | 31,226,949.90 | - | 149,025,988.65 |
| Equity Holdings for Economic Development | 71,620,440.03 | - | - | - | 71,620,440.03 |
| Total Non-Current Assets | 76,370,440.03 | - | 31,226,949.90 | - | 220,646,428.68 |
| Total Assets | \$ 85,437,058.97 | \$ 3,778,748.93 | \$ 77,526,147.93 | \$ 10,219,489.18 | \$ 921,772,958.56 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | \$ - | \$ - | \$ - | \$ 20,129.81 | \$ 17,277,819.01 |
| Payroll | - | - | 3,599.76 | - | 837,757.74 |
| Due To Other Agencies | - | 535,918.66 | 581,923.93 | - | 20,270,447.64 |
| Unearned Revenue | - | - | - | - | 20,635,681.92 |
| Total Current Liabilities | - | 535,918.66 | 585,523.69 | 20,129.81 | 59,021,706.31 |
| Total Liabilities | - | 535,918.66 | 585,523.69 | 20,129.81 | 59,021,706.31 |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | - | 25,944,353.34 |
| Committed | 85,437,058.97 | 3,242,830.27 | 76,940,624.24 | 10,199,359.37 | 592,142,944.79 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | 244,663,954.12 |
| Total Fund Balances | 85,437,058.97 | 3,242,830.27 | 76,940,624.24 | 10,199,359.37 | 862,751,252.25 |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ 85,437,058.97 | \$ 3,778,748.93 | \$ 77,526,147.93 | \$ 10,219,489.18 | \$ 921,772,958.56 |

* GAAP Fund is noted as (XXXX)

Office of the Governor - Trusteed Programs (300)
 Exhibit A-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2017

| | 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 | \$ 78,609,245.00 | \$ - | \$ - | \$ - |
| Additional Appropriations | 1,711,891.31 | - | - | - |
| Federal Revenue | 1,334,057.10 | - | 82,942,637.52 | 99,713,982.14 |
| Federal Grant Pass-Through Revenue | 714,194.23 | - | - | - |
| State Grant Pass-Through Revenue | 1,189,337.52 | - | - | - |
| License, Fees & Permits | 2,369,479.95 | - | - | 20,085,155.43 |
| Interest and Other Investment Income | 0.19 | - | - | - |
| Sales of Goods and Services | 171,952.92 | - | - | - |
| Other | 39,009.92 | - | - | 236.57 |
| Total Revenues | 86,139,168.14 | - | 82,942,637.52 | 119,799,374.14 |
| EXPENDITURES | | | | |
| Salaries and Wages | 4,574,429.36 | - | 1,040,459.38 | 1,128,638.05 |
| Payroll Related Costs | 1,368,111.79 | - | 317,933.89 | 421,060.21 |
| Professional Fees and Services | 652,673.01 | - | 1,220,944.28 | 2,308,953.58 |
| Travel | 455,953.92 | - | 20,926.25 | 38,733.25 |
| Materials and Supplies | 46,555.77 | - | 5,913.42 | 6,301.72 |
| Communication and Utilities | 106,671.95 | - | 5,587.10 | 10,662.74 |
| Repairs and Maintenance | 17,891.34 | - | 3,845.54 | 1,796.85 |
| Rentals and Leases | 485,216.92 | - | 2,653.99 | 16,375.88 |
| Printing and Reproduction | 8,694.68 | - | 288.04 | 1,368.43 |
| Federal Grant Pass-Through Expenditures | 68,518.58 | - | 7,627,689.75 | 2,084,757.58 |
| State Grant Pass-Through Expenditures | 27,392,160.95 | - | - | 4,056,644.72 |
| Intergovernmental Payments | 33,333,509.85 | - | 71,071,615.87 | 31,749,461.27 |
| Public Assistance Payments | 140,074.12 | - | 1,554,616.39 | 81,087,553.64 |
| Other Expenditures | 33,657,707.29 | - | 70,163.62 | 173,601.06 |
| Capital Outlay | 5,211.14 | - | - | - |
| Total Expenditures | 102,313,380.67 | - | 82,942,637.52 | 123,085,908.98 |
| Excess (Deficiency) of Revenues over Expenditures | (16,174,212.53) | - | - | (3,286,534.84) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | 593.97 | - | - | 1,460,500.00 |
| Transfer Out | (1,334,651.26) | (402,551.91) | - | (1,460,500.00) |
| Legislative Transfer In | 44,878.49 | - | - | - |
| Legislative Transfer Out | (3,259,011.00) | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | - | - | - |
| Inc/(Dec) in Net Position | - | - | - | - |
| Total Other Financing Sources (Uses) | (4,548,189.80) | (402,551.91) | - | - |
| Net Change in Fund Balances | (20,722,402.33) | (402,551.91) | - | (3,286,534.84) |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2016 | 263,486,302.90 | 402,551.91 | - | 53,458,013.58 |
| Restatements | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | 263,486,302.90 | 402,551.91 | - | 53,458,013.58 |
| Appropriations Lapsed | (1,000,000.00) | - | - | - |
| Fund Balances, August 31, 2017 | \$ 241,763,900.57 | \$ - | \$ - | \$ 50,171,478.74 |

* GAAP Fund is noted as (XXXX)

Office of the Governor - Trusteed Programs (300)

