





**Chair**  
Robert D. Thomas

**Commissioners**  
William D. Darby  
Patti Jones  
Mike Novak  
Jack W. Perry  
Betty Reinbeck  
Joseph O. Slovacek



**Executive Director**  
Harvey Hilderbran

*Mailing address:*  
P. O. Box 13047  
Austin, TX 78711-3047  
(512) 463-3446  
[www.tfc.state.tx.us](http://www.tfc.state.tx.us)

November 18, 2016

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Comptroller of Public Accounts  
Ursula Parks, Director, Legislative Budget Board  
Lisa R. Collier, CPA, CFE, CIDA First Assistant State Auditor

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

The Annual Finance Report of the Texas Facilities Commission for the year ending August 31, 2016 is submitted in compliance with TEX GOV'T CODE, § 2101.11 and in accordance with the requirements established by the Comptroller.

Per the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the Comptroller does not require the accompanying annual financial report to comply with all the requirements of the 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 Daniel Benjamin, Director of Accounting, at (512) 463-3591.

Sincerely,

A handwritten signature in black ink, appearing to read "Harvey Hilderbran", is written over a circular stamp. The stamp is partially obscured by the signature but contains the text "Harvey Hilderbran" and "Executive Director".

Harvey Hilderbran  
Executive Director

Texas Facilities Commission

Physical address: 1711 San Jacinto Blvd, Austin, Texas 78701

★ Planning and administering facilities in service to the State of Texas ★



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## UNAUDITED

**Texas Facilities Commission (AGY 303)**  
**Exhibit I - Combined Balance Sheet – Governmental Funds**  
August 31, 2016

	<u>Governmental Fund Types</u>		<u>Governmental Funds Total</u>
	<u>General Funds (Exhibit A-1)</u>	<u>Capital Projects Funds (Exhibit D-1)</u>	
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 1,200.00	\$ -	\$ 1,200.00
Cash in Bank	5,000.00	-	5,000.00
Cash in State Treasury	55,728.16	299,326,391.10	299,382,119.26
Legislative Appropriations	26,118,259.03	73,219,468.63	99,337,727.66
Receivables From:			
Accounts Receivable	7,900,538.75	-	7,900,538.75
Due From Other Agencies	-	17,931,267.19	17,931,267.19
Consumable Inventories	476,449.74	-	476,449.74
Total Current Assets	<u>34,557,175.68</u>	<u>390,477,126.92</u>	<u>425,034,302.60</u>
Non-Current Assets:			
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 34,557,175.68</u>	<u>\$ 390,477,126.92</u>	<u>\$ 425,034,302.60</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Current Liabilities:			
Payables From:			
Accounts Payable	\$ 3,603,468.50	\$ 5,426,236.00	\$ 9,029,704.50
Payroll Payable	2,017,154.10	4,709.00	2,021,863.10
Interfund Payable	-	-	-
Contracts Payable - Retained Percentage	-	2,094,279.24	2,094,279.24
Due to Other Agencies	-	16,143,017.57	16,143,017.57
Deferred / Unearned Revenues	18,308.81	-	18,308.81
Total Current Liabilities	<u>5,638,931.41</u>	<u>23,668,241.81</u>	<u>29,307,173.22</u>
Non-Current Liabilities:			
Interfund Payables	-	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 5,638,931.41</u>	<u>\$ 23,668,241.81</u>	<u>\$ 29,307,173.22</u>

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit I - Combined Balance Sheet – Governmental Funds  
 August 31, 2016

	Governmental Fund Types		
	General Funds (Exhibit A-1)	Capital Projects Funds (Exhibit D-1)	Governmental Funds Total
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>			
Fund Balances (Deficits):			
Restricted	\$ -	\$ 366,808,885.11	\$ 366,808,885.11
Nonspendable for Inventory	476,449.74	-	476,449.74
Assigned	-	-	-
Unassigned	28,441,794.53	-	28,441,794.53
Total Fund Balances	28,918,244.27	366,808,885.11	395,727,129.38
Total Liabilities and Fund Balances	\$ 34,557,175.68	\$ 390,477,126.92	\$ 425,034,302.60

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

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**Texas Facilities Commission (AGY 303)**  
**Exhibit II - Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances – Governmental Funds**  
 For the Fiscal Year Ended August 31, 2016

	<b>General Funds (Exhibit A-2)</b>	<b>Capital Projects Funds (Exhibit D-2)</b>	<b>Governmental Funds Total</b>
<b>REVENUES</b>			
Legislative Appropriations:			
Original Appropriations (GR)	\$ 82,739,639.00	\$ 8,400,000.00	\$ 91,139,639.00
Additional Appropriations (GR)	5,359,795.50	-	5,359,795.50
Licenses, Fees & Permits (GR)	628,263.47	-	628,263.47
Land Income (GR)	-	-	-
Settlement of Claims (GR)	5,804.10	-	5,804.10
Sales of Goods and Services (GR)	34,030,877.57	(311,810.00)	33,719,067.57
Other Revenues (GR)	518,880.41	-	518,880.41
<b>Total Revenues</b>	<b>123,283,260.05</b>	<b>8,088,190.00</b>	<b>131,371,450.05</b>
<b>EXPENDITURES</b>			
Salaries and Wages	16,298,078.48	18,560.00	16,316,638.48
Payroll Related Costs	5,288,638.50	276.00	5,288,914.50
Professional Fees and Services	1,840,852.13	359,007.06	2,199,859.19
Travel	37,924.35	-	37,924.35
Materials and Supplies	2,451,188.24	158,175.24	2,609,363.48
Communication and Utilities	15,928,113.37	-	15,928,113.37
Repairs and Maintenance	5,737,983.34	9,754,484.38	15,492,467.72
Rentals & Leases	127,657.38	-	127,657.38
Printing and Reproduction	9,604.84	-	9,604.84
Claims and Judgments	785.65	58,000.00	58,785.65
Other Expenditures	9,174,449.59	31,672.86	9,206,122.45
Capital Outlay	41,805.00	46,580,543.24	46,622,348.24
<b>Total Expenditures</b>	<b>56,937,080.87</b>	<b>56,960,718.78</b>	<b>113,897,799.65</b>

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

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**Texas Facilities Commission (AGY 303)**  
**Exhibit II - Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances – Governmental Funds**  
 For the Fiscal Year Ended August 31, 2016

	<u>General Funds (Exhibit A-2)</u>	<u>Capital Projects Funds (Exhibit D-2)</u>	<u>Governmental Funds Total</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>66,346,179.18</u>	<u>(48,872,528.78)</u>	<u>17,473,650.40</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	4,050.00	-	4,050.00
Transfers In	1,195,149.00	307,375,626.19	308,570,775.19
Transfers Out	(20,216,893.20)	(16,509,856.72)	(36,726,749.92)
Legislative Transfers In	1,682,881.00	26,140,021.00	27,822,902.00
Legislative Transfers Out	<u>(27,288,092.00)</u>	<u>-</u>	<u>(27,288,092.00)</u>
Total Other Financing Sources and Uses	<u>(44,622,905.20)</u>	<u>317,005,790.47</u>	<u>272,382,885.27</u>
Net Change in Fund Balances	<u>21,723,273.98</u>	<u>268,133,261.69</u>	<u>289,856,535.67</u>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>			
Fund Balances-Beginning	7,808,757.88	98,675,623.42	106,484,381.30
Restatements	-	-	-
Fund Balances, September 1, 2015, as Restated	<u>7,808,757.88</u>	<u>98,675,623.42</u>	<u>106,484,381.30</u>
Appropriations Lapsed	<u>(613,787.59)</u>	<u>-</u>	<u>(613,787.59)</u>
Fund Balances-August 31, 2016	<u>\$ 28,918,244.27</u>	<u>\$ 366,808,885.11</u>	<u>\$ 395,727,129.38</u>

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

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**Texas Facilities Commission (AGY 303)**  
**Exhibit III - Combined Statement of Net Position**  
**Proprietary Funds**  
 August 31, 2016

	<b>Total Proprietary Funds (Exhibit F-1)</b>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents:	
Cash on Hand	\$ 19,500.00
Cash in State Treasury	2,784,171.75
Receivables from:	
Accounts Receivable	160,456.25
Consumable Inventories	4,692.86
Total Current Assets	2,968,820.86
Non-Current Assets:	
Capital Assets:	
Non-Depreciable	
Land and Land Improvements	376,298.01
Depreciable	
Building and Building Improvements	1,174,978.69
Less Accumulated Depreciation	(1,116,229.73)
Furniture and Equipment	53,841.75
Less Accumulated Depreciation	(32,577.78)
Vehicles, Boats, and Aircraft	7,100.00
Less Accumulated Depreciation	(4,902.16)
Total Non-Current Assets	458,508.78
Total Assets	\$ 3,427,329.64

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

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Texas Facilities Commission (AGY 303)  
Exhibit III - Combined Statement of Net Position  
Proprietary Funds  
August 31, 2016

