



2024

ANNUAL
FINANCIAL
REPORT

November 1, 2024

The Honorable Greg Abbott, Governor
Lisa Collier, CPA, CFE, CIDA, State Auditor
Jerry McGinty, Director, Legislative Budget Board

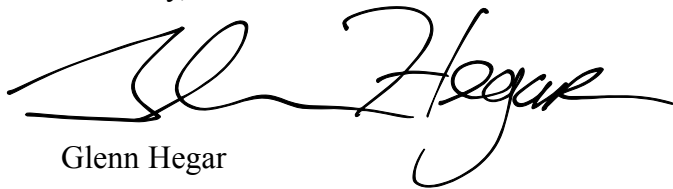
Ladies and Gentlemen:

We are pleased to submit the *Annual Financial Report* for the Comptroller of Public Accounts, the Comptroller's Judiciary Section, the Comptroller's Fiscal Programs, the Comptroller's Treasury Operations Fiscal Agency, the Texas Bullion Depository, the Texas Safekeeping Trust Company, the State Energy Conservation Office and the Texas Broadband Development Office for the year ended Aug. 31, 2024, in compliance with Texas Government Code, 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 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 Annual Comprehensive Financial Report (ACFR)*; 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 Jack Mason, manager of our Budget and Internal Accounting Division, at jack.mason@cpa.texas.gov or 512-463-1428.

Sincerely,



Glenn Hegar

cc: Jack Mason



The spreadsheets in this publication are available in accessible data form (Excel) and may be found online at comptroller.texas.gov/transparency/reports/annual-financial/

2024 Annual Financial Report

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Comptroller of Public Accounts (304)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Comptroller of Public Accounts (304)

Combined Balance Sheet/Statement of Net Position – Governmental Funds

August 31, 2024

	Governmental Fund Type General Funds	Governmental Fund Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash on Hand	\$ 4,050.00	\$ 4,050.00	\$	\$	\$ 4,050.00
Cash in Bank (Note 3)	35,000.00	35,000.00			35,000.00
Cash in State Treasury	21,105.79	21,105.79			21,105.79
Legislative Appropriations	140,557,653.60	140,557,653.60			140,557,653.60
Receivables From:					
Accounts Receivable	17,153.18	17,153.18			17,153.18
Interfund Receivable (Note 12)	93,399.13	93,399.13			93,399.13
Consumable Inventories	340,289.48	340,289.48			340,289.48
Other Assets	499,466.72	499,466.72			499,466.72
Total Current Assets	<u>141,568,117.90</u>	<u>141,568,117.90</u>	<u>0.00</u>	<u>0.00</u>	<u>141,568,117.90</u>
Non-Current Assets:					
Capital Assets (Note 2):					
Non-Depreciable or Non-Amortizable:					
Other Tangible Capital Assets			3,000.00		3,000.00
Construction in Progress					
Depreciable Assets:					
Furniture and Equipment			4,877,141.21		4,877,141.21
Less Accumulated Depreciation			(4,133,793.90)		(4,133,793.90)
Vehicles, Boats, and Aircraft			396,123.74		396,123.74
Less Accumulated Depreciation			(340,661.10)		(340,661.10)
Amortizable Assets - Intangible:					
Computer Software			68,009,138.44		68,009,138.44
Less Accumulated Amortization:			(64,769,673.12)		(64,769,673.12)
Right to Use Assets					
Buildings			26,067,216.75		26,067,216.75
Buildings-Amortization			(12,554,988.10)		(12,554,988.10)
Equipment			10,567,252.71		10,567,252.71
Equipment-Amortization			(6,894,590.77)		(6,894,590.77)
Subscription Asset			16,143,319.12		16,143,319.12
Subscription Asset - Amortization			(5,310,432.44)		(5,310,432.44)
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>32,059,052.54</u>	<u>0.00</u>	<u>32,059,052.54</u>
Total Assets	<u>\$ 141,568,117.90</u>	<u>\$ 141,568,117.90</u>	<u>\$ 32,059,052.54</u>	<u>\$ 0.00</u>	<u>\$ 173,627,170.44</u>
LIABILITIES					
Current Liabilities:					
Payables From:					
Accounts Payable	\$ 5,442,526.36	\$ 5,442,526.36	\$	\$	\$ 5,442,526.36
Payroll Payable	24,779,833.41	24,779,833.41			24,779,833.41
Deposits Payable	499,466.72	499,466.72			499,466.72
Interfund Payable (Note 12)	21,669.00	21,669.00			21,669.00
Unearned Revenues	23,161.79	23,161.79			23,161.79
Interest Payable				50,663.40	50,663.40
Employees' Compensable Leave (Note 5)				14,520,472.47	14,520,472.47
Right to Use Lease Obligations				6,349,435.51	6,349,435.51
Subscription Liability				3,620,246.26	3,620,246.26
Total Current Liabilities	<u>30,766,657.28</u>	<u>30,766,657.28</u>	<u>0.00</u>	<u>24,540,817.64</u>	<u>55,307,474.92</u>
Non-Current Liabilities:					
Employees' Compensable Leave (Note 5)				8,727,763.77	8,727,763.77
Right to Use Lease Obligations				11,978,629.12	11,978,629.12
Subscription Liability				7,533,945.21	7,533,945.21
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>28,240,338.10</u>	<u>28,240,338.10</u>
Total Liabilities	<u>30,766,657.28</u>	<u>30,766,657.28</u>	<u>0.00</u>	<u>52,781,155.74</u>	<u>83,547,813.02</u>
FUND FINANCIAL STATEMENT					
Fund Balances (Deficits):					
Nonspendable – Inventory	340,289.48	340,289.48			340,289.48
Unassigned	110,461,171.14	110,461,171.14			110,461,171.14
Total Fund Balances	<u>110,801,460.62</u>	<u>110,801,460.62</u>	<u>0.00</u>	<u>0.00</u>	<u>110,801,460.62</u>
Total Liabilities and Fund Balances	<u>\$ 141,568,117.90</u>	<u>\$ 141,568,117.90</u>			
GOVERNMENT-WIDE STATEMENT OF NET POSITION					
Net Position					
Invested in Capital Assets, Net of Related Debt			32,059,052.54	(29,532,919.50)	2,526,133.04
Unrestricted Net Position					
Restricted for:					
Employee Benefits				(23,248,236.24)	(23,248,236.24)
Total Net Position			<u>\$ 32,059,052.54</u>	<u>\$ (23,248,236.24)</u>	<u>\$ 90,079,357.42</u>

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

UNAUDITED
Comptroller of Public Accounts (304)

EXHIBIT II

Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	Governmental Fund Type General Funds	Governmental Fund Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES					
Legislative Appropriations:					
Original Appropriations	\$ 351,636,742.00	\$ 351,636,742.00	\$	\$	\$ 351,636,742.00
Additional Appropriations	57,436,900.18	57,436,900.18			57,436,900.18
Licenses, Fees and Permits	1,644,852.36	1,644,852.36			1,644,852.36
Sales of Goods and Services	505,858.73	505,858.73			505,858.73
Other	1,120,079.64	1,120,079.64			1,120,079.64
Total Revenues	<u>412,344,432.91</u>	<u>412,344,432.91</u>	<u>0.00</u>	<u>0.00</u>	<u>412,344,432.91</u>
EXPENDITURES					
Salaries and Wages	222,831,309.40	222,831,309.40		1,196,668.83	224,027,978.23
Payroll-Related Costs	61,425,064.23	61,425,064.23			61,425,064.23
Professional Fees and Services	68,094,364.35	68,094,364.35			68,094,364.35
Travel	3,513,588.42	3,513,588.42			3,513,588.42
Materials and Supplies	10,238,647.52	10,238,647.52			10,238,647.52
Communication and Utilities	4,614,433.47	4,614,433.47			4,614,433.47
Repairs and Maintenance	13,579,612.81	13,579,612.81			13,579,612.81
Rentals and Leases	9,310,456.36	9,310,456.36			9,310,456.36
Printing and Reproduction	805,455.56	805,455.56			805,455.56
Claims and Judgements	65,999.00	65,999.00			65,999.00
Other Expenditures	7,104,981.84	7,104,981.84			7,104,981.84
Debt Service-Principal-Leases	11,447,185.62	11,447,185.62			11,447,185.62
Interest Other				(2,928.99)	(2,928.99)
Personal Property-Capital Lease				(11,447,185.62)	(11,447,185.62)
Increase in Obligation-Leases				10,860,306.37	10,860,306.37
Capital Outlay (Note 2)	11,602,850.29	11,602,850.29	(11,602,850.29)		
Depreciation and Amortization Expense (Note 2)			14,660,481.35		14,660,481.35
Total Expenditures/Expenses	<u>424,633,948.87</u>	<u>424,633,948.87</u>	<u>3,057,631.06</u>	<u>606,860.59</u>	<u>428,298,440.52</u>
Excess (Deficiency) of Revenues over (under)					
Expenditures	<u>(12,289,515.96)</u>	<u>(12,289,515.96)</u>	<u>(3,057,631.06)</u>	<u>(606,860.59)</u>	<u>(15,954,007.61)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In					
Transfers Out	(425,622.32)	(425,622.32)	(2.68)		(425,625.00)
Increase in Obligation - Leases	10,860,306.37	10,860,306.37			10,860,306.37
Legislative Financing Sources					
Appropriations Lapses					
Sale of Capital Assets	22.32	22.32	(22.32)		
Gain/(Loss) on Sale of Capital Assets (Note 2)			(225.00)		(225.00)
Total Other Financing Sources and Uses	<u>10,434,706.37</u>	<u>10,434,706.37</u>	<u>(250.00)</u>	<u>0.00</u>	<u>10,434,456.37</u>
Net Change in Fund Balances/Net Position	<u>(1,854,809.59)</u>	<u>(1,854,809.59)</u>	<u>(3,057,881.06)</u>	<u>(606,860.59)</u>	<u>(5,519,551.24)</u>
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances – Beginning September 1, 2023	112,656,270.21	112,656,270.21			112,656,270.21
Restatements (Note 14)					
Fund Balances, September 1, 2023, as Restated	<u>112,656,270.21</u>	<u>112,656,270.21</u>	<u>0.00</u>	<u>0.00</u>	<u>112,656,270.21</u>
Fund Balances – August 31, 2024	<u>\$ 110,801,460.62</u>	<u>\$ 110,801,460.62</u>	<u>\$ (3,057,881.06)</u>	<u>\$ (606,860.59)</u>	<u>\$ 107,136,718.97</u>
GOVERNMENT-WIDE STATEMENT OF NET POSITION					
Net Position/Net Change in Net Position		<u>\$ 110,801,460.62</u>	<u>\$ (3,057,881.06)</u>	<u>\$ (606,860.59)</u>	<u>\$ 107,136,718.97</u>
Net Position-September 1, 2023			24,119,446.99	(39,962,310.30)	(15,842,863.31)
Restatements (Note 14)			10,997,486.61	(12,211,984.85)	(1,214,498.24)
Net Position, September 1, 2023, as Restated			<u>35,116,933.60</u>	<u>(52,174,295.15)</u>	<u>(17,057,361.55)</u>
Net Position, August 31, 2024		<u>\$ 110,801,460.62</u>	<u>\$ 32,059,052.54</u>	<u>\$ (52,781,155.74)</u>	<u>\$ 90,079,357.42</u>

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

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

The Comptroller of Public Accounts is an agency of the state of Texas.

The Comptroller's financial records comply with state statutes and regulations. This includes compliance with the Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies.

The Comptroller's office has three major statutory duties. First, the Comptroller serves as the state's primary tax collector, responsible for collecting most major state taxes. Second, the Comptroller is the state's chief accountant, responsible for writing the state's checks and monitoring all spending by state agencies. Third, the Comptroller is the state's official revenue estimator, responsible for issuing an estimate of state revenues over the upcoming two-year budget period.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement 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's *Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

This section of the report includes only those funds and accounts from which the Comptroller's own departmental activities are financed. The fiscal functions of the Comptroller's office are reported in separate sections of this report.

There are no component units in which the Comptroller of Public Accounts is financially accountable or any organization in which exclusion would create misleading or incomplete financial statements.

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 Fund

The General Revenue Fund (Fund 0001) is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those required to be accounted for in another fund.

Capital Assets Adjustment Fund Type

The Capital Assets 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.

Child Support Addenda Deducts–Suspense

The Child Support Addenda Deducts – Suspense fund (Fund 0001 UF Fund 8070) is used to accumulate money withheld from the salaries of state employees for child support deductions for distribution to the statewide disbursement unit through a single direct deposit. Employee level detail will be sent with the payment through the clearing house.

State Procurement Division (SPD) Postage

The State Procurement Division (SPD) Postage Fund (Fund 0001 UF Fund 0999) is used to report funds held outside the state treasury for funds managed by SPD for the processing of other state agencies postage.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures 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 60 days after fiscal 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 build the government-wide financial statements are accounted for using the full accrual basis of accounting. The activity that is recognized in these fund types is as follows: capital assets, accumulated depreciation/amortization and unpaid employee compensable leave.

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). Encumbrance accounting is employed for budgetary control purposes.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated, unless the agency has authority to retain unexpended balances for use in future periods. The Comptroller of Public Accounts has authority to retain unexpended balances for use in future periods.

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.

Current Receivables – Accounts Receivable

This account appears in governmental fund types and includes year-end revenue accruals.

Inventories

Consumable inventories include supplies and postage on hand at year-end. Inventories are valued at cost, generally utilizing 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 fund types. The cost of these items is expensed when the items are consumed.

Capital Assets

Tangible Assets

Tangible assets include assets such as furniture, fixtures, equipment and vehicles. Tangible assets with an initial individual unit cost of \$5,000 or more and an estimated useful life that meets or exceeds one year are capitalized. These assets are capitalized at cost or, if purchased, at appraised fair market value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures.

Depreciation is reported on all “exhaustible” assets. Tangible assets are depreciated over the estimated useful life of the asset using the straight line method. Assets such as works of art or historical treasures are considered “inexhaustible” and are not depreciated.

Intangible Assets

Intangible assets include assets such as purchased or developed software. These are assets that lack physical substance, are nonfinancial in nature and have an estimated useful life of one year or greater.

Internally generated computer software with a total development cost of \$1,000,000 or greater is capitalized. Purchased computer software is capitalized, if the aggregate cost of the software purchased meets or exceeds \$100,000.

Intangible software assets are amortized on an annual basis over the estimated useful life of the software using a straight line method.

Intangible software assets are reported in accordance with GASB Statement 51, Accounting and Financial Reporting for Intangible Assets.

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.

FUND BALANCE/NET POSITION

Fund balance is the difference between fund assets and liabilities on the governmental fund statements. Net position is the difference between fund assets and liabilities on the government-wide fund statements.

Fund Balance Components

The fund balance amounts for governmental funds are classified as non-spendable, and unassigned in the fund financial statements.

- Non-spendable 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. The nonspendable fund balance for this purpose represents the amount of supplies, postage and prepaid assets held to be used in the next fiscal year.
- 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. This represents funds that can be carried forward for future operations.

Net Investment in Capital Assets

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bond, notes and other debt, that are attributed to the acquisition, construction or improvement of those assets.

INTERFUND ACTIVITIES AND TRANSACTIONS

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

The Comptroller's office has the following types of transactions between funds/agencies:

- Due From Other Agencies
- Transfers In
- Transfers Out
- Interfund Receivables and Interfund Payables

The composition of the agency's interfund receivable and payable activities and balances is 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.

A summary of changes in capital assets for the year ended Aug. 31, 2024, is presented below:

	GOVERNMENTAL ACTIVITIES							Balance Aug. 31, 2024
	Balance Sept. 1, 2023	Adjust ments	Complete CIP	Increase Interagency Transfers	Decrease Interagency Transfers	Additions	Deletions	
GOVERNMENTAL ACTIVITIES								
Non-depreciable or Non-amortizable Assets								
Other Tangible Capital Assets	\$ 3,250.00						\$ (250.00)	\$ 3,000.00
Construction in Progress								
Total Non-depreciable or Non-amortizable Assets	3,250.00	0.00	0.00	0.00	0.00	0.00	(250.00)	3,000.00
Depreciable Assets								
Furniture and Equipment	4,493,782.29					383,358.92		4,877,141.21
Vehicles, Boats and Aircraft	396,123.74							396,123.74
Total Depreciable Assets at Historical Cost	4,889,906.03	0.00	0.00	0.00	0.00	383,358.92	0.00	5,273,264.95
Less Accumulated Depreciation for:								
Furniture and Equipment	(3,901,866.06)					(231,927.84)		(4,133,793.90)
Vehicles, Boats and Aircraft	(301,869.64)					(38,791.46)		(340,661.10)
Total Accumulated Depreciation	(4,203,735.70)	0.00	0.00	0.00	0.00	(270,719.30)	0.00	(4,474,455.00)
Depreciable Assets, Net	686,170.33	0.00	0.00	0.00	0.00	112,639.62	0.00	798,809.95
Intangible Capital Assets - Amortizable								
Computer Software	67,649,953.44					359,185.00		68,009,138.44
Total Intangible Assets at Historical Cost	67,649,953.44	0.00	0.00	0.00	0.00	359,185.00	0.00	68,009,138.44
Less Accumulated Amortization for:								
Computer Software	(62,013,279.17)					(2,756,393.95)		(64,769,673.12)
Total Accumulated Amortization	(62,013,279.17)	0.00	0.00	0.00	0.00	(2,756,393.95)	0.00	(64,769,673.12)
Amortizable Assets, Net	5,636,674.27	0.00	0.00	0.00	0.00	(2,397,208.95)	0.00	3,239,465.32
Total Governmental Activities Capital Assets, Net	\$ 6,326,094.60	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (2,284,569.33)	\$ (250.00)	\$ 4,041,275.27

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Comptroller of Public Accounts (304)

	GOVERNMENTAL ACTIVITIES							Balance Aug. 31, 2024
	Balance Sept. 1, 2023	Adjust ments	Complete CIP	Increase Interagency Transfers	Decrease Interagency Transfers	Additions	Deletions	
Intangible Right to Use Assets – GOVERNMENTAL ACTIVITIES								
Amortizable Assets-IRTU								
Building and Building Improvements	\$ 18,521,740.69	\$ 6,325,432.55	\$	\$	\$	\$ 1,900,440.51	\$ (680,397.00)	\$ 26,067,216.75
Equipment	8,094,998.71	4,416,166.19				378,643.23	(2,322,555.42)	10,567,252.71
Subscriptions	3,081,450.52	4,480,645.97				8,581,222.63		16,143,319.12
Total Amortizable Assets-IRTU	<u>29,698,189.92</u>	<u>15,222,244.71</u>	0.00	0.00	0.00	<u>10,860,306.37</u>	<u>(3,002,952.42)</u>	<u>52,777,788.58</u>
Accumulated Amortization-IRTU								
Building and Building Improvements	(6,110,048.58)	(2,646,432.49)				(4,478,904.03)	680,397.00	(12,554,988.10)
Equipment	(4,827,612.21)	(605,387.95)				(3,784,146.03)	2,322,555.42	(6,894,590.77)
Subscriptions	(967,176.74)	(972,937.66)				(3,370,318.04)		(5,310,432.44)
Total Accumulated Amortization	<u>(11,904,837.53)</u>	<u>(4,224,758.10)</u>	0.00	0.00	0.00	<u>(11,633,368.10)</u>	<u>3,002,952.42</u>	<u>(24,760,011.31)</u>
Total Governmental Activities, RTU Asstes, Net	<u>\$ 17,793,352.39</u>	<u>\$ 10,997,486.61</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (773,061.73)</u>	<u>\$ 0.00</u>	<u>\$ 28,017,777.27</u>

NOTE 3: Deposits, Investments and Repurchase Agreements

The Comptroller of Public Accounts 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 Aug. 31, 2024, the carrying amount of deposits was \$35,000, as presented below:

GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES	
Cash In Bank – Carrying Amount	\$ 35,000.00
Total Cash in Bank, per AFR, (Exhibit I)	<u>\$ 35,000.00</u>

The carrying amount of \$35,000 for Cash in Bank represents the Comptroller’s travel advance fund. This amount consists of all cash in local banks. This amount is included on the combined balance sheet/statement of net position as part of the “cash and cash equivalents.”

NOTE 4: Short-Term Debt

(Not Applicable)

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended Aug. 31, 2024, the following changes occurred in liabilities reported in the general long-term liability account group:

Governmental Activities	Balance Sept. 1, 2023	Additions	Reductions	Other Charges	Balance Aug. 31, 2024	Amounts Due Within One Year	Thereafter
Right to Use Lease Obligations	\$ 15,814,839.77	\$ 2,279,083.74	\$ (8,428,375.30)	\$ 8,662,516.42	\$ 18,328,064.63	\$ 6,349,435.51	\$ 11,978,629.12
Right to Use Subscription Obligations	2,042,310.73	8,581,222.63	(3,018,810.32)	3,549,468.43	11,154,191.47	3,620,246.26	7,533,945.21
Employees' Compensable Leave	22,051,567.41	21,176,228.12	(21,088,663.98)	1,109,104.69	23,248,236.24	14,520,472.47	8,727,763.77
Total Governmental Activities	<u>\$ 39,908,717.91</u>	<u>\$ 32,036,534.49</u>	<u>\$ (32,535,849.60)</u>	<u>\$ 13,321,089.54</u>	<u>\$ 52,730,492.34</u>	<u>\$ 24,490,154.24</u>	<u>\$ 28,240,338.10</u>

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 at least 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. No liability is recorded for non-vesting employees accumulating rights to receive sick pay benefits. This obligation is paid from the same funding source from which the employee's salary or wage compensation was paid.

NOTE 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivatives

(Not Applicable)

NOTE 8: Leases

Leases/Subscription-Based Information Technology Arrangements (SBITAs)

Leases

Included in the expenditures reported in the financial statements are the following amounts of lease payments paid under operating lease obligations:

Operating Leases	
Fund Type 01	Amount
General – Rent Paid	\$ 416,550.20
General – Operating Leases	8,812,438.34
Total	<u>\$ 9,228,988.54</u>

Future minimum lease payments under operating leases having an initial term in excess of one year are as follows:

Year	Primary Government					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Future Min. Lease Payments	Principle	Interest	Total Future Min. Lease Payments
2025	\$ 6,349,435.51	\$ 348,021.37	\$ 6,697,456.88	\$ 0.00	\$ 0.00	\$ 0.00
2026	4,396,123.19	218,002.71	4,614,125.90	0.00	0.00	0.00
2027	3,188,174.83	124,254.28	3,312,429.11	0.00	0.00	0.00
2028	2,271,327.36	62,853.89	2,334,181.25	0.00	0.00	0.00
2029	1,620,206.15	22,755.21	1,642,961.36	0.00	0.00	0.00
2030 thru 2034	502,797.59	2,833.47	505,631.06	0.00	0.00	0.00
Totals	<u>\$ 18,328,064.63</u>	<u>\$ 778,720.93</u>	<u>\$ 19,106,785.56</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Subscription-Based Information Technology Arrangements (SBITAs)

Included in the expenditures reported in the financial statements are the following amounts paid for subscription-based information technology arrangements (SBITAs):

SBITAs	
Fund Type 01	Amount
General – Subscription Paid	\$ 3,378,044.19
General – Variable Payments	
Total	<u>\$ 3,378,044.19</u>

Future minimum payments for SBITAs having an initial term in excess of one year are as follows:

Future Subscription Payments						
Year Ended Aug. 31, 2024						
Year	Primary Government					
	Governmental Activities		Total Future Min. Lease Payments			
	Principal	Interest		Principle	Interest	
2025	\$ 3,620,246.26	\$ 394,308.47	\$ 4,014,554.73	\$ 0.00	\$ 0.00	\$ 0.00
2026	2,686,031.57	262,233.78	2,948,265.35	0.00	0.00	0.00
2027	2,380,281.26	161,826.57	2,542,107.83	0.00	0.00	0.00
2028	1,836,988.85	72,542.71	1,909,531.56	0.00	0.00	0.00
2029	630,643.53	5,867.02	636,510.55	0.00	0.00	0.00
2029 thru 2034	0.00	0.00	0.00	0.00	0.00	0.00
Totals	<u>\$ 11,154,191.47</u>	<u>\$ 896,778.55</u>	<u>\$ 12,050,970.02</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

(Not Applicable)

NOTE 10: Deferred Compensation

(Not Applicable)

NOTE 11: Postemployment Benefits Other Than Pensions

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

As detailed in Note 1, Interfund Activities and Transactions, the agency had numerous transactions between funds and agencies. The reporting on the interfund receivable and interfund payable balances and activity at Aug. 31, 2024, is as follows:

	Interfund Receivable	Interfund Payable	Source
GENERAL REVENUE (01)			
Agency 304, GR D23 Fund 0001	\$ 21,669.00	\$	Consumable Supplies
Agency 304, GR D23 Fund 3027		\$ 21,669.00	Consumable Supplies
Agency 304 Total Interfund Payable/Receivable (Exh I)	<u>\$ 21,669.00</u>	<u>\$ 21,669.00</u>	
Agency 902, GR D23 Fund 0001	\$ 56,924.79	\$	Opioid Expenditures
Agency 902, GR D23 Fund 2000	14,805.34		Opioid Expenditures
Agency 902 Total Interfund Payable/Receivable (Exh I)	<u>\$ 71,730.13</u>	<u>\$ 0.00</u>	

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balances and Net Position

Detailed below is the restatements to beginning net position balances for capital assets and long-term liabilities. The restatements were due to a prior year lease that were accounted for in the current year.

	Beginning Balance Sept. 1, 2023	Restatement	Balance Sept. 1, 2024 as Restated
Capital Assets	\$ 24,119,446.99	\$ 10,997,486.61	\$ 35,116,933.60
Long-Term Liabilities	\$ (39,962,310.30)	\$ (12,211,984.85)	\$ (52,174,295.15)

NOTE 15: Contingencies and Commitments

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

The Comptroller of Public Accounts is exposed to civil claims resulting from the performance of its duties. It is agency policy to periodically assess potential risks 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.

Liabilities are reported when it is both probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

The agency’s claim and judgement liability activity at Aug. 31, 2024, is as follows:

Fiscal Year	Beginning Balance	Increases	Decreases	Ending Balance
2024	\$ 0.00	\$ 65,999.00	\$ (65,999.00)	\$ 0.00
2023	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2022	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

NOTE 18: Management’s Discussion and Analysis

No material accounting events occurred at the Comptroller of Public Accounts for fiscal year 2024.

NOTE 19: The Financial Reporting Entity

(Not Applicable)

NOTE 20: Stewardship, Compliance and Accountability

This report reflects the Comptroller’s operating transactions in the state’s General Revenue Fund.

The activities of the Comptroller’s Judiciary Section (241), the Comptroller’s Treasury – Fiscal (311), the Comptroller’s State Energy Conservation Office (SECO) (907), the Comptroller – State Fiscal (902), the Texas Treasury Safekeeping Trust Company (930), the Comptroller–Texas Bullion Depository (908), the Texas Broadband Development Office (909) and the Comptroller–Funds Management (903) are reported in separate sections of this report.

The activities of the Texas Prepaid Higher Education Tuition Board (315) are presented in a separate report.

NOTE 21: Not Applicable to the AFR

(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: Deferred Outflows of Resources and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Troubled Debt Restructuring

(Not Applicable)

NOTE 30: Non-Exchange Financial Guarantees

(Not Applicable)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Governmental Fund Balances

GASB 54 established financial reporting standards for fund balances. For governmental funds, if an agency uses a classification other than the default or assigned, the agency needs to cite the specific provision, federal requirement or court order causing the restriction or commitment.

The Comptroller of Public Accounts is not reporting a classification other than default or assigned as of Aug. 31, 2024.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

UNAUDITED
Comptroller of Public Accounts (304)

EXHIBIT A-1

Combined Balance Sheet/Statement of Net Position – Governmental Funds

August 31, 2024

	Governmental Fund Type General Funds (0001) U/F (0001)	Child Support Addenda Deducts – Suspense (0001) U/F (8070)	State Procurement Division (SPD) Postage Fund (0001) U/F (0999)	Total (Exhibit I)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 4,050.00	\$	\$	\$ 4,050.00
Cash in Bank (Note 3)	35,000.00			35,000.00
Cash in State Treasury		21,105.79		21,105.79
Legislative Appropriations	140,557,653.60			140,557,653.60
Receivables From:				
Accounts Receivable	17,153.18			17,153.18
Interfund Receivable (Note 12)	93,399.13			93,399.13
Consumable Inventories	340,289.48			340,289.48
Other Assets			499,466.72	499,466.72
Total Current Assets	<u>141,047,545.39</u>	<u>21,105.79</u>	<u>499,466.72</u>	<u>141,568,117.90</u>
Total Assets	<u>\$ 141,047,545.39</u>	<u>\$ 21,105.79</u>	<u>\$ 499,466.72</u>	<u>\$ 141,568,117.90</u>
LIABILITIES				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ 5,442,526.36	\$	\$	\$ 5,442,526.36
Payroll Payable	24,758,727.62	21,105.79		24,779,833.41
Deposits Payable			499,466.72	499,466.72
Interfund Payable (Note 12)	21,669.00			21,669.00
Unearned Revenues	23,161.79			23,161.79
Total Current Liabilities	<u>30,246,084.77</u>	<u>21,105.79</u>	<u>499,466.72</u>	<u>30,766,657.28</u>
Total Liabilities	<u>30,246,084.77</u>	<u>21,105.79</u>	<u>499,466.72</u>	<u>30,766,657.28</u>
FUND FINANCIAL STATEMENT				
Fund Balances (Deficits):				
Nonspendable – Inventory	340,289.48			340,289.48
Unassigned	<u>110,461,171.14</u>			<u>110,461,171.14</u>
Total Fund Balances	<u>110,801,460.62</u>	<u>0.00</u>	<u>0.00</u>	<u>110,801,460.62</u>
Total Liabilities and Fund Balances	<u>\$ 141,047,545.39</u>	<u>\$ 21,105.79</u>	<u>\$ 499,466.72</u>	<u>\$ 141,568,117.90</u>

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

UNAUDITED
Comptroller of Public Accounts (304)

EXHIBIT A-2

Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	Governmental Fund Type General Funds (0001) U/F (0001)	Child Support Addenda Deducts – Suspense (0001) U/F (8070)	State Procurement Division (SPD) Postage Fund (0001) U/F (0999)	Total (Exhibit II)
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 351,636,742.00	\$	\$	\$ 351,636,742.00
Additional Appropriations	57,436,900.18			57,436,900.18
Licenses, Fees and Permits	1,644,852.36			1,644,852.36
Sales of Goods and Services	505,858.73			505,858.73
Other	1,120,079.64			1,120,079.64
Total Revenues	<u>412,344,432.91</u>	<u>0.00</u>	<u>0.00</u>	<u>412,344,432.91</u>
EXPENDITURES				
Salaries and Wages	222,831,309.40			222,831,309.40
Payroll-Related Costs	61,425,064.23			61,425,064.23
Professional Fees and Services	68,094,364.35			68,094,364.35
Travel	3,513,588.42			3,513,588.42
Materials and Supplies	10,238,647.52			10,238,647.52
Communication and Utilities	4,614,433.47			4,614,433.47
Repairs and Maintenance	13,579,612.81			13,579,612.81
Rentals and Leases	9,310,456.36			9,310,456.36
Printing and Reproduction	805,455.56			805,455.56
Claims and Judgements	65,999.00			65,999.00
Other Expenditures	7,104,981.84			7,104,981.84
Debt Service Principle Leases	11,447,185.62			11,447,185.62
Capital Outlay (Note 2)	11,602,850.29			11,602,850.29
Total Expenditures/Expenses	<u>424,633,948.87</u>	<u>0.00</u>	<u>0.00</u>	<u>424,633,948.87</u>
Excess (Deficiency) of Revenues over (under)				
Expenditures	<u>(12,289,515.96)</u>	<u>0.00</u>	<u>0.00</u>	<u>(12,289,515.96)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(425,622.32)			(425,622.32)
Increase In Obligations - Leases/SBITA	10,860,306.37			10,860,306.37
Appropriation Transfer-In Committed				
Lapsed Committed Revenue Appropriations				
Gain/(Loss) on Sale of Capital Assets (Note 2)	22.32			22.32
Total Other Financing Sources and Uses	<u>10,434,706.37</u>	<u>0.00</u>	<u>0.00</u>	<u>10,434,706.37</u>
Net Change in Fund Balances/Net Position	<u>(1,854,809.59)</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,854,809.59)</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances – Beginning September 1, 2023	112,656,270.21			112,656,270.21
Restatements (Note 14)				
Fund Balances, September 1, 2023, as Restated	112,656,270.21	0.00	0.00	112,656,270.21
Fund Balances – August 31, 2024	<u>\$ 110,801,460.62</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 110,801,460.62</u>

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

Comptroller's Judiciary Section (241)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Comptroller's Judiciary Section (241)

UNAUDITED
Comptroller's Judiciary Section (241)

EXHIBIT I

**Combined Balance Sheet/Statement of Net Position –
Governmental Funds**

August 31, 2024

	General Funds (Exh A-1)	Special Revenue Funds (Exh B-1)	Governmental Funds Total
ASSETS			
Current Assets:			
Cash			
Cash In State Treasury	\$	\$ 10,868,464.69	\$ 10,868,464.69
Legislative Appropriations	33,124,702.30		33,124,702.30
Due From Other Agencies			
Total Current Assets	<u>33,124,702.30</u>	<u>10,868,464.69</u>	<u>43,993,166.99</u>
Total Assets	<u>\$ 33,124,702.30</u>	<u>\$ 10,868,464.69</u>	<u>\$ 43,993,166.99</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current Liabilities:			
Payables From:			
Accounts Payable	\$ (8,744.15)	\$ (5,449,250.00)	\$ (5,457,994.15)
Payroll	(11,422,010.86)		(11,422,010.86)
Due To Other Funds			
Total Current Liabilities	<u>(11,430,755.01)</u>	<u>(5,449,250.00)</u>	<u>(16,880,005.01)</u>
Total Liabilities	<u>(11,430,755.01)</u>	<u>(5,449,250.00)</u>	<u>(16,880,005.01)</u>
FUND FINANCIAL STATEMENT			
Fund Balances (Deficits):			
Committed		(130,600,999.67)	(130,600,999.67)
Unassigned	(21,693,947.29)	125,181,784.98	103,487,837.69
Total Fund Balances	<u>(21,693,947.29)</u>	<u>(5,419,214.69)</u>	<u>(27,113,161.98)</u>
Total Liabilities and Fund Balances	<u>\$ (33,124,702.30)</u>	<u>\$ (10,868,464.69)</u>	<u>\$ (43,993,166.99)</u>

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

UNAUDITED
Comptroller's Judiciary Section (241)

EXHIBIT II

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	General Funds (Exh A-2)	FFCRA Act Coronavirus Relief Fund (0325) U/F (0325)	Special Revenue Funds (Exh B-2)	Governmental Funds Total
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 135,263,945.00	\$	\$	\$ 135,263,945.00
Additional Appropriations	32,172,228.89			32,172,228.89
Federal Pass- Through Revenue		3,844,432.55		3,844,432.55
State Grant Pass-Through Revenue (Schedule 1B)	1,000,049.12			1,000,049.12
Licenses, Fees & Permits	805,459.17		31,113,896.80	31,919,355.97
Other				
Total Revenues	<u>169,241,682.18</u>	<u>3,844,432.55</u>	<u>31,113,896.80</u>	<u>204,200,011.53</u>
EXPENDITURES				
Salaries and Wages	89,970,139.39		21,817,169.95	111,787,309.34
Payroll Related Costs	32,099,345.69			32,099,345.69
Travel	464,809.19			464,809.19
Intergovernmental Payments	31,067,027.37	3,814,285.77	24,394,893.00	59,276,206.14
Other Expenditures	3,071,492.73		213,262.05	3,284,754.78
Total Expenditures/Expenses	<u>156,672,814.37</u>	<u>3,814,285.77</u>	<u>46,425,325.00</u>	<u>203,098,139.37</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>12,568,867.81</u>	<u>30,146.78</u>	<u>(15,311,428.20)</u>	<u>(2,712,413.61)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			153,792,333.64	153,792,333.64
Transfers Out			<u>(224,957,287.68)</u>	<u>(224,957,287.68)</u>
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>(71,164,954.04)</u>	<u>(71,164,954.04)</u>
Net Change in Fund Balances/Net Position	<u>12,568,867.81</u>	<u>30,146.78</u>	<u>(86,476,382.24)</u>	<u>(73,877,367.65)</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances – Beginning				
Restatements				
Fund Balances, September 1, 2024, as Restated	<u>16,675,269.67</u>		<u>91,895,596.93</u>	<u>108,570,866.60</u>
Appropriations Lapsed	<u>(7,550,190.19)</u>			<u>(7,550,190.19)</u>
Fund Balances – August 31, 2024	<u>\$ 21,693,947.29</u>	<u>\$ 30,146.78</u>	<u>\$ 5,419,214.69</u>	<u>\$ 27,143,308.76</u>

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

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

The Comptroller's Judiciary Section is an agency of the state of Texas, and its financial records comply with state statutes and regulations. This includes compliance with the Comptroller of Public Accounts Reporting Requirements for Annual Financial Reports of State Agencies.

The Comptroller's Judiciary Section is responsible for paying the salaries of the district judges and district attorneys of Texas. The agency also pays miscellaneous expenses incurred by the judges and district attorneys as provided by the General Appropriations Act.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement 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 be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the state's *Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

There are no component units in which the Comptroller's Judiciary Section is financially accountable or any organization whose exclusion would create misleading or incomplete financial statements.

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

General Fund

The General Revenue Fund (Fund 0001) is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those accounted for in other funds.

Child Support Addenda Deducts–Suspense (Fund 0001 UF Fund 8070)

Used to accumulate money withheld from the salaries of state officers and employees for child support deductions for distribution to the statewide disbursement unit through a single direct deposit. Employee level detail will be sent with the payment through the clearing house.

USPS–Direct Deposit Return Money (Fund 0001 UF Fund 9014)

Used to receive USPS payroll direct deposit return money where funds have been returned by financial institutions.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

The Felony Prosecutor Supplement (Fund 0303)

The fund receives two-thirds of a \$15 fee paid by each surety posting a bail bond to fund longevity supplements for eligible assistant prosecutors. The remaining one-third is deposited to the GR Account — Fair Defense Fund.

The Jury Service Fund (Fund 0328)

Used to reimburse a county \$20 for the first day and \$52 a day for the reimbursement paid under government code, section 61.001 to a person who reports for jury service in response to the process of a court for each day or fraction of each day after the first day in attendance in court in response to the process.

The Judicial Fund (Fund 0573)

Used only for court-related purposes in support of the judicial branch of the state, including child support, court management and basic legal services for the indigent.

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 will 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.

BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act). Encumbrance accounting is employed for budgetary control purposes.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated, unless the agency has authority to retain unexpended balances for use in future periods.

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.

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.

FUND BALANCE/NET POSITION

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

The fund balance amounts for governmental funds are classified as committed and unassigned in the fund financial statements.

- Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law by a formal action of the Texas Legislature, the state's highest level of decision-making authority.
- 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.

INTERFUND ACTIVITIES AND TRANSACTIONS

Interfund transaction refers to interactions with legally separate entities such as other state agencies and is restricted to external events. The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer.

The Comptroller's Judiciary Section has the following types of transactions between funds/agencies:

- Due From Other Agencies
- Due To Other Agencies
- Transfers In
- Transfers Out

NOTE 2: Capital Assets

(Not Applicable)

NOTE 3: Deposits, Investments & Repurchase Agreements

(Not Applicable)

NOTE 4: Short-Term Debt

(Not Applicable)

NOTE 5: Long-Term Liabilities

Employees' Compensable Leave

The employees paid through the Comptroller's Judiciary Section, Agency 241, are not eligible for state compensable leave. The Comptroller's Judiciary Section does not have any compensable leave liability for these employees.

NOTE 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivatives

(Not Applicable)

NOTE 8: Leases

(Not Applicable)

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

(Not Applicable)

NOTE 10: Deferred Compensation

(Not Applicable)

NOTE 11: Postemployment Health Care and Life Insurance Benefits

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

(Not Applicable)

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustment to Fund Balances/Net Position

(Not Applicable)

NOTE 15: Contingencies and Commitments

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

The Comptroller Judiciary Section may be exposed to civil claims.