Exhibit A-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2017

| | 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 | - | - | - | - | - |
| State Grant Pass-Through Revenue | - | - | - | - | - |
| License, Fees & Permits | - | 87,912.98 | - | - | - |
| Interest and Other Investment Income | - | 867.44 | - | - | - |
| Sales of Goods and Services | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total Revenues | <u>-</u> | <u>88,780.42</u> | <u>-</u> | <u>-</u> | <u>-</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 | - | 8,330.00 | - | - | - |
| Printing and Reproduction | - | - | - | - | - |
| Federal Grant Pass-Through Expenditures | - | - | - | - | - |
| State Grant Pass-Through Expenditures | - | - | - | - | - |
| Intergovernmental Payments | 1,660,233.92 | - | 13,551,909.53 | - | 79,350,203.19 |
| Public Assistance Payments | - | 68,569.85 | - | - | - |
| Other Expenditures | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Total Expenditures | <u>1,660,233.92</u> | <u>76,899.85</u> | <u>13,551,909.53</u> | <u>-</u> | <u>79,350,203.19</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(1,660,233.92)</u> | <u>11,880.57</u> | <u>(13,551,909.53)</u> | <u>-</u> | <u>(79,350,203.19)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfer In | - | - | 11,097,208.13 | - | 57,890,221.64 |
| Transfer Out | - | - | - | - | - |
| Legislative Transfer In | - | - | - | - | - |
| Legislative Transfer Out | - | - | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | - | - | - | - |
| Inc/(Dec) in Net Position | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>11,097,208.13</u> | <u>-</u> | <u>57,890,221.64</u> |
| Net Change in Fund Balances | <u>(1,660,233.92)</u> | <u>11,880.57</u> | <u>(2,454,701.40)</u> | <u>-</u> | <u>(21,459,981.55)</u> |
| Fund Financial Statement - Fund Balances | | | | | |
| Fund Balances, September 1, 2016 | 4,560,287.47 | 56,356.11 | 10,967,426.14 | - | 42,177,051.00 |
| Restatements | - | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | <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> |
| Appropriations Lapsed | - | - | - | - | - |
| Fund Balances, August 31, 2017 | <u>\$ 2,900,053.55</u> | <u>\$ 68,236.68</u> | <u>\$ 8,512,724.74</u> | <u>\$ -</u> | <u>\$ 20,717,069.45</u> |

* GAAP Fund is noted as (XXXX)

Office of the Governor - Trusteed Programs (300)

Exhibit A-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2017

| | 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 | - | - | - | - |
| State Grant Pass-Through Revenue | - | - | - | - |
| License, Fees & Permits | - | - | 427,523.60 | - |
| Interest and Other Investment Income | - | - | - | 2,659,294.48 |
| Sales of Goods and Services | - | - | - | - |
| Other | - | - | - | - |
| Total Revenues | - | - | 427,523.60 | 2,659,294.48 |
| EXPENDITURES | | | | |
| Salaries and Wages | 906,010.20 | - | - | - |
| Payroll Related Costs | 327,278.79 | - | - | - |
| Professional Fees and Services | 4,378,067.64 | - | 2,140.00 | - |
| Travel | 74.00 | - | 12,207.41 | - |
| Materials and Supplies | 25,978.94 | - | 72.00 | - |
| Communication and Utilities | 14,401.99 | - | 4,999.50 | - |
| Repairs and Maintenance | 61,674.23 | - | - | - |
| Rentals and Leases | 125,757.73 | - | 250.00 | - |
| Printing and Reproduction | 199.37 | - | 4,211.56 | - |
| Federal Grant Pass-Through Expenditures | - | - | - | - |
| State Grant Pass-Through Expenditures | - | - | 10,160.41 | - |
| Intergovernmental Payments | - | - | - | - |
| Public Assistance Payments | - | 61,414.10 | 371,836.84 | - |
| Other Expenditures | 32,700,687.21 | - | 2,886.91 | 17,094,092.64 |
| Capital Outlay | 46,043.14 | - | - | - |
| Total Expenditures | 38,586,173.24 | 61,414.10 | 408,764.63 | 17,094,092.64 |
| Excess (Deficiency) of Revenues over Expenditures | (38,586,173.24) | (61,414.10) | 18,758.97 | (14,434,798.16) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | 45,235,981.51 | (1,938,585.90) | - | - |
| Transfer Out | (315,302.77) | - | - | - |
| Legislative Transfer In | - | - | - | - |
| Legislative Transfer Out | - | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | - | - | - |
| Inc/(Dec) in Net Position | - | - | - | - |
| Total Other Financing Sources (Uses) | 44,920,678.74 | (1,938,585.90) | - | - |
| Net Change in Fund Balances | 6,334,505.50 | (2,000,000.00) | 18,758.97 | (14,434,798.16) |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2016 | 13,562,529.88 | 2,000,000.00 | 882,071.64 | 330,490,494.50 |
| Restatements | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | 13,562,529.88 | 2,000,000.00 | 882,071.64 | 330,490,494.50 |
| Appropriations Lapsed | - | - | - | - |
| Fund Balances, August 31, 2017 | \$ 19,897,035.38 | \$ - | \$ 900,830.61 | \$ 316,055,696.34 |

* GAAP Fund is noted as (XXXX)

Office of the Governor - Trusteed Programs (300)

Exhibit A-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2017

| | 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 | - | - | - | - |
| State Grant Pass-Through Revenue | - | - | - | - |
| License, Fees & Permits | - | - | - | - |
| Interest and Other Investment Income | 752,718.57 | 59,924.53 | (2,879.34) | 425,850.00 |
| Sales of Goods and Services | - | - | - | - |
| Other | - | 1,224,965.04 | - | 53,629.53 |
| Total Revenues | <u>752,718.57</u> | <u>1,284,889.57</u> | <u>(2,879.34)</u> | <u>479,479.53</u> |
| EXPENDITURES | | | | |
| Salaries and Wages | - | - | - | 33,388.93 |
| Payroll Related Costs | - | - | - | 9,096.02 |
| Professional Fees and Services | - | - | - | - |
| Travel | - | - | - | - |
| Materials and Supplies | - | - | - | - |
| Communication and Utilities | - | - | - | 308.03 |
| Repairs and Maintenance | - | - | - | - |
| Rentals and Leases | - | - | - | - |
| Printing and Reproduction | - | - | - | - |
| Federal Grant Pass-Through Expenditures | - | - | - | - |
| State Grant Pass-Through Expenditures | - | 767,869.25 | 775,990.84 | 2,607,435.22 |
| Intergovernmental Payments | - | - | - | 10,250,000.00 |
| Public Assistance Payments | - | - | - | 1,300,000.00 |
| Other Expenditures | - | - | - | 28,508.08 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>767,869.25</u> | <u>775,990.84</u> | <u>14,228,736.28</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>752,718.57</u> | <u>517,020.32</u> | <u>(778,870.18)</u> | <u>(13,749,256.75)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | 25,420,000.00 | 742,822.53 | - | - |
| Transfer Out | (35,194,680.18) | - | - | - |
| Legislative Transfer In | - | - | - | - |
| Legislative Transfer Out | - | - | - | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Gain (Loss) on Other Financial Activity | - | (10,178.88) | - | (3,268,906.37) |
| Inc/(Dec) in Net Position | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>(9,774,680.18)</u> | <u>732,643.65</u> | <u>-</u> | <u>(3,268,906.37)</u> |
| Net Change in Fund Balances | <u>(9,021,961.61)</u> | <u>1,249,663.97</u> | <u>(778,870.18)</u> | <u>(17,018,163.12)</u> |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2016 | 34,966,314.95 | 84,187,395.00 | 4,021,700.45 | 93,958,787.36 |
| Restatements | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>34,966,314.95</u> | <u>84,187,395.00</u> | <u>4,021,700.45</u> | <u>93,958,787.36</u> |
| Appropriations Lapsed | - | - | - | - |
| Fund Balances, August 31, 2017 | <u>\$ 25,944,353.34</u> | <u>\$ 85,437,058.97</u> | <u>\$ 3,242,830.27</u> | <u>\$ 76,940,624.24</u> |