	<b>Total Proprietary Funds (Exhibit F-1)</b>
<b>Liabilities</b>	
Current Liabilities:	
Payables from:	
Accounts Payable	\$ 40,798.14
Payroll Payable	67,427.81
Employees' Compensable Leave	27,008.07
Total Current Liabilities	<u>135,234.02</u>
Non-Current Liabilities:	
Employees' Compensable Leave	<u>11,158.17</u>
Total Non-Current Liabilities	<u>11,158.17</u>
Total Liabilities	<u>146,392.19</u>
<b>Net Position</b>	
Unrestricted	<u>3,280,937.45</u>
Total Net Position	<u>\$ 3,280,937.45</u>

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

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**Texas Facilities Commission (AGY 303)**  
**Exhibit IV - Combined Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
For the Fiscal Year Ended August 31, 2016

	<b>Total Proprietary Funds (Exhibit F-2)</b>
<b>Operating Revenues</b>	
Other Sales & Goods	\$ -
Other Operating Revenues (GR)	<u>2,234,459.79</u>
Total Operating Revenues	<u>2,234,459.79</u>
<b>Operating Expenses</b>	
Salaries and Wages	749,989.16
Payroll Related Costs	206,968.86
Professional Fees and Services	15,163.90
Travel	8,144.66
Materials and Supplies	34,578.10
Communication and Utilities	32,955.23
Repairs and Maintenance	29,049.49
Rentals and Leases	4,303.14
Printing and Reproduction	58.69
Depreciation and Amortization	8,705.76
Other Operating Expenses	<u>567,339.24</u>
Total Operating Expenses	<u>1,657,256.23</u>
Operating Income (Loss)	<u>577,203.56</u>

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

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**Texas Facilities Commission (AGY 303)**  
**Exhibit IV - Combined Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
 For the Fiscal Year Ended August 31, 2016

	<b>Total Proprietary Funds (Exhibit F-2)</b>
<b>Nonoperating Revenues (Expenses)</b>	
Investment Income (Expense) (GR)	17,699.08
Total Nonoperating Revenues (Expenses)	17,699.08
Income (loss) before Other Revenues, Expenses, Gains/Losses and Transfers	594,902.64
<b>Other Revenues, Expenses, Gains/Losses, and Transfers</b>	
Gain/Loss on Sale of Capital Asset	-
Transfer Out	-
Total Other Revenue, Expenses, Gain/Losses, and Transfers	-
Change in Net Position	594,902.64
Total Net Position - Beginning	2,686,034.81
Restatements	-
Total Net Position, September 1, 2015, as Restated	2,686,034.81
Total Net Position, August 31, 2016	\$ 3,280,937.45

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

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**Texas Facilities Commission (AGY 303)**  
**Exhibit V - Combined Statement of Cash Flows –**  
**Proprietary Funds**  
 For the Fiscal Year Ended August 31, 2016

	<b>Total Proprietary Funds (Exhibit F-3)</b>
<b>Cash Flows From Operating Activities</b>	
Proceeds from Other Revenues	\$ 2,205,239.52
Payments to Employees	(750,612.27)
Payments to Employees for Benefits	(206,968.86)
Payments for Other Expenses	(700,646.85)
Net Cash Provided by Operating Activities	547,011.54
 <b>Cash Flows from Capital and Related Financing Activities</b>	
Proceeds from the Sale of Capital Assets	-
Net Cash Provided by Capital and Related Financing Activities	-
 <b>Cash Flows From Investing Activities</b>	
Proceeds from Interest and Investment Income	17,699.08
Net Cash Provided by Investing Activities	17,699.08
 Net (Decrease) in Cash and Cash Equivalents	564,710.62
 Cash and Cash Equivalents--September 1, 2015	2,238,961.13
Restatement to Beginning Cash & Cash Equivalents	-
Cash and Cash Equivalents--September 1, 2015 Restated	2,238,961.13
 Cash and Cash Equivalents--August 31, 2016	\$ 2,803,671.75

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

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**Texas Facilities Commission (AGY 303)**  
**Exhibit V - Combined Statement of Cash Flows –**  
**Proprietary Funds**

For the Fiscal Year Ended August 31, 2016

	<b>Total Proprietary Funds (Exhibit F-3)</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income (Loss)	\$ 577,203.56
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Amortization and Depreciation	8,705.76
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	(29,220.27)
(Increase) Decrease in Inventories	49.28
Increase (Decrease) in Payables	(4,475.26)
Increase (Decrease) in Compensated Absence Liabilities	(5,251.53)
Total Adjustments	(30,192.02)
Net Cash Provided by Operating Activities	\$ 547,011.54

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

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Texas Facilities Commission (AGY 303)  
 Exhibit VI - Combined Statement of Fiduciary Net Position  
 Agency Funds  
 August 31, 2016

	<u>Agency Funds (Exhibit J-1)</u>	<u>Totals</u>
<b>ASSETS</b>		
Cash and Cash Equivalents:		
Cash in State Treasury	\$ 164,634.36	\$ 164,634.36
Other-Federal Surplus Property	<u>7,677,710.01</u>	<u>7,677,710.01</u>
Total Assets	<u>\$ 7,842,344.37</u>	<u>\$ 7,842,344.37</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ -
Funds Held for Others	<u>7,842,344.37</u>	<u>7,842,344.37</u>
Total Liabilities	<u>\$ 7,842,344.37</u>	<u>\$ 7,842,344.37</u>
<b>NET POSITION</b>		
Total Net Position	\$ -	\$ -

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

## TEXAS FACILITIES COMMISSION NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Entity

The Texas Facilities Commission (the Commission) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

The Texas Facilities Commission consists of a seven member commission and an Executive Director. The Commission oversees the building maintenance and construction activities of state-owned office buildings and facilities, leasing procurement, and office space lease management services for other state agencies. In addition, the Commission is statutorily charged with the administration of the Texas State and Federal Surplus Property Programs. This Commission is designated as a separate reporting entity pursuant to requirements established by the Legislature, the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy.

The Texas Facilities Commission includes within this report all components as determined by an analysis of their relationship to the agency as listed below (if any).

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 will be 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.

#### Blended Component Units

No component units have been identified which should have been blended into an appropriate fund.

#### Discretely Presented Component Units

No component units have been identified which should have been discretely presented for the Texas Facilities Commission.

#### 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 & Government-Wide Adjustment Fund Types

##### General Revenue Fund

The General Revenue Fund is used to account for all financial resources of the state except those required to be accounted for in another fund.

**Capital Projects Fund**

Capital Project funds are used to account for financial resources used for the acquisition, repair, renovation or construction of major capital facilities (other than those financed by proprietary or similar trust funds).

**Capital Assets Adjustment Fund Type**

Capital Assets Adjustment fund type will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

**Long-Term Liabilities Adjustment Fund Type**

Long-Term Liabilities Adjustment fund type will be used to convert governmental fund types' debt from modified accrual to full accrual.

**Other Adjustments Fund Type**

Other Adjustments fund type will be used to convert all other governmental fund types' activity from modified accrual to full accrual.

**Proprietary Fund Types****Proprietary Funds**

Proprietary Funds are used to account for any activity for which a fee is charged to external users for goods or services. The Texas Facilities Commission accounts for its proprietary activities in the following fund:

The proprietary fund 0570 is used to record all transactions related to the operation of the Federal Surplus Property Program.

**Fiduciary Fund Types**

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

**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.

**Basis of Accounting**

The basis of accounting determines when revenues 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, revenues are recognized in the period in which they become 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 revenues 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. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgment and full accrual revenues and expenses. The activity will be recognized in these fund types.

Proprietary funds are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds principal ongoing operations. Operating expenses for the proprietary fund 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 Balances/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. The Texas Facilities Commission has no cash equivalents.

#### **Inventories and Prepaid Items**

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method for office supplies and the weighted average method for maintenance parts inventory. 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.

#### **Capital Assets**

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

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

#### Current Receivables-Other

Other receivables include year-end revenue accruals. This account can appear in governmental and proprietary fund types.

#### Non-Current Receivables-Other

The receivables are not expected to be collected within one year.

### **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.

#### Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

#### Capital Lease Obligations

Capital lease obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or noncurrent in the statement of net position.

### **FUND BALANCE/NET POSITION**

The difference between assets and liabilities is "net position" on the government-wide, proprietary and fiduciary fund statements, and the "fund balance" is the difference between fund assets and liabilities on the governmental fund statements.

#### Fund Balance Components

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

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.

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

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.

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.

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.

### INTERFUND ACTIVITIES AND BALANCES

The agency has the following types of transactions between funds:

- (1) Transfers: Legally required transfers 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 that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.
- (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 "non-current".
- (4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

The composition of the agency's Interfund activities and balances 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 HB7, Sec. 20.

A summary of changes in Capital Assets for the year ended August 31, 2016 is presented below.