Liabilities are reported when it is both probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

The agency's claim and judgement liability activity for fiscal 2019, 2020, 2021, 2022, 2023, and 2024 are reported below:

	Beginning Balance	Increases	Decreases	Ending Balance
2024	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2023	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2022	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2021	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2020	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2019	\$ 180.25	\$ 0.00	\$ (180.25)	\$ 0.00

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

No material accounting events occurred at the Comptroller's Judiciary Section for fiscal year 2024.

NOTE 19: The Financial Reporting Entity

(Not Applicable)

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 and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivable and Payable Balances

(Not Applicable)

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

(Not Applicable)

NOTE 27: Service Concession Arrangements

(Not Applicable)

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Troubled Debt Restructuring

(Not Applicable)

NOTE 30: Non-Exchange Financial Guarantees

(Not Applicable)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Fund Balances

241-Comptroller Judiciary Section has the following restrictions/covenants causing fund balances to be committed as of Aug. 31, 2024:

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Comments
0303	0303	Committed	\$ 1,487,983.66	TX Gov't Code §41.258	Established in the treasury to receive two-thirds of \$15 cost paid by each surety posting a bail bond. NTE \$30 for all bonds posted for an individual. Used to fund longevity supplements for eligible assistant prosecutors. The remaining one-third is deposited to GR Account – Fair Defense (5073)
0328	0328	Committed	\$ 11,895,918.01	TX Gov't Code §61.001	A person who reports for jury service in response of a court is entitled to receive as reimbursement for travel and other expenses an amount: 1) not less than \$5 for the first day or fraction of the first day the person is in attendance in court in response to the process and discharges the person's duty for that day; and 2) not less than \$40 for each day or fraction of each day the person is in attendance in court in response to the process after the first day and discharges the person's duty for that day.
0573	0573	Committed	\$ 130,600,999.67	TX Gov't Code §21.006, §51.0051, §51.208, §402.007	To receive one-half of judicial fees collected by 14 Courts of Appeals (Revenue Code 3711) and filing fee collected by District Courts (Revenue Code 3709). Money in the fund to be used only for court-related purposes for support of judicial branch of the state, for child support and court management as provided by §21.007, Government Code and for basic legal services to the indigent as provided by §51.943, Government Code.

UNAUDITED
Comptroller's Judiciary Section (241)

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

UNAUDITED
Comptroller's Judiciary Section (241)

UNAUDITED
Comptroller's Judiciary Section (241)

EXHIBIT A-1

Combined Balance Sheet – All General Funds

August 31, 2024

	General Revenue (0001) U/F (0001)	Child Support Addenda Deducts - Suspense (0001) U/F (8070)	USPS - Direct Deposit Return Money (0001) U/F (9014)	FFCRA Act Coronavirus Relief Fund (0325) U/F (0325)	Total (Exh I)
ASSETS					
Current Assets:					
Cash					
Cash In State Treasury	\$	\$ 6,450.00	\$	\$ 30,146.78	\$ 36,596.78
Legislative Appropriations	33,124,702.30				33,124,702.30
Due From Other Agencies					
Total Current Assets	<u>33,124,702.30</u>	<u>6,450.00</u>	<u>0.00</u>	<u>0.00</u>	<u>33,161,299.08</u>
Total Assets	<u>\$ 33,124,702.30</u>	<u>\$ 6,450.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 33,161,299.08</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current Liabilities:					
Payables From:					
Accounts Payable	\$ (8,744.15)	\$	\$	\$	\$ (8,744.15)
Payroll	(11,422,010.86)	(6,450.00)			(11,428,460.86)
Due To Other Funds					
Total Current Liabilities	<u>(11,430,755.01)</u>	<u>(6,450.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>(11,437,205.01)</u>
Total Liabilities	<u>(11,430,755.01)</u>	<u>(6,450.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>(11,437,205.01)</u>
FUND FINANCIAL STATEMENT					
Fund Balances (Deficits):					
Committed					
Unassigned	(21,693,947.29)			(30,146.78)	(21,724,094.07)
Total Fund Balances	<u>(21,693,947.29)</u>	<u>0.00</u>	<u>0.00</u>	<u>(30,146.78)</u>	<u>(21,724,094.07)</u>
Total Liabilities and Fund Balances	<u>\$ (33,124,702.30)</u>	<u>\$ (6,450.00)</u>	<u>\$ 0.00</u>	<u>\$ (30,146.78)</u>	<u>\$ (33,161,299.08)</u>

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

UNAUDITED
Comptroller's Judiciary Section (241)

EXHIBIT A-2

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – General Revenue Funds

For the Fiscal Year Ended August 31, 2024

	General Revenue (0001) U/F (0001)	Child Support Addenda Deducts - Suspense (0001) U/F (8070)	USPS - Direct Deposit Return Monedy (0001) U/F (9014)	FFCRA Act Coronavirus Relief Fund (0325) U/F (0325)	Total (Exh II)
REVENUES					
Legislative Appropriations:					
Original Appropriations	\$ 135,263,945.00	\$	\$	\$	\$ 135,263,945.00
Additional Appropriations	32,172,228.89				32,172,228.89
Federal Pass- Through Revenue				3,844,432.55	3,844,432.55
State Grant Pass-Through Revenue (Schedule 1B)	1,000,049.12				1,000,049.12
Licenses, Fees & Permits	805,459.17				805,459.17
Other					
Total Revenues	<u>169,241,682.18</u>	<u>0.00</u>	<u>0.00</u>	<u>3,844,432.55</u>	<u>173,086,114.73</u>
EXPENDITURES					
Salaries and Wages	89,970,139.39				89,970,139.39
Payroll Related Costs	32,099,345.69				32,099,345.69
Travel	464,809.19				464,809.19
Intergovernmental Payments	31,067,027.37			3,814,285.77	34,881,313.14
Other Expenditures	3,071,492.73				3,071,492.73
Total Expenditures/Expenses	<u>156,672,814.37</u>	<u>0.00</u>	<u>0.00</u>	<u>3,814,285.77</u>	<u>160,487,100.14</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>12,568,867.81</u>	<u>0.00</u>	<u>0.00</u>	<u>30,146.78</u>	<u>12,599,014.59</u>
OTHER FINANCING SOURCES (USES)					
Transfers In					
Transfers Out					
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Change in Fund Balances/Net Position	<u>12,568,867.81</u>		<u>0.00</u>	<u>0.00</u>	<u>12,568,867.81</u>
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances – Beginning	16,675,269.67				16,675,269.67
Restatements					
Fund Balances, September 1, 2024, as Restated	<u>16,675,269.67</u>	<u>0.00</u>	<u>0.00</u>	<u>30,146.78</u>	<u>16,705,416.45</u>
Appropriations Lapsed	(7,550,190.19)				(7,550,190.19)
Fund Balances – August 31, 2024	<u>\$ 21,693,947.29</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 30,146.78</u>	<u>\$ 21,724,094.07</u>

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

UNAUDITED
Comptroller's Judiciary Section (241)

EXHIBIT B-1

Combining Balance Sheet – Special Revenue Funds

August 31, 2024

	Special Revenue Felony Prosecutor (0303) U/F (0303)	Special Revenue Jury Service Fund (0328) U/F (0328)	Special Revenue Judicial (0573) U/F (0573, 1573)	Totals (Exh I)
ASSETS				
Current Assets:				
Cash				
Cash In State Treasury	\$ 1,993,605.88	\$ 10,000,115.39	\$ 10,868,464.69	\$ 22,862,185.96
Total Current Assets	<u>1,993,605.88</u>	<u>10,000,115.39</u>	<u>10,868,464.69</u>	<u>22,862,185.96</u>
Total Assets	<u>\$ 1,993,605.88</u>	<u>\$ 10,000,115.39</u>	<u>\$ 10,868,464.69</u>	<u>\$ 22,862,185.96</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ (492,000.00)	\$ (1,125,268.00)	\$ (5,449,250.00)	\$ (7,066,518.00)
Total Current Liabilities	<u>(492,000.00)</u>	<u>(1,125,268.00)</u>	<u>(5,449,250.00)</u>	<u>(7,066,518.00)</u>
Total Liabilities	<u>(492,000.00)</u>	<u>(1,125,268.00)</u>	<u>(5,449,250.00)</u>	<u>(7,066,518.00)</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances (Deficits):	(13,622.22)	3,021,070.62	54,016,830.94	57,024,279.34
Committed	<u>(1,487,983.66)</u>	<u>(11,895,918.01)</u>	<u>(59,436,045.63)</u>	<u>(72,819,947.30)</u>
Total Fund Balances	<u>(1,501,605.88)</u>	<u>(8,874,847.39)</u>	<u>(5,419,214.69)</u>	<u>(15,795,667.96)</u>
Total Liabilities and Fund Balances	<u>\$ (1,993,605.88)</u>	<u>\$ (10,000,115.39)</u>	<u>\$ (10,868,464.69)</u>	<u>\$ (22,862,185.96)</u>

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

UNAUDITED
Comptroller's Judiciary Section (241)

EXHIBIT B-2

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

For the Fiscal Year Ended August 31, 2024

	Special Revenue Felony Prosecutor (0303) U/F (0303)	Special Revenue Jury Service Fund (0328) U/F (0328)	Special Revenue Judicial (0573) U/F (0573, 1573)	Totals (Exh II)
REVENUES				
Licenses, Fees & Permits	\$ 3,542,020.24	\$ 10,281,578.21	\$ 31,113,896.80	\$ 44,937,495.25
Total Revenues	<u>3,542,020.24</u>	<u>10,281,578.21</u>	<u>31,113,896.80</u>	<u>44,937,495.25</u>
EXPENDITURES				
Salaries and Wages			21,817,169.95	21,817,169.95
Payroll Related Costs				
Intergovernmental Payments	3,036,398.02	11,406,730.82	24,394,893.00	38,838,021.84
Other Expenditures			213,262.05	213,262.05
Total Expenditures/Expenses	<u>3,036,398.02</u>	<u>11,406,730.82</u>	<u>46,425,325.00</u>	<u>60,868,453.84</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>505,622.22</u>	<u>(1,125,152.61)</u>	<u>(15,311,428.20)</u>	<u>(15,930,958.59)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			224,957,287.68	224,957,287.68
Transfers Out	(492,000.00)	(1,895,918.01)	(224,957,287.68)	(225,449,287.68)
Total Other Financing Sources (Uses)	<u>(492,000.00)</u>	<u>(1,895,918.01)</u>	<u>0.00</u>	<u>(492,000.00)</u>
Net Change in Fund Balances/Net Position	<u>13,622.22</u>	<u>(3,021,070.62)</u>	<u>(15,311,428.20)</u>	<u>(16,422,958.59)</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances – September 1, 2024	1,487,983.66	11,895,918.01	20,730,642.89	34,114,544.56
Restatements				
Fund Balances, September 1, 2024, as Restated	<u>1,487,983.66</u>	<u>11,895,918.01</u>	<u>20,730,642.89</u>	<u>34,114,544.56</u>
Appropriations Lapsed				
Fund Balances – August 31, 2024	<u>\$ 1,501,605.88</u>	<u>\$ 8,874,847.39</u>	<u>\$ 5,419,214.69</u>	<u>\$ 17,691,585.97</u>

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

SUPPLEMENTARY SCHEDULES

UNAUDITED
Comptroller's Judiciary Section (241)

SCHEDULE 1B

**Schedule of State Grant Pass-Throughs
From/To State Agencies**

For the Fiscal Year Ended August 31, 2024

Pass-through From	Grant ID	Agency Number	Amount
Border Security Governor – Fiscal			
Criminal Justice Planning Grants Governor – Fiscal	300.0004	300	1,000,049.12
Total Pass-Through from Other Agencies (Exh. II):			<u>\$1,000,049.12</u>

UNAUDITED
Comptroller's Judiciary Section (241)

Comptroller – Fiscal (902)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Comptroller – Fiscal (902)

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT I

Combined Balance Sheet – Governmental Funds

August 31, 2024

	Governmental Fund Types			Governmental Funds Total
	General Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1)	Permanent Funds (Exhibit C-1)	
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank (Note 3)	\$ (25.46)	\$ 18,861,331.24	\$	\$ 18,861,305.78
Cash in State Treasury	30,501,131,830.73	6,007,856.26	33,668,243.28	30,540,807,930.27
Legislative Appropriations	(124,705,428.40)			(124,705,428.40)
Short Term Investments (Note 3)	372,226,884.37	1,428,963.36	63,020,307.89	436,676,155.62
Receivables:				
Accounts	332,800,000.00			332,800,000.00
Taxes (Note 27)	4,738,098,006.23			4,738,098,006.23
Interest and Dividends	58,744,508.75	6,330,989.48	317,341.67	65,392,839.90
Due From Other Agencies	2,757,213,145.26	3,276,785.94	7,990.52	2,760,497,921.72
Total Current Assets	38,635,508,921.48	35,905,926.28	97,013,883.36	38,768,428,731.12
Non-Current Assets:				
Receivables				
Investments (Note 3)	18,074,560,436.47	892,769,646.66	731,676,135.15	19,699,006,218.28
Total Non-Current Assets	18,074,560,436.47	892,769,646.66	731,676,135.15	19,699,006,218.28
Total Assets	\$ 56,710,069,357.95	\$ 928,675,572.94	\$ 828,690,018.51	\$ 58,467,434,949.40
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts	\$ 1,890,551.27	\$ 66,643.37	\$	\$ 1,957,194.64
Interest			881,532.91	881,532.91
Interfund Payable	71,730.13			71,730.13
Investment Trade Payable	7,673,390.76		279,068.30	7,952,459.06
Other Intergovernmental	26,807,175.92			26,807,175.92
Taxes Refund Payable	357,552,650.66			357,552,650.66
Other	334,010,248.98			334,010,248.98
Due To Other Agencies	5,920,918,529.46		2,591,528.64	5,923,510,058.10
Unearned Revenues	579,837,935.69			579,837,935.69
Total Current Liabilities	7,228,762,212.87	66,643.37	3,752,129.85	7,232,580,986.09
Total Liabilities	7,228,762,212.87	66,643.37	3,752,129.85	7,232,580,986.09
DEFERRED INFLOWS				
Deferred Inflows of Resources (Note 29)		899,896,911.71		899,896,911.71
Total Deferred Inflows	0.00	899,896,911.71	0.00	899,896,911.71
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable			(1,798,978.99)	(1,798,978.99)
Restricted	879,201,470.34	22,704,161.60	826,736,867.65	1,728,642,499.59
Committed		6,007,856.26		6,007,856.26
Unassigned	48,602,105,674.74			48,602,105,674.74
Total Fund Balances	49,481,307,145.08	28,712,017.86	824,937,888.66	50,334,957,051.60
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 56,710,069,357.95	\$ 928,675,572.94	\$ 828,690,018.51	\$ 58,467,434,949.40

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT II

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	Governmental Fund Types			Governmental Funds Total
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	Permanent Funds (Exhibit C-2)	
REVENUES				
Taxes (GR)	\$ 71,418,006,902.60	\$ 4,558,524,328.46	\$	\$ 75,976,531,231.06
License, Fees & Permits (PR)	1,604,171,100.02	4,748,707.49		1,608,919,807.51
Interest and Other Investment Income (PR)	(23,186,288.90)			(23,186,288.90)
Interest and Other Investment Income (GR)	2,301,223,206.17	142,667,921.86	9,784,174.59	2,453,675,302.62
Net Increase (Decrease) in Fair Value (GR)	931,075,038.66		79,731,038.37	1,010,806,077.03
Land Income (PR)	7,533,589.85			7,533,589.85
Settlement of Claims (GR)	809,669,726.46			809,669,726.46
Sales of Goods and Services (PR)	35,561,048.65			35,561,048.65
Other (GR)	904,721,769.74	55,363,027.64	10,313,280.00	970,398,077.38
Total Revenues	77,988,776,093.25	4,761,303,985.45	99,828,492.96	82,849,908,571.66
EXPENDITURES				
Salaries And Wages	657,966.81			657,966.81
Payroll Related Costs	2,264,128,324.76			2,264,128,324.76
Professional Fees and Services	18,382,007.74	2,102,913.00	1,437,688.89	21,922,609.63
Travel	1,393.46			1,393.46
Communications and Utilities	320.37			320.37
Repairs and Maintenance	240,259.69			240,259.69
Claims and Judgments	29,197,382.72			29,197,382.72
Intergovernmental Payments	697,352,458.16	68,199,333.23	609,046.00	766,160,837.39
Interest Expense - Other	65,223,364.84			65,223,364.84
Other Expenditures	3,015,786,591.22	5,626.63		3,015,792,217.85
Total Expenditures	6,090,970,069.77	70,307,872.86	2,046,734.89	6,163,324,677.52
Excess (Deficiency) of Revenues over Expenditures	71,897,806,023.48	4,690,996,112.59	97,781,758.07	76,686,583,894.14
OTHER FINANCING SOURCES (USES)				
Transfer In	13,166,290,608.18	6,162,900,233.18	2,289,158.97	19,331,480,000.33
Transfer Out	(47,635,241,930.16)	(10,844,259,134.98)	(40,730,835.40)	(58,520,231,900.54)
Legislative Transfer Out	(38,823,347,304.51)			(38,823,347,304.51)
Sale of Capital Assets	8,542.18			8,542.18
Contributions to permanent foundation principal			(24,113,227.00)	(24,113,227.00)
Insurance Recoveries	29,608.83			29,608.83
Total Other Financing Sources (Uses)	(73,292,260,475.48)	(4,681,358,901.80)	(62,554,903.43)	(78,036,174,280.71)
Net Change in Fund Balances	(1,394,454,452.00)	9,637,210.79	35,226,854.64	(1,349,590,386.57)
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances, September 1, 2023	50,875,761,597.08	19,074,807.07	789,711,034.02	51,684,547,438.17
Fund Balances, August 31, 2024	\$ 49,481,307,145.08	\$ 28,712,017.86	\$ 824,937,888.66	\$ 50,334,957,051.60

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT VI

**Combined Statement of Fiduciary Net Position
 Fiduciary Funds**

August 31, 2024

	Private Purpose Trust Funds (Exhibit I-1)	Custodial Funds (Exhibit J-1)	Total (Exhibit VI) 2024
ASSETS			
Cash and Cash Equivalents (Note 3):			
Cash in State Treasury	\$ 11,381,784.94	\$ 1,717,569,014.99	\$ 1,728,950,799.93
Interest and Dividends	36,427.75		36,427.75
Total Assets	<u>\$ 11,418,212.69</u>	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,728,987,227.68</u>
LIABILITIES			
Accounts Payables	4,012,654.90		4,012,654.90
Total Liabilities	<u>\$ 4,012,654.90</u>	<u>\$ 0.00</u>	<u>\$ 4,012,654.90</u>
NET POSITION			
Fiduciary NP Other Purposes	\$ 7,405,557.79	\$ 1,717,569,014.99	\$ 1,724,974,572.78
Total Net Position	<u>\$ 7,405,557.79</u>	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,724,974,572.78</u>

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

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT VII

Combined Statement of Changes in Fiduciary Net Position Fiduciary Funds

For the Fiscal Year Ended August 31, 2024

	Private Purpose Trust Funds (Exhibit I-2)	Custodial Funds (Exhibit J-2)	Total (Exhibit VII) 2024
ADDITIONS			
Contributions:			
Federal Contributions	\$ 5,108,003.21	\$	\$ 5,108,003.21
Total Contributions	<u>5,108,003.21</u>	<u>0.00</u>	<u>5,108,003.21</u>
Investment Income:			
From Investing Activities:			
Interest, Dividend and Other	396,424.52	6,925,001.26	7,321,425.78
Total Investing Income (Loss)	<u>396,424.52</u>	<u>6,925,001.26</u>	<u>7,321,425.78</u>
Net Income from Investing Activities	396,424.52	6,925,001.26	7,321,425.78
Total Net Investment Income (Loss)	<u>396,424.52</u>	<u>6,925,001.26</u>	<u>7,321,425.78</u>
Other Additions:			
Other Revenue		13,724,707,165.73	13,724,707,165.73
Transfer In	91,605,235.61		91,605,235.61
Total Other Additions	<u>91,605,235.61</u>	<u>13,724,707,165.73</u>	<u>13,816,312,401.34</u>
Total Additions	<u>97,109,663.34</u>	<u>13,731,632,166.99</u>	<u>13,828,741,830.33</u>
DEDUCTIONS			
Interest Expense		6,629,654.01	6,629,654.01
Intergovernmental Payments	94,113,961.21	13,645,154,129.95	13,739,268,091.16
Total Deductions	<u>94,113,961.21</u>	<u>13,651,783,783.96</u>	<u>13,745,897,745.17</u>
INCREASE (DECREASE) IN NET POSITION	<u>2,995,702.13</u>	<u>79,848,383.03</u>	<u>82,844,085.16</u>
NET POSITION			
Net Position, September 1, 2023	<u>4,409,855.66</u>	<u>1,637,720,631.96</u>	<u>1,642,130,487.62</u>
Net Position, August 31, 2024	<u>\$ 7,405,557.79</u>	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,724,974,572.78</u>

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

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

The Comptroller – State Fiscal is an agency of the state of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Comptroller’s Reporting Requirements for the Annual Financial Reports of State Agencies and Universities.

This report applies to those funds that the Texas Comptroller of Public Accounts is statutorily required to expend, transfer, allocate or administer as trustee. Included are the funds and accounts over which the Comptroller’s office exercises statutory administrative control, including revenues collected for the benefit of others. The operating activity of the Comptroller’s office (Agency 304) is included in a separate section of this report.

There are no component units in which the Comptroller – State Fiscal is financially accountable, or any organization in which exclusion would create misleading or incomplete financial statements.

Due to the significant changes related to Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the Comptroller’s office does not require the accompanying annual financial report to comply with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the *State of Texas Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

GOVERNMENTAL FUND TYPES AND GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

Governmental Fund Types

General Funds

General Funds

Used to account for all financial resources of the state except those that must be accounted for in another fund. Listed below are the agency’s General Funds and their purpose.

General Revenue Fund (Fund 0001)

To receive revenues directed to be deposited to the General Revenue Fund and revenues for which a specific fund has not been designated; such revenues are to be used as the Constitution prescribes and the Legislature directs.

Binding Arbitration Trust Fund (Fund 0001 UF Fund 0838)

To receive arbitration deposits from property owners on appeals made to appraisal review boards until a determination of the appeal is made. The Comptroller’s office shall refund the deposit to the property owner or pay the arbitrator from the deposit, retain administrative costs and return the difference to the property owner.

Customs Brokers Bond / Security Trust Fund (Fund 0001 UF Fund 0866)

To hold bonds or securities from which the customs broker intends to issue exemption certificates.

Texas Racing Commission Security Trust Fund (Fund 0001 UF Fund 0868)

To hold securities posted by each racing association as required by the Comptroller’s office rule to ensure payment of the state’s portion of the pari-mutuel pool.

International Fuels Tax Agreement (IFTA) Guaranty Trust Account (Fund 0001 UF Fund 0884)

To hold in trust money or securities deposited with the Comptroller’s office by participants in the International Fuels Tax Agreement.

Departmental Suspense Fund (Fund 0001 UF Fund 0900)

To provide a temporary depository for money held in suspense pending final disposition. Items held in the fund are cleared to the various Special Revenue Funds, the General Revenue Fund, or refunded to the payer.

Motor Fuel Distributors Bond Guaranty Trust Fund (Fund 0001 UF Fund 0904)

To hold in trust money or securities deposited by motor fuel distributors in lieu of surety bonds to insure complete and faithful performance by the distributor of all conditions and requirements imposed upon the distributor by the laws pertaining to motor fuel and motor fuel distributors.

Qualified Hotel Project Fund (Fund 0001 UF Fund 0905)

A suspense account outside the state treasury consisting of eligible taxable proceeds. These proceeds are used to rebate, refund or pay each qualified hotel project the hotel occupancy taxes and sales and use taxes to which the project is entitled.

Mixed Beverage Tax Guaranty Trust Fund (Fund 0001 UF Fund 0906)

To hold in trust money or securities deposited by mixed beverage permit holders.

Sexually Oriented Business Security Bond Trust Fund (Fund 0001 UF Fund 0912)

To receive security bonds submitted by businesses required to pay the sexually oriented business fee under the Texas Business and Commerce Code, section 102.052.

Sales Tax Guaranty Trust Fund (Fund 0001 UF Fund 0962)

To receive cash and/or other negotiable securities pledged to guarantee payment of sales tax liabilities.

Direct Deposit Correction Fund (Fund 0001 UF Fund 0980)

To hold money returned direct deposit money where financial institutions encountered problems that prevented crediting the individual depositors. Money is held until the agency issuing the original payment makes the correction by transferring the funds back to the original issuing fund or the person for whom the original payment was made is refunded the money.

Deposit Default Fund (Fund 0001 UF Fund 9000)

To provide a temporary depository for money held in suspense pending final disposition. Items held in the fund are cleared to the various Special Revenue Funds, or the General Revenue Fund or refunded to the payer.

Coastal Protection Fund (Fund 0027)

To provide immediately available monies for response to all unauthorized discharges, for cleanup of pollution from unauthorized discharges of oil, and for payment of damages from unauthorized discharges of oil.

County and Road District Highway Fund (Fund 0057)

To be used for outstanding county and road district indebtedness assumed by the state along with the highway system. The fund also receives allocation of gasoline taxes up to \$7.3 million each fiscal year, which in turn is distributed to the counties of the state.

Law Enforcement Officer Standards and Education Fund (Fund 0116)

To receive court costs collected from defendants convicted under certain sections of the Penal Code.

Compensation to Victims of Crime Auxiliary Fund (Fund 0494)

Used only for the payment of compensation to claimants under the Victims of Crime Act.

Federal Resource Receipts Distribution Fund (Fund 0521)

To deposit money received by the state under section 191 or 355, Title 30, United States Code, including the state portion of sales, bonuses, royalties, or rentals.

Economic Stabilization Fund (Fund 0599)

To receive transfer of one-half of any unencumbered positive balance in the General Revenue Fund (0001) as of the last day of the preceding biennium, at least one-half of an amount equal to 75 percent of excess oil and gas production taxes received in fiscal 1987, and any other money appropriated to the fund by the Legislature. The Economic Stabilization Fund (ESF) may be used to eliminate temporary cash deficiency in the General Revenue Fund (0001). Until the 2019 legislative session, state law required the Comptroller’s office to keep much of revenue in the ESF in relatively low-yield investments that barely kept pace with inflation. Senate Bill 69, 86th Legislature, Regular Session allows the Comptroller’s office to move up to 75 percent of the ESF into prudent but higher-yield investments that would maintain the fund’s purchasing power.

License Plate Trust Fund (Fund 0802)

Used for deposit of specialty license plate fees and related revenue collected under Subchapter G, Transportation Code. Dedicated balances and revenues are to be deposited into accounts within the fund to be used in accordance with their specific statutory purpose.

Events Trust Fund for Certain Municipalities and Counties (Fund 0830)

To deposit a portion of state and local sales, hotel and mixed beverage taxes in an amount of estimated incremental increases for approved events or related series of events.

Major Events Reimbursement Program Fund (Fund 0869)

To retain a portion of state and local sales, hotel and mixed beverage taxes in an amount of estimated incremental increases for a one-year period directly attributable to the presentation of an event and related events.

Sexual Assault Program (Fund 5010)

Created to receive community and parole supervision and probation fines and fees collected under Art. 42A.653(a) Code of Criminal Procedures and §508.189 Government Code and appropriated to the OAG to finance Ch. 420 grant programs.

Tobacco Settlement Fund (Fund 5040)

To receive settlement money resulting from the final judgment in the State of Texas v. the American Tobacco Company, et. al., civil action no. 5:96cv91. These funds are distributed to appropriate agencies and funds as identified in the court ordered settlement.

9-1-1 Service Fees (Fund 5050)

To record receipts from 9-1-1 emergency service fees on local exchange access lines.

Designated Trauma Facility and EMS (Fund 5111)

Used to fund designated trauma facilities, county and regional emergency medical services and trauma care systems.

Disabled Veterans Local Government Assistance Fund (Fund 5160)

To provide reimbursements to qualifying local governments who have lost at least 2 percent of property tax revenue providing homestead property tax exemptions to totally disabled veterans or their surviving spouses.

Opioid Abatement Fund (Fund 5189)

To receive settlement amounts resulting from the statewide opioid settlement agreements. Of the amounts received from such agreements, 15 percent is deposited to the general revenue account and 85 percent is deposited to the Opioid Abatement Trust Fund held at the Safekeeping Trust Company. The Opioid Abatement Fund Council administrative costs are included beginning FY 2024.

Special Revenue Funds

Special Revenue Funds

Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Listed below are the agency’s Special Revenue Funds and their purpose.

State Highway Fund (Fund 0006)

To receive money allocated by law for furtherance of public road construction and maintaining/policing the state highway system.

Property Tax Relief Fund (Fund 0304)

A special fund in the state treasury outside the general revenue fund. The proceeds of the fund are from allocations of the computation of motor vehicle sales tax, collection of all tobacco products tax increases, and calculated amounts from franchise taxes. The intent of the fund is to reduce school district property taxes.

Tax Reduction & Excellence in Education Fund (Fund 0305)

A special fund in the state treasury outside the general revenue fund that receives sales tax revenue collected by marketplace providers on sales of taxable items made through the marketplace (store, website, software application, or catalog) under Texas Tax Code, section 151.0242. May only be appropriated to pay the cost of tier one allotments under Chapter 48, or for reducing school district maintenance and operations ad valorem tax rates. This fund may also consist of appropriations, gifts or money directed by law.

Judicial Fund (Fund 0573)

Penalties collected by district or county attorneys for civil liability cases involving the sale or production of synthetic controlled substances.

County Road Oil and Gas Trust Fund (Fund 0808)

To receive money from the leasing of oil and gas under lands owned by the state that were or may be acquired by a county to construct a county road. Administered by the General Land Office.

International Fuels Tax Agreement (IFTA) Trust Fund (Fund 0886)

To receive motor fuels taxes estimated to be due to other jurisdictions or otherwise subject to refund during the fiscal year, penalties and interest on those taxes due other jurisdictions, licensing fees, and other costs collected under the agreement.

Arbitrator’s Fee Payment Fund (Fund 0838 UF Fund 8380)

To pay the arbitrator once a determination of the appeal is made from property owners’ arbitration deposits on appeals made to appraisal review boards.

Flood Area School and Road Trust Account (Fund 0903 UF Fund 2903)

To hold money allocated by the federal government to be distributed to counties and political subdivisions of the state based on the tax rate applied to lands acquired for flood purposes.

Opioid Abatement Local Operating Trust Fund (Fund 1202)

To distribute amounts from the Opioid Abatement Trust held at the Texas Safekeeping Trust Company outside of the state treasury.

Unclaimed Property Securities Fund (Fund 0001 UF Fund 4113)

To hold securities received from property owners or heirs who are unknown or can’t be located until the designated period of time has elapsed for escheat to state. The unclaimed property law requires financial institutions, businesses, and government agencies to report to the state any personal property they are holding that is considered abandoned or unclaimed. Property is turned over to the Comptroller’s office annually when the owner’s whereabouts are unknown, and the property has been inactive on the books of the reporting company and after the appropriate abandonment period has expired.

Habitat Protection Fund (Fund 9999 UF Fund 2999)

A fund held with the Texas Treasury Safekeeping Trust Company that was established by the 82nd Legislature to support the development or coordination of the development of a habitat conservation plan, or a candidate conservation plan, or to pay the costs of monitoring or administering the implementation of such a plan. This fund consists primarily of donations and fees paid by entities or individuals who voluntarily enroll in such a plan.

Permanent Funds

Permanent Funds

To report resources legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the state’s programs — for the benefit of the state or its citizenry. Listed below are the Comptroller – State Fiscal’s Permanent Funds and their purposes.

Permanent Fund Supporting Graduate Education Fund (Fund 0179)

To receive transfers or appropriated amounts, gifts or grants, and investments returns. Receives assets transferred from the Texas Medical Liability Insurance Underwriting Association. Distributions from the fund are for graduate medical education planning and partnership grants to hospitals, medical schools, and community-based, ambulatory patient care centers. For the development of new graduate medical education programs with first-year residency positions.

Permanent Fund Supporting Military and Veterans Exemptions Fund (Fund 0210)

To receive gifts, grants and investment returns for distributions to higher education institutions to offset the cost of the exemptions to certain veterans and/or dependents. Distributions are determined by the Legislative Budget Board based on each institution's respective share of the aggregate cost to all institutions of the exemptions. The Texas Treasury Safekeeping Trust Company determines the amount available for distribution from the fund.

Available Texas University Fund (Fund 0214)

To receive disbursements from the Texas University Fund (TUF) held outside the state treasury. The money is to be used by eligible institutions only for the support and maintenance of educational and general activities that promote increased research capacity at the institution. H.J.R. 3, 88th Leg., R.S., appropriated all Economic Stabilization Fund interest, dividends, and investment earnings during fiscal 2024, up to \$100 million. Beginning in fiscal 2025, the previous fiscal year's earnings appropriated from the ESF to the TUF may be increased based on the Consumer Price Index, not to exceed 2 percent.

FIDUCIARY FUNDS

Private-Purpose Trust Funds

Private-Purpose Trust Funds

To account for all other trust arrangements whose principal and interest benefit individuals, private organizations, or other governments. Listed below are the agency's Private-Purpose Trust Funds and their purposes.

Federal Resource Receipts Distribution Fund (Fund 0521)

To deposit money received by state under Sections 191 or 355, Title 30, United States Code, including state portion of sales, bonuses, royalties or rentals

Tobacco Settlement Political Subdivision Trust Fund (Fund 0872)

To hold a portion of the tobacco settlement money designated for the exclusive benefit of political subdivisions and will be distributed to those political subdivisions as directed in the settlement.

Flood Area School and Road Trust Account (Fund 0903)

To hold money allocated by the Federal Government to be distributed to counties and political subdivisions of the state based on the tax rate applied to lands acquired for flood control purposes.

Custodial Funds

Custodial Funds

To report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria such as sports venues. Listed below are the agency's Custodial Funds and their purposes.

Local Tax Collections for Sports / Community Venue Project Trust Fund (Fund 3425 UF Fund 0874)

To hold taxes collected by the Comptroller's office under an inter-local contract for a local government until they are returned to the local government's venue project fund. Taxes are to be used for sports or community venue projects.

City, County, MTA and SPD Sales Tax Trust Account (Fund 3425 UF Fund 0882)

To record the receipt of local sales and use tax collected by the Comptroller's office for each city, county, metropolitan transit authority and special purpose district authorizing the collection.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures are recognized in the accounts reported in the financial statements. Governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Expenditures are generally recognized when the related fund liability is incurred. Exceptions are unpaid employee compensable leave, and the unmatured debt service (principal and interest) on general long-term debt, long-term capital leases, and long-term claims and judgments, which are not recognized until actual payment is made.

Budgets and Budgetary Accounting

The budget (the General Appropriations Act) is prepared biennially and represents appropriations authorized by the Legislature and approved by the governor. Unobligated appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Since the Comptroller’s office reports the entire cash balance for the general fund, budgetary accounts are eliminated for the agency’s *Annual Financial Report*.

ASSETS, LIABILITIES AND FUND EQUITY

Assets

Taxes Receivables

Amounts shown as taxes receivable represent various state taxes due to the state at Aug. 31, 2024

Liabilities

Accounts Payable

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

Other Liabilities

Represent intergovernmental taxes and the value of unclaimed property at the balance sheet date. The disaggregated amount for other current liabilities for the general revenue fund (0001) is \$320,890,164.44 in other current liabilities.

Deferred Inflows

Represent tax revenues earned but not available and resources received but not earned, (i.e., prepaid sales taxes) at Aug. 31, 2024. A breakdown by Tax Type will be available for the Annual Comprehensive Financial Report.

Fund Balance/Net Position

The difference between fund assets and liabilities is “Net Position” on the government-wide and fiduciary fund statements and the “Fund Balance” is the difference between fund assets and liabilities on the governmental fund statements.

Restricted Fund Balance

Reported as restricted when constraints placed on the use of resources are either:

- a) Externally imposed by laws and regulations of other governments, or
- b) Imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

Amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the state’s highest level of decision-making authority (the Legislature), are reported as committed fund balance.

Unassigned Fund Balance

The residual classification for the general fund that represents a fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund. The general fund is the only fund that can report a positive unassigned fund balance.

Interfund Transactions and Balances

Interfund transactions refers to interactions with legally separate entities (such as other state agencies) and is restricted to external events. The Comptroller – State Fiscal agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances occurs within one year from the date of the financial statements.

The Comptroller – State Fiscal agency has the following types of transactions between funds/agencies:

- Due To Other Agencies
- Due From Other Agencies
- Transfers In
- Transfers Out

NOTE 2: Capital Assets

Capital assets are not shown on the governmental fund financial statements, but rather are included as governmental activities in the government-wide financial statements. A summary of changes in capital assets for the year ended Aug. 31, 2024, is presented below:

	Balance Sept. 1, 2023	Adjustments	Reclassification	Additions	Deletions	Balance Aug. 31, 2024
Depreciable Assets						
Furniture and Equipment	\$ 276,704.43	\$	\$	\$	\$	\$ 276,704.43
Less Accumulated Depreciation	(276,704.43)					(276,704.43)
Depreciable Assets, Net	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Computer Software	3,207,683.87					3,207,683.87
Less Accumulated Amortization	(3,207,683.87)					(3,207,683.87)
Amortizable Assets, Net	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Capital Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTE 3: Deposits, Investments and Repurchase Agreements

DEPOSITS OF CASH IN BANK

As of Aug. 31, 2024, the carrying amount of deposits are as presented below:

Governmental and Business Type Activities	
Cash in Bank - Carrying Amount	<u>\$ 18,861,305.78</u>
Total Cash in Bank, per AFR (Exhibit I)	<u>\$ 18,861,305.78</u>

The carrying amount of deposits of cash in bank consists of \$13,173,134.25 from Habitat Protection Fund’s activities and (\$25.46) from the Economic Stabilization Fund, and both are held with the Texas Treasury Safekeeping Trust Company. \$5,688,196.99 from Unclaimed Property Fund is held at Wells Fargo.

INVESTMENTS

The Comptroller–State Fiscal categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

The three-tiered fair value hierarchy is as follows.