* GAAP Fund is noted as (XXXX)

Office of the Governor - Trusteed Programs (300)

Exhibit A-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2017

| | <u>Consolidated Accounts</u> | |
|---------------------------------------------------|---------------------------------------------------------|-----------------------------------|
| | <u>Truancy Prevention and Diversion (5164)*</u> | <u>Total (Exhibit II 300)</u> |
| REVENUES | | |
| Legislative Appropriations | | |
| Original Appropriations | \$ - | \$ 78,609,245.00 |
| Additional Appropriations | - | 1,711,891.31 |
| Federal Revenue | - | 183,990,676.76 |
| Federal Grant Pass-Through Revenue | - | 714,194.23 |
| State Grant Pass-Through Revenue | - | 1,189,337.52 |
| License, Fees & Permits | 5,077,595.38 | 28,047,667.34 |
| Interest and Other Investment Income | - | 3,895,775.87 |
| Sales of Goods and Services | - | 171,952.92 |
| Other | - | 1,317,841.06 |
| Total Revenues | <u>5,077,595.38</u> | <u>299,648,582.01</u> |
| EXPENDITURES | | |
| Salaries and Wages | - | 7,682,925.92 |
| Payroll Related Costs | - | 2,443,480.70 |
| Professional Fees and Services | - | 8,562,778.51 |
| Travel | - | 527,894.83 |
| Materials and Supplies | - | 84,821.85 |
| Communication and Utilities | - | 142,631.31 |
| Repairs and Maintenance | - | 85,207.96 |
| Rentals and Leases | - | 638,584.52 |
| Printing and Reproduction | - | 14,762.08 |
| Federal Grant Pass-Through Expenditures | - | 9,780,965.91 |
| State Grant Pass-Through Expenditures | - | 35,610,261.39 |
| Intergovernmental Payments | 20,129.81 | 240,987,063.44 |
| Public Assistance Payments | - | 84,584,064.94 |
| Other Expenditures | - | 83,727,646.81 |
| Capital Outlay | - | 51,254.28 |
| Total Expenditures | <u>20,129.81</u> | <u>474,924,344.45</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>5,057,465.57</u> | <u>(175,275,762.44)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfer In | - | 139,908,741.88 |
| Transfer Out | - | (38,707,686.12) |
| Legislative Transfer In | - | 44,878.49 |
| Legislative Transfer Out | - | (3,259,011.00) |
| Gain (Loss) on Sale of Capital Assets | - | - |
| Gain (Loss) on Other Financial Activity | - | (3,279,085.25) |
| Inc/(Dec) in Net Position | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>94,707,838.00</u> |
| Net Change in Fund Balances | <u>5,057,465.57</u> | <u>(80,567,924.44)</u> |
| Fund Financial Statement - Fund Balances | | |
| Fund Balances, September 1, 2016 | 5,141,893.80 | 944,319,176.69 |
| Restatements | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>5,141,893.80</u> | <u>944,319,176.69</u> |
| Appropriations Lapsed | - | (1,000,000.00) |
| Fund Balances, August 31, 2017 | <u>\$ 10,199,359.37</u> | <u>\$ 862,751,252.25</u> |

* GAAP Fund is noted as (XXXX)

Office of the Governor - Trusteed Programs (300)
 Exhibit B-1 300 - Combining Balance Sheet - Special Revenue Funds
 For the Fiscal Year Ended August 31, 2017

| | Small Business Incubator Fund (0588)* U/F (5880.5881) | Texas Product Development Fund (0589)* U/F (5891) | Total (Exhibit I 300) |
|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|--------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents: | | | |
| Cash in State Treasury | \$ 19,594,937.67 | \$ 5,850,072.93 | \$ 25,445,010.60 |
| Receivables from: | | | |
| Interest and Dividends | 23,713.08 | 32,777.06 | 56,490.14 |
| Due From Other Funds | - | - | - |
| Loans and Contracts, net of allowance | 600,694.96 | 548,456.05 | 1,149,151.01 |
| Restricted: | | | |
| Cash in State Treasury | 670,000.00 | 830,000.00 | 1,500,000.00 |
| Total Current Assets | <u>20,889,345.71</u> | <u>7,261,306.04</u> | <u>28,150,651.75</u> |
| Non-Current Assets: | | | |
| Loans and Contracts | 267,718.90 | 18,422,551.75 | 18,690,270.65 |
| Total Non-Current Assets | <u>267,718.90</u> | <u>18,422,551.75</u> | <u>18,690,270.65</u> |
| Total Assets | <u>\$ 21,157,064.61</u> | <u>\$ 25,683,857.79</u> | <u>\$ 46,840,922.40</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Current Liabilities: | | | |
| Payables from: | | | |
| Accounts | \$ 10,583.33 | \$ 13,040.00 | \$ 23,623.33 |
| Due To Other Funds | - | - | - |
| Total Current Liabilities | <u>10,583.33</u> | <u>13,040.00</u> | <u>23,623.33</u> |
| Non-Current Liabilities | | | |
| Total Liabilities | <u>10,583.33</u> | <u>13,040.00</u> | <u>23,623.33</u> |
| Fund Balances (Deficits): | | | |
| Nonspendable | - | - | - |
| Restricted | 21,146,481.28 | 25,670,817.79 | 46,817,299.07 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total Fund Balances | <u>21,146,481.28</u> | <u>25,670,817.79</u> | <u>46,817,299.07</u> |
| Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 21,157,064.61</u> | <u>\$ 25,683,857.79</u> | <u>\$ 46,840,922.40</u> |