	Balance 8/31/2015	Adjustments	Reclassifications			Additions	Deletions	Balance 08/31/16
			Completed CIP	Inc-Int'agy Trans	Dec-Int'agy Trans			
<b>Governmental Activities:</b>								
<b>Non-Depreciable or Non-Amortizable Assets:</b>								
Land & Improvements	\$ 36,472,524.04	8,872,372.53	-	-	(371,354.08)	-	-	\$ 44,973,542.49
Construction in Progress	66,598,812.95	-	(19,553,642.07)	-	-	46,580,543.24	-	93,625,714.12
Other Assets	23,995.00	-	-	-	-	-	-	23,995.00
Total Non-Depreciable or Non-Amortizable Assets	103,095,331.99	8,872,372.53	(19,553,642.07)	-	(371,354.08)	46,580,543.24	-	138,823,251.61
<b>Depreciable Assets:</b>								
Buildings & Improvements	793,882,503.08	(4,993,122.00)	19,553,642.07	-	(1,842,778.53)	-	-	806,400,244.62
Furniture & Equipment	1,229,637.97	-	-	270,098.20	(64,865.46)	41,805.00	(7,500.00)	1,469,175.71
Vehicles, Boats & Aircraft	1,415,116.49	-	-	176,112.91	(50,497.83)	-	(46,623.00)	1,494,108.57
Total Depreciable Assets	796,327,257.54	(4,993,122.00)	19,553,642.07	446,211.11	(1,958,141.82)	41,805.00	(54,123.00)	809,363,528.90
Less Accumulated Depreciation for:								
Buildings & Improvements	(533,816,559.61)	(2,341,707.25)	-	-	1,075,835.22	(15,835,247.74)	-	(550,917,679.38)
Furniture & Equipment	(869,646.75)	-	-	(204,707.93)	23,087.99	(99,936.29)	7,500.00	(1,143,702.98)
Vehicle, Boats & Aircraft	(1,096,035.23)	-	-	(172,205.88)	32,350.23	(51,367.96)	46,623.00	(1,240,635.84)
Total Accumulated Depreciation	(535,782,241.59)	(2,341,707.25)	-	(376,913.81)	1,131,273.44	(15,986,551.99)	54,123.00	(553,302,018.20)
Depreciable Assets, Net	260,545,015.95	(7,334,829.25)	19,553,642.07	69,297.30	(826,868.38)	(15,944,746.99)	-	256,061,510.70
<b>Amortizable Assets - Intangible:</b>								
Computer Software	18,320.00	-	-	-	-	-	-	18,320.00
Total Amortizable Assets - Intangible	18,320.00	-	-	-	-	-	-	18,320.00
Less Accumulated Amortization for:								
Computer Software	(18,320.00)	-	-	-	-	-	-	(18,320.00)
Total Accumulated Amortization	(18,320.00)	-	-	-	-	-	-	(18,320.00)
Amortizable Assets - Intangible, Net	-	-	-	-	-	-	-	-
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 363,640,347.94</b>	<b>1,537,543.28</b>	<b>-</b>	<b>69,297.30</b>	<b>(1,198,222.46)</b>	<b>30,635,796.25</b>	<b>-</b>	<b>\$ 394,684,762.31</b>
<b>Business-type activities</b>								
<b>Non-Depreciable or Non-Amortizable Assets:</b>								
Land & Improvements	\$ 376,298.01	-	-	-	-	-	-	\$ 376,298.01
Total Non-Depreciable or Non-Amortizable Assets	376,298.01	-	-	-	-	-	-	376,298.01
<b>Depreciable Assets:</b>								
Buildings & Improvements	1,174,978.69	-	-	-	-	-	-	1,174,978.69
Furniture & Equipment	53,841.75	-	-	-	-	-	-	53,841.75
Vehicle, Boats & Aircraft	7,100.00	-	-	-	-	-	-	7,100.00
Total Depreciable Assets	1,235,920.44	-	-	-	-	-	-	1,235,920.44
Less Accumulated Depreciation for:								
Buildings & Improvements	(1,116,229.73)	-	-	-	-	-	-	(1,116,229.73)
Furniture & Equipment	(24,886.26)	-	-	-	-	(7,691.52)	-	(32,577.78)
Vehicles, Boats & Aircraft	(3,887.92)	-	-	-	-	(1,014.24)	-	(4,902.16)
Total Accumulated Depreciation	(1,145,003.91)	-	-	-	-	(8,705.76)	-	(1,153,709.67)
Depreciable Assets, Net	90,916.53	-	-	-	-	(8,705.76)	-	82,210.77
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 467,214.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,705.76)</b>	<b>-</b>	<b>\$ 458,508.78</b>

**NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS**

All funds carried as Cash in Bank are demand deposits. This agency has no investments or repurchase agreements and there were no known significant violations of legal provisions.

**Deposits of Cash in Bank**

As of August 31, 2016, the carrying amount of deposits was \$5,000 as presented below.

<b>Governmental Activities</b>	
CASH IN BANK-CARRYING VALUE	\$ 5,000.00
Cash in Bank per AFR	\$ 5,000.00
Governmental Funds Current Assets Cash in Bank	\$ 5,000.00
Cash in Bank per AFR	\$ 5,000.00

**NOTE 4: SHORT-TERM DEBT**

Not Applicable

**NOTE 5: LONG-TERM LIABILITIES****Changes in Long-Term Liabilities**

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

Governmental Activities	Balance 9/1/2015	Additions	Reductions	Other Changes	Balance 8/31/2016	Amounts Due Within One Year
Compensable Leave - TFC	1,686,191.31	1,378,571.94	(1,544,505.50)	-	1,520,257.75	958,963.03
Pollution Remediation Obligation	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 1,686,191.31</b>	<b>\$ 1,378,571.94</b>	<b>\$ (1,544,505.50)</b>	<b>\$ -</b>	<b>\$ 1,520,257.75</b>	<b>\$ 958,963.03</b>

Business-Type Activities	Balance 9/1/2015	Additions	Reductions	Other Changes	Balance 8/31/2016	Amounts Due Within One Year
Compensable Leave - TFC	\$ 43,417.77	\$ 32,167.88	\$ (37,419.41)	\$ -	\$ 38,166.24	\$ 27,008.07
<b>Total Business-Type Activities</b>	<b>\$ 43,417.77</b>	<b>\$ 32,167.88</b>	<b>\$ (37,419.41)</b>	<b>\$ -</b>	<b>\$ 38,166.24</b>	<b>\$ 27,008.07</b>

**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 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 Position. Both an expense and a 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. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

**NOTE 5: LONG-TERM LIABILITIES, Continued****Pollution Remediation Obligation**

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The Texas Facilities Commission pollution remediation activities were for asbestos and mold abatement and are reported at the actual contracted cost.

**NOTE 6: BONDED INDEBTEDNESS**

Not Applicable

**NOTE 7: DERIVATIVE INSTRUMENTS**

Not Applicable

**NOTE 8: LEASES**

Not Applicable

**NOTE 9: PENSION PLANS**

Not Applicable

**NOTE 10: DEFERRED COMPENSATION**

Not Applicable

**NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

Not Applicable

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS**

As explained in Note 1 on "Interfund Activities and Balances", there are numerous transactions between funds and agencies. At year-end, if applicable, amounts to be received or paid are reported as:

- Due From Other Agencies or Due To Other Agencies
- Due From Other Funds or Due To Other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

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

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS, Continued**

Individual balances and activity at August 31, 2016 follows:

Due To/Due From Other Agencies	Due From Other Agencies	Due To Other Agencies	Source
CAPITAL PROJECTS FUND (04)			
Agency 347, D23 Fund 0207	\$ 50,288.50	\$ -	Transfer
Agency 347, D23 Fund 0217	639,118.18	-	Transfer
Agency 347, D23 Fund 0640	51,073.46	-	Transfer
Agency 347, D23 Fund 0641	8,239.24	-	Transfer
Agency 347, D23 Fund 0652	4,766,760.80	-	Transfer
Agency 347, D23 Fund 0657	12,415,787.01	-	Transfer
Agency 696, D23 Fund 0166	-	15,718,708.60	Transfer
Agency 802, D23 Fund 0166	-	424,308.97	Transfer
<b>Total Due To/Due From Other Agencies (Exh I)</b>	<b>\$ 17,931,267.19</b>	<b>\$ 16,143,017.57</b>	

Operating Transfers In/Out	Transfers In	Transfers Out	Purpose
GENERAL (01)			
Agency 347, D23 Fund 0507	-	20,040,382.80	Article Lease and MLPP Payment
Agency 347, D23 Fund 0735	-	711.90	MLPP Admin Fee
Agency 902, D23 Fund 0001	-	10,732.50	Surplus Property
<b>Total Transfers for Fund 0001</b>	<b>\$ -</b>	<b>\$ 20,051,827.20</b>	
Agency 347, D23 Fund 0507	-	165,066.00	Article Lease Payment
Agency 454, D23 Fund 0036	1,195,149.00	-	Utilities & Article Lease Payment
<b>Total Transfers for Fund 0036</b>	<b>\$ 1,195,149.00</b>	<b>\$ 165,066.00</b>	
CAPITAL PROJECT FUND (04)			
Agency 303, D23 Fund 0301	330,190.44	330,190.44	Construction
Agency 902, D23 Fund 0301		8,259.06	Construction
Agency 401, D23 Fund 0166	8,993,885.87	-	Construction
Agency 696, D23 Fund 0166	16,490,027.60	15,718,708.60	Construction

**NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS, Continued**

Operating Transfers In/Out	Transfers In	Transfers Out	Purpose
Agency 802, D23 Fund 0166	60,714,722.38	424,308.97	Construction
Agency 902, D23 Fund 0166	216,880,852.00		Construction
Agency 347, D23 Fund 0207	292,204.55	-	Construction
Agency 347, D23 Fund 0217	483,613.48	-	Construction
Agency 347, D23 Fund 0633	15,366.47	-	Construction
Agency 347, D23 Fund 0640	130,079.37	28,389.65	Construction
Agency 347, D23 Fund 0641	19,700.33	-	Construction
Agency 347, D23 Fund 0652	538,641.70	-	Construction
Agency 347, D23 Fund 0657	2,486,342.00	-	Construction
<b>Total Transfers for Capital Project Funds</b>	<b>\$ 307,375,626.19</b>	<b>\$ 16,509,856.72</b>	
<b>Total Transfers</b>	<b>\$ 308,570,775.19</b>	<b>\$ 36,726,749.92</b>	

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

The Texas Facilities Commission is subject to Chapter 325 (**Texas Sunset Act**). Unless continued in existence as provided by that chapter, the commission is abolished and this subtitle, except for Chapter 2170 and Section 2157.121, expires September 1, 2021.

**NOTE 14: ADJUSTMENTS TO FUND BALANCES/NET POSITION**

During fiscal 2016, adjustments were made which required the restatement of Net Position as shown and discussed below:

The Capital Asset beginning balance was adjusted to reflect the Fiscal Year 2016 reconciliation of the State Property Accounting system and the General Land Office System of record for TFC property and buildings. The reconciliation resulted in the necessary changes to asset balances, due to either overstatement or understatement of assets. This restatement amount includes changes to the value of the assets, as well as changes to the related depreciation amounts of the assets.

General Fund (GWFS)	Capital Asset Adjustments	Long-Term Liabilities Adjustments	Total
Net Position August 31, 2015	\$ 363,640,347.94	\$ (1,686,191.31)	\$ 361,954,156.63
Restatement	1,537,543.28	-	1,537,543.28
<b>Net Position September 1, 2015 As Restated</b>	<b>\$ 365,177,891.22</b>	<b>\$ (1,686,191.31)</b>	<b>\$ 363,491,699.91</b>

**NOTE 15: CONTINGENT LIABILITIES AND COMMITMENTS**

The Texas Facilities Commission is a defendant in the following pending litigations:

1. One lawsuit against the Commission arising from a breach of contract claim disputing deficiencies in design documents utilized for construction resulting in building damage at the job site and the contractual price adjustment for mitigation expenses and other obligations per the UGC. At this time the plaintiff has not specified the amount sought for damages. The Commission would also be responsible for its portion of the SOAH fees should the matter need to be docketed.
2. One tort claim against the Commission arising from a slip-and-fall accident that occurred on State property, namely Parking Lot 27 in which the claimant seeks personal injury damages not yet monetarily specified.
3. One lawsuit against the Commission arising from a tort claim involving a motor vehicle accident in which the plaintiff seeks property damages of \$4,465.

**NOTE 16: SUBSEQUENT EVENTS**

Not Applicable

**NOTE 17: RISK MANAGEMENT**

The Texas Facilities Commission is exposed to a variety of civil claims resulting from the performance of its duties. It is our agency's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The agency assumes substantially all risks associated with tort and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance, nor is the agency involved in any risk pools with other government entities.

The agency's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. Changes in the balances of the agency's claims liabilities during fiscal 2015 and 2016 were:

Claims and Judgements				
Fiscal Year	Beginning Balance	Increases	Decreases	Ending Balance
2016	-	785.65	(785.65)	-
2015	-	9,282.73	(9,282.73)	-

**NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS**

Not Applicable

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

Not Applicable

**NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Not Applicable

**NOTE 22: DONOR-RESTRICTED ENDOWMENTS**

Not Applicable

**NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS**

Not Applicable

**NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

Not Applicable

**NOTE 25: TERMINATION BENEFITS**

Not Applicable

**NOTE 26: SEGMENT INFORMATION**

Not Applicable

**NOTE 27: SERVICE CONCESSION ARRANGEMENTS**

Not Applicable

**NOTE 28: TROUBLE DEBT RESTRUCTURING**

Not Applicable

**NOTE 29: DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES**

Not Applicable

**NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES**

Not Applicable

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Texas Facilities Commission (AGY 303)  
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds  
 August 31, 2016

	General Revenue		Consolidated Accounts	
	General Revenue Fund (0001)* U/F (0001, 0003, 0016, 0114, 0147, 0948, 0949)	General Revenue Suspense Fund (0900)* U/F (0904)	Dedicated Fund- Texas Dept. of Insurance Operating Fund Account (0036)* U/F (0036)	Total (Exhibit I)
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00
Cash in Bank	5,000.00	-	-	5,000.00
Cash in State Treasury	-	55,728.16	-	55,728.16
Legislative Appropriations	26,118,259.03	-	-	26,118,259.03
Receivables From:				
Accounts Receivable	7,900,538.75	-	-	7,900,538.75
Due From Other Agencies	-	-	-	-
Consumable Inventories	476,449.74	-	-	476,449.74
<b>Total Current Assets</b>	<b>34,501,447.52</b>	<b>55,728.16</b>	<b>-</b>	<b>34,557,175.68</b>
Non-Current Assets:				
Total Noncurrent Assets	-	-	-	-
<b>Total Assets</b>	<b>\$ 34,501,447.52</b>	<b>\$ 55,728.16</b>	<b>\$ -</b>	<b>\$ 34,557,175.68</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ 3,603,468.50	\$ -	\$ -	\$ 3,603,468.50
Payroll Payable	2,017,154.10	-	-	2,017,154.10
Interfund Payable	-	-	-	-
Deferred Revenues	18,308.81	-	-	18,308.81
<b>Total Current Liabilities</b>	<b>5,638,931.41</b>	<b>-</b>	<b>-</b>	<b>5,638,931.41</b>
Non-Current Liabilities:				
Interfund Payables	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>\$ 5,638,931.41</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,638,931.41</b>

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds  
 August 31, 2016

<u>General Revenue</u>		<u>Consolidated Accounts</u>	
General Revenue Fund (0001)* U/F (0001, 0003, 0016, 0114, 0147, 0948, 0949)	General Revenue Suspense Fund (0900)* U/F (0904)	Dedicated Fund-Texas Dept. of Insurance Operating Fund Account (0036)* U/F (0036)	Total (Exhibit I)

FUND FINANCIAL STATEMENT-FUND BALANCES

Fund Balances (Deficits):

Reserved for:				
Nonspendable for Inventory	\$ 476,449.74	\$ -	\$ -	\$ 476,449.74
Assigned	-	-	-	-
Unassigned	<u>28,386,066.37</u>	<u>55,728.16</u>	<u>-</u>	<u>28,441,794.53</u>
Total Fund Balances	<u>28,862,516.11</u>	<u>55,728.16</u>	<u>-</u>	<u>28,918,244.27</u>
Total Liabilities and Fund Balances	<u>\$ 34,501,447.52</u>	<u>\$ 55,728.16</u>	<u>\$ -</u>	<u>\$ 34,557,175.68</u>

\* Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances – All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2016

	General Revenue		Consolidated Accounts	
	General Revenue Fund  (0001)*  U/F (0001, 0003, 0016, 0114, 0147, 0948, 0949)	General Revenue Suspense Fund  (0900)*  U/F (0904)	Dedicated Fund- Texas Dept. of Insurance Operating Fund Account  (0036)*  U/F (0036)	Total (Exhibit II)
<b>REVENUES</b>				
Legislative Appropriations:				
Original Appropriations (GR)	\$ 82,739,639.00	\$ -	\$ -	\$ 82,739,639.00
Additional Appropriations (GR)	5,359,795.50	-	-	5,359,795.50
Licenses, Fees & Permits (GR)	610,398.48	17,864.99	-	628,263.47
Land Income (GR)	-	-	-	-
Settlement of Claims (GR)	5,804.10	-	-	5,804.10
Sales of Goods and Services (GR)	33,995,059.40	35,818.17	-	34,030,877.57
Other Revenue (GR)	518,880.41	-	-	518,880.41
<b>Total Revenues</b>	<b>123,229,576.89</b>	<b>53,683.16</b>	<b>-</b>	<b>123,283,260.05</b>
<b>EXPENDITURES</b>				
Salaries and Wages	16,298,078.48	-	-	16,298,078.48
Payroll Related Costs	5,288,638.50	-	-	5,288,638.50
Professional Fees and Services	1,840,852.13	-	-	1,840,852.13
Travel	37,924.35	-	-	37,924.35
Materials and Supplies	2,451,188.24	-	-	2,451,188.24
Communication and Utilities	14,898,030.37	-	1,030,083.00	15,928,113.37
Repairs and Maintenance	5,737,983.34	-	-	5,737,983.34
Rentals & Leases	127,657.38	-	-	127,657.38
Printing and Reproduction	9,604.84	-	-	9,604.84
Claims and Judgments	785.65	-	-	785.65
Other Expenditures	9,174,449.59	-	-	9,174,449.59
Capital Outlay	41,805.00	-	-	41,805.00
<b>Total Expenditures</b>	<b>55,906,997.87</b>	<b>-</b>	<b>1,030,083.00</b>	<b>56,937,080.87</b>
<b>Excess (Deficiency) of Revenues</b>				
Over Expenditures	67,322,579.02	53,683.16	(1,030,083.00)	66,346,179.18

