

**THE OFFICE
OF
THE GOVERNOR**



**ANNUAL FINANCIAL REPORT
2013**

**RICK PERRY
GOVERNOR OF TEXAS**

THE OFFICE OF THE GOVERNOR

ANNUAL FINANCIAL REPORT

**For The Year Ended August 31, 2013
(UNAUDITED)**

**Rick Perry
Governor of Texas**



OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

November 20, 2013

Honorable Rick Perry, Governor
Honorable Susan Combs, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Office of the Governor, for the year ended August 31, 2013, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 34, 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 Suzy Whittenton, CPA, Director of Administration/CFO, at (512) 463-6310. Brenda Dille, Accounting Manager, may be contacted at (512) 936-0157 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Walt".

Kathy Walt
Chief of Staff

TABLE OF CONTENTS

Letter of Transmittal

General Purpose Financial Statements – Exhibits

Page

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

Notes to the Financial Statements

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

TABLE OF CONTENTS

Combining Statements – Exhibits and Schedules	Page
A-1 Combining Balance Sheet - All General and Consolidated Funds.....	33
A-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All General and Consolidated Funds.....	37
J-1 Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	41
1 A Schedule of Expenditures of Federal Awards.....	43
1 B Schedule of State Pass Throughs From/To State Agencies/Universities.....	48
2 A Miscellaneous Bond Information.....	49
2 B Changes in Bonded Indebtedness.....	50
2 C Debt Service Requirements.....	51
2 D Analysis of Funds Available for Debt Service.....	53
2 E Defeased Bonds Outstanding.....	53
2 F Early Extinguishment and Refunding of Debt.....	54

Supporting Exhibits by Agency

Office of the Governor - Core Operations (Agency 301) – Exhibits

I (301) Combined Balance Sheet / Statement of Net Position - Governmental Funds.....	58
II (301) Combined Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities - Governmental Funds.....	59
A-1 (301) Combining Balance Sheet - All General and Consolidated Funds.....	61
A-2 (301) Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All General and Consolidated Funds.....	62
J-1 (301) Combining Statement of Change in Assets and Liabilities - Agency Funds.....	63

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

I (300) Combined Balance Sheet/Statement of Net Position - Governmental Funds.....	65
II (300) Combined Statement of Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities - Governmental Funds.....	67
III (300) Combined Statement of Net Position - Proprietary Funds.....	69
IV (300) Combined Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	70
V (300) Combined Statement of Cash Flows - Proprietary Funds.....	71
VIII (300) Combined Statement of Net Position - Discretely Presented Component Units.....	73
IX (300) Combined Statement of Revenues, Expenses and Changes in Net Position - Discretely Present Component Units.....	74
A-1 (300) Combining Balance Sheet - All General and Consolidated Funds.....	75
A-2 (300) Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All General and Consolidated Funds.....	79
B-1 (300) Combining Balance Sheet - Special Revenue Funds.....	83
B-2 (300) Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds.....	84
C-1 (300) Combining Balance Sheet - Debt Service Funds.....	85
C-2 (300) Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds.....	87
F-1 (300) Combining Statement of Net Position - Enterprise Funds.....	89
F-2 (300) Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Funds.....	90
F-3 (300) Combining Statement of Cash Flows - Enterprise Funds.....	91
J-1 (300) Combining Statement of Change in Assets and Liabilities - Agency Funds.....	92
K-1 (300) Combining Statement of Net Position - Discretely Presented Component Units.....	93
K-2 (300) Combining Statement of Revenues, Expenses and Changes in Net Position - Discretely Presented Component Units.....	95

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)

**Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds
For the Fiscal Year Ended August 31, 2013**

	Governmental Fund Types		
	General Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1 300)	Debt Service Funds (Exhibit C-1 300)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash In Bank (Note 3)	\$ -	\$ 35,864.87	\$ -
Cash in State Treasury	435,067,291.87	36,798,031.78	253.28
Restricted Cash and Cash Equivalents:			
Cash in State Treasury	-	4,725,000.00	-
Legislative Appropriations	133,810,526.09	-	-
Receivables from:			
Federal	4,651,698.16	-	-
Interest and Dividends	1,299,365.07	21,991.66	-
Accounts Receivable	36,515.56	-	-
Due From Other Agencies	6,590,068.57	-	-
Consumable Inventories	42,114.45	-	-
Prepaid Items	75,000.00	4,525.00	-
Loans and Contracts, net of allowance	11,030,000.00	1,401,669.76	-
Total Current Assets	592,602,579.77	42,987,083.07	253.28
Non-Current Assets:			
Loans and Contracts	163,701,893.83	3,658,398.27	-
Capital Assets (Note 2):			
Depreciable:			
Furniture and Equipment	-	-	-
Less Accumulated Depreciation	-	-	-
Equity Holdings for Economic Development	166,951,186.85	-	-
Total Non-Current Assets	330,653,080.68	3,658,398.27	-
Total Assets	\$ 923,255,660.45	\$ 46,645,481.34	\$ 253.28
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts Payable	\$ 15,089,337.59	\$ 15,375.00	\$ -
Payroll	1,729,506.45	-	-
Due To Other Agencies	1,816,179.61	-	-
Deferred Revenue	31,463,365.91	-	-
General Obligation Bonds Payable (Note 6)	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-
Total Current Liabilities	50,098,389.56	15,375.00	-
Non-Current Liabilities:			
General Obligation Bonds Payable (Note 6)	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-
Total Non-Current Liabilities	-	-	-
Total Liabilities	50,098,389.56	15,375.00	-
Fund Financial Statement			
Fund Balances (Deficits):			
Nonspendable	1,117,114.45	4,525.00	-
Restricted	48,663,081.65	46,589,716.47	253.28
Committed	693,866,642.08	35,864.87	-
Assigned	3,200,000.00	-	-
Unassigned	126,310,432.71	-	-
Total Fund Balances	873,157,270.89	46,630,106.34	253.28
Total Liabilities, Deferred Inflows & Fund Balances	\$ 923,255,660.45	\$ 46,645,481.34	\$ 253.28
Government-Wide Statement of Net Position			
Net Position			
Invested in Capital Assets, net of Related Debt			
Restricted For:			
Other			
Unrestricted			
Total Net Position			

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

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
\$ 35,864.87	\$ -	\$ -	\$ 35,864.87
471,865,576.93	-	-	471,865,576.93
4,725,000.00	-	-	4,725,000.00
133,810,526.09	-	-	133,810,526.09
4,651,698.16	-	-	4,651,698.16
1,321,356.73	-	-	1,321,356.73
36,515.56	-	-	36,515.56
6,590,068.57	-	-	6,590,068.57
42,114.45	-	-	42,114.45
79,525.00	-	-	79,525.00
12,431,669.76	-	-	12,431,669.76
<u>635,589,916.12</u>	<u>-</u>	<u>-</u>	<u>635,589,916.12</u>
167,360,292.10	-	-	167,360,292.10
-	458,417.57	-	458,417.57
-	(363,901.82)	-	(363,901.82)
166,951,186.85	-	-	166,951,186.85
<u>334,311,478.95</u>	<u>94,515.75</u>	<u>-</u>	<u>334,405,994.70</u>
<u>\$ 969,901,395.07</u>	<u>\$ 94,515.75</u>	<u>\$ -</u>	<u>\$ 969,995,910.82</u>
\$ 15,104,712.59	\$ -	\$ -	\$ 15,104,712.59
1,729,506.45	-	-	1,729,506.45
1,816,179.61	-	-	1,816,179.61
31,463,365.91	-	-	31,463,365.91
-	-	1,340,000.00	1,340,000.00
-	-	1,489,988.42	1,489,988.42
<u>50,113,764.56</u>	<u>-</u>	<u>2,829,988.42</u>	<u>52,943,752.98</u>
-	-	91,060,000.00	91,060,000.00
-	-	938,861.32	938,861.32
<u>-</u>	<u>-</u>	<u>91,998,861.32</u>	<u>91,998,861.32</u>
<u>50,113,764.56</u>	<u>-</u>	<u>94,828,849.74</u>	<u>144,942,614.30</u>
1,121,639.45			1,121,639.45
95,253,051.40			95,253,051.40
693,902,506.95			693,902,506.95
3,200,000.00			3,200,000.00
126,310,432.71			126,310,432.71
<u>919,787,630.51</u>			<u>919,787,630.51</u>
<u>\$ 969,901,395.07</u>			
	94,515.75	-	94,515.75
	-	(92,400,000.00)	(92,400,000.00)
	-	(2,428,849.74)	(2,428,849.74)
	<u>\$ 94,515.75</u>	<u>\$ (94,828,849.74)</u>	<u>\$ 825,053,296.52</u>

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)

**Exhibit II - Combined Statement of Revenues, Expenditures and Changes in
Fund Balances/Statement of Activities - Governmental Funds**

For the Fiscal Year Ended August 31, 2013

	Governmental Fund Types		
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2 300)	Debt Service Fund (Exhibit C-2 300)
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 31,286,346.00	\$ -	\$ -
Additional Appropriations	3,573,137.19	-	-
Federal Revenue	66,251,672.93	-	-
Federal Grant Pass-Through Revenue	339,825.73	-	-
License, Fees & Permits	26,788,456.50	-	-
Interest and Other Investment Income	3,752,707.51	417,508.59	761.75
Settlement of Claims	7,423.96	-	-
Sales of Goods and Services	389,979.60	-	-
Other	130,562.34	202,014.07	-
Total Revenues	132,520,111.76	619,522.66	761.75
EXPENDITURES			
Salaries and Wages	16,515,328.29	-	-
Payroll Related Costs	3,926,651.80	-	-
Professional Fees and Services	6,189,813.34	24,049.49	-
Travel	519,973.20	-	-
Materials and Supplies	236,677.96	6,074.01	-
Communication and Utilities	338,590.66	-	-
Repairs and Maintenance	121,839.74	-	-
Rentals and Leases	386,803.22	-	-
Printing and Reproduction	19,092.32	-	-
Federal Grant Pass-Through Expenditures	4,978,727.18	-	-
State Grant Pass-Through Expenditures	8,693,620.14	-	-
Intergovernmental Payments	41,659,678.14	-	-
Public Assistance Payments	35,187,206.62	280,000.00	-
Other Expenditures	79,582,168.54	50,015.52	-
Debt Service:			
Principal	-	-	1,280,000.00
Interest	-	-	2,514,433.50
Depreciation Expense	-	-	-
Total Expenditures/Expenses	198,356,171.15	360,139.02	3,794,433.50
Excess (Deficiency) of Revenues over Expenditures	(65,836,059.39)	259,383.64	(3,793,671.75)
OTHER FINANCING SOURCES (USES)			
Transfer In	57,096,599.82	167,194.05	3,794,433.57
Transfer Out	(22,675,731.05)	(443,155.05)	(1,044.28)
Legislative Transfer In (Note 12)	2,819,302.30	-	-
Legislative Transfer Out (Note 12)	(3,219,302.30)	-	-
Total Other Financing Sources (Uses)	34,020,868.77	(275,961.00)	3,793,389.29
Net Change in Fund Balances/Net Position	(31,815,190.62)	(16,577.36)	(282.46)
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2012	1,130,056,235.41	46,646,683.70	535.74
Restatements (Note 14)	(221,299,935.84)	-	-
Fund Balances, September 1, 2012, as Restated	908,756,299.57	46,646,683.70	535.74
Appropriations Lapsed	(3,783,838.06)	-	-
Fund Balances, August 31, 2013	\$ 873,157,270.89	\$ 46,630,106.34	\$ 253.28

Government-Wide Statement of Net Position

Net Position/Net Change in Net Position

Net Position, September 1, 2012

Restatements

Net Position, September 1, 2012, as Restated

Net Position, August 31, 2013

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

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long - Term Liabilities Adjustments	Statement of Activities
\$ 31,286,346.00	\$ -	\$ -	\$ 31,286,346.00
3,573,137.19	-	-	3,573,137.19
66,251,672.93	-	-	66,251,672.93
339,825.73	-	-	339,825.73
26,788,456.50	-	-	26,788,456.50
4,170,977.85	-	-	4,170,977.85
7,423.96	-	-	7,423.96
389,979.60	-	-	389,979.60
332,576.41	-	-	332,576.41
<u>133,140,396.17</u>	<u>-</u>	<u>-</u>	<u>133,140,396.17</u>
16,515,328.29	-	365,645.53	16,880,973.82
3,926,651.80	-	-	3,926,651.80
6,213,862.83	-	-	6,213,862.83
519,973.20	-	-	519,973.20
242,751.97	-	-	242,751.97
338,590.66	-	-	338,590.66
121,839.74	-	-	121,839.74
386,803.22	-	-	386,803.22
19,092.32	-	-	19,092.32
4,978,727.18	-	-	4,978,727.18
8,693,620.14	-	-	8,693,620.14
41,659,678.14	-	-	41,659,678.14
35,467,206.62	-	-	35,467,206.62
79,632,184.06	-	-	79,632,184.06
1,280,000.00	-	(1,280,000.00)	-
2,514,433.50	-	-	2,514,433.50
-	40,680.41	-	40,680.41
<u>202,510,743.67</u>	<u>40,680.41</u>	<u>(914,354.47)</u>	<u>201,637,069.61</u>
<u>(69,370,347.50)</u>	<u>(40,680.41)</u>	<u>914,354.47</u>	<u>(68,496,673.44)</u>
61,058,227.44	-	-	61,058,227.44
(23,119,930.38)	-	-	(23,119,930.38)
2,819,302.30	-	-	2,819,302.30
(3,219,302.30)	-	-	(3,219,302.30)
<u>37,538,297.06</u>	<u>-</u>	<u>-</u>	<u>37,538,297.06</u>
<u>(31,832,050.44)</u>	<u>-</u>	<u>-</u>	<u>(30,958,376.38)</u>
1,176,703,454.85	-	-	1,176,703,454.85
(221,299,935.84)	-	-	(221,299,935.84)
<u>955,403,519.01</u>	<u>-</u>	<u>-</u>	<u>955,403,519.01</u>
<u>(3,783,838.06)</u>	<u>-</u>	<u>-</u>	<u>(3,783,838.06)</u>
<u>\$ 919,787,630.51</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 920,661,304.57</u>
\$ 919,787,630.51	\$ (40,680.41)	\$ 914,354.47	\$ 920,661,304.57
-	135,196.16	(95,743,204.21)	(95,608,008.05)
-	-	-	-
-	135,196.16	(95,743,204.21)	(95,608,008.05)
<u>\$ 919,787,630.51</u>	<u>\$ 94,515.75</u>	<u>\$ (94,828,849.74)</u>	<u>\$ 825,053,296.52</u>

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
Exhibit III - Combined Statement of Net Position - Proprietary Funds
For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds
	(Exhibit III 300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash in State Treasury	\$ 14,380,871.26
Restricted:	
Cash in State Treasury	500,000.00
Receivables from:	
Interest and Dividends	76,495.62
Other	1,999.82
Loans and Contracts	2,031,793.39
Total Current Assets	16,991,160.09
Non-Current Assets:	
Loans and Contracts	19,770,359.45
Total Non-Current Assets	19,770,359.45
Total Assets	\$ 36,761,519.54
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	\$ 100,577.83
Payroll	43,833.82
Employees' Compensable Leave (Note 5)	26,081.01
Total Current Liabilities	170,492.66
Non-Current Liabilities:	
Notes and Loans Payable (Note 5)	25,000,000.00
Employees' Compensable Leave (Note 5)	13,641.75
Total Non-Current Liabilities	25,013,641.75
Total Liabilities	25,184,134.41
Net Position	
Restricted For:	
Other	500,000.00
Unrestricted	11,077,385.13
Total Net Position	\$ 11,577,385.13

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
Exhibit IV - Combined Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds
	(Exhibit IV 300)
Operating Revenues	
Interest and Investment Income	\$ 657,146.44
Other Operating Revenue	206,037.00
Total Operating Revenues	863,183.44
Operating Expenses:	
Salaries and Wages	439,652.08
Payroll Related Costs	112,313.60
Professional Fees and Services	16,888.16
Travel	10,902.57
Materials and Supplies	3,779.84
Communication and Utilities	34,613.11
Rentals and Leases	1,800.00
Printing and Reproduction	90.00
Interest	43,416.65
Other Operating Expenses	297,262.82
Total Operating Expenses	960,718.83
Operating Income (Loss)	(97,535.39)
Nonoperating Revenues (Expenses)	
Investment Income (Expense)	45,179.87
Total Other Nonoperating Revenues (Expenses)	45,179.87
Income (Loss) Before Capital Contributions, Endowments, and Transfers	(52,355.52)
Capital Contributions, Endowments and Transfers	
Transfer In	1,948,209.27
Transfer Out	(476,232.50)
Total Capital Contributions, Endowments and Transfers	1,471,976.77
Change in Net Position	1,419,621.25
Total Net Position, September 1, 2012	10,157,763.88
Restatements (Note 14)	-
Total Net Position, September 1, 2012, as Restated	10,157,763.88
Total Net Position, August 31, 2013	\$ 11,577,385.13

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)

Exhibit V - Combined Statement of Cash Flows – Proprietary Funds

For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds (Exhibit V 300)
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Other Revenue	\$ 206,037.00
Payments to Employees	(556,168.98)
Payments for Other Expenses	(318,758.04)
Net Cash Provided by Operating Activities	(668,890.02)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds of Transfers from Other Funds	1,948,209.27
Payments of Interest	(43,416.65)
Payments of Other Costs of Debt Issuance	(4,240.00)
Payments for Transfers to Other Funds	(476,232.50)
Net Cash Provided by Noncapital Financing Activities	1,424,320.12
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	705,193.45
Proceeds from Principal Payments on Loans	4,068,480.11
Payments for Non-Program Loans	(2,060,000.00)
Net Cash Provided by Investing Activities	2,713,673.56
Net Increase/(Decrease) in Cash and Cash Equivalents	3,469,103.66
Cash and Cash Equivalents, September 1, 2012	11,411,767.60
Restatement to Beginning Cash & Cash Equivalents	-
Cash and Cash Equivalents, September 1, 2012 as Restated	11,411,767.60
Cash and Cash Equivalents, August 31, 2013	\$ 14,880,871.26
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (97,535.39)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories Classification Differences	(609,489.79)
Changes in Assets and Liabilities:	
Increase (Decrease) in Payables	42,988.93
Increase (Decrease) in Compensated Absence Liabilities	(4,853.77)
Total Adjustments	(571,354.63)
Net Cash Provided by Operating Activities	\$ (668,890.02)

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
Exhibit VI - Combined Statement of Net Position - Fiduciary Funds
For the Fiscal Year Ended August 31, 2013

	Agency Funds (Exhibit J-1)
ASSETS	
Cash in State Treasury	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Funds Held for Others	\$ -
Total Liabilities	<u>\$ -</u>
NET POSITION	
Held in Trust for Others	\$ -
Total Net Position	<u>\$ -</u>

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
Exhibit VIII - Combined Statement of Net Position - Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2013

	Totals (Exhibit VIII-300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash In Bank (Note 3)	\$ 2,302,840.77
Cash Equivalents (Note 3)	3,819,051.63
Restricted Cash and Cash Equivalents:	
Cash Equivalents (Note 3)	162,000.00
Receivables from:	
Interest and Dividends	8,752.01
Accounts Receivable	63,099.70
Prepaid Items	58,791.00
Loans and Contracts	207,931.52
Other Current Assets	7,374.00
Total Current Assets	6,629,840.63
Non-Current Assets:	
Loans and Contracts	533,547.77
Capital Assets (Note 2):	
Depreciable and Amortizable, Net	16,129.00
Total Non-Current Assets	549,676.77
Total Assets	\$ 7,179,517.40
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	\$ 69,159.81
Other	193.92
Deferred Revenues	1,670,210.00
Total Current Liabilities	1,739,563.73
Non-Current Liabilities:	
Revenue Bonds Payable (Note 5)	1,620,000.00
Total Non-Current Liabilities	1,620,000.00
Total Liabilities	3,359,563.73
Net Position	
Unrestricted	3,819,953.67
Total Net Position	\$ 3,819,953.67

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

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
Exhibit IX - Combined Statement of Revenues, Expenses and Changes in Net Position –
Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2013

	Totals
	(Exhibit IX 300)
Operating Revenues:	
Sales of Goods and Services	\$ 781,846.00
Interest and Investment Income	204,499.68
Other Grants and Contributions	3,316,549.88
Other Operating Revenue	69,966.00
Total Operating Revenues	4,372,861.56
Operating Expenses:	
Salaries and Wages	586,362.00
Payroll Related Costs	81,443.00
Professional Fees and Services	777,695.84
Travel	254,187.28
Materials and Supplies	267,161.65
Communication and Utilities	68,724.64
Rentals and Leases	412,084.41
Printing and Reproduction	20,118.81
Depreciation and Amortization	9,094.00
Interest	19,569.74
Grants to Community Service Programs	11,100.00
Other Operating Expenses	1,943,567.00
Total Operating Expenses	4,451,108.37
Operating Income (Loss)	(78,246.81)
Nonoperating Revenues (Expenses)	
Investment Income (Expense)	4,269.08
Other Nonoperating Revenues (Expenses)	12,847.39
Total Nonoperating Revenues (Expenses)	17,116.47
Income (Loss) Before Other Revenue, Expenses, Gains/Losses, and Transfers	(61,130.34)
Change in Net Position	(61,130.34)
Net Position, September 1, 2012	3,874,257.27
Restatements (Note 14)	6,826.74
Net Position, September 1, 2012, as Restated	3,881,084.01
Net Position, August 31, 2013	\$ 3,819,953.67

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

Office of the Governor (Agencies 301 and 300)**NOTE 1: Summary of Significant Accounting Policies****Entity**

The Office of the Governor (Office) is an agency of the State of Texas and its financial records 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 includes within this report all components as determined by an analysis of their relationship to the Office as listed below.