* GAAP Fund i

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, 2017

| | Small Business Incubator Fund (0588)* U/F (5880.5881) | Texas Product Development Fund (0589)* U/F (5891) | Totals (Exhibit II 300) |
|---------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| REVENUES | | | |
| License, Fees & Permits | \$ 2,519.82 | \$ - | \$ 2,519.82 |
| Interest and Other Investment Income | 247,836.91 | 548,145.15 | 795,982.06 |
| Other | - | - | - |
| Total Revenues | <u>250,356.73</u> | <u>548,145.15</u> | <u>798,501.88</u> |
| EXPENDITURES | | | |
| Professional Fees and Services | 10,138.90 | 12,673.60 | 22,812.50 |
| Other Expenditures | 52,565.69 | 64,190.25 | 116,755.94 |
| Total Expenditures | <u>62,704.59</u> | <u>76,863.85</u> | <u>139,568.44</u> |
| Excess (Deficiency) of Revenues over Expenditures | 187,652.14 | 471,281.30 | 658,933.44 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer In | 207,991.42 | 67,217.00 | 275,208.42 |
| Transfer Out | (390,815.66) | (475,699.21) | (866,514.87) |
| Total Other Financing Sources (Uses) | <u>(182,824.24)</u> | <u>(408,482.21)</u> | <u>(591,306.45)</u> |
| Net Change in Fund Balances | 4,827.90 | 62,799.09 | 67,626.99 |
| Fund Financial Statement - Fund Balances | | | |
| Fund Balances, September 1, 2016 | 21,141,653.38 | 25,608,018.70 | 46,749,672.08 |
| Restatements | - | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>21,141,653.38</u> | <u>25,608,018.70</u> | <u>46,749,672.08</u> |
| Net Position, August 31, 2017 | <u>\$ 21,146,481.28</u> | <u>\$ 25,670,817.79</u> | <u>\$ 46,817,299.07</u> |

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

Office of the Governor - Trusteed Programs (300)
 Exhibit C-1 300 - Combining Balance Sheet - Debt Service Funds
 For the Fiscal Year Ended August 31, 2017

| | 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) | Texas Military Value Revolving Loan (7065)* UF (7065) | Total (Exhibit I 300) |
|----------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents: | | | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ 0.60 | \$ 32,540.78 | \$ 32,541.38 |
| Receivables from: | | | | | | |
| Interest and Dividends | - | - | - | - | - | - |
| Total Current Assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.60</u> | <u>32,540.78</u> | <u>32,541.38</u> |
| Non-Current Assets: | | | | | | |
| Total Non-Current Assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 0.60</u> | <u>\$ 32,540.78</u> | <u>\$ 32,541.38</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Current Liabilities: | | | | | | |
| Due To Other Agencies | - | - | - | - | 32,534.20 | 32,534.20 |
| Total Current Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,534.20</u> | <u>32,534.20</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,534.20</u> | <u>32,534.20</u> |
| Fund Balances (Deficits): | | | | | | |
| Restricted | - | - | - | 0.60 | 6.58 | 7.18 |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.60</u> | <u>6.58</u> | <u>7.18</u> |
| Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 0.60</u> | <u>\$ 32,540.78</u> | <u>\$ 32,541.38</u> |

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

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, 2017

| | 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) | Texas Military Value Revolving Loan (7065)* UF (7065) | Totals (Exhibit II 300) |
|---------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------|
| REVENUES | | | | | | |
| Interest and Other Investment Income | \$ - | \$ - | \$ 470.89 | \$ 857.66 | \$ 240.72 | \$ 1,569.27 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>470.89</u> | <u>857.66</u> | <u>240.72</u> | <u>1,569.27</u> |
| EXPENDITURES | | | | | | |
| Debt Service: | | | | | | |
| Principal | - | - | 7,835,000.00 | 690,000.00 | - | 8,525,000.00 |
| Interest | 173,913.98 | 217,392.47 | 165,559.13 | 736,321.25 | 76,446.08 | 1,369,632.91 |
| Total Expenditures | <u>173,913.98</u> | <u>217,392.47</u> | <u>8,000,559.13</u> | <u>1,426,321.25</u> | <u>76,446.08</u> | <u>9,894,632.91</u> |
| Excess (Deficiency) of Revenues over Expenditures | (173,913.98) | (217,392.47) | (8,000,088.24) | (1,425,463.59) | (76,205.36) | (9,893,063.64) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Bond and Note Proceeds | - | - | - | - | - | - |
| Bonds Issued for Refunding | - | - | - | - | 25,420,000.00 | 25,420,000.00 |
| Premiums on Bonds Issued | - | - | - | - | - | - |
| Payment to Escrow for Refunding | - | - | - | - | (25,490,000.00) | (25,490,000.00) |
| Insurance Recoveries | - | - | - | - | - | - |
| Transfer In | 173,913.98 | 217,392.47 | 7,999,864.54 | 1,425,438.72 | 363,223.26 | 10,179,832.97 |
| Transfer Out | - | - | - | - | (217,011.32) | (217,011.32) |
| Total Other Financing Sources (Uses) | <u>173,913.98</u> | <u>217,392.47</u> | <u>7,999,864.54</u> | <u>1,425,438.72</u> | <u>76,211.94</u> | <u>9,892,821.65</u> |
| Net Change in Fund Balances | - | - | (223.70) | (24.87) | 6.58 | (241.99) |
| Fund Financial Statement - Fund Balances | | | | | | |
| Fund Balances, September 1, 2016 | - | - | 223.70 | 25.47 | - | 249.17 |
| Restatements | - | - | - | - | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>-</u> | <u>-</u> | <u>223.70</u> | <u>25.47</u> | <u>-</u> | <u>249.17</u> |
| Fund Balances, August 31, 2017 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 0.60</u> | <u>\$ 6.58</u> | <u>\$ 7.18</u> |