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances – All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2016

	General Revenue		Consolidated Accounts	
	General Revenue Fund	General Revenue Suspense Fund	Dedicated Fund-Texas Dept. of Insurance Operating Fund Account	
	(0001)*	(0900)*	(0036)*	
	U/F (0001, 0003, 0016, 0114, 0147, 0948, 0949)	U/F (0904)	U/F (0036)	Total (Exhibit II)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	\$ 4,050.00	\$ -	\$ -	\$ 4,050.00
Transfers In		-	1,195,149.00	1,195,149.00
Transfers Out	(20,051,827.20)	-	(165,066.00)	(20,216,893.20)
Legislative Transfers In	1,682,881.00	-	-	1,682,881.00
Legislative Transfers Out	(27,288,092.00)	-	-	(27,288,092.00)
Total Other Financing Sources and Uses	(45,652,988.20)	-	1,030,083.00	(44,622,905.20)
Net Change in Fund Balances	21,669,590.82	53,683.16	-	21,723,273.98
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>				
Fund Balances-Beginning	7,806,712.88	2,045.00	-	7,808,757.88
Restatements	-	-	-	-
Fund Balances, September 1, 2015, as Restated	7,806,712.88	2,045.00	-	7,808,757.88
Appropriations Lapsed	(613,787.59)	-	-	(613,787.59)
Fund Balances-August 31, 2016	\$ 28,862,516.11	\$ 55,728.16	\$ -	\$ 28,918,244.27

\*Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

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

Texas Facilities Commission (AGY 303)  
 Exhibit D-1 - Combining Balance Sheet – Capital Projects Funds  
 August 31, 2016

	General Revenue Fund	GR Account Deferred Maintenance	GO Series 2007 TFC Project Fund	GO Series 2011 Refunding TFC Project Fund
	(0001)*	(5166)*	(7207)*	(7217)*
	U/F (0145,0146, 0301, 0302, 0304,0457)	U/F (0166)	U/F (0207)	U/F (0217)
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ -	\$ 299,326,391.10	\$ -	\$ -
Legislative Appropriations	73,219,468.63	-	-	-
Receivables From:				
Accounts Receivable		-	-	-
Due From Other Agencies		-	50,288.50	639,118.18
Total Current Assets	<u>73,219,468.63</u>	<u>299,326,391.10</u>	<u>50,288.50</u>	<u>639,118.18</u>
Non-Current Assets:				
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 73,219,468.63</u>	<u>\$ 299,326,391.10</u>	<u>\$ 50,288.50</u>	<u>\$ 639,118.18</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ 3,014,717.18	\$ 1,187,786.92	\$ -	\$ 1,260.00
Payroll Payable		4,709.00		
Contracts Payable - Retained Percentage	768,440.77	11,949.37	-	69,427.15
Due To Other Agencies		16,143,017.57		
Total Current Liabilities	<u>3,783,157.95</u>	<u>17,347,462.86</u>	<u>-</u>	<u>70,687.15</u>
Non-Current Liabilities:				
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,783,157.95</u>	<u>17,347,462.86</u>	<u>-</u>	<u>70,687.15</u>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>				
Fund Balances (Deficits):				
Restricted	\$ 69,436,310.68	\$ 281,978,928.24	\$ 50,288.50	\$ 568,431.03
Unassigned	-	-	-	-
Total Fund Balances	<u>69,436,310.68</u>	<u>281,978,928.24</u>	<u>50,288.50</u>	<u>568,431.03</u>
Total Liabilities and Fund Balances	<u>\$ 73,219,468.63</u>	<u>\$ 299,326,391.10</u>	<u>\$ 50,288.50</u>	<u>\$ 639,118.18</u>

\* Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit D-1 - Combining Balance Sheet – Capital Projects Funds  
 August 31, 2016

GO Series 2008 Commercial Paper TFC Project 1A  (7633)*  U/F (0633)	GO Series 2002A Commercial Paper Project C  (7640)*  U/F (0640)	GO Series 2008 Commercial Paper TFC Project 1B  (7641)*  U/F (0641)	GO Series 2008 Commercial Paper TFC Project 1C  (7652)*  U/F (0652)	GO Series 2008 Commercial Paper TFC Project 1D  (7657)*  U/F (0657)	Totals  (Exhibit I)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,326,391.10
-	-	-	-	-	73,219,468.63
-	-	-	-	-	-
-	51,073.46	8,239.24	4,766,760.80	12,415,787.01	17,931,267.19
-	51,073.46	8,239.24	4,766,760.80	12,415,787.01	390,477,126.92
-	-	-	-	-	-
\$ -	\$ 51,073.46	\$ 8,239.24	\$ 4,766,760.80	\$ 12,415,787.01	\$ 390,477,126.92
\$ -	\$ 690.08	\$ -	\$ 716,631.74	\$ 505,150.08	\$ 5,426,236.00
-	-	-	636,254.06	608,207.89	4,709.00
-	690.08	-	1,352,885.80	1,113,357.97	2,094,279.24
-	-	-	-	-	16,143,017.57
-	690.08	-	1,352,885.80	1,113,357.97	23,668,241.81
-	-	-	-	-	-
-	690.08	-	1,352,885.80	1,113,357.97	23,668,241.81
-	50,383.38	8,239.24	3,413,875.00	11,302,429.04	366,808,885.11
-	-	-	-	-	-
-	50,383.38	8,239.24	3,413,875.00	11,302,429.04	366,808,885.11
\$ -	\$ 51,073.46	\$ 8,239.24	\$ 4,766,760.80	\$ 12,415,787.01	\$ 390,477,126.92

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit D-2 - Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance – Capital Projects Funds  
 For the Fiscal Year Ended August 31, 2016

	General Revenue Fund	GR Account Deferred Maintenance	GO Series 2007 TFC Project Fund	GO Series 2011 Refunding TFC Project Fund
	(0001)*	(5166)*	(7207)*	(7217)*
	U/F (0145,0146, 0301, 0302, 0304,0457)	U/F (0166)	U/F (0207)	U/F (0217)
<b>REVENUES:</b>				
Legislative Appropriations:				
Original Appropriations (GR)	\$ 8,400,000.00	\$ -	\$ -	\$ -
Sales of Goods and Services (GR)	(311,810.00)	-	-	-
Other Revenue (GR)	-	-	-	-
<b>Total Revenues</b>	<b>8,088,190.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Salaries and Wages		18,560.00		
Payroll Related Costs		276.00		
Professional Fees and Services	574,916.06		277,752.98	-
Materials and Supplies	141,123.64	-	-	-
Communication and Utilities	-	-	-	-
Repairs and Maintenance	6,805,231.24	11,949.37	(1,822.00)	(51,273.83)
Rentals and Leases	-	-	-	-
Printing and Reproduction	-	-	-	-
Claims and Judgements	58,000.00			
Other Expenditures	19,122.88	-	-	-
Capital Outlay	15,137,794.37	4,926,756.67	16,273.57	1,145,604.10
<b>Total Expenditures</b>	<b>22,736,188.19</b>	<b>4,957,542.04</b>	<b>292,204.55</b>	<b>1,094,330.27</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(14,647,998.19)</b>	<b>(4,957,542.04)</b>	<b>(292,204.55)</b>	<b>(1,094,330.27)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	330,190.44	303,079,487.85	292,204.55	483,613.48
Transfers Out	(338,449.50)	(16,143,017.57)	-	-
Legislative Transfers In	26,140,021.00	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>26,131,761.94</b>	<b>286,936,470.28</b>	<b>292,204.55</b>	<b>483,613.48</b>
<b>Net Change in Fund Balances</b>	<b>11,483,763.75</b>	<b>281,978,928.24</b>	<b>-</b>	<b>(610,716.79)</b>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>				
Fund Balances-Beginning	57,952,546.93	-	50,288.50	1,179,147.82
Restatements	-	-	-	-
Fund Balances, September 1, 2015, as Restated	57,952,546.93	-	50,288.50	1,179,147.82
Appropriations Lapsed	-	-	-	-
<b>Fund Balances-August 31, 2016</b>	<b>\$ 69,436,310.68</b>	<b>\$ 281,978,928.24</b>	<b>\$ 50,288.50</b>	<b>\$ 568,431.03</b>

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

\*Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit D-2 - Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance – Capital Projects Funds  
 For the Fiscal Year Ended August 31, 2016