Blended Component Units

The Office has one blended component unit. Information on component units can be found in Note 19.

Discretely Presented Component Units

The Office has eight 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 most of the Office's general activities except those required to be accounted for in another fund.

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

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.

Rural Economic Development Fund (Fund 0425) was established to receive monies appropriated and deposits of principal and interest on loans repaid which were primarily used for the purposes of making loans to promote the location of industrial enterprise in rural areas. As required by S.B. 266, 75th Leg. R.S. Sec. 481.403 and S.B. 275, 78th Leg., R.S. Sec. 2.04, all funds were transferred during the fiscal year to the Economic Development Bank Fund (Fund 5106).

Office of the Governor (Agencies 301 and 300)**Summary of Significant Accounting Policies (continued)**

Economic Stabilization Fund (Fund 0599) is controlled by the Texas Comptroller's Office. The Office of the Governor is authorized to spend money from Fund 0599 but does not report the shared cash balances in this report.

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

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 may be used for operation of toll-free telephone services under Section 414.012, Government Code and the remainder may be distributed to local crime stoppers organizations.

Tourism License Plate Fund (Fund 5053) was established to record receipts from special "Texas, It's Like a Whole Other Country" license plates. Collections in the account are to be used only to finance tourism activities. Starting September 1, 2013, receipts from this license plate will be recorded to the License Plate Trust Fund (Fund 0802) and the Tourism License Plate Fund will be abolished on September 30, 2013.

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

Economic Development and Tourism Fund (Fund 5110) was established to record revenue from the sale of the specialty license plate, "Texas Aerospace and Aviation." Collections in the account are to be used only to finance economic development and tourism activities. Receipts from this license plate are now recorded in the General Revenue Fund (Fund 0001) and the Economic Development and Tourism Fund will be closed in Fiscal Year 2014.

Texas Music Foundation License Plate Fund (Fund 5113) was established to account for revenue from the sale of specialty license plates that include the words "Texas Music." Collections may be used by the Texas Music office within the Office of the Governor to make grants to benefit music-related educational and community programs sponsored by nonprofit organizations in this state. Starting September 1, 2013, receipts from this license plate will be recorded to the License Plate Trust Fund (Fund 0802) and the Tourism License Plate Fund will be abolished on September 30, 2013.

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 40-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.

Daughters of the Republic of Texas Fund (Fund 5115) was established to account for revenue from the sale of specialty license plates that include the words "Native Texan." Proceeds are used by the Division of Economic Development and Tourism within the Office of the Governor to make grants to the Daughters of the Republic of Texas to preserve Texas historic sites or fund educational programs teaching Texas history. Starting September 1, 2013, receipts from this license plate will be recorded to the License Plate Trust Fund (Fund 0802) and the Tourism License Plate Fund will be abolished on September 30, 2013.

Emerging Technology Fund (Fund 5124) consists of appropriations, benefits realized from a project undertaken with money from the fund, gifts, grants, donations and interest earned. Proceeds are used for incentives for collaboration between certain entities, for matching research awards and for acquisition of research superiority.

BP Oil Spill Texas Response Grant (Fund 5149) consists of a block grant 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 by various state agencies as directed by the Governor's Office for costs related to or resulting from the oil spill.

Office of the Governor (Agencies 301 and 300)**Summary of Significant Accounting Policies (continued)*****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, 7026, and 7027) were established to receive deposits of loan repayments in order to pay bond debt service.

Capital Assets Adjustment Fund Type

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

Long-Term Liabilities Adjustment Fund Type

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

Proprietary Fund Types***Enterprise Funds***

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

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

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

Capital Access Loan Loss Reserve Account (Fund 9999) was used to record assets, liabilities and transactions in accounts established in participating financial institutions to serve as a source of additional revenue to reimburse the financial institution for losses on loans enrolled in the capital access program. The fund consisted of appropriations and contributions made by the lenders and borrowers participating in the capital access program. As required by Government Code, Chapter 481, Subchapter BB, Section 481.410, all funds were transferred during the fiscal year to the Economic Development Bank Fund (Fund 5106).

Office of the Governor (Agencies 301 and 300)

Summary of Significant Accounting Policies (continued)

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.

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.

Budget and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved 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.

Office of the Governor (Agencies 301 and 300)**Summary of Significant Accounting Policies (continued)*****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 and Contracts Receivable

Loans receivable reflects the outstanding amount of loans to outside entities which have been entered into by the Office as loans or as grant advances. Per GASB 33 requirements, loans receivable also reflects grant payments given in advance of requirements being met. The grant advances will be reclassified as grant expenditures as requirements of the grant are met or when it has been determined that the grant requirements will not be met.

Losses related to troubled debt restructuring are estimated as set out in GASB 62 and reflected in the period of restructuring. Loans and contracts receivable are shown net of any allowance for doubtful loans and contracts. The allowance for doubtful loans and contracts includes the outstanding principal amount of loans that are in the process of collection but have not been determined to be uncollectible. The allowance for doubtful loans and contracts was \$500,000 as of fiscal year end.

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.

Equity Holdings for Economic Development

Equity holdings held within the Texas Emerging Technology Fund (TEFT) are acquired as consideration for awards made to private companies primarily for the purpose of economic development within Texas. Therefore, these holdings are recorded at cost less impairment. Losses related to impairment are recorded as grant expense. The Emerging Technology Fund's annual report to the legislature will include not only the cost basis as defined by GASB but also the fair value of these holdings.

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.

Deferred Revenue

Deferred 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.

Office of the Governor (Agencies 301 and 300)**Summary of Significant Accounting Policies (continued)*****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:
 - Federal fund balances which are accounted for in the Governor's Office Federal Projects Fund 0224, the American Recovery & Reinvest Act fund within Fund 0001 and the Criminal Justice Planning Fund 0421 have been classified as restricted.
 - 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.
 - In addition, fund balances of the debt service funds of Texas Military Value Revolving Loan Funds 7022, 7026 and 7273 and a portion of the fund balance of the enterprise fund of Economic Development Bank Fund 5106 have been classified as restricted due to the restrictions of the debt covenants.
- 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.

Restricted Net Position

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.

Unrestricted Net Position

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.

Office of the Governor (Agencies 301 and 300)

Summary of Significant Accounting Policies (continued)

Interfund Activities and Balances

The Office has the following type 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.”

The composition of the Office’s interfund receivables and payables are presented in Note 12.

NOTE 2: Capital Assets

Revenue received from the sale of surplus property has been transferred to unappropriated general revenue in accordance with HB 7, Section 20, 80th Legislature, R.S.

A summary of changes in Capital Assets, for the year ended August 31, 2013, is presented below for the Office of the Governor – Core Operations (301):

	PRIMARY GOVERNMENT							
	Balance 09/01/12	Adjustments	Reclassifications			Additions	Deletions	Balance 08/31/13
			Completed CIP	Inc- Int'agy Trans	Dec- Int'agy Trans			
GOVERNMENTAL ACTIVITIES								
Depreciable Assets								
Furniture and Equipment	\$ 500,973.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (80,899.90)	\$ 420,073.98
Total Depreciable Assets at Historical Costs	500,973.88	-	-	-	-	-	(80,899.90)	420,073.98
Less Accumulated Depreciation for:								
Furniture and Equipment	(367,305.76)	-	-	-	-	(39,715.61)	80,899.90	(326,121.47)
Total Accumulated Depreciation	(367,305.76)	-	-	-	-	(39,715.61)	80,899.90	(326,121.47)
Depreciable Assets, Net	133,668.12	-	-	-	-	(39,715.61)	-	93,952.51
Governmental Activities Capital Assets, Net	\$ 133,668.12	\$ -	\$ -	\$ -	\$ -	\$ (39,715.61)	\$ -	\$ 93,952.51

UNAUDITED

Office of the Governor (Agencies 301 and 300)

Capital Assets (continued)

A summary of changes in Capital Assets, for the year ended August 31, 2013, is presented below for the Office of the Governor – Trusteed Programs (300):

	PRIMARY GOVERNMENT							
	Balance 09/01/12	Adjustments	Reclassifications			Additions	Deletions	Balance 08/31/13
			Completed CIP	Inc- Int'agy Trans	Dec- Int'agy Trans			
GOVERNMENTAL ACTIVITIES								
Depreciable Assets								
Furniture and Equipment	\$ 112,229.59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,886.00)	\$ 38,343.59
Total Depreciable Assets at Historical Costs	112,229.59	-	-	-	-	-	(73,886.00)	38,343.59
Less Accumulated Depreciation for:								
Furniture and Equipment	(110,701.55)	-	-	-	-	(964.80)	73,886.00	(37,780.35)
Total Accumulated Depreciation	(110,701.55)	-	-	-	-	(964.80)	73,886.00	(37,780.35)
Depreciable Assets, Net	1,528.04	-	-	-	-	(964.80)	-	563.24
Governmental Activities Capital Assets, Net	\$ 1,528.04	\$ -	\$ -	\$ -	\$ -	\$ (964.80)	\$ -	\$ 563.24

A summary of changes in Capital Assets for Discretely Presented Component Units, for the year ended August 31, 2013, is presented below for the Office of the Governor – Trusteed Programs (300):

	DISCRETELY PRESENTED COMPONENT UNITS							
	Balance 09/01/12	Adjustments	Reclassifications			Additions	Deletions	Balance 08/31/13
			Completed CIP	Inc- Int'agy Trans	Dec- Int'agy Trans			
DISCRETELY PRESENTED COMPONENT UNITS								
Depreciable Assets								
Furniture and Equipment	\$ 40,505.58	\$ -	\$ -	\$ -	\$ -	\$ 1,537.87	\$ -	\$ 42,043.45
Total Depreciable Assets at Historical Costs	40,505.58	-	-	-	-	1,537.87	-	42,043.45
Less Accumulated Depreciation for:								
Furniture and Equipment	(16,820.45)	-	-	-	-	(9,094.00)	-	(25,914.45)
Total Accumulated Depreciation	(16,820.45)	-	-	-	-	(9,094.00)	-	(25,914.45)
Depreciable Assets, Net	23,685.13	-	-	-	-	(7,556.13)	-	16,129.00
Discretely Presented Component Units Capital Assets, Net	\$ 23,685.13	\$ -	\$ -	\$ -	\$ -	\$ (7,556.13)	\$ -	\$ 16,129.00

Office of the Governor (Agencies 301 and 300)

NOTE 3: Deposits, Investments and Repurchase Agreements

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

Deposits of Cash in Bank

As of August 31, 2013, the carrying amount of deposits was \$2,358,780.44 as presented below:

Governmental and Business-Type Activities	
CASH IN BANK - CARRYING AMOUNT	\$ 35,864.87
Total Cash in Bank per AFR (Fund 9999/7010)	\$ 35,864.87
Governmental Funds Current Assets Cash in Bank (Fund 9999/7010)	\$ 35,864.87
Cash in Bank per AFR	\$ 35,864.87

Discretely Presented Component Units	
CASH IN BANK - CARRYING AMOUNT	\$ 2,322,915.57
Less: Non-Negotiable Certificate of Deposit included in carrying amount and reported as Cash Equivalent Investment in AFR	(20,074.80)
Total Cash in Bank per AFR (Funds 3146/7003, 3147/7004, 3155/7001, 4157/7005, 4158/7006, 4159/7007 and 4164/7008)	\$ 2,302,840.77
Discrete Component Units Current Assets Cash in Bank	\$ 2,302,840.77
Cash in Bank per AFR	\$ 2,302,840.77

These amounts consist of all cash in local banks and are included on the Combined Statement of Net Assets as part of the “Cash and Cash Equivalents” accounts. As of August 31, 2013, the total bank balance was as follows:

Governmental and Business-Type Activities:	\$ 35,864.87	Discretely Presented Component Units:	\$2,322,915.57
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Investments

As of August 31, 2013, the fair value of investments was:

Discretely Presented Component Units	Fair Value
U.S. Government Obligations Money Market Fund (Funds 3146/7003, 3154/7002, and 3155/7001)	3,960,976.83
Total Investments	\$ 3,960,976.83
Reconciliation of Total Investments per Exhibits – Discrete Component Units	
Discretely Presented Component Units Current Assets Cash Equivalent Investments	3,819,051.63
Discretely Presented Component Units Current Assets Restricted Cash Equivalent Investments	162,000.00
Investments per Exhibits	\$ 3,981,051.63
Less: Non-Negotiable Certificate of Deposit excluded from carrying amount and reported as Cash Equivalent Investment in AFR	(20,074.80)
Investments per Exhibits (less Non-Negotiable Certificates of Deposit)	\$ 3,960,976.83

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

Office of the Governor (Agencies 301 and 300)

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 \$25,000,000 with JP Morgan Chase Bank to facilitate the sale of commercial paper that provides financing for the Texas Leverage Fund Program. Each time the commercial paper matures and is reissued the letter of credit is drawn down and repaid 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 Office was paid in full as of August 31, 2013. The following table details the draws and repayments during the fiscal year.

Proprietary Activities	Beginning Balance 9/1/2012	Draw and Repayment Date	Increases	Decreases	Ending Balance 8/31/2013
Letter of Credit - Fund 5106	\$ -	9/13/2012	\$ 25,000,000.00	\$ 25,000,000.00	\$ -
	-	10/11/2012	25,000,000.00	25,000,000.00	-
	-	11/8/2012	25,000,000.00	25,000,000.00	-
	-	12/6/2012	25,000,000.00	25,000,000.00	-
	-	1/3/2013	25,000,000.00	25,000,000.00	-
	-	1/31/2013	25,000,000.00	25,000,000.00	-
	-	2/28/2013	25,000,000.00	25,000,000.00	-
	-	3/28/2013	25,000,000.00	25,000,000.00	-
	-	5/2/2013	25,000,000.00	25,000,000.00	-
	-	6/6/2013	25,000,000.00	25,000,000.00	-
	-	7/8/2013	25,000,000.00	25,000,000.00	-
	-	8/9/2013	25,000,000.00	25,000,000.00	-

Texas Small Business Industrial Development Corporation, a component unit of the Office, has a direct pay letter of credit for its floating rate demand revenue bonds with Comerica to facilitate the monthly payment of interest on the bonds, to facilitate bond redemptions and to provide funding for bonds tendered that are not successfully remarketed as described in Note 6. Each month when interest is paid on the bonds the letter of credit is drawn down and repaid on the same day while the paying agent is processing the payments from borrowers that fund the bond interest payments. When bond redemptions have occurred, the letter of credit is drawn down and repaid on the same day while the paying agent is transferring the funds from borrowers that are used to repay the bonds. TSBDIC was paid in full as of August 31, 2013. The following table details the draws and repayments during the fiscal year.

Proprietary Activities	Beginning Balance 9/1/2012	Draw and Repayment Date	Increases	Decreases	Ending Balance 8/31/2013
Letter of Credit - Fund 3154	\$ -	9/5/2012	\$ 3,021.85	\$ 3,021.85	\$ -
	-	10/3/2012	2,601.09	2,601.09	-
	-	11/7/2012	3,710.39	3,710.39	-
	-	12/5/2012	7,803,021.86	7,803,021.86	-
	-	1/2/2013	1,400.14	1,400.14	-
	-	2/6/2013	1,193.25	1,193.25	-
	-	3/6/2013	1,052.88	1,052.88	-
	-	4/3/2013	1,099.68	1,099.68	-
	-	5/1/2013	1,684.60	1,684.60	-
	-	6/5/2013	871,918.57	871,918.57	-
	-	7/3/2013	738.78	738.78	-
	-	8/7/2013	9,710,651.85	9,710,651.85	-

Office of the Governor (Agencies 301 and 300)

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2013, the following changes occurred in liabilities:

Governmental Activities	Balance 9/1/2012	Additions	Reductions	Balance 8/31/2013	Amounts Due Within One Year	Amounts Due Thereafter
General Obligation Bonds Payable (Note 6)	\$ 93,680,000.00	\$ -	\$ (1,280,000.00)	\$ 92,400,000.00	\$ 1,340,000.00	\$ 91,060,000.00
Claims and Judgments	-	-	-	-	-	-
Compensable Leave (301)	1,261,642.85	1,525,014.47	(1,315,869.63)	1,470,787.69	922,613.30	548,174.39
Compensable Leave (300)	801,561.36	851,294.74	(694,794.05)	958,062.05	567,375.12	390,686.93
Total Governmental Activities	\$ 95,743,204.21	\$ 2,376,309.21	\$ (3,290,663.68)	\$ 94,828,849.74	\$ 2,829,988.42	\$ 91,998,861.32

Business-Type Activities	Balance 9/1/2012	Additions	Reductions	Balance 8/31/2013	Amounts Due Within One Year	Amounts Due Thereafter
Notes and Loans Payable	\$ 25,000,000.00	\$ -	\$ -	\$ 25,000,000.00	\$ -	\$ 25,000,000.00
Compensable Leave (300)	44,576.53	32,630.07	(37,483.84)	39,722.76	26,081.01	13,641.75
Total Business-Type Activities	\$ 25,044,576.53	\$ 32,630.07	\$ (37,483.84)	\$ 25,039,722.76	\$ 26,081.01	\$ 25,013,641.75

Component Unit Activities	Balance 9/1/2012	Additions	Reductions	Balance 8/31/2013	Amounts Due Within One Year	Amounts Due Thereafter
Revenue Bonds Payable (Note 6)	\$ 20,000,000.00	\$ -	\$ 18,380,000.00	\$ 1,620,000.00	\$ -	\$ 1,620,000.00
Total Component Unit Activities	\$ 20,000,000.00	\$ -	\$ 18,380,000.00	\$ 1,620,000.00	\$ -	\$ 1,620,000.00

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 of the Constitution of the State of Texas and Chapter 481 of the Texas 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. The letter of credit is authorized for \$25 million and that same amount of commercial paper has been issued.

This commercial paper is used to finance the Texas Leverage Fund program's lending activities which consist of 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. While the full length of the Texas Leverage Fund program is not reasonably estimable, since the loans extended by the Texas Leverage Fund program have a 15-year maturity, the commercial paper is shown in the table below as maturing in 2028. The interest rate of the commercial paper is variable and determined by the market rate at the time the commercial paper trade is made. The rate of 0.185%, effective on August 31, 2013, 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:

Office of the Governor (Agencies 301 and 300)

Long-Term Liabilities (continued)

Notes Payable Debt Service Requirements						
Fiscal Year	Governmental Activities		Business-Type Activities		Component Unit Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ -	\$ -	\$ -	\$ 46,250.00	\$ -	\$ -
2015	-	-	-	46,250.00	-	-
2016	-	-	-	46,250.00	-	-
2017	-	-	-	46,250.00	-	-
2018	-	-	-	46,250.00	-	-
2019 – 2023	-	-	-	231,250.00	-	-
2024 – 2028	-	-	25,000,000.00	231,250.00	-	-
Total Requirements	\$ -	\$ -	\$ 25,000,000.00	\$ 693,750.00	\$ -	\$ -

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 2F – Early Extinguishment and Refunding

General information related to bonds is summarized below:

General Obligation Bonds – Self-Supporting

Product Development Program General Obligation Variable Rate Demand Bonds, Series 2005A

- A revolving loan fund was created for the purposes of aiding in the development and production, including the commercialization, of new or improved products in the state.
- Issued May 18, 2005.
- \$25,000,000; all authorized bonds have been issued.
- Source of revenue for debt service – loan repayments, which are designed to support both debt service and programs costs. In addition, cash reserves of \$2,500,000 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.