- Level 1–Quoted prices for identical investments in an active market
- Level 2–Significant other observable inputs other than quoted market prices
- Level 3–Significant unobservable inputs

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As of Aug. 31, 2024, the carrying value and fair value of investments are as presented below:

Special Revenue Fund - Unclaimed Property (Fund 0001)	Fair Value					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Fair Value
U.S. Government Treasuries	\$	\$ 134,868.63	\$	\$	\$	\$ 134,868.63
U.S. Government Agency Obligations		2,426.23				2,426.23
Government Sponsored Enterprises		57,312.93				57,312.93
Non-Agency Collateral Mortgage Obligations		10,122.66				10,122.66
Corporate Obligations		151,263.58				151,263.58
Political Subdivisions		673,846.94				673,846.94
Equity	490,414,510.52					490,414,510.52
Fixed Income Money Market and Bond Mutual Funds	4,741,725.04					4,741,725.04
Categorized	<u>495,156,235.56</u>	<u>1,029,840.97</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>496,186,076.53</u>
Externally Managed Investments					98,334.32	98,334.32
Mutual Funds	397,515,076.78					397,515,076.78
Real Estate Investment Trust Fund		399,122.39				399,122.39
Uncategorized	<u>397,515,076.78</u>	<u>399,122.39</u>	<u>0.00</u>	<u>0.00</u>	<u>98,334.32</u>	<u>398,012,533.49</u>
Total	<u>\$ 892,671,312.34</u>	<u>\$ 1,428,963.36</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 98,334.32</u>	<u>\$ 894,198,610.02</u>
Permanent Fund - Supporting Military & Veterans Exemptions (Fund 0210)	Fair Value					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Fair Value
Fixed Income Money Market and Bond Mutual Funds	\$ 26,492,074.09	\$	\$	\$	\$	\$ 26,492,074.09
Equity	36,872,412.45					36,872,412.45
Externally Managed Investments		518,790.40			260,431,557.29	260,950,347.69
Pooled Investments	16,506,951.72					16,506,951.72
Total	<u>\$ 79,871,438.26</u>	<u>\$ 518,790.40</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 260,431,557.29</u>	<u>\$ 340,821,785.95</u>
Permanent Fund - Supporting Graduate Education (Fund 0179)	Fair Value					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Fair Value
Fixed Income Money Market and Bond Mutual Funds	\$ 36,528,233.80	\$	\$	\$	\$	\$ 36,528,233.80
Equity	55,592,640.43					55,592,640.43
Externally Managed Investments		785,628.82			335,970,896.78	336,756,525.60
Pooled Investments	24,997,257.26					24,997,257.26
Total	<u>\$ 117,118,131.49</u>	<u>\$ 785,628.82</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 335,970,896.78</u>	<u>\$ 453,874,657.09</u>
General Fund - Economic Stabilization Fund (Fund 0599)	Fair Value					
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Amortized Cost	Net Asset Value	Fair Value
Fixed Income Money Market and Bond Mutual Funds	\$ 372,226,884.37	\$	\$	\$	\$	\$ 372,226,884.37
Equity	1,042,089,511.84					1,042,089,511.84
Externally Managed Investments					1,855,589,830.76	1,855,589,830.76
Global Fixed Income - Mutual Funds	10,172,064,727.61					10,172,064,727.61
Pooled Investments	5,004,816,366.26					5,004,816,366.26
Total	<u>\$ 16,591,197,490.08</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 1,855,589,830.76</u>	<u>\$ 18,446,787,320.84</u>

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Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of Aug. 31, 2024, the agency’s credit risk quality distribution for securities with credit risk exposure was as follows:

		Standard & Poor's				
Fund Type	GAAP Fund	Investment Type	Market Value	AAA	AA	A
02	0001	Asset Back Security	\$	\$	\$	\$
		U.S. Government Treasuries	134,868.63		134,868.63	
		U.S. Government Agencies	57,312.93		57,312.93	
		REFCo Strip				
		Govt Mortgage Backed Securities	2,426.23		2,426.23	
		Non Agency Collateral Mortgage Obligation	10,122.66			
		Certificates of Deposit				
		Corporate Obligations	151,263.57		21,938.12	11,474.70
		Political Subdivisions	673,846.94	127,620.65	274,029.35	141,676.80
		Mutual Funds	402,256,801.82	283,605.31		
			<u>\$ 403,286,642.78</u>	<u>\$ 411,225.96</u>	<u>\$ 490,575.26</u>	<u>\$ 153,151.50</u>
19	0210	Corporate Obligations				
		Mutual Funds – Global Fixed Income	\$ 16,506,951.72	\$	\$	\$
		Mutual Funds – Domestic Fixed Income				
		Investments in STIF	26,492,074.09	26,492,074.09		
		Repurchase Agreements				
			<u>\$ 42,999,025.81</u>	<u>\$ 26,492,074.09</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
19	0179	Corporate Obligations				
		Mutual Fund – Global Fixed Income	\$ 24,997,257.26	\$	\$	\$
		Mutual Fund – Domestic Fixed Income				
		Investments in STIF	36,528,233.80	36,528,233.80		
		Repurchase Agreements				
			<u>\$ 61,525,491.06</u>	<u>\$ 36,528,233.80</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
01	0599	Corporate Asset and Mortgage Back Obligations	\$ 331,182,515.97	\$ 92,255,657.86	\$ 81,051,556.45	\$ 9,408,436.52
		Corporate Obligations	497,611,803.24	12,183,563.33	21,808,374.39	175,074,701.19
		Municipal Obligations	12,622,700.36	673,851.15	10,621,424.79	1,313,390.27
		Mutual Funds – Global Fixed Income	10,172,064,727.61			
		Mutual Funds – Domestic Fixed Income	388,522,347.20			
		US Government Agency Obligations	384,320,934.63		384,320,934.63	
		Investments in STIF	385,618,352.34	385,618,352.34		
			<u>\$ 12,171,943,381.35</u>	<u>\$ 490,731,424.68</u>	<u>\$ 497,802,290.26</u>	<u>\$ 185,796,527.98</u>

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Fund Type	GAAP Fund	Investment Type	Standard & Poor's (Concluded)			
			BBB	BB	Not Rated	Not Applicable
02	0001	Asset Back Security	\$	\$	\$	\$
		U.S. Government Treasuries				
		U.S. Government Agencies				
		REFCo Strip				
		Govt Mortgage Backed Securities				
		Non Agency Collateral Mortgage Obligation			8,474.57	1,648.09
		Certificates of Deposit				
		Corporate Obligations	65,898.03		43,864.31	8,088.41
		Political Subdivisions		4,954.75	11,115.67	114,449.72
		Mutual Funds			22,249.43	401,950,947.08
			<u>\$ 65,898.03</u>	<u>\$ 4,954.75</u>	<u>\$ 85,703.98</u>	<u>\$ 402,075,133.30</u>
19	0210	Corporate Obligations	\$	\$	\$	\$
		Mutual Funds – Global Fixed Income			16,506,951.72	
		Mutual Funds – Domestic Fixed Income				
		Investments in STIF				
		Repurchase Agreements				
			<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 16,506,951.72</u>	<u>\$ 0.00</u>
19	0179	Corporate Obligations	\$	\$	\$	\$
		Mutual Fund – Global Fixed Income			24,997,257.26	
		Mutual Fund – Domestic Fixed Income				
		Investments in STIF				
		Repurchase Agreements				
			<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 24,997,257.26</u>	<u>\$ 0.00</u>
01	0599	Corporate Asset and Mortgage Back Obligations	\$ 27,410,952.68	\$	\$ 121,055,912.46	\$
		Corporate Obligations	268,921,071.01	4,339,872.90	15,284,220.42	
		Municipal Obligations			14,034.15	
		Mutual Funds – Global Fixed Income			10,172,064,727.61	
		Mutual Funds – Domestic Fixed Income			388,522,347.20	
		US Government Agency Obligations				
		Investments in STIF				
			<u>\$ 296,332,023.69</u>	<u>\$ 4,339,872.90</u>	<u>\$ 10,696,941,241.84</u>	<u>\$ 0.00</u>

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that an asset or investment denominated in a foreign currency will lose value as a result of unfavorable exchange rate fluctuations between the investment's foreign currency and the investment holder's domestic currency. The exposure to foreign currency risk for alternative investments in fund type 19 totals \$15,632,545.76 Euros.

NOTE 4: Short-Term Debt

(Not Applicable)

NOTE 5: Summary of Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended Aug 31, 2024, the following changes occurred in liabilities: reported in the general long-term liability account group:

Governmental Activities	Balance Sept. 1, 2023	Additions	Reductions	Other Changes	Balance Aug. 31, 2024	Amounts Due Within One Year	Thereafter
Employees' Compensable Leave	\$	\$ 57,396.90	\$ (23,938.00)	\$ 1,747.68	\$ 35,206.58	\$ 35,206.58	\$
Total Governmental Activities	\$ 0.00	\$ 57,396.90	\$ (23,938.00)	\$ 1,747.68	\$ 35,206.58	\$ 35,206.58	\$ 0.00

Employee's Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of of the employee's resignation, dismissal or separation from state employment, provided the employee had continuous employment with the state for at least 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. No liability is recorded for non-vesting employees accumulating rights to receive sick pay benefits. This obligation is paid from the same funding source from which the employee's salary or wage compensation was paid.

NOTE 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivatives

Derivatives are financial instruments where value is derived (in whole or part) from the value of any one or more underlying securities or assets, or index of securities or assets (such as stocks, bonds, commodities, or currencies). The endowment funds use derivatives as part of the portfolio hedging and overlays program. The objective of the program is to facilitate risk management and provide efficiency in the implementation of various investment strategies. Permitted applications of the portfolio hedging and overlays program are to:

- Implement strategies in a low cost and efficient manner.
- Hedge and control risks.
- Alter the funds' market (systemic) exposure without trading the underlying cash market securities.
- Construct portfolios with risk and return characteristics that could not be created with cash market securities.
- Facilitate transition trading.

Through the use of derivatives, the risks that are bound together in traditional cash market investments can be separated and managed independently. The primary intent of the fund's investment in derivative instruments is to manage and implement investment strategies more effectively and at a lower cost than would be possible in the cash market. All of the fund's derivative instruments are considered investment derivatives and therefore are measured and reported at fair value.

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The fair value, changes in fair value, and notional value of the fund’s derivatives investments (classified by derivative type) are displayed in the following table as of Aug. 31, 2024. Note 3 also discloses details about these investment derivatives.

	Changes in Fair Value		Fair Value as of Aug. 31, 2024		Notional Amount
	Classification	Amount	Classification	Amount	
Permanent Fund Supporting Graduate Education (Appd Fund 0179)					
<i>Futures</i>					
Commodities Futures	Investment Revenue		Investment	-	-
Equity Index Futures	Investment Revenue		Investment	-	-
<i>Swaps</i>					
Total Return Swap – Fixed Income	Investment Revenue	(844,000.12)	Investment	480,087.67	17,175,408.54
Total Return Swap – Equity	Investment Revenue	7,053,679.63	Investment	305,541.15	16,493,612.77
Permanent Fund Supporting Military and Veterans Exemptions (Appd Fund 0210)					
<i>Futures</i>					
Commodities Futures	Investment Revenue		Investment	-	-
Equity Index Futures	Investment Revenue		Investment	-	-
<i>Swaps</i>					
Total Return Swap – Fixed Income	Investment Revenue	(557,335.92)	Investment	317,026.14	11,341,789.88
Total Return Swap – Equity	Investment Revenue	4,657,900.98	Investment	201,764.26	10,891,565.70

NOTE 8: Leases

(Not Applicable)

NOTE 9: Pension Plans

(Not Applicable)

NOTE 10: Deferred Compensation

(Not Applicable)

NOTE 11: Postemployment Health Care and Life Insurance Benefits

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

The agency experienced routine transfers with Comptroller of Public Accounts (304) related to Opioid Abatement Program activities.

Current interfund payables balances at Aug. 31, 2024 are as follows:

General Revenue	Interfund Payable
Agency 902, GAAP Fund 5189 UF Fund 4377	\$ 71,730.13
Total Interfund Payables/Receivable (Exh I)	\$ 71,730.13

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustments to Beginning Net Position, Fund Balances or Fund Net Position

(Not Applicable)

NOTE 15: Contingencies and Commitments

Protest Tax Payments:

As of Aug. 31, 2024, pending litigation filed by taxpayers seeking refunds of state taxes totaled between \$324 million and \$329 million. The taxes protested include sales, franchise, diesel fuels and other taxes. Although the outcome of these cases cannot presently be determined, adverse ruling in some of them could result in significant additional refunds.

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

The Comptroller of Public Accounts – State Fiscal pays for certain miscellaneous claims and judgments against the state out of funds appropriated that are specifically approved by the Legislature for payment pursuant to House Bill 4041, 88th Legislature, Regular Session, pays for state agencies’ miscellaneous claims pursuant to Government Code 403.074 (the Miscellaneous Claims Act) from available funds appropriated for this purpose, pays for identifiable attorney’s fees for settlements and judgments recovered against the state and claimant or plaintiff for settlements and judgments, and other legal expenses (excluding attorney’s fees) that are recovered against the state under Texas Civil Practice and Remedies Code, Section 104.003, federal court judgments, medical malpractice claims under Chapter 59, Education code, and other statutes and that pays for compensation payments authorized by the Crime Victims Compensation Act to victims of crimes previously not located by local departments within five (5) years after the court has ordered restitution.

It is Comptroller’s office policy to periodically assess potential risks to which it may be exposed. The Comptroller’s office assumes substantially all risks associated with these miscellaneous liability claims. Liabilities are reported when it is both probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

The Comptroller–State Fiscal’s claim and judgement liability activity as of Aug. 31, 2024, is as follows:

FY	Beginning Balance	Increases	Decreases	Ending Balance
2024	\$0.00	\$ 29,197,382.72	\$ 29,197,382.72	\$0.00
2023	\$0.00	\$ 16,273,217.87	\$ 16,273,217.87	\$0.00
2022	\$0.00	\$ 43,318,737.96	\$ 43,318,797.96	\$0.00

There were no significant reductions in insurance coverage in the past year. Losses did not exceed funding arrangements during the past three years.

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

The General Revenue Fund (0001) cash balance decreased to \$26.7 billion in fiscal 2024, a decrease of \$9.5 billion from the balance of \$36.2 billion in fiscal 2023. This is attributable to a net decrease in total net revenue and other sources over total net expenditures and other uses. This agency provides legislative funding for statewide agency’s expenditures and this is reflected in its legislative transfers-out. As disclosed in Note 27, a portion of the accrued taxes reported in this agency’s report will not be finalized until the *State of Texas Annual Comprehensive Financial Report* is completed.

The Economic Stabilization Fund (ESF) ended fiscal 2024 with a total balance of \$21.0 billion, an increase of \$6.9 billion over fiscal 2023. The ESF ending balance was comprised of \$2.6 billion in cash, and investments having a fair market value of \$18.4 billion as detailed in Note 3. The Texas Constitution mandates that if oil or natural gas taxes exceed the net amount received in fiscal 1987, an amount of at least one-half of 75 percent of the excess must be transferred to the state’s ESF from the General Revenue Fund (0001). In addition to the oil and gas transfer, one half of any unencumbered balance in General Revenue Fund (0001) at the close of the biennium must be transferred to the ESF.

The Property Tax Relief Fund had no ending cash balance.

Tax collections, the major source of revenue reported in this agency, experienced a 0.3 percent decrease from fiscal 2023. Growth in sales tax collections increased again in 2024, with revenue up 1.2 percent over 2023, and motor vehicle sales tax collections increased by 0.2 percent. Sales tax collections account for 57.6 percent of all tax collections. Motor fuels taxes on gasoline, diesel and other fuels increased 0.4 percent from 2023. Oil production and regulation taxes increased 6.3 percent from fiscal 2023, and natural gas production tax collections decreased by 36.3 percent from 2023 to \$2.1 billion. A non-tax category for agency 902, licenses, fees, fines and permits, increased 4.1 percent from fiscal 2023. On a statewide basis, this category accounts for 3.8 percent of total net revenue and contributed \$6.9 billion in fiscal 2024.

NOTE 19: The Financial Reporting Entity

(Not Applicable)

NOTE 20: Stewardship, Compliance and Accountability

This section of the report reflects the activities of the Comptroller – State Fiscal function in the General Revenue Fund (0001), the Economic Stabilization Fund (0599), the Flood Area School and Road Expendable Trust Fund (0903), and other funds. The entire activity of the State’s General Revenue Fund (0001) will be reflected in the fiscal 2024 State of Texas Annual Comprehensive Financial Report.

NOTE 21: Tobacco Settlement

The State of Texas settled a lawsuit against certain tobacco manufacturers in 1998. The settlement included monetary and injunctive relief. The settling tobacco manufacturers agreed to remit annual payments to the state. Estimates made at the time of the agreement projected that these payments could total \$15.1 billion over the first 25 years of the agreement. The court-ordered annual payment amounts are subject to adjustments on the tobacco companies’ domestic cigarette sales, the general consumer inflation rate, the profitability of the tobacco companies and any other court-ordered factors. A revenue accrual and deferred revenue of \$342.4 million has been calculated on estimated sales from Jan. 1 to the end of the fiscal year. Actual tobacco settlement revenues were \$469 million in fiscal 2024 and \$510 million in fiscal 2023. Cumulative actual tobacco settlement revenues as of fiscal 2024 were \$13.3 billion.

NOTE 22: Donor Restricted Endowments

(Not Applicable)

NOTE 23: Extraordinary and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivable and Payable Balances

See Note 1 for disaggregation of Other Payables

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

(Not Applicable)

NOTE 27: Taxes Receivables/Payables

Taxes Receivable

The Comptroller–State Fiscal collects certain taxes for the State of Texas. Taxes receivable represent amounts due to the state by Aug. 31, for revenues earned in the current fiscal year that will be collected in the future. The receivables have been recorded net of allowances for uncollectible accounts. Revenue is recorded on the governmental fund financial statements using the modified accrual basis of accounting for amounts due to the State of Texas by Aug. 31 that are considered as “available” (e.g. received by the state within approximately 60 days after that date). Revenue earned but not “available” by Aug. 31 is recorded as deferred inflow revenue. Prepaid taxes are also recorded as deferred inflow revenue.

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On the government-wide financial statements a corresponding amount is recorded as revenue using the accrual basis of accounting, which includes revenue earned at fiscal year-end regardless if it is available. Unearned revenue includes only the prepaid taxes that have not been earned by fiscal year end. Taxes receivable are the same for both modified and full accrual basis.

Taxes receivable have been netted against any refunds payable and estimated uncollectible taxes with the exception of the Franchise Tax and Oil and Gas Production Tax. Refunds payable will be shown separately for the Franchise Tax and Oil and Gas Production Taxes. The full accrual basis is reported on the government-wide financial statements in the State of Texas Annual Comprehensive Financial Report (ACFR).

As of Nov. 1, 2024 the deferred inflows of resources and noncurrent tax receivables have not been finalized and will be submitted as part of the ACFR. The taxes receivable and unearned revenue balances for the Franchise Tax will be finalized with the ACFR as well. The Franchise Tax Revenue and Tax Receivable will be finalized after the final returns for the tax due May 15, 2024, are processed. The extended tax returns are due Nov. 15, 2024. Adjustments will be made if needed prior to publication of the ACFR.

Taxes receivable, as reported in the General Fund (Exhibit I), are detailed by tax type as follows:

Tax Type	Net Taxes Receivable
Sales and Use	\$ 2,979,854,810.56
Motor Vehicle & MFG Housing	89,815,468.22
Motor Fuels	8,290,896.40
Oil & Natural Gas Production	866,216,340.37
Franchise	
Insurance	450,712,776.44
Cigarette & Tobacco	23,921,723.12
Other	319,285,991.12
Total Taxes	<u>\$ 4,738,098,006.23</u>
As Reported on the Financial Statements	
Current Taxes Receivable	\$ 4,738,098,006.23
Noncurrent Taxes Receivable	
Total Taxes Receivable	<u>\$ 4,738,098,006.23</u>
Refunds Payable	<u>\$ (357,552,650.66)</u>
Total Net Taxes Receivable	<u>\$ 5,088,767,996.14</u>

NOTE 28: Contested Taxes

The state may assess a claim against one or multiple taxpayers for a tax liability. Taxpayers may petition for a formal hearing before an independent administrative law judge if they wish to challenge a tax liability assessed by the state. If the request for a determination hearing is received within a specified time, the taxpayer does not have to pay the tax until a final decision is reached. As of Aug. 31, 2024, there was an estimated \$498 million of assessments filed that are currently in the redetermination hearings process. Collectability of these assessments is dependent upon the decisions of administrative law judges. These assessments are not recognized as tax revenue until the administrative hearing is final. Therefore, these amounts are not included in the receivables reported in the financial statements.

NOTE 29: Deferred Inflow of Resources

As of Nov. 1, 2024 the deferred inflows of resources and noncurrent tax receivables have not been finalized and will be submitted as part of the ACFR. The deferred inflow revenue in general revenue will consist of tax revenues earned but not available within 60 days after the fiscal year end to finance expenditures of the current fiscal period.

The deferred inflow revenue in special revenue of \$899.9 million consists of unclaimed property held in trust in marketable securities and mutual funds. Details about unclaimed property are disclosed in Note 30.

NOTE 30: Unclaimed Property

The state holds certain property that is escheated to the state in the absence of legal claimants or heirs. Although a rightful owner can reclaim escheat property unto perpetuity, large portions of escheated property are never reclaimed. Additionally, the revenue generated from escheated property has always exceeded the amount needed to pay current claims. In fiscal 2024, the unclaimed property fund received \$1.3 billion in gross revenues, made \$421.9 million in claimant payments and transferred \$858.8 million to the General Revenue Fund (0001). The claimant liability in the general fund of \$334 million represents the probable amount that will be reclaimed and paid to claimants in the following year. As of Aug. 31, 2024, a balance of \$899.9 million in marketable securities and mutual funds were held in trust. The state also holds an insignificant amount of personal property, such as jewelry.

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Governmental Fund Balances

The following restrictions/covenants causing fund balances to be committed and restricted:

GAAP Fund	Fund	AFR 54 Class	Citation	Comments
0116	0116	Committed	Texas Local Government Code, Section 133.102	Funds committed for allocation to local law enforcement agencies for continuing education of law enforcement personnel as stipulated by the Legislature. There are no significant external restrictions.
0210	0210 / 1210	Restricted	Texas Education Code, Section 54.3411	Funds restricted to a specific purpose, to higher education institutions to offset the cost of the exemptions to certain veterans and/or dependents. Distributions are determined by the Legislative Budget Board based on each institution's respective share of the aggregate cost to all institutions of the exemptions.
0214	0214	Restricted	Texas Constitution, Article VII Section 20(a)	Funds restricted to a specific purpose, to eligible institutions only for the support and maintenance of educational and general activities that promote increased research capacity at the institution.
0494	0494	Restricted	Texas Constitution, Article I Section 31	Funds restricted to a specific purpose, delivering victim-related compensation, services, or assistance.
0838	8380	Committed	Texas Tax Code, Chapter 41 Subchapter A	The Comptroller's office has broad authority to prescribe rules and administer funds deposited for pending arbitration concerning the appraised or market value of property. There are no significant external restrictions.
0886	0886	Committed	Texas Tax Code, Section 162.003(g)	The Comptroller's office has broad authority to transfer funds as necessary to carry out the purposes of the International Fuels Tax Agreement (IFTA). There are no significant external restrictions.
0903	2903	Restricted	Texas Local Government Code, Section 403.101; 33 U.S.C. Section 701c-3	To hold money allocated by the Federal Government to be distributed to counties and political subdivisions of the state based on the tax rate applied to lands acquired for flood control purposes.
5040	5040	Restricted	The State of Texas v. The American Tobacco Company, et. al, No. 5:96cv91 (U.S. District Court, Texarkana Division)	Restrictions are externally imposed by the court ordered settlement.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

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EXHIBIT A-1

Combining Balance Sheet – All General and Consolidated Funds

August 31, 2024 (Amounts in Thousands)

	Consolidated Funds					
	General Revenue Fund (0001) U/F (0001, Various)	Coastal Protection (0027) U/F (0027)	County and Road District Highway Fund (0057) U/F (0057)	Law Enforcement Standards/Educ Fund (0116) U/F (0116)	Compensation Victims Crime Fd (0494) U/F (0494)	Federal Resource Receipt Distribution Fund (0521) U/F (1521)
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash in Bank (Note 3)	\$	\$	\$	\$	\$	\$
Cash in State Treasury	26,950,345,696.27	355,974.57			9,878,070.94	
Short Term Investments (Note 3)						
Legislative Appropriations	(124,705,428.40)					
Receivables:						
Accounts						
Taxes (Note 27)	4,738,098,006.23					
Interest and Dividends	2,033.25				41,367.87	
Due From Other Agencies	17,408,617.93					
Total Current Assets	<u>31,581,148,925.28</u>	<u>355,974.57</u>	<u>0.00</u>	<u>0.00</u>	<u>9,919,438.81</u>	<u>0.00</u>
Non-Current Assets:						
Investments (Note 3)						
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Assets	<u>31,581,148,925.28</u>	<u>355,974.57</u>	<u>0.00</u>	<u>0.00</u>	<u>9,919,438.81</u>	<u>0.00</u>
Total Assets and Deferred Outflows						
of Resources	<u>\$ 31,581,148,925.28</u>	<u>\$ 355,974.57</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 9,919,438.81</u>	<u>\$ 0.00</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Current Liabilities:						
Payables From:						
Accounts	\$ 1,890,551.27	\$	\$	\$	\$	\$
Interfund Payable						
Investment Trade Payable						
Other Intergovernmental	26,807,175.92					
Taxes Refund Payable	357,552,650.66					
Other	334,010,248.98					
Due To Other Agencies	5,909,457,008.78	355,974.57			11,925.30	
Unearned Revenues	235,597,673.22					15,095.58
Total Current Liabilities	<u>6,865,315,308.83</u>	<u>355,974.57</u>	<u>0.00</u>	<u>0.00</u>	<u>11,925.30</u>	<u>15,095.58</u>
Total Liabilities	<u>6,865,315,308.83</u>	<u>355,974.57</u>	<u>0.00</u>	<u>0.00</u>	<u>11,925.30</u>	<u>15,095.58</u>
FUND FINANCIAL STATEMENT –						
FUND BALANCES						
Fund Balances (Deficits):						
Restricted						
Unassigned	24,715,833,616.45				9,907,513.51	
Total Fund Balances	<u>24,715,833,616.45</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>9,907,513.51</u>	<u>(15,095.58)</u>
Total Liabilities, Deferred Inflows and						
Fund Balances	<u>\$ 31,581,148,925.28</u>	<u>\$ 355,974.57</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 9,919,438.81</u>	<u>\$ 0.00</u>

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UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT A-1 (continued)

Combining Balance Sheet – All General and Consolidated Funds

August 31, 2024 (Amounts in Thousands)

	Consolidated Funds					
	Economic Stabilization Fund (0599) U/F (0599,5990,5991)	License Plate Trust Fund (0802) U/F (0802, 8020)	Events Trust Fund for Municipality/ County (0830) U/F (0830, 8300)	Major Events Trust Fund (0869) U/F (0869)	Sexual Assault Program Fund (5010) U/F (5010)	Tobacco Settlement Temporary Hold (5040) U/F (5040)
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash in Bank (Note 3)	\$ (25.46)	\$	\$	\$	\$	\$
Cash in State Treasury	2,569,339,005.06					869,293,956.83
Short Term Investments (Note 3)	372,226,884.37					
Legislative Appropriations						
Receivables:						
Accounts						332,800,000.00
Taxes (Note 27)						
Interest and Dividends	58,701,071.61	36.02				
Due From Other Agencies	2,739,804,527.33					
Total Current Assets	5,740,071,462.91	36.02	0.00	0.00	0.00	1,202,093,956.83
Non-Current Assets:						
Investments (Note 3)	18,074,560,436.47					
Total Non-Current Assets	18,074,560,436.47	0.00	0.00	0.00	0.00	0.00
Total Assets	23,814,631,899.38	36.02	0.00	0.00	0.00	1,202,093,956.83
Total Assets and Deferred Outflows						
of Resources	\$ 23,814,631,899.38	\$ 36.02	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,202,093,956.83
LIABILITIES AND FUND BALANCES						
Liabilities:						
Current Liabilities:						
Payables From:						
Accounts	\$	\$	\$	\$	\$	\$
Interfund Payable						
Investment Trade Payable	7,673,390.76					
Other Intergovernmental						
Taxes Refund Payable						
Other						
Due To Other Agencies	10,709,209.44					
Unearned Revenues				11,425,166.89	332,800,000.00	
Total Current Liabilities	18,382,600.20	0.00	0.00	0.00	11,425,166.89	332,800,000.00
Total Liabilities	18,382,600.20	0.00	0.00	0.00	11,425,166.89	332,800,000.00
FUND FINANCIAL STATEMENT –						
FUND BALANCES						
Fund Balances (Deficits):						
Restricted						
Unassigned	23,796,249,299.18	36.02			(11,425,166.89)	869,293,956.83
Total Fund Balances	23,796,249,299.18	36.02	0.00	0.00	(11,425,166.89)	869,293,956.83
Total Liabilities, Deferred Inflows and						
Fund Balances	\$ 23,814,631,899.38	\$ 36.02	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,202,093,956.83

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UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT A-1 (concluded)

Combining Balance Sheet – All General and Consolidated Funds

August 31, 2024 (Amounts in Thousands)

	9-1-1 Service Fee Fund (5050) U/F (5050)	Disabled Veterans Local Gov. Assistance (5160) U/F (5160)	GR Account - Opioid Abatement (5189) U/F (5189, 4377)	Total (Exhibit A-1) 2024
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank (Note 3)	\$	\$	\$	\$ (25.46)
Cash in State Treasury			101,919,127.06	30,501,131,830.73
Short Term Investments (Note 3)				372,226,884.37
Legislative Appropriations				(124,705,428.40)
Receivables:				
Accounts				332,800,000.00
Taxes (Note 27)				4,738,098,006.23
Interest and Dividends				58,744,508.75
Due From Other Agencies				2,757,213,145.26
Total Current Assets	<u>0.00</u>	<u>0.00</u>	<u>101,919,127.06</u>	<u>38,635,508,921.48</u>
Non-Current Assets:				
Investments (Note 3)				18,074,560,436.47
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>18,074,560,436.47</u>
Total Assets	<u>0.00</u>	<u>0.00</u>	<u>101,919,127.06</u>	<u>56,710,069,357.95</u>
Total Assets and Deferred Outflows				
of Resources	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 101,919,127.06</u>	<u>\$ 56,710,069,357.95</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts	\$	\$	\$	\$ 1,890,551.27
Interfund Payable			71,730.13	71,730.13
Investment Trade Payable				7,673,390.76
Other Intergovernmental				26,807,175.92
Taxes Refund Payable				357,552,650.66
Other				334,010,248.98
Due To Other Agencies			384,411.37	5,920,918,529.46
Unearned Revenues				579,837,935.69
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>456,141.50</u>	<u>7,228,762,212.87</u>
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>456,141.50</u>	<u>7,228,762,212.87</u>
FUND FINANCIAL STATEMENT –				
FUND BALANCES				
Fund Balances (Deficits):				
Restricted				879,201,470.34
Unassigned			101,462,985.56	48,602,105,674.74
Total Fund Balances	<u>0.00</u>	<u>0.00</u>	<u>101,462,985.56</u>	<u>49,481,307,145.08</u>
Total Liabilities, Deferred Inflows and				
Fund Balances	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 101,919,127.06</u>	<u>\$ 56,710,069,357.95</u>

UNAUDITED
Comptroller – Fiscal (902)

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, 2024

	General Revenue Fund (0001) U/F (0001, Various)	Coastal Protection (0027) U/F (0027)	County and Road District Highway Fund (0057) U/F (0057)	Law Enforcement Standards/Educ Fund (0116) U/F (0116)	Compensation Victims Crime Fd (0494) U/F (0494)	Federal Resource Receipt Distribution Fund (0521) U/F (1521)
REVENUES						
Taxes (GR)	\$ 71,308,193,265.81	\$	\$	\$	\$	\$
License, Fees & Permits (PR)	1,600,163,051.88			4,007,552.68		
Interest and Other Investment Income (PR)	(23,186,288.90)					
Interest and Other Investment Income (GR)	1,711,391,956.09				383,968.67	
Net Increase (Decrease) in Fair Value (GR)						
Land Income (PR)	7,533,589.85					
Settlement of Claims (GR)	300,638,687.83				4,369,012.47	
Sales of Goods and Services (PR)	35,561,048.65					
Other (GR)	904,721,769.74					
Total Revenues	<u>75,845,017,080.95</u>	<u>0.00</u>	<u>0.00</u>	<u>4,007,552.68</u>	<u>4,752,981.14</u>	<u>0.00</u>
EXPENDITURES						
Salaries And Wages						
Payroll Related Costs	2,263,963,688.69					
Professional Fees and Services	10,149,576.11					
Travel						
Communications and Utilities						
Repairs and Maintenance	240,259.69					
Claims and Judgments	28,673,944.78				551,328.35	
Intergovernmental Payments	675,152,458.16		7,300,000.00	5,400,000.00		
Interest Expense - Other	65,223,364.84					
Other Expenditures	3,015,755,865.81					
Total Expenditures	<u>6,059,159,158.08</u>	<u>0.00</u>	<u>7,300,000.00</u>	<u>5,400,000.00</u>	<u>551,328.35</u>	<u>0.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>69,785,857,922.87</u>	<u>0.00</u>	<u>(7,300,000.00)</u>	<u>(1,392,447.32)</u>	<u>4,201,652.79</u>	<u>0.00</u>
OTHER FINANCING SOURCES (USES)						
Transfer In	544,836,995.82		7,300,000.00	1,392,447.32		
Transfer Out	(39,436,090,712.47)				(1,055,503.86)	(32,579.81)
Legislative Transfer Out	(38,823,347,304.51)					
Sale of Capital Assets	8,542.18					
Insurance Recoveries	29,608.83					
Total Other Financing Sources (Uses)	<u>(77,714,562,870.15)</u>	<u>0.00</u>	<u>7,300,000.00</u>	<u>1,392,447.32</u>	<u>(1,055,503.86)</u>	<u>(32,579.81)</u>
Net Change in Fund Balances	<u>(7,928,704,947.28)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,146,148.93</u>	<u>(32,579.81)</u>
Fund Balances, September 1, 2023	32,644,538,563.73			0.00	6,761,364.58	17,484.23
Fund Balances, September 1, 2023, as Restated	<u>32,644,538,563.73</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,761,364.58</u>	<u>17,484.23</u>
Fund Balances, August 31, 2024	<u>\$ 24,715,833,616.45</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 9,907,513.51</u>	<u>\$ (15,095.58)</u>

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UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT A-2 (continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2024

	Economic Stabilization Fund (0599) U/F (0599,5990,5991)	License Plate Trust Fund (0802) U/F (0802, 8020)	Events Trust Fund for Municipality/ County (0830) U/F (0830, 8300)	Major Events Trust Fund (0869) U/F (0869)	Sexual Assault Program Fund (5010) U/F (5010)	Tobacco Settlement Temporary Hold (5040) U/F (5040)
REVENUES						
Taxes (GR)	\$	\$	\$ 39,407,914.82	\$ 70,405,721.97	\$	\$
License, Fees & Permits (PR)		1,064.16				
Interest and Other Investment Income (PR)						
Interest and Other Investment Income (GR)	589,446,869.48	411.93				
Net Increase (Decrease) in Fair Value (GR)	931,075,038.66					
Land Income (PR)						
Settlement of Claims (GR)						469,419,222.43
Sales of Goods and Services (PR)						
Other (GR)						
Total Revenues	<u>1,520,521,908.14</u>	<u>1,476.09</u>	<u>39,407,914.82</u>	<u>70,405,721.97</u>	<u>0.00</u>	<u>469,419,222.43</u>
EXPENDITURES						
Salaries And Wages						
Payroll Related Costs						
Professional Fees and Services	7,880,096.80					
Travel						
Communications and Utilities						
Repairs and Maintenance						
Claims and Judgments						
Intergovernmental Payments						
Interest Expense - Other						
Other Expenditures						
Total Expenditures	<u>7,880,096.80</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,512,641,811.34</u>	<u>1,476.09</u>	<u>39,407,914.82</u>	<u>70,405,721.97</u>	<u>0.00</u>	<u>469,419,222.43</u>
OTHER FINANCING SOURCES (USES)						
Transfer In	12,422,839,622.30					
Transfer Out	(7,619,307,834.22)	(1,449.89)	(39,407,914.82)	(70,405,721.97)	(3,577,185.50)	(280,745,801.39)
Legislative Transfer Out						
Sale of Capital Assets						
Insurance Recoveries						
Total Other Financing Sources (Uses)	<u>4,803,531,788.08</u>	<u>(1,449.89)</u>	<u>(39,407,914.82)</u>	<u>(70,405,721.97)</u>	<u>(3,577,185.50)</u>	<u>(280,745,801.39)</u>
Net Change in Fund Balances	<u>6,316,173,599.42</u>	<u>26.20</u>	<u>0.00</u>	<u>0.00</u>	<u>(3,577,185.50)</u>	<u>188,673,421.04</u>
Fund Balances, September 1, 2023	17,480,075,699.76	9.82			(7,847,981.39)	680,620,535.79
Fund Balances, September 1, 2023, as Restated	<u>17,480,075,699.76</u>	<u>9.82</u>	<u>0.00</u>	<u>0.00</u>	<u>(7,847,981.39)</u>	<u>680,620,535.79</u>
Fund Balances, August 31, 2024	<u>\$ 23,796,249,299.18</u>	<u>\$ 36.02</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (11,425,166.89)</u>	<u>\$ 869,293,956.83</u>

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UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT A-2 (concluded)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2024

	9-1-1 Service Fee Fund (5050) U/F (5050)	Designated Trauma Facility and EMS (5111) U/F (5111)	Disabled Veterans Local Gov. Assistance (5160) U/F (5160)	GR Account - Opioid Abatement (5189) U/F (5189, 4377)	Total (Exhibit A-2) 2024
REVENUES					
Taxes (GR)	\$	\$	\$	\$	\$ 71,418,006,902.60
License, Fees & Permits (PR)	(568.70)				1,604,171,100.02
Interest and Other Investment Income (PR)					(23,186,288.90)
Interest and Other Investment Income (GR)					2,301,223,206.17
Net Increase (Decrease) in Fair Value (GR)					931,075,038.66
Land Income (PR)					7,533,589.85
Settlement of Claims (GR)				35,242,803.73	809,669,726.46
Sales of Goods and Services (PR)					35,561,048.65
Other (GR)					904,721,769.74
Total Revenues	<u>(568.70)</u>	<u>0.00</u>	<u>0.00</u>	<u>35,242,803.73</u>	<u>77,988,776,093.25</u>
EXPENDITURES					
Salaries And Wages				657,966.81	657,966.81
Payroll Related Costs				164,636.07	2,264,128,324.76
Professional Fees and Services				352,334.83	18,382,007.74
Travel				1,393.46	1,393.46
Communications and Utilities				320.37	320.37
Repairs and Maintenance					240,259.69
Claims and Judgments		(27,890.41)			29,197,382.72
Intergovernmental Payments			9,500,000.00		697,352,458.16
Interest Expense - Other					65,223,364.84
Other Expenditures		27,890.41		2,835.00	3,015,786,591.22
Total Expenditures	<u>0.00</u>	<u>0.00</u>	<u>9,500,000.00</u>	<u>1,179,486.54</u>	<u>6,090,970,069.77</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(568.70)</u>	<u>0.00</u>	<u>(9,500,000.00)</u>	<u>34,063,317.19</u>	<u>71,897,806,023.48</u>
OTHER FINANCING SOURCES (USES)					
Transfer In			9,500,000.00	180,421,542.74	13,166,290,608.18
Transfer Out				(184,617,226.23)	(47,635,241,930.16)
Legislative Transfer Out					(38,823,347,304.51)
Sale of Capital Assets					8,542.18
Insurance Recoveries					29,608.83
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>9,500,000.00</u>	<u>(4,195,683.49)</u>	<u>(73,292,260,475.48)</u>
Net Change in Fund Balances	<u>(568.70)</u>	<u>0.00</u>	<u>0.00</u>	<u>29,867,633.70</u>	<u>(1,394,454,452.00)</u>
Fund Balances, September 1, 2023	568.70			71,595,351.86	50,875,761,597.08
Fund Balances, September 1, 2023, as Restated	<u>568.70</u>	<u>0.00</u>	<u>0.00</u>	<u>71,595,351.86</u>	<u>50,875,761,597.08</u>
Fund Balances, August 31, 2024	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 101,462,985.56</u>	<u>\$ 49,481,307,145.08</u>

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT B-1

Combining Balance Sheet – Special Revenue Funds

August 31, 2024

	Unclaimed Property Securities Fund (0001) U/F (4113)	State Highway Fund (0006) U/F (0006)	Property Tax Relief Fund (0304) U/F (0304)	Tax Reduction and Excellence In Education Fund (0305) U/F (0305)	Judicial Fund (0573) U/F (0573, 5730)	General Land Office County Right of Way Leases (0808) U/F (2521)
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash in Bank (Note 3)	\$ 5,688,196.99	\$	\$	\$	\$	\$
Cash in State Treasury						
Short Term Investments (Note 3)	1,428,963.36					
Receivables:						
Interest and Dividends	10,104.70		6,318,878.26			
Due From Other Agencies						3,276,785.94
Total Current Assets	<u>7,127,265.05</u>	<u>0.00</u>	<u>6,318,878.26</u>	<u>0.00</u>	<u>0.00</u>	<u>3,276,785.94</u>
Non-Current Assets:						
Investments (Note 3)	892,769,646.66					
Total Non-Current Assets	<u>892,769,646.66</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Assets	<u>899,896,911.71</u>	<u>0.00</u>	<u>6,318,878.26</u>	<u>0.00</u>	<u>0.00</u>	<u>3,276,785.94</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 899,896,911.71</u>	<u>\$ 0.00</u>	<u>\$ 6,318,878.26</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 3,276,785.94</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Payables From:						
Accounts	\$	\$	\$	\$	\$	\$ 56.64
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>56.64</u>
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>56.64</u>
DEFERRED INFLOWS						
Deferred Inflows of Resources (Note 29)	899,896,911.71					
Total Deferred Inflows	<u>899,896,911.71</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND FINANCIAL STATEMENT –						
FUND BALANCES						
Fund Balances (Deficits):						
Restricted			6,318,878.26			3,276,729.30
Committed						
Total Fund Balances	<u>0.00</u>	<u>0.00</u>	<u>6,318,878.26</u>	<u>0.00</u>	<u>0.00</u>	<u>3,276,729.30</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 899,896,911.71</u>	<u>\$ 0.00</u>	<u>\$ 6,318,878.26</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 3,276,785.94</u>