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

Office of the Governor - Trusteed Programs (300)
 Exhibit D-1 300 - Combining Balance Sheet - Capital Project Funds
 For the Fiscal Year Ended August 31, 2017

| | Capital Project Fund (7066)* | Total (Exhibit I -300) |
|----------------------------------------------------------------|------------------------------------|---------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents: | | |
| Cash in State Treasury | \$ - | \$ - |
| Cash Eq - Miscellaneous Investments (Note 3) | - | - |
| Legislative Appropriations | - | - |
| Receivables from: | | |
| Federal | - | - |
| Interest and Dividends | - | - |
| Due From Other Agencies | - | - |
| Consumable Inventories | - | - |
| Loans and Contracts | - | - |
| Total Current Assets | - | - |
| Non-Current Assets: | | |
| Loans and Contracts | - | - |
| Equity Holdings for Economic Development | - | - |
| Total Non-Current Assets | - | - |
| Total Assets | \$ - | \$ - |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities | | |
| Current Liabilities: | | |
| Payables from: | | |
| Accounts | \$ - | \$ - |
| Payroll | - | - |
| Due To Other Agencies | - | - |
| Unearned Revenue | - | - |
| Total Current Liabilities | - | - |
| Total Liabilities | - | - |
| Fund Balances (Deficits): | | |
| Nonspendable | - | - |
| Restricted | - | - |
| Committed | - | - |
| Assigned | - | - |
| Unassigned | - | - |
| Total Fund Balances | - | - |
| Total Liabilities, Deferred Inflows & Fund Balances | \$ - | \$ - |

* GAAP Fund is noted as (XXXX)

Office of the Governor - Trusteed Programs (300)
 Exhibit D-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Capital Project Funds
 For the Fiscal Year Ended August 31, 2017