Office of the Governor (Agencies 301 and 300)**Bond Indebtedness (continued)**

- 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 an irrevocable standby letter of credit issued by National Australia Bank for a limit of \$45,419,179 which expires on June 1, 2015. The Product Development Program incurs an estimated annual cost of \$23,800 for this letter of credit. As of August 31, 2013, no principal drawings have been made on the letter of credit. The Office does not have a take-out agreement as part of this letter of credit 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 \$2,000,000 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 an irrevocable standby letter of credit issued by National Australia Bank for a limit of \$45,419,179 which expires on June 1, 2015. The Small Business Incubator Program incurs an estimated annual cost of \$19,100 for this letter of credit. As of August 31, 2013, no principal drawings have been made on the letter of credit. The Office does not have a take-out agreement as part of this letter of credit or as a separate agreement.

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

- A revolving loan fund was created to provide loans to defense-related communities for economic development projects, including projects that enhance military value of installations located in Texas.
- Issued March 15, 2007.
- \$250,000,000 authorized – \$49,595,000 issued: \$10,815,000 under Series 2007A-1, \$10,160,000 under Series 2007A-2, and \$28,620,000 under Series 2007B. Bond authority of \$200,405,000 remains unissued.
- Bonds totaling \$450,000 matured in fiscal year 2011; \$465,000 matured in fiscal year 2012; and \$1,280,000 matured in fiscal year 2013, leaving an outstanding principal amount of \$47,400,000.
- 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 programs costs. Any interest rate resets are mirrored in the interest rate provisions in the underlying loan so as to create a match in interest rate payments from the borrower with interest payments to the bondholders.
- Loans are collateralized with the State's interest in the agreements financed with the loan proceeds.
- Bondholders do not have the authority to tender the bonds for repurchase.

Component Unit Revenue Bonds – Self-Supporting***Texas Small Business Industrial Development Corporation Floating Rate Demand Revenue Bonds***

- The purpose of the program is to provide a capital financing source for eligible participants to promote economic development in the State of Texas and for purchasing obligations of eligible economic development projects.
- Issued July 15, 1986.
- \$750,000,000; all authorized bonds have been issued.

Office of the Governor (Agencies 301 and 300)

Bond Indebtedness (continued)

- Bonds totaling \$649,600,000 and \$1,065,000 were redeemed on July 5, 1989, and November 1, 1989, respectively. Bonds totaling \$39,335,000 were redeemed in 2009. Bonds totaling \$13,500,000 and \$26,500,000 were redeemed on March 7, 2012 and May 2, 2012, respectively. Bonds totaling \$7,800,000 were redeemed on December 5, 2012; \$870,000 were redeemed on June 5, 2013; and \$9,710,000 were redeemed on August 7, 2013, leaving an outstanding principal amount of \$1,620,000.
- Source of revenue for debt service – loan repayments and investment earnings on bond proceeds.
- Bondholders may tender the bonds for repurchase every seven days. Any bonds tendered will be purchased with proceeds from the remarketing of the bonds, or if not successfully marketed, from amounts drawn under the LOC.
- Bonds are secured by an irrevocable letter of credit issued by Comerica for a limit of \$1,658,614 which expires on February 8, 2014. Texas Small Business Industrial Development Corporation incurred for fiscal year 2013 an estimated annual cost of \$176,778 for this letter of credit which secured bonds with a principal amount of \$20 million at the beginning of the fiscal year. As of August 31, 2013, no principal drawings were outstanding on the letter of credit. The Office does not have a take-out agreement as part of this letter of credit or as a separate agreement.
- Bonds are issued by Texas Small Business Industrial Corporation; neither the State of Texas nor the Office is responsible for repayment of these bonds.

Early Extinguishment

Texas Small Business Industrial Development Corporation, a component unit of the Office, redeemed \$7,800,000 on December 5, 2012, \$870,000 on June 5, 2013 and \$9,710,000 on August 7, 2013 of its floating rate demand revenue bonds at a redemption price of 100% as shown in Schedule 2F. The source of funds used for the extinguishments was loan repayments from borrowers and a reduction in the debt service reserve account.

Refunding

No advance or current refundings occurred during fiscal year 2013.

Pledged Future Revenue

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, makes a basic distinction between sales of receivables and future revenues, on the one hand, and the pledging of receivables or future revenues to repay a collateralized borrowing, on the other. The following table provides the pledged future revenue information for the revenue bonds of the Office of the Governor:

	Government Activities	Business-Type Activities	Component Units
Pledged Revenue Required for Future Principal and Interest on Existing Revenue Bonds	N/A	N/A	\$1,654,769.00
Term of Commitment Year Ending 08/31/13	N/A	N/A	2026
Percentage of Revenue Pledged	N/A	N/A	100%
Current Year Pledged Revenue	N/A	N/A	205,720.29
Current Year Scheduled Principal and Interest Paid	N/A	N/A	23,796.25
Pledged revenue sources:			
Governmental activities – N/A			
Business-type activities – N/A			
Component Units – Loan repayments and investment earnings on bond proceeds			

Office of the Governor (Agencies 301 and 300)

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	\$386,803.22
Proprietary Funds	\$1,800.00
Discrete Component Units	\$421,084.41

Office space leases either have a term of one year or are cancelable but the equipment leases are non-cancelable. Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

Non-cancelable Operating Lease Obligations			
	Agency 301	Agency 300	Total
Year Ended Aug. 31, 2014	\$ 37,848.12	\$ 23,352.24	\$ 61,200.36
Year Ended Aug. 31, 2015	29,475.96	22,049.90	51,525.85
Year Ended Aug. 31, 2016	1,558.61	11,021.71	12,580.32
Year Ended Aug. 31, 2017	-	4,710.67	4,710.67
Year Ended Aug. 31, 2018	-	-	-
Total Minimum Future Lease Rental Payments	\$ 68,882.69	\$ 61,134.52	\$ 130,017.20

The discretely presented component unit Texas Health Services Authority leases office space and equipment under operating leases. Future minimum lease rental payments under these leases are as follows:

Non-cancelable Operating Lease Obligations	
Year Ended Sept. 30, 2013	\$ 27,738.00
Year Ended Sept. 30, 2014	9,546.00
Year Ended Sept. 30, 2015	-
Year Ended Sept. 30, 2016	-
Year Ended Sept. 30, 2017	-
Total Minimum Future Lease Rental Payments	\$ 37,284.00

NOTE 9: Pension Plans (administering entities only)

(Not Applicable)

Office of the Governor (Agencies 301 and 300)

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. The Office had no Interfund receivables or payables as of August 31, 2013.

NOTE 13: Continuance Subject To Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balances and Net Position

During fiscal year 2013, adjustments were made which required the restatement of the amounts in fund balances and net position as shown and discussed below:

	General Funds				Discretely Presented Component Units	Total
	Agency 301 (Fund 0001)	Agency 300 (Fund 0421)	Agency 300 (Fund 5107)	Agency 300 (Fund 5124)	Agency 300 (Fund 4164)	
Fund Balance / Net Position as of Sept. 1, 2012	\$ 2,831,852.09	\$ 52,427,967.02	\$ 566,944,255.05	\$ 303,032,366.06	\$ -	\$ 925,236,440.22
Restatement of balances related to prior years' payables	(4,169.44)					(4,169.44)
Adjustment to restate balances related to prior year's accounts payable		297,650.14				297,650.14
Restatement of grant advance balances to reflect grant requirements met in prior years to come into compliance with GASB 33			(201,551,038.17)			(201,551,038.17)
Adjustment to restate balances of equity holdings to cost basis to come into compliance with GASB 31 and 62				(20,042,378.37)		(20,042,378.37)
Restatement to include Texas Governor's Mansion Administration as a discrete component unit					6,826.74	6,826.74
Fund Balance / Net Position as of Sept. 1, 2012, as Restated	\$ 2,827,682.65	\$ 52,725,617.16	\$ 365,393,216.88	\$ 282,989,987.69	\$ 6,826.74	\$ 703,943,331.12

Office of the Governor (Agencies 301 and 300)**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.

Unpaid Claims and Lawsuits

The Governor of the State of Texas is a defendant in pending litigations related to public information requests, State administration and policy disagreements. While plaintiffs seek attorney fees in many of these lawsuits, no liability is recorded because adverse rulings are not probable.

Contingent Revenue

The Office has acquired as a result of impairments of equity holdings from commercialization awards of the Texas Emerging Technology Fund (Fund 5124) certain royalties and intellectual property rights. Since the value of these royalties and intellectual property rights is undeterminable, these rights are not recorded as an asset. These royalties and intellectual property rights may result in revenue to the Texas Emerging Technology Fund in future years.

NOTE 16: Subsequent Events

On September 12, 2013 an escrow account was established to defease and discharge the Texas Military Value Revolving Loan Program General Obligation Bonds, Series 2007A-2. The defeased bonds will be redeemed on a redemption date of October 1, 2016, the earliest date on which these bonds can be called for optional redemption.

On October 18, 2013 the outstanding amount of commercial paper which is issued to finance the Texas Leverage Fund program's lending activities was lowered from \$25 million to \$20 million.

On August 5, 2013 Texas Small Business Industrial Development Corporation, a component unit of the Office, notified bondholders of its intent to redeem on September 4, 2013 \$800,000 principal amount of the total outstanding amount of \$1,620,000 of its Floating Rate Demand Revenue Bonds.

NOTE 17: Risk Management

(Not Applicable)

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

(Not Applicable)

NOTE 19: The Financial Reporting Entity

As required by generally accepted accounting principles, the financial statements present the Office and its component units. The component units discussed in this note are included in the Office's reporting entity because of the significance of their operational or financial relationships with the Office. These component units are legally separate from the State but have a relationship with the State such that exclusion would cause the financial statements to be misleading or incomplete.

Office of the Governor (Agencies 301 and 300)**Financial Reporting Entity (continued)****Individual Component Unit Disclosures**

Blended Component Units

Blended component units' financial data are reported in a separate special revenue fund column (USAS GAAP fund 9999) of the governmental fund type as if these legally separate organizations were part of the government since its purpose is to provide a service to the government. A single blended component unit, the Texas Governor's Mansion Restoration Fund, is included in these financial statements (USAS GAAP Fund 9999, U/F 7010).

The Texas Governor's Mansion Restoration Fund (TGMRF) is a 501(c)(3) corporation established to help the Office raise awareness and provide financial assistance to the State for the restoration of the Texas Governor's Mansion. The First Lady of Texas serves as a board member. While legally separate from the Office, TGMRF is closely related to and administered by the Office. The corporation's financial statements, for its fiscal year ending August 31, 2013, are available from the Office's Financial Services Division.

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. While legally separate from the Office, TDRF is closely related to and is administered by the Office. The corporation's financial statements, for its fiscal year ending August 31, 2013, are available from the Office's Financial Services Division.

The Texas Health Services Authority (THSA) is a 501(c)(3) corporation and was created by House Bill 1066, 80th Session to support improvement of the Texas health care system. Services provided by THSA are the promotion and coordination of the electronic exchange of health information throughout the State to ensure that information is available to health care providers. The governor appoints the Board of THSA and may order the dissolution of the corporation at any time he declares that the purposes of the corporation have been fulfilled or that the corporation is inoperative or abandoned. The corporation's financial statements, for its fiscal year ending September 30, 2012, are available from THSA, San Jacinto Building, 221 E. 9th, Suite 201, Austin, TX 78701.

The Texas Small Business Industrial Development Corporation (TSBIDC) is a non-profit corporation. TSBIDC was chartered in 1983 under the Development Corporation Act of 1979 to promote economic development in Texas. The governor appoints the Board and may remove board members at will. The Articles of Incorporation and Bylaws of TSBIDC may be changed only with the approval of the Office. The executive director of the Office's Division of Economic Development and Tourism and a Governor's designee serve as non-voting, *ex officio* directors. The services provided by TSBIDC primarily benefit the Texas citizenry through supporting job creation and capital investment for businesses and communities in Texas. The corporation's financial statements, for its fiscal year ending August 31, 2013, are available from the Office's Financial Services Division. TSBIDC has issued self-supporting demand revenue bonds; information on these bonds and the pledged future revenue is disclosed in Schedules 2A, 2B, 2C, and 2D and Notes 5 and 6.

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. The governor appoints the Board and may remove board members at will. The board of TEDC and the executive director of the Office's Division of Economic Development and Tourism determine when specific services will be addressed jointly by the office and TEDC. The corporation's financial statements, for its fiscal year ending August 31, 2013, are available from TEDC, P.O. Box 684702, Austin, Texas 78768.

Office of the Governor (Agencies 301 and 300)

Financial Reporting Entity (continued)

The Beacon State Fund is a 501(c)(3) corporation which was created to support the goals of the Governor's Commission on Women in promoting issues affecting the women of Texas. The corporation benefits the Texas 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 Office appoints the Board and provides reasonable use of its office facilities and personnel. The corporation's financial statements for its fiscal year ending December 31, 2012, are available from the Governor's Commission on Women.

The State Agency Council was also established to support the goals of the Governor's Commission on Women. The Council is a 501(c)(3) corporation that assists the Commission in benefiting the Texas citizenry by honoring women who have made significant contributions to Texas through their work in state government, providing opportunities for professional development to its state agency representatives and supporting community outreach programs consistent with the goals of the Commission. The Director of the Governor's Commission for Women appoints the Board and has significant operational influence on the activities of the corporation. The corporation's financial statements, for its fiscal year ending August 31, 2013, are available from the Governor's Commission on Women.

The Film Texas Fund is a 501(c)(6) corporation which was created to promote the development of the film, television, and multimedia industry in Texas in close cooperation with the Texas Film Commission. While legally separate from the Office, Film Texas Fund is closely related to and administered by the Office. The corporation's financial statements, for its fiscal year ending December 31, 2012, are available from the Office's Financial Services Division.

The Texas Governor's Mansion Administration (TGMA) is a non-profit corporation which supports the financial administration of catering and facility expenses associated with use of the official residence of the Governor of the State of Texas for non-political events. While legally separate from the Office, TGMA is closely related to and administered by the Office. The corporation's financial statements, for its fiscal year ending December 31, 2012, are available from the Office's Financial Services Division.

NOTE 20: Stewardship, Compliance and Accountability

(Not Applicable)

NOTE 21: Not Applicable to the AFR

(Not Applicable)

NOTE 22: Donor-Restricted Endowments

(Not Applicable)

NOTE 23: Extraordinary Items and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivable and Payable Balances

(Not Applicable)

Office of the Governor (Agencies 301 and 300)

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

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

NOTE 27: Service Concession Arrangements

(Not Applicable)

NOTE 28: Troubled Debt Restructuring

(Not Applicable)

NOTE 29: Deferred Outflows and Deferred Inflows of Resources

(Not Applicable)

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The Office of the Governor Combining Statements - Exhibits and Schedules

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2013

	<u>Consolidated Accounts</u>			
	<u>General Revenue Fund (0001)*</u>	<u>Operators & Chauffeurs License (0099)*</u>	<u>Governor's Office Federal Projects (0224)*</u>	<u>Criminal Justice Planning (0421)*</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ -	\$ -	\$ 32,910,763.16	\$ 62,031,861.46
Legislative Appropriations	133,810,526.09	-	-	-
Receivables from:				
Federal	-	-	-	4,651,698.16
Interest and Dividends	-	-	8,855.89	-
Accounts Receivable	36,515.56	-	-	-
Due From Other Agencies	184,651.89	200,754.82	-	-
Consumable Inventories	36,740.02	-	-	1,053.77
Prepaid Items	75,000.00	-	-	-
Loans and Contracts, net of allowance	-	-	-	-
Total Current Assets	<u>134,143,433.56</u>	<u>200,754.82</u>	<u>32,919,619.05</u>	<u>66,684,613.39</u>
Non-Current Assets:				
Loans and Contracts	1,000,000.00	-	-	-
Equity Holdings for Economic Development	-	-	-	-
Total Non-Current Assets	<u>1,000,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 135,143,433.56</u>	<u>\$ 200,754.82</u>	<u>\$ 32,919,619.05</u>	<u>\$ 66,684,613.39</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 6,269,491.85	\$ 200,754.82	\$ 775,333.73	\$ 5,401,146.90
Payroll	1,451,768.98	-	12,040.60	124,452.45
Due To Other Agencies	-	-	668,878.81	1,105,057.42
Deferred Revenue	-	-	31,463,365.91	-
Total Current Liabilities	<u>7,721,260.83</u>	<u>200,754.82</u>	<u>32,919,619.05</u>	<u>6,630,656.77</u>
Total Liabilities	<u>7,721,260.83</u>	<u>200,754.82</u>	<u>32,919,619.05</u>	<u>6,630,656.77</u>
Fund Balances (Deficits):				
Nonspendable	1,111,740.02	-	-	1,053.77
Restricted	-	-	-	-
Committed	-	-	-	60,052,902.85
Assigned	-	-	-	-
Unassigned	126,310,432.71	-	-	-
Total Fund Balances	<u>127,422,172.73</u>	<u>-</u>	<u>-</u>	<u>60,053,956.62</u>
Total Liabilities and Fund Balances	<u>\$ 135,143,433.56</u>	<u>\$ 200,754.82</u>	<u>\$ 32,919,619.05</u>	<u>\$ 66,684,613.39</u>

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts				
Rural Economic Development (0425)*	Economic Stabilization Fund (0599)*	Hotel Occupancy Tax for Economic Development (5003)*	Crime Stoppers Assistance (5012)*	Tourism Plates (5053)*
\$ -	\$ -	\$ 22,214,907.60	\$ 554,899.92	\$ 129,244.35
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	3,553,187.31	-	-
-	-	4,320.66	-	-
-	-	-	-	-
-	-	-	-	-
-	-	25,772,415.57	554,899.92	129,244.35
-	3,200,000.00	-	-	-
-	-	-	-	-
-	3,200,000.00	-	-	-
\$ -	\$ 3,200,000.00	\$ 25,772,415.57	\$ 554,899.92	\$ 129,244.35
\$ -	\$ -	\$ 2,228,898.55	\$ 49,562.36	\$ 129,244.35
-	-	117,543.85	-	-
-	-	-	430.14	-
-	-	-	-	-
-	-	2,346,442.40	49,992.50	129,244.35
-	-	2,346,442.40	49,992.50	129,244.35
-	-	4,320.66	-	-
-	-	-	-	-
-	-	23,421,652.51	504,907.42	-
-	3,200,000.00	-	-	-
-	-	-	-	-
-	3,200,000.00	23,425,973.17	504,907.42	-
\$ -	\$ 3,200,000.00	\$ 25,772,415.57	\$ 554,899.92	\$ 129,244.35

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2013

	Consolidated Accounts			
	Texas Enterprise (5107)*	Economic Development and Tourism (5110)*	Texas Music Foundation Plates (5113)*	Texas Military Value Revolving Loan (5114)*
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 217,668,746.53	\$ 68,703.35	\$ 9,833.70	\$ 58,324.71
Legislative Appropriations	-	-	-	-
Receivables from:				
Federal	-	-	-	-
Interest and Dividends	59,130.45	-	-	1,204,756.94
Accounts Receivable	-	-	-	-
Due From Other Agencies	-	-	-	-
Consumable Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Loans and Contracts, net of allowance	-	-	-	11,030,000.00
Total Current Assets	<u>217,727,876.98</u>	<u>68,703.35</u>	<u>9,833.70</u>	<u>12,293,081.65</u>
Non-Current Assets:				
Loans and Contracts	114,596,658.83	-	-	36,370,000.00
Equity Holdings for Economic Development	-	-	-	-
Total Non-Current Assets	<u>114,596,658.83</u>	<u>-</u>	<u>-</u>	<u>36,370,000.00</u>
Total Assets	<u>\$ 332,324,535.81</u>	<u>\$ 68,703.35</u>	<u>\$ 9,833.70</u>	<u>\$ 48,663,081.65</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ -	\$ 1,626.11	\$ 2,300.00	\$ -
Payroll	-	-	-	-
Due To Other Agencies	-	-	-	-
Deferred Revenue	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>1,626.11</u>	<u>2,300.00</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>1,626.11</u>	<u>2,300.00</u>	<u>-</u>
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	-	-	48,663,081.65
Committed	332,324,535.81	67,077.24	7,533.70	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>332,324,535.81</u>	<u>67,077.24</u>	<u>7,533.70</u>	<u>48,663,081.65</u>
Total Liabilities and Fund Balances	<u>\$ 332,324,535.81</u>	<u>\$ 68,703.35</u>	<u>\$ 9,833.70</u>	<u>\$ 48,663,081.65</u>