GO Series 2008 Commercial Paper TFC Project 1A (7633)*	GO Series 2002A Commercial Paper Project C (7640)*	GO Series 2008 Commercial Paper TFC Project 1B (7641)*	GO Series 2008 Commercial Paper TFC Project 1C (7652)*	GO Series 2008 Commercial Paper TFC Project 1D (7657)*	Total Capital Project Funds
U/F (0633)	U/F (0640)	U/F (0641)	U/F (0652)	U/F (0657)	(Exhibit II)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,400,000.00
-	-	-	-	-	(311,810.00)
-	-	-	-	-	-
-	-	-	-	-	8,088,190.00
					18,560.00
					276.00
-	(15,366.47)		(340,878.01)	(137,417.50)	359,007.06
-	-	-		17,051.60	158,175.24
-	-	-	-	-	-
-	(19,879.67)	(561,315.88)	711,977.03	2,859,618.12	9,754,484.38
-	-	-	-	-	-
-	-	-	-	-	-
					58,000.00
-	0.50	-	12,539.46	10.02	31,672.86
15,366.47	135,821.12	757,792.72	12,934,056.40	11,511,077.82	46,580,543.24
15,366.47	100,575.48	196,476.84	13,317,694.88	14,250,340.06	56,960,718.78
(15,366.47)	(100,575.48)	(196,476.84)	(13,317,694.88)	(14,250,340.06)	(48,872,528.78)
15,366.47	130,079.37	19,700.33	538,641.70	2,486,342.00	307,375,626.19
-	(28,389.65)	-	-	-	(16,509,856.72)
-	-	-	-	-	26,140,021.00
15,366.47	101,689.72	19,700.33	538,641.70	2,486,342.00	317,005,790.47
-	1,114.24	(176,776.51)	(12,779,053.18)	(11,763,998.06)	268,133,261.69
-	49,269.14	185,015.75	16,192,928.18	23,066,427.10	98,675,623.42
-	-	-	-	-	-
-	49,269.14	185,015.75	16,192,928.18	23,066,427.10	98,675,623.42
-	-	-	-	-	-
\$ -	\$ 50,383.38	\$ 8,239.24	\$ 3,413,875.00	\$ 11,302,429.04	\$ 366,808,885.11

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit F-1 - Combining Statement of Net Position  
 Proprietary Funds  
 August 31, 2016

	Federal Surplus Property Program (0570)* <u>U/F (0570, 8570)</u>	Proprietary Suspense Fund (0900)* <u>U/F (0905)</u>	Totals (Ex III) <u></u>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 19,500.00	\$ -	\$ 19,500.00
Cash in State Treasury	2,784,171.75	-	2,784,171.75
Receivables from:			
Accounts Receivable	160,456.25	-	160,456.25
Consumable Inventories	4,692.86	-	4,692.86
Total Current Assets	<u>2,968,820.86</u>	<u>-</u>	<u>2,968,820.86</u>
Non-Current Assets:			
Capital Assets:			
Non-Depreciable:			
Land and Land Improvements	376,298.01	-	376,298.01
Depreciable:			
Building and Building Improvements	1,174,978.69	-	1,174,978.69
Less Accumulated Depreciation	(1,116,229.73)	-	(1,116,229.73)
Furniture and Equipment	53,841.75	-	53,841.75
Less Accumulated Depreciation	(32,577.78)	-	(32,577.78)
Vehicles, Boats, and Aircraft	7,100.00	-	7,100.00
Less Accumulated Depreciation	(4,902.16)	-	(4,902.16)
Total Non-Current Assets	<u>458,508.78</u>	<u>-</u>	<u>458,508.78</u>
Total Assets	<u>3,427,329.64</u>	<u>-</u>	<u>3,427,329.64</u>

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit F-1 - Combining Statement of Net Position  
 Proprietary Funds  
 August 31, 2016

	Federal Surplus Property Program (0570)* <u>U/F (0570, 8570)</u>	Proprietary Suspense Fund (0900)* <u>U/F (0905)</u>	Totals (Ex III) <u></u>
<b>Liabilities</b>			
Current Liabilities:			
Payables from:			
Accounts Payable	40,798.14	-	40,798.14
Payroll Payable	67,427.81	-	67,427.81
Employees' Compensable Leave	27,008.07	-	27,008.07
Total Current Liabilities	<u>135,234.02</u>	<u>-</u>	<u>135,234.02</u>
Non-Current Liabilities:			
Employees' Compensable Leave	11,158.17	-	11,158.17
Total Non-Current Liabilities	<u>11,158.17</u>	<u>-</u>	<u>11,158.17</u>
Total Liabilities	<u>146,392.19</u>	<u>-</u>	<u>146,392.19</u>
<b>Net Position</b>			
Unrestricted	3,280,937.45	-	3,280,937.45
Total Net Position	<u>\$ 3,280,937.45</u>	<u>\$ -</u>	<u>\$ 3,280,937.45</u>

\*Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

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

UNAUDITED

**Texas Facilities Commission (AGY 303)**  
**Exhibit F-2 - Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
For the Fiscal Year Ended August 31, 2016

	<b>Federal Surplus Property Program (0570)* U/F (0570, 8570)</b>	<b>Proprietary Suspense Fund (0900)* U/F (0905)</b>	<b>Totals (Ex IV)</b>
<b>Operating Revenues</b>			
Other Sales & Goods	\$ -	\$ -	\$ -
Other Operating Revenues (GR)	2,234,459.79	-	2,234,459.79
<b>Total Operating Revenues</b>	<b>2,234,459.79</b>	<b>-</b>	<b>2,234,459.79</b>
<b>Operating Expenses</b>			
Salaries and Wages	749,989.16	-	749,989.16
Payroll Related Costs	206,968.86	-	206,968.86
Professional Fees and Services	15,163.90	-	15,163.90
Travel	8,144.66	-	8,144.66
Materials and Supplies	34,578.10	-	34,578.10
Communication and Utilities	32,955.23	-	32,955.23
Repairs and Maintenance	29,049.49	-	29,049.49
Rentals and Leases	4,303.14	-	4,303.14
Printing and Reproduction	58.69	-	58.69
Depreciation and Amortization	8,705.76	-	8,705.76
Other Operating Expenses	567,339.24	-	567,339.24
<b>Total Operating Expenses</b>	<b>1,657,256.23</b>	<b>-</b>	<b>1,657,256.23</b>
<b>Operating Income (Loss)</b>	<b>577,203.56</b>	<b>-</b>	<b>577,203.56</b>

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

UNAUDITED

**Texas Facilities Commission (AGY 303)**  
**Exhibit F-2 - Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
For the Fiscal Year Ended August 31, 2016

	Federal Surplus Property Program (0570)* U/F (0570, 8570)	Proprietary Suspense Fund (0900)* U/F (0905)	Totals (Ex IV)
<b>Nonoperating Revenues (Expenses)</b>			
Investment Income (Expense) (GR)	17,699.08	-	17,699.08
Total Nonoperating Revenues (Expenses)	17,699.08	-	17,699.08
 Income (loss) before Other Revenues, Expenses, Gains/Losses and Transfers	 594,902.64	 -	 594,902.64
 <b>Other Revenues, Expenses, Gains/Losses, and Transfers</b>			
Gain/Loss on Sale of Capital Asset	-	-	-
Transfer Out	-	-	-
Total Other Revenue, Expenses, Gain/Losses, and Transfers	-	-	-
 Change in Net Position	 594,902.64	 -	 594,902.64
 Total Net Position - Beginning	 2,686,034.81	 -	 2,686,034.81
Restatements	-	-	-
Total Net Position, September 1, 2015, as Restated	2,686,034.81	-	2,686,034.81
 Total Net Position, August 31, 2016	 \$ 3,280,937.45	 \$ -	 \$ 3,280,937.45

\*Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

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

UNAUDITED

**Texas Facilities Commission (AGY 303)**  
**Exhibit F-3 - Combining Statement of Cash Flows –**  
**Proprietary Funds**  
 For the Fiscal Year Ended August 31, 2016

	Federal Surplus Property Program (0570)* U/F (0570, 8570)	Proprietary Suspense Fund (0900)* U/F (0905)	Totals (Ex V)
<b>Cash Flows From Operating Activities</b>			
Proceeds from Other Revenues	\$ 2,205,239.52	\$ -	\$ 2,205,239.52
Payments to Employees	(750,612.27)	-	(750,612.27)
Payments to Employees for Benefits	(206,968.86)	-	(206,968.86)
Payments for Other Expenses	(700,646.85)	-	(700,646.85)
Net Cash Provided by Operating Activities	<u>547,011.54</u>	<u>-</u>	<u>547,011.54</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Payments for Additions to Capital Assets	-	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>			
Proceeds from Interest and Investment Income	17,699.08	-	17,699.08
Net Cash Provided by Investing Activities	<u>17,699.08</u>	<u>-</u>	<u>17,699.08</u>
Net (Decrease) in Cash and Cash Equivalents	564,710.62	-	564,710.62
Cash and Cash Equivalents--September 1, 2015	2,238,961.13	-	2,238,961.13
Restatement to Beginning Cash & Cash Equivalents	-	-	-
Cash and Cash Equivalents--September 1, 2015 Restated	<u>2,238,961.13</u>	<u>-</u>	<u>2,238,961.13</u>
Cash and Cash Equivalents--August 31, 2016	<u>\$ 2,803,671.75</u>	<u>\$ -</u>	<u>\$ 2,803,671.75</u>