| | Texas Military Value Revolving Loan (7066)* UF (7066) | Total (Exhibit II 300) |
|---------------------------------------------------|-------------------------------------------------------------------|---------------------------|
| REVENUES | | |
| Legislative Appropriations | | |
| Original Appropriations | \$ - | \$ - |
| Additional Appropriations | - | - |
| Federal Revenue | - | - |
| Federal Grant Pass-Through Revenue | - | - |
| License, Fees & Permits | - | - |
| Interest and Other Investment Income | 850.37 | 850.37 |
| Sales of Goods and Services | - | - |
| Other | - | - |
| Total Revenues | <u>850.37</u> | <u>850.37</u> |
| EXPENDITURES | | |
| Salaries and Wages | - | - |
| Payroll Related Costs | - | - |
| Professional Fees and Services | - | - |
| Travel | 3,552.65 | 3,552.65 |
| Materials and Supplies | - | - |
| Communication and Utilities | - | - |
| Repairs and Maintenance | - | - |
| Rentals and Leases | - | - |
| Printing and Reproduction | 773.67 | 773.67 |
| Federal Grant Pass-Through Expenditures | - | - |
| State Grant Pass-Through Expenditures | - | - |
| Intergovernmental Payments | - | - |
| Public Assistance Payments | - | - |
| Other Expenditures | 201.38 | 201.38 |
| Debt Service: | | |
| Principal | - | - |
| Interest | - | - |
| Other Financing Fees | 177,020.01 | 177,020.01 |
| Capital Outlay | - | - |
| Total Expenditures | <u>181,547.71</u> | <u>181,547.71</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(180,697.34)</u> | <u>(180,697.34)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfer In | 213,000.00 | 213,000.00 |
| Transfer Out | (32,302.66) | (32,302.66) |
| Legislative Transfer In | - | - |
| Legislative Transfer Out | - | - |
| Gain (Loss) on Other Financial Activity | - | - |
| Total Other Financing Sources (Uses) | <u>180,697.34</u> | <u>180,697.34</u> |
| Net Change in Fund Balances | <u>-</u> | <u>-</u> |
| Fund Financial Statement - Fund Balances | | |
| Fund Balances, September 1, 2016 | - | - |
| Restatements | - | - |
| Fund Balances, September 1, 2016, as Restated | <u>-</u> | <u>-</u> |
| Fund Balances, August 31, 2017 | <u>\$ -</u> | <u>\$ -</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | 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 | \$ 59,577.37 | \$ 447,304.83 | \$ 506,882.20 |
| Cash in State Treasury | 14,757,078.11 | - | 14,757,078.11 |
| Restricted: | | | |
| Cash in State Treasury | 1,500,000.00 | - | 1,500,000.00 |
| Receivables from: | | | |
| Interest and Dividends | 29,326.50 | - | 29,326.50 |
| Loans and Contracts | 1,617,898.54 | - | 1,617,898.54 |
| Total Current Assets | <u>17,963,880.52</u> | <u>447,304.83</u> | <u>18,411,185.35</u> |
| Non-Current Assets: | | | |
| Loans and Contracts | 10,667,973.63 | - | 10,667,973.63 |
| Total Non-Current Assets | <u>10,667,973.63</u> | <u>-</u> | <u>10,667,973.63</u> |
| Total Assets | <u>\$ 28,631,854.15</u> | <u>\$ 447,304.83</u> | <u>\$ 29,079,158.98</u> |
| DEFERRED OUTFLOWS | | | |
| Total Deferred Outflows | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Payables from: | | | |
| Accounts | \$ 36,403.87 | \$ - | \$ 36,403.87 |
| Payroll | 37,727.54 | - | 37,727.54 |
| Employees' Compensable Leave | 26,232.43 | - | 26,232.43 |
| Total Current Liabilities | <u>100,363.84</u> | <u>-</u> | <u>100,363.84</u> |
| Non-Current Liabilities: | | | |
| Notes and Loans Payable (Note 5) | 15,000,000.00 | - | 15,000,000.00 |
| Employees' Compensable Leave | 20,266.27 | - | 20,266.27 |
| Total Non-Current Liabilities | <u>15,020,266.27</u> | <u>-</u> | <u>15,020,266.27</u> |
| Total Liabilities | <u>15,120,630.11</u> | <u>-</u> | <u>15,120,630.11</u> |
| DEFERRED INFLOWS | | | |
| Derivative Hedging Instrument Liabilities | - | - | - |
| Deferred Inflow of Resources | - | - | - |
| Total Deferred Inflows | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position | | | |
| Restricted For: | | | |
| Other | - | - | - |
| Unrestricted | 13,511,224.04 | 447,304.83 | 13,958,528.87 |
| Total Net Position | <u>\$ 13,511,224.04</u> | <u>\$ 447,304.83</u> | <u>\$ 13,958,528.87</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Economic Development Bank (5106)* | Capital Access Loan Loss Reserve Account (9999)* | Totals (Exhibit IV 300) |
|-------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------|----------------------------|
| Operating Revenues | | | |
| Interest and Investment Income | \$ 605,403.43 | \$ - | \$ 605,403.43 |
| Other Operating Revenue | 85,150.00 | 120,991.84 | 206,141.84 |
| Total Operating Revenues | <u>690,553.43</u> | <u>120,991.84</u> | <u>811,545.27</u> |
| Operating Expenses: | | | |
| Salaries and Wages | 456,305.36 | - | 456,305.36 |
| Payroll Related Costs | 133,629.69 | - | 133,629.69 |
| Professional Fees and Services | 211,618.77 | - | 211,618.77 |
| Travel | 3,623.53 | - | 3,623.53 |
| Materials and Supplies | 517.36 | - | 517.36 |
| Communication and Utilities | 27,617.61 | - | 27,617.61 |
| Repairs and Maintenance | - | - | - |
| Rentals and Leases | 1,802.38 | - | 1,802.38 |
| Printing and Reproduction | 182.09 | - | 182.09 |
| Interest | 145,794.45 | - | 145,794.45 |
| Other Operating Expenses | 258,763.84 | 5,407.64 | 264,171.48 |
| Total Operating Expenses | <u>1,239,855.08</u> | <u>5,407.64</u> | <u>1,245,262.72</u> |
| Operating Income (Loss) | <u>(549,301.65)</u> | <u>115,584.20</u> | <u>(433,717.45)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Investment Income (Expense) | 4.51 | 194.80 | 199.31 |
| Total Nonoperating Revenues (Expenses) | <u>4.51</u> | <u>194.80</u> | <u>199.31</u> |
| Income (Loss) Before Capital Contributions, Endowments and Transfers | <u>(549,297.14)</u> | <u>115,779.00</u> | <u>(433,518.14)</u> |
| Capital Contributions, Endowments and Transfers | | | |
| Transfer In | 3,727,119.10 | 206,778.71 | 3,933,897.81 |
| Transfer Out | (2,243,166.69) | - | (2,243,166.69) |
| Total Capital Contributions, Endowments and Transfers | <u>1,483,952.41</u> | <u>206,778.71</u> | <u>1,690,731.12</u> |
| Change in Net Position | <u>934,655.27</u> | <u>322,557.71</u> | <u>1,257,212.98</u> |
| Total Net Position, September 1, 2016 | 12,576,568.77 | 124,747.12 | 12,701,315.89 |
| Restatements | - | - | - |
| Total Net Position, September 1, 2016, as Restated | <u>12,576,568.77</u> | <u>124,747.12</u> | <u>12,701,315.89</u> |
| Total Net Position, August 31, 2017 | <u>\$ 13,511,224.04</u> | <u>\$ 447,304.83</u> | <u>\$ 13,958,528.87</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Economic Development Bank (5106)* | Capital Access Loan Loss Reserve Account (9999)* | Totals (Exhibit V 300) |
|--------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from Other Revenue | \$ 85,150.00 | \$ 120,991.84 | \$ 206,141.84 |
| Payments to Employees | (581,183.38) | - | (581,183.38) |
| Payments for Other Expenses | (567,486.89) | (5,407.64) | (572,894.53) |
| Net Cash Provided by Operating Activities | <u>(1,063,520.27)</u> | <u>115,584.20</u> | <u>(947,936.07)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Proceeds from Debt Issuance | | | |
| Proceeds of Transfers from Other Funds | 2,982,191.39 | 206,778.71 | 3,188,970.10 |
| Payments of Principal on Debt | (5,000,000.00) | - | (5,000,000.00) |
| Payments of Interest | (145,794.45) | - | (145,794.45) |
| Payments of Other Costs of Debt Issuance | - | - | - |
| Payments for Transfers to Other Funds | (1,498,238.98) | - | (1,498,238.98) |
| Net Cash Provided by Noncapital Financing Activities | <u>(3,661,842.04)</u> | <u>206,778.71</u> | <u>(3,455,063.33)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from Interest and Investment Income | 630,834.80 | 194.80 | 631,029.60 |
| Proceeds from Principal Payments on Loans | 6,297,774.59 | - | 6,297,774.59 |
| Payments for Non-Program Loans | - | - | - |
| Net Cash Provided by Investing Activities | <u>6,928,609.39</u> | <u>194.80</u> | <u>6,928,804.19</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 2,203,247.08 | 322,557.71 | 2,525,804.79 |
| Cash and Cash Equivalents, September 1, 2016 | 14,113,408.40 | 124,747.12 | 14,238,155.52 |
| Restatement to Beginning Cash & Cash Equivalents | - | - | - |
| Cash and Cash Equivalents, September 1, 2016 as Restated | <u>14,113,408.40</u> | <u>124,747.12</u> | <u>14,238,155.52</u> |
| Cash and Cash Equivalents, August 31, 2017 | <u>\$ 16,316,655.48</u> | <u>\$ 447,304.83</u> | <u>\$ 16,763,960.31</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | | | |
| Operating Income (Loss) | \$ (549,301.65) | \$ 115,584.20 | \$ (433,717.45) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | | |
| Operating Income and Cash Flow Categories Classification Differences | (459,608.98) | - | (459,608.98) |
| Changes in Assets and Liabilities: | | | |
| Increase (Decrease) in Payables | (61,448.76) | - | (61,448.76) |
| Increase (Decrease) in Unearned Revenue | - | - | - |
| Increase (Decrease) in Compensated Absence Liabilities | 6,839.12 | - | 6,839.12 |
| Total Adjustments | <u>(514,218.62)</u> | <u>-</u> | <u>(514,218.62)</u> |
| Net Cash Provided by Operating Activities | <u>\$ (1,063,520.27)</u> | <u>\$ 115,584.20</u> | <u>\$ (947,936.07)</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Spaceport Trust Fund (0806)* | Total (Exhibit VI - 300) |
|---------------------------------------|------------------------------------|-----------------------------|
| ASSETS | | |
| Cash in State Treasury | \$ 12,660,210.08 | \$ 12,660,210.08 |
| Other Interest Receivable | 13,949.58 | 13,949.58 |
| Total Assets | <u>12,674,159.66</u> | <u>12,674,159.66</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows of Resources | - | - |
| Total Deferred Outflows of Resources | <u>-</u> | <u>-</u> |
| LIABILITIES | | |
| Total Liabilities | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows of Resources | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Held in Trust for Others | 12,674,159.66 | 12,674,159.66 |
| Total Net Position | <u>\$ 12,674,159.66</u> | <u>\$ 12,674,159.66</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Spaceport Trust Fund (0806)* | Total (Exhibit VII - 300) |
|----------------------------------------------|---------------------------------------------|--------------------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Federal Contributions | \$ - | \$ - |
| Other Contributions | - | - |
| Total Contributions | <u>-</u> | <u>-</u> |
| Investment Income from Investing Activities: | | |
| Interest and Investment Income | 160,578.18 | 160,578.18 |
| Total Net Investment Income | <u>160,578.18</u> | <u>160,578.18</u> |
| Other Additions: | | |
| Settlement of Claims | - | - |
| Other Revenue | - | - |
| Transfer In | - | - |
| Total Other Additions | <u>-</u> | <u>-</u> |
| Total Additions | <u>160,578.18</u> | <u>160,578.18</u> |
| 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 | 2,633,356.09 | 2,633,356.09 |
| Other Expenses | - | - |
| Total Deductions | <u>2,633,356.09</u> | <u>2,633,356.09</u> |
| INCREASE (DECREASE) IN NET POSITION | <u>(2,472,777.91)</u> | <u>(2,472,777.91)</u> |
| Net Position | | |
| Net Position, September 1, 2016 | 15,146,937.57 | 15,146,937.57 |
| Restatements | - | - |
| Net Position, September 1, 2016, as Restated | <u>15,146,937.57</u> | <u>15,146,937.57</u> |
| Net Position, August 31, 2017 | <u>\$ 12,674,159.66</u> | <u>\$ 12,674,159.66</u> |