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UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT B-1 (concluded)

Combining Balance Sheet – Special Revenue Funds

August 31, 2024

	Binding Arbitration Trust Fund (0838) U/F (8380)	International Fuels Tax Agreement Trust Fund (0886) U/F (0886)	Flood Area School and Road Trust Fund (0903) U/F (2903)	Opioid Abatement Local Operating Trust Fund (1202) U/F (1202)	Habitat Protection Fund (9999) U/F (2999)	Total (Exhibit B-1) 2024
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash in Bank (Note 3)	\$	\$	\$	\$	\$ 13,173,134.25	\$ 18,861,331.24
Cash in State Treasury	22,150.00	5,985,706.26				6,007,856.26
Short Term Investments (Note 3)						1,428,963.36
Receivables:						
Interest and Dividends				2,006.52		6,330,989.48
Due From Other Agencies						3,276,785.94
Total Current Assets	<u>22,150.00</u>	<u>5,985,706.26</u>	<u>0.00</u>	<u>2,006.52</u>	<u>13,173,134.25</u>	<u>35,905,926.28</u>
Non-Current Assets:						
Investments (Note 3)						892,769,646.66
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>892,769,646.66</u>
Total Assets	<u>22,150.00</u>	<u>5,985,706.26</u>	<u>0.00</u>	<u>2,006.52</u>	<u>13,173,134.25</u>	<u>928,675,572.94</u>
Total Assets and Deferred Outflows of Resources						
	<u>\$ 22,150.00</u>	<u>\$ 5,985,706.26</u>	<u>\$ 0.00</u>	<u>\$ 2,006.52</u>	<u>\$ 13,173,134.25</u>	<u>\$ 928,675,572.94</u>
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Payables From:						
Accounts	\$	\$	\$	\$	\$ 66,586.73	\$ 66,643.37
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>66,586.73</u>	<u>66,643.37</u>
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>66,586.73</u>	<u>66,643.37</u>
DEFERRED INFLOWS						
Deferred Inflows of Resources (Note 29)						899,896,911.71
Total Deferred Inflows	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>899,896,911.71</u>
FUND FINANCIAL STATEMENT – FUND BALANCES						
Fund Balances (Deficits):						
Restricted				2,006.52	13,106,547.52	22,704,161.60
Committed	<u>22,150.00</u>	<u>5,985,706.26</u>				<u>6,007,856.26</u>
Total Fund Balances	<u>22,150.00</u>	<u>5,985,706.26</u>	<u>0.00</u>	<u>2,006.52</u>	<u>13,106,547.52</u>	<u>28,712,017.86</u>
Total Liabilities, Deferred Inflows and Fund Balances						
	<u>\$ 22,150.00</u>	<u>\$ 5,985,706.26</u>	<u>\$ 0.00</u>	<u>\$ 2,006.52</u>	<u>\$ 13,173,134.25</u>	<u>\$ 928,675,572.94</u>

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT B-2

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

For the Fiscal Year Ended August 31, 2024

	Unclaimed Property Securities Fund (0001) U/F (4113)	State Highway Fund (0006) U/F (0006)	Property Tax Relief Fund (0304) U/F (0304)	Tax Reduction and Excellence In Education Fund (0305) U/F (0305)	Judicial Fund (0573) U/F (0573, 5730)	General Land Office County Right of Way Leases (0808) U/F (2521)
REVENUES						
Taxes (GR)	\$	\$	\$ 2,677,558,328.46	\$ 1,880,966,000.00	\$	\$
License, Fees & Permits (PR)					(3,909.74)	
Interest and Other Investment Income (GR)			141,795,642.86			
Other (GR)						
Total Revenues	<u>0.00</u>	<u>0.00</u>	<u>2,819,353,971.32</u>	<u>1,880,966,000.00</u>	<u>(3,909.74)</u>	<u>0.00</u>
EXPENDITURES						
Professional Fees and Services						
Intergovernmental Payments		9,513,785.00				5,809,956.95
Other Expenditures						
Total Expenditures	<u>0.00</u>	<u>9,513,785.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,809,956.95</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>0.00</u>	<u>(9,513,785.00)</u>	<u>2,819,353,971.32</u>	<u>1,880,966,000.00</u>	<u>(3,909.74)</u>	<u>(5,809,956.95)</u>
OTHER FINANCING SOURCES (USES)						
Transfer In		9,513,785.00	6,147,400,000.00		3,909.74	5,982,538.44
Transfer Out			(8,960,583,822.77)	(1,880,966,000.00)		
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>9,513,785.00</u>	<u>(2,813,183,822.77)</u>	<u>(1,880,966,000.00)</u>	<u>3,909.74</u>	<u>5,982,538.44</u>
Net Change in Fund Balances	<u>0.00</u>	<u>0.00</u>	<u>6,170,148.55</u>	<u>0.00</u>	<u>0.00</u>	<u>172,581.49</u>
FUND FINANCIAL STATEMENT – FUND BALANCES						
Fund Balances, September 1, 2023			148,729.71			3,104,147.81
Fund Balances, August 31, 2024	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 6,318,878.26</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 3,276,729.30</u>

Concluded on the following page

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT B-2 (concluded)

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

For the Fiscal Year Ended August 31, 2024

	Binding Arbitration Trust Fund (0838) U/F (8380)	International Fuels Tax Agreement Trust Fund (0886) U/F (0886)	Flood Area School and Road Trust Fund (0903) U/F (2903)	Opioid Abatement Local Operating Trust Fund (1202) U/F (1202)	Habitat Protection Fund (9999) U/F (2999)	Total (Exhibit B-1) 2024
REVENUES						
Taxes (GR)	\$	\$	\$	\$	\$	\$ 4,558,524,328.46
License, Fees & Permits (PR)					4,752,617.23	4,748,707.49
Interest and Other Investment Income (GR)		142,614.41		2,006.52	727,658.07	142,667,921.86
Other (GR)	2,089,738.00	53,273,289.64				55,363,027.64
Total Revenues	<u>2,089,738.00</u>	<u>53,415,904.05</u>	<u>0.00</u>	<u>2,006.52</u>	<u>5,480,275.30</u>	<u>4,761,303,985.45</u>
EXPENDITURES						
Professional Fees and Services	2,102,913.00					2,102,913.00
Intergovernmental Payments		51,656,183.76			1,219,407.52	68,199,333.23
Other Expenditures		53.43			5,573.20	5,626.63
Total Expenditures	<u>2,102,913.00</u>	<u>51,656,237.19</u>	<u>0.00</u>	<u>0.00</u>	<u>1,224,980.72</u>	<u>70,307,872.86</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>(13,175.00)</u>	<u>1,759,666.86</u>	<u>0.00</u>	<u>2,006.52</u>	<u>4,255,294.58</u>	<u>4,690,996,112.59</u>
OTHER FINANCING SOURCES (USES)						
Transfer In						6,162,900,233.18
Transfer Out		(142,614.41)	(2,566,697.80)			(10,844,259,134.98)
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>(142,614.41)</u>	<u>(2,566,697.80)</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,681,358,901.80)</u>
Net Change in Fund Balances	<u>(13,175.00)</u>	<u>1,617,052.45</u>	<u>(2,566,697.80)</u>	<u>2,006.52</u>	<u>4,255,294.58</u>	<u>9,637,210.79</u>
FUND FINANCIAL STATEMENT – FUND BALANCES						
Fund Balances, September 1, 2023	<u>35,325.00</u>	<u>4,368,653.81</u>	<u>2,566,697.80</u>	<u></u>	<u>8,851,252.94</u>	<u>19,074,807.07</u>
Fund Balances, August 31, 2024	<u>\$ 22,150.00</u>	<u>\$ 5,985,706.26</u>	<u>\$ 0.00</u>	<u>\$ 2,006.52</u>	<u>\$ 13,106,547.52</u>	<u>\$ 28,712,017.86</u>

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT C-1

Combining Balance Sheet – Permanent Funds

August 31, 2024

	Supporting Graduate Education Fund (0179) U/F (1179)	Military & Veterans Exemptions Fund (0210) U/F (0210,1210)	Available Texas University Fund (0214) U/F (0214)	Total (Exhibit C-1) 2024
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$	\$ 1,671,510.61	\$ 31,996,732.67	\$ 33,668,243.28
Short Term Investments (Note 3)	36,528,233.80	26,492,074.09		63,020,307.89
Interest and Dividends	159,367.99	126,512.71	31,460.97	317,341.67
Due From Other Agencies			7,990.52	7,990.52
Total Current Assets	<u>36,687,601.79</u>	<u>28,290,097.41</u>	<u>32,036,184.16</u>	<u>97,013,883.36</u>
Non-Current Assets:				
Investments (Note 3)	417,346,423.29	314,329,711.86		731,676,135.15
Total Non-Current Assets	<u>417,346,423.29</u>	<u>314,329,711.86</u>	<u>0.00</u>	<u>731,676,135.15</u>
Total Assets	<u>454,034,025.08</u>	<u>342,619,809.27</u>	<u>32,036,184.16</u>	<u>828,690,018.51</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 454,034,025.08</u>	<u>\$ 342,619,809.27</u>	<u>\$ 32,036,184.16</u>	<u>\$ 828,690,018.51</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Interest	\$ 530,931.81	\$ 350,601.10	\$	\$ 881,532.91
Investment Trade Payable	168,077.94	110,990.36		279,068.30
Due To Other Agencies		1,171,883.90	1,419,644.74	2,591,528.64
Total Current Liabilities	<u>699,009.75</u>	<u>1,633,475.36</u>	<u>1,419,644.74</u>	<u>3,752,129.85</u>
Total Liabilities	<u>699,009.75</u>	<u>1,633,475.36</u>	<u>1,419,644.74</u>	<u>3,752,129.85</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable		(1,798,978.99)		(1,798,978.99)
Restricted	453,335,015.33	342,785,312.90	30,616,539.42	826,736,867.65
Total Fund Balances	<u>453,335,015.33</u>	<u>340,986,333.91</u>	<u>30,616,539.42</u>	<u>824,937,888.66</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 454,034,025.08</u>	<u>\$ 342,619,809.27</u>	<u>\$ 32,036,184.16</u>	<u>\$ 828,690,018.51</u>

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT C-2

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

For the Fiscal Year Ended August 31, 2024

	Supporting Graduate Education Fund (0179) U/F (1179)	Military & Veterans Exemptions Fund (0210) U/F (0210)	Available Texas University Fund (0214) U/F (0214)	Total (Exhibit C-2) 2024
REVENUES				
Interest and Other Investment Income (GR)	\$ 5,376,664.19	\$ 4,399,035.76	\$ 8,474.64	\$ 9,784,174.59
Net Increase (Decrease) in Fair Value (GR)	53,502,699.23	26,228,339.14		79,731,038.37
Other (GR)		10,313,280.00		10,313,280.00
Total Revenues	<u>58,879,363.42</u>	<u>40,940,654.90</u>	<u>8,474.64</u>	<u>99,828,492.96</u>
EXPENDITURES				
Professional Fees and Services	823,292.49	614,396.40		1,437,688.89
Intergovernmental Payments		609,046.00		609,046.00
Total Expenditures	<u>823,292.49</u>	<u>1,223,442.40</u>	<u>0.00</u>	<u>2,046,734.89</u>
Excess (Deficiency) of Revenues over Expenditures	<u>58,056,070.93</u>	<u>39,717,212.50</u>	<u>8,474.64</u>	<u>97,781,758.07</u>
OTHER FINANCING SOURCES (USES)				
Transfer In		1,361,711.71	927,447.26	2,289,158.97
Transfer Out		(10,878,131.61)	(29,852,703.79)	(40,730,835.40)
Contributions to permanent foundation principal	(13,799,947.00)	(10,313,280.00)		(24,113,227.00)
Total Other Financing Sources (Uses)	<u>(13,799,947.00)</u>	<u>(19,829,699.90)</u>	<u>(28,925,256.53)</u>	<u>(62,554,903.43)</u>
Net Change in Fund Balances	<u>44,256,123.93</u>	<u>19,887,512.60</u>	<u>(28,916,781.89)</u>	<u>35,226,854.64</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances, September 1, 2023	<u>409,078,891.40</u>	<u>321,098,821.31</u>	<u>59,533,321.31</u>	<u>789,711,034.02</u>
Fund Balances, August 31, 2024	<u>\$ 453,335,015.33</u>	<u>\$ 340,986,333.91</u>	<u>\$ 30,616,539.42</u>	<u>\$ 824,937,888.66</u>

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT I-1

Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds

August 31, 2024

	Private Purpose Tobacco Settlement Political Subdivision Trust (0872) U/F (2872)	Federal Resource Receipt Distribution Fund (0521) U/F (0521)	Private Purpose Flood Area School and Road Trust Fund (0903) U/F (0903)	Total (Exhibit I-1) 2024
ASSETS				
Cash and Cash Equivalents	\$	\$ 32,579.81	\$ 11,349,205.13	\$ 11,381,784.94
Receivables:				
Interest and Dividends			36,427.75	36,427.75
Total Assets	0.00	32,579.81	11,385,632.88	11,418,212.69
LIABILITIES				
Payables:				
Accounts			4,012,654.90	4,012,654.90
Total Liabilities	0.00	0.00	4,012,654.90	4,012,654.90
NET POSITION				
Fiduciary NP Other Purposes		32,579.81	7,372,977.98	7,405,557.79
Total Net Position	\$ 0.00	\$ 32,579.81	\$ 7,372,977.98	\$ 7,405,557.79

* USAS D24 GAAP fund is noted as (XXXX)

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

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT I-2

Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds

For the Fiscal Year Ended August 31, 2024

	Private Purpose Tobacco Settlement Political Subdivision Trust (0872) U/F (2872)	Federal Resource Receipt Distribution Fund (0521) U/F (0521)	Private Purpose Flood Area School and Road Trust Fund (0903) U/F (0903)	Total (Exhibit I-2) 2024
ADDITIONS				
Contributions:				
Federal Contributions	\$	\$	\$ 5,108,003.21	\$ 5,108,003.21
Total Contributions			5,108,003.21	5,108,003.21
Investment Income:				
From Investing Activities:				
Interest, Dividend and Other			396,424.52	396,424.52
Total Investing Income (Loss)			396,424.52	396,424.52
Net Income from Investing Activities			396,424.52	396,424.52
Total Net Investment Income (Loss)	<u>0.00</u>	<u>0.00</u>	<u>396,424.52</u>	<u>5,900,852.25</u>
Other Additions:				
Transfer In	89,005,958.00	32,579.81	2,566,697.80	91,605,235.61
Total Other Additions	<u>89,005,958.00</u>	<u>32,579.81</u>	<u>2,566,697.80</u>	<u>91,605,235.61</u>
Total Additions	<u>89,005,958.00</u>	<u>32,579.81</u>	<u>8,071,125.53</u>	<u>97,506,087.86</u>
DEDUCTIONS				
Intergovernmental Payments	89,005,958.00		5,108,003.21	94,113,961.21
Total Deductions	<u>89,005,958.00</u>	<u>0.00</u>	<u>5,108,003.21</u>	<u>94,113,961.21</u>
INCREASE (DECREASE) IN NET POSITION	<u>0.00</u>	<u>32,579.81</u>	<u>2,963,122.32</u>	<u>2,995,702.13</u>
NET POSITION				
Net Position, September 1, 2023	0.00	0.00	4,409,855.66	4,409,855.66
Net Position, August 31, 2024	<u>\$ 0.00</u>	<u>\$ 32,579.81</u>	<u>\$ 7,372,977.98</u>	<u>\$ 7,405,557.79</u>

* USAS D24 GAAP fund is noted as (XXXX)

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

EXHIBIT J-1

Combining Statement of Fiduciary Net Position - Custodial Funds

August 31, 2024

	Economic Development Custodial Funds (3425)	Total (Exhibit J-1)
	U/F (0874, 1874, 2874, 3874, 4874, 5874, 0882)	
ASSETS		
Cash and Cash Equivalents:		
Cash in State Treasury	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,717,569,014.99</u>
Total Assets	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,717,569,014.99</u>
NET POSITION		
Fiduciary NP Other Purposes	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,717,569,014.99</u>
Total Net Position	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,717,569,014.99</u>

* USAS D24 GAAP fund is noted as (XXXX)

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

UNAUDITED
Comptroller – Fiscal (902)

EXHIBIT J-2

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

For the Fiscal Year Ended August 31, 2024

	Economic Development Custodial Funds (3425) U/F (0874, 1874, 2874, 3874, 4874, 5874, 0882)	Total (Exhibit J-2)
ADDITIONS		
Investment Income:		
From Investing Activities:		
Interest, Dividend and Other	\$ 6,925,001.26	\$ 6,925,001.26
Total Investing Income (Loss)	6,925,001.26	6,925,001.26
Net Income from Investing Activities	<u>6,925,001.26</u>	<u>6,925,001.26</u>
Total Net Investment Income (Loss)	<u>6,925,001.26</u>	<u>6,925,001.26</u>
Other Additions:		
Other Revenue	<u>13,724,707,165.73</u>	<u>13,724,707,165.73</u>
Total Other Additions	<u>13,724,707,165.73</u>	<u>13,724,707,165.73</u>
Total Additions	<u>13,731,632,166.99</u>	<u>13,731,632,166.99</u>
DEDUCTIONS		
Interest Expense	6,629,654.01	6,629,654.01
Intergovernmental Payments	<u>13,645,154,129.95</u>	<u>13,645,154,129.95</u>
Total Deductions	<u>13,651,783,783.96</u>	<u>13,651,783,783.96</u>
INCREASE (DECREASE) IN NET POSITION	<u>79,848,383.03</u>	<u>79,848,383.03</u>
NET POSITION		
Net Position, September 1, 2023	<u>1,637,720,631.96</u>	<u>1,637,720,631.96</u>
Net Position, August 31, 2024	<u>\$ 1,717,569,014.99</u>	<u>\$ 1,717,569,014.99</u>

* USAS D24 GAAP fund is noted as (XXXX)

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

UNAUDITED
Comptroller – Fiscal (902)

SUPPLEMENTARY SCHEDULES

UNAUDITED
Comptroller – Fiscal (902)

SCHEDULE 1A

Schedule of Federal Financial Assistance

For the Fiscal Year Ended August 31, 2024

Federal Grantor/Pass Through Grantor/Program Title	ALN Number	Pass-Through From		Direct Program Amount	Total Pass- Through & Direct Program
		State Agy. Or Univ. Amount	Non-State Entities Amount		
U.S. Department of Defense Payments to States in Lieu of Real Estate Taxes	12.112	\$	\$	\$ 5,108,003.21	\$ 5,108,003.21
Total U.S. Dept of Defense		0	0	5,108,003.21	5,108,003.21
Total Federal Financial Assistance		\$ 0.00	\$ 0.00	\$ 5,108,003.21	\$ 5,108,003.21

NOTE 2 – RECONCILIATION

Per Combined Balance Sheet –
Governmental Funds (Exh II):

Federal Revenues \$

Pass-Through Revenues

Per Combined Statement of Changes
in Fiduciary Net Assets - Fiduciary
Funds – (Exh VII):

Federal Revenues 5,108,003.21

Reconciling Items

Total Pass-Through and Expenditures
Per Federal Schedule \$ 5,108,003.21

UNAUDITED
Comptroller – Fiscal (902)

SCHEDULE 1A (concluded)

Schedule of Federal Financial Assistance

For the Fiscal Year Ended August 31, 2024

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through To		Expenditures Amount	Total Pass- Through & Expenditures
	State Agy. Or Univ. Amount	Non-State Entities Amount		
U.S. Department of Defense Payments to States in Lieu of Real Estate Taxes	\$	\$	\$ 5,108,003.21	\$ 5,108,003.21
Total U.S. Dept of Defense	<u>0</u>	<u>0</u>	<u>5,108,003.21</u>	<u>5,108,003.21</u>
Total Federal Financial Assistance	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 5,108,003.21</u>	<u>\$ 5,108,003.21</u>

SCHEDULE 4

Schedule of Modified to Full Accrual Adjustments - Governmental Balance Sheet/Statement of Net Position - Governmental

August 31, 2024

Account Title	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in State Treasury	\$ 30,540,807,930.27	\$	\$	\$	\$ 30,540,807,930.27
Cash in Bank (Note 3)	18,861,305.78				18,861,305.78
Legislative Appropriations	(124,705,428.40)				(124,705,428.40)
Short Term Investments (Note 3)	436,676,155.62				436,676,155.62
Receivables:					
Accounts	332,800,000.00				332,800,000.00
Investment Trades					
Interest and Dividends	65,392,839.90				65,392,839.90
Taxes (Note 27)	4,738,098,006.23				4,738,098,006.23
Due From Other Agencies	2,760,497,921.72				2,760,497,921.72
Interfund Receivable					
Other Current Assets					
Total Current Assets	<u>38,768,428,731.12</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>38,768,428,731.12</u>
Non-Current Assets:					
Taxes Receivable (Note 27)					
Investments (Note 3)	19,699,006,218.28				19,699,006,218.28
Capital Assets:					
Depreciable					
Furniture and Equipment		276,704.43			276,704.43
Accumulated Depreciation		(276,704.43)			(276,704.43)
Computer Software		3,207,683.87			3,207,683.87
Accumulated Amortization		(3,207,683.87)			(3,207,683.87)
Total Non-Current Assets	<u>19,699,006,218.28</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>19,699,006,218.28</u>
Total Assets	<u>\$ 58,467,434,949.40</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 58,467,434,949.40</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current Liabilities:					
Payables From:					
Accounts	\$ 1,957,194.64	\$	\$	\$	\$ 1,957,194.64
Interest	881,532.91				881,532.91
Federal					
Interfund Payable	71,730.13				71,730.13
Investment Trade	7,952,459.06				7,952,459.06
Hedging Derivative Investment Liability					
Other Intergovernmental	26,807,175.92				26,807,175.92
Unclaimed Property Claimaint Liabilites					
Taxes Refund Payable	357,552,650.66				357,552,650.66
Other	334,010,248.98				334,010,248.98
Due To Other Agencies	5,923,510,058.10				5,923,510,058.10
Unearned Revenues	579,837,935.69			(459,324,276.97)	120,513,658.72
Employee's Compensable Leave (Note 5)			35,206.58		35,206.58
Other Current Liabilities					
Total Current Liabilities	<u>7,232,580,986.09</u>	<u>0.00</u>	<u>35,206.58</u>	<u>(459,324,276.97)</u>	<u>6,773,291,915.70</u>
Total Liabilities	<u>7,232,580,986.09</u>	<u>0.00</u>	<u>35,206.58</u>	<u>(459,324,276.97)</u>	<u>6,773,291,915.70</u>

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UNAUDITED
Comptroller – Fiscal (902)

SCHEDULE 4 (concluded)

**Schedule of Modified to Full Accrual Adjustments - Governmental
Balance Sheet/Statement of Net Position - Governmental**

August 31, 2024

Account Title	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
DEFERRED INFLOWS					
Deferred Inflows of Resources (Note 29)	\$ 899,896,911.71	\$	\$	\$	\$ 899,896,911.71
Total Deferred Inflows	<u>899,896,911.71</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>899,896,911.71</u>
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances (Deficits):					
Nonspendable for Prepaid Items	(1,798,978.99)				
Nonspendable for LT Taxes Receivable					
Restricted	1,728,642,499.59				
Committed	6,007,856.26				
Assigned					
Unassigned	<u>48,602,105,674.74</u>				
Total Fund Balances	<u>50,334,957,051.60</u>				
Total Liabilities and Fund Balances	<u>58,467,434,949.40</u>				
GOVERNMENT-WIDE STATEMENT – NET POSITION					
Net Position:					
Net Investments in Capital Assets					
Unrestricted	50,334,957,051.60	0.00	(35,206.58)	459,324,276.97	50,794,246,121.99
Total Net Position	<u>\$ 50,334,957,051.60</u>	<u>\$ 0.00</u>	<u>\$ (35,206.58)</u>	<u>\$ 459,324,276.97</u>	<u>\$ 50,794,246,121.99</u>

UNAUDITED
Comptroller – Fiscal (902)

SCHEDULE 4

**Schedule of Modified to Full Accrual Adjustments - Governmental
Balance Sheet/Statement of Net Position - Governmental**

August 31, 2024

Account Title	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
REVENUES					
Taxes	\$ 75,976,531,231.06	\$	\$	\$ (1,492,917,986.90)	\$ 74,483,613,244.16
Federal Revenues					
Federal Pass-Through					
State Grant Pass-Through Revenue					
Licenses, Fees & Permits	1,608,919,807.51				1,608,919,807.51
Interest and Other Investment Income	2,430,489,013.72				2,430,489,013.72
Net Increase (Decrease) in Fair Value (GR)	1,010,806,077.03				1,010,806,077.03
Land Income	7,533,589.85				7,533,589.85
Settlement of Claims	809,669,726.46			64,090,282.77	873,760,009.23
Sales of Goods and Services	35,561,048.65				35,561,048.65
Other	970,398,077.38				970,398,077.38
Total Revenues	<u>82,849,908,571.66</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,428,827,704.13)</u>	<u>81,421,080,867.53</u>
EXPENDITURES					
Salaries And Wages	657,966.81		35,206.58		693,173.39
Payroll Related Costs	2,264,128,324.76				2,264,128,324.76
Professional Fees and Services	21,922,609.63				21,922,609.63
Travel	1,393.46				1,393.46
Materials and Supplies					
Communications and Utilities	320.37				320.37
Repairs and Maintenance	240,259.69				240,259.69
Rentals and Leases					
Printing and Reproduction					
Claims and Judgments	29,197,382.72				29,197,382.72
Federal Grant Pass-Through Expenditures					
State Grant Pass-Through Expenditures					
Intergovernmental Payments	766,160,837.39				766,160,837.39
Public Assistance Payments					
Interest Expense - Other	65,223,364.84				65,223,364.84
Other Expenditures	3,015,792,217.85				3,015,792,217.85
Debt Service:					
Principal - Leases/SBITA					
Principal - Other LT Debt					
Interest					
Other Financing Fees					
Capital Outlay					
Total Expenditures	<u>6,163,324,677.52</u>	<u>0.00</u>	<u>35,206.58</u>	<u>0.00</u>	<u>6,163,359,884.10</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>76,686,583,894.14</u>	<u>0.00</u>	<u>(35,206.58)</u>	<u>(1,428,827,704.13)</u>	<u>75,257,720,983.43</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	19,331,480,000.33				19,331,480,000.33
Transfer Out	(58,520,231,900.54)				(58,520,231,900.54)
Legislative Transfer In					
Legislative Transfer Out	(38,823,347,304.51)				(38,823,347,304.51)
Sale of Capital Assets	8,542.18				8,542.18
Contributions to permanent foundation principal	(24,113,227.00)				(24,113,227.00)
Insurance Recoveries	29,608.83				29,608.83
Total Other Financing Sources and Uses	<u>(78,036,174,280.71)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(78,036,174,280.71)</u>
Net Change in Fund Balances/Net Assets	<u>(1,349,590,386.57)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Concluded on the following page

UNAUDITED
Comptroller – Fiscal (902)

SCHEDULE 4 (concluded)

Schedule of Modified to Full Accrual Adjustments - Governmental Balance Sheet/Statement of Net Position - Governmental

August 31, 2024

Account Title	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Assets
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances, September 1, 2023	\$ 51,684,547,438.17	\$	\$	\$	\$
Restatements (Note 14)					
Fund Balances, September 1, 2023, as Restated	51,684,547,438.17				
Fund Balances, August 31, 2024	<u>50,334,957,051.60</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
GOVERNMENT-WIDE STATEMENT – NET POSITION					
Net Position/Net Change in Net Position	<u>0.00</u>	<u>0.00</u>	<u>(35,206.58)</u>	<u>(1,428,827,704.13)</u>	<u>(1,428,862,910.71)</u>
Net Position, September 1, 2023				1,888,151,981.10	1,888,151,981.10
Restatements (Note 14)					
Net Position, September 1, 2023, as Restated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,888,151,981.10</u>	<u>1,888,151,981.10</u>
Net Position, August 31, 2024	<u>\$ 50,334,957,051.60</u>	<u>\$ 0.00</u>	<u>\$ (35,206.58)</u>	<u>\$ 459,324,276.97</u>	<u>\$ 50,794,246,121.99</u>

UNAUDITED
Comptroller – Fiscal (902)

SCHEDULE 5

Schedule of Tax Revenue, Tax Receivable and Deferred Inflow Tax Revenue

For the Fiscal Year Ended August 31, 2024

Tax Type	Tax Revenue		Taxes Receivable	Refunds Payable	Net Taxes Receivable
	Modified Accrual	Full Accrual			
Sales and Use	\$ 42,959,801,036.63	\$ 42,959,801,036.63	\$ 2,979,854,810.56	\$	\$ 2,979,854,810.56
Motor Vehicle & MFG Housing	6,151,067,929.85	6,151,067,929.85	89,815,468.22		89,815,468.22
Motor Fuels ⁽¹⁾	91,383,829.46	91,383,829.46	8,290,896.40		8,290,896.40
Oil & Natural Gas Production	8,093,870,315.35	8,093,870,315.35	866,216,340.37	(357,552,650.66)	508,663,689.71
Franchise ⁽²⁾	5,548,774,314.08	5,548,774,314.08			
Insurance	4,508,682,913.94	4,508,682,913.94	450,712,776.44		450,712,776.44
Cigarette & Tobacco	492,416,673.51	492,416,673.51	23,921,723.12		23,921,723.12
Other Taxes:					
Alcoholic Beverage	1,799,145,475.34	1,799,145,475.34	153,558,942.25		153,558,942.25
Utility	727,653,425.98	727,653,425.98	98,645,729.98		98,645,729.98
Hotel and Motel	754,907,033.89	754,907,033.89	67,081,318.89		67,081,318.89
Other	180,490,317.78	180,490,317.78			
Total Taxes	\$ 71,308,193,265.81	\$ 71,308,193,265.81	\$ 4,738,098,006.23	\$ (357,552,650.66)	\$ 5,088,767,996.14

Tax Type	Deferred Inflow Tax Revenue ⁽³⁾
Sales and Use	\$
Motor Vehicle & MFG Housing	
Motor Fuels ⁽¹⁾	
Oil & Natural Gas Production	
Franchise ⁽²⁾	
Insurance	
Cigarette & Tobacco	
Other Taxes:	
Alcoholic Beverage	
Utility	
Hotel and Motel	
Total Taxes	\$ 0.00

(1) Motor fuel tax revenue, taxes receivable & deferred inflows of tax revenue transferred to the Texas Department of Transportation and Texas Education Agency will be reported by those agencies instead of Comptroller-Fiscal.

(2) Franchise taxes receivable will be finalized in January 2025.

(3) Deferred Inflow Tax Revenue will be finalized in the ACFR.

Comptroller Treasury – Fiscal (311)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Comptroller Treasury – Fiscal (311)

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Comptroller Treasury – Fiscal (311)

EXHIBIT I

**Combined Balance Sheet/Statement of Net Position –
Governmental Funds**

August 31, 2024

	General Funds (Ex A-1)	Special Revenue Funds (Ex B-1)	Permanent Funds (Ex E-1)	Governmental Funds Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank	\$	\$	\$	\$
Cash in State Treasury	2,339,312.62			2,339,312.62
Short Term Investments		43,332,050.34	506,928,268.65	550,260,318.99
Receivables From:				
Interest and Dividends		42,007.77	4,793,900.78	4,835,908.54
Trade Receivables				
Due From Other Agencies	51,826.76			51,826.76
Other Assets	25,000,000.00			25,000,000.00
Non-Current Assets:				
Investments		131,284,640.56	3,803,705,167.18	3,934,989,807.74
Total Assets	<u>\$ 27,391,139.38</u>	<u>\$ 174,658,698.67</u>	<u>\$ 4,315,427,336.61</u>	<u>\$ 4,517,477,174.66</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$	\$ 101,579.50	\$ 1,631,837.70	\$ 1,733,417.20
Trade Payable				
Interest Payable		32,157.19	30,158.26	62,315.45
Due to Other Agencies				
Futures Contracts at Fair Value				
Swaps at Fair Value				
Other Liabilities	24,625,158.94			24,625,158.94
Total Liabilities	<u>24,625,158.94</u>	<u>133,736.69</u>	<u>1,661,995.96</u>	<u>26,420,891.59</u>
FUND FINANCIAL STATEMENT				
Fund Balances (Deficits):				
Restricted				
Committed		174,524,961.98	4,313,765,340.65	4,488,290,302.63
Unassigned	2,765,980.44			2,765,980.44
Total Fund Balances	<u>2,765,980.44</u>	<u>174,524,961.98</u>	<u>4,313,765,340.65</u>	<u>4,491,056,283.07</u>
Total Liabilities and Fund Balances	<u>\$ 27,391,139.38</u>	<u>\$ 174,658,698.67</u>	<u>\$ 4,315,427,336.61</u>	<u>\$ 4,517,477,174.66</u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT II

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	General Funds (Ex A-2)	Special Revenue Funds (Ex B-2)	Permanent Funds (Ex E-2)	Governmental Funds Total
REVENUES				
Interest and Other Investment Income	\$	\$ 4,941,997.79	\$ 77,062,871.53	\$ 82,004,869.32
Net Increase (Decrease) in Fair Value	24,175,000.00	6,909,994.60	281,090,164.17	312,175,158.77
Other Revenue	<u>2,983,801.31</u>			<u>2,983,801.31</u>
Total Revenues	<u>27,158,801.31</u>	<u>11,851,992.39</u>	<u>358,153,035.71</u>	<u>397,163,829.41</u>
EXPENDITURES				
Professional Fees and Services		626,778.09	7,316,984.51	7,943,762.60
Travel				
Interest				
Information Technology Service				
Purchased Contracted Service				
Rentals and Leases				
Prompt Payment Interest				
Fees and other charges		90,566.03		90,566.03
Other Expenses	<u>5,416,396.54</u>			<u>5,416,396.54</u>
Total Expenditures/Expenses	<u>5,416,396.54</u>	<u>717,344.12</u>	<u>7,316,984.51</u>	<u>13,450,725.17</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>21,742,404.77</u>	<u>11,134,648.27</u>	<u>350,836,051.19</u>	<u>383,713,104.24</u>
OTHER FINANCING SOURCES (USES)				
Transfers In		14,056,910.16		14,056,910.16
Transfers Out		<u>(21,910,878.31)</u>	<u>(2,956,693.86)</u>	<u>(24,867,572.17)</u>
Total Other Financing Sources and Uses	<u>0.00</u>	<u>(7,853,968.15)</u>	<u>(2,956,693.86)</u>	<u>(10,810,662.01)</u>
Net Change in Fund Balances/Net Assets	<u>21,742,404.77</u>	<u>3,280,680.12</u>	<u>347,879,357.33</u>	<u>372,902,442.23</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances, September 1, 2023	5,596,907.85	171,244,214.42	965,885,983.32	1,142,727,105.59
Restatements				
Fund Balances, September 1, 2023, as Restated	<u>5,596,907.85</u>	<u>171,244,214.42</u>	<u>965,885,983.32</u>	<u>1,142,727,105.59</u>
Fund Balances – August 31, 2024	<u>\$ 27,339,312.62</u>	<u>\$ 174,524,894.54</u>	<u>\$ 1,313,765,340.65</u>	<u>\$ 1,515,629,547.82</u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT VI

Combined Statement of Net Position – Fiduciary Funds

August 31, 2024

	Private- Purpose Trust (Exhibit I-1)	Totals
ASSETS		
Cash and Cash Equivalents:		
Cash in Bank	\$	\$
Cash in State Treasury		
Other Short Term Investments	272,990,745.04	272,990,745.04
Investments (Note 3)		
U.S. Government and Agency Obligations		
Corporate Equity	1,159,013.43	1,159,013.43
Corporate Obligations		
Foreign Securities	70,562,634.13	70,562,634.13
Other Investments	3,041,330,228.97	3,041,330,228.97
Repurchase Agreements		
Receivables:		
Interest and Dividends	1,192,061.87	1,192,061.87
Trade Receivables		
Due From Other Fund		
Other Assets		
Total Assets	3,387,234,683.43	3,387,234,683.43
LIABILITIES		
Payables:		
Accounts Payable	3,498,123.56	3,498,123.56
Trade Payable		
Interest Payable	1,107,406.64	1,107,406.64
Due to Other Agencies		
Obligations/Securities Lending		
Swaps at Fair Value		
Funds Held for Others		
Total Liabilities	4,605,530.20	4,605,530.20
NET ASSETS		
Held in trust for:		
Individuals, Organizations, and		
Other Governments	3,382,629,153.23	3,382,629,153.23
Total Net Assets	\$ 3,382,629,153.23	\$ 3,382,629,153.23

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT VII

Combined Statement of Changes in Net Position – Fiduciary Funds

August 31, 2024

	Private Purpose Trust (Exhibit I-2)	Totals
ADDITIONS		
Investment Income:		
From Investing Activities:		
Net appreciation (Depreciation) in		
Fair Value of Investments	\$ 231,871,856.92	\$ 231,871,856.92
Interest and Investment Income	43,693,047.26	43,693,047.26
Total Investing Income (Loss)	275,564,904.18	275,564,904.18
Less Investing Activities Expense		
Net Income from Investing Activities	275,564,904.18	275,564,904.18
From Securities Lending Activities		
Securities Lending Income		
Less Securities Lending Expense:		
Borrower Rebates and Agent Fees		
Net Income from Securities Lending Activities		
Total Net Investment Income (Loss)	275,564,904.18	275,564,904.18
Total Additions	275,564,904.18	275,564,904.18
DEDUCTIONS		
Transfer out	89,005,958.00	89,005,958.00
Professional Fees and Services	6,108,324.95	6,108,324.95
Total Deductions	95,114,282.95	95,114,282.95
INCREASE (DECREASE) IN NET ASSETS	180,450,621.23	180,450,621.23
NET POSITION		
Net Position September 1, 2023	3,202,178,532.00	3,202,178,532.00
Restatements		
Net Position, September 1, 2023, as Restated	3,202,178,532.00	3,202,178,532.00
Net Position – August 31, 2024	<u>\$ 3,382,629,153.23</u>	<u>\$ 3,382,629,153.23</u>

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

GENERAL INTRODUCTION

The Comptroller Treasury–Fiscal is an agency of the state of Texas, and its financial records comply with the state statutes and regulations. This includes compliance with the Comptroller of Public Accounts Reporting Requirements of State Agencies.

Effective September 1, 1996, the constitutional office of the Treasurer was abolished, and the powers, duties, obligations, rights and contracts of the Treasurer were transferred to and assumed by the State Comptroller of Public Accounts.

There are no component units in which the Comptroller Treasury–Fiscal is financially accountable or any organization in which exclusion would create misleading or incomplete financial statements.

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 be in compliance 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 *Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

FUND STRUCTURE

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

GOVERNMENTAL FUND TYPES

General Fund

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

Permanent Funds

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the state’s programs.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

FIDUCIARY FUND TYPES

Agency Funds

Agency funds are used to account for assets held as an agent for individuals, other government entities, and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations.

Private-Purpose Trust Funds

Agencies use private-purpose trust funds to account for all other trust arrangements whose principal and interest benefit 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. All governmental fund types and agency funds are accounted for on the modified basis of accounting. Revenues are recognized when they become both measurable and available. Expenditures are generally recognized when the related fund liability is incurred. Exceptions are unpaid employee compensable leave, and the un-matured debt service (principal and interest) on general long-term debt, long-term capital leases, and long-term claims and judgments, which are not recognized until actual payment is made.

BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (The General Appropriations Act). Encumbrance accounting is employed for budgetary control purposes.

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 ASSETS

ASSETS

Investments

Investments are stated at fair value in all funds in accordance with GASB Statement 31 – Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Securities Lending Collateral

Securities lent are reported as assets on the balance sheet. The costs of securities lending transactions are reported as expenditures or expenses in the Operating Statement. These costs are reported at gross.

Interest and Dividend Receivables

This includes interest and dividends accrued on investments at year-end that will not be deposited to the Fund until after the fiscal year.

Investment Trade Receivables

This represents investment sales that occurred on or before fiscal year-end for which cash payment will be received after fiscal year-end.

Other Assets

This represents the portion of other assets that are not classified in any other categories of assets. This account appears in our governmental fund type. Securities held in trust for companies, corporations or individuals doing business in the state as a bond investment company.

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.