\*Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

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

UNAUDITED

**Texas Facilities Commission (AGY 303)**  
**Exhibit F-3 - Combining Statement of Cash Flows –**  
**Proprietary Funds**  
For the Fiscal Year Ended August 31, 2016

	Federal Surplus Property Program (0570)* <u>U/F (0570, 8570)</u>	Proprietary Suspense Fund (0900)* <u>U/F (0905)</u>	<u>Totals (Ex V)</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	\$ 577,203.56	\$ -	\$ 577,203.56
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Amortization and Depreciation	8,705.76	-	8,705.76
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables	(29,220.27)	-	(29,220.27)
(Increase) Decrease in Inventories	49.28	-	49.28
Increase (Decrease) in Payables	(4,475.26)	-	(4,475.26)
Increase (Decrease) in Compensated Absence Liabilities	(5,251.53)	-	(5,251.53)
Total Adjustments	<u>(30,192.02)</u>	<u>-</u>	<u>(30,192.02)</u>
Net Cash Provided by Operating Activities	<u>\$ 547,011.54</u>	<u>\$ -</u>	<u>\$ 547,011.54</u>

\*Appropriated fund is noted as (XXXX), USAS D23 U/F (XXXX)

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

## UNAUDITED

Texas Facilities Commission (AGY 303)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 August 31, 2016

	Beginning Balance September 1, 2015	Additions	Deductions	Ending Balance August 31, 2016
<b>Child Support Employee Deductions (0807) U/F (8070)</b>				
<b>ASSETS</b>				
Cash in State Treasury	\$ 6,978.54	\$ 106,762.20	\$ 105,597.03	\$ 8,143.71
Total Assets	<u>\$ 6,978.54</u>	<u>\$ 106,762.20</u>	<u>\$ 105,597.03</u>	<u>\$ 8,143.71</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 98,618.49	\$ 98,618.49	\$ -
Funds Held for Others	6,978.54	106,762.20	105,597.03	8,143.71
Total Liabilities	<u>\$ 6,978.54</u>	<u>\$ 205,380.69</u>	<u>\$ 204,215.52</u>	<u>\$ 8,143.71</u>
<b>Agency Suspense Fund (0900) U/F (0900, 0902 &amp; 9015)</b>				
<b>ASSETS</b>				
Cash in State Treasury	\$ 16,578.00	\$ 38,123,692.38	\$ 37,983,779.73	\$ 156,490.65
Total Assets	<u>\$ 16,578.00</u>	<u>\$ 38,123,692.38</u>	<u>\$ 37,983,779.73</u>	<u>\$ 156,490.65</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 116,861.54	\$ 116,861.54	\$ -
Funds Held for Others	16,578.00	8,254,333.06	8,114,420.41	156,490.65
Total Liabilities	<u>\$ 16,578.00</u>	<u>\$ 8,371,194.60</u>	<u>\$ 8,231,281.95</u>	<u>\$ 156,490.65</u>
<b>Custodial Fund (9999) U/F (0999)</b>				
<b>ASSETS</b>				
Other-Federal Surplus Property	\$ 5,015,353.50	\$ 2,943,054.66	\$ 280,698.15	\$ 7,677,710.01
Total Assets	<u>\$ 5,015,353.50</u>	<u>\$ 2,943,054.66</u>	<u>\$ 280,698.15</u>	<u>\$ 7,677,710.01</u>
<b>LIABILITIES</b>				
Funds Held for Others	\$ 5,015,353.50	\$ 2,943,054.66	\$ 280,698.15	\$ 7,677,710.01
Total Liabilities	<u>\$ 5,015,353.50</u>	<u>\$ 2,943,054.66</u>	<u>\$ 280,698.15</u>	<u>\$ 7,677,710.01</u>
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash in State Treasury	\$ 23,556.54	\$ 38,230,454.58	\$ 38,089,376.76	\$ 164,634.36
Other-Federal Surplus Property	5,015,353.50	2,943,054.66	280,698.15	7,677,710.01
Total Assets	<u>\$ 5,038,910.04</u>	<u>\$ 41,173,509.24</u>	<u>\$ 38,370,074.91</u>	<u>\$ 7,842,344.37</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 215,480.03	\$ 215,480.03	\$ -
Funds Held for Others	5,038,910.04	11,304,149.92	8,500,715.59	7,842,344.37
Total Liabilities	<u>\$ 5,038,910.04</u>	<u>\$ 11,519,629.95</u>	<u>\$ 8,716,195.62</u>	<u>\$ 7,842,344.37</u>

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

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**Texas Facilities Commission (AGY 303)**  
**Schedule 1A - Schedule of Expenditures of Federal Awards**

For the Fiscal Year Ended August 31, 2016

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Pass-Through From		Direct Program Amount	Total P/T From & Direct Program	
		Agency/ University Number	Agency/ University Amount			
<b>General Services Administration</b>						
Direct Programs:						
Donation of Federal Surplus Personal Property (NON-MONETARY)	39.003	-		\$ 10,345,634.24	\$ 10,345,634.24	
Pass-Through To:						
<b>Agency or University</b>						
Department of Public Safety	39.003	405	-	7,049.06	12,196.98	
Dept of State Health Svcs	39.003	537	-	1,693.92	68,780.57	
Dept of Aging & Disability Svcs	39.003	539	-	50,154.51	68,780.57	
Dept of Agriculture	39.003	551	-	568.15	68,780.57	
Texas Animal Health Commission	39.003	554	-	115.55	10,229.76	
Texas A&M AgriLife Research	39.003	556	-	7,674.25	10,229.76	
Texas Dept of Transportation	39.003	601	-	127,478.38	123,780.10	
Texas A&M University	39.003	711	-	65,569.68	36,371.62	
Tarleton State University	39.003	713	-	1,700.05	142.08	
Texas A&M Engineering Ext. Svcs	39.003	716	-	158,708.18	142.08	
University of Texas at Austin	39.003	721	-	2,359.35	42,314.91	
Texas Tech University	39.003	733	-	5,858.77	71.04	
Parks and Wildlife Dept	39.003	802	-	9,307.01	51,754.45	
Texas Historical Commission	39.003	808	-	8,973.72	19,600.65	
<b>Totals - General Services Administration</b>				<u>\$ -</u>	<u>\$ 10,792,844.82</u>	<u>\$ 10,858,809.38</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ -</u>	<u>\$ 10,792,844.82</u>	<u>\$ 10,858,809.38</u>

UNAUDITED

**Texas Facilities Commission (AGY 303)**  
**Schedule 1A - Schedule of Expenditures of Federal Awards**

For the Fiscal Year Ended August 31, 2016

<u>Pass-Through To</u>		Non-State Entities Amount	Expenditures Amount	Total P/T To & Expenditures
Agency/ University Number	Agency/ University Amount			
-	\$ -	\$ 10,341,121.36	\$ 4,512.88	\$ 10,345,634.24
405	7,049.06	-	-	7,049.06
537	1,693.92	-	-	1,693.92
539	50,154.51	-	-	50,154.51
551	568.15	-	-	568.15
554	115.55	-	-	115.55
556	7,674.25	-	-	7,674.25
601	127,478.38	-	-	127,478.38
711	65,569.68	-	-	65,569.68
713	1,700.05	-	-	1,700.05
716	158,708.18	-	-	158,708.18
721	2,359.35	-	-	2,359.35
733	5,858.77	-	-	5,858.77
802	9,307.01	-	-	9,307.01
808	8,973.72	-	-	8,973.72
	<u>\$ 447,210.58</u>	<u>\$ 10,341,121.36</u>	<u>\$ 4,512.88</u>	<u>\$ 10,792,844.82</u>
	<u>\$ 447,210.58</u>	<u>\$ 10,341,121.36</u>	<u>\$ 4,512.88</u>	<u>\$ 10,792,844.82</u>

**Texas Facilities Commission (AGY 303)**  
**Schedule 1A - Schedule of Expenditures of Federal Awards**

For the Fiscal Year Ended August 31, 2016

**NOTE 1 - NonMonetary Assistance**

The "donation of Federal Surplus Personal Property" is presented at 22.47% of the federal acquisition cost of \$ 48,032,242.17. The surplus property is passed through from the Texas Facilities Commission. The federal grantor agency is the General Services Administration (GSA) and the federal CFDA number is 39.003.