* GAAP Fund is noted as (XXXX)

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, 2017

| | Beginning Balance September 1, 2016 | Additions | Deductions | Ending Balance August 31, 2017 (Exhibit VI 300) |
|----------------------------------------------------------------------|-------------------------------------------|------------------|------------------|-------------------------------------------------------|
| Child Support Employee Deductions (0807), U/F(8070)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ 5,346.18 | \$ 4,752.16 | \$ 594.02 |
| Total Assets | \$ - | \$ 5,346.18 | \$ 4,752.16 | \$ 594.02 |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ 5,346.18 | \$ 4,752.16 | \$ 594.02 |
| Total Liabilities | \$ - | \$ 5,346.18 | \$ 4,752.16 | \$ 594.02 |
| Events Trust Fund for Certain Muni/Countys (0830), U/F(5302)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| Total Assets | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| LIABILITIES | | | | |
| Funds Held for Others | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| Total Liabilities | \$ 1,775,247.30 | \$ 2,143,463.85 | \$ 2,407,832.23 | \$ 1,510,878.92 |
| Motor Sports & Racing Trust Fund (0839), U/F (5392)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Major Events Reimbursement Program (0869), U/F (5692)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| Total Assets | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| LIABILITIES | | | | |
| Funds Held for Others | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| Total Liabilities | \$ 6,748,331.00 | \$ 9,862,681.00 | \$ 12,786,455.33 | \$ 3,824,556.67 |
| Departmental Suspense (0900), U/F(0900)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Overpayments to Employees (0900), U/F(9015)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Warrant Hold Offset (0900), U/F(9016)* | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ - | \$ - | \$ - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ - | \$ - | \$ - | \$ - |
| Direct Deposit Correction (0980) U/F(0980,(9014) | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ - | \$ 111,537.79 | \$ 111,537.79 | \$ - |
| Total Assets | \$ - | \$ 111,537.79 | \$ 111,537.79 | \$ - |
| LIABILITIES | | | | |
| Funds Held for Others | \$ - | \$ 111,537.79 | \$ 111,537.79 | \$ - |
| Total Liabilities | \$ - | \$ 111,537.79 | \$ 111,537.79 | \$ - |
| Totals - All Agency Funds | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ 8,523,578.30 | \$ 12,123,028.82 | \$ 15,310,577.51 | \$ 5,336,029.61 |
| Other Assets | - | - | - | - |
| Total Assets | \$ 8,523,578.30 | \$ 12,123,028.82 | \$ 15,310,577.51 | \$ 5,336,029.61 |
| LIABILITIES | | | | |
| Funds Held for Others | \$ 8,523,578.30 | \$ 12,123,028.82 | \$ 15,310,577.51 | \$ 5,336,029.61 |
| Total Liabilities | \$ 8,523,578.30 | \$ 12,123,028.82 | \$ 15,310,577.51 | \$ 5,336,029.61 |

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

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, 2017

| | Texas Disaster Relief Fund, a Non-Profit Corp.** (3146)* U/F (7003) | 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 | \$ 1,606,200.63 | \$ 66,517.08 |
| Cash Eq - Miscellaneous Investments | 658,221.78 | - | - |
| Receivables from: | | | |
| Interest and Dividends | 175.60 | - | - |
| Accounts Receivable | - | - | - |
| Prepaid Items | 174.24 | - | - |
| Total Current Assets | <u>858,571.62</u> | <u>1,606,200.63</u> | <u>66,517.08</u> |
| Total Assets | <u>\$ 858,571.62</u> | <u>\$ 1,606,200.63</u> | <u>\$ 66,517.08</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Payables from: | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| Other | - | 367,778.31 | - |
| Total Current Liabilities | <u>-</u> | <u>367,778.31</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>367,778.31</u> | <u>-</u> |
| Net Position | | | |
| Unrestricted | 858,571.62 | 1,238,422.32 | 66,517.08 |
| Total Net Position | <u>\$ 858,571.62</u> | <u>\$ 1,238,422.32</u> | <u>\$ 66,517.08</u> |