Notes Payable

State of Texas Tax and Revenue Anticipation Notes are recorded at par. The bond proceeds are accounted for as an “Other Financing Source” in the Tax and Revenue Anticipation Note Fund 577 when received, and expenditures for payment of principal and interest are recorded in the Tax and Revenue Anticipation Note Fund 577 when paid.

Investment Trade Payables

This represents the liability for investment purchases that occurred on or before fiscal year-end for which cash payment will be received after fiscal year-end.

Other Liabilities

This represents unallocated depository interest accrual at fiscal year-end. This account appears in our governmental fund type.

FUND BALANCE/NET POSITION

Fund Balance/Net Position

“Fund balance” is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. “Net position” is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements.

Fund Balance Components

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

- **Non-spendable fund balance** includes amounts not available to be spent because they are either:
 - Not in spendable form
 - OR –
 - Legally or contractually required to be maintained intact.
- **Restricted fund balance** includes those resources that have constraints placed on their use through external parties — such as creditors, grantors, contributors, laws or regulations of other governments — or by law through constitutional provisions or enabling legislation.
- **Committed fund balance** can be used only for specific purposes pursuant to constraints imposed through legislation passed into law 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 the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by:
 - The Texas Legislature
 - OR –
 - 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.

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 Treasury has the following types of transactions between funds:

- (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

The composition of the agency’s Interfund activities and balances are presented in Note 12.

NOTE 2: Capital Assets

(Not Applicable)

NOTE 3: Deposits, Investments & Repurchase Agreements

All monies in funds established in the Treasury by the State Constitution or by an act of the Legislature are pooled for investment purposes. All monies of the Trust Company are invested according to Section 404.106 of the Government Code.

INVESTMENT AUTHORITY

Section 404.024 of the Government Code permits the investment of these funds in the following instruments:

1. Fully collateralized time deposits in banks and savings and loan associations domiciled in the state which have been approved by the State Depository Board to receive state deposits;
2. Direct security repurchase agreements;
3. Reverse repurchase agreements;
4. Direct obligations of, or obligations the principal and interest of which are guaranteed by the United States, its’ agencies and instrumentalities;
5. Bankers’ acceptances that: (i) are eligible for purchase by the Federal Reserve System, (ii) do not exceed 270 days to maturity, and (iii) are issued by a bank that has received the highest short-term credit rating by a nationally recognized investment firm;
6. Commercial paper that has received the highest short-term credit rating by a nationally recognized investment rating firm and does not exceed 270 days to maturity; and
7. Contracts written by the Comptroller in which the Comptroller grants the purchaser the right, for a fee, to purchase securities in the Treasury’s marketable securities portfolio at a specified price over a specified period. These contracts are commonly known as covered call options. Uncovered option trading is specifically prohibited.

No more than 20% of Treasury Pool assets may be invested in time deposits at approved state depositories.

Repurchase and reverse repurchase agreements may be entered into by the Comptroller only with state or national banks doing business in Texas or primary dealers approved by the Federal Reserve System.

There were no significant violations of legal provisions during the period.

DEPOSITS OF CASH IN BANK

Custodial Operations

As of August 31, 2024, the carrying amount and the total bank balance of deposits is presented below:

Custodial Operations	
Cash in Bank – Carrying Amount	\$ 603,672,399.64
Total Cash in Bank	<u>\$ 603,672,399.64</u>

The Trust Company’s contract with the Federal Reserve Bank permits the Trust Company to wire transfer funds for the purpose of facilitating investment transactions. Correspondingly, a minimum cash balance is maintained in the account to generate earnings credits sufficient to offset the costs of the services received. As these investment transactions occur, the Federal Reserve Bank requires that the Trust Company maintain a positive cash balance in the account intraday and at the end of the day. The Trust Company met those requirements throughout fiscal 2024.

Collateralization and Risk Categorization – In accordance with state law, all amounts deposited in financial institutions above the amounts insured by the Federal Deposit Insurance Corporation are fully collateralized by the pledging, to the Comptroller, of eligible securities valued at market, excluding accrued interest. Generally, the list of eligible securities includes all U. S. Treasury and most Agency Obligations, including certain mortgage backed securities pledged at 125%, and securities issued by state agencies and political subdivisions within the State. All securities pledged to the Comptroller must be held by a third-party custodian bank doing business in the State through a main office or one or more branches, any Federal Reserve Bank, the Texas Treasury Safekeeping Trust Company, any Federal Home Loan Bank or in the vault of Treasury Operations at the State Comptroller of Public Accounts.

Securities pledged as collateral on August 31, 2024, were categorized as follows:

Political Subdivision Securities	
<u>Moody's Investors Service Ratings</u>	<u>Percent of Collateral Pledged</u>
AAA	11.96%
AA	21.37%
A	10.18%
Subtotal	<u>43.51%</u>

U.S. Government Securities	
<u>Description</u>	<u>Percent of Collateral Pledged</u>
Federal Farm Credit Bank	1.77%
Federal Home Loan Bank Debentures	4.68%
Federal Home Mtg. Corp-Mtg. backed	0.82%
Federal Home Loan Mortgage Corp	0.70%
Federal National Mortgage Assn	0.00%
Federal National Mtg. Assn-Mtg. backed	5.10%
Government National Mortgage Assn	1.75%
Federal Home Loan Bank Letters of Credit	41.41%
U.S. Treasury Bills	0.00%
U.S. Treasury Notes and Bonds	0.26%
Subtotal	<u>56.49%</u>
TOTAL	<u>100.00%</u>

Based on an opinion letter received by the Treasury from the FDIC, it is the policy of the Treasury to collateralize bank deposits based on a collected funds basis.

During fiscal year 2024, no depository holding state funds failed.

All securities pledged to the Trust Company must be held by the Trust Company, a third-party bank that is an approved depository and approved custodian, any Federal Reserve Bank, Federal Home Loan Bank or in the vault of the Treasury. The Trust Company has contracted with financial institutions to collateralize Trust Company deposits in excess of depository insurance.

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State statute permits depository institutions to select the bank that may serve as their third-party custodian for collateral pledged by that institution to the Comptroller. These banks must be approved depositories and approved custodians with capital and surplus of \$5 million or more.

All deposits in financial institutions for Comptroller custodial operations, as of August 31, 2024, were fully secured by FDIC insurance and securities pledged to the Comptroller.

Departmental Operations

As of August 31, 2024, the carrying amount and the total bank balance of deposits is presented below:

Departmental Operations	
Governmental Funds	
Cash in Bank – Carrying Amount	\$
Total Cash in Bank per AFR	<u>\$ 0.00</u>
Governmental Funds Cash in Bank	\$
Cash in Bank per AFR	<u>\$ 0.00</u>
Governmental Funds Cash in Bank	

INVESTMENTS AND REPURCHASE AGREEMENTS

Custodial Operations

As of August 31, 2024, the fair value of investments is as presented below.

Investments for the Treasury Pool, as of August 31, 2024 are as follows:

Fair Value of Investments					
As of 08/31/2024					
Treasury Portfolio	Level 1	Level 2	Level 3	Amortized Cost	Fair Value
Investment Type					
U.S. Government Agencies	\$	\$ 2,536,275,032.65	\$	\$	\$ 2,536,275,032.65
U.S. Government Treasuries		39,940,531,545.98			39,940,531,545.98
Agency Commercial Mortgage-Backed Securities		1,068,172,108.03			1,068,172,108.03
Government Mortgage Backed Securities		5,772,440,062.80			5,772,440,062.80
Commercial paper		16,458,299,756.87			16,458,299,756.87
Repurchase Agreements (Overnight Repo)				5,500,000,000.00	5,500,000,000.00
Repurchase Agreements (Term Repo)				1,300,259,514.57	1,300,259,514.57
Supranationals/Israel Bonds		2,013,359,542.73			2,013,359,542.73
Corporate Obligations		1,973,410,159.22			1,973,410,159.22
Asset Backed Securities		6,548,951,518.42			6,548,951,518.42
Small Business Administration		52,495,858.77			52,495,858.77
Stock In Texas Trust Company			1,000,000.00		1,000,000.00
Money Market Mutual Funds	2,195,999,999.99				2,195,999,999.99
Total Treasury Pool without Lottery Securities	<u>2,195,999,999.99</u>	<u>76,363,935,585.47</u>	<u>1,000,000.00</u>	<u>6,800,259,514.57</u>	<u>85,361,195,100.03</u>
U. S. Government Agencies - Lottery - Refco		69,219,567.92			69,219,567.92
U. S. Government Agencies - Lottery - Treasury Strips		140,783,233.13			140,783,233.13
Total Investments	<u>\$ 2,195,999,999.99</u>	<u>\$ 76,573,938,386.52</u>	<u>\$ 1,000,000.00</u>	<u>\$ 6,800,259,514.57</u>	<u>\$ 85,571,197,901.08</u>

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Comptroller Treasury – Fiscal (311)

Credit risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligation. Pursuant to Government Code section 404.024(a) and (b), treasury funds may be invested in fully collateralized repurchase agreements secured by obligations of the U.S., its agencies, or Government Sponsored Enterprises (GSEs), including mortgage-backed securities of such agencies and GSEs. The Comptroller may purchase direct obligations of or obligations the principal and interest of which are guaranteed by the U.S.; and direct obligations of or obligations guaranteed by U.S. agencies or GSEs. Mortgage-backed securities are eligible for purchase except those specifically prohibited by section 404.024 (e) of the Government Code. Treasury funds may invest in commercial paper that does not exceed 270 days to maturity and that has received the highest short-term credit rating by a nationally recognized statistical rating organization or “NRSRO.” “Highest short-term credit rating” includes at least one of the following short-term credit ratings, Moody’s (P-1), Standard & Poor’s (A-1), or Fitch, Inc. (F-1). Money market funds must be rated AAAM by a NRSRO and have a weighted average maturity of 60 days or less. Treasury funds may invest in asset backed securities that are rated at least A or its equivalent by a NRSRO and that have a weighted-average maturity of five years or less, as well as corporate debt obligations that are rated at least A or its equivalent by a NRSRO and mature in five years or less from the date on which the obligations were acquired. The Treasury portfolio is rated AAAF by Standard & Poor’s. The following table lists Standard & Poor’s credit rating by investment type for the Treasury Pool securities that are subject to credit risk.

Standard & Poor's							
Fund	Investment Type	AAA	AA	A	A-1	A-2	Unrated
Treasury Portfolio	U.S. Government Agencies	\$	\$ 2,536,275,033	\$		\$	\$
Treasury Portfolio	U.S. Government Treasuries		39,940,531,546				
Treasury Portfolio	Government Mortgage Backed Securities		1,010,930,399				
Treasury Portfolio	Government Mortgage Backed Securities	57,241,709	5,772,440,063				
Treasury Portfolio	Commercial paper				16,458,299,757		
Treasury Portfolio	Repurchase Agreements (Overnight Repo)		5,500,000,000				
Treasury Portfolio	Repurchase Agreements (Term Repo)		1,300,259,515				
Treasury Portfolio	Small Business Administration		52,495,859				
Treasury Portfolio	Supranationals	1,873,359,543		140,000,000			
Treasury Portfolio	Corporate Obligations	45,662,035	1,733,095,797	134,970,327			
Treasury Portfolio	Asset Backed Securities	5,129,651,978					
Treasury Portfolio	Mutual Funds (2A 7-Like)	2,196,000,000					
Treasury Portfolio	United States Government Agencies-Refco		69,219,568				
Treasury Portfolio	United States Government - Treasury Strips		140,783,233				
Moody's							
Fund	Investment Type	AAA	AA	A	A-1	A-2	Unrated
Treasury Portfolio	Corporate Obligations	\$	\$	\$	\$	\$ 59,682,000	\$
Treasury Portfolio	Asset Backed Securities	527,060,324					892,239,216
Treasury Portfolio	Stock In Trust Company						1,000,000

Concentration of credit risk. The Comptroller places a 5 percent limit on the amount the Treasury Pool may invest in any single corporate issuer. The Treasury Pool investments did not exceed this limit at year-end.

Interest rate risk. In accordance with its investment policy, the Treasury Pool manages its exposure to interest rate risk by maintaining a weighted-average maturity of no more than two (2) years. The following schedule reflects the average modified duration (a measure of the price sensitivity of a bond to interest rate movements) of the Treasury Pool by investment type and as a whole:

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Investment Type	Modified Duration (Years)
U.S. Government Agencies	1.648
U.S. Government Treasuries	0.818
Agency commercial mortgage-backed securities	8.192
Government Mortgage Backed Securities	6.054
Commercial Paper	0.379
Repurchase Agreements (Overnight Repo)	0.008
Repurchase Agreements (Term Repo)	0.143
Small Business Administration	1.795
Supranationals	0.210
1 Corporate Obligations	2.584
Asset Backed Securities	4.977
Placement of deposits with financial institutions	2.294
Treasury Portfolio Modified Duration	0.024

Reverse Repurchase Agreements. The Treasury Pool may enter into reverse repurchase agreements for up to 35% of the pools assets. The Treasury Pool’s aggregate amount of reverse repurchase agreement obligations at August 31, 2024 was \$3,368,505.62 including accrued interest. The aggregate fair value of the securities underlying those agreements, including accrued interest, was \$3,361,193.82. The Treasury Pool’s credit exposure for reverse repurchase agreements was \$7,311.80 at August 31,2024.

Departmental Operations

As of August 31, 2024, the fair value of investments is as presented below:

Investments Measured at Net Asset Value As of 08/31/2024				
Governmental Funds	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds – Fund of funds	\$ 59,361.66	N/A	Daily, Monthly, Quarterly, Annually	1-95 days
Hedge Funds – Direct funds	490,003,366.51	N/A	Quarterly, Semi- annual, Annually	1-90 days
Domestic Alternative Investments	603,910,101.95	677,957,467.83	N/A	N/A
International Alternative Investments	24,173,517.91	9,971,808.56	N/A	N/A
Total Investments	<u>\$ 1,118,146,348.04</u>	<u>\$ 687,929,276.38</u>		
Fiduciary Funds	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds – Fund of funds	\$ 185,039.05	N/A	Daily, Monthly, Quarterly, Annually	1-95 days
Hedge Funds – Direct funds	978,274,094.56	N/A	Monthly, Quarterly, Semi- annual, Annually	1-90 days
Domestic Alternative Investments	1,526,959,196.85	779,014,928.08	N/A	N/A
International Alternative Investments	70,562,634.13	29,314,255.86	N/A	N/A
Total Investments	<u>\$ 2,575,980,964.58</u>	<u>\$ 808,329,183.94</u>		

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Investments by Fair Value Hierarchy					
As of 08/31/2024					
Governmental Funds	Level 1	Level 2	Level 3	Net Asset Value	Fair Value
Mutual Market Funds	\$ 515,470,206.16	\$	\$	\$	\$ 515,470,206.16
Mutual Funds – Global Fixed Income	9,267,815.51				9,267,815.51
Mutual Funds – Global Equities	269,244,610.55				269,244,610.55
Domestic Fixed Income	2,169,428,896.39				2,169,428,896.39
Global Equities	79,455.88	332,188,890.94			332,268,346.82
Total Return SWAP - Fixed Income	304,002.58	177,994.09			481,996.67
Total Return SWAP - Equity		113,280.39			113,280.39
Corporate Equities		1,373,145.11			1,373,145.11
Corporate Obligations	5,137,746.04	3,574,261.90	926,173.86		9,638,181.80
International Other Comingled Funds			14,255,470.42		14,255,470.42
Other Investments	8,593,205.15	2,178,510.87			10,771,716.02
Short Term Investments	2,804,822.04				2,804,822.04
Total Investments	<u>\$ 2,980,330,760.32</u>	<u>\$ 339,606,083.29</u>	<u>\$ 15,181,644.28</u>	<u>\$ 0.00</u>	<u>\$ 3,335,118,487.89</u>
Fiduciary Funds	Level 1	Level 2	Level 3	Net Asset Value	Fair Value
Mutual Market Funds	\$ 272,990,745.03	\$	\$	\$	\$ 272,990,745.03
Mutual Funds – Global Fixed Income	164,698,165.11				164,698,165.11
Mutual Funds – Global Equities	366,037,500.52				366,037,500.52
Domestic Fixed Income					
Global Equities	1,159,013.43				1,159,013.43
Total Return SWAP - Fixed Income		3,163,129.36			3,163,129.36
Total Return SWAP - Equity		2,013,103.52			2,013,103.52
Total Investments	<u>\$ 804,885,424.09</u>	<u>\$ 5,176,232.88</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 810,061,656.97</u>

Valuations are intended to be made in a manner that is consistent with the Governmental Accounting Standard Board’s (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB 72 generally requires state and local governments to measure investments at fair value with some exceptions. GASB defines an investment as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. The investment designation is made at acquisition and remains for the life of the asset. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment. Investments are categorized based on the fair value hierarchy of inputs summarized below:

- Level 1 Inputs – Quoted (unadjusted) prices in active markets for identical assets or liabilities. Examples of markets in which inputs might be observable include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.
- Level 2 Inputs – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves, implied volatilities, credit spreads; or market-corroborated inputs.
- Level 3 Inputs – Unobservable inputs for the asset or liability. They should be used only when relevant Level 1 and Level 2 inputs are unavailable. A government should develop Level 3 inputs using the best information available under the circumstances, which might include the government’s own data. It should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants. A government need not undertake exhaustive efforts to obtain information about market participant assumptions.

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Investments in private equity, real estate, and hedge funds are generally limited partner interests in the funds and reported at net asset value (“NAV”). Private Equity and Real Estate Investments; Investments are valued monthly at NAV using the latest account statements from the funds. NAV is adjusted for cash flows that occur after the date of the statements through the month-end date. Account statements are typically issued quarterly. Hedge Funds; Investments are valued monthly at NAV using the current monthly account statements from the funds; If a current monthly account statement is unavailable, the value is calculated by using the estimated monthly return from the fund. Once a statement is received, the value is adjusted to reflect the NAV from the statement adjusted for cash flows that occur after the statement date. Mutual Funds; Investments are valued daily or monthly, as appropriate, at NAV per share. Exchange Traded Funds (“ETF”s); Investments are valued daily using electronic feeds from pricing vendors.

Credit Risk. Corporate obligations must be rated investment grade by at least one NRSRO and not rated below investment grade by any NRSRO. Short-term securities must be rated in the highest rating category by an NRSRO. The average quality rating of the high-yield fixed income portfolio shall be B1/B+ or higher. All high-yield securities when purchased must be rated at least CCC. The following schedule lists Standard & Poor’s credit rating by investment type for the Endowment Fund securities that are subject to credit risk. The high-yield securities not rated by Standard & Poor’s are rated Ba or B by Moody’s. The investments in the short-term investment fund are investments in State Street’s Institutional Liquid Reserve fund which is rated AAA by Standard & Poor’s.

Standard & Poor's			
Fund Type	Investment Type	AAA	Unrated
02	Mutual Funds – Global Fixed Income	\$	\$ 8,539,861.29
02	Investments in Short-Term Investment Fund	8,541,937.50	
19	Mutual Funds – Global Fixed Income		253,132,388.81
19	Investments in Short-Term Investment Fund	506,928,268.65	
20	Mutual Funds – Global Fixed Income		164,698,165.11
20	Investments in Short Term Investment Fund	272,990,745.03	

Concentration Risk. Excluding securities issued or guaranteed by the U.S. Government, its agencies, instrumentalities, and GSE’s, no more than 5 percent of the portfolio at the time of purchase, shall be invested in securities of one issuer.

Interest Rate Risk. The endowment funds do not have a formal investment policy that limits investment maturities. The following schedule reflects the average effective duration of the Endowment Funds by investment type. The investments in the securities lending cash collateral pool and the short-term investment fund use a weighted average maturity to reflect the interest rate risk.

Investment Type	Effective Duration (Years)
Mutual Funds – Global Fixed Income	5.10
Investment Type	Weighted Average Maturity (Days)
Investments in Short-Term Investment Fund	46

Foreign Currency Risk. The endowment funds do not have a formal investment policy that limits foreign currencies. The endowment funds exposure to foreign currency risk derives from its position in foreign currency-denominated investment in Alternative Investments.

Fair Market Value			
As of August 31, 2024			
Fund Type	Foreign Currency	Alternative Investments International	Other Investments
02	Euro	\$ 2,277,371.89	\$ 2,453,242.97
19	Euro	21,896,146.01	-
20	Euro	70,562,634.13	-
Total		<u>\$ 94,736,152.03</u>	<u>\$ 2,453,242.97</u>

Marketable Securities – All United States Treasury and Agency Securities owned by the Comptroller are held in the Trust Company’s book-entry account at the San Antonio Branch of the Federal Reserve Bank of Dallas where they are delivered versus payment. All bankers’ acceptances and commercial paper are held by the State’s agent in the State’s name. A safe-keeping receipt is issued to the State acknowledging delivery.

Investment in the Trust Company – Section 404.105 of the Government Code authorizes the investment of state funds in the Trust Company. Through an order of the State Depository Board, dated Oct. 31, 1986 the Comptroller has invested \$1,000,000 in the Trust Company. These funds are invested by the Trust Company in obligations authorized by law for the investment of funds held and managed by the Comptroller. Any net earnings attributable to this investment are credited and allocated annually to the Comptroller. The Trust Company’s total contributed capital consists of one share of no-par common stock for \$1,000,000 owned by the Comptroller. One share was authorized and issued.

NOTE 4: Short-Term Debt

Pursuant to Subchapter H of Chapter 404 of the Texas Government Code, the Comptroller is authorized to issue, sell, and deliver Tax and Revenue Anticipation Notes (TRAN) on behalf of the State. The TRAN are valid and binding obligations of the State, payable in accordance with the terms of the Comptroller’s TRAN order. The TRAN are payable from transfers from the General Revenue Fund to a payment account.

For Fiscal Year 2024, the State Comptroller announced that the state did not issue State of Texas Tax and Revenue Anticipation Notes.

NOTE 5: Long-Term Liabilities

(Not Applicable)

NOTE 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivative Instruments

Derivatives are financial instruments whose value is derived, in whole or part, from the value of any one of more underlying securities or assets, or index of securities or assets, such as stocks, bonds, commodities, or currencies. The Endowment funds use derivatives as part of the portfolio hedging and overlays program. The objective of the program is to facilitate risk management and provide efficiency in the implementation of various investment strategies. Permitted applications of the portfolio hedging and overlays program are to implement strategies in a low cost and efficient manner; to hedge and control risks; to alter the Funds’ market (systemic) exposure without trading the underlying cash market securities; to construct portfolios with risk and return characteristics that could not be created with cash market securities; or to facilitate transition trading.

Through the use of derivatives, the risks that are bound together in traditional cash market investments can be separated and managed independently. The primary intent of the Fund’s investment in derivative instruments is to management and implement investment strategies more effectively and at a lower cost than would be possible in the cash market. To achieve these purposes, the Fund used futures and swaps during fiscal year 2024. All the Fund’s derivative instruments are considered investment derivatives and therefore are measured and reported at fair value.

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The fair value, changes in fair value, and notional value of the Fund’s derivatives investments, classified by derivative type, are displayed in the following table as of August 31, 2024.

Derivative Instruments					
As of 08/31/2024					
	<u>Changes in Fair Value</u>		<u>Fair Value as of August 31, 2024</u>		Notional Amount
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Governmental Activities					
<i>Investment Derivatives</i>					
Total Return Swaps	Investment Revenue	\$ 1,807,966.89	Investment	\$ 291,274.47	\$ 12,482,900.61
Futures	Investment Revenue	\$ 0.00		\$ 0.00	\$ 0.00
Fiduciary Activities					
<i>Investment Derivatives</i>					
Total Return Swaps	Investment Revenue	\$ 40,913,401.46	Investment	\$ 5,176,232.88	\$ 221,833,378.46
Futures	Investment Revenue	\$ 0.00		\$ 0.00	\$ 0.00

NOTE 8: Leases

(Not Applicable)

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

(Not Applicable)

NOTE 10: Deferred Compensation (administering agencies only)

(Not Applicable)

NOTE 11: Post-employment Benefits Other Than Pensions

(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, amounts received or paid are reported as:

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

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Individual balances and activity at August 31, 2024, are as follows:

August 31, 2024	Transfers In	Transfers Out	Purpose
SPECIAL REVENUE (02)			
Appd Fund 0823, Fund 0823 (Agency 781, Fund 0823)	\$	\$ 1,304,557.85	Distribution
Appd Fund 0824, Fund 0824 (Agency 781, Fund 0824)		2,023,851.88	Distribution
Appd Fund 0825, Fund 0825 (Agency 781, Fund 0825)		1,125,274.48	Distribution
PERMANENT (19)			
Appd Fund 5047, Fund 5047 (Agency 551 Fund 5047)		1,971,935.12	Distribution
Appd Fund 5048, Fund 5048 (Agency 537, Fund 5048)		984,758.74	Distribution
PRIVATE PURPOSE (20)			
Appd Fund 0872, Fund 0872 (Agency 902, Fund 2872)		89,005,958.00	Distribution
Total Transfers	<u>\$ 0.00</u>	<u>\$ 96,416,336.07</u>	

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balance/Net Position

(Not Applicable)

NOTE 15: Contingencies and Commitments

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

(Not Applicable)

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

(Not Applicable)

NOTE 19: The Financial Reporting Entity

(Not Applicable)

NOTE 20: Stewardship, Compliance and Accountability

(Not Applicable)

NOTE 21: N/A to the AFR

(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: Deferred Outflows of Resources and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Troubled Debt Restructuring

(Not Applicable)

NOTE 30: Non-Exchange Financial Guarantees

(Not Applicable)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Government Fund Balances

(Not Applicable)

NOTE 33: Cigarette Tax Recovery Trust Fund

The Cigarette Stamp Tax Recovery Trust Fund (the “Trust Fund”) was created pursuant to Section 154.051 of the Texas Tax Code. On September 1, 1987, the Trust Fund replaced surety/payments bonds as a source of security for the State’s extension of credit to purchasers of cigarette tax stamps. The Trust Fund is maintained outside Treasury. The Trust Fund operates much like a self-insurance pool in that distributors deposit 20% of their desired line credit. The pool of deposits insures the State from loss in the event of default by any distributors. The distributors determine their respective level of participation.

NOTE 34: Texas Treasury Safekeeping Trust Company

The Texas Treasury Safekeeping Trust Company (Texas Trust) was incorporated as a special-purpose trust company as outlined within section 404.102 of the Government Code. The purposes of the Texas Trust are to provide a means for the Comptroller to obtain direct access to services provided by the Federal Reserve System and to enable the Comptroller to manage, disburse, transfer, safe keep, and invest funds and securities more efficiently, economically and in accordance with the applicable governing investment guidelines.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

UNAUDITED
Comptroller Treasury – Fiscal (311)

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT A-1

Balance Sheet – All General and Consolidated Funds

August 31, 2024

	General Revenue Fund (0001) U/F (1900)	Departmental Suspense Fund (0900) U/F (0900)	Bond and Investment Companies Trust Account Fund (0908) U/F (0908)	Total (Ex I)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank	\$	\$	\$	\$
Cash in State Treasury		2,339,312.62		2,339,312.62
Overnight Repurchase Agreement				
Receivables From:				
Interest				
Trades				
Due From Other Agencies	51,826.76			51,826.76
Other Assets			25,000,000.00	25,000,000.00
Non-Current Assets:				
Investments				
Total Assets	\$ 51,826.76	\$ 2,339,312.62	\$ 25,000,000.00	\$ 27,391,139.38
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$	\$	\$	\$
Trades Payable				
Due to Other Agencies				
Other Liabilities	51,826.76	(426,667.82)	25,000,000.00	24,625,158.94
Total Liabilities	51,826.76	(426,667.82)	25,000,000.00	24,625,158.94
FUND FINANCIAL STATEMENT –				
FUND BALANCES				
Fund Balances (Deficits):				
Restricted				
Committed				
Unassigned		2,765,980.44		2,765,980.44
Total Fund Balances	0.00	2,765,980.44	0.00	2,765,980.44
Total Liabilities and Fund Balances	\$ 51,826.76	\$ 2,339,312.62	\$ 25,000,000.00	\$ 27,391,139.38

UNAUDITED
Comptroller Treasury – Fiscal (311)

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, 2024

	General Revenue Fund (0001) U/F (1900)	Departmental Suspense Fund (0900) U/F (0900)	Bond and Investment Companies Trust Account Fund (0908) U/F (0908)	Total (Ex II)
REVENUES				
Interest and Other Investment Income	\$	\$	\$	\$
Net Increase (Decrease) in Fair Value			24,175,000.00	24,175,000.00
Other Revenue		2,983,801.31		2,983,801.31
Total Revenues	0.00	2,983,801.31	24,175,000.00	27,158,801.31
EXPENDITURES				
Professional Fees and Services				
Travel				
Interest				
Information Technology Service				
Purchased Contracted Service				
Rentals and Leases				
Prompt Payment Interest				
Fees and other charges				
Other Expenses		5,416,396.54		5,416,396.54
Total Expenditures/Expenses	0.00	5,416,396.54	0.00	5,416,396.54
Excess (Deficiency) of Revenues				
Over Expenditures	0.00	(2,432,595.23)	24,175,000.00	21,742,404.77
OTHER FINANCING SOURCES (USES)				
Transfer In				
Transfers Out				
Total Other Financing Sources and Uses	0.00	0.00	0.00	0.00
Net Change in Fund Balances/Net Assets	0.00	(2,432,595.23)	24,175,000.00	21,742,404.77
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances, September 1, 2023		4,771,907.85	825,000.00	5,596,907.85
Restatements				
Fund Balances, September 1, 2023, as Restated	0.00	4,771,907.85	825,000.00	5,596,907.85
Fund Balances – August 31, 2024	\$ 0.00	\$ 2,339,312.62	\$ 25,000,000.00	\$ 27,339,312.62

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT B-1

Combining Balance Sheet – Special Revenue Funds

August 31, 2024

	Permanent Endowment Fund-Baylor College of Medicine (0823) U/F (2823)	Permanent Fund for Higher Education Nursing, Allied Health and Other Health Related Programs (0824) U/F (2824)	Permanent Fund Minority and Research Education Fund (0825) U/F (2825)	Cigarette Stamp Tax Recovery Trust Fund Fund (9999) U/F (3000)	Totals (Ex 1)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in Bank	\$	\$	\$	\$	\$
Cash in State Treasury					
Securities Lending Collateral					
Short Term Investments	2,804,822.04	5,489,523.00	3,052,414.50	31,985,290.80	43,332,050.34
Receivables From:					
Interest and Dividends		23,982.15	13,335.12	4,690.49	42,007.77
Trade Receivables					
Due From Other Agencies					
Total Current Assets	2,804,822.04	5,513,505.15	3,065,749.62	31,989,981.29	43,374,058.11
Non-Current Assets:					
Investments	36,038,513.37	61,210,568.37	34,035,558.82		131,284,640.56
Total Noncurrent Assets	36,038,513.37	61,210,568.37	34,035,558.82	0.00	131,284,640.56
Total Assets	\$38,843,335.41	\$66,724,073.52	\$37,101,308.45	\$31,989,981.29	\$174,658,698.67
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current Liabilities:					
Payables From:					
Accounts Payable	\$	\$ 65,280.50	\$ 36,299.01	\$	\$ 101,579.50
Trade Payable					
Interest Payable		20,665.95	11,491.23		32,157.19
Futures Contracts at Fair Value					
Swaps at Fair Value					
Total Current Liabilities	0.00	85,946.45	47,790.24	0.00	133,736.69
Total Liabilities	\$ 0.00	\$ 85,946.45	\$ 47,790.24	\$ 0.00	\$ 133,736.69
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances (Deficits):					
Unreserved/Designated for:					
Restricted					
Committed	\$ 38,843,335.41	\$ 66,638,127.07	\$ 37,053,518.21	\$ 31,989,981.29	\$ 174,524,961.98
Total Fund Balances	38,843,335.41	66,638,127.07	37,053,518.21	31,989,981.29	174,524,961.98
Total Liabilities and Fund Balances	\$38,843,335.41	\$66,724,073.52	\$37,101,308.45	\$31,989,981.29	\$174,658,698.67

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT B-2

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

For the Fiscal Year Ended August 31, 2024

	Permanent Endowment Fund-Baylor College of Medicine (0823) U/F (2823)	Permanent Fund for Higher Education Nursing, Allied Health and Other Health Related Programs (0824) U/F (2824)	Permanent Fund Minority and Research Education Fund (0825) U/F (2825)	Cigarette Stamp Tax Recovery Trust Fund Fund (9999) U/F (3000)	Totals (Ex II)
REVENUES					
Interest and Other Investment Income	\$ 1,711,788.80	\$ 903,838.46	\$ 502,454.52	\$ 1,823,916.01	\$ 4,941,997.79
Income from Securities Lending					
Net Increase (Decrease) in Fair Value	<u>25,498.33</u>	<u>4,424,089.55</u>	<u>2,460,406.72</u>	<u>1,823,916.01</u>	<u>6,909,994.60</u>
Total Revenues	<u>1,737,287.13</u>	<u>5,327,928.01</u>	<u>2,962,861.24</u>	<u>1,823,916.01</u>	<u>11,851,992.39</u>
EXPENDITURES					
Professional Fees and Services	439,111.39	120,605.26	67,061.44		626,778.09
Fees and Other Charges				90,566.03	90,566.03
Total Expenditures/Expenses	<u>439,111.39</u>	<u>120,605.26</u>	<u>67,061.44</u>	<u>90,566.03</u>	<u>717,344.12</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,298,175.74</u>	<u>5,207,322.75</u>	<u>2,895,799.81</u>	<u>1,733,349.98</u>	<u>11,134,648.27</u>
OTHER FINANCING SOURCES (USES)					
Contributions				14,056,910.16	14,056,910.16
Distributions	(1,304,557.85)	(2,023,851.88)	(1,125,274.48)	(17,457,194.10)	(21,910,878.31)
Total Other Financing Sources and Uses	<u>(1,304,557.85)</u>	<u>(2,023,851.88)</u>	<u>(1,125,274.48)</u>	<u>(3,400,283.94)</u>	<u>(7,853,968.15)</u>
Net Change in Fund Balances/Net Assets	<u>(6,382.11)</u>	<u>3,183,470.87</u>	<u>1,770,525.33</u>	<u>(1,666,933.96)</u>	<u>3,280,680.12</u>
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances, September 1, 2023	38,849,717.52	63,454,656.20	35,282,925.45	33,656,915.25	171,244,214.42
Restatements					
Fund Balances, September 1, 2023, as Restated	<u>38,849,717.52</u>	<u>63,454,656.20</u>	<u>35,282,925.45</u>	<u>33,656,915.25</u>	<u>171,244,214.42</u>
Fund Balances – August 31, 2024	<u>\$ 38,843,335.41</u>	<u>\$ 66,638,127.07</u>	<u>\$ 37,053,450.78</u>	<u>\$ 31,989,981.29</u>	<u>\$ 174,524,894.54</u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT E-1

Combining Balance Sheet – Permanent Funds

August 31, 2023

	Texas University Fund Consolidated (0214) U/F (0214)	Permanent Fund for Rural Health Facility Capital Improvement Fund (5047) U/F (5047)	Permanent Fund for Community Hospital Capital Improvement Fund (5048) U/F (5048)	Totals (Ex I)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in Bank	\$	\$	\$	\$
Cash in State Treasury				
Securities Lending Collateral				
Short Term Investments	498,913,182.56	5,348,705.94	2,666,380.15	506,928,268.65
Receivables From:				
Interest and Dividends	4,758,885.06	23,366.97	11,648.75	4,793,900.78
Trade Receivables				
Total Current Assets	<u>503,672,067.62</u>	<u>5,372,072.91</u>	<u>2,678,028.90</u>	<u>511,722,169.43</u>
Non-Current Assets:				
Investments	3,714,301,747.17	59,645,198.32	29,758,221.69	3,803,705,167.18
Total Noncurrent Assets	<u>3,714,301,747.17</u>	<u>59,645,198.32</u>	<u>29,758,221.69</u>	<u>3,803,705,167.18</u>
Total Assets	<u>\$ 4,217,973,814.79</u>	<u>\$ 65,017,271.23</u>	<u>\$ 32,436,250.59</u>	<u>\$ 4,315,427,336.61</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ 1,536,572.48	\$ 63,600.97	\$ 31,664.25	\$ 1,631,837.70
Trade Payable				
Interest Payable		20,134.26	10,024.00	30,158.26
Futures Contracts at Fair Value				
Swaps at Fair Value				
Total Current Liabilities	<u>1,536,572.48</u>	<u>83,735.23</u>	<u>41,688.25</u>	<u>1,661,995.96</u>
Total Liabilities	<u>1,536,572.48</u>	<u>83,735.23</u>	<u>41,688.25</u>	<u>1,661,995.96</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances (Deficits):				
Unreserved/Designated for:				
Restricted				
Committed	4,216,437,242.31	64,933,536.00	32,394,562.34	4,313,765,340.65
Total Fund Balances	<u>4,216,437,242.31</u>	<u>64,933,536.00</u>	<u>32,394,562.34</u>	<u>4,313,765,340.65</u>
Total Liabilities and Fund Balances	<u>\$ 4,217,973,814.79</u>	<u>\$ 65,017,271.23</u>	<u>\$ 32,436,250.59</u>	<u>\$ 4,315,427,336.61</u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT E-2

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

For the Fiscal Year Ended August 31, 2023

	Texas University Fund Consolidated (0214) U/F (0214)	Permanent Fund for Rural Health Facility Capital Improvement Fund (5047) U/F (5047)	Permanent Fund for Community Hospital Capital Improvement Fund (5048) U/F (5048)	Totals (Ex II)
REVENUES				
Interest and Other Investment Income	\$ 75,741,431.69	\$ 880,746.25	\$ 440,693.59	\$ 77,062,871.53
Income from Securities Lending				
Net Increase (Decrease) in Fair Value	<u>274,617,614.57</u>	<u>4,312,506.40</u>	<u>2,160,043.21</u>	<u>281,090,164.17</u>
Total Revenues	<u>350,359,046.26</u>	<u>5,193,252.65</u>	<u>2,600,736.80</u>	<u>358,153,035.71</u>
EXPENDITURES				
Professional Fees and Services	7,140,825.05	117,521.28	58,638.19	7,316,984.51
Borrower Rebate and Agent Fees				
Total Expenditures/Expenses	<u>7,140,825.05</u>	<u>117,521.28</u>	<u>58,638.19</u>	<u>7,316,984.51</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>343,218,221.21</u>	<u>5,075,731.37</u>	<u>2,542,098.61</u>	<u>350,836,051.19</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
Contributions	3,000,000,000.00			
Distributions		(1,971,935.12)	(984,758.74)	(2,956,693.86)
Total Other Financing Sources and Uses	<u>3,000,000,000.00</u>	<u>(1,971,935.12)</u>	<u>(984,758.74)</u>	<u>(2,956,693.86)</u>
Net Change in Fund Balances/Net Assets	<u>3,343,218,221.21</u>	<u>3,103,796.25</u>	<u>1,557,339.87</u>	<u>347,879,357.33</u>
FUND FINANCIAL STATEMENT –				
FUND BALANCES				
Fund Balances, September 1, 2023	873,219,021.10	61,829,739.75	30,837,222.47	965,885,983.32
Restatements				
Fund Balances, September 1, 2023, as Restated	<u>873,219,021.10</u>	<u>61,829,739.75</u>	<u>30,837,222.47</u>	<u>965,885,983.32</u>
Fund Balances – August 31, 2024	<u>\$ 4,216,437,242.31</u>	<u>\$ 64,933,536.00</u>	<u>\$ 32,394,562.34</u>	<u>\$ 1,313,765,340.65</u>

Note (A) Fund 0214: The distributions reported here were actually processed under Agency 902-Comptroller-Fiscal in the Uniform Statewide Accounting System (USAS). The distributions are reported here to report the Fund Balance for the fund.