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts			
Daughters of the Republic of Texas (5115)*	Emerging Technology (5124)*	BP Oil Spill Tx Response Grant (5149)*	Total (Exhibit I)
\$ 17,623.19	\$ 94,316,638.23	\$ 5,085,745.67	\$ 435,067,291.87
-	-	-	133,810,526.09
-	-	-	4,651,698.16
-	25,259.78	1,362.01	1,299,365.07
-	-	-	36,515.56
-	2,651,474.55	-	6,590,068.57
-	-	-	42,114.45
-	-	-	75,000.00
-	-	-	11,030,000.00
<u>17,623.19</u>	<u>96,993,372.56</u>	<u>5,087,107.68</u>	<u>592,602,579.77</u>
-	8,535,235.00	-	163,701,893.83
-	166,951,186.85	-	166,951,186.85
-	175,486,421.85	-	330,653,080.68
<u>\$ 17,623.19</u>	<u>\$ 272,479,794.41</u>	<u>\$ 5,087,107.68</u>	<u>\$ 923,255,660.45</u>
\$ 17,623.19	\$ 13,355.73	\$ -	\$ 15,089,337.59
-	23,700.57	-	1,729,506.45
-	41,813.24	-	1,816,179.61
-	-	-	31,463,365.91
<u>17,623.19</u>	<u>78,869.54</u>	<u>-</u>	<u>50,098,389.56</u>
<u>17,623.19</u>	<u>78,869.54</u>	<u>-</u>	<u>50,098,389.56</u>
-	-	-	1,117,114.45
-	-	-	48,663,081.65
-	272,400,924.87	5,087,107.68	693,866,642.08
-	-	-	3,200,000.00
-	-	-	126,310,432.71
<u>-</u>	<u>272,400,924.87</u>	<u>5,087,107.68</u>	<u>873,157,270.89</u>
<u>\$ 17,623.19</u>	<u>\$ 272,479,794.41</u>	<u>\$ 5,087,107.68</u>	<u>\$ 923,255,660.45</u>

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2013

	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	\$ 31,286,346.00	\$ -	\$ -	\$ -
Additional Appropriations	3,573,137.19	-	-	-
Federal Revenue	1,776,030.69	-	18,225,234.77	46,250,407.47
Federal Grant Pass-Through Revenue	339,825.73	-	-	-
License, Fees & Permits	2,540,091.71	-	-	23,657,725.16
Interest and Other Investment Income	(0.44)	-	-	-
Settlement of Claims	-	-	-	-
Sales of Goods and Services	389,979.60	-	-	-
Other	106,826.71	-	-	14,574.30
Total Revenues	40,012,237.19	-	18,225,234.77	69,922,706.93
EXPENDITURES				
Salaries and Wages	13,826,238.61	-	116,255.36	1,187,270.87
Payroll Related Costs	3,145,506.67	-	28,865.57	382,157.06
Professional Fees and Services	662,055.05	-	112,127.27	1,579,097.47
Travel	432,764.96	-	2,872.24	65,156.91
Materials and Supplies	197,292.46	-	1,019.12	6,595.01
Communication and Utilities	292,922.59	-	2,267.21	11,054.30
Repairs and Maintenance	97,626.07	-	-	-
Rentals and Leases	296,895.50	-	3,396.24	16,627.92
Printing and Reproduction	18,676.72	-	6.98	209.34
Federal Grant Pass-Through Expenditures	608,764.51	-	3,600,566.77	769,395.90
State Grant Pass-Through Expenditures	(1,277,020.99)	665,583.03	-	4,925,732.26
Intergovernmental Payments	4,886,539.40	3,375,705.67	13,238,609.83	20,150,648.34
Public Assistance Payments	225,406.52	-	1,091,767.02	33,191,626.20
Other Expenditures	14,708,938.30	-	27,481.16	308,795.89
Total Expenditures	38,122,606.37	4,041,288.70	18,225,234.77	62,594,367.47
Excess (Deficiency) of Revenues over Expenditures	1,889,630.82	(4,041,288.70)	-	7,328,339.46
OTHER FINANCING SOURCES (USES)				
Transfer In	4,286,122.68	2,300,485.05	275.78	388,023.20
Transfer Out	(5,330,995.17)	(2,681,812.03)	(275.78)	(388,023.20)
Legislative Transfer In	2,819,302.30	-	-	-
Legislative Transfer Out	(3,219,302.30)	-	-	-
Total Other Financing Sources (Uses)	(1,444,872.49)	(381,326.98)	-	-
Net Change in Fund Balances	444,758.33	(4,422,615.68)	-	7,328,339.46
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2012	130,765,421.90	4,422,615.68	-	52,427,967.02
Restatements	(4,169.44)	-	-	297,650.14
Fund Balances, September 1, 2012, as Restated	130,761,252.46	4,422,615.68	-	52,725,617.16
Appropriations Lapsed	(3,783,838.06)	-	-	-
Fund Balances, August 31, 2013	\$ 127,422,172.73	\$ -	\$ -	\$ 60,053,956.62

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts				
Rural Economic Development (0425)*	Economic Stabilization Fund (0599)*	Hotel Occupancy Tax for Economic Development (5003)*	Crime Stoppers Assistance (5012)*	Tourism Plates (5053)*
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
916.91	-	-	488,378.81	16,879.27
-	-	-	-	-
-	-	-	-	-
-	-	265.24	-	-
<u>916.91</u>	<u>-</u>	<u>265.24</u>	<u>488,378.81</u>	<u>16,879.27</u>
-	-	1,101,345.45	-	-
-	-	281,136.47	-	-
-	-	3,544,526.17	246,840.38	-
-	-	4,637.37	-	-
-	-	22,489.84	-	6,300.00
-	-	27,634.04	-	-
-	-	12,448.75	-	-
-	-	58,463.32	-	10,725.00
-	-	181.19	-	-
-	-	-	-	-
-	-	-	5,856.31	-
-	-	-	-	-
-	-	-	317,132.33	-
-	-	<u>24,519,477.72</u>	<u>-</u>	<u>129,244.35</u>
-	-	<u>29,572,340.32</u>	<u>569,829.02</u>	<u>146,269.35</u>
<u>916.91</u>	<u>-</u>	<u>(29,572,075.08)</u>	<u>(81,450.21)</u>	<u>(129,390.08)</u>
-	3,200,000.00	37,082,951.11	-	-
(397,737.78)	-	(320,716.80)	-	-
-	-	-	-	-
<u>(397,737.78)</u>	<u>3,200,000.00</u>	<u>36,762,234.31</u>	<u>-</u>	<u>-</u>
<u>(396,820.87)</u>	<u>3,200,000.00</u>	<u>7,190,159.23</u>	<u>(81,450.21)</u>	<u>(129,390.08)</u>
396,820.87	-	16,235,813.94	586,357.63	129,390.08
-	-	-	-	-
<u>396,820.87</u>	<u>-</u>	<u>16,235,813.94</u>	<u>586,357.63</u>	<u>129,390.08</u>
-	-	-	-	-
<u>\$ -</u>	<u>\$ 3,200,000.00</u>	<u>\$ 23,425,973.17</u>	<u>\$ 504,907.42</u>	<u>\$ -</u>

UNAUDITED

OFFICE OF THE GOVERNOR - Core Operations (301) and Trusteed Programs (300)
 Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2013

	Consolidated Accounts			
	Texas Enterprise (5107)*	Economic Development and Tourism (5110)*	Texas Music Foundation Plates (5113)*	Texas Military Revolving Loan (5114)*
REVENUE				
Legislative Appropriations				
Original Appropriations	\$ -	\$ -	\$ -	\$ -
Additional Appropriations	-	-	-	-
Federal Revenue	-	-	-	-
Federal Grant Pass-Through Revenue	-	-	-	-
License, Fees & Permits	-	6,336.58	8,590.83	-
Interest and Other Investment Income	902,909.53	-	-	2,409,134.60
Settlement of Claims	-	-	-	-
Sales of Goods and Services	-	-	-	-
Other	-	4,500.00	-	-
Total Revenue	<u>902,909.53</u>	<u>10,836.58</u>	<u>8,590.83</u>	<u>2,409,134.60</u>
EXPENDITURES				
Salaries and Wages	-	-	-	-
Payroll Related Costs	-	-	-	-
Professional Fees and Services	-	-	-	-
Travel	-	13,540.21	-	-
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	-	-	-	-
Intergovernmental Payments	-	-	8,174.90	-
Public Assistance Payments	-	-	-	-
Other Expenditures	33,971,590.60	229.00	-	-
Total Expenditures	<u>33,971,590.60</u>	<u>13,769.21</u>	<u>8,174.90</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(33,068,681.07)</u>	<u>(2,932.63)</u>	<u>415.93</u>	<u>2,409,134.60</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	-	800,969.28
Transfer Out	-	-	-	(4,518,397.57)
Legislative Transfer In	-	-	-	-
Legislative Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,717,428.29)</u>
Net Change in Fund Balances	<u>(33,068,681.07)</u>	<u>(2,932.63)</u>	<u>415.93</u>	<u>(1,308,293.69)</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2012	566,944,255.05	70,009.87	7,117.77	49,971,375.34
Restatements	(201,551,038.17)	-	-	-
Fund Balances, September 1, 2012, as Restated	<u>365,393,216.88</u>	<u>70,009.87</u>	<u>7,117.77</u>	<u>49,971,375.34</u>
Appropriations Lapsed	-	-	-	-
Fund Balances, August 31, 2013	<u>\$ 332,324,535.81</u>	<u>\$ 67,077.24</u>	<u>\$ 7,533.70</u>	<u>\$ 48,663,081.65</u>

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts

Daughters of the Republic of Texas (5115)*	Emerging Technology (5124)*	BP Oil Spill Tx Response Grant (5149)*	Total (Exhibit II)
\$ -	\$ -	\$ -	\$ 31,286,346.00
-	-	-	3,573,137.19
-	-	-	66,251,672.93
-	-	-	339,825.73
70,454.14	-	-	26,788,456.50
-	419,363.43	20,383.48	3,752,707.51
-	7,423.96	-	7,423.96
-	-	-	389,979.60
-	4,396.09	-	130,562.34
<u>70,454.14</u>	<u>431,183.48</u>	<u>20,383.48</u>	<u>132,520,111.76</u>
-	284,218.00	-	16,515,328.29
-	88,986.03	-	3,926,651.80
-	45,167.00	-	6,189,813.34
-	1,001.51	-	519,973.20
-	2,981.53	-	236,677.96
-	4,712.52	-	338,590.66
-	11,764.92	-	121,839.74
-	695.24	-	386,803.22
-	18.09	-	19,092.32
-	-	-	4,978,727.18
-	4,373,469.53	-	8,693,620.14
-	-	-	41,659,678.14
70,454.14	290,820.41	-	35,187,206.62
-	5,916,411.52	-	79,582,168.54
<u>70,454.14</u>	<u>11,020,246.30</u>	<u>-</u>	<u>198,356,171.15</u>
-	(10,589,062.82)	20,383.48	(65,836,059.39)
-	9,037,772.72	-	57,096,599.82
-	(9,037,772.72)	-	(22,675,731.05)
-	-	-	2,819,302.30
-	-	-	(3,219,302.30)
-	-	-	34,020,868.77
-	(10,589,062.82)	20,383.48	(31,815,190.62)
-	303,032,366.06	5,066,724.20	1,130,056,235.41
-	(20,042,378.37)	-	(221,299,935.84)
-	282,989,987.69	5,066,724.20	908,756,299.57
-	-	-	(3,783,838.06)
<u>\$ -</u>	<u>\$ 272,400,924.87</u>	<u>\$ 5,087,107.68</u>	<u>\$ 873,157,270.89</u>

UNAUDITED

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, 2013

	Beginning Balance September 1, 2012	Additions	Deductions	Ending Balance August 31, 2013
Child Support Employee Deductable Account (0807), U/F (8070)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 830.00	\$ 830.00	\$ -
Total Assets	\$ -	\$ 830.00	\$ 830.00	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ 830.00	\$ 830.00	\$ -
Funds Held for Others	\$ -	\$ 830.00	\$ 830.00	\$ -
Total Liabilities	\$ -	\$ 1,660.00	\$ 1,660.00	\$ -
Departmental Suspense Fund (0900), U/F(0900)				
ASSETS				
Cash in State Treasury	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
Total Assets	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
Total Liabilities	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
Overpayments to Employees Account (0900), U/F (9015)				
ASSETS				
Cash in State Treasury	\$ 340.52	\$ -	\$ 340.52	\$ -
Total Assets	\$ 340.52	\$ -	\$ 340.52	\$ -
LIABILITIES				
Funds Held for Others	\$ 340.52	\$ -	\$ 340.52	\$ -
Total Liabilities	\$ 340.52	\$ -	\$ 340.52	\$ -
Correction Account for Direct Deposit Account (0980), U/F (0980)				
ASSETS				
Cash in State Treasury	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Total Assets	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Total Liabilities	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Unappropriated General Revenue Agency Fund 1000 (1000) U/F (1002)				
ASSETS				
Cash in State Treasury	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -

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

UNAUDITED

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, 2013

	Beginning Balance <u>September 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>August 31, 2013</u>
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ 340.52	\$ 43,907.24	\$ 44,247.76	\$ -
Total Assets	<u>\$ 340.52</u>	<u>\$ 43,907.24</u>	<u>\$ 44,247.76</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 830.00	\$ 830.00	\$ -
Funds Held for Others	340.52	43,907.24	44,247.76	-
Total Liabilities	<u>\$ 340.52</u>	<u>\$ 44,737.24</u>	<u>\$ 45,077.76</u>	<u>\$ -</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 SCHEDULE 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2013

Federal Grantor / Pass-Through Grantor	Federal CFDA Number	Pass-Through From		Direct Program Amount	Total Pass-Through From and Direct Program
		Agency or Univ. Number	Agencies or Univ. Amount		
U.S. Department of Justice					
Sexual Assault Services Formula Program	16.017				
Pass-Through To:					
Non-State Entities			\$ -	\$ 646,554.74	\$ 646,554.74
Juvenile Accountability Incentive Block Grants	16.523				
Pass-Through To:					
Non-State Entities				2,576,741.39	2,576,741.39
Juvenile Justice and Delinquency Prevention	16.540				
Pass-Through To:					
Texas Juvenile Justice Department				2,740.30	2,740.30
University of Texas at Arlington				3.75	3.75
Texas State University at San Marcos				122,652.43	122,652.43
Non-State Entities				2,221,990.28	2,221,990.28
Direct Program:					
Title V-Delinquency Prevention Program	16.548				
Pass-Through To:					
Non-State Entities				27,509.78	27,509.78
Crime Victim Assistance	16.575				
Pass-Through To:					
Texas Department of Public Safety				240,079.97	240,079.97
Texas Department of Criminal Justice				131,483.99	131,483.99
Non-State Entities				31,472,329.10	31,472,329.10
Violence Against Women Formula Grants	16.588				
Pass-Through To:					
Office of Court Administration				52,856.29	52,856.29
University of Texas at Austin				111,817.46	111,817.46
Non-State Entities				9,299,853.18	9,299,853.18
Residential Substance Abuse Treatment for State Prisoners	16.593				
Pass-Through To:					
Non-State Entities				1,693,327.07	1,693,327.07
Bulletproof Vest Partnership Program	16.607				
Pass-Through To:					
Attorney General's Office				7,103.19	7,103.19
Texas Racing Commission				1,870.50	1,870.50
Texas Department of Criminal Justice				9,607.27	9,607.27
University of Texas at Austin				4,090.24	4,090.24
University of Texas Medical Branch at Galveston				(49.73)	(49.73)
University of Texas Southwestern Medical Center of Dallas				2,780.00	2,780.00
Texas A&M University - Kingsville				3,720.00	3,720.00
University of Texas of the Permian Basin				1,747.50	1,747.50
Texas State University at San Marcos				2,224.25	2,224.25
Texas A&M International University				2,213.50	2,213.50
Forensic DNA Backlog Reduction Program	16.741				
Pass-Through To:					
Texas Tech University				(1.32)	(1.32)
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742				
Pass-Through To:					
Texas Department of Public Safety				72,456.31	72,456.31
Non-State Entities				858,639.42	858,639.42
Totals - U.S. Department of Justice			-	49,566,340.86	49,566,340.86

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Agency or Univ. Number	Pass-Through To		Expenditure Amount	Total Pass-Through To and Expenditures
	Agencies or Univ. Amount	Non-State Entities Amount		
	\$ -	\$ 646,554.74	\$ -	\$ 646,554.74
		2,508,302.92	68,438.47	2,576,741.39
644	2,740.30			2,740.30
714	3.75			3.75
754	122,652.43			122,652.43
		1,952,079.91	269,910.37	2,221,990.28
		27,509.78		27,509.78
405	240,079.97			240,079.97
696	131,483.99			131,483.99
		29,865,456.02	1,606,873.08	31,472,329.10
212	52,856.29			52,856.29
721	111,817.46			111,817.46
		8,530,051.40	769,801.78	9,299,853.18
		1,692,080.33	1,246.74	1,693,327.07
302	7,103.19			7,103.19
476	1,870.50			1,870.50
696	9,607.27			9,607.27
721	4,090.24			4,090.24
723	(49.73)			(49.73)
729	2,780.00			2,780.00
732	3,720.00			3,720.00
742	1,747.50			1,747.50
754	2,224.25			2,224.25
761	2,213.50			2,213.50
733	(1.32)			(1.32)
405	72,456.31			72,456.31
		858,639.42		858,639.42
	769,395.90	46,080,674.52	2,716,270.44	49,566,340.86

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 SCHEDULE 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2013

Federal Grantor / Pass-Through Grantor	Federal CFDA Number	Pass-Through From		Direct Program Amount	Total Pass-Through From and Direct Program
		Agency or Univ. Number	Agencies or Univ. 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				587,096.72	587,096.72
Texas Department of Public Safety				1,021,707.20	1,021,707.20
Commission on Law Enforcement Officer Standards and Education				159,589.33	159,589.33
Texas Alcoholic Beverage Commission				282,157.32	282,157.32
Texas Department of Criminal Justice				628,351.01	628,351.01
Texas A&M Engineering Extension Service				284,277.27	284,277.27
Sam Houston State University				46,387.52	46,387.52
Parks and Wildlife Department				591,000.40	591,000.40
Non-State Entities				12,353,609.11	12,353,609.11
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803				
Pass-Through To:					
Texas Military Department				498,150.07	498,150.07
Texas Department of Insurance				(521.56)	(521.56)
Texas Department of Criminal Justice				1,600.00	1,600.00
Parks and Wildlife Department				109,536.00	109,536.00
Non-State Entities				122,391.68	122,391.68
Totals - U.S. Department of Justice				-	16,685,332.07
WIA Cluster					
U.S. Department of Labor					
WIA Dislocated Worker Formula Grants					
Pass-Through From:					
Texas Workforce Commission	17.278	320	339,825.73		339,825.73
Totals - U.S. Department of Labor			339,825.73	-	339,825.73
Total Federal Assistance			\$ 339,825.73	\$ 66,251,672.93	\$ 66,591,498.66

UNAUDITED

Agency or Univ. Number	Pass-Through To		Expenditure Amount	Total Pass-Through To and Expenditures
	Agencies or Univ. Amount	Non-State Entities Amount		
302	587,096.72			587,096.72
405	1,021,707.20			1,021,707.20
407	159,589.33			159,589.33
458	282,157.32			282,157.32
696	628,351.01			628,351.01
716	284,277.27			284,277.27
753	46,387.52			46,387.52
802	591,000.40			591,000.40
		11,822,073.93	531,535.18	12,353,609.11
401	498,150.07			498,150.07
454	(521.56)			(521.56)
696	1,600.00			1,600.00
802	109,536.00			109,536.00
		102,479.68	19,912.00	122,391.68
	<u>4,209,331.28</u>	<u>11,924,553.61</u>	<u>551,447.18</u>	<u>16,685,332.07</u>
		163,182.66	176,643.07	339,825.73
	<u>-</u>	<u>163,182.66</u>	<u>176,643.07</u>	<u>339,825.73</u>
	<u>\$ 4,978,727.18</u>	<u>\$ 58,168,410.79</u>	<u>\$ 3,444,360.69</u>	<u>\$ 66,591,498.66</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)
SCHEDULE 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2013

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)	\$ 66,251,672.93
Federal Pass-Through Revenue (Exh. II)	<u>339,825.73</u>
Total Pass-Through and Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 66,591,498.66</u></u>

NOTES 3 - 6: Not Applicable

NOTE 7: Federal Deferred Revenue

<u>CFDA</u>	<u>Balance</u> <u>September 1, 2012</u>	<u>Net Change</u>	<u>Balance</u> <u>August 31, 2013</u>
16.523	\$ 3,811,972.95	\$ (900,842.32)	\$ 2,911,130.63
16.738	44,268,825.25	(15,716,589.97)	28,552,235.28
16.803	766,184.56	(766,184.56)	-
TOTAL	<u><u>\$ 48,846,982.76</u></u>	<u><u>\$ (17,383,616.85)</u></u>	<u><u>\$ 31,463,365.91</u></u>

NOTE 8: Not Applicable

Federal deferred revenue represents Federal award amounts that are issued at the beginning of the grant period rather than on a reimbursement basis.