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

** Fiscal year ended December 31, 2016

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, 2017

| | 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 | \$ 32,070.35 | \$ 216.43 | \$ 6,786.23 | \$ 1,911,790.72 |
| Cash Eq - Miscellaneous Investments | - | - | - | 658,221.78 |
| Receivables from: | | | | |
| Interest and Dividends | - | - | - | 175.60 |
| Accounts Receivable | - | - | 1,326.21 | 1,326.21 |
| Prepaid Items | - | - | - | 174.24 |
| Total Current Assets | <u>32,070.35</u> | <u>216.43</u> | <u>8,112.44</u> | <u>2,571,688.55</u> |
| Total Assets | <u>\$ 32,070.35</u> | <u>\$ 216.43</u> | <u>\$ 8,112.44</u> | <u>\$ 2,571,688.55</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | 0.14 | 367,778.45 |
| Total Current Liabilities | <u>-</u> | <u>-</u> | <u>0.14</u> | <u>367,778.45</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>0.14</u> | <u>367,778.45</u> |
| Net Position | | | | |
| Unrestricted | 32,070.35 | 216.43 | 8,112.30 | 2,203,910.10 |
| Total Net Position | <u>\$ 32,070.35</u> | <u>\$ 216.43</u> | <u>\$ 8,112.30</u> | <u>\$ 2,203,910.10</u> |

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

** Fiscal year ended December 31, 2016

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, 2017

| | Texas Disaster Relief Fund** (3146)* U/F (7003) | Texas Economic Development Corporation** (3155)* U/F (7001) | Beacon State Fund** (4157)* U/F (7005) |
|-------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------|
| Operating Revenues | | | |
| Sales of Goods and Services | \$ - | \$ - | \$ - |
| Other Contracts, Grants and Contributions | 93.00 | 2,099,419.00 | 5,000.00 |
| Other Operating Revenue | - | 53,944.36 | - |
| Total Operating Revenues | <u>93.00</u> | <u>2,153,363.36</u> | <u>5,000.00</u> |
| Operating Expenses | | | |
| Professional Fees and Services | - | 165,205.01 | - |
| Travel | - | - | 364.55 |
| Materials and Supplies | 5.53 | - | 8,963.84 |
| Communication and Utilities | 663.27 | - | - |
| Rentals and Leases | - | - | - |
| Printing and Reproduction | - | - | 1,225.70 |
| Grants to Community Service Programs | - | - | 1,600.00 |
| Other Operating Expenses | 607.36 | 2,211,412.57 | 1,564.01 |
| Total Operating Expenses | <u>1,276.16</u> | <u>2,376,617.58</u> | <u>13,718.10</u> |
| Operating Income (Loss) | <u>(1,183.16)</u> | <u>(223,254.22)</u> | <u>(8,718.10)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Investment Income (Expense) | 1,420.90 | 963.54 | 17.42 |
| Total Nonoperating Revenues (Expenses) | <u>1,420.90</u> | <u>963.54</u> | <u>17.42</u> |
| Income (Loss) Before Capital Contributions, Endowments and Transfers | <u>237.74</u> | <u>(222,290.68)</u> | <u>(8,700.68)</u> |
| Change in Net Position | <u>237.74</u> | <u>(222,290.68)</u> | <u>(8,700.68)</u> |
| Net Position, September 1, 2016 | 858,333.88 | 1,460,713.00 | 75,217.76 |
| Restatements | - | - | - |
| Net Position, September 1, 2016, as Restated | <u>858,333.88</u> | <u>1,460,713.00</u> | <u>75,217.76</u> |
| Net Position, August 31, 2017 | <u>\$ 858,571.62</u> | <u>\$ 1,238,422.32</u> | <u>\$ 66,517.08</u> |

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

** Fiscal year ended December 31, 2016

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, 2017

| | 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 | \$ - | \$ - | \$ 14,049.25 | \$ 14,049.25 |
| Other Contracts, Grants and Contributions | 19,322.07 | - | 13,261.95 | 2,137,096.02 |
| Other Operating Revenue | - | - | 0.10 | 53,944.46 |
| Total Operating Revenues | <u>19,322.07</u> | <u>-</u> | <u>27,311.30</u> | <u>2,205,089.73</u> |
| Operating Expenses | | | | |
| Professional Fees and Services | - | - | - | 165,205.01 |
| Travel | - | 8.00 | 366.86 | 739.41 |
| Materials and Supplies | 1,083.41 | 107.09 | 16,716.30 | 26,876.17 |
| Communication and Utilities | - | - | - | 663.27 |
| Rentals and Leases | 9,135.35 | - | - | 9,135.35 |
| Printing and Reproduction | 335.62 | - | 20.36 | 1,581.68 |
| Grants to Community Service Programs | - | - | - | 1,600.00 |
| Other Operating Expenses | 515.46 | 180.00 | 6,395.00 | 2,220,674.40 |
| Total Operating Expenses | <u>11,069.84</u> | <u>295.09</u> | <u>23,498.52</u> | <u>2,426,475.29</u> |
| Operating Income (Loss) | <u>8,252.23</u> | <u>(295.09)</u> | <u>3,812.78</u> | <u>(221,385.56)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income (Expense) | 4.40 | - | - | 2,406.26 |
| Total Nonoperating Revenues (Expenses) | <u>4.40</u> | <u>-</u> | <u>-</u> | <u>2,406.26</u> |
| Income (Loss) Before Capital Contributions, Endowments and Transfers | <u>8,256.63</u> | <u>(295.09)</u> | <u>3,812.78</u> | <u>(218,979.30)</u> |
| Change in Net Position | <u>8,256.63</u> | <u>(295.09)</u> | <u>3,812.78</u> | <u>(218,979.30)</u> |
| Net Position, September 1, 2016 | 23,813.72 | 511.52 | 4,299.52 | 2,422,889.40 |
| Restatements | - | - | - | - |
| Net Position, September 1, 2016, as Restated | <u>23,813.72</u> | <u>511.52</u> | <u>4,299.52</u> | <u>2,422,889.40</u> |
| Net Position, August 31, 2017 | <u>\$ 32,070.35</u> | <u>\$ 216.43</u> | <u>\$ 8,112.30</u> | <u>\$ 2,203,910.10</u> |

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

** Fiscal year ended December 31, 2016