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT I-1

**Combining Statement of Fiduciary Net Position –
Private-Purpose Trust Funds**

August 31, 2024

	Tobacco Settlement Permanent Trust Fund (0872) U/F (0872)	Totals (Ex VI)
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in Bank	\$	\$
Securities Lending Collateral		
Short Term Investments (Note 3)		
Other Short Term Investments	272,990,745.04	272,990,745.04
Investments (Note 3)		
U.S. Government and Agency Obligations		
Corporate Equity	1,159,013.43	1,159,013.43
Corporate Obligations		
Foreign Securities	70,562,634.13	70,562,634.13
Other Investments	3,041,330,228.97	3,041,330,228.97
Receivables From:		
Interest and Dividends	1,192,061.87	1,192,061.87
Trade Receivables		
Due From Other Fund		
Total Assets	<u>3,387,234,683.43</u>	<u>3,387,234,683.43</u>
LIABILITIES		
Payables:		
Accounts Payable	3,498,123.56	3,498,123.56
Trade Payable		
Interest Payable	1,107,406.64	1,107,406.64
Due To Other Agencies		
Obligations/Securities Lending		
Swaps at Fair Value		
Total Liabilities	<u>4,605,530.20</u>	<u>4,605,530.20</u>
NET ASSETS		
Held in Trust for:		
Individuals, Organizations, and Other Governments	3,382,629,153.23	3,382,629,153.23
Total Net Position	<u>\$ 3,382,629,153.23</u>	<u>\$ 3,382,629,153.23</u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

EXHIBIT I-2

Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds

For the Fiscal Year Ended August 31, 2024

	Tobacco Settlement Permanent Trust Fund (0872) U/F (0872)	Total (Ex VII)
ADDITIONS		
Investment Income:		
From Investing Activities:		
Net Appreciation (Depreciation) in		
Fair Value of Investments	\$ 231,871,856.92	\$ 231,871,856.92
Interest and Investment Income	43,693,047.26	43,693,047.26
Total Investing Income (Loss)	275,564,904.18	275,564,904.18
Less Investing Activities Expense		
Net Income from Investing Activities	275,564,904.18	275,564,904.18
From Securities Lending Activities:		
Securities Lending Income		
Less Securities Lending Expense:		
Borrower Rebates and Agent Fees		
Net Income from Securities Lending Activities	0.00	0.00
Total Net Investment Income (Loss)	275,564,904.18	275,564,904.18
Total Additions	275,564,904.18	275,564,904.18
DEDUCTIONS		
Transfers Out	89,005,958.00	89,005,958.00
Professional Fees and Services	6,108,324.95	6,108,324.95
Total Deductions	95,114,282.95	95,114,282.95
INCREASE (DECREASE) IN NET POSITION	180,450,621.23	180,450,621.23
NET POSITION		
Net Position September 1, 2023	3,202,178,532.00	3,202,178,532.00
Restatements		
Net Position September 1, 2023, as Restated	3,202,178,532.00	3,202,178,532.00
Net Position August 31, 2024	\$ 3,382,629,153.23	\$ 3,382,629,153.23

SUPPLEMENTARY SCHEDULES

UNAUDITED
Comptroller Treasury – Fiscal (311)

UNAUDITED
Comptroller Treasury – Fiscal (311)

SCHEDULE 1

Balance Sheet – Arising from Custodial Operations

August 31, 2024

(With Comparative Totals for August 31, 2023)

	August 31, 2024	August 31, 2023
ASSETS		
Cash		
Cash on Hand		
Cash in Vault	\$ 159,845.24	\$ 134,038.71
Checks Returned by State Depositories	(761,308.62)	926,545.37
Total Cash Items on Hand	<u>(601,463.38)</u>	<u>1,060,584.08</u>
State Funds and Suspense and Trust		
Accounts in Depositories Banks		
Demand Accounts	18,813,779.68	28,011,177.25
Called Money in Bank	(8,630.04)	
Time Accounts and Bid TX	584,867,250.00	460,799,000.00
Total Cash in State Depositories	<u>603,672,399.64</u>	<u>488,810,177.25</u>
Cash in TTSTC Treasury Fed Acct.		
	1,402,094.76	934,904.59
Total Cash in State Depositories and TTSTC Treasury Fed Acct.	<u>605,074,494.40</u>	<u>489,745,081.84</u>
Total Cash on Hand and In Banks		
	604,473,031.02	490,805,665.92
Total Trust Funds on Deposit with U.S. Treasury Unemployment Trust Fund	1,700,714,811.72	2,378,693,460.36
Total Cash	<u>2,305,187,842.74</u>	<u>2,869,499,126.28</u>
Investment In Texas Treasury Safekeeping Trust Company	<u>1,000,000.00</u>	<u>1,000,000.00</u>
Short-Term Investments		
United States Government Securities	24,349,731,221.59	39,168,003,476.90
Commercial Paper	16,458,299,756.87	10,312,955,990.88
Money Market Funds	2,195,999,999.99	6,269,851,696.79
Repo Term	1,300,259,514.57	
Repurchase Agreements	5,500,000,000.00	7,900,000,000.00
Total Short-Term Investments	<u>49,804,290,493.02</u>	<u>63,650,811,164.57</u>
Long-Term Investments		
United States Government Securities	18,107,330,216.55	10,537,242,473.12
Government Mortgage Backed Securities	5,772,440,062.80	3,625,674,302.42
Asset backed Securities	6,548,951,518.42	5,480,184,403.49
Agency Commercial Mortgage Back Securities	1,068,172,108.03	760,096,143.33
Corporate Obligations	1,973,410,159.22	2,378,944,651.30
Supranational (includes Israel Bonds)	2,013,359,542.73	2,906,093,315.64
SBA's	52,495,858.77	4,092,436.80
United States Government Securities – Lottery	210,002,801.05	240,744,779.00
Total Long-Term Investments	<u>35,746,162,267.57</u>	<u>25,933,072,505.10</u>
Securities Held in Trust – Both Corporate and Governmental		
State Funds Investment Accounts	13,995,000.00	15,625,000.00
Bonds and Securities Pledged to Guarantee State Depositories' Deposits	1,448,319,521.00	1,242,738,343.00
Other Securities Pledged under Statutory Requirements	542,821,495.35	515,987,864.09
Total Securities Held in Trust – Both Corporate and Governmental	<u>2,005,136,016.35</u>	<u>1,774,351,207.09</u>
Accounts Receivable		
Interest and Dividend Receivable	<u>360,642,034.94</u>	<u>128,304,593.68</u>
Total Assets – Arising From Custodial Operations	<u>\$ 90,222,418,654.62</u>	<u>\$ 94,357,038,596.72</u>

Concluded on the following page

UNAUDITED
Comptroller Treasury – Fiscal (311)

SCHEDULE 1 (concluded)

Balance Sheet – Arising from Custodial Operations

August 31, 2024

(With Comparative Totals for August 31, 2023)

	<u>August 31, 2024</u>	<u>August 31, 2023</u>
LIABILITIES AND ACCOUNTABILITY		
Liabilities		
Accounts Payable – Warrants Outstanding – State Funds and		
Suspense and Trust Accounts	\$ 1,196,541,679.64	\$ 822,562,084.23
Obligations under Reverse Repurchase Agreements	3,368,457.50	3,137,245.00
Pending Purchases	1,740,844.58	
Options Written, at Fair Value		
Interest Payable	48.12	22.76
Total Liabilities	<u>1,201,651,029.84</u>	<u>825,699,351.99</u>
Accountability		
Available Cash Balance and Investments:		
State Funds and Suspense and Trust Accounts	85,104,913,995.66	89,137,549,798.28
Fund 0895 Lottery Prize Trust Fund	210,002,801.05	240,744,779.00
Total Available Cash Balances and Investments	<u>85,314,916,796.71</u>	<u>89,378,294,577.28</u>
Trust Account – Unemployment Trust Fund	1,700,714,811.72	2,378,693,460.36
State Fund Investments	13,995,000.00	15,625,000.00
Trust Fund Securities:		
Collateral of Deposits	1,448,319,521.00	1,242,738,343.00
Pledged under Statutory Requirements	542,821,495.35	515,987,864.09
Total Trust Fund Securities	<u>1,991,141,016.35</u>	<u>1,758,726,207.09</u>
Total Accountability	<u>89,020,767,624.78</u>	<u>93,531,339,244.73</u>
Total Liabilities and Accountability – Arising from Custodial Operations	<u>\$ 90,222,418,654.62</u>	<u>\$ 94,357,038,596.72</u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

SCHEDULE 2

Comparative Summary of Securities Held For State Investment Accounts

For the Fiscal Year Ended August 31, 2024

(With Comparative Memorandum Totals for the Fiscal Year Ended August 31, 2023)

	<u>Percent</u>	<u>2024</u>	<u>2023</u>	<u>Increase- (Decrease)</u>
BY CATEGORY				
Texas Water Development Board Funds				
Texas Water Resource Finance Authority Fund No. 0751		\$	\$	\$
Total Water Resources Funds		<u>0</u>	<u>0</u>	<u>0</u>
Other Funds				
T.P.F.A.G.O. Refunding Bonds (TMVLRP) No. 7065		13,995,000	15,625,000	(1,630,000)
Total Other Funds		<u>13,995,000</u>	<u>15,625,000</u>	<u>(1,630,000)</u>
Total All Funds		<u>\$ 13,995,000</u>	<u>\$ 15,625,000</u>	<u>\$ (1,630,000)</u>
BY TYPE OF SECURITY				
School Districts, Junior College Districts, Cities, Counties and District Bonds	<u>100.00%</u>	\$ 13,995,000	\$ 15,625,000	\$ (1,630,000)
Totals	<u>100.00%</u>	<u>\$ 13,995,000</u>	<u>\$ 15,625,000</u>	<u>\$ (1,630,000)</u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

SCHEDULE 3

**Summary of Collateral Securities Pledged by
State Depositories for All Types of Deposits**

For the Fiscal Year Ended August 31, 2024

	<u>PAR Value</u>	<u>Market Value</u>
BY LOCATION		
In Custody Texas Treasury Safekeeping Trust Company:		
Demand and Time Accounts	\$	\$
Total Held by Texas Treasury Safekeeping Trust Company	<u>0</u>	<u>0</u>
In Vaults of Trustee Banks:		
Demand and Time Accounts:		
Clearing Banks	13,045,000	8,589,000
Other Banks	<u>1,105,974,521</u>	<u>578,405,000</u>
Total in Vaults of Trustee Banks	<u>1,119,019,521</u>	<u>586,994,000</u>
Letters of Credit held by Texas Comptroller	329,300,000	329,300,000 A
Total Pledged Collateral	<u>\$ 1,448,319,521</u>	<u>\$ 916,294,000 B</u>
BY FUND		
Time Depository Bonds Guaranty Account Fund No. 0910	<u>\$ 1,448,319,521</u>	<u>\$ 916,294,000</u>
Total Pledged Collateral	<u>\$ 1,448,319,521</u>	<u>\$ 916,294,000</u>

Note A: 24 FHLB Letters of Credit from 10 Depositories

Note B: These amounts are exclusive of Federal Deposit Insurance Corporation Coverage

UNAUDITED
Comptroller Treasury – Fiscal (311)

SCHEDULE 4

Summary of Pledges Under Statutory Requirements

For the Fiscal Year Ended August 31, 2024

Agency No.	Trust Fund No.	Agency/Fund Name	Securities Pledged
454	0893	TEXAS DEPARTMENT OF INSURANCE: Texas Worker's Compensation Self Insurance Trust Account	\$ 306,315,691
311	0908	TREASURY OPERATIONS Bond and Investment Companies Account	25,000,000
454	0921	TEXAS DEPARTMENT OF INSURANCE: Life, Health, Accident and Casualty Insurance Companies Account	127,098,500
320	0936	TEXAS WORKFORCE COMMISSION: Unemployment Compensation Clearance Account	244
405	0940	TEXAS DEPARTMENT OF PUBLIC SAFETY: Motor Vehicle Proof of Responsibility Account	3,506,148
537	5096	DEPARTMENT OF STATE HEALTH SERVICES: GR – Perpetual Care	<u>80,900,911</u>
TOTALS			<u><u>\$ 542,821,495</u></u>

UNAUDITED
Comptroller Treasury – Fiscal (311)

Texas Treasury
Safekeeping Trust Company (930)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT I

Combined Statement of Net Position – Proprietary Fund

August 31, 2024

	Total Proprietary Funds Fund (1004)(9999) U/F (1004)(1050)
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash in Bank	\$ 10,052,432.06
Cash in State Treasury	1,377,210.69
Restricted Cash in Bank	347,666.00
Investments in Repurchase Agreements	79,643,627.32
Restricted Investment	617,201.15
Receivables from:	
Management Fees	3,230,422.52
Interest	16,184.77
Other	38,705.00
Prepaid Expenses	1,657,022.75
Total Current Assets	96,980,472.26
Non-Current Assets:	
Capital Assets:	
Depreciable or Amortizable, Net	6,110,774.66
Total Non-Current Assets	6,110,774.66
Total Assets	103,091,246.92
LIABILITIES	
Current Liabilities:	
Payables from:	
Accounts Payable	15,683,878.51
Payroll Payable	5,202,350.24
Interest Payable	91,711.14
Subscription Liability (Note 5)	4,021,151.81
Employees' Compensable Leave (Note 5)	828,248.37
Total Current Liabilities	25,827,340.07
Non-Current Liabilities:	
Subscription Liability (Note 5)	73,363.03
Employees' Compensable Leave (Note 5)	642,956.09
Total Non-Current Liabilities	716,319.12
Total Liabilities	26,543,659.19
NET POSITION	
Invested in Capital Assets, Net of Related Debt	6,110,774.66
Unrestricted	70,436,813.07
Total Net Position	\$ 76,547,587.73

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

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT II

Combined Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund

For the Fiscal Year Ended August 31, 2024

	Total Proprietary Funds Fund (1004)(9999) U/F (1004)(1050)
OPERATING REVENUES	
Operating Revenues – Management Fees	\$ 30,210,814.33
Total Operating Revenues	<u>30,210,814.33</u>
OPERATING EXPENSES	
Salaries and Wages	14,717,881.80
Payroll Related Costs	3,114,721.75
Professional Fees and Services	7,554,149.68
Travel	131,791.19
Materials and Supplies	803,867.30
Communication and Utilities	925,495.20
Repairs and Maintenance	1,071,426.80
Rentals and Leases	10,815.26
Printing and Reproduction	25,534.10
Depreciation and Amortization	3,967,988.97
Other Operating Expenses	843,671.62
Total Operating Expenses	<u>33,167,343.67</u>
Operating Income (Loss)	<u>(2,956,529.34)</u>
NONOPERATING REVENUE (EXPENSES)	
Investment Income	4,024,301.97
Interest Expense	(135,084.41)
Total Nonoperating Revenues (Expenses)	<u>3,889,217.56</u>
Income (loss) before Other Revenues, Expenses, Gains/Losses and Transfers	<u>932,688.22</u>
Change in Net Position	<u>932,688.22</u>
Net Position, September 1, 2023	75,581,929.96
Restatements (Note 14)	<u>32,969.55</u>
Net Position, September 1, 2023, as Restated	75,614,899.51
Total Net Position, August 31, 2024	<u>\$ 76,547,587.73</u>

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

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT III

Combined Statement of Cash Flows – Proprietary Fund

For the Fiscal Year Ended August 31, 2024

	Total Proprietary Funds Fund (1004)(9999) U/F (1004), (1050)
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from Other Operating Revenues	\$ 31,704,032.17
(Payments to Employees)	(17,006,053.15)
(Payments for Other Operating Expenses)	(4,475,677.07)
Net Cash Provided by Operating Activities	<u>10,222,301.95</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
(Payments for Additions to Capital Assets)	(56,658.62)
(Payment for Subscription-Based Information Technology Arrangements)	(4,066,981.65)
Net Cash (Used) by Capital and Related Financing Activities	<u>(4,123,640.27)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	1,898.07
Proceeds from Interest and Investment Income	3,887,881.85
Net Cash Provided by Investing Activities	<u>3,889,779.92</u>
Net Increase in Cash and Cash Equivalents	9,988,441.60
Cash and Cash Equivalents – September 1, 2023	81,432,494.47
Cash and Cash Equivalents – August 31, 2024	<u>\$ 91,420,936.07</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (2,956,529.34)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	3,967,988.97
Changes in Assets/Liabilities:	
(Increase) Decrease in Accounts Receivables	1,493,217.84
(Increase) Decrease in Prepaid Expenses	(318,409.86)
Increase (Decrease) in Payables	8,036,034.34
Net Cash Provided by Operating Activities	<u>\$ 10,222,301.95</u>
Displayed As:	
Cash in Bank	\$ 10,052,432.06
Cash in State Treasury	1,377,210.69
Restricted Cash in Bank	79,643,627.32
Cash Equivalents – Investments in Repurchase Agreements	347,666.00
	<u>\$ 91,420,936.07</u>

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

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT IV

Combined Statement of Net Position – Fiduciary Funds

August 31, 2024

	External Investment Trust Funds (Exhibit A-1)	Private-Purpose Trust Funds (Exhibit B-1)	Custodial Funds (Exhibit C-1)	Totals
ASSETS				
Cash and Cash Equivalents (Note 3)				
Cash in Bank	\$ 1,920.24	\$ 13,794,184.43	\$ 8,297.55	\$ 13,804,402.22
Cash in State Treasury		396,933,561.67		396,933,561.67
Investments (Note 3):				
U.S. Government and Agency Obligations	22,848,267,516.56		227,089,831.21	23,075,357,347.77
Commercial Paper	10,731,265,252.92			10,731,265,252.92
Repurchase Agreements	10,633,441,138.11			10,633,441,138.11
Money Market Mutual Funds	1,467,085,200.00			1,467,085,200.00
Interest and Dividend Receivable	153,298,322.33		1,056,836.77	154,355,159.10
Total Assets	45,833,359,350.16	410,727,746.10	228,154,965.53	46,472,242,061.79
LIABILITIES				
Payables From:				
Accounts Payable		13,794,184.43		13,794,184.43
Dividends Payable	207,842,941.75			207,842,941.75
Other Liabilities	1,052,328,110.62			1,052,328,110.62
Total Liabilities	1,260,171,052.37	13,794,184.43	0.00	1,273,965,236.80
NET POSITION				
Held in Trust For:				
Pool Participants	44,573,188,297.79		228,154,965.53	44,801,343,263.32
Restricted For:				
Other Purposes		396,933,561.67		396,933,561.67
Total Net Position	\$ 44,573,188,297.79	\$ 396,933,561.67	\$ 228,154,965.53	\$ 45,198,276,824.99

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

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT V

Combined Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended August 31, 2024

	External Investment Trust Funds (Exhibit A-2)	Private-Purpose Trust Funds (Exhibit B-2)	Custodial Funds (Exhibit C-2)	Totals
ADDITIONS				
Investment Income:				
From Investing Activities:				
Net Increase in Fair Value of Investments	\$	\$	\$ 10,388,197.47	\$ 10,388,197.47
Interest and Investment Income	2,547,863,515.70	17,383,304.38	1,674,370.40	2,566,921,190.48
Expenses:				
Management Fees and Expenses	(20,552,296.60)			(20,552,296.60)
Net Income from Investing Activities	<u>2,527,311,219.10</u>	<u>17,383,304.38</u>	<u>12,062,567.87</u>	<u>2,556,757,091.35</u>
Other Additions:				
Settlement of Claims		161,789,135.31		161,789,135.31
Transfer In		453,094,697.82		453,094,697.82
Total Other Additions	<u>0.00</u>	<u>614,883,833.13</u>	<u>0.00</u>	<u>614,883,833.13</u>
Total Additions	<u>2,527,311,219.10</u>	<u>632,267,137.51</u>	<u>12,062,567.87</u>	<u>3,171,640,924.48</u>
DEDUCTIONS				
Claims and Judgement Expense		74,931,512.06		74,931,512.06
Withdrawals from Other Governments			9,221,695.80	9,221,695.80
Transfers Out		426,247,701.22		426,247,701.22
Total Deductions	<u>0.00</u>	<u>501,179,213.28</u>	<u>9,221,695.80</u>	<u>510,400,909.08</u>
Net (Decrease) in Participant Investments	<u>(4,541,040.13)</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,541,040.13)</u>
Net Increase in Net Position	<u>2,522,770,178.97</u>	<u>131,087,924.23</u>	<u>2,840,872.07</u>	<u>2,656,698,975.27</u>
Net Position, September 1, 2023	<u>42,050,418,118.82</u>	<u>265,845,637.44</u>	<u>225,314,093.46</u>	<u>42,541,577,849.72</u>
Net Position, August 31, 2024	<u>\$ 44,573,188,297.79</u>	<u>\$ 396,933,561.67</u>	<u>\$ 228,154,965.53</u>	<u>\$ 45,198,276,824.99</u>

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

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

GENERAL INTRODUCTION

The Texas Treasury Safekeeping Trust Company (Texas Trust) was created in 1986 by the 69th Legislature to provide a separate legal entity for the State Treasurer. The incorporation of the trust company was necessary to obtain direct access to services provided by the Federal Reserve System. The 77th Legislature amended the Texas Trust statute, and the Texas Trust began operations as a separate state entity on Sept. 1, 2001. The Texas Comptroller of Public Accounts (Comptroller's office) is the single shareholder of the Texas Trust and is charged with managing the Texas Trust. The Texas Trust is one of only two state-owned trust companies with direct access to the Federal Reserve System.

The Texas Trust is authorized to manage, disburse, transfer, safekeep and invest funds and securities provided by statute or belonging to state and local entities and gives the Comptroller's office direct access to services provided by the Federal Reserve System.

This section of the report includes only those funds and accounts from which the Texas Trust's own departmental activities are financed. The Texas Trust's fiscal function (Agency 930) is reported in a separate section of this report.

Due to the significant changes related to Governmental Accounting Standards Board Statement No.34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller's office does not require the accompanying annual financial report to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the state's *Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

There are no component units in which the Texas Trust is financially accountable or any organization in which exclusion would create misleading or incomplete financial statements.

FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds and account groups, each of which is considered a separate accounting entity. The funds and account groups used to reflect the Texas Trust's transactions are as follows:

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for services such as investment management and custodial services. The Texas Trust accounts for its daily operations using an enterprise fund. Operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

Fiduciary Fund Types

External Investment Trust Funds

Agencies use external investment trust funds to account for the state's external portion of investment pools reported by the sponsoring government. The Texas Government Investment Pools (TexPool and TexPool Prime) are local government

investment pools administered by the Texas Treasury Safekeeping Trust Company – Comptroller’s office. The participants in the Texas Government Investment Pools consist of cities, counties, school districts, institutions of higher education, special districts, and other public entities of Texas.

Private-Purpose Trust Funds

The Texas Trust administers the Opioid Abatement Trust Fund, which was created to receive, manage, and disburse funds obtained under statewide opioid settlement agreements. The Opioid Abatement Trust Fund receives interest and dividends from investments and is maintained by the Texas Trust as a separate and distinct fund held outside the Treasury. All money and securities are held, administered, invested, and disbursed in accordance with the settlement agreements and applicable law.

Custodial Funds

Agencies use custodial funds to account for assets the government holds on behalf of others in a custodial capacity. Custodial funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. The Texas Trust has the Texas Public Finance Authority Bond Escrow, which is used to hold funds for various defeased or refunded bonds.

BASIS OF ACCOUNTING

The Texas Trust financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. All enterprise fund types are accounted for using the accrual basis of accounting. This includes unpaid employee compensable leave. Revenues are recognized when they become both measurable and available. Expenditures are generally recognized when the related fund liability is incurred.

The Texas Trust has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, which specifies that in addition to adopting all applicable GASB pronouncements, the Texas Trust has adopted Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued prior to Nov. 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Texas Trust has elected to follow only GASB Standards issued subsequent to Nov. 30, 1989.

ASSETS, LIABILITIES, AND FUND BALANCES/NET POSITION

CURRENT 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 Trust has agreed to maintain a positive clearing balance within its Federal Reserve account. Earnings on the clearing balance are used to offset fees associated with its use of Federal Reserve services. The Texas Trust Federal Reserve account balance reported in cash on Aug. 31, 2024, was \$10,000,000.29 from the Texas Trusts’ Enterprise Fund.

Restricted Cash

The Texas Trust maintains an account with the Depository Trust Company (DTC). In accordance with the agreement between DTC and the Texas Trust, \$347,666.00 in cash was held at DTC as of Aug. 31, 2024, in order to maintain the account.

Investments

Investments are reported at fair value based upon quoted market prices, with the change in fair value of investments captioned as Net Increase (Decrease) in the Fair Value of Investments, and interest income reported at the relevant stated interest rate.

Restricted Investments

The Texas Trust has a balance of \$617,201.15 in stock with the Depository Trust Company as of Aug. 31, 2024

Receivables

The business-type activities of the Texas Trust include providing investment management and custody services. Management fees charged to customers support these activities. Receivables from management fees as of Aug. 31, 2024, were \$3,230,422.52. The amount due from other agencies as of Aug. 31, 2024, was \$38,705.00. This balance consisted of fees for agency return items and Bloomberg Terminals for the Comptroller's office.

NON-CURRENT ASSETS

Capital Assets

Assets with an initial, individual cost of more than \$5,000 for furniture and equipment and building and building improvements of more than \$100,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if any purchased, at appraised fair value as of the date of acquisition. Depreciation is charged to operations over the estimated useful life of each 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. Payables for TexPool investments purchased in external investment trust funds as of Aug. 31, 2024, were \$1,052,079,563.55.

Employees' Compensable Leave

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 non-current in the statement of net position.

FUND BALANCE/NET POSITION

The difference between fund assets and liabilities is Net Position on the proprietary and fiduciary fund statements. The Fund Balance is the difference between fund assets and liabilities on the enterprise fund statements.

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 result when constraints placed on net position use 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 position, which do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

NOTE 2: Capital Assets

A summary of changes in general fixed assets and subscription-based information technology arrangements for the year ended Aug. 31, 2024, are presented below:

Business-Type Activities Capital Asset Type	PRIMARY GOVERNMENT			Balance Aug. 31, 2024
	Balance Sept. 1, 2023	Reclassifications	Additions	
Depreciable Assets:				
Building and Building Improvements	\$ 2,316,716.92	\$	\$	\$ 2,316,716.92
Furniture and Equipment	1,605,771.05		56,658.62	1,662,429.67
Total Depreciable Assets at Historical Costs	3,922,487.97	0.00	56,658.62	3,979,146.59
Less Accumulated Depreciation For:				
Building and Building Improvements	(1,027,523.38)		(133,680.00)	(1,161,203.38)
Furniture and Equipment	(1,334,930.78)		(94,507.10)	(1,429,437.88)
Total Accumulated Depreciation	(2,362,454.16)	0.00	(228,187.10)	(2,590,641.26)
Depreciable Assets, Net	1,560,033.81	0.00	(171,528.48)	1,388,505.33
Intangible Capital Assets - Amortizable:				
Computer Software	2,910,356.42			2,910,356.42
Total Intangible Assets at Historical Cost	2,910,356.42	0.00	0.00	2,910,356.42
Less Accumulated Amortization For:				
Computer Software	(2,910,356.42)			(2,910,356.42)
Total Accumulated Amortization	(2,910,356.42)	0.00	0.00	(2,910,356.42)
Amortizable Assets, Net	0.00	0.00	0.00	0.00
Intangible Right to Use Assets - Amortizable:				
Subscriptions	11,917,189.53	310,438.98	(59,751.69)	12,167,876.82
Total Amortizable Intangible Right to Use Assets	11,917,189.53	310,438.98	(59,751.69)	12,167,876.82
Less Accumulated Amortization For:				
Subscriptions	(3,690,283.68)	(15,521.94)	(3,739,801.87)	(7,445,607.49)
Total Accumulated Amortization Intangible Right to Use Assets	(3,690,283.68)	(15,521.94)	(3,739,801.87)	(7,445,607.49)
Amortizable Right to Use Assets, Net	8,226,905.85	294,917.04	(3,799,553.56)	4,722,269.33
Business-Type Activities Capital Assets, Net	\$ 9,786,939.66	\$ 294,917.04	\$ (3,971,082.04)	\$ 6,110,774.66

NOTE 3: Deposits, Investments & Repurchase Agreements

All monies in funds established in the Texas Trust by the State Constitution or by an act of the Legislature are pooled for investment purposes. All monies of the Trust Company are invested according to Section 404.106 of the Government Code.

1. Investment Authority

A. Section 404.024 of the Government Code permits the investment of these funds in the following instruments:

1. time deposits in state depositories;
2. direct security repurchase agreements;
3. reverse security repurchase agreements;
4. direct obligations of or obligations the principal and interest of which are guaranteed by the United States, its' agencies and instrumentalities;
5. bankers' acceptances that: (i) are eligible for purchase by the Federal Reserve System, (ii) do not exceed 270 days to maturity, and (iii) are issued by a bank that has received the highest short-term credit rating by a nationally recognized statistical rating organization;

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6. commercial paper that has received the highest short-term credit rating by a nationally recognized statistical rating organization and does not exceed 365 days to maturity;
 7. contracts written by the Comptroller's office in which the Comptroller's office grants the purchaser the right, for a fee, to purchase securities in the Texas Trust's marketable securities portfolio at a specified price over a specified period. These contracts are commonly known as covered call options. Uncovered option trading is specifically prohibited;
 8. direct obligations of or obligations guaranteed by the Inter-American Development Bank, the International Bank for Reconstruction and Development (the World Bank), the African Development Bank, the Asian Development Bank, and the International Finance Corporation that have received the highest long-term rating categories for debt obligations by a nationally recognized statistical rating organization;
 9. bonds issued, assumed, or guaranteed by the State of Israel;
 10. obligations of a state or an agency, county, city, or other political subdivision of a state;
 11. mutual funds secured by obligations that are described in (2) through (6) above or by obligations consistent with Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated by the Securities and Exchange Commission;
 12. foreign currency for the sole purpose of facilitating investment by state agencies that have the authority to invest in foreign securities;
 13. asset-backed securities, as defined by the Securities and Exchange Commission in Rule 2a-7 (17 C.F.R. Section 270.2a-7), that are rated at least A or its equivalent by a nationally recognized statistical rating organization and that have a weighted-average maturity of five years or less; and
 14. corporate debt obligations that are rated at least A or its equivalent by a nationally recognized statistical rating organization and mature in five years or less from the date on which the obligations were "acquired," as defined by the Securities and Exchange Commission in Rule 2a-7.
- B. No more than 5 percent of the treasury's total investments will be invested in the aggregate value of derivative investments.
- C. Repurchase and reverse repurchase agreements may be entered into by the Comptroller's office only with financial institutions doing business in Texas, primary dealers approved by the Federal Reserve System, or a state agency with the authority to invest in repurchase agreements.
2. There were no significant violations of legal provisions during the period.
 3. Deposits of cash in bank.
 - A. **Collateralization and Risk Categorization** – In accordance with state law, all amounts deposited in financial institutions above the amounts insured by the Federal Deposit Insurance Corporation are fully collateralized by the pledging, to the Texas Trust, of securities valued at market, excluding accrued interest. Generally, the list of eligible securities includes all U.S. Government and most Agency Obligations, including certain mortgage-backed securities issued by state agencies and political subdivisions within the State. All securities pledged to the Texas Trust must be held by any Federal Reserve Bank or one of its branches or the Texas Trust.

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Securities pledged as collateral on Aug. 31, 2024, were categorized under the Political Subdivision Securities or U.S. Government Securities as U.S. Treasury Bills or U.S. Treasury Notes and Bonds.

As of Aug. 31, 2024, the balance of cash in bank and carrying amount of cash is presented below:

Bank Balance	
Business-Type Activities	
Proprietary Funds	<u>\$ 10,811,483.92</u>
Total Business-Type Activities	10,811,483.92
Fiduciary Funds	
TexPool and TexPool Prime	1,920.24
Opioid Abatement Trust Fund	13,794,184.43
Texas Public Finance Authority	<u>8,297.55</u>
Total Fiduciary Funds	13,804,402.22
Total Bank Balance	<u>\$ 24,615,886.14</u>
Cash in Bank Carry Amount	
Business-Type Activities	
Proprietary Funds Cash in Bank	\$ 10,052,432.06
Proprietary Funds Current Assets Restricted Cash in Bank	<u>347,666.00</u>
Total Business-Type Activities	10,400,098.06
Fiduciary Funds	
TexPool and TexPool Prime	1,920.24
Opioid Abatement Trust Fund	13,794,184.43
Texas Public Finance Authority	<u>8,297.55</u>
Total Fiduciary Funds	13,804,402.22
Total Cash in Bank Carry Amount	<u>\$ 24,204,500.28</u>

The Trust Company's contract with the Federal Reserve Bank permits the Trust Company to wire transfer funds for the purpose of facilitating investment transactions. Correspondingly, a minimum cash balance is maintained in the account to generate earnings credits sufficient to partially offset the costs of the services received. As these investment transactions occur, the Federal Reserve Bank requires that the Trust Company maintain a positive cash balance in the account intraday and at the end of the day.

4. Investments

As of Aug. 31, 2024, the carrying and fair value of investments are presented below. All securities are insured or registered by the Texas Trust or its agent in the Texas Trust's name. Therefore, there is no custodial credit risk.

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Carrying Value and Fair Value		
As of 08/31/2024		
	<u>Carrying Value</u>	<u>Fair Value</u>
Business-Type Activities		
Repurchase Agreements	\$ 79,643,627.32	\$ 79,643,627.32
Equity Securities	617,201.15	617,201.15
Total Business-Type Activities	<u>80,260,828.47</u>	<u>80,260,828.47</u>
Fiduciary Funds		
TexPool & TexPool Prime		
U.S. Government Treasuries	10,870,654,063.04	10,876,017,858.83
U.S. Government Agencies	11,977,613,453.52	11,978,227,376.68
Commercial Paper	10,731,265,252.92	10,735,166,945.61
Repurchase Agreements	10,633,441,138.11	10,633,441,138.11
Money Market Mutual Funds	1,467,085,200.00	1,467,085,200.00
Total TexPool & TexPool Prime	<u>45,680,059,107.59</u>	<u>45,689,938,519.23</u>
Texas Public Finance Authority		
U.S. Government Treasuries	109,604,714.06	109,604,714.06
U.S. Government Agencies	117,485,117.15	117,485,117.15
Total TPFA Escrow	<u>227,089,831.21</u>	<u>227,089,831.21</u>
Total Fiduciary Funds	45,907,148,938.80	45,917,028,350.44
Total Investments	<u>\$ 45,987,409,767.27</u>	<u>\$ 45,997,289,178.91</u>

Business-type activities, TexPool and TexPool Prime, TPFA Escrow categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. They have the following recurring fair value measurements as of Aug. 31, 2024, and 2023:

Business-Type Activities			Fair Value Measurements Using		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2024					
Investment Type	Carrying Value	Fair Value			
Repurchase Agreements	79,643,627.32	-	-	-	-
Equity Securities	-	617,201.15	-	617,201.15	-
Total Investments	<u>79,643,627.32</u>	<u>617,201.15</u>	-	<u>617,201.15</u>	-
2023					
Investment Type	Carrying Value	Fair Value			
Repurchase Agreements	69,780,425.62	-	-	-	-
Equity Securities	-	619,099.22	-	619,099.22	-
Total Investments	<u>69,780,425.62</u>	<u>619,099.22</u>	-	<u>619,099.22</u>	-

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Fiduciary Funds				Fair Value Measurements Using		
TexPool				Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2024						
Investment Type	Principal Value	Carrying Value	Fair Value			
U.S. Government Treasuries	10,954,150,000.00	10,870,654,063.04	10,876,017,858.83	-	10,876,017,858.83	-
U.S. Government Agencies	11,996,750,000.00	11,977,613,453.52	11,978,227,376.68	-	11,978,227,376.68	-
Repurchase Agreements	7,043,632,138.11	7,043,632,138.11	7,043,632,138.11	-	7,043,632,138.11	-
Money Market Mutual Funds	1,467,085,200.00	1,467,085,200.00	1,467,085,200.00	1,467,085,200.00	-	-
Total Investments	31,461,617,338.11	31,358,984,854.67	31,364,962,573.62	1,467,085,200.00	29,897,877,373.62	-

Fiduciary Funds				Fair Value Measurements Using		
2023				Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type	Principal Value	Carrying Value	Fair Value			
U.S. Government Treasuries	3,399,590,000.00	3,388,621,552.28	3,389,235,898.16	-	3,389,235,898.16	-
U.S. Government Agencies	10,927,750,000.00	10,926,131,011.11	10,920,912,044.47	-	10,920,912,044.47	-
Repurchase Agreements	13,020,069,223.88	13,020,069,223.88	13,020,069,223.88	-	13,020,069,223.88	-
Money Market Mutual Funds	2,025,085,200.00	2,025,085,200.00	2,025,085,200.00	2,025,085,200.00	-	-
Total Investments	29,372,494,423.88	29,359,906,987.27	29,355,302,366.51	2,025,085,200.00	27,330,217,166.51	-

Fiduciary Funds				Fair Value Measurements Using		
TexPool Prime				Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2024						
Investment Type	Principal Value	Carrying Value	Fair Value			
Commercial Paper	10,808,484,000.00	10,731,265,252.92	10,735,166,945.61	-	10,735,166,945.61	-
Repurchase Agreements	3,589,809,000.00	3,589,809,000.00	3,589,809,000.00	-	3,589,809,000.00	-
Total Investments	14,398,293,000.00	14,321,074,252.92	14,324,975,945.61	-	14,324,975,945.61	-

Fiduciary Funds				Fair Value Measurements Using		
2023				Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type	Principal Value	Carrying Value	Fair Value			
Commercial Paper	10,601,555,000.00	10,542,063,879.10	10,542,185,920.40	-	10,542,185,920.40	-
Repurchase Agreements	1,458,360,000.00	1,458,360,000.00	1,458,360,000.00	-	1,458,360,000.00	-
Money Market Mutual Funds	829,943,055.05	830,153,483.22	829,943,055.05	829,943,055.05	-	-
Total Investments	12,889,858,055.05	12,830,577,362.32	12,830,488,975.45	829,943,055.05	12,000,545,920.40	-

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Texas Public Finance Authority			Fair Value Measurements Using		
2024			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type	Carrying Value	Fair Value			
U.S. Government Treasuries	109,604,714.06	109,604,714.06	-	109,604,714.06	-
U.S. Government Agencies	117,485,117.15	117,485,117.15	-	117,485,117.15	-
Total Investments	<u>227,089,831.21</u>	<u>227,089,831.21</u>	-	<u>227,089,831.21</u>	-

2023			Fair Value Measurements Using		
2023			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Type	Carrying Value	Fair Value			
U.S. Government Treasuries	111,219,455.98	111,219,455.98	-	111,219,455.98	-
U.S. Government Treasury Strips	824,589.19	824,589.19	-	824,589.19	-
U.S. Government Agencies	112,155,630.35	112,155,630.35	-	112,155,630.35	-
Total Investments	<u>224,199,675.52</u>	<u>224,199,675.52</u>	-	<u>224,199,675.52</u>	-

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants. Debt securities and repurchase agreements classified as Level 2 of the fair value hierarchy are valued using other observable significant inputs, including but not limited to, quoted prices for similar securities, interest rates and a fixed-income pricing model. Money market mutual funds classified as Level 1 of the fair value hierarchy are valued using a published net asset value per share.

The following table lists Standard & Poor's credit rating by investment type that are subject to credit risk:

Standard & Poor's					
Fund Type	Fund	Investment Type	AAA	AA	A-1
05	1004	Repurchase Agreements	\$	\$ 79,643,627.32	\$
18	3181	U.S. Government Agencies			11,977,613,453.52
18	3181	Commercial Paper			10,731,265,252.92
18	3181	Repurchase Agreements			10,633,441,138.11
18	3181	Money Market Mutual Funds	1,467,085,200.00		
22	4000	U.S. Government Treasuries		109,604,714.06	
22	4000	U.S. Government Agencies		117,485,117.15	

TEXPOOL

Credit risk: The TexPool portfolio is designed and managed to ensure that it maintains its AAAM rating (or the equivalent) by a nationally recognized statistical rating organization (NRSRO). As of Aug. 31, 2024, and 2023, TexPool investments in U.S. government securities and the underlying securities of the Repurchase Agreements were rated A-1+ by Standard & Poor's, P1 by Moody's, and F-1+ by Fitch. Money market mutual funds were rated AAAM by Standard & Poor's, Aaa-mf by Moody's, and AAAMmf by Fitch as of Aug. 31, 2024, and 2023.

Concentration of credit risk: Up to 100 percent of TexPool assets may be invested in government obligations of the United States, its agencies, or instrumentalities. However, no more than 60 percent of the portfolio may be invested in variable rate notes. Up to 100 percent of TexPool assets may be invested in direct repurchase agreements. TexPool may enter into reverse repurchase agreements for up to one third (1/3) of the value of the TexPool assets. No more than 10 percent of the TexPool assets may be invested in a single money market fund. The money market mutual fund must be rated AAA or its equivalent by at least one NRSRO. TexPool's investment policy has no limit on the amount it may invest in any single Governmental Sponsored Enterprise (GSE). As of Aug. 31, 2024, TexPool had more than 5 percent of the pool's investments in the following GSEs: 32.2 percent with the Federal Home Loan

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Bank and 5.8 percent with the Federal Farm Credit Bank. As of Aug. 31, 2023, TexPool had more than 5 percent of the pool’s investments in the following GSEs: 28.1 percent with the Federal Home Loan Bank and 8.8 percent with the Federal Farm Credit Bank.