UNAUDITED

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, 2013

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	
	Adjutant General's Department (401)	\$ (2,186,250.32)
	Texas Department of Public Safety (405)	720,880.55
	Texas A&M Forest Service (576)	(28,728.22)
	Defense Economic Adjustment Assistance Grants - GR Fund 0001	
	Texas State Technical College System (719)	217,077.00
Subtotal Pass-Through from Fund 0001		\$ (1,277,020.99)
	Fund 0099	
	<u>Pass-Through To:</u>	<u>Amount of Pass-Through</u>
	Texas Border Security Grants - GR-D Fund 0099	
	Texas Department of Public Safety (405)	\$ 665,583.03
Subtotal Pass-Through from Fund 0099		\$ 665,583.03
	Fund 0421	
	<u>Pass-Through To:</u>	<u>Amount of Pass-Through</u>
	Criminal Justice Planning Grants - GR-D Fund 0421	
	District Courts - Comptroller's Judiciary Section (241)	\$ 489,036.84
	Office of the Attorney General (302)	276,613.28
	Texas Department of Public Safety (405)	1,648,317.16
	Texas Alcoholic Beverage Commission (458)	243,751.12
	Texas Juvenile Justice Department (644)	103,519.10
	Texas Department of Criminal Justice (696)	260,389.46
	Texas A&M University (Main University) (711)	106,366.47
	University of Texas at Arlington (714)	126,398.89
	Prairie View A&M University (715)	39,101.19
	University of Houston (730)	73,024.47
	Texas Tech University Health Sciences Center (739)	18,888.25
	Texas State University - San Marcos (754)	1,540,326.03
Subtotal Pass-Through from Fund 0421		\$ 4,925,732.26
	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)	\$ 5,856.31
Subtotal Pass-Through from Fund 5012		\$ 5,856.31
	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)	\$ 403,825.24
	Texas State Technical College System (719)	148,090.04
	University of Houston (730)	2,241,130.02
	Texas Tech University (733)	1,081,162.95
	Texas State University - San Marcos (754)	400,670.89
	Texas Tech University System (768)	98,590.39
Subtotal Pass-Through from Fund 5124		\$ 4,373,469.53
Total Pass-Through to Other Agencies (Exhibit II)		\$ 8,693,620.14

UNAUDITED

Office of the Governor - Trustee Programs (300)
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2013

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 A-2	10,160,000.00	4.000%	4.625%		2012	2036	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
Total:	\$ 94,595,000.00						

Component Unit

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>Revenue Bonds - Self-Supporting::</u>							
TSBIDC Floating Rate Dem Rev Bds Ser 1986	\$ 750,000,000.00	VAR	VAR	Weekly	1986	2026	10/8/1986
Total:	\$ 750,000,000.00						

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Office of the Governor - Trustee Programs (300)
Schedule 2B - Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2013

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2012	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2013	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	\$ 9,900,000.00	\$ -	\$ 485,000.00	\$ -	\$ 9,415,000.00	\$ 9,415,000.00	\$ 505,000.00
Texas Military Value Revolving Loan Fund Series 2007 A-2	\$ 10,160,000.00	\$ -	\$ 230,000.00	\$ -	\$ 9,930,000.00	\$ 9,930,000.00	\$ 240,000.00
Texas Military Value Revolving Loan Fund Series 2007 B	\$ 28,620,000.00	\$ -	\$ 565,000.00	\$ -	\$ 28,055,000.00	\$ 28,055,000.00	\$ 595,000.00

Component Unit

Description of Issue	Bonds Outstanding 9/1/2012	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2013	Net Bonds Outstanding (Ending)	Amounts Due Within One Year
<u>Revenue Bonds - Self-Supporting:</u>							
TSBIDC Floating Rate Dem Rev Bds Ser 1986	\$ 20,000,000.00	\$ -	\$ -	\$ 18,380,000.00	\$ 1,620,000.00	\$ 1,620,000.00	\$ -

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Office of the Governor - Trustee Programs (300)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2013

Governmental Activities

Description of Issue	FY	Principal	Interest
<u>General Obligation Bonds - Self-Supporting:</u>			
Product Development Var Rate Demand Bonds Series 2005A			
	2014	\$ -	\$ 25,000.00
	2015		25,000.00
	2016		25,000.00
	2017		25,000.00
	2018		25,000.00
	2019 - 2023		125,000.00
	2024 - 2028		125,000.00
	2029 - 2033		125,000.00
	2034 - 2038		125,000.00
	2039 - 2043		125,000.00
	2044 - 2045	25,000,000.00	43,750.00
		<u>\$ 25,000,000.00</u>	<u>\$ 793,750.00</u>
Small Incubator Var Rate Demand Bonds Series 2005B			
	2014	\$ -	\$ 20,000.00
	2015		20,000.00
	2016		20,000.00
	2017		20,000.00
	2018		20,000.00
	2019 - 2023		100,000.00
	2024 - 2028		100,000.00
	2029 - 2033		100,000.00
	2034 - 2038		100,000.00
	2039 - 2043		100,000.00
	2044 - 2045	20,000,000.00	35,000.00
		<u>\$ 20,000,000.00</u>	<u>\$ 635,000.00</u>
Texas Military Value Revolving Loan Fund Series 2007 A-1			
	2014	\$ 505,000.00	\$ 385,512.50
	2015	525,000.00	364,256.25
	2016	550,000.00	341,412.50
	2017	575,000.00	317,506.25
	2018	595,000.00	293,387.50
	2019 - 2023	3,390,000.00	1,075,087.51
	2024 - 2027	3,275,000.00	294,068.78
		<u>\$ 9,415,000.00</u>	<u>\$ 3,071,231.29</u>
Texas Military Value Revolving Loan Fund Series 2007 A-2			
	2014	\$ 240,000.00	\$ 438,600.00
	2015	250,000.00	428,800.00
	2016	260,000.00	418,600.00
	2017	270,000.00	408,000.00
	2018	285,000.00	396,721.88
	2019 - 2023	1,610,000.00	1,789,706.27
	2024 - 2028	2,010,000.00	1,391,856.30
	2029 - 2033	2,520,000.00	876,437.54
	2034 - 2037	2,485,000.00	236,453.15
		<u>\$ 9,930,000.00</u>	<u>\$ 6,385,175.14</u>

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Office of the Governor - Trustee Programs (300)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2013

Governmental Activities (continued)

Description of Issue	FY	Principal	Interest
Texas Military Value Revolving Loan Fund Series			
2007 B	2014	\$ 595,000.00	\$ 1,555,000.00
	2015	625,000.00	1,523,280.00
	2016	655,000.00	1,489,836.25
	2017	690,000.00	1,454,530.00
	2018	730,000.00	1,417,255.00
	2019 - 2023	4,260,000.00	6,438,068.75
	2024 - 2028	5,590,000.00	5,073,402.50
	2029 - 2033	7,365,000.00	3,246,007.50
	2034 - 2037	7,545,000.00	889,627.50
		<u>\$ 28,055,000.00</u>	<u>\$ 23,087,007.50</u>

Component Unit

Description of Issue	FY	Principal	Interest
<u>Revenue Bonds - Self-Supporting:</u>			
TSBIDC Floating Rate Dem Rev Bds Ser '86	2014	\$ -	\$ 2,754.00
	2015		2,754.00
	2016		2,754.00
	2017		2,754.00
	2018		2,754.00
	2019 - 2023		13,770.00
	2024 - 2026	1,620,000.00	7,229.00
		<u>\$ 1,620,000.00</u>	<u>\$ 34,769.00</u>

Office of the Governor - Trustee Programs (300)
Schedule 2D - Analysis of Funds Available for Debt Service
For the Fiscal Year Ended August 31, 2013

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	\$ -	\$ 42,200.58
Small Incubator Var Rate Demand Bonds Series 2005B		33,760.42
Texas Military Value Revolving Loan Fund Series 2007 A-1	485,000.00	405,312.50
Texas Military Value Revolving Loan Fund Series 2007 A-2	230,000.00	448,000.00
Texas Military Value Revolving Loan Fund Series 2007 B	565,000.00	1,585,160.00
Total	<u>\$ 1,280,000.00</u>	<u>\$ 2,514,433.50</u>

Discrete Component Unit

Description of Issue/Parity Issues	Pledged and Other Sources and Related Expenditures for FY 2013			
	Net Available for Debt Service		Debt Service	
	Total Pledged and Other Sources	Operating Expenses / Expenditures and Capital Outlay	Principal	Interest
<u>Revenue Bonds - Self-Supporting:</u>				
TSBIDC Floating Rate Dem Rev Bds Ser '86	\$ 205,720.29	\$ 217,357.84	\$ -	\$ 22,094.94
Total	<u>\$ 205,720.29</u>	<u>\$ 217,357.84</u>	<u>\$ -</u>	<u>\$ 22,094.94</u>

Office of the Governor - Trustee Programs (300)
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2013

(Not Applicable)

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Agy 300 - Governor - Trusteed Programs (300)
Annual Financial Report
Schedule 2F - Early Extinguishment and Refunding of Debt
For the Fiscal Year Ended August 31, 2013

Discrete Component Unit

Description of Issue	Category	Amount Extinguished or Refunded	For Refundings Only		
			Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/Loss
<u>Revenue Bonds - Self-Supporting:</u>					
TSBIDC Floating Rate Dem Rev Bds Ser '86	Early Extinguishment	\$ 18,380,000.00	NA	NA	NA
Total		<u>\$ 18,380,000.00</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, 2013**

	<u>Governmental Fund Types</u>			
	<u>General Funds</u> (Exhibit A-1 301)	<u>Capital Assets</u> <u>Adjustments</u>	<u>Long-Term</u> <u>Liabilities</u> <u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u>
ASSETS				
Current Assets:				
Legislative Appropriations	\$ 4,545,823.95	\$ -	\$ -	\$ 4,545,823.95
Accounts Receivable	50.00	-	-	50.00
Consumable Inventories	19,645.70	-	-	19,645.70
Prepaid Items	75,000.00	-	-	75,000.00
Total Current Assets	<u>4,640,519.65</u>	<u>-</u>	<u>-</u>	<u>4,640,519.65</u>
Non-Current Assets:				
Capital Assets (Note 2):				
Depreciable:				
Furniture and Equipment	-	420,073.98	-	420,073.98
Less Accumulated Depreciation	-	(326,121.47)	-	(326,121.47)
Total Non-Current Assets	<u>-</u>	<u>93,952.51</u>	<u>-</u>	<u>93,952.51</u>
Total Assets	<u>\$ 4,640,519.65</u>	<u>\$ 93,952.51</u>	<u>\$ -</u>	<u>\$ 4,734,472.16</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 59,619.46	\$ -	\$ -	\$ 59,619.46
Payroll	1,084,372.47	-	-	1,084,372.47
Employees' Compensable Leave (Note 5)	-	-	922,613.30	922,613.30
Total Current Liabilities	<u>1,143,991.93</u>	<u>-</u>	<u>922,613.30</u>	<u>2,066,605.23</u>
Non-Current Liabilities:				
Employees' Compensable Leave (Note 5)	-	-	548,174.39	548,174.39
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>548,174.39</u>	<u>548,174.39</u>
Total Liabilities	<u>1,143,991.93</u>	<u>-</u>	<u>1,470,787.69</u>	<u>2,614,779.62</u>
Fund Financial Statement				
Fund Balances (Deficits):				
Nonspendable	94,645.70			94,645.70
Unassigned	3,401,882.02			3,401,882.02
Total Fund Balances	<u>3,496,527.72</u>			<u>3,496,527.72</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,640,519.65</u>			
Government-Wide Statement of Net Position				
Net Position				
Invested in Capital Assets, net of Related Debt		93,952.51	-	93,952.51
Unrestricted		-	(1,470,787.69)	(1,470,787.69)
Total Net Position		<u>\$ 93,952.51</u>	<u>\$ (1,470,787.69)</u>	<u>\$ 2,119,692.54</u>

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

UNAUDITED

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, 2013

	General Funds (Exhibit A-2 301)	Governmental Funds Total
REVENUES		
Legislative Appropriations:		
Original Appropriations	\$ 9,104,980.00	\$ 9,104,980.00
Additional Appropriations	2,218,597.28	2,218,597.28
License, Fees & Permits	407.00	407.00
Sales of Goods and Services	146,713.50	146,713.50
Other	27,548.79	27,548.79
Total Revenues	11,498,246.57	11,498,246.57
EXPENDITURES		
Salaries and Wages	10,434,863.90	10,434,863.90
Payroll Related Costs	2,323,929.11	2,323,929.11
Professional Fees and Services	54,592.45	54,592.45
Travel	104,266.02	104,266.02
Materials and Supplies	149,804.92	149,804.92
Communication and Utilities	161,026.57	161,026.57
Repairs and Maintenance	84,826.07	84,826.07
Rentals and Leases	85,219.09	85,219.09
Printing and Reproduction	10,529.82	10,529.82
Other Expenditures	229,377.25	229,377.25
Depreciation Expense	-	-
Total Expenditures/Expenses	13,638,435.20	13,638,435.20
Excess (Deficiency) of Revenues over Expenditures	(2,140,188.63)	(2,140,188.63)
OTHER FINANCING SOURCES (USES)		
Legislative Transfer In (Note 12)	2,814,168.00	2,814,168.00
Legislative Transfer Out (Note 12)	(5,134.30)	(5,134.30)
Total Other Financing Sources (Uses)	2,809,033.70	2,809,033.70
Net Change in Fund Balances/Net Position	668,845.07	668,845.07
Fund Financial Statement - Fund Balances		
Fund Balances, September 1, 2012	2,831,852.09	2,831,852.09
Restatements (Note 14)	(4,169.44)	(4,169.44)
Fund Balances, September 1, 2012, as Restated	2,827,682.65	2,827,682.65
Appropriations Lapsed	-	-
Fund Balances, August 31, 2013	\$ 3,496,527.72	\$ 3,496,527.72
Government-Wide Statement of Net Position		
Net Position/Net Change in Net Position		\$ 3,496,527.72
Net Position, September 1, 2012		-
Restatements		-
Net Position, September 1, 2012, as Restated		-
Net Position, August 31, 2013		\$ 3,496,527.72

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

UNAUDITED

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ -	\$ -	\$ 9,104,980.00
-	-	2,218,597.28
-	-	407.00
-	-	146,713.50
-	-	27,548.79
<u>-</u>	<u>-</u>	<u>11,498,246.57</u>
-	209,144.84	10,644,008.74
-	-	2,323,929.11
-	-	54,592.45
-	-	104,266.02
-	-	149,804.92
-	-	161,026.57
-	-	84,826.07
-	-	85,219.09
-	-	10,529.82
-	-	229,377.25
39,715.61	-	39,715.61
<u>39,715.61</u>	<u>209,144.84</u>	<u>13,887,295.65</u>
<u>(39,715.61)</u>	<u>(209,144.84)</u>	<u>(2,389,049.08)</u>
-	-	2,814,168.00
-	-	(5,134.30)
<u>-</u>	<u>-</u>	<u>2,809,033.70</u>
		<u>419,984.62</u>
		2,831,852.09
		(4,169.44)
		<u>2,827,682.65</u>
		-
		<u>\$ 3,247,667.27</u>
<u>\$ (39,715.61)</u>	<u>\$ (209,144.84)</u>	<u>\$ 3,247,667.27</u>
133,668.12	(1,261,642.85)	(1,127,974.73)
<u>133,668.12</u>	<u>(1,261,642.85)</u>	<u>(1,127,974.73)</u>
<u>\$ 93,952.51</u>	<u>\$ (1,470,787.69)</u>	<u>\$ 2,119,692.54</u>

UNAUDITED

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, 2013

	General Revenue Fund (0001)*	Total (Exhibit I 301)
ASSETS		
Current Assets:		
Legislative Appropriations	\$ 4,545,823.95	\$ 4,545,823.95
Accounts Receivable	50.00	50.00
Consumable Inventories	19,645.70	19,645.70
Prepaid Items	75,000.00	75,000.00
Total Current Assets	4,640,519.65	4,640,519.65
Total Assets	\$ 4,640,519.65	\$ 4,640,519.65
LIABILITIES AND FUND BALANCES		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts	\$ 59,619.46	\$ 59,619.46
Payroll	1,084,372.47	1,084,372.47
Total Current Liabilities	1,143,991.93	1,143,991.93
Total Liabilities	1,143,991.93	1,143,991.93
Fund Balances (Deficits):		
Nonspendable	94,645.70	94,645.70
Unassigned	3,401,882.02	3,401,882.02
Total Fund Balances	3,496,527.72	3,496,527.72
Total Liabilities and Fund Balances	\$ 4,640,519.65	\$ 4,640,519.65

* GAAP Fund is noted as (XXXX)

UNAUDITED

Office of the Governor - Core Operations (301)
 Exhibit A-2 301 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2013

	General Revenue Fund (0001)*	Total (Exhibit II 301)
REVENUES		
Legislative Appropriations:		
Original Appropriations	\$ 9,104,980.00	\$ 9,104,980.00
Additional Appropriations	2,218,597.28	2,218,597.28
License, Fees & Permits	407.00	407.00
Sales of Goods and Services	146,713.50	146,713.50
Other	27,548.79	27,548.79
Total Revenues	11,498,246.57	11,498,246.57
EXPENDITURES		
Salaries and Wages	10,434,863.90	10,434,863.90
Payroll Related Costs	2,323,929.11	2,323,929.11
Professional Fees and Services	54,592.45	54,592.45
Travel	104,266.02	104,266.02
Materials and Supplies	149,804.92	149,804.92
Communication and Utilities	161,026.57	161,026.57
Repairs and Maintenance	84,826.07	84,826.07
Rentals and Leases	85,219.09	85,219.09
Printing and Reproduction	10,529.82	10,529.82
Other Expenditures	229,377.25	229,377.25
Total Expenditures	13,638,435.20	13,638,435.20
Excess (Deficiency) of Revenues over Expenditures	(2,140,188.63)	(2,140,188.63)
OTHER FINANCING SOURCES (USES)		
Legislative Transfer In	2,814,168.00	2,814,168.00
Legislative Transfer Out	(5,134.30)	(5,134.30)
Total Other Financing Sources (Uses)	2,809,033.70	2,809,033.70
Net Change in Fund Balances	668,845.07	668,845.07
Fund Financial Statement - Fund Balances		
Fund Balances, September 1, 2012	2,831,852.09	2,831,852.09
Restatements	(4,169.44)	(4,169.44)
Fund Balances, September 1, 2012, as Restated	2,827,682.65	2,827,682.65
Appropriations Lapsed	-	-
Fund Balances, August 31, 2013	\$ 3,496,527.72	\$ 3,496,527.72

* GAAP Fund is noted as (XXXX)

UNAUDITED

Office of the Governor - Core Operations (301)
Exhibit J-1 301 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Fiscal Year Ended August 31, 2013