**NOTE 2 - Reconciliation**

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Reconciling Items:

Non-monetary	
Federal Surplus Property	\$ 10,792,844.82
<hr/>	
Total Pass Through and Expenditures per Federal Schedule:	<u><u>\$ 10,792,844.82</u></u>

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UNAUDITED

Texas Facilities Commission (AGY 303)  
 Schedule 4 - Schedule of Modified to Full Accrual Adjustments  
 Balance Sheet/Statement of Net Position - Governmental Funds  
 For the Fiscal Year Ended August 31, 2016

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
<b>ASSETS</b>				
Current Assets:				
Cash and Temporary Investments				
Cash on Hand	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00
Cash in Bank	5,000.00	-	-	5,000.00
Cash in State Treasury	299,382,119.26	-	-	299,382,119.26
Legislative Appropriations	99,337,737.66	-	-	99,337,737.66
Receivables from:				
Accounts Receivable	7,900,528.75	-	-	7,900,528.75
Due From Other Agencies	17,931,267.19	-	-	17,931,267.19
Consumable Inventories	476,449.74	-	-	476,449.74
Total Current Assets	<u>425,034,302.60</u>	<u>-</u>	<u>-</u>	<u>425,034,302.60</u>
Noncurrent Assets:				
Capital Assets:				
Non-Depreciable				
Land and Land Improvements	-	44,973,542.49	-	44,973,542.49
Construction in Progress	-	93,625,714.12	-	93,625,714.12
Other Capital Assets-Non Depreciated	-	23,995.00	-	23,995.00
Depreciable				
Building and Building Improvements	-	806,400,244.62	-	806,400,244.62
Accumulated Depreciation	-	(550,917,679.38)	-	(550,917,679.38)
Furniture and Equipment	-	1,469,175.71	-	1,469,175.71
Accumulated Depreciation	-	(1,143,702.98)	-	(1,143,702.98)
Vehicle, Boats, and Aircraft	-	1,494,108.57	-	1,494,108.57
Accumulated Depreciation	-	(1,240,635.84)	-	(1,240,635.84)
Amortized				
Computer Software - Intangible	-	18,320.00	-	18,320.00
Accumulated Amortization	-	(18,320.00)	-	(18,320.00)
Total Noncurrent Assets	<u>-</u>	<u>394,684,762.31</u>	<u>-</u>	<u>394,684,762.31</u>
Total Assets	<u>\$ 425,034,302.60</u>	<u>\$ 394,684,762.31</u>	<u>\$ -</u>	<u>\$ 819,719,064.91</u>

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Schedule 4 - Schedule of Modified to Full Accrual Adjustments  
 Balance Sheet/Statement of Net Position - Governmental Funds  
 For the Fiscal Year Ended August 31, 2016

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ 9,029,704.50	\$ -	\$ -	\$ 9,029,704.50
Payroll Payable	2,021,863.10	-	-	2,021,863.10
Interfund Payable	-	-	-	-
Contracts Payable - Retained Percentage	2,094,279.24	-	-	2,094,279.24
Due to Other Agencies	16,143,017.57	-	-	16,143,017.57
Deferred / Unearned Revenues	18,308.81	-	-	18,308.81
Employees Compensable Leave	-	-	958,963.03	958,963.03
Pollution Remediation Obligation	-	-	-	-
Total Current Liabilities	<u>29,307,173.22</u>	<u>-</u>	<u>958,963.03</u>	<u>30,266,136.25</u>
Noncurrent Liabilities:				
Interfund Payable	-	-	-	-
Employees Compensable Leave	-	-	561,294.72	561,294.72
Capital Lease Obligations	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>561,294.72</u>	<u>561,294.72</u>
Total Liabilities	<u>29,307,173.22</u>	<u>-</u>	<u>1,520,257.75</u>	<u>30,827,430.97</u>
<b>Fund Financial Statement-Fund Balances</b>				
Fund Balances (Deficits):				
Restricted	366,808,885.11	-	-	366,808,885.11
Nonspendable for Inventory	476,449.74	-	-	476,449.74
Assigned	-	-	-	-
Unassigned	<u>28,441,794.53</u>	-	-	<u>28,441,794.53</u>
Total Fund Balances	<u>395,727,129.38</u>	-	-	<u>395,727,129.38</u>
Total Liabilities and Fund Balance	<u>\$ 425,034,302.60</u>	-	-	-
<b>Government-wide Statement-Net Position</b>				
Net Position:				
Invested in Capital Assets, net of Related Debt	-	394,684,762.31	-	394,684,762.31
Unrestricted	-	-	(1,520,257.75)	(1,520,257.75)
Total Net Position	<u>\$ 394,684,762.31</u>	<u>\$ 394,684,762.31</u>	<u>\$ (1,520,257.75)</u>	<u>\$ 788,891,633.94</u>

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Schedule 4 - Schedule of Modified to Full Accrual Adjustments  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances/Statement of Activities – Governmental Funds  
 For the Fiscal Year Ended August 31, 2016

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>REVENUES</b>				
Legislative Appropriations:				
Original Appropriations	\$ 91,139,639.00	\$ -	\$ -	\$ 91,139,639.00
Additional Appropriations	5,359,795.50	-	-	5,359,795.50
Licenses, Fees & Permits (GR)	628,263.47	-	-	628,263.47
Land Income (GR)	-	-	-	-
Settlement of Claims (GR)	5,804.10	-	-	5,804.10
Sales of Goods and Services (GR)	33,719,067.57	-	-	33,719,067.57
Other Revenues (GR)	518,880.41	-	-	518,880.41
Total Revenues	<u>131,371,450.05</u>	<u>-</u>	<u>-</u>	<u>131,371,450.05</u>
<b>EXPENDITURES</b>				
Salaries and Wages	16,316,638.48	-	(165,933.56)	16,150,704.92
Payroll Related Costs	5,288,914.50	-	-	5,288,914.50
Professional Fees and Services	2,199,859.19	-	-	2,199,859.19
Travel	37,924.35	-	-	37,924.35
Materials and Supplies	2,609,363.48	-	-	2,609,363.48
Communication and Utilities	15,928,113.37	-	-	15,928,113.37
Repairs and Maintenance	15,492,467.72	-	-	15,492,467.72
Rentals & Leases	127,657.38	-	-	127,657.38
Printing and Reproduction	9,604.84	-	-	9,604.84
Claims and Judgments	58,785.65	-	-	58,785.65
Other Expenditures	9,206,122.45	-	-	9,206,122.45
Capital Outlay	46,622,348.24	(46,622,348.24)	-	-
Net Change in Pollution Remediation Obligation	-	-	-	-
Depreciation/Amortization Expense	-	18,328,259.24	-	18,328,259.24
Total Expenditures/Expenses	<u>113,897,799.65</u>	<u>(28,294,089.00)</u>	<u>(165,933.56)</u>	<u>85,437,777.09</u>
Excess (Deficiency) of Revenues over Expenditure	<u>17,473,650.40</u>	<u>28,294,089.00</u>	<u>165,933.56</u>	<u>45,933,672.96</u>

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

UNAUDITED

Texas Facilities Commission (AGY 303)  
 Schedule 4 - Schedule of Modified to Full Accrual Adjustments  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances/Statement of Activities – Governmental Funds  
 For the Fiscal Year Ended August 31, 2016

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	4,050.00	(4,050.00)	-	-
Transfers In	308,570,775.19	-	-	308,570,775.19
Transfers Out	(36,726,749.92)	-	-	(36,726,749.92)
Legislative Transfers In	27,822,902.00	-	-	27,822,902.00
Legislative Transfers Out	(27,288,092.00)	-	-	(27,288,092.00)
Gain (Loss) on Sale of Capital Assets	-	4,050.00	-	4,050.00
Incr(Decr) in Net Position Due to Interagency Trans	-	(1,128,925.16)	-	(1,128,925.16)
Total Other Financing Sources (Uses)	<u>272,382,885.27</u>	<u>(1,128,925.16)</u>	-	<u>271,253,960.11</u>
 Net Change in Fund Balances	<u>289,856,535.67</u>			<u>317,187,633.07</u>
<b>Fund Financial Statement-Fund Balances</b>				
Fund Balances--Beginning	106,484,381.30			106,484,381.30
Restatements	-			-
Fund Balances, September 1, 2015, as Restated	<u>106,484,381.30</u>			<u>106,484,381.30</u>
 Appropriations Lapsed	<u>(613,787.59)</u>			<u>(613,787.59)</u>
Fund Balances--August 31, 2016	<u>\$ 395,727,129.38</u>			<u>\$ 423,058,226.78</u>
<b>Government-Wide Statement of Net Position</b>				
Net Position/Change in Net Position	<u>395,727,129.38</u>	<u>27,165,163.84</u>	<u>165,933.56</u>	<u>423,058,226.78</u>
Net Position-Beginning		363,640,347.94	(1,686,191.31)	361,954,156.63
Restatements		3,879,250.53	-	3,879,250.53
Net Position, September 1, 2015, as Restated		<u>367,519,598.47</u>	<u>(1,686,191.31)</u>	<u>365,833,407.16</u>
Net Position-August 31, 2016	<u>\$ 395,727,129.38</u>	<u>\$ 394,684,762.31</u>	<u>\$ (1,520,257.75)</u>	<u>\$ 788,891,633.94</u>

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