Interest rate risk: The weighted-average maturity of the portfolio is limited to 60 days calculated using the reset date for variable rate notes (VRNs) and 90 days or fewer using the final maturity date for VRNs, with the maximum maturity for any individual security in the portfolio not exceeding 397 days for fixed rate securities and 24 months for VRNs. TexPool’s weighted average maturity in fiscal year 2024 was 36 days.

TEXPOOL PRIME

Credit risk: The TexPool Prime portfolio is designed and managed to ensure that it maintains its AAAm rating (or the equivalent) by a nationally recognized statistical rating organization (NRSRO). As of Aug. 31, 2024, and 2023, TexPool Prime investments in U.S. government securities, commercial paper and the underlying securities of Repurchase Agreements were rated A-1 by Standard & Poor’s, P-1 by Moody’s Investors Service and F-1 by Fitch ratings. As of Aug. 31, 2023, money market mutual funds were rated at least A-1 by Standard & Poor’s or A by Moody’s.

Concentration of credit risk Up to 100 percent of TexPool Prime assets may be invested in government obligations of the United States, its agencies, or instrumentalities. However, no more than 60 percent of the portfolio may be invested in variable rate notes. Up to 100 percent of TexPool Prime assets may be invested in direct repurchase agreements. The term of a reverse repurchase agreements may not exceed 90 days after the date of delivery. Up to 75 percent of TexPool Prime assets may be invested in commercial paper. No more than 25 percent of TexPool Prime assets may be invested in a single industry or business sector, provided that this limitation does not apply to securities issued or guaranteed by companies in the financial services industry. No more than 5 percent of TexPool Prime assets at the time of purchase may be invested in a single corporate entity. Up to 15 percent of the TexPool Prime assets may be invested in money market mutual funds that do not seek to maintain a stable net asset value per share. However, TexPool Prime may not acquire shares of a money market mutual fund that represent more than 10 percent of and outstanding shares of that fund at the time of purchase.

As of August 31, 2024, TexPool Prime had more than 5 percent of the pool’s investments in the following: 14.7 percent with Federated Hermes; 10.4 percent with JP Morgan; and 5.0 percent with DZ Bank. As of August 31, 2023, TexPool Prime had 6.5 percent investments in Federated Prime.

Interest rate risk. The weighted average maturity of the portfolio is limited to 60 days calculated using the reset date for variable rate notes (VRNs) and 90 days or fewer using the final maturity date for VRNs, with the maximum maturity for any individual security in the portfolio not exceeding 397 days for fixed rate securities and 24 months for VRNs. TexPool Prime’s weighted average maturity in fiscal year 2024 was 40 days.

The following schedule reflects the weighted average maturity by investment type and as a whole for TexPool and TexPool Prime as of August 31, 2024.

Investment Type	Weighted Average Maturity (Days)	
	TexPool	TexPool Prime
U.S. Government Treasuries	57	N/A
U.S. Government Agencies	39	N/A
Commercial Paper	N/A	52
Repurchase Agreements	5	5
Money Market Mutual Funds	4	N/A
Weighted Average Maturity	36	40

NOTE 4: Short-Term Debt
 (Not Applicable)

NOTE 5: Summary of Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended Aug. 31, 2024, the following changes occurred in liabilities:

Business-Type Activities	Balance	Restatements/ Adjustments	Additions	Reductions	Balance	Amounts Due	Amounts Due
	Sept. 1, 2023				Aug. 31, 2024	Within One Year	Thereafter
Right to Use Subscription Obligations	\$ 7,878,990.04	\$ 253,211.87	\$	\$ 4,037,687.07	\$ 4,094,514.84	\$ 4,021,151.81	\$ 73,363.03
Employees' Compensable Leave	1,332,744.60		1,102,658.23	964,198.37	1,471,204.46	828,248.37	642,956.09
Total Business-Type Activities	<u>\$9,211,734.64</u>	<u>\$ 253,211.87</u>	<u>\$ 1,102,658.23</u>	<u>\$ 5,001,885.44</u>	<u>\$ 5,565,719.30</u>	<u>\$ 4,849,400.18</u>	<u>\$ 716,319.12</u>

Subscription-Based Information Technology Arrangements (SBITA)

A contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract's term limits in an exchange or exchange-like transaction.

Subscription Liability

The present value of all payments expected to be made during the subscription term of a SBITA.

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 and/or expendable trust fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: Bonded Indebtness

(Not Applicable)

NOTE 7: Derivatives

(Not Applicable)

NOTE 8: Subscription-Based Information Technology Arrangements

In fiscal 2024, the Texas Trust entered agreements with Bloomberg, SimCorp Dimension, and Finastra Financial Technology Corporation for information technology subscriptions with total lease payments of \$4,128,751.06. The table below reports the subscription agreements with a future commitment of \$4,206,381.69.

Business-Type Activities			
Future Subscription Payments			
Year Ended Aug. 31, 2024			
Year	Principal	Interest	Total
2025	\$ 4,021,151.81	\$ 107,599.25	\$ 4,128,751.06
2026	25,796.62	2,432.70	28,229.32
2027	26,794.18	1,435.14	28,229.32
2028	20,772.23	399.76	21,171.99
Total	<u>\$ 4,094,514.84</u>	<u>\$ 111,866.85</u>	<u>\$ 4,206,381.69</u>

NOTE 9: Defined Benefit Pension and Contribution Plans

(Not Applicable)

NOTE 10: Deferred Compensation

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., sec 609.001. Two plans are available for employees' deferred compensation plan. Both plans are administered by the Employees Retirement System of Texas.

The state's 457 plan complies with the Internal Revenue Code Sec. 457. Deductions purchased investments and earnings attributed to the 457 plan are the property of the state subject only to the claims of the state's general creditors. Participant's rights under the plan are equal to those of the general creditors of the state in an amount equal to the fair market value of the 457 account for each participant.

The state has no liability under the 457 plan, and it is unlikely that plan assets will be used to satisfy the claims of general creditors in the future. The state also administers the 'TexaSaver' created in accordance with Internal Revenue Code Sec. 401(k). However, the assets of this plan do not belong to the state nor does the state have a liability related to this plan.

NOTE 11: Postemployment Health Care and Life Insurance Benefits

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

(Not Applicable)

NOTE 13: Continuance Subject To Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balances and Net Position

During fiscal 2024, certain accounting changes and adjustments were made that required the restatement of net position. The restatements are presented below.

Proprietary Fund	8/31/23 As Previously Reported	Error Correction	8/31/23 As Restated
Combined Statement of Net Position – Proprietary Fund			
Depreciable or Amortizable, Net	\$ 9,786,939.66	\$ 294,917.04	\$ 10,081,856.70
Account Payable	8,467,269.57	7,125.00	8,474,394.57
Interest Payable	179,146.79	1,610.62	180,757.41
Current Subscription Liability (Note 5)	3,882,681.24	57,626.60	3,940,307.84
Non-Current Subscription Liability (Note 5)	3,996,308.80	195,585.27	4,191,894.07
Invested in Capital Assets, net of Related Debt	9,786,939.66	294,917.04	10,081,856.70
Unrestricted	65,794,990.30	(261,947.49)	65,533,042.81
Total Net Position	<u>\$ 75,581,929.96</u>	<u>\$ 32,969.55</u>	<u>\$ 75,614,899.51</u>
Combined Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund			
Professional Fees and Services	\$ 7,379,141.17	\$ 7,125.00	\$ 7,386,266.17
Materials and Supplies	402,664.97	(58,025.00)	344,639.97
Depreciation and Amortization	3,918,880.28	15,521.94	3,934,402.22
Operating Income	2,257,877.29	35,378.06	2,293,255.35
Interest Expense	(241,469.04)	(2,408.51)	(243,877.55)
Change in Net Position	4,710,306.04	32,969.55	4,743,275.59
Total Net Position	<u>\$ 75,581,929.96</u>	<u>\$ 32,969.55</u>	<u>\$ 75,614,899.51</u>

The \$32,969.55 proprietary fund restatement is required to properly record the (\$7,125.00) incentive compensation and to add the \$40,094.55 Finastra PayPlus subscription-based information technology arrangement. USAS reflects (.44) as the rounding adjustment posted under AJE 24 in FY 2023 to match USAS with the audited AFR.

NOTE 15: Contingencies and Commitments

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

The agency is exposed to a variety of civil claims resulting from the performance of its duties. It is agency 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.

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 include an amount for claims that have been incurred but not reported. 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. There were no changes in the balances of the agency's claims liabilities during fiscal 2024. There were no changes in the balances of the agency's claims liabilities during fiscal years 2024 or 2023.

NOTE 18: Management Discussions and Analysis

The following events occurred at our agency:

The Texas Treasury Safekeeping Trust Company (Texas Trust) was created in 1986 by the 69th Legislature to provide a separate legal entity for the State Treasurer. The incorporation of the trust company was necessary to obtain direct access to services provided by the Federal Reserve System, namely wire and custody services, and resulted in cost savings to the state of Texas. Texas Trust is one of only two state-owned trust companies with direct access to the Federal Reserve System.

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: Deferred Outflows of Resources and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Troubled Debt Restructuring

(Not Applicable)

NOTE 30: Non-Exchange Financial Guarantees

(Not Applicable)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Governmental Fund Balances

(Not Applicable)

NOTE 33: Related Parties

The Texas Trust has entered into a services agreement with the Comptroller's office. The agreement provides for specified rates based on hours of utilization. As of August 31, 2024, the Texas Trust paid the Comptroller's office \$68,833.81 for services provided. On August 31, 2024, the Texas Trust accrued \$17,153.18 for services provided by the Comptroller's office and this amount is included in accounts payable.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT A-1

Combining Statement of Fiduciary Net Position – External Investment Trust Funds

August 31, 2024

	Texas Treasury Safekeeping Trust Company TEXPOOL (9999) U/F (6050)	Texas Treasury Safekeeping Trust Company TEXPOOL Prime (9999) U/F (7050)	Totals (Ex IV)
ASSETS			
Cash in Bank	\$ 980.38	\$ 939.86	\$ 1,920.24
Investments			
U.S. Government and Agency Obligations	22,848,267,516.56		22,848,267,516.56
Commercial Paper		10,731,265,252.92	10,731,265,252.92
Repurchase Agreements	7,043,632,138.11	3,589,809,000.00	10,633,441,138.11
Money Market Mutual Funds	1,467,085,200.00		1,467,085,200.00
Interest Receivable	129,985,074.42	23,313,247.91	153,298,322.33
Total Assets	<u>31,488,970,909.47</u>	<u>14,344,388,440.69</u>	<u>45,833,359,350.16</u>
LIABILITIES			
Payables From:			
Dividends Payable	141,670,304.24	66,172,637.51	207,842,941.75
Other Liabilities	1,052,285,198.08	42,912.54	1,052,328,110.62
Total Liabilities	<u>1,193,955,502.32</u>	<u>66,215,550.05</u>	<u>1,260,171,052.37</u>
NET POSITION			
Held in Trust For			
Pool Participants	30,295,015,407.15	14,278,172,890.64	44,573,188,297.79
Total Net Position	<u>\$ 30,295,015,407.15</u>	<u>\$ 14,278,172,890.64</u>	<u>\$ 44,573,188,297.79</u>

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT A-2

Combining Statement of Changes in Fiduciary Net Position – External Investment Trust Funds

For the Fiscal Year Ended August 31, 2024

	Texas Treasury Safekeeping Trust Company TEXPOOL (9999) U/F (6050)	Texas Treasury Safekeeping Trust Company TEXPOOL Prime (9999) U/F (7050)	Totals (Ex V)
ADDITIONS			
Investment Income:			
From Investing Activities:			
Interest and Investment Income	\$ 1,760,630,974.14	\$ 787,232,541.56	\$ 2,547,863,515.70
Expenses:			
Management Fees and Expenses	(13,349,704.23)	(7,202,592.37)	(20,552,296.60)
Net Income from Investing Activities	1,747,281,269.91	780,029,949.19	2,527,311,219.10
Total Additions	1,747,281,269.91	780,029,949.19	2,527,311,219.10
Net Increase (Decrease) in Participant Investments	(698,133,786.18)	693,592,746.05	(4,541,040.13)
Net Increase in Net Position	1,049,147,483.73	1,473,622,695.24	2,522,770,178.97
Net Position, September 1, 2023	29,245,867,923.42	12,804,550,195.40	42,050,418,118.82
Net Position, August 31, 2024	\$ 30,295,015,407.15	\$ 14,278,172,890.64	\$ 44,573,188,297.79

EXHIBIT B-1

Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds

August 31, 2024

	Opioid Abatement Trust Fund (1202)
	U/F (1202), (1221), (1222)
	U/F (1223), (1224), (1226)
ASSETS	
Cash in Bank	\$ 13,794,184.43
Cash in State Treasury	396,933,561.67
Total Assets	<u>410,727,746.10</u>
LIABILITIES	
Payables From:	
Accounts Payable	13,794,184.43
Total Liabilities	<u>13,794,184.43</u>
NET POSITION	
Restricted For	
Other Purposes	396,933,561.67
Total Net Position	<u>\$ 396,933,561.67</u>

EXHIBIT B-2

Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds

For the Fiscal Year Ended August 31, 2024

	Opioid Abatement Trust Fund (1202) U/F (1202), (1221), (1222) U/F (1223), (1224), (1226)
ADDITIONS	
Investment Income:	
From Investing Activities:	
Interest and Investment Income	\$ 17,383,304.38
Net Income from Investing Activities	<u>17,383,304.38</u>
Other Additions:	
Settlement of Claims	161,789,135.31
Transfers In	<u>453,094,697.82</u>
Total Other Additions	<u>614,883,833.13</u>
Total Additions	632,267,137.51
DEDUCTIONS	
Claims and Judgement Expense	74,931,512.06
Transfers Out	<u>426,247,701.22</u>
Total Deductions	<u>501,179,213.28</u>
Net Increase in Net Position	131,087,924.23
Net Position, September 1, 2023	<u>265,845,637.44</u>
Net Position, August 31, 2024	<u>\$ 396,933,561.67</u>

EXHIBIT C-1
**Combining Statement of
 Fiduciary Net Position –
 Custodial Funds**

August 31, 2024

	Texas Public Finance Authority (9999) U/F (4000)
ASSETS	
Cash in Bank	\$ 8,297.55
Investments (Note 3):	
U.S. Government and Agency Obligations	227,089,831.21
Interest and Dividend Receivable	1,056,836.77
Total Assets	228,154,965.53
NET POSITION	
Held in Trust For:	
Pool Participants	228,154,965.53
Total Net Position	\$ 228,154,965.53

UNAUDITED
Texas Treasury Safekeeping Trust Company (930)

EXHIBIT C-2

**Combining Statement of Changes in
 Fiduciary Net Position –
 Custodial Funds**

For the Fiscal Year Ended August 31, 2024

	Texas Public Finance Authority (9999) U/F (4000)
ADDITIONS	
Investment Income:	
From Investing Activities:	
Net Increase in Fair Value of Investments	\$ 10,388,197.47
Interest and Investment Income	1,674,370.40
Net Income from Investing	12,062,567.87
Total Additions	12,062,567.87
DEDUCTIONS	
Withdrawals from Other Governments	9,221,695.80
Total Deductions	9,221,695.80
Net Increase in Net Position	2,840,872.07
Net Position, September 1, 2023	225,314,093.46
Net Position, August 31, 2024	\$ 228,154,965.53

Comptroller State Energy
Conservation Office (907)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Comptroller State Energy Conservation Office (907)

UNAUDITED
Comptroller State Energy Conservation Office (907)

EXHIBIT I

**Combined Balance Sheet/Statement of Net Position –
Governmental Funds**

For the Fiscal Year Ended August 31, 2024

	General Funds (Exh A-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
ASSETS						
Current Assets:						
Cash:						
Cash in State Treasury	\$ 81,681,334.11	\$ 81,681,334.11	\$	\$	\$	\$ 81,681,334.11
Legislative Appropriations	71,559,128.88	71,559,128.88				71,559,128.88
Receivables From:						
Federal	534,629.36	534,629.36				534,629.36
Interfund Receivables (Note 12)	1,999,229.28	1,999,229.28				1,999,229.28
Due from Other Agencies	26,297.45	26,297.45				26,297.45
Loans and Contracts	15,418,797.17	15,418,797.17				15,418,797.17
Total Current Assets	<u>171,219,416.25</u>	<u>171,219,416.25</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>171,219,416.25</u>
Non-Current Assets:						
Interfund Receivables (Note 12)	15,138,866.82	15,138,866.82				15,138,866.82
Loans and Contracts	59,901,252.53	59,901,252.53				59,901,252.53
Total Non-Current Assets	<u>75,040,119.35</u>	<u>75,040,119.35</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>75,040,119.35</u>
Total Assets	<u>\$ 246,259,535.60</u>	<u>\$ 246,259,535.60</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 246,259,535.60</u>
LIABILITIES						
Current Liabilities:						
Payables from:						
Accounts	\$ 90,852.36	\$ 90,852.36	\$	\$	\$	\$ 90,852.36
Payroll	98,291.56	98,291.56				98,291.56
Interfund Payable	45,263.56	45,263.56				45,263.56
Due to Other Agencies	334,524.57	334,524.57				334,524.57
Employees Compensable Leave (Note 5)				71,058.40		71,058.40
Unearned Revenues	25,248.83	25,248.83				25,248.83
Total Current Liabilities	<u>594,180.88</u>	<u>594,180.88</u>	<u>0.00</u>	<u>71,058.40</u>	<u>0.00</u>	<u>665,239.28</u>
Non-Current Liabilities:						
Employees Compensable Leave (Note 5)				59,398.81		59,398.81
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>59,398.81</u>	<u>0.00</u>	<u>59,398.81</u>
Total Liabilities	<u>594,180.88</u>	<u>594,180.88</u>	<u>0.00</u>	<u>130,457.21</u>	<u>0.00</u>	<u>724,638.09</u>
FUND FINANCIAL STATEMENT						
Fund Balances (Deficits):						
Nonspendable (Note 32)	22,003,097.70	22,003,097.70				22,003,097.70
Committed	145,282,495.42	145,282,495.42				145,282,495.42
Unassigned	78,379,761.60	78,379,761.60				78,379,761.60
Total Fund Balances	<u>245,665,354.72</u>	<u>245,665,354.72</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>245,665,354.72</u>
Total Liabilities and Fund Balances	<u>\$ 246,259,535.60</u>	<u>\$ 246,259,535.60</u>				
GOVERNMENT-WIDE STATEMENT OF NET POSITION						
Net Position:	246,259,535.60					
Restricted for:						
Employee Benefits (Note 5)				(130,457.21)		(130,457.21)
Total Net Position			<u>\$ 0.00</u>	<u>\$ (130,457.21)</u>	<u>\$ 0.00</u>	<u>\$ 245,534,897.51</u>

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

UNAUDITED
Comptroller State Energy Conservation Office (907)

EXHIBIT II

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	General Funds (Exh A-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Activities
REVENUES						
Legislative Appropriations:						
Original Appropriations (GR)	\$ 412,790.00	\$ 412,790.00	\$	\$	\$	\$ 412,790.00
Additional Appropriations (GR)	36,841.06	36,841.06				36,841.06
Federal Revenue (Schedule 1A)	5,195,822.84	5,195,822.84				5,195,822.84
Interest and Investment Income	8,796,438.46	8,796,438.46				8,796,438.46
Total Revenues	<u>14,441,892.36</u>	<u>14,441,892.36</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>14,441,892.36</u>
EXPENDITURES						
Salaries and Wages	879,657.31	879,657.31		(3,909.91)		875,747.40
Payroll Related Costs	261,342.00	261,342.00				261,342.00
Professional Fees and Services	1,899,237.54	1,899,237.54				1,899,237.54
Travel	20,539.40	20,539.40				20,539.40
Materials and Supplies	400.11	400.11				400.11
Rentals & Leases	8,651.98	8,651.98				8,651.98
Federal Grant Pass-Through Expenditures (Schedule 1A)	1,894,340.51	1,894,340.51				1,894,340.51
State Grant Pass-Through Expenditures	243,180.90	243,180.90				243,180.90
Intergovernmental Payments	1,229,526.88	1,229,526.88				1,229,526.88
Public Assistance Payments	19,863.00	19,863.00				19,863.00
Other Expenditures	23,031.20	23,031.20				23,031.20
Total Expenditures/Expenses	<u>6,479,770.83</u>	<u>6,479,770.83</u>	<u>0.00</u>	<u>(3,909.91)</u>	<u>0.00</u>	<u>6,475,860.92</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>7,962,121.53</u>	<u>7,962,121.53</u>	<u>0.00</u>	<u>3,909.91</u>	<u>0.00</u>	<u>7,966,031.44</u>
OTHER FINANCING SOURCES (USES)						
Transfers-In	188,204.22	188,204.22				188,204.22
Transfers-Out	(188,204.22)	(188,204.22)				(188,204.22)
Total Other Financing Sources and Uses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Change in Fund Balances/Net Position	<u>7,962,121.53</u>	<u>7,962,121.53</u>	<u>0.00</u>	<u>3,909.91</u>	<u>0.00</u>	<u>7,966,031.44</u>
FUND FINANCIAL STATEMENT – FUND BALANCES						
Fund Balances – Beginning	237,703,233.19	237,703,233.19				237,703,233.19
Fund Balances, September 1, 2023, as Restated	237,703,233.19	237,703,233.19	0.00	0.00	0.00	237,703,233.19
Fund Balances – August 31, 2024	<u>\$ 245,665,354.72</u>	<u>\$ 245,665,354.72</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 245,665,354.72</u>
GOVERNMENT-WIDE STATEMENT OF NET POSITION						
Change in Net Position		<u>\$ 245,665,354.72</u>	<u>\$</u>	<u>\$ 3,909.91</u>	<u>\$</u>	<u>\$ 245,669,264.63</u>
Net Position – Beginning				(134,367.12)		(134,367.12)
Net Position, September 1, 2023, as Restated				(134,367.12)	0.00	(134,367.12)
Net Position – August 31, 2024		<u>\$ 245,665,354.72</u>	<u>\$ 0.00</u>	<u>\$ (130,457.21)</u>	<u>\$ 0.00</u>	<u>\$ 245,534,897.51</u>

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

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

The State Energy Conservation Office (SECO) 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 State Agencies.

The function of the State Energy Conservation Office is to promote and provide for the efficient use of energy, while protecting human health and safety, and the environment. SECO administers and delivers a variety of energy efficient and renewable programs that significantly impact energy cost and consumption in the institutional, industrial, transportation and residential sectors.

Due to the significant changes related to Governmental Accounting Standards Board Statement (GASB) 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 Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

There are no component units in which the State Energy Conservation Office is financially accountable for in which exclusion would create misleading or incomplete financial statements.

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

The General Revenue Fund (Fund 0001) is used to account for all financial resources of the state except those required to be accounted for in another fund.

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.

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 that 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. The following activities are recognized in these fund types:

- Unpaid employee compensable leave
- 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.

Federal Receivables-Current

This represents federal grant reimbursements including indirect costs that have been earned but not received.

Loans and Contracts

LoanSTAR Program

The State Energy Conservation Office offers loans from the oil overcharge LoanSTAR fund for energy related cost reduction projects. These low interest loans are made to state agencies and public institutions and are paid back with the funds saved from the reduction of energy costs.

Federally Funded Loan Programs

State Energy Program (SEP - CFDA 81.041)

The State Energy Conservation Office receives an annual grant from the U.S. Department of Energy (DOE) to provide funds for the State Energy Program (SEP). A portion of these funds are authorized by DOE to be used as low interest loans that enable municipalities to maximize their energy efficiency through building retrofits. The loans are paid back with funds saved from the reduction of energy costs. Furthermore, the State Energy Conservation Office chose to continue the administration of the American Recovery and Reinvestment Act (ARRA) revolving loan program made available through DOE in 2009. The program still offers low interest loans intended to assist governmental entities in financing their energy related cost reduction efforts. No dollars have been transferred from the now discontinued ARRA award to the annual SEP award and all monitoring will follow the same guidelines as the SEP annual grant.

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

Employees' compensable leave balances represent the liability that become "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.

FUND BALANCE/NET POSITION

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

Fund Balance Components

Fund balances for governmental funds are classified 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.
- 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.
- Unassigned fund balance includes the residual classification for the general fund. The net resources of the general fund in excess of non-spendable, restricted, committed and assigned fund balances (a surplus fund balance) are classified as unassigned fund balance.

INTERFUND ACTIVITIES AND TRANSACTIONS

The agency has the following types of transactions between funds/agencies:

- Due To Other Agencies
- Transfers In
- Transfers Out
- Interfund Receivables and Interfund Payables

The composition of the agency's interfund receivables and interfund payables are presented in Note 12.

NOTE 2: Capital Assets

(Not Applicable)

NOTE 3: Deposits, Investments and Repurchase Agreements

(Not Applicable)

NOTE 4: Short-Term Debt

(Not Applicable)

NOTE 5: Long-Term Liabilities

Changes In Long-Term Liabilities

The following changes occurred in liabilities during the year ending Aug. 31, 2024:

Governmental Activities	Balance Sept. 1, 2023	Additions	Reductions	Other	Balance Aug. 31, 2024	Within One Year	Due Thereafter
Compensable Leave	\$ 134,367.12	\$ 98,627.29	\$ 107,443.27	\$ 4,906.07	\$ 130,457.21	\$ 71,058.40	\$ 59,398.81
Total Governmental	<u>\$ 134,367.12</u>	<u>\$ 98,627.29</u>	<u>\$ 107,443.27</u>	<u>\$ 4,906.07</u>	<u>\$ 130,457.21</u>	<u>\$ 71,058.40</u>	<u>\$ 59,398.81</u>

Employees' Compensable Leave

If a state employee had continuous employment with the state for at least six months, the 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.

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 employees 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 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivatives

(Not Applicable)

NOTE 8: Leases

(Not Applicable)

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

(Not Applicable)

NOTE 10: Deferred Compensation

(Not Applicable)

NOTE 11: Postemployment Benefits Other Than Pensions

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

The State Energy Conservation Office experienced routine transfers with other state agencies that were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

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-

UNAUDITED
Comptroller State Energy Conservation Office (907)

current.” The State Energy Conservation Office’s LoanSTAR Revolving Loan programs are reported in interfund receivables and payables. The LoanSTAR Revolving loan balances are provided below.

Individual balances and activity as of Aug. 31, 2024 are as follows:

	<u>Current</u> <u>Interfund Receivable</u>	<u>Current</u> <u>Interfund Payable</u>	<u>Purpose</u>
Current Portion			
Appd Fund 5005, D23 Fund 0515			
Agency 401, Texas Military Department	\$ 48,097.40	\$	Loan Star Loans
Agency 696, Texas Department of Criminal Justice	629,795.56		Loan Star Loans
Agency 714, UT at Arlington	56,662.40		Loan Star Loans
Agency 714, UT at Arlington	40,490.92		Loan Star Loans
Total Interfund Receivable/Payable Loans	<u>\$ 775,046.28</u>	<u>\$ 0.00</u>	
Agy 907 Accrued Expenditure transfer from Fund 0001 to 0515	\$	\$ 45,263.56	Accrued Expenditure Transfer
Total Interfund Receivable/Payable	<u>\$ 775,046.28</u>	<u>\$ 45,263.56</u>	
	<u>Non-Current</u> <u>Interfund Receivable</u>	<u>Non-Current</u> <u>Interfund Payable</u>	<u>Purpose</u>
Non-Current Portion			
Appd Fund 5005, D23 Fund 0515			
Agency 303, Texas Facilities Commsision	\$ 996,369.56	\$	Loan Star Loans
Agency 303, Texas Facilities Commsision	2,833,513.63		Loan Star Loans
Agency 303, Texas Facilities Commsision	1,055,943.86		Loan Star Loans
Agency 401, Texas Military Department	55,151.77		Loan Star Loans
Agency 529, Texas Health and Human Services	431,701.20		Loan Star Loans
Agency 696, Texas Department of Criminal Justice	4,791,468.97		Loan Star Loans
Agency 696, Texas Department of Criminal Justice	2,648,672.36		Loan Star Loans
Agency 714, UT at Arlington	78,698.49		Loan Star Loans
Agency 714, UT at Arlington	143,747.71		Loan Star Loans
Total Interfund Receivable/Payable	<u>\$ 13,035,267.55</u>	<u>\$ 0.00</u>	
	<u>Current</u> <u>Interfund Receivable</u>	<u>Current</u> <u>Interfund Payable</u>	<u>Purpose</u>
Current Portion			
Appd Fund 0001, D23 Fund 0230			
Agency 711, Texas A&M University	\$ 585,390.88	\$	Federal Lone Star Loans
Agency 711, Texas A&M University	593,528.56		Federal Lone Star Loans
Total Interfund Receivable/Payable	<u>\$ 1,178,919.44</u>	<u>\$ 0.00</u>	
	<u>Non-Current</u> <u>Interfund Receivable</u>	<u>Non-Current</u> <u>Interfund Payable</u>	<u>Purpose</u>
Non-Current Portion			
Appd Fund 0001, D23 Fund 0230			
Agency 711, Texas A&M University	\$ 1,128,209.61	\$	Federal Lone Star Loans
Agency 711, Texas A&M University	975,389.66		Federal Lone Star Loans
Total Interfund Receivable/Payable	<u>\$ 2,103,599.27</u>	<u>\$ 0.00</u>	
	<u>Current</u> <u>Interfund Receivable</u>	<u>Current</u> <u>Interfund Payable</u>	<u>Purpose</u>
Current Portion			
Appd Fund 0001, D23 Fund 0510			
Agy 907 Accrued Expenditure transfer from Fund 0001 to 0515	\$ 45,263.56	\$	Accrued Expenditure Transfer
Total Interfund Receivable/Payable	<u>\$ 45,263.56</u>	<u>\$ 0.00</u>	

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balances and Net Position

(Not Applicable)

NOTE 15: Contingencies and Commitments

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

(Not Applicable)

NOTE 18: Management's Discussion and Analysis

(Not Applicable)

NOTE 19: The Financial Reporting Entity

(Not Applicable)

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 and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivable and Payable Balances

(Not Applicable)

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

(Not Applicable)

NOTE 27: Service Concession Arrangements

(Not Applicable)

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Trouble Debt Restructuring

(Not Applicable)

NOTE 30: Non-Exchange Financial Guarantees

(Not Applicable)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Governmental Fund Balances

GASB 54 establishes financial reporting standards for fund balances.

The State Energy Conservation Office has the following restrictions/covenants causing fund balances to be committed and restricted as of Aug. 31, 2024:

GAAP Fund	Fund	AFR 54 Class	AMOUNT	Citation	Comments
1	0229/0230	Nonspendable	\$22,003,097.70	Federal CFDA 81.041	The Nonspendable amounts are federal loans. The Department of Energy has allowed the State Energy Conservation Office to use a portion of the State Energy Program Formula Grant funds for loans and approved to continue the American Recovery and Reinvestment Act (ARRA) revolving loan program. These low interest loans allow municipalities to maximize their energy efficiency through building retrofits. The loans are paid back with funds saved from the reduction of energy costs.

UNAUDITED
Comptroller State Energy Conservation Office (907)

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

UNAUDITED
Comptroller State Energy Conservation Office (907)

UNAUDITED
Comptroller State Energy Conservation Office (907)

EXHIBIT A-1

Combining Balance Sheet – All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2024

	General Revenue Fund (0001) U/F (0001),(0224), (0226),(0227) (0229), (0230), (0231), (0232) (0510), (0512), (1999), (2000), (2370)	General Revenue Dedicated-Oil Overcharge Fund (5005) UF (0505), (0515), (0525), (0535) (0545),(2005),(5999)	Total (Exh I)
ASSETS			
Current Assets:			
Cash			
Cash in State Treasury	\$	\$ 81,681,334.11	\$ 81,681,334.11
Legislative Appropriations	71,559,128.88		71,559,128.88
Receivables From:			
Federal	534,629.36		534,629.36
Interfund Receivables (Note 12)	1,178,919.44	820,309.84	1,999,229.28
Due from Other Agencies	26,297.45		26,297.45
Loans and Contracts	5,534,073.19	9,884,723.98	15,418,797.17
Total Current Assets	<u>78,833,048.32</u>	<u>92,386,367.93</u>	<u>171,219,416.25</u>
Non-Current Assets:			
Interfund Receivables (Note 12)	2,103,599.27	13,035,267.55	15,138,866.82
Loans and Contracts	19,899,498.43	40,001,754.10	59,901,252.53
Total Noncurrent Assets	<u>22,003,097.70</u>	<u>53,037,021.65</u>	<u>75,040,119.35</u>
Total Assets	<u>\$100,836,146.02</u>	<u>\$145,423,389.58</u>	<u>\$246,259,535.60</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current Liabilities:			
Payables From:			
Accounts	\$ 63,814.59	\$ 27,037.77	\$ 90,852.36
Payroll	81,911.68	16,379.88	98,291.56
Interfund Payables	45,263.56		45,263.56
Due To Other Agencies	237,048.06	97,476.51	334,524.57
Unearned Revenues	25,248.83		25,248.83
Total Current Liabilities	<u>453,286.72</u>	<u>140,894.16</u>	<u>594,180.88</u>
Non-Current Liabilities:			
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>453,286.72</u>	<u>140,894.16</u>	<u>594,180.88</u>
Fund Balances (Deficits):			
Nonspendable	22,003,097.70		22,003,097.70
Committed		145,282,495.42	145,282,495.42
Unassigned	78,379,761.60		78,379,761.60
Total Fund Balances	<u>100,382,859.30</u>	<u>145,282,495.42</u>	<u>245,665,354.72</u>
Total Liabilities and Fund Balances	<u>\$100,836,146.02</u>	<u>\$145,423,389.58</u>	<u>\$246,259,535.60</u>

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

UNAUDITED
Comptroller State Energy Conservation Office (907)

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, 2024

	General Revenue Fund (0001) U/F (0001),(0224), (0226),(0227) (0229),(0230), (0231),(0232) (0510),(0512),(1999), (2000), (2370)	General Revenue Dedicated-Oil Overcharge Fund (5005) UF (0505), (0515), (0525), (0535) (0545),(2005),(5999)	Total (Exh II)
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 412,790.00	\$	\$ 412,790.00
Additional Appropriations	36,841.06		36,841.06
Federal Revenue (Schedule 1A)	5,195,822.84		5,195,822.84
Interest and Investment Income	3,642,428.42	5,154,010.04	8,796,438.46
Total Revenues	<u>9,287,882.32</u>	<u>5,154,010.04</u>	<u>14,441,892.36</u>
EXPENDITURES			
Salaries and Wages	752,788.01	126,869.30	879,657.31
Payroll Related Costs	161,063.13	100,278.87	261,342.00
Professional Fees and Services	1,528,132.00	371,105.54	1,899,237.54
Travel	20,539.40		20,539.40
Materials and Supplies	400.11		400.11
Rentals & Leases	7,161.61	1,490.37	8,651.98
Federal Grant Pass-Through Expenditures (Schedule 1A)	1,894,340.51		1,894,340.51
State Grant Pass-Through Expenditure		243,180.90	243,180.90
Intergovernmental Payments	1,229,526.88		1,229,526.88
Public Assistance Payments	19,863.00		19,863.00
Other Expenditures	22,701.78	329.42	23,031.20
Total Expenditures/Expenses	<u>5,636,516.43</u>	<u>843,254.40</u>	<u>6,479,770.83</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,651,365.89</u>	<u>4,310,755.64</u>	<u>7,962,121.53</u>
OTHER FINANCING SOURCES (USES)			
Transfers-In		188,204.22	188,204.22
Transfers-Out		(188,204.22)	(188,204.22)
Total Other Financing Sources and Uses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Change in Fund Balances	<u>3,651,365.89</u>	<u>4,310,755.64</u>	<u>7,962,121.53</u>
FUND FINANCIAL STATEMENT – FUND BALANCES			
Fund Balances, September 1, 2022	96,731,493.41	140,971,739.78	237,703,233.19
Restatements			
Fund Balances, September 1, 2023, as Restated	<u>96,731,493.41</u>	<u>140,971,739.78</u>	<u>237,703,233.19</u>
Fund Balances – August 31, 2024	<u>\$ 100,382,859.30</u>	<u>\$ 145,282,495.42</u>	<u>\$ 245,665,354.72</u>

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

SUPPLEMENTARY SCHEDULES

UNAUDITED
Comptroller State Energy Conservation Office (907)

Schedule 1A

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended August 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name Identifying Number	Agy Univ No.	Pass-through From		Direct Program Amount	Total PT From and Direct Program Amount
				Agencies or Universities Amount	Non-State Entities Amount		
U.S. DEPARTMENT OF ENERGY							
Direct Programs:							
State Energy Program	81.041			\$	\$	\$ 2,590,643.87	\$ 2,590,643.87
State Energy Program	81.041					60,339.10	60,339.10
<i>Pass-Through To:</i>							
<i>Public Utility Commission of Texas</i>							
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106					39,542.81	39,542.81
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106					169,557.69	169,557.69
<i>Pass-Through To:</i>							
<i>Department of State Health Services</i>							
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106					129,842.17	129,842.17
<i>Pass-Through To:</i>							
<i>Texas Division of Emergency Management</i>							
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128					41,663.87	41,663.87
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,	81.214					629,631.78	629,631.78
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,	81.214					495,824.33	495,824.33
<i>Pass-Through To:</i>							
<i>Department of State Health Services</i>							
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,	81.214					261,243.99	261,243.99
<i>Pass-Through To:</i>							
<i>Texas Division of Emergency Management</i>							
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,	81.214					88,911.26	88,911.26
<i>Pass-Through To:</i>							
<i>Texas Commission on Environmental Quality</i>							
Totals – U.S. Department of Energy						<u>4,507,200.87</u>	<u>4,507,200.87</u>
RESEARCH & DEVELOPMENT CLUSTER							
U.S. DEPARTMENT OF ENERGY							
Direct Programs:							
State Energy Program	81.041					196,161.88	196,161.88
<i>Pass-Through To:</i>							
<i>Texas A&M Engineering Experiment Station</i>							
State Energy Program	81.041					300,866.78	300,866.78
<i>Pass-Through To:</i>							
<i>University of Texas at Austin</i>							
State Energy Program	81.041					191,593.31	191,593.31
<i>Pass-Through To:</i>							
<i>University of Houston</i>							
Total Expenditures of Federal Awards						<u>\$ 688,621.97</u>	<u>\$ 688,621.97</u>
						<u>\$ 5,195,822.84</u>	<u>\$ 5,195,822.84</u>

Concluded on the following page

UNAUDITED
Comptroller State Energy Conservation Office (907)

SCHEDULE 1A (concluded)

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended August 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Agy Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Agencies or Universities Amount	Non-State Entities Amount		
U.S. DEPARTMENT OF ENERGY					
Direct Programs:					
State Energy Program		\$	\$	\$ 2,590,643.87	\$ 2,590,643.87
State Energy Program					60,339.10
<i>Pass-Through To:</i>					
<i>Public Utility Commission of Texas</i>	473	60,339.10			
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions				39,542.81	39,542.81
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions					169,557.69
<i>Pass-Through To:</i>					
<i>Department of State Health Services</i>	537	169,557.69			
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions					129,842.17
<i>Pass-Through To:</i>					
<i>Texas Division of Emergency Management</i>	575	129,842.17			
Energy Efficiency and Conservation Block Grant Program (EECBG)				41,663.87	41,663.87
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,				629,631.78	629,631.78
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,					495,824.33
<i>Pass-Through To:</i>					
<i>Department of State Health Services</i>	537	495,824.33			
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,					261,243.99
<i>Pass-Through To:</i>					
<i>Texas Division of Emergency Management</i>	575	261,243.99			
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis,					88,911.26
<i>Pass-Through To:</i>					
<i>Texas Commission on Environmental Quality</i>	582	88,911.26			
Totals – U.S. Department of Energy		<u>1,205,718.54</u>	<u>0.00</u>	<u>3,301,482.33</u>	<u>4,507,200.87</u>
RESEARCH & DEVELOPMENT CLUSTER					
U.S. DEPARTMENT OF ENERGY					
Direct Programs:					
State Energy Program					196,161.88
<i>Pass-Through To:</i>					
<i>Texas A&M Engineering Experiment Station</i>	712	196,161.88			
State Energy Program					300,866.78
<i>Pass-Through To:</i>					
<i>University of Texas at Austin</i>	721	300,866.78			
State Energy Program					191,593.31
<i>Pass-Through To:</i>					
<i>University of Houston</i>	730	191,593.31			
		<u>688,621.97</u>	<u>0.00</u>	<u>0.00</u>	<u>688,621.97</u>
Total Expenditures of Federal Awards		<u>\$ 1,894,340.51</u>	<u>\$ 0.00</u>	<u>\$ 3,301,482.33</u>	<u>\$ 5,195,822.84</u>

UNAUDITED
Comptroller State Energy Conservation Office (907)

Comptroller – Texas
Bullion Depository (908)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Comptroller – Texas Bullion Depository (908)

UNAUDITED
Comptroller – Texas Bullion Depository (908)

EXHIBIT I

**Combined Balance Sheet –
Governmental Funds**

August 31, 2024

	General Funds	Capital Asset Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS				
Current Assets:				
Legislative Appropriations	\$ 816,735.18	\$	\$	\$ 816,735.18
Accounts Receivable				
Total Current Assets	<u>816,735.18</u>	<u>0.00</u>	<u>0.00</u>	<u>816,735.18</u>
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Assets	<u><u>\$ 816,735.18</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 816,735.18</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 335,326.77	\$	\$	\$ 335,326.77
Total Current Liabilities	<u>335,326.77</u>	<u>0.00</u>	<u>0.00</u>	<u>335,326.77</u>
Total Liabilities	<u>335,326.77</u>	<u>0.00</u>	<u>0.00</u>	<u>335,326.77</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable	\$	\$	\$	\$
Restricted				
Committed				
Unassigned	481,408.41			481,408.41
Total Fund Balances	<u>481,408.41</u>	<u>0.00</u>	<u>0.00</u>	<u>481,408.41</u>
Total Liabilities and Fund Balances	<u><u>\$ 816,735.18</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 816,735.18</u></u>
GOVERNMENT-WIDE STATEMENT – NET POSITION				
Net Position:				
Net Investment in Capital Assets				
Unrestricted				
Total Net Position	<u><u>\$ 481,408.41</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 481,408.41</u></u>

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

UNAUDITED
Comptroller – Texas Bullion Depository (908)

EXHIBIT II

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	General Funds	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$	\$	\$	\$
Licenses, Fees & Permits	1,388,954.05			1,388,954.05
Total Revenues	<u>1,388,954.05</u>	<u>0.00</u>	<u>0.00</u>	<u>1,388,954.05</u>
EXPENDITURES				
Professional Fees and Services	1,408,452.19			1,408,452.19
Professional Fees and Services	986.00			
Interest Expense - Other	1.49			
Total Expenditures	<u>1,409,439.68</u>	<u>0.00</u>	<u>0.00</u>	<u>1,408,452.19</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,485.63)</u>	<u>0.00</u>	<u>0.00</u>	<u>(19,498.14)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In				
Transfer Out				
Legislative Transfer Out				
Appropriations Lapsed				
Insurance Recoveries				
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Change in Fund Balances	<u>(20,485.63)</u>	<u>0.00</u>	<u>0.00</u>	<u>(20,485.63)</u>
FUND FINANCIAL STATEMENT – FUND BALANCES				
Fund Balances, September 1, 2023	501,894.04			501,894.04
Restatements (Note 14)				
Fund Balances, September 1, 2023, as Restated	<u>501,894.04</u>	<u>0.00</u>	<u>0.00</u>	<u>501,894.04</u>
Fund Balances, August 31, 2024	<u>\$ 481,408.41</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 481,408.41</u>
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES				
Fund Balances, September 1, 2023	\$ 501,894.04	\$	\$	\$ 501,894.04
Restatements				
Fund Balances, September 1, 2023, as Restated	<u>501,894.04</u>	<u>0.00</u>	<u>0.00</u>	<u>501,894.04</u>
Fund Balances, August 31, 2024	<u>\$ 481,408.41</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 481,408.41</u>

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

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

The Depository is established to serve as the custodian, guardian, and administrator of certain bullion and specie that may be transferred or otherwise acquired by the state of Texas, a state agency, a political subdivision, or another entity of the state. The Depository does not own the assets on deposit and does not report them on its financial statements.