	Beginning Balance			Ending Balance
	September 1, 2012	Additions	Deductions	August 31, 2013
Child Support Employee ded (0807), U/F(8070)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 830.00	\$ 830.00	\$ -
Total Assets	\$ -	\$ 830.00	\$ 830.00	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ 830.00	\$ 830.00	\$ -
Funds Held for Others	-	830.00	830.00	-
Total Liabilities	\$ -	\$ 1,660.00	\$ 1,660.00	\$ -
Overpayments to Employees Account (0900), U/F (9015)				
ASSETS				
Cash in State Treasury	\$ 340.52	\$ -	\$ 340.52	\$ -
Total Assets	\$ 340.52	\$ -	\$ 340.52	\$ -
LIABILITIES				
Funds Held for Others	\$ 340.52	\$ -	\$ 340.52	\$ -
Total Liabilities	\$ 340.52	\$ -	\$ 340.52	\$ -
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ 340.52	\$ 830.00	\$ 1,170.52	\$ -
Total Assets	\$ 340.52	\$ 830.00	\$ 1,170.52	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ 830.00	\$ 830.00	\$ -
Funds Held for Others	340.52	830.00	1,170.52	-
Total Liabilities	\$ 340.52	\$ 1,660.00	\$ 2,000.52	\$ -

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

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

**Exhibit I 300 - Combined Balance Sheet/Statement of Net Position - Governmental Funds
For the Fiscal Year Ended August 31, 2013**

	Governmental Fund Types		
	General Funds (Exhibit A-1 300)	Special Revenue Funds (Exhibit B-1 300)	Debt Service Funds (Exhibit C-1 300)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash In Bank (Note 3)	\$ -	\$ 35,864.87	\$ -
Cash in State Treasury	435,067,291.87	36,798,031.78	253.28
Restricted Cash and Cash Equivalents:			
Cash in State Treasury	-	4,725,000.00	-
Legislative Appropriations	129,264,702.14	-	-
Receivables from:			
Federal	4,651,698.16	-	-
Interest and Dividends	1,299,365.07	21,991.66	-
Accounts Receivable	36,465.56	-	-
Due From Other Agencies	6,590,068.57	-	-
Consumable Inventories	22,468.75	-	-
Prepaid Items	-	4,525.00	-
Loans and Contracts, net of allowance	11,030,000.00	1,401,669.76	-
Total Current Assets	587,962,060.12	42,987,083.07	253.28
Non-Current Assets:			
Loans and Contracts	163,701,893.83	3,658,398.27	-
Furniture and Equipment	-	-	-
Less Accumulated Depreciation	-	-	-
Equity Holdings for Economic Development	166,951,186.85	-	-
Total Non-Current Assets	330,653,080.68	3,658,398.27	-
Total Assets	\$ 918,615,140.80	\$ 46,645,481.34	\$ 253.28
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:			
Payables from:			
Accounts	\$ 15,029,718.13	\$ 15,375.00	\$ -
Payroll	645,133.98	-	-
Due To Other Agencies	1,816,179.61	-	-
Deferred Revenue	31,463,365.91	-	-
General Obligation Bonds Payable (Note 6)	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-
Total Current Liabilities	48,954,397.63	15,375.00	-
Non-Current Liabilities:			
General Obligation Bonds Payable (Note 6)	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-
Total Non-Current Liabilities	-	-	-
Total Liabilities	48,954,397.63	15,375.00	-
Fund Financial Statement			
Fund Balances (Deficits):			
Nonspendable	1,022,468.75	4,525.00	-
Restricted	48,663,081.65	46,589,716.47	253.28
Committed	693,866,642.08	35,864.87	-
Assigned	3,200,000.00	-	-
Unassigned	122,908,550.69	-	-
Total Fund Balances	869,660,743.17	46,630,106.34	253.28
Total Liabilities, Deferred Inflows & Fund Balances	\$ 918,615,140.80	\$ 46,645,481.34	\$ 253.28
Government-Wide Statement of Net Position			
Net Position			
Invested in Capital Assets, net of Related Debt			
Restricted For:			
Other			
Unrestricted			
Total Net Position			

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

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
\$ 35,864.87	\$ -	\$ -	\$ 35,864.87
471,865,576.93	-	-	471,865,576.93
4,725,000.00	-	-	4,725,000.00
129,264,702.14	-	-	129,264,702.14
4,651,698.16	-	-	4,651,698.16
1,321,356.73	-	-	1,321,356.73
36,465.56	-	-	36,465.56
6,590,068.57	-	-	6,590,068.57
22,468.75	-	-	22,468.75
4,525.00	-	-	4,525.00
12,431,669.76	-	-	12,431,669.76
<u>630,949,396.47</u>	<u>-</u>	<u>-</u>	<u>630,949,396.47</u>
167,360,292.10	-	-	167,360,292.10
-	38,343.59	-	38,343.59
-	(37,780.35)	-	(37,780.35)
166,951,186.85	-	-	166,951,186.85
<u>334,311,478.95</u>	<u>563.24</u>	<u>-</u>	<u>334,312,042.19</u>
<u>\$ 965,260,875.42</u>	<u>\$ 563.24</u>	<u>\$ -</u>	<u>\$ 965,261,438.66</u>
\$ 15,045,093.13	\$ -	\$ -	\$ 15,045,093.13
645,133.98	-	-	645,133.98
1,816,179.61	-	-	1,816,179.61
31,463,365.91	-	-	31,463,365.91
-	-	1,340,000.00	1,340,000.00
-	-	567,375.12	567,375.12
<u>48,969,772.63</u>	<u>-</u>	<u>1,907,375.12</u>	<u>50,877,147.75</u>
-	-	91,060,000.00	91,060,000.00
-	-	390,686.93	390,686.93
-	-	91,450,686.93	91,450,686.93
<u>48,969,772.63</u>	<u>-</u>	<u>93,358,062.05</u>	<u>142,327,834.68</u>
1,026,993.75			1,026,993.75
95,253,051.40			95,253,051.40
693,902,506.95			693,902,506.95
3,200,000.00			3,200,000.00
122,908,550.69			122,908,550.69
<u>916,291,102.79</u>			<u>916,291,102.79</u>
<u>\$ 965,260,875.42</u>			
	563.24	-	563.24
	-	(92,400,000.00)	(92,400,000.00)
	-	(958,062.05)	(958,062.05)
<u>\$ 563.24</u>	<u>\$ (93,358,062.05)</u>	<u>\$ 822,933,603.98</u>	

UNAUDITED

Office of the Governor - Trusteed Programs (300)
Exhibit II 300 - Combined Statement of Revenues, Expenditures and Changes in
Fund Balances/Statement of Activities - Governmental Funds
For the Fiscal Year Ended August 31, 2013

	Governmental Fund Types		
	General Funds (Exhibit A-2 300)	Special Revenue Funds (Exhibit B-2 300)	Debt Service Fund (Exhibit C-2 300)
REVENUES			
Legislative Appropriations			
Original Appropriations	\$ 22,181,366.00	\$ -	\$ -
Additional Appropriations	1,354,539.91	-	-
Federal Revenue	66,251,672.93	-	-
Federal Grant Pass-Through Revenue	339,825.73	-	-
License, Fees & Permits	26,788,049.50	-	-
Interest and Other Investment Income	3,752,707.51	417,508.59	761.75
Settlement of Claims	7,423.96	-	-
Sales of Goods and Services	243,266.10	-	-
Other	103,013.55	202,014.07	-
Total Revenues	121,021,865.19	619,522.66	761.75
EXPENDITURES			
Salaries and Wages	6,080,464.39	-	-
Payroll Related Costs	1,602,722.69	-	-
Professional Fees and Services	6,135,220.89	24,049.49	-
Travel	415,707.18	-	-
Materials and Supplies	86,873.04	6,074.01	-
Communication and Utilities	177,564.09	-	-
Repairs and Maintenance	37,013.67	-	-
Rentals and Leases	301,584.13	-	-
Printing and Reproduction	8,562.50	-	-
Federal Grant Pass-Through Expenditures	4,978,727.18	-	-
State Grant Pass-Through Expenditures	8,693,620.14	-	-
Intergovernmental Payments	41,651,503.24	-	-
Public Assistance Payments	35,195,381.52	280,000.00	-
Other Expenditures	79,352,791.29	50,015.52	-
Debt Service:			
Principal	-	-	1,280,000.00
Interest	-	-	2,514,433.50
Depreciation Expense	-	-	-
Total Expenditures/Expenses	184,717,735.95	360,139.02	3,794,433.50
Excess (Deficiency) of Revenues over Expenditures	(63,695,870.76)	259,383.64	(3,793,671.75)
OTHER FINANCING SOURCES (USES)			
Transfer In	57,096,599.82	167,194.05	3,794,433.57
Transfer Out	(22,675,731.05)	(443,155.05)	(1,044.28)
Legislative Transfer In (Note 12)	5,134.30	-	-
Legislative Transfer Out (Note 12)	(3,214,168.00)	-	-
Total Other Financing Sources (Uses)	31,211,835.07	(275,961.00)	3,793,389.29
Net Change in Fund Balances/Net Position	(32,484,035.69)	(16,577.36)	(282.46)
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2012	1,127,224,383.32	46,646,683.70	535.74
Restatements (Note 14)	(221,295,766.40)	-	-
Fund Balances, September 1, 2012, as Restated	<u>905,928,616.92</u>	<u>46,646,683.70</u>	<u>535.74</u>
Appropriations Lapsed	(3,783,838.06)	-	-
Fund Balances, August 31, 2013	\$ 869,660,743.17	\$ 46,630,106.34	\$ 253.28

Government-Wide Statement of Position

Net Position/Net Change in Net Position

Net Position, September 1, 2012

Restatements

Net Position, September 1, 2012, as Restated

Net Position, August 31, 2013

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

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 22,181,366.00	\$ -	\$ -	\$ 22,181,366.00
1,354,539.91	-	-	1,354,539.91
66,251,672.93	-	-	66,251,672.93
339,825.73	-	-	339,825.73
26,788,049.50	-	-	26,788,049.50
4,170,977.85	-	-	4,170,977.85
7,423.96	-	-	7,423.96
243,266.10	-	-	243,266.10
305,027.62	-	-	305,027.62
<u>121,642,149.60</u>	<u>-</u>	<u>-</u>	<u>121,642,149.60</u>
6,080,464.39	-	156,500.69	6,236,965.08
1,602,722.69	-	-	1,602,722.69
6,159,270.38	-	-	6,159,270.38
415,707.18	-	-	415,707.18
92,947.05	-	-	92,947.05
177,564.09	-	-	177,564.09
37,013.67	-	-	37,013.67
301,584.13	-	-	301,584.13
8,562.50	-	-	8,562.50
4,978,727.18	-	-	4,978,727.18
8,693,620.14	-	-	8,693,620.14
41,651,503.24	-	-	41,651,503.24
35,475,381.52	-	-	35,475,381.52
79,402,806.81	-	-	79,402,806.81
1,280,000.00	-	(1,280,000.00)	-
2,514,433.50	-	-	2,514,433.50
-	964.80	-	964.80
<u>188,872,308.47</u>	<u>964.80</u>	<u>(1,123,499.31)</u>	<u>187,749,773.96</u>
<u>(67,230,158.87)</u>	<u>(964.80)</u>	<u>1,123,499.31</u>	<u>(66,107,624.36)</u>
61,058,227.44	-	-	61,058,227.44
(23,119,930.38)	-	-	(23,119,930.38)
5,134.30	-	-	5,134.30
(3,214,168.00)	-	-	(3,214,168.00)
<u>34,729,263.36</u>	<u>-</u>	<u>-</u>	<u>34,729,263.36</u>
<u>(32,500,895.51)</u>			<u>(31,378,361.00)</u>
1,173,871,602.76			1,173,871,602.76
(221,295,766.40)			(221,295,766.40)
<u>952,575,836.36</u>			<u>952,575,836.36</u>
<u>(3,783,838.06)</u>			<u>(3,783,838.06)</u>
<u>\$ 916,291,102.79</u>			<u>\$ 917,413,637.30</u>
\$ 916,291,102.79	\$ (964.80)	\$ 1,123,499.31	\$ 917,413,637.30
-	1,528.04	(94,481,561.36)	(94,480,033.32)
-	-	-	-
-	1,528.04	(94,481,561.36)	(94,480,033.32)
<u>\$ 916,291,102.79</u>	<u>\$ 563.24</u>	<u>\$ (93,358,062.05)</u>	<u>\$ 822,933,603.98</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit III 300 - Combined Statement of Net Position - Proprietary Funds
 For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds (Exhibit F-1 300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents	
Cash in State Treasury	\$ 14,380,871.26
Restricted:	
Cash in State Treasury	500,000.00
Receivables from:	
Interest and Dividends	76,495.62
Other	1,999.82
Loans and Contracts	2,031,793.39
Total Current Assets	16,991,160.09
Non-Current Assets:	
Loans and Contracts	19,770,359.45
Total Non-Current Assets	19,770,359.45
Total Assets	\$ 36,761,519.54
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	\$ 100,577.83
Payroll	43,833.82
Employees' Compensable Leave (Note 5)	26,081.01
Total Current Liabilities	170,492.66
Non-Current Liabilities:	
Notes and Loans Payable (Note 5)	25,000,000.00
Employees' Compensable Leave (Note 5)	13,641.75
Total Non-Current Liabilities	25,013,641.75
Total Liabilities	25,184,134.41
Net Position	
Restricted For:	
Other	500,000.00
Unrestricted	11,077,385.13
Total Net Position	\$ 11,577,385.13

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit IV 300 - Combined Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended August 31, 2013

	<u>Total Enterprise Funds</u> (Exhibit F-2 300)
Operating Revenues	
Interest and Investment Income	\$ 657,146.44
Other Operating Revenue	206,037.00
Total Operating Revenues	<u>863,183.44</u>
Operating Expenses:	
Salaries and Wages	439,652.08
Payroll Related Costs	112,313.60
Professional Fees and Services	16,888.16
Travel	10,902.57
Materials and Supplies	3,779.84
Communication and Utilities	34,613.11
Rentals and Leases	1,800.00
Printing and Reproduction	90.00
Interest	43,416.65
Other Operating Expenses	297,262.82
Total Operating Expenses	<u>960,718.83</u>
Operating Income (Loss)	<u>(97,535.39)</u>
Nonoperating Revenues (Expenses)	
Investment Income (Expense)	45,179.87
Total Other Nonoperating Revenues (Expenses)	<u>45,179.87</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(52,355.52)</u>
Capital Contributions, Endowments and Transfers	
Transfer In	1,948,209.27
Transfer Out	(476,232.50)
Total Capital Contributions, Endowments and Transfers	<u>1,471,976.77</u>
Change in Net Position	<u>1,419,621.25</u>
Total Net Position, September 1, 2012	10,157,763.88
Restatements (Note 14)	-
Total Net Position, September 1, 2012, as Restated	<u>10,157,763.88</u>
Total Net Position, August 31, 2013	<u>\$ 11,577,385.13</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit V 300 - Combined Statement of Cash Flows – Proprietary Funds
 For the Fiscal Year Ended August 31, 2013

	Total Enterprise Funds
	(Exhibit F-3 300)
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Other Revenue	\$ 206,037.00
Payments to Employees	(556,168.98)
Payments for Other Expenses	(318,758.04)
Net Cash Provided by Operating Activities	(668,890.02)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds of Transfers from Other Funds	1,948,209.27
Payments of Interest	(43,416.65)
Payments of Other Costs of Debt Issuance	(4,240.00)
Payments for Transfers to Other Funds	(476,232.50)
Net Cash Provided by Noncapital Financing Activities	1,424,320.12
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Interest and Investment Income	705,193.45
Proceeds from Principal Payments on Loans	4,068,480.11
Payments to Bank Loan Reserve	(2,060,000.00)
Net Cash Provided by Investing Activities	2,713,673.56
Net Increase/(Decrease) in Cash and Cash Equivalents	3,469,103.66
Cash and Cash Equivalents, September 1, 2012	11,411,767.60
Restatement to Beginning Cash & Cash Equivalents	-
Cash and Cash Equivalents, September 1, 2012 as Restated	11,411,767.60
Cash and Cash Equivalents, August 31, 2013	\$ 14,880,871.26
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (97,535.39)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Operating Income and Cash Flow Categories Classification Differences	(609,489.79)
Changes in Assets and Liabilities:	
Increase (Decrease) in Payables	42,988.93
Increase (Decrease) in Compensated Absence Liabilities	(4,853.77)
Total Adjustments	(571,354.63)
Net Cash Provided by Operating Activities	\$ (668,890.02)

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

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UNAUDITED

Office of the Governor - Trusteed Programs (300)

**Exhibit VIII - Combined Statement of Net Position - Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2013**

	Totals (Exhibit K-1 300)
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash In Bank (Note 3)	\$ 2,302,840.77
Cash Equivalents (Note 3)	3,819,051.63
Restricted Cash and Cash Equivalents:	
Cash Equivalents (Note 3)	162,000.00
Receivables from:	
Interest and Dividends	8,752.01
Accounts Receivable	63,099.70
Prepaid Items	58,791.00
Loans and Contracts	207,931.52
Other Current Assets	7,374.00
Total Current Assets	6,629,840.63
Non-Current Assets:	
Loans and Contracts	533,547.77
Capital Assets (Note 2):	
Depreciable and Amortizable, Net	16,129.00
Total Non-Current Assets	549,676.77
Total Assets	\$ 7,179,517.40
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts	\$ 69,159.81
Other	193.92
Deferred Revenues	1,670,210.00
Total Current Liabilities	1,739,563.73
Non-Current Liabilities	
Revenue Bonds Payable (Note 5)	1,620,000.00
Total Non-Current Liabilities	1,620,000.00
Total Liabilities	3,359,563.73
Net Position	
Unrestricted	3,819,953.67
Total Net Position	\$ 3,819,953.67

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
Exhibit IX - Combined Statement of Revenues, Expenses and Changes in Net Position –
Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2013

	Totals
	(Exhibit K-2 300)
Operating Revenues:	
Sales of Goods and Services	\$ 781,846.00
Interest and Investment Income	204,499.68
Other Grants and Contributions	3,316,549.88
Other Operating Revenue	69,966.00
Total Operating Revenues	4,372,861.56
Operating Expenses:	
Salaries and Wages	586,362.00
Payroll Related Costs	81,443.00
Professional Fees and Services	777,695.84
Travel	254,187.28
Materials and Supplies	267,161.65
Communication and Utilities	68,724.64
Rentals and Leases	412,084.41
Printing and Reproduction	20,118.81
Depreciation and Amortization	9,094.00
Interest	19,569.74
Grants to Community Service Programs	11,100.00
Other Operating Expenses	1,943,567.00
Total Operating Expenses	4,451,108.37
Operating Income (Loss)	(78,246.81)
Nonoperating Revenue (Expenses)	
Investment Income (Expense)	4,269.08
Other Nonoperating Revenues (Expenses)	12,847.39
Total Nonoperating Revenue (Expenses)	17,116.47
Income (Loss) Before Other Revenue, Expenses, Gains/Losses, and Transfers	(61,130.34)
Change in Net Position	(61,130.34)
Net Position, September 1, 2012	3,874,257.27
Restatements (Note 14)	6,826.74
Net Position, September 1, 2012, as Restated	3,881,084.01
Net Position, August 31, 2013	\$ 3,819,953.67

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

**Exhibit A-1 300 - Combining Balance Sheet - All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2013**

	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	\$ -	\$ -	\$ 32,910,763.16	\$ 62,031,861.46
Legislative Appropriations	129,264,702.14	-	-	-
Receivables from:				
Federal	-	-	-	4,651,698.16
Interest and Dividends	-	-	8,855.89	-
Accounts Receivable	36,465.56	-	-	-
Due From Other Agencies	184,651.89	200,754.82	-	-
Consumable Inventories	17,094.32	-	-	1,053.77
Loans and Contracts, net of allowance	-	-	-	-
Total Current Assets	129,502,913.91	200,754.82	32,919,619.05	66,684,613.39
Non-Current Assets:				
Loans and Contracts	1,000,000.00	-	-	-
Equity Holdings for Economic Development	-	-	-	-
Total Non-Current Assets	1,000,000.00	-	-	-
Total Assets	\$ 130,502,913.91	\$ 200,754.82	\$ 32,919,619.05	\$ 66,684,613.39
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 6,209,872.39	\$ 200,754.82	\$ 775,333.73	\$ 5,401,146.90
Payroll	367,396.51	-	12,040.60	124,452.45
Due To Other Agencies	-	-	668,878.81	1,105,057.42
Deferred Revenue	-	-	31,463,365.91	-
Total Current Liabilities	6,577,268.90	200,754.82	32,919,619.05	6,630,656.77
Total Liabilities	6,577,268.90	200,754.82	32,919,619.05	6,630,656.77
Fund Balances (Deficits):				
Nonspendable	1,017,094.32	-	-	1,053.77
Restricted	-	-	-	-
Committed	-	-	-	60,052,902.85
Assigned	-	-	-	-
Unassigned	122,908,550.69	-	-	-
Total Fund Balances	123,925,645.01	-	-	60,053,956.62
Total Liabilities and Fund Balances	\$ 130,502,913.91	\$ 200,754.82	\$ 32,919,619.05	\$ 66,684,613.39

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts				
Rural Economic Development (0425)*	Economic Stabilization Fund (0599)*	Hotel Occupancy Tax for Economic Development (5003)*	Crime Stoppers Assistance (5012)*	Tourism Plates (5053)*
\$ -	\$ -	\$ 22,214,907.60	\$ 554,899.92	\$ 129,244.35
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	3,553,187.31	-	-
-	-	4,320.66	-	-
-	-	-	-	-
-	-	<u>25,772,415.57</u>	<u>554,899.92</u>	<u>129,244.35</u>
-	3,200,000.00	-	-	-
-	-	-	-	-
-	<u>3,200,000.00</u>	-	-	-
<u>\$ -</u>	<u>\$ 3,200,000.00</u>	<u>\$ 25,772,415.57</u>	<u>\$ 554,899.92</u>	<u>\$ 129,244.35</u>
\$ -	\$ -	\$ 2,228,898.55	\$ 49,562.36	\$ 129,244.35
-	-	117,543.85	-	-
-	-	-	430.14	-
-	-	-	-	-
-	-	<u>2,346,442.40</u>	<u>49,992.50</u>	<u>129,244.35</u>
-	-	2,346,442.40	49,992.50	129,244.35
-	-	4,320.66	-	-
-	-	-	-	-
-	-	23,421,652.51	504,907.42	-
-	3,200,000.00	-	-	-
-	-	-	-	-
-	<u>3,200,000.00</u>	<u>23,425,973.17</u>	<u>504,907.42</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 3,200,000.00</u>	<u>\$ 25,772,415.57</u>	<u>\$ 554,899.92</u>	<u>\$ 129,244.35</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit A-1 300 - Combining Balance Sheet - All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2013

	Consolidated Accounts			
	Texas Enterprise (5107)*	Economic Development and Tourism (5110)*	Texas Music Foundation Plates (5113)*	Texas Military Value Revolving Loan (5114)*
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 217,668,746.53	\$ 68,703.35	\$ 9,833.70	\$ 58,324.71
Legislative Appropriations	-	-	-	-
Receivables from:				
Federal	-	-	-	-
Interest and Dividends	59,130.45	-	-	1,204,756.94
Accounts Receivable	-	-	-	-
Due From Other Agencies	-	-	-	-
Consumable Inventories	-	-	-	-
Loans and Contracts, net of allowance	-	-	-	11,030,000.00
Total Current Assets	<u>217,727,876.98</u>	<u>68,703.35</u>	<u>9,833.70</u>	<u>12,293,081.65</u>
Non-Current Assets:				
Loans and Contracts	114,596,658.83	-	-	36,370,000.00
Equity Holdings for Economic Development	-	-	-	-
Total Non-Current Assets	<u>114,596,658.83</u>	<u>-</u>	<u>-</u>	<u>36,370,000.00</u>
Total Assets	<u>\$ 332,324,535.81</u>	<u>\$ 68,703.35</u>	<u>\$ 9,833.70</u>	<u>\$ 48,663,081.65</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ -	\$ 1,626.11	\$ 2,300.00	\$ -
Payroll	-	-	-	-
Due To Other Agencies	-	-	-	-
Deferred Revenue	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>1,626.11</u>	<u>2,300.00</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>1,626.11</u>	<u>2,300.00</u>	<u>-</u>
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	-	-	48,663,081.65
Committed	332,324,535.81	67,077.24	7,533.70	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>332,324,535.81</u>	<u>67,077.24</u>	<u>7,533.70</u>	<u>48,663,081.65</u>
Total Liabilities and Fund Balances	<u>\$ 332,324,535.81</u>	<u>\$ 68,703.35</u>	<u>\$ 9,833.70</u>	<u>\$ 48,663,081.65</u>

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts			
Daughters of the Republic of Texas (5115)*	Emerging Technology (5124)*	BP Oil Spill Tx Response Grant (5149)*	Total (Exhibit I -300)
\$ 17,623.19	\$ 94,316,638.23	\$ 5,085,745.67	\$ 435,067,291.87
-	-	-	129,264,702.14
-	-	-	4,651,698.16
-	25,259.78	1,362.01	1,299,365.07
-	-	-	36,465.56
-	2,651,474.55	-	6,590,068.57
-	-	-	22,468.75
-	-	-	11,030,000.00
<u>17,623.19</u>	<u>96,993,372.56</u>	<u>5,087,107.68</u>	<u>587,962,060.12</u>
-	8,535,235.00	-	163,701,893.83
-	166,951,186.85	-	166,951,186.85
-	175,486,421.85	-	330,653,080.68
<u>\$ 17,623.19</u>	<u>\$ 272,479,794.41</u>	<u>\$ 5,087,107.68</u>	<u>\$ 918,615,140.80</u>
\$ 17,623.19	\$ 13,355.73	\$ -	\$ 15,029,718.13
-	23,700.57	-	645,133.98
-	41,813.24	-	1,816,179.61
-	-	-	31,463,365.91
<u>17,623.19</u>	<u>78,869.54</u>	<u>-</u>	<u>48,954,397.63</u>
<u>17,623.19</u>	<u>78,869.54</u>	<u>-</u>	<u>48,954,397.63</u>
-	-	-	1,022,468.75
-	-	-	48,663,081.65
-	272,400,924.87	5,087,107.68	693,866,642.08
-	-	-	3,200,000.00
-	-	-	122,908,550.69
-	272,400,924.87	5,087,107.68	869,660,743.17
<u>\$ 17,623.19</u>	<u>\$ 272,479,794.41</u>	<u>\$ 5,087,107.68</u>	<u>\$ 918,615,140.80</u>

UNAUDITED

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, 2013**

	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	\$ 22,181,366.00	\$ -	\$ -	\$ -
Additional Appropriations	1,354,539.91	-	-	-
Federal Revenue	1,776,030.69	-	18,225,234.77	46,250,407.47
Federal Grant Pass-Through Revenue	339,825.73	-	-	-
License, Fees & Permits	2,539,684.71	-	-	23,657,725.16
Interest and Other Investment Income	(0.44)	-	-	-
Settlement of Claims	-	-	-	-
Sales of Goods and Services	243,266.10	-	-	-
Other	79,277.92	-	-	14,574.30
Total Revenues	28,513,990.62	-	18,225,234.77	69,922,706.93
EXPENDITURES				
Salaries and Wages	3,391,374.71	-	116,255.36	1,187,270.87
Payroll Related Costs	821,577.56	-	28,865.57	382,157.06
Professional Fees and Services	607,462.60	-	112,127.27	1,579,097.47
Travel	328,498.94	-	2,872.24	65,156.91
Materials and Supplies	47,487.54	-	1,019.12	6,595.01
Communication and Utilities	131,896.02	-	2,267.21	11,054.30
Repairs and Maintenance	12,800.00	-	-	-
Rentals and Leases	211,676.41	-	3,396.24	16,627.92
Printing and Reproduction	8,146.90	-	6.98	209.34
Federal Grant Pass-Through Expenditures	608,764.51	-	3,600,566.77	769,395.90
State Grant Pass-Through Expenditures	(1,277,020.99)	665,583.03	-	4,925,732.26
Intergovernmental Payments	4,886,539.40	3,375,705.67	13,238,609.83	20,150,648.34
Public Assistance Payments	225,406.52	-	1,091,767.02	33,191,626.20
Other Expenditures	14,479,561.05	-	27,481.16	308,795.89
Total Expenditures	24,484,171.17	4,041,288.70	18,225,234.77	62,594,367.47
Excess (Deficiency) of Revenues over Expenditures	4,029,819.45	(4,041,288.70)	-	7,328,339.46
OTHER FINANCING SOURCES (USES)				
Transfer In	4,286,122.68	2,300,485.05	275.78	388,023.20
Transfer Out	(5,330,995.17)	(2,681,812.03)	(275.78)	(388,023.20)
Legislative Transfer In	5,134.30	-	-	-
Legislative Transfer Out	(3,214,168.00)	-	-	-
Total Other Financing Sources (Uses)	(4,253,906.19)	(381,326.98)	-	-
Net Change in Fund Balances	(224,086.74)	(4,422,615.68)	-	7,328,339.46
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2012	127,933,569.81	4,422,615.68	-	52,427,967.02
Restatements	-	-	-	297,650.14
Fund Balances, September 1, 2012, as Restated	127,933,569.81	4,422,615.68	-	52,725,617.16
Appropriations Lapsed	(3,783,838.06)	-	-	-
Fund Balances, August 31, 2013	\$ 123,925,645.01	\$ -	\$ -	\$ 60,053,956.62

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts				
Rural Economic Development (0425)*	Economic Stabilization Fund (0599)*	Hotel Occupancy Tax for Economic Development (5003)*	Crime Stoppers Assistance (5012)*	Tourism Plates (5053)*
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
916.91	-	-	488,378.81	16,879.27
-	-	-	-	-
-	-	-	-	-
-	-	265.24	-	-
<u>916.91</u>	<u>-</u>	<u>265.24</u>	<u>488,378.81</u>	<u>16,879.27</u>
-	-	1,101,345.45	-	-
-	-	281,136.47	-	-
-	-	3,544,526.17	246,840.38	-
-	-	4,637.37	-	-
-	-	22,489.84	-	6,300.00
-	-	27,634.04	-	-
-	-	12,448.75	-	-
-	-	58,463.32	-	10,725.00
-	-	181.19	-	-
-	-	-	-	-
-	-	-	5,856.31	-
-	-	-	-	-
-	-	-	317,132.33	-
-	-	24,519,477.72	-	129,244.35
-	-	29,572,340.32	569,829.02	146,269.35
<u>916.91</u>	<u>-</u>	<u>(29,572,075.08)</u>	<u>(81,450.21)</u>	<u>(129,390.08)</u>
-	3,200,000.00	37,082,951.11	-	-
(397,737.78)	-	(320,716.80)	-	-
-	-	-	-	-
<u>(397,737.78)</u>	<u>3,200,000.00</u>	<u>36,762,234.31</u>	<u>-</u>	<u>-</u>
<u>(396,820.87)</u>	<u>3,200,000.00</u>	<u>7,190,159.23</u>	<u>(81,450.21)</u>	<u>(129,390.08)</u>
396,820.87	-	16,235,813.94	586,357.63	129,390.08
-	-	-	-	-
<u>396,820.87</u>	<u>-</u>	<u>16,235,813.94</u>	<u>586,357.63</u>	<u>129,390.08</u>
-	-	-	-	-
<u>\$ -</u>	<u>\$ 3,200,000.00</u>	<u>\$ 23,425,973.17</u>	<u>\$ 504,907.42</u>	<u>\$ -</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)

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

All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2013

	Consolidated Accounts			
	Texas Enterprise (5107)*	Economic Development and Tourism (5110)*	Texas Music Foundation Plates (5113)*	Texas Military Value Revolving Loan (5114)*
REVENUE				
Legislative Appropriations				
Original Appropriations	\$ -	\$ -	\$ -	\$ -
Additional Appropriations	-	-	-	-
Federal Revenue	-	-	-	-
Federal Grant Pass-Through Revenue	-	-	-	-
License, Fees & Permits	-	6,336.58	8,590.83	-
Interest and Other Investment Income	902,909.53	-	-	2,409,134.60
Settlement of Claims	-	-	-	-
Sales of Goods and Services	-	-	-	-
Other	-	4,500.00	-	-
Total Revenue	<u>902,909.53</u>	<u>10,836.58</u>	<u>8,590.83</u>	<u>2,409,134.60</u>
EXPENDITURES				
Salaries and Wages	-	-	-	-
Payroll Related Costs	-	-	-	-
Professional Fees and Services	-	-	-	-
Travel	-	13,540.21	-	-
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	-	-	-	-
Intergovernmental Payments	-	-	-	-
Public Assistance Payments	-	-	8,174.90	-
Other Expenditures	33,971,590.60	229.00	-	-
Total Expenditures	<u>33,971,590.60</u>	<u>13,769.21</u>	<u>8,174.90</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(33,068,681.07)</u>	<u>(2,932.63)</u>	<u>415.93</u>	<u>2,409,134.60</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	-	800,969.28
Transfer Out	-	-	-	(4,518,397.57)
Legislative Transfer In	-	-	-	-
Legislative Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,717,428.29)</u>
Net Change in Fund Balances	<u>(33,068,681.07)</u>	<u>(2,932.63)</u>	<u>415.93</u>	<u>(1,308,293.69)</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2012	566,944,255.05	70,009.87	7,117.77	49,971,375.34
Restatements	(201,551,038.17)	-	-	-
Fund Balances, September 1, 2012, as Restated	<u>365,393,216.88</u>	<u>70,009.87</u>	<u>7,117.77</u>	<u>49,971,375.34</u>
Appropriations Lapsed	-	-	-	-
Fund Balances, August 31, 2013	<u>\$ 332,324,535.81</u>	<u>\$ 67,077.24</u>	<u>\$ 7,533.70</u>	<u>\$ 48,663,081.65</u>

* GAAP Fund is noted as (XXXX)

UNAUDITED

Consolidated Accounts			
Daughters of the Republic of Texas (5115)*	Emerging Technology (5124)*	BP Oil Spill Tx Response Grant (5149)*	Total (Exhibit II 300)
\$ -	\$ -	\$ -	\$ 22,181,366.00
-	-	-	1,354,539.91
-	-	-	66,251,672.93
-	-	-	339,825.73
70,454.14	-	-	26,788,049.50
-	419,363.43	20,383.48	3,752,707.51
-	7,423.96	-	7,423.96
-	-	-	243,266.10
-	4,396.09	-	103,013.55
<u>70,454.14</u>	<u>431,183.48</u>	<u>20,383.48</u>	<u>121,021,865.19</u>
-	284,218.00	-	6,080,464.39
-	88,986.03	-	1,602,722.69
-	45,167.00	-	6,135,220.89
-	1,001.51	-	415,707.18
-	2,981.53	-	86,873.04
-	4,712.52	-	177,564.09
-	11,764.92	-	37,013.67
-	695.24	-	301,584.13
-	18.09	-	8,562.50
-	-	-	4,978,727.18
-	4,373,469.53	-	8,693,620.14
-	-	-	41,651,503.24
70,454.14	290,820.41	-	35,195,381.52
-	5,916,411.52	-	79,352,791.29
<u>70,454.14</u>	<u>11,020,246.30</u>	<u>-</u>	<u>184,717,735.95</u>
-	(10,589,062.82)	20,383.48	(63,695,870.76)
-	9,037,772.72	-	57,096,599.82
-	(9,037,772.72)	-	(22,675,731.05)
-	-	-	5,134.30
-	-	-	(3,214,168.00)
-	-	-	31,211,835.07
-	(10,589,062.82)	20,383.48	(32,484,035.69)
-	303,032,366.06	5,066,724.20	1,127,224,383.32
-	(20,042,378.37)	-	(221,295,766.40)
-	282,989,987.69	5,066,724.20	905,928,616.92
-	-	-	(3,783,838.06)
<u>\$ -</u>	<u>\$ 272,400,924.87</u>	<u>\$ 5,087,107.68</u>	<u>\$ 869,660,743.17</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit B-1 300 - Combining Balance Sheet - Special Revenue Funds
 For the Fiscal Year Ended August 31, 2013

	Small Business Incubator Fund (0588)* U/F (5881)	Texas Product Development Fund (0589)* U/F (5891)	Blended Component Units (9999)* U/F (7010)	Total (Exhibit I 300)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash In Bank	\$ -	\$ -	\$ 35,864.87	\$ 35,864.87
Cash in State Treasury	17,441,869.59	19,356,162.19	-	36,798,031.78
Restricted Cash and Cash Equivalents:				
Cash in State Treasury	2,100,000.00	2,625,000.00	-	4,725,000.00
Receivables from:				
Interest and Dividends	7,399.02	14,592.64	-	21,991.66
Prepaid Items	2,040.28	2,484.72	-	4,525.00
Loans and Contracts, net of allowance	190,000.00	1,211,669.76	-	1,401,669.76
Total Current Assets	<u>19,741,308.89</u>	<u>23,209,909.31</u>	<u>35,864.87</u>	<u>42,987,083.07</u>
Non-Current Assets:				
Loans and Contracts	1,026,250.03	2,632,148.24	-	3,658,398.27
Total Non-Current Assets	<u>1,026,250.03</u>	<u>2,632,148.24</u>	<u>-</u>	<u>3,658,398.27</u>
Total Assets	<u>\$ 20,767,558.92</u>	<u>\$ 25,842,057.55</u>	<u>\$ 35,864.87</u>	<u>\$ 46,645,481.34</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts	\$ 6,833.33	\$ 8,541.67	-	\$ 15,375.00
Total Current Liabilities	<u>6,833.33</u>	<u>8,541.67</u>	<u>-</u>	<u>15,375.00</u>
Total Liabilities	<u>6,833.33</u>	<u>8,541.67</u>	<u>-</u>	<u>15,375.00</u>
Fund Balances (Deficits):				
Nonspendable	2,040.28	2,484.72	-	4,525.00
Restricted	20,758,685.31	25,831,031.16	-	46,589,716.47
Committed	-	-	35,864.87	35,864.87
Total Fund Balances	<u>20,760,725.59</u>	<u>25,833,515.88</u>	<u>35,864.87</u>	<u>46,630,106.34</u>
Total Liabilities and Fund Balances	<u>\$ 20,767,558.92</u>	<u>\$ 25,842,057.55</u>	<u>\$ 35,864.87</u>	<u>\$ 46,645,481.34</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit B-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Special Revenue Funds

For the Fiscal Year Ended August 31, 2013

	Small Business Incubator Fund (0588)* U/F (5881)	Texas Product Development Fund (0589)* U/F (5891)	Blended Component Units (9999)* U/F (7010)	Totals (Exhibit II 300)
REVENUES				
Interest and Other Investment Income	\$ 125,078.06	\$ 292,425.19	\$ 5.34	\$ 417,508.59
Other	-	-	202,014.07	202,014.07
Total Revenues	<u>125,078.06</u>	<u>292,425.19</u>	<u>202,019.41</u>	<u>619,522.66</u>
EXPENDITURES				
Professional Fees and Services	10,138.89	12,673.60	1,237.00	24,049.49
Materials and Supplies	-	-	6,074.01	6,074.01
Public Assistance Payments	-	-	280,000.00	280,000.00
Other Expenditures	22,321.44	27,694.08	-	50,015.52
Total Expenditures	<u>32,460.33</u>	<u>40,367.68</u>	<u>287,311.01</u>	<u>360,139.02</u>
Excess (Deficiency) of Revenues over Expenditures	<u>92,617.73</u>	<u>252,057.51</u>	<u>(85,291.60)</u>	<u>259,383.64</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	80,051.49	87,142.56	-	167,194.05
Transfer Out	(159,126.19)	(284,028.86)	-	(443,155.05)
Total Other Financing Sources (Uses)	<u>(79,074.70)</u>	<u>(196,886.30)</u>	<u>-</u>	<u>(275,961.00)</u>
Net Change in Fund Balances	<u>13,543.03</u>	<u>55,171.21</u>	<u>(85,291.60)</u>	<u>(16,577.36)</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2012	20,747,182.56	25,778,344.67	121,156.47	46,646,683.70
Restatements	-	-	-	-
Fund Balances - September 1, 2012, as Restated	<u>20,747,182.56</u>	<u>25,778,344.67</u>	<u>121,156.47</u>	<u>46,646,683.70</u>
Fund Balances, August 31, 2013	<u>\$ 20,760,725.59</u>	<u>\$ 25,833,515.88</u>	<u>\$ 35,864.87</u>	<u>\$ 46,630,106.34</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit C-1 300 - Combining Balance Sheet - Debt Service Funds
 For the Fiscal Year Ended August 31, 2013

	Small Business Incubator Fund (0588)* U/F (5882)	Texas Product Development Fund (0589)* U/F (5892)	Texas Military Value Revolving Loan (7022)* U/F (7221)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash in State Treasury	\$ -	\$ -	\$ 41.61
Total Current Assets	-	-	41.61
Total Assets	\$ -	\$ -	\$ 41.61
LIABILITIES AND FUND BALANCES			
Liabilities			
Current Liabilities:	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
Fund Balances (Deficits):			
Restricted	-	-	41.61
Total Fund Balances	-	-	41.61
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 41.61