There are no component units in which the Depository is financially accountable or any organization in which exclusion would create misleading or incomplete financial statements.

Due to the significant changes related to Governmental Accounting Standards Board (GASB) Statement 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 be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the *State of Texas Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

GOVERNMENTAL FUND TYPES AND GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General Fund

General Revenue Fund 0001 – To receive those revenues directed to be deposited to the General Revenue Fund and those revenues for which a specific fund has not been designated; such revenues to be used as the Constitution prescribes and the Legislature directs.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures are recognized in the accounts reported in the financial statements. Governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Expenditures are generally recognized when the related fund liability is incurred. Exceptions are unpaid employee compensable leave, and the unmatured debt service (principal and interest) on general long-term debt, long-term capital leases, and long-term claims and judgments, which are not recognized until actual payment is made.

BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act). Unobligated appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

ASSETS, LIABILITIES AND FUND EQUITY

Assets

Legislative Appropriations

Amounts shown as legislative appropriations represent cash balances in the General Fund at Aug. 31, 2024. The cash balances of these funds are reported by a different agency at the statewide level.

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.

Fund Balance/Net Position

The difference between fund assets and liabilities is ‘Net Position’ on the government-wide and fiduciary fund statements and the ‘Fund Balance’ is the difference between fund assets and liabilities on the governmental fund statements.

Restricted Fund Balance

This fund balance is reported as restricted when constraints placed on the use of resources are either (a. externally imposed by laws and regulations of other governments or (b. imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the state’s highest level of decision-making authority (the Legislature) are reported as committed fund balance.

Unassigned Fund Balance

This is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed or assigned for specific purposes within the general fund. The general fund is the only fund that can report a positive unassigned fund balance.

INTERFUND TRANSACTIONS AND BALANCES

Interfund transactions refers to interactions with legally separate entities such as other state agencies and is restricted to external events. The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statements.

The Depository did not have any interfund transactions or balances during fiscal year 2024.

NOTE 2: Capital Assets

(Not Applicable)

NOTE 3: Deposits, Investments and Repurchase Agreements

(Not Applicable)

NOTE 4: Short-Term Debt

(Not Applicable)

NOTE 5: Summary of Long-Term Liabilities

(Not Applicable)

NOTE 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivatives

(Not Applicable)

NOTE 8: Leases

(Not Applicable)

NOTE 9: Pension Plans

(Not Applicable)

NOTE 10: Deferred Compensation

(Not Applicable)

NOTE 11: Postemployment Health Care and Life Insurance Benefits

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

(Not applicable)

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balances and Net Position

(Not Applicable)

NOTE 15: Contingent Liabilities

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

(Not Applicable)

NOTE 18: Management Discussion and Analysis

The Depository was a new agency effective for fiscal year 2018. None of the amounts reported in the financial statements are material to the Comptroller’s Office or the state of Texas.

NOTE 19: The Financial Reporting Entity

There were no significant related party transactions in the Depository in fiscal 2024.

NOTE 20: Stewardship, Compliance and Accountability

This section of the report reflects the activities of the Comptroller–Texas Bullion Depository function (Agency 908) in the General Revenue Fund (0001). The entire activity of the State’s General Revenue Fund will be reflected in the fiscal 2024 *State of Texas Comprehensive Annual Financial Report*.

NOTE 21: Tobacco Settlement

(Not Applicable)

NOTE 22: Donor-Restricted Endowments

(Not Applicable)

NOTE 23: Extraordinary and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivables and Payables

See Note 1 for disaggregation of Other Payables.

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

(Not Applicable)

NOTE 27: Taxes Receivables/Payables

(Not Applicable)

NOTE 28: Contested Taxes

(Not Applicable)

NOTE 29: Deferred Inflow of Resources

(Not Applicable)

NOTE 30: Unclaimed Property

(Not Applicable)

NOTE 31: Fund Balances

(Not Applicable)

Comptroller – Funds Management (903)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Comptroller – Funds Management (903)

UNAUDITED
Comptroller – Funds Management (903)

EXHIBIT I

**Combined Balance Sheet/Statement of Net Position –
Governmental Funds**

August 31, 2024

	Combined Balance Sheet – Governmental Funds	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Statement of Net Position
ASSETS					
Current Assets:					
Legislative Appropriations	\$	\$	\$	\$	\$
Accounts Receivable					
Total Current Assets	0.00	0.00	0.00	0.00	0.00
Total Non-Current Assets	0.00	0.00	0.00	0.00	0.00
Total Assets	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables From:					
Accounts Payable	\$	\$	\$	\$	\$
Total Current Liabilities	0.00	0.00	0.00	0.00	0.00
Total Liabilities	0.00	0.00	0.00	0.00	0.00
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances (Deficits):					
Nonspendable					
Restricted					
Committed					
Unassigned					
Total Fund Balances	0.00				
Total Liabilities and Fund Balance	\$ 0.00				
GOVERNMENT-WIDE STATEMENT – NET POSITION					
Net Position:					
Net Investment in Capital Assets					
Unrestricted					
Total Net Position		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

UNAUDITED
Comptroller – Funds Management (903)

EXHIBIT II

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	General Funds (Ex A-2)	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Other Adjustments	Governmental Funds Total
OTHER FINANCING SOURCES (USES)					
Transfer In	\$ 1,041,393,426.00	\$	\$	\$	\$ 1,041,393,426.00
Transfer Out	(1,041,393,426.00)				(1,041,393,426.00)
Legislative Transfer Out					
Insurance Recoveries					
Total Other Financing Sources and Uses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Change in Fund Balances/Net Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND FINANCIAL STATEMENT – FUND BALANCES					
Fund Balances, September 1, 2023					
Restatements					
Fund Balances, September 1, 2023, as Restated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund Balances, August 31, 2024	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
GOVERNMENT-WIDE STATEMENT – NET POSITION					
Net Position/Net Change in Net Position	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Net Position, September 1, 2023					
Restatements					
Net Position, September 1, 2023, as Restated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Position, August 31, 2024	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

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

The Agency is used by the Comptroller’s Office, for accounting purposes only, to transfer surplus cash between funds in the State Treasury. No expenditures are made from this fund.

There are no component units in which the Agency is financially accountable, or any organization in which exclusion would create misleading or incomplete financial statements.

Due to the significant changes related to Governmental Accounting Standards Board (GASB) Statement 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 generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the *State of Texas Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

GOVERNMENTAL FUND TYPES AND GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General Fund

General Revenue Fund (Fund 0001) – To receive revenues directed to be deposited to the General Revenue Fund and revenues for which a specific fund has not been designated; such revenues to be used as the Constitution prescribes and the Legislature directs.

Workforce Commission Federal (Fund 5026) – This account is created in General Revenue to record all transactions related to federal funds received by the Texas Workforce Commission.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures are recognized in the accounts reported in the financial statements. Governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Expenditures are generally recognized when the related fund liability is incurred. Exceptions are unpaid employee compensable leave, and the unmatured debt service (principal and interest) on general long-term debt, long-term capital leases, and long-term claims and judgments, which are not recognized until actual payment is made.

BUDGETS AND BUDGETARY ACCOUNTING

The budget (the General Appropriations Act) is prepared biennially and represents appropriations authorized by the Legislature and approved by the governor. Unobligated appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

ASSETS, LIABILITIES AND FUND EQUITY

Assets

Legislative Appropriations

Amounts shown as legislative appropriations represent cash balances in the General Fund at Aug. 31, 2024. The cash balances of these funds are reported by a different agency at the statewide level.

Liabilities

Accounts Payable

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

Fund Balance/Net Position

The difference between fund assets and liabilities is ‘Net Position’ on the government-wide and fiduciary fund statements and the ‘Fund Balance’ is the difference between fund assets and liabilities on the governmental fund statements.

Restricted Fund Balance

Reported as restricted when constraints placed on the use of resources are either:

- a.) Externally imposed by laws and regulations of other governments, or
- b.) Imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the state’s highest level of decision-making authority (the Legislature) are reported as committed fund balance.

Unassigned Fund Balance

This is the residual classification for the general fund that represents a fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund. The general fund is the only fund that can report a positive unassigned fund balance.

INTERFUND TRANSACTIONS AND BALANCES

Interfund transactions refer to interactions with legally separate entities (such as other state agencies) and is restricted to external events. The Agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statements.

The Agency has transfers between the General Revenue Fund and the Workforce Commission Federal during fiscal year 2024.

NOTE 2: Capital Assets

(Not Applicable)

NOTE 3: Deposits, Investments and Repurchase Agreements

(Not Applicable)

NOTE 4: Short-Term Debt

(Not Applicable)

NOTE 5: Long-Term Liabilities

(Not Applicable)

NOTE 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivative Instruments

(Not Applicable)

NOTE 8: Leases/SBITAs

(Not Applicable)

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

(Not Applicable)

NOTE 10: Deferred Compensation

(Not Applicable)

NOTE 11: Postemployment Benefits Other Than Pensions

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

(Not applicable)

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustments to Beginning Net position, Fund Balances or Fund Net Position

(Not Applicable)

NOTE 15: Contingencies and Commitments

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

(Not Applicable)

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

(Not Applicable)

NOTE 19: The Financial Reporting Entity

(Not Applicable)

NOTE 20: Stewardship, Compliance and Accountability

(Not Applicable)

NOTE 21: Tobacco Settlement

(Not Applicable)

NOTE 22: Donor Restricted Endowments

(Not Applicable)

NOTE 23: Extraordinary and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivables and Payable Balances

See Note 1 for disaggregation of Other Payables.

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

(Not Applicable)

NOTE 27: Public-Private and Public-Public Partnerships

(Not Applicable)

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Trouble Debt Restructuring

(Not Applicable)

NOTE 30: Financial Guarantees

(Not Applicable)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Government Fund Balances

(Not Applicable)

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

UNAUDITED
Comptroller – Funds Management (903)

UNAUDITED
Comptroller – Funds Management (903)

EXHIBIT A-1

Combining Balance Sheet – All General and Consolidated Funds

August 31, 2024

	General Revenue Fund (0001) U/F (0001)	GR Account – Workforce Commission Federal (5026) U/F (5026)	Total
ASSETS			
Current Assets:			
Legislative Appropriations	\$	\$	\$
Accounts Receivable			
Total Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Assets	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current Liabilities:			
Accounts Payable	\$	\$	\$
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND FINANCIAL STATEMENT –			
FUND BALANCES			
Fund Balances (Deficits):			
Nonspendable			
Restricted			
Committed			
Unassigned			
Total Fund Balances	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Liabilities and Fund Balances	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

UNAUDITED
Comptroller – Funds Management (903)

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, 2024

	Consolidated Funds		Total
	General Revenue Fund (0001) U/F (0001)	GR Account – Workforce Commission Federal (5026) U/F (5026)	
OTHER FINANCING SOURCES (USES)			
Transfer In	\$ 347,131,142.00	\$ 694,262,284.00	\$ 1,041,393,426.00
Transfer Out	(347,131,142.00)	(694,262,284.00)	(1,041,393,426.00)
Legislative Transfer Out			
Insurance Recoveries			
Total Other Financing Sources (Uses)	0.00	0.00	0.00
Net Change in Fund Balances	0.00	0.00	0.00
FUND FINANCIAL STATEMENT – FUND BALANCES			
Fund Balances, September 1, 2023			
Restatements (Note 14)			
Fund Balances, September 1, 2023, as Restated	0.00	0.00	0.00
Fund Balances, August 31, 2024	\$ 0.00	\$ 0.00	\$ 0.00

Texas Broadband Development Office (909)

BASIC FINANCIAL STATEMENTS

UNAUDITED
Texas Broadband Development Office (909)

UNAUDITED
Texas Broadband Development Office (909)

EXHIBIT I

Combined Balance Sheet/Statement of Net Position – Governmental Funds

August 31, 2024

	Governmental Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1)	Governmental Fund Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash in State Treasury	\$ 210,635.14	\$ 1,382,627,675.23	\$ 1,382,838,310.37	\$	\$	\$ 1,382,838,310.37
Legislative Appropriations	7,994,622.00		7,994,622.00			7,994,622.00
Total Current Assets	<u>8,205,257.14</u>	<u>1,382,627,675.23</u>	<u>1,390,832,932.37</u>	<u>0.00</u>	<u>0.00</u>	<u>1,390,832,932.37</u>
Non-Current Assets						
Right to Use Assets						
Subscription Asset				1,081,056.67		1,081,056.67
Subscription Asset Amortization				(926,620.00)		(926,620.00)
Total Non-Current Assets				<u>154,436.67</u>		<u>154,436.67</u>
Total Assets	<u>\$ 8,205,257.14</u>	<u>\$ 1,382,627,675.23</u>	<u>\$ 1,390,832,932.37</u>	<u>\$ 154,436.67</u>	<u>\$ 0.00</u>	<u>\$ 1,390,987,369.04</u>
LIABILITIES						
Current Liabilities:						
Payables From:						
Accounts Payable	\$ 131,987.30	\$	\$ 131,987.30	\$	\$	\$ 131,987.30
Payroll Payable	137,507.99		137,507.99			137,507.99
Interest Payable					27,317.77	27,317.77
Unearned Revenues	84,074.69		84,074.69			168,149.38
Employees' Compensable Leave (Note 5)					55,625.60	55,625.60
Subscription Liability					360,862.82	360,862.82
Total Current Liabilities	<u>353,569.98</u>	<u>0.00</u>	<u>353,569.98</u>	<u>0.00</u>	<u>443,806.19</u>	<u>881,450.86</u>
Non-Current Liabilities:						
Employees' Compensable Leave (Note 5)					7,208.57	7,208.57
Subscription Liability						360,862.82
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,208.57</u>	<u>368,071.39</u>
Total Liabilities	<u>353,569.98</u>	<u>0.00</u>	<u>353,569.98</u>	<u>0.00</u>	<u>451,014.76</u>	<u>1,249,522.25</u>
FUND FINANCIAL STATEMENT						
Fund Balances (Deficits):						
Restricted	20,061.15	1,382,627,675.23	1,382,647,736.38			1,382,647,736.38
Unassigned	7,831,626.01		7,831,626.01			7,831,626.01
Total Fund Balances	<u>7,851,687.16</u>	<u>1,382,627,675.23</u>	<u>1,390,479,362.39</u>	<u>0.00</u>	<u>0.00</u>	<u>1,390,479,362.39</u>
Total Liabilities and Fund Balances	<u>\$ 8,205,257.14</u>	<u>\$ 1,382,627,675.23</u>	<u>\$ 1,390,832,932.37</u>			
GOVERNMENT-WIDE STATEMENT OF NET POSITION						
Net Position						
Invested in Capital Assets, Net of Related Debt				154,436.67	(388,180.59)	(233,743.92)
Restricted for:						
Employee Benefits					(62,834.17)	(62,834.17)
Total Net Position				<u>\$ 0.00</u>	<u>\$ (451,014.76)</u>	<u>\$ 1,390,182,784.30</u>

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

UNAUDITED
Texas Broadband Development Office (909)

EXHIBIT II

Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	Governmental Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	Governmental Fund Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES						
Legislative Appropriations:						
Original Appropriations	\$ 1,507,022,798.00	\$	\$ 1,507,022,798.00	\$	\$	\$ 1,507,022,798.00
Additional Appropriations	220,864.05		220,864.05			220,864.05
Federal Revenue	5,387,718.91		5,387,718.91			5,387,718.91
Interest, Dividend & Other Income	16,287.61	37,827,675.23	37,843,962.84			37,843,962.84
Total Revenues	<u>1,512,647,668.57</u>	<u>37,827,675.23</u>	<u>1,550,475,343.80</u>	<u>0.00</u>	<u>0.00</u>	<u>1,550,475,343.80</u>
EXPENDITURES						
Salaries and Wages	859,617.37		859,617.37		27,918.76	887,536.13
Payroll-Related Costs	232,063.42		232,063.42			232,063.42
Professional Fees and Services	5,330,303.11		5,330,303.11			5,330,303.11
Travel	15,572.28		15,572.28			15,572.28
Materials and Supplies	1,038.24		1,038.24			1,038.24
Communication and Utilities	(370,833.00)		(370,833.00)			(370,833.00)
Rentals and Leases	712,840.18		712,840.18			712,840.18
Other Expenditures	23,146.86		23,146.86			23,146.86
Interest-Other					9,004.82	9,004.82
Debt Service Principal-Leases/SBITA	351,213.75		351,213.75		(351,213.75)	
Increase In Obligation-Leases/SBITA						
Capital Outlay (Note 2)				(1,081,056.67)		(1,081,056.67)
Depreciation and Amortization Expense (Note 2)				926,620.00		926,620.00
Total Expenditures/Expenses	<u>7,154,962.21</u>	<u>0.00</u>	<u>7,154,962.21</u>	<u>(154,436.67)</u>	<u>(314,290.17)</u>	<u>6,686,235.37</u>
Excess (Deficiency) of Revenues over (under)						
Expenditures	1,505,492,706.36	37,827,675.23	1,543,320,381.59	154,436.67	314,290.17	1,543,789,108.43
OTHER FINANCING SOURCES (USES)						
Transfers-In	1,268,369.59	2,769,800,000.00	2,771,068,369.59			2,771,068,369.59
Transfers-Out	(1,501,268,369.59)	(1,425,000,000.00)	(2,926,268,369.59)			(2,926,268,369.59)
Increase In Obligation-Leases/SBITA						
Total Other Financing Sources and Uses	<u>(1,500,000,000.00)</u>	<u>1,344,800,000.00</u>	<u>(155,200,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>(155,200,000.00)</u>
Net Change in Fund Balances/Net Position	<u>5,492,706.36</u>	<u>1,382,627,675.23</u>	<u>1,388,120,381.59</u>	<u>154,436.67</u>	<u>314,290.17</u>	<u>1,388,589,108.43</u>
FUND FINANCIAL STATEMENT –						
FUND BALANCES						
Fund Balances – Beginning September 1, 2023	2,358,980.80		2,358,980.80			2,358,980.80
Restatements (Note 14)						
Fund Balances, September 1, 2023, as Restated	2,358,980.80	0.00	2,358,980.80	0.00	0.00	2,358,980.80
Fund Balances – August 31, 2024	<u>\$ 7,851,687.16</u>	<u>\$ 1,382,627,675.23</u>	<u>\$ 1,390,479,362.39</u>	<u>\$ 154,436.67</u>	<u>\$ 314,290.17</u>	<u>\$ 1,390,948,089.23</u>
GOVERNMENT-WIDE STATEMENT OF NET POSITION						
Net Position/Net Change in Net Position			\$ 1,390,479,362.39	\$ 154,436.67	\$ 314,290.17	\$ 1,390,948,089.23
Net Position-September 1, 2023					(765,304.93)	(765,304.93)
Restatements (Note 14)						
Net Position, September 1, 2023, as Restated			0.00	0.00	(765,304.93)	(765,304.93)
Net Position, August 31, 2024			<u>\$ 1,390,479,362.39</u>	<u>\$ 154,436.67</u>	<u>\$ (451,014.76)</u>	<u>\$ 1,390,182,784.30</u>

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

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

The Texas Broadband Development Office (BDO) is an agency of the state of Texas.

The Texas Broadband Development Office's financial records comply with state statutes and regulations. This includes compliance with the Comptroller of Public Accounts' Reporting Requirements for Annual Financial Reports of State Agencies.

The Texas Broadband Development Office (BDO), operated by the Texas Comptroller of Public Accounts, awards grants, low-interest loans and other financial incentives to internet service providers who expand access to broadband service in underserved areas. The Texas Broadband Development Office also provides a variety of tools and resources supporting the expansion of broadband access across Texas.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement 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's *Annual Comprehensive Financial Report*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

There are no component units in which the Comptroller of Public Accounts is financially accountable or any organization in which exclusion would create misleading or incomplete financial statements.

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 Fund

The General Revenue Fund (Fund 0001) is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those required to be accounted for in another fund.

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.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures 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 60 days after fiscal 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 build the government-wide financial statements are accounted for using the full accrual basis of accounting. The activity that is recognized in these fund types is as follows: capital assets, accumulated depreciation/amortization and unpaid employee compensable leave.

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). Encumbrance accounting is employed for budgetary control purposes.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated, unless the agency has authority to retain unexpended balances for use in future periods. The Texas Broadband Development Office has authority to retain unexpended balances for use in future periods.

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.

Current Receivables – Accounts Receivable

This account appears in governmental fund types and includes year-end revenue accruals.

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.

FUND BALANCE/NET POSITION

Fund balance is the difference between fund assets and liabilities on the governmental fund statements. Net position is the difference between fund assets and liabilities on the government-wide fund statements.

Fund Balance Components

The fund balance amounts for governmental funds are classified as non-spendable, and unassigned in the fund financial statements.

- Non-spendable 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. The non-spendable fund balance for this purpose represents the amount of supplies, postage and prepaid assets held to be used in the next fiscal year.

- 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. This represents funds that can be carried forward for future operations.

INTERFUND ACTIVITIES AND TRANSACTIONS

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

The Comptroller’s office has the following types of transactions between funds/agencies:

- Due From Other Agencies
- Transfers In
- Transfers Out
- Interfund Receivables and Interfund Payables

The composition of the agency’s interfund receivable and payable activities and balances is presented in Note 12.

NOTE 2: Capital Assets

A summary of changes in capital assets for the year ended Aug. 31, 2024, is presented below:

	GOVERNMENTAL ACTIVITIES							Balance Aug. 31, 2024
	Balance Sept. 1, 2023	Adjust ments	Completed CIP	Increase Interagency Transfers	Decrease Interagency Transfers	Additions	Deletions	
Intangible Right to Use Assets - Governmental Activities								
Amortizable Assets-IRTU								
Subscriptions	\$ 1,081,056.67	\$	\$	\$	\$	\$ 1,081,056.67	\$	\$ 1,081,056.67
Total Amortizable Assets-IRTU	<u>1,081,056.67</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,081,056.67</u>	<u>0.00</u>	<u>1,081,056.67</u>
Accumulated Amortization-IRTU								
Subscriptions	(463,310.00)					(463,310.00)		(926,620.00)
Total Accumulated Amortization	<u>(463,310.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(463,310.00)</u>	<u>0.00</u>	<u>(926,620.00)</u>
Total Governmental Activies, RTU Asstes, Net	<u>\$ 617,746.67</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 617,746.67</u>	<u>\$ 0.00</u>	<u>\$ 154,436.67</u>

NOTE 3: Deposits, Investments and Repurchase Agreements

(Not Applicable)

NOTE 4: Short-Term Debt

(Not Applicable)

NOTE 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended Aug. 31, 2024, the following changes occurred in liabilities reported in the general long-term liability account group:

Governmental Activities	Balance Sept. 1, 2023	Additions	Reductions	Balance Aug. 31, 2024	Amounts Due Within One Year	Amounts Due Thereafter
Right to Use Subscription Obligations	\$ 712,076.57	\$	\$ (351,213.75)	\$ 360,862.82	\$ 360,862.82	\$
Employees' Compensable Leave	34,915.41	95,957.74	(68,038.98)	62,834.17	55,625.60	7,208.57
Total Governmental Activities	<u>\$ 746,991.98</u>	<u>\$ 95,957.74</u>	<u>\$ (419,252.73)</u>	<u>\$ 423,696.99</u>	<u>\$ 416,488.42</u>	<u>\$ 7,208.57</u>

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 at least 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. No liability is recorded for non-vesting employees accumulating rights to receive sick pay benefits. This obligation is paid from the same funding source from which the employee's salary or wage compensation was paid.

NOTE 6: Bonded Indebtedness

(Not Applicable)

NOTE 7: Derivatives

(Not Applicable)

NOTE 8: Leases

(Not Applicable)

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

(Not Applicable)

NOTE 10: Deferred Compensation

(Not Applicable)

NOTE 11: Postemployment Benefits Other Than Pensions

(Not Applicable)

NOTE 12: Interfund Activity and Transactions

(Not Applicable)

NOTE 13: Continuance Subject to Review

(Not Applicable)

NOTE 14: Adjustments to Fund Balances and Net Position

(Not Applicable)

NOTE 15: Contingencies and Commitments

(Not Applicable)

NOTE 16: Subsequent Events

(Not Applicable)

NOTE 17: Risk Management

(Not Applicable)

NOTE 18: Management's Discussion and Analysis

The Texas Broadband Development Office is a new agency effective for fiscal year 2023.

NOTE 19: The Financial Reporting Entity

(Not Applicable)

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 and Special Items

(Not Applicable)

NOTE 24: Disaggregation of Receivable and Payable Balances

(Not Applicable)

NOTE 25: Termination Benefits

(Not Applicable)

NOTE 26: Segment Information

(Not Applicable)

NOTE 27: Service Concession Arrangements

(Not Applicable)

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

(Not Applicable)

NOTE 29: Troubled Debt Restructuring

(Not Applicable)

NOTE 30: Non-Exchange Financial Guarantees

(Not Applicable)

NOTE 31: Tax Abatements

(Not Applicable)

NOTE 32: Governmental Fund Balances

GASB 54 establishes financial reporting standards for fund balances.

The Texas Broadband Development office has the following restrictions/covenants causing fund balances to be restricted as of Aug. 31, 2024:

GAAP Fund	Fund	AFR 54 Class	AMOUNT	Citation	Comments
0001	5187/5188	Restricted	41,295.74	Federal CFDA 21.027	Federal Funds, restrictions are externally imposed by federal government agencies
0001	5189	Restricted	7,256.29	Federal CFDA 11.035	Federal Funds, restrictions are externally imposed by federal government agencies
0001	5190	Restricted	7,346.30	Federal CFDA 11.032	Federal Funds, restrictions are externally imposed by federal government agencies
0325	0325	Restricted	35,837.18	Federal CFDA 21.027	Federal Funds, restrictions are externally imposed by federal government agencies
0191	0191	Restricted	1,382,627,675.23	TX Govt Code Sec. 403.603 and Sec. 403.604	Funds for a specific purpose. Fund 0191 is a constitutional fund held for a specific purpose. The purpose of these funds is the development and expansion of broadband internet access for the state of Texas

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

UNAUDITED
Texas Broadband Development Office (909)

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Texas Broadband Development Office (909)

EXHIBIT A-1

Combined Balance Sheet/Statement of Net Position – Governmental Funds

August 31, 2024

	Governmental Fund Type General Funds (0001) U/F (0001, 5187, 5188, 5189, 5190)	Federal Cares/ FFCRA Act (0325) U/F (0325)	Total (Exhibit I)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash in State Treasury	\$ 210,635.14	\$	\$ 210,635.14
Legislative Appropriations	7,994,622.00		7,994,622.00
Total Current Assets	<u>8,205,257.14</u>	<u>0.00</u>	<u>8,205,257.14</u>
Total Assets	<u>\$ 8,205,257.14</u>	<u>\$ 0.00</u>	<u>\$ 8,205,257.14</u>
LIABILITIES			
Current Liabilities:			
Payables From:			
Accounts Payable	\$ 131,987.30	\$	\$ 131,987.30
Payroll Payable	137,507.99		137,507.99
Unearned Revenues	48,237.51	35,837.18	84,074.69
Total Current Liabilities	<u>317,732.80</u>	<u>35,837.18</u>	<u>353,569.98</u>
Total Liabilities	<u>317,732.80</u>	<u>35,837.18</u>	<u>353,569.98</u>
FUND FINANCIAL STATEMENT			
Fund Balances (Deficits):			
Restricted	55,898.33	(35,837.18)	20,061.15
Unassigned	7,831,626.01		7,831,626.01
Total Fund Balances	<u>7,887,524.34</u>	<u>(35,837.18)</u>	<u>7,851,687.16</u>
Total Liabilities and Fund Balances	<u>\$ 8,205,257.14</u>	<u>\$ 0.00</u>	<u>\$ 8,205,257.14</u>

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

UNAUDITED
Texas Broadband Development Office (909)

EXHIBIT A-2

Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2024

	Governmental Fund Type General Funds (0001) U/F (0001, 5187, 5188, 5189, 5190)	Federal Cares/ FFCRA Act (0325) U/F (0325)	Total (Exhibit I)
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 1,507,022,798.00	\$	\$ 1,507,022,798.00
Additional Appropriations	220,864.05		220,864.05
Federal Revenue	4,192,993.21	1,194,725.70	5,387,718.91
Interest, Dividend & Other Income	16,287.61		16,287.61
Total Revenues	<u>1,511,452,942.87</u>	<u>1,194,725.70</u>	<u>1,512,647,668.57</u>
EXPENDITURES			
Salaries and Wages	859,617.37		859,617.37
Payroll-Related Costs	232,063.42		232,063.42
Professional Fees and Services	5,330,303.11		5,330,303.11
Travel	15,572.28		15,572.28
Materials and Supplies	1,038.24		1,038.24
Communication and Utilities	(370,833.00)		(370,833.00)
Rentals and Leases	712,840.18		712,840.18
Other Expenditures	23,146.86		23,146.86
Debt Service-Principal-Leases/SBITA	351,213.75		351,213.75
Capital Outlay			
Total Expenditures/Expenses	<u>7,154,962.21</u>	<u>0.00</u>	<u>7,154,962.21</u>
Excess (Deficiency) of Revenues over (under)			
Expenditures	<u>1,504,297,980.66</u>	<u>1,194,725.70</u>	<u>1,505,492,706.36</u>
OTHER FINANCING SOURCES (USES)			
Transfers-In	1,253,761.70	14,607.89	1,268,369.59
Transfers-Out	(1,500,023,198.82)	(1,245,170.77)	(1,501,268,369.59)
Increase in Obligations - Leases/SBITA			
Total Other Financing Sources and Uses	<u>(1,498,769,437.12)</u>	<u>(1,230,562.88)</u>	<u>(1,500,000,000.00)</u>
Net Change in Fund Balances/Net Position	<u>5,528,543.54</u>	<u>(35,837.18)</u>	<u>5,492,706.36</u>
FUND FINANCIAL STATEMENT –			
FUND BALANCES			
Fund Balances – Beginning September 1, 2023	2,358,980.80		2,358,980.80
Restatements (Note 14)			
Fund Balances, September 1, 2023, as Restated	2,358,980.80	0.00	2,358,980.80
Fund Balances – August 31, 2024	<u>\$ 7,887,524.34</u>	<u>\$ (35,837.18)</u>	<u>\$ 7,851,687.16</u>

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

UNAUDITED
Texas Broadband Development Office (909)

EXHIBIT B-1

**Combined Balance Sheet/Statement of Net Position –
Special Revenue Funds**

August 31, 2024

	Texas Broadband Development Fund (0191) U/F (0191)	Total (Exhibit I)
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in State Treasury	\$ 1,382,627,675.23	\$ 1,382,627,675.23
Legislative Appropriations		
Total Current Assets	1,382,627,675.23	1,382,627,675.23
Total Assets	\$ 1,382,627,675.23	\$ 1,382,627,675.23
LIABILITIES		
Current Liabilities:		
Payables From:		
Accounts Payable	\$	\$
Payroll Payable		
Unearned Revenues		
Total Current Liabilities	0.00	0.00
Total Liabilities	0.00	0.00
FUND FINANCIAL STATEMENT		
Fund Balances (Deficits):		
Restricted	1,382,627,675.23	1,382,627,675.23
Unassigned		
Total Fund Balances	1,382,627,675.23	1,382,627,675.23
Total Liabilities and Fund Balances	\$ 1,382,627,675.23	\$ 1,382,627,675.23

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

UNAUDITED
Texas Broadband Development Office (909)

EXHIBIT B-2

Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities – Special Revenue Funds

For the Fiscal Year Ended August 31, 2024

	Texas Broadband Development Fund (0191) U/F (0191)	Total (Exhibit II)
REVENUES		
Taxes (GR)	\$	\$
Federal Revenue (PR - Operating or Capital)		
Federal Grant Pass-Through Revenue (GR)		
License, Fees & Permits (PR)		
Land Income (PR)		
Other Revenues (GR)		
Interest, Dividend & Other Income	37,827,675.23	37,827,675.23
Total Revenues	37,827,675.23	37,827,675.23
EXPENDITURES		
Salaries and Wages		
Payroll-Related Costs		
Professional Fees and Services		
Travel		
Materials and Supplies		
Communication and Utilities		
Rentals and Leases		
Other Expenditures		
Debt Service-Principal-Leases/SBITA		
Capital Outlay		
Total Expenditures/Expenses	0.00	0.00
Excess (Deficiency) of Revenues over (under)		
Expenditures	37,827,675.23	37,827,675.23
OTHER FINANCING SOURCES (USES)		
Transfers-In	2,769,800,000.00	2,769,800,000.00
Transfers-Out	(1,425,000,000.00)	(1,425,000,000.00)
Total Other Financing Sources and Uses	1,344,800,000.00	1,344,800,000.00
Net Change in Fund Balances/Net Position	1,382,627,675.23	1,382,627,675.23
FUND FINANCIAL STATEMENT – FUND BALANCES		
Fund Balances – Beginning September 1, 2023		
Restatements (Note 14)		
Fund Balances, September 1, 2023, as Restated	0.00	0.00
Fund Balances – August 31, 2024	\$ 1,382,627,675.23	\$ 1,382,627,675.23

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

SUPPLEMENTARY SCHEDULES

UNAUDITED
Texas Broadband Development Office (909)

SCHEDULE 1A

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended August 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name Identifying Number	Agy Univ No.	Pass-through From		Direct Program Amount	Total PT From and Direct Program Amount
				Agencies or Universities Amount	Non-State Entities Amount		
U.S. DEPARTMENT OF TREASURY							
Direct Programs:							
Covid-19-Coronavirus State and Local Fiscal Recovery Funds	21.027			\$	\$	\$ 481,885.52	\$ 481,885.52
Covid-19-Coronavirus State and Local Fiscal Recovery Funds	21.03					127,937.35	127,937.35
<i>Pass-Through To:</i>							
<i>Texas State Library and Archives Commission</i>							
Covid-19-Coronavirus State and Local Fiscal Recovery Funds	21.03					584,902.83	584,902.83
<i>Pass-Through To:</i>							
<i>Department of Agriculture</i>							
Totals – U.S. Department of Treasury				0.00	0.00	1,194,725.70	1,194,725.70
U.S. DEPARTMENT OF COMMERCE							
Direct Programs:							
State Digital Equity Planning and Capacity Grant	11.032			\$	\$	\$ 1,610,034.16	\$ 1,610,034.16
Broadband Equity, Access, and Deployment Program	11.035					2,582,959.05	2,582,959.05
Totals – U.S. Department of Commerce				0.00	0.00	2,582,959.05	2,582,959.05
Total Expenditures of Federal Awards				\$ 0.00	\$ 0.00	\$ 3,777,684.75	\$ 3,777,684.75

Concluded on the following page

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Texas Broadband Development Office (909)

Schedule 1A (concluded)

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended August 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Agy Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Agencies or Universities Amount	Non-State Entities Amount		
U.S. DEPARTMENT OF TREASURY					
Direct Programs:					
Covid-19-Coronavirus State and Local Fiscal Recovery Funds		\$	\$	\$ 481,885.52	\$ 481,885.52
Covid-19-Coronavirus State and Local Fiscal Recovery Funds					127,937.35
<i>Pass-Through To:</i>					
<i>Texas State Library and Archives Commission</i>	306	127,937.35			
Covid-19-Coronavirus State and Local Fiscal Recovery Funds					584,902.83
<i>Pass-Through To:</i>					
<i>Department of Agriculture</i>	551	584,902.83			
Totals – U.S. Department of Treasury		<u>712,840.18</u>	<u>0.00</u>	<u>481,885.52</u>	<u>1,194,725.70</u>
U.S. DEPARTMENT OF COMMERCE					
Direct Programs:					
State Digital Equity Planning and Capacity Grant		\$	\$	\$ 1,610,034.16	\$ 1,610,034.16
Broadband Equity, Access, and Deployment Program				2,582,959.05	2,582,959.05
Totals – U.S. Department of Commerce		<u>0.00</u>	<u>0.00</u>	<u>2,582,959.05</u>	<u>4,192,993.21</u>
Total Expenditures of Federal Awards		<u>\$ 712,840.18</u>	<u>\$ 0.00</u>	<u>\$ 3,064,844.57</u>	<u>\$ 5,387,718.91</u>



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