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

UNAUDITED

Texas Military Value Revolving Loan (7026)* U/F (7262)	Texas Military Value Revolving Loan (7027)* U/F (7273)	Total (Exhibit I 300)
\$ 46.65	\$ 165.02	\$ 253.28
<u>46.65</u>	<u>165.02</u>	<u>253.28</u>
<u>\$ 46.65</u>	<u>\$ 165.02</u>	<u>\$ 253.28</u>
\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>
46.65	165.02	253.28
<u>46.65</u>	<u>165.02</u>	<u>253.28</u>
<u>\$ 46.65</u>	<u>\$ 165.02</u>	<u>\$ 253.28</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit C-2 300 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Debt Service Funds
For the Fiscal Year Ended August 31, 2013

	Small Business Incubator Fund (0588)* U/F (5882)	Texas Product Development Fund (0589)* U/F (5892)	Texas Military Value Revolving Loan (7022)* U/F (7221)
REVENUES			
Interest and Other Investment Income	\$ -	\$ -	\$ 181.66
Total Revenues	<u>-</u>	<u>-</u>	<u>181.66</u>
EXPENDITURES			
Debt Service:			
Principal	-	-	485,000.00
Interest	33,760.42	42,200.58	405,312.50
Total Expenditures	<u>33,760.42</u>	<u>42,200.58</u>	<u>890,312.50</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(33,760.42)</u>	<u>(42,200.58)</u>	<u>(890,130.84)</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	33,760.42	42,200.58	890,312.53
Transfer Out	-	-	(230.41)
Total Other Financing Sources (Uses)	<u>33,760.42</u>	<u>42,200.58</u>	<u>890,082.12</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(48.72)</u>
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2012	-	-	90.33
Restatements	-	-	-
Fund Balances, September 1, 2012, as Restated	<u>-</u>	<u>-</u>	<u>90.33</u>
Fund Balances, August 31, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41.61</u>

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

UNAUDITED

Texas Military Value Revolving Loan (7026)* U/F (7262)	Texas Military Value Revolving Loan (7027)* U/F (7273)	Totals (Exhibit II 300)
\$ 138.92	\$ 441.17	\$ 761.75
<u>138.92</u>	<u>441.17</u>	<u>761.75</u>
230,000.00	565,000.00	1,280,000.00
448,000.00	1,585,160.00	2,514,433.50
<u>678,000.00</u>	<u>2,150,160.00</u>	<u>3,794,433.50</u>
<u>(677,861.08)</u>	<u>(2,149,718.83)</u>	<u>(3,793,671.75)</u>
678,000.04	2,150,160.00	3,794,433.57
(190.40)	(623.47)	(1,044.28)
<u>677,809.64</u>	<u>2,149,536.53</u>	<u>3,793,389.29</u>
<u>(51.44)</u>	<u>(182.30)</u>	<u>(282.46)</u>
98.09	347.32	535.74
-	-	-
<u>98.09</u>	<u>347.32</u>	<u>535.74</u>
<u>\$ 46.65</u>	<u>\$ 165.02</u>	<u>\$ 253.28</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit F-1 300 - Combining Statement of Net Position - Enterprise Funds

For the Fiscal Year Ended August 31, 2013

	Economic Development Bank (5106)* U/F (5106)	Capital Access Loan Loss Reserve Account (9999)* U/F (0995)	Totals (Exhibit III 300)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash in State Treasury	\$ 14,380,871.26	-	\$ 14,380,871.26
Restricted:			
Cash in State Treasury	500,000.00	-	500,000.00
Receivables from:			
Interest and Dividends	76,495.62	-	76,495.62
Other	1,999.82	-	1,999.82
Loans and Contracts	2,031,793.39	-	2,031,793.39
Total Current Assets	<u>16,991,160.09</u>	<u>-</u>	<u>16,991,160.09</u>
Non-Current Assets:			
Loans and Contracts	19,770,359.45	-	19,770,359.45
Total Non-Current Assets	<u>19,770,359.45</u>	<u>-</u>	<u>19,770,359.45</u>
Total Assets	<u>\$ 36,761,519.54</u>	<u>\$ -</u>	<u>\$ 36,761,519.54</u>
LIABILITIES			
Current Liabilities:			
Payables from:			
Accounts	\$ 100,577.83	\$ -	\$ 100,577.83
Payroll	43,833.82	-	43,833.82
Employees' Compensable Leave	26,081.01	-	26,081.01
Total Current Liabilities	<u>170,492.66</u>	<u>-</u>	<u>170,492.66</u>
Non-Current Liabilities:			
Notes and Loans Payable (Note 5)	25,000,000.00	-	25,000,000.00
Employees' Compensable Leave	13,641.75	-	13,641.75
Total Non-Current Liabilities	<u>25,013,641.75</u>	<u>-</u>	<u>25,013,641.75</u>
Total Liabilities	<u>25,184,134.41</u>	<u>-</u>	<u>25,184,134.41</u>
Net Position			
Restricted For:			
Other	500,000.00	-	500,000.00
Unrestricted	11,077,385.13	-	11,077,385.13
Total Net Position	<u>\$ 11,577,385.13</u>	<u>\$ -</u>	<u>\$ 11,577,385.13</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit F-2 300 - Combining Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds
For the Fiscal Year Ended August 31, 2013

	Economic Development Bank (5106)* U/F (5106)	Capital Access Loan Loss Reserve Account (9999)* U/F (0995)	Totals (Exhibit IV 300)
Operating Revenues			
Interest and Investment Income	\$ 657,146.44	\$ -	\$ 657,146.44
Other Operating Revenue	206,037.00	-	206,037.00
Total Operating Revenues	<u>863,183.44</u>	<u>-</u>	<u>863,183.44</u>
Operating Expenses:			
Salaries and Wages	439,652.08	-	439,652.08
Payroll Related Costs	112,313.60	-	112,313.60
Professional Fees and Services	16,888.16	-	16,888.16
Travel	10,902.57	-	10,902.57
Materials and Supplies	3,779.84	-	3,779.84
Communication and Utilities	34,613.11	-	34,613.11
Rentals and Leases	1,800.00	-	1,800.00
Printing and Reproduction	90.00	-	90.00
Interest	43,416.65	-	43,416.65
Other Operating Expenses	297,262.82	-	297,262.82
Total Operating Expenses	<u>960,718.83</u>	<u>-</u>	<u>960,718.83</u>
Operating Income (Loss)	<u>(97,535.39)</u>	<u>-</u>	<u>(97,535.39)</u>
Nonoperating Revenues (Expenses)			
Investment Income (Expense)	45,179.87	-	45,179.87
Total Nonoperating Revenues (Expenses)	<u>45,179.87</u>	<u>-</u>	<u>45,179.87</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(52,355.52)</u>	<u>-</u>	<u>(52,355.52)</u>
Capital Contributions, Endowments and Transfers			
Transfer In	1,948,209.27	-	1,948,209.27
Transfer Out	(267,194.05)	(209,038.45)	(476,232.50)
Total Capital Contributions, Endowments and Transfers	<u>1,681,015.22</u>	<u>(209,038.45)</u>	<u>1,471,976.77</u>
Change in Net Position	<u>1,628,659.70</u>	<u>(209,038.45)</u>	<u>1,419,621.25</u>
Total Net Position, September 1, 2012	9,948,725.43	209,038.45	10,157,763.88
Restatements	-	-	-
Total Net Position, September 1, 2012, as Restated	<u>9,948,725.43</u>	<u>209,038.45</u>	<u>10,157,763.88</u>
Total Net Position, August 31, 2013	<u>\$ 11,577,385.13</u>	<u>\$ -</u>	<u>\$ 11,577,385.13</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)
 Exhibit F-3 300 - Combining Statement of Cash Flows - Enterprise Funds
 For the Fiscal Year Ended August 31, 2013

	Economic Development Bank (5106)* U/F (5106)	Capital Access Loan Loss Reserve Account (9999)* U/F (0995)	Totals (Ex V 300)
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from Other Revenue	\$ 206,037.00	\$ -	\$ 206,037.00
Payments to Employees	(556,168.98)	-	(556,168.98)
Payments for Other Expenses	(318,758.04)	-	(318,758.04)
Net Cash Provided by Operating Activities	<u>(668,890.02)</u>	<u>-</u>	<u>(668,890.02)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds of Transfers from Other Funds	1,948,209.27	-	1,948,209.27
Payments of Interest	(43,416.65)	-	(43,416.65)
Payments of Other Costs of Debt Issuance	(4,240.00)	-	(4,240.00)
Payments for Transfers to Other Funds	(267,194.05)	(209,038.45)	(476,232.50)
Net Cash Provided by Noncapital Financing Activities	<u>1,633,358.57</u>	<u>(209,038.45)</u>	<u>1,424,320.12</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Interest and Investment Income	705,193.45	-	705,193.45
Proceeds from Principal Payments on Loans	4,068,480.11	-	4,068,480.11
Payments for Non-Program Loans	(2,060,000.00)	-	(2,060,000.00)
Net Cash Provided by Investing Activities	<u>2,713,673.56</u>	<u>-</u>	<u>2,713,673.56</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	3,678,142.11	(209,038.45)	3,469,103.66
Cash and Cash Equivalents, September 1, 2012	11,202,729.15	209,038.45	11,411,767.60
Restatement to Beginning Cash & Cash Equivalents	-	-	-
Cash and Cash Equivalents, September 1, 2012, as Restated	<u>11,202,729.15</u>	<u>209,038.45</u>	<u>11,411,767.60</u>
Cash and Cash Equivalents, August 31, 2013	<u>\$ 14,880,871.26</u>	<u>\$ -</u>	<u>\$ 14,880,871.26</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (97,535.39)	\$ -	\$ (97,535.39)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Operating Income and Cash Flow Categories Classification Differences	(609,489.79)	-	(609,489.79)
Changes in Assets and Liabilities:			
Increase (Decrease) in Payables	42,988.93	-	42,988.93
Increase (Decrease) in Compensated Absence Liabilities	(4,853.77)	-	(4,853.77)
Total Adjustments	<u>(571,354.63)</u>	<u>-</u>	<u>(571,354.63)</u>
Net Cash Provided by Operating Activities	<u>\$ (668,890.02)</u>	<u>\$ -</u>	<u>\$ (668,890.02)</u>

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit J-1 300 - Combining Statement of Changes in Assets and Liabilities - Agency Funds

For the Fiscal Year Ended August 31, 2013

	Beginning Balance			Ending Balance
	September 1, 2012	Additions	Deductions	August 31, 2013
Departmental Suspense				
Fund (0900), U/F(0900)*				
ASSETS				
Cash in State Treasury	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
Total Assets	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
Total Liabilities	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
Correction Account for Direct Deposit				
Account (0980), U/F (0980)				
ASSETS				
Cash in State Treasury	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Total Assets	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Total Liabilities	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Unappropriated General Revenue				
Agency Fund 1000 (1000) U/F (1002)				
ASSETS				
Cash in State Treasury	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Total Assets	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -
Total Liabilities	\$ -	\$ 41,977.24	\$ 41,977.24	\$ -

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

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit K-1 300 - Combining Statement of Net Position - Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2013

	Texas Disaster Relief Fund, a Non-Profit Corp. (3146)* U/F (7003)	Texas Health Services Authority (3147)* U/F (7004)	Texas Small Business Industrial Development Corporation (3154)* U/F (7002)	Texas Economic Development Corporation (3155)* U/F (7001)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash In Bank	\$ 199,969.99	\$ 1,699,976.00	\$ -	\$ 250,000.00
Cash Equivalents	653,872.91	-	1,544,878.92	1,600,225.00
Restricted Cash and Cash Equivalents:				
Cash Equivalents	-	-	162,000.00	-
Receivables from:				
Interest and Dividends	-	-	8,739.58	-
Accounts Receivable	30.00	-	-	62,344.00
Prepaid Items	-	-	-	58,791.00
Loans and Contracts	-	-	207,931.52	-
Other Current Assets	-	7,374.00	-	-
Total Current Assets	<u>853,872.90</u>	<u>1,707,350.00</u>	<u>1,923,550.02</u>	<u>1,971,360.00</u>
Non-Current Assets:				
Loans and Contracts	-	-	533,547.77	-
Capital Assets:				
Depreciable and Amortizable, Net	-	14,676.00	-	1,453.00
Total Non-Current Assets	<u>-</u>	<u>14,676.00</u>	<u>533,547.77</u>	<u>1,453.00</u>
Total Assets	<u>\$ 853,872.90</u>	<u>\$ 1,722,026.00</u>	<u>\$ 2,457,097.79</u>	<u>\$ 1,972,813.00</u>
LIABILITIES				
Current Liabilities:				
Payables from:				
Accounts	\$ -	\$ 36,326.00	\$ 6,387.79	\$ 26,327.00
Other	-	47.00	146.92	-
Deferred Revenues	-	1,670,210.00	-	-
Total Current Liabilities	<u>-</u>	<u>1,706,583.00</u>	<u>6,534.71</u>	<u>26,327.00</u>
Non-Current Liabilities				
Revenue Bonds Payable	-	-	1,620,000.00	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>1,620,000.00</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>1,706,583.00</u>	<u>1,626,534.71</u>	<u>26,327.00</u>
Net Position				
Unrestricted	853,872.90	15,443.00	830,563.08	1,946,486.00
Total Net Position	<u>\$ 853,872.90</u>	<u>\$ 15,443.00</u>	<u>\$ 830,563.08</u>	<u>\$ 1,946,486.00</u>

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

UNAUDITED

Beacon State Fund (4157)* U/F (7005)	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)
\$ 137,215.69	\$ 7,754.09	\$ 1,821.89	\$ 6,103.11	\$ 2,302,840.77
-	20,074.80	-	-	3,819,051.63
-	-	-	-	162,000.00
-	12.43	-	-	8,752.01
-	-	-	725.70	63,099.70
-	-	-	-	58,791.00
-	-	-	-	207,931.52
-	-	-	-	7,374.00
<u>137,215.69</u>	<u>27,841.32</u>	<u>1,821.89</u>	<u>6,828.81</u>	<u>6,629,840.63</u>
-	-	-	-	533,547.77
-	-	-	-	16,129.00
-	-	-	-	549,676.77
<u>\$ 137,215.69</u>	<u>\$ 27,841.32</u>	<u>\$ 1,821.89</u>	<u>\$ 6,828.81</u>	<u>\$ 7,179,517.40</u>
\$ -	\$ -	\$ 119.02	\$ -	\$ 69,159.81
-	-	-	-	193.92
-	-	-	-	1,670,210.00
-	-	119.02	-	1,739,563.73
-	-	-	-	1,620,000.00
-	-	-	-	1,620,000.00
-	-	119.02	-	3,359,563.73
137,215.69	27,841.32	1,702.87	6,828.81	3,819,953.67
<u>\$ 137,215.69</u>	<u>\$ 27,841.32</u>	<u>\$ 1,702.87</u>	<u>\$ 6,828.81</u>	<u>\$ 3,819,953.67</u>

UNAUDITED

Office of the Governor - Trusteed Programs (300)

Exhibit K-2 300 - Combining Statement of Revenues, Expenses and Changes in Net Position –
Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2013

	Texas Disaster Relief Fund, a Non-Profit Corp. (3146)* U/F (7003)	Texas Health Services Authority (3147)* U/F (7004)	Texas Small Business Industrial Development Corporation (3154)* U/F (7002)	Texas Economic Development Corporation (3155)* U/F (7001)
Operating Revenues:				
Sales of Goods and Services	\$ -	\$ 781,846.00	\$ -	\$ -
Interest and Investment Income	-	-	204,499.68	-
Other Grants and Contributions	171,568.88	-	-	3,139,481.00
Other Operating Revenue	-	-	-	59,941.00
Total Operating Revenues	<u>171,568.88</u>	<u>781,846.00</u>	<u>204,499.68</u>	<u>3,199,422.00</u>
Operating Expenses:				
Salaries and Wages	-	497,273.00	-	89,089.00
Payroll Related Costs	-	81,443.00	-	-
Professional Fees and Services	3,790.00	66,110.00	10,000.00	684,375.00
Travel	-	24,352.00	1,646.57	223,303.00
Materials and Supplies	276.25	9,975.00	-	240,380.00
Communication and Utilities	557.16	61,070.00	-	5,164.00
Rentals and Leases	-	27,021.00	-	383,285.00
Printing and Reproduction	-	-	-	15,422.00
Depreciation and Amortization	-	4,461.00	-	4,633.00
Interest	-	-	19,569.74	-
Grants to Community Service Programs	-	-	-	-
Other Operating Expenses	20.30	14,655.00	205,711.27	1,719,786.00
Total Operating Expenses	<u>4,643.71</u>	<u>786,360.00</u>	<u>236,927.58</u>	<u>3,365,437.00</u>
Operating Income (Loss)	<u>166,925.17</u>	<u>(4,514.00)</u>	<u>(32,427.90)</u>	<u>(166,015.00)</u>
Nonoperating Revenue (Expenses)				
Investment Income (Expense)	1,312.96	-	1,220.61	1,504.00
Other Nonoperating Revenues (Expenses)	-	675.00	-	12,172.39
Total Nonoperating Revenue (Expenses)	<u>1,312.96</u>	<u>675.00</u>	<u>1,220.61</u>	<u>13,676.39</u>
Income (Loss) Before Other Revenue, Expenses, Gains/Losses, and Transfers	<u>168,238.13</u>	<u>(3,839.00)</u>	<u>(31,207.29)</u>	<u>(152,338.61)</u>
Change in Net Position	<u>168,238.13</u>	<u>(3,839.00)</u>	<u>(31,207.29)</u>	<u>(152,338.61)</u>
Net Position, September 1, 2012	685,634.77	19,282.00	861,770.37	2,098,824.61
Restatements	-	-	-	-
Net Position, September 1, 2012, as Restated	<u>685,634.77</u>	<u>19,282.00</u>	<u>861,770.37</u>	<u>2,098,824.61</u>
Net Position, August 31, 2013	<u>\$ 853,872.90</u>	<u>\$ 15,443.00</u>	<u>\$ 830,563.08</u>	<u>\$ 1,946,486.00</u>

UNAUDITED

Beacon State Fund (4157)* U/F (7005)	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)
\$ -	\$ -	\$ -	-	\$ 781,846.00
-	-	-	-	204,499.68
5,500.00	-	-	-	3,316,549.88
-	10,025.00	-	-	69,966.00
<u>5,500.00</u>	<u>10,025.00</u>	<u>-</u>	<u>-</u>	<u>4,372,861.56</u>
-	-	-	-	586,362.00
-	-	-	-	81,443.00
13,420.84	-	-	-	777,695.84
4,875.46	-	10.25	-	254,187.28
9,487.04	5,325.80	1,717.56	-	267,161.65
1,933.48	-	-	-	68,724.64
74.96	1,703.45	-	-	412,084.41
4,691.34	-	5.47	-	20,118.81
-	-	-	-	9,094.00
-	-	-	-	19,569.74
10,500.00	600.00	-	-	11,100.00
2,585.43	624.00	185.00	-	1,943,567.00
<u>47,568.55</u>	<u>8,253.25</u>	<u>1,918.28</u>	<u>-</u>	<u>4,451,108.37</u>
<u>(42,068.55)</u>	<u>1,771.75</u>	<u>(1,918.28)</u>	<u>-</u>	<u>(78,246.81)</u>
61.57	167.87	-	2.07	4,269.08
-	-	-	-	12,847.39
<u>61.57</u>	<u>167.87</u>	<u>-</u>	<u>2.07</u>	<u>17,116.47</u>
<u>(42,006.98)</u>	<u>1,939.62</u>	<u>(1,918.28)</u>	<u>2.07</u>	<u>(61,130.34)</u>
<u>(42,006.98)</u>	<u>1,939.62</u>	<u>(1,918.28)</u>	<u>2.07</u>	<u>(61,130.34)</u>
179,222.67	25,901.70	3,621.15	-	3,874,257.27
-	-	-	6,826.74	6,826.74
<u>179,222.67</u>	<u>25,901.70</u>	<u>3,621.15</u>	<u>6,826.74</u>	<u>3,881,084.01</u>
<u>\$ 137,215.69</u>	<u>\$ 27,841.32</u>	<u>\$ 1,702.87</u>	<u>\$ 6,828.81</u>	<u>\$ 3,819,953.67</u>